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PROCEEDINGS AND DEBATES OF THE 95th CONGRESS, FIRST SESSION

SENATE-Monday, April 4, 1977

(Legislative day of Monday, February 21, 1977)

The Senate met at 12:30 p.m., on the expiration of the recess, and was called to order by Hon. Howard M. Metzenbaum, a Senator from the State of Ohio.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Hear the words of the 53d chapter of Isaiah, the 6th verse:

All we like sheep have gone astray; we have turned everyone to his own way; and the Lord hath laid on him the iniquity of us all.—Isaiah 53: 6.

Let us pray.

Almighty God, may we enter this Holy Week with reverent meditation upon those mighty acts of redemption and new life. Amid the busy pace of daily duties help us to remember that He was wounded for our transgressions, He was bruised for our iniquities; the chastisement of our peace was upon Him; and with His stripes we are healed. Walking the way of the cross may we find it the way of life and peace.

Through Him who gave His life for

many, Amen.

APPOINTMENT OF ACTING PRESI-DENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,

PRESIDENT PRO TEMPORE, Washington, D.C., April 4, 1977.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. Howard M. METZENBAUM, a Senator from the State of Ohio, to perform the duties of the Chair during my absence.

James O. Eastland, President pro tempore.

Mr. METZENBAUM thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Friday, April 1, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

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COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMPILATION OF COMMITTEE MEMBERSHIPS

Mr. ROBERT C. BYRD. Mr. President, I have asked the Democratic Policy Committee to prepare a compilation of the committee memberships so as to indicate the service overlap among the committees. Such a compilation should be helpful to committee chairmen and members of the committees.

It seems to me that it would enable them perhaps to so schedule committee meetings from time to time as to avoid problems for committee members who want to attend but who find that two or more committees on which they serve are scheduled to meet at the same hour.

Just as an example, the Committee on Agriculture, Nutrition, and Forestry has on its committee four members who are also members of the Appropriations Committee; four members who are members of the Foreign Relations Committee; three members who are on the Budget Committee; three members who are on the Finance Committee; two members who are on the Commerce Committee; two members who are on the Judiciary Committee; two members on the Rules Committee; two on Veterans' Affairs; one on Armed Services; one on Banking; and one on Human Resources.

I think this compilation would be helpful for the chairmen and staff directors of the various committees to better arrange their committee schedules so as to meet at times that would avoid, to the extent possible, conflicts and overlaps among the committees.

I think this may be helpful until such time as the computerization of the committee schedules goes into effect in conformity with the requirements of the Stevenson resolution. The object is to avoid the situation in which several committees or subcommittees schedule meetings at the same hour, thus causing many Members to miss some meetings because of inability to be in two different places at once. As so often happens, one committee will find it impossible to muster a quorum because many of its members

are in attendance at committee meetings elsewhere.

Mr. President, I ask unanimous consent that this memorandum be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

(Service on other committees of Agriculture Committee Members)

Appropriations, 4, Huddleston, Leahy, Bellmon, Young.

Foreign Relations, 4, Clark, Humphrey, McGovern, Stone.

Budget, 3, Bellmon, Dole, Hayakawa. Finance, 3, Talmadge, Curtis, Dole. Commerce, 2, Melcher, Zorinsky. Judiciary, 2, Allen, Eastland. Rules, 2, Allen, Clark. Veterans, 2, Stone, Talmadge. Armed Services, 1, Helms. Banking, 1, Lugar. Human Resources, 1, Hayakawa.

COMMITTEE ON APPROPRIATIONS
(Service on Other Committees of Appropriations Committee Members)

Budget, 6, Chiles, Hollings, Johnston, Magnuson, Sasser, Bellmon.

Governmental Affairs, 6, Chiles, Eagleton, McClellan, Sasser, Mathias, Stevens.

Judiciary, 5, Bayh, Byrd, W. Va., DeConcini, McClellan, Mathias.

Agriculture, 4, Huddleston, Leahy, Bellmon, Young.

Commerce, 4, Hollings, Inouye, Magnuson, Stevens.

Energy, 3, Johnston, Hatfield, Weicker. Banking, 2, Proxmire, Brooke. Human Resources, 2, Eagleton, Schweiker. Rules, 2, Byrd, W. Va., Hatfield. Armed Services, 1, Stennis. Environment, 1, Burdick. Foreign Relations, 1, Case.

COMMITTEE ON ARMED SERVICES
(Service on Other Committees of Armed Services Committee Members)

Banking, 4, McIntyre, Morgan, Garn, Tower.

Energy, 3, Bumpers, Jackson, Bartlett.
Environment, 3, Anderson, Culver, Hart.
Judiciary, 3, Culver, Thurmond, Scott.
Commerce, 2, Cannon, Goldwater.
Governmental Affairs, 2, Jackson, Nunn.
Agriculture, 1, Helms.
Appropriations, 1, Stennis.
Budget, 1, Anderson.
Finance, 1, Byrd, Va.
Rules, 1, Cannon.
Veterans, 1, Thurmond.

COMMITTEE ON BANKING, HOUSING, AND TIRBAN AFFAIRS

(Service on Other Committees of Banking Committee Members)

Armed Services, 4, McIntyre, Morgan, Garn, Tower.

Commerce, 3, Riegle, Stevenson, Schmitt. Human Resources, 3, Cranston, Riegle, Wil-

Appropriations, 2, Proxmire, Brooke. Budget, 2, Cranston, Heinz. Foreign Relations, 2, Sarbanes, Sparkman. Agriculture, 1, Lugar. Governmental Affairs, 1, Heinz. Rules, 1, Williams. Veterans, 1, Cranston.

COMMITTEE ON THE BUDGET

(Service on Other Committees of Budget Committee Members)

Appropriations, 6, Chiles, Hollings, Johnston, Magnuson, Sasser, Belmon. Energy, 4, Abourezk, Johnston, Domenici,

McClure. Environment, 4, Anderson, Muskie, Do-

menici. McClure.

Governmental Affairs, 4, Chiles, Muskie, Sasser, Heinz.

Agriculture, 3, Bellmon, Dole, Hayakawa. Banking, 2, Cranston, Heinz. Commerce, 2, Hollings, Magnuson. Human Resources, 2, Cranston, Hayakawa. Judiciary, 2, Abourezk, Biden. Armed Services, 1, Anderson. Finance, 1, Dole. Foreign Relations, 1, Biden. Veterans, 1, Cranston.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

(Service on Other Committees of Commerce Committee Members)

Appropriations, 4, Hollings, Inouye, Magnuson, Stevens.

Banking, 3, Riegle, Stevenson, Schmitt. Finance, 3, Long, Danforth, Packwood. Agriculture, 2, Melcher, Zorinsky. Armed Services, 2, Cannon, Goldwater. Budget, 2, Hollings, Magnuson. Energy, 2, Durkin, Ford. Foreign Relations, 2, Griffin, Pearson. Governmental Affairs, 2, Danforth, Stevens. Rules, 2, Cannon, Griffin. Human Resources, 1, Riegle. Veterans, 1, Durkin.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

(Service on Other Committees of Energy Committee Members) Budget, 4, Abourezk, Johnston, Domenici,

McClure. Finance, 4, Haskell, Matsunaga, Hansen,

Laxalt. Appropriations, 3, Johnston, Hatfield,

Weicker. Services, 3, Bumpers, Jackson, Armed

Bartlett. Judiciary, 2, Abourezk, Metzenbaum.
Veterans, 3, Durkin, Matsunaga, Hansen.
Commerce, 2, Durkin, Ford.
Environment, 2, Domenici, McClure.

Governmental Affairs, 2, Jackson, Metcalf. Foreign Relations, 1, Church. Rules, 1, Hatfield.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

(Service on Other Committees of Environment Committee Members) Budget, 4, Anderson, Muskie, Domenici, McClure. Armed Services, 3, Anderson, Culver, Hart.

Finance, 3, Bentsen, Gravel, Moynihan. Human Resources, 3, Randolph, Chafee, Stafford.

Energy, 2, McClure, Domenici. Judiciary, 2, Culver, Wallop. Veterans, 2, Randolph, Stafford. Appropriations, 1, Burdick. Foreign Relations, 1, Baker. Governmental Affairs, 1, Muskie. Rules and Administration, 1. Baker.

COMMITTEE ON FINANCE

(Service on Other Committees of Finance Committee Members)

Energy, 4, Haskell, Matsunaga, Hansen, Laxalt.

Agriculture, 3, Talmadge, Curtis, Dole. Commerce: 3, Long, Danforth, Packwood. Environment 3, Bentsen, Gravel, Moynihan. Governmental Affairs, 3, Ribicoff, Danforth,

Veterans, 3, Matsunaga, Talmadge, Hansen. Human Resources, 2, Hathaway, Nelson. Armed Services, 1, Byrd (Va.). Budget, 1, Dole. Judiciary, 1, Laxalt.

COMMITTEE ON FOREIGN RELATIONS (Service on Other Committees of Foreign Relations Committee Members)

Agriculture, 4, Clark, Humphrey, Mc-Govern, Stone.

Rules, 4, Clark, Pell, Baker, Griffin. Governmental Affairs, 3, Glenn, Javits, Percy.

Banking, 2, Sarbanes, Sparkman. Commerce, 2, Griffin, Pearson. Human Resources, 2, Pell, Javits. Appropriations, 1, Case. Budget, 1, Biden. Energy, 1, Church. Environment, 1, Baker. Judiciary, 1, Biden. Veterans' Affairs, 1, Stone.

COMMITTEE ON GOVERNMENTAL AFFAIRS (Service on Other Committees of Governmental Affairs Committee Members)

Appropriations, 6, Chiles, Eagleton, Mc-Clellan, Sasser, Mathias, Stevens. Budget, 4, Chiles, Muskie, Sasser, Heinz. Finance, 3, Ribicoff, Danforth, Roth. Foreign Relations, 3, Glenn, Javits, Percy. Armed Services, 2, Jackson, Nunn. Commerce, 2, Danforth, Stevens. Energy, 2, Jackson, Metcalf. Human Resources, 2, Eagleton, Javits. Judiciary, 2, McClellan, Mathias. Banking, 1, Heinz. Environment, 1, Muskie.

COMMITTEE ON HUMAN RESOURCES (Services on Other Committees of Human Resources Committee Members)

Banking, 3, Cranston, Riegle, Williams. Environment, 3, Randolph, Chafee, Staf-

Veterans, 3, Cranston, Randolph, Stafford. Appropriations, 2, Eagleton, Schweiker. Budget, 2, Cranston, Hayakawa. Finance, 2, Hathaway, Nelson. Foreign Relations, 2, Pell, Javits.
Governmental Affairs, 2, Eagleton, Javits.
Judiciary, 2, Kennedy, Hatch.
Rules, 2, Pell, Williams.
Agriculture, 1, Hayakawa.
Commerce, 1, Riegle.

COMMITTEE ON THE JUDICIARY (Service on Other Committees of Judiciary Committee Members)

Appropriations, 5, Bayh, Byrd, W. Va., De-Concini, McClellan, Mathias.

Armed Services, 3, Culver, Scott, Thurmond

Energy, 3, Abourezk, Metzenbaum, Laxalt. Agriculture, 2, Allen, Eastland. Budget, 2, Abourezk, Biden. Environment, 2, Culver, Wallop. Governmental Affairs, 2,

Affairs, 2, McClellan. Mathias.

Human Resources, 2, Kennedy, Hatch. Rules, 2, Allen, Byrd, W. Va. Finance, 1, Laxalt. Foreign Relations, 1, Biden. Veterans' Affairs, 1, Thurmond.

COMMITTEE ON RULES AND ADMINISTRATION (Service on Other Committees of Rules Committee Members)

Foreign Relations, 4, Clark, Pell, Baker, Griffin.

Agriculture, 2, Allen, Clark. Appropriations, 2, Byrd, W. Va., Hatfield. Commerce, 2, Cannon, Griffin. Human Resources, 2, Pell, Williams. Judiciary, 2, Allen, Byrd, W. Va. Armed Services, 1, Cannon. Banking, 1, Williams. Energy, 1, Hatfield. Environment, 1, Baker.

COMMITTEE ON VETERANS' AFFAIRS (Service on Other Committees of Veterans' Affairs Committee Members)

Energy, 3, Durkin, Matsunaga, Hansen. Finance, 3, Matsunaga, Talmadge, Hansen. Human Resources, 3, Cranston, Randolph, Stafford.

Agriculture, 2, Stone, Talmadge. Environment, 2, Randolph, Stafford. Armed Services, 1, Thurmond. Banking, 1, Cranston. Budget, 1, Cranston. Commerce, 1, Durkin. Foreign Relations, 1, Stone. Judiciary, 1, Thurmond.

ANNOUNCEMENT OF 4 P.M. CONVEN-ING TIME ON CERTAIN DAYS DURING MAY

Mr. ROBERT C. BYRD. Mr. President, at this time, I wish to announce in advance, so as to give committees ample opportunity in which to take advantage of it, days on which the Senate will not be coming in until 4 p.m. during the month of May.

ORDER TO CONVENE ON TUESDAY, MAY 3, 1977, AT 4 P.M.

Mr. President, I ask unanimous consent that when the Senate convenes on Tuesday, May 3, it convene at the hour of 4 p.m.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. ORDER TO CONVENE ON THURSDAY, MAY 5, 1977, AT 4 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate convenes on Thursday, May 5, it convene at the hour of 4 p.m.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. ORDER TO CONVENE ON TUESDAY, MAY 10, 1977, AT 4 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate convenes on Tuesday, May 10, it convene at the hour of 4 p.m.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. ORDER TO CONVENE ON THURSDAY, MAY 12, 1977, AT 4 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate convenes on Thursday, May 12, it convene at the hour of 4 p.m.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PURPOSE

Mr. ROBERT C. BYRD. Mr. President, this will give committees and staffs ample notice of those days, which we can now foresee, on which the Senate will convene at 4 o'clock in the afternoon, thus giving all committees virtually an entire day on those dates for markup of bills without interruptions from the floor.

Under the Stevenson resolution, they are allowed to meet 2 hours after the Senate comes in without consent. This would mean that on Tuesday and on Thursday, May 3 and May 5, respectively, and Tuesday and on Thursday, May 10 and May 12, respectively, committees can be assured that they can have virtually a full day of meetings without interruptions from the floor.

I think it is very important—in view of the budget deadline of May 15 on which, in accordance with the Budget Reform Act, committees must have reported certain types of authorizing measures—that committees have as much time in the early part of May as possible, and also in April, in which to prepare measures so as to meet the May 15 deadline.

I also think that prior to May 15, on most of the days—even aside from those dates on which the Senate will be coming in at 4 p.m.—committees can pretty well count on morning sessions. There will also be other days prior to May 15, which I cannot announce at the moment, when the Senate will come in subsequent to the hour of 12 p.m. Committees will, hopefully, be able to take advantage of the hours when the Senate is not in session so as to hold uninterrupted markups and, in some cases, hearings.

For the record, Mr. President, through tomorrow, April 5, the Senate will have been in session 50 days this year. Of those 50 sessions, the Senate has met prior to 12 o'clock noon on only 16 occasions. On 34 of the 50 days, the Senate will have met at no earlier than 12 o'clock noon—in at least 22 instances, subsequent to 12 o'clock noon.

The leadership has felt that the committees should be accommodated as much as possible, and for this reason I have tried to avoid coming in prior to 12 o'clock noon, whenever possible during January, February, and March of this year.

- Mr. President, I ask unanimous consent to have printed in the RECORD a breakdown of the convening times at which the Senate has met during those 50 days of the session.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONVENING HOURS—THROUGH APRIL 5, 1977 DAYS IN SESSION—50

Convening times:

9:15 a.m., 1 day; 9:30 a.m., 2 days; 9:45

a.m., 2 days; 10:00 a.m., 4 days; 10:15 a.m., 1 day; 10:30 a.m., 2 days; 11:00 a.m., 4 days; 12 n., 12 days; 12:30 p.m., 1 day; 1:30 p.m., 1 day; 1:45 p.m., 1 day; 2:00 p.m., 5 days; 3:00 p.m., 2 days; 4:00 p.m., 2 days; 8:00 p.m., 1 day.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield the floor.

I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, I yield back the time of the minority leader. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, two budget waiver resolutions are at the desk: Senate Resolution 127, which is a budget waiver resolution on S. 36, and Senate Resolution 129, which is a budget waiver resolution on S. 266. It is my understanding that these waiver resolutions have been cleared.

WAIVER OF THE CONGRESSIONAL BUDGET ACT WITH RESPECT TO THE CONSIDERATION OF S. 36

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Resolution 127 at this time.

The ACTING PRESIDENT pro tempore. The resolution will be stated by title

The legislative clerk read as follows:

A resolution (S. Res. 127) waiving section 402(a) of the Congressional Budget and Impoundment Control Act of 1974 with respect to the consideration of S. 36, a bill to authorize appropriations for nonnuclear energy research, development, and demonstration programs conducted by the Energy Research and Development Administration.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution (S. Res. 127) was considered and agreed to, as follows:

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 36, a bill to authorize appropriations to the Energy Research and Development Administration for fiscal year 1977 for the pur-pose of research and development of new forms of energy, energy conservation techniques, and conversion of energy. Such waiver is necessary to permit consideration of the Energy Research and Development Administration authorization for fiscal year 1977, which was reported by the Committee on Energy and Natural Resources prior to May 15, 1976, but which failed to become law during the last session of Congress. If consideration of S. 36 is prevented, the Energy Research and Development Admin-

istration will be unable to reprogram above amounts contained in relevant appropriations bilis; will be unable to initiate, with specific congressional direction, the National Energy Extension Service for which appropriations have already been made; and will be unable to initiate, with specific congressional direction, certain solar energy projects. In addition, certain other provisions relating to a small grants program for appropriate technology, measures dealing with employee and organizational conflicts of interest will not be authorized without passage of S. 36.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

WAIVER OF CONGRESSIONAL BUDG-ET ACT WITH RESPECT TO CON-SIDERATION OF S. 266

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Resolution 129, which is the budget waiver resolution on S. 266.

The ACTING PRESIDENT pro tempore. The resolution will be stated by title.

The legislative clerk read as follows: A resolution (S. Res. 129) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 266.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution (S. Res. 129) was considered and agreed to, as follows:

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 266, a bill to authorize appropriations for fiscal year 1977 to the Energy Research and Development Administration. Such waiver is necessary to extend a program of the Energy Research and Development Administration, and increase the authorization for the program to allow completion of remedial action concerning a potential health hazard caused by the use of sand containing uranium mill tailings for the construction of buildings, in the Grand Junction, Colorado area.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Oklahoma (Mr. Bartlett) is recognized for not to exceed 15 minutes.

THE B-1 BOMBER

Mr. BARTLETT. Mr. President, after 23 years of analysis, planning, and testing, the U.S. Air Force has now begun procurement of an intercontinental bomber—the B-1 bomber—which will ultimately replace our aging B-52 Strato-

fortress. Despite much study and long delay, however, the Carter administration has decided that further study and further delay are in order. Secretary of Defense Harold Brown has proposed that the authorization for B-1 production be cut from eight aircraft to five aircraft in order to reduce the defense budget for fiscal year 1978 by \$280 million. Secretary Brown justified the reduced production rate on the grounds that further examination of the requirement for the B-1 bomber may result in modifications to production aircraft, reduction in the number of planes purchased, or even cancellation of the entire B-1 bomber force. A decision by President Carter is expected in May, but one thing is clear. Continued delay in the B-1 program only drives the costs of production upward.

The major issues surrounding the B-1 bomber are no longer to be found in the realm of Research and Development on the B-1 aircraft itself. Despite intense controversy and criticism, the B-1 advanced strategic bomber has emerged from the development phase fully capable of performing the missions assigned to it in the 1980's and beyond. While its high altitude, high speed capability forces the Soviet Union to retain extensive air defenses, its automatic terrain-following radar and low radar cross-section permit the B-1 bomber to penetrate enemy air space at low altitude to avoid detection.

If discovered, the B-1 can destroy enemy surface-to-air missile sites with its short range attack missiles-SRAM-or escape by using its high speed and sophisticated electronic countermeasures. Furthermore, the B-1 bomber is far less vulnerable to a surprise nuclear attack than the older B-52 because it is easier to disperse, withstands greater nuclear heat and blast effects, and escapes from smaller runways faster. Soviet submarine launched ballistic missiles, even when fired at low trajectories in order to reduce warning time, will have great difficulty destroying a B-1 as it leaves its bomber base headed toward the Soviet Union. With its advanced technology and its ability to carry a greater weapons load over intercontinental distances with more accuracy than either the B-52 or the FB-111. the B-1 bomber has proved itself ready for production. Further funding for research and development is now oriented toward refining the system and taking advantage of the growth potential inherent in this, the world's finest strategic bomber.

The B-1 bomber is ready now, and it is already in production. Through fiscal year 1977, Congress has appropriated over \$4 billion for the B-1 program including over \$1 billion for procurement. Last year Congress appropriated funds the first three production aircraft, and the Ford administration originally requested \$11/2 billion this year for eight aircraft. Even at normal production rates, however, the B-1 will reach initial operational capability only in 1982 with most of the force available later in the eighties. Nevertheless, President Carter feels compelled to lower the production rate in order to study alternatives to our present B-1

program-options which have all been studied before.

None of the alternatives to the continued production of the B-1 bomber would be available any sooner, and none has proved more cost effective. The proposed B-52X would require at least 10 years of development in order to equip our old B-52 airframes with the new super critical wing now in advanced development, new turbofan engines, new avionics and a low-altitude ride control feature. A simpler modification—the B-52I-would merely replace the engines on the older B-52's and could be available as early as 1985, 3 years after the first B-1 bomber is operational. These programs to modernize the B-52 would result in a less capable aircraft available at a later date and would require a reduction in the size of our strategic bomber fleet while modifications were being made.

Because the FB-111, formerly the TFX, is no longer in production and has limited range, payload, and growth capability, few people continue to suggest it as an alternative to the B-1. However, a new bomber could be designed, perhaps based on one of the concepts rejected in the original advanced manned strategic aircraft competition. Assuming that this new bomber did not suffer the delays and political opposition that have faced the B-1, it still would not be available in any number until the 1990's. Such a new bomber would require R. & D. expenditures beyond the \$3.5 billion spent for the B-1 already.

The air launched cruise missile-ALCM-promises to add to the effectiveness of the B-1 bomber. For this reason, some opponents of the B-1 have suggested that the ALCM itself could substitute for the penetrating bomber. According to a popular view, wide-bodied transports could launch cruise missiles while standing off the coast of the Soviet Union. Whether these modern day dirigibles could survive the onslaught of Soviet long range interceptors, much less escape from their bases before a nuclear attack, is questionable. The number of targets in the Soviet Union which they could reach would be limited by the range of their cruise missiles. Also, present and planned cruise missiles cannot conduct reconnaissance, carry heavy megatonnage, attack extremely hard targets or targets which are difficult to locate precisely, avoid unexpected enemy defenses, or perform many of the other functions of the manned penetrating bomber. Furthermore, even a crash program to select and modify a wide-bodied commercial airliner would not make this alternative operational before the B-1 bomber. The cost effectiveness of a widebodied ALCM carrier, suggested by last year's Brookings pamphlet, is not supported either by the joint strategic bomber study prepared by the Department of Defense nor by a more recent study published at Georgetown University's Center for Strategic and International Studies.

There is no real alternative to the B-1 bomber now. Its production permits the United States to maintain military parity even if the Soviets continue their present buildup. Taking advantage of recent im-

provements in guided weapons and nonnuclear munitions, the B-1 will greatly enhance our conventional deterrence. But, above all, it will insure strategic nuclear deterrence. The B-1 bomber strengthens the strategic triad by preventing the Soviet Union from concentrating its efforts against our land- and sea-based missiles and provides a backup if technological breakthroughs should endanger those forces. The B-1 force will be less expensive than our missile launching submarine fleet and will probably be less vulnerable in the 1980s than our Minuteman ICBMs. While the B-1 bomber will give our own President greater flexibility in deterring Soviet threatsconventional as well as nuclear, it compels the Soviet Union to continue deployment of an air defense system larger than the entire U.S. Air Force.

Before implementing any delays in the B-1 bomber program, President Carter should remember that by contributing to a stable nuclear balance the B-1 bomber is a powerful tool for arms control. The slow speed of the manned bomber signals the Soviets that we do not seek a disarming first strike, but its heavy payload assures massive retaliation if the Soviet Union should attack the United States. Even today, 52 percent of the equivalent megatonnage-EMT-deliverable by our strategic nuclear forces is carried on manned bombers-bombers which can return and attack again if necessary.

Mr. President, I am finished with my remarks. I yield the floor.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 5 minutes.

Is there morning business? Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President. ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President. the distinguished chairman of the Committee on Armed Services (Mr. STENNIS) has written to me asking permission for the Armed Services subcommittees as follows to meet at the times designated. I have cleared this with the other side of the aisle.

I ask unanimous consent that the following subcommittees be authorized to meet at 10 a.m. on Wednesday: The Military Construction and Stockpile Subcommittee; the Research and Development Subcommittee; and that those two same subcommittees be authorized to meet at 2 p.m. on Wednesday; and that

on Thursday the Research and Development Subcommittee be authorized to meet at 10 a.m.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. Mr. ROBERT C. BYRD. Mr. President,

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Melcher). Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON THE FOOTWEAR INDUS-TRY—MESSAGE FROM THE PRESI-DENT RECEIVED DURING THE ADJOURNMENT—PM 62

Under authority of the order of April 1, 1977, the following message was received on April 1 during the adjournment of the Senate and referred to the Committee on Finance:

To the Congress of the United States:
In accordance with Section 203(b) (1)
of the Trade Act of 1974, enclosed is a
report to the Congress setting forth the
action that I am taking pursuant to that
section with respect to import relief for
the U.S. non-rubber footwear industry,
and explaining the reasons for my decision.

JIMMY CARTER. THE WHITE HOUSE, April 1, 1977.

DEFERRALS ON ENERGY RESEARCH AND DEVELOPMENT ADMINISTRA-TION FUNDS—MESSAGE FROM THE PRESIDENT—PM 63

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred jointly to the Committees on Appropriations, the Budget, Commerce, Science, and Transportation, and Energy and Natural Resources:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report two new deferrals of Energy Research and Development Administration funds totaling \$127.2 million. The deferrals have no effect on budgetary outlays for fiscal year 1977 or subsequent years. In addition, I am reporting a revision to a previously transmitted Department of Commerce deferral.

The details of each deferral are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, April 4, 1977.

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 12:35 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its clerks, announced that the Speaker has signed the following enrolled bill:

S. 626. An act to reestablish the period within which the President may transmit to the Congress plans for the reorganization of agencies of the executive branch of the Government, and for other purposes.

The enrolled bill was subsequently signed by the Deputy President pro tempore (Mr. Humphrey).

At 2:23 p.m., a message from the House of Representatives, delivered by Mr. Berry, announced that the House has passed the bill (H.R. 1828) relating to the effective date for the changes made by the Tax Reform Act of 1976 to the exclusion for sick pay, in which it requests the concurrence of the Senate.

The message also announced that the House has passed the bill (S. 1025) to amend the Securities Exchange Act of 1934 to increase the amount authorized to be appropriated for the Securities and Exchange Commission for fiscal year

1977, without amendment.

The message further announced that the House disagrees to the amendments of the Senate to the bill (H.R. 4877) making supplemental appropriations for the fiscal year ending September 30, 1977, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Mahon, Mr. Whitten, Mr. Boland, Mr. Natcher, Mr. Flood, Mr. Steed, Mr. Shipley, Mr. Slack, Mr. McFall, Mr. Long of Maryland, Mr. Yates, Mr. McKay, Mr. Bevill, Mr. Cederberg, Mr. Michel, Mr. McDade, Mr. Andrews of North Dakota, Mr. Edwards of Alabama, and Mr. Coughlin were appointed managers of the conference on the part of the House.

At 3:30 p.m., a message from the House of Representatives, delivered by Mr. Berry, announced that the House has passed the bill (S. 925) to provide temporary authorities to the Secretary of the Interior to facilitate emergency actions to mitigate the impacts of the 1976–77 drought, with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House has passed the bill (H.R. 5306) to amend the Land and Water Conservation Fund Act of 1965, and for other purposes, in which it requests the concurrence of the Senate.

The message further announced that the House has agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4800) to extend the Emergency Unemployment Compensation Act of 1974 for an additional year, to revise the trigger provisions in such act, and for other purposes.

COMMUNICATIONS FROM EXECU-TIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated:

EC-1033. A letter from the General Counsel of the General Accounting Office transmitting, pursuant to law, a report of the release of budget authority concerning nine rescissions contained in the President's seventh special message for fiscal year 1977: jointly, pursuant to the order of January 30, 1975, to the Committees on Appropriations, the Budget, Commerce, Science, and Transportation, Armed Services, Foreign Relations, and Energy and Natural Resources, and ordered to be printed.

EC-1034. A letter from the Chairman of the Administrative Conference of the United States transmitting, pursuant to law, comments upon the proposed rules of practice of the Interstate Commerce Commission respecting matters involving common carriers by railroad (with an accompanying report); to the Committee on Commerce, Science, and

Transportation.

EC-1035. A letter from the Vice President for Government Affairs of the National Railroad Passenger Corporation transmitting, pursuant to law, a report of revenues and expenses for each train for the month of December 1976 (with an accompanying report); to the Committee on Commerce, Science, and Transportation.

EC-1036. A letter from the Administrator of the Federal Energy Administration transmitting a draft of proposed legislation to amend the Federal Energy Administration Act of 1974, the Energy Policy and Conservation Act, and the Energy Policy and Conservation Act to provide for authorizations of appropriations to the Federal Energy Administration (with accompanying papers); to the Committee on Energy and Natural Resources.

EC-1037. A letter from the Secretary of the Interior transmitting, pursuant to law, the sixth annual report on the operation of the Colorado River describing the actual operation during water year 1976, and a projected plan of operation for water year 1977 for the reservoirs in the Colorado River Basin (with an accompanying report); to the Committee on Energy and Natural Resources.

EC-1038. A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law the annual report on the Weatherization Assistance Program (with an accompanying report); to the Committee on Energy and Natural Resources.

EC-1039. A letter from the Governor of Michigan, State Cochairman of the Upper Great Lakes Regional Commission, transmitting, pursuant to law, the annual report of the Upper Great Lakes Regional Commission for 1976 (with an accompanying report); to the Committee on Environment and Public Works.

EC-1040. A letter from the Acting Administrator of the General Services administration transmitting, pursuant to law, a report of the Building Project Survey for Chattanoga, Tennessee (with an accompanying report); to the Committee on Environment and Public Works.

EC-1041. A letter from the Secretary of Housing and Urban Development transmitting a draft of proposed legislation to amend the Disaster Relief Act of 1974 to provide for authorization of appropriations thereunder through fiscal year 1978 (with accompanying papers); to the Committee on Environment and Public Works.

and Public Works.

EC-1042. A letter from the Director of the Tennessee Valley Authority transmitting, pursuant to law, the annual report of the TVA for activities during the fiscal year beginning July 1, 1975, and ending June 30, 1976, and the transition quarter (with an accompanying report); to the Committee on Environment and Public Works.

EC-1043. A letter from the Chairman of the United States International Trade Commission transmitting, pursuant to law, the ninth quarterly report on trade between the United States and the non-market economy countries (with an accompanying report); to the Committee on Finance.

EC-1044. A confidential communication from the Comptroller General of the United States transmitting, pursuant to law, a report on the status of the Army's Copperhead and the Navy's 5-inch and 8-inch guided projectile programs (PSAD-77-26, April 1, 1977); to the Committee on Governmental Affairs.

EC-1045. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Audit of the Minority Printing Clerk, House of Representatives, Fiscal Years ended September 30, 1974, 1975, and 1976" (GGD-77-41, March 81, 1977) (with an accompanying report); to the Committee on Governmental Affairs.

EC-1046. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Audit of the Majority Printing Clerk, House of Representatives, Fiscal Years ended August 31, 1974, 1975, and 1976" (GGD-77-42, March 31, 1977) (with an accompanying report); to the Committee on Governmental Affairs.

EC-1047. A letter from the Secretary of Housing and Urban Development transmitting, pursuant to law, two reports of the Department's intention to: (1) alter an existing system of personal records and (2) establish a new system of personal records, in accordance with the Privacy Act (with an accompanying report); to the Committee on Governmental Affairs.

EC-1048. A letter from the Comptroller

EC-1048. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Status of the F-16 Aircraft Program" (PSAD-77-41, April 1, 1977) (with an accompanying report); to the Committee on Governmental Affairs.

EC-1049. A letter from the Attorney General transmitting a draft of proposed legislation to amend the Juvenile Justice and Delinquency Prevention Act of 1974, and for other purposes (with accompanying papers); to the Committee on the Judiciary.

EC-1050. A letter from the Attorney General transmitting a draft of proposed legislation to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 801 et. seq.) to extend for two fiscal years the appropriation authorizations for the administration and enforcement of that Act (with accompanying papers); to the Committee on the Judiciary.

EC-1051. A letter from the Deputy Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report that the appropriation to the Department of the Treasury for salaries and expenses of the United States Customs Service for the fiscal year 1977 has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations

Committee on Appropriations.

EC-1052. A letter from the Deputy Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report that the appropriation to the Department of the

Treasury for salaries and expenses of the United States Secret Service for the fiscal year 1977 has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations.

EC-1053. A letter from the Deputy Assistant Secretary of Defense transmitting, pursuant to law, the annual report concerning the administration of Officer Responsibility Pay for the calendar year 1976; to the Committee on Armed Services.

EC-1054. A letter from the Deputy Assistant Secretary of Defense, Installations and Housing, transmitting, pursuant to law, notice of six construction projects to be undertaken by the Naval and Marine Corps Reserve (with an accompanying report); to the Committee on Armed Services.

EC-1055. A letter from the Secretary of Housing and Urban Development transmitting, pursuant to law, a report of findings and recommendations concerning Community Development Block Grant fund allocation formula change (with accompanying papers); to the Committee on Banking, Housing, and Urban Affairs.

EC-1056. A letter from the Acting Assistant Secretary of the Interior transmitting, pursuant to law, notice of the receipt of project proposals under the provisions of the Small Reclamation Projects Act of 1956; to the Committee on Energy and Natural Resources.

Committee on Energy and Natural Resources. EC-1057. A letter from the Secretary of Agriculture transmitting, pursuant to law, the annual report for 1976 of animal welfare enforcement (with an accompanying report); to the Committee on Environment and Public Works.

EC-1058. A letter from the Assistant Legal Adviser for Treaty Affairs of the Department of State transmitting, pursuant to law, international agreements other than treaties entered into by the United States within the past sixty days (with accompanying papers); to the Committee on Foreign Relations.

EC-1059. A letter from the Administrator of the Agency for International Development of the Department of State transmitting, pursuant to law, a report régarding activities carried out under Title XII of the Foreign Assistance Act of 1961 (with an accompanying report); to the Committee on Foreign Relations.

EV-1060. A letter from the Mayor of the District of Columbia transmitting, pursuant to law, his response to the Comptroller General's report (FGMASD-76-75), relating to the District of Columbia Government's accounting controls over undelivered checks and the adequacy of internal controls established to prevent duplicate payments (with an accompanying report); to the Committee on Governmental Affairs.

EC-1061. A letter from the Acting Administrator of the General Services Administration transmitting, pursuant to law, a report on a proposed Presidential archival depository to house the John Fitzgerald Kennedy Library (with an accompanying report); to the Committee on Governmental Affairs.

EC-1062. A letter from the Acting Assistant Secretary for Education transmitting, pursuant to law, the annual report of the activities of the Advisory Council on Education Statistics (with an accompanying report): to the Committee on Human Resources

EC-1063. A letter from the Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law, a copy of the document "Final Regulation for Research projects in vocational education" which has been transmitted to the Federal Register (with accompanying papers); to the Committee on Human Resources.

EC-1064. A letter from the Acting Administrator of the American Revolution Bicentennial Administration transmitting, pur-

suant to law, the Fourth Report of the American Revolution Bicentennial Board for the period June 1976 through December 1976 (with an accompanying report); to the Committee on the Judiciary.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions which were referred as indicated:

POM-117. Resolution No. 77-10 adopted by the Council of the City of Seward, Alaska supporting Alaska State Senate Joint Resolution No. 15 relating to the proposed Trans-Alaska Gas Pipeline; to the Committee on Energy and Natural Resources.

POM-118. House Joint Resolution No. 206 adopted by the General Assembly of the Commonwealth of Virginia memorializing Congress to create and implement a national coal policy fostering maximum usage and development of coal resources within the United States; to the Committee on Energy and Natural Resources;

"House Joint Resolution No. 206

"Whereas, the United States is importing petroleum valued at approximately thirtysix billion dollars per year while experiencing the accompanying devastating effects on the balance of payments, the job market and national economy in general; and

"Whereas, the import payments for petroleum will continue to increase because of international pricing increases as well as the increase in total volume required by the expanding economy in the United States;

"Whereas, in the production of electrical energy, coal and nuclear energy appear to be the main source of power for the new generation capacity in the future; and

"Whereas, the current environmental problems of nuclear energy as perceived by the public have slowed the growth rate of this technology substantially; and

"Whereas, coal must be able to make a more significant contribution to electrical generation than what was projected originally in order to compensate for the shortfall of growth and nuclear power and increasing dependence upon foreign oil; now, therefore, be it

"Resolved by the House of Delegates, the Senate concurring, That Congress is hereby memorialized to create and implement a national coal policy fostering maximum development and utilization of coal resources in the United States while addressing the areas of liquefaction and gasification, direct combustion, development and transportation, exploration and mapping and expanded markets; and, be it

"Resolved further, That the Clerk of the House of Delegates is directed to send copies of this Resolution to the Speaker of the United States House of Representatives, the President of the United States Senate and the members of the delegation to the Congress of the United States of this Commonwealth in order that they may be apprised of the sense of this Body."

POM-119. House Joint Resolution No. 264 adopted by the General Assembly of the Commonwealth of Virginia encouraging the United States Department of Transportation to enforce adequate tanker safety standards; to the Committee on Commerce, Science, and Transportation:

"House Joint Resolution No. 264

"Whereas, The Ports and Waterways Safety Act of nineteen hundred seventy-two charges the United States Department of Transportation, through the United States Coast Guard, an agency of the Department of Transportation, with developing adequate safeguards for all oil tankers entering Amer-

ican waters and prohibiting the entry of those foreign vessels which do not comply

with tanker regulations; and

"Whereas, the wreck of the sub-standard Liberian tanker, Argo-Merchant, and recent oil spills in United States coastal waters involving vessels flying flags of convenience have graphically demonstrated the danger to life, property and the environment fostered by a failure to develop and enforce adequate tanker standards as is required by law; and

"Whereas, the great ports of Virginia and the Chesapeake Bay, and other waterways of the Commonwealth, are constantly used by foreign oil tankers; and

"Whereas, federal legislation preempts the Commonwealth's ability to enact legislation to protect Virginia life, property and the environment from the danger created by the use of sub-standard foreign tankers in Virginia

waters; now, therefore, be it "Resolved by the House of Delegates, the Senate concurring, That the United States Department of Transportation is encouraged to fulfill its responsibilities under The Ports and Waterways Safety Act of nineteen hundred seventy-two and that federal officials are hereby called upon to be certain that such responsibilities are fulfilled in the future as is required by law.

"Resolved further, That the Clerk of the House of Delegates, is directed to send copies of this Resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, the Secretary of the Department of Transportation, and the members of the delegation to the Congress of the United States of this Commonwealth in order that they may be apprised of the sense of this Body.

POM-120. Senate Joint Memorial 106 adopted by the Legislature of the State of Idaho recommending the reconsideration of the proposal of the development of a highway by the U.S. Forest Service for the Burgdorf Hot Springs area; to the Committee on Energy and Natural Resources:

SENATE JOINT MEMORIAL No. 106

"Whereas, the Burgdorf Hot Springs is an area in Idaho which has unique and continuing historical character; and

Whereas, this is an area enjoyed by many generations of Idahoans since it was originally developed over a hundred years ago; and

Whereas, Burgdorf Hot Springs is on the National Register of Historic Places and is a portion of Idaho heritage worthy of protection and preservation; and

"Whereas, there is now pending a plan by the U.S. Forest Service to undertake construction of a two-lane highway through the Burgdorf townsite; and

Whereas, inadequate recognition given by the Forest Service to the unique character of the Burgdorf area in the planning stages of the highway project; and

Whereas, there is an alternative route which would prudently accomplish the same purpose with no direct adverse impact upon

the character of Burgdorf; and

"Whereas, no consideration has been given in the development of the proposal to the potential impact upon Burgdorf including the increased traffic through the area which could affect the authentic nature of the area and result in actual physical destruction of valuable natural features

"Now, therefore, be it resolved by the members of the First Regular Session of the Forty-fourth Idaho Legislature, the Senate and the House of Representatives concurring therein, that we find and declare that there is considerable evidence to indicate that the development of the highway as now planned by the U.S. Forest Service will adversely impact the Burgdorf Hot Springs area, and that we respectfully urge and recommend recon-sideration of this proposal. The citizens of the State of Idaho deserve the right to the continued enjoyment of their historical heritage and traditions. We find that in view of the existence of an alternative route with no impact on the Burgdorf townsite, the continuation of the present proposal is not in the interests of the people of the State of Tdaho

"Be it further resolved that the Secretary of the Senate be, and she is hereby authorized and directed to forward copies of this Memorial to the Honorable President of the United States, the Secretary of the Department of Agriculture, the Office of the Regional Forester, the Payette National Forest Supervisor, the President of the Senate and the Speaker of the House of Representatives of Congress, and the honorable congressional delegation representing the State of Idaho in the Congress of the United States." POM-121. House Joint Memorial No. 6

adopted by the Legislature of the State of Idaho urging the rejection of excessive demands for designation of wilderness areas and to insure responsible compromise between the desires for preservation and multiple use especially in the Nezperce National Forest; to the Committee on Energy and Natural Resources:

"HOUSE JOINT MEMORIAL NO. 6

"Whereas, a variety of external pressures which seem heavily weighted toward wilderness classification of lands in the commercial timber base, are exerted in decision arenas today; and

"Whereas, substantial lands have already been committed to the wilderness classifi-

cation: and

"Whereas, remaining acreages and essential for development of recreation, timbermining, and grazing in the Nezperce National Forest; and

"Whereas, further erosion of the potential base for multiple use development will seriously threaten the economic health of the

surrounding communities; and

"Whereas, in 1978, specific units under consideration for wilderness designation in the Nezperce National Forest would remove an additional 435 thousand acres from potential use, with a loss in allowable cut of approximately 15 million feet; and

Whereas, if the current study areas are authorized as wilderness, the potential annual yield from the Nezperce National Forest will decline from 144.5 million feet to an estimated 60 million feet; and

"Whereas, present mill capacities are 110-120 million board feet annually; and

"Whereas, further reductions will result in direct loss of not less than 130 jobs in 1978, with serious impact throughout the economy of the region; and

Whereas, over \$500,000 is returned annually to the schools and roads of the region as a result of the refund to counties from forest receipts, of which timber contributes the major portion; and

"Whereas, current planning procedures, with numerous appeals and subsequent delays, tie up large areas for indefinite periods

of time; and

"Whereas, adequate protection of forest areas should be balanced by protection of the interests of the citizens who reside in the nearby communities, as well as the goals and directions desired by the people of the State of Idaho.

'Now, therefore, be it resolved by the members of the First Regular Session of the Forty-fourth Idaho Legislature, the House of Representatives and the Senate concurring therein, that it is the finding of the Legislature that consideration should be given to the diversity of needs of the residents of this State, and specifically of the area dependent upon the balanced management of the Nezperce National Forest. urge the decision makers to reject excessive demands for designations of wilderness areas, and to insure responsible compromise be-

tween the desires for preservation and multiple use. We find that the withdrawal of additional areas now under consideration in the Nezperce National Forest, would adversely impact the region and have serious consequences on the future economic health of the area.

"Be it further resolved that the Chief Clerk of the House be, and he is hereby authorized and directed to forward copies of this Memorial to John McGuide, Chief, Forest Service, United States Department of Agriculture, the President of the Senate, and Speaker of the House of Representatives of the Congress of the United States, and the members of Congress representing the State of Idaho.'

POM-122. A resolution adopted by the Legislature of the Commonwealth of Massachusetts memorializing the President and the Congress to locate the Solar Energy Research Institute in Westborough, Massachusetts: to the Committee on Energy and Natural Resources;

"RESOLUTION

"Whereas, Solar energy has long captured the imagination of man because, if properly harnessed, it constitutes the earth's most abundant fuel source; and

Whereas, Technology for direct use of solar energy to heat and cool buildings is now in the commercial demonstration stage;

"Whereas, More costly and complex technologies for conversion of solar energy to electricity will be researched in the future:

"Whereas, The securing of the proposed Solar Energy Research Institute for New England will be a major step in solving the region's high energy costs, stabilizing our economy and dealing with our drastic unemployment problem, since high energy costs have meant the loss of 75,000 jobs in Massachusetts alone: and

"Whereas, Nowhere in the nation is there the technology and the brain-power that

exists in New England; and

"Whereas, From a cooperative effort among New England leaders, a unified voice that includes all 12 senators, 25 members of the House of Representatives, all the New England governors, plus the private sector in the persons of academic, business, industrial and labor leaders, calls for the location of the Solar Energy Research Institute in Westborough, Massachusetts, on the site of the former Lyman School; and

"Whereas, The 450-acre site is ideal for the massive federal facility designed to research solar energy, which some estimates say can result in a 10 billion dollar industry that will provide 7 per cent of the nation's energy needs by the turn of the century; and

Whereas, All the New England governors, in common purpose, have endorsed a simultaneous effort to secure federal approval for a Solar Energy Applications Center at a proposed location at Southeastern Massachusetts University in North Dartmouth; and

"Whereas, While the Solar Energy Research Institute would provide the vanguard for national solar energy research, the proposed applications center would constitute a dy-namic supplement in offering a clearinghouse for the dissemination of energy information, including economic data, vocational education, informational seminars and product/concept testing; and "Whereas, A decision on where to locate

the major federal project of a national re-search facility is anticipated before March

31st, 1977; therefore be it

"Resolved, That the General Court of Massachusetts hereby urges the President and the Congress of the United States to effect such action as may be necessary to provide for the location of the Solar Energy Research Institute in Westborough; and be it further "Resolved, That copies of these resolutions

be transmitted forthwith by the Clerk of the Senate to the President of the United States, to the presiding officer of each branch of Congress, and to each member thereof from this Commonwealth."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MUSKIE, from the Committee on the Budget; Without amendment:

S. Res. 127. A resolution waiving section 402(a) of the Congressional Budget and Impoundment Control Act of 1974 with respect to the consideration of S. 36. a bill to authortze appropriations for nonnuclear energy research, development, and demonstration programs conducted by the Energy Research and Development Administration (Rept. No. 95-

S. Res. 129. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 266 (Rept. No. 95-84).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. FORD (for Mr. RANDOLPH), from the Committee on Environment and Public

William Meredith Cox, of Kentucky, to Administrator of the Federal Highway Administration.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. STENNIS, from the Committee on Armed Services

John C. Stetson, of Illinois, to be Secretary of the Air Force.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

Harry K. Schwartz, of Pennsylvania, to be an Assistant Secretary of Housing and Urban Development.

Geno Charles Baroni, of the District of Columbia, to be an Assistant Secretary of Housing and Urban Development.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. HELMS. As in executive session, Mr. President, from the Committee on Armed Services, I report favorably the nominations of 17 in the Reserve of the Air Force, for appointment to the grade of major general and brigadier general (list beginning with James D. Isaacks) I ask that these nominations be placed on the Executive Calendar.

The PRESIDING OFFICER. Without

objection, it is so ordered.

Mr. HELMS. In addition, there are 66 for appointment in the Marine Corps to the grade of second lieutenant (list beginning with Burleigh H. Bagnall); and there are 39 in the Air National Guard for promotion to the grade of lieutenant colonel (list beginning with Robert J. Aldrich, Jr.); and there are 2,504 in the Navy for temporary promotion to the grade of lieutenant (list beginning with Rex T. Aaron). Since these names have already appeared in the Congressional RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without

objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the Record of March 18 and March 21, 1977, at the end of the Senate proceedings.)

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H.R. 3437. An act to make certain technical and miscellaneous amendments to provisions relating to vocational education contained in the Education Amendments of 1976; to the Committee on Human Resources.

H.R. 5306. An act to amend the Land and Water Conservation Fund Act of 1965, and for other purposes; to the Committee on Energy and Natural Resources.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that today, April 4, 1977, he presented to the President of the United States the enrolled bill (S. 626) to reestablish the period within which the President may transmit to the Congress plans for the reorganization of agencies of the executive branch of the Government, and for other purposes.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated.

By Mr. HUMPHREY:

S. 1219. A bill to provide for a mechanism to facilitate producer owned or controlled storage and orderly marketing of agricultural commodities and to authorize the establishment of an international emergency food reserve to meet humanitarian food relief requirements in foreign countries: to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. GRAVEL:

S. 1220. A bill for the relief of Allen D. Ray: to the Committee on the Judiciary. By Mr. SCOTT:

S. 1221. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

By Mr. HELMS:

S. 1222. A bill for the relief of Faiz ur Rahman Faizi, Washima Faizi, and Tania Faizi; to the Committee on the Judiciary.

By Mr. McGOVERN:

S. 1223. A bill to establish a National Commission on Food Production, Processing, Marketing, and Pricing to study the food industry from the producer to the consumer; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HANSEN (for himself and Mr. WALLOP)

S. 1224. A bill to amend the Act of May 18, 1947, c. 80, sec. 3, 61 Stat. 102, as amended (25 U.S.C. 613) to permit per capita payments from excess tribal trust funds of the Shoshone and Arapahoe Indian Tribes of Wyoming; to the Special Committee on Indian Affairs.

By Mr. METCALF (for himself and Mr. MELCHER)

S. 1225. A bill to amend the Comprehensive Employment and Training Act of 1973 to provide and improve the allotment of funds provision, and for other purposes; to the Committee on Human Resources.

By Mr. SCOTT:

S.J. Res. 43. A joint resolution proposing an amendment to the Constitution of the United States relating to the participation in nondenominational prayers in any build-ing which is supported in whole or in part through the expenditure of public funds; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HUMPHREY:

S. 1219. A bill to provide for a mechanism to facilitate producer owner or controlled storage and orderly marketing of agricultural commodities and to authorize the establishment of an international emergency food reserve to meet humanitarian food relief requirements in foreign countries; to the Committee on Agriculture, Nutrition, and Forestry.

DOMESTIC AND INTERNATIONAL FOOD SECURITY ACT OF 1977

Mr. President, Americans can take pride in their food and farm economy.

Food production and marketing in the United States has evolved into a highly efficient and balanced system which has been able to provide immeasurable benefits to the American economy. Despite increases in food prices in recent years, we still enjoy an abundance and variety of food at prices which are considerably lower than almost any other developed nation.

The steadily increasing productivity of our farmers has provided the United States with a comparative advantage in world trade which has helped offset inflationary trade deficits in our nonagricultural trade. It is, therefore, clear that the continued strength of our farm economy is an essential component of American economic prosperity.

Yet, the strength of our food and farm economy is becoming increasingly threatened by factors which can disrupt the balance and stability that are necessary for continued growth. Fluctuating demand for our farm production which has come as a result of increased participation in world trade has led to disruptions which have been costly both to producers and consumers.

Our experience has shown that excessive volatility in commodity markets not only adds to the food bill of the American housewife and the feed prices of livestock farmers, but it also leads to inflation in the cost of farming by encouraging the rise in the prices of fixed farm inputs, such as land, which most probably would not be sustained by longer term price trends.

The inflation in the cost of production inputs may be eroding the competitive advantage American farmers enjoy in world trade. Such inflation seriously restricts the access of prospective farmers to entering production. And further increases in costs of production may further burden the American taxpayer in providing income and production security for producers in times of excess supply.

The free movement of commodity prices is basic to a healthy agricultural economy. We have yet to come up with a scheme which could do a better job than the free market in allocating production resources and signaling the need for production adjustments.

But there are points at which the market signals are loud and clear. Beyond these points, individuals or groups are unnecessarily hurt. At the one extreme, the further deterioration in price beyond a certain point may result in forcing even efficient farmers out of business, who otherwise might be sustained on the basis of longer term price trends and production needs.

At the other extreme, some farmers may reap a windfall, but at the same time volatile price increases may lead to problems down the road by fueling an inflation in farming costs and by bringing new producers into production and changing patterns of consumption which might not have been necessary on the basis of sustainable average prices over the longer term.

Let me offer an example which is close to home. When the price of sugar went up to 65 cents a pound a few years ago, our Minnesota beet producers enjoyed a good and well-deserved return for the first time in many years. But the 65 cents a pound sugar led to increased costs for land, machinery, and other production inputs. Sixty-five cents a pound sugar brought a lot of new people into production. Sixty-five cents a pound sugar brought competing high fructose corn sweeteners into production.

But now sugar has dropped precipitously to around 10 cents a pound. Yet, the price of land and other farm inputs has not shown a corresponding decline. Most of the new producers have stayed with sugar production, and the high fructose corn sweetener manufacturers who made large capital investments in the expansion of production are still in the picture as strong as ever.

I could not be more pleased when our sugar producers were enjoying good prices. But it now is clear that unrestrained price volatility just is not in the long term interest of producers.

It is also clear that excessive price volatility has had an adverse impact on the consumer. In the case of the livestock, dairy, and poultry producer, it has interfered with his production planning and led to substantial losses and bankruptcies over the past several years.

In the case of the retail consumer, price increases have been permanently built into the marketing system. While the consumer can accept and expect a gradual increase in food prices, the abrupt increases experienced over the past several years have done little to en-

courage consumers to support the legitimate needs of farm producers.

Recognizing the need for some safeguards to protect producers and consumers from excessive price volatility, I have throughout my career in the Congress proposed measures which would provide greater security for American agriculture. I have tried to design a mechanism which would not interfere with the normal operation of the free market mechanism, but would restabilize the market only when certain factors have caused it to go out of control.

One of the criticisms of most past proposals in this area has been that they gave the Federal Government too much influence over commodity marketing. No one could be more critical than myself of the way the Federal Government abruptly unloaded its grain inventories in 1973 to the detriment of the American producer and consumer. Therefore, I have tried to develop an approach which is based upon minimal Government involvement in commodity marketing.

The bill I am introducing today is the product of over 18 months of study and consultations with farmers, economists, consumers, and Government officials. I believe it represents a fair balance of the interests of all groups and individuals involved in the production, marketing and consumption of food. My bill, I believe, represents a serious starting point for meeting the present challenges which must be faced in shaping food and agricultural policy in the years ahead.

Specifically, my bill would permit the Secretary of Agriculture to extend Federal commodity loans beyond their normal 1 year termination date to permit producers to hold some part of their production which is surplus to existing market requirement for sale at some time in the future when such supplies are in greater need.

In exchange for suspension of interest on the loan, storage payments and any additional considerations necessary to encourage adequate participation in the program, producers would agree to market some portion of the commodities stored under the program or forfeit all or part of the direct financial benefits they have received when the market price reaches specific levels.

To provide for the orderly marketing of commodities held under the program, three "release points" would be estab-lished, at 150 percent, 175 percent, and 200 percent, respectively, of the loan rate prevailing at the time of release. For example, using the current \$2.25 loan rate for wheat, the Secretary of Agriculture could call for repayment of the loans equivalent to up to one-quarter of the wheat stocks held under this program whenever the average market price reached \$3.37, and one-half of the stocks when the price reached \$3.93, and the remainder of the stocks when market prices reached \$4.50. The Secretary also would be able to call for commodity deliveries at all three points.

In addition, my bill would raise the minimum price at which grain stocks held by the Commodity Credit Corporation could be sold onto the domestic

market, from 115 percent to 150 percent of the current loan rate, and would provide that no more than half the inventories on hand at the beginning of each quarter could be sold during that quarter.

It further is my hope that the Secretary of Agriculture would refrain from any sales from Government stocks until all stocks held under the extended loan program by the producers had been released. The increased minimum release price for Government held stocks is intended to provide producers with some protection from premature release of Government held stocks to dampen market prices, as has happened in the past as a result of political pressures.

The limitation on the quantity of stocks which can be released during any quarter is intended to help avoid the situation of 1973 when Government held stocks were exhausted before the price rationing mechanism had come into full play.

My bill also authorizes the Secretary to acquire up to 2 million tons of food grains to be released only for emergencies or crop shortfalls in developing countries. The 2 million tons is intended to represent a commitment of "good faith" toward the negotiation of an international food reserve with other nations.

Pursuant to such an agreement with other countries to establish a food reserve to meet emergencies and crop shortfalls in developing countries, the Secretary of Agriculture would be authorized to acquire and maintain up to 6 million tons of food grains to be used for such purposes.

The World Food Conference of 1974 recognized the need to provide for greater food security for the developing world and recommended an international undertaking toward this objective, based upon a system of buffer stocks of food to help balance out sharp swings in food availability.

The discussions on international grain reserves have followed several separate tracks. The first is to create stocks to be held to meet food emergencies in developing nations. The World Food Council has discussed building an inventory of 500,000 tons for such purpose. Actually, it would be difficult to imagine a circumstance when needs of such a small magnitude could not be drawn from regular food aid programing. However, I support such a reserve if it will lead to the better coordination of, and an improvement in, the mechanism for multilateral food relief.

Another threat to food security is crop shortfalls in developing nations. In this situation there is generally a longer "leadtime" to provide for food needs in the affected countries. Again, with the possible exception of the Asian subcontinent, such needs could be met through regular concessional sales or grants of food under existing programs. However, a combination of severe crop shortfalls such as were experienced in 1973–74 would result in significant price increases for basic food commodities and a corresponding decline in the volume of available food assistance.

The International Emergency Food Reserve I am proposing would be designed to meet both of these contingencies-emergency relief as well as crop shortfalls.

Mr. President, the time has come to develop a system of food and farm security which provides for the long term strength of the American agricultural economy, assures domestic con-sumers of an adequate food supply at reasonable food prices, and permits the United States to continue its role of leadership in providing for humanitarian food needs abroad. I believe the proposal I am offering today represents a positive and broadly acceptable step toward this goal, and I ask my col-leagues to join with me in support of my proposed Domestic and International Food Security Act of 1977

Mr. President, I ask unanimous consent that the text of my bill be printed

in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1219

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Domestic and International Food Security Act of 1977."

POLICIES AND PURPOSES

SEC. 2. It is the purpose of this Act to strengthen and improve the food and agricultural economy of the United States by the use of measures which will maintain adequate economic incentives for farm production, permit structural adjustments to meet fluctuating demands for food and feed, and decrease excessive fluctuations in the prices of food and feed, and to authorize a specific commitment by the United States to reserve a portion of its food abundance to meet humanitarian food relief requirements in developing countries, in order to encourage the participation and progress of other nations toward the establishment of an international system of grain reserves to provide for greater food security within the developing nations of the world.

SEC. 3(a). The Congress declares it to be the policy of the United States to encourage strong American agricultural economy which provides producers with an adequate return on their labor and capital investment in food production and assures consumers an adequate and consistently accessible food and feed supply, and to limit government involvement in the production and marketing of food only to the protection of producers and consumers against such exceptional circumstances as may threaten these

objectives.

(b) The Congress declares it to be the policy of the United States to seek agreement with the other major grain exporting and importing nations of the world on an inter-national system of grain reserves as recom-mended by the World Food Conference which helps assure adequate supplies to meet present and anticipated world food needs, provides for orderly adjustment to changes in available world food supplies and protects the access of developing nations to available supplies to meet food requirements in times shortage. Such reserves would be established through negotiations with other nations, and the costs and benefits of such reserves would be shared equitably among the participating nations.

TITLE I—PRODUCER STORAGE PROGRAM

SEC. 101. (a) The Secretary is authorized to formulate and carry out a program under which the producers of wheat and feed grains will be able to extend the time period for the orderly marketing of such commodities (such program hereinafter referred to as the

program")

(b) In carrying out the program, the Secretary shall (1) permit a producer, at any time prior to the expiration of the term of the initial price support loan made to such producer on any crop of wheat or feed grains, to extend the term of such loan for any period not in excess of three years, (2) subject to the provisions of section 102, pay for the costs of storage of any such commodity, plus any additional consideration necessary to encourage adequate participation in the program, (3) not require any payments on interest accrued by the producer after an agreement is reached to extend the term of such loan except as pro-vided below, and (4) require any producer whose loan has been extended on any such commodity under this Act and who has removed such commodity from storage and marketed it during the period of the ex-tended agreement to repay to the Commod-ity Credit Corporation any accrued interest and the amount of any advances made by the Secretary for the payment of storage costs or additional consideration as a part of participation in the program, except as provided in section 102.

SEC. 102. (a) Whenever the average market price for the previous five trading days for any commodity stored under the program is equal to or greater than 150 per centum of the current loan rate for such commodity the Secretary is authorized to take certain steps affecting one-quarter the commodities stored by the producer under this Act. The Secretary is authorized to call for delivery to the market one-quarter of the commodities stored by such producer. The producer shall repay the outstanding loan for commodities called for delivery by the Secretary. For any remaining balance of the one-quarter quantity not called for delivery the Secretary shall issue an order, requiring the producer within 60 days after the date of such order, to either (1) repay the loan obligation outstanding plus any ac-crued interest thereon, or (2) establish that at least an equivalent quantity of such commodity originally under the loan has been marketed or otherwise disposed of by such producter and an equivalent portion of the principal of such loan has been repaid.

(b) Whenever the average market price for the previous five trading days for any commodity stored under the program is equal to or greater than 175 per centum of the cur-rent loan rate for such commodity the Secretary is authorized to take certain steps affecting one-half the commodities stored by the producer under this Act. The Secretary is authorized to call for delivery to the market one-half of the commodities stored by such producer and he shall assure that at least one-quarter of the total quantity stored by the producer shall actually be delivered. The producer shall repay the outstanding loan for commodities called for delivery by the Secretary. For any remaining balance of the one-half quantity not called for delivery the Secretary shall issue an order, requiring the producer within 60 days after the date of such order, to either (1) repay the loan obligation outstanding plus any ac-crued interest thereon and one-half the storage payments, or (2) establish that at least an equivalent quantity of such commodity originally under the loan has been marketed or otherwise disposed of by such producer and an equivalent portion of the principal of such loan has been repaid.

(c) Whenever the average market price for the previous five trading days for any commodity stored under the program is equal to or greater than 200 per centum of the current loan rate for such commodity the Secretary is authorized to take certain steps affecting all of the commodities stored by the producer under this Act. The Secretary is authorized to call for delivery to the market all of the commodities stored by such producer and he shall assure that at least onehalf of the total quantity stored by the producer shall actually be delivered. The producer shall repay the outstanding loan for commodities called for delivery by the Secretary. For any remaining balance of the total of the commodities not called for delivery the Secretary shall issue an order, requiring the producer within 60 days after the date of such order, to either (1) repay the loan obligation outstanding plus any accrued in-terest thereon, storage payments, or other consideration received pursuant to section 101(b)(2), or (2) establish that at least an equivalent quantity of such commodity originally under the loan has been marketed or otherwise disposed of by such producer and an equivalent portion of the principal of such loan has been repaid.

SEC. 103. (a) Ninety days before the beginning of the marketing year for each respective crop included in this program the Secretary shall announce the total quantity of such commodity which will be held under the provisions of this program. In no case shall such total quantity exceed one-third of the average annual total production of such commodity for the previous three crop years, or the level recommended by the Secretary after one year of study which shall include consultatations with commodity producers who might be affected or their representatives.

(b) Ninety days before the beginning of the marketing year for each respective crop the Secretary shall announce the maximum quantity of any commodity which any producer may have in storage under the program at any time; Provided, That such quantity may not exceed 50 per centum of the average production of such commodity on the farm for the three years immediately preceding the crop year in which the determination is made.

SEC. 104. In order to insure that there are adequate storage facilities available to carry out the purposes of this Act, the Secretary is authorized to make loans through the Commodity Credit Corporation to assist producers to construct new storage facilities or to expand or improve existing storage facilities. Such loans may be made on such terms and conditions as the Secretary deems appropriate except that no loan may be made to any producer in an amount in excess of \$40,000. The amount of a loan under this section shall be based upon the funds necessary to construct a facility adequate to store the average quantity of wheat and feedgrains produced by the borrower during the three preceding crop years. Preference shall be given to producers without storage facilities in carrying out this section.

SEC. 105. The third proviso of the third sentence of section 407 of the Agricultural Act of 1949 (7 U.S.C. 1427) is amended by (1) inserting after "That the Corporation shall not" the following: "sell in any quarter any quantity of its stocks of wheat, corn, grain sorghum, barley, oats, rye and soybeans in excess of a quantity equal to one half of the total quantity of such commodities on hand at the beginning of such quarter nor shall the Corporation"; and (2) striking out '115 per centum" and inserting in lieu thereof

"150 per centum"

SEC. 106. As used in this Act: (a) the term "feed grains" means corn, grain sorghum, barley, oats, and rye; and (b) the term "Secretary" means the Secretary. means the Secretary of Agriculture of the United States.

TITLE II—INTERNATIONAL EMERGENCY FOOD RESERVE

SEC. 201. The President is authorized to enter into negotiations with other nations to develop an international system of food reserves to provide for humanitarian food relief needs and to establish and maintain a food reserve of grains in concert with other nations as the contribution of the United States toward the development of such a system to be made available in the event of food emergencies in foreign countries or the United States. Such reserve shall be known "International Emergency Reserve"

SEC. 202. (a) The Secretary is authorized to build minimum stocks of foodgrains for an International Emergency Food Reserve of no less than 2 million tons as an indication of the United States commitment to this establishment of an international system of national food reserves. Pursuant to the completion of an international agreement on such an undertaking, the Secretary is authorized to increase such stocks to a level no greater than six million tons.

(b) (1) The Secretary shall build a reserve of no less than 2 million tons by the earliest possible date. As soon as practicable following the effective date of an international agreement pursuant to subsection (a) the Secretary shall increase the minimum level of stocks to such level as may be established as a provision of the United States' participation in such international agreement. The Secretary shall re-establish such reserve to level prescribed under the respective cases provided for above by the earliest possible date following any action under section 203 which has drawn the reserves to a level

less than two million tons.

(2) Such reserve can be acquired by the Commodity Credit Corporation as the result of defaults on loans made under price support programs administered by the Secretary. The Secretary may also acquire such reserve through purchases on the market to the extent that quantities acquired by the Commodity Credit Corporation under price support operations are inadequate to meet objectives of section 202. Purchases made by the Secretary under this section may be made at a price not in excess of 175 per centum of the current loan rate under any price support program.

SEC. 203. Grains in the International Emergency Food Reserve may be disposed of only under the following circumstances:

(1) Such grains may be utilized for the purpose of providing humanitarian relief in any foreign country struck by a major disaster, as determined by the President.

(2) Such grains may be utilized for the purpose of assisting any developing country to meet its food requirement in any year in which there has been such a severe shortfall in such food production, as determined by the Secretary, as to warrant the use of

U.S. grains for such purpose.

Sec. 203. Notwithstanding any provision of this Act, the Secretary shall provide for the periodic rotation of stocks of the national Emergency Food Reserve, utilizing insofar as practicable commodity distributions under P. L. 580 and other federal programs, to avoid spoilage and deterioration of such stocks, but any quantity removed from such reserve for rotation purposes shall be promptly replaced with an equivalent quantity purchased on the open market.

By Mr. SCOTT:

S. 1221. A bill to amend chapter 44 of title 18 of the United States Code-respecting firearms—to penalize the use of firearms in the commission of any felony and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

PROPOSED MANDATORY MINIMUM SENTENCES FOR USE OF FIREARMS

Mr. SCOTT. Mr. President, I am sending to the desk a bill that would impose mandatory minimum sentences for the use of any firearm to commit a felony cognizable in a Federal court, and for the use of a firearm transported in interstate or foreign commerce to commit a crime punishable by a prison term exceeding 1 year upon conviction in a State court.

Under the measure, an offender convicted for the first time would receive a prison term not less than 1 year, nor more than 3 years. In second and subsequent offenses, a repeat offender would receive not less than 5 years nor more than 10 years. The sentence imposed for the use of the firearm could not be suspended, reduced by probation, or run concurrently with the sentence of the connected offense.

Ours is a nation desiring certainty of punishment upon conviction of serious crimes, to insure that our criminal laws are an effective deterrent. Many believe that mandatory prison sentences will curb violent crime. I understand that provisions exist in a number of State criminal laws, with numerous organizations across the Nation favoring mandatory minimum sentences for gun-related offenses.

There appears to be broad agreement in Virginia that there should be no national registration or licensing of firearms, but that mandatory minimum sentencing for firearms-related crimes is a more desirable approach.

By Mr. McGOVERN:

S. 1223. A bill to establish a National Commission on Food Production, Processing, Marketing, and Pricing to study the food industry from the producer to the consumer; to the Committee on Agriculture, Nutrition, and Forestry.

A NATIONAL COMMISSION ON FOOD PRODUCTION, PROCESSING, MARKETING, AND PRICING

Mr. McGOVERN. Mr. President, today I introduce legislation to establish a National Commission on Food Production, Processing, Marketing, and Pricing. The legislation is timely, because it virtually coincides with the public release of a study done in part of this area by the Joint Economic Committee. This study concludes that there is a substantial probability that monopoly marketing practices exist in cities where there is a concentration of the food market centered in one or two large food purveyors. The Joint Economic Committee study centers on the impact on consumers of market concentration in food retailing. Obviously, this is an important approach. though I feel that to fully justify our responsibilites to the American people, a broader approach through the whole food chain is appropriate.

Senators will recall the original food Commission study in 1964 and 1965. Though worthwhile and informative, it appears to me that the principal deficiency in the study was the lack of authorization to continue monitoring production, processing, marketing, and pricing procedures after the Commission's work was completed. This conclusion was reinforced in 1975 during the national food price inquiry of the Senate Select Committee on Nutrition and Human Needs, which held 2 days of hearings and has published several volumes of food industry studies. We need an accurate and full evaluation of the state of competition in the food industry today.

Lest anyone misunderstand the thrust of this legislation, let me assure everyone that its aim is to review every single production, processing, and marketing and pricing practice in the industry. I start with no preconceived concepts of who are the saints or who are the sinners. It is conceivable that there are none. I do feel that it is necessary and desirable to determine in the first instance where the spread is in food from the time it is produced by farmers to the time it reaches the dinner table, and in the second instance, I feel it to be in the public interest that the pitfalls of the first Commission do not occur again by providing a monitoring mechanism to carry on the primary functions of the Commission once its original authority lapses.

As a Senator from a State whose principal function in the food chain is one of production; I have firsthand knowledge and experience with the dissatisfaction producers have for what they consider their fair share of the food dollars. Those Members of the body from the centers of population serve constituencies where processing, transportation, and marketing contribute to the ultimate cost to consumers. In a very real sense, each Member of the body serves that greatest constituency, the American people who express unrest at the checkout

counter of the supermarket.

I say, Mr. President, that we thus have a community of interest in everything that happens to what we all put in our daily diets. Absence of definitive studies in this area for over 12 years clearly indicates that such pursuits are desirable. We must start the investigative process now to determine what legislaion is necessary. The life of the Commission under the legislation is limited to 2 years. with the important mandate to the Commission that its report indicate to the Congress its recommendations on where its primary monitoring functions for the purpose of maintaining current data will reside under the current organizational framework of the U.S. Government. I feel that by the end of the study, the Commission itself will be the best judge of the appropriate department, commission, or board where the functions it establishes will be best perpetuated. It is high time that this Congress act swiftly to allow the Commission to commence with its functions.

Mr. President, I ask unanimous consent that the text of the bill be printed at the conclusion of my remarks as well as the March 20, 1977, press release of the Joint Economic Committee:

There being no objection, the material was ordered to be printed in the RECORD. as follows:

S. 1223

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby established a National Commission on Food Production, Processing, Marketing, and Pricing (hereinafter referred to as the "Commission").

ORGANIZATION

Sec. 2. (a) The Commission shall be composed of fifteen members, none of whom may be employees of the Federal Government or Members of Congress, except as provided in paragraphs (1) through (4) of this subsection, including-

(1) one member of the majority party of the House of Representatives, to be appointed by the Speaker of the House of Representa-

(2) one member of the majority party of the Senate, to be appointed by the President

pro tempore of the Senate;

(3) one member of the most numerous minority party of the House of Representatives, to be appointed by the Speaker of the House of Representatives;

(4) one member of the most numerous minority party of the Senate, to be appointed by the President pro tempore of the Senate;

(5) three members to be appointed from among the public at large by the President pro tempore of the Senate;

(6) three members to be appointed from among the public at large by the Speaker of

the House of Representatives; and

(7) five members to be appointed by the President, by and with the advice and consent of the Senate, one of whom shall be designated as the Chairman at the time of his appointment and who, by background, experience, and education, is particularly suited to the position.

A Vice Chairman shall be selected by a majority vote of the full Commission. The Commission members shall represent, as far as practicable: producers, processors, and dis-tributors of food products; labor; agricultural economists; antitrust practitioners, including lawyers and economists; and consumers, who shall be representatives of bona fide consumer organizations or individuals who are not paid employees or consultants of an organization engaged in food production or distribution.

(b) Any vacancy in the Commission shall not affect its powers, except the selection of a Vice Chairman, and shall be filled in the same manner as the original position.

(c) Eight members of the Commission shall constitute a quorum.

COMPENSATION OF MEMBERS

Sec. 3. Each member of the Commission. except members appointed pursuant to section 2(a)(1) through (a)(4), may receive compensation at the highest rate of pay for grade GS-18 of the General Schedule under section 5332 of title 2, United States Code, for each day such member is engaged upon the work of the Commission, and each member shall be reimbursed for travel expenses, including per diem in lieu of subsistence as authorized under section 5703 of title 5, United States Code.

DUTIES OF THE COMMISSION

Sec. 4. (a) The Commission shall study and appraise the economic and industrial structure of all segments of the food industry, including, but not limited to-

(1) the actual changes, since the National Commission on Food Marketing (established by Public Law 88-354, 78 Stat. 269) concluded its study in the various segments of the food industry;

(2) economic forecasts with respect to the persistence of economic concentration, integration, diversification, and centralization and anticompetitive actions by firms or groups of firms in the food industry;

(3) desirable structural changes in the various segments of the food industry to assure both efficiency and the benefits of the best economies of scale and coordination in the production, processing, and distribu-tion of food while maintaining competition in price and adequate services to consumers and acceptable levels of competition in all segments of the industry from producer to consumer;

(4) changes, if any, in law or public policies, in the economic organization and operations of farming and of food assembly, processing, and distributions, to achieve the best levels of competition and lower prices for consumers:

(5) the effectiveness of the services, including dissemination of market news, and regulatory activities of the Federal Government in terms of present as well as probable future developments in the industry and the impact of such services upon the ultimate consumers:

(6) the effect of food imports and exports on producers, processors, and consumers in the United States;

(7) the effect of wages and other labor compensation provisions on the price of food:

the effect of transportation on the (8) availability, distribution, price, and cost of food; and

(9) the profitability of corporations and other organizations engaged in the food in-

dustry and the use of such profits. (b) The Commission shall make such interim reports as it deems advisable, and it shall make a final report of its findings, conclusions, and legislative recommendations to the President and to the Congress not later than two years after the date of enactment of the Act.

(c) All books, papers, reports, memorandums, and all of the documents collected, produced, obtained, or in the custody or possession of the Commission shall be transmitted to a Department, Agency, or Commission of the Federal Government determined the Commission as the Department, Agency, or Commission most appropriate to carry forth the future functions enumerated hereafter in the provisions of this Act, which Department, Agency, or Commission shall maintain them and make them readily available for public inspection and copying, except that any information so transmitted shall be held by such Department, Agency, or Commission in such status, with respect to confidentiality and privacy considerations, as this Commission deems appropriate.

POWERS OF THE COMMISSION

SEC. 5. (a) The Commission, or any three members thereof authorized by the Commission, may conduct hearings anywhere in the United States or otherwise secure data and expressions of opinions pertinent to the study. In connection therewith the Commission is authorized by a majority vote-

(1) to require all working papers, studies, interim reports, and the final report of the National Commission on Food Marketing established by Public Law 88-354 to be made

available to the Commission:

(2) notwithstanding any provision of the Federal Reports Act, to require, by special or general orders, any person to submit in writing such reports and answers to questions as the Commission may prescribe and within such reasonable period and under oath or otherwise as the Commission may determine:

(3) to administer oaths;(4) to require by subpens the attendance and testimony of witnesses in the production of all documentary evidence relating to the execution of its duties;

(5) in the case of disobedience to a subpena or order issued under subsection (a), to invoke the aid of any district court of the United States in requiring compliance with such subpena or order;

(6) in any proceeding or investigation, to order testimony to be taken by deposition before any person who is designated by the Commission and has the power to administer oaths, and in such instances to compel testimony in the production of evidence in the same manner as authorized under paragraphs (4) and (5); and

(7) to pay witnesses the same fees and mileages as are paid in like circumstances in

the courts of the United States.

(b) Any district court of the United States within the jurisdiction of which an inquiry under this Act is carried on may, in case of refusal to obey a subpena or order of the Commission issued under subsection issue an order requiring compliance there-with; and any failure to obey the order of the court may be punished by the court as a contempt thereof.

(c) Notwithstanding any other provision of law, the Commission is authorized to require directly from the head of any executive department, agency, or independent establishment of the Federal Government available information deemed useful in the discharge of its duties, and all such departments, agencies, and establishments are authorized and directed to cooperate with the Commission and to furnish all information requested by the Commission, except that any information so obtained shall be held by the Commission in the same status, with respect to confidentiality and privacy con-siderations, as such information was held by the furnishing department, agency, or independent establishment.

(d) The Commission is authorized to enter into contracts with Federal or State agencies, private firms, institutions, and individuals for the conducting of research or surveys. the preparation of reports, and other activities necessary to the discharge of its duties.

(e) Subject to the provisions of section 552 of title 5. United States Code, when the Commission finds that publication of any information obtained by it is in the public interest and would not give an unfair economic, business, or competitive advantage to any person and would not constitute a breach of any agreement or understanding between the Commission and any person providing such information with respect to the confidentiality of such information; it is authorized to publish such information in the form and manner deemed best adapted for public use, except that data and infor-mation which would separately disclose the business transactions of any person, trade secrets, or names of customers shall be held in confidence and shall not be disclosed by the Commission or its staff.

ADMINISTRATIVE ARRANGEMENTS

SEC. 6. (a) The Commission is authorized to appoint and fix the compensation of an executive director without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chap-ter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates. The Executive Director, with the approval of the Commission, shall employ and fix the compensation of such additional personnel as may be necessary to carry out the functions of the Commission, except that no individual so appointed shall be paid at a rate in excess of the rate for GS-18 of the General Schedule under section 5332 of title 5, United States Code.

(b) The Executive Director, with the approval of the Commission, is authorized to obtain the services of experts and consultants provided under section 3109 of title 5, United States Code.

(c) The head of any executive department, agency, or independent establishment of the Federal Government is authorized to detail, on a reimbursable basis, any of its personnel to assist the Commission in carrying out its work.

(d) Financial and administrative services (including those relating to budgeting and accounting, financial reporting, personnel, and procurement) shall be provided to the Commission by the General Services Administration, for which payment shall be made in advance, or by reimbursement, from funds of the Commission in such amounts as may be agreed upon by the Chairman of the Commission and the Administrator of General Services

(e) Ninety days after submission of its final report, as provided in section 4(b), the Commission shall cease to exist.

ANNUAL REPORTS ON THE FOOD INDUSTRY

SEC. 7. (a) Not later than six months after the date of the filing of the final report required under section 4(b) and annually thereafter, the Federal Trade Commission, the Department of Justice, and the Department of Agriculture shall each separately submit to the Congress and shall each separately publish in the Federal Register, separate reports on the policy planning, budget allotments, investigations, complaints, indictments, litigation, and other actions of each such agency with respect to the enforcement of the antitrust laws on the various

sectors of the food industry.

(b) Not later than one year after filing of the report required under section 4(b) and annually thereafter, that section of the Federal Government denominated in section 4 (c) shall submit to the Congress and shall publish in the Federal Register, indexes of the structure and the state of competition in the food industry, based on economic indicators available to or collected by the body re ferred to hereinabove. Such indexes shall include an account of all major segments of the food industry by commodity as well as by line of business; indicating marketing structure, performance and trends, growth of horizontal and vertical integration, and possible monopoly overcharges; and be accompanied by an expository, narrative explanation of all such indexes together with specific recommendations to promote competition in the food industry.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. (a) There is hereby authorized to be appropriated to the Second National Commission on Food Production, Processing, Marketing, and Pricing such sums, not in excess of \$6,000,000, as may be necessary to carry out the provisions of this Act.

(b) There is hereby authorized to be ap-propriated to the successor body such sums not in excess of \$1,000,000, as may be neces sary to carry out the provisions of section 7. Such sums shall remain available for obligation until expended.

JEC STUDY REVEALS PATTERN OF HIGH FOOD PRICES AND PROFITS WHEN FEW CHAINS CONTROL LOCAL MARKET

JEC Chairman Richard Bolling (D-Mo.) today released a study examining food chain stores' profits and prices which was prepared for the Joint Economic Committee by researchers at the University of Wisconsin. The study, entitled "The Profit and Price Performance of Leading Food Chains, 1970–1974," is based on subpoenaed confidential company records. These detailed records from the 17 largest food retail chains were analyzed with computers in the two-year study by Drs. Willard Mueller, Bruce Marion, Ronald Cotterill, Frederick Geithman and John Schmelzer. It was released at a JEC hearing at 10:00 a.m. today in Room 318, Russell Senate Office Building.

The study found that retail food prices and profits are higher where few food chains are in competition. Prices in highly concentrated markets, where few firms control food retailing, were as much as 14 percent higher than in more competitive markets during 1974. The authors contend that "monopoly overcharges" in such markets totaled at least \$662 million in 1974 alone.

Rep. Gillis Long (D-La.) and Rep. Margaret Heckler (R-Mass.) conducted the hearing on

the study this morning. A second hearing is scheduled for April 5th at 10:00 a.m.

"This is a pathbreaking study of the impact on consumers of market concentration in food retailing," said Long. "The authors say that when too few supermarkets control sales, consumers pay more than necessary for food.

"There are many food chains nationally. Yet, in most local markets, only a handful of chains will be found in direct competition," continued Long. "This study found that consumers can expect to pay high prices for food, far higher than elsewhere, if only two or three chains dominate or compete in their local market. And these higher pricesup to 14 percent higher than in more competitive markets-are due primarily, if not entirely, to the absence of more firms and stiff competition they generate, according to the authors.

"This study," said Rep. Heckler, "indicates that consumers may be paying a penalty as a result of trends in the retail food industry."

"It is certain to generate controversy, and the Committee's hearings will provide a full and complete exchange in a public forum by economists, consumers, industry spokesmen and federal officials. The study and its conclusions will be extensively reviewed.

Mrs. Heckler added, "It is my particular hope that representatives of major food chains will be prepared to discuss the findings which show their prices and profits in noncompetitive markets to be higher than elsewhere.

"The study indicates that whether consumers pay low or high food prices is a matter of luck. Apparently, household food bills can vary as much as \$300 annually, depending on the number of local food

Additional major study conclusions:

Nationally-branded food item prices averaged 12 percent higher than so-called store brands, which frequently contain the same products.

Chain profits are significantly higher in markets where few stores compete.

A food chain will receive substantially higher profits in markets where it is a dominant firm than in areas where it does not control a major share of the market.

Excessive market concentration in one large eastern city alone resulted in excess prices totaling \$83 million in 1974; consumers in that city paid 6.9 percent more for food at retail because just two food chains dominated the market.

Confidential food chain profit data in 50 metropolitan areas and food chain prices in 36 metropolitan areas were utilized by the researchers. To preserve the confidentiality of the subpoenaed material, some firm and city identifications are not noted in the study. The authors are members of the University of Wisconsin Food System Research Group of NC 117, a North Central Regional Research Project on the Organization and Control of the U.S. Food System.

SCHEDULE OF HEARINGS: PRICES AND PROFITS OF LEADING FOOD CHAINS

March 30, 1977

Room 318, Russell Senate Office Building, 10:00 a.m.:

Dr. Willard Mueller, University of Wiscon-

Dr. Bruce Marion, University of Wisconsin. Dr. Kenneth Farrell, U.S. Department of Agriculture

Dr. Timothy Hammond, Food Marketing Institute.

Dr. Ray Goldberg, Harvard University.

April 5, 1977

Room 6202, Dirksen Senate Office Building, 10:00 a.m.:

Dr. Owen Johnson, Director, Bureau of Competition, FTC.

Dr. Willard Mueller. University of Wisconsin.

Dr. Bruce Marion, University of Wisconsin. Mr. Robert Adlers, Food Marketing In-

Mr. Mark Silbergeld, Consumers Union.

Copies of the study may be obtained from the Joint Economic Committee, Room G-133, Dirksen Office Building, Washington, D.C. 20510.

> By Mr. HANSEN (for himself and Mr. WALLOP):

S. 1224. A bill to amend the act of May 18, 1947, c. 80, section 3, 61 Stat. 102, as amended (25 U.S.C. 613) to permit per capita payments from excess tribal trust funds of the Shoshone and Arapahoe Indian Tribes of Wyoming; to the Special Committee on Indian Affairs.

Mr. HANSEN. Mr. President, today I am pleased to join with Senator Wallop in introducing legislation to amend the Shoshone and Arapahoe Per Capita Distribution Act, in order to allow per capita payments to be made from the excess tribal trust funds of the Shoshone and Arapahoe tribes

The Wind-River Reservation, in Wyoming, is populated by both the Shoshone and Arapahoe tribes. A substantial part of the economy of both these tribes is the per capita income derived from the tribal

trust property.

Under present law the income from tribal trust property is divided equally between the two tribes. A separate trust fund is established for each tribe. Present law directs 85 percent of each tribe's trust fund to be paid per capita to the members of the tribe on a monthly basis. The remaining 15 percent is reserved for governmental and administrative purposes of the tribes.

As of the beginning of this year, the Shoshone tribe's administrative fund was nearly \$23/4 million-well above the tribal government's needs. The Arapahoe Tribe expects to have more than \$1 million on deposit by the end of 1978.

The bill I am introducing today has two major features: First, it provides that 100 percent of the interest earned on all trust funds of the tribes be available for per capita distribution, rather than including it in the 15-percent administrative fund.

Second, the bill provides that all funds in excess of \$1 million in the administrative fund will be added to the 85-percent fund for per capita distribution. This will not only prevent any decrease in the payments, but, when circumstances warrant, will allow an increase in the payments by a sum that does not exceed 20 percent of the per capita payments of the preceding year.

The per capita payments are fixed at the beginning of each calendar year based on an estimate of the next year's income. While royalties and rents can be estimated with some accuracy, an estimate of bonuses involves some guesswork. As a result, in some years, actual income has been less than the amount needed to meet the estimates.

To insure even payments, the Secretary of the Interior is presently authorized to withdraw money from the 15percent fund. He is also required; however, to repay such withdrawals out of the next or succeeding years' income. It is my hope that this legislation would clarify this situation and allow for a more integrated system of adjusting estimates and per capita payments.

The Joint Business Council of the two tribes has unanimously expressed the opinion that a fund of \$1 million is sufficient for contingencies and possible capital investments. Since the Government pays only 4 percent interest on the principal of the fund in the Treasury and pays no interest on the interest earned on the principal, it is felt that it is not wise economics to leave the excess on deposit. While the Bureau of Indian Affairs invests most of the funds in certificates of deposit, the rate of interest earned does not keep up with inflation.

The members of the two tribes believe that they should have the benefit of these excess funds, especially now when they are faced with the continually increasing cost of living. I urge favorable consideration of this legislation.

By Mr. SCOTT:

S.J. Res. 43. A joint resolution proposing an amendment to the Constitution of the United States relating to the participation in nondenominational prayers in any building which is supported in whole or in part through the expenditure of public funds; to the Committee on the Judiciary.

SCHOOL PRAYER

Mr. SCOTT. Mr. President, I am sending to the desk a joint resolution and ask that it be printed and referred to the Judiciary Committee. It is a proposed constitutional amendment to protect the right of persons to participate in nondenominational prayer in any public building which is supported in whole or in part through public funds.

In my opinion, the people in Virginia and across the country support a view that our major institutions, including schools, should provide a worthwhile example of the best in American values and basic principles, of our long-held religious heritage, and of our reverence for moral teachings. I believe that most Americans do support reinstating some form of religious observance in our public schools, without regard to a specific church affiliation.

It has been more than 14 years since the U.S. Supreme Court decided to limit the role prayer and other religious observances play in public school systems. This amendment proposes a step toward reaffirming the religious freedom and in these troubled times it would seem desirable that the Nation turn to God for guidance, regardless of the name he is called by any segment of Americans.

ADDITIONAL COSPONSORS

S. 53

At the request of Mr. Helms, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of S. 535, the Equal Educational Opportunity Amendments of 1977.

S. 1150

At the request of Mr. Humphrey, the Senator from Montana (Mr. Melcher)

was added as a cosponsor of S. 1150, the Rural Housing Act of 1977.

S. 1174

At the request of Mr. Dole, the Senator from South Dakota (Mr. McGovern) was added as a cosponsor of S. 1174, the Critical Lands Resource Conservation Act of 1977.

NOTICES OF HEARINGS

1977 BUDGET OF FEDERAL RESERVE SYSTEM

Mr. PROXMIRE. Mr. President, the Committee on Banking, Housing, and Urban Affairs will hold a single hearing on the Federal Reserve System's 1977 budget at 10:30 a.m. on April 7 in room 5302, Dirksen Senate Office Building.

THE WAR POWERS RESOLUTION

Mr. SPARKMAN. Mr. President, I am happy to announce that the Committee on Foreign Relations will hold hearings to review the operation and effectiveness of the War Powers Resolution on July 13, 14, and 15.

It will be 4 years ago this November that the War Powers Resolution was enacted over the President's veto. Since that date it has faced three major tests: The evacuations of Phnom Penh and Saigon and the Mayaguez incident. We thus have the beginnings of a track record by which to gage the successes and failures of the consultation and reporting requirements of the resolution.

The so-called termination or withdrawal requirements have not—happily—ever been tested. Nonetheless, considerable thought has been given these and other provisions of the resolution by the academic community, and the committee may well benefit from their insights. I would hasten to add that we will be eager to hear the views of our colleagues in the House, as well as spokesmen for the executive branch, which now regards the resolution as constitutional.

I have long believed that so critically important a statute ought not to be amended without good reason, and that certainty and predictability are particularly necessary in legislation of this magnitude. It may well be that no amendments are called for; it will be the purpose of these hearings to determine whether that is so. But our country now finds itself presented with a promising opportunity to reflect on normally heated questions in a period of peace and tranquillity. It behooves this committee, and the Congress, to take advantage of that opportunity to ascertain whether the resolution requires further refinement. The stakes are high-war and constitutional crisis-and some years from now we may be glad that we looked again, carefully and coolly, at these momentous questions.

ADDITIONAL STATEMENTS

JERRY CRUMP—A GREAT AMERICAN

Mr. HELMS. I have three items, each concerning a gallant hero of my State, which I want to share with my fellow Senators. Together, these items should convey an important message to all of us.

They concern a young man who died a few weeks ago—a man who was awarded the Congressional Medal of Honor, a man who, at another time and place, demonstrated that he was willing to lay down his life for his country and for his fellow soldiers.

Talk about gallantry, Mr. President. Talk about heroism. The late Sgt. Jerry Crump, dead at 43, was the very spirit of America.

I shall ask unanimous consent in a moment, Mr. President, to have printed in the RECORD, first, a letter I have received from Mr. R. A. Miskelly, chairman of the western conference, Department of North Carolina, Veterans of Foreign Wars of the United States; second. some very inadequate comments of my own, written several weeks ago when I learned of Jerry Crump's death, and printed in a number of newspapers in my State; and third, an article from the March issue of the VFW Leader "No Wonder We Don't Have Patriotism," written by Tom Sieg. I believe I am correct in saying that Mr. Sieg is a reporter for the Winston-Salem Sentinel, where the article originally appeared.

Mr. Miskelly is past department commander of the VFW in North Carolina, and a distinguished citizen of my State.

I ask unanimous consent that the aforementioned three items be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WESTERN CONFERENCE, DEPART-MENT OF NORTH CAROLINA, VET-ERANS OF FOREIGN WARS OF U.S., March 27, 1977.

DEAR SENATOR HELMS: Your tribute to Sgt. Jerry Crump in the March issue of the VFW LEADER was a beautiful article.

We in Blue Ridge Mountain Post No. 1142, Veterans of Foreign Wars in North Wilkesboro will have a pictorial memorial to Jerry Crump mounted on a wall of our post home and I am going to include the above mentioned article in our memorial.

I am enclosing another article that appeared in the same issue of the Leader. It reflects the feeling, I am sure, of all of us who have served our nation in all of the armed services. If I were to title these two articles—yours and Tom Sieg's—I think I would title them "Majestic" and "Tragedy".

Very sincerely,

R. A. MISKELLY.

REPORT FROM U.S. SENATOR JESSE HELMS

Washington.—A week or so back, there was a brief item in one of the North Carolina papers reporting that Jerry Crump of Lincolnton had died in a traffic accident. The item mentioned that Mr. Crump had been cited for heroism during the Korean War.

As I read the item, my mind raced back in time to one morning in 1952, when I went down to the White House with North Carolina's Senators Clyde R. Hoey and Willis Smith. President Truman had invited us to attend ceremonies in the Rose Garden for three young men who were being awarded the Congressional Medal of Honor—the top honor that can be bestowed upon a U.S. serviceman.

Two of the young men were there—Jerry Crump of Lincolnton, N.C., and another soldier—from the mid-west, as I recall. The third soldier, was not there. He had lost his life, and the President presented the Medal of Honor to his family.

Honor to his family.

Crump.—I shall always remember that

morning. It was a beautiful day. The families of the three men had come to Washington at the invitation of the President of the United States. General Omar Bradley, whom I saw recently at the inauguration of President Carter, stood with the President at the ceremony.

President Truman greeted everyone in the Oval Office; then we proceeded with the President to the Rose Garden. I remember that the President's voice choked up as he read each of the citations. Then he asked the two young men to stand beside him. He shook their hands simultaneously as the newsmen took pictures of the occasion.

Afterwards, there was a quiet luncheon at the Capitol for Jerry Crump and his family. Then they departed, heading back to Lincolnton. I never saw him again—but many times during the years since, I have wondered how

he was getting along.

Miracle.—Young Jerry had incredibly survived the severe wounds he suffered in battle on September 6-7, 1951. On September 7, a communist had lobbed a hand grenade into a group of Americans. Sergeant Crump, without a second thought, threw his body over the grenade to save the lives of his fellow soldiers.

He did so, without hesitation, knowing that it would undoubtedly cost him his own life. Miraculously, he was still barely alive after the grenade exploded. He was rushed to an Army hospital, where he was patched up, and then flown to another hospital where he pegan a series of operations over a period of more than a year.

Puzzled.—That morning at the White House he was a quiet, shy young American who seemed puzzled that so much attention

was being devoted to him.

As I say, I never saw Jerry Crump again after that day in Washington nearly a quarter-century ago. But I was saddened when I read of the traffic accident that cost him his life. In his quiet, modest way, he was a measurement of the greatness of America. He proved his willingness to sacrifice his own life for his friends and his country.

Maybe he didn't agree with the war in

Maybe he didn't agree with the war in Korea. But he didn't cut and run when duty called. He was willing to give everything he had for his country—and he almost did.

"No Wonder We Don't Have Patriotism" (By Tom Sieg)

"There used to be heroes," said Betty Rowland, "people we admired and respected. We used to honor them. And it just seems like we don't do that anymore."

"People have forgotten patriotism," said

Jack Ragan.

Ragan and Mrs. Rowland had come away from the recent funeral for Jerry Crump, winner of the Medal of Honor, saddened and

feeling somehow unfulfilled.

"In a military funeral," Ragan said, "the honor guard is at the head and foot of the casket at all times—in the home, at the funeral home, at graveside. They did not have this. In fact, there was no honor guard in the funeral home when we arrived. All during the time of the service, the honor guard wasn't, at the casket either."

"And what was the good of having the honor guard there," asked Mrs. Rowland, "if they didn't stay with the casket until it went

into the ground?"

There were other things that bothered Ragan, who is commander of VFW Post 6367, and Mrs. Rowland, an auxiliary member at that post and at Clyde Bolling Post 55 of the American Legion.

"It's a lonesome thing to walk in and just see a casket," said Mrs. Rowland. "The casket was there. His Medal of Honor flag was there, with the American flag covering it. But there was nothing to show that he had won the nation's highest honor.

"We were told that a military general was supposed to be there, but we didn't see any. The highest rank was colonel."

"There was no one there from the state's Department of Military Affairs," said Ragan. "I know, because I asked . . . There was no one from the governor's office that I could find."

To Ragan and Mrs. Rowland, it was not a fitting ending to a story that began when an 18-year-old GI killed 24 enemy soldiers in one action and then threw himself on a hand grenade to protect his wounded buddles.

"He was such a quiet, unassuming, gentle person," said Mrs. Rowland, "not what I thought someone who did what he did would be like...He was invited to the White House; he met John F. Kennedy. Everybody respected him and gave him all those medals while he was alive.

"Then all of a sudden at 43 years old he dies, and it seems to me that the government just forgot. It's no wonder we don't have any patriotism in our country any-

more .

"I can remember World War II and how we felt about a few people that we knew who got out of serving—they were physically able, but they didn't serve. We all knew people like that. And I remember how really proud I was of my daddy when he joined, as well as some friends we knew who were also a little older.

"Then with Vietnam, the boys were made fun of and they were laughed at. The uniform was not an honor symbol anymore. Even now, the Vietnam veterans—we've taken that pride away from them. And I miss that thing of everybody being proud.

"I guess it all boils down to what I feel: that I as an average citizen who had never seen a military funeral—I went to a service for a man who had done more than I hope I'll ever be called on to do, and there was no pride, love, respect for country. It seemed to me everybody had forgot what so many had done."

"It seems," said Ragan, "that the people have forgotten the sacrifices that not only the men in service went through, but also the sacrifices that they themselves had to make in this country—like rationing sugar, gasoline, things like that.

"If people could visit a VA hospital and see these veterans they would stop and remember exactly what we did do, because, you see, there are a lot of hospitals that have people who will be there for the rest of their lives.

"People have just forgot what patriotism means. Do you know what it means?

"That love for country in the hearts of the people which shall make that country strong to resist foreign opposition and domestic intrigue—which impresses each and every individual with a sense of the inalienable rights of others and prepares him to accept the responsibility of protecting those rights."

And then, speaking for himself, Mrs. Rowland and others:

"We're still patriotic. We still love our country and our flag, and we're proud of what we've done for them. We'd go back and fight again if needed. That's just how we feel."

DAIRY PRICE SUPPORTS: THE BERGLAND DECISION

Mr. PROXMIRE. Mr. President, Agriculture Secretary Bergland recently decided to raise dairy price supports to about 83 percent of parity, effective April 1, 1977.

I have criticized Mr. Bergland's decision because, in my view, 83 percent of parity is not enough. It falls below the

commitment that President Carter made to Wisconsin dairy farmers last year that he would raise supports to 85 percent of parity. The \$9 per hundredweight which the new price supports will bring Wisconsin dairy farmers is far below the more than \$10 cost of production—not even counting management and labor—that University of Wisconsin experts have calculated.

Farmers, and especially dairy farmers, are the No. 1 victims of economic injustice in this country. Compared to those not on the farm, they work longer hours. They have improved their efficiency and productivity far more. They make a large investment—it now averages about \$200,000 per farm. And they take a much bigger risk on that investment because of weather, inflation, and fluctuating prices.

And yet, with all this, they get an income that is less than two-thirds of the income of those off the farm.

What Secretary Bergland has done will help dairy farmers in Wisconsin and elsewhere, but it will not help enough.

Mr. President, despite the facts that I have outlined above, Secretary Bergland's decision has been criticized by some as being somehow "too generous" to our dairy farmers. That criticism makes no sense to me. Nor does it seem reasonable to either Robert G. Lewis, secretary and chief economist of the Farmers Union, or to Congressmen Richard Nolan and Jim Jeffords, who have contributed articles to today's Washington Post in defense of dairy price supports set at least at the level decided on by Secretary Bergland.

So that my colleagues may have the benefit of reading the full text of the excellent articles by Messrs. Lewis, Nolan, and Jeffords, I ask unanimous consent that they be printed in the Record.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

FAMILY-FARMERS FACE EXTINCTION (By Robert G. Lewis)

Your March 22 editorial should have been entitled "Battering (not "Buttering Up") the Dairy Farmers." It was meanly unjust to these unusually hard-working and poorly paid citizens. But in the end, it will be consumers who will suffer if the attitude your editorial displayed should prevail and the family-farmers are at last battered into economic extinction. What a day of reckoning it will be if consumers become dependent for their milk and cheese upon a "General Foods Corporation" that fixes its prices like General Motors and the other industrial "Generals" do.

Your editorial is insensitive and short-sighted on two counts:

First, it isn't fair. The price farmers get for milk under the new price support announced by the administration (\$9 per 100 lbs.) will barely cover dairy farmers out-of-pocket production costs and leave them returns for their labor and investment far below what any other workers and businessmen would consider acceptable. After allowing for feed produced by the dairy farmer himself at less than it cost him to produce it, and only \$2.04 to \$3.08 per hour for the farmer's labor, the U.S. Department of Agriculture found that the average cost of producing milk in the U.S. in 1976 was \$9.24 per 100 lbs. The cost will go higher in 1977. The excess of the cost above the \$9 support price

will have to come out of the farmer's own

hide—and his wife's and kids'.
Second, it isn't smart. Milk is extremely important to our American diet-and it's extremely big. The cost of stabilizing this vital segment of our economy must be viewed in a realistic perspective. If the cost of buying surplus products does rise to around \$700 million this year, as some predict, it should be viewed against the total wholesale value of milk and dairy products in our economy around \$25 billion this year! The predicted "surplus" would amount to less than three per cent of the total supply, and it's not at all certain to be that big. If the unemployment rate should drop one or two percentage points, for example, or the weather take a bad turn, this small margin of error might disappear as quick as a wink. Have you for-gotten that we had a world wide protein shortage just a few years ago? And meat? And sugar?

Twenty-five years ago there were two million farms selling milk in the United States. Six out of seven have been starved out of existence. Yes, six out of seven-only 300,000 are left. Yes, starved-dairy farmers throughout all that time never averaged as much pay for their extremely demanding and responsible labor as the legal minimum wage. Consumers in this, the world's cheapest-food country, have been eating up the farmers, the goose that lays their golden eggs. Now we can't spare any more, and it's time to stop

You can't make either dairy cows or dairy farmers overnight to match the short-range ups and downs of the business cycle. It would better to pay the modest price of stabilizing and securing our independent family-worked farms than to get stuck for the far bigger cost of shortages as soon as there's a little change in the world's or the nation's economic situation.

MILK PRODUCTION: WHO WILL PAY? (By Richard Nolan and Jim Jeffords)

Your editorial criticism of Agriculture Secretary Bob Bergland's decision to raise government milk price supports ("Buttering Up the Dairy Farmers") brings to mind the old story of the puzzled housewife who wonders, "Why do we need farmers when we have supermarkets?" The lady's statement is as illogical as The Post's editorial.

While admitting that "the principle of price supports is a good and useful one," you draw the line at Secretary Bergland's "audacity" in pushing the program out of the realm of principle and into the realm of practical help for farmers who are desper-

ately in need.

Despite the Post's statement to the contrary, Mr. Bergland is certainly aware that he is now Secretary of Agriculture and not a congressman from Minnesota. He is also aware that the adjustment to 83 per cent of parity will undoubtedly save thousands of drought-stricken small dairy farmers from having to stop producing and prevent another production cutback of the kind that drove consumer prices out of sight in late

You do not have to be a congressman or Secretary of Agriculture to realize that the old "boom-bust" food price policy is as bad for consumers as it is for farmers. You do, however, have to be at least a casual observer

of recent history.

Between 1967 and 1969, price supports averaged between 83 and 87 per cent of parity. Farmers were getting a reasonably stable price for their milk (18-21 cents per half gallon) and consumers (who were pay ing between 52 cents and 59 cents per half gallon for the same product) were finding themselves able to plan and follow a pre-dictable milk budget for a change.

But inflation and drought hit hard in the spring of 1972. When the price support level

fell below 80 per cent of parity, farmers cut production. Dramatically higher European imports then pushed consumer prices to 80 cents per half gallon in 1974, while the market price for American farmers dropped

The point, of course, is that somebody is going to have to absorb the escalating cost of milk production in this country.

Clearly, the cost of milk for consumers will always rise in proportion to the cost of producing it. But consumer prices do not go down during periods of falling farm mar-ket prices. When American farmers cut production, the difference in supply is made up through European imports. The American consumer continues to pay while the American dairy farmer continues to go out of business.

Under Secretary Bergland's order, the Treasury will initially pay and regain a substantial share of the money through future Commodity Credit Corporation sales.

The Post's editorial is correct in pointing out that U.S. dairy farmers have succeeded in substantially increasing the amount of milk produced by an individual cow. But according to Dr. Clifford Burton, nationally recognized dairy expert at the University of Oklahoma, individual milk production per cow may be reaching an optimum level. Many of the highly productive herds producing today's milk were bred 13 years ago. Unless confidence in the pricing system is restored, production will permanently drop as those animals are slaughtered and the farmers who produced them retire or go out of business.

Minnesota, the nation's second largest dairy producing state, has already lost 34,-000 dairy farmers over the past 10 years. The cost of producing a hundredweight of milk in the Midwest now exceeds not only \$9, but \$10! The signs are clear, and if Bob Bergland learned anything as a congressman from Minnesota, he learned how to read

RELIGION IN AMERICAN LIFE

Mr. JAVITS. Mr. President, on March 8, 1977, on the occasion of the Annual Dinner of Religion in American Life, held at the Waldorf-Astoria Hotel. in New York City, when Sol M. Linowitz received the organization's annual award, he made some remarks which I ask unanimous consent to have printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY SOL M. LINOWITZ

As I look around this room and see so many who have done so much over the years for so many, I must admit that I have a sense of kinship with William Howard Taft's great-granddaughter who in her third grade autobiography wrote: "My Great-Grand-father was President of the United States, my Grandfather was a United States Senor, my Father is an Ambassador, and I am a Brownie."

I want you to know that in your presence, I am a Brownie.

I am truly grateful to you for the Award this evening, for the spirit in which you have tendered it, and for the auspices under which you have presented it. Let me express my special appreciation to the General Electric Company for the generous contribution which they have made on my behalf in the name of that distinguished American, Charles E. Wilson.

With your permission I would like to take a few minutes just to say a few things which are on my mind and my heart

We are met at a moment in history which

is uncertain, fearful and indeed, dangerous. While it is true as Professor Whitehead once said that "it is the business of the future to be dangerous," nonetheless there is reason for concern as we look about us.

We are at a time that has been called both the Age of Anxiety and the Age of Science and Technology. Both are accurate, for indeed one feeds upon the other. As our scientific and technological competence has increased, so have our fear and anxiety.

In a real sense we are at a time of paradox-a time when we have learned to achieve most and to fear most. It is a time when we seem to know much more about how to make war than how to make peace, more about killing than we do about living. It is a time of unprecedented need and unparalleled plenty, a time when great advances in medicine and science and technology are overshadowed by incredible achievements in instruments of destruction. It is a time when the world fears not the primitive or the ignorant man, but the educated, the technically competent man, who has it in his power to destroy civilization.

It is a time when malaise hangs heavy, when we can send men up to walk the moon yet hauntingly recall Santayana's words that people have come to power who "having no stomach for the ultimate, burrow themselves

downward toward the primitive".

No one needs to remind us that this moment may be the most fateful in all the long history of mankind. And that the outcome will depend on whether the human intellect which has invented such total instruments of destruction, can now develop ways of peace that will keep any man, no matter what his ideology, his race or his nation, from pushing the fatal button.

In the past men have warred over frontiers, they have come into conflict over ideologies. And they have fought over ideologies. And they have fought to better their daily lives. But today each crisis seems to overlap the other and we are engaged in a vast human upheaval that touches upon every phase of our existence-national and international, religious and racial.

Part of that upheaval is as old as hunger. Part is as new as a walk in lunar space. The overriding fact is that today we are all part of a global society in which there no longer is any such thing as a separate or isolated concern, in which peace is truly indivisible.

And the fact is that whether we like it or not, either we will all survive together or none of us will. Either we will all share the world's bounty, or none of us will.

We must, therefore, ask what chance we have to accepting our shrinking world with its fewer and fewer natural frontiers, or of transcending our ideological struggles unless we are prepared finally to get to the roots of the problem—the roots that are dug so deep in injustice and resentment in a worldwide contrast between wealth and misery. And the answers are vital not only to sound foreign policy, but to a compassionate domestic policy. Indeed, both are interrelated in an interdependent world. For there is no escape any longer from what I believe is surely the central fact of our time: That whether it be Africa or Asia or Latin America New York or Detroit or Washingtonhuman beings can no longer be condemned to hunger and disease and to the indignity of a life without hope.

Who are these human beings that make up this world in which we live-the millions upon millions no longer thousands of miles away, but not just down the runway? Here they are in microcosm: During the next 60 seconds, 200 human beings will be born on this earth. About 160 of them will be black. brown, yellow or red. Of these 200 youngsters now being born, about half will be dead before they are a year old. Of those that

survive, another half will be dead before they are 16. The 50 of the 200 who live past their 16th birthday, multiplied by thousands and millions, represent the people of this earth.

They, like their fathers and forefathers before them, will till the soil working for landlords, living in tents or mud huts. Most of them will never learn to read or write. Most of them will be poor and tired and hungry most of their lives. Most of them—like their fathers and their forefathers—will lie under the open skies of Asia, Africa, and Latin America watching, waiting, hoping. These are our brothers and sisters, our fellow human beings on this earth.

What kind of a tomorrow does the world offer these, the people of this earth? Two diametrically opposed philosophies are being presented. One we call Communism—the other Democracy. Each asks acceptance of a basic idea; each offers a larger slice of bread.

Make common cause with us, say the Communists, and accept three basic premises: First, dialetical materialism—all that matters is matter itself. Second godlessness—accept the notion that there is no spiritual being who determines your destiny. Third, accept the idea that the State is supreme and determines the will of the individual. Believe these things and accept them, say the Communists, and we promise you more food in your stomachs, more clothes on your backs, a firmer roof over your heads.

And what about Democracy? Because democracy rejects absolutes, it tends also to resist precise definition. But when you and I think of Democracy, we think of a system dedicated to the preservation of the integrity, dignity and decency of the individual person.

We talk of all men being created equal but what we really mean is that all men are created with an equal right to become unequal—to achieve the glorious inequality of their individual talent, their individual capacity, their individual genius. We don't talk of the common man because what we believe in is not man as common, but with a common right to become uncommon—to think uncommon thoughts, to believe uncommon beliefs, to be an uncommon man.

We like to say that in a Democracy every person has a right to life, a right to a decent life, which comes not from government, not from his fellow citizens, but from God. We say that in a Democracy it is the individual who matters; and because we count by ones and not by masses or by mobs, we believe that in a Democracy each human being, regardless of his race, his creed, his color, has the right—the God-given right—to stand erect with dignity as a child of God.

I submit to you that that is the essence of what we really mean when we talk about the impact of religion on American life—our deep faith in every man's right to stand erect and with dignity as a child of God. That is the basic principle to which we are committed as a nation and as a people; that is the foundation on which our system rests; and that is what distinguishes us in the eyes of the world—in the eyes of those millions who are searching for hope of a better future.

From the beginning there has been an expectation about us as a nation. From the beginning the world has looked to us to live up to certain standards of integrity, decency, dignity and humanity—to involve ourselves deeply in moving humankind toward a more humane world of freedom and justice.

Archibald MacLeish once wrote: "America is promises". America is, indeed, promises. We started with a promise over two hundred years ago. At the time when we were but a loose group of weak and scattered colonies of 3 million people, we lit up the western sky with a promise based on faith and hope—

the promise of a free and compassionate soclety committed to the preservation of fundamental human values.

From the beginning we have always treasured the human and the humane and we have always cared about what happened to other human beings. The promise we held out to the world—saying we did so "out of a decent respect to the opinions of mankind"—is still the promise of America to the millions on this earth.

And today as never before in our history we have the opportunity to redeem that promise. Today we have the science and the technology, the skills and the resources to make it happen, to put an end to the hunger and disease and privation that have for so long been the scourge of mankind.

The question is whether we have the will, whether we are prepared to do what we should and must if we are to be the kind of nation we have said we are.

We have a great responsibility to ourselves, to our heritage and to our children. We are not going to discharge that responsibility by building larger missiles or making more powerful warheads. We will not be issuing new and eloquent statements. We will only do it by remembering who we are and what we are—by tapping the very deepest within us as a people—by dedicating ourselves to the fulfillment of our mission as a beacon of hope for ourselves and for the other people of this world, not only as Americans but also as Christians and Jews, drawing upon the richest within our faiths.

As I indicated earlier, this is a time of uncertainty, of deep concern. But there is a moment in our history which I think suggests the temper in which we must approach whatever challenge is before us. On May 19, 1780 the Connecticut State Legislature was in session. For days there had been prophecies that it was to be day of doom. Then suddenly in mid-morning the sky turned from blue to grey to black. Men fell on their knees in fear and in prayer and there were many shouts for adjournment. Then a State Senator, Abraham Davenport, came forward to the podium, banged the gavel and said, "Gentlemen, either the day of judgment is approaching or it is not. If it is not, then there is no need to adjourn, and if it is, I choose to be found doing my duty. I therefore ask, let candles be brought"

I suggest this is a time for all of us to make that commitment. Let us also determine that no matter what lies ahead we will be found doing our duty to God and our country. Let us together ask that candles be brought.

PHILIP A. HART MEMORIAL CONCERT

Mr. MUSKIE. Mr. President, I had the privilege of attending a concert of the Detroit Symphony last Tuesday in memory of Phil Hart.

The concert was in part for the support of a scholarship program established in his name at Lake Superior State College in Michigan. In part, it was a way for Phil's many friends in Michigan and around the country to gather in a final tribute, to remember his greatness and his friendship.

The program from the concert included the reflections of journalists, friends, and colleagues. To share them with the Senate, I ask unanimous consent that the program from the Philip A. Hart Memorial Concert be printed in the RECORD.

There being no objection, the reflections were ordered to be printed in the RECORD, as follows:

PHILIP A. HART

"He has left us a legacy of honor whose preservation is the only tribute he would want".

"We're here tonight to enjoy the music. Phil Hart would want that.

"We're here because we believe in the importance of a college education and of financial aid for these who need or merit it through scholarships. He would be pleased by that, too.

"We're also here to honor Philip A. Hart, something with which he would be the least concerned, but would graciously acknowledge.

"We join many who have paid tribute to the late Senator from Michigan. Some of the things they remember and some thoughts they have had follow here, telling a story of this extraordinary man."

Cancer has finally stilled the voice of Michigan Senator Philip A. Hart... his death ended a life of public service that began nearly three decades ago and included, in addition to his 18 years in the Senate, a four-year stint as Michigan's lieutenant governor.

But clearly his fondest memories, and certainly his greatest fame, resulted from the time spent in the Senate, where he became one of its best liked and most respected members...

Early in his political career, Hart considered a Senate seat to be the best job possible, remarking at one time: "I honestly believe that to sit in the U.S. Senate in the midst of the 20th century is the greatest thing that could happen to any man."

But, in later years, he seemed to become disillusioned with the Senate and its slow plodding pace...

"You know," he told his fellow senators last summer, "the trouble is we believe all the things we say about each other in here. We think this is where it really happens. But it isn't. It's happening out there and in time, God willing, we finally react to it."—Richard A. Ryan, in The Detroit News.

Philip Hart was a politician. He recognized politics as an honorable, necessary and difficult vocation. He practiced it not as the "art of the possible," which is a wholly inadequate definition, but as a discipline of mind and of will, as a profession which should carry the common good beyond what is considered prudent and possible. He knew that politics is not a game to be scored, to be marked by winning and losing, but rather a continuing challenge...

He did not seek to be "the conscience of the Senate," as some have described him. His method was not to express moral judgment or indignation, but to make the reasoned and the pragmatic argument.

I do not think he would have accepted . that he "cut through every statements . . issue to find the truth and then laid that truth out for all to see." He was too modest and too honest to accept any such credit. Rather his effort was to come close to truth, to work around it and there on the edge to ask his colleagues-sometimes to urge them, but with modest hesitation and some expression of doubt on his part-to take the next step. He asked them to take the risk as an act of civil faith that the commitments of the Declaration of Independence could be realized, but only if they were willing to take chances on the side of liberty and of trust.

Phil Hart was not indecisive, as some of his critics have said he was. Like Adlai Stevenson, against whom the same charge was made, he refused to give a simple and immediate response to demands for decision when decision was not called for. He studied and reflected, and when ready he drew the line and marked the threshold. Then only he

would say to his Senate colleagues, "This is as far as I can or will take you. You may cross over with me, if you will, or stand back; but as for me, I have made the choice of crossing."—Former Sen. Eugene J. McCarthy of Minnesota in The New Repubic.

He was an ideal Senator, combining almost perfectly the twin roles of Senator from Michigan and United States Senator, faithfully representing the interests of the people of his state, and just as faithfully reconciling them with the larger interests of the nation as a whole.

Above all, for a generation in the Senate he was a missionary for civil rights, skillfully and successfully guiding every major civil rights bill through the gauntlet of the filibuster. He helped the nation understand the depth of division caused by segregation and discrimination . . "Every 'American," he said, "should be

"Every American," he said, "should be judged as an individual, by our individual merits—and not, while we are still 50 feet away, by the color God gave us."

Often, he started out by asking why. Why should a child growing up black in the urban ghetto be more likely to drop out of high school than to graduate from college? Why should a child born on an Indian reservation have no doctor for the first six years of life? Why should anyone's horizon be narrowed by the color of his skin or the Spanish lilt to his name?

Phil Hart irritated some by these questions. But he asked them softly, with understanding and compassion. He also asked them with quiet force and with irresistible logic and persistence. And more than any other senator in my time he was listened to, because to hear such questions and to understand them was to answer them . . .

Every cause he touched, he left better than he found it. Now, he belongs to Clay, Calhoun, Webster and other great Senate names. It is difficult to believe that any finer person ever graced the Senate chamber.—Sen. Edward M. Kennedy, in New Times.

During three terms in the Senate, he battled for civil rights, a better break for the consumer in the marketplace and reduction of giant concentrations of economic power by huge corporations

by huge corporations . . . Through his role on the Commerce Committee he played a leading role in behalf of consumer and environment legislation, including no-fault auto insurance and consumer protection measures.

His other major committee assignment, the Judiciary Committee, put him in the middle of battles about civil rights, gun control and criminal law and eventually led to the chairmanship of the antitrust subcommittee, which conducted investigations into drug pricing, auto insurance, oil pricing, distribution of wealth, market manipulation and related issues.

He was a co-sponsor of most major consumer legislation during his years in office and played a key role in the truth-in-packaging and truth-in-lending laws.

Perhaps his crowning legislative achievement, and a reflection of his decision to the principles of free and fair competition in the economy, was passage this year of the Hart-Scott-Rodino Antitrust Improvements Act. Signed into law September 30, 1976, the measure is designed to strengthen federal and state enforcement of the nation's antitrust laws. President Ford did not conduct a signing ceremony, but he sent Sen. Hart the only pen he had used in signing the bill . . .

When Sen. Hart announced on June 5, 1975, that he would not seek a fourth Senate term, he gave age as his reason . . . He said he would be 64 when he completed his third term in 1976 . . .

Undoubtedly age was a factor, but Sen. Hart privately hinted . . . that discouragement with the glacial pace of legislation

dearest to him and with the government's failure to do a better job for the people also were factors.

About a month after his retirement announcement, he told a reporter that it is best to have a man in office who, however mistakenly, sincerely believes that he can change the world overnight once he gets into the Senate.

"You and I know that he's not going to be able to do it, but he makes a better senator if he think's he's going to be able," Sen. Hart said.—Spencer Rich, in the Washington Post.

There are a few people who are almost universally respected. Respect, after all, must be earned. But Philip Hart was such a person.

He seemed to do the right thing, to say the right thing, before most people had even thought about the subject, let alone come to a conclusion.

In 1957, long before the Peace Corps or VISTA, Mr. Hart, then lieutenant governor of Michigan, urged the state's Young Democrats to find solutions to "poverty in Asia and Africa and prejudice in America."

In 1958, six years before the creation of the Equal Employment Opportunity Commission, he wrote Vice President Richard Nixon and requested that more facts be made available on the success or failure of eliminating racial discrimination in government-contracted jobs.

In 1959, his first year in the Senate—and more than a decade before financial disclosure legislation—he broke a state precedent and revealed the financial details of his office operations. That same year, he called for a system of federal election registrars to ensure voting rights for blacks in the South.

On through the years, example after example piled up. He was the man with the conscience. The man who fought for the rights of consumers. The man who started the home state auto companies in the eye. The man who made others realize that politics, despite so much evidence to the contrary, sometimes could be the kind of noble endeavor envisioned by the pragmatic but philosophical politicians who wrote the Declaration of Independence and Constitution of this country.

Knowing all that about Philip Hart, it is doubly difficult to reconcile it with the profound despair he felt in his last months. Not despair for himself—Philip Hart, who worked in the Senate so long as he could despite the cancer growing inside him, would waste no time on that—but despair because more had not been accomplished, because the basic structures of the economy had remained mostly unchanged, because not everyone shared his vision of what a better America would be.

Perhaps no greater tribute could be paid to Mr. Hart than to say he was wrong in that despair.

His being on earth, his being in the Senate, made a difference. Anyone older than 35 in this country can look back to the year Phil Hart was elected to the Senate, and state categorically that things have gotten better. Not perfect—human nature itself precludes that—but better. There may still be racial discrimination, but it is not tolerated by law. There may still be consumer deception, but the doctrine of caveat emptor is no longer acceptable. There may still be those who will defend to the death the status quo, but there are others who, having known or known of Philip Hart, will never be so inclined.—The Detroit Free Press.

On September 30, 1976, Phil Hart's colleagues took time during Senate proceedings to pay tribute to him and wish him well upon his retirement. Among the many words that were spoken are these:

When I think of Phil Hart, words come to mind like gentleness, kindness, compassion,

integrity, intelligence, dedication, modesty—and, above all, courage. . . .

In his tenure here, he has left a lasting mark, both on this body and on the nation . . . I do not know how many colleagues will be able to come to the floor this morning. I do know, however, that many of them, in their own way, paid tribute in a direct and personal way last week. I refer to a gathering initiated by his seatmate, Sen. Ed Muskie. Initially it was to be a small gathering (to show Hart drawings of the new Senate office building to be named in his honor). Then, as word spread through the corridors . . . more and more Senators stopped by. As a result, the meeting grew larger and larger and had to be moved from its original place, the majority leader's office, to a large area . . . The room filled to capacity . . . many Senators were standing and some sat on the floor at this unannounced meeting for Phil Hart.

Will Rogers once observed that "Heroes are made every little while, but only one in a million conducts himself afterward so that it makes us proud that we honored him at the time."

Phil Hart is such a hero. We are proud to know him and to have had the opportunity to honor him. Indeed, it is he who has honored us by his friendship and inspiration.—Sen. Robert P. Griffin of Michigan.

Under ideal circumstances the Senate would be, at all times, a body of unchallenged integrity, deep compassion, thoughtful deliberation, balanced judgment and great intellect.

Sadly, the 95th Congress will be without one Senator who has met every one of these standards throughout his 18 years in the Senate.

. . . Perhaps one of the most important things that needs to be said about Phil Hart is that he always kept a careful perspective of himself, his colleagues and the issues with which we were dealing. Never afflicted by an overgrown ego, Phil Hart commanded great respect for his interest, decency and self-effacing nature. It is ironic that in a world where one encounters some individuals who are a bit too self-important or a bit too impressed with themselves, that Phil Hart—so important to the Senate and so impressive an individual—has never fallen victim to those Washington maladies.—Sen. Birch Bayh of Indiana.

Phil Hart has set a standard to which every Senator should aspire. No other member of this body has expressed a greater moral force throughout his years of service here...

One of the most human and endearing traits of Phil Hart is his natural inclination to assume the best in the behavior of others. Remember his frank and refreshing confession of error, when he said that members of his family had tried unsuccessfully to persuade him that our intelligence agencies were engaged in illegal and improper practices. When the evidence later proved them right, Phil Hart was unstinting in his efforts to expose the wrongdoing and to advocate remedies designed to better protect the liberties of the people in the future.—Sen. Frank Church of Idaho.

He was not afraid to be in the minority nor did he allow the shifting winds of day-to-day politics to cloud his perceptions of what was right . . . He has left us a legacy of honor whose preservation is the only tribute he would want.—Sen. Charles H. Percy of Illinois.

The public record of Phil Hart does little to explain the effect he has had on all of us. For his greatness will always lie in a spirit that was always gentle, compassionate, courageous and decent. He has consistently helped to quiet the rancor, to soothe the bitterness during some very turbulent years of this Senate. He has taught us the value of the gentle word. He has helped remind us of the meaning of public service—that duty, honor and sensitivity must always be foremost—that service to our country is a personal, as well as a public commitment.— Sen. Edmund S. Muskie of Maine.

The Senate will soon be poorer. A gentle spirit and a quiet conscience will be gone from this place. But I do not believe Phil Hart's presence is likely to disappear with him. He made an indelible impression on us. He was unfailingly good humored, thoughtful and wise-not the stuff of sensation and media attention. He attended to the work of the country. He was firm and persistent in the struggle for social justice, peace in Southeast Asia, a system of free enterprise that is free.

The good fights are long ones. He never shrank from one, never abandoned one for some flash in the pan or because it was politically expedient to back off. That gentle man was tough. And he was effective because above all else he was principled, completely honest . . . he never compromised his high standards of conduct or his commitment to the welfare of the people he represented.—Sen. Adlai E. Stevenson III of

Illinois.

To his colleagues that day Phil Hart said: "There are no word combinations to express my appreciation-an appreciation that goes back to a father and mother who encouraged me to prepare, and to a state which welcomed me as a stranger and gave me the opportunity to serve and permitted me to sit with those here today and those who preceded me

"I leave as I arrived, understanding clearly the complexity of the world into which we were born and optimistic that if we give it our best shot, we will come close to achieving the goals set for us 200 years ago."

[Henry and Edsel Ford Auditorium] Tuesday evening, March 29, 1977, at 8 o'clock.

DETROIT SYMPHONY ORCHESTRA

Paul Freeman, conducting. Hon. G. Mennen Williams, narrator. Ann Hart, mezzo-soprano. Barber: Adagio for Strings

Dvorak: Symphony No. 8, G major, Opus 88, Allegro con bio, Adagio, Allegretto grazioso Allegro ma non troppo.

Intermission.

Remarks and introduction of guests. Ging heut' Morgen über's Feld, from "Lieder eines fahrenden Gesellen"

Handel: Lascia ch'io pianga, "Rinaldo"

Handel: Sorge infausta una procella, from "Orlando", Ann Hart.

Copland: A Lincoln Portrait, Hon. G. Mennen Williams.

THE EFFECTS OF GENOCIDE

Mr. PROXMIRE. Mr. President, if one tries to imagine the horrors of a genocidal purge, it becomes clear that we must act to place our country squarely on the side of those nations which have condemned this crime. We must ratify the Genocide Convention.

To conceive of the suffering that an Armenian faced in Turkey in 1922, or a Jew endured in Hitler's Germany, is to understand why the world body of nations acted to outlaw this act through the Genocide Convention.

Genocide creates more than the possibility of actually losing one's life. It instills fear in every member of the racial. cultural, or ethnic group being destroyed. Each person so designated to be mur-dered must live in eternal fear. He is driven to hiding, to fleeing his home, to denying his identity. Even if he saves his life, he must be forever wary of his situation. His life will never be the same.

Genocide is a horrible crime. It is our duty to condemn the commission of such a crime and that is exactly what the Genocide Convention is designed to do. By ratifying the Genocide Treaty, we are declaring that genocide is a crime against all mankind.

Let us place our Nation on the side of human freedom and dignity. Let us ratify the Genocide Convention and show the world that we still live up to the lofty standards of our Nation's birthright.

ENDANGERED SPECIES LEGISLATION

Mr. BAKER. Mr. President, I noted with much interest the editorial in this morning's Washington Post entitled the "Lousewort and the Law." There seemed to be two important points that the article was making about the Endangered Species Act.

First, the article noted that in many public works projects and other developments there are available alternative methods of proceeding which can, if used, avoid conflicts between the act and the particular project. This has been done in the past on a number of projects through negotiations that take into account both the requirements of the particular species and the needs of the particular project. Where such alternatives do exist it certainly is, as the editorial suggests, best to seek coexistence between the project and the endangered

Secondly, the article noted there are instances such as the Tellico project in my State of Tennessee which seemingly offer no alternatives. It is in situations such as Tellico that the Endangered Species Act seems so inflexible as to be unworkable because of its inability to balance other national interests with the protection of endangered species.

It might be of some benefit at this point to explore in some detail the philosophy contained in the present legislation which seems to be the root of the conflict on projects such as Tellico. The provisions of the present act seem to suggest that in cases of unavoidable conflict Congress would in every instance favor the preservation of an endangered species regardless of the social benefits to be derived from such project.

This approach to protecting endangered species seems unwise if not impossible. It must be realized that the process of evolution-speciation-is an ongoing, vigorous process. There are species of all types both evolving and being eliminated all the time. This has been the chain of events throughout the eons and it will undoubtedly continue in

the future. No type of legislation can or should attempt to totally stop this scheme. On the other hand, we as legislators should realize that man has because of his complex and sophisticated technology an unprecedented capability to radically alter ecosystems and therefore the species within those ecosystems. These man-induced changes occur at a much faster rate than do natural ecosystem changes. It is this man-induced increase in the rate of ecosystem change that needs to be monitored and controlled by our legislative efforts. The aforegoing being understood, the Post article suggests that our endangered species legislation should have the ability to limit or eliminate man's impact on certain ecosystems and the unique species they contain, but the legislation must also face the fact that in certain instances other priorities might prevail over species preservation.

The article notes and I agree that endangered species legislation must allow for consideration of other important national goals and priorities in cases such as Tellico. It is for this reason that I have asked the Environment and Public Works Committee to hold hearings on the subject. Hopefully the hearing process will allow us to develop a technique for carrying out the balancing process which many of us seem to agree is needed.

A NEW PROPOSAL FOR ECONOMIC DEVELOPMENT IN EGYPT

Mr. HUMPHREY. Mr. President, I believe the time has come to recognize that we need to change our thinking on how best to assist Egypt. The problem is not money, for the United States today is an important contributor to Egypt's economy. We have provided funds to assist in developing the infrastructure of that country, including expansion of some basic industry, improvement of the electrical power capabilities to set the stage for further economic development, and provision of training for hundreds of Egyptian specialists in modern business management, science, social science, and medicine. In addition, we have assisted Egypt in feeding her people in time of need, while concentrating on improvement of her own agricultural capabilities.

All of this is helpful, but it hardly begins to address the real needs in Egypt. What we need to consider is a new economic plan worked out in cooperation with Egypt-one which capitalizes on what we know how to do best. Egypt needs a rapid injection to get it on track. It has been outside the Western economic system for a long time and it has been adversely affected by Soviet trade and

assistance programs.

I do not think we can get the job done by leaving it to just our official developing efforts. Those in charge of administering our AID programs follow the law to the letter—and it may well be that the law, as it now stands, needs to be changed to accommodate the special problems in Egypt. After all, Egypt is the first big country to which we have given economic assistance after it underwent 10 years of Soviet domination of its economic system. The only result of the Soviet program was to send Egyptian resources and noncompetitive manufactured goods to the U.S.S.R. in return for Soviet arms.

We can do better, and we can help Egypt utilize resources which we and the oil producing countries can provide. In the past few years, oil states like Saudi Arabia and Kuwait have shown a willingness to assist Egypt, but they have lacked the managerial capability in their programs because they are, first of all, using their best people to bring industrial and social development to their own countries. They have tried to work with Americans on a private basis, but the problem has been that the biggest injection of resources has come from the U.S. Government. Yet, U.S. Government programs alone cannot resolve all of Egypt's economic problems.

we could come up with a plan, I think it may be possible to work swiftly to bring needed change and progress to Egypt. It would be desirable if we could undertake a crash effort to develop a plan in conjunction with the Egyptians themselves. It would be desirable if President Sadat could return home from his visit to the United States knowing that Congress was ready and willing to try and get a plan ready.

I have some tentative ideas on the ele-

ments of such a plan.

First, I think we have to ask our best industrial and business experts to tell us what kinds of assistance will produce the best results for Egypt and bring immediate hope to the people of Egypt. One possibility is small manufacturing industries producing needed consumer goods for the people of Egypt. To help these factories get started, we may have to nurse them along and-on an emergency basis-in cooperation with the Government of Egypt, they might require special rights and privileges for a period

Second, we have to do what we can to assist in developing the private sector in Egypt. This has floundered in part because most of the U.S. projects in Egypt have been aimed at the public sector. There is no doubt the public sector needs help, but public sector-type factories and basic industries do not earn the profits and the benefits in the same way that

private industry can.

Third, we have to consider whether other donors, especially the oil producing countries, will be willing to join us in certain joint efforts. Here I have in mind development projects which are designed to bring immediate results. To the extent possible, these projects should be designed to require the minimum in construction-which takes a long time-and maximizes output. With our knowledge of packaging and prefabrication, we ought to be able to design and move some industry to Egypt rapidly.

Fourth, we cannot neglect social programs; for example, programs like school lunches and breakfasts for children, which can employ Egyptians and bring real help to the people. Our knowledge of nutrition and food fortification can bring positive benefits to the children of Egypt. We could design school health programs. particularly in the rural areas where there are serious health problems caused by nonpotable water and lack of drainage systems. Much of this can be prevented by education and training.

We can also help the hundreds of thousands of Egyptian college students. An inexpensive and important project would be to provide Egypt textbooks in the areas of engineering, science, and medicine. Our Ambassador to Egypt has attempted to do this, and I congratulate him for his effort. But he ran into a bureaucratic blockage and an almost complete misunderstanding of how important an effort of this kind is. It is no surprise that the recent rioting in Egypt was fueled, in part, by students. I think we can do better and we need to get behind our Ambassador's efforts to assist in change of this nature.

These four points need expansion and technical elaboration. We have the experts-but I think we have to get them all working together, with a concrete new economic plan as their immediate goal.

Today I suggest that we set aside \$1 million from the final amount of assistance the Congress decides to authorize for Egypt. This fund would be used for a crash study by outside expertsfrom private business and industry, from the banking community, from development efforts-to develop a broadly based development program for Egypt. I emphasize that this plan must be worked out in concert with the Egyptian Government and with the private sector of that country. If we can put the right people together-and I think this can be done-we ought to be ready to get this program underway in the near future.

One of the best hopes for peace in the Middle East is rapid economic and social development. We have a lot to offer-and more than just money. We have experience and capability, if we use it correctly. Egypt is a special case because it is not only an underdeveloped country, but it also is one which has suffered economically from Soviet mismanagement. It is a country in which the United States has a significant stake in insuring that its people realize their full economic potential. By bringing our creative talents to bear on the problems of Egypt, and by working directly with all sectors of the Egyptian society, we can assist in helping to bring changes for the better in that important country.

STATE'S RIGHTS OVER ERDA'S SE-LECTION OF NUCLEAR WASTE DUMPING SITES

Mr. RIEGLE. Mr. President, on January 31, 1977, Representatives Bob CARR and PHILIP RUPPE introduced H.R. 2675. a bill which would give States veto power over Federal selection of nuclear waste disposal sites. I introduced this same bill in the Senate on March 15,

Granting the States the right, through the passage of a concurrent legislative resolution, to prohibit the construction of nuclear waste disposal facilities, will enable citizens to become more involved in the decisionmaking process.

I recognize that there are some who will argue that the question of "nuclear waste disposal" should be left to the technical experts and not the subject of public debate. Unfortunately, however, the track record of the nuclear regulators charged with protecting the public health and safety has been abysmally poor. Consequently, today, over 30 years after the passage of the Atomic Energy Act and with an accumulation of more than 80 million gallons of high level radioactive waste, the plans for ultimate disposal of these waste materials are so in flux that neither the AEC nor its successor agency ERDA have yet published an environmental impact statement on its research and develop-ment plan for long-term radioactive waste disposal. Our Government has yet to identify a single site or method for the permanent, safe disposal of highlevel radioactive waste materials.

Michigan Governor Milliken's

force report on nuclear waste disposal makes reference to the leakage of over 500,000 gallons of radioactive waste materials from storage tanks at Hanford, Wash. But there have been several other instances of radioactive leakages-and the Federal agencies with regulatory responsibility in this area often seem more concerned with the adverse impact of publicity regarding disclosure of leaks than with public health and safety. I might add that even the congressional oversight arm—the Joint Committee on Atomic Energy-historically was more interested in the growth of the nuclear industry rather than the dangers of radioactive contamination. Thus the public cannot assume that its interests are presently being adequately safeguarded by the nuclear experts.

The related issues of nuclear energy and radioactive waste disposal raise profound social and moral questions, the resolution of which will have significance for future as well as for present genera-

These are policy questions—and they need to be debated and decided in the widest possible public forum. The experts can be helpful in assessing the alternative costs, benefits and risks of different energy and waste storage, strategies, but it is only the people, either directly or through their elected representatives, that can make the decision as to whether or not the risks to human life of any given course of action are worth taking. In this connection, it needs to be emphasized that we are talking about materials that have not only uniquely devastating toxic properties but also, in the case of some nuclear wastes, need to be concealed from the environment for literally hundreds of thousands of years.

ERDA is currently studying geological formations in 45 States. In 13 of those States the prospects look good enough for nuclear waste storage that they will begin experimental drilling to determine the composition of the salt formations. The 13 States are Colorado, Indiana, Louisiana, Michigan, Mississippi, Nevada, New York, Ohio, South Dakota, Tennessee, Texas, Utah, and Washington. Extensive geological studies have already been carried out in New Mexico and Kansas. These States are the most likely candidates for ERDA's selection of nuclear waste dumping sites. Passage of this bill would mean that no Government action could be taken unless the ERDA projects were acceptable to the citizens themselves.

The selection of a site for nuclear waste dumping is far too serious an issue to be left solely to a regulatory body. The people have a right to know. They have a right to be involved in the decisionmaking process. And we in Government have an obligation to widen, not to restrict, the opportunities for citizen participation. If we appear to resist direct citizen involvement in the making of energy-related decisions, we will only be aggravating public fear and frustration, thereby making more difficult the development of a needed national consensus in support of the very hard decisions that must soon be made on a national energy policy.

ELIMINATION OF PURCHASE RE-QUIREMENT IN FOOD STAMP PRO-GRAM

Mr. McGOVERN. Mr. President, the most important issue to be decided in relation to the food stamp program this year is whether to eliminate the purchase requirement. For this reason, I call the attention of my colleagues to an editorial that appeared on Sunday in the New York Times.

As the editorial points out, elimination of the purchase requirement, or EPR, is one of the most significant reforms we can make in the food stamp program. EPR would enable hundreds of thousands of needy people, who now qualify for food stamps but who simply cannot afford them, to get their stamps. It would also reduce the administrative complexities in the program, and eliminate the cumbersome issuance procedure, with its potential for abuse by vendors.

I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection the editorial was ordered to be printed in the Record, as follows:

HELP FOR-AND FROM-THE POOR

Food stamps are coupons which poor people buy at discount prices and spend for food. For all the sneers about "funny money" and for all the complaints about welfare chiseling, they work. Welfare reform theories have come and gone in Washington's abstract breezes; food stamps have fed the hungry. Some 27 million Americans will rely on them sometime this year. But there is a problem. Many needy and eligible people—perhaps two million—are denied food stamps because of a quirk. The new Democratic Administration now has an opportunity to rectify that wrong.

The quirk is that, not surprisingly, many

The quirk is that, not surprisingly, many poor people lack capital. Say a poor family of four earns \$350 a month. For \$95 in cash, it can buy stamps worth \$166 at a supermarket—a bonus of \$71 worth of food. But the family has to have the \$95 at the right time each month (or half that amount, twice a month). Those who don't, though eligible in every other way, are out of luck.

There is a straightforward remedy, embodied in bills proposed by Senators George McGovern, Robert Dole and others, called EPR: eliminate the purchase requirement.

That is, simply give the family its \$71 in free food stamps. That would greatly reduce the number of stamps, reduce administrative costs, reduce the chances of fraud, and reduce the hassle for recipients. Most important, it would extend the program to poor people who need it and are entitled to participate.

There are two main objections to the proposal. One is that it might undermine the nutritional value of the program. Now, a family—to use the same example—must spend its own \$95 on food, while under EPR it could spend that \$95 for anything-food, sudden big fuel bills, or lottery tickets. This objection is vulnerable to simple arithmetic. Even if this family spends every bit of its own money and stamps on food, that would still come out to only 46 cents a meal per person. Perhaps such a family could spend less, but not for long and not without somebody going hungry. If there are some people with such urgent competing needs that they are willing to go hungry, that painful choice ought to be their own. To deprive two million other needy people of benefits on these grounds seems short-sighted and inhumane.

The other objection to the EPR reform is cost. No family now on food stamps would get any additional benefit, but introducing benefits to those now excluded would cost perhaps \$500 million. It appears that the Carter Administration is willing to accept the reform—but only if all or most of the cost can be saved by reducing the amount of the benefits. Granted, the Administration is trying hard to hold down an already large budget deficit. But to accept that reasoning is to accept a perversion of a humane principle: give bread to some poor people by taking it from the mouths of other poor people.

The Administration has found hundreds of millions to help dairy farmers. Can their—or anyone's—case for Federal help be as compelling as that of the hungry?

EUROCOMMUNISTS EXPOSED

Mr. GARN. Mr. President, the Constitution clearly envisions the participation of the Senate in the formulation of foreign policy. I recognize full well that foreign policy cannot be made by 100 Senators acting individually, but from time to time I feel obliged to comment on current trends in foreign policy, and to suggest possible alternatives. Over the weekend, one such trend came to my attention, and I present some comments on our relations with Europe's Communist parties.

The Sunday Washington Post reports the dismay of French President Valery Giscard d'Estaing over meetings between American diplomats and a member of the French Communist Party Politburo. As the article pointed out, there is nothing strange about such a meeting. What is strange is the publicity given to the meeting by the American diplomats in France. It has been the practice to keep talks between Americans and Communists as quiet as possible, and the change is seen as a shift of some significance in American policy.

Coupled with Secretary of State Vance's recent attentions to Socialist Party leaders, the talks with the Communists are perceived as lending a legitimacy to leftist politicians which is quite displeasing to President Giscard d'Estaing. It seems to suggest that the United States would not be terribly displeased if the leftists were to unseat the

present center Government of France.

Certainly I have never been called one of Henry Kissinger's staunchest supporters in the area of foreign policy, but Secretary Kissinger did recognize the dangers inherent in Eurocommunism, both to the European countries themselves, and to our relations with them. To his credit, Secretary Kissinger made very plain the problems of leftist governments involved in Western alliances.

By an interesting coincidence, this apertura a sinistra comes at the time when the subservience of the Eurocommunist parties to Moscow has just been displayed again. As Michael Ledeen noted in the March 26 issue of the New Republic, representatives of the French, Italian, and Spanish Communist parties got together recently to accomplish two things. They wanted to legitimize the Spanish Communist Party, and to demonstrate to the world the independence of the Western Communist Parties. But, before the meeting, emissaries were sent to Moscow to reassure the Kremlin that nothing serious would be said, and that if, by accident, it was, Moscow need not take it too personally. To quote Ledeen:

The gesture shows once again how farfetched it is to suppose there is a genuine rupture between the new communist protestants and the Kremlin theologists.

The best the Eurocommunists could muster was a statement that the Helsinki treaty should be fully implemented, while hastening to deny that they were in any way criticizing the treatment of dissidents in the Soviet Union.

I ask unanimous consent that the Post and New Republic articles be printed in the Record, and I urge the Senate and the administration to consider them well.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Post, Apr. 3, 1977] GISCARD REPORTED UNHAPPY OVER U.S. TALKS WITH LEFT

(By Jim Hoagland)

Paris, April 2.—President Valery Giscard d'Estaing voiced concern to U.S. Secretary of State Cyrus R. Vance today about an evident softening of American opposition to the Socialist-Communist alliance that is seeking to take control of France politically, informed sources reported.

Giscard, whose centrist and conservative supporters were drubbed by the Socialists and Communists in municipal elections last month, indirectly but unmistakably suggested that recent American contacts with the two leftist groups are undercutting his position, according to the sources.

Stopping over here immediately before returning to Washington, Vance briefed the French leader on the collapse of nuclear weapons limitation talks in Moscow earlier this week. While concerned about the impact of new difficulties on detente, French officials reportedly view the failure in Moscow as a "temporary" setback.

The discussion of official American attitudes toward the increasingly strong French left was seen here as another sign of Giscard's sensitivity to the growing acceptance the Communists are gaining through their alliance with the larger, less doctrinaire Socialist Party.

The Carter administration has not carried over the aggressively worded warnings frequently sounded by Henry Kissinger during the Nixon and Ford administrations. Kissinger stressed that the United States could not have close cooperation with a Western

European government that included Communists.

In meetings with two senior officials of the Socialist Party in February in Washington, Vance put a significantly different emphasis on what Washington's reaction would be to a victory by the Socialist-Communist alliance in the legislative elections scheduled 11 months from now, according to the Socialists and other informed sources.

Vance repeated the Kissinger formulation that European voters are free to choose their own governments, but Washington would reassess its view toward governments with Communist participation, according to American and French Socialist versions of the conversations.

While in office Kissinger strongly accented the probability of a hostile American reaction. Last year he instructed American diplomats here to go out and see Socialist leaders to hammer that point home.

Vance, however, put his emphasis on the assurances that the United States would not interfere in internal French affairs, if the Socialists and Communists beat Giscard's right-center coalition in the legislative elections

Reports of the conversations between Vance and Socialist leaders Michel Rocard and Jean-Pierre Cot leaked into the French press last month at about the time it became known here that two American diplomats had visited Communist Party Politburo member Jean Kanapa for a discussion in his office.

Kanapa, one of the most important figures in the party, is considered by many French analysts to be one of the more "Stalinist" officials in a party that now consistently claims it is following a more liberal, politically tolerant "Euro-Communist" program.

ically tolerant "Euro-Communist" program.

The talk with Kanapa broke little new ground, according to informed sources, but it has created a stir in the French press, which has interpreted the meeting as an important shift in American policy.

portant shift in American policy.

Embassy sources and a State Department spokesman in Washington sought to minimize the significance of the meeting, which they said was part of a continuing process of talks between lower-level U.S. diplomats and local Communists.

Under guidelines established at the embassy, only the ambassador and his top political aides refuse to have any formalized contacts with the Communists.

But information about past lower level meetings here and in Rome with Italian Communist officials was kept secret during Kissinger's reign, and mention of the meeting with Kanapa has had the impact of suggesting a policy change that Giscard reportedly indicated today could amount to interference in French internal affairs.

Vance reportedly assured the French president that the press had taken the American contacts with the left out of context, and had been inaccurate on some points.

The Moscow negotiations and the French political question took up relatively little time in the meeting, which concentrated on Africa. France is deeply concerned about the fate of President Mobutu Sese Seko's regime in Zaire and the future of Djibouti, which is to become independent in May.

The French president also sought once

The French president also sought once again to press home the probability of a strong hostile reaction by French public opinion if the Concorde supersonic jetliner is not granted landing rights in New York. Walking with Vance from the Elysee Palace meeting room, Giscard asked him, "Are you going back on Concorde?"

CARTER'S HUMAN RIGHTS CAMPAIGN HAS CALLED THEIR BLUFF: EUROCOMMUNISTS EXPOSED

(By Michael Ledeen)

Jimmy Carter's human rights campaign has been an unwelcome surprise to the Communist party leaders of Western Europe. Accustomed by now to sympathetic treatment from most of the American media and publicly delighted with the election of the new President, the Italian, French and Spanish Communist parties have been in a state of acute embarrassment for several weeks. The growing international consensus on behalf of the dissidents of Eastern Europe and some particularly heavy-handed actions by the Kremlin have exposed the hollowness of eurocommunist avowals of faith in democracy, pluralism and the integrity of Western society.

Party chiefs Santiago Carrillo of Spain, Enrico Berlinguer of Italy and Georges Marchais of France met in Madrid this month for what had been billed as an historic encounter. This eurocommunist summit was supposed to celebrate the formal baptism for the newly reformed communist church. Instead, it revealed that the three paladins of the faith agree on very little indeed, and that they are still quite unprepared to take public positions on the two questions which most concern outsiders: the relationships between the eurocommunists and Europe, and between eurocommunists and the Soviet Union. It proved impossible for the three spokesmen to draft statements dealing with human rights and the plight of the East European dissidents.

The eurocommunist summit was intended to confer legitimacy upon Santiago Carrillo's Spanish Communist party as it makes its formal entry into Spanish politics. It also was intended to present to the world the image of an ideologically coherent and respectable Western European communist movement. The first goal was abundantly fulfilled. Carrillo had the great satisfaction of watching security officers from the three countries protect the summit from unwanted intruders. Both Berlinguer and Marchais hailed the Spanish leader, called for the legalization of the PCE and, by their very presence and the smoothness with which the conference was carried off, added considerable luster to Carrillo's reputation.

The second goal was not achieved, despite Carillo's attempts to organize his conference into a real alternative to the kind of Soviet-dominated charades that had taken place in the past. Carrillo is eager to show the Spanish people that his party is completely cut off from the Russian mother church. He had drafted a statement for the summit that was critical of the Iron Curtain countries, and supported the demands of the dissidents there. He had asked Marchais and Berlinguer to support a statement expressing solidarity with the European Common Market.

No agreement on either of these points emerged from the Madrid summit. The French Communist Party is more chauvinistic than the Gaullists. And in the weeks preceding the reunion, Berlinguer had sent his right-hand man, Gianni Cervetti, to Moscow for consultations, presumably to reassure Brezhnev that nothing in the way of an independent eurocommunist gauntlet would be hurled down on Spanish soil. The gesture shows once again how far-fetched it is to suppose there is a genuine rupture between the new communist protestants and the Kremlin theologians. As a matter of fact, shortly before the opening of the Madrid summit, the three leaders were thrown into a near panic when news reached the Hotel Melia that Brezhnev had gone to Sofia with all the leaders of the Eastern European bloc. Berlinguer, Marchais and Carrillo were visibly shaken by the possibility of a counter-summit, and an aide was quick to tell newsmen, "We have no intention of a confrontation with any of our brother countries."

Brezhnev need not have worried. The only statement from Madrid which might inevitably have been read as expressing the slightest criticism of the Soviet Union was that which called for the full application of the Helsinki Treaty. When asked whether this represented a criticism of treatment of dissidents in the East, the eurocommunists denied it. The next day, however, perhaps embarrassed by their previous reticence, some of the gurus of the summit hinted that one might read some criticism of the Russians into the text.

On the last day of the Madrid summit, an international incident exploded in Venice. The Venice Biennale arts festival had scheduled a discussion of "cultural dissidents in Eastern Europe." The Russian ambassador asked the Italian Foreign Ministry, the Ministry of Cultural Riches and the Ministry of Spectacles (which control the budget for the Biennale) to cancel the program. The Italian officials uncourageously passed the request to the Biennale's president, the socialist Carlo Ripo di Meana, who promptly resigned. As this incident burst onto the front pages of the national press, it became evident that Italian journalists had been following this question for some time in total silence. They observed that the Biennale had been under attack for months, not only in the pages of Izvestia (which had called the proposed program a "provoca-tion") but also within the board of the Biennale itself. The communist members had, in the words of Ripa di Meana, "proposed procrastinating alternatives, to prevent the Biennale discussion on dissent from taking place." Carlo Guilio Argan, the communist art historian who is also the mayor of Rome, said that he could see no point in having a "Solzhenitsyn parade" at the Biennale. The communist and left-wing press were filled with comments of this sort. They had been wildly enthusiastic two years be-fore when the Biennale was devoted to fascist Chile."

Italian Premier Androetti and Foreign Minister Foriani simply ducked the question and left it to the president of the Biennale. However, no one ever suspected that the Italian government was a bastion of courage and independence. Androetti knows that any offense to the party of Berlinguer is likely to bring down his feeble regime, and throw Italy into even greater chaos. But one might have expected some small show of Independence on the part of Berlinguer himself, whose righteous indignation at speeches by Henry Kissinger last year—ostensibly because they constituted foreign interference in internal Italian affairs—knew no bounds.

The Italian Communists have been severeshaken by the phenomenon of Eastern European dissidence, and they are caught between a rock and a hard place. They dare not attack Amalrik, Bukovsky and company for fear of presenting a Stalinist image to the West. Yet they are equally incapable of embracing the cause of human rights within the Soviet bloc, because their own rank and will not tolerate such an "anti-Soviet" position. In short, it appears that President Carter's human rights campaign has exposed the apostles of eurocommunism for what they really are: a group which speaks of democracy and pluralism only in the future tense, insofar as it concerns a hypothetical advance to power on their own part. From Madrid to Rome, eurocommunism has had its liberal mask pushed sharply to one side, and its old undemocratic, unwaveringly pro-Soviet face has reemerged.

MINNESOTA GOOD ROADS, INC. VISITS WASHINGTON

Mr. HUMPHREY. Mr. President, last week, it was my privilege to welcome a delegation of legislators, labor leaders, business people, and local government officials who came to Washington to discuss personally with their representatives legislation which affects highway and road transportation.

The occasion was the annual fly-in sponsored by Minnesota Good Roads, Inc.

This organization performs an important function in providing local leaders and their concerns direct access to national policymaking. Issues of primary concern to the 1977 delegation were elimination of redtape. Highway trust fund policy, bridge funding, and rebuilding the secondary road system.

These issues were addressed in a prepared statement by Charles J. Swanson, president of the Minnesota County Engi-

neers Association.

I wish to call particular attention to Mr. Swanson's comments on the aggressive program undertaken by the Minnesota Legislature to finance needed bridge construction. Recent figures indicate that 95 percent of Minnesota's bridges were built before 1935, and 4,403 bridges are considered deficient. In seeking greater Federal funding for bridge replacement, I have repeatedly stressed that deficient bridges are not only a safety hazard, they also are a serious impediment to moving farm produce rapidly and economically to market.

I commend this statement to the careful attention of my colleagues. I believe it supports and reinforces the interest that many of us share in increasing the Federal aid to secondary road systems, and in creating a transportation system responsive both to heavily populated and to urban areas.

Mr. President, this meeting impressed me again with the fact that States have a great fund of experience and knowledge in roadbuilding and it must be national policy to minimize the redtape that frustrates and immobilizes this capacity.

I offer my sincere congratulations to Minnesota for moving forward on bridge replacement, and for the vigorous efforts now underway to develop a comprehensive transportation plan. The opinions and recommendations of State road builders and users, many of whom are members of Minnesota Good Roads, are an invaluable source of information to their congressional delegation.

Mr. President, I ask unanimous consent that Mr. Swanson's remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY CHARLES J. SWANSON

Ladies and gentlemen, it gives me great pleasure in appearing before you to give you a résumé of some of the thoughts that the people in Minnesota concerned with transportation systems have. Yes, we realize there is more than one mode of transportation and I will address myself to that a little later.

Those of us on the "fly in" would like to take this opportunity to thank "Mr. Good Roads" from Minnesota Bob Johnson and all the staff in Washington for the arrangements they have made which make these annual "fly ins" a success and also the Senators and Representatives who have availed themselves to this group both collectively and individually.

I'm sure on every "fly in" Minnesota has participated in, you have had the subject of "red tape" drummed into you, not only by people like myself but virtually every participant on the "fly in," and I'm happy to say

that it appears that the message is beginning to come across. We will continue to stress "red tape" procedures but feel that the 'regulations reduction task force," presently being chaired by Mr. W. H. White of the Federal Highway Administration is the shfning light on the horizon we have been looking for. We feel fortunate that, among the few States chosen nationwide. the Department of Transportaion and the Minnesota County Highway Engineers Association were given an opportunity to be interviewed and answer their questionnaire and also submit documentation on our problems with regulations and "red tape." We feel that they are sincere in their efforts and would hope that any recommendations for improvement on the present procedures that may be forthcoming would be taken seriously by our congressional delegation and staff.

A classic example of the type of "red tape" this committee should concern itself with is the St. Paul F.A.U. Bikeway Project which has been summarized by our State aid division of the Minnesota Department of Trans-

ortation:

What started out at first as what appeared to be a simple bikeway project has now turned into a major Federal action requiring a negative declaration and 4(f) document as a result of a segment of the bikeway being

proposed to go through a park.

Getting to the point of an acceptable draft negative declaration and draft 4(f) document for circulation gets to be quite time consuming and beyond that point, we have a minimum 45 day comment period, then preparation of a final negative declaration and 4(f) document and the approval by the Secretary of Transportation. Because of this extra process if everything would go reasonably well, and often it doesn't, we have to be looking at a minimum of 6 months additional time in processing the project, not to mention countless man hours in writing, reviewing, submitting, resubmitting, circulating, finalizing, etc., etc., in jumping through the hoops with a draft and final negative declaration and draft a final 4(f) document. All for what? So the Secretary of Transportation can concur that there is no feasible and prudent alternative to the use of park land for a bike trail.

Ridiculous? Maybe, but wait a minute, perhaps a feasible and prudent alternative is to not build a bike trail at all, or if it is built, to stay out of the park with it. On the other hand, a bike trail is at least partly for recreation isn't it? I would say that in Minnesota, in excess of 95 percent of all biking is recreational. A park is for recreation isn't it? Isn't there some logic here that implies that parks and bikeways kind of go together or at least are highly compatible? So we are back to the thought that there is nothing inconsistent and a lot of things in favor of bikeways in parks, but why does it have to be such a long drawn out process when Federal funds are used?

Well, it doesn't have to be, depending on the Federal program. For example, the 1976 Federal Highway Act included a bikeway demonstration program. This program provides \$6 million for bikeway projects in the U.S. These projects were selected on the basis of demonstration value and potential for nationwide application to new ideas for bikeways

Because it was anticipated that many of these projects by their very nature would be involved in 4(f) land, the F.H.W.A. wrote and published in the Federal Register a 2-page negative declaration and a 4(f) document intended to cover possibly 30 to 90 yet to be developed but potentially unique bikeway projects. Naturally, if significant and adverse effects are anticipated a negative declaration—4(f) would be needed for a specific project, but the intent here is obviously

to short cut the process as much as possible and for as many demonstration projects as possible where 4(f) land use for bikeways is involved.

The question can be asked, if a blanket negative declaration—4(f) is good for a demonstration bikeway project why isn't it good for a F.A.U. bikeway project or a rural secondary bikeway project or a primary bikeway project where 4(f) lands are involved?

Getting back to the St. Paul bikeway project, it requires a 23 page document and 6-8 months of processing time on what appears to be a routine "run of the mill" bikeway project while on the other hand the same results can be accomplished by a 2 page blanket negative declaration on possible 30-

90 future projects.

What is wrong with spending F.A.U. money on a bikeway a little faster? Why can't a similar approach on negative declaration—4 (f) for other types of Federal funding on bikeway projects or similar minor uses of 4(f) land which will enhance the recreational value be accomplished? Keeping in mind that if local, State, and division F.H.W.A. personnel found anticipated significant adverse effect from a proposed project, then a specific negative declaration and 4(f) could be done for a specific project.

This leads us to believe that considerably more authority could be given to the division office of the Federal Highway Adminsitration.

Our second area of concern is the "404 permits" required. Today a road authority, when crossing a stream of 5 cubic feet per minute, defined as one that you can jump across, needs permits from the Corps of Engineers, Coast Guard and the Department of Natural Resources. What would be wrong with having one agency, say the D.N.R., review and issue permits under an agreement with the other affected agencies? Road authorities have been waiting from 4 to 6 months with no permits being issued by the Federal agencies, and ladies and gentlemen, this is the rule rather than the exception. Why must be have this proliferation of bureaucracy?

If there is any sincerity about the proclaimed goals of reducing Federal "red tape" and paper work, these types of situations would be a great place to initiate some changes. Let's all get behind the task force on the reduction of regulations and initiate

the necessary changes.

A grave concern of my colleagues here today, are the number of deficient bridges in the State of Minnesota, presently num-bering 4.403 with a replacement cost of in excess of 600 million dollars. The Minnesota Legislature has taken the bull by the horns, so to speak, by authorizing bonding for 50 million to be used strictly for bridge replacement. Legislation is presently being considered to extend this bonding authority with these monies being shared by the MN/DOT, counties, cities and townships, both on and off the Federal system. Incidentally, Minnesota is one of only six States presently utilizing local monies for the replacement of bridges on the Federal aid system. When legislation is considered and appropriations are made on the Federal level for this worthwhile cause of replacing our deficient bridges, let's not penalize the States that have taken the initiative, as is so often done on other federally funded programs. Provisions should be made for a credit or pay back to States that have invested considerable local monies on the Federal system.

Another activity which has received very little recognition in most States is that of the historical society and their search for artifacts on proposed construction projects. In Minnesota the historical society has operated on a budget of \$25,000 annually for their work with the MN/DOT and a handful of counties, spending token amounts to sup-

plement their work. Federal law requires that we must have their review of any anticipated projects and I feel we should give them our wholehearted cooperation. Since this is a Federal requirement, adequate Federal funding should be made available to carry on this worthwhile effort. It should be pointed out that they have come to the aid of many agencies in their battles with the self-appoined environmentalist by certifying that the area of a proposed project has no historical significance.

The last area I would like to touch on today deals with funding and, more specifically, the Highway Trust Fund. It has been emphasized on the past "fiy ins" that we must maintain the trust fund in its present form and not dissolve it or open it up to non-highway related areas. It has been equally emphasized that there aren't sufficient monies in the fund to take care of highway needs, let alone other areas of concern.

The counties in Minnesota feel what we need is a complete and thorough needs study of all roadway systems, not just a select few. Sure, there have been "white wash" studies on a crash basis in the past which are for the most part meaningless.

In Minnesota we have approximately 128,000 total miles of roadway with approximately 43,400 miles being on the trunk highway system, county State aid highway system and the municipal State aid street system. This is one-third of our total system that has a complete and thorough needs study. Before we talk of breaking the trust fund, let's look at the total picture as it relates to needs. We feel an adequate needs study on the total system in Minnesota would take approximately three years to complete, but I'm sure would reinforce our position that all our roadways are not complete and up to standards and lay to rest once and for all the myth that more roadways need not

The Minnesota Legislature in the past year has created a department of transportation which I feel quite adequately endorses the feeling of Minnesota that there are other modes of transportation, i.e., rail, waterway, pipelines, air and public transit. I'm sure it can and will be pointed out that the other means of transportation also have some real needs in the terms of dollars it will take to better serve the people of Minnesota and the nation. We would therefore wholeheartedly recommend the retention of the highway trust fund with additional funding rather than less and also the establishment of adequate funding for the other modes as determined by their needs.

OCCUPATIONAL SAFETY AND HEALTH ACT

Mr. McCLURE. Mr. President, many times in the past I have received letters from disgruntled businessmen decrying the excesses of the Occupational Safety and Health Act. But the most impressive evidence may come from an employee of OSHA arguing on the same side. If there were ever any question that OSHA is overly oppressive, poorly managed, and duplicative, this letter from an OSHA compliance officer will make things graphically clear. For obvious reasons, he has asked that his name not be used. but the text of his letter so clearly illustrates the need to reconsider and reshape the law, that I am asking it be printed in the RECORD in full, together with a statement this same man prepared.

Nobody wants to see hazardous working conditions for our Nation's workers. We are all in favor of safety, but we must recognize that desirable goals are

invalidated when unconstitutional means are used in attempting to achieve them. At some point the American people—employees and employers alike—are going to stand up and say, "We've had enough."

One man in my own State has done just that in what I consider an act of courage and patriotism. Mr. F. G. Barlow, an electrical contractor from Pocatello, Idaho, refused to let a Federal inspector go through his place of business. A three-judge Federal court agreed with him that a warrantless search violated the right guaranteed by the fourth amendment, to be protected from unreasonable searches and seizures. I believe the decision is a major victory for the small businessman who has found himself at the mercy of the OSHA inspector.

Mr. President, I ask unanimous consent that the text of this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEAR SENATOR MCCLURE: I have been an Occupational Safety and Health compliance officer for two years. This job is my sole source of income. I must be honest with myself, therefore, I must agree with your article completely.

First, many of the General Industry Standards are duplications, in one form or manner, of the following private and governmental agency functions; Liability insurance companies, Fire insurance companies, State, city and town Fire Marshals, Department of Environmental Protection, State and local Health Departments, Financial companies holding 1st. and 2nd. mortgages, State and local building inspectors and a few other organizations.

Many of the above are deeply concerned with not only the worksite but also with the safety and health of the employees.

This program, initiated in early 1971, has done nothing noticeable, as of this date, concerning the accident incidence rate in industry, construction or agriculture.

Senator McClure, let us be honest with ourselves. My opinion is that an effective compliance officer should have a minimum of 30 months of intensive training in all aspects of safety and health. We received 4½ weeks of training at the O.S.H.A. Institute in Rosemont, Illinois. We were not individually graded and the instructors left much to be desired as far as their efficiency was concerned.

The fear we instill on many employers during an inspection is unbelievable. Will they close me down? How much is the fine going to be? Must I go to court and if so what will happen? Will I have to lay off some employees? How much will it cost to make the necessary corrections in order to comply with O.S.H.A.? These and other thoughts go through their minds, I am sure, as we do the walkaround, in their worksite.

An opinion, if I may. Reduce the O.S.H.A. staff 50%. The remainder would then be (O.S.H.A. Consultants). They would work with employers and help them, when needed, to minimize the safety and health hazards which may be found on the worksite. The only time a monetary penalty would be issued would be when there is a serious violation. Only under these circumstances would they have any clout.

Enter these worksites as a friend who is knowledgeable, understanding, concerned and willing to help. This, Senator, is my humble opinion as to how O.S.H.A. should operate. You may use any of the enclosed, at your discretion, but not my name. I am sure you realize my reason.

The enclosed is something I had written approximately one year ago. It is not completed but my objective, at that time, was to show how much knowledge an effective compliance officer must have and how asinine some of the standards are. Kindly excuse what errors you may find in grammar, etc. Thank you.

Sincerely,

(Name withheld.)

WHERE IS THIS UNIQUE MAN?

Compliance officers under O.S.H.A. must be a rare breed, indeed! The knowledge necessary to perform their duties according to the General Industry Standards is really something. Let us, for a minute, go down the standards and get a glimpse, if possible, of the knowledge one should and/or must have to be an effective compliance officer.

Walking and working surfaces—The floor is irregular—how much and how bad? There is a hole! How many centimeters and can a person fall into that hole? A nail is protruding from the floor—CITE.—this is a tripping hazard! The first rung on a wood ladder looks a bit weak—CITE. The employer tells the compliance officer that the ladder is used approximately once every two months to change a few light bulbs—CITE.

Next we have means of egress. Are they wide enough? The building inspector, and local fire marshal have been there many times and long before O.S.H.A. became effective. In a 12' x 12' room with one door is it necessary to put up an "EXIT" sign? O.S.H.A. says yes, most of the time.

Forgetting details, for the moment, a compliance officer must know the standards covering the following: Powered, platforms, manlifts and vehicle mounted work platforms. Then we go into Chemicals. Occupational Health and Environmental Control. This subject covers more than 356 chemicals used in industry from Acetaldehyde through Zirconium with Dimethylaminazobenzene somewhere in between!!

Now we shall move into the Hazardous Materials section which covers compressed gases. i.e. Acetylene, hydrogen, nitrous oxide, flammable and compressed liquids. Explosive and blasting agents are included and also petroleum gases and anhydrous ammonia.

The area of "Personal Protective Equipment" is next. Ear plugs, hard hats, safety shoes, masks, etc. are in this area. Who must wear them and when? The standards are there but can we implement them? Very difficult.

On all inspections a First Aid Kit is asked to be seen. What is a First Aid Kit according to O.S.H.A.? Quote, "First aid supplies, approved by a consulting physician shall be readily available." How many small employers are going to purchas a First Aid Kit, take it to a doctor and have him sign a statement that this kit complies to O.S.H.A. standards?

Fire Protection. O.S.H.A. comes in after the local and state fire marshal, the fire insurance man, the health department, local and state, and other agencies. We often conflict with local regulations and with local fire marshals.

Compressed gas and compressed air equipment comes next. This section, at times, is full of hot air and I shall not devote any further comments on that subject.

Now we have Materials handling and Storage. This one is a doozy. I do know a well stacked woman but have grave doubts about well stacked shelves and storage areas!

Machinery and Machine Guarding—This is an important area which should be given serious consideration. Unfortunately, the various means of guarding which O.S.H.A. accepts leaves much to be desired. The employer may use the minimum means of guarding but I would not sleep too well at night.

NATURAL FOODS MONTH

Mr. McGOVERN. Mr. President, I would like to bring to your attention that April has been designated as Natural Foods Month by the National Nutritional Foods Association in cooperation with various regional and educational affiliates throughout the Nation.

The National Nutritional Foods Association is a nonprofit organization representing retailers, manufacturers, distributors, publishers, educators, and agronomists in the nutritional foods industry from all parts of the United States.

The designation of April as Natural Foods Month has been designed to remind Americans that their eating habits have deteriorated considerably during this century to the detriment of their health.

Complex carbohydrates, fruits, vegetables, and whole grain products, which were the mainstay of the American diet, now play a minority role. At the same time, there is an overconsumption of fats and salt. It has been pointed out to the Nutrition Committee that these and other changes in the diet are contributing to malnutrition that may be damaging to the Nation's health.

Max Huberman, president, National Nutritional Foods Association, said:

Various educational events will be held throughout the country in April by members of the National Nutritional Foods Association to enhance the nutrition education of all segments of the community and to better inform consumers about the nutritional value of fruits, vegetables, whole grains, and other processed foods.

We are pleased to note that the staff of the National Nutritional Foods Association has been working with the Nutrition Committee to educate the public in the potential benefits of following certain dietary goals.

One of the plans of the National Nutritional Foods Association during April, is to utilize its noncommercial educational television series "Viewpoint on Nutrition," to make comprehensive reports on the dietary goals for the United States that will enable consumers to make more healthful food choices.

NOW, ABOUT OUR LITTLE BILL

Mr. GARN. Mr. President, a few days ago, I called the attention of the Senate to the economic instability of the Castro regime in Cuba, by way of warning the United States against over-optimism on United States-Cuban trade. Today I would like to note that the Eastern European Communist regimes are also heavily in debt to the West, to the point that the Western economic community is worried.

The debt of the so-called Comecon countries is rapidly approaching \$50 billion, most of which was built up by means of soft loans, or loans at very favorable interest rates. My own constituents have often complained that the United States is apparently willing to lend money to the Soviet Union at interest rates far below the rates charged by banks to them. What is not as well known is that the banks them-

selves have lent money to these countries at extremely low rates.

A recent editorial in the Economist outlines some of the problems which a debt pattern of this sort brings with it, and especially the international political implications of this type of lending. I ask unanimous consent that the editorial be printed in the Record, and I urge my colleagues to consider the economic relationships we are slowly developing.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

Now, About Our Little Bill

The Soviet Union and its friends may be trying to go back to Polonius. "Neither a borrower nor a lender be" was a maxim they used to follow with some precision. But over the past few years Russia and the European members of its Comecon trading group—Poland, Czechoslovakia, East Germany, Hungary, Rumania and Bulgaria—have amassed a combined debt to the west which is currently estimated to have reached \$48.5 billion. Now they are saying they want to start the process of eliminating it. That would be a tall order, but even an attempt to cut back the size of the debt is going to cause them difficulties.

This communist debt has been accumulated with the willing collaboration of western bankers and western governments. The bankers were glad to lend to the communists some of the petrodollars which poured into their coffers after the quintupling of oil prices in the wake of the 1973 Arab-Israeli war. The governments were glad to grant soft credits at well below market rates of interest in the hope that these credits would generate exports and thus jobs in the west. But now many people in the west, and in the communist world, feel that the process has gone too far.

Not that the borrowers are liable to default on their obligations. One communist country, North Korea, has defaulted on its debt, but North Korea is not a member of Comecon, and its experience has served as a warning to the Russians and their east European allies. If one or more members of Comecon defaulted, the flow of western technology and goods on which they all to some extent depend for their economic development would probably be shut off like a tap. Rather than let that happen, the Russians will probably bail out the most over-eager past borrowers, such as Poland and Hungary. But what the Comecon countries as a group will try to do is to prevent the total debt from rising still further, and if possible bring it down

Their intention to start paying back the debt is written into all these countries' fiveyear plans for the 1976-80 period, and they have recently had some modest success in at least slowing down its growth. According to provisional estimates they managed to reduce their \$10 billion trade deficit with the west in 1975 to about \$8 billion in 1976. Professor Joseph Berliner, an American authority on the Soviet economy, told a conference on this problem in Brussels on March 17th that the recent unease about the scale of Comecon borrowing is like the sinking feeling you get when a lift starts whistling upwards in a skyscraper. When it settles con's borrowing soon will, the stomach too returns to normal.

It will be hard for the communist countries to cut their debt drastically or rapidly. To do that would require them to export much more to the west than they import from it. But the Soviet Union cannot dig so much extra coal, or pump so much extra coll.

in a hurry; those things take time, and a lot of extra investment. It is equally difficult for the east Europeans suddenly to produce a lot more food for export. And the quality of communist manufactured goods is unlikely to improve quickly enough to make an appreciable addition to exports—especially since that improvement in quality depends partly on importing western technology on a scale which the communists are now decreasingly able to afford.

WHEN THE WIND TURNS COLDER

But even an attempt to trim a small slice off the debt will bring some uncomfortable times for communist governments. It will involve importing relatively less from the west, and exporting relatively more to it: both of which mean that fewer goods will be available for the people who live in the communist countries. That is liable to cause political tensions in places where the recent upsurge in credit-based imports from the west has led to expectations of a steadily rising standard of living. The new climate gives the western world an opportunity it is entitled to use.

Professor Marshall Shulman, President Carter's new adviser on Soviet affairs, wrote recently that "the measured development of economic relations can reasonably be made conditional upon Soviet restraint in crisis situations and in military competition". He singled out credit as the most easily adjusted instrument of such a policy. The Carter administration is thinking of linking the economic help the Soviet Union gets from America to the way Russia behaves in, say, southern Africa or the Middle East. An attempt should now be made to bring America's main allies in on this policy too.

Past experience has shown that it is not easy to stop western governments bidding against each other when it comes to providing cheap credits to communist governments. But the communist world is now in a curious half-way house in its economic relationship with the west. If you give somebody a small loan, you have a debtor; if you give him a big one, you have a partner. Before Russia becomes such a partner, the political conditions the west requires of it need to be spelt out. The leaders of the western world meet for their economic summit in London in May. The terms for providing future credit to the communist world should be one of the subjects on their agenda.

PRESIDENT CARTER'S FOREIGN POLICY INITIATIVES ENHANCE IMAGE OF UNITED STATES GLOB-ALLY

Mr. HUMPHREY. Mr. President, in yesterday's Washington Star, there appeared an excellent article by staff writer Henry S. Bradsher, analyzing President Carter's foreign policy initiatives.

I call this article to the attention of my colleagues in an effort to point out the global stakes in a far-reaching foreign policy initiative which includes our recent SALT proposals, emphasizing steps to begin reduction in nuclear arsenals; human rights concerns; U.S. peacekeeping efforts in the Middle East; and a U.S. sensitivity to the economic concerns of the less developed nations.

As Mr. Bradsher noted:

Since Jimmy Carter finished campaigning for the Presidency and began campaigning to improve the American image in the world, the Soviet Union has been growing increasingly unhappy.

Its irritation finally exploded into anger a few days ago when the United States as-

serted that Moscow had rejected a balanced proposal for disarmament. Decades of cultivating a world reputation for advocating disarmament—despite the actual Soviet arms buildup—was being challenged by this newly assertive American leadership.

It is clear that the positive nature of the President's foreign policy initiatives has once again placed the United States in a global leadership role and placed the Soviets on the defensive. But these initiatives are interlocking in nature. Few in the Congress would criticize the President for his "tough stand" on SALT matters. Few would disagree with the predominant role of the United States in Middle East peacekeeping efforts. The country has rallied in support of the President's stand on human rights violations in other nations. However, these initiatives must be buttressed by effective American programs of foreign assistance which are directly related to our discussions with the less developed nations in the "North-South dialog."

As Mr. Bradsher also noted:

And the effort which the Carter Administration now is formulating to help less-developed countries in their economic problems seems likely to lead to further Soviet displeasure...

The image competition is not yet clearly

The image competition is not yet clearly defined on what is known as "the North-South problem." This means relations between rich industrialized nations, mostly in the Northern Hemisphere, and the impoverished countries of the tropics and Southern Hemisphere.

The Soviet Union has withdrawn a bit from its expensive effort in the last 1950s and early 1960s to win influence by aiding less-developed countries. It now is more interested in attaching the economies of these countries to the Soviet economic system, deriving benefits from this, than in providing benefits to them by changing present economic relationships.

Carter's new team of international economists with outstanding reputations is moving cautiously so far on North-South relations. It is taking care not to worsen inflation in the United States or contribute to a depression by measures which would help the poor countries at the expense of American economic health.

But as economic proposals are made—there are several related deadlines next month—the U.S. image could acquire another dimension. If U.S. domestic politics and economics make it possible to provide meaningful help to less-developed countries, the Soviets are likely to find themselves on the losing end in yet another aspect of competition for world leadership.

The President has made the expansion of our bilateral and multilateral aid contributions a major initiative in our response to the concerns of the less-developed nations. Yet, already we have witnessed opposition in the Congress to this initiative—an opposition which can only let the Soviets off the hook, so to speak. I think, if the American people fully understood the implications of our sizable increase in contributions to the fifth replenishment of IDA, or of our expansion of bilateral assistance programs, this resistance in the Congress would be minimal at most.

All too often we try to compete with the Soviets on the military and strategic level. It is a costly process. As many Third World leaders are quick to point out, the United States should do what it is best at doing. We win the competition on the economic side. Yet, we stand on

the verge of giving up the best tool we have, if the congressional sentiment is such that deep cuts are made in the President's requests for bilateral and multilateral economic and humanitarian development assistance proposals.

I urge my colleagues to closely evaluate the implications of seriously jeopardizing what is a positive interlocking set of foreign policy initiatives being undertaken by the President. Each element is vital to the effectiveness of the overall policy.

Mr. President, I ask unanimous consent that Mr. Bradsher's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE NEW CARTER CAMPAIGN: BETTER U.S. IMAGE UPSETS RUSSIA

(By Henry S. Bradsher)

Since Jimmy Carter finished campaigning for the presidency and began campaigning to improve the American image in the world, the Soviet Union has been growing increasingly unhappy.

Its irritation finally exploded into anger a few days ago when the United States asserted that Moscow had rejected a balanced proposal for disarmament. Decades of cultivating a world reputation for advocating disarmament—despite the actual Soviet arms buildup—was being challenged by this newly assertive American leadership.

The Kremlin earlier had waxed indignant about Carter's human rights campaign. It has been unhappy about U.S. peacemaking efforts in the Middle East, fearing it would be left out of any substantive role.

And the effort which the Carter administration now is formulating to help less-developed countries in their economic problems seems likely to lead to further Soviet displeasure—although not of such a spectacular type as angry remarks by General-Secretary Leonid I. Brezhnev or Foreign Minister Andrei A. Gromyko.

Carter arrived at the White House with

Carter arrived at the White House with well-developed ideas about the need for morality in foreign policy. That meant advocating human rights, arms control, peace and a move toward economic equality.

He had not even moved in at 1600 Pennsylvania Ave. when he took the first major—but, in this country, little-noticed—step to claim world leadership for his administration.

The night before the inauguration Carter taped a speech promising that "the United States can and will take the lead" in trying to "lift from the world the terrifying specter of nuclear destruction" and in combating "poverty and hunger and disease and political repression."

The speech was broadcast around the world shortly after he was sworn in. An unprecedented announcement that the U.S. government was going to pay more attention to foreign opinion, it has proven to be a harbinger of a different approach to American foreign relations.

It is an approach that has made the Soviet Union feel threatened.

The Kremlin has been accustomed to defining the terms of world political discussion in Marxist ideology, to seizing the initiative in the propaganda war which goes on constantly as cold wars and detentes come and go. Suddenly the rules were being changed.

First came human rights.

Statements supporting dissidents in Czechoslovakia and the Soviet Union, a White House meeting with Vladimir K. Bukovsky and a letter to Andrei D. Sakharov did not take lengthy staff studies by the new administration. They came quickly because

they were instinctive reactions by Carter to injustice.

Soviet anger at what the Kremlin considered interference in internal affairs peaked in a public speech by Brezhnev 13 days ago and his private lecture to Secretary of State Cyrus R. Vance last Monday.

But on neither occasion did the Soviet Communist party leader directly link human rights with prospects for a new strategic limitations treaty. Contrary to the apprehensions of some Americans about the new Carter foreign policy style, the Soviet rejection of Carter's two SALT options on Wednesday was not a result of human rights irritation, as Gromyko made clear.

as Gromyko made clear.

It was the result of a Soviet feeling that they were being offered an unbalanced proposal, one which required them to give up real military strength in return for the U.S. repurciation of paper programs.

renunciation of paper programs.

If Carter had not then insisted publicly that it was balanced, the Soviets might not have feit their world image was challenged. But as soon as the United States cast them in the role of opposing a sensible disarmament plan, a new element was added to the competition for international influence.

In his heated address to journalists in Moscow Thursday, Gromyko contended that it was not a balanced proposal, that it was only a shady maneuver to give the United States an advantage.

Both Brezhnev's speech on March 21 and Gromyko's toast at a luncheon for Vance last Monday suggested a new flexibility in Soviet policy on the Middle East. This seems to be a reaction to the fluidity which Carter has introduced into the American search for peace between Arab nations and Israel.

Although the Soviets are cochairmen with the Americans of the Geneva conference that is supposed someday to work out Middle Eastern peace, they have found themselves left on the sideline by the new U.S. Initiatives. Moscow prides itself on the peacemaker image which it developed at times like the 1966 Tashkent conference after an India-Pakistan war, but it found Carter seizing that image, too.

The image competition is not yet clearly defined on what is known as "the North-South problem." This means relations between rich industrialized nations, mostly in the Northern Hemisphere, and impoverished countries of the tropics and Southern Hemisphere.

The Soviet Union has withdrawn a bit from its expensive effort in the late 1950s and early 1960s to win influence by aiding less-developed countries. It now is more interested in attaching the economics of these countries to the Soviet economic system, deriving benefits from this, than in providing benefits to them by changing present economic relationships.

Carter's new team of international economists with outstanding reputations is moving cautiously so far on North-South relations. It is taking care not to worsen inflation in the United States or contribute to a depression by measures which would help the poor countries at the expense of American economic health.

But as economic proposals are made—there are several related deadlines next month—the U.S. image could acquire another dimension. If U.S. domestic politics and economics make it possible to provide meaningful help to the less-developed countries, the Soviets are likely to find themselves on the losing end in yet another aspect of competition for world leadership.

PANAMA CANAL: BRITISH PRESS ALERT TO DISREGARD OF THE 1901 HAY-PAUNCEFOTE TREATY

Mr. HELMS. Mr. President, during the last decade, various Members of the Con-

gress have repeatedly stressed that one of the principal treaties governing the operation of the Panama Canal is the 1901 Hay-Pauncefote Treaty with Great Britain, which applied the rules for the Suez Canal to the Panama Canal.

The projected surrender of U.S. sovereignty over the Canal Zone is an obvious disregard of this treaty, the principles of which have been accepted by canal users and strictly observed by the United States. So far as can be ascertained, no effort has been made to secure the approval of the British Government, which is one of the largest users of the Panama Canal with a total of 1,148 transits out of 13,786 oceangoing transits during fiscal year 1975. In fact, relatively recent efforts by serious students of the canal problem to obtain information from State Department sources revealed that its responsible officials knew nothing about the Hay-Pauncefote Treaty until alerted to its existence by being questioned.

In the United Kingdom the situation is different, for an important London newspaper is alert to the canal subject now being debated in the United States. It has stressed that—

American plans to transfer sovereignty of the Panama Canal to Panama . . . will have to be approved by the British Government.

Mr. President, the failure of the State Department to take up this matter with the British Government as a party to the Hay-Pauncefote Treaty is indeed difficult to comprehend. The Panama Canal and its protective frame of the Canal Zone is not a shopping center convenient for use as a diplomatic plaything but one of the greatest works of man that serves the shipping of the entire world. The surrender of its sovereign control by the United States would probably be followed by worldwide consequences of malign character, especially for Latin American nations dependent upon it.

Mr. President, in order that the Congress, especially the Senate, may be fully informed, I ask unanimous consent that the article from the Daily Telegraph and the text of the 1901 Hay-Pauncefote Treaty be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the London Daily Telegraph. Mar. 3,1977]

BRITAIN ONCE RULED SEA AND SO MUST APPROVE PANAMA TRANSFER

(By Desmond Wettern)

American plans to transfer sovereignty of the Panama Canal to Panama, which the Carter Administration intends to effect soon to rid America of the last vestiges of "colonialism," will have to be approved by the British Government.

This results from Britannia having once ruled the waves—or at least having had the world's largest merchant navy. The matter was decided in 1901.

The Hay-Pauncefote Treaty of that year requires that Britain be consulted before there is an change in the control of the Canal.

The treaty was signed on Nov. 18, 1901, by the British Ambassador in Washington, Lord Pauncefote, and the American Secretary of State, John Hay.

It superseded the earlier Clayton-Bulwer Treaty of 1850 and provided for unhindered passage of the Panama Canal, when it was completed, by the shipping of all nations.

OBJECTION UNLIKELY

It also gave the United States Government the "exclusive right for the regulation and management of the canal" and stipulated that "no change of territorial sovereignty or of the international relation of the country or countries traversed by the before-mentioned canal shall affect the general principle of neutralisation or the obligation of the High Contracting Parties (Britain and America) under the present Treaty."

Although this would seem to preclude any loop-hole for the Americans to transfer the Canal's sovereignty to another power, the Foreign and Commonwealth Office is reserving its position.

From a legal point of view the British Government is unlikely to object to any transfer of sovereignity though, at least concerning the treaty provisions, Whitehall's acquiesence would seem to be based on turning a blind eye rather than a close interpretation of the Treaty's five articles.

Britain's involvement in the Treaty derives from the days when it was Government policy to ensure free navigation around the world for the benefit of the British Merchant Navy, then easily the world's largest.

The Americans alone are entitled to "maintain such military police along the canal as may be necessary to protect it against law-lessness and disorder."

British shipping is now a close second to that of America in the use of the Canal. In 1973-74, the last year for which figures are available, 1,258 British merchant ships went through the Canal carrying 13,800,000 long tons of cargo compared to 1,322 American ships carrying 10,500,000 long tons.

The biggest users were Liberia, with 1,798 transits, and Japan with 1,348. Russian use amounted to only 242 transits involving 1,500,000 long tons of cargo.

BANKING INTERESTS

The use of the Panama Canal by British warships is now small. In 1976 a task group of some nine ships used it returning from a nine-month series of exercises and visits east of Suez, but since then no British warship has navigated the canal either way, I understand.

Apart from political considerations the Carter Administration is also believed to be under pressure from American banking interests to hand the canal over to Panama.

ACCESS TO PROFITS

American and international banks, including the London branch of Chase Manhattan, are believed to have lent the Left-wing regime of President Torrijos of Panama large sums and are anxious to obtain interest on their loans. It is felt that interest payment will be possible only if Panama has access to profits from canal dues.

British banks believed to have provided loans include the Orion Bank, William Brandts' and Son and Lloyds, and Bolsa International.

[Appendix C]

TREATY BETWEEN THE UNITED STATES AND GREAT BRITAIN TO FACILITATE THE CON-STRUCTION OF A SHIP CANAL

(Hay-Pauncefote Treaty)1

[Signed at Washington, November 18, 1901; ratification advised by the United States Senate, December 16, 1901; ratified by the President, December 26, 1901; ratified by Great Britain, January 20, 1902; ratifications exchanged at Washington, February 21, 1902;

¹ Manuscript, United States Department of State, Archives, Treaty Series, No. 401. Also S. Doc. No. 474 (63d Cong., 2d Sess.), pp. 292–94; W. M. Malloy, op. ctt., I, 782–84 (US).

proclaimed at Washington, February 22, 1902.]

[Articles]

II. Convention of April 19, 1850.
II. Construction of canal.

III. Rules of neutralization.IV. Change of sovereignty.

V. Ratification.]

The United States of America and His Majesty Edward the Seventh, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas, King and Emperor of India, being desirous to facilitate the construction of a ship canal to connect the Atlantic and Pacific Oceans, by whatever route may be considered expedient, and to that end to remove any objection which may arise out of the Convention of the 19th April, 1850, commonly called the Clayton-Bulwer Treaty, to the construction of such canal under the auspices of the Government of the United States, without impairing the "general principle" of neutralization established in Article VIII of that Convention, have for that purpose appointed as their Plenipotentiaries:

The President of the United States, John Hay, Secretary of State of the United States of America;

And His Majesty Edward the Seventh, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas, King, and Emperor of India, the Right Honourable Lord Pauncefote, G.C.B., G.C.M.G., His Majesty's Ambassador Extraordinary and Plenipotentiary to the United States:

Who, having communicated to each other their full powers which were found to be in due and proper form, have agreed upon the following Articles:—

ARTICLE I

The High Contracting Parties agree that the present Treaty shall supersede the aforementioned Convention of the 19th April, 1850.

ARTICLE II

It is agreed that the canal may be constructed under the auspices of the Government of the United States, either directly at its own cost, or by gift or loan of money to individuals or Corporations, or through subscription to or purchase of stock or shares, and that, subject to the provisions of the present Treaty, the said Government shall have and enjoy all the rights incident to such construction, as well as the exclusive right of providing for the regulation and management of the canal.

ARTICLE III

The United States adopts, as the basis of the neutralization of such ship canal, the following Rules, substantially as embodied in the Convention of Constantinople, signed the 28th of October, 1888, for the free navigation of the Suez Canal, that is to say:

1. The canal shall be free and open to the vessels of commerce and of war of all nations observing these Rules, on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic, or otherwise. Such conditions and charges of traffic shall be just and equitable.

2. The canal shall never be blockaded, nor shall any right of war be exercised nor any act of hostility be committed within it. The United States, however, shall be at liberty to maintain such military police along the canal as may be necessary to protect it against lawlessness and disorder.

3. Vessels of war of a belligerent shall not revictual nor take any stores in the canal except so far as may be strictly necessary; and the transit of such vessels through the canal shall be effected with the least possible delay in accordance with the Regulations in force, and with only such inter-

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mission as may result from the necessities of the service.

Prizes shall be in all respects subject to the same Rules as vessels of war of the belligerents

4. No belligerent shall embark or disembark troops, munitions of war, or warlike materials in the canal, except in case of accidental hindrance of the transit, and in such case the transit shall be resumed with all possible dispatch.

The provisions of this Article shall apply to waters adjacent to the canal, within marine miles of either end. Vessels of war of a belligerent shall not remain in such waters longer than twenty-four hours at any one time, except in case of distress, and in such case shall depart as soon as possible; but a vessel of war of one belligerent shall not depart within twenty-four hours from the departure of a vessel of war of the other belligerent.

The plant, establishments, buildings, and all works necessary to the construction, maintenance, and operation of the canal shall be deemed to be part thereof, for the purposes of this Treaty, and in time of war, as in time of peace, shall enjoy complete immunity from attack or injury by belligerents, and from acts calculated to impair their usefulness as part of the canal.

ARTICLE IV

It is agreed that no change of territorial sovereignty or of the international relations of the country or countries traversed by the before-mentioned canal shall affect the general principle of neutralization or the obligation of the High Contracting Parties under the present Treaty.

ARTICLE V

The present Treaty shall be ratified by the President of the United States, by and with the advice and consent of the Senate thereof, and by His Britannic Majesty; and the ratifications shall be exchanged at Washington or at London at the earliest possible time within six months from the date hereof.

In faith whereof the respective Plenipotentiaries have signed this Treaty and there-

unto affixed their seals.

Done in duplicate at Washington, the 18th day of November, in the year of Our Lord one thousand nine hundred and one.

JOHN HAY. PAUNCEFOTE.

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

Mr. HUMPHREY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of \$25 million or, in the case of major defense equipment as defined in the act, those in excess of \$7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Sen-

ate that such a notification was received on March 30 concerning an East Asian country: and that seven such notifications were received on April 1, 1977.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room S116 in the Capitol.

A "HARD LINE" HELPS THE GENUINELY NEEDY

Mr. McCLURE. Mr. President, for some time now, Congress has been struggling to reform the welfare laws. Almost everyone agrees that some sort of reform is needed. Unfortunately, every change we make seems to have the effect of bringing more and more Americans under the welfare mantle. It seems to me that those most harmed by expanding welfare eligibility are the truly needy in this coun--those individuals who through no fault of their own are unable to provide for themselves and their families.

These same thoughts can be found in a recent article in Humanist magazine. The article was written by a staff member of the Senate Finance Committee, David B. Swoap. Dave assisted many of us on the minority side in the drafting of food stamp reform legislation in the 94th Congress. He is one of the brightest young men working on Capitol Hill, and it is a pleasure to ask unanimous consent that his article be printed in the

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A "HARD LINE" HELPS THE GENUINELY NEEDY (By David B. Swoap)

Since their inception in the 1930s, the nation's public-assistance programs have grown in unparalleled fashion; they have escaped critical evaluation; and they have exacerbated many of the problems that they purport to solve or alleviate. What is worse, many of the so-called reform plans being pushed today are not reform at all; they would compound the situation and deepen the dependency spiral; and in the last analysis they have an effect upon the economy that is serious enough to jeopardize all that they hope to achieve.

The thoroughgoing commitment to income transfer over the last forty years has resulted in a massive redirection of resources. In the minds of many, this may be both desirable and necessary. However, the pattern has now become such an escalation that it threatens to engulf the ability of the taxpayer (and the economy from which he derives his income to pay his taxes) to sustain it.

In 1955, spending by all levels of government (federal, state, and local) was approximately \$97 billion, or slightly over 25 percent of the gross national product. Of this amount, government benefit payments to individuals accounted for \$15.6 billion, or 16 percent of total government spending and 4.1 percent of the GNP. In 1975, just twenty years later, total government spending stood at approximately \$478 billion—33.3 percent of the GNP. Benefit payments represented \$158 billion—33 percent of total government spending and 11 percent of the GNP. In other words, the proportion of government spend-ing for individual-benefit-payment programs more than doubled in that period of time, and the proportion of the GNP that went to sustain such programs almost tripled.

The belief that the nation has misdirected priorities and continues to spend proportionately more on defense than on social programs appears ill supported by the facts. In absolute terms, federal spending for defense in 1955 was \$39.4 billion; it increased in 1975 to \$79 billion. In relationship to total government spending, however, it dropped from 41 percent to 16.5 percent; in relationship to the GNP, it dropped from 10.4 percent to 5.5 percent. While its share of total government spending was being cut by 60 percent, then, that of benefit payment programs was doubling. While the defense proportion of the GNP was almost half in 1975 what it was in 1955, the share of individual-benefit-payment programs had almost tripled. Clearly, budget priorities overwhelmingly have fa-vored the benefit-payment programs of the nation in the last twenty years.

The Office of Management and Budget (The

Trend of Government Spending, 1955 2000) has had some interesting observations about the implications for the future should the rate of growth that we have seen in the last twenty years in the social programs

"Benefit payments to or on behalf of individuals rose more than twice as fast as our Nation's output [between 1955 and 1975]— by an average of 8.8 percent per year. At least three-fourths of this growth was ac-counted for by new programs and expansions of existing ones-not by normal growth in the beneficiary population.

Continuation of this trend for any extended period of time would produce fundamental changes in our Nation, as well as in the budget. Projections to the year 2000 illustrate the point. If the gross national product, nondefense spending, and benefits payments to individuals were to continue to grow in real terms at their average rates of growth in the past two decades, governments would lay claim to more than 55 percent of the Nation's output in the year 2000-even if real defense spending were held constant."

Even more revealing is the Office's analysis the effect of cutting defense, and then other direct operations, to finance the growth in payments to individuals. If the latter were to continue at the 1955-1974 rates, with total outlays being a constant share of the GNP, then all defense expenditures would have to cease by 1985, and all defense and all other government direct-operations expenditures would have to cease by 1991.

Critics of data of this nature usually contend that growth rates in social programs will not continue at these levels but that their peak has been reached and that they will stabilize in the long run at a lower growth rate. This view overlooks two very serious facts: first, without any major program changes, growth rates show no sign of lessening; and second, with the multi-plicity of new programs being considered and urged in Congress and elsewhere, there appears little likelihood that new accelera-

tive fuel will not be added.

OMB observed that holding government spending at about today's share of the GNP is possible only if direct government operations grew significantly more slowly than the GNP, and payments to individuals grew substantially more slowly than the 1955-1974 rate of 8.8 percent per year (for example, at not more than 5 percent per year). We see that this does not yet seem to be occurring. as indicated by the following recently released figures for fiscal 1973 through the projected 1978 budget. Health: up 129 percent, or an average of 25.8 percent per year; income assistance: up 88 percent, or an average of 17.6 percent per year; social services: up 56 percent, or an average of 11.2 percent per

Moreover, the 1978 figures on which these percentages are based are the amounts requested by the outgoing administration, before any modifications or adjustments by the incoming one. Additionally, as the budget year progresses, it is often necessary to request supplemental appropriations; over \$1.2 billion in additional appropriations have had to be requested by the outgoing administration to meet "rising unit costs and caseload" for public assistance in the current fiscal year; and as indicated earlier, they take into account none of any number of possible liberalizations that may emerge from the 95th Congress. Indeed, the cited 1978 figures include a number of program restrictions that neither the Congress nor the incoming administration may accept and, thus, on their face, in fact may be too low.

face, in fact may be too low.

Now, against this backdrop, one may logically ask: "How did we get where we are? Are we achieving our goals? Are the public-assistance expenditures indicative of the extent to which we are really serving need in this country?" I would submit that we have only the faintest idea of how we got where we are; it is impossible to determine if we have met our goals, for we have neither defined them nor created adequate yardsticks for measuring their achievement; and public-assistance expenditures are a very poor index of the extent to which legitimate need is being met.

Almost the entire pattern of both legislative and executive action over the past forty years in the public-assistance field has been one of adding one program on top of another, each predicated upon claimed potential that is rarely evaluated, each hardly ever taking into account the existence of the other (so that double or triple benefits thereby are conferred), and each of which usually ends up adding to the cost and dependency spiral. The curious thing, moreover, is that so many of these changes have been advanced by the same architects who designed the structure they are now trying to "reform," and so rarely are they held accountable.

This certainly is true in the current debate on welfare reform. Elsewhere in this magazine a number of welfare advocates are urging a guaranteed annual income of one kind or another, which will have the chief effect, in my judgment, of moving us directly and precipitously into even more serious fiscal and policy problems. In the name of "reform," changes are urged that would include more and more persons under the welfare mantle, weaken individual responsibility, remove the present eligibility tests of need, seriously undermine initiative, and require massive new tax outlays. Standardization of benefits is urged, when variation in benefits previously had been pressed to meet varying need circumstances. Inequities are decried, but the redress of an inequity almost always occurs upward, never downward, and often results in another being created. Simplicity is used as a convenient exhortatory tool, although complexity has been manipulatively useful in the past; and simplicity means even more errors will be created. Federalization is called for, notwithstanding the poor accountability, administrative, and service record of federal programs in general and of the Supplemental Security Income (SSI) program in particular. Both recipients and taxpayers may unite in the awareness that a federally run program rarely meets their respective needs

In "The Future Direction of Income Transfer Programs," in Public Administration Review (Sept./Oct. 1976), Congressman Bob Michel, minority whip of the U.S. House of Representatives and ranking Republican on the Labor/HEW appropriations subcommittee, defined the income-transfer program problem, stating that it is:

"The layering of one program on top of another, without regard for interrelationships and without provisions for determining accountability.

"A belief that money alone solves problems.

"A failure to see that monies spent in the public sector are often unproductive dollars—there is no multiplier effects, no insurance that jobs which are "created" supposedly by government will contribute to the economy.

"A general failure to consider the deleterious effects of massive welfare programs on personal and family responsibility.

"Legislating based upon shibboleths: that people, for example, will "go hungry" if we do not permit the food stamp program to barrel down the path of unrestrained expansion. People may very well go hungry if we do not stop it."

He continues:

"In addition, we have over the years created a kind of "interlocking directorate" between constituent groups who receive government funds, the bureaucrats who administer them, and the professionals who seek them. These interrelate with the politicians and their staffs who provide the funds and design the programs.

"And we have come to adopt the rather strange belief that the federal government is some sort of impersonal "donor" or charitable fund—when, in fact, it is ourselves. We—all of us—need to bite the bullet and put an end to this constant seeking—and providing—of more and more government largesse.

"Reform proposals abound. Sadly, most of them would only make things worse."

They would only make things worse because they extend and compound the errors of the past. What is happening is that the present confusion and dissatisfaction that surrounds the welfare system is being used, in many cases, to advance even further liberalizations and extensions to achieve the advocate's primary goal: an even greater measure of income transfer, an even greater proportion of the GNP that is devoted to government spending and individual benefit programs.

This is not, in my opinion, what most persons seek when they say they want welfare reform. To argue the point almost seems to belabor the obvious. In point of fact, however, greater and greater income transfer and enlargement of federal programs is not what the taxpayer means by his call for welfare reform. With a historic sense of compassion for the needy, he asks that the system be reformed to ensure that aid go in sufficient amounts only to those persons entitled by genuine need to receive it. Specifically, in my opinion, he asks that eligibility tests be con-structed so that need may not be artificial or manipulated, that benefits be adequate and decent, but not duplicative; that work requirements be enforced for the physically able, not simply paid lip service; that out-side resources be taken into account and relied upon wherever possible; that sufficient precision characterize the system so that errors are avoided to the greatest possible ex-tent; that persons responsible in the last analysis for the needy person—whether it be the individual himself or his parent—be required to meet his responsibility to the best of his ability; that opportunities for fraud and abuse of the system be reduced and hopefully eliminated; and that, finally, the system be operated within the limits of public resources and not in such a fashion as to call into question the very ability of the economy to survive.*

Officials at all three levels of government, if fundamental welfare reform is to be achieved, must undertake the comprehensive scrutiny of the Social Security Act, HEW regulations, and relevant state statutes and regulations that is required to identify all areas where there are loopholes, misallocation of resources, and provisions that are inconsistent with the above-stated objectives, and to close, modify or eliminate them. Examples abound:

The Social Security Act and the Food Stamp Act have no gross income ceilings for the receipt of AFDC or food stamps. Instead, net income is used; numerous exemptions and deductions are permitted, many with the hope that their allowance will serve as a work incentive. In many cases, however, their provision has a boomerang effect, for people once employed stay on welfare at higher and higher income levels. The disregard of the first \$30 of earned income, and ½ of the remainder, in the AFDC program has been estimated by HEW to have cost \$10 in added necessary benefits for every \$1 that it has saved through encouraging persons to become actively employed.

The federal statute also has a "fourmonth" rule: qualifying the recipient for the earnings disregard if he or she has been on welfare in any one of the preceding four months. The problem is that it is not a single four-month transition period; it is a constantly rolling-forward four-month period—so that the person always qualifies and remains on welfare. (They will always have been on welfare in the preceding month, so they continue to be eligible ad infinitum.)

With regard to outside resources, no means for universally checking reported income against actual income is required by HEW or most states, yet a relatively simple method exists in cross-checking employers, unemployment-compensation payroll reports with recipient reports of income.

Stepfathers, men "assuming the role of spouse," or two welfare families living together can often get by with no diminution of the original welfare grants whatever.

These are simply illustrations of the kinds of loopholes that can and should be closed. Often, however, recommendations for these kinds of changes are met with one (or a combination) of three criticisms: (1) Reform of this nature is simply incrementalism, or more pejoratively, tinkering, and much more massive reform is needed; (2) no actual "program" exists for this kind of reform, and therefore it is largely rhetorical or ephemeral; and (3) this kind of reform hurts needy people.

The charge that reform of the kind outlined is simply incrementalism or tinkering is often simply a smokescreen for the fact that the critic wishes to achieve even greater income-redistribution and does not want reform of this kind to hinder his efforts. If real welfare reform succeeds, his entire premise—that only sweeping changes in the nature of a guaranteed annual income, or more massive categorical programs, are worthwhile—because just a \$1 saving per person per month in the AFDC and food-stamp programs permits savings of \$132 million and \$228 million respectively. Second, among the key elements of welfare reform is target efficiency—to direct benefits to those who need them with greater precision and adequacy—and if fine tuning is needed to achieve that goal, we should not reject it.

to achieve that goal, we should not reject it.

The second and third criticisms were summed up in a recent column "Let's Not Talk About Welfare Reform," by Jodie Allen, a Washington-based research consultant, in which she wrote in the Washington Post (January 10, 1977):

^{*}That this should be something other than a pious platitude is becoming increasingly clear by the experience of New York and Great Britain.

"The cost-cutters... are those who don't care much whether the welfare system is fair, or adequate, or has "perverse incentives." They just wish it didn't cost so much... beyond a stout belief that you ought somehow to "get the cheaters off the rolls," it has no real program and when faced with the actual possibility of reducing assistance to a demonstrably needy family, members of this group are usually just as squeamish as anyone else."

She regrettably gives short shrift to the concerns, the program, and the differentiation ability of those who may have developed a cost-reduction program with some care. Her entire last point appears to translate into, "There are no opportunities for cost reduction, except at the expense of needy persons," which means, "All persons on welfare are legitimately there and are being paid in correct amounts." This appears not at all consistent with the facts. Surely in programs where aid is paid to ineligibles, or overpaid (and, it might be noted, underpaid), in the magnitude of 10, 20, or 30 percent of the cases, depending upon which program and which state is under consideration (current quality-control figures show errors in this magnitude range), the opportunity exists for structural reform that is embodied in a comprehensive program. Moreover, and perhaps even more telling in its potential, it can be done in a way that aids, rather than harms, needy persons.

The experience of California is a case in

The experience of California is a case in point. In the late 1960s, California was experiencing exactly what all the rest of the nation was experiencing: constantly escalating welfare costs, with a massive tax increase appearing inevitable if something were not done. Caseloads were increasing at the rate of 40,000 persons per month without regard to, employment patterns. Restive counties, sharing a significant amount of the burden, were calling for full assumption of welfare costs by the state or federal government.

Instead of simply shifting the problem from one layer of government to another, however, the governor insisted that the program itself needed reforming: and he appointed a task force of experts who went over the Social Security Act with a fine-tooth comb. After six months, in December of 1970, they emerged with over a hundred specific recommendations—all of which could be done within the confines of state law, or if they could not, were accompanied by recommendations for changes in the state statute. Among the provisions of the Governor's welfare-reform program were the following:

A new method of computing AFDC grants, so that persons income now had to be subtracted from the maximum aid payment.

An Earnings Clearance System, so that recipient reports of outside income were cross-checked with employer unemployment compensation-reports. In the first run of the top 10 percent of the earners, discrepancies were found in 41 percent of the cases.

found in 41 percent of the cases.

A Support Enforcement Incentive Fund (SEIF) to maximize location of the absent parent and enforcement of support orders. Over 85 percent of the AFDC problem was found to be caused by absent fathers. The SEIF in California returned 21.7 percent of every child-support dollar to the counties that normally would have abated the state portion of the welfare grant, with the requirement that they use it for additional child-support-enforcement efforts. Result: Child-support collections almost doubled in just five years, from \$36 million to \$66 million.

A requirement that assets be counted and included in a new, more comprehensive fashion.

A new, more detailed application and verification procedure.

The overall results:

Instead of caseloads rising by 40,000 persons per month, they started dropping by approximately 8,000 persons per month, a decline that continued throughout the Reagan administration.

This was not a national phenomenon; in the early 1970s, graphs markedly depict the downturn that occurred in California compared with the continuing escalation that other major industrial states and the nation were experiencing as a whole. When HEW finally reported a national downturn in cases for the first time in history in 1973, California accounted for 42 percent of the reason, and other states, including New York, had begun to emulate the California pattern.

had begun to emulate the California pattern. Nor was the caseload drop due "just to a decline in family sizes," as critics alleged; this was a contributing but minor factor, departmental research showed.

Forty-two of the fifty-eight counties in California were able to reduce their property taxes. Los Angeles County, which had approximately 44 percent of the caseload, was able to cut its welfare property tax rate from \$1.62 to 97 cents.

Over \$1.5 billion was actually saved in three years.

But perhaps most significantly, the tax savings occurred while California, as a part of welfare reform, simultaneously raised grants to those who remained on the rolls. AFDC increase in thirteen years, throughout the previous administration and into a portion of the Reagan Administration. Welfare reform permitted an instant increase of 27 percent in AFDC grants in 1971 and the incorporation of an annual cost-of-living increase, so that now AFDC grants in that state are approximately 50 percent above where they were prior to welfare reform. (California is one of only two states in the nation that provide such an automatic increase, the other being Massachusetts.)

That is the fact that is so often overlooked by the critics of this kind of real, thoroughgoing welfare reform. Resources can be located and freed for the legitimately needy by identifying those who have other resources on which to rely. The assumption that this kind of welfare reform "only hurts the poor" is a disservice to logic, reality, and the truly needy of America.

As stated earlier, numerous specific opportunities for improvement and strengthening of our nation's welfare system are there if one seeks to find them. If carried out with precision, care, and compassion, these improvements can benefit recipient and taxpayer alike It is hoped that, in the months and years ahead, conflicting goals and clashing rhetoric will not be permitted to obscure this fundamental fact.

TAX STIMULUS?

Mr. McGOVERN. Mr. President, the March 28 issue of the New Leader contains a letter to the editor from Robert Eisner, professor of economics at Northwestern University. Professor Eisner's letter raises serious questions concerning the efficacy of the heavy emphasis on income tax rebates contained in the economic stimulus packages currently being considered. His views are worthy of our careful attention. I ask unanimous consent that Professor Eisner's remarks be printed in the Record for my colleagues' consideration.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

ON UNEMPLOYMENT

As Lane Kirkland has argued ("Putting America Back to Work," NL, February 14),

the Carter Administration economic package is too small and ill-focused to promise the economy substantial, speedy recovery. The loss is not only to today's unemployed. With each year of 7-8 per cent unemployment we sacrifice \$150-\$200 billion of output that would be produced with reasonably measured full employment. That is a loss to most of the nation, for those who are working pay with the fruits of their production—whether through taxes or inflation—to support those who are idle. What is more, as we bring up a new generation of youth lacking in jobs, hope and the habit of productive contributions to society, we lay a heavy burden on the years ahead in a continued and repeated cycle of welfare, dependence and crime.

The inadequacy of the Administration's economic package can be measured by comparing it with the relatively successful 1964 tax cuts. The legislation then reduced 1964 taxes by 1.4 per cent of 1963 gross national product and 1965 taxes by 2.4 per cent, Since GNP then was \$590 billion while in 1976 it was in the neighborhood of \$1,700 billion, we can quickly see that comparable tax reductions now would be approximately \$40 billion per year and not \$15 billion. And in 1964 we were starting with an unemployment rate of some 5.5 per cent rather than the 7-8 per cent figure we were suffering at the end of 1976!

The Administration's economic package is inefficient and ill-focused in its heavy emphasis on income tax rebates. Well established economic theory of consumer expenditures, both from the conservative quarter of Milton Friedman and the Keynesian side of Franco Modigliani, should remind us that temporary changes in tax rates are likely to have only slow and modest effects upon demand.

The Administration's business tax reductions are unfortunate, however, not essentially because they are presumed to lower the tax burden on business but rather because of their nature. There is no point to a further windfall in widening the already notorious investment tax credit loophole, allegedly to stimulate business investment. It is highly doubtful that the \$10 billion or so this would cost annually in lost tax revenues would bring anywhere near that amount of increased investment. To the extent it does stimulate investment at all, it does so by distorting the production process, leading firms to acquire a certain amount of additional machinery that would not be profitable without the tax subsidy.

The Administration's proposal of an employment payroll tax credit of 4 per cent is, on the other hand, a step in the right direction—although so miniscule as to be a sad joke. For it is 4 per cent not of payrolls but of the 5.85 per cent of payrolls constituted by the employer payroll tax for Social Security—in other words, it amounts to only .234 per cent, or, not much more than two-tenths of 1 per cent, of actual payroll costs.

Fortunately, the House Ways and Means Committee has come up with a much more imaginative and helpful proposal which, in one form or another, I think Kirkland and the AFL-CIO would do well to look upon with favor. It would offer a 40 per cent tax credit to any firm for up to \$4,200 of wages on increases in employment above 103 per cent of employment of the previous year. This would be a major incentive to firms to hire all workers—the unemployed, the young and others about to enter or reenter the labor force. And it would involve a relatively modest loss of revenues and windfall to firms who are not serving the purpose of increasing employment more than they would otherwise.

The Ways and Means Committee amendment could be improved by modifying, raising or eliminating the \$40,000 limit of the

tax credit per firm, which generally eliminates its effect on large companies. It might also be improved by raising the \$4,200 tax credit base per worker. Otherwise firms may in fact be unduly encouraged to hire partime workers, or workers for part of the year, rather than to generate genuinely full employment.

The House Committee's proposal is not necessarily a substitute for the public employment Kirkland and the AFL-CIO recommend. But it represents a very hopeful direction in which to move, with the potential for becoming a major step bringing the private sector of the economy up to its full potential. Compared to the tax rebates and investment credits that are such tired, inadequate echoes of the past, it offers a new direct focus on our number one economic problem: getting this nation to work again. It also has the secondary yet not trivial advantage of doing so by lowering the critical marginal labor cost to employers, and hence actually working to lower prices and combat inflation.

William P. Kenan. Professor of Economics, Northwestern University. EVANSTON, ILL.

BRUCE McLAURY OF THE BROOK-INGS INSTITUTION

Mr. ANDERSON. Mr. President, in January, Bruce McLaury resigned as president of the Ninth Federal Reserve District headquartered in Minneapolis to assume the presidency of the Brookings Institution. Mr. McLaury's distinguished credentials and extensive experience have more than qualified him for this important position. Mr. President, I ask unanimous consent that an article about Mr. McLaury and the Brookings Institution that appeared in the New York Times on Sunday, April 3, 1977, be printed in the RECORD. The article discusses Mr. McLaury's goals as the fourth president of Brookings and some of the many contributions of the institution to the Federal Government.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Taking Over the Helm at Brookings (By Clyde H. Farnsworth)

Washington.—Just about the time a man from Plains, Ga., moved in at 1600 Pennsylvania Avenue, a man from Minneapolis turned up at 1775 Massachusetts Avenue at what is sometimes called "the other Government." No long lines of tourists wait outside 1775 Massachusetts Avenue, the home of the Brookings Institution. It represents not raw power, as the White House does, but the genteel influence of a university without students.

Bruce K. McLaury, the man from Minneapolis, and the 31 Brookings senior fellows and 16 research associates operate in an area of tree-lined streets and stately houses known as Embassy Row. The Brookings building itself, however, is an undistinguished modern office structure set behind a row of potted evergreens. There's a story about a drunk who wandered inside one day and remarked that it was the loveliest hospital he'd

"If I had been on the hustings like Carter, I too would have had a program," said the 45-year-old Mr. McLaury, a Harvard Ph. D. He arrived here from the presidency of the Federal Reserve Bank of Minneapolis to become the fourth president of the Brookings Institution in the 50 years since it was founded. He added that he was only joking—

Brockings is not an organization that is like-'ly to run out of programs.

The Brookings Institution harbors individuals working on questions of government policy, thanks to the gift of its founder, Robert Somers Brookings. This St. Louis manufacturer of wood products was appalled at the gulf he had found between academic research and the Federal bureaucracy.

The organization's influence lies in its fellows and the works they publish on economics, taxation, defense and foreign affairs. These books and pamphlets are not best sellers, but they are read in the intellectual establishment and in the corridors of power. Pressure on the fellows is much the same as on professors at a university. Robert Solomon, who came to Brookings last year from the Federal Reserve Board, noted, "You publish or perish."

From Brookings came the idea of Congressional budget reform, which in 1974 became a law setting up machinery for better control over revenues and spending. Alice P. Rivlin, a former Brookings fellow, is now chief of the Congressional Budget Office, which monitors the reform procedures.

Joseph A. Pechman, director of economic studies at Brookings, is known as the high priest of revenue sharing. His work contributed to the development of the mid-1960's in which the states were given nostrings-attached Federal funds.

Charles L. Schultze was a senior fellow specializing in anti-inflation policies who had been budget director during the Johnson Administration. He is now chairman of President Carter's Council of Economic Advisers. (When Richard M. Nixon was President, he also tapped Brockings for a chairman of the council, Herbert Stein.) Mr. Schultze is one of half a dozen Brockings fellows in the present Administration.

Emil M. Sunley Jr., a Brookings tax specialist, is now Deputy Assistant Secretary of the Treasury for Tax Policy. C. Fred Bergstein, senior fellow in foreign economic policy studies, has become Assistant Secretary of the

Treasury for International Affairs.

Henry J. Aaron, who once did a study for Brookings called "Why Welfare Is So Hard to Reform," has joined the Department of Health, Education and Welfare as an Assistant Secretary and is chief of the Administration's welfare study group. Two other Brookings fellows also joined H.E.W.—Karen Davis, deputy assistant to Mr. Aaron, and Thomas D. Morris, special assistant to the Secretary of H.E.W.

The pendulum swings from Brockings to the Government, but it also swings back. From the Ford Administration came A. James Reichley, who was a special assistant to the White House chief of staff, Richard B. Cheney. Mr. Reichley is now a senior fellow in governmental studies.

Arthur M. Okun, who was chairman of the Council of Economic Advisers under President Johnson, now edits with George L. Perry the influential Brookings Papers on Economic Activity, a three-times-a-year journal for professional economists. It goes to 5,000 subscribers.

Stephen Hess came to Brookings after serving as a speech writer for President Elsenhower and as a domestic adviser in the Nixon Administration. Mr. Hess, the author of a Brookings study entitled "Organizing the Presidency," advised Jimmy Carter during the transition period after last fall's election.

Although there are a few Republicans at the Brookings Institution, it seems to be mainly a haven for Democrats. One reason is that, although there is a wide mixture of ideas at Brookings, neo-Keynesian liberal views tend to dominate. John Maynard Keynes was an advocate of governmental stimuli, including deficit spending. Mr. Okun observes, "Just as it's difficult for Mil-

ton Friedman to get Keynesians at the University of Chicago, so it is difficult for us to get monetarists to come here." Professor Friedman is considered the apostle of the monetarist theory of economics.

There is another reason for the scarcity of Republicans at Brookings: Most practitioners of economics simply turn out to be Democrats. Paul W. McCracken, a Republican who served for a while as chairman of President Nixon's Council of Economic Advisers, wryly referred to this phenomenon in a recent speech: "You are looking at a significant proportion of the Republican economics profession."

Washington, does, however, have a fast-growing conservative think tank, the American Enterprises Institute. Former President Ford has just taken a job there, along with several other officials from his Administration. These include Robert Bork, former solicitor General, and Rudolph G. Penner, former deputy associate director for economic policy at the Office of Management and Budget.

As Brookings president, Mr. McLaury succeeds Kermit Gordon, who died last year. Mr. Gordon had been Budget Director in the Johnson Administration.

"Under Bruce we expect to do pretty much as we did under Kermit," says Philip Tresize, a senior fellow studying questions of international economic policy. "We are independent critics and commentators on public policy, and I don't see us being any less independent with a change in administration here or at the White House." Mr. Tresize, a former State Department official, was envoy to the Organization for Economic Cooperation and Development in Paris in the late 1960's.

President Nixon's chief domestic adviser, John D. Ehrlichman, castigated a 468-page Brookings analysis of alternatives for the 1973 Federal budget. This helped the analysis become one of the best sellers (36,000 copies) in the Institution's history. The book held that the nation's economic growth was not adequate to support new Federal programs. Its authors were Mrs. Rivlin, Benjamin A. Okner, Robert D. Reischauer (who now serves with Mrs. Rivlin at the Congressional Budget Office) and Nancy Teeters (who has become chief economist for the House Budget Committee).

While things may go on at Brookings in the quiet unflappable manner of past years, some eyebrows have been raised by the fact that the new president, unlike most of the fellows, is a registered Republican. But as a public servant most of his adult life, Mr. McLaury has never taken an active role in politics. Some say his lack of strong partisanship helped him land his new job.

Smitten by the Kennedy image in the early 1960's, Mr. McLaury came to Washington for the first time to work for Robert V. Roosa, who was Under Secretary of the Treasury for Monetary Affairs. Mr. Roosa is now a partner in Brown Brothers Harriman & Company, the Wall Street investment banking house, and also chairman of the Brookings board of trustees. He offered the post to Mr. McLaury last November.

Most of Mr. McLaury's career has been spent in the Federal Reserve System, first at the Federal Reserve Bank of New York and then at Minneapolis.

His philosophy, he said, "puts a premium on financial stability and paying for what gets done, and this colors my view of the world." He has been influenced by what his Brookings colleague Mr. Okun calls the equality-efficiency tradeoff.

Mr. McLaury commented that there were recognized limits to what social programs could accomplish. What he sees as a task of Brookings is to determine how far the Government should go in providing incentives to

encourage greater output, as distinguished from transferring income.

"If our game is public policy research," said Mr. McLaury, "then it is essential that we know the rules from the inside."

Brookings is a nonprofit, tax-exempt or-

Brookings is a nonprofit, tax-exempt organization with an endowment of \$35 million. The income from this account flow about 20 percent of the annual \$7 million budget. Two sizable gifts—one of \$10 million from the Ford Foundation and one of \$8 million from the funder's widow, Isabel Valle Brookings—account for the bulk of the endowment, which has shrunk in recent years as a result of the decline in stock prices.

Other sources of revenues include conference fees, the sale of books, interest and dividends, rentals and corporate gifts from such contributors as Exxon and General

Mr. McLaury expects he will have to become a fund raiser to keep Brookings functioning at a smooth tempo. An earlier president, Robert D. Calkins, was largely responsible for getting Brookings its rich endowments. Mr. Gordon brought it many of its stars such as Mr. Okun, who was preparing to go back to Yale after leaving as chairman of the Council of Economic Advisers in January 1969. Mr. Okun's decision to come to Brookings helped Mr. Gordon land George Perry from the University of Minnesota.

Mr. McLaury sees his mission as a challenge. "This is often called a prestigious place," he commented. "I guess it will be up to me to sustain the word prestigious."

NATIONAL COLLABORATION FOR YOUTH CONFERENCE ON YOUTH UNEMPLOYMENT

Mr. HUMPHREY. Mr. President, last Thursday I was honored to be the keynote speaker at the National Collaboration for Youth's Conference on Youth Unemployment, held here in Washington at the DuPont Plaza Hotel.

The National Collaboration for Youth is a cooperative effort that has brought together 12 national youth serving agencies under one roof, to better coordinate their services to youths. These outstanding organizations are:

Boys' Clubs of America, Boy Scouts of America, Camp Fire Girls, Inc., 4-H Youth Programs, Future Homemakers of America, Inc., Girls Clubs of America, Inc., Girl Scouts of the U.S.A., National Federation of Settlements and Neighborhood Centers, National Jewish Welfare Board, Red Cross Youth Service Programs, National Board of YMCAs, and National Board of the YWCA.

On Thursday and Friday of last week, more than 100 members of these organizations gathered here in Washington to examine their role in Federal legislation aimed at alleviating the youth unemployment problem. In my address, I explained the important role private nonprofit youth serving agencies would play in the Comprehensive Youth Employment Act of 1977, which I introduced in January. With youth unemployment being such a source of social and economic distress, and crime, in this country, we will have to depend heavily on these agencies to help in the creation of imaginative and effective youth programs.

Mr. President, I ask unanimous consent that my speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the Record, as follows:

REMARKS OF SENATOR HUBERT H. HUMPHREY

Thank you very much for inviting me to be a part of your Consultation on Youth Employment.

The organizations which make up the National Collaboration for Youth have an outstanding record of service to our nation's young people. The fact that you have taken time to hold this conference on youth unemployment demonstrates your willingness to take a leadership role in solving this tragic problem.

The young people of this country are fortunate to have such proven friends. The service to youth provided by organizations such as yours is the major reason why the Comprehensive Youth Employment Act of 1977, which I introduced in January, depends very heavily on nonprofit youth agencies as a prime source of job creation, job training and job counseling programs. You have had an outstanding record in the past, and that gives me great confidence that you will continue your outstanding performance in the future.

Now, more than ever, the youth of our nation need your help. All across the country, unemployment has dealt a devastating blow to the hopes and aspirations of our

people. In February, the unemployment rate among teenagers 16 to 19 years old was 18.5 percent, compared to 5.2 percent among adults 25 years old and over. Among black teenagers, the unemployment rate was 37.2 percent and, in many of our central cities, disadvantaged youths experience an unemployment rate that exceeds 60 percent.

There are 3.3 million young Americans under the age of 25 who want to work today, who are knocking on doors that remain closed to them. Ready, willing and able to work, they have no jobs.

And, let me add that there are hundreds of thousands of youths who have become so discouraged by the lack of jobs that they have just given up looking. Of course, these young people don't even show up in the "official" statistics.

This is a national tragedy and unconscionable waste of one of our nation's most valuable resources. Almost every teenager and young adult I've met wants desperately to work and to be accepted as a productive and useful member of our society. They want jobs, they want to be productive, they want to earn their way, they want to be given a fighting chance.

Unemployment cheats them out of all this. Joblessness tells our young people that there is no productive role for them. It tells them that they will have to wait—often for years—before we will admit them to adulthood, years before they can earn their own income and become contributors to our national economic life. I'm sure each of you has had daily experiences with the personal burdens of unemployed youth—the feelings of alienation, apathy and anger that accompany their deep frustrations.

The costs of this are enormous. Almost half a million of our unemployed young people are household heads, many with dependent children, but without the savings or unemployment benefits that many older workers can depend on until they find a new job.

How do you face your wife, your children and yourself when confronted with such a personal and economic calamity?

The economic loss is staggering—youth unemployment is now costing America, \$10 billion each year in lost income and pro-

But by far the largest cost to our youth is that joblessness denies them the opportunity to develop the basic work skills and work habits needed for employment while they are

In an economic situation which provides too few teenage jobs, how are our young people going to get the experience needed to perform adult jobs, or even the chance to break into the entry-level jobs that begin the career ladder in our nation's branesses and in government?

If we do not move swiftly to provide jobs for our youth, we may well end up in the 1980's and 1990's not only with a youth unemployment problem, but with a whole generation of middle-age Americans who have little or no job skills and who will need total rehabilitation to become productive and self-supporting workers.

In addition, youth unemployment is a major source of crime. In 1975, the last year for which we have comprehensive figures, 55 percent of all those arrested for crimes were under the age of 25. Seventy-five percent of arrests for serious crime involved youths under the age of 25. Youth made up 60 percent of those arrested for rape, 75 percent of those arrested for arson and robbery, and 35 percent of those arrested for vandalism, burglary and auto theft.

Most often, these crimes are committed by young people who have nothing valuable or productive to do and who have been totally alienated from the mainstream of our society and our economy. Young people who don't have productive jobs turn to the "shadow economy" of the dark streets and the back alleys in order to get by. They get into trouble. They destroy their own lives and become a lethal social cancer. There is no way that we can reduce or eliminate crime in this country until we solve the problem of youth unemployment.

The most direct and rapid way of alleviating youth unemployment is through specially targeted youth employment programs. Economic recovery alone will not be sufficient.

Too many young people live in decaying central cities or in rural areas where there are just no jobs to be had by youths or adults.

Many youth have failed in, or been failed by, our educational institutions, and have no marketable job skills and no way of obtaining skills.

The decline in small business, and the use by employers of artificial educational or experience requirements for jobs, also have worked to eliminate youth jobs.

Even if new employment opportunities open up as the economy improves, these structural problems will continue to plague our youth and deny them the jobs and work they need and deserve.

Only by creating useful and productive jobs that are specifically targeted at unemployed youth can we break the vicious cycle that denies jobs to young people because they are inexperienced or have poor skills.

The people of this country know that youth unemployment has become a major problem and needs a major solution. One of the most popular actions Congress could take this year would be to enact a youth employment pro-

A Gallup poll taken in January showed that 85 percent of those interviewed favored a youth employment program—one of the highest favorable ratings on any issue ever tested by the Gallup poll. Among youth, 95 percent were in favor. Clearly, our young people are eager to go to work.

I think Congress and the President have gotten the message. A number of major youth employment bills have been introduced in this Congress, and almost half of the members of the Senate—Republicans and Democrats alike—have sponsored or co-sponsored youth employment legislation. The Senate Human Resources Committee has shown its commitment to youth by unanimously voting to recomment \$2.5 billion in fiscal 1978 budget for a new youth employment program.

a new youth employment program.

The President also is fully aware of the serious extent of unemployment among youth. During February and March, I and a number of other Senators worked closely with President Carter and Labor Secretary Ray Marshall to develop a comprehensive youth employment program.

On March 9, as a result of our meetings, President Carter sent Congress a message outlining his proposals for the youth employ-ment bill. We expect to have the bill any day now, and the Human Resources Committee will begin hearings on it right away.

The President's proposals contained in his message should make for a very effective pro-

gram.

First, we will have a National Youth Conservation Corps that will employ young Americans in conservation programs in public parks, forest and recreation areas. Second, we will have a problem of youth

community improvement projects that will employ young people to improve neighborhoods and communities and to maintain and restore natural resources on publicly owned land.

Third, we will have a major new comprehensive youth employment and training initiative which will provide a broad range of job creation, job training, and job counseling programs for our nation's unemployed youth.

This is an outstanding package and a great credit to the President. As soon as we have his bill, I am confident that the Senate will move

swiftly on it.

Many of the President's proposals reflect the general principles embodied in the Com-prehensive Youth Employment Act of 1977, which I and my friend, Senator Javits, co-

First, the jobs that are created by the bill, whether they are in the private or public sector, must be useful and productive. Young people don't want make-work jobs any more than you or I do. The best way of insuring this is to have special projects initiated by local organizations that are concerned with youth.

We do this now with our summer program in Minnesota. We have a Center for Community Action that has employed 7,000 disadvantaged youth since 1971. They have built trails, constructed bridges, created picnic areas, and greatly expanded the recreational facilities available.

These young people take great pride in their work, and they should, because the people of Minneapolis, St. Paul, Hennepin and

Ramsey Counties value it.

These types of projects, and other programs to rehabilitate housing, repair railroad beds, provide day care for neighborhood children, and anything else that needs to be done at the local level, could provide useful work for hundreds of thousands of unemployed youth nationwide each year.

Second, the jobs must provide some useful

training.

Young people need to know how to get to work on time each morning, how to follow directions, and how to work cooperatively with others. These are the most basic skills, and they can't be learned sitting at home or on a street corner.

In addition, more specific skills also should taught-construction skills, mechanical

be taught should be taught as part of the job.

Third, we should provide both full-time and part-time jobs, in both the private and public sectors. Out-of-school youth need full-time work, and in-school youth need part-time work, often so they can stay in school. We shouldn't ignore either group.

We should expand our work-study programs to give secondary school youth a chance to include part-time work in their educational programs. We also should expand our on-the-job training programs in the private sector, since 85 percent of the young people in this country will depend on the private sector for jobs.

Finally, we must upgrade the job counseling and placement services available to our youth.

More and better trained professional counselors should be placed in our high schools and junior colleges. And a national databank on entry level jobs should be set up, connected to computer terminals in locations that are convenient to youth. We have got to bring our employers and our young people back together again.

In all of these programs, your organizations would be among the strongest focal points for leadership in your communities.

Your organizations know what is needed at the local level and what projects could provide useful work for young people. You have worked closely with young people for decades and know their needs. You can go out and use your experience and imagination to make sure that these programs work for our young people.

We need you. And our young people need you more than ever. I shall make every effort to assure that you are deeply involved in

our youth employment programs.

NOISE POLLUTION

Mr. ANDERSON. Mr. President, there is growing concern in the United States about the problems of noise pollution. The Congress recognized the health and safety problems of excessive occupational and residential exposure to noise with the passage of the Noise Control Act of 1972. In Minnesota, extensive attention has been given to the problems of noise in the environment, particularly highway and airport noise. State legislation was enacted in 1971, upon my recommendation as Governor, to provide jurisdiction over noise to the Minnesota Pollution Control Agency. The Pollution Control Agency subsequently established a noise control program. The Minnesota experience with the problems of noise pollution is detailed, Mr. President, in an article that appeared in the St. Paul Pioneer Press on March 27, 1977. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NOISE POLLUTION (By Virginia Rybin)

When the slayer of a woman and two children becomes a sympathetic character, one might wonder just what the victims did to prompt the killings.

This happened recently in Japan, and the motive was nothing more than a loud piano.

The story is a vivid illustration of two major points made by Al Perez of the Minnesota Pollution Control Agency (PCA) in his basic sermon on the evils of noise.

Perez, chief of the PCA's Noise Pollution Control Section, emphasizes that noise has effects besides hearing loss and is consid-

ered a major irritant by virtually everybody. He said the Japanese story, related recently in a national U.S. publication, involved a man who asked that the children next door quiet down their piano-playing. When his request was not heeded, he killed the two children and their mother.

A defense fund was established for him, Perez said, and many people indicated that they could understand his outrage.

Extreme reactions like that of the Japanese man to noise irritation are not as rare as one might think, Perez said. But probably the most interesting thing about the story, he added, is the fact that so many people could express sympathy in spite of what he had done.

It may be surprising, but it correlates with U.S. Census Bureau study last year in which Americans named noise as their biggest complaint about their neighborhoods.

Casual observation alone will reveal that the noise to which Americans are exposed is growing from year to year. With that growth, studies indicate, has come an increase in environment related hearing impairments, along with side effects ranging from high blood pressure to mental upsets.

What is being done about the problem? There is some governmental regulation. though it is limited by small allocations of money and staff to this area of pollution. But public awareness of the dangers and pressure to do something about the problem may be a factor in bringing about more stringent regulation in the near future.

"Noise is no longer as acceptable." said Lee Wilson, St. Paul audiologist. People observe employes retiring after years of noisy jobs and having their final years marred by poor or totally lost hearing, he said, and they are unwilling to accept this as the status quo.

For regulation purposes, Perez divides into three categories-occupational, environmental and recreational.

Federal noise standards have been set for on-the-job noises, and they are enforced by the state Department of Labor and Industry. The second category is under the jurisdiction of the PCA and the federal Environmental Protection Agency (EPA).

Exposure to recreational noises, such as rock concerts, is a matter of choice, Perez noted, and about all that can be done is to inform people of the potential dangers.

In the Noise Control Act of 1972, Congress recognized that "inadequately controlled noise presents a growing danger to the health and welfare of the nation's population . . ." The act directed the EPA administrator to develop and publish noise regulations. State legislation authorized the PCA to adopt similar rules.

Two of the current state regulations set general standards, while a third gives specific noise limits for motor vehicles. They can be enforced and are to some degree, but the staff devoted to the noise pollution area is limited, Perez said. (He is the only fulltime professional employe and his student help which usually does not amount to enough hours to equal the work of another full-time person.)

The cost of enforcement is a factor locally, he said. The city official who has noise enforcement authority is likely to be responsible for hygiene and other areas, Perez said, and thus will not have much time to devote

to fighting noise pollution.

The PCA is trying to concentrate on those areas like highways which involve more than one community and leave local problems to city officials, he said. Those include one of most common complaints of city residents-barking dogs.

Though enforcement has been limited, Perez feels the PCA and EPA efforts have had effects beyond those efforts. He cited freeway barriers and quieter takeoff procedures at Minneapolis-St. Paul International Airport. People are trying to comply with the regulations, he said, partly in recognition of the likelihood that more enforcement will come.

This year, PCA plans call for adopting regulations involving airports and highways; they would include timetables for compli-

Perez said transportation is the chief source of environmental pollution when one takes intensity, duration and number of persons affected into account.

About 150,000 people live in the area affected by noise connected with Minneapolis-St. Paul International Airport, he said. About half are in Dakota County (mostly in Eagan), 5 per cent in St. Paul, 15 per cent in Minneapolis, and the remaining 30 per cent in Bloomington and Richfield.

The EPA is concerned mostly with regulating vehicles at the manufacturing level, Perez said, while the PCA concentrates on mon-

itoring after they are operating.

The PCA has planted devices temporarily in homes to measure airport noise. The agency also is studying the effects of high-way barriers by testing noise levels in homes near the sites where they will be built. The homes will be checked after construction.

The PCA has recorded more than 1,000 noise complaints since Perez' office opened some three years ago. He said about one in four are recorded, so there have been at least 4.000.

In most cases, it is suggested that the callers seek help at the local level, he said, and they are given contacts in their com-munities. The PCA does respond to citizen noise complaints but normally picks the unusual or those which affect large numbers because its resources are limited.

City noise ordinances are getting better, he said, and Minneapolis has a good one. It was that city which took action against Gould, Inc., for noise pollution. St. Paul does not have an ordinance. Perez said the noise problem caused by the lead oxide plant, which is near the boundary of the two cities, actually was worse on the St. Paul side.

Late in 1972, City Councilman Leonard Levine tried to get a St. Paul noise ordinance passed. Hearings were held, but it was never

acted on by the council.

Levine said the ordinance was referred back to committee after being challenged by some council members as allegedly unenforceable and too restrictive of personal freedom. He said it was also argued that it would duplicate state efforts.

This was the only time such an ordinance has been introduced in St. Paul, he said, and, since that time, there has not been "a substantial amount of public support" for such

Most people at hearings on the proposal expressed concern about airports and rail-roads, and, when they found that those were covered by federal standards, some walked

out, Levine said.

Perez, however, said federal regulations do not cover the entire airport and railroad problem. The EPA regulates the manufacturing of vehicles, he said, but the mat-ter of usage is up to state and local governments. Even a quiet vehicle could be a noise irritant if it were idling in one place long enough, he explained.

State standards can be enforced by cities, Perez said, but the municipalities cannot levy fines unless they have ordinances. These fines can be fairly easily levied through a tagging procedure, he said, while the state cannot issue tags and must go through a complicated civil procedure if polluters do

not comply voluntarily.

Ken Dzugan, city environmental planner, said St. Paul has no personnel enforcing state noise regulations. The city abolished its pollution control bureau some time ago.

Levine said there is a "cumbersome procedure" under which five adults can bring a nuisance complaint to the city attorney's office, and this could be used in noise cases.

In the occupational area, Minnesota has adopted the federal standard, which sets a maximum level of 90 decibels for eight hours if no hearing protection is provided. (These decibels are on the so-called "A" scale used in the noise pollution field. Scientists in other fields use different scales, Perez said.)

The maximum decibel rating allowed is higher when the time of exposure is reduced and lower when it is increased, said Ivan Russell, occupational safety and health di-rector for the state Department of Labor and

Russell heads a staff of about 40 state in-

spectors, who are responsible for checking machine safety, air contamination and a variety of other items besides noise pollution.

He said the inspectors do routine investigations and act on complaints. Citations can be issued, and state law allows for fines, he said, but the imposition of penalties is not common.

There is a federal proposal to reduce the maximum for eight hours to 85 decibels. Russell noted that decibels are logarithms (exponents which indicate the power to which a number must be raised to produce a given number), and this therefore would mean a substantial decrease in noise. The level of a sound doubles when it goes up three decibels, he said.

The proposed decrease has had major opposition from industry, whose representatives say it is not feasible to get noise down to that level, he said.

THE NINTH ANNIVERSARY OF THE ASSASSINATION OF DR. MARTIN LUTHER KING, JR.

Mr. MATHIAS. Mr. President, today is the ninth anniversary of the assassination of Dr. Martin Luther King, Jr. May I suggest that we take a moment to remember this great champion of civil rights and peaceful change as he, himself, wanted to be remembered.

Dr. King once was asked what he would like to be said about him after his death. He replied with great simplicity:

Say that I tried to love and serve humanity . . . say that I was a drum major for peace and righteousness.

We can say that and much, much

CHALLENGES OF WORLD FOOD AND POPULATION PROBLEMS

Mr. KENNEDY. Mr. President, the current efforts of both the Congress and the administration to review and revamp our Nation's basic foreign assistance programs and policies comes at a time when significant new trends are developing in the fundamental areas of world food and population problems.

This Sunday's Boston Globe carries a timely editorial which comments on many of these important issues and looks beyond the Green Revolution, which was to, but did not, significantly change the developmental challenges facing mankind.

As the editorial notes, the future of American efforts in this area "lies not so much in technological breakthrough, massive agricultural production or humanitarian efforts, as it does in inter-national planning. The present effort in the Sahel region of Africa, where virtually every developed nation in the world is cooperating with the six Sahel nations in a long-term development program, may be the wave of the future."

Mr. President, I commend to the attention of the Senate the thoughtful editorial in the Boston Sunday Globe, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AFTER THE GREEN REVOLUTION

The growth rate of the world's population is beginning to slow down and since 1974

the three greatest grain producers—the United States, the Soviet Union and India have had bumper crops. But in terms of world hunger it is not a time for relaxed optimism. Populations are still growing, although at a slower rate, and fuel, including the firewood that the rural peoples of Africa and Asia depend upon for cooking and the petroleum that goes into chemical fertilizers, is growing more scarce and more expensive the time. A second Green Revolution, such as that which some scientists think can be sparked by genetic engineering, is far in the future if, indeed, it is a possibility at all.

Technology can help buy time, as it has in the past, but ultimately there are three paths the world must follow if the food and population problem is to be solved. First, national and international policies on the growth and distribution of grain must be established. Second, the richer countries must help the poorer countries to become self-sufficient. Third, more must be done to slow population growth.

The original Green Revolution came in the mid-Sixtles when food production was rapidly falling behind population growth in most of the developing countries. The monsoons had failed for two successive years in India and Pakistan and the world's food reserves had been seriously diminished. At this crucial point the new high-yielding varieties of rice and wheat began to be planted here and abroad. Their use spread like wildfire and in just a few years harvests soared nearly everywhere they were introduced.

The Green Revolution's most enthusiastic champions predicted an end to hunger but hadn't counted on the energy crisis of 1973-74, which greatly raised the costs of transportation, the operation of agricultural machinery and the manufacture of fertilizer. Drought conditions in Asia, Africa and Latin America increased the burden

Sometimes the Green Revolution itself is blamed for the setback. Critics say the new grains benefited the big farmers at the expense of the small and created vulnerable social and economic situations. They have also claimed that there was no per capita improvement in the amount of food raised in the developing countries.

Without the Green Revolution, on the other hand, there could have been a per capita decline in food production and a worldwide famine. As Lester Brown of Worldwatch Institute has pointed out, the Green Revolution may not have been a permanent solution to the food problem but it has bought time—up to 15 years, he thinks— during which the world can get population growth under control.

There is evidence that population control is beginning to take place. In North America, Western Europe, East Asia and China birthrates are declining. India has taken a hard line on birth control (too hard, it turned out, for the political fortunes of Mrs. Gandhi), and previously pro-natalist countries like Mexico and Brazil have reversed their policies. Between 1970 and 1975 the population growth rate did not rise significantly in any part of the world, although it is still by no means stabilized.

When people have plenty to eat and can afford to enjoy a few of the amenities of life, they tend to have fewer children. That is the main reason, beyond keeping people alive, why order must be brought to food production. As the world's greatest producer, the United States must re-establish the food reserves which were so seriously depleted by the Russian wheat deal of 1972. President Carter and Secretary of Agriculture Bob Bergland are committed to this goal, although they have not yet said how they will

In the Nixon and Ford Administrations our policy was to keep food reserves low because their existence had a tendency to depres farm prices which, in turn, discouraged

farmers from increasing their acreage. In consequence, farm prices soared (wheat export prices tripled in a year) and Third World countries were hardpressed to buy grain just when they needed it most. Any Carter plan must at once guarantee adequate price supports for American farmers and keep prices down for poor foreign customers

The United States cannot be expected to solve the world food problem unilaterally. We now account for half the world's grain exports, having actually doubled our production between 1970 and 1976, but we could be in a dangerous position if the world holds us responsible for every threat of famine. For that reason the Carter Administration must promote the establishment of international grain reserves and encourage the poorer nations to produce more food on their own.

Another look should be taken at PL 480, the so-called Food for Peace program, which is up for renewal in Congress this month. Begun in 1954 as a means of reducing the nation's huge post-war agricultural surplus, it has accounted for the export of \$26 billion worth of low-cost and free food since then. PL 480 has been known best for its humanitarian goals but it has been used more often as a political tool. As the Interreligious Taskforce on US Food Policy recently pointed out, the "less needy but politically favored" countries such as Korea, Chile and Portugal are apt to get priority consideration. During the food crisis of 1973-74, the United States actually reduced its food aid to many poor countries, including Bangladesh, where thousands faced starvation. Military friends, such as Israel and South Vietnam, have also tended to benefit.

Food aid, Emma Rothschild wrote in a recent New York Times Magazine article, has sometimes served as a "disincentive" to agricultural production abroad, making it possible for governments to neglect their own farmers. Food aid has not always reached the people it was intended for, and in some cases it has upset local economies. Rothschild recommends that food aid should be gradually phased out, although, in the Fifties and Sixties, when our grain reserves were high and India's agricultural potential had not been developed, such aid was an important factor in staving off famine in Asia. In two consecutive years the United States was able to ship one-fifth of its entire wheat crop to that country.

The future of American efforts lies not so much in technological breakthrough, massive agricultural production or humanitarian efforts as it does in international planning. The present effort in the Sahel region of Africa, where virtually every developed nation in the world is cooperating with the six Sahel nations in a long-term development program, may be the wave of the future.

In the past, American and Western European nations often took a narrow and concescending approach to providing aid to the Third World. In the Sahel program, which is not expected to bear fruit until at least 1985, it has been recognized that only by bringing about fundamental changes in production and lifestyle itself will the people of the region be able to survive. The goal is to ultimately make the Sahel countries self-sufficient, but it is recognized that this will mean everything from the construction of huge dams to the negotiation of major international agreements.

Without such a broad-based program, in which all the participating nations act as partners, there might not be much hope for the Sahel. If its problems are not solved on a more or less permanent basis, it might not be possible next time to launch the major relief effort that would be needed to bail it out, and that could start a spiral of disaster from which the world might never recover.

DAIRY FARMERS—VICTIMS OF PERMANENT ECONOMIC DEPRES-SION

Mr. ANDERSON. Mr. President, recently the Washington Post tried its hand at analyzing the economics of dairy farming and complained that Secretary Bergland had been too generous in raising price supports to beleagured dairy farmers. The Post editorial missed the mark badly, perhaps because the editorial staff does not understand that dairy farmers are being victimized by a permanent economic depression.

To its credit, however, the Post has printed replies from three distinguished gentlemen who know intimately the hardships experienced by family farmers trying to make a living raising dairy herds, Robert G. Lewis is the secretary and chief economist of the Farmers Union and discusses the startling disappearance of dairy farms during the past 25 years. Congressman RICHARD Nolan of Minnesota and Congressman JIM JEFFORDS of Vermont offer a succinct and accurate analysis of the market situation which both dairy farmers and dairy consumers struggle with each day. I highly recommend these pieces to all those seriously interested in understanding the realities of the dairy market.

Mr. President, I ask unanimous consent that both articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

Family-Farmers Face Extinction (By Robert G. Lewis)

Your March 22 editorial should have been entitled "Battering (not "Buttering Up") the Dairy Farmers." It was meanly unjust to these unusually hard-working and poorly paid citizens. But in the end, it will be consumers who will suffer if the attitude your editorial displayed should prevail and the family-farmers are at last battered into economic extinction. What a day of reckoning it will be if consumers become dependent for their milk and cheese upon a "General Foods Corporation" that fixes its prices like General Motors and the other industrial "Generals" do.

Your editorial is insensitive and shortsighted on two counts:

First, it isn't fair. The price farmers get for milk under the new price support announced by the administration (\$9 per 100 lbs.) will barely cover dairy farmers' out-ofpocket production costs and leave them returns for their labor and investment far below what any other workers and businessmen would consider acceptable. After allowing for feed produced by the dairy farmer himself at less than it cost him to produce it, and only \$2.04 to \$3.08 per hour for the farmer's labor, the U.S. Department of Agriculture found that the average cost of producing milk in the U.S. in 1976 was \$9.24 per 100 lbs. The cost will go higher in 1977. The excess of the cost above the \$9 support price will have to come out of the farmer's own hide—and his wife's and kids'.

Second, it isn't smart. Milk is extremely important to our American diet—and it's extremely big. The cost of stabilizing this vital segment of our economy must be viewed in a realistic perspective. If the cost of buying surplus products does rise to around \$70 million this year, as some predict, it should be viewed against the total wholesale value of milk and dairy products in our economy—around \$25 billion this year! The predicted

"surplus" would amount to less than three per cent of the total supply, and it's not at all certain to be that big. If the unemployment rate should drop one or two percentage points, for example, or the weather take a bad turn, this small margin of error might disappear as quick as a wink. Have you forgotten that we had a worldwide protein shortage just a few years ago? And meat? And sugar?

Twenty-five years ago there were two million farms selling milk in the United States. Six out of seven have been starved out of existence. Yes, six out of seven—only 300,000 are left, Yes, starved—dairy farmers throughout all that time never averaged as much pay for their extremey demanding and responsible labor as the legal minimum wage. Consumers in this, the world's cheapest-food country, have been eating up the farmers, the goose that lays their golden eggs. Now we can't spare any more, and it's time to stop it.

You can't make either dairy cows or dairy farmers overnight to match the short-range ups and downs of the business cycle. It would be better to pay the modest price of stabilizing and securing our independent family-worked farms than to get stuck for the far bigger cost of shortages as soon as there's a little change in the world's or the nation's economic situation.

MILK PRODUCTION: WHO WILL PAY? (By Richard Nolan and Jim Jeffords)

Your editorial criticism of Agriculture Secretary Bob Bergland's decision to raise government milk price supports "(Buttering Up the Dairy Farmers") brings to mind the old story of the puzzled housewife who wonders, "Why do we need farmers when we have supermarkets?" The lady's statement is as illogical as The Post's editorial. While admitting that "the principle of price

While admitting that "the principle of price supports is a good and useful one," you draw the line at Secretary Bergland's "audacity" in pushing the program out of the realm of principle and into the realm of practical help for farmers who are desperately in need.

Despite The Post's statement to the contrary, Mr. Bergland is certainly aware that he is now Secretary of Agriculture and not a congressman from Minnesota. He is also aware that the adjustment to 83 per cent of parity will undoubtedly save thousands of drought-stricken small dairy farmers from having to stop producing and prevent another production cutback of the kind that drove consumer prices out of sight in late 1974.

You do not have to be a congressman or Secretary of Agriculture to realize that the old "boom-bust" food price policy is as bad for consumers as it is for farmers. You do, however, have to be at least a casual observer of recent history.

Between 1967 and 1969, price supports averaged between 83 and 87 per cent of parity. Farmers were getting a reasonably stable price for their milk (18-21 cents per half gallon) and consumers (who were paying between 52 cents and 59 cents per half gallon for the same product) were finding themselves able to plan and follow a predictable milk budget for a change.

But inflation and drought hit hard in the spring of 1972. When the price support level fell below 80 per cent of parity, farmers cut production. Dramatically higher European imports then pushed consumer prices to 80 cents per half gallon in 1974, while the market price for American farmers dropped 25 per cent!

The point, of course, is that somebody is going to have to absorb the escalating cost of milk production in this country.

Clearly, the cost of milk for consumers will always rise in proportion to the cost of producing it. But consumer prices do not go down during periods of falling farm market prices. When American farmers cut produc-tion, the difference in supply is made up through European imports. The American consumer continues to pay while the American dairy farmer continues to go out of busi-

Under Secretary Bergland's order, the Treasury will initially pay and regain a substantial share of the money through future Commodity Credit Corporation sales.

The Post's editorial is correct in pointing out that U.S. dairy farmers have succeeded in substantially increasing the amount of milk produced by an individual cow. But according to Dr. Clifford Burton, nationally recognized dairy expert at the University of Oklahoma, individual milk production per cow may be reaching an optimum level. Many of the highly productive herds producing today's milk were bred 13 years ago. Unless confidence in the pricing system is restored, production will permanently drop as those animals are slaughtered and the farmers who produced them retire or go out of business.

Minnesota, the nation's second largest dairy producing state, has already lost 34,000 farmers over the past 10 years. The cost of producing a hundredweight of milk in the Midwest now exceeds not only \$9, but \$10! The signs are clear, and if Bob Bergland learned anything as a congressman Minnesota, he learned how to read

(This concludes additional statements submitted today.)

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

SUPPLEMENTAL HOUSING AUTHOR-**IZATION ACT OF 1977**

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 1070, which the clerk will state by title.

A bill (S. 1070) to authorize additional funds for housing assistance for lower income Americans in fiscal year 1977, to extend the Federal riot reinsurance and crime insurance programs, to establish a National Commission on Neighborhoods, and for other

The Senate proceeded to consider the bill, which had been reported from the Committee on Banking, Housing, and Urban Affairs.

The PRESIDING OFFICER. The time on this bill for debate is limited to 2 hours, to be equally divided and controlled by the Senator from Wisconsin (Mr. PROXMIRE) and the Senator from Massachusetts (Mr. BROOKE), with debate on any amendment in the first degree, except an amendment by the Senator from New York (Mr. Javits) on which there shall be 2 hours debate, limited to 1 hour, and with debate on any amendment in the second degree. debatable motion, appeal, or point of order limited to 20 minutes.

Who yields time?

Mr. BARTLETT. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. ROBERT C. BYRD. I yield 1 minute to the Senator from Oklahoma (Mr. BARTLETT)

Mr. BARTLETT. Mr. President, I ask unanimous consent that Ed King of my

staff be accorded the privilege of the floor during the debate and vote on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, suggest the absence of a quorum, and ask unanimous consent that the time not be charged against either side of this first quorum call.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, I yield myself 1 minute on the bill.

Mr. President, I ask unanimous consent that Michael Maloof of Senator GRIFFIN's staff be accorded the privilege of the floor during debate and vote on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, I suggest the absence of a quorum under the same conditions.

The PRESIDING OFFICER. Under the same circumstances, without the time being charged against the bill?

Mr. BARTLETT. Yes. The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assist legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without

objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the following members of the staff of the Committee on Banking, Housing, and Urban Affairs be permitted access to the Senate floor during the debate and voting on this measure: Robert Malakoff, Jo Ann Barefoot, Michael Barton, Ken McLean, Robert Kuttner, and Susan Kinsman.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, the Committee on Banking, Housing, and Urban Affairs has reported favorably S. 1070, the Supplemental Housing Authorization Act of 1977, which I understand is the pending bill.

The bill contains two titles, both of which I believe are noncontroversial. I will outline its provisions briefly, as follows

The first part of the bill contains supplemental authorizations for several programs of the Department of Housing and Urban Development. The committee has, for the most part, accepted the recommendations of the Department of Housing and Urban Development in approving these increases.

First, the bill would increase the authorization for section 8 rental assistance by \$378 million to a total of \$1,228,050,-000. Section 8 is our major housing program for lower income Americans, and this increase is necessary to bring its activity up to levels which have been planned by both the Ford and Carter administrations.

Second, the bill increases operating subsidy funds for public housing projects by \$19.6 million to pay for this winter's unexpectedly high heating costs.

Third, the bill extends the contract period for new, privately developed section 8 housing from 20 to 30 years. At present, the Government only commits to assist these units for 20 years, thus discouraging private lenders from financing section 8 with conventional loans which typically have at least a 30-year maturity. This change, requested by HUD, is designed to attract more private financing.

Fourth, the bill authorizes such appropriations as may be necessary for reimbursement of the FHA general insurance fund for losses on the sale of foreclosed properties from the FHA inventory. These losses are the result of the maladministration of the FHA programs in the late 1960's and early 1970's. While the administrative problems have been corrected for the most part, the losses must still be paid for today.

Fifth, the bill contains an increase of \$10 million, to a total of \$15 million, for the HUD urban homesteading program. Urban homesteading is a highly popular and effective plan by which HUD-foreclosed houses are sold at nominal cost to people who agree to live in them and fix them up. It is one way to dispose of the HUD inventory of foreclosed properties I mentioned above. The program has also been effective in attracting additional rehabilitation funds into neighborhoods, thus having a broad stabilizing effect. The \$10 million will provide for an additional 3,000 homestead units.

The final section of title I deals with the extension of existing Federal crime and riot insurance programs. Since 1968, the Federal Government has provided reinsurance of private insurance for properties located in areas which may be vulnerable to civil disorder, and thus may otherwise have difficulty obtaining insurance. While such disorders have, fortunately, diminished in recent years, the committee believes that the Federal Government should continue to reinsure these properties, since the program has been highly effective thus far, and since property insurance is essential to the health of urban areas.

The Federal crime insurance program offers direct Federal property insurance in areas where private companies do not offer it because of high crime rates. This program has not been widely used thus far, but HUD is intending to strengthen it through administrative changes. The committee believes that the availability of this insurance is critical to retaining and attracting small business and property owners in the inner city, and rec-ommends continuation of the program.

The bill extends HUD's ability to write crime insurance and riot reinsurance policies through April 30, 1978, and would authorize continuation of policies in force before September 30, 1978, through April 30, 1981.

Finally, title II of the bill would authorize creation of a Presidential Commission on Neighborhood Policy.

One of the most exciting trends in urban policy today is the new interest in developing city neighborhoods on a human scale. Policymakers are discovering that there are inner-city areas throughout the country that the residents truly care about, and that this sense of local neighborhood is the strongest possible foundation for rebuilding cities.

Much of the credit for defining the neighborhood issue and conceiving this commission as a unique citizens' panel rather than the usual body of credentialed experts belongs to Dr. Arthur Naparstek of the University of Southern California, to Gale Cincotta—who incidentally is an organizer in the Chicago area who has testified a number of times and has greatly impressed the committee—and the neighborhood groups around the country who have joined together to form National Peoples Action, and to Msgr. Geno Baroni, of the National Center for Urban Ethnic Affairs.

Father Baroni has recently been appointed an Assistant Secretary of HUD in charge of liaison with neighborhood groups. We anticipate that he will also be the administration's liaison with the Commission, and I could not think of a better person for President Carter to

have picked for that role.

This bill would create a Presidential Commission to consider ways in which public policy at the Federal, State, and local level can enhance these neighborhood environments, or can cease to undermine them. The Commission will report to the President in 1 year on how

our policies can be improved.

Mr. BROOKE. Mr. President, the distinguished chairman of the Banking Committee (Mr. Proxmire) has already made his statement outlining all of the provisions of the Supplemental Housing Authorization Act of 1977. I would like to highlight some of the important objectives of this bill, which I think will help meet the housing needs throughout the country.

The most innovative provision of the bill, in my opinion, creates a National Commission on Neighborhoods. This Commission will undertake a broad review of the vitally important issues of neighborhood preservation and revitalization. It will be funded for a 1-year period at a \$1 million authorization level.

I believe that we must go beyond our "demonstration" efforts and examine the causes of neighborhood decline and the effects of Government policies, laws, and programs which have an impact on our neighborhoods. I cosponsored Senate 417, the original bill providing for the Commission, which was incorporated in this Supplemental Authorization Act. And I think that the Commission can play a significant role in developing a policy to encourage conservation of our urban neighborhoods.

This Commission would study the current programs which affect our neighborhoods and make recommendations regarding encouragement of reinvestment in local communities, promotion of better maintenance and management in existing housing, and reorientation of our ef-

forts to better support the objectives of neighborhood preservation. The Neighborhood Commission would be composed primarily of neighborhood leaders and local officials who understand the concerns of local community residents. It will report its recommendations to Congress and the President within a year.

This bill also authorizes an increase in funding for HUD's urban homesteading demonstration program, expanding the program from \$5 to \$15 million in fiscal year 1977. This is a relatively new initiative by HUD to eliminate the blight of abandoned and deteriorated properties now owned by HUD by transferring these buildings to local communities for rehabilitation and ownership by new "urban homesteaders." In my city of Boston, a demonstration program is underway in Dorchester and Mattapan, where there are a large number of HUDowned buildings. The program is not large, but we hope that it will help to preserve these neighborhoods by rehabilitating properties which currently have a negative impact on their surrounding community.

In addition, we are providing supplemental contract authority in the amount of \$378 million for the section 8 low- and moderate-income housing program and the public housing program for low-income families and the elderly. This increase in authorizations for housing assistance will allow HUD to make payments for 400,000 housing units in fiscal year 1977, which was the goal established by the Ford and Carter administrations. This additional funding will be used for new construction, rehabilitation, and existing housing. These funds are desperately needed throughout the country because there is a tremendous backlog of applications for funding of section 8 projects, particularly by State housing finance agencies, such as the Massachu-

setts House Finance Agency.

In addition, section 8 funding is essential for projects for the elderly and handicapped under the section 202 program. The availability of this supplemental funding will allow the construction of new and rehabilitated housing and to help promote greater housing choice for low- and moderate-income families and the elderly.

I am particularly pleased that this bill provides an additional \$19.6 million in public housing operating subsidies to assist local housing authorities in paying for increased utility costs due to this year's severe winter weather conditions. This authorization will ease the financial burden on our public housing authorities, many of which are already faced with severe strains in their operating budgets.

Among other provisions, this bill provides needed authority for HUD to continue to provide coverage under its crime and riot insurance programs, and expansion of the contract period for privately financed section 8 projects to 30 years. We expect that these provisions will also aid in the rebuilding efforts of our Nation's cities.

Mr. President, I urge my colleagues to approve Senate 1070, the Supplemental Housing Authorizations Act of 1977.

UP AMENDMENT NO. 143, AS MODIFIED Mr. JAVITS. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New York (Mr. Javirs) proposes unprinted amendment numbered 143.

The PRESIDING OFFICER. Is the Senator from New York presenting an amendment which, under the previous order, is allowed 2 hours? Is this that amendment?

Mr. JAVITS. Mr. President, I am hopeful that it will be very brief, but let us assume it is 2 hours.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. Mr. President, this amendment deletes the "workable program" requirement for the purpose of securing mortgage insurance under section 220 of the National Housing Act. The reason for this amendment is that in 1974, when the community development program was established, urban renewal was folded into that program and the workable program requirement, which was entirely in order when we had an urban renewal program per se, was no longer required for community development funding.

However, the workable program requirement still applies in section 220 mortgages and it is simply anachronistic, something that has hung on because we did not take care of eliminating it. It does cause considerable difficulty because the statutory language still prevents people who would otherwise be eligible for insurance under section 220 of the National Housing Act from getting it.

Therefore, I understand that HUD is in favor of this amendment and there is simply a need to eliminate an anachronistic requirement.

Mr. PROXMIRE. Will the Senator vield?

Mr. JAVITS. I yield.

Mr. PROXMIRE. Mr. President, what the Senator has said is correct as far as I am aware. This amendment, as I understand it, would eliminate the requirement that a section 220 project must be related to a workable program plan, so-called. The workable programs have not been required since 1974, when the urban renewal program was consolidated in the community development program. Nevertheless, the existing law still requires that section 220 housing projects have a workable program and the action of the Senator from New York would simply eliminate that archaic requirement.

I am informed that HUD has no objection to this amendment and certainly I have no objection. I think it is an improvement.

I am very much in favor of the Javits amendment.

Mr. JAVITS. Mr. President, I thank my colleague very much. We omitted two words from the amendment at the desk. I send the modification to the desk.

will report the modification, an amendment to the amendment.

The assistant legislative clerk read as follows:

In the first paragraph, after the word "and" add the words "by deleting."

The PRESIDING OFFICER. Without objection, the modification is accepted. Mr. JAVITS. I yield back my time.

Mr. PROXMIRE. Mr. President,

yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York, as modified.

The amendment, as modified, was agreed to, as follows:

On page 3 after line 24 add a new section as follows:

MISCELLANEOUS PROVISIONS RELATING TO MORTGAGE INSURANCE PROGRAMS

SEC. 105. (a) Sec. 101(c) of Title I of the Housing Act of 1949 is amended by deleting the following words in the first sentence "and no mortgage shall be insured, and no commitment to insure a mortgage shall be issued, under section 220 of the National Housing Act, as amended," and by deleting the first proviso of that section.

(b) The National Housing Act is amended

by deleting from Sec. 220(d)(1)(A)(ii) the words "in a community respecting which the Secretary of Housing and Urban Development has made the determination provided for by section 101(c) of the Housing Act of

1949 as amended".

UP AMENDMENT NO. 144, AS MODIFIED

Mr. JAVITS. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. Javirs) proposes an unprinted amendment No. 144.

Mr. JAVITS. Mr. President, I send a modification to the desk. The figure "4" in parentheses should appear after 221 (d) on the first line.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

After section 221(d), insert "4" in parentheses.

The PRESIDING OFFICER. The amendment is so modified.

The amendment, as modified, is as follows:

On page 3 after line 24 add a new section as follows:

SEC. 106. Sec. 221(d) (4) of the National Housing Act is amended by deleting the words "other than a mortgagor refered to in subsection (d)(3)" from the first sentence of the section.

Mr. JAVITS. Mr. President, the reason for this amendment is to give a certain class of sponsors of low and moderate income housing, to wit, public bodies, cooperatives, limited dividend corporations, private, nonprofit corporations and associations, and other comparable mortgagors approved by the Secretary. who are regulated by the Federal, State. or local laws as to rent, charges, and other methods of operation, an opportu-

The PRESIDING OFFICER. The clerk nity to get mortgages either under section 221(d)(3) or 221(d)(4).

> Because 221(d)(4) is confined to private sponsors other than those referred to in 221(d)(3), the inability to choose between the two has prevented many projects from going forward because of the need for higher cost limits which are provided by 221(d)(4).

> Obviously, the Secretary has complete discretion as to whether she will lend at all. Therefore, the applicant should not be inhibited in the first instance and should be allowed to choose as between 221(d)(3) and 221(d)(4). Yet because of the technical terms of the law, those types of limited dividends, nonprofit, et cetera, which I have described, have been limited and they have been unable to apply under 221(d) (4) and have had to confine themselves to applying under 221(d)(3).

> Now, on the cost limits, for example, a single room apartment, an efficiency,

> under 221(d)(3), the cost limit is \$16,860. Under 221(d)(4) for a comparable apartment-and they are all scaled up after that-the figure is \$18,450. That is a difference of about \$1,600, which could make or break a given project.

> Obviously, it is our desire to facilitate the construction of low- and moderateincome housing. Also we wish to encourage nonprofit and limited dividend sponsors, remembering that the Secretary has complete discretion as to whether or not to issue a mortgage at all, we believe that the change proposed by this amendment should be made and that the sponsors of low- and moderate-income housing eligible under section 221(d)(3) should be able equally, if the Secretary agrees to use section 221(d)(4)

> Mr. PROXMIRE. Mr. President, this amendment, as I understand it, would assist in the construction of moderateincome housing under 221 by making eligible limited dividend sponsors, as the Senator from New York just said. But they have to be feasible projects only under the 221(d) (4) limitation.

> The Department of HUD has looked into this. They have been working on a legal opinion which would accomplish what the Senator from New York's amendment would accomplish. But I think the Senator from New York is wise to offer his amendment because we do not know when the legal opinion will be forthcoming or the content or nature of it. I think this amendment would make it very clear what the intention of the Congress is.

> I do believe Congress originally intended to permit a broader array of sponsors to build under 221(d)(4), including limited dividend sponsors.

> Therefore, I would accept the amendment offered by Senator Javits, which would authorize all mortgagors approved by the Secretary of HUD to build needed housing with HUD insurance.

> Mr. JAVITS. I thank my colleague. Mr. President, I yield back the remander of my time.

> Mr. PROXMIRE. I yield back my time. The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

The amendment was agreed to. UP AMENDMENT NO. 145

Mr. BROOKE, Mr. President, I send an amendment to the desk, for myself and Mr. KENNEDY.

The PRESIDING OFFICER. amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. BROOKE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

That (a) section 102 of the Emergency Homeowners' Relief Act is amended-

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following:

"(b) The Congress also finds that severe localized economic distress caused by the legal claims of the Mashpee Tribe in Mashpee, Massachusetts, may require the furnishing of assistance under this Act to avoid mortgage foreclosures and distress sales

resulting from the temporary loss of employment and income."

(b) Section 103(4) of such Act is amended by inserting "national or local" before "economic conditions".

(c) (1) Section 109(b) of such Act is amended by striking out "September 30, 1977" and inserting in lieu thereof "September 30, 1978"

(2) Sections 110 and 111 of such Act are each amended by striking out "October 1, 1977" and inserting in lieu thereof "October 1, 1978".

Mr. BROOKE. Mr. President, I have sent to the desk an amendment to the Emergency Homeowners Relief Act. This amendment, which my distinguished colleague from Massachusetts (Mr. KENNEDY) is cosponsoring, would provide that the Secretary of HUD must give special attention to the severe economic needs afflicting homeowners in the town of Mashpee, Mass., where Indian land claims have clouded title to almost every residence. In the supplemental appropriations bill on Friday, we set aside \$1 million to be directed to this particularly troubled town in the event that homeowners become unable to meet their mortgage commitments. This authorizing language would change the authorizing statute so that the special conditions in Mashpee are recognized as the reasons that the special appropriation was required.

This legislation also extends the authority for the Emergency Homeowners Relief Act to the end of fiscal year 1978. This act would otherwise have expired in September of this year. It is not only the people of Mashpee who need to be assured that emergency mortgage relief could be available to them if economic conditions worsen. All people who live in economically depressed areas need the assurance that, since our economy has not yet fully recovered, further economic decline or sudden swings in economic fortunes will be cushioned by the availability of emergency help.

As my distinguished colleague from Massachusetts (Mr. KENNEDY) and I mentioned Friday when we enacted the

special appropriation for emergency relief in Mashpee, the people of Mashpee need to know they have the help and support of the Congress for the unusual economic circumstances which have befallen them. Because land claims have tied up all titles in the town, employment has dropped off swiftly. Federal agencies are currently collecting data on the sudden and profound reverses suffered in that town. But we already know that the growing resort area businesses and the prosperous real estate market which were the hallmark of Mashpee in recent years are no more. There is no development: there is no rehabilitation: there are no land sales in Mashpee. Because this resort and retirement community's economy was based on this new development and growth, the interruption of normal commerce has brought severely reduced economic circumstances to hundreds of the families.

Although, as yet, the tragedy of foreclosure has not stricken any individual, we know all too well that many are unable to meet their most basic bills. It will not be long before this situation is reflected in a mounting problem in mortgage payments. And we need to have the possibility of Federal assistance available when the problem arises and for as

long as the problem lasts.

Mr. President, in the long run it is my hope and that of my colleagues from Massachusetts that the suit in Mashpee will be settled. Negotiations are proceeding at the moment. Although there will be continuing litigation, it is the intention of both sides to continue to discuss the outlines of possible settlement, because the people who live in Mashpee cannot tolerate the severe economic hardships imposed upon them by this suit. I believe that by adding this amendment to the Emergency Homeowners Relief Act we will provide them with the support and assurance they need.

Mr. President, this is not the only legislation I will be offering to help the people of Mashpee. Nor is it the across-theboards economic solution to the town's problems. Indeed there is no such ultimate solution short of clearing titles to people's homes and businesses through settlement of the case. However, we can provide emergency help, not only to homeowners but to small businesses as well. Later this week I will be offering a comprehensive emergency loan program to provide working capital to those small businesses whose operations have been virtually suspended because of the land claims. I have been working for several weeks with the members and staff of the Senate Small Business Committee. And I believe we will be proposing solutions which will be helpful to small businesses in many sections of the country who currently are ineligible for assistance because their specific problems do not meet the criteria established in the existing emergency or disaster relief programs. However, this mortgage assistance bill is an important first step to providing some help for the people of Mashnee

I hope that the distinguished chairman of the committee (Mr. Proxmire) will find it feasible to accept this amendment.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. BROOKE. I yield.

Mr. PROXMIRE. The Senator was correct in recalling the fact that on Friday we did provide for \$1 million in the supplemental appropriation for this particular purpose, and at the time we indicated that it would be necessary for us to provide the authorization for this on the bill before us today.

I want to be sure that this amendment would limit the funds to residential mortgages and not apply to any kind of busi-

ness loan.

I understand that there will be a separate small business amendment, which the Senator from Massachusetts will offer at a later time, which would meet that particular problem. However, as the Senator knows, the basic legislation dealt only with residential mortgages; and to broaden that in any way, it seems to me, probably would require some work on the part of the committee and further inquiry as to the implications.

Mr. BROOKE. Mr. President. I thank the distinguished chairman (Mr. Prox-

MIRE) for asking the question.

I feel, as does he, that this particular amendment should be limited to residences. That is the intent of the amendment, and I want to give the distinguished chairman (Mr. PROXMIRE) every possible assurance that it extends only to residential property and does not extend to small businesses.

The chairman is also correct that I will be offering legislation in the near future which will deal with relief for small businesses, but that will be a separate legisla-

tive package.

Mr. PROXMIRE. As the Senator will recall, on Friday we amended the 1977 supplemental appropriation, meaning that the funds provided there would be made available through September 30.

Is it the Senator's intention to authorize this for a longer period of time? Would he expect to authorize relief funds throughout fiscal 1978, or would this be limited to fiscal 1977, also?

Mr. BROOKE. As I said in my statement, it is my intent to extend this pro-

gram through fiscal year 1978.

Mr. PROXMIRE. I say to the Senator from Massachusetts that the staff suggests that there are problems if we extend this for another year beyond September 30, 1977. It seems to open the door more widely to localities coming along and seeking relief funds as a result of particular local problems. This was not the original intention of the legislation, as the Senator will recall.

In this case, we do have an unusual emergency. I would not consider it a precedent; because, as the Senator has pointed out so well, the claims of these Indians are completely unanticipated. It could have a devastating effect. This basic legislation could meet the problem.

But the staff feels that if we extend this for more than a year, it may complicate the situation. They would prefer, if the Senator would permit it, to have the amendment apply only through September 30, 1977. Meanwhile, we can take a look at the situation as the months go

on and see if it is necessary for us, at a later time, to reauthorize the program for the fiscal year of 1978.

Mr. BROOKE. I am not quite sure that I understand the reasoning of the staff as to what problems there would be if we extended it beyond September 30, 1977.

I do not think that we are opening up this program to other communities with other problems in the future. As I have already stated, it is also limited to residences and not to businesses.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum, and the time be taken out of my time on the bill.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without

objection, it is so ordered.

URANIUM RADIATION REMEDIAL ACTION

Mr. ROBERT C. BYRD. Mr. President, there is one bill on the Consent Calendar that has been cleared on both sides of the aisle and that has been on the Consent Calendar for 2 or 3 days.

I ask unanimous consent that the Senate proceed to the consideration of S. 266 on the Unanimous-Consent Cal-

endar.

There being no objection, the Senate proceeded to consider the bill (S. 266) to authorize appropriations for fiscal year 1977 to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, which had been reported from the Committee on Energy and Natural Resources, with an amendment to strike all after the enacting clause and

insert in lieu thereof: SECTION 1. Section 101 of Public Law 92-314 is amended by striking from subsection the "Operating expenses" "\$2,110,480,000" and substituting therefor the figure "\$2,113,480,000".

SEC. 2. Section 202 of Public Law 92-314 is

amended by-

(1) striking from subsection (b) the words "four years" and substituting therefor the words "seven years", and

(2) adding the following subsections:

"(h) That payment may be made to those who undertook action of a remedial nature prior to the date of this amendment without the determination required in subsection (b) of this section and notwithstanding the requirement in subsection (c) of this section: Provided, however, That the determination whether and to what extent such payment shall be made shall be the decision of the Administration based on the recommendation of the State; that requests for such payments shall not be considered after one year from the date of this amendment: And provided further, That the United States shall be released from any mill tailings related liability or claim thereof upon such payment.

"(i) That the requirement in subsection (c) of this section that any remedial action shall be performed by the State of Colorado or its authorized contractor may be waived in advance in writing by the State with approval of the Administration: Provided, however, That the determination whether and to what extent payment shall be made shall be the decision of the administration based on the recommendation of the State: And provided further, That the United States shall be released from any mill tailings related liability or claim thereof upon such payment."

SEC. 3. Section 204 of Public Law 92-314 is amended by striking the figure "\$5,000,000" and substituting therefor the figure

"\$8,000,000".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed, and I move to lay that motion on the table.

The motion to lay on the table was

agreed to.

The title was amended so as to read:
A bill to amend Public Law 92-314 to authorize appropriations to the Energy Research and Development Administration for financial assistance to limit radiation exposure from uranium mill tailings used for construction, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 95–72), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE MEASURE

The purpose of the legislation is to extend a program of the Energy Research and Development Administration and to raise the authorization for the program from \$5 million to \$8 million.

The program, which was authorized under Public Law 92-314, June 16, 1972, provides financial assistance to limit radiation exposure resulting from widespread use of uranium mill tailings for construction purposes in Grand Junction, Colorado. The law calls for a cooperative arrangement with the State of Colorado whereby ERDA is authorized to provide 75 percent of the costs of the program and Colorado provides the remainder.

S. 266 extends the deadline for applying for remedial work under the program by 3 years. It also provides for reimbursement to property owners who removed mill tailings at their own expense and enables the State of Colorado to waive the requirement in Public Law 92-314 that it perform the remedial

BACKGROUND AND NEED

The need for this program arose from investigations which revealed a potential health hazard caused by the widespread use of sand containing uranium mili tailings for the construction of buildings in the Grand Junction, Colo. area. The construction sand had been taken from the site of an abandon uranium mill and was used in approximately 500 private and public buildings. Investigations revealed the potential for the entry into the structures of hazardous radon decay gas, thus posing a health hazard. Thereafter a program was organized to limit the building occupants' exposure to radiation.

Work on the affected structures began in fiscal year 1973 and thus far remedial action has been completed on approximately 250 of the 500 buildings. However only \$1,200,000 of the \$5 million authorized in fiscal year 1972 remains available for costing in fiscal year 1977. This will not be sufficient to complete remedial action on the structures that

qualify under the regulations. In order to continue the project on an efficient schedule it will be necessary to make an additional \$3,000,000 of authorization available in fiscal year 1977 by increasing the authorized level of funding to \$8 million.

LEGISLATIVE HISTORY

S. 266, as introduced by Senator Jackson for himself and Senator Baker on January 14, 1977, has not been the subject of hearings in this session. However, this legislation is identical to portions of the Conference Report to H.R. 13350, the ERDA authorization bill for fiscal year 1977, which was considered in the Senate and in the House of Representatives in the second session of the 94th Congress. The conference report failed to be acted upon in the Senate last session.

As introduced, S. 266 provides authorizations for ERDA's nuclear energy research and development programs for fiscal year 1977. Action on a recent supplemental appropriations bill has negated the requirement to enact most of the authorization in S. 266; however, the provisions of the bill as amended by the committee are necessary to permit the expenditure of funds to limit radiation exposure from uranium mill tailings.

COMMITTEE RECOMMENDATION

The Senate Committee on Energy and Natural Resources, in open business session on March 10, 1977, by unanimous vote of a quorum present recommends that the Senate pass S. 266, amended as described herein.

COMMITTEE AMENDMENTS

The Committee on Energy and Natural Resources amended S. 266 by striking all language after the enacting clause and inserting new text consisting of the language of section 203 of S. 266, as introduced.

As originally introduced, S. 266 contained authorizations for the nuclear energy research and development programs of ERDA for fiscal year 1977. Because of the recent enactment by the Congress of a supplemental appropriations bill these authorizations are no longer necessary.

However, the committee believes that the language of section 203 should be retained in order to permit the remedial activities in Colorado to go forward without unnecessary delay. The committee therefore recommends that S. 266 be amended to include the language of that section.

The committee also recommends that the title of S. 266 be changed to reflect the contents of the bill as amended.

COST AND BUDGETARY CONSIDERATIONS

The Energy Research and Development Administration has estimated that an additional \$3 million of authorization will be necessary in fiscal year 1977 to complete the remedial work. However, the actual number of structures requiring work will not be known until the air sampling program is complete. Therefore, the estimate of cost is based on average cost experience to date, and could increase eventually when engineering estimates on all eligible structures are made. In order to maintain the current activity level, \$3 million has been appropriated in fiscal year 1977. An additional \$298,000 of costs is required for a total of \$1,498,000 of costs for remedial action work in fiscal year 1977. The remaining costs of \$2,702,000 will be requested in future years.

REGULATORY IMPACT EVALUATION

In compliance with paragraph 5 of rule XXIX of the Standing Rules of the Senate the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying out S. 266.

The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses. The program authorized by S. 266 is a continuation of a remedial construction pro-

gram administered by the Energy Research and Development Administration through a cooperative arrangement with the State of Colorado.

No personal information would be collected in administering the program. The remedial construction does involve work in private residences, but the homeowners must request that the work be done. Therefore, there would be no impact on personal privacy.

The program has been administered by ERDA since 1972 and little, if any, additional paperwork would result from the enactment

of S. 266.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask that the time not be charged against either side on the bill.

The PRESIDING OFFICER. Without

objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BROOKE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. RIEGLE). Without objection, it is so ordered.

SUPPLEMENTAL HOUSING AUTHOR-IZATION ACT OF 1977

The Senate continued with the consideration of the bill (S. 1070) to authororize additional funds for housing assistance for lower income Americans in fiscal year 1977, to extend the Federal riot reinsurance and crime insurance programs, to establish a National Commission on Neighborhoods, and for other purposes.

Mr. BROOKE. Mr. President, I have discussed this at some length with the chairman of the committee (Mr. Prox-Mire), and I agree that the amendment will authorize relief funds only until September 30, 1977. With that provision and the assurance of my distinguished chairman that we are concerned only with residential properties and not small businesses, I trust that the chairman would be willing to accept this amendment.

Mr. PROXMIRE. Yes, I agree whole-

heartedly with the amendment.

I want to be sure the language has been changed to reflect what the Senator from Massachusetts has agreed to.

The PRESIDING OFFICER. Will the Senator send the modification to the desk, if that is possible?

Mr. PROXMIRE. I think that is correct. I think if we strike the last two lines it will accomplish the purpose.

Mr. BROOKE. The last four lines, Mr. President. We will send that to the desk as a modification of the amendment.

The PRESIDING OFFICER. The clerk will state the modification.

The legislative clerk read as follows: The modification by the Senator from Mas-

The modification by the Senator from Massachusetts strikes the last four lines.

The PRESIDING OFFICER. The amendment is so modified.

The amendment, as modified, is as follows:

(a) Section 102 of the Emergency Homeowners' Relief Act is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following:

"(b) The Congress also finds that severe localized economic distress caused by the legal claims of the Mashpee Tribe in Mashpee, Massachusetts, may require the furnishing of assistance under this Act to avoid mortgage foreclosures and distress sales resulting from the temporary loss of equipment and income."

(b) Section 103(4) of such Act is amended by inserting "national or local" before "eco-

nomic conditions".

Mr. BROOKE. I yield back all of my time.

Mr. PROXMIRE. I yield back my time, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to.

UP AMENDMENT NO. 146

Mr. BROOKE, Mr. President, I send to the desk an amendment for Senator Heinz, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The second assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. Brooke) for Mr. Heinz proposed unprinted amendment numbered 146.

Mr. BROOKE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, strike out lines 4 through 8 and insert in lieu thereof the following:

Sec. 102. Section 519(f) of the National Housing Act is amended by striking out "\$500,000,000" and inserting in lieu thereof "\$1,000,000,000".

Mr. BROOKE. Mr. President, this brief amendment essentially has two purposes. First, it reinstates the ceiling for losses incurred by the Federal Housing Administration's general insurance fund. Second, it raises the ceiling from its previous level of \$500 million to a more realistic level of \$1 billion.

The FHA general insurance fund is one of four funds which insure various Federal housing programs. In recent years the general insurance fund has suffered significant losses. These losses are due, in part, to the downturn in the economy which in turn has forced many families and owners of certain FHA-insured multifamily projects into default. In response to the rising default rate, the Department of Housing and Urban Development has strengthened its underwriting standards and has made commendable progress in reducing the inventory of HUD-owned properties. It is the purpose of this amendment to further the Department's efforts in this regard.

The present provision in S. 1070 which governs the FHA general insurance fund removes the ceiling entirely, and places responsibility for adequately funding the general insurance fund on the appropriations process. His amendment would not jeopardize the financial soundness of the

general insurance fund. Rather, it is his intent to fully restore the fiscal integrity of the fund by placing an adequate celling on the fund which would sufficiently cover current losses.

The need for such a ceiling is clear. In his view, it is the responsibility of the authorizing committee—in this case the Banking, Housing, and Urban Affairs Committee—to establish the authorization levels for each program under its jurisdiction. If the provision presently contained in S. 1070 is allowed to stand in its present form, the Banking Committee will lose its crucial oversight and review responsibility.

In the past, the Banking Committee has been most responsive in meeting the needs of HUD in this regard. It has also, he believes, sought to ascertain the reasons behind increased losses to the general insurance fund as well as assist the Department in taking remedial action. The Senator's amendment would, as he states, build upon the past positive relationship which has existed between the Department and the authorizing committee on this issue.

The amendment would also require HUD to periodically appear before the Banking, Housing, and Urban Affairs Committee and explain, in some detail, the need for additional funds. In his view, this is not an unnecessary or onerous burden for HUD. In fact, the positive benefits of committee review and oversight are substantial in terms of our ability to fully understand the complexities of the Department's programs and difficulties HUD faces in achieving its basic mission: that of housing America.

The amendment also will assist in focusing HUD's and the committee's efforts on the less glamorous—but essential—task of effectively managing its present housing stock. It has long been a concern of the Senator from Pennsylvania (Mr. Heinz) that too little attention has been paid to monitoring our existing housing inventory.

There are many reasons which contribute to the lack of attention given to the existing housing stock. Monitoring these units is an immensely more complex task than the production of new units. To effectively monitor existing housing requires an extensive investment of staff time and energy. Through more effective management of our existing inventory of homes ands apartments, however, the costs to the FHA general insurance fund may be substantially reduced over time.

Far more important than curtailing losses to the general insurance fund is the assurance of the quality of life for the residents of HUD-owned properties. When a HUD-insured project gets into financial difficulty, a basically sound facility begins to deteriorate rapidly. The first budget squeeze is put on maintenance and light switches go unrepaired. Faucets continue to leak and then ruin the ceiling in the apartment below. Broken windows are not fixed, which then increases heating costs and in turn places greater financial strains on the project and forces it closer to fore-

closure. In the meantime, the lives of the tenants of the building are being destroyed.

Monitoring and properly managing the existing housing stock is not glamorous. The lack of effective monitoring by HUD however, costs the taxpayers millions of dollars annually. It also contributes very directly to the deterioration of the quality of life for thousands of families and hundreds of neighborhoods that are adversely affected by a deteriorating single or multifamily property. It should therefore receive the attention it deserves, but seldom gets. Placing a ceiling on the FHA general insurance fund keeps the pressure on both HUD and the Banking, Housing, and Urban Affairs Committee to concentrate on our existing housing inventory. It is the position of the Senator from Pennsylvania (Mr. HEINZ), that if we are truly interested in maintaining our existing housing stock, this amendment ought to be adopted.

Mr. President, I agree with the Senator from Pennsylvania (Mr. Heinz). I think he makes a very strong case.

I ask unanimous consent that I be entered as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROOKE. It is my hope that the distinguished chairman will see fit to accept this amendment.

Mr. PROXMIRE. Mr. President, the Banking Committee did act to lift the ceiling on the FHA losses. We did so by a very substantial margin.

The Senator from Pennsylvania was present when we acted. He made his case, and we disagreed with him. I should say that the committee has held hearings and revised the FHA legislation to reduce losses in the future. We are certainly well aware of the situation.

Mr. President, one of the problems I have is that I serve along with the distinguished Senator from Massachusetts as a member of the Appropriations Subcommittee that handles the money for HUD. In that capacity, of course, it is necessary for us to act for the Senate to appropriate funds to cover these losses. There is nothing we can do about the losses that have been sustained in the past. They are not discretionary. We cannot, unless we want to go back on the word of the Federal Government, repudiate the losses. We have to pay them.

So all the limitation does is to call to the attention of the full committee, the authorizing committee, the Banking Committee, the losses sustained by FHA and to permit us to act, which we must do anyway, to provide the additional funds. The objective, of course, must be to pay off the losses and restore the integrity of the FHA so it can do its job more effectively.

This does, I agree with the Senator from Massachusetts and the Senator from Pennsylvania, permit Congress to oversee HUD's actions through both authorization and appropriations. In view of the fact that two very distinguished members of the Banking Committee feel so strongly on this I do not see that there

is any problem involved here. It will mean an extra step by the committee, but I am perfectly willing to take that kind of action, and accept the amendment.

So let me just see if I thoroughly understand what the amendment would do. The present losses of the general insurance funds are \$1.34 billion. Congress has restored \$77.5 million. That means that there are outstanding losses of \$1,262,500,000. The House of Representatives has provided for an authorization ceiling of almost exactly that amount, \$1.3 billion. HUD wants the ceiling lifted. The Heinz-Brooke amendment would provide for a \$1 billion ceiling, and we would go to conference on that difference.

In view of the fact that the amendment would have the practical effect of requiring the Banking, Housing, and Urban Affairs Committee to review the losses of FHA whenever they exceed \$1 billion, even though all we can do is to review them as part of our oversight, I am willing to accept the amendment of the Senator from Massachusetts.

Mr. BROOKE, Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. BROOKE. I am very pleased that the chairman will accept this amendment offered by the distinguished Senator from Pennsylvania (Mr. HEINZ), and which I have now joined as cosponsor.

The Senator is quite correct. Under the provisions of this bill, the Appropriations Committee would have the primary responsibility for overseeing the FHA insurance fund. This amendment would give the authorizing committee as well as the Appropriations Committee an oversight responsibility. I think that it is important for the authorizing committee to play that role. As the distinguished Senator from Wisconsin (Mr. PROXMIRE) observed, we both have the pleasure and the responsibility of serving on both the authorization and appropriations com-mittees for HUD. This amendment will give us a first opportunity to review the problems in the authorizing committee. Whenever we see trouble down the road, we can recognize the problem early in the authorizing process before we reach the time when we must appropriate the

I am very pleased the Senator will accept this amendment and take it to conference.

I yield back all the remainder of my time.

PROXMIRE. Mr. President, I Mr. yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to. Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum and ask unanimous consent that it be taken out of my time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President. I

ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. ADDITIONAL STATEMENTS SUBMITTED ON S. 1070

Mr. MUSKIE. Mr. President, the Senate is now considering S. 1070 the supplemental housing authorization of 1977. This bill authorizes several initiatives that have been proposed by the new Secretary of Housing and Urban Development, Patricia Harris, as well as a National Commission on Neighborhoods that has been proposed by the distinguished chairman of the Banking, Housing, and Urban Affairs Committee, Senator Proxmire, and the distinguished Sen-

ator from Utah, Mr. GARN. This bill would authorize the appropriation during the current fiscal year of additional contract authority for assisted housing that would enable the Nation to provide decent homes for as many as 160,000 additional lower-income families.

The bill would lengthen the maximum contract term from the present 20 years up to 30 years for privately developed new or substantially rehabilitated section 8 housing. The administration believes that this provision would encourage private lenders to finance the construction of assisted housing without relying on Federal mortgage insurance.

The bill would also authorize a 1-year study of the impact of various Federal policies on our Nation's neighborhoods. This is a more modest version of the bill that passed the Senate during the last session, but failed to be considered on the House floor during the closing hours of the 94th Congress. The work of this commission should be useful in helping us make Federal programs more effective and responsive to the needs of people. Other provisions of this bill would authorize increased payments of operating subsidies to local housing authorities to cover this winter's high fuel costs, a moderate expansion of the urban homesteading program, and the reimbursement of losses in FHA's General Insurance Fund.

Mr. President, I would like to call the Senate's attention to how this bill relates to the third budget resolution for fiscal year 1977, which was adopted by Congress on March 3. That resolution was made necessary because of extraordinary developments in the economy that could not have been foreseen when the second budget resolution was adopted last September. The third budget resolution included room for a significantly expanded commitment to housing subsidy programs, such as that which this bill would authorize.

Enactment of this bill as reported, plus existing authorizations, would permit the appropriation for assisted housof an additional \$13.1 billion in budget authority in fiscal year 1977. Both the Senate and House passed versions of the supplemental appropriations bill, H.R. 4877, provide this \$13.1 billion in budget authority for assisted housing.

The spending ceilings established by the third budget resolution are sufficient to cover H.R. 4877, as passed by the Sen-

ate last Friday, as well as the emergency stimulus supplemental (H.R. 4876) that has been reported in the Senate and other possible requirements now known. The latest Senate budget scorekeeping report indicates that when these various requirements are taken into account, there will be about \$2.3 billion in budget authority and \$1.2 billion in outlays remaining within the third budget resolution ceilings.

I would note, however, that these calculations do not assume any additional appropriations for the GNMA emergency mortgage purchase assistance program. It is clear, therefore, that the budget is now very, very tight, and there are still 6 months to go in this fiscal year.

The congressional budget process is facing a severe test. Each Senator must understand that every amendment and every vote that may lead to additional spending will have serious implications for the Congress and its ability to maintain control over the Nation's fiscal policy. For that reason, I will oppose any amendment which would lead to major increase in funding this fiscal year, since the Budget Committee plans no revisions to the third budget resolution.

I have long believed, Mr. President, that the national goal of a "decent home and a suitable living environment for every American family" must remain one of the most pressing items on the agenda of the Congress. In fact, since the congressional budget process began, the Nation's need for decent housing has consistently been before the Budget Committee as one of the highest national priorities.

I am sure I speak for all my colleagues on the Senate Budget Committee in saying that the Budget Committee supports an effective Federal housing policy. We must not abandon the hope for human dignity and opportunity for every American. We will not relax the effort to fashion public programs that respond to that hope. But we cannot accept the waste of resources on well-intentioned programs that do not meet the needs they are intended to serve.

We in the Congress must carefully evaluate housing programs and make many difficult choices. Housing programs necessarily invoke long-term commitments, and our decisions this year will affect the budgets of many future years. Because of this, the place of housing programs within the budget will be a matter of special concern to the Budget Committee in the months ahead. The Senate Budget Committee is now engaged in marking up the first budget resolution for fiscal year 1978 which makes us vividly aware of the pressures of competing national needs.

I know that I am by no means the only Senator who is encouraged that President Carter has attracted very able people to positions of high responsibility for his administration's housing policy. I am pleased that Secretary Harris has launched a major effort to make the existing housing programs work and to assure that every dollar provided by Congress results as quickly as possible better housing for lower income

families.

Mr. DOLE. Mr. President, I rise in support of this legislation, especially title II which I believe is an important step toward permitting urban Americans a greater voice in developing Federal programs which affect their lives.

During the past few years, the number of Federal urban programs has multiplied from a mere 45 in 1946 to 435 in 1968. Expenditures for these programs have increased from \$1 billion to \$30 billion. And yet, despite all of this great effort and expense, our cities are still in

deep trouble.

Part of the reason for our lack of success in the past is the fact that we have overlooked the human dimension in our planning efforts. In the immediate post-World War II era, the great superhighways that increased housing opportunities in the suburbs often plowed through urban neighborhoods, uprooting residents and destroying community cohesion

Later, many city neighborhoods, alive with a sense of belonging, tradition and roots were destroyed and replaced by architecturally grim and administratively monolithic public housing projects. A new type of slum, one with little hope of culture and community, one in which gangs, violence, and alienation abound, is the result of this kind of "brick and mortar" myopia on the part of some ur-

ban planners.

One way to correct our past mistakes is to develop a strategy for urban revitalization that treats our urban areas as social organisms and builds on the unique resources which exist in the city. In short, we need to forge an urban strategy which is based on a coalition among diverse groups recognizing each others right in a pluralistic society to build a sense of community and ethnic pride. This pride in the diversity of America is in no way exclusionary. It springs from the self-confidence of a people who have achieved mastery over their destinies.

Successful efforts at neighborhood revitalization should, in fact, dissipate many of the fears and anxieties which have beset our cities. It will soon become clear that neighborhood revitalization and conservation are concerns equally of blacks as well as ethnics. What people are seeking in each case is a decent environment for living and for rearing

families.

Another way to improve our urban renewal record is to coordinate the current hodge-podge of urban programs so that Federal, State, city, and neighborhood resources are brought together in a cohesive manner to solve a common problem. Local neighborhood people need to be included in the total decisionmaking process. For far too long now, neighborhoods have had to conform to the designs and dictates of urban planners in Washington and in city hall who have not worked in concert with those neighborhood people who were closest to the problem. Revenue sharing and the Community Development Act, both initiated by the previous two administrations, were significant first steps in the decentralization of the urban decisionmaking process. We need to continue this decentralization effort until it reaches the neighborhood.

I support the creation of a National Commission on Neighborhoods because I believe it can lead to a greater understanding of the human dimension in urban program development, greater coordination of effort among Federal, State, and city officials, greater participation by community and business leaders in neighborhood revitalization activities and a depolarization of racial strife. It is my hope that the Commission will develop recommendations which will eventually lead to the creation of a realistic, comprehensive, and effective national neighborhood policy.

HOMESTEADING

Mr. BIDEN. Mr. President, in 1973, a unique urban housing experiment was undertaken in Wilmington, Del.—urban homesteading.

In August of that year, 10 city-owned, boarded-up houses were given away free to people who agreed to fix them up within 18 months and live in them for

at least 3 years.

The program had one major problem: city-owned, boarded-up properties represented a relatively small share of the boarded-up houses in the city. In November of 1973, therefore, I introduced the National Urban Homesteading Act which permitted the Department of Housing and Urban Development to transfer, without payment, Department-owned houses to communities with an approved homesteading program. My bill became law as part of the Community Development Act of 1974.

The program was launched as a demonstration project in 1975 when HUD announced it would award 1,000 structurally sound houses worth \$5 million and another \$5 million in rehabilitation loans for 23 cities selected from a total

of 61 applicants.

To date, the cities have accepted nearly 900 of the properties originally allocated to them, and about 70 percent of these have been conveyed to local homesteaders at little or no cost.

The Supplemental Housing Authorization Act of 1977, which has been approved by the House of Representatives and is now before this body, would make a total of 3,000 additional HUDheld houses available for urban homestead projects during the year. In addition to expanding the programs in the 23 demonstration cities, HUD estimates that assistance would be provided to at least 10 additional cities that have expressed an interest in urban homesteading.

The results of this demonstration's project are not yet conclusive; but they are encouraging. The previous Secretary of Housing and Urban Development, Carla Hills, listed urban homesteading as one of the major accomplishments of her term. The new administration, in recommending the expansion of the program, indicates that the program has been extremely successful, both in providing homeownership opportunities for a limited number of moderate-income families and in eliminating the blighting influence of boarded-up HUD properties.

Mr. President, urban homesteading is certainly not the answer to this country's housing problems—there is no single answer. But urban homesteading is a commonsense, self-help approach to solving part of the problem.

NEIGHBORHOOD COMMISSION

Mr. President, I think the people of Delaware are tired of seeing their hard-earned money being used by the Federal Government to undertake one study after another. That is why I am going on record against spending \$1 million of taxpayers' money to fund a study on neighborhood problems that would probably be put on a shelf somewhere. Besides, what can the Federal Government tell us about our neighborhoods that we do not already know as a consequence of 100 previous studies.

Mr. KENNEDY. Mr. President, the Supplemental Housing Authorizations Act of 1977 which we are considering today will bring some much-needed relief to the poor persons of this Nation who feel the implications and suffer the consequences of the housing crisis which

we are experiencing nationally. This bill includes an increase of \$378 million in HUD authority for housing assistance payments to support the poor in their efforts to find a decent place to live. That increase would enable HUD to provide assistance payments for 400,000 dwelling units, a goal established by the Carter administration for fiscal year 1977. These funds are necessary to enable HUD to provide assistance to local officials who are struggling to provide the type of housing which their communities desperately need.

This legislation also authorizes an additional \$19.6 million which is needed by local housing agencies to pay for the increased utility costs incurred during the most severe winter which this Nation has experienced. Unfortunately, it is the poor who know most dramatically the impact of weather on the quality of their

lives

The increase in funding for the urban homestead demonstration program which this legislation authorizes is needed if we are to restore vitality to our cities. This bill includes an increase in authorization of \$5 million to \$15 million during fiscal year 1977—three times the current level. This funding would mean that a total of 3,000 HUD-held houses would be available for urban homestead projects.

The extension of HUD authority to provide crime insurance and riot reinsurance contained in this bill represents a genuine effort to recommit ourselves to reshaping this Nation's inner cities. It is impossible for residents of inner cities to bear the full financial burden of this insurance. This program is an essential part of restoring credibility in our efforts to rebuild our cities.

One of the most heartening aspects of this legislation, the establishment of a National Commission on Neighborhoods, has special significance for me and the residents of the Commonwealth of Massachusetts whom I represent. The Commission will look for new ways of promoting reinvestment in existing city neighborhoods and making mainte-

nance and rehabilitation of existing structures as attractive from a tax viewpoint as demolition. The Commission will also make recommendations regarding modifications of local zoning and tax policies to facilitate preservation and revitalization of existing neighborhoods. The establishment of the Commission on Neighborhoods is good news for the older more established neighborhoods in New England and Massachusetts in particular.

The fact that the Commission will be composed largely of neighborhood leaders and local officials, and will reflect the racial, ethnic, and geographic diversity of this Nation's urban neighborhoods is indicative of the impact the Commission may have on national housing policies. The work of this Commission will be conducted not only in Washington but also in the neighborhoods of this Nation. I join my colleagues in supporting the work of the Commission.

Mr. President, in summary, the legislation we act on today will make a significant difference to our cities and to city residents. The goal of the new administration and this Congress is the revitalization of our urban centers and the reshaping of our cities' futures. We know that State governments and local communities are committed to a partnership effort to restore to the cities the hope they once held out to thousands and millions of families from all parts of this Nation and from every corner of the globe for a better life. We know that we have developed programs over the years which are especially designed to equip the cities to deal with crises that face them in every area from spiralling energy costs to unemploy-ment to a depressed economy. We know that full funding of these programs is essential if the job we have undertaken to renew our cities is to be effectively accomplished.

Mr. President, when unemployment figures swell across this Nation, they hit the cities hardest. When inflation grows, when housing starts are down, when heat and light and water supplies dwindle in quantity and spiral in cost, it hits the cities hardest. Our action today in assuring adequate funding for our urban programs is a renewal of our commitment to the cities and to all those constituents who have worked so hard and so long to make the cities work.

Mr. President, another aspect of this legislation introduced by my colleague Mr. Brooke and myself will authorize emergency mortgage relief funds for Mashpee, Mass. Mr. Brooke and I were successful in amending the 1977 supplemental appropriations bill to include \$1 million in mortgage relief payments to assist the residents of Mashpee.

As a result of an Indian land dispute, the citizens of Mashpee have been hard pressed to meet their mortgage obligations. The suit filed by the Wampanoag Indians has affected the whole economic stability of the town.

It is essential that we provide some type of financial assistance to the residents of this area who could be forced to sell their homes under distressful conditions, or in fact, lose their homes for lack of financial assistance until the dispute can be settled or negotiated.

Mr. MATHIAS. Mr. President, this supplemental housing authorization bill for 1977 will provide the Department of Housing and Urban Development under its new Secretary with the leeway to show the Congress and the Nation what it can produce.

Particularly important is the increase in public housing operating subsidies to take into account the high fuel heating costs caused by the recent severe winter.

In addition I was pleased to see an increase of \$378 million for the section 8 housing assistance payments program. This will insure that HUD could, with a big production push and shortened processing times, start new construction or rehabilitation of up to 400,000 homes in this fiscal year.

And lastly, but certainly not the least important feature of this authorization bill is funding recognition for the National Commission on Neighborhoods. This Commission would be established pursuant to S. 417 which Senator Proxume has reintroduced in this session, and of which I am a cosponsor.

This Commission will be charged with devising a strategy for the conservation of existing neighborhoods. The time has come for such a Commission as more and more we come to recognize the unique communities which are found in neighborhoods which hold those areas together and give the strength. There is a growing recognition of the needs of older declining cities, most of which are located in the Northeast, Great Lakes, the Mid-Atlantic regions of our country.

These cities derive their strength and vitality from the people of their neighborhoods including newcomers who are moving back to those cities and their neighborhoods in recognition of the many amenities which city living has to offer.

My home State's city of Baltimore is a good example of a city with an aging housing stock and old neighborhoods which are being viewed as resources rather than liabilities. Its urban homesteading program and neighborhood housing services lending program for home repair are recognized nationwide as innovative models.

I am confident the National Neighborhood Policy Act will be passed by both bodies this year. And I am encouraged by the statements of the HUD Secretary that these housing subsidy funds can and will be put to good use this year.

(This concludes additional statements submitted on S. 1070.)

Mr. PROXMIRE. Mr. President, as far as I know there are no further amendments to be offered on this measure, and I believe we can go to a third reading.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. BROOKE. I yield back the remainder of my time.

Mr. PROXMIRE, I yield back the remainder of my time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 1070) was passed, as fol-

S. 1070

An act to authorize additional funds for housing assistance for lower income Americans in fiscal year 1977, to extend the Federal riot reinsurance and crime insurance programs, to establish a National Commission on Neighborhoods, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Supplemental Housing Authorization Act of 1977".

TITLE I—SUPPLEMENTAL AUTHORIZA-TIONS AND EXTENSIONS OF HUD PRO-GRAMS

AMENDMENTS TO THE UNITED STATES HOUSING ACT OF 1937

SEC. 101. (a) The first sentence of section 5(c) of the United States Housing Act of 1937 is amended by striking out "and by \$850,000,000 on October 1, 1976" and inserting in lieu thereof "and by \$1,228,050,000 on October 1, 1976".

(b) Section 9(c) of such Act is amended by striking out "and not to exceed \$576,000,-000 on or after October 1, 1976" and inserting in lieu thereof "and not to exceed \$595,-600,000 on or after October 1, 1976".

(c) Section 8(e) of such Act is amended—
(1) by striking out "two hundred and forty months" in the first sentence and inserting in lieu thereof "three hundred and sixty months, except that such term may not exceed two hundred and forty months in the case of a project financed with assistance of a loan made by, or insured, guaranteed or intended for purchase by, the Federal Government, other than pursuant to section 244

of the National Housing Act"; and
(2) by striking out "In the case of" in the second sentence and inserting "Notwithstanding the preceding sentence, in the case

GENERAL INSURANCE FUND

SEC, 102. Section 519(f) of the National Housing Act is amended by striking out "\$500,000,000" and inserting in lieu thereof "\$1,000,000,000".

URBAN HOMESTEADING DEMONSTRATION

Sec. 103. Section 810(g) of the Housing and Community Development Act of 1974 is amended by striking out "not to exceed \$5,-000,000 for fiscal year 1977" and inserting in lieu thereof "not to exceed \$15,000,000 for fiscal year 1977".

FEDERAL RIOT REINSURANCE AND CRIME INSURANCE PROGRAMS

SEC. 104. Section 1201(b) of the National Housing Act is amended— (1) by striking out "April 30, 1977" in

(1) by striking out "April 30, 1977" in paragraph (1) and inserting in lieu thereof "April 30, 1978"; and

(2) by striking out "April 30, 1978" in paragraph (1)(A) and inserting in lieu thereof "April 30, 1981".

MISCELLANEOUS PROVISIONS RELATING TO MORTGAGE INSURANCE PROGRAMS

SEC. 105. (a) Section 101(c) of Title I of the Housing Act of 1949 is amended by deleting the following words in the first sentence "and no mortgage shall be insured, and no commitment to insurance a mortgage shall be issued, under section 220 of the National Housing Act, as amended," and by deleting the first proviso of that section.

(b) The National Housing Act is amended

by deleting from Section 220(d)(1)(A)(ii) the words "in a community respecting which the Secretary of Housing and Urban Development has made the determination provided for by section 101(c) of the Housing Act of 1949, as amended".

CONSTRUCTION OF MODERATE INCOME HOUSING

Sec. 106. Section 221(d)(4) of the National Housing Act is amended by deleting the words "other than a mortgage as referred to in subsection (d) (3)" from the first sentence of the section.

TITLE II-NATIONAL COMMISSION ON NEIGHBORHOODS

SHORT TITLE

SEC. 201. This title may be cited as the "National Neighborhood Policy Act".

FINDINGS AND PURPOSE

SEC. 202. (a) The Congress finds and declares that existing city neighborhoods are a national resource to be conserved and revitalized wherever possible, and that public policy should promote that objective.

(b) The Congress further finds that the tendency of public policy incentives to ignore the need to preserve the built environment can no longer be defended, either economically or socially, and must be replaced with explicit policy incentives encouraging conservation of existing neighborhoods. That objective will require a comprehensive review of existing laws, policies, and programs which affect neighborhoods, to assess their impact on neighborhoods, and to recommend modifications where necessary.

ESTABLISHMENT OF COMMISSION

SEC. 203. (a) There is hereby established a commission to be known as the National Commission on Neighborhoods (hereinafter referred to as the "Commission").

(b) The Commission shall be composed of twenty members, to be appointed as fol-

(1) two Members of the Senate appointed by the President of the Senate:

(2) two Members of the House of Representatives appointed by the Speaker of the House of Representatives; and

(3) sixteen public members appointed by the President of the United States from among persons specially qualified by experience and training to perform the duties of the Commission, at least five of whom shall be elected officers of recognized neighborhood organizations engaged in development and revitalization programs, and at five of whom shall be elected or appointed officials of local governments involved in preservation programs. The remaining members shall be drawn from outstanding individuals with demonstrated experience in neighborhood revitalization activities, from fields as finance, business, thropic, civic, and educational organizations. The individuals appointed by the President of the United States shall be elected so as provide representation to a broad cross section of racial, ethnic, and geographic groups. The two members appointed pursuant to clause (1) may not be members of the same political party, nor may the two members appointed pursuant to clause (2) be members of the same political party. Not more than eight of the members appointed pursuant to clause (3) may be members of the same political party.

(c) The Chairman shall be appointed by the President, by and with the advice and consent of the Senate, from among the pub-

lic members.

(d) The executive director shall be appointed by the President, by and with the advice and consent of the Senate, from among individuals recommended by the Commission.

DUTIES

SEC. 204. (a) The Commission shall undertake a comprehensive study and investiga-

tion of the factors contributing to the decline of city neighborhoods and of the factors necessary to neighborhood survival and revitalization. Such study and investigation shall include, but not be limited to-

(1) an analysis of the impact of existing Federal, State, and local policies, programs, and laws on neighborhood survival and re-

vitalization:

(2) an identification of the administrative, legal, and fiscal obstacles to the wellbeing of neighborhoods;

(3) an analysis of the patterns and trends public and private investment in urban areas and the impact of such patterns and trends on the decline or revitalization of

neighborhoods:

(4) an assessment of the existing mechanisms of neighborhood governance and of the influence exercised by neighborhoods on local government;

(5) an analysis of the impact of poverty and racial conflict on neighborhoods;

an assessment of local and regional development plans and their impact on neighborhoods;

(7) an evaluation of existing citizen-in-itiated neighborhood revitalization efforts and a determination of how public policy can best support such efforts; and

(8) a quantification, where feasible, of the costs and benefits to society from present programs, and a quantification, where feasible, of the costs and benefits to society of programs which are recommended as required by subsection (b).

(b) The Commission shall make recommendations for modifications in Federal, State, and local laws, policies, and programs necessary to faciliate neighborhood preservation and revitalization. Such recommendations shall include, but not be limited to-

new mechanisms to promote reinvestment in existing city neighborhoods;

(2) more effective means of community participation in local governance;

(3) policies to encourage the survival of economically and socially diverse neighborhoods:

policies to prevent such destructive practices as blockbusting, redlining, resegregation, speculation in reviving neighborhoods, and to promote homeownership in urban communities;

(5) policies to encourage better maintenance and management of existing rental

housing:

(6) policies to make maintenance and re-habitation of existing structures at least as attractive from a tax viewpoint as demolition and development of new structures;

(7) modification in local zoning and tax policies to facilitate preservation and revitalization of existing neighborhoods; and

(8) reorientation of existing housing and community development programs and other tax and subsidy policies that affect neighborhoods, to better support neighborhood preservation efforts.

(c) Not later than one year after the date which funds first become available to carry out this title, the Commission shall submit to the Congress and the President a comprehensive report on its study and investigation under this subsection which shall include its findings, conclusions, and recommendations and such proposals for legislation and administrative action as may be necessary to carry out its recommendations.

COMPENSATION OF MEMBERS

SEC. 205. (a) Members of the Commission who are Members of Congress or full-time officers or employees of the United States shall serve without additional compensation, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of the duties vested in the Commission.

(b) Members of the Commission, other than those referred to in subsection (a) shall receive compensation at the rate of

\$100 per day for each day they are engaged in the actual performance of the duties vested in the Commission and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of such duties.

ADMINISTRATIVE PROVISIONS

SEC. 206. (a) The Commission shall have the power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates, but at rates not in excess of a maximum rate for GS-18 of the General Schedule under section 5332 of such title.

(b) The Commission may procure, in accordance with the provisions of section 3109 of title 5, United States Code, the temporary or intermittent services of experts or consultants. Persons so employed shall receive compensation at a rate to be fixed by the Commission but not in excess of \$100 per day, including traveltime. While away from his or her home or regular place of business in the performance of services for the Commission, any such person may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 (b) of title 5, United States Code, for persons the Government service employed intermittently.

(c) Each department, agency, and instrumentality of the United States is authorized and directed to furnish to the Commission, upon request made by the Chairman or Vice Chairman, on a reimbursable basis or otherwise, such statistical data, reports, and other information as the Commission deems necessary to carry out its functions under this title. The Chairman is further authorized to call upon the departments, agencies, and other offices of the several States to furnish, on a reimbursable basis or otherwise, such statistical data, reports, and other information as the Commission deems necessary to carry out its functions under this title.

(d) The Commission may award contracts and grants for the purposes of evaluating existing neighborhood revitalization programs and the impact of existing laws on neighborhoods. Awards under this subsection may be

made to-

(1) representatives of legally chartered neighborhood organizations;

(2) public interest organizations which have a demonstrated capability in the area of concern; and

(3) universities and other not-for-profit

educational organizations.

(e) The Commission or, on the authorizaof the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this title, hold hearings, take testimony, and administer oaths or affirmations to witnesses appearing before the Commission or any subcommittee or member thereof. Hearings by the Commission will be held in neighborhoods with testimony received from citizen leaders and public officials who are engaged in neighborhood revitalization programs.

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 247. There are authorized to be appropriated not to exceed \$1,000,000 to carry out this title.

EXPIRATION OF THE COMMISSION

SEC. 208. The Commission shall cease to exist thirty days after the submission of its report under section 204.

EMERGENCY HOMEOWNERS' RELIEF ACT AMENDMENTS

SEC. 209. That (a) section 102 of the Emergency Homeowners' Relief Act is amended-(1) by redesignating subsection (b) as

subsection (c); and

(2) by inserting after subsection (a) the

following:
"(b) The Congress also finds that severe localized economic distress caused by the legal claims of the Mashpee Tribe in Mashpee, Massachusetts may require the furnishing of assistance under this Act to avoid mortgage foreclosures and distress sales resulting from the temporary loss of employ-

ment and income.".

(b) Section 103(4) of such Act is amended by inserting "national or local" before

'economic conditions".

Mr. PROXMIRE. Mr. President, move to reconsider the vote by which the bill was passed.

Mr. BROOKE. I move to lay that mo-

tion on the table.

The motion to lay on the table was

agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 1070.

The PRESIDING OFFICER. Without

objection, it is so ordered.

RECESS UNTIL 3:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 1 hour.

There being no objection, at 2:30 p.m. the Senate took a recess for 1 hour.

The Senate reassembled at 3:30 p.m., when called to order by the Presiding Officer (Mr. ZORINSKY).

Mr. ROBERT C. BYRD. Mr. President,

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk

proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX EXCLUSION FOR SICK PAY

Mr. LONG. Mr. President, is a Housepassed bill relating to sick pay benefits at the desk?

The PRESIDING OFFICER. H.R.

1828 is at the desk.

Mr. LONG. Mr. President, under the rules I believe if objection is heard to the bill being referred, it remains at the desk, and after a certain number of days can be called up off the calendar; is that correct?

The PRESIDING OFFICER. There is a procedure under rule XIV whereby the bill could be placed on the calendar

without going to committee.

Mr. LONG. Mr. President, I have been notified that there would be a request that the bill be held at the desk, hoping that we might not find it necessary to refer it to the committee, and thereby bypass the 3-day requirement on report-

The Senate committee has recommended the same subject matter in a much broader bill which is on the Senate Calendar, so I ask unanimous consent that the bill remain at the desk and that it be subject to being called up from the calendar at a future date.

Mr. BAKER. Mr. President, reservinb the right to object, is the Senate speaking of H.R. 1828?

The PRESIDING OFFICER, H.R. 1828.

Mr. BAKER. The request, as I understand it, is that the bill be held at the desk, and that we enter a unanimousconsent agreement that it can be called up at any time?

Mr. LONG. Well, I do not care to call

it up today

Mr. BAKER. Mr. President, I have no objection. I just wanted to clarify the request.

The PRESIDING OFFICER. Is the Senator asking unanimous consent that the bill be considered as having been read twice and be placed on the calendar?

Mr. LONG, Yes.

Mr. BAKER. Mr. President, reserving the right to object, I had not understood that. I have no objection to its being held at the desk, but I would object to its being read twice and being placed on the calendar.

Mr. LONG. I object to the bill going to the committee, Mr. President. Would that result in its being kept at the desk? The PRESIDING OFFICER. This is a

request that it be kept at the desk. Mr. BAKER. I have no objection to

that.

Mr. LONG. Under the rules, is not the bill to be read once?

The PRESIDING OFFICER. The bill could be read once.

Mr. LONG. I ask that it be read.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 1828) relating to the effective date for the changes made by the Tax Reform Act of 1976 to the exclusion for sick pay,

Mr. LONG. Mr. President, I ask that the bill be held at the desk.

The PRESIDING OFFICER. The bill will be held at the desk until after the second reading.

Mr. LONG subsequently said: Mr. President, I ask that what I am going to say appear previously in the RECORD, in connection with the discussion with reference to the bill relating to sick pay.

The Senator from Kansas, Mr. Dole, had informed me that he wished the bill to remain at the desk because this matter should be acted on before April 15, so that those who want to claim the benefit of the sick pay exclusion to which they would otherwise have been entitled except for the Tax Reform Act last year will be able to do so for the tax year 1976.

There may be at least one amendment which has been offered and agreed to in the committee regarding this tax treatment of income earned while working overseas. Such an amendment was offered by Senator RIBICOFF in the committee and was agreed to unanimously on the theory that the change in the law in 1976 was subject to a similar charge that many people would have made some adjustments had they known Congress was going to pass a law raising the taxes on their overseas pay during the course of last year.

It is also possible that an amendment

may be offered by the Senators from Kentucky to correct an oversight which occurred both in the House and in the Senate from the point of view of the Internal Revenue Service when we acted on the Tax Reform Act last year with regard to parimutuel betting on horse races. Those Senators properly feel the way the matter became law was a result of a misunderstanding with regard to what the language meant. They hope to straighten out that matter.

EMERGENCY UNEMPLOYMENT ACT AMENDMENTS-CONFERENCE RE-PORT

Mr. LONG. Mr. President. I submit a report of the committee of conference on H.R. 4800, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. ZORINSKY). The report will be stated by

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4800) to extend the Emergency Unemployment Compensation Act of 1974 for an additional year, to revise the trigger provisions in such act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recom-mend to their respective Houses this report signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of today's RECORD.)

Mr. LONG. Mr. President, the House and Senate conferees have reached agreement on the bill extending the Emergency Unemployment Compensation Act. This act provides benefits to unemployed workers who have exhausted their entitlement to regular and extended unemployment benefits in 32 States which have high levels of unemployment. Under existing law, this act expired on March 31.

Under the conference agreement, the program will continue in force for 10 more months as compared with 9 months under the Senate version and 12 months under the House bill. Benefits will be payable until January 31, 1978, but no new applications will be taken after October 31, 1977. The conference agreement retains the provision of existing law and the Senate bill under which the program goes into effect on a State-by-State basis when the State's insured unemployment rate exceeds 5 percent.

Both the Senate and House bills included provisions requiring applicants to accept suitable work, and the conference agreement includes elements from both bills in this respect. Unemployed individuals who cannot show that they have good prospects for reemployment in their usual job would have to be willing to look for and accept any reasonable job offer meeting basic suitability standards and paying at least as much as the unemployment benefits they had been drawing—including supplemental employer or union benefits.

Both bills reduce maximum entitlement under the emergency program from 26 to 13 weeks—that is, from a combined maximum under all programs of 65 weeks to a combined maximum of 52 weeks. The House agreed to accept a Senate amendment which would make this change effective April 30 so that no current recipients would face an abrupt cut-off of benefits because of the change.

The House also accepted the Senate amendment postponing for 6 months—until April 1980—a provision requiring that unemployment benefits be reduced by the amount of any pension payable. In addition, the House accepted an amendment permitting States to deny unemployment benefits to school employees during brief holiday recess periods. The House refused to accept a Senate amendment permitting States to deny benefits to certain substitute teachers.

Both the House and Senate bills provided for funding the emergency benefits program from general revenues for the remainder of its duration and permitting States an additional 2 years to repay certain loans from the Federal unemployment trust fund. These provisions are also included in the final version of the bill.

The Senate added to the bill a provision dealing with the method of determining pay increases for Federal judges, Members of Congress, and other highlevel Federal officials. Under this amendment, a separate rollcall vote will in the future be required in the Senate and in the House of Representatives before the pay increases recommended by the President can be implemented for each of the four categories of Federal officials covered by the procedure. The House conferees accepted this Senate amendment.

Mr. BARTLETT. Mr. President, although I voted against final passage of this bill when it was before us last week, and although my general feeling regarding this bill continues to be negative, I am most encouraged to note that this conference report retains the amendment which I offered on the floor last week pertaining to the procedure for pay raises for high level Federal officials. The Senate adopted that amendment by a vote of 82 to 13.

The amendment which I offered would require that as to all future recommendations of the Commission on Executive, Legislative, and Judicial Salaries, a recorded vote of each House of Congress will be required to approve any proposed pay increase. A different vote would be required for each of the classes of officials whose pay is subject to recommendations made by the Commission—Members of Congress, Federal judges, legislative branch officers, and high level executive branch officials.

The passage of this amendment by Congress will do much to effect genuine reform of the pay determination process. We have hidden for too long behind the anonimity offered by the present law, which allows substantial pay increases to go into effect without the Congress having to expressly take a position on them.

The people we represent resent this backdoor method of raising pay, and properly so. One of the most important duties we assume as Members of Congress is that of protecting the public purse from improper expenditures. We customarily determine the propriety of expenditures through full and open debate, and by each Member publicly taking a position on the issue. The procedure should be no different just because our own pay is involved.

As I mentioned previously, Mr. President, I believe the unemployment compensation bill itself is defective in a number of respects. I am pleased that a reformed procedure for congressional and other pay increases will now become the law of the land.

(Mr. NUNN assumed the chair at this point.)

Mr. JAVITS. Mr. President, I would like to ask the chairman of the Finance Committee a question.

There are quite detailed specifications in the conference report, which my staff has just had the chance to read, respecting the duty of an unemployed worker to accept another job. We just wanted to be sure that none of those cancel out the basic proposition that, if that worker is in an approved training program, that then he may continue in that program and is not obliged to accept another job under any of those conditions or risk being cut off from unemployment benefits.

Mr. LONG. If he is in a training program, he does not have to accept a job.
Mr. JAVITS. I thank the chairman.

Mr. President, there are some good parts of the bill and, like everything else in life, some disappointing parts. I do not think very much was given in terms of an extension of the program. The Senate bill provided a 6-month extension of FSB with a 3-month phaseout, and the House bill provided a 12-month extension. The whole thing was settled for 7 months plus a 3-month phaseout. It seems to me that that gives very inadequate consideration to the forecasts, even optimistic forecasts, for the future. As of today, 34 States participate in this program. The administration supported a 9-month extension of the program with a 3-month phaseout, and estimated that 1 year from now 20 States would still be participating if it is still authorized. Of course, the predictions that the tax program of the administration is going to stimulate a recovery, which will very materially reduce unemployment, are sharply controverted. Indeed, the administration itself is guarded in its projections for reduction of unemploy-

Also, we must note, Mr. President, that the FSB program has already been cut back, though I favor that cutback, by 13 weeks, from the 65-week level to 52 weeks. I would note that 25 States would be currently eligible to participate at the full 65-week level, if the full program were still in effect. Forecasts of economic recovery are little comfort to the long-term unemployed who are out of jobs in either the public or private sector and are entitled to some reasonable assurances of at least minimum

income security during this period of extremely high unemployment.

Let us remember, Mr. President, unemployed workers on FSB do not receive munificent sums. In my own State of New York, which is considered a leading State in respect of various activities of this character for the benefit of people who are suffering through no fault of their own, the maximum unemployment insurance benefit is \$95 a week, with many workers not even receiving that. Having endured a long period on such minimal subsistence level compensation, we are now telling these workers that they will not even receive those benefits because we project economic recovery, and the possibility of jobs for them sometime in the future.

Therefore, Mr. President, it is going to be necessary that we be very diligent as the end of this session of Congress approaches in order to be sure that the program, as seems to me inevitable, is continued if economic conditions so warrant.

Therefore, I will introduce legislation shortly to provide for a further extension of the program so that a bill may be before us and hearings may be held in order to be ready for such eventuality, which, unhappily, I think is very likely to occur.

Now, Mr. President, one very good thing the bill does is to provide prospective general revenue financing for FSB. It does not, however, provide retroactive general revenue financing. That raises

a very serious problem.

There has now been accumulated a debt owed from the Federal unemployment trust fund to the general funds of the Treasury of over \$5 billion for the costs of FSB. These moneys will have to be repaid from employer taxes collected over the next several years. That means, Mr. President, that additional taxes on the wages of any new workers who are hired constitute a disincentive to the hiring of new workers, something which is very unwise from our point of view if we wish to stimulate economic recovery. Therefore, I do not believe we can ignore the fact, that this recession was the deepest since the Great Depression, and that we really have to do something about retroactivity of this indebtedness. The billions of dollars of debt which have accumulated and the continuing borrowing which is going on right now by the State trust funds to meet their own commitments under the permanent UI system, which adds to that debt, is hardly a way in which to leave the situation. It is painfully clear that a financing reform is essential in respect to unemployment insurance, which continues to represent our first line of defense against recession. In addition to the over \$5 billion borrowed by the Federal trust fund to pay for FSB, the States have now borrowed over \$4 billion themselves. These debts-the result of the inability of the permanent UI system to accommodate a serious recession-constitute a continuing obstacle to reasserting the fiscial viability of the UI system.

Retroactive general revenue FSB financing is but a first step. We must develop a reasonable scheme for repayment of the outstanding State loans. Further, we must reconsider the entire financing structure of UI to avoid the financial situation the State and Federal UI funds now face as a result of this recession.

Mr. President, regarding the recession in terms of the individual worker, this morning I attended a hearing at which Prof. John Kenneth Galbraith, of Harvard, testified. We all know him very well. He is a distinguished American.

It clearly emerged there that, considering the OPEC drain upon the world, we could face a serious economic situation, much worse than the present one.

Without being a prophet of doom, but being realistic, we are responsible for the lives and fortunes of so many people. We only think of unemployment going down. Unemployment can, however, go up. One thing on which Senator Long and I do agree is the real solicitude we have for people who are hit, not through any fault of their own with economic hardship. It is something we have shared all of our lives here. I take great pride in it and I am sure he does, too.

I hope very much, I say to the Senator, that the Committee on Finance will continue to examine this situation, even though the permanent UI act does not figure in this bill. From that point of view, are we prepared for rainy days, very rainy days, as well as sunny days? None of us is prescient. We may find that the situation could—I hope it will not, and I shall knock myself out with my colleagues in the hope that it will not; but we have to remember that this system has to have the durability to sustain itself also through adverse periods.

I thank my colleague very much for his concern.

Mr. LONG. I thank the Senator.

Mr. President, we had hoped that it would not be necessary to extend this program, but the program has been extended. This bill will extend it again. We shall be voting on a series of recommendations by the President when we come back to provide tax advantages and also to provide funds for expanded public works. It is our theory that we should try to expand the economy by giving people tax advantages for putting more people to work, by giving the \$50 rebate, and by providing additional funds to encourage public service-type employment. It is our hope that we shall not have to extend this program again.

Six months from now, it may be that, in spite of our best efforts to get the economy moving—and it is moving now, but if it is not moving fast enough and we are not making enough headway—we may be compelled to extend the program again. But I hope not. I am an optimist, as most Senators are. We believe that if all these things work, the economy will be moving along so well that we shall not have to extend it.

This might be a good time to put in a plea for additional votes on the \$50 tax rebate. I am not sure we are going to pass that measure. But, I might mention it while the subject is before us.

If we can get enough steam behind the recovery that seems to be underway, then we shall not have to extend it. I am

sure that the Senator joins me, and all of us, in hoping that our efforts to get the economy in better shape will make it unnecessary to extend the program again. But if it is necessary, we shall face up to that and we may be compelled to extend it again.

Mr. JAVITS. I thank my colleague. We are going to have quite a basic difference of opinion as to what will get us going again, whether it is the \$50 rebate or a permanent tax cut of the rates. We shall fight that one out on another battlefield.

I thank the Senator.

Mr. GRIFFIN. Mr. President, I shall vote for the conference report, but, like the Senator from New York, for different reasons. I do so with some mixed feelings.

I want to comment on several amendments considered and adopted by the Committee on Finance which relate to new provisions of law enacted in 1976, requiring that all State and local public employees be covered by the unemployment compensation program. The amendments to which I refer specifically relate to the effect of that law as it would apply to employees of public school districts.

It came to my attention that in a number of States, including Michigan, where there is no waiting period before a person out of work can draw unemployment benefits, some unintended effects would have resulted from the 1976 amendments if left unchanged by the Congress.

For example, even though the law which was passed last year provided that teachers who had a contract for employment for the succeeding year, or had reasonable assurance of employment, would not be eligible for unemployment compensation during the summer months, loopholes were left which would have required the payment of unemployment compensation during vacations or holiday recesses, such as Christmas and Easter. This surely was not intended.

Furthermore, as the law was worded and was being interpreted, it would have provided for the payment of unemployment compensation to teachers during nonsummer breaks between school terms.

These two provisions would have had a very significant and costly effect. It is one thing to require that local public employees be covered by unemployment compensation. Congress can do that very easily. But local school districts have to pay for it. At least, they have to contribute to an unemployment compensation fund, just like private employers. The loopholes I have referred to would have amounted to million of dollars of unexpected, unanticipated bonuses, so to speak, for school teachers who suddenly found themselves covered by unemployment compensation.

I am pleased that the conference committee agreed to the Senate's proposed changes in these two areas.

There also was a third amendment which the Senate Committee on Finance adopted but which the House did not take, having to do with the coverage of substitute teachers. I say to the chairman that I appreciate the fact that the Senate committee took a look at this problem, and I think it is unfortunate

that the House would not accept the Senate amendment.

Let me just point out that in Michigan, if the law is not changed—and we still have some time, because it does not take effect until January 1, 1978—an occasional substitute teacher who works as little as 14 days in a school year could qualify for 39 weeks of unemployment compensation. In 36 States, as I understand it, an occasional substitute teacher who works as little as 25 days of a school year could qualify for 39 weeks of unemployment compensation.

I do not think that is what we intend. For those substitute teachers who work as regular employees of a school district and who work some minimum number of days in a school term—we had suggested 45 days as the cutoff—it might make sense that they could qualify for unemployment compensation. But to have a situation where a housewife, who just occasionally works as a substitute teacher, may want to work 1 day a week or 2 or 3 days a month, and then, after 14 days, is entitled to 39 weeks of unemployment compensation, would throw the ordinary system of operating schools completely out of kilter.

It would mean, in effect, that local school districts would not use a teacher who only wants to teach occasionally, because if she builds up 14 days of time, over a 14-week period she will be eligible for unemployment compensation. Therefore, a lot of those people who have been acting and working as occasional substitute teachers are actually going to lose that opportunity, and school districts will have to turn to what we would call regular substitute teachers.

I am going through this for the purpose of expressing my hope that the Committee on Finance will take a close look at this particular problem. I realize that the NEA has a point of view on this matter—and they ought to be listened to—but so do the school districts and school boards around the country who are going to face substantial additional expenses if we do not straighten out this one problem.

Mr. CURTIS. Will the Senator yield? Mr. GRIFFIN. I am glad to yield to the Senator from Nebraska.

Mr. CURTIS. The Senator from Michigan has presented the matter well and, in his earlier presentation to members of the Committee on Finance, he made a very strong case.

As it is, there is a great deal of inconsistency. When the summer vacation comes, a teacher who has every expectancy of teaching in the fall is ineligible for unemployment compensation. I think that is right. I think that is proper.

But as the Senator points out, we go overboard, perhaps by accident, but nevertheless, the law does.

Here is a substitute teacher who teaches for a few days. She may not want full employment, may not be the head of a household. They have all sorts of income. a dozen other things. But she is called upon to teach a few days and they do not need her any more. She becomes eligible maybe for 39 weeks of unemployment compensation.

It is something that brings the system in disrepute. It is something that the people who work day after day and pay their own way and carry the burden of taxes are apt to turn against in our system of unemployment compensation because we have other problems.

It is really in the interest of sound legislation that this amendment get further attention before this calendar year

expires.

I commend the distinguished Senator for the clarity and the emphasis which he has placed on it because it is a responsibility of the Senate.

Mr. GRIFFIN. It is an example of what the Federal Government can do to people while we are trying to help people.

In some States, there were no unemployment compensation programs for schoolteachers and school employees until we passed this law last year. But in Michigan, we already had unemployment compensation coverage for school employees. So along comes a Federally mandated program and it imposes entirely new criteria on a State that already has an unemployment compensation program for its teachers.

And the Federal Government does this without really taking into account the fact that teachers, who are paid on an annual contract for the most part but do not work the full calendar year, have an entirely different situation than other

types of employees.

Mr. CURTIS. Yes.

Mr. GRIFFIN. And that substitute teachers are still a different category of

We have passed this broad law without taking into account how it impacts on the system that is already in place in the

Mr. CURTIS. The Senator is correct. Mr. GRIFFIN. I hope very much that the committee will hold hearings and decide to make a change.

I thank the Senator.

Mr. CURTIS. Mr. President, I believe the conferees on this bill have done a very credible job. The bill, as it passed the Senate, is very much like what came back from conference. The House did extend this program for 12 months, the Senate for 6, they agreed upon 7.

There was one provision in the House bill that someone did not have to accept employment unless their offered employment was 120 percent of the unemployment compensation benefits they would draw.

I do not think that is a sound provision. I am glad that the Senate conferees were able to strike that out.

As the conference report stands, someone does not have to accept employment unless it equals the amount of the unem-

ployment compensation benefits. I voted against this measure when it

passed the Senate. I still am oppossed to it. There is a basic philosophical reason for my opposition. It shifts the cost of this emergency program from the employers, and in about three States the employees, to the General Treasury. Over a period of 2 years it is going to add about \$1 billion to the burdens of our Treasury.

We had an amendment on the floor here that the Senator from Nebraska now speaking offered. It failed to pass, it was to strike that out.

In addition to putting a burden of \$1 billion on our budget now, that we cannot stand, it is the beginning of a trend to shift the burden of unemployment compensation from the employers, as an ordinary course of doing business, to the General Treasury.

But with that shift, it changes the unemployment compensation system from one that has the characteristics of insur-

ance to welfare.

Also, I do not feel we should extend this emergency program until we have gone farther in cleaning up some of the abuses.

Unemployment compensation now is paid regardless of the income or assets of the recipient. It may be argued that that is all right where it is paid for by the employer, but certainly that is not correct when it is paid for by all the taxpayers from the general funds.

While I am opposed to the measure, I do say that the conferees did a good job in their meeting with the House because the House bill was more objectionable than what we passed here in the Senate.

Mr. President, I yield the floor. The PRESIDING OFFICER (Mr. DE-CONCINI). The question is on agreeing to the conference report.

The conference report was agreed to.

ENERGY RESEARCH AND DEVELOP-MENT ADMINISTRATION AUTHOR-IZATIONS, 1977

Mr. ROBERT C. BYRD. Mr. President, there is one measure on the calendar that was ready for clearance by unanimous consent. We found that Mr. HAYAKAWA had an amendment that he wished to call up and Mr. Jackson is here to handle the measure.

I ask unanimous consent that Senate proceed to the consideration of S. 36.

The PRESIDING OFFICER. The bill will be stated by title. The legislative clerk read as follows:

A bill (S. 36) to authorize Appropriations to the Energy Research and Development Administration in accordance with sec. 261 of the Atomic Energy Act of 1954, as amended. of 1974, and sec. 16 of the Federal Nonnuclear Energy Research and Development Act of sec. 305 of the Energy Reorganization Act 1974, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Energy and Natural Resources with amendments as follows:

On page 2, in line 22, strike out "\$463,742,-

000" and insert "\$464,242,000". On page 9, in line 21, strike out "5 MM" and insert "5MW"

On page 10, in line 19, strike out "Interior and Insular Affairs" and insert "Energy and Natural Resources".

On page 11, in line 11, strike out "Interior and Insular Affairs" and insert "Energy and Natural Resources".

On page 12, in line 14, strike out "Interior

and Insular Affairs" and insert "Energy and Natural Resources

On page 13, in line 19, strike out "Interior and Insular Affairs" and insert "Energy and Natural Resources'

On page 14, in line 4, strike out "(10)" and insert "(7) (H)".

On page 14, in line 14, strike out "Interior

and Insular Affairs" and insert "Energy and Natural Resources".

On page 15, in line 16, strike out "Interior and Insular Affairs' and insert "Energy and Natural Resources".

On page 15, in line 20, strike out "the support of" and insert "to support".

On page 16, in line 8, strike out "Interior and Insular Affairs" and insert "Energy and Natural Resources"

On page 20, in line 18, strike out "March 10" and insert "October 1".

On page 20, in line 21, strike out "Interior and Insular Affairs" and insert "Energy and Natural Resources".

On page 23, in line 16, strike out "\$6,000,-

On page 23, in line 10, strate out "5,000,000" and insert "\$6,660,000".

On page 23, in line 25, strike out "title III, subsection 302(1) and (2)" and insert "title II, subsection 202 (1) and (2)".

On page 25, in line 21, strike out "enacted of another the data of another and the this Act."

after the date of enactment of this Act, On page 34, in line 8, strike out "1004" and

insert "504". On page 34, in line 10, strike out "905 and 906" and insert "505 and 506".

On page 36, in line 6, strike out "905 and

906" and insert "505 and 506" On page 36, in line 17, strike out "904" and insert "504".

On page 37, in line 10, strike out "12(c)"

and insert "512(c)" On page 38, in line 2, strike out "904" and

"504" On page 40, in line 8, strike out "1004" and insert "505".

On page 40, in line 9, strike out "provide" and insert "invite".

On page 40, in line 10, strike out "for the

conduct" On page 40, in line 12, strike out "of" and

insert "to submit a plan for the conduct of". On page 45, in line 20, strike out "(a)" and insert "(c)".

On page 47, in line 12, strike out "(a)" and insert "(c)".

On page 47, in line 17, strike out "(a)" and insert "(c)

On page 47, in line 25, strike out "912(c)" and insert "512(c)".

On page 48, in line 4, strike out "(a)" and insert "(c)".

On page 48, in line 6, strike out "904" and insert "504".

On page 49, in line 22, after "1974" insert "as amended".

On page 50, in line 15, strike out "905 and 906" and insert "505 and 506" On page 51, in line 1, strike out "907" and

insert "507". On page 51, in line 15, strike out "904(d)"

and insert "504(d)" On page 52, in line 24, strike out "904" and insert "504".

On page 52, in line 25, strike out "905 and

906" and insert "505 and 506". On page 53, in line 11, after "1974," insert "as amended"

On page 54, in line 2, strike out "907 and 908" and insert "507 and 508".

Mr. JACKSON. Mr. President, I ask unanimous consent that all of the amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the committee amendments.

The committee amendments were agreed to en bloc.

Mr. JACKSON. Mr. President, I yield to the distinguished Senator from California who I believe wishes to propose an amendment.

The PRESIDING OFFICER. The Senator from California.

UP AMENDMENT NO. 147

Mr. HAYAKAWA. Mr. President, I have an unprinted amendment to Senate bill 36 on energy research and development.

The PRESIDING OFFICER. amendment will be stated.

The legislative clerk read as follows:

The Senator from California (Mr. HAYAkawa) proposes unprinted amendment No.

On page 28, beginning with line 17, strike out all through line 8 on page 29.

Mr. JACKSON. Mr. President, I am willing to accept the amendment.

I might say that this amendment, which affects the collective bargaining problems at Lawrence Livermore Laboratory, was put on in the House. We did not put the amendment on in the

I think it is a matter that the House should reconsider. In light of the Senator's amendment I will accept it, because this should be finalized by the House.

Mr. HAYAKAWA. I thank the Senator. It is something of very great importance to the people of the laboratory. It seems to me to be a requirement of that one laboratory, as opposed to all others. This is why I have submitted this amendment.

Mr. JACKSON. Mr. President, it is largely a California problem.

Is that not correct?

Mr. HAYAKAWA. I understand that is the case.

Mr. JACKSON. I defer to the Senator, the distinguished educator from California.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 36

An act to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds that the traditional energy sources of this country are being depleted and we must convert to other forms of energy. In addition, it may be necessary to undertake aggressive conservation programs cut back on energy consumption and eliminate waste and reduce energy use. In spite of these efforts, Congress finds that energy consumption in this country will approximately double in coming decades. Therefore, it is essential that the policy of the Congress be established that every form of energy be put into use at the earliest possible moment, consistent with existing environmental laws, that new elements of energy production be placed on line as quickly as possible.

AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1977

SEC. 2. In accordance with section 305 of the Energy Reorganization Act of 1974 (42 U.S.C., 5875), and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5915), there is hereby authorized to be appropriated to the Energy Research and Development Administration for fiscal year 1977, subject to the provisions of this Act, the following:

(A) For nonnuclear energy research, development, and demonstration of fossil, solar, geothermal, and other forms of energy for energy conservation, and for scientific and technical education, \$1,175,671,000.

(B) For environmental research and safety, basic energy sciences, program support, and related programs, not directly associated with nuclear programs, \$464,242,000.

TITLE I-NONNUCLEAR PROGRAMS OPERATING EXPENSES

SEC. 101. For "Operating expenses", for the following programs, a sum of dollars equal to the total of the following amounts:

Fossil Energy Development

(1) Coal:(A) Coal liquefaction:

Costs, \$81,130,000.

Changes in selected resources,--\$4,300,000. (B) High Btu gasification (coal): Costs, \$59,254,000.

Changes in selected resources, -\$14,200,-

(C) Low Btu gasification (coal): Costs, \$50,000,000.

Changes in selected resources, -\$3,000,000.

(D) Advanced power systems:

Costs, \$12,800,000. Changes in selected resources, \$8,700,000. (E) Direct combustion (coal):

Costs, \$55,116,000.

Changes in selected resources, \$2,284,000. (F) Advanced research and supporting technology:

Costs, \$38,500,000.

Changes in selected resources, \$1,100,000: Provided, that the following thereof shall be for Systems Studies:

Costs, \$9,350,000.

Changes in selected resources, \$1,000,000. (G) Demonstration plants (coal):

Costs, \$50,600,000.

Changes in selected resources, \$2,400,000. (H) Magnetohydrodynamics:

Costs, \$27,841,000.

Changes in selected resources, \$10,145,000.

(2) Petroleum and natural gas:(A) Natural gas and oil extraction:

Costs, \$35,269,000. Changes in selected resources, \$7,900,000.

(B) Supporting research:

Costs, \$1,831,000. Changes in selected resources, \$0.

(3) In-situ Technology:

(A) Oil shale: Costs, \$12,085,000.

Changes in selected resources, \$9,000,000.
(B) Coal gasification:

Costs, \$13,536,000.

Changes in selected resources, \$1,500,000.

(C) Supporting research:

Costs, \$1,310,000.

Changes in selected resources, \$0.

Solar Energy Development

(4) Solar Heating and Cooling:

Costs, \$88,000,000.

Changes in selected resource, \$26,500,000.

(5) Other Solar Energy Programs:

Costs, \$136,100,000.

Changes in Selected resources \$35,600,000; including costs of \$3,000,000 and changes in selected resources of \$1,000,000 for initiation of activities of the Solar Energy Research Institute and costs of \$112,200,000 and changes in selected resources of \$27,500,000 for solar electric applications.

Geothermal Energy Development

(6) Geothermal Energy:

(A) Hydrothermal Technology Applications:

Costs, \$14,200,000.

Changes in selected resources, \$1,800,000.

(B) Other Geothermal Energy Development:

Costs, \$46,100,000.

Changes in selected resources, \$3,600,000.

Conservation Research and Development

(7) Conservation Research and Development:

(A) Electric Energy Systems:

Costs, \$22,000,000.

Changes in selected resources, \$4,000,000.

(B) Energy Storage: Costs, \$32,000,000.

Changes in selected resources, \$6,000,000.

(C) Building Conservation:

Costs, \$27,600,000.

Changes in selected resources, \$4,400,000.

(D) Industry Conservation:

Costs, \$18,000,000.

Changes in selected resources, \$4,000,000.

(E) Transportation Energy Conservation, including \$3,000,000 for methanol and other alternate fuels:

Costs, \$31,400,000.

Changes in selected resources, \$4,600,000.

(F) Improved Conversion Efficiency:

Costs, \$15,300,000.

Changes in selected resources, \$11,700,000.
(G) Energy Conservation Institutes and Extension Service:

Costs, \$18,000,000.

Changes in selected resources, \$7,000,000.

(H) Small Grant Program for Appropriate Technologies:

Costs, \$7,500,000.

Changes in selected resources, \$2,500,000.

(I) To carry out the municipal solid waste demonstration price guarantee program authorized by section 107 of this Act: Costs, \$200,000.

Changes in selected resources, \$4,800,000.

Scientific and Technical Education

(8) Scientific and Technical Education: Costs, \$3,750,000.

Changes in selected resources, \$1,250,000.

PLANT AND CAPITAL EQUIPMENT

SEC. 102. (a) For "Plant and capital equipment", including construction, acquisition, or modification of facilities, including land acquisition; and acquisition and fabrication of capital equipment not related to construction, a sum of dollars equal to the total of the following amounts:

(1) Fossil Energy Development Coal.
(A) Project 77-1-a, modifications and additions to Energy Research Centers, \$6,900,-

(B) Project 77-1-b for a high Btu pipeline gas demonstration plant (which is estimated to cost a total of \$500,000,000, including the non-Federal share of such cost) is authorized. The amount authorized for such plant is \$10,000,000.

(C) Project 7-1-c for fuel gas low Btu demonstration plant (which is estimated to cost a total of \$380,000,000, including the non-Federal share of such cost) is authorized. The amount authorized for such plant is \$5,000,000.

(D) Project 77-1-d, MHD component development and integration facility, \$6,700,-000

(2) Conservation Research and Development.

(A) Project 77-17-a Combustion Research Center, \$8,500,000.

(3) Capital Equipment, not related to construction.

(A) Fossil energy development, \$1,020,000.

(B) Conservation research and develop-

ment, \$12,000,000.

Solar energy development, \$8,500,000, (C) including \$1,500,000 for initiation of activities at the Solar Energy Research Institute in the areas of modification of facilities, acquisition and fabrication of capital equipment, and design of the final installation.

(D) Geothermal energy development, \$2,

350,000.

(b) There is authorized an additional sum of \$50,000,000 for the clean boiler fuel demonstration plant (project 76-1-a) authorized by section 101(b)(1) of the Act of December 31, 1975 (89 Stat. 1065).

(c) There is authorized an additional sum of \$15,000,000 for the five megawatt solar thermal test facility (76-2-a) authorized by section 101(b) (2) of the Act of December 31,

1975 (89 Stat. 1065).

(d) Solar Energy Development: Project 77-18-j, \$10,000,000 for the following Solar Energy Development Projects:

- (i) OTEC sea test facility, \$1,000,000. (ii) two 200 kW wind energy facilities, \$1,-000,000
- (iii) two 1.5 MW high velocity wind facilities, \$1,500,000
- (iv) total solar energy plant, \$1,500,000. (v) 5 MW solar thermal demonstration for
- small community, \$2,000,000. (vi) biomass conversion facility, \$3,000,000.

PROVISIONS RELATING ONLY TO FOSSIL ENERGY DEVELOPMENT PROGRAMS

Sec. 103. Funds appropriated pursuant to this Act for "Operating expenses" for fossil energy purposes may be used for (1) any fawhich may be required at locations, other than installations of the Administration, for the performance of research and development contracts, and (2) grants to any organization for purchase or construction of research facilities. No such funds shall be used for the acquisition of land. Fee title to all such facilities shall be vested in the United States, unless the Administrator determines in writing that the programs of research and development authorized by this Act shall best be implemented by vesting fee in an entity other than the United States: Provided, That, before approving the vesting of title in such entity the Administrator shall (A) transmit such determina-tion, together with all pertinent data, to the Committee on Science and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate, and (B) wait a period of thirty calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain), unless prior to the expiration of such period each such committee has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action. Each grant shall be made under such conditions as the Administrator deems necessarv to insure that the United States will receive therefrom benefits adequate to justify the making of the grant. No such funds shall be used under clause (1) of the first sentence of this section for the construction of any major facility the estimated cost of which including collateral equipment, exceeds, \$250,000 unless the Administrator shall (1) transmit a report on such major facility showing the nature, purpose, location, and estimated cost of such facility to the Committee on Science and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate, and (ii) wait a period of thirty calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain), unless prior to the expiration of such period each such committee has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

SEC. 104. Not to exceed 3 per centum of all funds appropriated pursuant to this Act for "Operating expenses" for fossil energy purposes may be used by the Administrator to construct, expand, or modify laboratories and other facilities, including the acquisition of land, at any location under the control of the Administrator, if the Administrator determines that (1) such action would be necessary because of changes in the national program authorized to be funded by this Act or because of new scientific or engineering developments, and (2) deferral of such action until the enactment of the next authorization Act would be inconsistent with the policles established by Congress for the Administration. No portion of such sums may be obligated for expenditure or expended for such activities, unless (A) a period of thirty calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) has passed after the Administrator has transmitted to the Committee on Science and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a written report containing a full and complete statement concerning (i) the nature of construction, expansion, or modification, (ii) the cost there-of, including the cost of any real estate action pertaining thereto, and (iii) the reason why such construction, expansion, or modification is necessary and in the national interest, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action: Provided. That this sentence shall not apply to projects to construct, expand, or modify such laboratories or facilities, the estimated total cost of which does not exceed \$25,000.

Sec. 105. Notwithstanding any other applicable provision of law, the initial authorization in this Act or any other Act heretofore or hereafter enacted to construct, pursuant to section 8 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5907), any fossil energy demonstration plant shall expire at the end of the three full fiscal years following the date of enactment of such authorization, unless (1) funds to construct each such plant are appropriated or otherwise provided pursuant to applicable law prior thereto, or (2) such authorization period is extended by specific Act of Congress hereafter enacted.

SEC. 106. All moneys received by the Administrator from any fossil energy activity shall be paid into the Treasury to the credit of miscellaneous receipts, except that on December 1 of each year the Administrator shall provide to the Committee on Science and Technology of the House of Representa-tives and the Committee on Energy and Natural Resources of the Senate a report of all such receipts for the preceding fiscal year, including, but not limited to, the amount and source of such revenues and the program and subprogram activity generating such revenues

GENERAL PROVISIONS RELATING TO NONNU-CLEAR PROGRAMS OTHER THAN FOSSIL EN-ERGY DEVELOPMENT

SEC. 107. The Administrator is authorized, subject to the appropriation of funds pursuant to section 101(7)(H) of this Act, to establish and implement, under section 7(a) (4) of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5906(a)(4)) and in accordance with section 7(c) of such Act (42 U.S.C. 5906(c)), price-support program to demonstrate mu nicipal solid waste reprocessing for the production of fuels and energy intensive products. Prior to entering into any contract for such demonstration, the Administrator shall submit to the Committee on Science and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a full and complete report on the proposed commercial demonstration facility and the necessary project demonstration guarantees. Such contract shall not be finalized under the authority granted by this section prior to the expira-tion of ninety calendar days (not including any day on which either House of Congress is not in session because of an adjournment of more than three calendar days to a day certain) from the date on which such report is received by such committees.

GENERAL PROVISIONS RELATING TO ALL NON-NUCLEAR PROGRAMS

SEC. 108. Except as otherwise provided in this Act-

(a) no amount appropriated pursuant to this Act may be used for any nonnuclear program in excess of the amount actually authorized for that particular program by this

(b) no amount appropriated pursuant to this Act may be used for any nonnuclear program which has not been presented to, or requested of, the Congress,

unless (1) a period of thirty calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) has passed after the receipt the Committee on Science and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate of notice given by the Administrator containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon to support such proposed action, or (2) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such com-mittee has no objection to the proposed action: Provided, That the following categories may not, as a result of reprograming, be decreased by more than 10 per centum of the sums appropriated pursuant to this Act for such categories: Coal, petroleum and natural gas, in situ technology, solar, geothermal, and conservation.

SEC. 109. The Administrator shall submit to the Committee on Science and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a detailed explanation of the allocation of all of the funds appropriated pursuant to this Act for nonnuclear energy programs and subprograms, reflecting the relationships, consistencies, and dissimilar-ities between those allocations and (a) the comprehensive program definition trans-mitted pursuant to section 102 of the Geothermal Energy Research, Development, and Demonstration Act, (b) the comprehensive program definition transmitted pursuant to section 15 of the Solar Energy Research, Development, and Demonstration Act of 1974 (42 U.S.C. 5564), (c) the comprehensive plan nonnuclear energy research, development, and demonstration transmitted pursuant to section 6 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5905).

SEC. 110. Section 13 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5912) is amended by—

- (1) striking, in the first sentence of subsection (a), the words "At the request of the Administrator, the" and inserting therein The":
- (2) striking, in the first sentence of subsection (b), the words "prepare or have prepared an assessment of the availability of adequate water resources." and inserting therein the following: "request the Water Resources Council to prepare an assessment

of water requirements and availability for such project."; and
(3) adding at the end thereof a new

subsection to read as follows

"(f) The Administrator shall, upon enact ment of this subsection, be a member of the Council."

SEC. 111. (a) The Administrator shall classify each recipient of any award, contract, or other financial arrangement in any nonnuclear research, development, or demonstration category as-

(1) a Federal agency,

(2) a non-Federal governmental entity,

(3) a profitmaking enterprise (indicating whether or not it is a small business concern),

(4) a nonprofit enterprise other than an educational institution, or

(5) a nonprofit educational institution

The information required by subsection (a), along with the dollar amount of each award, contract, or other financial arrangement made, shall be included as an appendix to the annual report required by section 15(a) of the Federal Nonnuclear Energy Research and Development Act of 1974 U.S.C. 5914): Provided, That small purchases or contracts of less than \$10,000, which are expected from the requirements of advertising by section 252(c) (3) of title 41, United States Code, shall be exempt from the reporting requirements of this section.

SEC. 112. (a) There shall be established within the Administration of a program for appropriate technology under the direction the Assistant Administrator for Conservation Research and Development. The Administrator shall develop and implement a program of small grants for the purpose of encouraging development and demonstration projects described in subsection (c) of this

(b) The aggregate amount of financial support made available to any participant in such program, including affiliates, under this section shall not exceed \$50,000 during any

two-year period.

(c) Funds made available under this section shall be used to provide for a coordinated and expanded effort for the development and demonstration of, and the dissemination of information with respect to, energy-related systems and supporting technologies appropriate to-

(1) the needs of local communities and the enhancement of community self-reliance through the use of available resource

(2) the use of renewable resources and the conservation of nonrenewable resources;

(3) the use of existing technologies ap-plied to novel situations and uses;

(4) applications which are energy-conserving, environmentally sound, small scale, durable and low cost; and

(5) applications which demonstrate sim-plicity of installation, operation and main-

tenance.

- (d) (1) Grants, agreements or contracts under this section may be made to individuals, local nonprofit organizations and institutions, State and local agencies, Indian tribes and small businesses. The Administration shall develop simplified procedures with respect to application for support under this section.
- (2) Each grant, agreement or contract under this section shall be governed by the provisions of section 9 of the Federal Non-Nuclear Energy Research and Development Act of 1974 and shall contain effective provisions under which the Administration shall receive a full written report of activities supported in whole or in part by funds made available by the Administration; and
- (3) In determining the allocation of funds among applicants for support under this section the Administrator may take into consideration:

(A) the potential for energy savings or energy production:

(B) the type of fuel saved or produced;

(C) the potential impact on local or regional energy or environmental problems; and

(D) such other criteria as the Administrator finds necessary to achieve the purposes of this Act or the purposes of the Federal Nonnuclear Energy Research and Development Act of 1974.

Guidelines implementing this section shall promulgated with full opportunity for

public comment.

(e) The Administrator shall—

(1) prepare and submit no later than October 1, 1977, a detailed report on plans for implementation, including the timing of implementation, of the provisions of this section to the Committee on Energy and Natural Resources of the Senate and the Committee on Science and Technology of the House of Representatives and shall keep such committees fully and currently in-formed concerning the development of such plans; and

(2) include as a part of the annual report equired by section 15(a)(1) of the Federal Nonnuclear Energy Research and Develop-ment Act of 1974 beginning in 1977, a full and complete report on the program under

this section.

SEC. 113. The Administrator, in consulta-tion with the Administrator of the Environmental Protection Agency, shall submit a report to the Congress, six months after enactment of this Act, on the environmental monitoring, assessment, and control efforts, relating to environment, safety, and health, which are required to successfully demonstrate any project, which is subject to sections 8 (e) and (j) of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5907 (e) and (f)), and is authorized by this Act or any prior Act. The report shall contain the extent to which monitoring and control is required, the estimated costs thereof.

TITLE II-FOR NONNUCLEAR ENVIRON-MENTAL RESEARCH AND SAFETY, BASIC ENERGY SCIENCES, PROGRAM SUPPORT, AND RELATED PROGRAMS

OPERATING EXPENSES

SEC. 201. For "Operating expenses", for the following programs, a sum of dollars equal to the total of the following amounts:

Biomedical and environmental research, \$119,500,000, of which \$1,000,000 shall be made available to the Water Resources Council to carry out the provisions of section 13 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5912)

(2) Operational safety, \$4,500,000.
(3) Environmental control te

- Environmental control technology, \$13,100,000.
 - (4) Basic energy sciences for the following:

(A) Material sciences, \$45,600,000.
(B) Molecular, mathematical, and geosciences, \$46,700,000.

- (5) Program support, \$205,635,000: Provided, That \$1,250,000 is authorized to be appropriated pursuant to this subparagraph to reimburse the National Bureau of Standards for costs incurred in carrying out the provisions of section 14 of the Federal Nonnuclear Energy Research and Develop-ment Act of 1974 (42 U.S.C. 5913).
- (6) To carry out the provisions of section 11 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5910), \$500,000 for the Council on Environmental Quality.

PLANT AND CAPITAL EQUIPMENT

Sec. 202. For "Plant and capital equipment", including construction, acquisition, or modification of facilities, including land acquisition; and acquisition and fabrication

of capital equipment not related to construction, a sum of dollars equal to the total of the following amounts:

(1) Biomedical and Environmental Re-

Project 77-6-a, modifications and additions to biomedical and environmental research facilities, various locations, \$4,200,-

(2) Program Support:

Project 77-16-a, laboratory support complex, Los Alamos Scientific Laboratory, New Mexico, \$6,000,000.

(3) Capital Equipment, not related to construction:

(A) Biomedical and environmental research, \$6,660,000.

(B) Environmental control technology, \$282,000.

(C) Basic energy sciences for the following:
(i) Material sciences, \$3,900,000.

(ii) Molecular, mathematical, and geosciences, \$3,000,000.

(D) Program Support, \$4,725,000.

LIMITATIONS

SEC. 203. The Administration is authorized to start any project set forth in title II, sub-section 202 (1) and (2) only if the cur-rently estimated cost of that project does not exceed by more than 25 per centum the estimated cost set forth for that project.

TITLE III-GENERAL PROVISIONS

SEC. 301. Subject to the applicable requirements and limitations of this Act, when so specified in appropriations Acts amounts appropriated for the Administration pursuant to this Act for "Operating expenses" or for "Plant and capital equipment" may be merged with any other amounts appropriated for like purposes pursuant to any other Act authorizing appropriations for the Administration.

SEC. 302. When so specified in appropriation Acts, amounts appropriated pursuant to this Act for "Operating expenses" or for "Plant and capital equipment" may remain

available until expended.

SEC. 303. (a) Any Government-owned contractor operated laboratory, energy research center, or other laboratory performing func-tions under contract to the Administration may, with the approval of the Administrator. a reasonable amount of its operating budget for the funding of employee-suggested research projects up to the pilot stage of development. It shall be a condition of any such approval that the director of the laboratory or center involved form an in-ternal review mechanism for determining which employee-suggested projects merit funding in a given fiscal year; and any such project may be funded in one or more succeeding years if the review process indicates that it merits such funding.

(b) Each director of a laboratory or center specified in subsection (a) of this section shall submit an annual report to the Administrator or projects being funded under this section; and on completion of each such project shall submit a report to the Techni-cal Information Center for the Administration for inclusion in its data base.

SEC. 304. The Administrator is authorized to perform construction design services for Administration construction project whenever the Administrator determines that the project is of such urgency that con-struction of the project should be initiated promptly upon enactment of legislation appropriating funds for its construction in order to meet the needs of national defense or protection of life and property or health and safety.

SEC. 305. Any moneys received by the Administration may be retained and used, as provided in annual appropriations Acts for operating expenses (except sums received from disposal of property under the Atomic Energy Community Act of 1955 and the Strategic and Critical Materials Stockpiling Act, as amended, and fees received for tests or investigations under the Act of May 16, 1910, as amended (42 U.S.C. 2301; 50 U.S.C. 98h; 30 U.S.C. 7)), notwithstanding the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484), and may remain available until expended. Funds may be obligated for purposes stated in this section only to the extent provided in appropriations Acts

SEC. 306. Transfers of sums from the "Operating expenses" appropriation may be made to other agencies of the Government for the performance of the work for which the appropriation is made, and in such cases the sums so transferred, may be merged with the appropriation to which transferred.

SEC. 307. Notwithstanding any other provision of this Act, provisions of sections 304, 305, and 306 of this Act shall not be applicable to any fossil energy activity, program, or subprogram.

SEC. 308. (a) Each officer or employee of the Energy Research and Development Administration who-

(1) performs any function or duty under this Act or any other Act amended by this

Act; and (2) has any known financial interest-

(A) in any person engaged in the business, other than at the retail level, of developing, producing, refining, transporting by pipeline, or converting into synthetic fuel, minerals, wastes, or renewable resources, or in the generation of energy from such minerals, astes, or renewable resources, or in conducting research, development, and demonstration with financial assistance under this Act or any other Act amended by this Act, or

(B) in property from which minerals are commercially produced,

shall, beginning on February 1, 1977, annually file with the Administrator a written statement concerning all such interest held by such officer or employee during the preceding calendar year. Such statements shall be available to the public.

(b) The Administrator shall-

(1) act within ninety days after the date of enactment of this section-

(A) to define the term "known financial interest" for purposes of paragraph (2) of subsection (a) of this section; and

(B) to establish the methods by which the requirement to file written statements specified in subsection (a) of this section will be monitored and enforced, including appropriate provisions for the filing by such officers and employees of such statements and the review by the Administrator of such statements: and

(2) report to the Congress on June 1 of each calendar year with respect to such dis-closures and the actions taken in regard thereto during the preceding calendar year.

(c) In the rules prescribed in subsection (b) of this section, the Administrator may identify specific positions within the Administration which are of a policymaking nature and provide that officers or employees occupying such positions shall be exempt from the requirements of this section.

(d) Any officer or employee who is subject to, and knowingly violates, this section or any regulation issued thereunder, shall be fined not more than \$2,500 or imprisoned not more than one year, or both.

SEC. 309. The Administrator shall not use any funds appropriated pursuant to this Act under any contract in effect on or after October 1, 1977, for research, services, or material conducted or supplied by the Lawrence Livermore Laboratory for the Energy Research and Development Administration unless that contract specifically provides that the employees of the Lawrence Livermore Laboratory will be guaranteed the establishment of an impartial grievance procedure and further guarantees employees shall have

the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection, and shall also have the right to refrain from any or all of such activities: Provided, how-That no employee rights or activities shall be guaranteed in such contract which would be in violation of California State

TITLE IV-ORGANIZATIONAL CONFLICTS

SEC. 401. The Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 4901) is amended by adding a new section to read as follows:

"Sec. 19. (a) The Administrator shall by regulation require any person proposing to enter into a contract, agreement, or other arrangement, whether by advertising or ne-gotiation, for the conduct of research, development, evaluation activities, or for technical and management support services to provide the Administrator, prior to entering into any such contract, agreement, or arrangement, with all relevant information bearing on whether that person has a possible conflict of interest with respect to (1) being able to render impartial, technically sound, or objective assistance or advice in light of other activities or relationships with other persons or (2) being given an unfair competitive advantage. Such person shall insure, in accordance with regulations published by the Administrator, compliance with this section by any subcontratcor of such person, except subcontractors: Provided, That this requirement shall not apply to subcontracts of \$10,000 or less.

(b) The Administrator shall not enter into any such contract, agreement, or arrangement unless he affirmatively finds, after evaluating all such information and any other relevant information otherwise available to him, either that (1) there is little or no likelihood that a conflict of interest would exist, or (2) that such conflict has been avoided after appropriate conditions have been included in such contract, agreement, or arrangement: Provided, That if he determines that such conflict of interest exists and that such conflict of interest cannot be avoided by including appropriate conditions therein, the Administrator may enter into such contract, agreement, or arrangement, if he determines that it is in the best interests of the United States to do so and includes appropriate conditions in such contract, agreement, or arrangement to mitigate such conflict.

"(c) The Administrator shall publish rules for the implementation of this section, in accordance with 5 U.S.C. 553, as soon as possible after the date of enactment of this section but in no event later than 180 days after such date."

TITLE V-ENERGY EXTENSION SERVICE

SHORT TITLE

SEC. 501. This title may be cited as the "National Energy Extension Service Act".

FINDINGS AND PURPOSE

SEC. 502. (a) The Congress hereby declares

(1) that the general welfare and the common defense and security require a greater public knowledge of energy conservation opportunities;

(2) that scientific identification and practical demonstration of specifically designed energy conservation opportunities, the dissemination of information relating thereto, and the prompt delivery and acceptance of specific energy conservation opportunities re-

quire a national effort;
(3) that the national effort required to develop, demonstrate, and encourage acceptance and adoption of energy conservation opportunities should be coordinated at the Federal level by the Energy Research and Development Administration;

(4) that a special effort must be made to develop and demonstrate practical alternative energy technologies such as solar heating

and cooling;

(5) that successful implementation of energy conservation and new energy tech-nologies will require both public awareness and individual capability to use the conservation opportunities and new technology;

(6) that this required awareness and capability can only be achieved on a national basis by an active outreach effort;

(7) that existing energy outreach programs are underfunded:

(8) that any Federal outreach program should be organized with the States as full participants, and each State should plan and coordinate the outreach activities within the State, optimizing the use of existing outreach capabilities;

(9) that Federal assistance should be provided for energy outreach activity, including coordinated energy outreach activities and technical support in each State for such

(10) that the Energy Research and Development Administration should provide overall national direction and review of federally

assisted State energy outreach programs.

(b) The Congress declares that the pur-

poses of this title are-

(1) to establish a positive energy outreach program directed toward small business and individual energy consumers and the organizations that influence energy consumption:

(2) to stimulate, provide for and supplement programs for the conduct of evaluation, planning and other technical support of energy conservation efforts, including energy outreach activities of States.

ESTABLISHMENT OF EXTENSION SERVICE

SEC. 503. (a) There is established in the Energy Research and Development Administration an office to be designated as the Energy Extension Service (hereinafter in this Act referred to as the "Service"). The Service shall be headed by a Director who shall be appointed by and directly responsible to the Administrator of the Energy Research and Development Administration (hereinafter referred to as the "Administrator"). The Director shall be a person who by reason of training, experience, and attainments is exceptionally qualified to implement the programs of the Service. There shall be in the Service a Deputy Director who shall be appointed by the Administrator, who shall have such functions, powers, and duties as may be prescribed from time to time by the Director, and who shall act for, and exercise the powers of, the Director during the absence or disability of, or in the event of a vacancy in the office of, the Director.

- (b) The Director shall receive basic pay at the rate provided for level IV of the Executive Schedule in section 5315 of title 5, United States Code, and the Deputy Director shall receive basic pay at the rate provided for level V of such Schedule in section 5316 of such title.
- (c) The Director shall have overall responsibility for the national direction of the comprehensive program developed under section 504 and of all other activities conducted under this title and shall annually review the programs of the various States under sections 505 and 506 to insure that they are effectively promoting the realization of the objectives of this title.

DESCRIPTION OF EXTENSION SERVICE

SEC. 504. (a) The Service shall develop and implement a comprehensive program for the identification, development, and practical demonstration of energy conserving opportunities, techniques, materials, and equipment, techniques, including opportunities,

methods responsive to local needs or resources, and alternative energy technologies such as solar heating and cooling, for

(1) agricultural, commercial, and small

business operations, and

(2) new and existing residential, commercial, and agricultural buildings or structures. Such program shall provide for technical assistance, instruction, information dissemination, and practical demonstrations in energy conservation opportunities, and shall provide an active interface with end use energy consumers at the local level for the purpose of offering active outreach assistance and affording a communication channel for end user technology requirements. Such outreach assistance shall be provided by means of such appropriate local offices, including metropolitan city offices, county agents, and technical staff assistants, and may be required to provide energy extension services.

(b) The program authorized under subsection (a) of this section shall permit each State to establish a technical support institute at one or more colleges or universities designated by the Governor of that State.

Each such institute shall-

(1) arrange with other colleges and universities within the State to participate in

the work of the institute;

(2) assist in the coordination, support, augmentation and implementation of programs contributing to the understanding of local, State, and regional energy conserva-

tion problems and opportunities;

(3) provide a nucleus of administrative, professional, scientific, technical or other personnel capable of planning, coordinating and directing interdisciplinary programs re-lated to energy conservation methods, technologies and opportunities in support of the energy conservation and energy outreach efforts of such State.

(c) The comprehensive program developed under subsection (a) shall be implemented and carried out within each State pursuant to sections 505 and 506.

(d) The Director shall take such steps as may be necessary to insure that the comprehensive program is implemented in a manner which minimizes conflict with existing services in the private sector of the economy that are similar to those provided under such program.

INITIAL IMPLEMENTATION OF EXTENSION SERVICE

Sec. 505. (a) The Director shall within 45 days after the effective date of this title invite the Governor of each State through competitive procurement to submit a plan for the conduct of energy extension service activities as described in section 504 of this title throughout such State including provisions for appropriate technical support within such State of such activities, to dis-seminate information and provide advice and assistance to individuals, groups, and units of State and local government by means of—

(1) specific studies and recommendations applicable to individual residences, businesses, and agricultural or commercial es-

- tablishments;
 (2) demonstration projects;
 (3) distribution of studies and instructional materials;
- (4) seminars and other training sessions for State and local government officials and the public; and
 - (5) other public outreach programs.
- (b) Each State shall be accorded not more than ninety days to submit a plan to the Director under subsection (a) of this section. The Director shall promptly review such proposals and shall, with the approval of the Administrator, and subject to the limitations of section 512(c) (1) and (2), provide funds adequate for the support of the proposed energy outreach plan of a State if the Director finds that, such plan—

(1) meets the objectives of this title:

(2) was prepared with opportunity for input from State, county, and local officials, State universities and community colleges, cooperative extension services, community service action agencies, and other public or private organizations involved in active energy outreach programs;

(3) consistent with the objectives and requirements of this title, makes optimum use of existing outreach or delivery mechanisms or programs, and includes to the optimum extent any existing State, local, university, or other organizations' programs for energy information, education, or technology transfer which have objectives similar to those of this title and activities similar or related to those specified in section 504 and subsection (a) of this section;

(4) provides that the State will maintain, or require other participating entities within the State to maintain, and make available upon request to the Director, such records with respect to the use and expenditure of any Federal funds paid to the State, or to entitles within the State, under this title as

the Director may require;

(5) provides for the establishment of effective procedures for responding to external

inputs and inquiries;
(6) requires that, to the extent possible, within personnel and funding limitations, on-site energy evaluations will be made available to all consumers and small business concerns, and to other business concerns within such limitations (as to size or otherwise) as the Director may specify:
(7) provides that the State will furnish

and widely disseminate information on the types of assistance available under this title, and under other Federal and State laws, with respect to the planning, financing, installation, and effective monitoring of energy-re-

lated facilities and activities;

(8) provides that the allocation within the State of the funds made available to it under this title will be based on, or give due consideration to, such factors (specifically including potential energy savings and num-ber of persons affected) as the Director determines will best carry out the purpose of this title; and

- (9) requires the establishment and implementation of policies and procedures signed to assure that assistance provided under this title does not replace or supplant the expenditure of other Federal or State or local funds for the same purposes, but rather supplements such funds and increases the expenditure of such State or local funds to the maximum extent possible: Provided, That there shall be no requirement for matching State or local funds in the guidelines, unless such requirement is included in an annual authorization;
- (10) requires effective coordination of the programs under such State plans with other Federal programs which provide funds for university extension programs, in order to avoid duplication;

(11) requires the establishment and implementation of effective procedures specifi-cally designed for the dissemination of information to small business concerns;

- (12) limits to a maximum of 20 per centum the portion of the funds made available under this title which may be used for the pur-chase of equipment, facilities, and library and related materials;
- (13) prohibits the use of any such funds for the purchase of land or interests therein or the repair of buildings or structures; and
- (14) satisfies such other criteria as the Director may establish to carry out the purpose of this title.

IMPLEMENTATION OF NATIONAL EXTENSION SERVICE

Sec. 506. (a) Notwithstanding the provisions of section 505, the Director, on behalf of the Administrator, is authorized and

directed to invite in each State of the United States not then participating in the program at the earliest practicable date, but no later than one year after the effective date of enactment of this title, to submit a plan for the conduct of energy extension service activities, including provisions for appropriate technical support in such State, to disseminate information and provide advice and assistance to individuals, groups, and units of State and local government by means of-

(1) specific studies and recommendations applicable to individual residences, busises, and agricultural or commercial es-

tablishments;

(2) demonstration projects;

(3) distribution of studies and instructional materials:

(4) seminars and other training sessions for State and local government officials and the public; and

- (5) other public outreach programs.(b) Pursuant to authority described in subsection (a) of this section, the director, with the approval of the Administrator, shall issue guidelines for the preparation and submission of State plans under subsection (c). Such guidelines shall be designed to assure that the plans so submitted will be consistent with this title and will effectively contribute to the achievement of its objectives, and shall allow maximum flexibility and the exercise of maximum discretion by the States. In the preparation of such guidelines, the Administrator shall provide a reasonable opportunity for inputs by representatives of the several States and for a reasonable period for public review and comment. In any event, such guidelines—
 (1) shall require the establishment and
- implementation of policies and procedures designed to assure that assistance provided under this title does not replace or supplant the expenditure of other Federal or State or local funds for the same purposes, but rather supplements such finds and increases the expenditure of such State or local funds to the maximum extent possible;

(2) shall require effective coordination of the programs under such State plans with other Federal programs which provide funds for university extension programs, in order to avoid duplication;

(3) shall require the establishment and implementation of effective procedures specifically designed for the dissemination of information to small business concerns;

- (4) shall limit to a maximum of 20 per centum the portion of the funds made available under this title which may be used for the purchase of equipment, facilities, and library and related materials; and
- (5) shall prohibit the use of any such funds for the purchase of land or interests therein or the repair of buildings or struc-
- (c) On the effective date of the guidelines described in subsection (b) of this section, the Director shall invite the Governor of each State not then participating in the program to submit a plan for the conduct extension service activities energy throughout such State.
- (d) Each State plan submitted under subsection (c) shall be approved by the Director if the Director finds that such plan—
 - (1) meets the objectives of this title;
- (2) was prepared with opportunity for input from State, county, and local officials, State universities and community colleges, cooperative extension services, community service action agencies, and other public or private organizations involved in active energy outreach programs;
- (3) consistent with the objectives and requirements of this title, makes optimum use of existing active outreach or delivery mechanisms or programs, and includes to the optimum extent any existing State,

local, university, or other organizations' programs for energy information, education, or technology transfer which have objectives similar to those of this title and activities similar or related to those specified in section 904 and subsection (a) of this section;

(4) provides that the State will maintain, or require other participating entities within the State to maintain, and make available upon request to the Director, such records with respect to the use and expenditure of any Federal funds paid to the State, or to entities within the State, under this title as the Director may require;

(5) provides for the establishment of effective procedures for responding to ex-

ternal inputs and inquiries;

(6) requires that, to the extent possible, within personnel and funding limitations, energy evaluations will be made available to all consumers and small business concerns, and to other business concerns within such limitations (as to size or otherwise) as the Director may specify;

(7) provides that the State will furnish and widely disseminate information on the types of assistance available under this title, and under other Federal and State laws, with respect to the planning, financing, installation, and effective monitoring of energy-

related facilities and activities;

(8) provides that the allocation within the State of the funds made available to it under this title will be based on, or give due consideration to, such factors (specifically including potential energy savings and number of persons affected) as the Director determines will best carry out the purpose of this title: and

(9) satisfies such other criteria as the Director may establish to carry out the purpose

of this title.

(e) If the Director finds that a State plan submitted under subsection (c) does not satisfy the requirements of subsection (d). he shall provide a reasonable opportunity for the State to present arguments in support of such plan and to revise the plan with-in a reasonable period of time to satisfy such

requirements.

- (f) (1) If a State does not submit a plan under subsection (a) or its plan as so submitted (with any revisions made under subsection (e)) is not acceptable, the Director (after giving notice and an opportunity for comment to the Governor of such State) shall develop consistent with other subsections of this section an energy extension service plan for the State involved, which conforms to the requirements of subsection (d). In conducting energy extension service activities under any plan developed under this subsection, the Director is authorized to enter into agreements for the utilization of existing Agriculture Extension Service offices and personnel, or such other offices and personnel as may be appropriate, and to provide funds for such operations; and in carrying out the functions of such offices the Director shall make maximum use of any existing delivery mechanisms for the State or local region concerned which are appropriate for purposes of this section, while coordinating his activities in connection with the performance of such functions with all such mechanisms in the State or region which are related to, but not directly involved in, the program under this title
- (2) Each State shall have a period of one hundred and eighty days after the issuance of the indication referred to in subsection (b) (or a longer period if the Director finds, at the request of the Governor of such State, that an extension is justified) within which to submit its plan under subsection (c) and if necessary to revise such plan under subsection (e) before the Director may undertake the development of a plan for such State under paragraph (1) of this subsection.

- (3) Any such plan developed by the Director shall be transmitted to the Governor of such State adn shall not be implemented for ninety days after the date of transmittal: Provided, That notwithstanding the provisions of paragraphs (1) and (2) of this subsection, no such plan shall be implemented if the Governor within the ninetyday period notifies the Administration in writing of his objection to the implementa-
- tion of said plan.

 (g) The Director shall annually review implementation of State plans approved under subsection (d) to insure continued conformance with the requirements of this title. If the Director determines that the implementation of any approved State plan does not satisfy any of such requirements, he shall notify the Governor of the State and any other designated officials of the deficiency, with specific details, and shall provide a reasonable time and opportunity for remedial action. If, after such reasonable time and opportunity, satisfactory remedial action has not been taken to place the implementation in conformance with such quirements, the Director shall so inform the Administrator, who shall give the Governor notice of intention to terminate Federal assistance, after the opportunity for the Governor's comment, if the implementation continues to not satisfy all such requirements. Federal assistance shall be terminated thereafter if satisfactory action is not taken. In the event Federal assistance is terminated under this subsection, the Director shall proceed in accordance with the procedures in subsection (f) to develop an energy extension service for the State. In so doing, the Director shall provide for continuation of all activities under the State plan which were in conformance with the requirements of this title and shall effect only such changes in the activities under such plan as are necessary to satisfy such requirements. The Director shall give the Governor notice of any such changes and shall provide a reasonable opportunity for the Governor to comment prior to proceeding with the changes.
- (h) In any case where a State has submitted a State energy conservation plan under part C of title III of the Energy Policy and Conservation Act, as amended, the State's plan submitted under subsection (c) of this section shall specifically indicate how its proposed extension service program will complement or supplement any programs of public education under section 362(d) (4) of such Act which are included under such energy conservation plan. In any event, each State plan submitted under subsection (c) of this section shall indicate how its proposed extension service program will complement or supplement any other energy conservation programs being carried out within the State with assistance from Federal funds

or under other Federal laws.

- (i) The Director shall provide financial assistance to each State having a plan approved under subsection (d), from funds allocated to such State under section 512(c), and shall provide information and technical assistance to such State, for the development, implementation, or modification of the State's plan submitted under subsection (c) of this
- (j) Nothing in this title, or in the com-prehensive program developed under section State plan approved under this section, shall have the effect of modifying or altering the relationships existing between educational institutions and the States in which they are located in connection with activities provided for under this title.

ADMINISTRATIVE PROVISIONS

SEC. 507. (a) Director shall promulgate such regulations and directives as may be necessary to carry out the functions and projects of the Service.

- (b) The Director shall consult and cooperate with the Secretary of Housing and Urban Development, the Administrator of the Federal Energy Administration, the Secretary of Agriculture, the Administrator of the Environmental Protection Agency, Secretary of Health, Education, and Welfare, the Community Services Administration (and its Institute for Appropriate Technology), the Secretary of Commerce (and the Regional Centers of the Economic Development Administration in the Department of Commerce), the Administrator of the Small Business Administration, and the heads of other Federal agencies administering energy-related programs, with a view toward achieving maximum coordination with such other programs, and for the purpose of insuring to the maximum extent possible that all energy conservation and new energy technology information disseminated by or through Federal programs in a given area are consistent and are fully coordinated in order to mini-mize duplication of effort and to maximize public confidence in the credibility of Federal or federally assisted prorgams. It shall be the responsibility of the Director to promote the coordination of programs under this title with other public or private programs or projects of a similar nature.
- (c) Federal agencies described in subsection (b) shall cooperate with the Director in disseminating information with respect to the availability of assistance under this title, and in promoting the identification and interests of individuals, groups, or business and commercial establishments eligible for assistance through programs funded under

(d) At such time as the Energy Resources Council is terminated, pursuant to section 108 of the Energy Reorganization Act of 1974, as amended (42 U.S.C. 5818), there shall be established an Interagency Advisory Group, consisting of the Director (as Chairman) and the heads of the Federal agencies described in subsection (b) or their delegates, to assist the Director in carrying out his responsibilities under this section and to provide a mechanism for use by the Director and the heads of such agencies in the performance of their functions under subsections (b) and

COMPREHENSIVE PLAN AND PROGRAM

Sec. 508.(a) The Administrator is authorized and directed to prepare a comprehensive program and plan for Federal energy educa-tion, extension, and information activities authorized by this title and any other law. In the preparation of the program and plan, the Administrator shall utilize and consult with the head of each agency referred to in this title and any other Federal agency with an energy education, extension, or information program. Preparation of such program and plan shall not delay in any way the procedures specified in sections 505 and 506 or the implementation otherwise of this title. Rather, the program and plan should reflect the activities mandated by this title and serve as a mechanism for Federal Government-wide coordination and management of those activities with the activities of other Federal agencies under other law.

The comprehensive program and plan shall include, but not be limited to, the fol-

lowing elements:

(1) specific delineation of responsibility of each participating Federal agency in the conduct of this title:

(2) mechanisms established to coordinate the activities under this title, pursuant to

section 507 (b), (c), and (d);
(3) a detailed summary of all related Federal programs under other law, including program descriptions, types of delivery mechanisms, budget, and objectives;

(4) procedures for defining and measuring the effectiveness, in terms of increased energy efficiency, fuel savings, adoption of new energy technologies, and other appropriate criteria, of the activities under this title and related activities under other law;

(5) an assessment of other existing Federal assistance and incentives, other than public education, extension, and outreach programs, and their relation to such programs in achieving the objectives of this title;

(6) procedures pursuant to section 504(d) to minimize conflict with existing services in the private sector of the economy which are similar to those under this title and other law; and

(7) a comprehensive and integrated plan for the resulting Federal program, taking into account paragraphs (1) through (6).

(c) The Administrator shall transmit the comprehensive program and plan to the President and to each House of Congress within one hundred and eighty days after the date of enactment of this Act. Thereafter, the Administrator shall revise the program and plan on an annual basis and submit the revision as part of the annual fiscal year budget submission and the report required by section 15 of the Federal Nonnuclear Energy Research and Development Act of 1974.

ADVISORY BOARD

Sec. 509. (a) There is hereby established a National Energy Extension Service Advisory Board (hereinafter in this section referred to as the "Board"), which shall consist of not less than fifteen nor more than twenty members appointed by the Administrator from among persons representative of State, county, and local governments, State universities, community colleges, community service action agencies, consumers, small business, and agriculture. The Administrator shall designate one of the members of the Board to serve as its chairman, and shall provide the Board with such services and facilities as may be necessary for the performance of its functions. The Administrator shall reim-burse members of the Board for the full amount of any expenses (including travel expenses) necessarily incurred by them in the performance of their duties as such.

(b) The Board shall carry on a continuing review of the operation of the comprehensive program developed under section 504 and the various State plans approved under sections 505 and 506, for the purpose of evaluating their effectiveness in achieving the objectives of this title and determining how their operation might be improved to furtherance of such objectives.

(c) The Board shall report at least annually to the Administrator, the Director, and the Congress on the status of the program under this title, including any recommendations it may have for administrative or legislative changes to improve its operation.

CONFORMING AMENDMENTS

SEC. 510. (a) Secton 103 of the Energy Reorganization Act of 1974, as amended (42 U.S.C. 5801), is amended by redesignating paragraphs (7) through (11) as paragraphs (8) through (12), respectively, and inserting immediately after paragraph (6), the following new paragraph:

"(7) establishing, in accordance with the National Energy Extension Service Act, an Energy Extension Service to provide technical assistance, instruction, and practical demonstrations on energy conservation measures

and alternative energy systems to individuals,

businesses, and State and local government

(b) Section 108(b) of such Act (42 U.S.C. 5818(b)) is amended by striking out "and" at the end of paragraph (2), by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and", and by adding after paragraph (3) the following new paragraph:

"(4) insure that Federal agencies fully discharge their responsibilities under sections

507 and 508 of the National Energy Extension Service Act for coordination and planning of their related activities under such Act and any other law, including but not limited to the Energy Policy and Conservation Act.".

(c) Section 108 of such Act is further amended by adding at the end thereof the

following new subsection:

"(e) There is hereby established an Energy Conservation Subcommittee within the Council, which shall be chaired by the Administrator of the Energy Research and Development Administration, to discharge the responsibilities specified in subsection (b) (4) of this section and other related functions associated with the coordination and management of Federal efforts in the areas of energy conservation and energy conservation research, development and demonstration."

RECORDS

SEC. 511. Each State or other entity within a State receiving Federal funds under this title shall make and retain such records as the Administrator shall require, including records which fully disclose the amount and disposition of such funds; the total cost of the facilities and activities for which such funds were given or used; the source and amount of any funds not supplied by the Administrator; and any data and informa-tion which the Administrator determines are necessary to protect the interests of the United States and to facilitate an effective financial audit and performance evaluation. Such recordkeeping shall be in accordance with Federal Management Circular 74-7 (34 C.R.F. part 256) and any modification thereto. The Administrator, or any of his duly authorized representatives, shall have access until the expiration of three years after the completion of the facilities or activities involved, to any books, documents, papers, and records or receipts which the Administrator deems to be related or pertinent, directly or indirectly, to any such Federal funds.

APPROPRIATION AUTHORIZATION

SEC. 512. (a) There are authorized to be appropriated to the Director to carry out this title such sums as may be included in the annual authorization, for the fiscal year 1977 (as provided in section 101(7) (G) of title I of this Act), for the nonnuclear programs of the Energy Research and Development Administration.

(b) To the extent provided in the Act making the appropriation involved, any portion of the amount appropriated pursuant to subsection (a) for any fiscal year may be by the Director, with the proval of the Administrator, to the head of any other Federal agency for payment to or expenditure within one or more States under sections 905 and 906 upon a determination by the Director that the existence of regular payment channels or administrative relationships between that agency and the State involved (or entities within such State) makes such transfer and such payment or expenditure administratively more efficient or effec-tive or otherwise promotes the achievement of the objectives of this title; but no transfer of funds under this subsection shall result in any loss by the Director of any authority over program direction or control which is vested in him by this title.

(c) (1) The total amount appropriated pursuant to subsection (a) for any fiscal year (other than the portion thereof needed for administrative expenses, which shall not exceed 5 per centum of such total amount) shall be allocated among the States in accordance with the following formula:

(i) one-half shall be divided equally among all the States; and

(ii) one-half shall be divided among the States in proportion to their respective populations, with each State being entitled to a sum that bears the same ratio to one-half of such total amount as such State's population (determined on the basis of the most recent decennial census) bears to the total population of all the States (as so determined).

Amounts allocated to any State for any fiscal year in accordance with paragraphs (1) and (2) shall be expended only within that State.

(2) During the fiscal year in which this title becomes effective, the Director shall provide funds in accordance with paragraph (1) of this subsection for the implementation of the energy extension service activities in the maximum number of States determined by the Director to be feasible with the total amount appropriated pursuant to subsection (a): Provided, That in no case shall such number be less than ten States

DEFINITIONS

Sec. 513. As used in this title, the term—
(1) "energy conservation" means "energy conservation, efficient energy use and the utilization of renewable energy resources"; and

(2) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, or any territory or possession of the United States.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EMERGENCY DROUGHT ASSISTANCE

Mr. JACKSON. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 925

The PRESIDING OFFICER (Mr. DE CONCINI) laid before the Senate the amendment of the House of Representatives to the bill (S. 925) to provide temporary authorities to the Secretary of the Interior to facilitate emergency actions to mitigate the impacts of the 1976–77 drought.

(The amendment of the House is printed in the House proceedings of to-

day's RECORD.)

Mr. JACKSON. Mr. President, today the House approved S. 925, legislation to provide temporary authorities to the Secretary of the Interior to facilitate emergency actions to mitigate the impacts of the 1976-77 drought. The Senate previously passed the bill on March 15, 1977, by a unanimous vote of 92 to 0.

The bill as passed by the House is identical in most respects to the Senate passed bill. The House, having had additional time to examine the predicted effects of the drought and the drought assistance program proposed by the Administration, has refined the measure so as to keep the basic assistance and mitigation program proposed by the Senate and to allow for the other assistance programs proposed by the administration. The changes made by the House in S. 925 are consistent with the intent of the Senate bill and in my view will be complementary to those programs which have yet to be put into effect.

I ask unanimous consent that a summary of the differences between the House and Senate passed versions of S.

925 be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD. as follows:

COMPARISION OF SENATE AND HOUSE VERSIONS OF S. 925, LEGISLATION TO PROVIDE TEM-PORARY AUTHORITY FOR DROUGHT MITIGATION The following are the substantive differ-

1. The House version clarifies the intent that Indian Irrigation projects constructed by the Secretary and projects constructed pursuant to the Small Reclamation Projects Act of 1956 (70 Stat. 104) as amended are eligible for the programs authorized by the Act.

2. The House version does not provide for making payments to irrigators on Federal reclamation projects who are without water. This is in keeping with the recommendation by the Administration that such activities are within the programs of the Department of Agriculture.

3. The House versions provides an allocation of the funding made available pursuant to the Act and the Emergency Fund Act of

194 as follows:

(a) authorizes an appropriation of \$100,-000,000 for purposes of the Act (the Senate version authorized \$200 million) of which not more than 15 percent may be made available for purposes other than the "water bank" program as authorized in both versions of the bill:

(b) provides that up to 15 percent of the Fiscal Year 1977 funds available to the Secretary of the Interior for the Emergency Fund Act of 1948 (62 Stat. 1052) may be used for non-Federally financed irrigation proj-

ects: and

(c) provides up to 5 percent of the Fiscal Year 1977 funds available to the Secretary of the Interior for the Emergency Fund Act of 1948 (62 Stat. 1052) may be available to State government drought emergency pro-

4. Up to \$10,000,000 of the funds available under the Act may be used for the pur-chase of water for the purposes of mitigating damage to fish and wildlife resources due

drought conditions.

5. The Senate version provided that irrigators not on Federal projects could receive assistance from the Secretary of the Interior for drought mitigation by making application to the respective State authorities. The House version provides for a non-reimbursable grant directly to the States for use in drought mitigation programs.

6. The Senate version of the bill provided for a two year payment deferral for costs owed to the United States for Federal Reclamation Projects; the House version pro-

vides for a one year deferral.

7. The Senate version provided for transauthority of previously appropriated funds in order to expedite funding of the programs pursuant to the Act and the Emergency Fund Act of 1948. Inasmuch as a total of \$130 million has already been included in the Supplemental appropriations measure (H.R. 4877) presently in conference, the transfer authority has been deleted from the House version of the bill.

In summation, whereas the Senate version authorized \$200,000,000 in anticipation of a much wider drought assistance program to be administered by the Secretary of the Interior, the House version authorizes \$100,-000,000 and integrates the authority granted pursuant to the Act with ongoing programs of the Department of Agriculture.

Mr. JACKSON. Mr. President, I recommend that the Senate adopt S. 925 as amended by the House. This action will provide the mechanism by which the Secretary may address the problems associated with the drought and in fact. take measures to prevent adverse social

and economic drought related impacts before they occur. There remain only a few weeks in which drought preventive efforts can be taken before the beginning of the irrigation season in much of the arid West. Final passage today, will allow the Federal Government to take advantage of the remaining time.

Mr. President, I thank the distinguished Senator from Idaho (Mr. Mc-CLURE) for both his efforts when this legislation was before the Senate Energy and Natural Resources Committee and for his assistance on the floor of the Senate. It has been a truly bipartisan effort to bring into being the funding and authority to help the drought stricken farmers in the Western United States. I must remark upon the high degree of coordination shown by the respective committees in both the Senate and the House.

In only 4 weeks time, both Budget Committees have acted upon budget resolutions, both Appropriations Committees have acted upon drought assistance funding, and both legislative committees have acted upon authorizing legislation.

It has been an extraordinary effort and all parties concerned have exhibited exceptional concern and cooperation.

Mr. President, it is my understanding that, whereas the administration had some misgivings regarding the original version of S. 925 as it passed the Senate, the House version is acceptable. From their standpoint, S. 925, as amended, provides a workable program which can be initiated immediately upon approval of this measure. In light of the desperate need of the farmers in the West for assistance, I move that the Senate concur in the amendments by the House to S. 925.

Before making that motion formally, Mr. President, I yield to the distinguished Senator from Idaho (Mr. McClure), who has been active in this matter.

Mr. McCLURE. Mr. President, I understand the urgency with which this matter is being addressed, and I do not intend by any of my actions to delay

As a consequence of my feeling, I will not at this time do more than surface some reservations I have about the action taken by the House, but I do have some very real concerns about what the House has done.

Admittedly, the entire question of how much we can do-and the manner in which it can be done-to alleviate the problems of the farmers in the droughtstricken areas in the West is very un-

We started out, in the bill introduced the Senator from Washington, with a bill that would have appropriated \$200 million to the Secretary of the Interior for use on Bureau of Reclamation projects. The Senator from Washington readily accepted my amendment-and I am grateful to him for having done so-which would broaden it to permit that money to be used not just on Federal reclamation projects but also outside of Federal reclamation projects and with individual irrigators as well as irrigation entities.

The House, in looking at this measure,

has decided that that money is not needed entirely, and they cut the authorization in half. That \$100 million already has been included in the supplemental appropriations bill that was passed in the Senate and is now in conference with the other body.

In addition, the House supplemented that by allowing, for the first time, the Emergency Fund Act of 1948 moneys to be used outside of Federal reclamation projects, and that is to the good. However, at the same time they did that, they limited the application of the Emergency Fund Act moneys for individual irrigators in two very important

First of all, unless it is an irrigation entity, they are limited to not more than 5 percent of the total amount of money that is available in that fund. That fund is being augmented by \$30 million, and that, with carryover funds, would mean that for the individual irrigators, not more than \$1.625 million is available under this act.

I do not know how anyone can say precisely how much individual irrigators might need; but if they do not happen to be on a Federal reclamation project and they do not happen to be a member of an irrigation entity existing under some other statute, they will be limited, out of this total of more than \$132.5 million, to not to exceed \$1.625 million.

I am not at all certain that what we have done here is to enact a very massive preference for everybody except the little guy, the small irrigator, the individual irrigator, who may need it most.

The second limitation that was placed even on that small amount of money by action taken in the other body was to require that that be run through a State program. Many State legislatures, such as in my State of Idaho, already have adjourned for the year. Unless a program is already on the books and administration is already underway, there will not even be a mechanism by which the State can administer the \$1.625 million that might be made available to it.

So, in two very important ways, the opportunity for the individual farmer who may need it most has been severely limited in favor of those who, through one device or another in the past, have

joined irrigation entities.

There is a very strong bias in this bill that has been written by the other body, a very strong bias in favor of those who join a Federal reclamation project as compared to all others. Second, and even more important, there is a very strong bias against the individual farmer who acted independently of an organization. For many of us in the West, that might indeed prove to be a very serious limitation.

My understanding of my conversations with the Senator from Washington is that if experience indicates that either of those inhibitions is so great as to stifle anyone, we will attempt to get some changes in either authorizations or appropriations or in the change of language. Is that correct?

Mr. JACKSON. The Senator is

Mr. President, I just wish to reiterate the fact that the distinguished Senator from Idaho was responsible for broadening the bill that I introduced, S. 925, to include the non-Federal irrigation reclamation projects. I think this was a proper move, because it had the effect of doing equity to the farmers who were not technically under the Federal Reclamation Act.

There is a tremendous amount of irrigated land in that category. I think it would be unfair for Federal tax dollars to be utilized only in the Federal projects and not the non-Federal projects.

I would say to the Senator, because of the emergency nature of the pending matter, I hope we could approve the amendments as adopted by the House even though we are not in total agree-

I would say further I shall support him and we will work together in passing whatever is also needed as time unfolds here in connection with the drought situation in the West. We will either do it in a separate bill or we will put it on as a rider to some other appropriate bill that may be before the Committee on Energy and Natural Resources. I want to assure him of that cooperation.

I think we will all agree we are laboring here under a certain rather unfortunate set of circumstances.

Mr. McCLURE. Mr. President, will the Senator yield on that point?

Mr. JACKSON. Yes.

Mr. McCLURE. I think we need to underscore that. None of us really knows what can be done under any of these conditions. Rather an unprecedented condition exists out in the West, and we do know what the responses are going to be, so I certainly share with the Senator from Washington—

Mr. JACKSON. The Senator is correct. What we tried to do in the Senate-passed bill was to vest substantial discretion in the Secretary to deal with a very broad range of problems that we know exist at the moment, and also problems that we are not sure will arise in any particular form in which we can do something about it

We know there are a lot of problems we cannot do anything about, areas that simply do not have water, period, and it is kind of hard to reallocate that.

The farmers who did not have water who were to get payments under a so-called water bank proposal, we hope that will be handled, and trust that it will, and we will work to that end, under a program that would be handled by the Department of Agriculture because some of those programs fall historically within the jurisdiction of the Agriculture Committees of the House and Senate.

Mr. McCLURE. Without prolonging the discussion here unduly today, let me say I appreciate the assurance given to me by the Senator from Washington because we are dealing in an area with a great deal of uncertainty.

Let me illustrate a couple of the reasons for my concern. As the Senator knows, up until the beginning of this century all irrigation that was done in the Western United States was done without benefit of a reclamation project.

Mr. JACKSON. In fact, everything prior to 1902; the first reclamation act, I believe, was passed in 1902.

Mr. McCLURE. That is correct. So whatever had been done prior to that date was done by individuals, sometimes acting on their own, sometimes in a canal company that was organized as a commercial activity, sometimes done under some form of State law that dealt with irrigation districts as such. So there were a variety of ways in which individuals, acting through State government or on their own through the century, applied whatever water irrigation they could to dried land.

Starting in this century from that point up to, say, 15 years ago most of the new irrigation that was done was done pursuant to either the Carey Act or the Reclamation Act. So that the great majority of new irrigation during that 50-year period was a Federal reclamation project.

In the last 15 years most of the lands in the Western United States that have moved to irrigation have moved by non-Federal means. Federal reclamation projects have been important, but in my State of Idaho we have averaged about 50,000 acres a year of land that have moved into irrigation, and very little of that being done through a formal irrigation district or through a formal reclamation district.

Mr. JACKSON. It has been on a sort of ad hoc basis

Mr. McCLURE. And the result has been there have been a great many people who drilled wells and put in sprinkler irrigation

Now, those people are the ones with the lowest priority in water rights. Many of them are also individual water rights, and they will have very little access to relief under this bill the way the House has amended it. The way we had written it here in the Senate they would have had an equal access to the relief under this bill.

One other kind of example: Some of the earliest water rights in my State are on the Wood River where river drainage for Sun Valley is located. Sun Valley, as a good many people know, is a ski resort which was in very tough times this year, and one of the reasons why it was was because there was no snowfall.

As of late February the projected water runoff in that drainage was 12 percent of normal, one-eighth as much water as they would normally expect. So those being the earliest water rights, and many of them being individual irrigators and individual diversions out of the stream rather than an irrigation district and not a reclamation project, will have no direct access except through the State program provision the other body wrote into this legislation.

So those people, among the driest in my State, will have the least access to benefits under this bill. That is the reason for my concern.

But I cannot say to the Senator from Washington or to anyone else that the \$1.625 million will be inadequate. I simply do not know. But I have to have a great deal of concern when \$1.625 million is available for all of the people situated in that category, and all the rest

of the \$132.5 million is available to everyone else.

Mr. JACKSON. I wanted to say to the Senator at that point that I will join with him in keeping an ongoing audit of what is happening and to find out where problems not covered by the bill, by this legislation, will occur.

These situations do occur. I want to say to the Senator again that I am prepared to move legislatively, and then we will be dealing with more specific situations.

Mr. McCLURE. Mr. President, for exactly the same reason that I am not going to oppose the passage of this or even oppose amendments now, the urgency of the situation, if we are to find any relief for these farmers for this year, we have to act now. There is very little time to develop additional information and then respond with changes in legislation.

I appreciate the Senator from Washington giving me his assurances for being willing to do it. Certainly the Senator from Washington recognizes, as do I, that the irrigation season is fast approaching, and there is going to be very little time to identify problems, develop legislation, and then respond to the problems in time to help any of the irrigators this year.

Mr. JACKSON. I would hope, I say to the Senator, too, that the Agriculture Committees of the House and the Senate will move in this area because we get into special drought situations that cover areas that are not traditionally considered reclamation areas, too, because of the unusual nature of it. I know he has some areas in his State that are out of that category, and I have, too, on the west side, where the drought has been unprecedented so that for the first time they are suffering from a real water shortage relying, as they have, some of them, on well water which is inadequate. Those people should not be dealt with on a different basis from those on a Federal project.

Mr. McCLURE. I say to the Senator there is a great deal of additional irrigation throughout all the upper Midwest, as dry land farmers have drilled wells and put in sprinkler irrigators, in order to assure themselves of adequate moisture supply for their crops. They have increased their production. They have also increased the fixed cost of operation, as well as the capital demands of their farming operation.

A good many of those people may find that those wells will go dry this year.

Mr. JACKSON. That is right.

Mr. McClure. Or they may have to deepen them or go to a great deal of expense to make it possible for them to keep in business this year. So there will be an ongoing problem developing. The last few days of rainfall in the upper Midwest made everyone believe that, "Hey, the weather is changed; now we are all right." But all of the figures would indicate that they are far from all right. The surface is a little bit more moist than it was 3 weeks ago but very little less is better.

Mr. JACKSON. Mr. President, I look forward to working with the distin-

guished Senator from Idaho and other colleagues so that we can have a continuous audit of the drought situation in the Far West.

Mr. President, I move that the Senate concur in the amendment adopted by the House of Representatives to S. 925.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the Senate concurred in the amendment.

Mr. ROBERT C. BYRD, Mr. President, I move to lay that motion on the table. The motion to lay on the table was agreed to.

ORDER TO PROCEED TO CONSID-ERATION OF H.R. 1828 WEDNES-

Mr. ROBERT C. BYRD. Mr. President, ask unanimous consent that on Wednesday, after the two leaders or their designees have been recognized under the standing order, the Senate proceed to the consideration of H.R. 1828, an act relating to the effective date for the changes made by the Tax Reform Act of 1976 to the exclusion for sick pay. I make this request on behalf of Mr. Long, and I have cleared it with Mr. BAKER who is here to speak for himself in any way he wishes.

Mr. BAKER. Mr. President, if the Senator will yield. I simply say to the majority leader that is cleared on our side. The distinguished junior Senator from Kansas, who is one of the principals involved, indicates that that suits his convenience if we arrange that procedure.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that committees have until midnight tonight to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER AUTHORIZING SECRETARY OF SENATE TO RECEIVE MES-SAGES

Mr. ROBERT C. BYRD. Mr. President. I ask unanimous consent that during the recess of the Senate over until 4 p.m. tomorrow the Secretary of the Senate be authorized to receive messages from the President of the United States and the House of Representatives, and that they be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR CERTAIN ACTION DURING RECESS OF SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess over until 4 p.m. tomorrow the Vice President, the President pro tempore, the Deputy President pro tempore, and the Acting President pro tempore be authorized to sign all duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR BIDEN ON WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, ask unanimous consent that on Wednesday, after the two leaders have been recognized under the standing order, prior to the consideration of H.R. 1828. Mr. Biden be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ALEX HALEY

Mr. BAKER. Mr. President, on Wednesday at the close of legislative business it shall be my intention, then, if the majority leader is agreeable to this arrangement, that there be a time for Senators who wish to do so to pay tribute to Alex Haley. The State of Tennessee. my State and Mr. Haley's native State, will have an Alex Haley Day, and I thought it would be fitting and appropriate that we should have that opportunity to make those tributes.

Mr. ROBERT C. BYRD. Yes. Mr. President, at the conclusion of legislative business, there will be no problem on Wednesday and the Senators may speak as long as they desire without previous

I thank the Senator for notice of the intention of Senators to speak on that subject on that day.

Mr. BAKER. I thank the majority

Mr. ROBERT C. BYRD. Mr. President, I understand that there may be another conference report called up later today.

Mr. BAKER. Mr. President, for the information of the majority leader, on the executive calendar there is a nomination for a member of the Council on Environmental Quality, Mr. James Gustave Speth. This has been held prior to this time and that hold is now released and we can proceed to its consideration whenever the Executive Calendar is next called.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader. If he has no objection I shall proceed to dispose of this nomination at this time.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD, Mr. President. I ask unanimous consent that the Senate go into executive session to consider the nomination of James Gustave Speth to be a member of the Council on Environmental Quality.

There being no objection, the Senate proceeded to the consideration of executive busisess

The PRESIDING OFFICER. The nomination will be stated.

COUNCIL ON ENVIRONMENTAL QUALITY

The second assistant legislative clerk read the nomination of James Gustave Speth, of the District of Columbia, to be a member of the Council on Environmental Quality.

Mr. BAKER. Mr. President, while I do not intend to oppose this confirmation. I did oppose the nomination of J. Gustave Speth in committee and would like to advise my colleagues of the reasons I view this nomination with mixed emotions. In reviewing Mr. Speth's qualifications and observing the substantial impact he has had on the environmental field over the last few years, one quickly comes to the conclusion that he is an outstanding attorney who has made many useful contributions to the overall success of some of our Nation's most important environmental legislation.

I have had the occasion through my work on the Senate Environment and Public Works Committee to work with Mr. Speth concerning the resolution of some most difficult and important issues arising from the implementation of the Federal Water Pollution Control Act. In these instances, even though we have not always agreed, the comments and criticisms of Mr. Speth working as a counsel for the Natural Resources Defense Council have proved to be helpful and always

thought provoking.

At the present time our Nation is facing a grave energy shortage. A solution of our energy problem will not be obtained through a battle between environmental and energy advocates who are irreversibly committed to their positions. We need policymakers who are willing to objectively review the problem and thoroughly weigh all the alternatives available for its solution. A more thorough review of Mr. Speth's record has left me with the impression that his bias against the use of nuclear energy in meeting our future energy demands is so long-standing and strident that it will prevent him from acting objectively on matters concerning nuclear energy in his role at CEQ. In the testimony which he gave to the Committee on Environment and Public Works in response to questioning on matters concerning the U.S. role in the field of nuclear energy, Mr. Speth did not modify or in any way alter the stances he had previously taken on the subject of nuclear power. These positions cause me concern relative to his objectivity.

I feel it is imperative that those who are to advise the President and influence national policy on the issues of environment and energy be able to objectively assess the alternatives available to resolve our present problems, including nuclear alternatives.

Mr. McCLURE. Mr. President, I did not vote in favor of J. Gustave Speth's nomination for membership on the Council on Environmental Quality in the Environment and Public Works Committee and will not support his confirmation today on the Senate floor. Although Gus Speth has demonstrated that he is intellectually capable in many respects. I do not believe he is flexible enough in his attitude toward environmental concerns to oversee the administration and implementation of the National Environmental Policy Act in a manner consistent with the goals of this act.

One of the fundamental goals and pol-

icies of NEPA is to use all practicable means and measures to create and maintain conditions under which man and nature can exist in productive harmony and fulfill the social, economic, and other requirements of present and future generations of Americans. Furthermore, it is the purpose of NEPA to strive toward achieving a balance between population and resource use which will permit high standards of living.

Likewise, it is the role of a member on the CEQ to be conscious of and responsive to the scientific, economic, social, esthetic, and cultural needs and interests of the Nation. Based on Speth's testimony and discussions with the nominee during his confirmation hearing last week, I am led to conclude that Mr. Speth is biased in his viewpoint toward the economic and social needs of this Nation, and doubt he will readily adapt himself to consider these particular components when carrying out the mandates of CEQ.

In particular, I am troubled with Mr. Speth's commitment to a single point of view in the nuclear field in which he has strong and deeply held individual views. I think it in the interest of our environment and critical energy situation that we not dismiss the option of nuclear power and specifically, the breeder reactor, as the nominee has done. There is too much evidence which refutes Mr. Speth's fear of plutonium contamination should plutonium be used as a commercial fuel.

Speth has described plutonium as being fiendishly toxic. Yet he cannot account for the fact that although there have been approximately 61/2 tons of plutonium injected into the atmosphere by weapons testing prior to 1975, 1,000 cases where body burdens of plutonium exceeded maximum permissible levels, and 30 years have passed since 25 men received excessive plutonium dosages working at Los Alamos, there have been no known deaths attributable to plutonium poisoning. This fact and other similar accounts which illustrate the controllability of plutonium is difficult for me to ignore, and I am suspicious the nominee has neglected to thoroughly investigate the beneficial aspects of nuclear power.

Mr. President, I am dubious that Gustave Speth will approach his duties at CEQ with an objective and open mind. I fear that his steadfast belief that nuclear reactors are too dangerous for our use will aggravate our energy situation and ultimately work toward the deterioration of the environment. For these reasons I will not be voting in favor of Mr. Speth's nomination for membership on the Council on Environmental Quality.

Mr. DOMENICI. Mr. President, following the President's nomination of Mr. Gus Speth to be a member of the Council on Environmental Quality, the Environment and Public Works Committee held a confirmation hearing on March 21 and has now reported favorably on the nomination to the full Senate. I opposed Mr. Speth's confirmation when the committee voted on this matter, and I would like to take this opportunity to make clear my reasons for taking this action.

However, I would first like to comment that my opposition to this nomination is by no means intended to be a reflection on either Mr. Speth's character, or his intelligence. He is a most outstanding and personable young man, whose past involvement with the Natural Resources Defense Council has more than adequately prepared him for this new role. He is experienced and knowledgeable in Federal Government procedures, and has been an effective advocate in environmental matters.

I have several specific concerns, however, that make it difficult for me to support Mr. Speth's nomination. These concerns arose in large part from Mr. Speth's testimony before the Environment and Public Works Committee, which convinced me that his opinions regarding issues expected to come before the CEQ are sufficiently strong and inflexible that he will be unable to exercise the degree of objectivity required in this important position. My concerns are related to two responsibilities of the CEQ: advising the President on environmental policy and interpreting the National Environmental Policy Act as it applies in individual

With regard to advising the President and the administration on environmental policy, Mr. Speth stated that he felt an obligation "to try to present both sides of a particular issue," before stating his own conclusion. He compared this with the role he has carried out at the Natural Resources Defense Council, that of providing an educational presentation in communications with Congress-"one in which you try fairly to present both sides of a particular issue." This bothers me a great deal. In what I have been able to determine about how the NRDC and Mr. Speth have operated, it is clear that there is never at any time the least doubt as to NRDC's position on a particular issue. As Mr. Speth has stated:

I guess I got the conclusion up in the front sometimes.

I am very concerned that he might provide this same sort of balanced presentation for the President.

Further in this regard, I was disturbed by Mr. Speth's answer to a question from Senator Baker regarding the advice he would give the President regarding nuclear power. Specifically, he testified that he would:

Call for an action-forcing pause in the issuance of new construction permits (for nuclear power plants) to force the industry and the government to face up to the need of solving the waste problem and the reactor safety problem.

To me, this indicates a man whose mind is already made up, and who will use every means at his disposal to force his views on others. I cannot reconcile this attitude with his profession of a willingness to "make every effort" to "inform—the President—of the spectrum of views," fairly and with some balance.

To move on to a second point, during the course of the confirmation hearing Mr. Speth was asked at several points to comment on how he would go about balancing what we regard as traditional environmental concerns against our Nation's social, esthetic, economic, and scientific needs, as mandated in NEPA. It became clear that Mr. Speth views the great responsibilities of the CEQ solely in the context of preserving what we might call our natural environment. Nuclear power and the breeder reactor must be sacrificed. Coal can be burned, but only if it can be done so cleanly. Our gross national product must be made to grow steadily with little or no increase in energy usage. Surely there must be room for give-and-take, for compromise. in environmental matters. The CEO must do more than look at only one narrow aspect of the total environment of human beings. In a certain sense, the man who judges everything solely by its impact on the preservation of our natural environment, is one of the greatest threats to the environmental movement in this country. I cannot accept this limited point of view in one being considered for such a high administration position.

Finally, I believe it is worth pointing out a few of the issues on which Mr. Speth's strongly held views preclude the possibility of his giving just consideration to differing opinions. With respect to nuclear power:

I believe that the waste problem and reactor safety problem are sufficiently unresolved at this time that we should take advantage of the current lull in new reactor starts to call a halt to the new issuance of permits until these problems are resolved.

and

We should adopt an energy R. & D. strategy based on the eventual phasing out of our reliance on nuclear power:

The breeder reactor program:

I think ... we should turn quickly away from efforts to develop and commercialize these technologies and maintain small residual programs.

Conservation:

Our prime energy resource in the decades ahead.

and, energy:

The energy (use) per capita is ... going to have to level off.

I have no quarrel with his right, or that of any of our citizens, to hold these views. I do object, however, when it is apparent in advance that such views are to form the basis for supposedly objective recommendations and interpretations at the highest levels of our Government. Consequently, I have chosen to vote against Mr. Speth's confirmation.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. METCALF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 136-SUBMIS-SION OF RESOLUTION RELATING TO COMMON CAUSE AGAINST BAILAR ET AL.

Mr. METCALF. Mr. President, I send to the desk a resolution to authorize the furnishing of copies of certain documents or affidavits for in camera inspection by the U.S. district court in the case of Common Cause against Bailar.

I want to admonish the Senate that this resolution contains some provisions requiring the serious consideration of

every Senate office.

Mr. President, in the course of a status call on Common Cause against Bailar in the U.S. district court today, Cornelius B. Kennedy, counsel for subpensed Senate employees, agreed-subject to the consent of the Senate-to supply additional information to the court for in camera inspection with respect to the question of relevance.

It is, and has consistently been, the position of the Senate that additional information being sought by the plaintiff in this lawsuit is irrelevant to a determination of the constitutionality of the congressional franking statute. The Senate, of course, already has provided volumes of information to serve the inter-

ests of justice in this lawsuit.

Nevertheless, Mr. Kennedy agreed to furnish to the court specified information pertaining to mailings under the frank in 1972. It is my understanding that the information involved is the volume of mail sent out in each mailing by each Member of the Senate in that year. As I understand it, and I am not a party to the depositions in this lawsuit, Mr. Estep, director of the Senate Computer Center, testified that this information was available and could be furnished to the court.

I suggested to Mr. Kennedy that, if such information was available, it should

be provided to the court.

Mr. Kennedy also agreed to provide the court-again for its in camera inspection-information that has been sought by the plaintiff in subpenas to all 100 Senators' administrative assistants. This involves the meanings assigned to codes maintained in the computer for franked mail purposes, for a 3-year period, 1973-75, but which were not actually used for sending out mailings under the frank during that period. Moreover, it involves any manuals or specific instructions in individual Senate offices governing use of the codes for mailing purposes in the Senate computer.

Mr. Kennedy advised the court, however, that some of the information sought in these categories in all probability was simply not available. But the

court asked for such information in these categories as could be supplied, for its in camera inspection.

Providing such information will, of course, require additional interviews with all subpensed administrative assistants and their statements under oath. Thus, it will be necessary for the Senate, by resolution, to authorize their testimony by affidavit.

The resolution I am introducing today contains the necessary authorization for such testimony as well as authorization for submission of the 1972 information I described a moment ago.

Some of the material involved in the stipulation agreed to by Mr. Kennedysubject to the consent of the Senate-is to be provided to the court in 2 weeks.

In view of the forthcoming Senate recess, it is possible that adoption of this resolution could not take place under Senate rules until after the Senate returns from its already ordered recess. Therefore, tomorrow I am going to ask unanimous consent for the immediate consideration of the resolution, without referral to the Rules Committee. If there is objection I can see no way in which we can agree to the stipulation. In any event I shall do everything in my power to obtain prompt agreement and attempt to meet the deadlines accepted by Mr. Kennedy.

Mr. President, I ask unanimous consent that the resolution be held at the desk for 24 hours, that it not be referred

to committee until tomorrow.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The resolution is as follows:

Whereas, in the case of Common Cause et al. v. Benjamin Bailar et al. (Civil Action No. 1887-73), pending in the United States District Court for the District of Columbia, subpenas have been issued and served upon employees of the Senate, including employees serving in the office of a Senator, directing them to appear and give testimony and produce documents, papers, or records; and

Whereas, the dissemination of information by a Senator to his constituency concerning legislation proposed or enacted by the Congress, the administration of such legislation by the Executive branch, and the review of such matters by the courts is a part of the official business of a Senator under the Constitution of the United States: Now, there-

Resolved, That by the privileges of the Senate and by rule XXX of the Standing Rules of the Senate, no officer or employee of the Senate is authorized to produce documents, papers, or records of the Senate but by order of the Senate and information secured by officers and employees of the Senate pursuant to their official duties may not be revealed without the consent of the Senate.

SEC. 2. When it appears that testimony of an officer or employee of the Senate is needful for use in any court for the promotion of justice and, further, that such testimony may involve documents, papers, or records under the control of or in the possession of the Senate and communications, conversations, and matters related thereto, the Senate will take such order thereon as will promote the ends of justice consistently with the privileges and rights of the Senate.

SEC. 3. In response to matters, not previously disposed of by resolutions of the Senate, arising in connection with any subpena issued by the United States District Court for the District of Columbia in the case of Common Cause, et al. v. Benjamin v. Bailar, et al., pending as of April 4, 1977, the counsel for the subpensed Senate employees is authorized to furnish copies of documents or affidavits with respect to such case for in camera inspection by such Court.

SEC. 4. The Secretary of the Senate shall transmit a copy of this resolution to the United States District Court for the District

of Columbia.

Mr. METCALF. Mr. President, I suggest the absence of a quorum.

OFFICER. The PRESIDING The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF FLEXIBLE REGULA-TION OF INTEREST RATES-CON-FERENCE REPORT

Mr. PROXMIRE. Mr. President, I submit a report of the committee of conference on H.R. 3365 and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. DECONCINI). The report will be stated

by title.

The legislative clerk read as follows: The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3365) to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of today's RECORD.)

Mr. PROXMIRE. Mr. President, the Senate passed H.R. 3365 on March 1, extending the authority by which deposit rate ceilings are established in financial institutions until October 1, 1977. The corresponding House bill provided for an extension until March 1, 1978, or for a year. The conferees agreed on a compromise date of December 15, 1977. In addition, the House bill provided for third party payment authority for Federal savings and loan associations in New York State, an extension of the Treasury Department's authority to borrow funds from the Federal Reserve System through August 31, 1977, and a modernizing of powers of Federal credit unions under the Federal Credit Union

The conferees accepted these provisions, with the exception of the third party payment authority for Federal savings and loan associations in New York, which was deleted.

Mr. President, it is my understanding that this conference report is noncontroversial and action today by the Senate is necessary in order that the House may act prior to the Easter recess.

Mr. BAKER. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the distinguished Senator from Texas Tower).

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR TOWER

I am concerned about the compromise reached by the House and Senate conferees on H.R. 3365 and wish to have my views known on this matter.

The compromise reached by the conferees would extend the authority of the bank regulatory to impose ceilings on time and savings deposits (Regulation Q) until December 15 of this year. The Senate bill had an extension until October 1, whereas the House had an extension until March 1 of next year. The extension to December 15 is, in my opinion, an acceptable compromise.

The conferees also agreed to include a provision in the House bill to extend until August 31, 1977, the authority of the Federal Reserve to purchase United States obligations directly from the Treasury. This authority would be used only on an emergency basis, and is needed for Treasury cash man-

agement purposes.

I have no quarrel with either of these provisions. I do, however, have some reserva-tions about proceeding at this time with what I consider to be piecemeal efforts at

financial reform.

The conferees have agreed to provisions in the House bill which would expand the financial powers of credit unions. I have no particular quarrel with these provisions, but I am concerned about including them in this legislation. I am convinced they belong in a comprehensive financial reform package and should not be adopted at this time. I supported these provisions in the Financial Institutions Act, which the Senate adopted in 1975. But, the Financial Institutions Act also attempted to maintain the competitive balance between institutions offering similar types of services to the public. There are no provisions in this bill to meet this need for competitive equality. For that reason, I believe the compromise agreed to by the House and Senate conferees is deficient, and for that reason, I did not sign the Conference report although I am a conferee.

Mr. BROOKE. Mr. President, I agree that the Senate should act formally in

this report. The minority has no objection and I join with the majority in asking that it be accepted by the Senate.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to. Mr. PROXMIRE, Mr. President, I suggest the absence of a quorum

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, tomorrow the Senate will convene at 4 p.m. The business for tomorrow will be the nomination of Mr. Peter F. Flaherty to be Deputy Attorney General. There is a 2-hour time agreement on the nomination and I know that there will be at least one Senator who wants a rollcall on the nomination, so there will be a rollcall on that nomination.

There may be other matters cleared for action by tomorrow, but as of now, that is about all I can say with respect to tomorrow.

Mr. BAKER. Mr. President, I know of nothing else. I assume that on Wednesday we are going to turn to H.R. 1828.

Mr. ROBERT C. BYRD. Yes, as of now, that is a measure that has come over from the House. Senator Long wants to take that up on Wednesday. There will be some amendments offered to the bill. At this point, I cannot say there will be anything beyond that for Wednesday, but there may be other measures and conference reports that will be brought up.

Mr. BAKER. I ask the majority leader

what he sees for Thursday.

Mr. ROBERT C. BYRD. Thursday is about the same as Wednesday as of now.

Mr. President, am I correct in saying that the order has been entered to go into executive session on tomorrow, after the leaders have been recognized under the standing order?

The PRESIDING OFFICER. The Sen-

ator is correct.

RECESS UNTIL TOMORROW AT 4 P.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until tomorrow at 4 p.m.

The motion was agreed to; and, at 5:06 p.m., the Senate recessed until 4 p.m. tomorrow, April 5, 1977.

NOMINATIONS

Executive nominations received by the Senate April 4, 1977:

DEPARTMENT OF COMMERCE

Jordan J. Baruch, of New Hampshire, to be an Assistant Secretary of Commerce, vice Betsy Ancker-Johnson.

COMMUNITY SERVICES ADMINISTRATION

Graciela (Grace) Olivarez, of New Mexico, to be Director of the Community Services Administration, vice Samuel R. Martinez, resigned.

DEPARTMENT OF JUSTICE

Andrew J. Chishom, of South Carolina, to be U.S. marshal for the district of South Carolina for the term of 4 years vice James E. Williams, resigning.

CONFIRMATION

Executive nomination confirmed by the Senate, April 4, 1977.

COUNCIL ON ENVIRONMENTAL QUALITY

James Gustave Speth, of the District of Columbia, to be a Member of the Council on Environmental Quality.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES-Monday, April 4, 1977

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

The eternal God is thy refuge and underneath are the everlasting arms .-Deuteronomy 33: 27.

Our Father God, beyond whose love and care we cannot drift in the glory of a new morning and with the coming of Passover and Holy Week we lift our hearts unto Thee. We would quiet our souls in Thy presence and realize anew that Thou art our refuge and our strength and underneath are Thine everlasting arms.

Amid the difficulties and the demands of these days, may we hear Thy still, small voice which alone can lift our spirits and lead us along the ways of truth and love. Grant that we may not add to the discord and dissension of our time by our lack of self-control but may

we widen the circle of good will by our own good will and our unselfish endeavors on behalf of our country.

Give us courage and strength for the living of these days. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on April 1, 1977, the President approved and signed a joint resolution of the House of the following title:

H.J. Res. 351. Joint resolution making further appropriations for the fiscal year 1977, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 157. Concurrent resolution authorizing the printing of a compilation of tributes by Members of the House in the Halls of Congress to commemorate the years of service of the Honorable Gerald R. Ford.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 626. An act to reestablish the period within which the President may transmit to the Congress plans for the reorganization of agencies of the executive branch of the Government, and for other purposes.

The message also announced that the Senate had passed a bill with amendments and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

H.R. 4877. An act making supplemental appropriations for the fiscal year ending September 30, 1977, and for other purposes; and

H. Con. Res. 142. Concurrent resolution urging the Canadian Government to reassess its policy of permitting the killing of newborn harp seals.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 4877) entitled "An act making supplemental appropriations for the fiscal year ending September 30, 1977, and for other purposes, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McClellan, Mr. Magnuson, Mr. STENNIS, Mr. ROBERT C. BYRD, Mr. PROXMIRE, Mr. INOUYE, Mr. HOLLINGS, Mr. BAYH, Mr. EAGLETON, Mr. CHILES, Mr. JOHNSTON, Mr. HUDDLESTON, Mr. LEAHY, Mr. Young, Mr. Case, Mr. Brooke, Mr. HATFIELD, Mr. STEVENS, Mr. MATHIAS, Mr. Schweiker, Mr. Bellmon, and Mr. WEICKER to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 37. An act to amend the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5906), and for other purposes; and

S. 1153. An act to abolish the Joint Committee on Atomic Energy and to reassign certain functions and authorities thereof, and for other purposes.

The message also announced that the Senate had passed the following resolution:

S. 131

Resolved, That the House of Representatives be notified of the election of Joseph Stanley Kimmitt, of Montana, as Secretary of the Senate, effective April 1, 1977.

And that the Vice President, pursuant to Public Law 86-380, appointed Mr. CHILES and Mr. HATHAWAY to be members, on the part of the Senate, of the Advisory Commission on Intergovernmental Relations, vice Mr. Muskie and Mr. Hollings.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C., April 1, 1977.

Hon. Thomas P. O'Neill, Jr.,

The Speaker, House of Representatives,

Washington, D.C.

DEAR MR. SPEAKER: I have the honor to

transmit herewith a sealed envelope from the White House, received in the Clerk's Of-

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fice at 4:47 p.m. on Friday, April 1, 1977, and said to contain a Message from the President wherein he transmits to the Congress a report with regard to import relief for the U.S. non-rubber footwear industry.

With kind regards, I am, Sincerely,

EDMUND L. HENSHAW, Jr. Clerk, House of Representatives. By Benjamin J. Guthrie.

REPORT WITH RESPECT TO IMPORT RELIEF FOR THE U.S. NON-RUBBER FOOTWEAR INDUSTRY-MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95-117)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

In accordance with Section 203(b) (1) of the Trade Act of 1974, enclosed is a report to the Congress setting forth the action that I am taking pursuant to that section with respect to import relief for the U.S. non-rubber footwear industry, and explaining the reasons for my decision.

JIMMY CARTER. THE WHITE HOUSE, April 1, 1977.

REPORT OF NEW DEFERRALS OF ENERGY RESEARCH AND DEVEL-OPMENT ADMINISTRATION FUNDS—MESSAGE FROM PRESIDENT OF THE UN PRESIDENT OF THE UN STATES (H. DOC. NO. 95-118) UNITED

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report two new deferrals of Energy Research and Development Administration funds totaling \$127.2 million. The deferrals have no effect on budgetary outlays for fiscal year 1977 or subsequent years. In addition, I am reporting a revision to a previously transmitted Department of Commerce deferral.

The details of each deferral are contained in the attached reports.

JIMMY CARTER. THE WHITE HOUSE, April 4, 1977.

APPOINTMENT OF CONFEREES ON H.R. 4877, MAKING SUPPLEMENTAL APPROPRIATIONS FOR THE FIS-CAL YEAR 1977, AND FOR OTHER PURPOSES

Mr. MAHON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4877) making supplemental appropriations for the fiscal year ending September 30, 1977, and for other with Senate amendments purposes,

thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the gentleman from Texas? The Chair hears none and appoints the following conferees: Messrs. Mahon, Whitten, BOLAND, NATCHER, FLOOD, STEED, SHIPLEY, SLACK, McFall, Long of Maryland, Yates. McKay, Bevill, Cederberg, Michel, Mc-DADE, ANDREWS of North Dakota, EDWARDS of Alabama, and Coughlin.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE CON-FERENCE REPORT ON H.R. 4877

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a conference report on the bill H.R. 4877, making supplemental appropriations for fiscal year ending September 30, 1977, and for other purposes

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PRINTING ADDITIONAL COPIES OF "THE 1977 JOINT ECONOMIC RE-PORT"

Mr. BOLLING. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (H. Res. 470) to print additional copies of "The 1977 Joint Economic Report" for use of the Joint Economic Committee.

The Clerk read the resolution as fol-

H. RES. 470

Resolved, That there be printed for the use of the Joint Economic Committee one thousand seven hundred and twenty additional copies of its current report entitled "The 1977 Joint Economic Report".

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 4800, TO EXTEND EMERGENCY UNEM-PLOYMENT COMPENSATION ACT OF 1974

Mr. ULLMAN submitted the following conference report and statement on the bill (H.R. 4800) entitled "An Act to extend the Emergency Unemployment Compensation Act of 1974 for an additional year, to revise the trigger provisions in such Act, and for other purposes":

CONFERENCE REPORT (H. REPT. No. 95-158)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4800) to extend the Emergency Unemployment Compensation Act of 1974 for an additional year, to revise the trigger provisions in such Act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 9, 10, 11, 12, 13, 14, 15, 16,

That the House recede from its disagreement to the amendments of the Senate numbered 3, 4, 18, 19, 20, 21, 22, 25, and 26; and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

(a) GENERAL RULE.—Section 103(f)(2) of the Emergency Unemployment Compensa-tion Act of 1974 is amended to read as fol-

"(2) No emergency compensation shall be payable to any individual under an agree-

ment entered into under this Act—
"(A) for any week ending after October

31, 1977, or

"(B) in the case of an individual who (for a week ending after the beginning of his most recent benefit year and before October 31, 1977) had a week with respect to which emergency compensation was payable under such agreement, for any week ending after January 31, 1978."

And the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amend-ment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter proposed to be in-

serted by the Senate amendment, insert the following:

SEC. 102. 13-WEEK MAXIMUM FOR THE EMER-GENCY BENEFITS AND EMERGENCY BENEFIT PERIOD.

(a) 52-WEEK DURATION PERIOD FOR EMER-GENCY BENEFITS.—Subsection (e) of section 102 of the Emergency Unemployment Com-pensation Act of 1974 is amended—

(1) by striking out paragraphs (2) and (3)

and inserting in lieu thereof the following: "(2) The amount established in such account for any individual shall be equal to the

lesser of—
"(A) 50 per centum of the total amount of regular compensation (including dependents' allowances) payable to him with respect to the benefit year (as determined under the State law) on the basis of which he most recently received regular compensation; or

"(B) 13 times his average weekly benefit amount (as determined for purposes of section 202(b)(1)(C) of the Federal-State Extended Unemployment Compensation Act of 1970) for his benefit year.";

(2) by redesignating paragraph (4) as paragraph (3); and

- (3) by striking out "amounts determined under paragraphs (2) and (3) with respect to any individual shall each" in paragraph (3) (as so redesignated) and inserting in lieu thereof "amount determined under paragraph (2) with respect to any individual
- all".
 (b) Emergency Benefit Period.—Section 102(c)(3)(A)(ii) of such Act is amended by striking out "26 consecutive weeks" and inserting in lieu thereof "13 consecutive weeks" weeks

(c) CONFORMING AMENDMENTS .-

(1) Section 105 of such Act is amended by striking out paragraph (5) and by re-designating paragraphs (6), (7), and (8) as paragraphs (5), (6), and (7), respectively. (2) Paragraph (2) of section 102(b) of

such Act is amended-

(A) by striking out "section 105(2)" and inserting in lieu thereof "section 105(a)(2)";

(B) by striking out "section 105(4)" and inserting in lieu thereof "section 105(a)(4)".

EFFECTIVE DATE.—The amendments

made by this section shall apply to weeks of unemployment ending after April 30, 1977. For purposes of determining an individual's entitlement to emergency compensation for weeks ending after April 30; 1977, there shall be taken into account any emergency compensation paid to such individual for weeks which end after the beginning of the in-dividual's most recent benefit year and before May 1, 1977.

And the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be in-serted by the Senate amendment, insert the

SEC. 104. DENIAL OF EMERGENCY COMPENSA-TION TO INDIVIDUALS WHO REFUSE OFFERS OF SUITABLE WORK OR WHO ARE NOT ACTIVELY SEEKING WORK.

(a) GENERAL RULE.—Section 102 of the Emergency Unemployment Compensation Act of 1974 is amended by adding at the end thereof the following new subsection:

"(h)(1) In addition to any eligibility requirement of the applicable State law, emergency compensation shall not be payable for any week to any individual otherwise eligible to receive such compensation if during such week such individual-

"(A) fails to accept any offer of suitable work or to apply for any suitable work to which he was referred by the State agency,

"(B) fails to actively engage in seeking

"(2) If any individual is ineligible for emergency compensation for any week by reason of a failure described in subparagraph (A) or (B) of paragraph (1), the individual shall be ineligible to receive emergency compensation for any week which begins during period which-

(A) begins with the week following the week in which such failure occurs, and

"(B) does not end until such individual has been employed during at least 4 weeks which begin after such failure and the total of the remuneration earned by the indi-vidual for being so employed is not less than the product of 4 multiplied by the individual's average weekly benefit amount (as determined for purposes of section 202(b)(1)(C) of the Federal-State Extended Unemployment Compensation Act of 1970) for his benefit year.

"(3) Emergency compensation shall not be denied under paragraph (1) to any individual for any week by reason of a failure to accept an offer of, or apply for, suitable work-

"(A) if the gross average weekly remuneration payable to such individual for the position does not exceed the sum of-

"(i) the individual's average weekly benefit amount (as determined for purposes of section 202(b)(1)(C) of the Federal-State Extended Unemployment Compensation Act of 1970) for his benefit year, plus

"(ii) the amount (if any) of supplemental unemployment compensation benefits (as defined in section 501(c)(17)(D) of the Internal Revenue Code of 1954) payable to such individual for such week;

"(B) if the position was not offered to such individual in writing and was not listed with the State employment service:

"(C) if such failure would not result in a denial of compensation under the provisions of the applicable State law to the extent that such provisions are not inconsistent with the sions of paragraph (4); or

(D) if the position pays wages less than the higher of-

"(i) the minimum wage provided by sec-Semale

tion 6(a) (1) of the Fair Labor Standards Act of 1938, without regard to any exemption;

"(ii) any applicable State or local minimum wage.

"(4) For purposes of this subsection-

"(A) The term 'suitable work' means, with respect to any individual, any work which is within such individual's capabilities; except that, if the individual furnishes evidence satisfactory to the State agency that such individual's prospects for obtaining work in his customary occupation within a reasonably short period are good, the de-termination of whether any work is suitable work with respect to such individual shall be made in accordance with the applicable

"(B) An individual shall be treated as actively engaged in seeking work during any week if-

"(i) the individual has engaged in a systematic and sustained effort to obtain work during such week, and

the individual provides tangible evidence to the State agency that he has engaged in such an effort during such week.

"(5) Any agreement under subsection (a) shall provide that, in the administration of this Act, States shall make provision for referring applicants for benefits under this Act to any suitable work to which subparagraphs (A), (B), (C), and (D) of paragraph (3) would not apply."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to weeks of unemployment beginning after the date

of the enactment of this Act.

And the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the

following:

(a) GENERAL RULE.—Section 105 of the Emergency Unemployment Compensation Act of 1974 is amended by inserting "(a)" after "Sec. 105." and by adding at the end thereof the following new subsection:

And the Senate agree to the same. Amendment numbered 8: That the House recede from its disagreement to the amend-ment of the Senate numbered 8, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the

following: (b) (1)

And the Senate agree to the same. Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the

following:

(c) DISQUALIFICATION OF TEACHERS -Section 3304(a) (6) (A) of the Internal Revenue Code of 1954 (relating to approval of State uneemployment laws) is amended-

(1) in clause (i)—

(A) by striking out "instructional research" and inserting in lieu thereof "instructional, research"; and

(B) by striking out "two successive academic years" and inserting in lieu thereof

'two successive academic years or terms";
(2) by striking out "and" at the end of clause (i); and

(3) by adding at the end thereof the fol-

lowing new clause:

"(iii) with the respect to any services described in clause (i) or (ii), compensation payable on the basis of such services may be denied to any individual for any week which commences during an established and customary vacation period or holiday recess if such individual performs such services in the the White House, roselved it

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period immediately before such vacation period or holiday recess, and there is a reasonable assurance that such individual will perform such services in the period immediately following such vacation period or holiday recess, and".

And the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be in-

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

(d) EFFECTIVE DATES .-

- (1) The amendment made by subsection (a) shall take effect as if included in the amendment made by section 314 of the Unemployment Compensation Amendments of 1976.
- (2) The amendment made by subsection (b) shall take effect as if included in the amendments made by section 506 of the Unemployment Compensation Amendments of 1976
- (3) The amendments made by subsection (c) shall take effect as if included in the amendments made by section 115(c) of the Unemployment Compensation Amendments of 1976.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title, and agree to the same.

AL ULLMAN,
JAMES C. CORMAN,
C. B. RANGEL,
PETE STARK,
ANDREW JACOBS, Jr.,
MARTHA KEYS,
JOSEPH L. FISHER,
BARBER B. CONABLE, Jr.,
GUY VANDER JAGT,
WILLIAM M. KETCHUM,
Managers on the Part of the House.

RUSSELL B. LONG, HERMAN E. TALMADGE, ABRAHAM RIBICOFF, W. D. HATHAWAY, DANIEL P. MOYNIHAN, BOB DOLE,

W. V. ROTH, Jr., Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4800) to extend the Emergency Unemployment Compensation Act of 1974 for an additional year, to revise the trigger provisions in such Act, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action (other than action of a merely technical nature) agreed upon by the managers and recommended in the accompanying conference report.

AMENDMENT NO. 1: EXTENSION OF PROGRAM

House bill

The House bill extends the Emergency Unemployment Compensation Act of 1974 for an additional year.

Senate amendment

The Senate amendment extends the Emergency Unemployment Compensation Act of 1974 until September 30, 1977, with a phase-out under which individuals eligible for emergency compensation before September 30, 1977, may continue to receive such benefits until December 31, 1977.

Conference agreement

The conference agreement extends the Emergency Unemployment Compensation

Act of 1974 until October 31, 1977, with a phaseout under which individuals eligible for emergency compensation before October 31, 1977, may continue to receive such benefits until January 31, 1978.

AMENDMENT NO. 2: AREA TRIGGERS AND DURATION
OF EMERGENCY BENEFITS

House bill

The House bill provides for the payment of emergency compensation on the basis of State or area triggers. Under the House bill, emergency compensation will be payable in any area of a State if the rate of insured unemployment in such area or in the State in which such area is located is at least 5 percent and if there is an extended benefit period in effect for the State. The House bill defines an area as a labor market area or any part of a labor market area which is located within a single State and as all other parts of a State which are not located within a labor market area. The term "labor market area" means any area designated by the Secretary of Labor as being a contiguous population center with at least 250,000 individuals. The new area triggers take effect with the week beginning April 24, 1977.

The House bill also provides that the maximum duration of emergency compensation will be 13 weeks which results in a maximum duration of 52 weeks of unemployment compensation to any individual. This provision of the House bill applies to weeks of unemployment ending after March 31, 1977.

Senate amendment

The Senate amendment strikes out the area trigger provisions of the House bill. The Senate amendment retains the provision of the House bill which provides for a maximum duration of 13 weeks for emergency compensation; except that the Senate amendment allows the existing maximum duration of 26 weeks which applies to certain States to remain in effect until April 30, 1977. The Senate amendment provides for a 13-week minimum duration for the emergency benefit period.

Conference Agreement

The conference agreement strikes the area trigger provisions, provides for a maximum duration of 13 weeks for emergency compensation, allows the existing maximum duration of 26 weeks which applies to certain States to remain in effect until April 30, 1977, and provides for a 13-week minimum duration for the emergency benefit period.

AMENDMENT NO. 3: FINANCING OF EMERGENCY UNEMPLOYMENT COMPENSATION FROM GEN-ERAL FUNDS

House bill

The House bill provides that emergency compensation will be financed from general funds rather than from funds in the Unemployment Trust Fund. This provision of the House bill applies to benefits paid for weeks of unemployment ending after March 31, 1977.

Senate amendment

Except for some technical changes in the House bill, the Senate amendment also provides for financing of emergency compensation from general funds.

Conference agreement

The conference agreement follows the Senate amendment. Under this amendment, funds in the Extended Unemployment Account derived from the Federal unemployment tax shall be used to meet the costs of the extended benefit program. After March 31, 1977, the full amount of benefit payments under the emergency unemployment compensation program will be derived from nonrepayable general fund advances.

AMENDMENT NO. 5; DENIAL OF EMERGENCY COMPENSATION TO INDIVIDUALS WHO REFUSE OFFERS OF SUITABLE WORK OR WHO ARE NOT ACTIVELY SEEKING WORK

House bill

The House bill provides that an individual will be denied emergency compensation for any week if during such week—

 such individual fails to accept any offer of suitable work or to apply for any suitable work to which he was referred by the State agency, or

(2) such individual falls to actively engage in seeking work.

This disqualification would continue until the individual has been employed during at least four weeks and has earned an amount for being so employed equal to at least four times his weekly benefit amount.

Under the House bill, an individual would not be disqualified by reason of any failure to accept an offer of, or apply for, suitable work—

(1) if the average weekly wage for the position does not exceed the sum of 120 percent of the individual's weekly benefit amount plus the amount of any supplemental unemployment compensation benefits to which such individual is entitled,

(2) if the position was not offered to such individual in writing and was not listed with

the State employment service,

(3) if such failure would not result in a denial of compensation under the applicable State law to the extent that such law is not inconsistent with the new provisions of the House bill, or

(4) if the position does not pay wages equal to the higher of the Federal minimum wage or any applicable State or local mini-

mum wage.

The House bill defines suitable work as any work for which an individual is reasonably fitted by training and experience and any other work for which an individual lacks the required skills and training if in connection with the job the individual would be provided with the necessary training to perform the work. If the State agency determines that an individual's prospects for obtaining work in his customary occupation are poor, the determination of whether any work is suitable work for the individual shall be made without regard to whether the work involves lower pay or lesser skills than the individual's customary occupation.

Under the House bill, an individual would be treated as actively engaged in seeking work if the individual engaged in a systematic and sustained effort to obtain work during any week and if the individual provided tangible evidence to the State agency that he engaged in such an effort.

The provisions of the House bill apply to weeks of unemployment beginning after the date of the enactment of the bill.

Senate amendment

Under the Senate amendment, an individual would be disqualified from emergency compensation for refusing to accept, or apply for, any bona fide offer of employment which is within the individual's capabilities and which meets the conditions of present Federal law unless—

 the worksite of the position is located at an unreasonably great distance from the individual's residence,

(2) the position involves an unacceptably high risk to the health, safety, or morals of the individual, or

(3) the gross average weekly remuneration payable to the individual for the position does not exceed the individual's average weekly benefit amount.

Under the Senate amendment, failure to comply with the new eligibility requirements would disqualify an individual from receiving emergency benefits for the duration of his eligibility period.

The Senate amendment also provides that an individual would be ineligible to receive emergency benefits for any week if he falls to actively engage in seeking work during such week.

The Senate amendment also requires States to refer applicants for emergency compensation to any jobs which are within their capabilities.

The provisions of the Senate amendment apply to weeks of unemployment beginning after the date of the enactment of the bill.

Conference agreement

The conference agreement includes the following:

In addition to any eligibility requirements of the applicable State law, an individual would be disqualified from receiving emergency benefits for failing to actively seek work; failing to apply for any suitable work to which he or she was referred by the state agency; or failing to accept any offer of suitable work

of suitable work.

To meet the "actively seeking work" requirement for any week the claimant would have to engage in a systematic and sustained effort to obtain work during such week, and provide tangible evidence to the state agency that he or she has actively sought work for such week.

For the purposes of the emergency benefits program, any work would be considered suitable if it—

Was within the capabilities of the claimant:

Met the conditions of present Federal law;
Met the conditions of State law and practices pertaining to suitable or disqualifying
work that are not inconsistent with the provisions of this section, such as not requiring
an individual to take a job that involves
traveling an unreasonable distance to work
or poses an unreasonable threat to the individual's morals, health or safety;

Paid wages at least equal to the Federal or, if higher, any applicable state or local minimum wage:

Paid gross average weekly remuneration equal to the individual's weekly unemployment compensation benefit, plus any "Supplemental Unemployment Benefits" (SUB) to which the individual might be entitled because of agreements with previous employers; and

Was listed with the State employment service or offered in writing. (A written job offer would involve a written statement as to the availability of the job and the hours and wages it involved. It would not have to include other details such as a description of fringe benefits.)

State agencies would be required to refer claimants of emergency benefits to any job that would be considered suitable for the individual under the provisions of this sec-

If, however, an individual furnishes satisfactory evidence to the State agency that his or her prospects for obtaining work within a reasonably short period in his customary occupation are good, the determination of whether any work is suitable for the individual would be made in accordance with State law and practices pertaining to suitable or disqualifying work rather than the provisions of this section pertaining to suitable work. An example of the type of evidence required would be a recall notice from a former employer.

Failure to "actively seek work" or to apply for or accept an offer of "suitable work", as defined above, would disqualify an individual from receiving emergency benefits until he had worked at least 4 weeks and earned 4 times his or her weekly unemployment compensation amount. AMENDMENT NO. 18: TERMINATION OF INDIVID-UAL ENTITLEMENT FOR EMERGENCY COMPEN-SATION

House hill

No provision.

Senate amendment

Under the Senate amendment, an individual's eligibility for emergency compensation would expire 2 years after the end of the most recent benefit year for which regular benefits were paid.

Conference agreement

The conference agreement includes the Senate amendment.

AMENDMENT NO. 22: DISQUALIFICATION OF ILLEGAL ALIENS

House bill

The House bill would allow the payment of unemployment compensation to nonresident aliens who are lawfully present in the United States for the purpose of performing the work on which the benefits are based.

Senate amendment

The Senate amendment modifies the House provision to make it clear that unemployment compensation will not be paid on the basis of services performed by aliens unless such services are performed by aliens during periods in which they were lawfully present in the United States.

Conference agreement

The conference agreement includes the Senate version of the amendment.

AMENDMENT NO. 23: PAYMENT OF UNEMPLOY-MENT COMPENSATION TO EMPLOYEES OF ED-UCATIONAL INSTITUTIONS

House bill

The House bill corrects a clerical error in existing law and provides that teachers will be denied unemployment compensation for periods between successive academic terms as well as between academic years.

Senate amendment

The Senate amendment contains the provisions of the House bill and also provides 2 additional provisions. The first additional provision allows States the option of denying unemployment compensation to school employees during any established and customary vacation period or holiday recess if there is a reasonable assurance of employment following the vacation or recess period. The second additional provision allows States the option of denying unemployment based on services performed as a substitute teacher if the individual is paid for such services on a per diem basis and has performed such services less than 45 days during his base period.

Conference agreement

The conference agreement includes the provisions of the House bill and the first provision of the Senate amendment (relating to unemployment compensation to school employees during an established and customary vacation period or holiday recess); the conference agreement does not include the second Senate amendment (relating to substitute teachers).

AMENDMENT NO. 25: REDUCTION OF UNEMPLOY-MENT COMPENSATION FOR RETIREMENT BENE-PITS

House bill

No provision.

Senate amendment

The Senate amendment delays for 6 months the effective date of the provision which requires States to reduce unemployment compensation payable to any individual by the amount of retirement benefits the individual receives. Conference agreement

The conference agreement includes the Senate amendment.

AMENDMENT NO. 26: FEDERAL SALARY ACT

House bill

No provision.

Senate amendment

The Senate amendment would require that all future pay increases for Members of Congress, Federal Judges, and other senior Federal officials be subject to a rollcall vote in both the House and Senate.

Conference agreement

The conference agreement includes the Senate amendment.

AL ULLMAN,
JAMES C. CORMAN,
C. B. RANGEL,
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JOSEPH L. FISHER,
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RUSSELL B. LONG,
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DANIEL P. MOYNIHAN,

BOB DOLE, W. V. ROTH, Jr., Managers on the Part of the Senate.

TWO-PRICE SYSTEM FOR ENERGY FAIR TO ALL AMERICANS

(Mr. WEAVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WEAVER. Mr. Speaker, Thomas Murphy, the chairman of General Motors, in arguing against the two-price tax system for cars, says instead we must decontrol the price of energy: take the shackles off so we can produce more energy which will be, of course, much more expensive energy. I am sure that Chairman Murphy with his half a million dollars income from General Motors does not care if the price of gas goes up a dollar. He can afford it. But my millworking constituents who take home \$600 a month cannot.

That is why I advocate the two-price system for energy, as well as cars. Give all Americans some energy for essentials at a low price. Then, and only then, let the controls come off, and place a tax on the balance, and let the market decide who wants to pay the flagrantly high cost of new energy—besides Mr. Murphy.

NUCLEAR ARMS CONTROL

(Mr. DOWNEY asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. DOWNEY. Mr. Speaker, we should not be alarmed at the events in Moscow last week. Very simply, the Russians are putting President Carter to the test, just as they did President Kennedy in Vienna when he took office.

If there is any doubt in anyone's mind

that this is what is happening, just consider what happened.

First, the U.S. Government offered a simple ratification of the numbers agreed upon at Vladivostok. We also offered a more complex and far-reaching proposal, which was perhaps too much for the Soviets to digest in the short time available. but they were perfectly free to set aside the complex proposal and accept the simple one. They did not do this. Instead, they claimed the previous administration had offered a ban on cruise missiles, when in fact it had only offered a ban on air-launched ballistic missiles.

This twisting of our words is a standard Soviet negotiating tactic, and should disturb no one. When we rightly turned them down, they offered no counterproposal, but instead went into public agony over what they have described as the untrustworthiness of the Carter administration. They have continued this theme for several days, and possibly will continue it for several more weeks as they seek to pressure us into concessions.

In my view, President Carter is doing exactly the right thing by remaining cool but firm. In due course the Soviets will stop kicking and screaming and will get down to business-provided of course that our Government remains cool and firm.

It seems to me we should all make clear that we stand with our President-not because he is President but because he is right.

REPORT OF WAYS AND MEANS COM-MITTEE'S TASK FORCE ON CAPI-TAL FORMATION

(Mr. ULLMAN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ULLMAN, Mr. Speaker, today, I am releasing the report of the Ways and Means Committee's Task Force on Capital Formation. The report analyzes the economic forces determining the rate of capital formation and the effect on capital formation of various tax changes, although it does not contain any recommendations. It represents a summary of the materials presented by the staff of the Joint Committee on Taxation to the Task Force on Capital Formation. The task force, of which I was the chairman, met weekly between February and September 1976 to discuss the need for more capital formation and to consider a wide variety of tax changes designed to increase investment.

I am very concerned about the need to increase investment in the United States. Our tax policies will have to be responsive to this problem. The administration will address this issue in its comprehensive tax reform proposals, which are expected this fall. I anticipate that the administration will propose integrating the individual and corporate income taxes, which is discussed in some detail in this report. This report is an important contribution to the analysis of the issue of capital formation. I hope it will be read by all people who have an interest in using tax policy to promote capital formation.

CARTER'S LITTLE LIBERAL PILLS?

(Mr. MICHEL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter:)

Mr. MICHEL. Mr. Speaker, I have examined the President's proposed electoral reforms and have found them less than convincing.

Election-day registration supposedly will solve the problem of nonvoting. But most studies show it is alienation and cynicism about Government, not registration complexities, that cause most people not to vote. The President has identified the disease, but his remedy will not cure it. Carter's little liberal pill is not the answer to nonvoting.

The President tells us that under his proposal safeguards against voter fraud will "rarely be needed." I wish I could share the President's confidence. I would prefer even stronger safeguards.

The proposed public financing for congressional races is nothing but the Incumbents Protection Act of 1977. We do not need it and we should not have it. All it would do is to make it easier for incumbents to win and more difficult for challengers.

The proposal to revise the Hatch Act amounts to sending public servants into involuntary servitude under political and union bosses eager for new areas to extend their power.

The President's message reminds me of those glorious-sounding Great Society messages we used to get, promising the world to everyone but not completely thought out.

My fear is the very real danger of enormous and widespread resentment and alienation once it is discovered-as it inevitably will-that these proposals have not led to the promised land of electoral reform.

Finally, before we even begin to debate, I call upon the President to present an "impact statement" as to how these reforms will affect the Federal system. In my view what the President is proposing could be the death-knell of our Federal system.

Carter's little liberal pills do not seem to me to be the medicine our electoral system needs.

Later in the day I will have a special order to outline my views in detail on the overall subject matter.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b), rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to, under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

AMENDING THE LAND AND WATER CONSERVATION FUND ACT OF 1965

Mr. PHILLIP BURTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5306) to amend the Land and Water Conservation Fund Act of and for other purposes, as amended.

The Clerk read as follows:

H.R. 5306

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Land and Water Conservation Fund Act of 1965 (78 Stat. 987), as amended (16 U.S.C. 4601-4 et seq.), is futher amended as follows:

(1) Section 2(c)(1) is amended by deleting "\$600,000,000 for fiscal year 1978, \$750,-000,000 for fiscal year 1979, and \$900,000,000 for fiscal year 1980" and inserting in lieu thereof "and \$900,000,000 for fiscal year

1978".

(2) Section 5 is amended by adding the following at the end thereof: "Those appropriations from the fund up to and including \$600,000,000 in fiscal year 1978 and up to and including \$750,000,000 in fiscal year 1979 shall continue to be allocated in accordance with this section. There shall be credited to a special account within the fund \$300,-000,000 in fiscal year 1978 and \$150,000,000 in fiscal year 1979 from the amounts authorized by section 2 of this Act. Amounts credited to this account shall remain in the account until appropriated. Appropriations from the special account shall be available only with respect to areas existing and authorizations enacted prior to the convening of the Ninety-fifth Congress, for acquisition of lands, waters, or interests in lands or waters within the exterior boundaries, as aforesaid, of-

"(1) the national park system;

"(2) national scenic trails;

"(3) the national wilderness preservation system:

"(4) federally administered components of the National Wild and Scenic Rivers System; and

(5) national recreation areas administered by the Secretary of Agriculture. (3) Section 7(a) is amended by adding the

following new paragraph: "(3) Appropriations allotted for the acquisitions of land, waters, or interests in land or waters as set forth under the head-'NATIONAL PARK SYSTEM; RECREATION AREAS' and NATIONAL FOREST SYSTEM' in paragraph (1) of this subsection shall be available therefor notwithstanding any statutory ceiling on such appropriations contained in any other provision of law enacted prior to the convening of the Ninety-fifth Congress; except that for any such area expenditures not exceed a statutory ceiling during any one fiscal year by 10 per centum of such ceiling or \$1,000,000, whichever is greater. The Secretary of the Interior shall, prior to the expenditure of funds which would cause a statutory ceiling to be exceeded by \$1,-000,000 or more, and with respect to each expenditure of \$1,000,000 or more in excess of such a ceiling, provide written notice of such proposed expenditure not less than thirty calendar days in advance to the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate. With respect to those areas of the national park system existing prior to the convening of the Ninety-fifth Congress, it is

the express intent of the Congress that all land acquisition be completed, subject to any specific statutory limitation on the method of acquisition applicable to any individual area, within three complete fiscal years for lowing the effective date of this paragraph.".

(4) Section 7(b) is amended by changing

the period at the end thereof to a colon and adding the following: "Provided, howappropriations from the That fund may be used for preacquisition work in instances where authorization is imminent and where substantial monetary savings could be realized.".

(5) Section 7 is amended by adding the

following new subsection:

"(c) BOUNDARY CHANGES; DONATIONS .-Whenever the Secretary of the Interior de-termines that to do so will contribute to, and is necessary for, the proper preservation, protection, interpretation, or management of an area of the national park system, he may, following timely notice in writing to Committee on Interior and Insular Affairs of the House of Representatives and to the Committee on Energy and Natural Resources of the Senate of his intention to do so, (i) make minor revisions of the boundary of the area by publication of a revised boundary map or other description in the Federal Register, and moneys appropriated from the fund shall be available for acquisition of any lands, water, and in-terests therein added to the area by such boundary revision subject to such statutory limitations, if any, on methods of acquisition and appropriations therefor as may be specifically applicable to such area; and (ii) acquire by donation, purchase with do-nated funds, transfer from any other Federal agency, or exchange, lands, waters, or interests therein adjacent to such area, except that in exercising his authority under this clause (ii) the Secretary may not alienate property administered as part of the national park system in order to acquire lands by exchange, the Secretary may not acquire property without the consent of the owner, and the Secretary may acquire property owned by a State or political subdivision thereof only by donation. Lands, waters, and interests therein acquired in accordance with this subsection shall be ad-ministered as part of the area to which they are added, subject to the laws and regulations applicable thereto.".

Section 6(e)(1) is amended by adding the following new sentence: "Notwithstanding any other provision of law, in the case of land acquired for the Big Thompson/ North Fork Canyons Recreational Lands Acquisition Project in Larimer County, Colorado, for which financial assistance is authorized under this paragraph, if such land is located within the Big Thompson/North Fork Floodway, designated pursuant to the requirements of the National Flood Insurance Act of 1968 (title XIII, Public Law 90-448, as amended), and if such land is unimproved or includes structures which have sustained damage amounting to 50 per centum or more of their market value, such assistance may be provided for an amount equal to the market value of such land (not including any improvements thereon) immediately prior to the occurrence of the Big Thompson flood of July 31, 1976.".

The SPEAKER. Is a second demanded?

Mr. SEBELIUS. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from California (Mr. PHILLIP BURTON) will be

recognized for 20 minutes, and the gentleman from Kansas (Mr. Sebelius) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. Mr. Speaker, yield myself such time as I may consume.

Mr. Speaker, H.R. 5306, as reported by the Committee on Interior and Insular Affairs, addresses a problem this House has long recognized: the need to rapidly and effectively acquire the areas which have been authorized as units of our national park system. Last Congress, legislation was enacted which raises the land and water conservation fund from \$300,-000,000 to \$900,000,000 over a 3-year period. This will do much to assist both State and Federal programs in the long run.

But there is a short-term need that is not adequately being met. We currently have more than \$800,000,000 worth of land which has been authorized, but not yet acquired for our Federal recreation lands. So long as we are faced with this amount of unacquired lands, we will continue to be caught in a situation where rapidly inflating land prices will continue to drive this backlog higher and higher. At the same time, any new areas authorized by this body will have to take their place in turn to be acquired, and their land values will inflate, thus aggravating this situation.

H.R. 5306 increases the authorized level of the fund from \$600,000,000 to \$900,000,000 in fiscal year 1978, and from \$750,000,000 to \$900,000,000 in fiscal year 1979. This additional \$450,000,000 over the next 2 years is then placed in a special account to be used only to acquire those areas in the national park system, the national wilderness preservation system, national scenic trails, national wild and scenic rivers, and national recreation areas which were authorized prior to this Congress. The bill expresses the intent of Congress that these areas be acquired within 3 years, and with this special account and the existing fund together, we should be able to meet that goal.

There are several other features of the bill which I should bring to the attention of the House.

Rather than go through the exercise of approving amendatory legislation every time inflation causes a statutory land acquisition ceiling to become insufficient, we permit a general increase in such expenditures under H.R. 5306, subject to certain restrictions. An agency may not exceed the ceiling by more than 10 percent or \$1,000,000, whichever is greater, in any given fiscal year. Our committee must also have written notice 30 days in advance when the ceiling is expected to be exceeded by a cumulative amount of \$1,000,000 or more.

We would therefore retain control over large increases over existing ceilings. I would also expect the Secretary to give us frequent status reports on the use of declarations of taking in acquiring these areas, rather than seeking advance written clearance in every case. In this way

we will retain our review of this action without unduly slowing down the acquisitions.

We also permit the Secretary to make minor boundary alterations in national park system areas after notifying the House and Senate committees. This is tightly limited authority, similar to that which we have included in individual bills in recent years. Such small adjustments as alining a boundary along property lines, or to conform to a road realinement along a park boundary, are indicated here. We will also permit the donation of lands adjacent to park areas by this bill, if the Secretary deems such lands to be of sufficient importance.

The bill permits certain preacquisition work to be done when the authorization of a new area is imminent. This would allow title searches to be carried out at an early time, so that acquisition could begin soon after authorizing legislation was passed. The Secretary should be able to develop some reasonable guidelines for exercising this authority, such as permitting this work in an area when either the House or the Senate has acted on a measure, or perhaps when both authorizing committees have begun their consideration, especially where the proposed area has already been found to be nationally significant.

We adopted an amendment authored by our colleague on the committee. Mr. JOHNSON of Colorado, which will allow the previous fair market value as it existed before the Big Thompson River flood of July 1976, to be paid to property owners along this river in Colorado. This will permit proper compensation of the people who were most affected by this flood, and will assist a recreation project to go forward for this area.

The Interior Committee also amended the bill to remove two amendments dealing with Federal recreation fee collections. We may wish to consider some amendments in this area as a separate matter at a later date.

Mr. Speaker, I would like to express my particular appreciation to the ranking minority member of our subcommittee. Congressman Keith Sebelius of Kansas, for his interest and work in this field, and for his coauthorship of this legislation. I would also like to make note of and express my thanks, to the other cosponsors of H.R. 5306, Representatives UDALL, YATES, BAUMAN, KASTENMEIER, BINGHAM, SEIBERLING, WON PAT, DE LUGO, LAGOMARSINO, SANTINI, TSONGAS, FLORIO, KOSTMAYER, CORRADA, REGULA, MILLER OF California, John Burton of California, Mr. HEFTEL and Mr. GUDGER, and to Representative GOODLOE BYRON of Maryland, who has sponsored a similar measure, H.R. 5524.

Mr. Speaker, H.R. 5306 will help us keep costs within reason by cutting through this backlog of land acquisition for our national parks. It will also help to protect the resources that made those areas worthy of our attention. I urge my colleagues to join me in passing this legislation.

Thank you.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. PHILLIP BURTON. I yield to the

gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Speaker, I want to congratulate the gentleman from California (Mr. Phillip Burton) for bringing us this bill. I think it is one whose importance in the long run the public will come to understand. It is vital for the acquisition of these lands that are in question. It is a sound bill

Particularly, I want to thank the gentleman on behalf of the people of Colorado, and especially those who were victims of the Big Thompson flood disaster, for his help and for his support of this measure, which does relate to that disaster.

Mr. PHILLIP BURTON. Mr. Speaker,

I thank the gentleman.

Mr. SEBELIUS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, before I begin my presentation I do want to compliment the gentleman from California (Mr. Phillip Burton), the chairman of the subcommittee, for his work in respect to this bill. It is through his imagination and foresight that this bill is being brought to the attention of the entire House.

Mr. Speaker, as the ranking minority member of the Subcommittee on National Parks and Insular Affairs, I strongly support this bill, H.R. 5306. The principal thrust of this legislation is to create a special account within the land and water conservation fund which will be dedicated exclusively to the acquisition and elimination of all the remaining nonfederally owned lands within all national park system areas which were created prior to the beginning of the 95th Congress. It is the legislation's intention that this goal be achieved in no less than 3 complete fiscal years after enactment. To the extent that funds from this account are available, and a considerable amount should be, acquisition of similar lands is to be undertaken for various other congressionally authorized lands managed by other agencies-such areas as wilderness, wild and scenic rivers, national scenic trails and national recreation areas.

I want to point out too, Mr. Speaker, that money from the conventional segment of the land and water conservation fund is expected to continue to be available and allocated among the various Federal agencies as usual for land acquisition. Hence, the special account established by this legislation is supplemental to the money normally available.

Mr. Speaker, I believe it is extremely important that in prioritizing all acquisition funds, whether drawing from this special account or from the conventional fund itself, the agencies give the highest priority to the acquisition of authorized lands threatened with adverse development or use.

For example, I know that there have been some very unfortunate threats and actions by private owners to lands authorized for acquisition along our two national scenic trails—the Pacific Crest and Appalachian Trails—and I urge

that the utmost prompt acquisition attention be given these trails by the re-

sponsible agencies.

Like trails, because of their similar narrow corridor configuration, lands along our wild, scenic, and recreational rivers can easily be threatened by adverse actions of private owners, and I urge that proper acquisition attention likewise be devoted here.

Damage or development within these corridor configuration areas can be very conspicuous and irreparable, as due to the narrowness of the authorized Federal land holdings for these types of areas, there is no way for the trail or river traveler to skirt the damaged area once it occurs. The user has not the option of avoiding the damaged area, as he may be able to do in his travels within larger acreage wilderness, park, and recreation areas.

Mr. Speaker, there is another point that is important in the process of agencies acquiring developed properties within the boundaries of authorized areas. Once the Government acquires full title and the private owner is permanently gone from the premises, the Government should plan to remove the structures and development in a reasonably expeditious manner, and not continue to use the facilities for their own-governmentalconvenience. If the development warrented acquisition in the first place due to the impropriety of its presence with the purpose of the area's management plan and/or legislation, it should not be continued in use by the Government or anyone else, once acquired. The only possible exception I can conceive warranting continued use is if the facilities are conducive to possible concessioner or camp use or something similar, and such continued use is in accordance with the written management and development plan for the area.

I think that any exception to the removal of facilities so acquired should be fully justified by the agency and approved by the top administrator of the agency, in writing, retroactive to encompass all such private facilities ever purchased, all or in part with Federal funds. Furthermore, it might be a good idea for the agencies to inform the authorizing committees of both the House and the Senate as to the history and implications of this situation.

Mr. Speaker, the implementation of this legislation will very significantly contribute to the safeguarding, for all time, of our Nation's most precious scenic and natural outdoor recreation resources—for the benefit of current and future generations of Americans. I urge the adoption of this bill by my colleagues.

Mr. SKUBITZ. Mr. Speaker, the purpose of this bill is to establish in the land and water conservation fund a special amount to be used to acquire the backlog of lands which this Congress has previously authorized for inclusion in the National Park System. The bill also gives the Secretary of the Interior general authority to make more boundary changes in existing areas and to accept qualifying adjacent land by donation.

In 1965, the Congress created the Land and Water Conservation Fund.

The original act has been amended several times in order to raise funding levels. More recently, the 94th Congress enacted legislation, Public Law 94-422, to increase the fund from \$300 million in fiscal year 1977, to \$900 million per annum by fiscal year 1980.

H.R. 5306, this bill, increases the authorization level to \$900 million in fiscal year 1978 by providing \$300 million of new authorization in fiscal year 1978 and an additional \$150 million by fiscal year 1979.

This Congress has in its wisdom—authorized parks. It is high time now that we authorize the money in order to purchase these parks for each day the price gets higher and higher and higher.

And that is what this bill is all about. As you know the \$900 million funds do not come out of the general revenue fund but rather—out of the offshore oil royalty funds.

Although last year I questioned the wisdom of taking more funds out of the offshore oil for park purposes because such moneys were going into the general fund, and if now taken out of the general fund for park purposes, must either be replaced by new taxes or added to the debt through borrowing. On this issue I was defeated last year. Therefore, if the money is to be used, it ought to be used as recommended by this legislation.

Mr. UDALL, Mr. Speaker, one of the most successful conservation programs enacted by the Congress over the last decade or so is the land and water conservation fund program approved in the mid-sixties. This legislation has provided the financial stimulus which has enabled governments at all levels—Federal, State, and local—to meet the expanding and continuing demand for increased outdoor recreation opportunities throughout the Nation.

BACKGROUND

Over the years, the program has grown. It has grown in real terms; it has grown in accomplishments; and it has grown in popularity. When it was first created, the land and water conservation fund totaled only about \$100 million annually. All of the money came from admission and recreation fees, from the sale of surplus Federal property, and from motorboat fuels taxes. It was not long before we realized that, if we wanted this fund to do the job we expected of it, it would have to be expanded.

To accomplish this, it seemed reasonable to take some-not all, but someof the revenues received from the development and exploitation of the Outer Continental Shelf oil and gas resources and reinvest them in lasting outdoor recreation resources for the benefit of the American people. In this way, we could convert these depletable resources belonging to all of us into permanent resources for the benefit of present and future generations of Americans. To this end, the fund doubled and, last year, was increased in increments to \$600 million in fiscal year 1978, to \$750 million in fiscal 1979, and \$900 million in 1980, and

This action has made it possible for the States to enhance and expand recreation opportunities for their people in the cities, and permitted them to protect natural areas in their more rural settings. At the same time, the land and water conservation fund has been the sole source of appropriations for the acquisition of outdoor recreation lands for the National Park System, and has been a principal source of funds for recreation lands acquired by such other Federal agencies as the Forest Service, the U.S. Fish and Wildlife Service, and, to a lesser extent, the Bureau of Land Management.

In spite of all we have accomplished in just the last dozen years, Mr. Speaker, much remains to be done. Long existing national parks continue to contain privately held properties that should be acquired. Many of the major additions to the National Park System in recent years are located in the East, and along our coastlines and lakeshores where little public land exists. These areas require a major investment. As we look to the end of this century-indeed, as we look to the end of this decade-Mr. Speaker, we will see that time is running out. To save these areas for present and future generations of Americans, we must expand our pace and round out these acquisition programs. The opportunities for new and significant additions to the Nation's inventory of outstanding natural and scenic areas are fading fast, and the opportunity to consolidate and protect those areas which this Congress has said should and must be preserved requires an expanded effort.

OBJECTIVES OF THIS LEGISLATION

That is the principal purpose of this legislation, Mr. Speaker. It provides authority for the appropriation of \$450 million for an expanded and accelerated Federal land acquisition program. This money will be made available to the National Park Service, the Forest Service and the Fish and Wildlife Service to purchase lands which the Congress has found to be nationally significant areas. In many cases, these programs have been moving too slowly. It took a century to complete the acquisition of private landholdings in our first national park-Yellowstone-and we cannot afford to wait a hundred years to buy the lands at Indiana Dunes National Lakeshore, at the Buffalo National River. in Pictured Rocks National Lakeshore, or Cumberland Island National Seashore to mention just a few. Experience has shown that the longer we wait, the more it is going to cost. Recreation land values accelerate at a fast pace and the tempo increases once Federal recognition of an area is apparent.

In addition to the monetary considerations, Mr. Speaker, I think it should be recognized that once the Congress creates a park, or a national recreation area, or a seashore, people begin to come. They do not know that Uncle Sam has not purchased the lands. They look at these areas as their national parks, as their scenic rivers and trails, and as their

national lakeshores and seashores. Little do they know that these are just "paper parks" with imaginary boundaries drawn on a map and a congressional act printed in a statute book. They accept these areas as their own, even if the lands have not yet been purchased. The end result is hardship and hard feelings with the local landowners who deserve to have an opportunity to sell their land and receive compensation at fair market value for it in a reasonable period of time.

If enacted, Mr. Speaker, H.R. 5306 will help resolve this problem by providing a one-shot boost in the Federal land acquisition program.

Someone will undoubtedly ask: Why not let the States share in this incremental increase in the fund? The only honest answer to that question is that we think, as the committee which has worked with this program since its inception, that a major effort must be made to reduce and hopefully eliminate the backlog of unacquired lands in the National Park System and other outdoor recreation areas under Federal jurisdiction. Together with the other funds available to the Federal agencies, we think that real progress can be made in converting long existing congressionally authorized areas into tangible resources for the American people.

Mr. Speaker, we must do what is right. We must make our words in the law books have meaning to the men and women of this Nation, and to the old and the young. We can make a small step in that direction by enacting this bill and by following through with the actual funding in our appropriation bills so that when we say Congress authorizes a park, there will be a park to visit, and when we say Congress authorizes a national seashore, there will be beaches to walk on. That is what the people want, that is what they deserve, and that is what this bill seeks to accomplish.

CONCLUSION

I heartily recommend H.R. 5306 to my colleagues. It will help do a job that needs to be done and I hope the House will give it favorable consideration.

Mr. DON H. CLAUSEN. Mr. Speaker, as a member of the Subcommittee on National Parks and Insular Affairs, I am very pleased to be able to support this bill today. As long as I have been in the Congress, we have been authorizing "paper parks." That is to say, the new park areas are authorized on paper, but they fail to materialize on the ground—where it really counts—until years later, when the acquisition and development dollars finally come along.

Our authorizations have long been far ahead of our appropriations. Consequently, the park areas we intend to protect fail to be adequatedly protected until they are paid for. Moreover, during that interim period, the passage of time results in rapid escalation of land values, and when we finally do come up with the money, we often end up paying somewhere between half again to twice the price originally anticipated at the time of authorization.

An excellent case in point is the Point Reyes National Seashore, which at one time was within my congressional district in California. At the time of original authorization in 1962, the authorization ceiling for land acquisition was \$14,000,000. As the acquisition finally nears completion today, the final cost has run up to over \$50,000,000; nearly a threefold increase. Fortunately, this case is more glaring than most. However, statistics show that farm and rural land values over the past 5 years rose on an average of 18 percent annually.

This bill is designed to wipe out the backlog of authorized but yet unacquired lands within all units of the National Park System existing prior to the start of the 95th Congress—within about 3 years. If the appropriations are forthcoming at or near the authorization level, this objective can be achieved. Moreover, a significant part of the funds from this special account established by this bill will be similarly utilized by the Forest Service, Fish and Wildlife Service, and Bureau of Land Management, to significantly reduce their acquisition backlog also.

Mr. Speaker, this bill will save our Treasury millions of dollars by getting our park and outdoor recreation acquisition program on a pay-as-you-go basis. While the front-end fiscal obligation to do this is admittedly quite substantial, it will result in a tremendous savings in the long run.

Mr. Speaker, I urge my colleagues to lend their support to this important

Mr. PHILLIP BURTON. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. Phillip Burton) that the House suspend the rules and pass the bill H.R. 5306, as amended.

The question was taken; and (twothirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the

GENERAL LEAVE

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

CLARIFYING THE REQUIREMENT THAT MEDICAL SERVICES BE PROVIDED BY THE VETERANS' ADMINISTRATION

Mr. ROBERTS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5027) to amend title 38 of the United States Code to clarify the requirement that medical services be provided by the Veterans' Administration in certain cases

The Clerk read as follows: H.R. 5027

Be it enacted by the Senate and House of Representatives of the United States of America in Congress asembled, That section 601(4)(C) of title 38, United States Code, is amended to read as follows:

"(C) private facilities for which the Administrator contracts in order to provide (i) hospital care or medical services to a veteran for the treatment of a service-connected disability or a disability for which a veteran was discharged or released from active military, naval, or air service; (ii) hospital care for women veterans; (iii) hospital care for veterans in a State, territory, Common-wealth, or possession of the United States not contiguous to the forty-eight contiguous States, except that the annually determined average hospital patient load per thousand veteran population hospitalized at Veterans' Administration expense in Government and private facilities in each such noncontiguous State may not exceed the average patient load per thousand veteran population hospitalized by the Veterans' Administration within the forty-eight contiguous States, but authority under this clause (iii) shall expire on December 31, 1978; or (iv) hospital care or medical services for the treatment of medical emergencies which pose a serious threat to the life or health of a veteran receiving hospital care in a facility described in clause (A) or (B) of this paragraph.".

SEC. 2. Section 612 of title 38, United States

Code, is amended-

(1) by striking out ", within the limits of Veterans' Administration facilities," in the matter preceding clause (1) of subsection (f);

(2) by striking out "(to the extent that facilities are available)" in subsection (f) (1)(A); and

(3) by striking out ", within the limits of Veterans' Administration facilities," in subsection (g).

The SPEAKER. Is a second demanded?

Mr. HAMMERSCHMIDT. Mr. Speaker, I demand a second.

The SPEAKER, Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas (Mr. ROBERTS), and the gentleman from Arkansas (Mr. HAMMERSCHMIDT), will be recognized for 20 minutes each.

The Chair recognizes the gentleman from Texas (Mr. Roberts).

Mr. ROBERTS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 5027 is designed to clarify the intent of the Congress pertaining to the furnishing of medical services to veterans in receipt of increased pension or additional compensation or allowances based on the need for regular aid and attendance or by reason of being permanently housebound. According to the Veterans' Administration, a technical amendment included in last year's Omnibus Health Care Act by the other body could mean that several thousand veterans who now receive services and treatment in the local community where they live may be required to travel great distances in order to receive their treatment in VA facilities.

This certainly was not the intent of our committee or the House and I hope the bill will be unanimously adopted so

that these thousands of veterans now receiving medical services on a contract basis will not have their fee cards terminated.

I now recognize the gentleman from Virginia (Mr. Satterfield).

Mr. SATTERFIELD. Mr. Speaker, I thank the gentleman from Texas, the chairman of the Veterans' Affairs Committee for his remarks.

Mr. Speaker, in the last days of the 94th Congress the Senate passed a comprehensive veterans' omnibus health care bill and sent it to the House for action. The House made many amendments to the bill as passed by the Senate. The VA favored a technical and conforming amendment to section 612(g) of title 38, United States Code, requiring that medical services be furnished "within the limits of VA facilities." In commenting on this proposed amendment, the VA provided assurance that this so-called technical amendment would not change the substantive law in any manner.

Following enactment it was learned that an interpretation was being placed on this provision which could terminate between 150,000 and 300,000 of the most severely disabled non-service-connected veterans in receipt of pension and an aid and attendance allowance or those who are permanently housebound from obtaining medical care and medication on a fee basis in the community on this technical and conforming amendment.

On March 1, 1977 the Subcommittee on Medical Facilities and Benefits of the Veterans' Affairs Committee conducted hearings on the bill, H.R. 3696. It was learned at that time from the Veterans' Administration that amendments to section 601(4)(c) and section 612(f) of title 38 included in Public Law 94-581 could also have an adverse impact on providing medical services to serviceconnected disabled veterans in the States of Alaska and Hawaii.

The purpose of the bill, H.R. 5027, a bill in lieu of H.R. 3696, is to restore the language of the law to its former state, prior to the adoption of the Omnibus Health Care Act of 1976.

The Committee on Veterans' Affairs took the unanimous position that the most logical way to proceed would be to go back to the language prior to the passage of Public Law 94-581 so that these veterans can continue to get the kind of treatment and service that they have been getting in the past. It will protect those service-connected veterans in the States of Alaska and Hawaii and will continue to provide essential medical care to the 150,000 to 300,000 most severely disabled non-service-connected veterans who would be adversely affected if the language was not changed.

Mr. Speaker, I urge passage of H.R. 5027

Mr. HAMMERSCHMIDT. Mr. Speaker. I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R.

This measure will eliminate certain language that was approved in Public Law 94-581 in the closing days of the

94th Congress and represented to our committee as technical and conforming amendments.

Somewhat belatedly, we learned that the so-called technical amendment had the effect of terminating fee-basis medical care and medication for somewhere between 150,000 and 300,000 severely disabled veterans. These are veterans who are in receipt of additional pension benefits for being housebound or in need of the aid and attendance of another per-

It was never the intent of our committee that these veterans be deprived of needed medical care. The bill before the House, H.R. 5027, will correct that situation and restore the status quo.

Additionally, the bill will restore essential medical services on a fee basis to service-connected disabled veterans residing in Alaska and Hawaii.

This legislation is essential, Mr. Speaker, if we are to continue providing the medical care for veterans to which this Nation is committed. I urge that the bill be passed.

Mr. SAWYER. Mr. Speaker, will the

gentleman yield?

Mr. HAMMERSCHMIDT. I am happy to yield to my colleague, the gentleman from Michigan.

Mr. SAWYER, Mr. Speaker, I rise in support of the two bills reported from our Subcommittee on Medical Facilities and Benefits, H.R. 5027 and H.R. 3695.

H.R. 5027 is a very important bill that seeks to clarify the intent of Congress in providing adequate medical care to needy veterans. Specifically, the bill corrects the results of Public Law 94-581, which would prevent thousands of veterans from obtaining medical care on a fee basis in the communities where they live. Unless this clarification is made, veterans would be required to seek treatment in Veterans' Administration facilities which can oftentimes involve expensive travel and ambulatory services.

It certainly was not the intent of Congress to cause this change in meeting the medical needs of our Nation's veterans, and I would urge my colleagues to support passage of H.R. 5027.

H.R. 3695 is another important bill that will maintain high levels of care for veterans confined to State veterans' homes. Presently, \$5 million is available yearly for grants by the VA for construction, remodeling, or renovations of these State care facilities.

I am personally acquainted with the fine work and care being given at the State veterans' home located at Grand Rapids, Mich., in my congressional district. A very real need exists to expand the program of assisting States in establishing additional home facilities, and I wholeheartedly support the increased authorization provided in H.R. 3695.

I commend our chairman, Mr. Rob-ERTS, subcommittee chairman, Mr. SAT-TERFIELD, and our subcommittee ranking minority member, Mr. HAMMERSCHMIDT, for their expeditious handling of the legislation to accomplish these badly needed changes, and I urge their passage by the full House.

Mr. ABDNOR. Mr. Chairman, I rise in support of H.R. 5027. This bill which I cosponsor, will correct a true injustice that resulted because of a technicality in Public Law 94-581, the Veterans' Omnibus Health Care Act of 1976. Public Law 94-581 was intended to tighten the fee-basis contract authority of the Veterans' Administration. A literal interpretation of the law precludes all fee-basis contract authority the VA possesses. The result is that 150,000 to 300,000 of our most severely disabed veterans will be deprived of desperately needed assistance. I do not feel that this was the intent of Congress. To clarify the significance of this law, I might point out that not all of our VA hospitals are geographically available to our veterans and much more importantly, not all of our veterans are capable of traveling even short distances. A classic example of those veterans who would be disadvantaged would be our veterans in Hawaii and Alaska where we have no hospitals. Or might also cite those veterans with spinal cord injuries. We have only 18 spinal cord centers throughout the country. Without the fee-basis contract authority these veterans and many others will face even harsher disadvantages than their disability places on them. I, therefore, urge my colleagues in joining me in support of this bill.

Mr. TEAGUE. Mr. Speaker, last year during the final week of the Congress, we enacted the Veterans' Omnibus Health Care Act of 1976, Public Law 94–581. It was a major medical bill that included more than 20 new provisions of law.

Title II of the act contained some 12 pages of medical technical and conforming amendments. One such conforming amendment provided that where any veteran is in receipt of increased pension or additional compensation or allowance based on the need of regular aid and attendance or by reason of being permanently housebound, or who, but for the receipt of retired pay, would be in receipt of such pension, compensation or allowance, the Administration, "within the limits of Veterans' Administration facilities," may furnish the veteran such medical services as the Administrator finds to be reasonably necessary. The Veterans' Administration assured the committee that the language, "within the limits of Veterans' Administration facilities," was being added so that section 612(g) would conform with the language in section 612(a) establishing eligibility for medical treatment for service-connected veterans.

In commenting on the amendment, the Veterans' Administration told the committee the proposed language change would provide for no substantive change in the law.

The problem arose following enactment of Public Law 94-581. The Veterans' Administration decided that the change did change the substantive law and would prevent the agency from allowing the more seriously disabled veteran from

being treated and cared for by a family physician in the community where the veteran lives. This would mean that more than 100,000 veterans now receiving care and treatment on a fee basis in the community where they live would no longer be allowed to receive such care, but would be required to travel to the nearest VA facility to receive such care. This would mean traveling great distances for many veterans.

Mr. Speaker, the reported bill would simply clarify the intent of the Congress that veterans now receiving care and treatment on a fee basis may continue to do so.

I support the bill and urge that it be adopted.

Mr. WYLIE. Mr. Speaker, I rise in support of H.R. 5027. This bill would return the law to what it was before the passage of Public Law 94-581 in one respect only, and that is with regard to the outpatient treatment of the most seriously disabled veterans.

Previously, those veterans who were in receipt of special pension allowances because they were housebound or in need of aid and attendance were authorized outpatient treatment by fee-basis physicians. Inadvertently, what was viewed as a conforming change in Public Law 94–581 developed into a restrictive amendment. It limited outpatient treatment to that available within the limits of Veterans' Administration facilities.

The effect of this restriction on those veterans who can never travel without difficulty and certainly never inexpensively can be easily understood.

In my opinion the restoration of their full entitlement is practically mandatory. I am going to vote for this legislation.

Mr. HILLIS. Mr. Speaker, I rise in support of this measure.

Last year when we passed the Veterans' Omnibus Health Care Act of 1976, Public Law 94–581, the Congress adopted what was at that time considered conforming or technical amendments. However, since the enactment of that measure, it has been determined that those technical amendments, indeed, made substantive changes in the law preventing the VA from having any fee-basis authority to provide care to some of our most disabled and deserving veterans. There is no question that this was not the intent of the Congress in adopting these amendments.

I commend the leadership of the Veterans' Affairs Committee for acting expeditiously on this matter to correct a great injustice being perpetrated on thousands of our most needy veterans due to a mistake by this body.

H.R. 5027 allows those veterans receiving fee-basis care to continue receiving this care as long as it is determined to be medically necessary. If this care is determined to be unnecessary, care could then be provided in VA facility or terminated as the case may be. This case-by-case review of fee-basis contracts will insure that this type of care is provided only in instances of medical necessity.

I strongly urge that every Member give his or her support to this measure.

Mr. HAMMERSCHMIDT. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. ROBERTS. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill H.R. 5027

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

REVISE AND IMPROVE THE PROGRAM OF MAKING GRANTS TO THE STATES FOR THE CONSTRUCTION, REMODELING, AND RENOVATION OF STATE HOME FACILITIES

Mr. ROBERTS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3695) to amend title 38 of the United States Code in order to revise and improve the program of making grants to the States for the construction, remodeling, or renovation of State home facilities for furnishing hospital, domiciliary, and nursing home care for eligible veterans, and for other purposes.

The Clerk read as follows:

H.R. 3695

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subchapter V of chapter 17 of title 38, United States Code, is amended by deleting section 644 in its entirety.

SEC. 2. Subchapter III of chapter 81 of title 38, United States Code, is amended—
(1) by amending section 5031(c) to read

as follows:

"(c) The term 'construction' means the construction of new nursing home or domiciliary facilities, the expansion, remodeling, or alteration of existing hospital, nursing home care, or domiciliary facilities, and the providing of initial equipment for any such facilities.";

(2) by amending section 5031(d) to read as follows:

"(d) The term 'cost of construction' means the amount found by the Administrator to be necessary for a project of construction of facilities defined in section 5031(c), including architect fees, but not including the cost of acquisition of land.";

(3) by amending section 5032 to read as follows:

"The purpose of this subchapter is to assist the several States to construct State home facilities for furnishing nursing home care or domiciliary care to veterans, and to assist the several States to remodel, modify, or alter existing hospital, nursing home, or domiciliary facilities in State homes providing care and treatment for veterans."; and

(4) by amending section 5033 to read as follows:

"(a) There is hereby authorized to be appropriated \$15,000,000 for the fiscal year ending September 30, 1978, and a like sum for the succeeding fiscal year. Sums appropriated pursuant to this section shall be used in such manner as deemed appropriate by the Administrator for making grants to States which have submitted, and have had ap-

proved by the Administrator, applications for carrying out the purposes of section 5032 of this title.

"(b) Sums appropriated pursuant to subsection (a) of this section shall remain available until expended.".

SEC. 3. The heading at the beginning of subchapter III of chapter 81 is amended by inserting "HOSPITAL, DOMICILIARY, and" before "NURSING HOME CARE".

SEC. 4. The table of sections at the beginning of chapter 17 of title 38, United States Code, is amended by deleting in subchapter V the following:

"644. Authorization of appropriations.".

SEC. 5. The table of sections at the beginning of chapter 81 of title 38, United States Code, is amended by inserting in the heading of subchapter III: "HOSPITAL, DOMICILIARY, AND" before "NURSING HOME CARE".

The SPEAKER. Is a second demanded? Mr. HAMMERSCHMIDT. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Texas (Mr. Roberts) will be recognized for 20 minutes, and the gentleman from Arkansas (Mr. Hammerschmidt) will be recognized for 20 minutes.

The Chair recognizes the gentleman

from Texas (Mr. ROBERTS).

Mr. ROBERTS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3695 is an administration proposal. The bill would increase by \$5 million the annual authorization for grants to States for the construction, remodeling, or renovation of State home facilities furnishing care to veterans.

The increased annual authorization is necessary because of the increased number of applications received by the Veterans' Administration for such grants.

I believe we should continue to encourage States to provide such facilities for hospital, domiciliary, and nursing care for veterans.

I know of no opposition to the measure and I hope it will be adopted.

Mr. Speaker, I yield such time as he may consume to the gentleman from

Virginia (Mr. SATTERFIELD).

Mr. SATTERFIELD. Mr. Speaker, on January 19, 1977, the Deputy Administrator of Veterans' Affairs transmitted to the Speaker of the House a legislative proposal to expand and improve the program of making grants to the States for the construction, remodeling, or renovation of State home facilities for furnishing hospital, domiciliary, and nursing home care for eligible veterans.

On March 1, 1977, the Subcommittee on Medical Facilities and Benefits held hearings on the administration proposal, H.R. 3695. The subcommittee received testimony from the Veterans' Administration, the Paralyzed Veterans of America, the Disabled American Veterans, the American Legion, Amvets, the Veterans of Foreign Wars, and the National Association of State Veterans' Homes.

The subcommittee recommended H.R. 3695 to the full committee on March 9 and the full committee, by unanimous

voice vote, ordered the bill reported on March 10.

Under existing law financial grants by the Veterans' Administration are authorized to States for remodeling existing State hospital and domiciliary facilities (38 U.S.C. 644) and also for constructing new State nursing home facilities (38 U.S.C. 5033). Each program contains an annual appropriation authorization of \$5 million through 1970.

Several States have indicated interest in constructing new domiciliaries, either to replace structures which are not economical to remodel or to add additional domiciliary beds. Moreover, according to the Veterans' Administration, the Agency has received more requests for nursing home construction than it can support within the current annual authorization of \$5 million.

Over 10,000 veterans are being treated and cared for in State homes.

H.R. 3695 would reenact the two State home grants programs as a single provision of law. It would authorize the use of funds for the construction of new State home domiciliaries in the same manner as is now provided for State nursing home care. The bill would also increase the appropriation authorized to provide financial assistance toward other badly needed State home facilities.

Enactment of the reported bill would enable the Veterans' Administration to grant to eligible States \$15 million for fiscal years 1978 and 1979—an increase of \$5 million for each fiscal year.

Mr. Speaker, each of the veterans' organizations, the National Association of State Veterans' Homes and the Veterans' Administration, reported favorably on this bill.

Mr. Speaker, I urge passage of H.R. 3695.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3695. This measure will revise an existing program of making grants to States for the construction of State domiciliary homes and nursing homes for eligible veterans.

Under existing law, the Veterans' Administration is authorized to make grants to States for remodeling existing State hospital and domiciliary facilities and also for constructing new State nursing home facilities. Each of these programs authorizes an annual appropriation of \$5 million for each fiscal year through 1979.

Unfortunately, under existing law, States that do not presently operate State domiciliary facilities cannot participate in the Federal grant program, since it is limited to the remodeling of homes in those States that already operate State homes.

The law, on the other hand, contains no prohibition against any State constructing new State nursing home facilities or remodeling existing facilities. Our committee has received expressions of interest in constructing new domiciliary homes from States that do not presently operate such homes. My own State of Arkansas, for instance, has expressed interest in such a project.

The bill before us, H.R. 3695, will permit States that do not presently have veterans domiciliary homes to participate in the Federal grant funds that are available to States that are already operating such homes and wish to expand them. In combining the two provisions of existing law and the \$5 million per year authorization therefor, H.R. 3695 will provide an additional \$5 million authorization, making a total of \$15 million for each year through the 1979 fiscal year. Under this program, Mr. Speaker, the Federal Government does not provide all of the funds for the construction of domiciliary or nursing homes. The Federal Government provides up to 65 percent of the funds while the State must appropriate the balance of the funds needed for this construction. This is an excellent program and permits the Federal Government to share with State governments its obligation to the Nation's veterans at a fraction of the costs it would otherwise be required to underwrite should the care be provided in Federal facilities.

I urge that the bill be passed.

Mr. Speaker, I have no further requests for time, and reserve the remainder of my time.

Mr. TEAGUE. Mr. Speaker, I strongly support the bill, H.R. 3695, that would increase the annual authorization to expand and improve the program of making grants to the States for the construction, remodeling, or renovation of State home facilities by \$5° million. This bill would authorize a total of \$15 million for such grants in fiscal year 1978 and the same amount in 1979.

The Congress should do everything it possibly can to encourage more States to construct and operate medical facilities for care and treatment of veterans. Currently more than 10,000 veterans are receiving care and treatment in such homes. Under section 641 of title 38, the Administrator is authorized to pay each State a per diem rate of \$5.50 for domiciliary care, \$10.50 for nursing home care, and \$11.50 for hospital care, for each veteran receiving such care in a State home, if such veteran is eligible for such care in a Veterans' Administration facility. It is obvious that treatment and care in State homes results in a savings to the Federal Government in that all such veterans are eligible for treatment in VA facilities and most, if not all, would be receiving such care and treatment without the State home beds.

Mr. Speaker, I hope the reported bill receives the overwhelming support of the House.

Mr. WYLIE. Mr. Speaker, I rise in support of H.R. 3605. This bill would incorporate two separate State financial grants into a single provision of law. At the present time, one provision authorizes grants for the remodeling of existing State veterans' hospitals and domiciliaries and the other for the construction of new State nursing home facili-

ties. Each program contains an annual appropriation of \$5 million. The bill before us would increase the overall amount to \$15 million and authorize the Administrator of Veterans' Affairs to permit the eligible States to spend the money for either construction or alteration according to their need. Under the present law, the \$10 million appropriation requires that \$5 million be allocated to each of the two separate programs.

There is an ever-increasing number of older veterans in the United States. The need for their care and medical attention has increased accordingly, especially in the area of nursing care.

State nursing home facilities are needed badly. This legislation will be of particular help in providing new ones.

The State programs for care of veterans has been of great assistance to the Veterans' Administration in augmenting its programs. The veterans themselves many times prefer to use the State facilities because they are closer to their homes and their loved ones. There is also for consideration the fact the States share in defraying the costs involved, thus permitting the care of a large number of veterans for a comparable amount of the Federal Government tax dollar.

I am in complete accord with the aims of this bill, and recommend its passage. Mr. HILLIS. Mr. Speaker, I rise in

support of this measure.

H.R. 3695 is an effort by the House Veterans' Affairs Committee to insure the continuing improvement of the medical services available to our veterans. The medical facilities operated by the Veterans' Administration comprise the largest single hospital, nursing home, and domiciliary care program in the United States. Even so, it has become increasingly difficult to insure that the medical needs of our veterans are being met

With the continuing demand for nursing homes and domiciliary facilities, present appropriation levels have proven inadequate. H.R. 3695 will allow eligible States to be more flexible and responsive in meeting these needs. With this greater flexibility, and the increase in funding provided for by this measure, States will be able to construct needed domiciliary facilities and nursing homes which are long overdue. I strongly urge my colleagues to join with me in supporting H.R. 3695 which is vital in meeting the

needs of our aging veterans.

Mr. ABDNOR. Mr. Speaker, I rise in support of H.R. 3695. Today we have the opportunity to assist our States in providing care to our veterans. We have long assisted the State in caring for our veterans through grants from the Veterans' Administration, H.R. 3695 provides us with the opportunity to continue the authorization of these programs. Existing law provides \$5 million for grants to States for construction and renovation of State homes and domiciliaries. Several States have requested assistance and the current authorization will not meet the needs. H.R. 3695 would increase the authorization to \$15 million for fiscal year 1978 and the same amount for fiscal year

1979. It would also allow the Administrator to use the funds as he deems necessary. Passage of this measure will enable us to assist the States in providing better domiciliary and home care for our veterans. I urge a favorable vote.

Mr. ROBERTS. Mr. Speaker, I have no further requests for time, and reserve the remainder of my time.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill H.R.

The question was taken.

Mr. HILLIS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to clause 3 of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

AUTHORIZING CONTRACTS WITH REPUBLIC OF THE PHILIPPINES FOR PROVISION OF HOSPITAL CARE AND MEDICAL SERVICES TO COMMONWEALTH ARMY VET-ERANS AND NEW PHILIPPINE SCOUTS

Mr. ROBERTS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5029) to amend title 38 of the United States Code in order to authorize contracts with the Republic of the Philippines for the provision of hospital care and medical services to Commonwealth Army veterans and New Philippine Scouts for service-connected disabilities; to authorize the continued maintenance of a Veterans' Administration office in the Republic of the Philippines; and for other purposes.

The Clerk read as follows: H.R. 5029

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That section 230(b) of title 38, United States Code, is amended by striking out "June 30, 1978" and inserting in lieu thereof "September 30,

Sec. 2. Section 632 of title 38, United States Code, is amended-

(1) by striking out "Veterans Memorial Hospital" each place it appears in such section and inserting in lieu thereof in each such place "Veterans Memorial Medical Cen-

(2) by amending the matter preceding clause (1) in subsection (a)—
(A) by striking out "a contract" and inserting in lieu thereof "contracts", and

by inserting immediately after "1978." the following: "and the period beginning on July 1, 1978, and ending on September 30, 1979.

(3) by striking out "July 1, 1978" in subsection (b) and inserting in lieu thereof

"October 1, 1979"; and

(4) by striking out "during the five years beginning July 1, 1973, and ending June 30, 1978—" subsection (d) and inserting in lieu thereof "occurring during the period begin-ning July 1, 1973, and ending September 30,

The SPEAKER. Is a second demanded? Mr. HAMMERSCHMIDT. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Texas (Mr. Roberts) will be recognized for 20 minutes, and the gentleman from Arkansas (Mr. Hammerschmidt) will be recognized for 20 minutes.

The Chair recognizes the gentleman

from Texas (Mr. ROBERTS).

Mr. ROBERTS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, under current law the authority to provide benefits to the Republic of the Philippines for medical care and treatment of eligible veterans will expire in 1978. H.R. 5029 would simply extend that authority for 1 additional

The Congress for many years has acknowledged the moral obligation to provide care for service-connected Filipino veterans who fought with us during World War II to enable the Philippine Government to maintain a high standard of medical care for its veterans and for American veterans who reside in the Philippines. Although the Veterans' Administration and the State Department would prefer a 5-year extension of the current law, they support H.R. 5029.

Mr. Speaker, I yield such time as he may consume to the gentleman from

Virginia (Mr. SATTERFIELD).

Mr. SATTERFIELD. Mr. Speaker, I thank the gentleman from Texas (Mr. ROBERTS) for his remarks.

Mr. Speaker, the bill, H.R. 5029 would extend for a period of 1 year the benefits we have provided to the Republic of the Philippines to provide medical care and treatment as well as nursing home care to Commonwealth Army veterans and New Philippine Scouts. It would also extend for a period of 1 year the Administrator's authority to maintain the regional office and an outpatient clinic in

Mr. Speaker, the Philippines is the only foreign country in which the Veterans' Administration operates a comprehensive benefit program. This program resulted from several causes. The Philippines was a U.S. possession from 1898 until its independence was granted in 1946: Filipinos have served in and with the U.S. Armed Forces since the Spanish-American War, particularly during World War II; and in addition, the Armed Forces have continually recruited several thousand Filipinos each year to serve in the U.S. Armed Forces.

There are four basic categories of recipients of veterans' benefits residing in the Philippines. Filipinos with service in the regular components of the U.S. Armed Forces-including those who served before and during World War II as Philippine Scouts, called Old Scoutsare, for purposes of veterans' benefits, considered U.S. veterans. Approximately 20,000 of these veterans reside in the Philippines and they and their dependents are entitled to the entire plethora of benefits available to American veter-

In addition to these veterans, three additional groups of Filipino veterans are

entitled to limited benefits as a result of military service during and immediately after World War II.

These include approximately 110,000 Filipinos who served in the Philippine Commonwealth Army who were inducted into the U.S. Armed Forces of the Far East in 1941; approximately 312,000 who fought during World War II in guerrilla units recognized by the U.S. Army as part of the U.S. Armed Forces; and 30,000 Philippine Scouts, called New Scouts, enlisting in the U.S. Armed Forces under the provisions of the Armed Forces Voluntary Recruitment Act of 1945. By law these veterans and their dependents are entitled to limited monetary benefits, which are currently paid 50 cents in Philippine pesos for every U.S. dollar to which otherwise entitled.

In addition to monetary benefits, medical benefits for Filipino veterans are provided through a VA grant-in-aid program, primarily for inpatient care at the Veterans' Memorial Hospital in Manila. Filipinos who are "U.S. veterans" and American veterans are also treated at this hospital, but the Veterans' Administration pays their bills from funds appropriated to operate its own medical care system.

Since the enactment of Public Law 865, 80th Congress, approved July 1, 1948, there has been a special program of financial aid to the Republic of the Philippines to assist in providing hospitalization for Commonwealth Army veterans who sustained disabilities during their service in World War II. Public Law 865 established a grant-in-aid program. In addition, the act provided for the construction of the Veterans' Memorial Hospital in Manila at a cost of \$9.4 million, and authorized payments not to exceed \$3,285,000 per year for 5 years through June 30, 1953, as reimbursement for either contract hospitalization or expenses of operation of hospital facilities constructed under the act.

Public Law 84-421 extended the 5-year period of reimbursement for an additional 5 years through June 30, 1958, and authorized payments of \$3 million the first year with payments decreasing by \$500,000 each subsequent year.

Public Law 85-461 authorized modification and extension of the program for another 5 years. The law stated that beginning July 1, 1958, the total of all payments for hospitalization plus cost of travel authorized in connection with hospital care would not exceed \$2 million for any fiscal year.

Public Law 88-40, approved June 13, 1963, extended both the hospitalization and outpatient programs for eligible veterans for an additional 5 years, terminating June 30, 1968.

Public Law 89-612, approved September 30, 1966, expanded and extended the grant-in-aid program for an additional 5-year period ending June 30, 1973. In addition to extending the authority to pay for the expenses of hospitalization and outpatient programs under previous laws for Commonwealth Army veterans for service-connected disabilities, the act broadened the authority to include payments for hospital care at the Veterans' Memorial Hospital of such veterans for nonservice-connected disabilities if they were unable to defray the expenses of necessary hospital care. Moreover, the act authorized such care for New Philippine Scouts who enlisted before July 1, 1946, for either service-connected or nonservice-connected disabilities, if they qualify as veterans of a war unable to defray expenses.

Finally, Public Law 93–82, approved August 2, 1973, extended through June 30, 1978, the grant authority for hospital care and medical services for eligible veterans at a level of \$2 million annually. and authorized that an amount not to exceed \$250,000 of that amount could be used to provide nursing home care for eligible veterans requiring such care. That law also provided for an annual grant of \$50,000 for education and training of health service personnel at the Veterans' Memorial Hospital, and \$50,000 for replacing and upgrading equipment and rehabilitating the physical plant at such hospital through June 30, 1978.

The reported bill, H.R. 5029, would extend for 1 year the current authority of the President to assist the Republic of the Philippines in providing medical care and treatment and nursing home care to certain Commonwealth Army veterans and New Philippine Scouts, and would authorize the Administrator of Veterans' Affairs to continue to maintain an office in the Republic of the Philippines. The bill is identical to H.R. 5030, cosponored by the Honorable Lester L. Wolff.

Congress has continued to acknowledge certain moral obligation to provide care for service-connected Filipino veterans and to recognize, as a practical matter, that the program enables the Philippine Government to maintain a high standard of medical care for its veterans which would not be possible if

such assistance was withheld.

Although the U.S. position has always been that the Philippine Government would eventually be expected to assume full responsibility for the operation and maintenance of the Veterans' Memorial Hospital, because of the state of the Philippine economy, the Veterans' Administration and the Department of State have recommended that the current law be extended an additional 5 years.

Data before the Committee on Veterans' Affairs suggests that the Government of the Philippines may now be less able to bear the cost of assuming total responsibility for the medical program than it would have been at the beginning of this decade.

Therefore, the Committee on Veterans' Affairs has reported H.R. 5029 which would simply extend current authority through fiscal year 1979, in lieu of H.R. 2860, a bill favored by the administration that would have extended current authority for another 5 years.

The committee considered the 5-year extension request; however, except for an inspection of the veterans' hospital in 1976 by the Honorable Don EDWARDS, ranking member of the Subcommittee on Medical Facilities and Benefits, it has been several years since the committee has made a site visit in reference to the hospital program in the Philippines, and the committee feels an onsite inspection of the VA office, hospital, and clinics is necessary before making a long-term commitment. Such site inspection will be made prior to September 30, 1979.

A 1-year extension of current law, rather than a 5-year extension as proposed by the administration, should not be interpreted to mean that the committee or the Congress is giving serious thoughts to reducing the medical benefit program in the Philippines. The committee recognizes the Nation's responsibilities to the Commonwealth Army veterans and eligible Philippine Scouts who fought so gallantly with the U.S. Armed Forces against a common enemy in World War II.

Mr. Speaker, I urge the passage of the bill, H.R. 5029.

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in support of H.R. 5029, a bill which would continue a program initiated by the enactment of Public Law 865 of the 80th Congress in 1948. This program was designed to provide medical care for Philippine Commonwealth Army veterans who incurred disabilities during service in World War II. A part of this law authorized funds for the construction of the Veterans Memorial Hospital, Manila. It was, in essence, a program of financial aid grants.

The program has been extended by legislation on five occasions, for periods of 5 years, most recently in 1973. There has been a broadening of the basic law in the intervening years consisting, in part, of adding certain New Philippine Scouts to the eligibles, hospitalizing those unable to defray the costs of hospital care for non-service-connected disabilities, and updating and maintenance of the hospital and equipment.

The goal of the United States has been that ultimately the Government of the Philippines would asume the costs of operation and maintenance of the Veterans Memorial Hospital. This goal has not yet been attained, and under the present law the program will expire on June 30, 1978. The legislation under consideration would extend this date by only 1 year. Before the new deadline that would be established is reached, the Committee on Veterans' Affairs intends to survey the program with the view toward determining to what extent future grants should be made.

Since we certainly have, at the very least, a moral obligation to provide medical care for those loyal veterans of the Philippines who valiantly assisted us during World War II, I favor the continuance of H.R. 5029 and will, therefore. vote for its passage.

Mr. HILLIS. Mr. Speaker, I rise in support of this measure.

Since 1948 the United States has recognized to varying degrees its obligation to provide adequate compensation to Filipino veterans who have a serviceconnected disability. This obligation is a direct result of the special relationship

which the American people have with the Filipinos. The \$2.1 million authorized in this legislation will insure that those Filipinos who came to the aid of the United States and risked their lives in battle are not forgotten. May it never be said that we forgot those who fought on the behalf of the United States. To that end. I urge my fellow colleagues to support H.R. 5029, which will demonstrate to those eligible Filipino veterans the appreciation we have for their loyalty.

Mr. TEAGUE. Mr. Speaker, I strongly support the bill H.R. 5029, a bill to extend the authority of the President to assist the Republic of the Philippines in providing medical care and treatment and nursing home care to certain Commonwealth Army veterans and certain Philippine Scouts. Current authority to provide such assistance will expire on September 30, 1978, and the reported bill would permit the authority to continue

through fiscal year 1979.

Mr. Speaker, Public Law 865 of the 80th Congress authorized the construction of the Veterans Memorial Hospital in the Philippines. When this hospital was opened on November 20, 1955, it was beyond any doubt one of the finest and best equipped hospitals in Southeast Asia. I attended the dedication. The hospital was a showplace and a monument to the close ties existing between the United States and the Republic of the Philippines. In 1966, when we expanded the existing program at that time, I stated that the medical care program was fulfilling its mission of providing the best of medical care for veterans who served in the organized military forces of the Commonwealth of the Philippines while such forces were in the service of the Armed Forces of the United States. The reported bill will assure the continued efficient operation of the hospital and will assist the Philippine Government in providing a high standard of medical care for veterans through fiscal year 1979.

I am pleased that the committee report takes note of the fact that a 1-year extension of the current law should not be interpreted to mean that the Congress is giving serious thought to reducing the medical benefit program in the Philippines. I think it is very important to assure the continued and effective operation of this hospital as a symbol of the solidarity of the two nations.

Mr. Speaker, I have been privileged to have visited the hospital several times. I am delighted that the Subcommittee on Medical Facilities and Benefits plans to make a site visit sometime during the next year. I think the subcommittee will find that the hospital is fulfilling its intended mission.

I support the bill and I hope it is

adopted by unanimous vote.

Mr. ABDNOR. Mr. Speaker, I rise in support of H.R. 5029. This bill will authorize \$2.1 million for the continued operation of the Veterans Memorial Hospital in Manila to assist the Republic of the Philippines in caring for Commonwealth Army veterans and members of the Philippine Scouts who sustained disabilities during World War II. It has consistently been the U.S. position that the Philippine Government should eventually take over full responsibility for the operation of the facilities, but until that time that we should assist in providing adequate care for those who fought so valiantly with our forces in World War II. I feel that we should continue this obligation and ask that you join me in support of this measure of which I am a cosponsor.

Mr. HAMMERSCHMIDT. Mr. Speaker, I have no further requests for time and reserve the balance of my time.

Mr. ROBERTS. Mr. Speaker, I have no further requests for time and reserve the

balance of my time.

The SPEAKER pro tempore (Mr. SISK). The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill H.R. 5029.

The question was taken; and (twothirds having voted in favor thereof) the rules were suspended and the bill was

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the three veterans bills just passed (H.R. 5306, H.R. 5027, and H.R. 3695).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

EFFECTIVE DATE OF CHANGES IN SICK PAY EXCLUSION

Mr. ULLMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1828) to provide that the changes made by the Tax Reform Act of 1976 to the exclusion for sick pay shall only apply to taxable years beginning after December 31, 1976, as amended.

The Clerk read as follows:

H.R. 1828

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ONE-YEAR POSTPONEMENT OF EF-FECTIVE DATE OF CHANGES IN THE SICK PAY EXCLUSION

(a) Section 505 of the Tax Reform Act of 1976 (relating to changes in exclusions for sick pay and certain military, etc., disability pensions; certain disability income) is amended by adding at the end thereof the following new subsection:

"(f) EFFECTIVE DATE FOR SUBSECTION (a). The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1976."

(b)(1) Paragraph (1) of section 505(c) such Act is amended by striking out "1976" and inserting in lieu thereof "1977".

(2) Paragraph (3) of such section 505(c) is amended by inserting "or January 1, 1977," after "January 1, 1976,".

(c)(1) Paragraph (1) of section 505(d)

of such Act is amended by striking out "1976" and inserting in lieu thereof "1977"

(2) Paragraph (2) of such section 505(d) is amended by inserting "or December 31, 1976," after "December 31, 1975,".

(3) Subsection (d) of section 505 of such Act is amended by striking out "this subsection" and inserting in lieu thereof "such section 105(d)".

(d) The amendments made by this section shall take effect on October 4, 1976.

SEC. 2. TREATMENT OF CERTAIN ELECTIONS OF ANNUITY STARTING DATE.

(a) Any election made under section 105 (d) (7) of the Internal Revenue Code of 1954 or under section 505(d) of the Tax Reform Act of 1976 for a taxable year beginning in 1976 may be revoked (in such manner as may be prescribed by regulations) at any time before the expiration of the period for assessing a deficiency with respect to such taxable year.

(b) In the case of any revocation made under subsection (a), the period for assessing a deficiency with respect to any taxable year affected by the revocation shall not expire before the date which is 1 year after the date of the making of the revocation, and, notwithstanding any law or rule of law, such deficiency, to the extent attributable to such revocation, may be assessed at any time during such 1-year period.

(c) The amendments made by the first section of this Act shall not apply

- (1) with respect to any taxpayer who makes or has made an election under section 105(d)(7) of the Internal Revenue Code of 1954 or under section 505(d) of the Tax Reform Act of 1976 (as such sections were in effect before the enactment of this Act) for a taxable year beginning in 1976, if such election is not revoked under subsection (a) of this section, and
- (2) with respect to any taxpayer (other than a taxpayer described in paragraph (1)) who has an annuity starting date at the be ginning of a taxable year beginning in 1976 by reason of the amendments made by section 505 of the Tax Reform Act of 1976 (as in effect before the enactment of this Act), unless such person elects (in such manner as the Secretary of the Treasury or his delegate may by regulations prescribe) to have such amendments apply.

The SPEAKER pro tempore. Is a second demanded?

Mr. CONABLE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. ULLMAN. Mr. Speaker, H.R. 1828 generally postpones for 1 year the effective date of the sick pay revisions made by the Tax Reform Act of 1976.

The 1976 act made extensive changes in the tax treatment of sick pay; it generally repealed the provision and substituted a new, more restricted, disability income exclusion. The major changes made by the 1976 act in this provision include the following: The exclusion is available only if the taxpayer is permanently and totally disabled; the exclusion is phased out for adjusted gross incomes of more than \$15,000; and, under certain circumstances if a taxpayer wishes to recover tax-free the amount of any contributions he or she made to an annuity program, the taxpayer must make an irrevocable election not to use

the sick pay exclusion for that year and

any subsequent year.
Although the Tax Reform Act of 1976 did not become law until October 4, 1976, the revisions in the sick pay exclusion were made applicable back to January 1. 1976. Even though the House version of the tax reform bill, which passed on December 4, 1975, changed the sick pay provision prospectively, by applying the revisions to taxable years beginning after December 31, 1975, most of the taxpayers affected by the change were not aware of it.

By October 4, 1976, many people had received amounts which were excludable as sick pay under the old law, but not under the new law. In many of these cases, the taxpayers did not fully realize what changes had been made until they examined the tax forms and instructions this year, and had to come up with the additional money to pay the increased tax liabilities.

This bill relieves those taxpayers of these unanticipated tax increases by generally postponing for 1 year the effective date of the sick pay provisions. Under this bill, the sick pay provisions generally begin to apply in 1977—that is, for taxable years beginning after December 31, 1976.

The bill also contains a number of technical provisions designed to protect people who made certain elections relating to sick pay under the 1976 act provisions. These people will be given the opportunity to revoke those elections and make new elections beginning in 1977 or at a later date. Also, for some people the 1976 act rules reduce current or future tax liability. For those relatively few people who prefer the 1976 act rules, the bill permits them to stay on those rules for 1 more year.

In effect, taxpayers are permitted by the bill to choose whether 1976 is to be their last year under the old rules or their first year under the new rules.

This delay in the effective date is estimated to result in a one-time \$327 million reduction in receipts, all in fiscal year 1977. The third concurrent budget resolution, as agreed to by the Congress. provides sufficient room for this revenue reduction.

Mr. Speaker, I believe the changes made by this bill are reasonable and fair. I urge the House to pass the bill, H.R.

Mr. CONABLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1828, which would change the effective date of changes in the sick pay exclusion in the Tax Reform Act of 1976 by 1 year. so that the new provisions would apply to taxable years beginning after December 31, 1976.

The bill would also permit taxpayers as to whom the new rules resulted in lower taxes than the pre-1976 rules to have the option of keeping the new Tax Reform Act rules in effect for taxable year 1976. In fact, of course, many people have already filed their 1976 tax returns in accordance with the new rules, which are incorporated into the relevant tax forms and instructions.

I believe that the change in the effective date in this bill is an equitable and necessary one. The Tax Reform Act of 1976 was not enacted into law until the very end of the preceding Congress, in October 1976. The House version of the act had passed in December 1975, with a yearend 1975 effective date. The Senate merely used the House effective date in its version of the act. Therefore, there was no opportunity to change what had become a retroactive date in conference. the committee report on this bill points out, the result has been that many taxpayers who are retired on disability pensions have been faced with a substantially increased tax liability for 1976 which has come on them unexpectedly.

The relief in this bill is necessary. I urge its passage.

Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. HILLIS).

Mr. HILLIS. Mr. Speaker, I rise in very strong support of this important legis-

Mr. Speaker, the retroactive changes implemented in the sick pay disability provision (section 505) of the Tax Reform Act of 1976 are extremely unfair. This unexpected and insensitive tax change affects those who are least able to afford it. Action to provide relief to the many sick and disabled individuals who are only now finding they must be responsible for taxes for which they were previously exempt, is necessary. It is only right that these people have ample opportunity to prepare to pay the added tax liability imposed by section 505 of the law. As it is, many are having to borrow or deplete their savings to make the lump sum payment now expected.

I am pleased that the necessity for legislation to provide relief for sick and disabled individuals has been recognized by many of my colleagues, who, like me, have cosponsored legislation to postpone the effective date of these changes for 1 year. The Ways and Means Committee has acted expeditiously in reporting out the bill, H.R. 1828, sponsored by my distinguished colleague from Indiana, Mr. JACOBS. Our positive action on H.R. 1828 to make these changes effective for taxable years after 1976, is owed to the many people who are being unfairly affected.

Mr. CONABLE. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia (Mr. Robert W. Daniel, Jr.)

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, as the original coauthor, with Senator ROBERT DOLE, of legislation to extend for 1 year the sick pay exclusion, I would like to urge my colleagues to support the bill we are considering today. H.R. 1828. Except for necessary technical amendments, which I supported during my testimony before the Ways and Means Committee, H.R. 1828 is identical to the original sick pay legislation that I introduced and that is now cosponsored by over 200 House members.

This impressive display of support for a short-term change in the Tax Reform Act of 1976 demonstrates the desire of many, if not most, of our colleagues to prevent a great injustice to over a million Americans.

The sick pay exclusion, prior to passage of the Tax Reform Act of 1976, was an exclusion from gross income of up to \$5,200 annually-\$100 per week maximum-in amounts received under wage continuation plans when "absent from work" because of personal illness or injury. The sick pay exclusion was often used, for example, by persons receiving a disability pension, many of those persons only partially disabled—for purposes of the job they formerly held—and presently employed in another capacity.

The use of the exclusion for deducting sick pay-as opposed to disability income-involved a waiting period which depended upon the proportion of normal salary covered by the wage continuation plan and the length, if any, of hospitalization of the taxpayer. The disabilityrelated exclusion provided that during the period that a retired employee was entitled to the sick pay exclusion, he could not recover any of his contribution toward any annuity through the section 72 (Internal Revenue Code) deduction.

The Tax Reform Act of 1976 restricted use of the sick pay exclusion, as of January 1, 1976, to those under age 65 who had retired on permanent and total disability-"unable to engage in any substantial gainful activity." Moreover, the maximum amount excludable was to be reduced on a dollar-for-dollar basis by any of the taxpayer's adjusted gross income in excess of \$15,000; thus the exclusion, if the taxpayer had received the maximum \$5,200, would not apply at all if his total income was \$20,200 or more. Where the taxpayer was married at the close of the taxable year, a joint return was required.

As we all know, the Tax Reform Act was a very voluminous piece of legislation, one whose conception and development into public law exhausted the better part of the duration of an entire Congress. It is not my intention today to argue the merits of a retention or elimination of the sick pay exclusion. I hope simply to convince my colleagues that the timing of the sick pay changes, whatever their merits, presents a real hardship for thousands upon thousands of taxpaying citizens; moreover, that the 1-year gain from stricter treatment of the exclusion in 1976, particularly with consideration of the imminent tax stimulus to the economy, can be fore-

Needless to say, a majority of our colleagues have heard from taxpayers who do not accept the logic of the restrictions of the sick pay exclusion. The urgent question before us today, however, is simply this: Shall the stricter treatment of the sick pay exclusion be applied to all of the tax year 1976, or should the Congress make the sick pay changes first effective in the current tax year, 1977?

We are going to decide an issue of fairness today. The Congress certainly had the right to change the sick pay exclusion, but is it fair to revoke a deduction for sick and disabled people toward the end of a tax year? I think not.

Because the Tax Reform Act was not signed into law until October 1976, the stricter treatment of the sick pay exclusion was, in effect, retroactive. Indeed, because estimated taxpayments and withholding were based on the former law, many affected taxpayers paid or withheld far too little money. As a result, these Americans, many of whom are in dire financial condition as a result of their illness or disability, are expected to pay an additional lump sum tax of up to hundreds of dollars. Few of the 1.2 million Americans affected are fortunate enough to be able to absorb such a large, unexpected financial loss without severe personal sacrifice.

As one of my constituents wrote:

If the tax law were made effective as of January 1, 1977, we could make arrangements to have the tax withheld during the year and not have to face having to pay such an unexpected sum at the end of the year.

Or, as one man from North Carolina wrote:

My Federal income tax is paid wholly on an estimated basis. The estimate for 1976 took into consideration my qualification for "sick pay exclusion" from my Civil Service retirement annuity. It frightens me to think of the additional tax due next April unless your measure is approved.

Finally, as another of my constituents wrote:

Most people who live on a fixed income live on a very tight budget. Many will be unable to pay this added tax without undue hardship as they have had no opportunity to save for this unexpected taxation.

The 1-year extension of the sick pay exclusion is supported by a wide range of citizen groups. These include the American Association of Retired Persons, the National Association of Retired Federal Employees, the National Treasury Employees Union, the National Federation of Federal Employees, the Air Force Sergeants Associations, the United Mine Workers, and the AFL-CIO.

Both the Senate and House have accepted changes in the 1977 budget resolution to accommodate the 1-year loss of \$327 million. The Senate Finance Committee has attached sick pay extension language to the President's tax reduction legislation, indicating the other body's interest in this measure. Mr. Dole's legislation, S. 4, has attracted 30 Senate

cosponsors.

We have a chance today to show over a million Americans that the Congress is compassionate, sensitive and fair in the application of tax law. I ask my colleagues to act quickly and favorably on H.R. 1828.

Mr. CONABLE. Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia (Mr. Wamp-LER) .

Mr. WAMPLER. Mr. Speaker, it is a pleasure for me to rise in support of H.R. 1828, to defer the effective date of the sick pay exclusion for 1 year, to apply only to taxable years beginning after December 31, 1976.

The Committee on Ways and Means

has taken prompt action on this measure, for which they are to be commended. The House of Representatives, by considering this measure on a timely basis, is showing to the American people that we are sensitive and compassionate to the special problems resulting from legislation which we have previously endorsed, namely the Tax Reform Act of 1976. By our willingness to correct this apparent inequity, we may perhaps regain a part of the confidence lost in the House and in the Congress by our citizens. It was not the intent of the 94th Congress to force this hardship on our disabled and elderly who are hardest hit by this retroactive taxation on their sick and disability pay.

Approximately 1.2 million taxpayers

are affected by the sick pay exclusion. and these persons had every right to expect to take advantage of the personal income tax deduction of up to \$100 per week in sick or disability pay on their 1976 tax returns. To eliminate this exclusion retroactively, whether intentionally or not, is most unfair, leaving many of our sick or disabled with unexpected taxes which are a hardship for them to pay on their limited incomes, and in some cases impossible for them to pay on a timely basis.

Again, I commend my colleagues on the Committee on Ways and Means for their thoughtful consideration of this important matter, and I feel sure my colleagues in the House of Representatives will today rectify this oversight included in the Tax Reform Act of 1976 by affirmative consideration of this measure to defer the effective date of the sick

pay exclusion for 1 year.

Mr. CONABLE. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. Mr. Speaker and my colleagues, I rise today in support of H.R. 1828, a bill to make the sick pay exclusion provision contained in the Tax Reform Act of 1976 effective for taxable years beginning after December 31, 1976, rather than December 31, 1975.

As you know, section 505 of this act repealed the provision under prior law that enabled an employee to exclude from income up to \$100 per week received under wage continuation plans, when he was absent from work as a result of injury or sickness. The act continued the exclusion of up to \$5,200 a year for retirees under age 65, but only if they were permanently and totally disabled.

The impact of the retroactive sick pay exclusion provision will be deeply felt by 1.2 million Americans. Each of these individuals will be required to pay an average of \$272 in extra taxes for calendar year 1976. It is only fair to allow those people affected by the change provided for in section 505, the sick and disabled of our Nation, ample opportunity to make provision for payment of this additional tax liability. I cannot fathom the wisdom of forcing these people to borrow or dip into their savings in order to make a lump sum payment for taxes which they were not expecting and for which they had not received adequate advance notice. Borrowing or withdrawing from their savings are the only alternatives presently available to these people, unless they want to be assessed a penalty by the Internal Revenue Service for failure to meet their tax obligations.

We in Congress must correct the injustice embodied in the current law by moving swiftly and positively toward enactment of H.R. 1828. As you are aware, the timetable for enactment of this bill is a strict one. For this reason, I urge all the Members of the House of Representatives to give their mutual consideration and approval to H.R. 1828. By doing this, we would be able to reconcile the injustice contained in the present sick pay exclusion provision of the Tax Reform Act of 1976, prior to April 15, 1977, the final filing date for Federal income tax returns.

Mr. CONABLE. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania MARKS).

Mr. MARKS. Mr. Speaker, I rise in support of H.R. 1828, a bill to extend the effective date of the sick pay exclusion provided for in the Tax Reform Act of 1976. As one of the 180 bipartisan cosponsors, I am pleased that the Ways and Means Committee has acted so expeditiously on this bill. The bill will alleviate an unnecessarily heavy burden on a segment of the taxpaying public which can least afford it-the nearly 1 million tightly budgeted retirees and other individuals living on disability compensation.

I am sure that all of us have seen a good deal of very concerned correspondence on the sick pay exclusion cross our desks. Those worried constituents are justified in their feelings-section 505 of the Tax Reform Act of 1976 which restricts eligibility for exclusion of sick pay benefits to those under 65 and retired on permanent/total disability, is grossly inequitable. It is clearly a case of retroactive taxation as the 1976 tax law was passed virtually at the end of a tax year. Many individuals anticipated the customary exclusion for 1976 and budgeted accordingly; many have paid their 1976 taxes based on the assumption of that exclusion. Whatever the relative merits of the initial repeal of the sick pay exclusion itself, I sincerely feel that we should give the affected group of taxpayers at least 1 year to plan for a tax liability of this size. They should not be penalized for Congress time schedule in the 94th Con-

I would like to remind all of us that. as our colleague and primary sponsor of the bill, Bob Daniel of Virginia, has pointed out, "This is just a matter of fairness." I urge my colleagues to vote in favor of this bill.

Mr. CONABLE. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. SAWYER).

Mr. SAWYER, Mr. Speaker, when the Tax Reform Act of 1976 became law on October 1, 1976, it made extensive revisions in the sick pay exclusion retroactive to January 1, 1976. This bill before us, H.R. 1828, is a very simple piece of legislation. It will allow the many tax-payers affected, the advance notice that is reasonable and necessary in meeting their Federal tax obligations by making changes applicable only after December 31, 1976.

To expect taxpayers to bear increased tax burdens resulting from changes in law which establish a retroactive effective date is grossly unfair and establishes a bad precedent for future tax revisions.

I applaud the grassroots effort made to eliminate the sick pay exclusion inequity for 1976, and I hope President Carter will approve this legislation expeditiously in consideration of the many persons awaiting congressional action before filing their 1976 Federal income tax return. I am pleased to have been a cosponsor of similar legislation and I urge adoption of H.R. 1828.

Mr. CONABLE. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota (Mr. Hage-

Mr. HAGEDORN. Mr. Speaker, I rise in behalf of H.R. 1828 which would delay from December 1, 1975, to December 1, 1976, the effectiveness of provisions of the Tax Reform Act of 1976 which modify the treatment of sick pay benefits. As a result of this legislation, many taxpayers who were formerly entitled to an exclusion from income of up to \$100 per week have, retroactively, been denied this benefit for 1976.

It is unnecessary to debate the merits of the sick pay exclusion at this time. H.R. 1828 does not restore it; it simply delays it. What is at issue is whether or not taxes ought to be imposed upon individuals after they have acted in good faith on the basis of tax provisions then in existence. I do not believe that this is proper. Individual taxpayers must be given the opportunity to arrange their financial affairs in a manner best suited to take advantage of Federal revenue laws. They should not have to bear unexpected or unanticipated tax burdens simply because they failed to predict the outcome of legislative debate. The sick pay exclusion was eliminated in October of 1976 by an act which purports to carry this treatment back to the beginning of the year. Unless we approve this legislation, many of those retired on disability pensions are going to be subject to heavy interest payments and penalties for inability to pay their full obligations on time. I wish to strongly urge this body to approve this legislation and to consider instituting safeguards to insure that this sort of "after-the-fact" legislating does not occur again.

Mr. CONABLE. Mr. Speaker, retroactivity is a very bad principle, even when it occurs through inadvertence, as a result of the delayed procedures here in the Congress. I urge support of this leg-

Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I want to

pay a special word of tribute to the gentleman from Virginia (Mr. Robert W. Daniel, Jr.), who was the originator and prime sponsor of the first bill introduced to accomplish the restoration of the sick pay exclusion in the tax law. Because of the vagaries of politics in the House of Representatives, the majority party has the prerogative of presenting legislation.

It has a very worthy sponsor in this case. But without the determined effort made by the gentleman from Virginia, this legislation would not have come to passage today. I am sure it will have the endorsement of the House and the people in his district and in mine, and all across the country. They will have benefited considerably by his interest in changing what was definitely a mistake in the tax law.

Mr. Speaker, the unexpected and sudden elimination of the exclusion of sick pay as a taxable item for the entire year of 1976 poses a heavy tax burden to bear on those who can least afford it. Legislation to put at least a 1-year delay on this change will help redress the situation which is why I have cosponsored and do support legislation to defer the effective date of "sick pay" for 1 year, such as that pending today.

This change has retroactively increased the 1976 tax liability of many citizens, particularly those who are retired and on fixed incomes. We must see enacted at the earliest possible time, and hopefully enacted before the April 15 income tax deadline, legislation to delay this regressive and unfair tax imposed on more than a million sick or disabled Americans.

The retroactive nature of the elimination of the sick pay exclusion produces a cruel and costly surprise for retirees who must plan their long-term tax obligations very carefully. They cannot afford such additional and unforeseen tax burdens. The public reaction against this elimination has been overwhelming, a fact neither hearings nor further studies need to prove.

Literally thousands of letters have poured into my office protesting this retroactive policy. The message is being sent by citizens who hold in common their disappointment in and impatience with any branch of Government which could seem so insensitive to their situations. These citizens are hardly in a position to withstand the financial barrage mistakes and legislative second thoughts which end up becoming the tax law of the land. These citizens have no special trusts or funds or bank accounts from which to pay their obligations. In most cases, they are only one paycheck ahead of these obligations.

This is why I am particularly pleased that at least in this area, the Congress is doing something for, rather than to, the citizens of our Nation. The legislation we consider here today would provide for an amended return on the part of those citizens who have already made the "irrevocable election" to use section 72 exclusion of the tax form, but who would not have made that election on their 1976 returns if H.R. 318 had been

enacted earlier. This bill would change the effective date of the elimination of the sick pay exclusion from January 1, 1976, to January 1, 1977, thus providing for the needed relief to those citizens presently being victimized.

This is certainly the responsible solution needed to solve what has become a

nightmare for all too many.

I certainly hope we follow the action of the other body in passing this legislation and sending it along to the President for his signature in order that it become law before the April 15 deadline. In this way, we can assure that the beleaguered taxpayer is spared at least some of the confusion and paperwork he must put up with each year during tax time, and our action here today would also save the face of a Federal agency in what certainly deserves to be called for them, an embarrassing situation.

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Virginia (Mr. ROBERT W. DANIEL, JR.).

Mr. ROBERT W. DANIEL, JR. I thank my friend, the gentleman from Mary-

land, for yielding.

Mr. Speaker, I want to say to the gentleman from Maryland (Mr. Bauman) that I am deeply grateful for his generous comments.

Mr. CONABLE. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. Whalen).

Mr. WHALEN. Mr. Speaker, I rise in support of the legislation before us today which would provide that the changes made by the Tax Reform Act of 1976 regarding tax exclusion of sick pay and disability payments would apply only to taxable years beginning after December 31, 1976. Also, I strongly urge that the exclusion of these payments for tax exemption purposes be reconsidered in the months ahead.

Before October 4, 1976, when the Tax Reform Act was passed, an employee who retired on disability or was off the job for an extended period due to ill health could exclude from Federal taxation up to \$100 per week or \$5,200 per year in sick pay benefits. Sick pay is the designation for payments which a worker who has been the victim of illness or serious personal injury receives under a wage continuation plan. The tax reform bill repealed this exclusion retroactively to January 1, 1976, except for those persons under 65 who were permanently and totally disabled. To qualify as totally disabled, a person must be unable to perform any substantial gainful activity due to a mental or physical impairment which is expected to last at least 12 months or result in death.

I disagree with the retroactive application of this provision of the Tax Reform Act. I, personally—and I believe most of my colleagues in the House and Senate—did not realize the serious impact which this particular provision of the law would have on some 1.2 million American tax-payers who had anticipated having the benefit of this exemption for the tax year of 1976. Certainly, the individual tax-

payer must be given more advance warning when a change of this magnitude and nature is made.

By imposing retroactive new rules, the Tax Reform Act placed an additional tax liability on retired employees which those persons had no reason to anticipate. These individuals—often retired and living on fixed incomes and already burdened by difficult and unusual medical and financial problems—expected to use the sick pay exclusion when filing their tax return for 1976. Perhaps the most onerous aspect of this legislation is the possibility that the people affected might have been required to pay fines or penalties for underpayment of estimated taxes.

Mr. Speaker, the cost of extending the personal income tax deduction for sick pay through 1976 would be approximately \$327 million in anticipated Federal revenues for fiscal year 1977. When compared with other Federal expenditures this seems to be a small amount to pay for assuring that no one will face unexpected tax liability and penalties for sick pay they received in 1976.

I have received a tide of mail from men and women in the Third Congressional District of Ohio who are being personally affected by the new provision. It would be difficult to overstate the anxiety which this measure has caused to the elderly and the ill who are already having a

hard time making ends meet.

I hope the House will act today with compassion and thoughtfulness and will rescind the retroactive provision of this law. In addition, I request prompt consideration by the House Ways and Means Committee of the wisdom of allowing the exclusion of this exemption to go into law at this time. In my view, it is unfair to deprive one sector—in this case, the elderly and the ill—of a tax break while allowing many other tax breaks or loopholes to go unchecked because of powerful and influential lobbies.

Mr. CONABLE. Mr. Speaker, I reserve

the balance of my time.

Mr. ULLMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. Pickle), a member of the committee.

Mr. PICKLE. Mr. Speaker, I rise in support of H.R. 1828, effective date of changes in sick pay exclusion. I was a cosponsor of this bill that would delay for 1 year the changes made by the Tax Reform Act of 1976 with respect to the exclusion of sick pay from income. I have had many letters from my constituents explaining how, since they were not aware of the change, they were faced with a larger and unexpected final taxpayment due with their 1976 tax returns. Many of these taxpayers were retired on disability pensions and this large unexpected payment was a serious hardship that they were pressed to meet. By changing the date that this becomes ef-fective for 1 year to taxable years beginning after December 31, 1976, they at least have time to budget for the change.

The bill also assists those taxpayers who prefer the tax treatment provided in the Tax Reform Act to the old sick pay provision to benefit from the annuity exclusion "as if" the Tax Reform Act disability income exclusion still applied to 1976, if they wish. Those who wish to change their "irrevocable" elections or to undo their recoveries of contributions for 1976 are also permitted to do so by the bill.

This bill is attempting to give taxpayers this year to adjust to the new changes, to use them if they wish, or to wait for another year. It seems fair to me in making such a far-reaching change, that taxpayers at least have a

year to adjust to the change.

I also wish to thank our chairman, the Honorable Al Ullman, for making it possible to consider this bill at this time, and to thank the Honorable Andy Jacobs for his leadership in bringing about this vote. It was the persistence of the gentleman from Indiana (Mr. Jacobs) that helped get the bill before us, and in the budget.

Mr. JACOBS. Mr. Speaker, will the

gentleman yield?

Mr. PICKLE. I yield to the gentleman from Indiana (Mr. Jacobs).

Mr. JACOBS. I thank the gentleman

for yielding.

Mr. Speaker, I would like to return the compliment of the gentleman from Texas (Mr. Pickle). He was, obviously, one of the strongest advocates of this

legislation in the committee.

I think it should be pointed out that when the other body makes an error, it is nice to have the House of Representatives to correct it. And when the House of Representatives is correcting such an error, it is particularly gratifying to have the kind of chairman (Mr. Ullman), who keeps his word when he says the bill will be brought up before the 15th of April. When the occasion arises, the House of Representatives can act expeditiously, especially if the gentleman from Texas (Mr. Pickle) is around.

Mr. PICKLE. The gentleman is very kind.

Mr. DON H. CLAUSEN. Mr. Speaker, I rise in strong support of H.R. 1828, to deter the effective date of the sick pay exclusion for 1 year, and I would like to commend the chairman and members of the House Ways and Means Committee for the prompt attention given this problem.

As a cosponsor of similar legislation, I was pleased with the immediate consideration my proposal and others like it received by the committee. This positive action made it possible for us to vote on

this legislation today.

The need for the change in the effective date stems from the fact that the Tax Reform Act of 1976 was not enacted until October 1976 while the sick pay revisions contained in the act were made retroactive to January 1, 1976. As a result many taxpayers are faced with a sudden and considerable tax burden.

In discussions I have had with my constituents and in the mail I have received, the point is made over and over again that this unexpected tax is inequitable as they were given no time to plan for it. I agree completely.

A taxpayer in Fort Bragg, Calif. wrote:

The worst problem, however, is that I had no opportunity to prepare for the impact of the revised Federal tax regulations and, as a result, am faced with a tax liability of some \$800 which I am absolutely unable to pay.

A family from Napa, Calif. called the sick pay benefit a burden as they must now come up with several hundred dollars to pay the tax.

Many have indicated to me that they will be forced to borrow the money to pay the tax liability if this corrective legislation is not enacted. These people are already living on limited incomes and this additional hardship may be too much for many to bear.

I urge my colleagues to join us in providing the needed relief for this group of taxpayers by voting for the extension of

the effective date.

Mr. LEGGETT. Mr. Speaker, I am pleased to add my wholehearted support to the provisions of H.R. 1828. Our action in making retroactive changes to tax treatment of sick pay, which was in my case inadvertent, has caused a great deal of anger, frustration, and consternation among those of my constituents who it affected. They do not consider that they were treated fairly in this matter, and I agree with them. For individuals whose tax affairs were prearranged based on treatment in effect at the beginning of the year and for those who make estimated payments, the rules were changed in the middle of the game. That is not the American way of doing business.

I am gratified at the rapid response of the Committee on Ways and Means in providing legislation to deal with this obvious inequity. One of the major reasons that fast action is called for in this instance is, as members are aware, that we are not talking here of a tax loophole of major proportions for wealthy individuals or large corporations. We are speaking of tax equity for wage and salary earning individuals, mostly retired. all of whom are disabled to some degree. This disability brings about both a reduced earning capacity and increased expenses due to medical needs. It is this dual drain that the sick pay exclusion was designed to take cognizance of.

The committee estimates that this bill would reduce Federal receipts by \$327 million in this fiscal year. While that is not an insignificant sum, it will not bankrupt the Federal Government, and it is certainly little enough to pay for a tax code Americans can have confidence in. In the interests of equity and fair play, I most strongly urge adoption of this measure.

Mr. LENT. Mr. Speaker, I rise in support of H.R. 1828, which would eliminate the retroactive application of changes made in the sick pay/disability exclusion law by the 1976 Tax Reform Act.

The fact that this change was to be applied retroactively can only be the result of confusion in getting the 1976 Tax Reform Act passed in the final days of the 94th Congress.

That the Congress must act to eliminate this error is obvious. Almost a million Americans, who retired on disability pensions, have been counting on the availability of this exclusion in estimating their withholding, and in preparing budgets for the 1976–77 tax years. To require them to pay this tax increase retroactively would work an unbearable hardship on many. Furthermore, to let this retroactive application of the law stand would set dangerous precedents of the kind our Constitution seeks to avoid in prohibiting the passage of any ex post facto laws.

I would also like to commend my colleague from Virginia, ROBERT DANIEL, for the effort he and his staff have put in to expedite congressional consideration of this badly needed legislation.

I urge an affirmative vote on this bill. Mr. ROGERS. Mr. Speaker, I rise in support of this bill, H.R. 1828. I am most pleased to see the House consider this bill today and I compliment the chairman of the Ways and Means Committee for the expeditious action the committee gave this legislation. I was pleased to join many Members of the House in cosponsoring legislation to prevent the retroactive taxation of disability retirement benefits received in 1976.

Since enactment of the Tax Reform Act in October, it has become apparent that this provision would impose a great hardship on many taxpayers across the country. The provision would have a particularly severe impact on great numbers of residents in my district in south Florida, who are retired on partial disability pensions with little or no outside income, and who had not set aside funds to meet this additional tax liability. I have been contacted by many constituents who will be required to borrow funds or deplete savings to meet this unexpected burden, which in many cases runs into many hundreds of dollars.

This bill will lift that burden and I

This bill will lift that burden and I urge each of my colleagues to support it. Again I commend the leadership and the committee for enabling such expeditious action on this legislation, which is so important to many of our people.

Mr. FISHER. Mr. Speaker, I would like to speak in favor of the proposal to eliminate the retroactivity feature of the changes which the Tax Reform Act of 1976 made to the tax treatment of disability and other sick pay.

The Tax Reform Act of 1976 estab-lished considerably tougher standards which a taxpayer must meet if he wishes to claim the annual exclusion of \$5,200 for disability and sick pay. These new requirements, which prevent many disabled retirees from claiming the socalled sick pay exclusion, are effective for the 1976 taxable year, even though the Tax Reform Act was not signed into law until October of that year. As a result, unless Congress acts to repeal the retroactive effect of the new provision, many taxpayers will discover that they owe a substantially higher 1976 tax bill than they thought they would have to This is a particularly cruel blow for many disabled retirees, who are living on a fixed income and will have great difficulty in raising money for this tax back-payment. To prevent this unfair and harsh result, I urge swift passage of H.R. 1828.

However, although I support the bill under consideration, it does not extend as far as I would like. Many individuals, who retired several years ago partially in reliance on the tax treatment of their disability payments, will face another hardship next year when they have to pay their taxes. It seems to me that the tax treatment accorded retired people should not be changed after the fact. Elderly taxpayers, unlike some other groups, are unable to meet cost-of-living increases with higher wages or salaries and are therefore hard-pressed to absorb a higher tax bill and higher prices while their income remains the same.

For these reasons, I hope that the Ways and Means Committee will give consideration later this year to a bill I have offered (H.R. 1828) that would provide a grandfather clause for those individuals who had retired on disability as of the date the Tax Reform Act was signed into the law. Those people would continue to receive the benefit of the \$5,200 exclusion for disability payments as if no change in the law had occurred. In most cases, this would mean that a disabled retiree could claim the sick pay exclusion until he reached age 70.

The bill before us is a necessary first step but only that.

Mr. BOB WILSON of California. Mr. Speaker, as the cosponsor of similar legislation, I would like to express my wholehearted support for H.R. 1828, which will postpone for 1 year the effective date of the change in the sick pay exclusion.

The Tax Reform Act of 1976 substantially revised the requirements of the sick pay exclusion and, additionally, made these changes retroactive to January 1, 1976. What this means is that many, many taxpayers now find that they must ante up hundreds of dollars in additional taxes by April 15. It is important to emphasize that we are not talking about a tax shelter for the well-todo, but rather about disabled workers trying to make ends meet. The average taxpayer does not have access, and cannot afford, a tax lawyer to keep him apprised of impending amendments to the Internal Revenue Code. Few of these individuals had any notion that the law would be changed, much less that it would be made retroactive. They will have to dig deeply into savings or take out loans in order to meet this obligation.

Further, I would urge the House Ways and Means and Senate Finance Committees to take another look at the change itself. I am concerned that, in trying to get at a few well-publicized abuses, we have penalized a great many innocent people. For example, I have been told that some Federal agencies have actively pushed disability retirement on their older employees as a means of meeting manpower ceilings and cutbacks. To change the rules on these individuals now, after retirement, is patently un-

fair and the entire situation needs further exploration. Additionally, we should take another look at the age 65 cutoff.

The most immediate need is to postpone the effective date of the sick pay revision until this tax year, so that those affected can assure that they pay sufficient taxes during the year. Action is imperative with April 15 barrelling down on us and I hope we can enact H.R. 1828 without delay.

Mrs. HOLT. Mr. Speaker, I rise in support of H.R. 1828, to defer the effective date of sick pay exclusion for 1 year. As you probably know, this is similar to H.R. 318 which I cosponsored and also to H.R. 933 which I myself have introduced.

As everyone knows, the Tax Reform Act of last year was undertaken in haste and there are many provisions, such as the repeal of sick pay exclusion, that were not fully considered with respect to their impact upon the sick and the disabled—the very people who were previously entitled to exclusion, at \$100 per week and up to \$5,200 a year.

Mr. Speaker, I am sure that every Member of Congress has been flooded with letters, mailgrams, and telephone calls pointing out the precipitous repeal of sick pay exclusion and the damage caused by the repeal being made retroactive to the 1976 tax year.

My constituents are desperate. The Tax Reform Act did not pass Congress until October last year and it was not signed into law until November. Thousands of those who fully expected to exclude sick pay in their 1976 income tax returns now feel betrayed by Congress. Taxes on sick pay were not withheld from their pay in 1976, and now they are forced to make a huge tax payment.

The deadline for income tax filing is exactly 11 days away. The folks back home are waiting in anguish for the outcome of H.R. 1828. They cannot wait until the last minute to file their income tax returns.

Mr. Speaker, the thrust of protests from my constituents generally runs as follows:

They are faced with the need to come up with several hundred to several thousand dollars to pay their taxes. Money saved for contingencies such as college tuition for children and other family needs is going to be wiped out. All of a sudden, they are faced with financial crises.

They suspect that Congress took advantage of them so that Members of Congress can get their pay raise this year.

Mr. Speaker, I would like to share a constituent letter which is representative of the opinion of my district in Maryland.

(From a resident of Clinton, Md.)

I am writing to you in regard to the 1976 Tax Reform Act as it affects all the people on disability retirement from the Federal Government (Civil Service). To curtail (take away) the \$5200 sick pay exclusion from these people is both discriminatory and unjust.

I cite the following programs that are not reportable income and therefore not taxable. Disability retirement payments and all other

benefits received from the Veterans Administration, Workmen's compensation for sickness and injury, Railroad Retirement and Social Security. Why single out the disability retiree from Civil Service? Prior regulations gave the Civil Service disability retiree \$5200 a year sick pay exclusion and all over that amount was fully taxable. They could also if possible have an earning capacity up to 80% of the current salary of the position vacated. My husband retired from the Federal Government in 1973 after having been on a year's sick leave. He had a combined 311/2 years of military and civil service and retired on disability because of degenerative arthritis (properly documented by doctor's certificate). He has driven a school bus for several years earning about 1/4 of the amount allowable. This is not a physically demanding job. He is doing it as a matter of survival because of inflationary cost of food, utilities, gasoline, exorbitant property taxes, etc.

In the Federal Column of this morning's paper it was written that the Government would lose \$380 million if the Dole-Daniel bill went through for a reprieve for these people for the 1976 tax year. The Government is not the loser. All Civil Service disability retirees are the losers. Where are we going to get the money to pay unexpected tax impositions? Some just will not have it to pay. Some will have to take money they have sacrificed to save to pay taxes. Robin Hood took from the rich to give to the poor. It is a different story today. The Government is wiping out the middle class person. The effort to curtail the sick pay exclusion and the granting of the fat \$13,000 a year pay raise to top level Government seem to have been done hand in hand. Take out of the hands of those who worked hard all their lives and then for one reason or another retired on disability and put into the hands of the politicians. How can they sleep nights reaping the monies of others?

Let me tell you what it will do to us personally. With the sick pay exclusion of \$5200, we will owe \$274 on our 1976 taxes. Without the sick pay exclusion it will be \$1478 to Uncle Sam (Greedy Uncle Sam). When I think how hard it has been to save a little and then see it go to the Government, I could sit down and cry.

I further question the legality of such an act. To make such an act retroactive to Jan. 1, 1976 without prior knowledge or warning to those involved is criminal. The Dole-Daniel bill would reprieve it for 1976 but make it effective January 1, 1977. Those who retired before December 31, 1975 should not be affected at all. They should be able to continue getting the "sick pay exclusion" and other benefits under which they retired. To say that it must be a total and permanent disability and resultant death as a qualification is terrible. It may be a permanent disability but not a total one. Why even people without a arm or leg can work if they want to.

The rich pay no where near the taxes by comparison as the middle class because of their write-offs and loop-holes. Those on welfare and receiving food stamps pay nothing (we are supporting them by our tax dollars much to our chagrin. Many of them could get out and work if they wanted to. I have been in the grocery store and seen baskets piled high with beautiful cuts of meat and other goodies (things I cannot afford to buy) and then get to the register and pull out food stamps. The middle class doesn't stand a chance.

Are the politicians willing to use some of their fat pay raise to drop some money in a hat if we who are involved in the "sick pay exclusion" curtailment were to pass one? The situation in this country is

becoming frightening. It seems as if communism is moving in and dictating and controlling our every move and money.

Those in office were put there because we had confidence they would do for the working person and for their civil servants. They are certainly letting us down

are certainly letting us down.

Any help you can give us in this matter is appreciated. I am sure you will be sitting in on meetings regarding this issue. Please voice a vote in our direction. One that would keep the sick pay exclusion not only for 1976 but in the future. These people earned it. We are not asking for anything that is not justifiably ours. Nothing on a silver platter, no hand out. Just something that is rightfully ours.

We are hoping the committee you Chair will come to our rescue.

Mr. KETCHUM. Mr. Speaker, I rise in support of H.R. 1828. This bill is absolutely necessary as a consequence of the Tax Reform Act of 1976, passed late last year, which eliminated the sick and disability tax deduction retroactive to January 1, 1976. When the Tax Reform Act was enacted on October 4, 1976, many families were left with as much as \$1,000 or more in unexpected taxes.

Without anticipating a change in the tax structure late in the year, those who received sick and disability pay withheld far too little money. As a result, those employees who received sick and disability pay, many of whom are in dire financial straits due to their illness or disability, are required to pay back an additional lump sum tax of hundreds of dollars. A hardship which I doubt seriously was intended by the Congress when it passed the Tax Reform Act.

My good friend and colleague, Congressman Bob Daniel, Republican of Virginia, on the first day of the 95th session of Congress, introduced legislalation providing for a 1-year extension of this sick pay exclusion. I immediately endorsed his efforts, and through personally contacting every Member of Congress, the gentleman from Virginia was able to obtain 180 cosponsors to his bill. His tremendous efforts are to be lauded at this time.

The administrative complexities and burdens anticipated in addressing this problem stated as the primary causes for objection by the Commissioner of the Internal Revenue Service hold little water in exchange for fairness and reason. I am hopeful that we will pass a 1-year extension of the sick pay exclusion today, and demonstrate to the American people that we in the Congress are not heartless, insensitive, and unjust in our application of tax law.

Mr. FISH. Mr. Speaker, I commend my colleagues Mr. Jacobs and Mr. Dan-IEL, for their efforts in bringing this legislation before the House for a vote. This bill, H.R. 1828, which will extend the 1976 sick pay exclusion for 1 additional year, is greatly needed. This view is shared by many of my colleagues, which is attested to by the number of Members of the House that have cosponsored the Daniel bill or similar legislation.

The Tax Reform Act of 1976, was passed and signed into law on October 4, 1976. The section of that act that we

are concerned with today is section 505, which increased the tax liability of those eligible for sick pay exclusion tax benefits. The problem arises from the fact that the act was signed into law late in the year, and then made effective for that same year.

Many of our elderly, beneficiaries of the sick pay exclusion, did not become aware of the change in the law until late 1976, or early 1977, and subsequently are now faced with a much greater Federal income tax liability than they anticipated.

Our elderly already face greater financial insecurity than other segments of our society, and not having the ability to plan on the amount of money they thought would be available to them this year, poses a particularly heavy financial hardship.

It is for this reason that the House should pass, and the President sign, H.R. 1828, at the earliest possible time.

This legislation will alter the effective date of section 505, of the Tax Reform Act of 1976, by making it effective in 1977, instead of 1976. This will relieve the current financial hardship for the elderly beneficiaries of this section, by allowing them to file under the old law. It will also allow those that have already filed their 1976 return, to file an amended 1040 form, and to receive a repayment of the additional funds they were required to pay under the new law.

Mr. Speaker, I urge the House to suspend the rule and pass, H.R. 1828.

Mrs. KEYS. Mr. Speaker, I rise in support of H.R. 1828, a bill to change the effective date of the sick pay exclusion provisions of the Tax Reform Act from January 1, 1976, to January 1, 1977. I also ask my colleagues' support for H.R. 1680, a bill to relieve taxpayers of any penalties which they might be assessed as a result of the recent changes in the law.

The Tax Reform Act was passed by the House in December 1975 with a prospective effective date of January 1, 1976. However, by the time the Senate completed action on the bill and it was enacted into law, the original effective date had long since passed. The October 1976 enactment date meant that many taxpayers suddenly owed taxes which they had not anticipated on the first of the year. To add injury to insult, they were subject to penalties for failure to pay estimated taxes sufficient to cover their new liabilities.

The above measures introduced by Congressman Jacobs and myself are an effort to remedy that situation.

H.R. 1680 relieves taxpayers of interest or penalties due to underpayment of estimated tax where that underpayment is attributable to changes made by the Tax Reform Act of 1976. In addition, it relieves employers of any penalties which might accrue because of failure to withhold sufficient funds from employee wages. Under the bill, taxpayers will be given until April 15, 1977 to pay their full tax bill

As a general rule, the Internal Revenue Service assesses penalties in cases where the taxpayer has failed to with-hold or pay estimated taxes equal to approximately 80 percent of his tax liability by January 15 of the year in which the taxes are due. Because the Tax Reform Act was enacted only 2 months before the end of the year, employers did not withhold adequate funds nor did taxpayers pay sufficient estimated taxes before 1976. Indeed, the vast majority of Americans were completely unaware of their obligations under the 80-percent rule because employers regularly computed withholding on their behalf.

This year many taxpayers were stunned to find that they not only owed more taxes, but that the Government was going to penalize them for not anticipating the actions of the Congress. Simple equity dictates that we resolve this issue in the taxpayers' favor and approve H.R. 1680.

Mr. Jacobs' bill offers additional relief to those taxpayers affected by the changes in the sick pay exclusion by postponing the effective date of the provision for 1 year. To do otherwise would impose an undue hardship on many people who relied on the exclusion in budgeting their personal expenses in 1976. This extension will, of course, cost the Treasury some additional revenue. However, the Federal budget is better able to absorb the shock than are 1 million family budgets.

Mr. Speaker, both these bills offer simple justice for American taxpayers who must accommodate themselves to changes in the law, and I urge my colleagues to support their adoption.

Mr. BIAGGI Mr. Speaker, I rise to urge the immediate approval of H.R. 1828 by the House. Postponement of the implementation date of the unfortunate sick pay provisions of the Tax Reform Act is critically important if hundreds of thousands of Americans are to be prevented from having to endure an unexpected and unnecessary tax burden.

The practical importance of this legislation belies its simplicity of content. While Congress did pass the Tax Reform Act of 1976, there were many including myself, who were opposed to the changing of the old sick pay exclusion to a newer disability income exclusion. Many of us sought an outright repeal of this provision of the act, but it did not appear as if such legislation could be passed until much later in the year. Meanwhile, thousands of taxpayers discovered that the changes in the sick pay exclusion were effective back to January 1, 1976. The result were thousands of horrified taxpayers began flooding various congressional offices with letters requesting immediate legislative relief, which would prevent them from having to shoulder this additional burden in this tax year.

The response to this outcry is H.R. 1828, which I have cosponsored. The bill simply delays for I year, the implementation date of the sick pay provisions of the Tax Reform Act including for those taxpayers who may have made their irrevocable elections relative to the full col-

lection of contributions to their annuity program.

The actual number of Americans who will benefit from this legislation is not known. However, we do know that at least 250,000 retired Federal annuitants will benefit directly from this legislation.

I hope the fight will not end with the mere passage of this legislation. This is admittedly a stopgap measure. It is imperative that the House Ways and Means Committee continue their deliberations on these provisions of the Tax Reform Act. The actual revisions in the Tax Reform Act related to sick pay exclusion promote an arbitrary and unfair requirement on disabled Americans. I have particular objections to the language which requires disabled taxpayers—over 65 and those under 65 who are totally disabledwho wish to recover tax free their total contributions to an annuity program from making an irrevocable declaration that they will not seek the benefits of the disability income exclusion for this or any other subsequent year. This provision is patently unfair and arbitrary, and should be struck down.

I commend the House Ways and Means Committee, and its distinguished chairman, Mr. Ullman for their expeditious consideration of this legislation. It demonstrates the Congress concern and compassion for the plight of thousands of disabled Americans—many of whom might be penniless after April 15, if we were not to act on this legislation. This Congress has shown it can admit to its mistakes as well as respond to the voice of the people.

Mr. BAUCUS. Mr. Speaker, it is my hope that the House of Representatives will pass H.R. 1828, which calls for a 1-year delay for the effective date of changes in the sick pay exclusion tax provisions.

The Tax Reform Act of 1976 made many changes in the sick pay provisions. While these changes will benefit many permanently disabled workers, it also created a severe financial hardship for others who had not planned for this tax change to occur during 1976.

H.R. 1828 would allow individuals to use either the old or new sick pay provisions in paying their 1976 taxes. Specifically, this bill changes the effective date of the sick pay exclusion in the Tax Reform Act of 1976 from January 1, 1976, to January 1, 1977, for those taxpayers who wish to claim the old sick pay exclusion.

While I support the new sick pay exclusion provisions, I feel that it would be grossly unfair to put it into effect retroactively. The Tax Reform Act was not enacted until September of 1976, or a full three-quarters of the way through the 1976 tax year. It seems to me that this is just too far into the year to expect those individuals who were adversely affected by these tax changes to pay taxes that are substantially higher than they had allotted for.

The Tax Reform Act made two basic changes in the sick pay exclusion provisions. First, it substituted a new disability income exclusion of \$100 a week for taxpayers under the age of 65 who have had to retire because they are permanently and totally disabled. Also, those who are over 65 or who are permanently and totally disabled can choose to recover tax-free the amount of contributions that they have made to an annuity program, but only if the taxpayer agrees that they will not seek the benefits of the disability income exclusion for that year and all future years.

I have heard from many of my constituents who, if we do not change the effective date, will face a most unfortunate financial burden as the result of these new provisions. While our tax system most certainly needs a thorough revision, effective tax reform must be brought about in a realistic manner. The purpose behind the new sick pay exclusion provisions was not to disadvantage the many taxpayers who had no advance warning of this tax change, and I therefore feel that it is our responsibility to correct our mistake and change the effective date to January 1, 1977.

Mr. ASHBROOK. Mr. Speaker, I support H.R. 1828 which makes a 1-year postponement in the effective date removing the sick pay exclusion.

In my opinion, this bill would not have been needed if tax bills were not considered under a closed rule. In the name of reform the so-called Tax Reform Act of 1976 made a number of changes which have only made the tax code even more complicated.

The repeal of the sick pay exclusion is a good example. Not only was the exclusion repealed, but it was made retroactive to the beginning of 1976. Thousands of Americans found themselves faced with a greater tax liability than they had expected. The bill before us undoes some of the damage this has caused by making the repeal of the sick pay exclusion effective as of January 1, 1977 rather than 1976. At least, this is some improvement.

The tax laws of our country have become too complicated. Two changes are definitely needed: Simplification of the law and more equitable treatment of all. At present our tax laws are a hodgepodge of often contradictory impulses.

Mr. BURKE of Florida. Mr. Speaker, I strongly support H.R. 1828 which would preserve the sick pay exclusion for the 1976 tax year. This bill is identical to H.R. 318 of which I am a cosponsor.

Mr. Speaker, as you are aware, the Tax Reform Act of 1976, Public Law 94-455, generally repeals the sick pay exclusion and substitutes a maximum annual exclusion of up to \$5,200 a year for individuals under age 65 who have retired on disability and who are permanently and totally disabled. After age 65, these individuals will be eligible for the revised elderly credit. The maximum amount excludable is to be reduced on a dollar-fordollar basis by the individual's adjusted gross income-including disability income-in excess of \$15,000. These provisions apply equally to civilian and military personnel with respect to taxable years beginning after December 31, 1975. Of course, individuals who incur extraordinary medical expenses due to sickness or injury may continue to deduct those medical expenses as under present law.

It is my judgment, however, that we cannot justify so sudden and so considerable a tax liability. In view of the fact that the Tax Reform Act of 1976 was passed only last fall, the retroactive aspect of the bill's sick pay changes is uniquely unfair as well as personally burdensome to the million or more taxpayers directly affected. To notify a person at the end of a tax year that he has acquired an additional liability retroactive to the beginning of the tax year is hardly a recommended course of action. Nor is it to be taken lightly. The very fact that this bill has been given early consideration is indicative of that fact.

Mr. Speaker, I have received numerous letters from constituents complaining that the removal of the sick pay exclusion provision retroactively constituted for them an unforeseen and substantial tax liability. Many of those who have paid their taxes on an estimated basis are now faced with additional payments amounting in some cases to \$1,000 or more. That is a lot of money. The net effect this will have on many persons—especially those who live on fixed incomes will be to wipe out their savings accounts and to make them increasingly vulnerable to the many unexpected difficulties we all encounter in life. It should be clear that the basic inequity in this provision is that those who can least afford additional burdens are those most affected.

Nor should we underestimate the severe emotional and psychological impact which this measure can and has had upon those affected. Imagine the tremendous anxiety a person would suffer upon discovering that he was suddenly forced to pay as much as \$1,000 or more in taxes when he knows that this would take all the extra funds-or perhaps even more-he has accumulated. The toll this could have on his life-his relations with his friends, his family, and his self-pride-could potentially be enormous. In fact, it could needlessly embitter him and add to that reservoir of resentment which tends to undermine democratic governments.

Mr. Speaker, it should be further noted that the retroactive character of the sick pay exclusion provision can hardly be considered a necessary aspect of the budget. The amount of money in question is only \$380 million and the third concurrent resolution on the budget for fiscal year 1977 has already taken in account the possible postponement of the sick pay exclusion provision until next year. This very fact undermines the argument that the retroactive application of this provision was necessary to assure sufficient revenue gains to offset some of the bill's spending provisions. The truth is that the only significant impact which can result from making this provision retroactive is the untold injury and deprivation the many would suffer who are already in the lower economic

strata and who are already having difficulty achieving economic survival.

It should be further noted that should H.R. 1828 be enacted into law it would be acceptable within the general context of imminent tax cuts also under consideration by the Congress. By simply postponing the effective date of the sick pay exclusion provision, the Congress would in effect be adding to its economics stimulation package.

ulation package.

Mr. Speaker, I ask you and my colleagues in the U.S. House of Representatives to bring back to quick and successful passage this legislation so that the sick pay exclusion provision will be postponed until December 31, 1976. If we act now before the April 15 filing date for Federal income tax, both the taxpayer and the Internal Revenue Service will be saved a great deal of confusion and paperwork. In addition, the taxpayer will be relieved of the added financial and psychological burdens associated with the retroactive aspect of this provision.

Mr. MONTGOMERY. Mr. Speaker, I would like to commend the Committee on Ways and Means for reporting this bill out in a timely fashion in order to bring a measure of relief to those persons receiving disability retirement pay. I strongly support H.R. 1828 and urge its

approval by my colleagues.

When the 1976 Tax Reform Act was passed, we, unfortunately, did not realize at that time the great disservice we were doing to persons on disability retirement pay by making the sick pay exclusion provision effective for all of calendar year 1976. We gave them no advance warning that this tax provision would be changed, thereby giving them an opportunity to increase their estimated tax payments in order to cover any increased taxes they might owe for the 1976 tax year.

Mr. Speaker, I am hopeful the Senate will also give speedy approval to this measure in order that it might become law prior to the April 15 filing deadline. I would also hope that the Internal Revenue Service will take extra efforts with those people of disability retirement pay to assist them in filing their returns and make certain that they do not overpay their taxes for last year. There are some who have already filed on the basis of the 1976 Tax Reform Act and these are the ones for which special consideration must be given in order to make certain that any refund they are due is paid in a prompt manner. I urge my colleagues to give their strong support to H.R. 1828.

Mr. CONABLE. Mr. Speaker, I have no further requests for time.

Mr ULLMAN. Mr. Speaker, I yield

back the balance of my time.

The SPEAKER pro tempore (Mr. Sisk). The question is on the motion offered by the gentleman from Oregon (Mr. Ullman) that the House suspend the rules and pass the bill H.R. 1828, as amended.

The question was taken.

Mr. BAUMAN. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3(b) of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

RELIEF FOR CERTAIN UNDERPAY-MENTS OF ESTIMATED TAX

Mr. ULLMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1680) to relieve taxpayers from liability with respect to certain underpayments of estimated tax, underwithholding, and interest on underpayments of tax attributable to the application to 1976 of the sick pay and other provisions of the Tax Reform Act of 1976.

The Clerk read as follows:

H.R. 1680

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Underpayments of estimated tax. No addition to the tax shall be made under section 6654 or 6655 of the Internal Revenue Code of 1954 (relating to failure to pay estimated income tax) for any period before April 16, 1977 (March 16, 1977, in the case of a taxpayer subject to section 6655), with respect to any underpayment to the extent that such underpayment was created or increased by any provision of the Tax Reform Act of 1976.

SEC. 2. UNDERWITHHOLDING.

No person shall be liable in respect of any failure to deduct and withhold under section 3402 of the Internal Revenue Code of 1954 (relating to income tax collected at source) on remuneration paid before January 1, 1977, to the extent that the duty to deduct and withhold was created or increased by any provision of the Tax Reform Act of 1976

Sec. 3. Interest on underpayments of tax. No interest shall be payable for any period before April 16, 1977 (March 16, 1977, in the case of a corporation), on any underpayment of a tax imposed by the Internal Revenue Code of 1954, to the extent that such underpayment was created or increased by any provision of the Tax Reform Act of 1976.

The SPEAKER pro tempore. Is a second demanded?

Mr. CONABLE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Oregon (Mr. Ullman).

Mr. ULLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1680 provides relief to taxpayers from penalties, additions to tax, and interest which they would otherwise incur as a result of provisions in the Tax Reform Act of 1976 which were made applicable to 1976.

A number of provisions of the 1976 act, which was enacted on October 4 of last year, were made applicable from January 1, 1976. For many taxpayers these provisions increased their income, increased their income tax liabilities, or increased the amounts that should have been withheld by their employers from their wages and salaries.

Individuals are required to file quarterly estimated tax returns and make estimated tax payments if they have substantial amounts of income not subject to withholding. Because of the 1976 act changes, many people ended the year with larger tax liabilities than they had taken into account in calculating their estimated taxes. As a result, in many cases, these people technically underpaid their estimated taxes even though the amounts that they paid were proper amounts under the law as it existed at the time the estimated tax payments were due. Present law requires the Internal Revenue Service to assess what is called an "addition to tax" at the rate of 7 percent a year on these underpayments and this addition to tax cannot be forgiven even though the taxpayers acted reasonably in light of the law as it existed at the estimated tax due dates. Corporations have a similar estimated tax payment requirement and they, too. are subject to this addition to tax.

H.R. 1680 provides relief for these taxpayers by excusing any additions to tax that arise because of those provisions of the 1976 act that increased income

tax liability for 1976.

Similarly, the 1976 act increased withholding tax liabilities in some cases. This bill excuses any sanctions for failure to deduct and withhold income taxes in 1976 to the extent that the duty to deduct and withhold was created or increased by any provision of the 1976

Also, some taxpayers had short taxable years or fiscal years that ended before the end of 1976 and filed their final tax returns for the year without fully understanding that the law had been changed to increase their liabilities for that year. For those people, this bill forgives any interest that would otherwise have been charged for any period before April 15, 1977, for individuals and March 15, 1977, for corporations.

In the past, when the Congress enacted laws late in the year which imposed income tax increases on some people from the beginning of the year, the Congress relieved taxpayers from assessments of the sort I described, to the extent that they were attributable to these tax increases. The committee concluded that this sort of relief is appropriate as a matter of custom and equity and has reported this bill in order to provide the same sort of relief for the 1976 act.

I might add, that, when the Ways and Means Committee and the House of Representatives acted on the 1976 act, we acted in 1975, when all of these changes would have been prospective only. Consequently, at the time the House passed that act, there was no need for these relief provisions. However, as we know, the bill was not finally enacted until 10 months after the House had completed its work and, by that time, many taxpayers had found themselves in the midst of the problems I have described.

The Commissioner of Internal Revenue has also recognized the inequity of imposing these sanctions in such cases and has announced that he has instructed the Internal Revenue Service to delay making assessments, to give the Congress a chance to act on this matter. Unless the Congress acts, the Service will eventually have to enforce present law on this point and assess and collect the amounts of the penalties, additions to tax, and interest.

The forgiveness of the sanctions is estimated to result in a one-time \$15-million reduction in receipts, all in fiscal year 1977. The third concurrent budget resolution, as agreed to by the Congress. provides sufficient room for this revenue reduction.

Mr. Speaker, I urge that H.R. 1680 be adopted.

Mr. CONABLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1680, which is designed to relieve taxpayers from additional tax liability as a consequence of certain underpayments of estimated tax and underwithholding of tax on certain wages, when such underpayment and underwithholding are a consequence of various provisions of the Tax Reform Act of 1976 with retroactive effective dates.

In earlier legislation, such as the 1969 Tax Reform Act, which Congress also passed late in the calendar year and which also imposed certain tax increases from the beginning of that year, Congress relieved taxpayers of liability for additions to tax, interest, and various other penalties in connection with tax increases as a matter of equity. Such provision was not included in the 1976 act. However, to date, the Commissioner of Internal Revenue has deferred assessment of additions to tax with regard to these changes in the 1976 Tax Reform Act upon congressional assurance that the failure to include such traditional relief in the 1976 act was a consequence of oversight and that the oversight would be remedied in the 95th Congress.

This deferral by the Internal Revenue Service cannot be continued indefinitely, absent a change in the law. Accordingly, the Ways and Means Committee concluded that it would be appropriate to grant taxpayers relief from these additions to tax, interest, and penalties, similar to the relief which has been traditionally granted by Congress in such

The bill is a reasonable one and I urge its enactment.

Mr. ULLMAN. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Illinois (Mr. Mikva), a member of the committee.

Mr. MIKVA. Mr. Speaker, I want to compliment the chairman of the Committee on Ways and Means for his efforts in bringing forth this legislation. I believe that the Committee on Ways and Means strove strenuously last year to avoid any retroactivity insofar as any of its legislative enactments. But, unfortunately, bicameralism caused such a result notwithstanding our efforts. This bill seeks to mitgate the penalty on taxpayers for not having withheld sufficiently to accommodate the changes in the Tax Code.

Mr. Speaker, I particularly wish to pay tribute to my seatmate on the Committee on Ways and Means, the gentlewoman from Kansas (Ms. Keys) who was the originator of the bill that resulted in this legislation before us. The bill will help make sure that the taxpayers do not have to pay a penalty for the necessary changes that Congress wrought on the Tax Code. Ms. KEYS' leadership was indispensible in achieving this result.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. MIKVA. I would be glad to yield to the gentleman from Illinois.

Mr. CONABLE. Mr. Speaker, I think that the gentleman from Illinois is making a good point with regard to this and that is that bicameralism is what causes this kind of embarrassment.

The SPEAKER pro tempore. The time

of the gentleman has expired.

Mr. ULLMAN. I yield 1 additional minute to the gentleman from Illinois.

Mr. CONABLE. I think my colleagues will understand that we have no desire to set an effective date which is in the distant future when we pass a bill. If the Senate does not act promptly, however, and then adopts our effective date which has, in the meantime, become retroactive, there is no way it can be changed in the conference. The only thing that can be done is for us to come through with a bill of this sort later to relieve the people from the unnecessary problems resulting from the delay.

I think it is important that the Mem-

bers of the House understand that. The Committee on Ways and Means did not deliberately set these provisions up to be retroactive. This is one of those inadvertent problems that result from the delay between the enactment of legislation in one House, then in the second House and thus resulting in retroactivity unavoidable by the first House to act, or the conferees.

Mr. MIKVA. I thank the gentleman.

Mr. ULLMAN. Mr. Speaker, I would inquire of the gentleman from New York (Mr. CONABLE) if the gentleman has additional requests for time.

Mr. CONABLE. Mr. Speaker, I have

no further requests for time.

Mr. ULLMAN. I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspend the rules and pass the bill H.R. 1680.

The question was taken; and (twothirds having voted in favor thereof) the rules were suspended and the bill was

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the two bills just passed.

The SPEAKER pro tempore. Is there

objection to the request of the gentleman from Oregon?

There was no objection.

TO AMEND SECURITIES AND EX-CHANGE ACT OF 1934 TO INCREASE AMOUNT AUTHORIZED TO BE AP-PROPRIATED FOR FISCAL YEAR 1977

Mr. ECKHARDT. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1025) to amend the Securities Exchange Act of 1934 to increase the amount authorized to be appropriated for the Securities and Exchange Commission for fiscal year 1977.

The Clerk read the Senate bill, as

follows:

S. 1025

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 35 of the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is amended by striking the amount "\$55,000,000" before the words "for the fiscal year ending September 30, 1977" and inserting in lieu thereof the amount "\$56,500,000".

The SPEAKER pro tempore. Is a second demanded?

Mr. RINALDO. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas (Mr. Eckhardt) and the gentleman from New Jersey (Mr. Rinaldo) will be recognized for 20 minutes each. The Chair recognizes the gentleman from Texas (Mr. Eckhardt).

Mr. ECKHARDT. Mr. Speaker, I yield

myself 10 minutes.

Mr. Speaker, the bill that we are considering today concerns an apparently noncontroversial, but urgently needed supplemental authorization to the Securities and Exchange Commission for the fiscal year 1977. The appropriation of the funds which this bill would authorize has already been approved by the House on March 16. That appropriation measure is presently awaiting Senate floor action.

The authorization before us, S. 1025, was unanimously passed by the Senate on March 25, and was subsequently unanimously reported out of the Interstate and Foreign Commerce Committee

on March 29, 1977.

S. 1025 provides a supplemental authorization to the Securities and Exchange Commission of \$1.5 million, increasing its total authorization for the fiscal year ending October 31, 1977, to \$56.5 million. This additional amount is necessary to meet last October's cost of living pay increase, the recent executive salary raise, and to provide funding for the agency's urgently needed automatic data processing and recordkeeping systems.

Mr. Speaker, I reserve the remainder of my time.

Mr. RINALDO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this legislation, S. 1025, is a simple bill. The increase in an authorization, which totals \$1.5 million, is to meet increases in salary and to modernize the SEC's automatic data processing and record system.

The full Interstate and Foreign Commerce Committee reported the measure by voice vote and there is no controversy

over the bill's provisions.

I have no requests for time, and I would urge my colleagues to join me in supporting the bill's passage.

Mr. Speaker, I yield back the remain-

der of my time.

Mr. ECKHARDT, Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. Kazen).

Mr. KAZEN. Mr. Speaker, I want to take this opportunity to congratulate the gentleman from Texas (Mr. Eckhard). This is his maiden voyage. This is the first bill that he has managed as chairman of a subcommittee. He did an excellent job, and I commend him for the efficient manner in which he accomplished it.

Mr. ECKHARDT. I thank my col-

league, Mr. Speaker.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. Eckhardt) that the House suspend the rules and pass the Senate bill S. 1025.

The question was taken; and (twothirds having voted in favor thereof), the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the

GENERAL LEAVE

Mr. ECKHARDT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill just passed, S. 1025.

The SPEAKER pro tempore. Is there objection to the request of the gentleman

from Texas?

There was no objection.

PROVIDING TEMPORARY AUTHOR-ITIES TO THE SECRETARY OF THE INTERIOR TO FACILITATE EMER-GENCY ACTIONS TO MITIGATE THE IMPACTS OF THE 1976-77 DROUGHT

Mr. MEEDS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5117) to provide temporary authorities to the Secretary of the Interior to facilitate emergency actions to mitigate the impacts of the 1976-77 drought, as amended.

The Clerk read as follows: H.R. 5117

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior, hereinafter referred to as the "Secretary," acting through the Bureau of Reclamation and the Bureau of Indian Affairs pursuant to the authorities in the Federal Reclamation Laws (74 Stat. 882, as amended) and other appropriate author-

ities of the Secretary, and the authorities granted herein, is directed to—

(a) perform studies to identify opportunities to augment, utilize, or conserve water supplies available to Federal reclamation projects and Indian irrigation projects constructed by the Secretary; and consistent with existing contractual arrangements, and State law, and without further authorization, to undertake construction, management and conservation activities which can be expected to have an effect in mitigating losses and damages to Federal reclamation projects and Indian irrigation projects constructed by the Secretary resulting from the 1976-1977 drought period: Provided, That construction activities undertaken to implement the programs authorized by this Act shall be completed by November 30, 1977;

(b) assist willing buyers in their purchase of available water supplies from willing sellers and to redistribute such water to irrigators based upon priorities to be determined by the Secretary within the constraints of State water laws, with the objective of minimizing losses and damages

resulting from the drought; and

(c) undertake expedited evaluations and reconnaissance studies of potential facilities to mitigate the effects of a recurrence of the current emergency and make recommendations to the President and to the Congress evaluating such potential undertakings including, but not limited to, wells, pumping plants, pipelines, canals, and alterations of outlet works of existing impoundments.

Sec. 2. (a) Payments for water acquired

SEC. 2. (a) Payments for water acquired from willing sellers will be at a negotiated price, but will not confer any undue benefit or profit to any person or persons compared to what would have been realized if the water had been used in the normal irrigation of crops adapted to the area, as determined by the Secretary.

(b) Purchases of water acquired under subsection (a) above shall be made at a price to be determined by the Secretary: Provided, That the selling price shall be sufficient to recover all expenditures made in

acquiring the water.

SEC. 3. (a) The Secretary shall determine for purposes of this Act the priority of need for allocating the water, taking into consideration, among other things, State law, national need, and the effect of losing perennial crops due to drought.

(b) For the purposes of this Act, the term "irrigators" shall mean any person or legal entity who holds a valid existing water right for irrigation purposes within Federal Reclamation projects and within all irrigation projects constructed by the Secretary for Indians.

"Federal reclamation project" means any project constructed or funded under Federal reclamation law and specifically including projects having approved loans under the Small Reclamation Projects Act of

(c) For the purposes of this Act, the term

1956 (70 Stat. 1044) as amended.

SEC. 4. The Secretary is hereby authorized to defer without penalty, the 1977 payments of any installment of charges including operation and maintenance costs owed to the United States by irrigators as he deems necessary because of financial hardship caused by extreme drought conditions: Provided, That any deferment shall be recovered and such recovery may be accomplished by extending the repayment period under the contracting entities' existing contracts with the United States.

SEC. 5. Actions taken pursuant to this Act are in response to emergency conditions and depend for their effectiveness upon their completion prior to or during the 1977 irrigation season and, therefore, are deemed not to be major Federal actions significantly

affecting the quality of the human environment for purposes of the National Environ-mental Policy Act of 1969 (83 Stat. 852, as amended, 42 U.S.C. 4321). SEC. 6. The program established by this

Act shall, to the extent practicable, be coordinated with emergency and disaster relief operations conducted by other Federal and State agencies under other provisions of The Secretary shall consult with the heads of such other Federal and State agencies as he deems necessary. The heads of all other Federal agencies performing relief functions under other Federal authorities are hereby authorized and directed to provide the Secretary, or his designee, such information and records as the Secretary or his designee shall deem necessary for the administration of this Act.

SEC. 7. Not later than March 1, 1978, the Secretary shall provide the President and the Congress with a complete report on expenditures and accomplishments under this

SEC. 8. (a) The Secretary is authorized to make loans to irrigators for the purposes of undertaking construction, management, conservation activities, or the acquistion and transportation of water, which can be expected to have an effect in mitigating losses and damages resulting from the 1976-1977 drought period.

(b) Such loans shall be without interest with the repayment schedule to be determined by the Secretary, but loans for acquiring water under section 2 of this Act shall not exceed five years in duration.

The authorities conferred by this Act shall terminate on September 30, 1977.

SEC. 9. There is authorized to be appropriated \$100,000,000 to carry out the water purchase and reallocation program authorized by this Act: Provided, That 15 per centum of such appropriations shall be available for carrying out other programs authorized by this Act and for construction of emergency physical facilities under terms and conditions applying to expenditures from the emergency fund created by the Act of June 26, 1948 (62 Stat. 1052)

SEC. 10. (a) Funds available to the Secretary during fiscal year 1977 for expenditure pursuant to the Act of June 26, 1948 (62 Stat. 1052), shall be available for expenditure on behalf of (1) projects financed through loans pursuant to the Small Reclational Reclations. mation Projects Act of 1956 (70 Stat. 1044) as amended, and (2) projects financed with non-Federal funds notwithstanding the provisions of the third sentence of section 46 of the Act of May 25, 1926 (44 Stat. 649, 650), and any other similar provision of law. Expenditures undertaken under this authority shall be governed by the same terms and conditions as apply to programs regularly constructed under Federal reclamation law: Provided, That not more than 15 per centum of such available funds may be used on behalf of nonfederally financed projects and not more than \$1,000,000 may be expended on behalf of any individual contracting entity.

(b) Funds available to the Secretary during fiscal year 1977 for expenditure pursuant to the Act of June 26, 1948 (62 Stat. 1052), shall be available for expenditure for drought emergency programs conducted heretofore or hereafter by State water resource agencies during fiscal year 1977 if such programs are found to be compatible with the broad purposes of this Act: Provided, That not more than 5 per centum of such available funds may be used for purposes of this subsection and not more than \$1,000,000 may be expended on behalf of any State. In recognition of the widespread and diffused nature of the benefits deriving from this subsection,

all funds expended under the authority of this subsection shall be nonreimbursable.

(c) Funds available for expenditure under the provisions of this Act may be used by the Secretary for the purchase of water or for acquisition of entitlement to water from any available source for the purpose of mitigating damage to fish and wildlife resources caused by drought conditions. Not to exceed \$10,-000,000 may be expended for such activities and any amount so expended shall be nonreimbursable.

Sec. 11. Nothing in this Act shall be construed as limiting or restricting the power and authority of the United States or—

(a) as affecting in any way any law govern-ing appropriations or use of, or Federal right to, water on public lands;

(b) as expanding or diminishing Federal or State jurisdiction, responsibility, interests, or rights in water resources development or control;

(c) as displacing, superseding, limiting, or modifying any interstate compact or the jurisdiction or responsibility of any legally established joint or common agency of two or more States or of two States and the Federal Government:

 (d) as superseding, modifying, or repealing, except as specifically set forth in this Act, existing laws applicable to the various Federal agencies; and

(e) as modifying the terms of any interstate compact.

The SPEAKER pro tempore. Is a second demanded?

Mr. LUJAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Washington (Mr. MEEDS) is recognized for 20 minutes, and the gentleman from New Mexico (Mr. LUJAN) is recognized for 20 minutes.

The Chair recognizes the gentleman from Washington (Mr. MEEDS).

Mr. MEEDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to rise for the purpose of presenting to the House the bill, H.R. 5117, to provide temporary authority to the Secretary of the Interior to facilitate emergency actions to mitigate the impacts of the 1976-77 drought.

This measure represents an integral part of President Carter's drought package submitted to the Congress on March 23, 1977, and includes the only portions of that program coming under the jurisdiction of the Committee on Interior and Insular Affairs. As chairman of the subcommittee having original jurisdiction over this matter, I am most appreciative of the cooperation of my colleagues on the committee in making it possible to bring this measure to the full House as quickly as this.

Mr. Speaker, the drought in the Western United States is the worst in the history of weather recordkeeping; consisting of the first and third driest years in history occurring consecutively. While H.R. 5117 is not a panacea, in any sense of the word, it does represent the only practicable response which we can make to solving some of the problems facing water users on projects which were developed by the Federal Government.

The major thrust of the bill is the creation of a program for the purchase and reallocation of water or annual entitlements to water. Under this program, the Secretary would seek out irrigators who are willing to forgo use of their water right entitlement for the 1977 crop year and negotiate a reasonable price for the use of that water supply for 1 year. The water thus acquired would be redistributed to irrigators of high-value crops who would be obliged to pay not less than the negotiated purchase price.

The committee visualizes that the major use of the program would be in the area of moving water supplies from an-nual relatively low value crops to perennial crops such as orchards and vineyards in the interest of saving the trees and vines requiring many years to establish. It is not intended that the measure would affect in any way the system of water rights in effect in the several States nor would it be continuing legislation. In fact, the authorities under the legislation will expire on September 30,

1977.

Accordingly, Mr. Speaker, it can be seen that time is of the utmost importance. The legislation must be passed immediately if it is to have any affirmative effect. Farmers must know now that the program is available. If supplies are not at all likely to be willing to sell. By the same token, the more effective the program, the more of the authorized \$100 million will be used.

H.R. 5117 does some other things. It authorizes 5-year interest-free loans to irrigators with which to defray the cost of acquired and redistributed water. The bill also extends eligibility to small reclamation projects, non-Federal irrigation districts, and State level water resource development agencies to participate in the emergency fund available to the Commissioner of Reclamation under existing law. This fund, which will have about \$32 million, can be used by qualified entities as a source of funding for emergency water supplies. These funds will be governed by the terms of existing law and must be repaid in accordance with the borrower's ability to

Also, Mr. Speaker, the legislation provides authority for the Secretary to purchase water from any source whatsoever for the preservation of fish and wildlife resources threatened by damage or extinction by the drought.

Finally, the measure authorizes deferral of water charges due the United States under existing contract arrangements and provides that they shall be recovered by extending repayment periods if necessary.

In conclusion, we believe that passage of this bill is imperative if the Government is to be responsive to the needs of its citizens and is far less costly than would be the probable cost of disaster relief if we sit idly by and make no effort to forestall the disaster that is clearly in prospect for later this year.

I urge the support of all Members for its speedy passage.

Mr. McFALL. Mr. Speaker, will the gentleman yield?

Mr. MEEDS. I yield to the distinguished gentleman from California.

Mr. McFALL. Mr. Speaker, I want to commend the gentleman and the subcommittee and the House Committee on the Interior for their action on this bill. It is very important to us in California.

I hope there is a speedy passage and that it is signed by the President, because certainly the drought in California is a terrible disaster in our State and this bill and the provisions will help us in many wavs.

Mr. MEEDS. Mr. Speaker, I thank the gentleman from California for those comments. The gentleman is exactly right. The drought in California is worse than it is any place in the United States. The subcommittee was out there and took testimony on the severity of the drought. There is just no question under any possible scenario that the drought in California will be the worst since recordkeeping in weather has taken place.

would like also to mention the very valuable assistance and help that the Members on the subcommittee and the gentleman from California gave the committee in getting this legislation out.

Mr. McFALL. Mr. Speaker, if the gentleman will yield further to permit me another observation on the seriousness of the drought in my district, which is in the midst of the great productive San Joaquin Valley, we have two small irrigation districts that have been providing water without fail since 1913. This year there is only going to be three irrigations. There is very little water in the reservoirs at the present time. It is practically below minimum pool. There is very little snow in the mountains. It is anticipated there will be only three irrigations. That is less than half a season. So we are going to have to rely upon pumps and fortunately we have the water in the water table. I think this will be the way to do it; but there is a shortage of well drillers and it is unknown as to how much water we can really provide in this way; but at least with this bill we can try.

Mr. MEEDS, Mr. Speaker, as I recall the testimony that we received in California, they can expect approximately percent in California of the water which they had in the worst recorded year which was, I think, 1924. Mr. McFALL. That is right, 1924.

Mr. MEEDS. So by all estimates, it is of a disastrous nature.

Mr. PANETTA. Mr. Speaker, will the gentleman yield?

Mr. MEEDS. I yield to the gentleman from California.

Mr. PANETTA. Mr. Speaker, I would like to commend the committee and the gentleman for the very expeditious work on this very important piece of legislation. As the gentleman has stated, we do have the driest year, perhaps the driest year in history, going on in the western have a \$6 billion loss that is estimated right now that in agriculture alone we have a \$6-billion loss that is estimated in agriculture. We have with regard to farm employment something like 50,000

jobs that are expected to be lost as a result of those losses in agriculture. If we extend into the normal extension of a loss in agriculture to other areas at a 3 to 1 ratio, it makes about a \$20 billion loss in our economy in California and I believe 100,000 to 150,000 jobs affected by

The important thing about this bill is that it provides expeditious help, as the gentleman pointed out, to preserve what we have right now to give protection to farmyards, protect the trees in what certainly will be a very dry year this year and possibly the beginning of even a drier period; so I commend the gentleman for this fast work and I urge the House to pass this bill expeditiously.

Mr. MEEDS. Mr. Speaker, I thank the gentleman for those comments and point out that even very conservatively, the losses in agriculture were \$400 million, a very conservative estimate.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MEEDS. I am delighted to yield to the gentleman from Washington (Mr. McCormack), one of the prime authors and sponsors of this legislation and in whose district some of the greatest harm will come from this drought.

Mr. McCORMACK. Mr. Speaker, I want to commend the gentleman for the expeditious manner in which this legislation has been handled and I congratulate the Members of the subcommittee for the intense interest they have shown in trying to do a good job promptly.

I make the same congratulation to the chairman, the gentleman from Arizona (Mr. UDALL).

The gentleman says that I am one of the original authors of this legislation.

I support the legislation. There are some passages of the bill now before us that have been changed from the original version, and some of those I would have preferred to have the way I originally wrote the bill, but it is a good bill.

I very much appreciate the work that was done in creating a water bank, in planning for future requirements, in planning for current programs for relief and reclamation, which are desperately important now. This is disaster relief. It is important, I think, in the Northwest Territories. As the gentleman from Washington just mentioned, the potential damage in my area alone is projected to be about \$400 million unless we do something about it. That is just in the area of Eastern Washington.

Nothing is more important to the West than water. This bill does everything that can reasonably be expected to be done at this time for the relief of the drought conditions. I congratulate the gentleman from Washington for his con-

Mr. MEEDS. I thank the gentleman from Washington for his comments, and also for his help in shepherding this legislation through the subcommittee and full committee.

Mr. LUJAN. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. Don H. CLAUSEN).

Mr. DON H. CLAUSEN. Mr. Speaker, I am pleased to follow the gentleman from Washington (Mr. MEEDS) in placing emphasis on the legislation that is pending before us. I accompanied the subcommittee when we held hearings in the Seattle area which dealt with the States of Oregon, Idaho, and Washington; and then subsequently down into California so that we could have the California

I can state to the committee and to the Members who are on the floor now that this particular piece of legislation is urgently needed. While they talk about \$500 or \$600 million losses potentially in the Northwest, the loss in California is somewhere in the vicinity of \$4 to \$6 billion. The losses are extraordinary and

potentially devastating.

Mr. Speaker, the bill before us, as amended, is a good bill designed to provide temporary relief for those users of Federal water who face economic disaster this year because of the western drought. It goes as far as the jurisdiction of our committee permits us to go in using Federal prerogatives to forestall some of the farm losses. But it also points up the need for an overall water management program on each river system that would make such emergency legislation unnecessary in the future.

H.R. 5117 is stop-gap legislation. It provides a mechanism whereby the Secretary may act as a catalyst in arranging water sales between low-priority users and high-priority users. The "water bank" will operate much the same as a commercial bank, permitting depositors to be paid for their deposits at the time they put water into the bank and permitting water purchasers to pay for the water when they withdraw it from the bank. The bill provides for appropriations of \$100 million, but most or all of this money will be recovered through water sales and loan repayments.

The Subcommittee on Water and Power Resources, which handled this bill, has jurisdiction only over the water from Federal reclamation projects. So we were limited as to how far we could go in putting together a drought relief program. The result is a bill that applies to users of Federal water but does not cover private irrigators who obtain water from private sources.

These latter irrigators may obtain disaster relief from other sources, such as the Farmers Home Administration, Soil Conservation Service, and others, but each of these programs has different criteria and differing types of relief. The major difference between those programs and the relief provided in this bill is that H.R. 5117 will come into play before disaster losses have been incurred, with the intent of mitigating those losses. The other disaster relief programs are triggered only after disaster has struck and the losses have already been suffered.

We should, of course, pass this bill without delay. But then, Mr. Speaker, we must put together a comprehensive plan for coordinated use of scarce western water that will do two things: Establish a system of cooperative effort by all of the users in each water basin for maximum utilization and conservation of water supplies, and provide standby emergency plans developed by the users themselves for drought-year water allocations under a system of mutually agreed upon priorities. The Federal role in such a plan would be to bring all of our disaster relief programs under one umbrella, with standardized criteria, to help the users and their local and State agencies prepare for and cope with water shortages as they occur.

The bill before us provides relief that is needed right now and must pass without delay if it is to do any good.

As I have said before, Mr. Speaker, the legislation is essentially stopgap legislation. In the final analysis, we are going to have to address this water crisis in a much more comprehensive manner through the development of a total water management program for the future.

The drought is a major crisis, of major proportions. I am hopeful that we will take this as a signal to move in the direction of something more comprehensive in the future. I urge passage of the legislation.

Mr. LUJAN. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. Rousselot).

Mr. ROUSSELOT. Mr. Speaker, I thank my colleague (Mr. Lujan) for yielding to me.

Mr. Speaker, I rise in support of this legislation (H.R. 5117). I appreciate what the Interior Committee has done to move on this drought legislation, which is truly emergency legislation and does not just have the sometimes overused tag of "emergency" attached to it. The thing that bothers me so many times is that we tend, in this body, to attach the name "emergency" to bills that do not necessarily have genuine emergency purposes included in the real content of the legislation. I compliment the Interior committee for bringing this genuine emergency legislation to the floor and doing so in a timely manner so the loans can do some good.

I know that the chairman of the subcommittee, the gentleman from Washington (Mr. Meed), came before the Budget Committee in an extraordinary session to try to make sure that the first budget resolution of 1978 include an authorization of \$100 million in loans for the drought now being experienced in the West. I compliment him for the able manner in which he was able to explain to the entire Budget Committee—the immediate necessity for this legislation.

I would also like to make the point that these are loans which must be paid back.

The people or organizations who take advantage of loans under this drought authorization realize they have to pay it back in 5 years. I think that gives an added protection to the Treasury. In addition, nothing is authorized for fiscal year 1978. All loans must be made in 1977 and as a matter of fact there is a termination date in the legislation of September 30, 1977.

I compliment the committee for the way it has put appropriate constraints in the legislation, so that in the name of

mum utilization and conservation of emergency individuals or groups cannot vater supplies, and provide standby misuse the authority.

California does need these drought loans, primarily in the northern part of the State.

I compliment the Interior Committee for the expeditious way it has moved (H.R. 5117). My understanding is that President Carter will sign this emergency bill.

Mr. LUJAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Kansas (Mr. Skubitz).

Mr. SKUBITZ. Mr. Speaker, I rise in support of this bill to provide temporary disaster relief authority to the Secretary of the Interior, and I urge my colleagues to give it their unanimous support. Most disaster relief legislation permits help to be given only after losses have been incurred. This program aims at helping the farmers before disaster strikes so they can hold down their losses.

I would also point out that the \$100 million provided in this bill is mostly "seed money" that will be repaid to the Treasury. The Secretary will use this money to buy water and to make loans for the construction of new wells. The water he buys will subsequently be sold at the same price for which it was bought. And the loans will be repaid by the farmers. We have stipulated that the loans be made at no interest, because all loans to reclamation farmers are at no interest and we feel there is no justification for setting a precedent that would penalize reclamation farmers in their hour of need.

The water bank provisions of this bill will not be applicable to all of the drought-stricken areas of the West simply because the situation it envisions does not exist in all areas. But where it can work, it should work well. It will permit growers of annual crops to receive a price for their water that will compensate them for not planting this year, while making enough water available to perennial crop growers to permit them to save their orchards and vinevards.

At the same time, the bill provides loans to farmers outside of waterbank areas to permit them to develop new sources of ground water.

This is a timely bill and a needed bill. Without it, many farmers will not only be hurt by the drought but will lose their capital investments in their orchards and vineyards as well.

I urge the Members of this body to support this bill, because it provides the Secretary with funds and authority to immediately respond to the needs and interest of those farmers in the West who are previous users of federally supplied water and whose lifetime investments are now being threatened by drought. Although this bill can in no way be considered as the ultimate response to the water needs of the West, it does provide, in part at least, a short-term solution which will precipitate the highest and best use of this scarce and precious resource.

Mr. LUJAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I concur with the remarks of the chairman of our subcommittee, the gentleman from Washington. We have moved as swiftly as possible to create a relief program that will mitigate the losses of this recordbreaking drought.

We were unanimous in opposing the administration's position that the Government should charge interest for the disaster loans authorized in H.R. 5117. Throughout the 75-year life of the Reclamation Act, no reclamation farmer has been charged interest on loans. It illbehooves us to clamp on the interest charges at a time when the farmer's back is to the wall, because of water shortages.

I would emphasize that the \$100 million appropriation authority contained in this bill does not represent an expenditure of that amount. The money will be repaid, either by water purchases or by repaid loans. In that respect, this bill is in line with our policy of trying to make all reclamation-oriented projects pay their own way.

Time is of the essence in this bill. If the relief is to do any good, it must get to the farmer now, not next month. That is why, in our committee markup, we provided that 15 percent of the authorized money will become immediately available to those farmers who need loans for construction of new wells, pipelines, and other equipment needed to augment present water supplies.

I have purposely held my remarks to a minimum, because I feel we should pass this bill without any delay. I urge my colleagues to join in its support.

Mr. LEGGETT. Mr. Speaker, I rise in support of the drought emergency programs embodied in H.R. 5117 which authorize \$100 million in temporary spending authority for fiscal year 1977 for water acquisition and other drought relief activities designed to mitigate the impacts of continuing drought in our West and Midwest.

As you may know, the President has already declared "emergencies" due to severe drought in portions of 12 States stretching from Michigan to the Pacific coast. With moisture far below normal for almost 2 years now, even the rains and snows that fell over much of this region in late February have brought little if any relief as reservoirs continue to dry up and underground water levels drop precipitously lower. Therefore, unless conditions improve dramatically in the next few months, it appears likely that many of these States will experience, in rapid succession, 2 of the driest drought years of the century. And even if 1978 were to bring with it a return to more normal rainfall and snow, the water suply deficits inherited from this year in most of these States would be extremely difficult to erase. Moreover, we cannot assume that 1978 will be wet, nor that it will be the last dry year in a row. Indeed, my own State of California has had up to as many as 6 consecutive years in the past when precipitation was below normal.

Unlike most natural disasters which start abruptly, end distinctly, and leave readily identifiable, verifiable, and quantifiable damage, drought is a creeping phonomenon—a cancer against the land—resulting in losses that oftentimes

defy precise computation and continue to plague us for many years afterwards.

As March 1977 began, wheat, fruit, and vegetable crops were threatened with ruin throughout much of the droughtstricken West and Midwest. Cattle and other livestock herds were being sold and slaughtered for lack of pasture, and cornplanting prospects for this spring remained poor at best. Dry-farm grain and nonirrigated rangeland have been hardest hit as seasonal precipitation over the past 2 years has varied between 30 and 50 percent of normal. Even irrigated agriculture has been hurt as a result of insufficient surface runoff and declining water tables. In many areas, only enough water remains for about one good irrigation, compared to the usual 15 to 20 irrigations required for healthy crops.

What is the magnitude of such potential drought-related losses, and can we place any reliable figures on these projected disruptions? As I have already indicated, it is difficult at best to estimate with any degree of accuracy the probable economic impacts of a continuing drought. This is especially true in agriculture, where, in many instances, decisions on whether or not to plant this year have not yet been made.

I am not presently aware of any comprehensive econometric modeling efforts or forecasts which specifically address our current drought situation in an attempt to quantify its overall macroeconomic repercussion on GNP, economic recovery, inflation, and unemployment for 1977 and 1978. However, Chase Econometrics and Data Resources. Inc. have recently released alternative agriculture forecasts which explore the partial implications of continuation of the drought throughout 1977. Both studies agree that the potential for a major crop production shortfall in 1977 is very strong, given the current dry conditions over much of the and Midwestern farming Western regions of the United States. They feel that inadequate water supplies for irrigation, particularly in California. Oregon, and Nebraska, will cause a shift in planting to dryland crops which will put downward pressure on yields since irrigated production is typically much higher. Such diminished crop yields will, in turn, lead to dramatically reduced production levels, as illustrated in table 1, which compares 3-year projections for selected crops under conditions of both continuing drought and no drought:

TABLE 1.—COMPARISON OF PRODUCTION LEVELS FOR SELECTED CROPS UNDER DROUGHT AND NONDROUGHT SCENARIOS!

Selected crop	1977	1978	1979
Corn (million bushels):			
Control Drought	6, 673 5, 031	6, 587 5, 297	6, 777
Wheat (million bushels):	2.017	L.S.	
DroughtSoybeans (million bushels);	2, 017 1, 987	2, 103 2, 049	2, 156 2, 194
Control	1, 476 1, 298	1, 563	1,616
Cotton (million bales):		A Secretary	SHAVAN
Control Drought	11.46	12.17 9.74	12, 30

¹ Source: Data Resources, Inc.

As can be seen, the most precipitous inventory changes in the worst crop scenario occur for corn. However, even more extraordinary results are reflected in likely crop prices. Even with the large grain carryovers from 1976–77, drought reduced crop reductions will create a substantial wave of grain price inflation, as indicated in table 2:

TABLE 2.—COMPARISON OF SELECTED CROP PRICES UNDER DROUGHT AND NONDROUGHT SCENARIOS 1

Iln			

Selected crop	1977	1978	1979
Corn:	2, 44	2, 36	2. 33 3. 45
DroughtWheat:	2.75	3. 37	3. 45
Control	2.72 3.04	2.80 3.83	2.72 3.98
Soybeans: Control Drought	6.89 7.28	5.82 7.57	5.65 7.28
Drought	1.28	1.51	1.2

¹ Source: Data Resources, Inc.

Again, corn prices are expected to lead this inflation, and continue to play a major role in reversing what was once considered a very favorable feeding outlook for livestock. Although continuation of the drought will force additional marketings of nonfed cattle throughout 1977, thereby tending to restrain meat prices in the short term, the combination of rising feed costs and reduced livestock herds will drive up consumer meat prices significantly in the longer term, as portrayed in table 3:

TABLE 3.—COMPARISON OF SELECTED LIVESTOCK PRICES UNDER DROUGHT AND NONDROUGHT SCENARIOS¹

Selected livestock	1977	1978	1979
Steers (dollars per hundredweight):		3 196	110
Control	40.25	43.96	42.44
Drought	40. 98	45. 91	44. 55
Hogs (dollars per hundredweight): Control	38.76	43.61	43, 28
Drought	39, 40	45. 85	50.37
Broilers (cents per pound):			
Control	39. 59	43.40	42.26
Drought	40, 11	45. 29	47.68

¹ Source: Data Resources, Inc.

These agricultural projections do not bode well for consumers. Indeed, the Data Resources Inc. study suggests that wholesale food price inflation will approach an annual rate of 11 percent for 1977, largely as a result of continuing drought in the West and Midwest. Utilizing standard rules of thumb for translating food price increases into probable impacts upon both the overall consumer price index and the Federal budget, we find that total drought-related pressures will likely lead to between a 2- and 3-percent increase in the overall consumer price index and cause additional expenditures in the Federal budget totaling around \$5 billion for directly related programs, and \$6 billion for indirectly related programs.

Extensive estimates regarding anticipated drought losses and impacts upon overall gross national product and employment expectations for 1977 do not presently exist for the entire United States. Therefore, to give you some indications of just how serious these eco-

nomic impacts might be, I would like to dwell for a moment on the plight of just one State—my State of California.

While the water shortage is pinching large urban areas, and while some small communities depending upon their own wells and reservoirs are nearly out of water, the continuing drought in California is having its most devastating effect on agriculture, where some of the richest land in the world-when it is properly irrigated—is now drying up due to lifesucking drought. Based upon revised figures released last month by the State Department of Water Resources, under the most optimistic scenario the drought could cost \$2.9 billion in gross State product and 57,000 lost jobs. Under the most likely scenario, fully \$4.5 billion and 140,000 jobs could be lost. And under the most pessimistic forecast, nearly \$6.3 billion and 259,000 jobs could conceivably be lost.

Such potential disruptions are unconscionable as long as we have at our disposal the means to ameliorate even a small portion of these projected losses yet fail to respond in a positive and timely manner. This bill before us today is by no means a comprehensive solution to the problems of a continuing extreme drought. However, it is an encouraging start which will allow the Secretary of the Interior to finance emergency water delivery facilities and administer the purchase and reallocation of emergency irrigation water supplies between willing buyers and sellers within the constraints of existing State laws. In particular, such a program would permit redistribution of water from farmers in drought areas who grow annual crops, such as vegetables and pasture crops, to those with perennial crops, such as fruit orchards, nut groves, and vineyards. Clearly, the rationale behind such legislation is that perennial farmers stand to lose considerably more during a severe drought than annual farmers who are able to sow and harvest their crops in one growing

Therefore, I strongly urge my colleagues to support this first step forward in coming to grips with the longer term effects of continuing drought in our West and Midwest.

Mr. MEEDS. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. MEEDS) that the House suspend the rules and pass the bill (H.R. 5117), as amended.

The question was taken; and (twothirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

Mr. MEEDS. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from the further consideration of the Senate bill (S. 925) to provide temporary authorities to the Secretary of the Interior to facilitate emergency actions to mitigate the impacts of the 1976-77 drought, and ask for its immediate consideration.

The Clerk read the title of the Senate hill

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 925

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior, hereinafter re-ferred to as the "Secretary", acting through the Bureau of Reclamation pursuant to the authorities in the Reclamation Laws (74 Stat. 882, as amended) and the authorities granted herein, is directed to-

(1) perform studies to identify opportunities to augment, utilize, or conserve water supplies available to Federal reclamation projects; and, within existing contractual arrangements and pursuant to State water law, to undertake without further authorization construction, management, and conservation activities which can be expected to have an effect in mitigating losses and damages to Federal reclamation projects resulting from the 1976-77 drought period;

(2) within the constraints of State water acquire available water supplies by purchase from willing sellers and to redistribute such water to users either within or outside Federal reclamation projects based upon priorities to be determined by the Secretary with the objective of minimizing losses and damages resulting from

the drought;

(3) undertake expedited evaluations and reconnaissance studies of potential facilities to mitigate the effects of a recurrence of the current emergency and make recommendations to the President and to the Congress evaluating such potential undertakings including, but not limited to, wells, pumping plants, pipelines, canals, and alterations of outlet works of existing impoundments; and

(4) make payments to Federal reclama-tion project landowners who are without irrigation water supplies to carry out soil conservation measures to protect the productivity of project lands for future seasons.

SEC. 2. Payment for water acquired from willing sellers will be at a negotiated price, but will not confer any undue benefit or profit to any person or persons compared to what would have been realized if the water had been used in the normal irrigation of crops adapted to the area, as determined

by the Secretary. SEC. 3. (a) The Secretary shall determine for purposes of this Act the priority of need for allocating the acquired or developed water, taking into consideration, among other things, State law, national need and the effect of losing perennial crops due to

drought.

(b) Where the allocation of the water is to a Bureau of Reclamation contracting entity such entity will be responsible for payment on terms and conditions within the repayment capability of the beneficiaries as determined by the Secretary and the funds used for developing or acquiring emergency water supplies that exceed the repayment capability, shall be nonreimbursable.

(c) In order to provide assistance to industrial irrigators outside Federal reclamation projects, the Secretary is authorized to make interest-free loans to such irrigators for the purposes of undertaking construction, management, conservation activities, or the ac-quisition of water, which can be expected to have an effect in mitigating losses and damages resulting from 1976–1977 drought period and to make payments to landowners out-side Federal reclamation projects who are without irrigation water supplies to carry out soil conservation measures to protect the productivity of their lands for future seasons

(d) Each irrigator desiring a loan or payment pursuant to subsection (C) of this section shall make application to the Governor of the appropriate State or his designee. The Governor or his designee shall determine whether the intended use of the amount requested, in his judgument, meets the purposes of subsection (c) of this section and complies with the requirements of the ap-propriate State laws. The Secretary shall approve such loans on the recommendation of the Governor that these requirements are met. The period of repayment for such loans shall not exceed five years.

(e) For the purposes of this section, the rm "irrigators" shall mean any person or legal entity who holds a valid existing water

right for irrigation purposes.

SEC. 4. The Secretary is hereby authorized to defer without penalty, the 1977 and 1978 payments of any installment of charges including operation and maintenance costs owed to the United States on Federal reclamation projects as he deems necessary because of financial hardship caused by extreme drought conditions: Provided, That any deferment may be added to the end of the repayment period under the contracting entities' existing contract with the United States.

SEC. 5. Actions taken pursuant to this Act are in response to emergency conditions and depend for their effectiveness upon their completion prior to or during the 1977 irrigation season and, therefore, are deemed not to be major Federal actions significantly affecting the quality of the human environment for purposes of the National Environ-mental Policy Act of 1969 (83 Stat. 852, as amended: 42 U.S.C. 4321). SEC. 6. The program established by this

Act shall, to the extent practicable, be coordinated with emergency and disaster relief operations conducted by other Federal agencies under other provisions of law. The Secretary shall consult with the heads of such other Federal agencies, as he deems necessary. The heads of all other Federal agencies performing relief functions under other Federal authorities are hereby authorized and directed to provide the Secretary, or his designee, such information and records as the Secretary or his designee shall deem necessary for the administration of this Act.

SEC. 7. Not later than March 1, 1978, the Secretary shall provide the Congress with a complete report on expenditures under this Act, which shall include, but not be limited to, an itemized account of each contract for construction or the purchase and sale of

water pursuant to this Act.

8. There is hereby authorized to be appropriated to the Emergency Fund Act of 1948 (62 Stat. 1052; 43 U.S.C. 503), a sum, not to exceed \$200,000,000, to carry out the purposes of the Emergency Fund Act and the purposes of this Act. The Secretary is hereby authorized to transfer to the emergency fund such fiscal year 1977 funds appropriated for other purposes as may be available to the Bureau of Reclamation: Provided, however, That no more than \$200,000,000 of fiscal year 1977 appropriated funds shall be expended from the emergency fund to carry out the purposes of this Act. Construction activities undertaken to implement the programs authorized by this Act shall not be initiated after October 1, 1977.

SEC. 9. Nothing in this Act shall be construed as limiting or restricting the power and authority of the United States or-

- (1) as affecting in any way any law gov erning appropriation or use of, or Federal right to, water on public lands;
 - (2) as expanding or diminishing Federal

or State jurisdiction, responsibility, interests, or rights in water resources development or control:

(3) as displacing, superseding, limiting, or modifying any interstate compact or the jurisdiction or responsibility of any legally established joint or common agency of two or more States or of two or more States and the Federal Government;

(4) as superseding, modifying, or repeal-ing, except as specifically set forth in this Act, existing laws applicable to the various Federal agencies which are authorized to develop or participate in the development of water resources or to exercise licensing or regulatory functions in relation thereto; and

(5) as modifying the terms of any inter-

state compact.

MOTION OFFERED BY MR. MEEDS

Mr. MEEDS. Mr. Speaker, I offer a motion

The Clerk read as follows:

Mr. Meens moves to strike out all after the enacting clause of the Senate bill S. 925 and to insert in lieu thereof the provisions of H.R. 5117, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 5117) was

laid on the table.

GENERAL LEAVE

Mr. MEEDS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The Speaker pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

AUTHORIZING SUPPLEMENTAL AP-PROPRIATIONS FOR MILITARY CONSTRUCTION AND FAMILY FAMILY HOUSING

Mr. NEDZI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5502) to authorize supplemental appropriations during fiscal year 1977 for military construction and for operation and maintenance of family housing, and for other purposes.

The Clerk read as follows:

H.R. 5502

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I-MILITARY CONSTRUCTION

SEC. 101. In addition to the authorizations contained in titles I, II, and III of the Military Construction Authorization Act, 1977 (Public Law 94-431), the Secretary of the military department concerned is authorized to accomplish energy conservation, fuel conversion, and pollution abatement projects in the following amounts:

(1) For the Army, various locations,

\$16,796,000.

(2) For the Navy, various locations, \$20,330,000.

(3) For the Air Force, various locations, \$20,000,000.

TITLE II-MILITARY FAMILY HOUSING SEC. 201. In addition to the authorizations contained in section 502 of the Military

Construction Authorization Act, 1977 (Public Law 94-431), the Secretary of Defense, or his designee, is authorized to accomplish alterations, additions, expansions, or extensions, not otherwise authorized by law, to existing public quarters at a cost not to exceed—

(1) for the Department of the Army,

\$13,155,000; (2) for the Department of the Navy, \$4,000,000; and

(3) for the Department of the Air Force,

\$9,382,000.

SEC. 202. In addition to the funds authorized to be appropriated by section 505 of the Military Construction Authorization Act, 1977 (Public Law 94-431), there is hereby authorized to be appropriated for use by the Secretary of Defense, or his designee, for military family housing as authorized by law for the following purposes:

(1) For authorized improvements to public quarters and minor construction, an

amount not to exceed \$30,000,000.

(2) For maintenance of existing military family housing, an amount not to exceed \$35,000,000.

TITLE III—GENERAL PROVISIONS

SEC. 301. Authorizations contained in this Act shall be subject to the authorizations and limitations of the Military Construction Authorization Act, 1977 (Public Law 94-431), in the same manner as if such authorizations had been included in that Act.

SEC. 302. This Act may be cited as the "Supplemental Military Construction Au-

thorization Act, 1977".

The SPEAKER pro tempore. Is a second demanded?

Mr. WHITEHURST. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Michigan (Mr. Nedzi).

Mr. NEDZI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill H.R. 5502 provides the required authorization for the \$122,126,000 in military construction and family housing appropriations added by the House on March 16, 1977, by floor amendment, to the fiscal year 1977 supplemental appropriations bill (H.R. 4877).

The Subcommittee on Military Installation and Facilities considered the bill on March 25, after hearing from the Department of Defense, and ordered the bill reported favorably by voice vote to the full committee. On Wednesday, March 30, the full committee approved the subcommittee recommendation and ordered the bill reported favorably without objection.

Specifically, H.R. 5502 authorizes \$57,-125,000 in energy conservation and pollution abatement projects and \$65 million for repairs, improvements, and minor construction of military family housing. These figures are identical to amounts appropriated for these same purposes in the fiscal year 1977 supplemental appropriations bill.

As you know, the appropriations for these construction categories were added to the supplemental appropriations bill, primarily to help stimulate the national economy since they are job producing projects. But, there is another reason equally important for accelerating these projects. Besides the economic

stimulus of generating an estimated 2,000 direct jobs in 1 year, they will move the armed services closer to the Federal Government's goal of eliminating all pollution sources at military bases and reducing energy consumption through various conservation measures.

For example, the \$32 million proposed in this bill for pollution control will enable 14 military installations to meet existing standards this year. Also, it is estimated that the energy conservation projects in this bill will result in a reduction of energy consumption equivalent to 250,000 barrels of oil each year, equal to a savings of \$5.8 million yearly.

In addition, the \$65 million contained in the bill for family housing repairs and alterations will help reduce a backlog in these categories now estimated at

more than \$500 million.

The projects to be authorized by H.R. 5502 originally were requested by the Department of Defense for the fiscal year 1978 budget, but both the previous and new administrations deferred them and other projects pending a study of future basing requirements.

While the Department did not request the authorizations in this bill, departmental witnesses testified that the Department has no objection to the bill and gave assurances that the bases where these projects are planned will continue as active installations in the foreseeable future.

At the subcommittee's request, the three services supplied lists of high priority energy conservation and pollution abatement projects and family housing projects that they feel certain can be put under contract between now and October 1, 1977, the start of the next fiscal year. Those are the projects authorized in H.R. 5502.

Mr. Speaker, this concludes my statement. I recommend approval of H.R.

Mr. HOWARD. Mr. Speaker, will the gentleman yield?

Mr. NEDZI. I yield to the gentleman from New Jersey.

Mr. HOWARD. Mr. Speaker, I thank the gentleman for yielding.

I have a question concerning page 4 of the committee report. Under the heading, "Department of the Army," for "Water Pollution Abatement," I would like to refer to two items: First, Fort Belvoir, Va., where it lists "Pump Station Emergency Power," \$369,000; and, second, "Vint Hill Farms Station, Va., Sewage Treatment," \$960,000.

My question to the gentleman is this: Are these amounts of money for these two installations needed for water pollution abatement under the existing personnel situation in these two installations, or is this money needed, because of any anticipated increase in personnel at these two installations?

Mr. NEDZI. Mr. Speaker, in listening to the testimony of the Department of Defense and in reviewing these projects, as well as all of the projects, the committee found that the projects were originally scheduled so that there was no change in the course of this fiscal year. These were postponed projects, so that it is our understanding that the projects do not anticipate any increase in per-

sonnel. They are there to satisfy existing EPA requirements in the case of Fort Belvoir, Va., and the State of Virginia requirements in the case of Vint Hill.

Mr. HOWARD. Mr. Speaker, to further clarify this, I would ask the gentleman from Michigan whether it is his understanding that this money is not needed, because they have an increase or because they anticipate a substantial increase in the number of personnel who might be located at these locations compared to what is there now?

Mr. NEDZI. Mr. Speaker, in the judgment of the chairman this has nothing to do with the number of personnel which are or could be assigned to these

particular installations.

Mr. HOWARD. I thank the gentleman. Mr. NEDZI. Mr. Speaker, I reserve the balance of my time.

Mr. WHITEHURST. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I rise to express my full support of H.R. 5502 whose purposes have been described by the distinguished

gentleman from Michigan.

We have heard a great deal of debate lately about the need to create immediate jobs by accelerating Government-sponsored construction projects. Indeed, this bill will accomplish that goal. But other benefits, equally as important, will result from enactment of H.R. 5502.

It is estimated that the energy conservation projects authorized in H.R. 5502 will reduce energy consumption at military bases equivalent to 250,000 barrels of oil each year. This is equal to a savings of \$5.8 million annually. So, we should see not only the savings of dollars, but the savings of precious fuel as well.

As stated previously, this bill will help eliminate air and water pollution sources at various military bases which are now in violation of air and water quality standards. As you know, Congress has been authorizing and appropriating an average of about \$110 million yearly since 1971 for projects to control pollution at all military installations. This year, however, the Department of Defense has only requested \$22 million for pollution control in the fiscal year 1978 budget. This bill will greatly supplement that meager effort and hopefully will help the Department meet its goal of having all bases pollution-free by September 1979.

In closing, Mr. Speaker, this is a multipurpose bill and should have the support of all of us. Therefore, I urge the passage of H.R. 5502.

Mr. SIKES. Mr. Speaker, the supplemental military construction authorization bill under consideration is a good example of the manner in which the Department of Defense can properly ease unemployment, provide needed stimulus to the overall economy and at the same time, help to meet our national goals of abolishing air and water pollution and conserving energy.

The projects which will be funded under this authorization were of sufficiently high priority to have been included in the original department of defense request for fiscal year 1978. However, an untimely and unwise cut by the Office of Management and Budget in the 1978 request caused the projects to be

dropped. I have said many times that this move by OMB went directly contrary to our national interests. The funds provided in this authorization will help remedy that situation.

By providing this authorization, which will provide \$122 million for air and water pollution projects and energy conservation projects, money will go into highly labor intensive projects within 60 to 90 days from the time the money is provided. It will keep thousands of Americans at work and at the same time will help to provide clean air and water and save precious enegy.

Mr. Speaker, this bill is a sensible approach. The projects should not have been deleted in the first place by OMB and certainly they should not be denied now that we in this body have the opportunity to correct the OMB mistake.

I urge passage of this bill so that this important work can go forward at military installations across our Nation and keep Americans in jobs.

Mr. NEDZI. Mr. Speaker, I have no

further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. Nepzi) that the House suspend the rules and pass the bill H.R. 5502.

The question was taken; and (twothirds having voted in favor thereof), the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. NEDZI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed, and to include extraneous material

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to the provisions of clause 3(b), rule XXVII, the Chair will now put the question on each motion on which further proceedings were postponed in the order in which that motion was entertained

Votes will be taken in the following

H.R. 5027, H.R. 3695, and H.R. 1828. The Chair will reduce to 5 minutes the time for any electronic votes after the first such vote in this series.

CLARIFYING THE REQUIREMENT THAT MEDICAL SERVICES BE PROVIDED BY THE VETERANS' ADMINISTRATION

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 5027.

Corman Cornell Cornwell

Coughlin

Cotter

Hightower Hillis Holland

Hollenbeck

Holt

Mollohan Montgomery Moore

Moorhead,

Calif.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill H.R. 5027, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 402, nays 0, not voting 30, as follows:

[Roll No. 119]

YEAS-402 Abdnor Crane Holtzman Addabbo Horton Akaka Daniel, Dan Daniel, R. W. Howard Hubbard Alexander Allen Huckaby Danielson Ambro Davis de la Garza Hughes Ammerman Hyde Anderson, Delaney Ichord Calif. Dellums Ireland Anderson, Ill. Derrick Jacobs Andrews, Derwinski Jenkins Devine Dingell N. Dak. Jenrette Annunzio Johnson, Calif. Johnson, Colo. Applegate Dodd Archer Dornan Jones, N.C. Jones, Tenn. Armstrong Downey Ashbrook Drinan Jordan Duncan, Oreg. Duncan, Tenn. Ashlev AuCoin Kastenmeier Badham Early Kazen Badillo Eckhardt Kelly Bafalis Edgar Kemp Baldus Edwards, Ala Ketchum Barnard Edwards, Calif. Edwards, Okla. Keys Kildee Baucus Eilberg Kindness Koch Bauman Beard, R.I. Beard, Tenn. Emery English Kostmayer Krebs Bedel! Erlenborn Beilenson Ertel LaFalce Evans, Colo. Evans, Del. Evans, Ga. Evans, Ind. Benjamin Lagomarsino Bennett Latta Le Fante Bevill Biaggi Leach Bingham Fascell Lederer Blanchard Fenwick Leggett Blouin Findley Lehman Fish Lent Boland Fisher Levitas Bolling Lloyd, Calif. Lloyd, Tenn. Long, La. Long, Md. Fithian Bonior Flippo Bonker Flood Bowen Brademas Flowers Flynt Lott Breaux Breckinridge Foley Ford, Tenn. Luken Brinkley Brodhead Forsythe Fountain Lundine McClory McCloskey Brooks Broomfield Frenzel McCormack Brown, Calif. Brown, Mich. McDade McDonald Fuqua Brovhill Gammage McEwen McFall Gaydos Gephardt Giaimo Burgener Burke, Calif. Burke, Fla. Burke, Mass. McHugh McKay Gibbons McKinney Gilman Madigan Burleson, Tex. Burlison, Mo. Burton, John Burton, Phillip Maguire Mahon Ginn Glickman Goldwater Mann Gonzalez Markey Butler Goodling Marks Byron Gore Marlenee Gradison Caputo Marriott Grassley Gudger Carney Martin Carr Mathis Carter Guyer Mattox Cavanaugh Hagedorn Mazzoli Cederberg Hall Meeds Hamilton Chappell Metcalfe Chisholm Hammer-schmidt Meyner Clausen, Michel Don H. Hanley Hannaford Mikulski Clawson, Del Mikva Miller, Calif. Miller, Ohio Cleveland Hansen Cochran Harkin Cohen Mineta Harrington Harris Harsha Coleman Minish Collins, Ill. Collins, Tex. Mitchell, Md. Mitchell, N.Y. Hawkins Heckler Conable Moakley Corcoran Hefner Moffett

Roberts Stratton Studds Mottl Robinson Murphy, III. Rodino Symms Murphy, N.Y. Murphy, Pa. Roe Rogers Taylor Thompson Murtha Roncalio Thone Myers, Gary Myers, Michael Myers, Ind. Natcher Rooney Thornton Rose Rosenthal Tonry Traxler Rousselot Neal Roybal Trible Nedzi Tsongas Rudd Nichols Runnels Tucker Ruppe Udall Nolan Ullman Nowak Van Deerlin Vander Jagt Ryan O'Brien Santini Sarasin Vanik Vento Oberstar Satterfield Sawyer Scheuer Volkmer Ottinger Waggonner Panetta Schroeder Walgren Walker Patten Schulze Sebelius Walsh Pattison Seiberling Wampler Sharp Weaver Weiss Pepper Perkins Shipley Shuster Whalen Sikes Pettis White Pickle Simon Whitehurst Pike Siek Whitley Poage Skelton Whitten Skubitz Pressler Wiggins Preyer Slack Wilson, Bob Wilson, Tex. Price Smith, Nebr. Pritchard Snyder Winn Quayle Solarz Spellman Quie Wolff Quillen Spence Wright Rahall St Germain Wydler Wylie Railsback Stangeland Rangel Regula Stanton Yates Stark Yatron Reuss Steed Young, Alaska Young, Tex. Rhodes Steers Richmond Steiger Zablocki Rinaldo Stockman Zeferetti Risenhoover Stokes

NAYS-0

NOT VOTING-30 Andrews, N.C. Fary Rostenkowski Aspin Florio Smith, Iowa Brown, Ohio Ford, Mich. Staggers Clay Stump Heftel Jeffords Teague Conyers Jones, Okla. Watkins Dent Krueger Milford Waxman Dickinson Wilson, C. H. Dicks Moorhead, Pa. Pursell Young, Fla. Young, Mo. Diggs

The Clerk announced the following pairs:

Mr. Teague with Mr. Andrews of North Carolina.

Mr. Milford with Mr. Aspin.

Mr. Florio with Mr. Clay.

Mr. Heftel with Mr. Conyers.

Mr. Dicks with Mr. Diggs.

Mr. Dent with Mr. Krueger. Mr. Fary with Mr. Smith of Iowa.

Jones of Oklahoma with Mr. Rostenkowski.

Mr. Moorhead of Pennsylvania with Mr. Staggers

Mr. Waxman with Mr. Charles H. Wilson of California.

Mr. Ford of Michigan with Mr. Stump.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER pro tempore (Mr. SISK). Pursuant to the provisions of clause 3(b) (3) of rule XXVII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time

Myers, Gary Myers, Michael Myers, Ind.

Natcher

Nichols

Nolan

Nowak

Oakar

Obey

O'Brien

Oberstar

Ottinger

Panetta

Pattison

Pepper Perkins Pettis

Poage Pressler

Preyer Price

Pritchard

Quayle

Quillen

Rahall

Rangel

Regula

Rhodes

Rinaldo

Roberts

Rodino

Rogers

Robinson

Roncalio

Rose Rosenthal

Rousselot

Roybal

Runnels

Ruppe

Ryan Santini

Sarasin

Sawyer Scheuer

Schulze

Sebelius

Sharp

Shipley

Satterfield

Schroeder

Seiberling

Russo

Rudd

Rooney

Richmond

Risenhoover

Reuss

Railsback

Quie

Pickle

Pike

Patten

Neal

Nix

Nedzi

Shuster

Skelton

Sikes

Sisk

Simon

within which a vote by electronic device may be taken on all of the additional motions to suspend the rules on which the Chair has postponed further proceedings.

REVISE AND IMPROVE THE PRO-GRAM OF MAKING GRANTS TO THE STATES FOR THE CONSTRUC-TION, REMODELING, AND RENO-VATION OF STATE HOME FACILI-TIES

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 3695.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill, on which the yeas and nays were

The vote was taken by electronic device, and there were-yeas 399, nays 0, answered "present" 1, not voting 32, as follows:

[Roll No. 120] YEAS-399 Carney Ford, Tenn. Abdnor Addabbo Akaka Carr Carter Forsythe Fountain Alexander Cederberg Fraser Frenzel Allen Chappell Chisholm Ambro Frev Clausen, Don H. Fuqua Gaydos Ammerman Anderson, Clawson, Del Cleveland Calif. Anderson, Ill. Gephardt Giaimo Andrews, N. Dak. Cochran Gibbons Cohen Gilman Annunzio Coleman Ginn Applegate Collins, Ill. Collins, Tex. Glickman Archer Armstrong Goldwater Conable Goodling Corcoran Ashbrook Gore Gradison Ashley AuCoin Cornell Grasslev Cornwell Gudger Badham Badillo Cotter Guver Coughlin Hagedorn Hall Baldus Crane D'Amours Hamilton Barnard Daniel, Dan Daniel, R. W. Hammer-schmidt Baucus Beard, R.I. Beard, Tenn. Bedell Davis de la Garza Hanley Hannaford Delaney Hansen Harkin Dellums Beilenson Benjamin Derrick Harrington Derwinski Harris Bennett Devine Dingell Harsha Hawkins Bevill Biaggi Bingham Dodd Heckler Dornan Blanchard Hefner Hightower Blouin Downey Drinan Hillis Holland Boggs Duncan, Oreg. Duncan, Tenn. Boland Bolling Hollenbeck Early Bonior Eckhardt Holtzman Bonker Edgar Horton Bowen Edgar Edwards, Ala. Edwards, Calif. Edwards, Okla. Eliberg Brademas Howard Breaux Breckinridge Brinkley Brodhead Huckaby Hughes Hyde Emery English Brooks Broomfield Ichord Ireland Erlenborn Brown, Calif. Brown, Mich. Brown, Ohio Ertel Jacobs Ertel
Evans, Colo.
Evans, Del.
Evans, Ga.
Evans, Ind.
Fascell
Fenwick Jenkins Brown, Ohi Broyhill Buchanan Jenrette Johnson, Calif. Johnson, Colo. Jones, N.C. Jones, Tenn. Buchanan Burgener Burke, Calif. Burke, Fia. Burke, Mass. Burleson, Tex Burlison, Mo. Burton, John Jordan Kasten Kastenmeier Findley Fish Fisher Fithian Kazen Kelly Flippo Kemp Ketchum Burton, Phillip Butler Flowers Byron Flynt Foley Caputo

Kindness Koch Kostmayer Krebs LaFalce Lagomarsino Latta Le Fante Lederer Leggett Lehman Lent Levitas Lioyd, Calif. Lloyd, Tenn. Long, La. Long, Md. Lott Lujan Luken Lundine McClory McCloskey McCormack McDade McDonald McEwen McFall McHugh McKay McKinney Madigan Maguire Mahon Mann Markey Marks Marlenee Marriott Mathis Mattox Mazzoli Meeds Metcalfe Meyner Michel Mikulski Mikva Miller, Calif. Miller, Ohio Mineta Minish Mitchell, Md Mitchell, N.Y. Moakley Mollohan Montgomery Moore Moorhead, Calif. Moss Mottl Murphy, Ill. Murphy, N.Y. Murphy, Pa. Murtha

Skubitz Slack Smith, Nebr. Snyder Solarz Spellman Spence St Germain Stangeland Stanton Steed Steers Steiger Stockman Stokes Stratton Studds Symms Taylor Thompson Thone Thornton Tonry Traxler Treen Trible Tsongas Tucker Udall Ullman Van Deerlin Vander Jagt Vanik Vento Volkmer Waggonner Walgren Walker Wampler Weiss Whalen White Whitehurst Whitley Whitten Wiggins Wilson, Bob Wilson, Tex. Winn Wirth Wolff Wright Wydler Wylie Yates Yatron Young, Alaska Young, Zablocki

Abdnor

Akaka

Allen

Ambro

Addabbo

Alexander

Ammerman

Anderson, Ill.

Anderson,

Calif.

Andrews, N. Dak.

Annunzio

Archer

Ashley

AuCoin

Badham Badillo

Rafalis

Baldus

Barnard

Baucus

Bauman

Bedell Beilenson

Benjamin Bennett

Bingham

Blanchard

Bevill Biaggi

Blouin

Boggs Boland

Bolling

Bonior

Bonker

Bowen

Breaux

Brademas

Brinkley Brodhead

Broomfield

Buchanan

Burgener Burke, Calif. Burke, Fla. Burke, Mass.

Burleson, Tex. Burlison, Mo. Burton, John

Burton, Phillip Findley

Brown, Calif. Brown, Mich. Brown, Ohio Broyhill

Breckinridge

Beard, R.I. Beard, Tenn.

Applegate

Armstrong

Ashbrook

NAYS-0

Zeferetti

ANSWERED "PRESENT"-1 Gonzalez

NOT VOTING-32

Andrews, N.C. Fary Rostenkowski Smith, Iowa Florio Aspin Cavanaugh Ford, Mich. Staggers Stump Clay Gammage Teague Watkins Heftel Jeffords Conyers Danielson Jones, Okla. Waxman Wilson, C. H. Dent Dickinson Krueger Milford Moorhead, Pa. Young, Fla. Young, Mo. Dicks Pursell Diggs

The Clerk announced the following pairs:

Mr. Teague with Mr. Gammage. Mr. Milford with Mr. Stump.

Mr. Florio with Mr. Krueger. Mr. Heftel with Mr. Waxman.

Mr. Dicks with Mr. Charles H. Wilson of

California. Mr. Moorhead of Pennsylvania with Mr.

Staggers. Mr. Jones of Oklahoma with Mr. Aspin.

Mr. Fary with Mr. Andrews of North Carolina.

Mr. Rostenkowski with Mr. Dent.

Mr. Diggs with Mr. Smith of Iowa Mr. Conyers with Mr. Ford of Michigan. Mr. Danielson with Mr. Clay.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EFFECTIVE DATE OF CHANGES IN SICK PAY EXCLUSION

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 1828, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspend the rules and pass the bill H.R. 1828, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were-yeas 404, nays 0, not voting 28, as follows:

[Roll No. 1211

YEAS-404

Byron Fisher Caputo Carney Fithian Flippo Carr Flood Flowers Flynt Foley Ford, Tenn. Cavanaugh Cederberg Chappell Chisholm Forsythe Clausen, Fountain Don H. Clawson, Del Frenzel Cleveland Cochran Fugua Gaydos Gephardt Giaimo Gibbons Cohen Coleman Collins, Ill. Collins, Tex. Conable Gilman Ginn Corcoran Corman Glickman Cornell Goldwater Cornwell Gonzalez Cotter Coughlin Goodling Gore Gradison Crane D'Amours Grassley Daniel, Dan Daniel, R. W. Gudger Guyer Danielson Hagedorn Davis de la Garza Hall Hamilton Delaney Dellums Hammer-schmidt Derrick Derwinski Hanley Hannaford Devine Hansen Dingell Harkin Dodd Harrington Dornan Downey Harsha Hawkins Heckler Drinan Duncan, Oreg. Duncan, Tenn. Hefner Hightower Eckhardt Hillis Edgar Edgar Edwards, Ala. Edwards, Calif. Edwards, Okla. Hollenbeck Holt Holtzman Eilberg Horton Emery English Erlenborn Howard Hubbard Hughes Ertel Evans, Colo. Evans, Del. Evans, Ga. Hyde Ichord Ireland Evans, Ind. Jacobs Jenkins Fary Fascell Fenwick Jenrette Johnson, Calif. Johnson, Colo.

Jones, N.C.

Jones, Tenn. Jordan Mottl Kasten Kastenmeier Murphy, Ill Murphy, N.Y. Murphy, Pa. Kazen Kelly Murtha Myers, Gary Myers, Michael Myers, Ind. Natcher Kemp Ketchum Keys Kildee Neal Nedzi Kindness Koch Kostmaver Nichols Nolan LaFalce Lagomarsino Nowak O'Brien Latta Le Fante Oakar Oberstar Leach Obey Ottinger Lederer Leggett Lehman Panetta Patten Lent Levitas Patterson Lloyd, Calif. Lloyd, Tenn. Long, La. Long, Md. Pease Pepper Perkins Pickle Luian Pike Luken Lundine Poage Pressler McClory McCloskey Preyer McCormack McDade Pritchard Quayle McDonald Quie McEwen Quillen McFall Rahall McHugh Railsback McKay Rangel McKinney Regula Madigan Maguire Rhodes Richmond Mahon Rinaldo Risenhoover Mann Markey Roberts Robinson Marks Marlenee Marriott Rodino Rogers Mathis Roncalio Mattox Mazzoli Rooney Meeds Metcalfe Rose Rosenthal Meyner Michel Rousselot Roybal Mikulski Rudd Runnels Mikva Miller, Calif. Miller, Ohio Ruppe Mineta Ryan Santini Minish Mitchell, Md. Mitchell, N.Y. Sarasin Satterfield Sawyer Scheuer Moakley Moffett Mollohan Schroeder Montgomery Schulze

Shipley Shuster Sikes Simon Sisk Skelton Skubitz Slack Smith, Nebr. Snyder Solarz Spellman Spence St Germain Stangeland Stanton Stark Steed Steers Steiger Stockman Stokes Stratton Studds Stump Symms Taylor Thompson Thone Thornton Tonry Traxler Treen Trible Tsongas Tucker Udall Ullman Van Deerlin Vander Jagt Vanik Volkmer Waggonner Walgren Walker Walsh Wampler Weaver Weiss Whalen White Whitehurst Whitley Whitten Wiggins Wilson, Bob Wilson, Tex. Winn Wolff Wright Wydler Wylie Yates Yatron Young, Alaska Young, Mo. Young, Tex. Zablocki

Sharp NAYS—0

Sebelius

Seiberling

Moore

Moorhead,

Calif.

Zeferetti

NOT VOTING-28

Ford, Mich. Rostenkowski Andrews, N.C. Aspin Gammage Heftel Smith, Iowa Staggers Conte Jeffords Teague Watkins Conyers Jones, Okla. Dent Krueger Milford Waxman Wilson, C. H. Dickinson Moorhead, Pa. Dicks Young, Fla. Pettis Pursell Diggs Florio

The Clerk announced the following pairs:

Mr. Teague with Mr. Charles H. Wilson of California.

Mr. Milford with Mr. Waxman. Mr. Florio with Mr. Staggers.

Mr. Dent with Mr. Smith of Iowa.

Mr. Heftel with Mr. Gammage. Mr. Moorhead of Pennsylvania with Mr.

Krueger.
Mr. Jones of Oklahoma with Mr. Conyers.

Mr. Jones of Oklahoma with Mr. Conyers.
Mr. Rostenkowski with Mr. Andrews of
North Carolina.

Mr. Diggs with Mr. Dicks. Mr. Clay with Mr. Aspin.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill relating to the effective date for the changes made by the Tax Reform Act of 1976 to the exclusion for sick pay."

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. DANIELSON. Mr. Speaker, when the vote was taken on the bill H.R. 3695 a short time ago, I was compelled to be off the floor. Had I been present I would have voted "aye."

PERMISSION FOR COMMITTEE ON INTERNATIONAL RELATIONS TO FILE REPORT ON H.R. 5717

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on International Relations may have until midnight tonight to file a report on the bill H.R. 5717, to provide for relief and rehabilitation assistance to the victims of the recent earthquakes in Rumania.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

CONFERENCE REPORT ON H.R. 4800, TO EXTEND EMERGENCY UNEM-PLOYMENT COMPENSATION ACT OF 1974

Mr. ULLMAN. Mr. Speaker, I call up the conference report on the bill (H.R. 4800) to extend the Emergency Unemployment Compensation Act of 1974 for an additional year, to revise the trigger provisions in such act, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to
the request of the gentleman from Oregon?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see prior proceedings of today.)

Mr. ULLMAN (during the reading). Mr. Speaker, I ask unanimous consent that the further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The SPEAKER. The Chair recognizes the gentleman from Oregon (Mr. Ullman).

Mr. ULLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a very important conference report. The FSB provisions of the law expired on last Thursday evening. It is important that we understand the contents of this bill, and for the purposes of explaining the nature of the agreements arrived at in this conference report, I yield 10 minutes to the gentleman from California (Mr. CORMAN), chairman of the Subcommittee on Public Assistance and Usemployment Compensation.

Mr. CORMAN. Mr. Speaker, the major provisions of H.R. 4800 as agreed to by the House and Senate conferees include the following:

The Federal supplemental benefits—FSB—program is extended until November 1, 1977, with a phaseout to February 1, 1978.

Until April 30, 1977, up to 26 weeks of FSB—or a combined maximum of 65 weeks of regular, extended, and Federal supplemental benefits—will continue to be paid in States where the insured unemployment rate is 6 percent or higher. This provides a 4-week transition period for those unemployed workers who have exhausted the first 13 weeks of FSB but have entitlement remaining in the second 13 weeks of this program.

As of May 1, 1977, up to 13 additional weeks of unemployment compensation can be paid to unemployed workers who exhaust regular and extended benefits. These additional benefits will be payable in States with insured unemployment rates of 5 percent or higher. This provides for a combined maximum of 52 weeks of regular, extended and Federal supplemental unemployment compensation benefits in States with high unemployment.

No new claims for FSB can be accepted after October 31, 1977, under this extension of the program. Unemployed workers who have applied for FSB prior to that date, however, will be able to continue to draw benefits until they have used up their FSB entitlement or until January 31, 1978, whichever comes first.

Under present law, FSB is financed out of refundable Federal general revenue advances to the Federal unemployment trust fund. The general revenues used to finance this extension of FSB will not be repayable.

H.R. 4800 requires States to deny FSB to individuals who do not actively seek work or who refuse offers of suitable work. Under the provisions of this legislation, for the purposes of the FSB program any work would be considered suitable if it is within the capabilities of the FSB claimant, pays the minimum wage and gross average remuneration equal to the individual's unemployment benefits, is listed with the State employment service or is offered in writing, and meets the other requirements of Federal law and State law and practices pertaining to suitable or disqualifying work that are not inconsistent with the provisions of this bill.

The conference agreement delays for 2 additional years, until January 1, 1980, the provisions in Federal law which provide for the automatic recoupment of outstanding Federal unemployment insurance loans to States.

The conference agreement also contains a Senate amendment requiring that future pay increases for Members of Congress, Federal judges, and senior Federal officials be subject to a rollcall vote in

both the House and Senate.

The Federal supplemental benefits program was enacted in December 1974. This program was in response to the sharp increase in the unemployment rate and the large number of workers who were expected in the coming months to exhaust their regular and extended benefits before obtaining suitable employment. Initially FSB contained both National and State triggers to initiate and terminate the additional unemployment compensation benefits. It provided up to a maximum of 13 additional weeks of unemployment compensation benefits-or a combined maximum of 52 weeks of regular, extended, and Federal supplemental benefits-in all States when the national insured unemployment rate was 4.5 percent or higher, and, if the national IUR dropped below 4.5 percent, the 13 weeks of FSB could be paid in States with insured unemployment of 4 percent or higher. As a part of the Tax Reduction Act of 1975 Congress increased from 13 to 26 the maximum number of weeks provided under the FSB program. This increased the combined maximum to 65 weeks of regular, extended, and Federal supplemental benefits.

Public Law 94-45, enacted in June 1975, extended FSB until March 31, 1977. It extended through December 1975 the payment of up to 26 weeks of FSB on the basis of National or State triggers. Beginning January 1, 1976, the national trigger was eliminated and FSB was made payable on the basis of State in-

sured unemployment rates.

Under current law, in States with insured unemployment rates of 6 percent or more. FSB provides a maximum of 26 additional weeks of unemployment compensation—up to a combined maximum of 65 weeks of regular, extended, and Federal supplemental benefits-to unemployed workers covered under the permanent State and Federal unemployment compensation programs. In States with insured unemployment rates between 5 and 5.9 percent. FSB provides a maximum of 13 additional weeks of unemployment compensation—up to a combined maximum of 52 weeks-to unemployed workers who exhaust their regular and extended benefits.

As of March 12, 1977, 34 States met the trigger requirements to pay FSB. Nine States had insured unemployment rates between 5 and 5.9 percent, making a maximum of 13 weeks of FSB payable. In 25 States the insured unemployment rate was 6 percent or higher, allowing the payment of up to 26 weeks of FSB to unemployed workers who exhaust their regular and extended benefits. Currently over 500.000 claimants are receiving FSB

payments.

H.R. 4800 extends the FSB program to November 1, 1977, with a phaseout to February 1, 1978. As of May 1, 1977, it limits to 13 the maximum number of additional weeks of unemployment com-

pensation payable to unemployed workers who exhaust regular and extended benefits. The combined maximum will then be 52 weeks of regular, extended, and Federal supplemental benefits, and FSB will be payable to unemployed workers in States with insured unemployment rates of 5 percent or higher.

Under this extension, new FSB claims may be filed and accepted through October 31, 1977. No new claims may be filed after that date. However, individuals who have filed an FSB claim prior to November 1 of this year can continue to draw benefits until they have exhausted their FSB entitlement for January 31, 1978,

which ever comes first.

Present law provides that when the unemployment in a State reaches the level required to pay FSB, these additional benefits will continue to be paid in the State for a minimum of 26 weeks. In other words, once the State meets the FSB requirement, it stays triggered on for at least 6 months, regardless of flucuations in the State unemployment rates that might occur. The conference agreement reduces the minimum duration of a State FSB payment period to 13 weeks. This is consistent with the 13-week maximum FSB entitlement for individual claimants provided in this bill.

The conference agreement on H.R. 4800 provides that Federal general revenues used to finance any FSB paid for weeks of unemployment ending after March 31, 1977, will not be repayable. Under current law, FSB is financed by employer paid Federal payroll taxes-FUTA—which are paid into the Federal unemployment insurance trust fund. Part of the money from the FUTA tax revenue is credited to the extended unemployment compensation account in the unemployment trust fund. This account is used to pay the Federal share of extended benefits and all of FSB. It has been necessary to supply repayable advances from general revenue to the extended unemployment account in fiscal years 1972, 1973, and 1975 through the present. The debt is currently \$8.1 billion, of which \$5.3 billion is attributable to FSB.

The shift to general revenue financing of FSB provided in this bill is based on the position that after a person has exhausted regular and extended benefits the reason for his unemployment can no longer be attributed to his previous employers. Therefore, the financing of any additional unemployment compensation benefits should be shifted from employer-paid payroll taxes to general revenues.

Under the provisions of section 104 of the bill, in addition to any eligibility requirements of the applicable State law, an individual will be disqualified from receiving FSB for failing to actively seek work; failing to apply for any suitable work to which he or she was referred by the State agency; or failing to accept any offer of suitable work.

To meet the "actively seeking work" requirement for any week the FSB claimant will have to engage in a systematic and sustained effort to obtain

work during such week, and provide tangible evidence to the State agency that he or she has actively sought work for such week.

For the purposes of the FSB program, any work will be considered "suitable" if it—

Is within the capabilities of the claimant:

Meets the conditions of present Federal law:

Meets the conditions of State law and practices pertaining to suitable or disqualifying work that are not inconsistent with the provisions of the section, such as not requiring an individual to take a job that involves traveling an unreasonable distance to work or poses an unreasonable threat to the individual's morals, health or safety;

Pays wages at least equal to the Federal or, if higher, any applicable State

or local minmum wage:

Pays wages at least equal to the Fedtion equal to the individual's weekly unemployment compensation benefit, plus any supplemental unemployment benefits—SUB—to which the individual might be entitled because of agreements with previous employers; and

Is listed with the State employment

service or offered in writing.

State agencies will be required to refer FSB claimants to any job that would be considered suitable for the individual under the provisions of this section. However, if an individual furnishes satisfactory evidence to the State agency that his or her prospects for obtaining work within a reasonably short period in his customary occupation are good, the determination of whether any work is suitable for the individual will be made in accordance with State law and practices pertaining to suitable or disqualifying work rather than the provisions of this section pertaining to suitable work. An example of the type of evidence required would be a recall notice from a former employer.

Failure to "actively seek work" or to apply for or accept an offer of "suitable work," as defined above, will disqualify an individual from receiving emergency benefits until he had worked at least 4 weeks and earned 4 times his or her weekly unemployment compensation

amount.

All State laws now provide for the disqualification of an individual who refuses to accept suitable work. These provisions vary substantially from State to State and were enacted to govern the operation of the permanent unemployment compensation system. The requirements of this section would not override the provisions and practices of State programs as they pertain to benefits under the regular and extended unemployment compensation programs, but would broaden the grounds for disqualification under the Federal supplemental benefits program.

The bill also requires an individual to actively engage in seeking work or be disqualified from benefits. It is intended that each FSB recipient actively search for employment opportunity and substantiate his or her activity to the State

agency. This is a more stringent requirement than that imposed by most State laws. It requires that FSB recipients be treated differently than beneficiaries of regular and extended benefits because of the duration of their unemployment and their inability to obtain reemployment in

their customary occupations.

Section 105 establishes provisions which require the utilization of a State's fraud procedures in the case of individuals who receive FSB benefits fraudulently. In addition, specific provisions are set forth to recover overpayments which are made erroneously. Correspondingly, there is provision for waiver of repayment when it is determined that a payment was received without fault of the individual and repayment would be contrary to equity and good conscience. Under the present statute, waiver is permitted only in those States which have State law waiver provisions applicable in their regular unemployment insurance program. Some States have no such provision, and, in those that do, the provisions vary. Section 105 provides for uniform waiver procedures in every State, and would thereby make the FSB program consistent with the present nationally uniform waiver provisions in the special unemployment assistance program.

The conference agreement also provides that an individual's FSB entitlement will expire 2 years after the end of the benefit year for which regular benefits were payable. Essentially, this means that an individual eligible for a total of 52 weeks of regular, extended and Federal supplemental benefits would have to draw those benefits within a 3-year period. After approximately 3 years, his or her FSB entitlement would expire.

Section 201 of H.R. 4800 would delay for 2 additional years, until January 1, 1980, the provisions in Federal law which provide for the recoupment of outstanding Federal unemployment insurance loans to States. The recoupment operates through an automatic increase in the Federal unemployment tax paid by employers in States with outstanding loans.

As of February 15, 1977, 22 States had borrowed a total of \$3.8 billion from the Federal Government to enable them to continue paying unemployment com-

pensation benefits.

Under permanent law, if all Federal advances to a State are not repaid within 2 years, the Federal unemployment taxes paid by the covered employers within that State are automatically increased by 0.3 percent per year until the total loan has been repaid. Public Law 94-45 delayed these automatic recoupment provisions until January 1, 1978. In order to qualify for the delay in the automatic tax increase, a State has to take actions aimed at restoring solvency to its unemployment insurance fund, such as increasing the State unemployment tax rate or taxable wage base, or changing the experience rating system.

The States that have been forced to borrow Federal funds are generally those that have been hardest hit by unemployment in recent years. In most cases, these

States are still faced with higher than normal levels of unemployment. It is the committee's position that the present suspension of the recoupment provisions be extended 2 more years in order to delay the increase in employer payroll taxes which would impose an additional burden on State economies still suffering from high joblessness. Furthermore, the additional 2-year delay would provide Congress with time to consider any recommendations pertaining to State and Federal unemployment insurance financing that might be forthcoming from the National Commission on Unemployment Compensation established by Public Law 94-566.

Title III of the bill makes some technical and clarifying changes in the Unemployment Compensation Amendments of 1976 (Public Law 94-566) that will resolve problems with the language as adopted. Also, it allows States the option of denying unemployment compensation benefits to school employees during established and customary vacation or recess periods, such as Christmas and Easter, if there is reasonable assurance of employment following the vacation or recess period.

Under the provisions of Public Law 94-566, effective October 1, 1979, unemployment compensation benefits must be reduced by the amount of any public or private retirement benefits received by an individual. A provision in H.R. 4800 delays this effective date until March 31, 1980, so that Congress will have sufficient time to consider the recommendations of the National Study Commission pertaining to the treatment of retirement benefits. Another provision in H.R. 4800 delays for 6 months the due dates for the interim and final reports of the National Commission on Unemployment Compensation established by 94-566.

There is one provision of the conference agreement not pertaining to unemployment compensation. This is a Senate floor amendment that amends Public Law 90-206. It requires rollcall votes in both the House and Senate on future pay raises for Members of Congress, Federal judges, and other senior Federal officials recommended by the Commission estab-

lished by Public Law 90-206.

FSB has been a necessary program. It has fulfilled the objective of providing additional unemployment compensation during a period when it has taken unemployed workers substantially longer to find work. The additional weeks of unemployment compensation provided by this program have made it possible for thousands of workers to sustain themselves and their families during the past several

Even though the economy has shown definite signs of improving, it has not improved enough to justify a complete termination of the FSB program. Total unemployment is still in excess of 7 percent, and over 7 million unemployed workers are searching and competing for existing jobs. The conditions which led Congress to enact the FSB program are still sufficiently severe to warrant its ex-tension as provided in this bill.

I urge the Members to support the extension of the FSB program as provided in the conference agreement that is before them.

Mr. CONABLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this conference report.

It will insure the continuation of the Federal supplemental benefits program through November of this year.

As Members will recall, recently the House paseed H.R. 4800 which in addition to extending the FSB program until March 31, 1978, also made a number of other changes in that program which were of importance. One such change alters the suitability of work provisions in the FSB program. The new provision would deny FSB payments to an individual unless he or she is actively seeking work or refused to take a job which pays at least the minimum wage or 120 percent of the claimant's unemployment compensation weekly benefit, plus any supplemental unemployment benefits he or she might be entitled to.

In addition the House bill provided general revenue financing for FSB after March 31, 1977. Further, it reduced the number of weeks a worker could be potentially eligible for unemployment benefits from 65 to 52 and by providing a 13-week maximum Federal supplemental

benefits program.

The House version of H.R. 4800 changed present law to allow the payment of FSB benefits to workers in labor market areas which had insured unemployment rates of 5 percent or higher. As a result of this provision workers in those areas of high unemployment would receive FSB benefits even though the overall State unemployment rate would not otherwise qualify them for such benefits. This provision was deleted in conference.

The conference agreement embodies the following provisions.

First. The changed program will be extended through October 1977 with a phaseout of benefits for a period running until the end of January 1978. This compromise is agreed to as a middle ground between what the House adopted and what the administration recommended and will allow for a smooth termination of this program next January.

Second. FSB will run for a maximum of 13 weeks. Availability of the program will be determined on the basis of the insured unemployment rate in a State rather than in the States as well as in local labor market areas as provided in the House version. The conferees reluctantly agreed to drop the area triggers provision of the House bill because the costs associated with other changes that were agreed to would have caused the conference report to run afoul of the Budget Act if the area triggers had been retained.

Third. Financing of the FSB program, effective March 31, will be from general revenues as provided in the House bill. Some people consider this a controversial measure.

Fourth. "Suitable work" and "actively

seeking work" provisions similar to but more stringent than the House-passed provisions were adopted. The House requirement that wages be equal to or higher than the Federal minimum wage for suitable work was accepted. This means that a worker will generally have to accept a job which pays 100 percent of his or her weekly unemployment compensation benefit or a job that pays the Federal minimum wage.

Fifth. The job that must be taken by the person must be offered in writing or listed with the State employment service. There was quite a bit of discussion

of this measure.

Mr. Speaker, it should be noted that the Senate added and the conferees have now adopted a floor amendment which requires each House of Congress to vote on future pay raises recommended by the President for Members of Congress and others. This provision, which I support, may be the subject of a separate

vote. I urge its adoption.

There was a great deal of skulking in the underbrush about this particular provision. The majority decided they did not wish to suffer the indignity of having a motion to recommit sponsored by the minority forcing the vote on this particular measure. The conference was recalled after the bill was not brought up last Thursday, and the majority then moved to recede and accept the Senate nongermane amendment. The fact that it was a nongermane amendment alone made it a controversial issue, but the emotional surcharge involved in our efforts to recapture our lost virtue on the issue of the pay raise of course further complicated the matter.

Mr. STEIGER. Mr. Speaker, will the

gentleman yield?

Mr. CONABLE. I yield to the gentleman from Wisconsin. I have not completed my presentation of the conference report but I know the gentleman has something trenchant to observe at this point.

Mr. STEIGER. Nothing trenchant at all. I want to thank my colleague, the gentleman from New York, for yielding.

The time has passed in which a separate vote can be ordered on the so-called Bartlett amendment, so the House will not have an opportunity to have a debate and a vote on that issue.

It is embodied in the conference report.

I might say, Mr. Speaker, that I am bemused by the decision of the conferees, but I am delighted that they have seen the virtue of accepting the Bartlett amendment.

I congratulate the conferees for their reconsideration of their previous action and I hope that the conference report will be adopted.

I must say, I find myself in a difficult position, because I strongly opposed H.R. 4800 when it passed this House. I think the conference report is an improvement over that which passed this House. I think the addition of the Bartlett amendment is one of the reasons for its improvement; so I intend to vote for the

conference report, but I must say that I would want my colleagues, and particularly the distinguished chairman of the subcommittee, to go back to my remarks during House passage, because I think we are going to face the issue again and I do want everyone to know that I think we have reached the end of the time we should extend FSB.

I hope this conference report will be the last time we have that opportunity.

Mr. CONABLE. Mr. Speaker, I thank the gentleman for that interpretation and for the work the gentleman has done on this bill

I think the agreement reached by the conferees is sound and the suitability of work provisions represent a major reform in this program. We have all been made aware of cases in our own States and districts where individuals known to us or to our friends have been collecting unemployment compensation benefits, while at the same time not seeking or taking available jobs. The change in this conference report relative to suitable work essentially requires an individual to take a job which he is capable of performing or suffer the loss of Federal supplemental benefits.

I would hope that the Subcommittee on Public Assistance and Unemployment Compensation of the Committee on Ways and Means will soon schedule hearings on extending this major reform to at least some other parts of the unemployment compensation program.

Finally, Mr. Speaker, I believe this conference report is sound. I urge its adoption at this point, regardless of how Members voted on the House bill as it originally passed.

Mr. ULLMAN. Mr. Speaker, I yield myself 1 minute. Then I will yield to the gentleman from Wisconsin (Mr. Obey).

Mr. Speaker, the situation in which we find ourselves in this conference report illustrates clearly a weakness in the rules of the House. I strongly urge that we change the procedures, because under the existing rules if a nongermane amendment is put on a bill on the Senate side, one of our bills or any other bill, and then comes into conference and we reject it, as we did the first time around on this matter before us today, there is no way that we can avoid a vote here in the House when we bring a conference report back.

Now, that rule was put in 2 years ago to cover some situations that had developed, but I think it is extremely unfortunate when we reject a nongermane amendment that it can be brought up under a motion to recommit. I strongly urge the House to change the rules so we can avoid this very bad parliamentary result.

Mr. Speaker, I yield 4 minutes to the gentleman from Wisconsin (Mr. Obey).

Mr. OBEY. Mr. Speaker, I will vote for this bill, because I believe in the principle of unemployment compensation which is encompassed in this bill, but I want to be one Member who makes it quite clear that I am very strongly opposed to amendment No. 26, which requires Members of Congress in the future to vote on their own pay. I know that the House will adopt the amendment, but I want to speak to that question. I want to take what I know is a minority view and I want to take what I know is an unpopular view, because I think the principle is important.

Frankly, to me, the idea that Members of Congress ought to vote on our own pay is absolutely utter nonsense. If anyone can tell me a more direct conflict of interest for Members of Congress than to be in a position of voting on their own pay, he is a lot smarter than I am. There is no more direct conflict of interest for a Member of Congress than voting to set his own pay. I have said many times before and I will continue to say that I will serve in this job at whatever pay level is established by someone other than myself.

Be it labor, be it business, be it the press—I know of no other segment of society which sets its own pay, and I do not believe it is proper for politicians to be placed in the position of setting their own pay either. The 1968 law, in my judgment, is an imperfect solution to an impossible situation, but it is designed as much as possible to remove Congress from an obvious conflict of interest situation.

I would like to make one point in that regard. House rule VIII says: "Every Member . . . shall vote on each question put, unless he has a direct personal or pecuniary interest" in the outcome of such question.

Can anyone here tell me when a Member of Congress has a more direct financial interest than in a vote on his own pay? I do not think so. That is why I do not believe we ought to be put in the position of voting on it.

The other thing that bothers me, frankly, is this: Some of the Members of Congress who have been most active in attempting to require Members of Congress to vote on their own pay are people who themselves have staggering outside incomes or private fortunes. Some of the Members of Congress who have gotten the most publicity in the press about their opposition to the last pay raise are Members who have come to me on this floor and told me privately that they think it should pass, that most of them want it to pass, but they do not have the guts to support it. I do not think the public interest is served by that kind of charade. The Members will remember what happened here a year and a half ago when we had the last vote on pay, the cost of living adjustment. That bill was ahead by 100 votes with 5 minutes left to go on the rollcall clock. Then, one by one, people bailed out. They changed their vote after they saw it would pass so they did not get the blame. It finally passed by one vote. I do not believe that kind of hypocrisy does the public any good. I do not believe that kind of hypocrisy does this institution any good.

I would strongly suggest—I know there is nothing we can do about it now—but I would strongly suggest that in terms of the integrity of our own institution we have made a fundamental mistake. We will not—we will not improve the public's esteem for this body by placing 435 Members in this body and 100 Members in the other body in the position of being required to consistently be in a conflict of interest when they vote on their own pay. I think it is a bad mistake. There is nothing we can do about it, but I think Members of Congress will rue the day it happened, and I think the public will as well.

Mr. ULLMAN. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. Pike), a member of the

ommittee.

Mr. PIKE. Mr. Speaker, I just feel constrained to say that, while I commend the intestinal fortitude of the preceding speaker, I disagree with him on the substance of what he has said. I think he is right when he attacks charades, and he is right when he attacks hypocrisy, but if we get into a position where we are attacking charades and attacking hypocrisy, then the thing we have got to attack is the manner in which we got our pay raise.

That is because, if ever there was a charade, it was the concept that, "Oh, if only we could have voted on this pay raise I would have voted against it, and I wanted to vote on it so badly, but I was unable to do so and therefore, reluctantly, I am compelled to accept

this pay raise."

Now, this, to me, is the height of charade. This, to me, is the height of hypocrisy, and I commend the conferees for having adopted the Senate amendment

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. PIKE. I yield to my colleague from New York.

I would like to ask the gentleman, if we raise congressional pay, and if we make the increase effective at the beginning of the next Congress, do we not avoid the dilemma of raising our own pay? It seems to me that would be an entirely appropriate way to deal with this.

Mr. PIKE. I agree with the gentleman. Very frankly, I was one of either 75 or 85, I think, last year who did have the courage to vote for a 4.83-percent pay raise before the election, and it was to take effect in this Congress. I think that is the way it should be done.

Mr. ULLMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr.

SEIBERLING).

Mr. SEIBERLING. Mr. Speaker, I would like to address a question to the distinguished chairman of the Committee on Ways and Means.

Last year, we had a situation in Ohio, and other States, where the State triggered out under the unemployment compensation law then and now in effect, and yet various metropolitan areas within that State, including the one I represent, still had a much higher un-

employment rate than either the State or national average. Yet those people had their unemployment compensation cut off.

I introduced a bill, which the gentleman from California (Mr. Corman) had hearings on, which would have corrected that situation and made the triggering mechanism applicable to metropolitan areas rather than to a State. That was in this bill as it passed through the House. But I see the conferees have now eliminated that feature which, it would seem to me, was a very desirable feature.

I wonder if the gentleman could ex-

plain what the reasons were.

Mr. ULLMAN. Mr. Speaker, I shall yield to the gentleman from California (Mr. Corman), the distinguished chairman of the subcommittee, to respond to that.

Mr. CORMAN. Mr. Speaker, in response to the gentleman's question, we really faced two things. First of all was the budgetary impact after we accepted the Senate's phaseout of people in the program and used up some \$43 million of that, and the other thing is that every State administrator indicated it would be difficult to administer.

I guess we will have to come back and fight another day. But we either need a national trigger, which covers everyone, or we need local triggers to supplement the areas of high unemployment.

I doubt that this program is to be ended now. If it is not to be ended but funded out of general revenue, there will be undoubtedly other kinds of requirements which will be imposed upon recipients.

Mr. SEIBERLING. I thank the gentleman.

Mr. Speaker, I appreciate the work the gentleman has done, and I think it is unfortunate that the Senate took this portion out of the bill.

My heart bleeds for the State administrators, but it also bleeds for the thousands of people who got their unemployment compensation prematurely cut off.

Mr. CONABLE. Mr. Speaker, I yield 2 minutes to the gentleman from Michi-

gan (Mr. VANDER JAGT).

Mr. VANDER JAGT. Mr. Speaker, I rise in support of the conference report on H.R. 4800. I think it is a tighter bill than that which passed the House overwhelmingly a few weeks ago. It reduces the maximum potential benefit period from 65 to 52 weeks. It also reduces the program's extension from 1 year to 7 months. In addition, the Ketchum amendment, providing a requirement for the acceptance of alternate work, was strengthened by the action of the conferees.

There is one Senate amendment which I very much regret the conferees did not adopt. As most of the Members know, many States have special unemployment compensation provisions which relate to substitute teachers. Under amendments which we adopted last year, the States, effective January 1978, will no longer have the right to provide special treatment for substitute teachers. In effect, what will happen is that a substitute

teacher will be able to teach for as little as 1 day a week for 14 weeks in my State and then qualify for a full 52 weeks of unemployment compensation. That makes absolutely no sense. It will add enormously to the cost of the substitute teaching program for our school districts and it will decrease the efficiency of the substitute teaching program.

When the Public Assistance and Unemployment Compensation Subcommittee considered H.R. 4800 we did not take cognizance of this problem. It was brought to our attention just before House consideration of H.R. 4800 that this situation prevailed. The rule under which H.R. 4800 was considered was closed, so it was not possible to offer appropriate floor amendments to deal with the coverage of substitute teachers.

However, the Senate did amend H.R. 4800 so as to allow the States the option of denying benefits to substitute teachers if the substitute teacher had been employed in the base period for less than 45 days. This was a sound amendment.

The conferees rejected the Senate provision. However, the chairman of the subcommittee did indicate that this subject will be addressed by hearings in the near future. The issue, in a sense, is not directly tied into the FSB program itself.

Mr. Speaker, because this program is urgent and because the bill on balance is good and sound—tighter even than the one that passed the House—I urge my colleagues to support the conference report.

Mr. ASHBROOK. Mr. Speaker, will the

gentleman yield?

Mr. VANDER JAGT. I yield to the

gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, in the remaining time the gentleman has, I merely want to raise this question: I respect my friend, the gentleman from Wisconsin (Mr. Steiger) and respect the fact that he feels it is a conflict of interest for us to vote on our own pay. However, I do not see how it would be a conflict of interest for us to vote on our own pay and then not be a conflict of interest for us to vote on the question of ethics. How does he answer this paradox? Either both are a conflict of interest or neither are by extrusion of his reasoning.

Mr. CONABLE. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. Frenzel).

Mr. FRENZEL. Mr. Speaker, we have before us today the conference report to H.R. 4800, the extension of the Federal Supplemental Benefits program.

Unfortunately, some of the bad features of the House bill have been retained in the conference report. Most notable is the assumption of corporate tax liability by general taxpayers through general revenue financing of the program. Further, the deferral of State repayments of past borrowings from the unemployment compensation trust funds leads to an additional assumption—unwarranted, I hope—of the unemployment tax burden by individual American taxpayers. I strongly believe that we

should not require general taxpayers to help bail out large corporations, or even the States, from their normal tax liabilities

The conference report has made several improvements, however. Most importantly, the bill represents a strong statement that Congress will finally let this program expire after this extension. The shortened duration of the extension, down from 1 year to 10 months, represents a step in the right direction. That reduces the cost from over \$1 billion to three-quarters of a billion dollars, a saving of \$250,000,000.

The suitable work provisions contained in the House bill have also been tightened up by requiring that a suitable job pay only 100 percent of the applicable miniumum wage. Also eliminated in conference were the proposed area triggers which would have substantially increased the total amount paid out under FSB. For those of us who see FSB as a disincentive to return to work, the removal of these triggers is a positive factor since it tends to reduce the disincentive.

Mr. Speaker, based solely on the improvements which were made in H.R. 4800 in the conference report, I would have been tempted to vote for it, even though I oppose the FSB program and did vote against the original House bill.

However, since the conference committee reconvened and passed the Bartlett amendment mandating a vote on future congressional pay raises, I do intend to support this conference report, and I hope that it will be adopted.

I think it is worthwhile to retrace the history of this most interesting conference committee. The committee brought back a conference report and asked unanimous consent to have that conference report brought up last Thursday. The gentleman from Wisconsin (Mr. Steiger) indicated at the time that he would move to recommit that conference report so that the conferees would have a chance to vote to bring back the Bartlett amendment, which would require a vote on future congressional pay raises.

Because the gentleman from Wisconsin (Mr. Steiger) was persistent—in fact some say he was recalcitrant—the conference report was pulled off the schedule last Thursday. The conference committee was reconvened, and the conference committee then decided that it would adopt the Bartlett amendment, and we have the conference report in that shape today.

Mr. Speaker, I would like to congratulate the gentleman from Wisconsin (Mr. Steiger), who has stood for a point that most Members of this body believe in very strongly, and that is that we should be obliged to vote on pay raises that affect us. I am not certain that we are the proper body to set our own pay levels, but as long as we have the ultimate responsibility for them, we certainly ought to have the courage to vote on them.

That is all the gentleman from Wisconsin (Mr. Steiger) was trying to do. That he was able to do so under the

rule simply means that we have a decent set of rules. I do not believe, if the conference report had been brought up, that the conference report would have been accepted without the motion to recommit. So I think we are all in the debt of the gentleman from Wisconsin for having brought this matter to a head.

I do not think what we have done needs to imperil the work of another committee and subcommittee that is going to go to work on the question of how we should approach congressional pay raises. I think that committee can bring us further improvements in the process. But one in the hand is worth a great many in the bush.

Mr. Speaker, thanks to the distinguished gentleman from Wisconsin (Mr. STEIGER) we have a bill that all the Members can support today, even those who like myself voted against H.R. 4800 when it was first presented to us.

The SPEAKER. The time of the gentleman from Minnesota (Mr. Frenzel) has expired.

Mr. CONABLE. Mr. Speaker, I yield I additional minute to the gentleman from Minnesota (Mr. Frenzel).

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Speaker, I have been examining the Senate amendment on the pay raise, and I am unable to find the vehicle by which the procedure would be used to actually have a vote. All it provides is that there shall be a separate vote, but there is no provision for it. It also says there shall be a separate vote on each of the distinct pay provisions, executive, legislative, and judicial, which is not now present in law.

I would like to know this: Does the gentleman have any idea as to how we are going to do that? Are we going to do it by separate resolution on each one, or what is the procedure?

Mr. FRENZEL. Mr. Speaker, I am advised that under the language of the Senate amendment as it appears on page 9661 of the Congressional Record, the increases cannot become effective absent a vote

Mr. VOLKMER. Yes, but does the gentleman have any knowledge as to how there would be a vote?

Mr. FRENZEL. Other than stated in the amendment, I do not.

Mr. VOLKMER. The gentleman does not know how there would be a vote?

Mr. FRENZEL. Except as stated, that is correct.

Mr. ULLMAN. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. CORMAN).

Mr. CORMAN. Mr. Speaker, I take this time to make a comment about the Bartlett amendment.

First of all, Mr. Speaker, I have heard from the other side many times that bringing in significant legislation through a nongermane amendment to a bill is not the right thing to do.

Shortly after it was announced that the Bartlett amendment had passed the Senate, I was requested by the chairman of the Post Office and Civil Service Committee, which has jurisdiction over this matter, to reject it. The conference went along with that request. Had it been any other kind of nongermane amendment I suppose we would have had the support of most of the people on the other side of the aisle.

I cannot help but wonder how the members of Ways and Means who have argued so strongly in support of the Bartlett amendment would react if the Committee on Post Office and Civil Service brought a conference report back containing a tax cut or a nongermane amendment dealing with some other matter clearly under the jurisdiction of the Ways and Means Committee.

Mr. CONABLE. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. Ketchum), who spent a great deal of time and a great deal of ingenuity in developing the suitability provision in the bill that will do a great deal toward the effectiveness of our unemployment compensation system.

Mr. KETCHUM. Mr. Speaker, much has been said about the FSB conference report and what went on during the conference session. Let me say at the outset that I am very sorry that the pay increase has become seemingly more important than the bill. I believe that the subcommittee and the full Committee on Ways and Means did a rather remarkable job on a relatively unpopular bill.

We attempted, as has been expressed on the floor, to solve the problem addressed by the gentleman from Ohio (Mr. Seiberling) relative to area triggers. Mr. Rangel, the gentleman from New York, did, I think, an oustanding job in attempting to deal with that problem. Unfortunately his position did not prevail in the conference. I think it was worth a try but we were not able to do it; we are going to stick with the State triggers.

The suitability provision I believe is a major step forward. I do believe that the position taken originally by the other body tightened that provision and made it better.

At the end of the conference we came finally to the provision requiring votes on pay raises.

Let me assure the Members that there is no Member of this House who more strongly supports the concept of voting on our own pay raises than I do, but to attach it to a bill such as this is, in my opinion, frivolous. It should never have been attached to this bill.

The House conferees, with one or two exceptions, totally supported striking the provision from the bill; it was not a partisan matter at all. Republicans and Democrats both agreed that that provision should be stricken.

I might remind the Members that when they return to their constituencies, the people out there may question them about a practice that they associate with the Congress, and that we associate with the other body. This is the practice of sending a bill over to the other body.

such as a social security bill, and knowing that bill may very well come back with a new wilderness area attached to it as a nongermane amendment. A point of order then would be raised on this floor and that amendment would be stricken. When that is done I believe we do a better job.

But, Mr. Speaker, I repeat, by attaching this particular amendment to this bill we have made a tacit admission on the part of every Member of this body, to me, at least, that the legislative proc-

ess will not or cannot work.

To those Members who say they would like to vote on that, all they have to do is march up to the desk and sign the discharge petition and you can vote on this issue this moment.

The SPEAKER. The time of the gen-

tleman has expired.

Mr. CONABLE. Mr. Speaker, I yield 1 additional minute to the gentleman from California.

Mr. KETCHUM. Mr. Speaker, I thank the gentleman for yielding me the additional time.

I submit that the FSB bill is a very poor vehicle for dealing with the pay raise. I would be delighted to vote on it separately under its own title.

I think that the conference has done a remarkable job. This is a bill that I have not supported previously, but I think that, recognizing the fact that we do have areas of unemployment that are extraordinary, we do have to find some way to face them, and what we have done is a step in the correct direction.

Mr. Speaker, I urge an aye vote on

the conference report.

Mr. ULLMAN. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. Pickle), a member of the committee.

Mr. PICKLE. Mr. Speaker, the conferees on H.R. 4800, the Federal supplemental benefits extension, have made numerous improvements. First, they have reduced the time of extending FSB from 1 year to 7 months. During the 94th Congress, the Ways and Means Subcommittee on Unemployment Compensation, of which I was a member, recommended, after a lengthy study, that the FSB should cease March 31, 1977. Inevitably, there was a move to extend its life.

Second, the onerous area-by-area trigger program was excised. This creates a real burden on States which must administer it and is also patently unfair to those areas which have high unemployment, but low population.

Third, the conferees have retained a provision calling for those beneficiaries to take "suitable work." This is a must for a program which provides assistance for more than I year. When we get to the point where a person can draw benefits for 52 weeks, or 65 weeks, prior to this legislation, we are straying far from the insurance concept into an assistance program. The National Study Commission must determine when this program, which has worked well since its 1935 inception, ceases being an insurance system and becomes a "relief" system. Although I can realize that the employers

of this country welcome the fact that these additional benefits will be paid from general revenues, I must admit to some reservations about that approach. Overall, however, the conference report is much better and I think it can be supported now.

This extends the FSB program until November 1 with a 3-month phase out through February 1, 1978. This would be for 39 to 52 weeks in those States which have more than 5 percent insured unemployment. The conference also approved a 4-week phaseout for those whose benefits expired March 31, 1977.

The conference report knocked out the trigger provision, retained financing from general revenue, kept provision regarding suitable work, and extended the repayment program for 2 more

years.

Mr. Speaker, I am pleased to see that the conferees did include a provision requiring votes on future House and Senate, and Federal executive pay raises. This should have been done 2 months ago. The gentleman from New York (Mr. Pike) is eminently correct that we have engaged in a charade. But that is a matter behind us, and at least all future pay raises must be voted on. Perhaps we can take some comfort in the fact that the pay raise amendment has brought us together more then any legislation before us.

Mr. ULLMAN. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. Solarz).

Mr. SOLARZ. Mr. Speaker, I recognize the political and parliamentary problems which were created for the conferees by the Bartlett amendment, but it seems to me that the acceptance of this amendment in the conference report was unfortunate in the sense that even if one accepts it and agrees with the basic principle embodied in the Bartlett amendment, the fact is that that amendment is so technically flawed that it may well create more problems for the House than its sponsors think it will offer.

For one thing, it is questionable whether any amendment by statute can require the House to vote on anything. Despite what the gentleman from Minnesota said a few minutes earlier, the Bartlett amendment does not simply require a vote in the House before a Presidential pay recommendation can become effective; it requires a vote on the President's pay recommendations, period.

Second, the Bartlett amendment does not provide any vehicle on which the House can vote itself. It is not clear whether we are supposed to vote on a resolution of disapproval or resolution of approval, or a bill, or what-have-you.

Third, it does not provide any mechanism for bringing such a vote up on the floor of the House itself. Presumably the President's pay recommendations will be referred to the Committee on Post Office and Civil Service, but that committee may choose not to report the resolution or the resolution of disapproval out, in which case it is not clear how the vote required by the Bartlett amendment will

actually be secured on the floor of the House.

Fourth. It is not even clear according to the Bartlett amendment what we are supposed to vote on. If one literally interpreted the amendment, that would mean with respect to the pay recommendations which we received from the President in January, had the Bartlett amendment been in effect at that time, we would have been rquired to have voted 34 separate times on each of the 34 recommendations contained in the President's proposal.

Lastly, it is not even clear according to the terms of the Bartlett amendment what constitutes a majority. It is not clear for example whether the amendment refers to a majority of the whole House or just a majority of those voting, and in a close vote this could obviously be a very critical distinction.

But most importantly it seems to me the adoption of the Bartlett amendment prematurely deprives the House of an opportunity to deal with this kind of problem in a reasoned and responsible way. As chairman of the subcommittee of the House Post Office and Civil Service Committee, I can tell the Members our subcommittee was planning to consider legislation to deal with precisely this kind of problem as well as with the problem referred to by the distinguished gentleman from New York concerning the question of whether or not pay raises should be deferred to the next session of Congress after the one in which the pay raises were approved, but as a result of the incorporation of the Bartlett amendment in this conference report it will be rather difficult for our committee to bring to bear on this issue the kind of independent and impartial analysis which I think it requires.

Mr. STEIGER. Mr. Speaker, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Wisconsin.

Mr. STEIGER. Mr. Speaker, I am somewhat surprised I must say by the smokescreen of the gentleman from New York. If it were that difficult to understand the Bartlett amendment I might even be willing to say we have found some points to be made. I do not think it is that difficult. I do not think it is that unclear at all. But I am more surprised, frankly, by the unwillingness of the gentleman now to deal with the issue.

Mr. CONABLE. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma (Mr. EDWARDS).

Mr. EDWARDS of Oklahoma. Mr. Speaker, I rise in support of my colleague in the Senate from Oklahoma, Senator Bartlett, who has done a great service by offering the amendment which has been incorporated in this bill.

I think it is amusing to see the rhetorical gyrations and gymnastics by the gentlemen on the other side who are usually in support of such nongermaneness. If the leadership of this House had

permitted a vote in the first place on the question of the pay raise we would not have to be going through this exercise today.

Mr. ASHBROOK. Mr. Speaker, I would like to express my support for an important addition to the conference report on H.R. 4800. This is an amendment added by the other body which would require both House and Senate approval of all future pay raises for Members of Congress and others under the Quadrennial Commission.

Such a change is desperately needed. Americans watched in disgust as Members of Congress received a \$13,000 salary increase without even having to vote on it. I and a number of my colleagues tried to get a recorded vote on the increase, but were procedurally blocked from doing so.

When this back-door pay raise procedure was first passed, I opposed it and worked to have it defeated. It is about time that Congress did something about this.

The amendment adopted in conference will insure that there will be no more back-door congressional pay raises. Representatives of the people will have to show the people where they stand on future pay increases.

Mr. GRASSLEY. Mr. Speaker, my remarks will be brief and concern only that portion of the conference report to 4800 affecting the operation of Public Law 90-206, also known as the Federal Salary Act. While I am pleased that this language will subject future Quadrennial Commission pay increases to rollcall votes in the House and Senate. I regret that a \$12,900 increase in congressional salaries has already taken place this year without such an af-firmative vote. It would also be preferable for the language added in the Senate; namely, the Bartlett amendment, to be retroactive so as to undo the damage done to the Congress by the February 20, 1977, pay raise. The memory of the American public is not as short as some individuals would like it to be.

Finally, it is my understanding that this conference report only affects Quadrennial Commission salary creases. The mechanism which will permit Members of Congress to receive annual cost-of-living salary hikes remains intact. The provisions of Public Law 94-82 which set up the machinery for such automatic adjustments to our level of compensation must be repealed. I hope that this will be done so that it will not be necessary to raise this issue, which certainly does not add to the stature or public respect for the Congress, each time a legislative branch appropriations bill is brought to the floor of the House.

Mrs. HECKLER. Mr. Speaker, we are voting today on an amendment on the unemployment compensation bill which will insure a recorded vote on the question of congressional pay raises.

The amendment is a bit late, but at least it will guarantee against the type of maneuvering which led to a \$12,900

increase earlier this year without the requirement that we stand up and be counted.

Those procedures denied us the right to vote, and they denied our constituents their right to judge us on the basis

As you know, pending court action brought by one of our distinguished colleagues is aimed at preventing future pay increases without a recorded vote. I have joined other Members of the House in filing an amicus curiae brief, supporting the argument that Congress has a constitutional responsibility to vote on its own pay raises before they become effective.

This amendment, at least, will resolve the issue once and for all. The least we can do is to act ourselves to prevent a repeat of events which could only result in the further erosion of public confidence in government.

Mr. DERWINSKI. Mr. Speaker, the amendment adopted in the other body requiring a separate vote on each category of positions covered by the Quadrennial Commission on Executive, Legislative, and Judicial Pay is, I believe, an imperfect way to resolve the issue of toplevel Government pay with which we are all concerned. In addition to being nongermane to the matter at hand, the Senate amendment was poorly drawn.

The Committee on Post Office and Civil Service is prepared to assess this issue and is ready to go forward with a subcommittee which will bring to the House, in regular order, its recommendations on pay adjustment procedures on executive, congressional, and judicial

I have introduced legislation (H.R. 2037) to repeal the annual cost-of-living salary adjustment for these positions, which I believe is the first logical step toward untangling the dilemma we seem to find ourselves in. I can advise the House I intend to attach this legislation to the first available vehicle, whether it be in committee or on the House floor.

To accept the Senate amendment is to accept an incomplete solution. The Quadrennial proposals will not come up again for 3 years and 10 months. I suggest we give the Post Office and Civil Service Committee, which has jurisdiction and whose members have a fund of knowledge on this subject, the opportunity to work for its will and present a practical and logical proposal to the House.

Mr. CONABLE. Mr. Speaker, I have no further requests for time.

Mr. ULLMAN. Mr. Speaker, I have no further requests for time.

The SPEAKER. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER. The question is on the conference report.

Mr. CONABLE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were-yeas 406, nays 2, not voting 24, as follows:

[Roll No. 122] YEAS-406

Abdnor Delaney Addabbo Dellums Akaka Derrick Derwinski Alexander Allen Devine Dingell Ambro Ammerman Dodd Dornan Anderson, Calif. Downey Anderson, Ill. Drinan Duncan, Oreg. Andrews, N.C. N. Dak. Eckhardt Edgar Applegate Armstrong Ashbrook Ashlev Emery English AuCoin Badham Badillo Erlenborn Bafalis Ertel Evans, Colo. Evans, Del. Baldus Barnard Evans, Ga. Evans, Ind. Baucus Bauman Beard, R.I. Beard, Tenn. Fary Fascell Bedell Fenwick Findley Beilenson Benjamin Fish Bennett Bevill Fithian Flippo Biaggi Bingham Flood Blanchard Flowers Flynt Foley Ford, Tenn. Blouin Boggs Boland Forsythe Fountain Bolling Bonior Bonker Frenzel Bowen Fuqua Breaux Breckinridge Gammage Brinkley Gaydos Gephardt Giaimo Brooks Broomfield Gibbons Brown, Calif. Gilman Brown, Mich. Brown, Ohio Ginn Glickman Broyhill Goldwater Gonzalez Buchanan Goodling Burke, Calif. Gore Burke, Fla. Burke, Mass Gradison Grasslev Gudger Burlison, Mo. Burton, John Burton, Phillip Guver Hagedorn Hall Butler Hamilton Byron Hammer-schmidt Hanley Hannaford Caputo Carr Cavanaugh Hansen Cederberg Chappell Harkin

Harrington Chisholm Harris Harsha Clausen, Don H. Hawkins Clawson, Del Heckler Cleveland Hefner Hightower Cochran Cohen Hillis Holland Coleman Hollenbeck Collins, Ill. Collins, Tex. Holtzman Conable Conte Horton Howard Conyers Corcoran Huckaby Corman Cornell Hughes Cornwell Hyde Cotter Ichord Ireland Jacobs Jenkins Crane D'Amours Daniel, Dan Daniel, R. W. Jenrette Johnson, Calif. Johnson, Colo. Danielson Jones, N.C. Jones, Tenn.

de la Garza

Jordan Kasten Kastenmeier Kazen Kelly Kemp Ketchum Keys Kildee Kindness Kostmayer Duncan, Tenn. LaFalce Lagomarsino Edwards, Ala. Edwards, Calif. Edwards, Okla. Eilberg Latta Le Fante Leach Lederer Leggett Lehman Lent Levitas Lloyd, Calif. Lloyd, Tenn. Long, La Long, Md. Lott Lujan Luken Lundine McClory McCloskey McCormack McDade McEwen McFall McHugh McKav McKinney Madigan Maguire Mahon Markey Marks Marlenee Marriott Martin Mathis Mattox Mazzoli Meeds Metcalfe Meyner Michel Mikulski Mikva Miller, Calif. Miller, Ohio Mineta Minish Mitchell, Md. Mitchell, N.Y. Moakley Moffett Mollohan Montgomery Moore Moorhead, Calif. Moss Mottl Murphy, Ill. Murphy, N.Y. Murphy, Pa. Murtha Myers, Gary Myers, Michael Myers, Ind. Natcher Neal Nichols Nolan Nowak

O'Brien

Oberstar

Ottinger

Panetta Patten

Patterson

Pattison

Pepper

Pettis Scheuer Pickle Schroeder Pike Schulze Poage Pressler Seiberling Sharp Shipley Preyer Price Pritchard Shuster Quayle Sikes Simon Quie Quillen Sisk Rahall Skelton Railsback Skubitz Rangel Slack Smith, Nebr. Regula Snyder Reuss Rhodes Solarz Richmond Spellman Rinaldo Spence Risenhoover St Germain Stangeland Roberts Robinson Stanton Rodino Stark Steed Steers Roe Rogers Steiger Stockman Roncalio Rooney Rosenthal Stokes Stratton Rousselot Roybal Studds Stump Rudd Symms Runnels Taylor Ruppe Russo Thompson Thone Ryan Thornton Santini Tonry Sarasin Satterfield Traxler

Treen Trible Tsongas Tucker Udall Ullman Van Deerlin Vander Jagt Vanik Vento Volkmer Waggonner Walgren Walker Walsh Wampler Weaver Weiss Whalen White Whitehurst Whitley Whitten Wiggins Wilson, Bob Wilson, Tex. Winn Wirth Wolff Wright

Wydler Wylie

Yatron

Zeferetti

Young, Alaska Young, Mo. Young, Tex.

Yates

NAYS-2

Burleson, Tex. McDonald

NOT VOTING-

Rostenkowski Heftel Aspin Smith, Iowa Clay Jeffords Jones, Okla. Staggers Teague Dickinson Krueger Milford Watkins Dicks Moorhead, Pa. Waxman Diggs Wilson, C. H. Young, Fla. Florio Pursell Ford, Mich. Rose

The Clerk announced the following pairs:

Mr. Teague with Mr. Rose.

Mr. Milford with Mr. Charles H. Wilson of California.

Mr. Heftel with Mr. Krueger.

Mr. Florio with Mr. Jones of Okla.

Mr Clay with Mr. Waxman.

Mr. Dent with Mr. Diggs.

Mr. Moorhead of Pennsylvania with Mr. Smith of Iowa.

Mr. Rostenkowski with Mr. Staggers. Mr. Ford of Michigan with Mr. Dicks.

Mr. SYMMS and Mr. PATTERSON of California changed their vote from "nay" to "yea."

So the conference report was agreed

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

DEBT COLLECTION PRACTICES ACT Mr. MOAKLEY, Mr. Speaker, by direction of the Committee on Rules, I CXXIII-645-Part 9

call up House Resolution 469 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 469

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 2(1)(5)(B) of rule XI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5294) to amend the Consumer Credit Protection Act to prohibit abusive practices by debt collectors. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto without intervening motion except one motion to recommit which may include instructions if the House has not previously agreed to an amendment in the nature of a substitute for the bill.

The SPEAKER pro tempore (Mr. Long of Louisiana). The gentleman from Massachusetts (Mr. Moakley) is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. DEL CLAWSON), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 469 Protection Act to prohibit abuse pracbill (H.R. 5294) to amend the Consumer Protection Act to prohibit abuse practices by debt collectors.

It is a 1 hour open rule. It provides for one purely technical waiver of a point of order under clause 2(1)(5)(B), rule XI. This rule requires the reports of committees to bear on their face, the phrase "Including Congressional Budget Office cost estimate." House Report No. 95-131 contains no such notice but it does contain the Congressional Budget Office cost estimate. And the CBO estimate is that the bill will have no noticeable costs.

Mr. Speaker, under the rules of the House, it would be in order to offer a motion to recommit with instructions if no amendment in the nature of a substitute is adopted. A straight motion to recommit would be in order in any event. While the language in the rule specifically provides that this situation will be observed, it would be the case whether cited in the rule or not.

I do not believe that the rule presents any issues of controversy. Nor, for that matter, is the bill particularly contro-versial. It is quite similar to legislation which was pending in conference at the adjournment sine die of the 94th Congress. It had previously been adopted by overwhelming vote in the House.

The bill would provide standards which would prohibit debt collectors from harassing or intimidating any person in connection with the collection of a debt and from making false or misleading statements. It would regulate other aspects of debt collection, establish reasonable penalties and vest regulatory and enforcement authority in the Federal Trade Commission.

Mr. Speaker, the gentleman from Illinois (Mr. Annunzio) is one of the hardest working and most respected Members of the House. This is an issue on which he has worked tirelessly and I wish to commend him for his efforts and his concern.

Mr. Speaker, this is an excellent bill and the rule provides a fair and orderly procedure for its consideration which meets the concern of protecting the rights of the minority. I urge its adoption.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 469 provides an open rule with 1 hour of general debate for the consideration of H.R. 5294, the Debt Collection Practices Act of 1977, which would prohibit abusive practices by debt collectors. The rule waives points of order lying against the bill for failure to comply with clause 2(1)(5)(B) or rule XI. This clause requires that the cover of the report contain a statement that the Congressional Budget Office cost estimate is in the report. The cost estimate is in the report but the cover statement was omitted. In addition, the rule provides for one motion to recommit which may include instructions if the House has not previously agreed to an amendment in the nature of a substitute for the bill. Since this language has never previously appeared in a rule, an explanation of its significance is in order.

Mr. Speaker, the motion to recommit with or without instructions" has been the subject of several debates within the Rules Committee since this session of Congress began. The recommit motion is important and therefore, should not be treated lightly. Historically the motion to recommit is included in rules to provide one last chance to be heard for those who may be opposed to a bill. Under a rule providing for a motion to recommit which does not include the language "with or without instructions," a straight motion to recommit may be offered, or a motion to recommit with instructions to amend a part of the bill not previously amended. However, a motion to recommit with instructions to only amend a part of the bill, which has already been amended, may not be offered. Herein lies the importance of those four little words "with or without instructions," since in a situation where an amendment in the nature of a substitute has been adopted, for example, a motion to recommit could not include any instructions to amend. In order to avoid this problem, the rule can provide, and has provided in the recent past, for a motion to recommit with or without instructions. This language insures that a motion to recommit can include instructions in all situations.

During the latter part of the 94th Congress, the language-with or without instructions—was routinely included in rules reported from the Rules Committee. A discussion on just this topic occurred in a Rules Committee meeting last week and a provision was offered by

Seiber!ing

Sharp Shipley

Sikes

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Solarz

Spellman Spence

Stanton

Steed

Steiger

Stokes

Studds

Stump

Thone

Tonry Trible

Tsongas

Ullman Van Deerlin

Vander Jagt Vanik

Vento Volkmer

Walgren Walker

Wampler

Watkins

Weaver

Whitley

Whitten

Winn

Wolff

Wirth

Wright Wydler Wylie

Yates Yatron

Young, Alaska

Young, Mo.

Young, Tex. Zablocki

Zeferetti

Whalen Whitehurst

Wilson, Bob Wilson, Tex.

Weiss

Walsh

Tucker

Udall

Stratton

Stockman

Thompson

Thornton

St Germain

Stangeland

Simon

Skelton

Smith. Nebr

Mr. Meens that was unique. This provision would allow recommittal with or without instructions, but only if an amendment in the nature of a substitute has not been previously agreed to by the House. If an amendment is adopted to title II, for example, this new language would allow a motion for recommittal with the instruction to amend that same portion of title II. However, this language would not allow a motion to recommit with instructions to amend if the adopted amendment was an amendment in the nature of a substitute.

Mr. Speaker, I realize this rule is complex and I felt that it should be fully

explained

Mr. MOAKLEY. Mr. Speaker, I move the previous question on the resolution. The previous question was ordered

The SPEAKER pro tempore. question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

WYLE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were-yeas 347, nays 44, not voting 41, as follows:

[Roll No. 123]

YEAS-347

Abdnor Addabbo Akaka Alexander Allen Ambro Ammerman Anderson, Calif. Anderson, Ill. Andrews, N.C. Andrews, N. Dak. Annunzio Applegate Archer AuCoin Badillo Baldus Barnard Baucus Beard, R.I. Beard, Tenn. Bedell Beilenson Benjamin Bennett Bevill Biaggi Bingham Blanchard Blouin Boggs Bolling Bowen Brademas Breaux Breckinridge Brinkley Brodhead Brooks Broomfield Brown, Mich. Brown, Ohio Broyhill Buchanan Burgener Burke, Calif. Burke, Fla. Burke, Mass.

Burleson, Tex. Evans, Ind. Burlison, Mo. Burton, Phillip Fary Fascell Byron Fenwick Caputo Findley Fish Carter Fisher Fithian Cavanaugh Cederberg Chappell Flippo Flood Chisholm Flowers Foley Ford, Tenn. Don H Cochran Fountain Cohen Fraser Coleman Frev Collins, Ill. Fuqua Gavdos Conte Corcoran Corman Gephardt Giaimo Cornell Gibbons Cornwell Gilman Cotter Ginn Coughlin D'Amours Glickman Goldwater Daniel, Dan Danielson Gonzalez Goodling Davis de la Garza Gore Gradison Delaney Gudger Dellums Guyer Hagedorn Hamilton Derrick Derwinski Hanley Hannaford Dingell Dornan Harkin Downey Harrington Drinan Harris Duncan, Tenn. Harsha Early Heckler Eckhardt Hefner Hightower Edgar Edwards, Ala. Edwards, Calif. Hillis Holland Hollenbeck Ellberg Emery English Holtzman Howard Ertel Evans, Colo. Huckaby Hughes Evans, Del. Evans, Ga. Hyde

Jacobs Jenkins Moss Mottl Johnson, Calif. Johnson, Colo. Jones, N.C. Jones, Tenn. Murphy, Ill. Murphy, N.Y. Murphy, Pa. Murtha Myers, Gary Myers, Michael Myers, Ind. Natcher Jordan Kastenmeier Kazen Ketchum Neal Kildee Nedzi Koch Nichols Kostmayer Krebs Nolan Nowak O'Brien LaFalce Lagomarsino Latta Le Fante Oakar Oberstar Obey Ottinger Leach Lederer Leggett Panetta Lehman Patten Lent Patterson Levitas Pattison Lloyd, Calif. Lloyd, Tenn. Long, La. Pease Pepper Perkins Pettis Long, Md. Lott Pickle Luken Pike Pressler Lundine McCormack McDade Preyer Price McEwen Pritchard McFall Quayle McHugh Quie Quillen McKinney Rahall Maguire Railsback Mahon Rangel Regula Mann Markey Reuss Marks Rhodes Marlenee Richmond Marriott Rinaldo Risenhoover Mattox Roberts Robinson Meeds Rodino Metcalfe Rogers Meyner Roncalio Michel Rooney Rosenthal Roybal Mikulski Mikva Miller, Calif. Ruppe Miller, Ohio Russo Mineta Ryan Minish Mitchell, N.Y. Satterfield Moakley Moffett

Scheuer Mollohan Schroeder Montgomery Schulze Sebelius NAYS-Armstrong Frenzel Ashbrook Gammage Grassley Hall Hammerschmidt Clawson, Del Collins, Tex. Conable Hansen Holt Hubbard

Ichord

Lujan McClory

Moore

Badham

Bafalis

Butler

Crane

Devine

Flynt

Erlenborn

Daniel, R. W.

Duncan, Oreg. Edwards, Okla.

Moorhead, Calif. Poage Rousselot Rudd Runnels Shuster Snyder Symms Taylor Jenrette Kelly Treen Waggonner Wiggins McCloskey McDonald

NOT VOTING-41

Aspin Boland Hawkins Pursell Rose Heftel Bonker Horton Brown, Calif. Rostenkowski Jeffords Jones, Okla. Kemp Burton, John Carney Skubitz Clay Keys Kindness Smith, Iowa Conyers Staggers Dent Krueger Madigan Teague Traxler Dickinson Dicks Mathis Waxman Milford Mitchell, Md. Diggs Wilson, C. H. Florio Young, Fla. Ford, Mich. Moorhead, Pa

The Clerk announced the following pairs:

Mr. Teague with Mr. Roe. Mr. Milford with Mr. Staggers.

Mr. Mitchell of Maryland with Mr. Krueger. Mr. Moorhead of Pennsylvania with Mr. Smith of Iowa

Mr. Florio with Mr. Mathis. Mr. Heftel with Mr. Ford of Michigan. Mr. Hawkins with Mr. Carney.

Mr. Santini with Mr. Convers.

Mr. Rostenkowski with Mr. John L. Burton. Mr. Waxman with Mr. Aspin.

Mr. Dicks with Mr. Brown of California. Mr. Dent with Mr. Charles H. Wilson of California.

Mr. Boland with Mr. Traxler.

Mr. Jones of Oklahoma with Mr. Rose.

Mrs. Keys with Mr. Diggs. Mr. Clay with Mr. Bonker.

Mr. TREEN changed his vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the

Mr. ANNUNZIO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5294) to amend the Consumer Credit Protection Act to prohibit abuse practices by debt collectors.

The SPEAKER pro tempore (Mr. MEEDS). The question is on the motion offered by the gentleman from Illinois.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 5294, with Mr. Long of Louisiana in the chair.

The Clerk read the title of the bill By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Illinois (Mr. Annunzio) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. WYLIE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois (Mr. Annunzio).

Mr. ANNUNZIO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I appreciate this opportunity to explain the contents and purpose of H.R. 5924, the Debt Collection Practices Act. This legislation will prohibit debt collectors from harassing or intimidating anyone, as well as from making false or misleading representations. Reasonable limits are placed on communication with a consumer generally, at work and with third parties such as a consumer's employer.

The House Banking, Finance and Urban Affairs Committee reported this legislation out by a strong margin of 35 to 8 and its Subcommittee on Consumer Affairs reported out this legislation unanimously. All 10 members of the subcommittee are cosponsoring the bill.

NEED FOR DEBT COLLECTION LEGISLATION

This legislation will have a profound effect on consumers throughout this country. Last year alone, according to testimony by the American Collectors Association, \$3.9 billion in debts were turned over to ACA members for collection. For far too long, unethical debt collectors have used harassment, abusive and deceptive tactics to collect money from consumers.

Frequently consumers are sent phony legal documents, are harassed by threats of contact with their employer or false threats of legal action. They are harassed by phone at home and at work. If these tactics do not work, threats of bodily harm or death are sometimes made.

It is not just the individual who owes a valid debt that is subjected to this outrageous treatment. Others such as persons who are contacted because of mistaken identity or because of mistaken identity or because of mistaken facts, as well as their friends, relatives, and neighbors—all are subject to the tactics of the disreputable debt collector.

This bill is needed because at present there is no effective regulation of debt collectors. State laws do not and cannot regulate interstate debt collection practices. Thirteen States have no debt collection laws at all and altogether 24 States—with a population of over 80 million—have either no law or toothless laws. Of the 38 State debt collection laws, only eight are strong laws. These statistics clearly show that it is weak laws, not lax enforcement of the laws, which gives rise to so much collection abuse.

At the present time there is no Federal debt collection law. There are several Federal laws that can be construed to relate to debt collection practices, but they were not written with debt collection abuse in mind and have not been successful in stopping debt collection abuse. For instance, Postal Service statutes were enacted to stop activities such as mail fraud or extortion, rather than unethical debt collection practices. These statutes frequently require specific intent which is difficult to prove. The Federal Communications Commission Act's provision against phone harassment also has a specific intent requirement making it difficult to enforce. None of these Federal statutes give consumers the important right to stop collection abuses by private suit. In the debt collection area, the Federal Trade Commission has only a set of debt collection guidelines

The goal of this legislation is to stop unethical debt collectors from using abusive tactics. In essence, what this means is that every individual, whether or not he owes a debt, has the right to be treated in a reasonable and civil manner. This bill is not meant to allow people to avoid paying legitimate debts, nor will it have that result. While this legislation will protect consumers, it will not put any unnecessary burdens on reputable debt collectors.

I want to make a special point: No Federal agency will write regulations for this legislation.

DEBT COLLECTION INDUSTRY SUPPORT FOR BILL

The subcommittee has met with representatives of the two national trade associations, the Associated Credit Bureaus, Inc., and the American Collectors Association, and both trade associations now support H.R. 5294 and want no further amendments. I would like to read

to you the letters these trade associations sent to the committee in support of H.R. 29—the bill number before a clean bill was introduced:

ASSOCIATED CREDIT BUREAUS, INC.,
Houston, Tex., March 18, 1977.

Hon. FRANK ANNUNZIO,

Chairman, Subcommittee on Consumer Affairs, House Committee on Banking, Finance and Urban Affairs, Rayburn House Office Building, Washington, D.C.

DEAR CHARMAN ANNUNZIO: Enclosed are copies of individual letters we have delivered to each member of the Subcommittee on Consumer Affairs urging them to approve H.R. 29 as a result of the changes you have made in the bill.

On behalf of the members of Associated Credit Bureaus I thank you for the leadership you have exhibited to resolve significant industry concerns without diluting the effectiveness of the legislation. Particular tribute should be paid to the time and careful consideration given to this legislation and to industry representatives by the Subcommittee Staff Director Curt Prins and his staff. It has been a pleasure working with you and your staff, and I personally appreciate all the courtesies you have extended to the members of ACB and its staff.

Best personal regards.

Sincerely,

JOHN L SPAFFORD, President, Associated Credit Bureaus.

AMERICAN COLLECTORS
ASSOCIATION, INC.,
Minneapolis, Minn., March 18, 1977.
Hon. Frank Annunzio,

Chairman, Subcommittee on Consumer Affairs, Committee on Banking and Currency and Urban Affairs, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The purpose of this letter is to advise you that the American Collectors Association, Inc., supports H.R. 29, the debt collection practices act, which is presently pending before your Subcommittee.

As you know, the Association initially had several major problems with the bill as originally introduced (H.R. 29), however, through your good and reasonable efforts, and those of your Subcommittee counsel, we feel the legislation has been rewritten so as to be as fair as possible under all of the circumstances, and we will seek no further amendments.

The Association would like to thank you for your personal attention to our problems, and we hope to be able to work with you again in the future toward our mutual goal of an equitable and workable debt collection system.

Thank you again. Sincerely,

HYE H. HOLLAND,

President.
MICHAEL M. GOLDBERG,
First Vice President.
JOHN W. JOHNSON,
Executive Vice President.

Mr. Chairman, debt collection can be done successfully in a reasonable and honest manner. That is why the debt collection industry supports this bill. There are, however, some members of the industry who oppose this bill—there will always be opposition from the unethical element in the industry.

SUBCOMMITTEE MEMBERS' CONTRIBUTIONS

Mr. Chairman, a great deal of the credit for this legislation goes to the members of the Consumer Affairs Subcommittee who worked long and hard to bring this bill to the floor. The members of the subcommittee are: Gladys Noon Spellman, Bruce F. Vento, Clifford Allen, Fernand J. St Germain, Joseph G. Minish, Walter E. Fauntroy, Chalmers P. Wylie, Millicent Fenwick, and Thomas B. Evans, Jr.

I want to pay special tribute to the ranking minority member, the gentleman from Ohio, Mr. WYLIE, for the cooperation and hard work he has put forth on this bill. He has offered a number of excellent suggestions which have improved the bill and as always he has made my job as chairman a much easier one. I also want to pay special tribute to the gentlelady from New Jersey, Mrs. FENWICK, and the gentlelady from Maryland, Mrs. Spellman, who were among the guiding forces in bringing this legislation before the House. Mrs. Fenwick was one of the first to suggest the introduction of the legislation and during the hearings we constantly called upon her expertise as the former Consumer Affairs Director for the State of New Jersey. I remember the very first meeting of the subcommittee when Mrs. Fenwick stressed the need for a bill such as we are dealing with here today. At that time, it was only in the idea stage. But today that idea has developed into a piece of legislation in which every Member of this House can take pride.

CONTENTS OF THE LEGISLATION

This legislation specifically prohibits, among other things, falsely representing oneself as an attorney, making harassing or threatening telephone calls or visits to anyone, publishing "deadbeat" lists, impersonating an attorney or a law enforcement officer, threatening to take any action that cannot legally be taken or that is not intended to be taken, falsely threatening that failure to repay a debt will result in the arrest or imprisonment of any consumer and misusing postdated checks.

To protect consumers and related third parties from harassment, the bill regulates skiptracing activities used by debt collectors to locate consumers.

The provisions on communication in connection with the collection of a debt are some of the most important in this legislation. Communications, especially those by telephone, frequently are used to harass or intimidate a consumer.

Consequently, these provisions place reasonable limits on a debt collector's communication with a consumer in general, at work, and with third parties such as the consumer's employer. However, the bill does permit skiptracing and debt collecting by personal visit.

Communication with a consumer at work or with his employer, may work a tremendous hardship for a consumer because such contact can embarrass a consumer and can result in the consumer losing a deserved promotion or even his or her job. Such contact should only be made with great care. However, I want to make it clear that the bill does permit some communication with a consumer at work and it does permit communication with a consumer semployer

if the consumer consents, if a court orders it, or after judgment.

This legislation places no paperwork or bureaucratic burdens on debt collectors whether or not they are small businessmen. For instance, the legislation does not require registration or licensing, and there are no recordkeeping requirements. The notice to the consumer required by the validation section can be met by merely rubber-stamping the four items of information on the back of the initial debt collection notice and writing in the amount owed and the name of the creditor. The bill does not specify where this information is to be located on a collection notice or the size of the print, or any other characteristic. Consequently, no new forms should be necessary.

The Federal Trade Commission will be responsible for enforcement of this legislation. However, as I said earlier, no regulations will be issued. The bill provides for civil and criminal penalties consistent with those in the Consumer Credit Protection Act. Some opponents of this legislation have claimed that this bill would prevent a State with a strong debt collection law from regulating debt collection practices within the State. That is simply not true. The few States that have strong laws may prefer to enforce this legislation on a State level. Section 817, exemption for State regulation, provides for that. Then the provisions of the exempted State law would constitute the provisions of the Federal law for the purpose of sections 812 and 813, except to the extent that the State law contained provisions with requirements not imposed by this legislation.

SCOPE OF THE LEGISLATION

There are two areas of controversy with respect to this bill. First, whether the bill's coverage should be extended to cover credit grantors collecting their own debts.

Legislation almost invariably involves some form of classification in which a law affects some persons, and not others. And, in this case, there are good reasons for limiting the scope of the legislation to independent debt collectors. Only two-thirds of the States that do have debt collection laws do not cover creditors. Independent debt collectors compose an industry separate from creditors. Debt collectors' business is the collection of debts. Unlike creditors, they do not sell any product or service to consumers. Debt collectors do not actually compete with creditors because creditors first attempt to collect their own 30-day overdue accounts. On the other hand, according to industry testimony, debt collectors usually work on accounts that are at least 6 months overdue. Accounts are generally turned over to collection agencies only after a creditor has tried and been unsuccessful in collecting on his own. Therefore, these accounts are usually difficult to collect and are more likely to result in the use of harsh collection tactics.

Also, a company which is not in the debt collection business will be concerned

with maintaining the goodwill of its customers and, therefore, is less likely to chance angering them by employing harassing collection techniques. Creditors, unlike debt collectors, are usually larger and more stable. Therefore, if a Federal agency, such as the Federal Trade Commission, takes action against a major creditor, it usually has a deterrent effect throughout the entire industry. This is not the case with the debt collection industry.

EXEMPTION FOR STATE REGULATION

The second area of controversy is exemption of State regulation. Concern has been voiced by opponents of this bill that the passing of Federal legislation in the debt collection area might infringe on States' rights. This is not a real issue because, although 38 States have some law relating to debt collection practices, only 8 have truly strong laws to protect consumers. However, this matter has been considered and steps have been taken to minimize any such infringement. For example, under section 816. relation to State laws, the laws of any State with respect to debt collecting practices will not be preempted except to the extent that those laws are inconsistent with any provision of this bill.

In addition, section 817 provides for exemption for State regulation. If a State has a debt collection law with requirements substantially similar to those imposed by this bill, and there is adequate provision for enforcement, an exemption would be granted. There is no intent to preclude legislative experimentation by the States in the area of debt collection practices. Any State wishing to so experiment in passing strong legislation in this area will have a free hand to do so and may apply for exemption under section 817.

Congress is on firm constitutional ground when it, as is done in this bill in the definition of "debt collector," makes the provisions of a law apply to those who use an instrumentality of interstate commerce in connection with the activity being regulated. Those who argue that this bill would infringe on States' rights ignore decades of constitutional history as well as the recent history of the Consumer Credit Protection Act, which this bill amends. For instance, truth in lending, which is a part of the Consumer Credit Protection Act, applies to all creditors as defined in that act—whether or not they use any "instrumentality of interstate commerce." The same holds true for creditors with regard to the Equal Credit Opportunity Act.-All creditors are prohibited from discriminating in the granting of credit—not just those creditors who use an "instrumentality of interstate commerce."

In Perez v. United States, (402 U.S. 146), a 1971 Supreme Court case concerning the loan-sharking prohibition of the Consumer Credit Protection Act, the Supreme Court upheld the statute and found that even though individual loan-sharking activities may be intrastate in nature, still it was within the power of Congress to determine that loan sharking was within a class of activities which

did affect interstate commerce, thus affording Congress power to regulate the entire class. So, in terms of Congress constitutional powers, we are being conservative today when we include in the definition of debt collector the words "and who uses any instrumentality of interstate commerce in connection with such collections."

For the record, I would like to point out that the very nature of the debt collection industry makes it doubtful that there are any collectors whose business does not affect interstate commerce. The ever-increasing geographical mobility of the citizens of our country results in the forwarding of accounts for collection from debt collectors in one State to debt collectors in other States. The advent of WATS telephone lines has made it economically feasible for debt collectors to operate by telephone on a nationwide basis. With an economy that spans the continent, a debt collector in one State frequently ends up collecting an account of a creditor located in a second State from a consumer who lives in a third State.

EFFECT ON CREDIT

Opponents of this legislation assert that prohibiting harsh debt collection tactics will mean that fewer debts will be collected and this will increase the cost of consumer credit. Debt collectors claim only a small minority of their industry engage in the prohibited, unethical practices. If this is true, the bill should have little, if any, effect on the amount of bad debts collected.

However, if the result is that fewer bad debts will be collected because abusive tactics cannot be used, the response to this should be to grant credit more carefully in the first place, not to permit abusive tactics. Credit grantors have to share the responsibility for the large amount of uncollectable debts when they grant credit carelessly to people who are not creditworthy.

COMMUNICATIONS

The bill's limits on communication are quite reasonable and strike a fair balance between the debt collector's need to contact and the consumer's right to privacy and right to be free from harassment. Contact with the consumer generally is limited only to two actual contacts a week in which the consumer states his present intentions as to repayment. In other words, a letter or a message left by phone would not count toward this limit.

At work, contact may be made up to three times each month. However, if the consumer or the consumer's spouse informs the collector that he or she does not want to be contacted at work and the collector has another number where the consumer can be reached during the day, then the collector may not communicate with the consumer or spouse at his or her place of employment.

In permitting contact at work, one cannot ignore that such contact may have many harmful results for the consumer being contacted. Many employees are not allowed to get any calls at work. The calls can cause a consumer to be de-

nied a promotion or lose his or her job. Also, the contact can result in the consumer's coworkers and employer learning that the consumer owes an unpaid debt whether or not the debt is valid. Consequently, contact at work should only be made when absolutely necessary, not on an automatic basis. The communication section now provides for reasonable contact at work.

Unethical debt collectors would like to be able to call a consumer's employer all the time. This certainly would result in harm to the consumer and his family. Balancing a debt collector's desire to contact a consumer's employer against the harm that such contact can cause, the bill permits contacting an employer with the prior consent of the consumer, by express court permission, or after a final judgment.

It is simply not an employer's responsibility to collect debts for debt collectors. The subcommittee has yet to receive one letter from an employer requesting that debt collectors be able to contact him. However, we have received many letters from employers requesting that debt collectors not contact them. And in testimony before the subcommittee this year, one of the witnesses, a personnel staffing and employee relations specialist with the Interstate Commerce Commission, Mr. Robert E. Dietrich, stated that

Without some uniform law or amendment, harassment of people in the private and public sector will continue unchecked, resulting in the disruption of the individual's efficiency and performance on the job, the loss of reputation, or most importantly, the loss of his ability to earn a living.

There is no basis for contacting the consumer's employer prior to final judgment, unless the consumer gives prior consent or a court expressly permits it. If a consumer wants his employer's help, such as a debt counseling service, he can arrange for it himself.

If a consumer loses his job, he is in a worse position to pay the debt. Contact with an employer may intimidate a consumer into paying a debt he doesn't even owe. Prior to final judgment, the damage an employer contact could do to a consumer far outweighs any benefit from such contact. The bill's present limits on communication allow reasonable opportunity for contact with the consumer.

TESTIMONY ON CONSUMER HARASSMENT

I would like to quote to you from the testimony given before the Subcommittee on Consumer Affairs last month by Mrs. Sherry Chenoweth, the director of the Minnesota Office of Consumer Services. In her statement she provided the following examples of the types of harsh practices used by unethical debt collectors, which vividly reflect the need for this legislation:

In November 1976 the operator of a riding stable in Northfield, Minn., wrote my office complaining about the methods used by a collection agency. The complainant said that a debt collector ignored his requests to communicate in writing with his partner, who was the subject of the debt, and continued to telephone: "... up to 40 times a day, ringing back as soon as we hung up . . . After about a week of this, we complained to the telephone company, and after a few days the calls were reduced to about three or four a day.

"The constant and pointless telephone calls caused us considerable worry and anxiety, not only because the collector was rude and insulting, but also because our business phone was virtually put out of commission. We know of two cases in which our students could not get to us to report emergencies . . . We know of one instance in which a prospective student did not give up, but finally reached us after trying to get through for 2 weeks . . .

consumer in Minneapolis wrote complaining about a Missouri collection agency. She said a debt collector from that firm: "has been calling me, harassing, threatening to sue me, screaming, calling at work, on Saturday mornings at 8 o'clock, Saturday evenings at 9 o'clock-in other words, making my life miserable. I am a woman in my sixties, have high blood pressure and heart trouble, and I just can't take anymore . .

A consumer in Apple Valley, Minn., wrote that this same Missouri collection agency was also harassing her. She said: "an employee from this company has contacted my father many times prior to and following hospitalization for a heart attack, threatening to have him arrested for 'harboring a fugitive' when he would not give out my phone number. This person, identified as 'J. Kent' continued this type of threat and harassment until my father threatened legal action against the company.

"On or about August 15, 1976, this J. Kent contacted at least two neighbors in our apartment building, one being the resident manager, misrepresenting and lying and using similar tactics of threats and harassment with these neighbors. I am currently months pregnant and my health can't take the strain of his phone calls and threats."

A consumer in St. Paul, Minn., complained about the collection tactics of a Chicago collection agency. He said that a debt collector from that firm contacted him regarding an overdue Shell Oil bill. He demanded payment "I then told him I was sorry in full but: but I couldn't send the money in full. He told me they would not accept payments . he became belligerent and said he would have his check soon because he would call my wife constantly every day and my employment every hour on the hour every day until I was fired.

"Since that date, he has called my wife many, many times, refusing to hang up the receiver, thereby making our phone unusable. And without ever trying to hold a conversation that made any sense, but instead just yelling profanity and demanding payment. My wife has a heart condition so after so much harassment, one of our sons would answer the phone. He would tell that he was a Mr. Scott and had an urgent message for my wife. Then when she answered, he would laugh and start hurling insults and profanity and demands again. He has called my place of employment at least once a day for the past several weeks. We were also told that every long-distance call he made was to be added to what we owe Shell."

LEGISLATION: PROTECTS CONSUMERS AND IS FAIR TO DEBT COLLECTORS

The practices illustrated by the above comments are unethical and must be stopped. This legislation would stop unethical debt collectors from using these practices and establish standards of ethical conduct for all debt collectors.

Passage of the Debt Collection Practices Act is important if consumers throughout this country are to be protected from the mental anguish, and intimidation that are the consequences of abusive debt collection practices.

Mr. Chairman, before concluding, let me commend the Associated Credit Bureaus for the statesmen-like role that their organization played in bringing about a meaningful Debt Collection Practices Act. The president of that organization, John Spafford, worked long and hard with the subcommittee, and although he does represent a trade association, Mr. Spafford offered a number of suggestions which will greatly benefit the consumer. I commend the Association Credit Bureaus for their approach to this legislation and for their assistance rather than their resistance in coming up with a good bill.

The subcommittee has worked long and hard to insure this bill protects consumers and remains fair to reputable debt collectors. I believe the Debt Collection Practices Act accomplishes these two objectives. I strongly urge you to vote for this important consumer protection legislation.

Mr. WYLIE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of this bill and to commend it to my colleagues as a good bill on the subject of debt collection practices. Initially I would like to commend the gentleman from Illinois (Mr. Annunzio), the chairman of the Subcommittee on Consumer Affairs for his fairness, his openmindedness to compromise, and for his hard work in fashioning a bill that I really believe places reasonable limitations on certain tactics practiced by unscrupulous debt collectors and which are never used by ethical debt collectors.

I might add, Mr. Chairman, that I was not an early supporter of the concept of a Federal debt collection practices act and I did not cosponsor H.R. 29 when it was introduced. However, during the hearings in the 94th Congress and early on in this session of the Congress we did find that there were certain harassing and intimidating practices being used to collect debts by people who were not ethical debt collectors and who did not do the name of the ethical debt collectors any good.

This bill is similar to a bill which passed this House last year but did not get through the Senate because it was passed in the waning days of the 94th Congress. I think it is fair to say this is a much better bill. We have had some time to think it over. We have talked to people with the Associated Credit Bureaus and the American Collectors Association. Working with them and with the chairman of the subcommittee, the gentleman from Illinois (Mr. Annunzio), we have come up with a bill which I think is a fair compromise between the consumer group advocates who wanted a stronger bill and between some independent collectors who wanted no bill at all.

Both the Associated Credit Bureaus, through their officers and their board of directors, and the American Collectors Association through theirs, have endorsed this bill in writing. I have their letters with me today to that effect, similar to letters which the chairman of the subcommittee, the gentleman from Illinois (Mr. Annunzio), also received.

Mr. Chairman, I think it is a legitimate question to ask: Why should the Federal Government be involved in this at all? Why is this a business of the Federal Government especially in this year when we are talking about too many Federal laws, too many Federal regulations, and too many Federal rules.

I believe the reason is for standardization and uniformity of conduct in this area, if nothing else. Thirty-seven States have laws. Some laws are very restrictive. Some laws represent only a code of ethics, so to speak, without any civil or criminal sanctions. Other laws are mere statements of ethics as far as debt collectors in that State are concerned

So from the standpoint of uniformity and from the standpoint of a standard of professional conduct on the part of the debt collectors I think this legisla-

tion is important.

The Associated Credit Bureaus and the American Collectors Association have both endorsed this bill, as I say, because they think it will enhance their professionalism, if you please, that it will provide a standard of conduct which they can live and with which they have been living. As a matter of fact, this bill is basically the code of ethics of those two national associations. They have been living with it for a long time. Their members are embarrassed by the fact that certain people in the debt collecting business who are not necessarily members of these associations, have done some things which did not reflect credit on the independent debt collectors by using harassing tactics which make their business seem unsavory whereas it is a perfectly honorable profession. There is another reason why I think that this is important legislation in this area, and that is the fact that it imposes sanctions against debt collectors who operate in interstate commerce. Most of the abuses which we found occurred in the mail order book houses, in the record clubs and the magazine subscription outfits. I might say I have had a personal experience in this area of magazine subscriptions where a salesman comes to the door, the magazines just keep coming and coming and coming, and then one day the bill is turned over to a debt collector for collection.

We had representatives from various States such as California, Minnesota, Wisconsin, Oklahoma, and New Jersey come before our committee and say, " have a debt collection practices act in our State, but Mr. Congressman,"-and Mrs. Congresswoman (Mrs. Fenwick is on the committee and so is Mrs. Spell-MAN) - "we cannot do what we need to do because many of the acts which occur, occur in interstate commerce, and there is some question about whether our legislature can pass a bill which will allow us to pursue these people into interstate commerce. We would like to have a bill like this which can help us enforce the prohibitions against bad debt col-

So I say to the Members in all honesty

that I think this bill is a happy compromise between the concept of privacy, the right to be left alone, and the sanctity of contracts wherein the subsequent failure to pay a just debt becomes a problem to somebody who has sold a piece of goods to someone else and they refuse to pay.

I think there is a significant precedent in this bill, and I call this to the Members' attention. I am very proud of it because this is an amendment I insisted on in the 94th Congress and it is in this bill again. This bill provides that the Federal Trade Commission has no rulemaking power, no regulatory authority, so there will not be a shelf full of regulations promulgated by the Federal Trade Commission to enforce the law. The law is within the four corners of this bill now before the Members, and if there is not a sanction found therein, the Federal Trade Commission has to come back to this Congress to find out what they are supposed to do in the case of a practice which they find or think should be declared to be an unethical or unlawful practice. In other words, Congress is the final authority.

There is another amendment in here which I think will make the bill enforceable and eliminate harassing practices on the part of deadbeats. For example, a deadbeat cannot under this bill bring a class action like he can in some cases and require the person on the other side of that action to sustain the burden of proof to prove that he has complied with the law. In other words, in this case if a person who has avoided a debt and is being pursued by a legitimate independent debt collector thinks that his rights have been violated under this law, or that some criminal act has been committed, then that person must sustain the burden of proof and in the case of a crime, proof by a preponderance of the evidence is necessary.

So I recommend these two provisions to the Members. As I say, it is, I think, a reasonable bill. It is a fair compromise.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Kentucky.

Mr. SNYDER. I thank the gentleman for yielding.

Under "definitions" it says:

(f) The term "debt collectors" means any person who engages in any business principal purpose of which is the collection of any debt, or any person who directly or indirectly collects or attempts to collect a debt owed or due or asserted to be owed or due another, and who uses any instrumentality of interstate commerce in connection with such collections.

What about a small family corporation where one of the principals of the corporation is trying to collect the bill for that small corporation, which is another separate legal entity from the individual? It seems to me he would fall within that definition. I doubt if that was the intention of the committee.

Mr. WYLIE. He is in the practice of collecting a debt. If he makes a living that way, he is included; if he does not

make his living that way, he is not included.

Mr. SNYDER. No. It is:

. any person . . . who directly or indirectly collects or attempts to collect a debt owed or due or asserted to be owed or due

The gentleman and I are in business. We have a little group, a separate legal entity from either of us. Under the definition if the gentleman or I were calling about that corporation's debts, it would be covered, but I doubt that that is what the gentleman intended to do.

Mr. WYLIE. Using an interstate in-

strumentality.

Mr. SNYDER. Yes, by telephone or mail. I am fearful we have a separate legal entity the way that definition is drawn if we are incorporated.

Mr. WYLIE. I do not think so. We must have a reasonable interpretation of the bill and I do not think, if a person is collecting on behalf of the family, that he is an independent debt collector. I think he becomes an in-house debt collector in that case.

Mr. EVANS of Delaware. Mr. Chair-

man, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman

from Delaware.

Mr. EVANS of Delaware. Mr. Chairman, we have to have a reasonable interpretation and I think this is a debt collection agency whose sole business is in the collection of debt as applied to others.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Kentucky.

Mr. SNYDER. Mr. Chairman, I felt that is what the gentleman intended to do but I think it goes beyond that. Mr. EVANS of Delaware. That is what

we intended to do.

Mr. WYLIE. We are making a legislative history and I can say to the gentleman that is not what we intended to do, to cover the situation mentioned. This bill is supposed to cover an independent debt collector who collects directly or indirectly from another and who uses an instrumentality of interstate commerce. If he collects as a part of the family business it seems to me that makes him an in-house debt collector.

Mr. TAYLOR. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Missouri.

Mr. TAYLOR. Mr. Chairman, even though it was not generally held I would have some concern about someone who works for this corporation, or at least part or maybe all of his duties were those of collecting bills, and he would not be covered by the provisions of the law. I think this would be very unfair to the small business. I think I understand what the committee had in mind. This is a little troublesome, but we are making a corporation which has an employee working for it and collecting debts-we are saying it will not be covered by this

Mr. WYLIE. That is precisely it. If a

person is working for wages or drawing a salary from a corporation to collect debts for that company he is in fact an in-house collector and this bill does not

apply to him.
Mr. TAYLOR. Mr. Chairman, if the gentleman will yield further, in the event a retailer discounts paper to a bank, or an appliance dealer who takes a note, and they have in most States a universal code, and if the discounter sells the paper and discounts it in turn to the bank, it is the custom for the bank to engage in the collection of that account. Would that be covered under this?

Mr. WYLIE. That would not be. The bill does not cover the banking business. If the bank turns the bill over to another person to collect the debt for a fee and that person earns his livelihood collecting debts, he would be covered, but the

bank would not be.

Mr. TAYLOR. If the bank went out to collect a bill on behalf of the retailer who had discounted it to them, the bank would not be covered?

Mr. WYLIE. The banks would not.

Mr. TAYLOR. In the interest of making a little legislative history. I would ask the gentleman from Illinois, is the gentleman from Ohio (Mr. WYLIE) correct?

Mr. ANNUNZIO. Mr. Chairman, if the gentleman will yield, the gentleman from Ohio (Mr. Wylie) is correct. The banks are not considered part of the collection industry. It applies where we have the separate creditor and debt collector. The bank acting in that capacity would not be a debt collector.

Mr. WIGGINS. Mr. Chairman, will the

gentleman yield?

Mr. WYLIE. I yield to the gentleman

from California.

Mr. WIGGINS, Mr. Chairman, I have listened to this colloquy and I hope it clarifies a patent error in the bill. What we have been told is not something with which the bill would agree. Obviously when we get to conference perhaps there could be change from "or" to "and"

Mr. ANNUNZIO. I thank the gentle-

man very much.

Mr. WIGGINS. I have the conference report and not the bill in front of me. The bank would appear to be a debt collector in that it tends to collect a debt owed or due or asserted to be owed or due another. It is exactly the kind of hypothetical case stated and the gentleman said it was not covered. I say it is covered by the bill and I hope we can uncover it by changing "or" to "and".

Mr. CHAPPELL. Mr. Chairman, will

the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Florida

Mr. CHAPPELL. Is there anything in the bill against a bank collecting?

Mr. WYLIE. No. sir.

Mr. CHAPPELL. Would they be prohibited from the same actions? I am concerned about the device which might be used which would take the bill that is owed from the first owner into a collection agency which then becomes a bona fide owner. How do we address that?

Mr. WYLIE. I would say if he becomes

a bona fide owner of a debt and his primary business is "not" debt collecting then he is not covered by the bill. He is not an independent debt collector.

I think that the fact that the American Collector's Association and the Associated Credit Bureaus have endorsed this bill as being a bill with a valid purpose has persuaded me. I hope it will persuade my colleagues in the House to support the bill. I do recommend it as an excellent piece of legislation.

Mr. HALL. Mr. Chairman, will the gentleman yield?

Mr. WYLIE, I yield to the gentleman from Texas.

Mr. HALL, Mr. Chairman, with reference to the bill, page 10, section (4), line 5, this is a technical matter. I do not follow the reading of paragraph 4 that follows the words "false representation has nonpayment". Is there something lacking in that particular sentence?

Mr. ANNUNZIO. Mr. Chairman, will

the gentleman yield?

Mr. WYLIE. I yield to the gentleman

from Illinois.

Mr. ANNUNZIO. Mr. Chairman, that is a printing mistake that we were going to correct. After "false representation", it should be "that nonpayment of any debt".

Mr. WYLIE. Apparently it was a typographical error in the reprinting of the

Mr. HALL. Mr. Chairman, if the gentleman will yield further, one additional question. I notice here in the bill that there is a 2-year statute of limitations as to when a procedure may be brought to enforce the provisions of this bill. On page 17, line 11, at section (d) with reference to the amount in controversy, that suit can be brought in any U.S. district court, et cetera, within 2 years from the date of occurrence. I notice further in the bill that the Federal Trade Commission may take jurisdiction or take notice of these matters if a State does not have laws which the Federal Trade Commission perceives to be adequate for the occasion. Is that a correct statement?

Mr. WYLIE. That is correct.

Mr. HALL. Mr. Chairman, if the gentleman will yield further, in my State of Texas, having a 2-year statute of limitation after which suit may not be brought for the collection of an account such as we are talking about here, now, at what stage does the Federal Trade Commission enter into this picture, say on an isolated case where we have a collection that is attempted to be made and then it goes to the Federal Trade Commission for some clarification as to whether or not a State law might be applicable. Is it a fair statement to say, as I perceive it, that a period of 2 years could come and go before the Federal Trade Commission made its decision, and at that time the debt would be uncollectible in my State: has any provision been made to take care of that situation?

Mr. WYLIE. I am not sure if I understand the gentleman's hypothetical situation; but it is contemplated the 2-year statute of limitations will start to run as soon as an attempt is made to collect the debt.

Now, in the gentleman's case if the statute of limitations for the State law and the Federal statute is the same, then, of course, they would run concurrently. In some cases the State statute of limitations might be longer, I do not know about that, in which case an aggrieved party could file under the State law even after the Federal statute of limitations had expired. But once an action is filed with the Federal Trade Commission or the Federal Trade Commission enters the picture, then I would suppose the running of the statute is tolled.

Mr. HALL. It would be tolled as far as the Federal Government, but it would not be tolled as far as the State statute of limitations is concerned.

Mr. WYLIE. That would be accurate,

Mr. HALL. Is it not possible that the limitation in a State could terminate any action that could be brought in that State before the time that the Federal Trade Commission took any action such as this?

Mr. WYLIE, I would think the instances of that happening would be very minimal at best and certainly would represent a remote possibility. The situation would be no different in this case, where we have Federal statutes and State laws on the same subject. You pick your forum, pick a State court, and the State law prevails. If you pick a Federal forum, then the Federal law prevails.

Mr. EVANS of Delaware, Mr. Chair-

man, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Delaware.

Mr. EVANS of Delaware. Mr. Chairman, I would like to say in relation to the practices in the Federal department. on page 17, section (f) it says:

A consumer may not take any action to offset any amount for which a debt collector is potentially liable to such consumer under subsection (a) (2).

We are not talking about limitations other than limitations in the manner in which the debt is collected.

Mr. WYLIE. I thank the gentleman for his contribution, but I think the point the gentleman (Mr. HALL) is trying to make is that a person might be persuaded not to do anything at the State level because he thinks the Federal Trade Commission might intervene on his behalf in a Federal court, and after the 2-year period of the statute of limitations which started with the original contact by the debt collector, the Federal Trade Commission advises the debtor that the debt collector has not done anything which would be a criminal or civil offense, and that he has acted fairly; whereas the debtor or the consumer might think otherwise, and he would want to pursue the State remedy.

But, this is not unusual. It is a matter of picking a forum, and I think it is really better this way, that one cannot pick one forum, and if one loses there, he is able to go back and pick another forum later on.

Mr. HALL. Does the gentleman not agree that at that particular point it very likely would be that the cause of action would be barred in the State of Texas because of the passing of the 2-year statute of limitations?

Mr. WYLIE. I think that is possibly true. A person might be persuaded that he has a good cause of action as far as the Federal statute is concerned, and would not pursue his State remedy. But, I would say that if there is that much doubt about the proper course of action in the first instance, that is not the sort

of thing we are trying to correct against.

We are trying to correct against the obvious cases of the use of harassment tactics, the use of obscenity, of chasing down the consumer at all hours of the day or night—that sort of thing. We are trying to protect against the glaring examples of unsavory debt collection practices.

Mr. ANNUNZIO. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey (Mr. Minish), a member of the subcommittee.

Mr. MINISH. Mr. Chairman, I rise in support of the legislation, and want to commend the chairman of the subcommittee and all the members who participated. This is very difficult legislation, and I want to say that the committee, in my opinion, did a very excellent job.

Mr. Chairman, I would like to address myself to the question many reputable collection agencies have raised—what will this legislation do to the necessary business of bill collecting?

To those agencies who have aways observed reasonable and ethical practices in collecting valid debts, they should not find the Debt Collection Practices Act hindering their operation at all. This bill was not meant to interfere or stop them from performing a needed service to businesses. It was meant to set up guidelines for all agencies to conform to so there would be a standard code of ethics for all to follow.

It should be noted that we attempted to include provisions fair to the agencies. There are no recordkeeping requirements or licensing requirements hampering the collectors.

The bill does allow the collector to communicate with the consumer, at home and at work, but within reason. No means of communication have been denied the collector—only guidelines set to insure the consumer his right to be treated in a fair and reasonable manner.

If the result of this bill is that less debts are collected because abusive tactics cannot be used, then I say we must look back to the original credit grantor. We cannot permit abusive practices to continue just so debts are collected. What should be done then is for the credit grantors to take greater care in issuing credit in the first place.

To get back to the cry from the legitimate collector that these unscrupulous collectors are only a small minority in their industry and that this legislation will hurt them, I can only reiterate that establishing a standard code of ethics will be beneficial to the industry and fair to the consumer.

Mr. ANNUNZIO. Mr. Chairman, I yield 4 minutes to the gentleman from Minnesota (Mr. Vento), a member of the subcommittee, who worked long and hard on the legislation.

Mr. VENTO. Mr. Chairman, obviously I rise in support of the legislation which purports to regulate debt collectors. I think that the hearings were very extensive, and that the subcommittee had a complete review by agency, by consumers themselves who were affected, the debt collector organizations, debt collectors themselves, as well as State officials who reported on the conduct of the collector problems that they are experiencing within their own States.

I might say that at the conclusion of the hearings all these varied and diverse groups supported the legislation as it came forth from the subcommittee. I think there are some special problems with regard to debt collection and the activities that surround it.

I think if we reflect on our experience, it would be helpful. I would like to articulate some examples. One is that generally debt collectors are collecting a debt from persons they did not extend credit to, so they were not the primary extender of credit, but the secondary extender. The person having the debt collected by this group did not ask or did not seek credit from them. I think this is a very important consideration, because many examples can be found in which these are almost automatic with certain types of businesses in our society. They hand over the collection of debts to one of these collectors almost automatically, without any consideration as to whether or not it was a difficult debt to collect or

So, the imposition of another type of standard here, I think, is justified. The second point was raised by the gentleman from Ohio (Mr Wylle) about problems of interstate commerce.

Of course, very frequently, no matter what the law is within the State, the debt collectors are from outside the State, and unless there is an aggressive action by the Attorney General's office there is no way the State can in fact control agencies outside the State and the conduct of those groups or organizations with consumers within a State.

So it is clearly an aveune where Federal legislation is justified and necessary. And in this vein, of course, I think that in the hearings, it seemed to me, there was a good deal of evidence that most of the problems occurred with the out-of-State debt collectors. The question arose in my mind, and I am sure in the minds of the members of the subcommittee, as to whether or not business entities were in fact intentionally given the collection of debts by debt collectors to out-of-State groups so that they would not conform or be within the purview of the State law.

Another point which has come up here is the issue of a very detailed bill. Indeed, because the subcommittee in this instance, I think, took the course of trying to define the scope of the legislation, trying to put definitions into it, we invariably got into a situation where we have

many specifics in this particular bill. I think that is really what we want. If we as a legislative body can write rules and regulations—in this instance, I think we have done so successfully—then we ought to try to do so. I think in many instances we have given the responsibility or delegated it to a Federal or State agency. In this instance we have taken that task, and invariably we get into the minute detail regarding the various questions I have heard on the floor today. I think we have made a good effort, we have a good bill, and I urge the Members to support it.

Mr. ANNUNZIO. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin (Mr. Reuss), the chairman of the full committee.

Mr. REUSS. Mr. Chairman, I commend Mr. Annunzio, chairman of the Banking Committee's Subcommittee on Consumer Affairs, and the other members of the subcommittee for their fine work on the Debt Collection Practices Act. The subcommittee has listened to consumers, industry representatives, and public officials. They have produced a carefully drafted bill that successfully meets the problem of protecting consumers from harsh and deceptive tactics, while avoiding hardship to reputable debt collectors

There is need for this legislation, because some debt collectors abuse consumers with harassment, intimidation, and threats. Sometimes the debts are not bona fide. Often the wrong person is contacted because of mistaken identity or inaccurate information. The subcommittee's hearings both last year and this year demonstrated the need for this legislation because of frequent abuses by unethical debt collectors, the unsatisfactory nature of current Federal and State legislation to stop debt collection abuses, and the inability of States to protect their citizens from interstate debt collectors. Counting the 13 States that have no laws and the 11 States that have laws with few or no prohibited practices, over 80 million people are without any real protection from debt collection abuses.

This bill avoids the bureaucracy that might be entailed in requiring licensing or registration. It does not authorize the enforcing agency to write implementing regulations for each section. All too often, granting such authority has resulted in complex, confusing regulations that can be understood neither by those to be regulated nor those to be protected.

H.R. 5294 was reported out of the Banking Committee by a vote of 35 to 8, and a very similar bill was passed by the House last year, but not acted upon by the Senate. The well-documented extent of consumer abuse, and inadequate Federal or State regulation of debt collection practices, makes passage of this legislation appropriate and necessary.

Mr. ANNUNZIO. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. Badillo).

Mr. BADILLO. Mr. Chairman, I am pleased to support H.R. 5294, a bill to regulate the often frightening harassment that has been faced by people who owe money.

I want to commend the chairman of

the subcommittee, Mr. ANNUNZIO for bringing up this legislation. We have in this country an unfortunate tradition based on the legal maxim "caveat emptor" or "let the buyer beware." I cannot conceive of a more immoral concept to regulate a just society nor one that is more unacceptable. The Subcommittee on Consumer Affairs chaired by my distinguished colleague Mr. Annunzio has done much to reverse the unfortunate maxim and to insure that it is the seller that bears the responsibility for being truthful and honest with the consumer. And that honesty must extend to the collection of any outstanding debts by a third party and it is for that reason we need this enabling legislation.

Increasingly, in the past few years, debt collection agencies have engaged often in illegal or barely legal practices to bully unwary citizens and threaten them, without justification, with legal action, garnishment of salaries, and even loss of jobs. The most horrifying part of the way in which these agencies have operated has been that they have preyed on the most vulnerable—the poorest and

the least educated.

This long-overdue bill safeguards consumers from the outrageous practices they have been exposed to—the use of abusive or profane language by a collector; physical intimidation; threatening phone calls or visits. It appalls me to think that these are things that have gone on up until now. This bill will prohibit any collector from representing himself as an agent of the Federal Government, or of a law enforcement agency, or even as a lawyer threatening action that is not legal. In fact, there are stringent limits placed on the kinds of legal actions that can be brought.

But this is not a piece of legislation that is unfair to those wishing to collect debts, or to debt collection agencies. If it were, it would not have the support of the American Collectors Association and the Associated Credit Bureaus, Inc. It is a bill that legislates legitimate guidelines for collection agencies, and what such an agency can reasonably de-

mand from a delinquent debtor.

The reason that this bill has particular importance for me is because I have seen firsthand, in my district office, how painful it can be for someone poor, and someone who does not have fluency in English, to be intimidated by these unwarranted threats. The legislation is desperately needed by immigrants, non-English-speaking migrants, and others who are not well acquainted with the law of this country. Many of them are frightened by any appearance of legal authority, and many of them feel helpless in the face of this harassment.

That is why I offered an amendment to this bill, accepted by my distinguished colleague, Mr. Annunzio, that mandates that when the debt collector knows that the consumer is a member of a language minority, all communications with the consumer must be in the language of the minority group as well as in English. This, in conjunction with the new limits placed on agencies, will go a long way to

assuring that language minority debtors will be treated fairly.

The House has already passed this bill during the last session, by a wide margin. It is only right that all should now join in supporting this very important piece of consumer legislation.

Mr. ANNUNZIO. Mr. Chairman, I have no further requests for time, and I re-

serve the balance of my time.

Mr. WYLIE. Mr. Chairman, I yield 2 minutes to the distinguished ranking minority member of the Committee on Banking, Finance and Urban Affairs, the gentleman from Ohio (Mr. STANTON).

Mr. STANTON. Mr. Chairman, I take this time simply to express my personal appreciation and to compliment the chairman of the subcommittee who has brought this bill before us here this afternoon. I wish also to express my appreciation to all the members of the subcommittee, including the very capable and able ranking minority member of that subcommittee, my colleague, the gentleman from Ohio (Mr. WYLIE). The members took their time on this legislation and worked very hard in the subcommittee, and there was give and take on both sides. I think without a doubt they have come up with a bill covering a very sensitive subject matter that is in the best interest of the citizens of our great country.

Mr. Chairman, I rise in support of H.R. 5294, the Debt Collection Practices Act. This bill defines the limits to which independent debt collectors may press for the collection of overdue accounts.

Hearings before our Consumers Affairs Subcommittee document the poor performance of State laws in dealing with some unethical debt collectors. Laws administered by the Federal Trade Commission, the Federal Communications Commission, and the U.S. Postal Service provide for sanctions that amount to a slap on the wrist even for the most abusive debt collection practice.

My concern for this bill reaches my own State, inasmuch as Ohio has no law regulating debt collectors. Moreover, there are a total of 13 States that have no laws or regulations touching debt col-

lectors.

H.R. 5294 does not impair the ability of ethical debt collectors to collect just debts nor does it compromise the rights of consumers to be protected against harassment, deception, and unfairness.

In conclusion I find it most persuasive that the trade associations representing independent debt collectors have sent letters endorsing the bill.

Accordingly, I urge that my colleagues vote for H.R. 5294, the Debt Collection Practices Act.

Mr. WYLIE. Mr. Chairman, I thank the gentleman from Ohio (Mr. Stanton) for his generous remarks in support of the legislation.

Mr. Chairman, I yield 2 minutes to the gentlewoman from New Jersey (Mrs. Fenwick).

Mrs. FENWICK. Mr. Chairman, I would like to thank our subcommittee chairman, the gentleman from Illinois (Mr. Annunzio), and the gentleman

from Ohio (Mr. Wylie). I do not think the Members in this Chamber can know of the patience and the hard work they both have put into this legislation. There were long, long hours spent in the subcommittee, and all the members of the subcommittee worked hard, not only in this session but in the past session. It has really been a very heartening experience.

What were we trying to do? We were trying to protect the consumer. We were trying to devise a set of precise prescriptions which would allow an industry, which is necessary in our credit economy, to exist. We did not want to strangle or destroy what is in many cases a very honorable business, but we wanted to lay the rules down in black and white as to what is permissible and what is not. We wanted to define what is absolutely out of bounds in dealing with the people of this country.

We found that across State lines there is no method of control at all, and people have been faced with unconscionable harassment and outrageous practices. I will not give the Members examples because we do not need to go into them

here.

But we have, I think, devised a sensible and practicable bill. This will mean that the honorable collection agencies which are, as I say, necessary, will not be undercut by the less scrupulous agencies which have been guilty of harassment. It means that honorable debts can be collected. It means that people who are in temporary financial difficulty and who want to work a way out of their debts will have some decent and proper way of doing so.

Mr. Chairman, I think we have a good, sound piece of legislation. It is necessary, and I hope it passes with unanim-

ity.

Mr. WYLIE. Mr. Chairman, I thank the gentlewoman from New Jersey (Mrs. Fenwick) for her gracious comments with reference to my part in the developing of this legislation.

Mr. Chairman, I yield 2 minutes to the gentleman from Delaware (Mr. Evans).

Mr. EVANS of Delaware. Mr. Chairman, may I say at the outset that I have enjoyed the reasonable, fair approach that the subcommittee chairman, the gentleman from Illinois (Mr. Annunzio), has exhibited in his efforts here. I appreciate also the reasonable and fair approach that the ranking Republican member of this subcommittee, the gentleman from Ohio (Mr. Wylie), has given to this piece of legislation.

I think it is a balanced bill, and I think it is a sensible approach to a very pressing problem in our Nation today. Every piece of legislation should have an objective or a goal in mind, and I think it bears repeating that the goal of this bill is to prevent the unfair and unreasonable and, in many cases, unconscionable debt collection practices that some debt collection agencies employ. Unlike some legislative goals that our esteemed body tries to reach but fails to, the objective of H.R. 5294 is attainable with this bill's provisions.

As was brought out during our subcommittee's hearings, the Debt Collection Practices Act will not eliminate the legitimate debt collector. Small businesses today have a legitimate need for the honest debt collector. They cannot afford the luxury of having their own in-house collection agency. As every Member knows from the "Dear Colleague" letter of the subcommittee chairman, the gentleman from Illinois (Mr. Annunzio), and from the colloquy that has taken place in the Chamber today, this bill meets a very pressing need.

There was some question about the scope of this bill from the gentleman from Kentucky (Mr. SNYDER), my friend the gentleman from Missouri (Mr. TAY-LOR), and the gentleman from California (Mr. Wiggins). I think it is quite clear that this bill will only affect collection practices by a company whose principal business is the collection of debts. Companies that have their own in-house collection practices have an added incentive not to harass their customers. They have a vested interest in helping their customers pay their bills in a manner that is courteous, without using intimidating techniques. The person who is a debtor today may be a paying customer tomorrow. That is why this bill relates solely to debt collection agencies, not to those that have their own in-house method of debt collection.

No witnesses testified before our committee complaining about debt collection practices by in-house collectors. With Congress penchant for chipping away at the freedom our citizens enjoy, extending this bill to cover in-house collectors would extend the bill's scope beyond what is necessary to protect the unwary debtor.

Mr. Chairman, in closing, I would like to stress one part of this legislation that is especially attractive and unprecedented in consumer legislation. This bill authorizes the Federal Trade Commission to enforce its provisions, but the FTC is not to promulgate regulations to enforce this legislation. It is self-executing. No nonsensical, illogical, and incomprehensible regulations can be issued. Such a provision is highly desirable and is a start toward a total reform in the manner in which we impose our will on the general public. The sea of regulations that is slowly choking our country must be stopped.

I urge my colleagues to vote for this legislation, H.R. 5294 which is a good, balanced approach to the problem of the unscrupulous debt collector.

Mr. WYLIE. Mr. Chairman, I yield 1 minute to the gentleman from Washington (Mr. PRITCHARD).

Mr. PRITCHARD. Mr. Chairman, if I may have the attention of the chairman, the gentleman from Illinois (Mr. Annunzio) I would like to ask the gentleman whether my understanding is correct that a collector cannot contact the employer of the person that owes the bill?

Mr. ANNUNZIO. Only after a judgment has been entered.

Mr. PRITCHARD. Mr. Chairman, I have seen this work because I ran a small

company, and over and over again, if I could get into the act before they got into any judgments we could work out an arrangement. Help the employee back to the point where he only paid the bill and paid the collection agency without getting into all of the court costs and legal fees. I think in most cases the gentleman will find that if they can contact the employer at least once, they can get them help in the situation toward working out a solution.

In my State of Washington, we have a law which allows the collector to contact the employer once. It has worked. I think we are making a great mistake not having that provision in this bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ANNUNZIO. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas (Mr. White).

Mr. WHITE. Mr. Chairman, there are certain questions that arise that I want to bring forward. In the first place, in reading this bill, I see nowhere that it applies strictly to interstate matters; it would touch upon intrastate. I know of nowhere in the Constitution where that would be permissible.

Second, I do not know how in this bill we are going to circumvent the freedom of speech article, the guarantee that a person can talk to whomever he wishes. In this bill the provisions prohibit a person under penalty from talking to someone. This is in violation of the constitutional provision contained in article I of the Bill of Rights.

On page 8 the gentleman indicates that there shall be prohibited as a violation of this section:

The publication of a list of consumers who allegedly refuse to pay debts.

The bill seeks to wipe out all credit bureaus as they operate now entirely, as I understand it.

On page 16 the gentleman is creating an entire new liability under the law which would bring about a mass of new litigation that I think is going to further overburden the courts. These are some of the points I wish to call to your attention.

Mr. WYLIE. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. Devine).

Mr. DEVINE. I thank the gentleman for yielding.

Mr. Chairman, I agree that both the gentleman from Ohio (Mr. WYLIE) and the gentleman from Illinois (Mr. ANNUNZIO) devoted a great deal of time in putting this legislation together. I have a question or two. I have heard this bill referred to as the antiharassment of deadbeats bill. I know all of us are concerned with the abuses and intimidating practices of some debt collection agencies, but I see in the report under "Supplemental Views" that the American Bar Association has come out in opposition to the bill

Let me ask about a fact situation. Say I owe the gentleman \$50, and the gentleman comes to me on Monday and says, "How about that 50?" And I say, "I will pay you on Wednesday." Wednesday

comes along, and the gentleman says, "Have you got my money?" I say, "No; see me Friday."

If the gentleman comes on Friday and asks for the money, is that in violation because the gentleman cannot talk to me more than twice a week?

Mr. WYLIE. No. Debt collection is not my principal occupation or business.

Mr. DEVINE. I am talking about the three contacts.

Mr. WYLIE. No. If the debt is turned over to an independent debt collector, if the gentleman does not pay me and I turn it over to an independent debt collector and he contacts the gentleman three times within a week, after that it becomes harassment.

Mr. DEVINE. I see here it says it applies only to professional debt collection agencies and does not apply to anyone attempting to collect debts on behalf of a company who employs them.

Why that double standard?

Mr. WYLIE. Because the in-house debt collector is in the business of doing something other than debt collecting. They are principally in the business of selling a product, like Sears, J. C. Penney's, or Lazarus. They want to maintain good public relations. They are not as likely to be as aggressive in the collection of debts as independent debt collectors. Years ago our law firm had experiences where we represented corporate clients selling goods. If they could not collect a debt, after a certain time the client turned it over to our law firm, and we in turn turned it over to independent debt collectors who performed a valuable service.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ASHBROOK. Mr. Chairman, I urge the defeat of H.R. 5294, the Debt Collection Practices Act. This is an area better left to regulation by the individual States

There is an increasing trend in our society to federalize the issues. Too many people are looking to the Federal Government to solve every real or imagined problem. This is a serious mistake. As I have warned my colleagues on numerous occasions, there must be some limit on what the Federal Government can or ought to do. Not every issue should be made into a Federal issue.

Frankly, many matters are better left to States and localities. The bill before us today is one of these matters. Almost every State already regulates debt collection practices in some way. Why should the Federal Government now take over this area? Why should Congress pass a law that applies uniformly to such diverse States as Ohio, New York, and Montana?

I am also concerned that H.R. 5294 could substantially increase the costs of doing business. It will probably make it harder for businessmen to collect the money legitimately owed to them as well as encourage debtors to avoid paying their debts. The result will be higher prices for everyone.

H.R. 5294 constitutes another unjustified intrusion into State matters and business affairs. We should leave regulation of debt collection practices where it belongs, with the individual States. We should soundly defeat H.R. 5294.

Mr. FRENZEL. Mr. Chairman, I rise in support of H.R. 5294, the Debt Collec-

tion Practices Act.

This bill is not a perfect piece of legislation, but I understand it is good enough to have won the support of both consumer groups and debt collectors' associations.

This legislation is intended to insure that all debt collection agencies conduct their affairs ethically. The majority of agencies already do so, and are probably already in compliance with the proposed regulations. The bill will prevent, or eliminate, the use of harassment and abuse in debt collection by the small number of unscrupulous people who use, or might use, such tactics.

I would like to commend the committee for consulting all the concerned groups to produce a bill that is workable, and I urge my colleagues to support it.

Mr. BONKER. Mr. Chairman, I compliment the chairman of the Subcommittee on Consumer Affairs for putting before us today legislation which has met the objections of the industry it seeks to regulate, yet still contains the teeth to make it effective. I endorse the bill and intend to support it.

I would like to comment on one aspect of the bill, which leaves me slightly troubled. Constituents and friends alike, I believe, will grant my standing as an advocate of the interests of the consumer. Thus, I rise to question part of this bill with some reservation.

Section 804(c) (1) states that no debt collector may contact a consumer's employer prior to final judgment except with the consent of a court. This provision makes a lot of sense to me—with a slight reservation—as a safeguard against what can be the most vicious form of harassment—through an em-

ployer.

My reservation stems from a comparison of this bill with the State of Washington Collection Agency Act which is, I believe, one of the best in the Nation. It is a State law which controls debt collection activities and protects the consumer through prohibiting certain practices and providing remedies. But it is also an act which does not automatically presume an adversary relationship between the debt collector and the debtor. That is, in some ways it is like the juvenile justice system in recognizing that a more informal, cooperative approach is often best in helping a consumer resolve what may have become a crushing debt load.

This has been particularly helpful in my district, which is primarily rural and small town. In many of those towns, employers and employees have grown up together. The Washington State Collection Agency Act, with proper safeguards, has allowed limited contact with employers. The law allows only one contact with an employer, and then

only on undisputed claims.

I wanted to know how this provision of the Washington State law works, so I contacted Mr. Don Navone, consumer representative on the State collection agency board. He told me first of all that the provision has been accepted and applauded by both consumers and employers. Employers have often been able to work cooperatively with employees on the debt reduction plans which avoid the trauma and additional costs of a court decision and wage garnishment. Moreover, Mr. Navone tells me there has not been a single case of abuse of this provision in his memory.

In short, allowing limited and controlled contact with an employer in the State of Washington has allowed the employer to act as a friend rather than simply an instrument to collect a

court-decreed judgment.

I realize that this sort of relationship may not always exist between employer and employee, but the Washington State collection agency law does seem to provide a model which allows the best combination of protection to the consumer and assistance to him.

I know that the committee has spent many hours modifying and honing this bill, and I would not presume to gainsay its judgment at this time. I merely state my feeling that the bill would be strengthened if a provision somewhat similar to that in the Washington State Collection Agency Act, allowing limited prejudgment contact with employers,

could be incorporated.

Mrs. COLLINS of Illinois. Mr. Chairman, I lend my support to the passage of H.R. 5294, known as the Debt Collection Practices Act and encourage my colleagues of the House to join me. As a member of a double minority group—black women—I fully understand the positive impact that this bill will have upon the rights and privileges of minorities and others who are often subjected to harassment techniques and ultimately blacklisting by debt collectors.

The time is long overdue that consumers of this country that represent \$3.9 billion in debts have some major measure of protection from the unscrupulous collectors of the debt retrieval industry. To my way of thinking, H.R. 5294 is not a death-dealing blow to the independence of debt collection agencies, nor an invitation to debt payment avoidance schemes by consumers. This bill represents a first attempt to establish and promulgate a single, Federal law regulating debt collection, per se.

The bill has been sufficiently drafted with an eye toward sure enforcement and clear remedies for lack of compliance. In short, H.R. 5294 is a much needed piece of legislation with my endorsement.

Mr. HALL. Mr. Chairman, the Debt Collection Practices Act is one of those well-intentioned, seemingly beneficial efforts to help the consumer, which assumes that the individual's role as consumer can be isolated from his other responsibilities within our society. There is not, in my opinion, a single Member of this House who is not highly in favor of according to every person the kind of

decent, civil, and reasonable treatment to which he is entitled as a U.S. citizenwhether he is a debtor or a creditor. I also agree that while we cannot legislate good manners we could eliminate, by law, some of the more egregious instances of bad manners that amount to invasions of personal privilege. The problem is that by attempting the latter, we are creating a network of litigation that will overwhelm the courts, the legal profession, the small businessman-and also the consumer. If this bill becames law, I can see a tremendous new burden of reports and paperwork, and a proliferation of bureaucracy, added to the already impossible situation where government reports beget government reports like a geneological recitation from the Old Tes-

I believe that this legislation could engulf the consumer in an avalanche of additional problems and costs that will far outweigh the benefits contained in the bill. I am amazed at the unrealistic attempt to saddle the Federal Trade Commission with regulatory responsibilities for this legislation without the authority to issue regulations or employ additional staff. I do not want additional regulations, and I certainly do not want more Federal employees, but there is no way this bill can be administered in a complete vacuum.

The Debt Collection Practices Act also gives lip service to the role of the States which have traditionally monitored this consumer relations area, to the extent that each State desired to become involved. And to the extent that the State is not in accord with this Federal intervention, this bill becomes an unwarranted infringement upon State rights. I say further, Mr. Chairman, that in this matter by own opinion is reinforced by communications with my constituents who in each instance have stated their strong disapproval of this and similar measures.

Looking at the criminal provisions of this bill, we have apparently come full circle from the days of debtors prisons we now propose to imprison creditors unless they climb aboard this good will turned nightmare-tour of our newest paperwork empire.

With this bill, good intentions are once again paving the way to an undesirable

destination.

Mr. ANNUNZIO. Mr. Chairman, I have no further requests for time.

Mr. WYLIE. Mr. Chairman, I have no further requests for time.

The CHAIRMAN The Clerk will read.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Consumer Credit Protection Act (15 U.S.C. 1601 et seq.) is amended by adding at the end thereof the following new title:

"TITLE VIII—DEBT COLLECTION PRACTICES

"Se

"801. Short title. "802. Definitions.

"803. Acquisition of location information

"804. Communication in connection with debt collection.

"805. Harassment or intimidation.

- "806. False or misleading representation.
- "807. Unfair practices. "808. Validation of debts.
- "809. Multiple creditors.
- "810. Legal actions by debt collectors.
- "811. Furnishing certain deceptive forms.
- "812. Civil liability.
 "813. Criminal liability.
- "814. Administrative enforcement.
- "815. Reports to Congress by the Commission and Attorney General.
- "816. Relation to State laws.
- "817. Exemption for State regulation.
- "818. Effective date.

"§ 801. Short title

"This title may be cited as the 'Debt Collection Practices Act'.

"§ 802. Definitions

'(a) The definitions set forth in this section are applicable for purposes of this title.
"(b) The term 'Commission' means the

Federal Trade Commission. "(c) The term 'consumer' means any individual obligated or allegedly obligated to re-

pay any debt.
"(d) The term 'creditor' means any person who offers or extends credit creating a

debt or to whom a debt is owed.

"(e) The term 'debt' means any obligation of an individual to pay money arising out of a transaction in which the money, property, or services which are the subject of the transaction are primarily for personal, family, or

household purposes.

"(f) The term 'debt collector' means any person who engages in any business the principal purpose of which is the collection of any debt, or any person who directly or indirectly collects or attempts to collect a debt owed or due or asserted to be owed or due another, and who uses any instrumentality of interstate commerce in connection with such collections. The term does not include any officer or employee of the United States or any State to the extent that collecting or attempting to collect any debt is in the performance of his official duties, or attorneys-at-law collecting debts as attorneys on behalf of clients and in the name of such clients.

"(g) The term 'location information' means a consumer's place of residence, telephone number at such place, and place of

employment.

"(h) The term 'State' means any State. territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any political subdivision

of any of the foregoing.

"(i) The term 'communication' means conveying information directly or indirectly to any person, except that with respect to section 804(a)(3), the term 'communication' means actual contact with the consumer which includes a brief statement in any manner of the present intentions of the consumer with respect to the repayment of the debt.

"§ 803. Acquisition of location information '(a) No debt collector may, in connection with the collection of any debt, communicate with any person (other than the consumer's attorney) pursuant to this section once the debt collector knows the consumer is represented by an attorney and has knowledge of such attorney's name and address, unless such attorney is unjustifiably nonresponsive to communication from such debt

"(b) Any debt collector communicating with any person for the purpose of acquiring location information about any consumer

shall-

"(1) identify himself and, if expressly

requested, his employer;
"(2) not state that such consumer owes any debt;

(3) not communicate with such person more than once unless expressly requested

to do so by such person, except for one additional communication to reconfirm location information:

(4) not communicate by post card;

"(5) not use any language or symbol, other than the debt collector's address, on any envelope when using the mail or telegrams, except a debt collector may use his company name provided that such name does indicate that the company is in the debt collection business: and

"(6) not use any language or symbol in the contents of mail or telegrams that indicates that the communication relates to the collection of a debt, other than the identification of the person as a debt collector.

"§ 804. Communication in connection with debt collection

"(a) COMMUNICATION WITH THE CON-SUMER OR HIS SPOUSE GENERALLY .- No debt collector may initiate communications with a consumer or his spouse in connection with the collection of any debt without the prior consent of the consumer or the express permission of a court of competent jurisdic-

"(1) before 8 antemeridian or after 9 postmeridian or at any unusual time or time known to be inconvenient to the consumer

or his spouse;
"(2) after the initial communication, if the debt collector knows the consumer represented by an attorney and has knowledge of such attorney's name and address, unless such attorney is unjustifiably non-responsive to communication from such debt collector; or

"(3) after the initial communication, more than two times during any seven-calendar-

day period.

(b) COMMUNICATION WITH THE CONSUMER OR HIS SPOUSE AT THE PLACE OF EMPLOY-MENT.—Without the prior consent of the consumer or the express permission of a court of competent jurisdiction, no debt collector may communicate with the consumer or his spouse in connection with the collection of any debt more than three times in any thirty-day period at the place of employment of the consumer or his spouse, except that if the consumer or his spouse informs the debt collector that he is not to be called at his place of employment and the debt collector has a telephone number where the consumer can be reached during the consumer's nonworking hours which occur after 8 antemeridian and before 9 postmeridian, then the debt collector may not communicate with the consumer or his spouse at the place of employment of the consumer or his spouse. If the debt collector does not have such a phone number, the debt collector shall request it from the consumer or his spouse.

"(c) COMMUNICATION WITH THIRD PAR-TIES.-Except as provided by section 803, no debt collector may communicate with any person other than the consumer or his spouse, parent (if the consumer is a minor), guardian, executor, administrator, or attorney in connection with the collection of any debt without the prior consent of the consumer or the express permission of a court of competent jurisdiction, expect-

"(1) any employer of the consumer after a court of competent jurisdiction enters a final judgment establishing the consumer's obligation to repay all or any portion of the

debt: or

"(2) any consumer reporting agency, as defined by the Fair Credit Reporting Act.

"(d) CEASING COMMUNICATION.-When consumer notifies a debt collector in writing expressing that such consumer absolutely refuses to pay or even discuss an account, such debt collector shall cease further direct collection efforts with the exception of advising the consumer that the collector's further efforts are being terminated and that

there is a possibility of an attorney invoking the creditor's remedies locally available. Any such notice to a debt collector may be made by mailing it to him at his last known address. Notification by mail is complete upon receipt or at the expiration of the time ordinarily required for transmission, whichever

"(e) PLEADINGS AND PROOF .- In any action brought by a consumer against a debt collector under this section, it shall be the duty of the consumer to plead both the existence of a communication from the debt collector and the lack of consent of the consumer thereto, and to make a prima facie showing that the communication took place and that there was no such consent. A prima facie showing that consent was not obtained may consist of testimony by the consumer. Upon such a prima facie showing, the burden of going forward shall be with the debt collec-

"\$ 805. Harassment or intimidation

"No debt collector may harass or intimidate or threaten or attempt to harass or intimidate any person in connection with the collection of any debt. Without limiting the general application of the foregoing, the following conduct is a violation of this section:

(1) The use of violence or other criminal means to harm the physical person, reputa-

tion, or property of any person.

"(2) The use of abusive or profane lan-

"(3) The publication of a list of consumers who allegedly refuse to pay debts.

"(4) The advertisement for sale of any debt to coerce payment of the debt.

"(5) Any communication to acquire location information about a consumer if the debt collector has such information or does not reasonably believe that such person has access to such information.

"(6) The making of harassing or threatening phone calls or visits to the home or place of employment of a consumer or his spouse or calling any person repeatedly or

constantly.

"§ 806. False or misleading representation

"No debt collector may make or threaten or attempt to make any false or misleading representation to any person in connection with the collection of any debt. Without limiting the general application of the foregoing conduct is a violation of this section:

"(1) Any false representation indicating that the debt collector is acting for or on behalf of the United States or any State, including the use of any badge, uniform, or any facsimile thereof of any law enforcement

"(2) The false representation of-

"(A) the character, amount, or legal status of any debt; or

"(B) any services rendered or compensation which may be received by any debt collector for the collection of a debt.

The false representation that any "(3)

individual is an attorney.

"(4) The false representation that nonpayment of any debt will result in the arrest or imprisonment of any consumer or the seizure, garnishment, attachment, or sale of any property or wages of any person.

"(5) The threat to take any action that cannot legally be taken or that is not in-

tended to be taken.

"(6) The false representation that a sale, referral, or other transfer of any interest in a debt shall cause the consumer to-

"(A) lose any defense to payment of the debt; or

"(B) become subject to any practice pro-hibited by this title.

"(7) The false representation that the consumer committed any crime or other conduct in order to disgrace the consumer.

"(8) The false statement to any person (including any consumer reporting agency)

that a consumer is willfully refusing to pay a debt.

"(9) The false representation that any writing (including any seal, insignia, or envelope) is authorized, issued, or approved by any court or agency of the United States or any State.

"(10) The use of any false representation or deceptive means to collect or attempt to collect any debt or to obtain information

concerning a consumer. "(11) The false representation that any

person is seeking information in connection with a survey.

"(12) The false representation that any person has a prepaid package for the con-

"(13) The false representation that a sum of money or valuable gift will be sent if the

requested information is presented.
"(14) The false representation that accounts have been turned over to innocent purchasers for value.

"(15) The false representation that any debt has been turned over to an attorney,

"(16) The false representation that documents are legal process forms.

"§ 807. Unfair practices

"No debt collector may engage in the following practices with respect to any person in connection with the collection of any

"(1) The collection of any amount (including any interest, fee, charge, or expense incidental to the principal obligation) debt collector unless such amount is legally chargeable to the consumer, or unless such amount is expressly authorized by a court of competent jurisdiction.

"(2) The acceptance by a debt collector from a consumer of any check or any other. negotiable instrument that is postdated, unless such consumer is notified in writing of the debt collector's intent to deposit such check or such instrument at least three business days in advance of the deposit of such check or such instrument.

"(3) The solicitation by a debt collector for the purpose of threatening criminal action of any check or any other negotiable in-

strument that is postdated.

"(4) The deposit by a debt collector of any postdated check or other postdated nego-tiable instrument prior to the date on such check or such instrument.

"\$ 808. Validation of debts

- "(a) Within five working days after the initial communication with a consumer in connection with the collection of any debt, a debt collector shall send the consumer a written notice containing the following information:
 - "(1) The amount of the debt. "(2) The name of the creditor.

"(3) A statement that unless the consumer, within thirty days after receipt of the notice, disputes the validity of the debt, the debt will be assumed as valid by the debt collector.

"(4) A statement that if the consumer notifies the debt collector in writing within the thirty-day period that the debt is disputed, the debt collector shall cease collection of the debt until such debt collector obtains certification of the validity of the debt from the creditor and a copy of such certification is mailed to the consumer by the debt collector, and a statement that, along with such certification, the debt collector shall provide the name and address of the creditor.

(b) If the consumer notifies the debt collector in writing within the thirty-day period described in subsection (a) (3) the debt is disputed, the debt collector shall cease collection of the debt until such debt collector obtains certification of the validity of the debt from the creditor and a copy of such certification is mailed to the consumer by the debt collector. The debt collector shall provide, along with such cer-tification, the name and address of the creditor to whom the debt was originally owed as it appeared in the original sales contract or bill of sale and the name of the creditor to whom the debt is currently owed, or if the debt did not arise out of a transaction involving a sales contract or bill of sale, the name and address of the

"§ 809. Multiple creditors

"If any consumer owes debts to more than one creditor and makes any single pay-ment to any debt collector with respect to such debts, such debt collector shall not apply such payment to any debt disputed by such consumer.

"§ 810. Legal actions by debt collectors

"(a) A debt collector shall not bring any action on a debt against any consumer-

"(1) in the case of any action to enforce an interest in real property securing the consumer's obligation, in a court that does not have jurisdiction in the judicial district or similar appropriate legal entity in which such real property is located; or

"(2) in the case of any action not described in paragraph (1), in a court that does not have jurisdiction in the judicial district or similar appropriate entity

"(A) in which such consumer signed the contract sued upon: or

"(B) in which the consumer resides at the commencement of the action.

"(b) A debt collector shall not cause process in any action on a debt to be served on a consumer unless such process served-

"(1) by an officer or employee of the United States or any State in the course of the official duties of such officer or employee:

"(2) by an individual appointed or approved by an appropriate court for that purpose; or

"(3) by an individual authorized to serve process under the law of the State in which process is to be served.

"(c) A debt collector shall not utilize, in connection with the collection of any debt, any officer or employee of the United States or any State whose duties include the service of legal papers, except in the course of such

"§ 811. Furnishing certain deceptive forms "(a) No person may furnish any form knowing or having reason to know that such form would probably be used to create the false belief in a consumer that a person other than the creditor of such consumer is participating in the collection of or in an attempt to collect a debt such consumer allegedly owes such creditor, when in fact such person is not so participating.

"(b) Any person who violates this section with respect to another person shall be liable to such other person to the same extent and in the same manner as a debt collector is liable under section 812 for failure to comply with any provision of this title. "§ 812. Civil liability

"(a) Except as otherwise provided by this section, any debt collector who fails to comply with any provision of this title with respect to any person is liable to such person in an amount equal to the sum of-

"(1) any actual damage sustained by such person as a result of such failure;

"(2) (A) in the case of an individual action, under this subparagraph, an amount not less than \$100 nor greater than \$1,000; or

"(B) in the case of a class action, such amount as the court may allow, except that (i) as to each member of the class no minimum recovery shall be applicable, and (ii) the total recovery under this subparagraph in such action shall not be more than the lesser of \$500,000 or 1 per centum of the net worth of the debt collector; and

'(3) in the case of any successful action to enforce the foregoing liability, the costs of the action, together with a reasonable attorney's fee as determined by the court.

"(b) In determining the amount of award in any class action under subsection (a) (2) (B), the court shall consider, among other relevant factors, the amount of any actual damages awarded, the frequency and persistence of failures of compliance by the debt collector, the resources of the debt collector, the number of persons adversely affected, and the extent to which the debt collector's failure of compliance was intentional.

"(c) A debt collector may not be held liable in any action brought under this section for a violation of this title if the debt collector shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid any such error.

"(d) Without regard to the amount in controversy, any action under this section may be brought in any United States district court, or in any other court of competent jurisdiction, within two years from the date

of the occurrence of the violation.

"(e) No provision of this section or sec-

tion 813 imposing any liability shall apply to any act done or omitted in good faith in conformity with any interpretation thereof by. the Commission, notwithstanding that after such act or omission has occurred, such interpretation is amended, rescinded, or determined by judicial or other authority to be invalid for any reason.

"(f) A consumer may not take any action to offset any amount for which a debt collector is potentially liable to such consumer under subsection (a) (2) against any amount allegedly owing to such debt collector by such consumer, unless the amount of the debt collector's liability to such consumer has been determined by judgment of a court of competent jurisdiction in any action to which such consumer was a party.

"§ 813. Criminal liability

Whoever-

"(1) gives false or inaccurate information or fails to provide information which he is required to disclose by this title; or

"(2) otherwise fails to comply with any provision of this title; shall be fined not more than \$5,000 or im-

prisoned not more than one year, or both. "§ 814. Administrative enforcement

'Compliance with this title shall be enforced by the Commission. For the purpose the exercise by the Commission of its functions and powers under the Federal Trade Commission Act, a violation of this title shall be deemed an unfair or deceptive act or practice in or affecting commerce under that Act. All of the functions and powers of the Commission under the Federal Trade Commission Act are available to the Commission to enforce compliance by any person with this title, irrespective of whether that person is engaged in commerce or meets any other jurisdictional tests in the Federal Trade Commission Act. Nothing in this section shall be deemed to authorize the Commission to issue rules under section 18 (a) (1) (B) of that Act respecting any violation of this title.

"§ 815. Reports to Congress by the Commission and Attorney General

"Not later than twelve calendar months after the effective date of this title and at one-year intervals thereafter, the Commission and the Attorney General shall, respectively, make reports to the Congress concern-ing the administration of their functions under this title, including such recommendations as the Commission and the Attorney General, respectively, deem necessary or appropriate. In addition, each report of the Commission shall include its assessment of the extent to which compliance with this title is being achieved, and a summary of the enforcement actions taken by the Commission under section 814 of this title.

"§ 816. Relation to State laws

"The title does not annul, alter, or affect or exempt any person subject to the provisions of this title from complying with the laws of any State with respect to debt collecting practices, except to the extent that those laws are inconsistent with any provision of this title, and then only to the extent of the inconsistency.

"§ 817. Exemption for State regulation

'The Commission shall by regulation exempt from the requirements of this title any class of debt collection practices within any State if the Commission determines that under the law of that State that class of debt collection practices is subject to requirements substantially similar to those imposed by his title, and that there is adequate provision for enforcement.

"§ 818. Effective date

'This title takes effect upon the expiration of six months after the date of its enactment, and section 808 shall apply only with respect to debts for which the initial attempt to collect occurs after such effective date."

Mr. ANNUNZIO (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the bill be dis-pensed with, that it be printed in the RECORD, and open to amendment at any

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments: Page 3, line 9, strike out "his official duties" and insert in lieu thereof "the official duties of such officer or employee".

Page 4, line 2, strike out "No" and insert in lieu thereof "For purposes of acquiring location information about any consumer,

no".

Page 4, line 3, insert a comma after "debt". Page 4, line 4, strike out "pursuant to this section".

Page 4, line 12, insert "or herself" after "himself".

Page 4, line 13, insert "or her" after "his".
Page 4, line 23, strike out "his company ame" and insert in lieu thereof "the name name of the company employing such debt collec-

Page 5, line 6, strike out "His".

Page 5, line 8, strike out "his spouse" and insert in lieu thereof "the spouse of the consumer'

Page 5, line 14, strike out "his" and insert in lieu thereof "the".

Page 5, line 22, strike out "His".

Page 6, line 1, strike out "his spouse" and insert in lieu thereof "the spouse of the consumer".

Page 6, strike out lines 4 and 5 and insert in lieu thereof "or of the consumer's spouse, except that if the consumer or the spouse informs the debt collector that the consumer or the spouse is not to be called at his or her"

Page 6, line 10, strike out "his" and insert in lieu thereof "the".

Page 6, line 11, strike out "his" and insert in lieu thereof "the".

Page 6, line 13, strike out "his" and insert in lieu thereof "the".

Page 6, line 17, strike out "his" and insert in lieu thereof "such consumer's".

Page 7, line 8, strike out "a" and insert in lieu thereof "such"

Page 7, line 9, insert "debt" after "that the"

Page 7, line 13, strike out "him at his" and insert in lieu thereof "such debt collector and insert "of such debt collector at the" after "address"

Page 8, after line 2, insert the following: (f) COMMUNICATION WITH CONSUMER OF A SINGLE LANGUAGE MINORITY.—After a debt collector knows that a consumer is a member of a single language minority, all communication by such debt collector with such consumer must be in the language of such consumer's minority group in addition to Eng-

Page 8, line 23, strike out "his spouse" and insert in lieu thereof "the spouse of such consumer'

Page 17, line 22, strike out "Whoever" and insert in lieu thereof "Any person who"

Page 17, line 24, strike out "he" and insert in lieu thereof "such person".

Page 18, line 17, strike out "section" and insert in lieu thereof "title".

Page 18, line 18, strike out "under section 18(a)(1)(B) of that Act".

Page 19, line 21, strike out "his" and insert in lieu thereof "this".

Mr. ANNUNZIO (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendments be considered as read, and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ANNUNZIO. Mr. Chairman, I ask unanimous consent that the committee amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The question is on the committee amendments.

The committee amendments were agreed to.

Mr. WIGGINS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, on occasion, this House makes a serious error of judgment. Those occasions typically follow in the wake of an emotionally charged disclosure or the revelation of some antisocial conduct which touches many of our constituents. At such moments, however, there is a special need for detached commonsense and responsible restraint.

The proposed Debt Collection Practices Act is addressed to a problem which touches many of our constituents. Debt collectors, as a class, will win no popularity contests. Tough Federal regulation may fit the mood of the people.

But, especially at moments such as this, we owe a duty to ourselves to act carefully and responsibly.

At the threshold is the fundamental policy question of whether the Federal Government ought to involve itself in the regulation of debt collection practices. Quite clearly, the States have ample authority to do so. Moreover, the regulation of the conduct of professions is a usual and customary area of State authority under their police power. Congressman Pattison has emphasized this point and I totally agree with his dissenting views.

But if a majority should disagree, let there be no dissent from the proposition that we should invade an area traditionally left to State jurisdiction only for the most compelling and overriding national reasons. We are told that "interstate debt collection is a major lawless area." Such a sweeping statement is patently erroneous. State policy reflected in its statutes attach to the conduct of the collector in the State where that conduct occurs; or may protect the debtor, by providing defenses to collection, in the State where the debtor resides.

So much for the wisdom of Federal intervention. Let us look at the bill.

First, it must be borne in mind that we are creating a host of new Federal civil remedies and Federal crimes-all triable in the U.S. district courts.

It is made a Federal crime, punishable by a \$5,000 fine and 1 year imprisonment to:

First. Communicate with any person other than the debtor's attorney for the purpose of locating the debtor. The collector must speak only with the debtor's attorney. That is for greater protection than is afforded a defendant in a criminal case. And note that no exception is carved out for judicial proceedings, thus limiting normal discovery procedures.

Second. A collector may not, without consent, communicate with a debtor at his place of business-even though such place may be the only known location of the debtor.

Third. A collector must communicate—written and oral—in the language of a single language minority debtor, once that fact becomes known.

Fourth. A collector may not use "abusive" language in his communications. This is not sufficiently certain for a criminal statute.

Fifth. A collector may not publish the names of those who refuse to pay their debts—thereby undermining established and useful credit reporting practices.

Sixth. A collector may not visit the home of a debtor.

Seventh. It becomes a crime to use "deceptive means" to collect a debt. Surely such vague language cannot pass fifth amendment muster.

Eighth. The bill makes criminal the bringing of a collection action in a court which lacks jurisdiction.

Ninth. It is a crime to furnish any form knowing that it may be deceptive. The crime, I suppose, is committed by the printer.

The bill is also to be criticized for its civil impact.

First. A new cause of action cognizable in the Federal district courts for damages as small as \$100.

Second. A class action is recognized which apparently permits an award of punitive damages, without proof of actual damages-for what other reason would the resources of the defendant be relevant in any trial for damages.

Third. The impact on State court procedures is evident and beyond rational explanation. Why should the Federal Government undertake to dictate the form of pleadings and burden of proof in State court collection actions? Or to change established State law regulating the manner of service of process?

There is more. But it should be evident that we are dealing with an ill-conceived piece of legislation.

It should be defeated.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. Wiggins was allowed to proceed for 3 additional minutes.)

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I thank the gentleman for yielding. I would like to compliment the gentleman for these excellent remarks.

I want to be sure I understand the gentleman's problems. It may be now that the people that owe money may be able to set up an entrapment process to entrap the people legitimately trying to collect. Would they make a big game out of it?

Mr. WIGGINS. It would be possible for an unscrupulous debtor to use the privileges of this act to fashion a Federal court remedy against the collector for contacting him four times a week, rather than three times a week, for ex-

Mr. SYMMS. Mr. Chairman, if the gentleman will yield further, I would like to add further that although I hold the Members working on this bill very sincerely, I think the highest level of competence has not been reached.

The CHAIRMAN. The time of the gentleman from California has again ex-

pired.

(At the request of Mr. Dellums, and by unanimous consent, Mr. Wiggins was allowed to proceed for 1 additional minute.)

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I listened very carefully to the gentleman's argument and I am very impressed with the gentleman's style in making the presentation. If the presumptions are adequate, there is a validity to the assertion; but I challenge at least two areas. First of all, one assumption the gentleman made was that the bill would preclude the ability of people to communicate with folks at home during the hours before 8 a.m. and after 9 p.m. The statement was that would preclude people from calling. I realize that very few people work from 8 a.m. in the morning until 9 p.m. Most people get home between 6:30 and 7. I think there is some time to communicate with any person and that particular argument in its form really has no validity.

The second point to make an argument is that the bill would make it illegal for people to not communicate in writing to read with Mexican-Americans or Spaniards.

The CHAIRMAN. The time of the gentleman from California has again expired.

(At the request of Mr. Dellums, and

by unanimous consent, Mr. Wiggins was allowed to proceed for an additional 2 minutes.)

Mr. DELLUMS. Mr. Chairman, will the gentleman yield further?

Mr. WIGGINS. I yield to the gentleman from California.

Mr. DELLUMS. The assertion was that there are certain languages that cannot be reduced to writing. I think we have to put that in some perspective. The fact is that people coming from Mexico, that language can be reduced to writing. From Central and South America, that language can be reduced to writing. There are a few instances that language cannot be reduced to writing, but I suggest that is a microscopic number of people; so I would say in those two particular points, I challenge the gentleman's assumptions. The arguments fall away. There is room for people to communicate with people in a reasonable way after 6:30 and before 9 p.m.

The languages of most people who have debts can, in fact, be reduced to writing.

Mr. WIGGINS. I would think that if we were concerned about the inability of a debtor to understand the nature of his obligation, we should direct the language requirement to the making of the debt. When that debt was incurred. the debtor was able to conduct his business in English, but now finds it difficult to pay it in any language other than

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding to me. The gentleman is a very fine lawyer, and I know that he realizes that the provisions of this bill have to be read in para materia in order to ascertain its full meaning and intent. You cannot just pick out certain provisions. isolate them and say this is a bad bill because this provision is bad.

For example, on page 18, it says that any person who wilfully and knowingly violates the provisions of this act only then does criminal liability attach. The prosecutor has to prove a violation beyond reasonable doubt, and the violation must relate to the purpose of the bill which is to make it unlawful for a debt collector to harass or intimidate someone in the collection of a debt. Then, too, the Federal Trade Commission could make a determination that the practice is not a violation of the law.

It seems to me that when the gentleman just picks out one provision, criticizes the bill, he is not being fair. He is attempting to ridicule the bill to death.

The CHAIRMAN. The time of the gentleman from California has again

(On request of Mr. GUDGER and by unanimous consent Mr. Wiggins was allowed to proceed for 2 additional minutes.)

Mr. GUDGER. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. I yield.

Mr. GUDGER. I direct the gentleman's

attention to page 6 and the top of page 7, lines 22 through line 3, which says:

No debt collector may communicate with any person other than the consumer or such consumer's spouse, parent (if the consumer is a minor), guardian, executor, administraor attorney in connection with the collection of any debt without the prior consent of the consumer or the express permission of a court of competent jurisdic-

Is it the gentleman's interpretation that this would prevent a bona fide debt collector from investigating the tax worth of a debtor, and gain other information concerning his other assets and ability to pay?

Mr. WIGGINS. I am not the father of this legislation, but it is my understanding that it does not preclude—I started to say third party contacts, but there is a section dealing with third party contacts.

Mr. GUDGER. I am referring to that part which says that no debt collector may communicate with any other person than the debtor or his spouse for any purpose without the debtor's permission. Would that preclude a bona fide debt collector from making investigations to ascertain assets?

Mr. WIGGINS. I know the gentleman to be a fine attorney, and the fact that it has raised a question in his mind indicates that it is not clear at all. One of the novel features of this bill is that one can only make a contact if one has prior consent, and I have often wondered how in the world one is going to get that prior consent without making a contact.

Mr. GUDGER. Would the gentleman yield for another question? On page 12, there is a provision that the debt collector is to send the consumer within 5 days after first contact certain specified information, and they list amount, name, creditor, and so forth. Then, there is provision for a criminal penalty.

The CHAIRMAN. The time of the gentleman from California has again expired.

(On request of Mr. Gudger and by unanimous consent Mr. Wiggins was allowed to proceed for 2 additional minutes.)

Mr. GUDGER. On page 18, there is provision that there can be a \$5,000 fine or imprisonment for 1 year, as specified on lines 8 and 9, for failure to provide information which such person is required to disclose by this title. My question is this: If a bona fide debt collector failed to provide this information within 5 days, is it the gentleman's interpretation that he would be subject to the criminal penalties and sanctions provided in section 813 on page 18?

Mr. WIGGINS. If the act were done willfully-and normally one intends the consequences of his act-if it were done willfully and knowingly, at least be would risk criminal charges against him.

Mr. SAWYER. Mr. Chairman. I move to strike the last word.

Mr. Chairman, I am only interested in addressing one aspect of this legislation, which I have read very carefully. I have looked at the bulletin board displaying examples of unethical bill collecting. I have been aware of the kinds of abuses that have been illustrated

there, and there is no question it is an appealing situation in which to legislate. It seems to me, however, the question

is: Is there some compelling need for Federal legislation in this regard?

The act itself recognizes the devastation wrought by a proliferation of Federal regulations. I think the same thing can be very well applied to Federal legislation. The States have full jurisdiction over this type of matter. It is a police matter, really, lying within the police powers of every State. They have much more adequate enforcement facilities.

Only a few days ago I received, as perhaps many of the Members did, a communication from the Judicial Conference of the United States, complaining bitterly over the backlog in the Federal courts and seeking legislation to remove the diversity jurisdiction from the Fed-

eral courts.

For those Members who are lawyers, they know that in civil matters arising between citizens of different States and involving an amount in excess of \$10,000, exclusive of interest and costs, the party, the out-of-State party, has the option of going into a Federal forum. This has resulted in 33,000 cases pending in Federal court, where really matters of State laws are essentially involved, and it has resulted somewhat in the outdated notion that State courts are parochial or that they discriminate against out-of-State groups, which has long ceased to be the fact, if it ever were.

Mrs. FENWICK. Mr. Chairman, will

the gentleman yield?

Mr. SAWYER. I yield to the gentlewoman from New Jersey (Mrs. Fen-WICK).

Mrs. FENWICK. I thank the gentleman for yielding.

I was consumer director in my State

before I came here, and I can only tell the gentleman that when one calls up a State, sometimes a neighboring State, sometimes a State quite far away, about one of these questions, they will say, "Look, we protect our citizens; we cannot worry about what is happening to

your people in New Jersey."

But I would also like to say one thing more. It is awfuly easy to make fun of people who are up against it. There are a lot of shops who have a sign on the front which says, "Aqui habla español," and one goes in, he can buy in Spanish, but it is turned over to somebody who does not speak a word of this language. I would like to bring that to the attention of this House.

Mr. SAWYER. I thank the gentlewoman for her remarks.

I would assume, in the situation posed by the gentlewoman from New Jersey, that, whereas the State of New York might not be that interested in the people of New Jersey, the legislature and the Governor of the State of New Jersey are interested in what happens to the people in the State of New Jersey and can adopt protective State laws in any manner they see fit, as dictated by the needs of the people of the State.

Mrs. FENWICK. If the gentleman would yield further, they are collectors from out of State. We cannot control them. They have the WATS lines, or something, and they call at 2 o'clock in

the morning. It is incredible. Ask some of the debt collectors what their competitors are doing.

Mr. SAWYER. The State of New Jersey has full authority for the consequences which are occurring in the State of New Jersey, and it does not make any difference if the communication was put into transmission in New York, the violation would occur, in the State of New Jersey. It would be under the full jurisdiction of New Jersey. I see no reason here why the invocation of Federal jurisdiction should be needed just because of the transmission of interstate telephone lines and the mails are used. Why should we further proliferate Federal legislation on a subject which the State can fully handle themselves?

Mrs. FENWICK. If the gentleman will yield further, it is a problem we cannot cope with. We have 13 States without any laws at all, and 16 more States have laws so weak that they do not control any of the things we are trying to con-

trol in this bill.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. SAWYER) has expired.

(On request of Mr. WYLIE and by unanimous consent, Mr. Sawyer was allowed to proceed for 2 additional min-

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. SAWYER. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, I am somewhat persuaded by what the gentleman says because I took the same position when I first heard about this bill, the Debt Collection Practices Act. But then we had testimony from witnesses of law-enforcement agencies from States that have consumer debt collection practices acts, including California, New Hampshire, Minnesota, New Jersey, and others.

The biggest abuse in this area, we found, is in interstate commerce, in the interstate use of the mails by the book clubs, the magazine subscription outfits, and the record clubs.

These witnesses came to us, and they said, "We would like to have a Federal law so we can have this as an option."

Mr. Chairman, I have personally had this experience, as I said in my statement a little while ago, where a magazine subscription outfit comes to the door and sells a magazine subcription; the magazine just keeps coming, and you cannot shut it off, and then the magazine supplier refers the bill to an independent debt collector. This is one area in which we are trying to legislate.

Mr. SAWYER. Mr. Chairman, I can appreciate the problem. I am not arguing that the problem does not exist.

However, the question is that there is no unique or compelling reason why we have to enact Federal legislation. The Feds have jurisdiction or have the potential of taking jurisdiction because of the use of these instrumentalities in interstate commerce. That, however, in no way precludes the States from full and operable jurisdiction over the offense within their State lines.

Mr. Chairman, I think we have enough Federal legislation, and I think by the provisions of this act we expressly recognize that we have enough Federal regulation.

Mr. BAUMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to oppose the bill and also to ask a question of the gentleman from Illinois (Mr. Annun-

We all received a "Dear Colleague" letter dated March 31 from the gentleman directed to our offices regarding this bill. In it there appears the statement that there is support of the bill from some members of the industry, but that "there will always be opposition from the unethical element in the industry."

Mr. Chairman, I would say to the gentleman that I have received letters from persons in my district who are engaged in debt collection, none of whom are engaged in any conduct which is unethical. They have opposed this legislation because they feel it is a Federal intrusion into an industry in which they are able to take care of their own matters.

I am sure that the gentleman does not mean to imply that anyone who is opposed to this debt collection legislation or who finds himself in opposition to the Debt Collection Practices Act is unethical, does he?

Mr. ANNUNZIO. Mr. Chairman, if the gentleman will yield, the gentleman's

statement is correct.

Mr. BAUMAN. Mr. Chairman, I appreciate the gentleman's reply, and I urge my colleagues to oppose this unwise and unnecessary legislation.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of

words.

Mr. Chairman, I rise in opposition to H.R. 5294, the Debt Collection Practices Act. There are a number of reasons why it would be most unwise, in my judgment, for the House to pass this legisla-

First. The scope of this bill is arbitrarily limited to independent or third-party debt collectors, but as the American Bar Association pointed out in its statement in opposition to this bill,

Most complaints against collection practices are against other retail credit grantors, not professional collection services.

Second. Increased costs of collection and the costs of defending individual and class legal actions authorized under this legislation must ultimately be passed on to those customers who pay their bills on

Third. Credit grantors may respond to the increased exposure to legal action on the part of recalcitrant debtors by tightening their credit policies. The poor and others who have had difficulty in obtaining credit in the past may find it even more difficult to obtain credit.

Fourth. There is no need for a Federal statute governing debt collection. Most abusive debt collection practices are violations of existing State or Federal laws. The 37 States already have debt collection laws on the books, and the California law is stricter than the bill we are considering today.

I agree with my distinguished colleague from California (Mr. HANNAFORD)

who will vote for this bill, who finds "this differentiation to be inherently discriminatory against the small businesses who rely on independent debt collectors as against larger firms who generally do their collecting in house." I also share his concern "about the curbs on contacts at the place of employment, as this is often the only location available for collectors to make contact."

As my colleague from New York, Edward Pattison, a member of the Banking, Finance and Urban Affairs Commit-

tee, has said:

Who are we to impose a national system on States as diverse as New York and Utah where the problems are undoubtedly different? . . .

Our question is not whether anyone approves of this bill. Our question is "Do we need it? Will it do any good? Should it be done at this level of government?"

I suggest that the burden of proof has not been satisfied in this case, and that for this reason, the bill should not become law.

One provision of this bill which I do support is the Wylie amendment, which is intended to deny to the FTC the power to make rules and regulations to implement the new law. This amendment is intended to prevent this bill from becoming another RESPA, and we certainly hope that it works.

Nevertheless, H.R. 5294 remains, on balance, another example of an unwarranted intrusion of the Federal Government into an area in which it does not belong, the costs of which are almost certain to outweigh the benefits.

Mr. SYMMS. Mr. Chairman, will the

gentleman yield?

Mr. ROUSSELOT. I am happy to yield

to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I thank the gentleman very much for yielding. I was trying to catch the attention of the gentleman from Michigan (Mr. Sawyer) when he made the point that we are just adding more Federal intervention and regulation. I think he made that point very well and I would like to compliment the gentleman on that. We are adding all of that on to the present system we have that now works.

We live in a society where we have to pay our debts. I know that as Members of Congress it is very popular for Members, both Republican and Democrat, to tell the people back home that we want to cut down on needless Government regulations, needless Government agencies, reform the Government, lower taxes, and do all of these wonderful things. But, let us just remember that one cannot suck and blow in the same breath. If we want a balanced budget budget by 1981, if we want to reduce Federal regulations and cut Government, then do not pass bills like this. And that is what we are trying to do in this measure. I think we should vote this bill down.

I appreciate the good intentions of the gentleman from Ohio (Mr. Wylie) and the gentleman from Illinois (Mr. Annunzio) and the others, who really have good intentions in this bill, but I would add that it is also the desire of many of us to reduce the harassment of the citizens of this country who are already being burdened by heavy taxes to the tune of 45 cents on every dollar

earned. If the Members are interested in those citizens then this bill should be voted down. It is not needed. We need to start thinking and talking about the real things of life, where part of that is paying one's debts. Those things are realistic in this world and they cannot be avoided. By passing this legislation we are, in fact, saying that we can, somehow, through Federal regulations, stop meeting our own commitments.

Mr. ROUSSELOT. Mr. Chairman, I thank my colleague, the gentleman from Idaho, for his remarks. I know that there is never any doubt as to where he stands, just as he now has so graphically expressed it. We clearly do not need this legislation.

Mr. EDWARDS of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to ask the chairman of the subcommittee, the gentleman from Illinois (Mr. Annunzio) in the would explain to me what Federal crimes we are creating. I understand that we are creating some criminal li-

ability here and I would like to know specifically what Federal crimes we are creating.

Mr. ANNUNZIO. If the gentleman will reread the bill, they are set out in the bill. As the gentleman knows, this is an amendment to the Truth in Lending Act.

Consequently we are carrying out the same provisions of the act with this amendment.

It has to be willful and it has to be knowingly.

Mr. EDWARDS of California. Willfully and knowingly doing what?

Mr. ANNUNZIO. To violate the provisions of this bill.

Mr. EDWARDS of California. I still would like to know what they are.

Mr. ANNUNZIO. To do that I would have to read every one of them.

Mr. EDWARDS of California. Would the gentleman from Illinois read me one or two of the crimes that we are creating?

Mr. ANNUNZIO. Will the gentleman yield?

Mr. EDWARDS of California, Certainly I yield to the gentleman from Illinois, if the gentleman will tell me what specific Federal crimes we are creating for which the Federal Bureau of Investigation would have to investigate or the Department of Justice would have to impanel grand juries concerning them.

Mr. ANNUNZIO. Calling the consumer's employer too frequently and in such a manner that the consumer may lose his

Calling a consumer at work so frequently as to possibly make him lose his job.

Calling a consumer's home in the middle of the night.

Calling a consumer's home every 5 minutes all day.

Threatening a consumer's family that he is going to be arrested or go to jail.

Falsely telling a consumer his child has been in an accident and undergoing surgery at the hospital in order to contact the consumer.

Sending phony legal documents. Falsely threatening lawsuits. And on and on and on. Mr. EDWARDS of California. Is this the kind of work the gentleman wants the FBI to investigate on a daily basis and wants the Federal Department of Justice and the U.S. attorneys throughout the country to spend their time on?

Mr. ANNUNZIO. What is going on?

What are they doing now?

Mr. EDWARDS of California. There are three pages of crimes that the FBI is responsible for now.

Mr. ANNUNZIO. The gentleman from California is an able lawyer, and the gentleman specifically states knowingly and

willfully, 19 pages.

We worked long and hard on the legislation, and it is spelled out. It is an amendment to the truth-in-lending bill. It is a bill that has the approval of the association. As I pointed out at the beginning of my statement, what we are trying to do is to curb debt collection abuses, and that is exactly what this bill will do—nothing else. If it cures that ill in our society, with all the hundreds and thousands of complaints that the subcommittee has received, then we will have achieved our purpose.

I will also point out to the gentleman from California that all of the States' witnesses that appeared before us representing the various offices of the attorneys general and the consumer fraud divisions in those States all asked for this legislation. They asked for help because the problem is so large they cannot cope with it in their own particular States.

Mr. EDWARDS of California. I thank the gentleman. Several years ago we passed a bill here late in the afternoon to make it a Federal crime to turn back odometers. The FBI had to hire 10 more agents to stop this practice around the country, when it was really a matter for the States to handle. Has the gentleman found out from the Department how many more FBI agents they are going to have to hire to investigate these crimes? I presume not.

The CHAIRMAN. The time of the gen-

tleman has expired.

Are there further amendments? There being no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Long of Louisiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (HR 5204) to amond the

State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5294) to amend the Consumer Credit Protection Act to prohibit abuse practices by debt collectors, pursuant to House Resolution 469, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Lederer

Levitas Lloyd, Tenn.

Long, Md.

McClory McCloskey McDonald

McEwen McKay

Madigan

Mahon

Mann

Lott

Lujan

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. WYLIE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were-yeas 199, nays 198, not voting 35, as follows:

[Roll No. 124]

Nowak Oakar

Oberstar

Ottinger

Patterson

Pepper Perkins

Pike

Price

Rahall

Rangel

Regula

Rinaldo

Rodino

Rogers

Rooney

Roybal

Russo Ryan

Sarasin

Scheuer

Shipley

Simon

Solarz

Stanton

Stark

Steed

Steers

Steiger Stokes

Stratton

Thompson

Studds

Tonry Traxler

Tsongas Udall

Ullman Van Deerlin

Vanik

Vento

Walgren Walker

Weaver

Wolff Wright

Wydler Wylie

Yates Yatron

Zeferetti

Wilson, Bob

Young, Tex. Zablocki

Sisk

Seiberling

Spellman St Germain

Roncalio

Rosenthal

Reuss

Railsback

Richmond

YEAS-199 Addabbo Ford, Tenn. Forsythe Fraser Alexander Allen Ambro Frenzel Annunzio Gaydos Ashlev Gilman AuCoin Badillo Gonzalez Gore Gradison Baldus Beard, R.I. Hanley Beilenson Benjamin Harkin Biaggi Bingham Harrington Harsha Blanchard Hawkins Heckler Holland Boggs Boland Bolling Hollenbeck Bonior Holtzman Brademas Howard Breaux Hughes Brodhead Hyde Ireland Johnson, Calif. Brooks Brown, Calif. Buchanan Jordan Burke, Calif. Burke, Fla. Burke, Mass. Kildee Burlison, Mo. Burton, John Burton, Phillip Kostmaver LaFalce Caputo Le Fante Carney Leach Carr Leggett Lehman Carter Cleveland Cohen Lent Lloyd, Calif. Collins, Ill. Long, La. Luken Conte Convers Lundine Cornell McCormack Cotter McDade Coughlin McHugh D'Amours Danielson McKinney de la Garza Maguire Markey Dellums Marks Mattox Mazzoli Derrick Derwinski Dingell Meeds Metcalfe Dodd Meyner Mikulski Drinan Early Edgar Edwards, Ala. Miller, Calif. Minish Mitchell, Md. Eilberg Emery Mitchell, N.Y. Fary Moakley Fascell Mottl Murphy, Ill. Fenwick Findley Murphy, N.Y. Fish Neal Nedzi Fisher Flood Foley Nolan **NAYS-198**

Blouin Abdnor Akaka Ammerman Bowen Breckinridge Anderson, Calif. Brinkley Broomfield Brown, Mich. Brown, Ohio Andrews, N.C. Andrews, N. Dak. Broyhill Applegate Burgener Burleson, Tex. Archer Byron Cavanaugh Ashbrook Badham Bafalis Cederberg Chappell Baucus Clausen. Don H. Beard, Tenn. Clawson, Del Cochran Bedell Bennett Bevill Collins, Tex.

Conable Corcoran Corman Cornwell Crane Daniel, Dan Daniel, R. W. Davis Devine Dornan Dornan Downey Duncan, Oreg. Duncan, Tenn. Edwards, Calif. Edwards, Okla. Erlenborn Ertel Evans, Colo. Evans, Ga.

Evans, Ind. Fithian Flippo Flowers Fountain Frey Fuqua Gammage Gephardt Giaimo Gibbons Glickman Goldwater Grassley Gudger Guver Hagedorn Hall

Hamilton Hammerschmidt Hannaford Hansen Harris Hefner Hightower Hillis Hubbard Huckaby Ichord Jenkins Jenrette Johnson, Colo. Jones, N.C. Jones, Tenn. Kasten Kastenmeier Kazen Kelly Ketchum

Kindness

Krueger

Latta

Marlenee Marriott Martin Mathis Michel Mikva Miller, Ohlo Mineta Moffett Mollohan Montgomery Moore Moorhead, Calif. Murphy, Pa. Murtha Myers, Gary Myers, Michael Myers, Ind. Nichols O'Brien Panetta Pattison Pease Pettis Pickle Poage Pressler Preyer Pritchard Quavle Lagomarsino Quillen Rhodes

Rousselot Rudd Runnels Ruppe Santini Satterfield Sawyer Schroeder Schulze Sebelius Sharp Shuster Sikes Skelton Skubitz Slack Smith, Nebr. Snyder Spence Stangeland Stump Symms Taylor Thone Thornton Treen Tucker Vander Jagt Volkmer Walsh Wampler Watkins Whalen White Whitehurst Whitley Whitten Wiggins Wilson, Tex. Winn Young, Alaska Young, Mo.

Risenhoover

Roberts

Rose

Robinson

NOT VOTING--35

Florio Ford, Mich. Anderson, Ill. Rostenkowski Aspin Barnard Butler Heftel Smith, Iowa Jeffords Staggers Teague Chisholm Jones, Okla. Clay Kemp Milford Waggonner Waxman Dickinson Moorhead, Pa. Moss Dicks Wilson, C. H. Wirth Pursell Quie Eckhardt Young, Fla. Evans, Del.

The Clerk announced the following pairs:

On this vote:

Mr. Rostenkowski for, with Mr. Teague against.

Mr. Dent for, with Mr. Milford against. Mr. Florio for, with Mr. Waggonner against. Mr. Moorhead of Pennsylvania for, with

Mr. Butler against. Mr. Dicks for, with Mr. Young of Florida against.

Mr. Wirth for, with Mr. Trible against. Mr. Clay for, with Mr. Dickinson against.

Mr. Diggs for, with Mr. Kemp against. Mr. Heftel for, with Mr. Staggers against.

Until further notice:

Mr. Roe with Mrs. Chisholm.

Mr. Obey with Mr. Aspin. Mr. Eckhardt with Mr. Ford of Michigan. Mr. Quie with Mr. Jones of Oklahoma.

Mr. Anderson of Illinois with Mr. Smith of Iowa

Mr. Jeffords with Mr. Waxman. Mr. Pursell with Mr. Charles H. Wilson of California.

Mr. SIKES and Mr. HEFNER changed their vote from "yea" to "nay."

Mr. YOUNG of Texas and Mr. GON-ZALEZ changed their vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous material, on the bill H.R. 5294, just passed.

The SPEAKER. Is there objection to the request of the gentleman from

Illinois?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4800) entitled "An act to extend the Emergency Unemployment Compensation Act of 1974 for an additional year, to revise the trigger provisions in such Act, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3365) entitled "An act to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions, and for other

purposes.

CONFERENCE REPORT ON H.R. 3365, EXTENDING AUTHORITY FOR THE FLEXIBLE REGULATION OF INTEREST RATES ON DEPOSITS AND ACCOUNTS IN DEPOSITORY INSTITUTIONS

Mr. ANNUNZIO submitted the following conference report and statement on the bill (H.R. 3365) to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 95-160)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3365) to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate

amendment insert the following:

TITLE I

SEC. 101. Section 7 of the Act of September 21, 1966 (Public Law 89-597), is amended by striking out "March 1, 1977" and insert-ing in lieu thereof "December 15, 1977".

TITLE II

Sec. 201. Section 14(b) of the Federal Reserve Act (12 U.S.C. 355) is amended (1) by

striking out "November 1, 1976" and inserting in lieu thereof "November 1, 1978"; and (2) by striking out "October 31, 1976" and inserting in lieu thereof "October 31, 1978".

TITLE III

SEC. 301. Section 201 of the Federal Credit Union Act (12 U.S.C. 1781) is amended by repealing subsection (c)(3) thereof.

SEC. 302. (a) Paragraph (5) of section 107 of the Federal Credit Union Act (12 U.S.C. 1757) is amended to read as follows:

(5) to make loans, the maturities of which shall not exceed twelve years except as otherwise provided herein, and extend lines of credit to its members, to other credit unions, and to credit union organizations and to participate with other credit unions, credit union organizations, or financial organizations in making loans to credit union members in accordance with the following:

'(A) Loans to members shall be made in conformity with criteria established by the board of directors: Provided, That-

(i) a residential real estate loan which is made to finance the acquisition of a oneto-four-family dwelling for the principal residence of a credit union member, the sales price of which is not more than 150 per centum of the median sales price of residential real property situated in the geographical area (as determined by the board of directors) in which the property is located, and which is secured by a first lien upon such dwelling, may have a maturity not exceeding thirty years, subject to the rules and regulations of the Administrator;

"(ii) a loan to finance the purchase of a mobile home, which shall be secured by a first lien on such mobile home, to be used by the credit union member as his residence, or for the repair, alteration, or improvement of a residential dwelling which is the residence of a credit union member shall have a maturity not to exceed fifteen years unless such loan is insured or guaranteed as pro-

vided in subparagraph (iii);

"(iii) a loan secured by the insurance or guarantee of the Federal Government, of a State government, or any agency of either may be made for the maturity and under the terms and conditions specified in the law under which such insurance or guarantee is

"(iv) a loan or aggregate of loans to a director or member of the supervisory or credit committee of the credit union making the loan which exceeds \$5,000 plus pledged shares, be approved by the board of directors;

"(v) loans to other members for which directors or members of the supervisory or credit committee act as guarantor OF dorser be approved by the board of directors when such loans standing alone or when added to any outstanding loan or loans of the guarantor or endorser exceeds \$5.000:

"(vi) the rate of interest not exceed 1 per centum per month on the unpaid balance

inclusive of all service charges;

"(vii) the taking, receiving, reserving, or charging of a rate of interest greater than is allowed by this paragraph, when knowingly done, shall be deemed a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon. If such greater rate of interest has been paid, the person by whom it has been paid, or his legal representatives, may recover back from the credit union taking or receiving the same, in an action in the nature of an action of debt, the entire amount of interest paid; but such action must be commenced within two years from the time the usurious collection was made;

"(viii) a borrower may repay his loan, prior to maturity in whole or in part on any busi-

ness day without penalty;

"(ix) loan shall be paid or amortized in accordance with rules and regulations prescribed by the Administrator after taking into account the needs or conditions of the borrowers, the amounts and duration of the loans, the interests of the members and the credit unions, and such other factors as the Administrator deems relevant.

"(A) A self-replenishing line of credit to borrower may be established to a stated maximum amount on certain terms and conditions which may be different from the terms and conditions established for another borrower.

(C) Loans to other credit unions shall be approved by the board of directors.

(D) Loans to credit union organizations shall be approved by the board of directors and shall not exceed 1 per centum of the paid-in and unimpaired capital and surplus of the credit union. A credit union organization means any organization as determined by the Administrator, which is established primarily to serve the needs of its member credit unions, and whose business relates to the daily operations of the credit unions they serve.

"(E) Participation loans with other credit unions, credit union organizations, or financial organizations shall be in accordance with written policies of the board of directors;".

(b) Paragraph (6) of such section is repealed.

SEC. 303. (a) Paragraph (7) of section 107 of the Federal Credit Union Act (12 U.S.C. 1757) is redesignated as paragraph (6) and

is amended to read as follows:

'(6) to receive from its members, from other credit unions, from an officer, employee, or agent of those nonmember units of Federal, State, or local governments and politi-cal subdivisions thereof enumerated in section 207 of this Act and in the manner so prescribed, and from nonmembers in the case of credit unions serving predominately low-income members (as defined by the Administrator) payments on shares which may be issued at varying dividend rates, and pay ments on share certificates which may be issued at varying dividend rates and maturities, subject to such terms, rates, and conditions as may be established by the board of directors, within limitations prescribed by the Administrator."

(b) Paragraph (8) of such section is redesignated as paragraph (7) and amended by adding the following paragraph:

"(I) In the shares, stocks, or obligations of any other organization, corporation, or association which strengthens or advances the development of credit unions or credit union organizations, up to 3 per centum of the total paid-in and unimpaired capital and surplus of the credit union with the approval

of the Administrator;".
(c) Paragraphs (9) through (14) of section 107 are redesignated paragraphs (8)

through (13).

(d) Paragraph (13), as redesignated, section 107 is amended by inserting after the first comma the following: "to purchase, sell, pledge, or discount or otherwise receive or dispose of, in whole or in part, any eligible obligations (as defined by the Administrator) of its members and".

(e) Section 107 is further amended by adding the following new paragraph after para-

graph (13):

'(14) to sell all or a part of its assets to another credit union, to purchase all or part of the assets of another credit union and to assume the liabilities of the selling credit union and those of its members subject to regulations of the Administrator;".

SEC. 304. Section 114 of the Federal Credit Union Act (12 U.S.C. 1761c) is amended as

follows:

(1) by adding "and lines of credit" after "loans" in the first sentence;

(2) by striking "No loan shall be made unless approved" in the third sentence and in-serting in lieu thereof "Except for those loans or lines of credit required to be approved by the board of directors in section 107(5) of this Act, approval of an application shall be"

and by adding "and lines of credit" after "the

power to approve loans";
(3) by striking "loan" as it appears after "each" and before "approved" in the fourth sentence, and inserting in lieu thereof 'application":

(4) by striking "loans" in the fifth senand inserting in lieu thereof tence

'applications":

(5) by striking "for any loan which" in the sixth sentence and inserting in lieu thereof with respect to any loan or line of credit for which the application";

(6) by adding "and lines of credit" after "loans" in the eighth sentence and by striking "the purpose for which the loan is desired":

(7) by striking the ninth sentence; and

(8) by striking "\$200 or" and "whichever is greater", in the tenth sentence.

SEC. 305. Section 116 of the Federal Credit Union Act (12 U.S.C. 1762) is amended by striking out the first sentence of subsection (a) and inserting in lieu thereof "At the end of each accounting period the gross income shall be determined." and by striking out all after the colon in subsection (a), by striking out subsection (b), and by inserting in lieu thereof the following:

'(1) A credit union in operation for more than four years and having assets of \$500,000 or more shall set aside (A) 10 per centum of gross income until the regular reserve shall equal 4 per centum of the total of outstanding loans and risk assets, then (B) 5 per centum of gross income until the regular reserve shall equal 6 per centum of the total of outstanding loans and risk assets.

'(2) A credit union in operation less than four years or having assets of less than \$500,000 shall set aside (A) 10 per centum of gross income until the regular reserve shall equal 71/2 per centum of the total of outstanding loans and risk assets, then (B) 5 per centum of gross income until the regular reserve shall equal 10 per centum of the total of outstanding loans and risk assets.

"(3) Whenever the regular reserve falls below the stated per centum of the total of outstanding loans and risk assets, it shall be replenished by regular contributions in such amounts as may be needed to maintain the

stated reserve goals.

"(b) The Administrator may decrease the reserve requirement set forth in subsection (a) of this section when in his opinion such a decrease is necessary or desirable. The Administrator may also require special reserves to protect the interests of members either by regulation or for an individual credit union in any special case."

SEC. 306. Subsection (b)(3)(B) of section 120 of the Federal Credit Union Act (12 U.S.C. 1766) is amended by striking out "shares" and inserting in lieu thereof "member ac-

counts"

SEC. 307. (a) Subsection (g) (1) of section 206 of the Federal Credit Union Act (12 U.S.C. 1786) is amended by striking out "and that such violation or practice or breach of fiduciary duty is one involving personal dishonesty on the part of such director, officer, or committee member"

(b) Subsection (g) (2) of such section is amended by changing "dishonesty and unfitness" to read "dishonesty or unfitness"

each place it appears therein.

SEC. 308. Paragraph (4) of section 101 of the Federal Credit Union Act (12 U.S.C. 1752), the second time it appears therein, is amended by inserting immediately before the semicolon at the end thereof the following: and such terms mean those accounts nonmember credit unions and nonmember units of Federal, State, or local governments and political subdivisions thereof in which payments are received by a credit union pursuant to section 107(6) of this Act;"

SEC. 309. The third sentence of section 113 of the Federal Credit Union Act (12 U.S.C. 1761b) is amended by striking out "that may

be held by an individual" and inserting in lieu thereof "and share certificates and the classes of shares and share certificates that may be held", and by striking out "and the maximum amount which may be loaned with or without security to any member" and inserting in lieu thereof ", the security, and the maximum amount which may be loaned or

provided in lines of credit".

SEC. 310. Section 117 of the Federal Credit Union Act (12 U.S.C. 1763) is amended to

read as follows:

"DIVIDENDS.—At such intervals as the board of directors may authorize, and after provision for required reserves, the board may declare, pursuant to such regulations as may be issued by the Administrator, a dividend to be paid at different rates on different types of shares and at different rates and maturity dates in the case of share certificates. Dividend credit may be accrued on various types of shares and share certificates as authorized by the board of directors.".

And the Senate agree to the same.

HENRY REUSS, FERNAND ST GERMAIN, FRANK ANNUNZIO, JERRY M. PATTERSON, JOHN J. LAFALCE, J. WILLIAM STANTON. JOHN H. ROUSSELOT,
Managers on the Part of the House.

WILLIAM PROXMIRE, THOMAS J. MCINTYRE, JOHN SPARKMAN. EDWARD W. BROOKE, Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3365) to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

The House bill provided that the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions would be extended to March 1, 1978. The Senate bill provided that this authority would extend to October 1, 1977. The conferees agreed to an extension of the authority to December 15, 1977.

The House bill provided that savings and loan associations chartered by the Federal Home Loan Bank Board be allowed to permit withdrawals, overdrafts, or transfers of accounts on negotiable, transferable, or nonnegotiable check, order, or authorization, to such extent and subject to such requirements and conditions as may be applicable under New York State law to institutions of the same type chartered under the laws of New York State. The Senate bill contained no comparable provision. The conferees rejected the House provision.

The House bill provided for an extension of the Treasury Department's authority to bor-row funds from the Federal Reserve System to August 31, 1977. The Senate bill contained no comparable provision. The conferees accepted the House provision.

The House bill provided for the modernization of the Federal Credit Union Act. The Senate bill contained no comparable provision. The conferees accepted the House pro-

An agreement was reached concerning the credit union mortgage lending authority. The House bill contained a provision which limited the sales price of dwellings eligible for credit union mortgage lending approval to a price not in excess of 150 percent of the median sales price of residential real property situated in a geographic area in which the property is located. The conferees agreed that such sales price shall be determined to the extent feasible on a market area basis. In those instances where a determination on a market area basis is not available, the sales price limitation shall be based upon the appropriate regional figures. In all instances, the National Credit Union Administration shall be the ultimate arbiter of the policies and procedures of federal credit unions in their determination of a median sales price pursuant to section 402 of this Act.

HENRY REUSS FERNAND ST GERMAIN. FRANK ANNUNZIO, JERRY M. PATTERSON, JOHN J. LAFALCE, J. WILLIAM STANTON, JOHN H. ROUSSELOT, Managers on the Part of the House.

WILLIAM PROXMIRE, THOMAS J. MCINTYRE, JOHN SPARKMAN, EDWARD W. BROOKE. Managers on the Part of the Senate.

ADJOURNMENT OF HOUSE ON WEDNESDAY, APRIL 6, 1977, AND SENATE ON THURSDAY, APRIL 7, 1977, UNTIL MONDAY, APRIL 18,

Mr. WRIGHT. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 186) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 186

Resolved by the House of Representatives (the Senate concuring), That when the House adjourns on Wednesday, April 6, 1977, it stand adjourned until 12 o'clock meridian on Monday, April 18, 1977, and that when the Senate recesses on Thursday, April 7, 1977, it stand in recess until 12 o'clock meridian on Monday, April 18, 1977.

The concurrent resolution was agreed

A motion to reconsider was laid on the

ADDITION TO LEGISLATIVE PRO-GRAM FOR TOMORROW

Mr. WRIGHT. Mr. Speaker, I take this time to advise the Members that tomorrow there will be one additional bill on the list of suspensions. This is a bill that was not announced on last Thursday.

This additional measure is H.R. 5717, providing for the relief of victims of the Romanian earthquake. There being three suspensions on the list now, votes on suspensions will be deferred until the completion of debate on all three bills.

RESIGNATION AS MEMBER OF SPE-CIAL COMMISSION ON ADMINIS-TRATIVE REVIEW

The SPEAKER laid before the House the following resignation as a member of the Special Commission on Administrative Review:

WASHINGTON, D.C., March 29, 1977.

Hon. THOMAS P. O'NEILL, Jr., Speaker of the House of Representatives.

DEAR TIP: Now that I have been confirmed by the Senate and sworn in as Under Secretary of State for Security Assistance, Science and Technology, I regretfully must resign as a member of the Special Commission on Administrative Review. I was very pleased to have been asked to serve on that Commission and to have had a chance to work with David Obey as well as the other members of the Commission.

David has been an exceedingly good Chairman and we all have appreciated your strong interest and support in dealing with these very sensitive matters. I regret I will not be able to be involved in the remainder of the

Committee's work.

Please accept my resignation with great regrets! All my best to you.

LUCY WILSON BENSON.

The SPEAKER. Without objection, the resignation is accepted. There was no objection.

RESIGNATION AS MEMBER AND AP-POINTMENT OF MEMBER OF SE-LECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

The SPEAKER laid before the House the following resignation as a member of the Select Committee on Narcotics Abuse and Control:

WASHINGTON, D.C., March 15, 1977.

Hon. THOMAS P. O'NEILL, Jr., Speaker, House of Representatives, Washing-D.C.

DEAR MR. SPEAKER: I must regretfully resign from the Select Committee on Narcotics Abuse and Control. The heavy demands of my other committee assignments have simply made it impossible for me to give the work of the select committee the attention

I greatly appreciate having had this opportunity to serve on the select committee. I consider its mandate to study the problem of narcotics abuse a critically important area for intensive congressional review.

Thank you for your consideration in this

Sincerely,

HENRY A. WAXMAN, Member of Congress.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

The SPEAKER. Pursuant to the provisions of House Resolution 75, 95th Congress, the Chair appoints the gentleman from Georgia (Mr. Evans) as a member of the Select Committee on Narcotics Abuse and Control to fill the existing vacancy thereon.

WORK ON BREEDER REACTOR SHOULD GO FORWARD

(Mrs. LLOYD of Tennessee asked and was given permission to address the House for 1 minute, to revise and extend her remarks and include extraneous matter)

Mrs. LLOYD of Tennessee. Mr. Speaker, during recent weeks more and more attention has focused on President Carter's energy message of April 20. However, a large portion of the public has become deeply concerned by the administration's apparent decision to terminate the development of a breeder reactor. The breeder reactor, as has been testified to over and over by the utility industry, is the essential next step in the development of nuclear power for domestic

It would serve little point to go into the technical details of the breeder's potential at this time. However, it should be noted that the opposition to the breeder comes from those who express concern over the potential for proliferation of plutonium which is a byproduct of the breeder. I am inserting at this time an article from the Washington Post of Friday last, April 1, by Mr. J. W. Anderson. The article points out quite clearly the futility of trying to persuade other nations of the world to end their plans for developing breeder technology.

While I do not agree with Mr. Anderson's opinions on the proper role for U.S. development of breeder reactors, I believe his conclusions about the development of this technology by foreign countries are completely accurate.

Thank you very much. The article follows:

THE POLITICS OF PLUTONIUM

(By J. W. Anderson)

The plutonium breeder reactor has a lot in common with the Concorde, the super-sonic jet, as a device for souring this country's relations with Europe. In political terms the chief difference between the two is that the breeder reactor touches immensely greater national interests. If American nuclear policies are not managed with very great skill, they will inflict a degree of damage of which the surprisingly bitter row over Concorde provides only the mildest warning.

Once upon a time people thought that high technology would tie nations together, because of the need for scientific cooperation massive investments. That happy thought turns out to have been a bit too optimistic. The United States now seems to be in the process of changing its mind about plutonium as a commercial fuel. The U.S. government is beginning to discourage the dispersal of this technology around the world. That's the issue in the Carter administration's attempt to interrupt the sale of West German plutonium equipment to Brazil.

Consider the parallel with Concorde. The United States chose not to build it-but the British and French partnership decided differently. Now the machine is in the air, and it wants to land in New York. Americans complain about the noise, but Europeans consider that objection to be hardly more than a veil for crass commercial protectionism plus, perhaps, a strain of resentment at a technology that does not have the American flag stamped on it. The issues here are really rather minor: costs, noise levels and whether your trip to Europe takes eight hours or four. But the politics of the landing rights has become disproportionately divisive.

Concorde, Unlike energy technology touches national necessities of the first order Europeans sharply point out that the United States enjoys the luxury of reconsidering plutonium only because-unlike Europe-

this country has vast reserves of coal and plenty of uranium. Plutonium is derived from uranium. But the magic of the breeder reactor is that it produces about 70 times as much energy, per pound of uranium, as the uranium-fueled light water reactors producing electricity in this country. There's a price to be paid for this magic-plutonium as a fuel is vastly more dangerous than uranium.

Europe is prepared to take that risk. Europeans now see the breeder reactor as the ultimate answer to their dependence on foreign fuel sources. Which foreign sources? For one, the United States which, to be candid, has given other nations reason to be

cautious about its reliability. The United States has been the Europeans' main supplier of enriched uranium for the present generation of commercial reactors. But recently the United States has been vague and noncommittal about its plans for expanding its uranium exports. There has also been increasing strain over the controls that the United States wants to put on the fuel that it sells-controls that Europeans consider unnecessary and demeaning. Because of these uncertainties and disagreements, Europe has now begun to buy enriched uranium from the Soviet Union which, as one European official puts it, is much more

flexible.

But this choice between American and Russian supplies only reinforces the Europeans' intense desire to unhook themselves from both of the superpowers-and to use their own great command of technology to achieve both independence and security of supply. The major European powers have already gone a very long way in their commitment to the development of plutonium breeder reactors. France and Britain have both had experimental breeders running since the 1960s. Germany has one in operation now, and there's another under construction in Italy. As for the much bigger commercial breeders. France has now decided to go ahead with the world's first-the 1200 megawatt Superphenix. A 1300 megawatt breeder is under design in Britain.

These pronotypes demonstrate the European command over the technology. But here we come back to the Concorde analogy again. They won't be competitive, in economic terms, unless they are widely used. There is going to be fierce pressure on European governments to export these machines, to help pay for the enormous development costs. The German sale of the plutonium reprocessing plant to Brazil isn't the last of these cases. It's more likely to be only the first.

American ideas on the subject currently run strongly in favor of U.S. guarantees to deliver enriched uranium to Europe, in order to make plutonium reprocessing unnecessary. But Europeans fear that U.S. policy might be subject to change with each successive President, and that internationalization of the reprocessing plants will only dilute their own control.

The United States still has time to back away from the plutonium breeder. But it's too late for Americans to persuade Europe or, for that matter, Japan) to come with them. At this point, the only realistic goal for U.S. policy is to try to limit the worldwide traffic in plutonium to those countries with very large requirements for electric power-and with proven records in weapons control. That much of a policy is necessary, but even going that far threatens an unpleasantly high level of friction between this country and Europe.

Advanced technologies, it turns out, quickly become national symbols of deep emotional force. If you doubt it, keep watching Concorde.

TRIBUTE TO DR. MARC J. MUSSER. FORMER CHIEF MEDICAL DIREC-TOR OF THE VETERANS' ADMIN-ISTRATION

(Mr. ROBERTS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ROBERTS. Mr. Speaker, it is with sorrow I report that on the morning of March 29, 1977, a great physician who had served his country well both in war and in peace passed away at the Veterans' Administration Hospital in Washington, D.C.

Dr. Marc J. Musser served as the Chief Medical Director of the Department of Medicine and Surgery, Veterans' Administration from January 5, 1969 until April 15, 1974. Prior to that he had served in the VA at all levels, having entered the service as the chief of staff at the VA hospital, Houston, Tex. Later he became the Director of the Research Service in the central office in Washington, D.C., the Assistant Chief Medical Director for Research and Education and the Deputy Chief Medical Director.

In 1966 Dr. Musser left the service of the VA to become the executive director of the North Carolina regional medical program with appointments to the academic staff at Duke University, Bowman Gray School of Medicine, and the University of North Carolina. It was from this position that he was recalled to become Chief Medical Director of the Veterans' Administration.

Dr. Musser had a very distinguished military record. He was commissioned in the Wisconsin National Guard in April 1939, and assigned to the 135th Medical Regiment from which he entered active Federal service in the grade of major in January 1941. He was promoted to lieutenant colonel of the Medical Corps in April of 1943 and in June of that year assumed command of the 135th Medical Regiment—later designated as the 135th Medical Group probably the largest and most important medical command serving in the war against Japan. He was promoted to colonel in December of 1944 at the age of 34 and spent more than 3 years as a medical commander in the Southwest Pacific area.

For his service in this position the U.S. Army awarded him the Legion of Merit. After his separation from active military service he accepted a commission as a colonel in the Medical Corps of the U.S. Army Reserves from which he transferred to the Wisconsin National Guard in June of 1947 and was assigned as the surgeon in the office of the adjutant general of the State of Wisconsin. He later transferred to the Texas National Guard in April of 1958 and was assigned as a commanding officer of the 117th Armored Medical Battalion.

Prior to his entry into the service in World War II, Dr. Musser was a prominent member on the faculty of the University of Wisconsin School of Medicine. After his graduation from that school of medicine in 1934, he served an internship at Kansas City General Hospital in Kansas City, Mo., then returned

to his alma mater, the University of Wisconsin, to serve in residency positions at the Wisconsin General Hospital in both internal medicine and neuropsychiatry from 1935 to 1938. After completion of his residency training, Dr. Musser served as instructor and assistant professor in neuropsychiatry at the University of Wisconsin School of Medicine as well as assistant professor, associate professor and full professor in internal medicine at that school. Upon his entry into the service of the Veterans' Administration as a chief of staff at the Houston VA Hospital, he was appointed a professor of medicine at the Baylor University College of Medicine.

In addition to the Legion of Merit, Dr. Musser was awarded the American Defense Medal, the Asiatic-Pacific Theatre Campaign Ribbon with six battle stars, the American Theatre Defense Ribbon, the World War II Victory Medal, the Commendation Medal for the Papuan Campaign, the Philippine Liberation Medal, the Philippine Presidential Citation, and the Reserve Medal.

Dr. Musser was a member of numerous professional societies and organizations and has had many scientific and professional articles published in the area of his specialties. He served as president of the Association of Military Surgeons in 1971.

Mr. Speaker, Dr. Musser will be buried with military honors and laid to rest in Arlington National Cemetery on Friday, April 1, 1977. With his passing the American veteran and the medical profession has suffered a great loss. He will be sorely missed.

SELECT COMMITTEE ON ASSASSINATIONS

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. Gonzalez) is recognized for 60 minutes

Mr. GONZALEZ. Mr. Speaker, a questionable precedent has been established by the House leadership when it allowed the rules of the House and the mandate of the House to be flouted. When the House approved House Resolution 222, the so-called Bolling resolution, on February 2, it made it clear that it was reestablishing the Select Committee on Assassinations only for a period of time not to exceed March 31, and, repeatedly reflected in a litany of statements by the same leaders and everyone else, that under no circumstances would the expenditures allocated for the purposes of carrying out the work of the committee exceed \$84,333 per month.

Nevertheless, somehow, sometime, in some yet to be publicly stated manner, this same committee, by its own admission has overspent \$200,000. Apparently, judging by what the present chairman told the House on Wednesday, March 30, the fact that these moneys are owing the House contingency fund, rather than the funds allotted to the committee, seems to make that excess legitimate.

How did this come to pass? If the House mandated only \$84,333 for this purpose why did the committee get its hands on \$200.000 more without coming back to the House? Did the leadership

do this, and if so, by virtue of what authority?

The present chairman bragged that when he assumed that position there were no moneys for phone calls, travel, et cetera, but that he has taken care of those things. Naturally, the mandate of the House was being respected, and the adamant refusal of the chief counsel then to even discuss economy and the need to trim surplus staff and unnecessary expenditures was thereby condoned by the majority of the committee, and, apparently with the consent of the leadership—there simply was no money for those items.

But now let us suppose that another committee of the House, standing or select, decides it wants more money than what the authorization allows it, shall it too not have the same privilege of dipping into the House contingency fund? And if not, why not? Shall it depend on the momentary caprice or whim of the leadership? Is there some other method? Is this the great budgetary control reform the House leaders and others boast of? If this has been permitted to happen without a whimper, what other shoddy bits of financial wheeling and dealing is the House guilty of, that nobody knows about or cares to say anything about, simply because it is in the domain of a few, privileged and unaccountable peo-

I have also charged that expense vouchers for expenses, other than salary, incurred in 1976, have been paid, somehow, some way, within the last month and a half. Out of what funds? Who authorized 1977 funds to pay 1976 deficits.

Nobody has asked, nobody apparently cares.

The House has not heard the last of this malodorous business. It will be haunted and hag-ridden by embarrassments in the making. One in particular was the matter of the unauthorized and mysterious connections between the recently departed chief counsel and the Cuban ambassador to the U.N. Why has no accounting been demanded?

In that connection I offer a statement from one of the former assistant counsels and attorney-investigators of the committee, Mr. Kenneth Brooten:

(c) Actions involving international relations. On or about December 1, 1976, while was in Mexico City interviewing witnesses, Mr. Sprague advised me that he had received information that if I went to the Cuban Embassy in Mexico City, they would provide me with information about Oswald. I advised that, in my judgment, such action would be an "Act of State," and proceeded to discuss the matter with the American Ambassador, Joseph John Jova. Upon my return to Washington, Mr. Sprague proceeded through the Department of State Liaison who advised of several alternatives for obtaining such information. Mr. Sprague chose to go through an intermediary, Carl Migdale, a U.S. News and World Reporter, who was apparently a friend of Mr. Sprague and who was interviewed by him. Because of the sensitive nature of the subject, I assumed that Mr. Sprague had contacted members of the Committee as to how they wished to proceed-he had not! As I recall, Mr. Gonzalez was particularly upset since there had been "reports" that Cuba was seeking to normalize relations with the U.S. and any actions which were taken in the name of the Committee could have had an effect upon

the government of Cuba. In another instance, a nurse who had been at Parkland Hospital in Dallas was called in Camaroon by staff members of the Committee. I took a call from the Department of State Liaison advising that the simple placing of the call by the "Assassination Committee," had caused some problem with the government of Camaroon. As I am sure you can well understand, incidents of this nature, however well intentioned, can cause considerable embarrassment to the Congress, especially when taken without prior consultation, guidance, and instructions from the Committee. It seems to me the proper protocol for such situations is for the Committee Chairman to contact the Department of State and then proceed with their guidance.

But, I submit that a committee made up with Members of the House who cannot deal with the truth regarding their chief counsel cannot be expected to deal with the truth regarding the assassinations of President John F. Kennedy and Dr. Martin Luther King—even if they should stumble upon it.

I submit for the RECORD the article by George Lardner, Jr. of last Friday, April 1, 1977, as an example of this inability to handle the truth:

ASSASSINATIONS PANEL STUDIED "CHORE-OGRAPHY" AS THE ART OF SURVIVAL

(By George Lardner, Jr.)

The House Assassinations Committee spent much of its time at a secret meeting two weeks ago on the "choreography" and "scenario" for winning congressional and public support of its inquiry.

"This, of course, is not the way to conduct an investigation," Rep. Samuel L. Devine (R-Ohio) observed at one point, according to a transcript of the session that was released inadvertently. "But what we are talking about today is survival."

talking about today is survival."

At another point, committee Chairman Louis Stokes (D-Ohio) was reminded of the members of the press waiting outside the meeting room and was asked what he might tell "these wolves outside the door."

"I think you should keep them right where you have them now, champing at the bit and not tell them anything," advised Rep. Floyd J. Fithian (D-Ind.).

The March 17 meeting came at a time when the committee was still struggling to survive in the wake of weeks of acrimony over the efforts of former Chairman Henry B. Gonzalez (D-Tex.) to fire the committee's chief counsel, Richard A. Sprague. House leaders, already chagrined by the committee's slow pace in investigating the murders of President Kennedy and the Rev. Martin Luther King, Jr., were widely predicting its likely downfall.

With Stokes as their new chairman, committee members seemed to have been heartened by the publicity stemming from the public hearing of the day before, March 16, at which gangland leader Santo Trafficante, Jr., refused to testify, invoking the Fifth Amendment and other constitutional rights.

Rep. Robert W. Edgar (D-Pa.) proposed another public hearing that might include "something like what we did yesterday" when "we had Mr. Trafficante there and he was pleading the Fifth Amendment."

"I think we did more yesterday, even without getting factual information, simply because it focused again on the fact that we are looking into the issue," Edgar said enthusiastically.
"... I realize that, in terms of the investi-

"... I realize that, in terms of the investigative technique and issues, that is not the way to go," the Pennsylvania Democrat added, "but I guess I have some concern about the scenario and the choreography and I realize that while we do not want a circus atmosphere, we want it to be as content-filled as possible..."

In the continuing discussion, Fithian cautioned against placing too much reliance on press coverage of public hearings by the committee. He complained specifically about cov-

erage in The Washington Post.

Fithian agreed, however, that the two or three public meetings the committee had had were helping to erode the feeling generally held by many members of the House that "we really have not done anything" even "regardless of how badly Lardner [Washington Post staff writer George Lardner Jr.] has reported them, and he has reported them pretty badly."

Suggestions were made for secret briefings of the House Democratic leadership and other influential members of Congress such as the members of the Rules Committee. Edgar kept suggesting a follow-up public hearing that might include a discussion of

the budget and other matters.

He said the meeting could begin with a 45-minute segment, "split between the Ken-nedy and King assassinations as to what direction we are going and what evidence and information we can share publicly."

Deputy chief counsel Robert J. Lehner, the man in charge of the King investigation, said later in the meeting he would really be hard put to hold forth in public for the requisite length of time.

"I think when you talk about 45 minutes, I would have to do a little 'soft shoe dance' in the middle of it," Lehner told the com-

mittee.

Sprague agreed that a public session on the fruits of the investigation wouldn't work because the staff would be forced to serve up "almost a rehash" of what has long been

public.

That, Sprague emphasized, would amount to "not saving anything." He said that "the only things that they [the staff] can say of significance" are "things that are too raw and uncorroborated for us to be stating publicly."

In the end, the committee, which survived its House test narrowly this week but only after Sprague resigned, simply issued a report listing some of the uncorroborated leads

it is pursuing.

At the March 17 meeting, committee members also agreed that the report should say nothing "of the impediments and the financial limitations and the problem of the pre-vious Chairman [Gonzalez]."

Sprague asked how those sore points should

be treated in the committee report.

"Ignored, I would say, completely," Chair-

man Stokes ordered.
"Benign neglect," interjected Rep. Christopher Dodd (D-Conn.).

Stokes, a black congressman from Cleve land, agreed. "Yes," he said. "That deplorable

The March 17 transcript was inadvertently released late Wednesday after the committee had authorized release of another hitherto secret transcript containing Sprague's rebuttal of various charges against him.

Ever since last Thursday morning when the news began to flash that Richard A. Sprague has resigned as the Chief Counsel and Staff Director of the House Select Committee on Assassinations, I have been receiving telegrams and letters in my office saying that "right fi-

nally prevailed," or words to that effect. However, Mr. Sprague's resignation does not end the basic problem which plagues the House Select Committee on Assassinations for not one of these members of the committee has yet to deal with any of the charges against Mr. Sprague.

In an executive session held by the committee on March 16 Mr. Sprague was. in a fashion, questioned regarding these

charges. The transcript reveals that actually nothing of a substantive nature was asked Mr. Sprague. It was all very generalized with no one asking any direct questions of any consequence regarding the charges I laid before the committee, and which the committee refused to consider.

What now? With Mr. Sprague's departure, one might assume from the press reports that the investigations are going on. I guess they are, after a fashion, and despite undercover agents, according to Norman Mailer.

All of this is very sad because I have sought, as had many Americans, a serious review of the political assassinations of our country, for more than 2 years.

Mr. Speaker, I am including, for today's RECORD a copy of my remarks of February 19, 1975, when I first introduced a resolution calling for a study of political assassinations—the first since the Warren Commission Report.

Eventually, this proposal had a total of 64 cosponsors-most of which had joined before the end of 1975.

I am also submitting a copy of my testimony before the House Rules Committee on March 31, 1976, at which resolutions proposed by former Congressman Thomas Downing and me were both tabled:

U.S. REPRESENTATIVE HENRY GONZALEZ ASKS CONGRESS TO STUDY ASSASSINATIONS: SE-LECT COMMITTEE TO INVESTIGATE ASSASINA-TIONS AND ATTEMPTED ASSASSINATIONS

Mr. Gonzalez. Mr. Speaker, today I am introducing a House resolution calling for you to name seven Members of the House to select committee of seven Members of the House, one of whom you shall designate as chairman, to conduct an investigation and study of the circumstances surrounding the deaths of John F. Kennedy, Robert F. Kennedy, and Martin Luther King, and the attempted assassination of George Wallace.

Under the terms of the resolution the committee is authorized and directed to conduct a full and complete investigation and study of the circumstances surrounding the deaths of these men-a President of the United States, a U.S. Senator seeking the Presidency, a civil rights leader of international prominence and the attempted murder of the Alabama Governor as he was seek-

ing the Presidency.

For the purpose of carrying out this resolution the committee, or any subcommittee thereof authorized by the committee to hold hearings, is authorized to sit and act during the present Congress at such times and places within the United States, including any Commonwealth or possession thereof, whether the House is in session, has recessed, or has adjourned, to hold hearings, and to require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents, at it deems necessary; except that neither the committee nor any subcommittee thereof may sit while the House is meeting unless special leave to sit shall have been obtained from the House. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member.

The committee, under the terms of this resolution, shall report to the House as soon as practicable during the present Congress the results of its investigation and study, together with such recommendations as it deems advisable. Any such report which is

made when the House is not in session shall be filed with the Clerk of the House.

Mr. Speaker, I have introduced this resolution after much consideration. It has not been a decision I have made hastily.

It is time that we study all this in retrospect, and with calmness and dispassion.

There are questions to be resolved. I was at Dallas the day that President Kennedy was killed, and I suspended judgment on the questions that arose then and shortly thereafter until Watergate, August 1973, revealed possibilities heretofore considered not possible.

I feel there is a congressional responsibility, and make no mistake about it. there is a great mass of American people and citizens in the world who are greatly concerned. And, believe that since the national psyche has been traumatized by all of these shocking crimes there is a clear and impelling responsibility for the Congress to discharge.

Congress has never before studied the assassination of any President, but as the elected representatives of the people, I feel that it is clearly our responsibility to do so if there is any indication or reason to suspect that the truth of the circumstances resulting in the murder of a President have not been revealed, and any parties responsible and not previously known have not yet been brought to justice.

No similar period-the assassination of other nationally politically prominent peo-ple—has ever followed the deaths of the other assassinated American Presidents prior to John F. Kennedy, and there is a large body of knowledge done by committees and organizations involved in the study of the assassinations and independent researchers—scholars, journalists, pathologists, and others in forensic medicine—which warrants our attention and at least our attempt to

verify.

During the past several months I have become increasingly sensitive to the need to conduct such an investigation because I have become a rallying point for people from throughout the country who are un-satisfied with the findings of the Warren Commission about the death of President Kennedy.

There has long been a need for further study of this death alone because, as the Gallup poll taken in January 1967 revealed, some 64 percent of the American public believed that more than one man was involved in the assassination.

Study of this assassination or any of the others is not something which I alone, or even one small select committee can do. It will take support of a majority of this legislative body, and I hereby call for that support.

We must settle for once and for all in the interest of the welfare of our country and the future of its people the truth of happened at Dallas on November 22, 1963 and what Lee Harvey Oswald carried to his grave before he had his day in court, and erhaps what Oswald did not know.

We must find out if the President's death was in retaliation to the Bay of Pigs invasion against Cuba, and what connection did Oswald's murderer, Jack Ruby, also dead, have with all of this.

We must find out if there is any connection with the death of Senator Robert Kennedy and Dr. Martin Luther King, and why there is any reason for cases of their two assassins to be back in the courts.

There is reason to subpena E. Howard Hunt and Charles W. Colson, the Nixon assistant, who, according to the Washington Post, called Hunt following the attempted assassination of Governor Wallace to order him immediately to Milwaukee and to break into Wallace's apartment of suspected assailant.

There are many more disquieting questions to be resolved—so many as to boggle the mind—but they must be answered—

with calmness, objectivity, dispassion, and fairness.

STATEMENT OF UNITED STATES REPRESENTATIVE HENRY B. GONZALEZ, BEFORE THE HOUSE RULES COMMITTEE, WEDNESDAY, MARCH 31, 1976

On behalf of himself and 64 co-sponsors of H. Res. 204, H. Res. 593, H. Res. 455, H. Res. 456, H. Res. 721, H. Res. 873, H. Res. 1035—legislation which would establish in the U.S. House of Representatives a select committee of seven members, appointed by the Speaker, for the purpose of studying the circumstances surrounding the deaths of President John F. Kennedy, U.S. Senator Robert F. Kennedy, and Dr. Martin Luther King, and the attempted assassination of Governor George Wallace.

Mr. Chairman, my distinguished colleagues—members of the House Rules Committee: When I first introduced this House simple resolution—which would establish a congressional study of the political assassinations of the past decade, and the attempt on the life of Governor George Wallace, a year ago last February 19, I did so alone, with little reason to think I would obtain addi-

tional support.

Most of the coverage which I got as a result of the introduction of H. Res. 204 was in the foreign press—the media in the United States was not too interested, and there seemed little indication at that point that there was

any interest in Congress.

Within a period of a few months, all of this had changed. My good colleague, Congressman Thomas Downing of Virginia, became convinced that there was need to reopen the study of the assassination of President Kennedy, and introduced the resolution last April; but limiting it to a select committee to restudy the assassination of President Kennedy only, rather than including the deaths of Senator Robert Kennedy and Dr. Martin Luther King, and the attempt on Governor Wallace.

We have both made introductions of the resolutions several times on behalf of ourselves, and more than 125 co-sponsors, and the established media has decidedly picked

upon the issue.

Presently, however, the interest of the media, as well as others, has begun to wane. Those who are losing interest demand that somehow those of us who have sought a congressional investigation show them the proof of a conspiracy, or that others, other than the accused or convicted assassins, were actually involved.

No, I cannot, nor do I think my good colleague, Congressman Downing, can produce such proof. As I have told a number of news reporters, as well as several individuals, beginning more than a year ago, if such proof was readily available to me then there would be no need to seek an official investigation. I would just simply make the information known through every means I knew how, and would demand that the proper law enforcement agencies take action.

What I do know for certain is this: the more than a decade of political assassinations has caused great harm to the collective national psyche, has fostered great mistrust in our system of government, and fear in the minds of many people.

There has never been in the history of this great nation a similar period in which so many national leaders have been eliminated by a bullet.

You do not have to be a follower of Governor George Wallace to see how wrong it is for him to be eliminated from a crucial Presidential race as a viable candidate. It is wrong because our system of government demands that the people be given options. As well as it being wrong from the standpoint of the Judeo-Christian commandment "Thou Shall Not Kill", it is wrong in our society to shoot

down a man or woman in a position of political leadership because such an act manipulates our electoral system and thwarts the democratic process.

Why, one might ask, do I, and many others, not accept the official findings in respect to each of these assassinations, and the attempt on Governor Wallace? Why do we not want to believe that each of these acts were the result of lone individuals, or lone "nuts", as many would term them?

We do not accept these theories because there are too many unanswered questions begging answers, and since Watergate we know that such things as governmental coverups do exist—and at a very big scale.

I was in Dallas on November 22, 1963, when President Kennedy was killed. It was a highly traumatic experience for me and many others—and one which we shall never forget.

Many have asked me whether I did not have some questions when this occurred. Well, of course, I did, but it was a very chaotic time—but before Watergate—and I wanted to believe, as did most Americans, that the local, state, and federal law enforcement bodies would do a good job and find out the truth.

I was suspicious when Jack Ruby managed to kill Lee Harvey Oswald right in front of us on television, but I wanted to believe that the Warren Commission had taken the time to really thoroughly investigate and produce a truthful report.

Because I wanted to believe, I did not do any personal investigating, nor was I really aware of the many thousands of Americans engaged in independent research on the John F. Kennedy and later on the other assassina-

Watergate changed all that acceptance and belief with me and many other Americans. Prior to Watergate there were already many Americans who doubted that Lee Harvey Oswald acted alone, but after Watergate many other Americans joined the ranks of the doubters of the Warren Report and of the official findings in respect to other political assassinations.

There are several, of course, who question the wisdom of pursuing the course of trying to obtain a congressional review of the findings in respect to these assassinations.

One of the first arguments presented against such a move is that it will cost too much money? Also, one might ponder that it is time to go on to the problems of today, and not think about the past. For the most part, I believe in forgetting the past, and looking to the future, but what if the past keeps affecting the future?

If it were not for the assassination of President Kennedy, for example, we would not have the 25th amendment to the Constitution of the United States which enables us for the first time in history to have both an unelected President and an unelected Vice-

President.

That assassin's bullet literally changed the course of our history, and yet we are hesitating about finding out the truth which Oswald took to his grave, because he himself became the victim of an assassin before he had the opportunity to be brought to trial.

As the result, we have government information which has been classified for a period of 75 years. I say it is the people's right, as well as the Congress' right, to know the truth—whatever it is, so that we the people will better know how to handle the future.

will better know how to handle the future. The recent CBS series on the American Assassins—which dealt with precisely the same assassinations and the attempted assassination which I have asked this House to investigate—raised more questions than they answered.

In many instances it was stated by Dan Rather during the series that CBS was denied access to some particular piece of information. This, of course, has been the problem in respect to many independent studies which have been conducted by countless individuals—including pathologists, political scientists, writers and journalists, social scientists and so forth—they are denied access to important information which could either prove or disprove their findings. Many independent researchers have been in litigation for years trying to get information or permission to run tests and so forth.

Although it did not ask for a reopening

Although it did not ask for a reopening of the Warren Report on the John F. Kennedy assassination, CBS did conclude that there is a need to investigate the possible "Cuban connection" in respect to the killing

of the President.

I would like to look into the "Cuban connection," too, but I would also like to know more about the whereabouts of certain domestic spies and what they were up to during November 1963. As well as his connection with Cuba, I would also like to know what Oswald's connection was with our own intelligence community.

There are many people who will tell you that if Robert Kennedy had not been assassinated he would have been our next President, after Lyndon Johnson, and not Richard

Nixon.

I do not necessarily believe that would have been the case, but many will always believe that is what would have been, and the truth is for a fact that, if he had not been killed, a large segment of the Democratic Party would have fought for his nomination to the Presidency right down to the wire.

His death—at an assassin's hand or at the hands of several assassins—disenfranchised many people from participating in our system of nominating a candidate for the Presidency of the United States of one of the two major political parties in our country.

As long as questions remain regarding the circumstances surrounding the death of Senator Kennedy, as he sought the Presidency, do we dare bury our heads in the sand, and pretend there is no need to investigate—and wait for the same thing to happen to another candidate under similar circumstancese?

I have, for example, been in touch with Mr. William Harper, a California firearms expert, who says that he is still convinced that two guns were involved in the 1968 assassination of Senator Kennedy. He says that a Washington Post story on December 19, 1974, to the contrary misrepresented his views. Despite an incredible amount of correspondence back and forth between Mr. Harper and the Post—he has supplied me with copies of all of it—the Post has yet to publish a correcting story.

The panel of experts in Los Angeles, who

The panel of experts in Los Angeles, who refired Sirhan Sirhan's gun by court order, were unable to match victim bullets with Sirhan's gun. Attorney Vincent T. Bugliosi, who was previously with the Los Angeles' District Attorney's office, cross-examined each of these experts to substantiate, and feels that the second gun theory is definitely

Former Congressman Allard Lowenstein has pursued the reopening of the study of the assassination of Senator Kennedy relentlessly, and definitely feels that there is need for a congressional investigation.

I have heard the argument made by some of my colleagues that they did not want to be a part of reopening the studies of the assassinations of the Kennedy brothers, unless the Kennedy family wanted the cases

reopened.

While I am in the deepest sympathy with the Kennedy family and their suffering, to paraphrase Mark Lane, who wrote "Rush to Judgment" and who has been active in efforts to get the study of the assassination of John Kennedy reopened, we are talking about leaders of a country, not members of a family.

Not as much has been written questioning

the findings of the Robert Kennedy assassination as the John Kennedy assassination, and not nearly as much has been written about the assassination of Dr. Martin Luther King and the attempt on Governor Wallace, as has been written on the Kennedys.

However, recent revelations in congressional hearings as to conduct of the FBI in respect to Dr. Martin Luther King has spurred CBS in its series on assassinations, and others, to call for a complete investigation into the circumstances surrounding the death of Dr. King.

In an interview with writer Wayne Chastain, Jr., as revealed in a new book, "The Assassinations: Dallas and Beyond—A Guide to Cover-Ups and Investigations," (edited by Peter Dale Scott, Paul L. Hoch, and Russell Stetler, Random House), James Earl Ray says that his guilty plea in the killing of Dr. King was coerced.

What is the true story regarding the death of Dr. King? More Americans than just Mrs. Coretta King and I, and the co-sponsors of my legislation, have the right to know.

Dr. King was a dynamic force for good in our country, who has never really been replaced. A Nobel Peace prize winner, he was fast becoming the leader of a coalition of peace and labor group members, as well as civil rights activists, when he was taken from us. Whether rightly or wrongly, his death resulted in domestic strife and chaos when we could have kept many tempers under control, if we could have had his leadership.

Several months ago Gov. George Wallace, who survived an assassin's bullet, endorsed my proposal. He has never been satisfied with the determination that Arthur Bremmer acted alone.

For one thing, I would like to know why Charles Colson dispatched E. Howard Hunt, who was later convicted of breaking into the Democratic National Committee headquarters, to go to Bremmer's Milwaukee apartment before the police got there.

I would like to know how Bremmer could finance himself to travel around the country

following Wallace.

If we find the answers—the truth—to the questions I have raised in this statement, as well, as many others, will the truth make us free? Yes, it will, for the truth will make us free to pursue democracy—our system of government—through the ballot box, and we will not be subject to government by bullets.

The truth will enable us to prevent such a series of events from happening again.

Believe me when I tell you that people from throughout this great country are literally crying to us for the truth.

During the past 15 months I have amassed a mailing list of several thousand Americans from throughout the country, who have urged me to continue my efforts to obtain a congressional investigation of the assassination—from Maine to California and crisscrossing the country the other way, too, as well as from Americans living in Germany, Australia, Mexico, and Canada.

In a letter I received Monday in response to the mailing of my speech given on the House floor on March 18, an attorney in the northern part of Texas, a former state senator, wrote:

"Henry, you are 100% right about these assassinations. I talk weekly with the average citizen on the street, at snack bars and other places. Almost 100% of these people have doubts about how these assassinations occurred. They do not know who to believe."

Earlier this year a nun from my San Antonio district implored me to continue my efforts. She commented that she felt that these stories about President Kennedy's personal life were a deliberate attempt to try to portray him as someone unworthy of the truth being known about his death.

Whether any of these current stories about John Kennedy are true is, of course, not the question at hand. The question is, who, if anyone else other than Oswald, actively participated in killing the President of the United States—an event which set off a chain of events which greatly damaged the stability and credibility of our government.

Richard E. Sprague* is a distinguished gentleman from New York, who has kept in close contact with me and my office. He is a writer and a researcher of these assassinations, who is currently writing a book about them. He and Dr. Cyril Wecht, the Allegheny County coroner in Pittsburgh, Pa., who has been so active in disputing the findings regarding the John F. Kennedy assassination, should be called to testify before this committee.

So should Michael Canfield and A. J. Weberman, who wrote "Coup D'Etat in America" (about the CIA and the assassination of President Kennedy) of which I wrote the foreword, and Harold Weisberg, who has written a whole series of books regarding all of these assassinations; also, Rusty Rhodes of the Committee to Investigate Political Assassinations. Each has valuable information.

To get the truth many other people will have to be called, including those who apparently destroyed evidence or withheld evidence—for whatever reason.

As years go by, more and more of these people will become unavailable through death or whatever.

In this bicentennial year, now is the time to retrieve democracy and to replace our government by bullets with it. It is time for us to act now—before it is too late.

THE BUDGET PROCESS

The SPEAKER. Under a previous order of the House, the gentlewoman from Maryland (Mrs. Holt) is recognized for 60 minutes.

Mrs. HOLT. Mr. Speaker, the Budget and Impoundment Control Act of 1974, enacted by the Congress with high expectations, was designed as an instrument for fiscal discipline. Many of us worked very hard to gain enactment of this important legislation, but we also warned at the time that it would work only if Congress wanted it to be effective.

I recall that time very well. We realized that the budget was out of control, that huge inflationary deficits were draining the substance of our people by destroying the value of their earnings, and that we could no longer afford the luxury of authorizing and appropriating funds without regard to the total, cumulative effect of our actions.

The most important feature of the Budget Act enabled Congress to impose ceilings on total spending and on spending for each of 17 broad, functional categories. The Budget Committees of House and Senate are charged with the responsibility of recommending the spending ceilings and revenue floors.

The act provides that the Congress must enact its first budget resolution for the ensuing fiscal year by May 15, and a binding budget resolution with necessary adjustments by September 15, just before the October 1 beginning of a new fiscal year.

A budget ceiling can be used to impose

*This man should not be confused with the Richard A. Sprague, who became the chief counsel and staff director. discipline, or it can be used to accommodate spending at any level. We have excellent staff, good economic data, but sadly enough, the Congress has been pursuing the latter course. Ceilings are simply being raised to accommodate spending proposed by the administration and congressional committees.

So great is our appetite for more of the people's earnings that we recently enacted an extraordinary third budget resolution for the 1977 fiscal year. Our estimated outlays of \$417 billion will exceed revenues by \$70 billion in this fiscal

For fiscal 1978, President Ford proposed outlays of \$440 billion, President Carter revised them upward to \$459 billion, and the House Budget Committee has recommended \$462 billion, including a \$64 billion deficit. The national debt would swell to \$801 billion by the end of the 1978 fiscal year, and would be hitting the taxpayers for \$43 billion in interest payments during the fiscal year.

Perhaps it can be argued that the budget system is still too new for any meaningful analysis of its effectiveness. We are only in our second year of being bound by the budget process provided by the 1974 act. But I would emphasize that our track record is not very edifying so

One of the Budget Committee's problems is straying into the thicket of line item budgeting. Members seem unable to resist the temptation to debate specific amounts of money for this or that project or program, then cut or raise the aggregate amounts of the functional categories to reflect decisions on items. The Budget Committee has even become inclined to explain its actions in terms of specific items.

This diverts attention from its important mission, which is to determine the total levels of Federal expenditures and revenues for each fiscal year and total level of spending for each major functional category.

The legislative history on the jurisdiction of the Budget Committee is very clear. It does not have jurisdiction over authorizations and appropriations, and certain committee chairmen of the House have very properly expressed alarm that the Budget Committee has been trespassing on their jurisdictions.

On March 10, 1977, the House Appropriations Committee submitted to the Budget Committee a report containing an excellent summary of the problems. The Appropriations Committee said this:

CONCERN ABOUT THE CONGRESSIONAL BUDGET PROCESS

The Committee is concerned about the failure of the new Congressional budget process to relate the spending and revenue sides of the Budget adequately. One of the principal thrusts of the Budget Act was to create a mechanism for the Congress to relate consciously the two sides of the Budget revenues provided by taxes and spending by various appropriations. This has not been done, except in a generally superficial and nonanalytical manner, and certainly not in the fashion contemplated in the Act.

Essentially all that has been done in the Budget Resolutions thus far has been to go to great lengths to detail spending policy line item by line item and only touch in the

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broadest way the totals of taxation policy. This approach defeats the macro-economic thrusts of the Budget Act and offers the potential for poor overall Congressional budg-

etary policy.

When the Budget Act was originally passed, it was thought that by carefully studying taxation and spending in relationship to one another, it would be possible to determine a better mix of taxation and spending policy. In fact, this has not been done in any more sophisticated or improved manner than when the two processes of spending and taxation were completely separate. This is a serious shortcoming of the Congressional Budget Process and must be corrected.

With respect to the content of the reports on the concurrent resolutions on the budget, the Committee notes with concern the tend-ency to identify and to make recommendations for specific appropriation line items. While these line item recommendations have no actual effect, they do tend to obscure the overall macro-economic responsibilities of the Budget Committee and to needlessly duplicate much of the hearings and deliberations that are the responsibility of the authorizing and appropriating committees. There has been some evidence that there is increasing pressure to fragment the functions into more detailed aggregations of Federal activities. This fragmentation should be avoided since it will only serve to focus the overall debate on the "means" and mechanics of Federal programs, not the broad-based macro-economic objectives of the Federal budget.

What are we doing about the truly critical and important issue of national policy that is of greatest concern to the public? I refer to the growth of Government spending and the huge inflationary deficits.

The answer, Mr. Speaker, is that we are not dealing very well with the problem that should be the major concern of the Budget Committee. Ceilings are being raised to accommodate more deficit spending, not being lowered to accomplish fiscal discipline.

And what of our task of determining the priorities as we review the functional categories? We are not doing very well in this responsibility, either. The only category that is a prime target for cuts is national defense, which is the unique and primary responsibility of the Federal Government, but has only 24 percent of the budget. Given the nature of the dangerous and powerful adversary that confronts us, any deep cuts in this function risk our national security.

President Carter showed his concern for the condition of our military strength in the budget he proposed to the Congress. Unfortunately, the House Budget Committee cut his defense proposals by more than \$4 billion in budget authority and \$2.3 billion in outlays.

President Carter has also announced his determination to seek a balanced Federal budget by 1981. I have long advocated the attainment of this goal, but this will be impossible unless the Budget Committee improves its performance.

Mr. Speaker, a major issue that should be of concern to the Budget Committee is the little-understood phenomenon of huge unobligated budget authority bal-ances in the Federal departmer*s. The Budget Committee has reduced the unobligated balances of the Defense Department by \$1.3 billion for fiscal 1978, yet the unobligated balances of the other

departments totaling more than \$200 billion were only feebly challenged. We need to know more about the subtle fiscal and policy implications of these balances-what impact their reduction or continual escalation will have on the national economy, national security, and international stability. These are the macro issues that remain unaddressed while much intellectual effort and debate within the Budget Committee are wasted on micro questions. In this connection, the Congressional Budget Committee has completed a study identifying the existence of the budget authority balances both obligated and unobligated. But little else is known about what options we have in dealing with these balances.

I strongly urge that while we still have the chance to make the budget process meaningful, we get it back on the right

track.

Mr. ROUSSELOT. Mr. Speaker, I would like to thank the gentlewoman for yielding and for taking the initiative to provide many of us the opportunity to comment this afternoon on our experience in the area of fiscal control and Government spending since the passage of the Budget and Impoundment Control Act of 1974. As one of the original members of the committee which was formed by the act, the House Committee on the Budget, Mrs. Holt has been a strong leader in our efforts for fiscal responsibility and restraint in Federal spending.

Almost 3 years ago, the 93d Congress passed the Budget and Impoundment Control Act of 1974. The law was hailed by many as a "great step forward" in budgetary control. After years and years without a formal method by which Congress could monitor its spending procedures, the Budget Control Act was greeted as the answer to our problems, the means by which the congressional "fiscal house" would finally be put in order. Under the act, Budget Committees were established and timetables were created for congressional action on essential elements in the budgetary process, allowing Congress to view budget outlays and anticipated revenues as a total package before proceeding with the appropriations process and other budget related items, such as changes in the public limit. However, after 2½ years of "budget reform" as called for by the act, our fiscal house is far from being in order. A quick review of the record since passage of the act tells the story:

First. There has been no progress toward real restraints in increases on the expenditure side. Under the Budget Control and Impoundment Act, we all hoped that progress would be made toward restricting the tremendous escalation in budget expenditures that has taken place in recent years. It took the U.S. Government 181 years to reach its first \$200 billion budget. In 1977, only 6 years later, Congress approved a budget that was more than twice that size: \$417 billion. And the increases continue. This week, the Budget Committee will report out the first concurrent resolution on the budget for fiscal year 1978, by far the largest budget in the history of the Union—\$462 billion. Since 1974 alone, the year the Budget Control Act was passed, the U.S. Government has spent well over \$1 trillion, and the size of the Federal budget has almost doubled. It is plain to see that the restraints in increases that many of us had hoped for simply have not materialized.

Second. There has been no real move toward a balanced budget. The size of Federal budgets only tells half of the story. They do not reflect, for example, the amount of capital the U.S. Treasury robs from the private marketplace in order to finance the massive deficits.

Seventeen of the last eighteen budgets approved by Congress have been run in the red. The 1977 estimated budget deficit will be over \$66 billion and the deficit for fiscal year 1978 is projected by the Budget Committee to be over \$64 billion. Since passage of the Budget Control Act, Congress has spent over \$125 billion in the red.

These deficits, of course, need to be financed and such financing tends to harm the economy in a number of ways. Over the past 10 years, the Federal Government will have borrowed in the capital markets a total of approximately one-third of a trillion dollars on a net basis. The national debt is now growing at a rate of more than \$1 billion a week.

Third. Spending ceilings are not adhered to. The so-called spending ceilings established under the Budget Control and Impoundment Act have been extremely ineffective in terms of actually controlling Government spending. Rather than being treated as true limits of what Government should spend, they are treated as targets for what Government must spend. Furthermore, when it is determined that the "ceilings" not adequate to accommodate luxurient whims of the majority, they are simply raised to agree with the new "projections." As we observed in February, a third budget resolution can even be invoked to accommodate "special" economic circumstances. As originally introduced, the Budget Control Act would have required a two-thirds majority to exceed expenditure ceilings in the second budget resoution. Unfortunately, this provision was later defeated which makes changes in the ceilings much easier

At the end of this month, the first concurrent resolution on the budget for fiscal year 1978 will come to the floor. The committee report on the resolution will call for a deficit for the coming fiscal year of over \$64 billion. The new debt ceiling under the resolution will be over \$800 billion. It seems clear by considering such figures that the act, rather than controlling deficits, has "legitimatized"

In summary, the Budget Control and Impoundment Act of 1974 has not dealt effectively with the problems of restraining increases in spending, achieving a balanced budget, or adhering to and respecting its own expenditure ceilings. It is only by vigorous discipline and hardnosed self-restraint—and not by lipservice to an ineffective, weak-kneed Budget Control Act—that we will truly eliminate red ink financing and put our fiscal house in order.

Mr. FRENZEL. Mr. Speaker, I ap-

preciate this special opportunity to delve more deeply into our budget process and policies than is possible under our normal procedures. I believe that Representative Holt should be commended for doing us this service and wish to extend my personal gratitude.

The members who participated in the drafting of the original Budget Control Act, the subsequent committee reports, and the floor discussions all tell us that the bill was intended to accomplish different purposes. Different Members have different ideas of what the bill means. I want to frankly state that my early support and continued interest is based on our crying need to reduce expenditures, control a "nonrational" system and, eventually, balance our budget. In my view these needs are brought sharply home by the fact that we have managed in the 10-year period from fiscal year 1967 to fiscal year 1977 to increase our public debt by \$360 billion-more than we managed to accumulate in our first 190 years as a nation. This has increased our total debt to \$710 billion with interest payments skyrocketing to as much as \$45 billion in this fiscal year alone.

The Budget Control Act, as described in both the bill and the committee report, was to operate with three cardinal principles. It was to provide a new mechanism for relating and evaluating revenues and expenditures on a conscious-rational level, new legislation to close back door spending, and to provide for more timely action by changing the fiscal year, and adding advanced authorizations. I believe that it is worth our time to look closely at several of these

goals. The BCA, as we all know, did not become a realistic force until its second year of operation in the consideration of the budget for fiscal year 1976. The original deficit proposed was \$52 billion. Our very first resolution upped this to almost \$69 billion. Our second jumped that to \$74 billion. However those of us who thought that this \$22 billion increase was perhaps not in keeping with the first cardinal principle were in for a big surprise. Somehow in the consideration of the budget for fiscal year 1977 we have progressed from our first total of \$50.6 billion through our second at \$50.7 straight upward to the present level of \$69.7 billion. I would be hard pressed to explain precisely how this \$19 billion increase is demonstrative of the effectiveness of our efforts to relate revenues and expenditures on a conscious-rational

I well understand that we have not made an effort to handle this difficult task under the jurisdiction of any one committee since 1865 but I believe that we can and must do better if we are to live up to our legislative promises.

We as a body have also made some progress in the control of "back door" expenditures. The Budget Control Act was a giant step forward toward reversing the trend of splintering budget authority. But we must remember that here we are talking about financial pledges of the full faith and credit of the United States through contract authority, entitlement programs, and Treasury borrowing.

In addition to our huge national debt we added, in fiscal year 1977 alone, \$176 billion worth of liability through guaranteed and insured loans. This, following the pattern, is up from \$161 billion in fiscal year 1976 and \$153 billion in fiscal year 1975. In the bill we thought that we were totally shutting out future contracting and borrowing under the old mechanisms, and converting any such committee action into mere authorizations.

However, many of us missed section 904 which provided that certain provisions were to be considered as rulemaking authority for either House and not as statutory requirements. Thus, the prohibition disappeared. In dealing with entitlement legislation we provided for a wondrous new mechanism of referral to committee and a 15 calendar-day period for consideration. This was a sound step forward but we forgot the ingenuity of our fellow Members. What next occurred was deliberation over whether a legislative action was a new or an old entitlement. The best sample product of this debate that I can recall is the black lung program.

Under the old legislation evidence of the disease, along with other factors, was required before a sufferer was entitled to Federal assistance. With the passage of last session's bill evidence is no longer required and proof of employment for a given number of years is now considered sufficient proof of the need for Federal assistance. This may have been badly needed and eminently justifiable legislation but it was never considered by the appropriate committees for its financial consequences. Another interesting example of the unfortunate effects of this debate is the school lunch program. The Federal support level was legislatively lifted from 25 to 35 cents. This may also be the right thing to do, but again it was not considered under the program that we had supposedly devised to cover it.

Along with back door spending comes the problem of off-budget expenditures. However, this, unlike some of the others, is not a problem which we can refer back to Congresses decades ago. We created the first real off-budget agency, the Export-Import Bank, in 1971. Just 6 years later we have pushed total spending on top of the public debt up to \$11 billion per year and added eight more Federal activities to the list. The Budget Committee recommended in 1976 that we bring these activities back into the fold, and President Ford made a point of urging us to do the same in a budget mes-

It strikes me that we have largely closed the back door to our finances but have converted the front to Dutch doors and the bottom half seems to be swinging wider every year.

The third principle of more timely action and a change in the fiscal year has, largely, been accomplished. The change in the fiscal year was a big step forward, and I doubt that we will ever again have to face another day like that of last June when we passed the foreign aid authorizations for both fiscal years 1976 and 1977 within minutes of each other. However, our Budget Office's 5-year projections seem to be more wishing and

hoping that the economy will pick itself up than realistic appraisals of our economic situation. But all considered, it does seem better that the taxpayer get ripped off on time rather than in our previous haphazard fashion...

The budget process, as shaped by the Budget Committees, has been improving every year and the committees do deserve some praise. But I, along with many Members, am becoming increasingly concerned with the "line item" actions of the committees. The committees' purpose was intended to be the formulation of functional classifications to derive eventual totals on the basis of fiscal policy. The purpose was well demonstrated by sections 301 and 302 of the Budget Control Act.

However, as seems to be the usual case in this body, a power play for assuming the function in detailed expenditures took place. The resulting fragmentation has led the committee into an overall debate on the means and mechanics of expenditures, not the pursuit of broadbased macro level objectives which was intended. There is some legitimacy to the level of detail which the committee pursues, but I believe that it is very much an open question as to whether the degree of detail can be justified. The President's budget and the Appropriations Committee's figures are worked out through intensive research and hearings. Many thousands of pages of testimony and analysis go into the final product. The Budget Committee does not have the tools, and I would not wish it to duplicate these efforts. Beyond the question of basis of determinations is the growing pattern of role reversals which

we have observed recently.

One particular example in the handling of rescissions comes immediately to mind. Following the President's recommendation for the rescission of approximately \$200 million for the Nimitz aircraft carriers, the Budget Committee acted to delete all consideration of the program in the third budget resolution. This is, of course, a proper function of the committee, but they did it before the Appropriations Committee had acted. In the Appropriations Committee itself a motion to support the rescission failed by a 12 to 13 margin in the Subcommittee on Defense Appropriations. It then went to the full committee where the motion to delete passed largely on the strength of a very strange argument. The point made was that the money had to be deleted or we would be forced to consider a fourth budget resolution and face the adverse political ramifications of such an This is a berserk reversal of our original intentions, and if it is indicative of the future, it calls for some immediate consideration and reevaluation of the original bill.

The implementation of the act has had a number of strange effects, but the most ironic of them seems to be in the interpretation of title X on impoundment control. The bill's intention, as reported in the committee report, was to place an additional congressional stop on impoundments and rescissions. However, the drafting of the bill was such that the OMB and the Comptroller General ruled

on it as new authority for impoundments, and today we see impoundment actions coming back to this Chamber with title X of the original bill cited as authority.

I believe that the original bill had some quirks and serious deficiencies which should be treated if we are going to be able to rely on it as a valuable tool in the future. But, I am afraid that the problems run deeper than legislative reworking can readily accomplish. I supported the Budget Act, knowing full well that the fiscal responsibility of our Members was crucial. However, it has become a wholly political exercise. Instead of bringing further insights, it has served to incorporate 25 new Members into the expenditure justification ball game. We have not seen the desired side effect of forcing individual Members to make the hard choices on specific pieces of legislation. Instead of focusing on the appropriation and using the President's budget as point of reference, we now have Members hurriedly searching through either budget hoping to find some method of declaring their latest vote as "within the This is both silly and unforbudget." tunate.

In short I believe that the Budget Act as a legal document does require amendment to bring it up to the performance level which we anticipated, but our real problem is ourselves. It is just another classical "I have seen the enemy and he is I" situation.

Mr. MICHEL. Mr. Speaker, First I would like to commend the gentlelady from Maryland for taking the time to discuss this very important subject.

We on this side of the aisle are very fortunate to have Mrs. Holt serving on the Budget Committee. She has gained a reputation around here as a very industrious member and that committee certainly requires it. Moreover, I know of no more fiscally responsible Member in this House, so we do value her judgment.

Mr. Speaker, not only am I concerned that the congressional budget machinery has not succeeded in placing any kind of a checkrein on runaway Federal spending, but as a member of the Appropriations Committee, I have to also be concerned over the developing tendency of the Budget Committee to move deeply into the realm and responsibility of our Appropriations Committee.

When we passed the Congressional Budget Impoundment and Control Act, the intent was not only to give Congress a better grip on the overall budgetary process, but also to place overall limitations on Federal spending. Has this happened? No. The amounts in the budget resolutions have consistently been above those recommended by the executive branch, regardless of which party has occupied the White House. What is even more distressing is the failure of the Budget Committee or Congress to stay within the perimeters of the overall projections established in the first budget resolution. The idea of a reconciliation process has apparently been thrown out the window. The intent of the Budget Act was that once an original spending framework was established, we would stay within it, and if increased spending

in one area were needed, then we would make comparable reductions in other areas. Only in emergencies would it be permissible to change the overall perimeters.

Instead, what we have seen is an adjustment of the overall perimeters almost at will. This is, of course, the easiest, less disciplined path to pursue, and Congress went in this direction with a vengence in the recently passed third budget resolution, where the budget authority spending ceilings were increased by a massive \$30 billion, and the deficit by \$20 billion. So regardless of the intent of the Budget Act. Congress has found a way to manipulate this machinery to continue in its undisciplined, free spending ways.

In fact, the budget process is not only being manipulated to allow higher spending, it is also being used to justify higher expenditures. The amounts in the budget resolution were originally intended as targets or ceilings on expenditures, but increasingly they are being cited as the amounts that must be appropriated. How often have the heard arguments on this floor to the effect that the budget resolution allows such and such amounts for this or that program, and therefore we have a responsibility to appropriate additional amounts to meet those figures.

One of the reasons for this development has been the move of the Budget Committee from the general to the specific. The Budget Act called for estimates by major functional category, and the only further breakdown provided for is, and I quote from the act:

With respect to each major functional category, an estimate of budget outlays and an appropriate level of new budget authority for all proposed programs and for all existing programs (including renewals thereof), with the estimate and level for existing programs being divided between permanent authority and funds provided in appropriation acts, and each such division being subdivided between controllable amounts and all other amounts.

Nowhere in this language is there any reference to providing estimates for individual programs. A further indication that specific program estimates were not intended is shown by the sample first concurrent resolution contained in the report of the Senate Rules and Administration Committee on the Senate version of the Budget Act. The breakdown is by major functional category, with the only additional breakdown occurring between existing and proposed programs, and within existing programs between permanent authority, controllable amounts, and all other amounts.

Yet, we see the Budget Committee currently arguing over whether to include funds for certain specific public works projects. Amendments have been adopted in the committee markup providing funding estimates for such specific programs as impact aid, head start, aid to the handicapped, child welfare, SBA loans, Forest Service resource planning, and several others.

In the third budget resolution recently adopted by Congress, the Budget Committees ventured far beyond their functional category responsibility and included specific dollar recommenda-

tions for such individual programs as countercyclical assistance, EPA construction grants, CETA, older Americans community service employment, and railroad construction, among others.

Setting forth specific amounts for specific programs is not the responsibility of the Budget Committee. It is the responsibility of the Appropriations Committee. The Budget Committee is responsible only for setting forth spending estimates for broad functional categories, with the allocation of funds among programs within these categories left to the Appropriations Committee.

If the Budget Committee continues down its present course, we might as well abolish the Appropriations Committee, because it will end up as little more than an echo of the Budget Committee. I suggest that the Members of this body ought to think very carefully as to what role the Budget Committee ought to play in our deliberations. If it is to be an allencompassing role, governing the specific actions of all our other committees, then we ought to set out right now in undertaking an overall revamping of our committee system, because it is simply a waste of taxpayer dollars to fund committees whose only real purpose is merely to ratify decisions of the Budget Committee.

Mr. PICKLE. Mr. Speaker, control of the purse strings by the legislative branch has always been the key to democracy. If the legislative branch does not control what happens to the people's tax money, the legislative role becomes sort of like a pantomime show on radio—the show goes on, but it does not mean anything to the people on the receiving end.

When we were writing the Budget Reform and Impoundment Control Act we faced a dual threat to the control of the purse strings.

The budget was out of our control. We raised taxes in one body, spent them in more than a dozen others—and no one was really sure what anyone else was doing. We had little, if any, advance planning about what individual programs might cost. We concerned ourselves even less about what the total would add up to. There were only wild guesses how the totals would fit into the economy.

Second, faced with a Congress which did not agree with him, President Nixon fell into a practice of doing what he wanted with Federal funds—spending them when and where he chose, and not spending them when and where he chose, regardless of the law and the mandates of Congress. He was not the first to impound funds, but previous instances had been small in number and in dollar amount.

Faced with a clear threat to the basis of democratic power, the Congress moved to reclaim this territory. The medium was the Budget Reform and Impoundment Control Act.

Seldom has a law been passed with more pride and more hope. We were proud, and had a right to be, because we, the supposedly weak and disintegrating little Congress, stood up and said, "Enough."

Moreover, the supposedly irresponsible Congress moved with great responsibility to put its own house in order-to bring our own budget procedures into a recognizable and coherent process.

And we have succeeded.

I make that statement openly and without reservation. Because, I think that whatever problems we face, we need to remember where we came from in this matter. I do not think we should destroy or put aside the new budget process for an instant.

I think we should make it work.

And here, we definitely have some problems.

Before the new budget procedures, we jumped and jerked with each change of the economic indicators. When the indicators dropped for a few months we jumped to pump money into the economy; and then we jerked it back when the indicators went too high; and we usually did so too greatly or too lightly too late.

Now we have much better control. We know what our total revenues and spending are likely to be, and we have time to think about the economy and about how our budget should fit into that economy.

Why then are we continuing to jump and jerk with each change of the eco-

nomic indicators?

Why are we having three and talking about maybe having four budget resolutions in 1 year? Why are we not planning enough leeway and alternatives in our original budget resolutions so that we can stick to them?

Why are we continuing to act like we have no tools for planning and foresight

when we do?

If we do not stick to our budget resolutions, I suggest that soon our resolutions will mean nothing to us. We will pass anything in them because we will know that we can just go back and change them anyway we want in a few weeks.

That, my friends, is a waste of our time-time we do not have to waste.

The planning envisioned in the budget resolution gives the Congress more than an adding machine to total up the various bills passed. It gives us the opening we need to look just a few days down the road and do some real planning, to have some honest foresight-if we will. The current danger is more than missed op-

portunity, however.

Mr. Speaker, if the Budget Committee does not get more resolve, I am fearful that in an effort to be helpful and co-operative, they will destroy the whole budget act. I hope the chairman and the members of the committee become hardnosed about the process and set a budget and stay within it. Congressman Adams did that last session, and Congressman GIAIMO ought to do that this session. This business of raising the budget figure constantly and even allowing votes on line items can get this Congress in big trouble. And 4 years from now the Congress will be held accountable for it.

FDA PROPOSED BAN ON SACCHARIN

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. O'BRIEN) is recognized for 60 minutes.

Mr. O'BRIEN. Mr. Speaker, there are two reasons why I requested a special order today to discuss the Food and Drug Administration's proposed ban on the sugar-substitute saccharin.

First, we are laying on the record the evidence of the almost universal response of the people back home: The proposed saccharin ban does not make much sense.

Second, the point is made here today that while we do not all agree on the best approach to solving the saccharin dilemma, while we do not all agree on the fine points of rolling back the saccharin ban, we are, nonetheless, united behind the idea that the saccharin ban must be blocked.

For my part, I call to the attention of my colleagues two editorials from Chicago newspapers, "Alter the Rules On Food Bans" from the Chicago Sun-Times of March 18, 1977, and "A Time to Review Food Laws," an editorial from the Chicago Daily News for Marc 19, 1977.

Finally, my compliments to Congressman James Martin for his exceptional leadership in this exceptionally worthy

effort.

The material follows:

ALTER THE RULES ON FOOD BANS

The Food and Drug Administration's proposed ban on saccharin has proved to be a bitter pill that many consumers don't want to swallow. They shouldn't have to.

Granted, the public doesn't always know best, but it's reasonable to assume that most people don't ordinarily eat 140 pounds of saccharin a year—the human equivalent of the amount that caused cancer in Canadian rats and prompted the FDA decision.

The saccharin ban illustrates an interesting defect in the Delaney Amendment to the Food and Drug Act. The amendment says food additives must be banned if they ever cause cancer in people or animals. Well, Canadian rats may get cancer after eating saccharin, but that doesn't necessarily mean

people will, too. In addition, the Delaney law prevents the FDA from evaluating conflicting scientific tests on additives. Those tests have become more sophisticated since the amendment was approved in 1958. Few chemicals, if any, are completely beyond suspicion of causing cancer. Americans eat these chemicals every day canned, frozen and other convenience foods; saccharin isn't the only suspect. But for now saccharin is the only source of sweetness for diabetics and others who can't have

Congress should look anew at the Delaney amendment and similar measures to determine whether its ban on any substance ever suspected of causing cancer in any animal is justified

Meanwhile, Americans should be educated eat less sweetner and more fresh foods. That'll be tough; already many people are snapping up artificially sweetened foods. Obviously they don't feel threatened.

So when does a substance become an unacceptable health risk? The FDA, not the public, should call the shots. But as things stand now, the FDA is forced to choose black or white in a gray area.

A TIME TO REVIEW FOOD LAWS

Public outrage over the probable ban on saccharin may finally force Congress into a long-needed review of the federal Food and Drug Administration and the laws under which it operates. Something is plainly wrong when an agency set up to protect the public overprotects to the point of creating a new hazard to health.

Saccharin, the only noncaloric, artificial sweetener currently on the market, has served a significant purpose for about 80 years. It helps diabetics who cannot tolerate sugar, and it helps dieters in a land afflicted by obesity. If it vanishes and there is no substitute for sugar, where are these peopleand they number in the millions-to turn?

Proof that saccharin was a danger to health would of course justify a ban. But there is no proof that any human being has developed cancer by using saccharin. The test on which the ban rests involved feeding rats doses of saccharin—far more than a human dieter could possibly consume. Sure enough, a few rats developed tumors. Under the socalled Delaney Amendment to the Food and

Drug Act, saccharin had to go.

The Delaney Amendment, passed in 1958, allows no leeway. It provides that "no food additive shall be deemed to be safe . . . if it is found . . . to induce cancer in man or animal." But the problem is that many useful substances, if taken in sufficient quantity, may induce cancer, and almost any food or drink, consumed in massive amounts, may cause death. In recent days, two cases have come to light of death caused by drinking too much water. If the Delaney Amendment applied to harmful effects other than cancer, there would be nothing left to eat or drink, not even water.

The bizarre tests conducted by the FDA have led to other bans, such as the one still in force against cyclamates, another artificial sweetener regarded by most experts as harm-And who now remembers the great "cranberry scare" of 1959? The finding of minute traces of weedkiller in a few cran-

berries destroyed a whole crop.

Congress should take a fresh look at the Delaney Amendment, and consider modifying its absolute language. If the FDA determines that a food product or additive is risky, that should of course be made known. when the risk is as small as it is with saccharin, the consumer should at least be left with some freedom of choice. On the evidence so far, substituting saccharin for sugar is no riskier than getting out of bed of a morning. Or should that, too, be banned?

Mr. RINALDO. Mr. Speaker, the FDA's decision to prohibit the sale of saccharin has triggered a tidal wave of public protest. I am certain that I speak for many of my colleagues when I say that I have received a vast number of letters and telephone calls from outraged constituents.

Much of the public protest can be attributed to the obvious fact that this FDA decision poses grave problems for diabetics-and for those who are seriously overweight as well. In short, even from the standpoint of protecting the health of Americans, the net impact of the saccharin ban may well be negative.

Yet the impact of the saccharin ban on diabetics does not, in itself, seem sufficient to explain the current explosion of public indignation. I suspect that another force is at work: An instinctive, spontaneous public perception that Government has tried one time too many to control individual lives

No public uproar followed the FDA's decision to ban cyclamates and Red Dye No. 2. In the case of the cyclamates ban, substitute-saccharin-was readily available: the impact upon individual lifestyles was negligible. In the case of Red Dye No. 2, substitutes were also available, and the prohibited food dye was not viewed as central to certain individual lifestyles; thus, the impact upon individual Americans was also minimal.

The saccharin ban does not follow the pattern. First, since saccharin is the last artificial sweetener on the market, this is really a ban on sugar substitutes rather than a displacement of one sweetener in favor of another. Second, artificial sweeteners are an integral part of the lives of millions of diabetics and tens of millions of dieters.

It should, therefore, come as no surprise that many Americans view the saccharin ban as a Government-ordered alteration of individual lifestyles. In a nation that has long treasured the right of each individual to make his own decisions, and the corollary right of each individual to take his own risks in pursuit of perceived benefits, lifestyle restrictions by Government decree are bound to be wildly unpopular.

The question remains: What can we do, as Members of Congress, to respond to the obvious will of the people on this

In the short run, we can overturn the ban on saccharin. I have sponsored legislation which would permit the sale of saccharin products when those products are accompanied by a health warning. I am quite optimistic about the prospects for enactment of this bill or similar legislation.

Once the immediate problem of the saccharin ban has been resolved, we can take a fresh look at the "Delaney clause" of the Food, Drugs, and Cosmetics Act. The present language of this statute, which the FDA claims left it no discretion on the saccharin question, is clearly too inflexible. While the FDA's basic authority to ban cancer-causing substances must be retained, it is time for Congress to allow FDA some discretion in determining when the evidence of carcinogenic effects is sufficient to justify a ban; it is also time for Congress to allow the FDA to take intermediate steps between inaction and a total prohibition.

In the long run, Congress can recognize a distinction between those substances which are peripheral to individual lifestyles and those substances which are an integral part of certain lifestyles. Congress has implicitly recognized this distinction by effectively exempting alcohol and tobacco from public health criteria which, if applied, might well lead to a ban on these substances. By keeping this distinction in mind, Congress may be able to avoid future public rebellions against actions perceived as restrictions on individual freedoms.

Mr. Speaker, the people have spoken clearly on the saccharin ban. We would be wise to heed their message by overturning the ban, but we would also be wise to apply the lessons of this particular issue to comparable issues in the future.

Mr. MARTIN. Mr. Speaker, let me commend the gentleman from Illinois for his special order on this timely subject.

All Members of the House have been hearing from constituents regarding the proposal of the Food and Drug Administration to ban saccharin from the food supply. This is an especially critical issue, since saccharin is the last remaining, heretofore regarded safe and legal artificial sweetener available for public consumption.

The people are riled. My mail has been running 200 to 1 against the ban. It has been unusually heavy: Nearly 6,000 letters so far.

They believe that no persuasive case has been made that saccharin in normal doses causes cancer in humans. They are puzzled and angered that FDA was required to "post the bans" on saccharin on the basis of bladder tumors in rats fed massive overdoses of saccharin by Canadian researchers.

The people recognize that this research does not prove that normal doses of saccharin are unsafe. They properly interpret as bizarre the analogy given by the Acting Director of FDA that the experimental conditions are like unto a lifetime daily diet of 800 cans—12 ounces—of diet soda. In fact, no one can swallow 800 cans of drink: The first 50 cans would contain enough water to kill most of us.

Put another way, one would have to gulp 1,850 half-grain saccharin tablets daily for life; or the same number of packets of saccharin powder. That is nearly 4 pounds of the stuff every day. You cannot do it.

In contrast with this is the more reliable and more pertinent finding, from epidemiological statistics of large human populations, that saccharin is not harmful in normal use. Yet under the present law the Delaney clause does not allow the FDA or the Secretary of HEW to consider this evidence; the ban is automatic. It is an absolute prohibition with zero tolerance.

How did this happen? It happened by legislative design as the most cautious way evident in 1958 to protect the public from hazardous exposure to carcinogenic additives to the food supply. No one today wants the public exposed knowingly and avoidably to substantial risk of cancer. This is further testimony to the great contribution of the gentleman from New York (Mr. Delaney) in leading the examination of food additives two decades

The saccharin ban controversy is the first clear case in the 19 years since its adoption where the public benefits of an additive to be banned under the Delaney clause clearly exceed the public risks of permitting its use.

Great care, however, must be exercised to be certain that proposals to amend this standard are faithful to the basic principle of the Delaney concept to protect the public interest.

Accordingly, I have drafted a bill to amend the Food, Drug, and Cosmetic Act to authorize the Secretary of HEW to make a finding regarding the public risks and benefits of a food additive, taking into account the best evidence and expert judgment possible, before finding it not to be safe. It is my view that such authority is highly desirable regarding substances known from the best evidence and expert judgment to have little risk in normal use by humans. My amendment preserves the Delaney clause, while adding what I hope many of its other supporters will regard as a useful improvement in the light of current understanding. The 177 cosponsors cover the entire political spectrum in the House of Representatives.

While this proposal has been fashioned

with valuable technical assistance from FDA personnel, food experts and various public interest groups, I invite my colleagues to assist me in perfecting its provisions.

My bill specifically includes an additional section, similar to those introduced by other Members, to suspend the proposed ban on saccharin until such time as it is found, using the best judgment contemplated under the foregoing section, to constitute an unreasonable risk to the public. This unequivocal remedy for saacharin is clearly required if we are to respond to the needs of millions of American consumers who, for reasons of health—diabetes, heart illness, age, limited physical activity and metabolic problems—must restrict their use of sugar.

For the Record, let me insert at this point a text showing the effect of my amendment. It begins with the Delaney proviso and the one existing exception for animal feed additives. It continues, showing the second exception as proposed in my bill, H.R. 5166. It concludes with the new subparagraph (B), setting forth the procedures to be followed, including the recommendations of a blue-ribbon panel of experts and representatives of different points of view.

There follows a current list of the 177 cosponsors.

SECTION 409(c)(3)(A) OF THE FEDERAL FOOD, DRUG, AND COSMETIC ACT AS AMENDED BY H.R. 5166 (Mr. MARTIN)

[Substantive changes in italic]

(3) (A) No such regulation shall issue if a fair evaluation of the data before the Secretary—

(i) fails to establish that the proposed use of the food additive, under the conditions of use to be specified in the regulation, will be safe: Provided, That no additive shall be deemed to be safe if it is found to induce cancer when ingested by man or animal, or if it is found, after tests which are appropriate for the evaluation of the safety of food additives, to induce cancer in man or animal, except that this proviso shall not apply with respect to (I) the use of a substance as an ingredient of feed for animals which are raised for food production, if the Secretary finds that, under the conditions of use and feeding specified in proposed labeling and reasonably certain to be followed in practice, such additive will not adversely affect the animals for which such feed is intended, and that no residue of the additive will be found (by methods of examination pre-scribed or approved by the Secretary by regulations, which regulations shall not be subject to subsections (f) and (g)) in any edible portion of such animal after slaughter or in any food yielded by or derived from the living animal; or (II) any food additive to be used as an ingredient of food for human consumption if, upon petition setting forth the grounds therefor, the Secretary has, in accordance with subparagraph (B), made and published in the Federal Register a finding that based on all the data presented the benefit to the general public from permitting the use of the additive outweighs any risk to human health that permitting such use

(ii) shows that the proposed use of the additive would promote deception of the consumer in violation of this Act or would otherwise result in adulteration or in misbranding of food within the meaning of this

(B) (i) A finding described in subparagraph (A) (i) (II) may be made only after the Secretary has received and considered

Mr. Dan Daniel (D-VA). Mr. Robert Daniel (R-VA).

Mr. Davis (D-SC)

the recommendations respecting such finding submitted by an advisory committee appointed by the Secretary from (I) individuals who are qualified by scientific training and experience to evaluate the carcino-genic effect of the food additive with respect to which such finding would be made and to evaluate the other effects of the use of such additive, (II) persons representative of the interests of consumers and the food additive industry affected, and (III) nutri-tionists, economists, scientists, and lawyers. The Secretary shall also provide reasonable opportunity for interested persons to com-ment on such a finding, and such a finding shall not take effect until the expiration of 120 days after it is published in the Federal Register.

(ii) In making such a finding with respect to a food additive, the Secretary shall con-

sider and in the finding—
(I) evaluate the intake level at which the food additive causes cancer in animals in relation to the reasonably expected intake level of the additive by humans,

(II) evaluate the quality of any test data and the validity of any tests which may have been performed of the food additive,

(III) assess human epidemiological and exposure data respecting the food additive and statistical data on human consumption

(IV) evaluate any known biological mechof carcinogenic effect of the food

(V) evaluate the means, available to minimize human exposure to the risks presented by the food additive and the adequacy of

the data available on such means, and
(VI) evaluate the probable effects of prohibiting the use of the food additive and
evaluate the probable effects of permitting its use, such evaluations to be made in accordance with the following priorities: first, health risks and benefits; second, nutritional needs and benefits and the effects on the nutritional value, cost, availability, and ac-ceptability of food; third, environmental effects; and fourth, the interests of the general public.

COSPONSORS OF H.R. 5166 (As of noon, April 4, 1977)

,Mr. Abdnor (R-SD) Mr. Addabbo (D-NY). Mr. Anderson (R-IL). Mr. Andrews (D-NC). Mr. Archer (R-TX). Mr. Ashley (D-OH). Mr. Bafalis (R-FL). Mr. Bauman (R-MD.) Mr. Beard (R-TN). Mr. Bedell (D-IO). Mr. Benjamin (D-IN). Mr. Bevill (D-AL) Mr. Blouin (D-IO). Mr. Bowen (D-MS) Mr. Brinkley (D-GA). Mr. Brooks (D-TX). Mr. Brown (R-MI) Mr. Broyhill (R-NC) Mr. Buchanan (R-AL). Mr. Burgener (R-CA). Mr. Burleson (D-TX). Mr. John Burton (D-CA). Mr. Caputo (R-NY). Mr. Carr (D-MI). Mr. Carter (R-KY) Mr. Chappell (D-FL). Mr. Clausen (R-CA). Mr. Clawson (R-CA). Mr. Cochran (R-MS). Mr. Cohen (R-ME) Mr. Coleman (R-MO). Mr. Collins (R-TX). Mr. Conable (R-NY). Mr. Corcoran (R-IL). Mr. Corman (D-CA). Mr. Crane (R-IL).

Mr. Derwinski (R-IL). Mr. Devine (R-OH). Mr. Dornan (R-CA). Mr. Duncan (R-TN). Mr. Edwards (R-OK). Mr. Erlenborn (R-IL). Mr. Ertel (D-PA). Mr. Findley (R-IL). Mr. Flynt (D-GA). Mr. Forsythe (R-NJ). Mr. Frenzel (R-MN). Mr. Gephardt (D-MO). Mr. Giaimo (D-CN). Mr. Gibbons (D-FL) Mr. Glickman (D-KS).
Mr. Gradison (R-OH).
Mr. Grassley (R-IO).
Mr. Gudger (D-NC).
Mr. Guyer (R-OH). Mr. Hagedorn (R-MN). Mr. Hall (D-TX). Mr. Hammerschmidt (R-AR). Mr. Hansen (R-ID). Mr. Harrington (D-MA). Hr. Hefner (D-NC). Mr. Hillis (R-IN) Mr. Holland (D-SC). Mrs. Holt (R-MD) Mr. Hughes (D-NJ). Mr. Hyde (R-IL). Mr. Ichord (D-MO). Mr. Jacobs (D-IN). Mr. Jeffords (R-VT). Mr Jenkins (D-GA). Mr. Jenrette (D-SC). Mr. Johnson (R-CO). Mr. Jones (D-TN). Mr. Jones (D-OK). Mr. Jones (D-NC). Mr. Kelly (R-FL). Mr. Kemp (R-NY) Mr. Ketchum (R-CA). Mrs. Keys (D-KS). Mr. Kindness (R-OH) Mr. Lagomarsino (R-CA). Mr. Latta (R-OH). Mr. Leach (R-IO). Mr. Lederer (D-PA). Mr. Le Fante (D-NJ). Mr. Lehman (D-FL). Mr. Lent (R-NY). Mr. Levitas (D-GA). Mrs. Lloyd (D-TN). Mr. Lott (R-MS) Mr. Luken (D-OH) Mr. McEwen (R-NY) Mr. McCormack (D-WA). Mr. McClory (R-IL). Mr. McCloskey (R-CA). Mr. McKinney (R-CN). Mr. Madigan (R-IL). Mr. Mann (D-SC). Mr. Marlenee (R-MT). Mr. Martin (R-NC). Mr. Mazzoli (D-KY). Mr. Meeds (D-WA) Mrs. Meyner (D-NJ). Mr. Michel (R-IL). Mr. Mikva (D-IL). Mr. Miller (R-OH). Mr. Moakley (D-MA) Mr. Mollohan (D-WV) Mr. Montgomery (D-MS). Mr. Moore (R-LA). Mr. Myers (R-IN) Mr. Natcher (D-KY). Mr. Nedzi (D-MI). Mr. Nichols (D-AL). Mr. O'Brien (R-IL) Mr. Patterson (D-CA). Mr. Pease (D-OH). Mr. Pepper (D-FL). Mrs. Pettis (R-CA). Mr. Pickle (D-TX). Mr. Pike (D-NY). Mr. Poage (D-TX). Mr. Preyer (D-NC).

Mr. Pritchard (R-WA). Mr. Pursell (R-MI). Mr. Quayle (R-IN). Mr. Quie (R-MN). Mr. Quillen (R-TN) Mr. Rahall (D-WV) Mr. Railsback (R-IL). Mr. Regula (R-OH). Mr. Roberts (D-TX). Mr. Robinson (R-VA). Mr. Roncalio (D-WY). Mr. Rousselot (R-CA). Mr. Runnels (D-NM). Mr. Ruppe (R-MI). Mr. Ryan (D-CA). Mr. Sarasin (R-CT) Mr. Satterfield (D-VA). Mr. Scheuer (D-NY). Mr. Shuster (R-PA). Mr. Sebelius (R-KS). Mr. Simon (D-IL). Mr. Sisk (D-CA). Mr. Skubitz (R-KS). Mr. Slack (D-WV) Mrs. Smith (R-NE). Mr. Solarz (D-NY). Mrs. Spellman (D-MD). Mr. Spence (R-SC). Mr. Stanton (R-OH). Mr. Steers (R-MD). Mr. Steiger (R-WI) Mr. Stockman (R-MI). Mr. Symms (R-ID). Mr. Taylor (R-MO). Mr. Thone (R-NE). Mr. Treen (R-LA). Mr. Trible (R-VA) Mr. Tucker (D-AR). Mr. Vander Jagt (R-MI). Mr. Vento (D-MN) Mr. Waggonner (D-LA). Mr. Walsh (R-NY) Mr. Weaver (D-OR) Mr. Whitley (D-NC) Mr. Whitten (D-MS). Mr. Winn (R-KS). Mr. Wirth (D-CO). Mr. Wolff (D-NY) Mr. Yatron (D-PA). Mr. Young (R-FL). Mr. Young (R-AK).

Now Mr. Speaker, there are of course those who disagree. Many columnists and editorialists have missed the entire point of the saccharin controversy. Some have uncritically accepted the premise of the Ralph Nader Health Research Organization: namely, that saccharin and the Delaney clause represent a classic conflict between consumers and producers. Rather, if anything, this is more clearly a conflict between con-sumers and consumer advocates—at least, those advocates who would disregard the most valid evidence of risks as well as the substantial benefits associated with saccharin.

My bill, H.R. 5166, was drafted with the technical assistance of the Food and Drug Administration and allows the balance of benefits and risks of the general public-consumers not producersto determine whether an additive will be banned. That regulatory concept has won wide support in principle from medical and nutritional specialists, from consumer groups not dominated by the antibusiness presumption of the Nader organization, and by three former FDA Commissioners.

While the food industry has a vital and valid interest in the outcome, and has offered its own alternative legislative measures, my bill with 177 cosponsors is derived from the viewpoints of

consumers, regulators and health

My bill does not arbitrarily reject massive overdose experiments on rats. It allows their evaluation as well as that of other scientific evidence, such as tests on other animals, and epidemiological studies of human health statistics, if available. If the best evidence, that most pertinent to ordinary human use, shows no evidence of increased cancer incidence due to saccharin, that should be taken into account too. It cannot be unless the Delaney clause is amended.

Reports on the carcinogenic risk of a flame-retardant chemical, tris-(2,3-dibromopropyl)-phosphate, have cited the validity of the "Ames" test which shows that chemical to be mutagenic, therefore very probably carcinogenic. Why not take into account the report that Dr. Ames has not found saccharin

to be mutagenic?

The Delaney clause pertains only to food additives. If you accept uncritically its basic premise that it is an unacceptable risk to permit in our food supply any detectable trace of a chemical that causes cancer in animals fed massive overdoses, you must contemplate banning half the grocery shelf of natural foods. You cannot presume that natural carcinogens in food are less potent than synthetic additives. You can, however, take into account evidence that normal exposure is no great risk and that the benefits exceed any remote risk. Why not do the same for saccharin?

Under my bill, a suspected carcinogen would not be allowed as a food additive unless its public benefits clearly outweigh its risk. Does saccharin have such

public benefits?

Ask millions of consumers who have heart disease, diabetes, hypertension, hypoglycemia, obesity. Some writers hypoglycemia, obesity. Some writers have uncritically accepted the Nader-Wolfe philosophy that saccharin had no medical value, but is only a convenience of taste.

To be sure, some people can do without sweeteners in their diet-just as some people can voluntarily give up smoking-having done so over and over again. Millions cannot. They cannot muster the elitist dietary discipline. For them, nonnutritive sweetening is an important part of their successful diet control.

It is becoming increasingly recognized that obesity predisposes to cancer as well as diabetes and heart illness. It increases your risk. Thus, if saccharin enables millions of consumers to control their weight better than without it, then banning the last of the noncaloric sweeteners may well increase the risk of the very disease we seek to avoid—and more.

If saccharin is, for some, a disposable convenience; for many millions of others it is effective preventive medicine. That cannot be tested by feeding rats massive overdoses. It can be tested by public health statistics and by past experience.

Only if we provide for such a cautious exception to the otherwise absolute ban of the Delaney clause, can we resolve the saccharin controversy so as to serve the best health interests of real consumers. Because of its subject matter, the Delaney clause deserves to be amended only with great caution; but it deserves to be amended.

Now, let me insert the recent testimony of Dr. Kurt Isselbacher, M.D., of Harvard Medical School, whose impressive credentials eminently qualify him to assess this issue:

TESTIMONY OF KURT J. ISSELBACHER M.D. BE-FORE HOUSE SUBCOMMITTEE ON HEALTH AND THE ENVIRONMENT, MARCH 21, 1977

Congressman Rogers and distinguished Members of the Subcommittee:

I am Kurt J. Isselbacher, M.D., Professor of Medicine and Chairman, Executive Committee of the Departments of Medicine, Harvard Medical School, Boston and Chairman of the Harvard University Cancer Committee.

I am here to express to you my personal concerns as a physician and clinical investigator about the FDA proposal to ban the use of saccharin in foods and beverages because saccharin has been found to cause malignant bladder tumors in rats. As Chairman of the Harvard University Cancer Committee, and from professional inquiry I can assure you am deeply concerned about the problem of environmental carcinogens. The issue before us today clearly emphasizes the complexity of the problem of determining whether a given chemical or agent poses a possible potential or real and probable human hazard.

In the case of saccharin I believe (1) that the results of the available rat experiments appear to have been overinterpreted in regard their application to man; and (2) there is an extensive body of information on human consumption of saccharin over the last 70 years to provide some indication as to whether or not saccharin may have a role in producing human bladder cancer; finally quantitative extrapolation from animal studies to evaluate the human hazard entails many uncertainties, and each case must be individually evaluated-taking into consideration many factors such as (a) whether the agent is a weak or strong carcinogen, (b) whether the results have been replicated in other species or other test systems, (c) how the data compare with the amounts that might be consumed by man, and (d) finally, assessment of the possible social, economic or medical benefits.

A. THE RAT EXPERIMENTS

In some of the rat experiments the amounts of saccharin used were as much as 8,000 times the amounts calculated to have been consumed by the average, adult male in 1972 [2.5 gm/Kg/day(rat) versus 0.3 mg/Kg/day(man)] 1. I suspect there would be few individuals who could ingest even 1/1,000 of such a tumor-producing dose (weight for weight in rats)—namely, 56 saccharin tablets a day. This raises the important question of the potency of saccharin as a carcinogen and balancing this against the amounts that might possibly be ingested by a human being during his or her lifetime.

If one examines the data indicating that cancer of the bladder also occured in second generation rats which have been continually fed on saccharin, it must be noted that, since saccharin crosses the placenta, the fetus must have been exposed to an ever higher dose than that to which the adult animal was exposed.

We recognize that giving excessive doses of any drug or agent to an experimental animal can have adverse or toxic effects. Imagine if water, salt or sugar were to be introduced today as possible agents for use by us and fed to rats in these excessive doses. The animals would undoubtedly die before they could develop a malignancy!

The extrapolation of experimental carcino-genicity data to the human situation is strengthened by obtaining results in more than one species or more than one system.

Apparently the feeding of saccharin to monkeys has not produced evidence of malig-nancy after 6.5 years. Extensive use is also currently being made of the "Ames which monitors the development of bacterial mutations as a possible indication of carcinogenicity. The available data indicate that saccharin is not mutagenic in the Ames "Salmonella" system. Dr. Ames verified this as recently as last week.

B. THE HUMAN EXPERIENCE

Man has often been accused of rat-like and at other times mouse-like behavior, and perhaps it is expected that we might look askance at experiments in mice or rats. However, even with subhuman primates, such as baboons and monkeys, major discrepancies are known to occur, and adverse effects have been found in such primates, but not in man, presumably because of metabolic differences.

It is fortunate for us that saccharin has been used for over 70 years and that there are numerous well-designed epidemiologic studies by workers from Oxford 123 (England), Baltimore 4 and Boston 5 on the possible relationship between saccharin ingestion and bladder cancer. Many of these studies have been carried out in diabetics known to consume more saccharin than the general population. In all of the studies, even with evidence of an above average saccharin intake, no increased incidence or mortality of bladder cancer has been demonstrated. It is recognized it may take 20 or more years for a carcinogen to produce cancer in man. However, in one of the reports, over 10 percent of the diabetics studied consumed saccharin for more than 25 years. Thus, clearly to date there has been no epidemic of bladder cancer as a result of saccharin consumption!

C. THE RISK/BENEFIT RATIO

While the "Delaney Clause" prohibits the use in food of any ingredient shown to have produced cancer in animals or man, it is evident that more than this must be sidered. Actions must be based upon indi-vidual considerations. The criteria appropriate for one agent may not necessarily apply to another.

I would submit to you that, in the case of saccharin, the available data indicate that humans for developing cancer the risk of from saccharin in the amounts ingested by the average individual is remote: the harm. however, which may occur to millions in the absence of a non-nutrient sugar substitute is great. In this country the problem of obesity is far greater than that of malnutrition. The problem is so great in fact that a significant number of patients with obesity are subjected to a special type of surgery testinal bypass) which in fact is associated with significant hazards, including death. Patients with these disorders need help, and here is an example where the medical benefit clearly outweighs the remote risk based upon the rat data. Also, as you have heard and as you are aware, diabetics clearly benefit from the use of non-nutrient sweeteners or sugar substitutes. Patients with obesity and diabetes are indeed at risk-but not in my view from developing cancer as a result of the ingestion of saccharin-but at risk of developing the serious and well-recognized complications associated with these diseases

On an anecdotal note, several days ago, a distinguished international chemist and former Presidential Science Advisor told me, "I'm not worried. I have stored up enough saccharin to last me a lifetime!" That's fine for him, but not for those of us who do not have such a stockpile.

Let me conclude by indicating to you that in my personal view given the current information, the banning of saccharin is counterproductive, and I believe is not indicated until or unless some "safer" non-nutrient sugar substitute is available.

FOOTNOTES

¹ Armstrong, B. and Doll, R.: Bladder cancer mortality in England and Wales in relation to cigarette smoking and saccharin consumption. Brit. J. Prevent. and Social Med. 28:233–240, 1974.

³ Armstrong, B., Doll, R.: Bladder cancer mortality in diabetics in relation to saccharin consumption and smoking habits. Brit. J. of Preventive and Social Medicine. 29:73-81,

1975.

³ Armstrong, B., Lea, A. J., Adelstein, A. M., Donovan, J. W., White, G. C., and Ruttle S.: Cancer mortality and saccharin consumption in diabetes. Brit. J. of Preventive and Social Med. 30:151–157, 1976.

⁴Kessler, I. I.: Non-nutritive sweeteners and human bladder cancer. Preliminary findings. J. Urology. 115:143-146, 1976.

Simon, D., Yen, S., Cole, P.: Coffee drinking and cancer of the lower urinary tract.

J. Nat. Cancer Institute 54:587-591, 1975.

⁶ General criteria for assessing the evidence for carcinogenicity of chemical substances: Report of the Subcommittee on Environmental Carcinogenesis, National Cancer Advisory Board, J. Nat. Canc, Inst. 58:461–465, 1977.

In conclusion, Mr. Speaker, let me summarize the argument for amending the Delaney clause.

First. We know saccharin has no discernible risk at normal dosage (approximately 3 grains per day).

Second, Saccharin is the first additive to fail the Delaney test for which the benefits clearly outweigh risks.

The public health risk of banning saccharin are far greater than the public health risk of permitting it.

Previous amendments to the Delaney clause lacked this clear motive.

Third. In the Canadian study, rats developed bladder tumors after a lifetime of massive daily overdose.

In the absence of other evidence or considerations this ought to ban an additive

With saccharin, more valid evidence shows no carcinogenesis associated with normal human use.

Under the Delaney clause (1958), all such evaluations must be suspended if any dose produces tumors. This absolute standard allows zero tolerance. It stifles further research.

Fourth. Therefore, the Delaney clause needs modern adjustments to permit the FDA and the Secretary of HEW to exercise reasonable judgment.

If the risks are too great: Ban it.

If the benefits are too dear: Minimize exposure, but do not ban it.

Fifth. Other approaches focus exclusively on saccharin. This may be necessary if all else fails but it raises consequent problems.

Problem 1. This requires congressional intervention on any subsequent cases.

Problem 2. This locks saccharin out of FDA purview when new evidence appears.

Again, the Delaney clause deserves to be amended only with great caution; but it deserves to be amended.

Mr. JONES of North Carolina. Mr. Speaker, as most of us are beginning to realize, the more information that has developed since the Food and Drug Administration first announced its proposed ban on the artificial sweetener, saccharin, the more ridiculous the ban begins to be. After making some personal investigation, I was advised by the

American Cancer Society that three or four comprehensive studies done recently show there is no indication of any higher incidence of death from cancer in diabetics than in people who are not diabetic. And, of course, the average diabetic uses far in excess of the average person, a daily number of foods and beverages containing saccharin. In fact, the mortality ratio of deaths due to all types of cancer for males was only 85 percent of that found in the general population. These facts have been documented by Dr. C. Cuyler Hammond of the American Cancer Society Headquarters in New York. Along with others, I urge the early passage of H.R. 5166, to amend the Delaney clause by providing a mechanism for a reconsideration of an adverse determination made by Food and Drug Administration on a certain food additive, or actually, provide a way of appealing a ban when an additive is found to induce cancer in test animals Certainly the theory that public benefits outweigh public risk factors is sound and must be maintained.

Mr. RYAN. Mr. Speaker, I want to join my colleagues in expressing disapproval over the recent FDA decision to ban saccharin. This is only one example of the level in which decisions are made by the FDA in regard to the use of drugs. The most significant consequence of this decision, however, affects the vital health of over 10 million Americans who must restrict sugar in their diets—primarily the diabetics. There are millions of others, however, who use saccharin for the purpose of keeping their caloric intake down and for others, physical reasons such as heart disease, hypertension or cardiovascular diseases.

The response in my office to the ban has been tremendous. Over 200 of my constituents have written in asking me to oppose this decision by FDA. I am hopeful that this Congress can achieve some permanent change in the amendment which caused all the trouble in the first place.

Mr. HAMMERSCHMIDT. Mr. Speaker, because the proposed FDA ban on the use of saccharin affects so many people, it seems to me the situation demands that we give a great deal of careful thought to the approach we take and the direction of our efforts and that we try to find the right balance.

I am certainly not an advocate of any extreme action because the questions raised by the recently announced ban cannot necessarily be answered immediately in a precise manner. This is really a question of values and so many variable factors come into play that a common sense approach is called for.

In actuality, it is not possible at this time to accurately predict the percentage of the population that will develop cancer from exposure to a dose of a particular substance for a certain period of time. This is so because there is no direct observation of the human population. In a sense, this lack of conclusive evidence based on human consumption forces us into a situation whereby the real question might be one of benefits versus risks. The entire issue is not only a scientific one; it is a complex issue with social, health and economic aspects.

Like some other of my colleagues here today, I have joined in various legislative efforts to deal with this situation. I have signed a letter to the FDA Commissioner expressing the view that the announced ban on the use of saccharin is precipitous, inasmuch as the action was based on the results of a Canadian study, rather than on an FDA study of its own.

And, I have joined with our colleague, JIM MARTIN, who has initiated this special order today, in sponsoring a resolution expressing the sense of the House that the proposed ban should not go into effect until the Congress has held hearings and found that normal consumption of saccharin is unsafe. In addition, I am pleased to have joined with him in cosponsoring legislation to change the process of determining the safety of food additives and permitting the continued use of saccharin. I believe this to be a responsible and practical approach. The bill does not repeal the Delaney clause. which is the legislative basis for the testing of food substances by the FDA. And, I for one certainly do not advocate that we scrap that law entirely; I feel that we should perhaps modify it. The measure which I have cosponsored provides us with a mechanism for reconsidering an adverse determination by the FDA when a food additive or substance is found to induce cancer in animals. This will insure a degree of flexibility in the way of allowing an appeal of a proposed ban, something which is so obviously absent in the current testing process. It will offer an opportunity to make a more responsible determination, taking into account the various factors involvedhealth, social and otherwise.

Mr. Speaker, millions of Americans depend on the use of saccharin for health reasons—those with diabetes, heart disease, hypertension, and cardiovascular disease, as well as many others who are overweight or who want to prevent obesity. These people will be adversely affected by a ban on saccharin. We must act with deliberation in taking a responsible course of action on the proposed saccharin ban. What we do now on this will have a far-reaching effect on untold millions of people now and in the future.

Recently, I had the opportunity to read a most interesting and, what I believed to be, a well-reasoned article in the Washington Post by the noted biologist. Barry Commoner, in which he reflected a good deal of insight into the entire issue of the testing of food additives and substances. Because I feel that it is an objective assessment of the problem, I submit the article for the consideration of my colleagues, in the hope that it will serve as a useful guideline for our current and future actions on this complex issue:

[From the Washington Post, Mar. 27, 1977]

SACCHARIN AND CANCER

(By Barry Commoner)

The current controversy about the Food and Drug Administration's decision to ban saccharin, based on tests which show that it produces cancer in laboratory rats, reveals a serious degree of confusion about the significance of such tests and about what steps should be taken to reduce the risk of cancer.

Some claim that tests carried out on rats do not apply to people because of the biological difference between the two species. ("People aren't rats.") Some claim that the results of such tests are irrelevant because they involve extremely high exposures never encountered in human experience. ("A person would have to drink 800 bottles of diet soda per day to be exposed to the amount of saccharin equivalent to that fed to the rats.") Finally, others propose that the Delaney Amendment, which forbids the addition to food of any amount of a substance known to cause cancer in any species of animal, should be replaced by a procedure which balances the anticipated risk of cancer against the social benefits of using the substance.

This confusion is dangerous because it threatens to hinder the most important step that can be taken to reduce the enormous human toll of cancer: that of reducing exposure to environmental agents believed responsible for at least three-fourths of the

U.S. cancer incidence.

To begin with, we must understand that because of the unquestionable scientific evidence that most of the U.S. cancer incidence is due to environmental agents, the only possible prevention for the disease is to reduce contact with these agents. Nearly all of these agents are carbon-containing chemical substances, mostly synthesized by the petrochemical industry, rather than occurring in nature. There is sound scientific evidence that most of these substances do not directly trigger the development of cancer, but that they are converted into active carcinogens in the body by the metabolic action of enzymes.

It has also been established that the ability of different animal species to metabolize, or convert, environmental carcinogens into inherently active cancer-causing substances varies greatly. Thus, when fed a particular carcinogen called AAF, rats will almost always develop cancer, whereas guinea pigs

will never develop it.

Clearly, the best way to determine what substances cause cancer in people would be to observe the effects of different substances on people. Obviously, since deliberate exposure is unthinkable and because epidemiological data are obscured by long delays and demographic factors, such information is very difficult to obtain. An exception is the kind of intense occupational or accidental exposures that too often occur. Studies of such exposures yield a list of about 10 to 20 substances which can be directly shown to cause cancer in people. But this list is far too short to explain the strong dependence of the incidence of cancer in the United States on the environment which is revealed the National Cancer Institute's countyby-county survey. Many more substances must be involved; the question is how to identify them.

Meanwhile, tests on laboratory anmials, particularly rats and mice, have produced a list now approaching a thousand substances known to cause cancer in one or more species. What does this information tell us about the likelihood that a particular substance will cause cancer in people?

ANY ANIMAL EQUALS SOME PEOPLE

A basic fact about animal tests is this: Laboratory animals are strains which have been intentionally bred into highly uniform populations. Most laboratory animal strains are highly uniform in their sensitivity to carcinogens. In any one strain each laboratory rat is very much like the next one; but as already indicated, one strain, or species, may be very different from the next.

One of the most important factors that determines the sensitivity of a species or strain of animal is the activity of the enzyme system which converts environmental carcinogens into active metabolic products that actually trigger the cancer. (In the previous example, the rat's carcinogen-activating enzymes are able to convert AAF into the active metabolic product, while the guinea pig enzymes are not.)

(A new type of test, in which the ability of

a substance to induce genetic changes, or mutations, in bacteria is used to predict its carcinogenicity toward laboratory animals, promises to deliver this information more rapidly than animal tests.) Once this information is in hand, a decision regarding whether and how human exposure to it is to be controlled becomes inescapable. Such a decision can be made in two alternative ways:

1. ABSOLUTE (i.e., the Delaney Amendment): This approach involves the decision that, given the disastrous health effects of cancer, no benefit from a particular substance worth the risk, however small it may be. And, evidence that a substance causes cancer in a laboratory animal means that some people also run the risk of cancer. Accordingly there is scientific support for the scientific assumption inherent in the Delaney Amendment-that a positive animal test for carcinogenicity is evidence of a risk to people. In effect, then this approach involves no further evaluation by society, other than the assertion that no risk of cancer to people is ever, under any circumstances, to be deliberately induced. No evaluation of benefits is undertaken in this approach. Thus, once the absolute evaluation of the importance of the cancer risk is accepted, the decision rests only on a purely scientific fact: that, on the basis of animal tests, a substance is or is not carcinogenic.

2. RELATIVE (i.e., risk/benefit evalua-tion): This approach is now being urged in opposition to the Delaney Amendment. In keeping with the approach used to evaluate general environmental hazards, this method asserts that action should be based on the socially perceived balance between the carcinogenic risk of exposure to a substance. and the benefits to be derived from using the substance. For example, the risk of cancer from using saccharin would be balanced against the benefits it yields in weight control or in the diet of diabetics. This approach involves the scientific evaluation of the risk of cancer, as well as the scientific evaluation of the benefits associated with a substance. However, balancing the benefits against the risks belongs not to the domain of science, but to society. The assessment is a value judgment-a social rather than a scien-

tific process.

In order to ensure an informed social evaluation, the magnitudes of the risks and benefits need to be scientifically evaluated. As already pointed out, animal tests about a given carcinogen can produce a vital but qualitative conclusion: that the risk of cancer among exposed people is not zero. On the other hand, the benefits of a substance, such as saccharin, can often be assessed over a wide range of values.

For example, if saccharin is essential in the diet of a diabetic, it has the considerable benefit of extending human life. In contrast, saccharin used in the massive marketing of "diet soda," which for most people could be replaced by another product, can be assigned a much lower benefit.

Similarly, the social benefit of an antileukemia drug which is itself carcinogenic may be quite high, whereas the social benefit

of a carcinogenic food dye is very low.

In the same way, the use of polyvinylchloride—from which the carcinogen vinyl chloride may leach—may have a very high social value in an artificial heart valve, because there is no substitute for this essential function. In contrast, the use of the same polyvinylchloride in food packaging has a much lower social value, because safer substitutes,

such as glass or paper, are available.

Thus, if we choose the option of balancing the risks and benefits of carcinogens we face a rather unusual situation: While it is possible to attach a wide range of values to the various possible benefits of using a carcinogen, about all that can be said about the risk is that it does or does not exist. Given this situation, the practical course of mak-

ing the social risk/benefit judgment can take one of the following general forms:

1. If, balanced against the fact that the

1. If, balanced against the fact that the risk of cancer from a particular substance is greater than zero, it is determined that the associated benefit is essentially zero, then the substance would be banned. For example, carcinogenic food dyes would be banned on the grounds that they contribute nothing to nutrition, which is the social value of food.

2. At the other extreme, if the social benefit associated with the use of a carcinogen is judged to be so great—for example, saving a life that would certainly be lost otherwise—that it warrants even a large carcinogenic risk, the substance would be approved for that social use. For example, saccharin might be approved for use by diabetics who have no alternative way to achieve an acceptable diet, but banned for massive use in diet soda, on the grounds that there are equally or more effective ways to control weight.

3. In intermediate cases, it would again be necessary to reach some judgment of the benefits associated with the use of the substance, so that its social value can be balanced against the evidence that it creates some risk of cancer. Such a judgment would be more difficult than the first two, but not

impossible.

What is noteworthy about this kind of risk/benefit evaluation—necessitated by the peculiarly qualitative nature of carcinogenic risks—is that the social balance between risk and benefit is, in practice, based on a comparison of the social benefits of different substances which are known to involve some, unmeasurable but real, risk of cancer. This means, therefore, that if the risk/benefit approach is chosen to deal with carcinogens (for example, if, in the case of food additives, the Delaney Amendment is revoked) the decision will need to be based on the social evaluation of the benefits to be derived from any chemical that imposes a risk of cancer.

The foregoing arguments apply not only to the carcinogenicity of chemicals, but also to most of the toxic effects of chemicals, since these are often as difficult to assess quantitatively. In effect, then, if the risk/benefit approach is adopted, it means that society must undertake to determine, on the basis of their value to society, what chemical substances are to be produced, and are permitted to come into contact with people. This will require social governance of decisions—about what chemicals to produce and for what purposes—which, in our present economic system, are governed not by social,

but by private interests. Now, the situation in people is vastly dif-ferent. Human populations are, of course, much more variable in their characteristics than inbred strains of laboratory animals. There is now specific evidence that this variability occurs in the enzymes that are involved in activating environmental carcinogens. For example, according to a recent study of enzyme activity in the placentas of pregnant mice and pregnant women, activity varied by only 10 per cent among individual mice, while among different women, it varied by 7,000 per cent. In this experiment, the women were all cigarette smokers, and the mice were also exposed to cigarette smoke. (This reflects another essential fact about carcinogen-activating enzymes: their production is considerably increased by exposure to a number of environmental agents-of which many, but not all, are carcinogens—including tobacco smoke, chlorinated hydrocarbons such as DDT and PCB and certain

People then, are more variable than purebred strains of laboratory animals in their genetically determined levels of enzyme activity (this may well explain why not all smokers develop cancer); in addition, people are exposed to a much more variable environment of substances (such as tobacco smoke) that can stimulate the carcinogenactivating enzymes.

This very different range of variability among populations of laboratory animals and of people must be carefully considered in interpreting animal tests on carcinogens. In the absence of direct data on people, there is little point in comparing the entire human population to either a population of carcinogen-sensitive rats or to a population of carcinogen-resistant guinea pigs. Rather, because the human population is so variable, will contain some individuals who react like one species, some who react like the other and many who occupy the whole range in between. Once it is established that a substance is carcinogenic toward any species of laboratory animal, it is likely that it will cause cancer in some individuals in the human population.

WHY THE LARGE DOSAGE

At this point it is important to consider the actual incidence of cancer observed in laboratory tests and in human populations. The overall annual incidence of cancer in the United States is about 0.3 per cent; and at that rate cancer is the second highest cause of death. A 1 per cent incidence would be huge. To reduce this incidence, we need to know what environmental substances are responsible for incidences of cancers of the order of about 1 per cent.

In order to measure such a small statistical effect in a laboratory experiment, huge numbers of animals would be needed. Therefore, much higher doses of carcinogen are used, so that the cancer incidence among the test animals is usually between 50 and 100

per cent.

The purpose of the animal test is not to determine whether people would get cancer from such high exposures, but only to decide in a feasible, statistically significant way, whether or not the substance will cause cancer in the test animal. Such tests can usually give an unequivocal answer, at the large doses that are customarily used. For example, animals fed large amounts of sugar, aspirin or sulfa drugs do not develop cancer. It is therefore scientific nonsense to assert, as some people have that "any chemical given in a sufficiently high dose will cause cancer.

To compare the carcinogenic potency of different substances is extremely difficult. According to the most comprehensive evaluation of the carcinogenicity of chemicals, "Comparison of potency between compounds can only be made if and when substances have been tested simultaneously." Since such comparison tests are rare and involve relatively few substances, there is little basis for quantitative evaluation of the potency of most carcinogens, especially where it is necessary to extrapolate from animal data to human beings. However, it is generally agreed that there is usually no absolutely "safe" level for exposure to a carcinogen; low exposures involve a small, but not zero, risk.
In the absence of direct observations of

human populations, it is impossible to predict what percentage of the population will develop cancer when exposed to a given concentration of a particular substance over a stated period of time. Except for the relatively few substances (such as vinyl chloride) directly observed to cause cancer in people, those substances shown to be carcinogenic to animals must be regarded as a cancer risk of unknown degree. Animal tests tell us that the risk is not zero, but they do not tell us the size of the risk.

RISKS AND BENEFITS

We now come to the question of whether the risk of a carcinogen to people ought to be evaluated against its benefits.

For example, what is the benefit of a carcinogenic dye that makes hot dogs red? If the social purpose of hot dogs is to nourish people, then-leaving aside the argument about what contribution the hot dog itself makes to human nutrition—the dye has no value at all. If "market research" shows that people are more likely to buy red-dyed hot dogs than a competitive brand which is not dyed, then the only social value of the dye is to enable the first company to sell more hot dogs.

In the same way, the social benefit derived from preservatives is that they help make possible the production of foods at large, centralized factories from which they are shipped over large distances and necessarily long times. If a food preservation turns out to be carcinogenic, then the risk must be evaluated not against the benefit of buying "fresh" food but against the relative benefits of preserving food for long shipment, or arranging to produce it locally and to deliver it fresh.

It can be seen, therefore, that once the attempt is made to weigh the risks against the benefits of a food additive-or of any of the numerous synthetic chemicals introduced into the environment by the petrochemical industry-very far-reaching economic, social and even political questions are raised. In practical terms, a substance is designated as a "carcinogen" by animal

Mr. McCLORY. Mr. Speaker, at some time during his career, nearly every American politician has been given this simple advice: trust the people. Generally these words have been wise. Indeed, the ability of the people to govern themselves is the foundation on which our American system is built.

If my mailbox is any indicator, there has been more spontaneous outrage against the Food and Drug Administration's saccharin ban than against any other recent Government action. The common thread in this letter is this: Saccharin is important to Americans. They have benefited, not suffered, from its availability. They want to continue to use it.

In other words, the people are asking their Government to trust them to act in their own best interests. A modest request, I submit, in the greatest democratic society the world has ever known.

As it often does, the message the people are sending to Washington makes sense. No evidence exists to indicate that saccharin has ever harmed a human being. But because of the Delanev amendment, which has been examined so closely in recent weeks, and decried so forcefully by my colleagues this afternoon on the floor of the House, saccharin will be taken off the market in July with-

out congressional action.

Mr. Speaker, the saccharin prohibition affects citizens in every congressional district. But the Delaney amendment has had a previous impact on my 13th District of Illinois in connection with the banning of cyclamate in 1969. Cyclamate, widely acclaimed as the best of the artificial sweeteners, was developed by Abbott Laboratories of North Chicago, Like saccharin, it has never shown to cause cancer-or any other malady-in a single human being. But because massive doses caused cancer in laboratory animals, the FDA removed cyclamate from the market. The economic impact of this action on both Abbott and the entire North Chicago community was profound.

The saccharin ban is the most striking of many recent examples of a trend toward overprotective government. The general outcry against the ban holds echoes of many individual letters to my office protesting other well-intentioned Federal restrictions, imposing mandatory inconveniences on frequently unwilling citizens.

Mr. Speaker, I commend my colleagues from North Carolina (Mr. MARTIN) and Illinois (Mr. O'BRIEN) for reserving time today for discussion of this important

Sensible legislation has been introduced to amend the Delaney clause and allow saccharin to remain on the market, and I am pleased to lend my cosponsorship to this effort.

Mr. Speaker, I am hopeful that discussion of the issues surrounding this unnecessary and potentially harmful saccharin ban will raise for our further consideration the issue of how much the American public wants Congress to strip away its ability to make choices in its own perceived best interest.

Surely, Mr. Speaker, it is time for us to consider exactly how much we do trust

the people.

Mr. QUILLEN. Mr. Speaker, it is the responsibility of the Congress to act swiftly to amend the Federal Food, Drug, and Cosmetic Act to permit the continued use of saccharin by millions of people, including diabetics and those with weight problems, who need this important food additive. I have joined with many other Members in cosponsoring Congressman Jim Martin of North Carolina's bill, H.R. 5592, the food additive safety amendments of 1977, which will insure that saccharin will continue to be available on the market, and urge my colleagues to join us in support of this

The recent decision of the Food and Drug Administration to ban the use of saccharin has understandably loud and continuing protests, but the responsibility for this mischief lies not so much with the FDA as with the Federal law this Agency is required to enforce. A change written into the FDA statute in 1958 bars the use of any food additive that "is found to induce cancer when ingested by man or animal." The problem, of course, is that many beneficial substances, if taken in massive quantity, may cause cancer. Proof that saccharin was a danger to health would justify a ban. But saccharin has been used for over 80 years and there is no proof whatever that any human being has developed cancer by using this artificial sweetener. The test on which the ban rests involved feeding Canadian rats stupendous doses of saccharin-the equivalent of a human consuming 800 12-ounce bottles of diet soft drink daily for 40 years. This is ridiculous.

The bill I am sponsoring would change the present law by requiring an evaluation of the intake level at which a substance induces cancer in animals "in relation to the reasonably expected intake of humans," This provides a remedy which will prevent action such as this ludicrous ban on saccharin, while at the same time continuing to provide for the careful control of food and drug products that is so essential for the public health

But millions of Americans need artificial sweeteners for medical reasons or for use in diet control, and it is wrong to deny them this product when there is no clear and present danger of harm to human health.

Mr. ROBINSON. Mr. Speaker, all of us are concerned about the menace of cancer, and we want to provide for the highest practicable margin of safety against cancer in foods, food additives, and drugs which are taken into the human body.

The ruling on saccharin seems to be a most extreme application of limited evidence, however, and there is understandable concern among diabetics and other folks who should not consume much natural sugar.

As has often been pointed out, for example, a human would have to consume 800 diet sodas a day for a lifetime to ingest a comparable amount of the sac-

charin fed to the rats in the bizarre Canadian test. Hence, it is no wonder this ban is regarded as premature, arbitrary and cruel by millions of Americans.

Therefore, I am pleased to be cosponsor of the Martin bill, H.R. 5822, to amend the Delaney clause to reflect greater realism involving the assessment of research results. I am prepared to support any variation of it which would protect the public not only from adequately established cancer dangers in edible products, but also from overhasty rulings on shaky evidence, such as in the case of saccharin.

Mr. COLLINS of Texas. Mr. Speaker, the issue of banning saccharin has become a symbol to the American people of the autocratic authority of our Federal Government. This is the grossest experience of minutely directing the daily

lives of all of the people in our country.

The Federal Drug Administration should seek judicial review to see if it has the power to issue this ban. Public Law 85-929 was passed back in 1958 and stated, "be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, that this act may be cited as the Food Additives Amendment of 1958." This makes it very plain that it is the Congress of the United States and refers to the United States. The FDA interpretation would appear to be from the United Nations. The FDA has taken some rat experiments made by the Canadian Government in Canada and they state these Canadian studies establish mandatory law within the United States.

The FDA is referring to a section of the law which says "after tests which are appropriate for the evaluation of the safety of food additives to induce cancer in man or animal." Tests which are pre-pared in Canada are not appropriate for an evaluation in the United States. Both by nature of the fact that the law was passed by the U.S. Congress for the United States and by the explicit term appropriate it is evident that Congress never intended to establish our basis of life in this country based on directives and studies of the Canadian Government. We must have judicial review of the saccharin ban because the FDA proposes a constitutional violation of the civil rights of American citizens.

Legislation should be responsive to the American people. We live in a Republic where Congressmen represent the American people. I have just mailed a questionnaire to my district asking for their views and ideas. Of the eight questions I had one which asked "Do you favor placing a Federal ban on Saccharin?" I just picked up a random sample bundle of 2.558 questionnaires. There were 144 that had no opinion. There were 138 that believed in the Ban and 2,420 that were opposed to the ban. This survey is representative of all America.

Many people have asked us why they did not ban cigarettes instead of Saccharin. Many people object on the grounds that individual choice should charin. determine what we eat in our own living nattern

But the strongest objections come from the Weight Watchers and the diabetics. Let me quote on what I have just read:

I am physically unable to tolerate sugar and have been using saccharin for over 20 years and I can assure you I have never had any adverse effects from it. I am past 70 years old with crippling arthritis, as well as other ailments, and I find this added burden very hard to take.

In the entire history of our country there is nothing yet that has proved that saccharin causes cancer. Any chemical substance can have adverse effects if used in too great a quantity. Even pure water can have a negative reaction. Even sunlight can be adverse. But used in proper balance we find that pure water, fresh sunlight, and saccharin lead to a better balanced life.

Mr. BIAGGI. Mr. Speaker, I wish to associate myself with those of my colleagues who are sponsoring this special order to speak out against the proposed ban on saccharin. I feel sufficient participation by Members will greatly enhance our efforts to gain a reversal of this most unfortunate and unjustified position.

I would imagine that if I as an individual were to consume more than 1,000 saccharin-treated soft drinks in a year, I might conceivably increase my risks of acquiring cancer—not to add some other of illness. Yet, practically elements speaking, who consumes this quantity of soft drinks and who uses 1.5 million packages of saccharin a year? To my knowledge, only a collection of 100 Canadian rats ever were so brave and they really had no choice.

Yet, it was based on this most extreme of experimental procedures that the Food and Drug Administration issued their dictum proposing a ban of saccharin. Correspondingly under the provisions of the archaic Delaney Act this constituted appropriate testing sufficient to permit the Secretary of HEW to uphold this decision. Fortunately, this has not yet been the case. We in the Congress have an opportunity to make some necessary revisions in the Delaney amendment. I have offered legislation in this area which is designed primarily to give the Secretary greater discretion in his determination of those products which should be banned for health reasons.

In the case of saccharin, we are talking about a product used widely by millions of Americans for many years without any documented ill effects. It is a vital commodity for the chronically overweight and the 10 million diabetics in this Nation. What are they to do if the ban goes into effect? Will they then be forced to acquire saccharin by prescription-at a cost at least three times higher than at present? There is no real alternative to saccharin-true there are some substitutes being devised, but they are several years away and what is one to do for

The only real answer lies in the passage of legislation to revise the Delanev amendment for this, and any future attempts to ban important commodity or food substances. Such legislation is needed to prevent the saccharin ban from going into effect.

Let us not overlook the other side of the coin. The American Government does have an obligation to protect its citizens from clearly dangerous carcinogenic products. The incidences of cancer are increasing at a rate which mandates our continual monitoring of all suspected dangerous food products. But let us not be overzealous or hysterical in our pursuit of food additive safety. Changes in the existing law should strike a reasonable balance, and I fully support their immediate consideration by this Congress.

Mr. WINN, Mr. Speaker, I know that I am not the only Member of Congress who is besieged with hundreds of letters and petitions from citizens outraged by the proposed FDA ban on saccharin. Daily, my constituents have brought to my attention their unanimous disapproval of the removal of the only noncaloric sweetener which is still legal in the United States.

There are several reasons why I share their alarm. First, as the father of a diabetic and as an interested member of the Diabetes Association of Greater Kansas City, I have concern over the consequences which may occur in the lives of those who have relied on saccharin as the only substitute for sugar. I had a letter on my desk last week which contained the following brief message:

Please help us to keep saccharin. I am 70 years old and a diabetic. I can't have sugar.

It is difficult for me to think of a reply would satisfy this distressed which citizen.

I am receiving another type of letter. This letter is from people who have been using saccharin in their fight against weight problems. Often I assure you, their reliance on saccharin does not stem from cosmetic worries but from legitimate desires to improve or maintain a healthy weight. Many mature and responsible adults have written me:

I have been using sugar substitutes and sugar-free soft drinks for years to cut down on my caloric intake. I have done so for health reasons, with the specific advice of my physician.

All of us are aware of the overweight syndrome which plagues many Americans and increases their susceptibility to

heart disease, and for women, the possibility of breast cancer.

I would like to stress, however, that there is a third type of letter which disturbs me most of all. Many of my constituents from eastern Kansas have expressed intelligent, rational concern about the extent to which the Federal Government should regulate the lives of its citizens. I received a long petition which is only one illustration of the complaints about Federal interference. The signers of the petition stated:

As always, I ask that the facts continue to be given to me whenever tests are proven in the laboratories in regard to our Food and Drug usage but allow me to make the decision myself whether to continue using such a product or not. I do not want it dictated to me by government control.

It strikes me as absurd that in a society that permits the legal use of cigarettes, which long ago were branded a dangerous carcinogenic; automobiles, which result in at least 45,000 deaths a year; and alcoholic beverages, which are suspected to cause liver damage, would have a ban on a sugar substitute that may or may not cause cancer in humans. Americans are allowed to make choices about these other potentially dangerous elements, should they not have the right to decide for themselves in the case of saccharin?

My constituents are baffled about this discrepancy. I sincerely believe that Americans should be allowed to use their own common sense to heed a hazard warning.

I also think that Congress should show rational judgment and reform the rigid Delaney clause. I have cosponsored a bill which would amend the clause and authorize an evaluation of the risks and benefits of certain food additives before they are withdrawn from the market. The current clause which requires a ban on any ingredient shown to produce cancer in man or animal is much too dogmatic. There are no allowances made for the degree of risk involved. It is imperative that before such blanket decisions are made, we should know if they will result in more harm than good.

I sympathize with those Americans who are upset over the proposed ban on saccharin. Clearly, the Canadian study which has revealed that high doses cause tumors in rats, has opened a Pandora's box. Citizen opinion regarding the ban is negative and Congress must respond accordingly. Until more definitive proof that saccharin causes cancer in humans is obtained, plans to effect a ban must be postponed and the Delaney clause must be amended. We do not want to set a precedent of interferring with the freedom of choice guaranteed to each individual American.

Mrs. LLOYD of Tennessee. Mr. Speaker, I strongly urge my colleagues to consolidate their efforts in opposition against the Food and Drug Administration's ban on saccharin. I ask how many of you have received a letter or a call from a constituent indicating that he endorses the ban. The volume of my mail on this issue has been overwhelming, yet I have not received one letter which endorses this ban. Because of this substantial and

vocal opposition, I believe that we cannot ignore this ruling.

The Canadian Government has every right to adhere to its own findings, but I firmly believe that a more conclusive study to determine the effect of saccharin use on humans should be conducted by the FDA before any regulations are determined in our own country.

We must not forget the hardships which would be placed on people who have to restrict their amount of sugar intake. There are 10 million diabetics in this country who rely on this artificial sweetner. They are worried and frightened at the prospect of this product being removed from the market. There are also many Americans who are either overweight, suffer from hypertension or heart disease who need this substance for health reasons. These people are incensed over the possibility of this product being removed from the market on the basis of inconclusive evidence.

People who need this product will be able to acquire it through a prescription; but the additional cost of going to a doctor for a prescription and then having this prescription filled seems like an unnecessary burden both economically

and practically.

The FDA's acting is based on the Delanev clause of the Food, Drug, and Cosmetics Act which prohibits the use in food of any ingredient shown to cause cancer in animals or man. The Delaney clause denies the FDA the flexibility to include a reasonable test based on the quantity of the substance which produces cancer and the relationship between the costs and benefits of the substance. I have, therefore, introduced a bill, H.R. 5197, which would amend the Delaney clause to revise the standard for regulating food additives found to induce cancer in man or animal. I particularly feel that FDA tests should consider the quantity of a substance which will prove detrimental to a person's health. I am sure that we are all aware that the amount of saccharin that was fed to the rats was a ridiculously poor comparison to the amount of saccharin that is consumed by a human in a day.

For these reasons I ask my colleagues to seriously consider the effect which the saccharin ban would have on millions of people and I strongly endorse legislative action to prevent that ban from taking effect in July.

Mr. STOCKMAN. Mr. Speaker, on March 9, 1977, the FDA took the first step to implement its decision to ban the artificial sweetener, saccharin. This ban would remove from the market the only artificial sweetener now available to the consuming public. I believe that the FDA has shown bad judgment, Mr. Speaker, and it is incumbent upon the Congress to force the FDA to back off from its proposed ban on saccharin.

Saccharin has been used in food products for 80 years. It serves an extremely valuable function. It permits individuals to reduce their intake of sugar quite significantly without having to endure major alterations in their dietary habits. This reduction in sugar intake produces great benefit to the public.

First, the 10 million diabetics in the

country have no choice about reducing their sugar intake. They must do so in order to prevent damage to their health. Without artificial sweeteners, diabetics will be unable to partake of many kinds of food simply because it will not be available in a low-sugar version.

Other people also benefit from artificial sweeteners. The connection between obesity and numerous forms of illness has been well documented. People use saccharin to control their weight and thereby protect or improve their general health. Many people presently overweight who use saccharin to lose weight will have great difficulty losing weight without it. It is their dietary habits that contributed to their obesity; with saccharin sweeened products they must habits than completely giving up whole classes of foods.

The argument is made that the FDA had no choice under the Delaney clause, that it had to ban saccharin because the Canadian test showed it to be a carcinogen. Mr. Speaker, this is exactly the point at which the FDA exercised bad judgment. The FDA can reject test results if it believes that the test was not conducted properly or was poorly designed. In view of the many previous inconclusive tests on saccharin, I believe that the FDA would have been wise to wait until confirmation of the Canadian test by a larger scale, more thorough test.

If the FDA ban on saccharin goes into effect, far more harm will be done to the millions of diabetics and others who wish to reduce their sugar intake than can possibly be attributable to continued use of saccharin until better test results are in. The FDA seems to have lost sight of the forest for the trees when it comes to saccharin.

Mr. BAFALIS. Mr. Speaker, the American people have a tendency to look upon their Government with a jaundiced eye. And rightfully so.

For the most part, the things Government does for the people are things they could better do for themselves. And the people know it.

However, unless Government messes things up beyond comprehension, the average American is willing to let it pass.

Once upset, though, the people of this country let Government know it has strayed from the path of wisdom.

They did it when the seat belt interlock system was rammed down their throat.

And they are doing it now with the saccharin ban ordered by the Food and Drug Administration.

The people speak through their mail to their Congressmen, through the letters to the editor section of the local newspaper.

The newspapers, in turn, speak through their editorials which are cut out and sent to Congressmen.

And, Mr. Speaker, from my mail, and from my reading of the editorials in dozens upon dozens of daily and weekly newspapers in my district, I can tell you in no uncertain terms, the people are irate about this latest Government fiasco, this new, unnecessary and unwarranted intrusion in their lifestyle.

"Ridiculous," "uncalled for," "illogi-

cal," and "asinine"—those are just a few of the things this ban has been called. There have been others, including some which cannot be repeated on the floor of the House of Representatives.

I have yet to see, in any paper in my district, or in any of the scores of letters which have poured into my office, any indication of support for the FDA in this matter.

No, the people do not support the FDA. They get upset when the paternalistic Federal Government treats them as children, and not very bright children.

And they have plenty of reason to be upset with the FDA on the saccharin ban. That is why I have cosponsored legislation to amend the Food and Drug Ad-

ministration laws to provide a note of reason in the banning of materials sus-

pected of causing cancer.

The people want this measure of reason restored. And, as Representatives of the people, we can do no less than pro-

vide them with that request.

Mr. BAUMAN. Mr. Speaker, the FDA ban on the use of saccharin is ridiculous, and anyone with any commonsense knows it. To penalize citizens for the possession and use of artificial sweetener at a time when some misguided Members of this body are talking about decriminalizing marihuana and harder drugs is a sorry commentary on Federal policymaking. It is also a sorry commentary on the Food and Drug Administration which is once again using its regulatory power to thwart the wishes and deny the

rights of the people.

The FDA inquisition against saccharin users is yet another in a long line of abuses by a Federal agency overreacting to the symptoms of five laboratory rats which were fed enormous amounts of an everyday product found in millions of American homes for over 80 years. The saccharin ban was based on a study conducted by Canadian scientists who found "evidence of cancer" in less than 10 percent of 200 rats which were made to drink the equivalent of more than 800 12ounce cans of diet soda a day, or eat more than 1,850 packets of low-calorie sweetener in a 24-hour period. When you consider that drinking a mere 50 cans of pure, EPA-approved water in a short time period can kill you, it becomes just too obvious how absurd the FDA's action is in this matter.

Saccharin is the sole remaining dietetic sweetener allowed by the Federal authorities to be sold on the grocer's shelf. Previous decisions by the FDA, beginning in 1969 with the cyclamate ban, eliminated other sugar substitutes. In the future, American citizens will have to sneak into Mexico to buy their contraband diet drinks and perhaps U.S. customs authorities will be combing the continental borders to dissuade incoming motorists from Juarez from lining the upholstery of their cars with Sweet-'n-Low.

This situation is all the more serious for the more than 10 million Americans who suffer from diabetes. Without saccharin, these people are left without a product absolutely necessary for their health. I believe that it is time the FDA bureaucrats started spending less time with rats and more time with people,

time they realized how much damage they have done to the already precarious reputation of their agency in the eyes of rational people everywhere.

This is why I have cosponsored legislation originally drawn up by my distinguished colleague from North Carolina (Mr. MARTIN) in response to the FDA's recent ban on saccharin. This bill provides a new mechanism whereby a ban of a food additive by the FDA can be appealed. Upon reconsideration, the FDA could then authorize continued use of the product only if the public benefits of such use clearly outweigh the public risk. The legislation does not repeal the Delaney clause which currently governs banning procedures, but modifies the procedures by which it is implemented.

This legislation, therefore, will permit citizens to use saccharin while preserving the integrity of the FDA in those areas and in those ways it ought to function for the public interest. This public interest is now as it always has been and always will be, the combination of all the private interests and the stability and well-being of the society in which we live. Acting as precipitously and foolishly as it has in banning saccharin, the FDA does damage both to the public interest and to itself. The effectiveness and very existence of FDA directly corresponds to how much authority it maintains in the eyes of the citizens and their elected leaders. For FDA's own good as well as the larger, and certainly more important good of the public at large, I hope that the House acts swiftly to rescind this ban on saccharin and to change FDA's procedures and powers

Mr. YOUNG of Missouri. Mr. Speaker. was deeply concerned about the hasty and premature manner in which the Food and Drug Administration acted last month in proposing a saccharin ban. I am convinced that the results so far do not justify the extreme action proposed-an action that will affect the eating habits of millions of Americans.

For that reason, I believe that the House is completely justified in holding hearings aimed at the passage of remedial legislation. My concern over the proposed ban is aptly summarized in an incisive editorial that was broadcast recently on KMOX-Radio, the CBS station in St. Louis. The editorial, presented by Robert Hyland, regional vice president of the CBS Radio Division, follows

Did you drink 800 diet sodas today? Do you plan to drink another 800 tomorrow

These may sound like ridiculous questions, but they occurred to us when we heard about the Food and Drug Administration order banning the sale of saccharin.

It seems a Canadian laboratory fed 100 rats large doses of saccharin throughout their entire lifetime. Fourteen of them developed cancer. This is seven times the can-cer rate of rats on a normal diet. So the north of the border and our FDA took the same action here.

This seemed like a sensible precaution, at first glance. But then we read further. And we find a human being would have to drink 800 diet sodas a day throughout his lifetime to ingest the equivalent amount of saccharin fed the laboratory rats. Now the FDA ban on saccharin doesn't seem sensible-it seems ridiculous!

As we have stated in previous editorials,

it is vital and necessary for our federal gov-ernment, principally through the FDA, to protect the public from harmful substances. But we believe at times this agency goes to extremes. Saccharin is a case in point. This artificial sweetener has been on the market in this country for 80 years. Five million pounds of saccharin are used annually, primarily by diabetics and those watching their weight. Surely in all that time, with all that usage, it would have been found to be harm-

The FDA banned another type of artificial sweetener, the cyclamates, in 1970. And it has refused approvals for several drugs, the so-called beta-blockers that are commonly used in Europe with good results to treat heart disease and high blood pressure.

We're all for Government bans on harmful drugs, ingredients, and additives. But it seems to us the FDA moved too far, too fast, when it banned saccharin on the basis the Canadian laboratory report. We wonder if this isn't one more piece of evidence that the Food and Drug Administration at times is over-reacting.

Mr. RONCALIO. Mr. Speaker, I am sure that every Member of Congress has been made aware of the public's attitude toward the FDA's proposed ban on saccharin. This proposal points out once again the fine line that exists between Federal protection and Federal interven-

tion into our private lives.

Before this ban is enacted, we must consider the inconvenience involved in depriving obese and diabetic individuals of saccharin. While we now suspect a possible relation beween saccharin and cancer, the dangers of diabetes, hypertension, and heart disease related to obesity are known to all. Also, I note that the danger of saccharin use does not appear to be such that the FDA required recall of products already on the market.

If there were a suitable replacement for saccharin perhaps we would be facing a different problem, but it is the only artificial sweetener permitted in the American food supply. To the millions of diabetic and weight-conscious people of the United States, this ban may present a health hazard greater than the possible risks of saccharin use.

I feel a special sympathy for the many hundreds of diabetic children in the country. Although it is true that sweets are not nutritionally necessary, it is hard for a child to see other children eating candy and treats with no chance to en-

joy them himself.

Also, I reiterate that it is very hard to understand the continued sale of tobacco with its proven carcinogenic effect, while depriving Americans of sac-

As the Delaney clause now exists, it does not permit the FDA to analyze the relative benefits of a particular food additive versus the possible risks involved in its use. It specifies only that any substance that causes cancer when consumed by man or animal must be banned. This legislation should be revised to allow the FDA to weight the risks and benefits in an additive.

Time should be allowed for further study and evaluation of saccharin and its continued marketing until we have more definitive evidence that it is

At the least, there should be a review.

as there is to be in Canada, of the role of saccharin in special foods for diabetics and exemptions or sale by prescription through pharmacies should be permitted.

Mr. QUAYLE. Mr. Speaker, the recent ban on saccharin is one of the best examples we have had in the past few years of Government regulation gone haywire. The Delaney amendment has finally reached its logical extreme: The banning of a substance which has been used safely for years by millions of people. It was banned, finally, because one Canadian Government experiment—out of some half a dozen or more others—revealed that an unrealistically high dosage of saccharin resulted in a slightly higher percentage of cases of bladder cancer in laboratory rats.

The ridiculous extremes which were necessary to reach this test result need not be detailed here. The American public has had its grim chuckle over that already, and many have advocated outright repeal of the Delaney amendment.

Proponents of the Delaney amendment believe it to be the ultimate in consumer protection. Just try opposing the amendment—suddenly you find yourself portrayed as an ogre who favors cancer; who really does not care what dangerous chemicals the public ingests.

Somewhere between these two extremes lies the truth. The truth is that some food additives are harmful, and that the Government does have some role in the reasonable regulation of these chemicals. The key word here is reasonable.

Let us look at the other side of the saccharin issue, to see what effect this "protective" regulation has on the public it attempts to protect. I cannot be the only Member of this body who has received really heart-rending letters from constituents who are diabetics, to whom this ruling says "you can never have another sweet or dessert for the rest of your life." For example, a letter from a woman in my district who states:

I am only 32 years old and have been a brittle diabetic for over 21 years. My life must be governed by strict sugar-free standards. Since cyclamates were removed from the market, I am outraged that the U.S. is also removing the alternative.

Or another:

Don't know what we diabetics will do, for if they use corn syrup or honey to sweeten soft drinks, we still can't have them. Just another crazy and foolish idea.

These people need saccharin. They have a difficult time leading a normal life; the loss of saccharin in their diets makes their life that much more difficult. We who are supposed to be in all things concerned with the well-being of the people we represent cannot ignore this cruel result of our own legislation.

Then there are the dieters, a category that includes the majority of the American population at some time in their lives. Admittedly, saccharin is a crutch and not really a medical necessity for these people—although one constituent writes:

Obesity is much more life-threatening than is the danger of using normal amounts

of saccharin. In order to control my weight, I must use saccharin.

Does that mean, however, that we have the right to deprive them of this highly useful diet aid on such medically unsound reasoning?

The rule that banned saccharin needs amending. It needs to allow for reasonable tests to screen out harmful agents from the public. But it badly needs the flexibility to insure that this ridiculous episode will not happen again. If we do not take steps to correct this glaring malfunction of regulatory law, then we can hardly expect less than the rapidly dwindling respect for Government's at-

tempts at "protection."

Mr. BURKE of Florida. Mr. Speaker, I would like to add my voice to the growing concern over the recent decision by the Food and Drug Administration to ban the use of the artificial sweetener saccharin as of July 1, 1977. This action banning the only available sugar substitute on the market raises fundamental issues about the nature of scientific tests to determine cancer producing substances and about the role of the Government in protecting the public from the risks of cancer.

Mr. Speaker, the immediate occasion for this decision stems from a series of tests conducted by the Canadian Government which showed that laboratory rats fed high dosages of saccharin suffered an increase incidence of bladder tumors. According to the 1958 Delaney amendment to the Food, Drug, and Cosmetic Act of 1938, the FDA must ban any additive that causes cancer in laboratory animals.

Immediately affected are those millions suffering from diabetes, heart disease, and overweight. Ten million diabetics, 40 million overweight Americans, and countless others with heart disease and hypertension depend on the sweetener to control their diet. Without a sugar substitute, a potentially disastrous change in the control and life of these people could occur.

This is particularly true of the diabetic. Diabetics are unable to burn off sugar in the form of glucose and thus are dependent upon sugar substitutes in order to have effective diet control. If they are forced to turn to sugar, it is to be expected that they will be faced with the possibility of greatly increased complications resulting from kidney failure and infection. And these dangers are far greater than the chances of getting cancer by consuming saccharin.

But, Mr. Speaker, the potential of this decision goes far beyond those immediately affected. Underlying this decision is the question of whether or not animal research is an adequate measure of the extent to which substances can affect the human organism. In the Canadian tests two groups of 100 rats were given enough saccharin to constitute 5 percent of their diet. Of the first group, only three developed cancer while 14 of the second group of 100 rats not receiving saccharin also developed tumors.

To appreciate what this would mean in equivalent terms for humans, we have to realize that a person would have to drink 800 12-ounce cans of diet soft drink each day for a lifetime to ingest a similar amount. Or, a person would have to consume 4,000 packets of saccharin a day for a lifetime. These figures undermine the credibility of the study since it is physically impossible for one to drink so much in 1 day. Instead of suffering from cancer, a person who attempted to drink that much would certainly be afflicted with a good case of the bloat.

The nonrelevance of these tests was given support in testimony held on March 21 and 22 before the House Interstate and Foreign Commerce Subcommittee on Health and the Environment. Dr. Guy R. Newell of the National Cancer Institute said that—

I do not believe saccharin is a potent carcinogen, if it is a carcinogen at all.

He said that evidence linking bladder cancer to saccharin is, so far, only in animals. He further said that although bladder cancer in humans has been steadily increasing since 1935, the increase has been very slow and does not reflect the large increase in saccharin consumption during that time.

Mr. Speaker, we must take a closer look at the scientific validity of barring use of a food additive at safe levels simply because the same substance at much higher levels of use could cause cancer in laboratory animals. This is at the heart of the issue and it should not be

overlooked.

Second, and even more fundamental, is the question of the role of Government in protecting the public from the risks they face in life. The flood of angry mail coming into my office is a testimony to the fact that Americans are increasingly beginning to feel that this and similar decisions are in direct violation of their right to freedom of choice. It is my belief that we should proceed cautiously whenever we apply regulations to the lives of our citizens. Reasonable protection of our citizens must remain on balance with the rights of our citizens to choose for themselves.

Mr. Speaker, the recent decision to place a ban on the sale of saccharin has brought to the forefront these two very important questions. We should take this opportunity to view more closely the methods by which we determine cancer producing substances and the role of the Government in protecting the public from these risks. I am aware that such a review involves matters which are complex and far reaching. But it can only serve the higher interests of the American people.

Mr. JENRETTE. Mr. Speaker, I rise in strong opposition to the FDA's proposed ban on saccharin. A great injustice is being done to the consumer by the United States Government banning this product before conclusive tests have shown saccharin to be positively linked

to cancer in humans.

I have added my name to H.R. 5592, a bill to amend the Federal Food, Drug and Cosmetic Act to authorize an evaluation of the risks and benefits of certain food additives. This will permit the marketing of saccharin until such an evaluation can be made.

The benefits to diabetics, for example, must be considered. Many of my constituents have expressed a sincere concern in regards to the proposed ban and the role of saccharin in the treatment of diabetes. This role is described in a letter I would like to introduce into the RECORD today. Its author is the mother of an 11-year-old diabetic and the secretary of the South Carolina Diabetes Association. We should all heed her remarks and then move quickly to remedy this situation:

MARCH 30, 1977.

DEAR MR. JENRETTE: I have a daughter that is now eleven years old. She developed Diabetes at the age of four. When she is sick with a virus and vomiting I have to use sugar-free drinks to force fluids. I can use Sugar Free Tab, Diet Pepsi, Dr. Pepper, Seven-Up, etc. One night she was invited to an all-night slumber party. The lady giving the party was quite concerned over the fact she could not drink the cokes and eat the M&M candy she had for the other girls. I bought sugar-free drinks for her and some sugar-free candy. She took this with her to the party. The next morning when she had a negative urine (she was not spilling sugar) I questioned to find out what had happened. All of the girls drank her diet drinks and ate her sugar-free candy with her. They did not eat the other candy or drink the drinks that were available. This meant a great deal to this child. You see if Saccharin is banned it will take a great deal from a Diabetic. This will mean poorer control of a Diabetic and in the long run it could mean more complications such as Blindness, Kidney Disease, Liver Disease and even death.

I would like for you to please vote against the Ban of Saccharin. . . Saccharin has been used for over 80 years and it has not been proven to cause any problems. I would like to see them so more studies on various animals with a much more moderate amount of saccharin. If you need me to testify to Congress on this problem please feel free to call on me. I would feel it an

honor.

see 10 million Americans You Diabetics and approximately 125,000 are in South Carolina. Diabetes is increasing at the date of 6% per year. This is the only sugar-free sweetner available. You see I am Secretary of the South Carolina Diabetes Association and these figures are correct. So please feel free to call on me if I can

be of any assistance at all.

Thank you for your support against this Ban of Saccharin.

Sincerely,

MARGARET BROACH.

P.S.-I would like to know the name of the Commissioner that wants to ban Saccharin, is he diabetic or does he have any relative that is a diabetic? Does anyone on his Board have diabetes or anyone that is diabetic in their families?

Mr. ROUSSELOT. Mr. Speaker, on March 9, 1977, the Food and Drug Administration announced its intention to prohibit the use of saccharin in foods and beverages. This action by the FDA was incited by a Federal law-the Delaney amendment—which requires a ban on any additive which "is found to induce cancer when ingested by man or animal."

While the findings reported from Canadian tests used by the FDA were inconclusive and made no sensible case that saccharin in normal doses caused cancer in humans, under the special provisions in the FDA statute, the ban was automatic. As a result, a severe hardship will be imposed on approximately 10 million people who suffer from diabetes, millions of heart patients, and some 40 million overweight individuals who must control their weight to decrease their chances of becoming heart patients. For these people, saccharin is a necessary part of preventive medicine. This same point was made this past weekend by Dr. R. Lee Clark, the president of the American Cancer Society. While in Sarasota, Fla., Dr. Clark stated that diabetes and obesity pose more immediate dangers than the possible cancer-causing ability of saccharin.

I am cosponsoring legislation, introduced by my colleague Congressman MARTIN of North Carolina, which remedies the defects of the Delaney amendment. The bill, H.R. 5166, provides a mechanism for a reconsideration of an adverse determination when an additive is found to induce cancer in test animals. Under the proposal, the petition would be able to ask the Food and Drug Administration to reconsider its decision and the Secretary of Health, Education, and Welfare, would then be authorized to make a finding regarding the public risks and benefits of the given additive, taking into account the best evidence and expert judgment possible, before finding a substance unsafe.

Corrective legislation like the Martin bill will permit Federal agencies to make their decisions in a more responsible manner in determining whether a substance should be banned from the market and I urge my colleagues to strongly

support H.R. 5166.

Mr. MONTGOMERY. Mr. Speaker, I commend my two colleagues, Representative JIM MARTIN and Representative GEORGE O'BRIEN, for taking this time today in order that the Members might have an opportunity to air their views on the ridiculous proposed ban on saccharin. I would also urge my colleagues to join with them in cosponsoring their legislation that would halt the ban of saccharin.

I have long had doubts about some of our Federal agencies which have been powers unto themselves and have gone far beyond the legislative intent of Congress. There is no doubt in my mind the Food and Drug Administration must now be added to the growing list of bureaucratic agencies that are evidently incapable of making a reasoned and rational judgment.

Mr. Speaker, I am no scientist, but in analyzing the recent decision of FDA to ban saccharin even a layman is capable of knowing that they have made a very serious mistake. Their decision to ban this very necessary food additive, is based on a study conducted on a group of Canadian rats. These rats ingested saccharin in such large amounts that there is no wonder they developed bladder cancer. In fact, even the most nutritious of pure foods would probably have caused cancer if taken in the same quantities as sac-

I would also note that according to studies I have seen, it would almost be humanly impossible for a human to in-

gest a comparable amount of saccharin in relation to the weight of a rat and the weight of a human. Evidently the powers that be at FDA failed to note this very important point when they reached their decision to ban saccharin.

Mr. Speaker, I also seem to remember reading about saccharin studies and tests conducted on monkeys. If my memory serves me correctly, these tests on monkeys with saccharin did not cause cancer. From a strictly biological standpoint, it is my understanding that the human body is more similar to that of a monkey than that of a Canadian rat. I also seem to remember that in England studies were made of humans over a long period of time who take saccharin and there was no evidence that the food additive caused cancer.

For the life of me, I cannot understand why the FDA has suddenly grabbed upon the Canadian rat test while ignoring other tests conducted on the possible ill effects of saccharin

Mr. Speaker, I understand that the appropriate congressional committees will be looking more closely into this situation in the near future. I urge prompt action in order that we might pass the necessary legislation to prevent the withdrawal of the use of saccharin for that significant number of our fellow Americans who depend on the use of this necessary food additive when taken in realistic amounts.

Mr. CRANE. Mr. Speaker, are we a mindless mass, incapable of making decisions without the help of the Government and the bureaucracy? What ever happened to individual freedom of choice, or are we now, as citizens, limited only to exercise that precious right at Gino's? We can choose between Heroburgers, with or without cheese. Why not between sugar or saccharin?

What about the 10 million Americans who are diabetics? Since the FDA has said "no" to saccharin, these people are left without a product which is absolutely necessary to their health. Since saccharin is the only artificial sweetener permitted and approved by the FDA for use in the United States, what can diabetics and overweight persons do? At this point, nothing. As representatives of the people, it is our responsibility to act now. I urge all my colleagues to join in and help roll back the FDA's proposed ban on saccharin.

Mr. DRINAN. Mr. Speaker, the prospective ban on saccharin announced by the Food and Drug Administration on March 9, 1977, has raised a storm of protest from thousands of saccharin users throughout the Nation. While the FDA had no alternative to acting as it did under existing law, the proposed ban raises a number of serious questions regarding the viability of the Delaney amendment, scientific testing, and the role of food and drug regulation in a free society.

THE DELANEY AMENDMENT

The Delaney amendment to the Food, Drug, and Cosmetic Act was enacted in 1958. The amendment states that-

No [food] additive shall be deemed to be safe if it is found to induce cancer when ingested by man or animal, or if it is found, after tests which are appropriate for the

evaluation of the safety of food additives, to induce cancer in man or animal.

This amendment was enacted to protect the American consumer from cancer-causing foods at a time when scientists were still in the early stages of learning about the detection and prevention of this dread disease. The intent of the legislation was laudable; Americans should be protected from cancer to a reasonable extent. But the amendment was drawn up so absolutely, so restrictively, that it effectively denies the FDA the discretion it must have to make delicate balanced judgments which serve the public good.

THE CASE OF SACCHARIN

While the American consumers were shocked by the news of the proposed saccharin ban announced on March 9, both the food industry and the scientific community knew what was coming long ago. Questions regarding the safety of saccharin have been raised for many years. In 1971, researchers at the University of Wisconsin reported that some rats fed 5 percent saccharin in their diets for 2 years developed bladder tumors. In 1972, the FDA removed saccharin from its list of "generally recognized as safe" food additives and took steps to reduce public consumption of the product. In 1974, with numerous studies underway, the National Academy of Sciences could reach no conclusion regarding the safety of saccharin and urged additional testing. In late 1975, a GAO report questioned the legality of keeping saccharin on the market in light of the FDA's decision to reclassify the additive in 1972.

Thus, while the public may not have known it, saccharin has actually been leading a charmed life on supermarket shelves for the past 5 years. The FDA permitted the additive to remain on the market on an interim basis pending the outcome of definitive tests. Those definitive results, according to FDA scientists, came in the recent Canadian test which showed "unequivocally that this substance can produce malignant bladder tumors in rats." It was with that evidence in hand that the FDA acted under the Delaney amendment to remove saccharin from the market.

THE CANADIAN STUDY

The press has made much of the fact that extremely large amounts of saccharin were fed to the test animals employed in the Canadian study. As a layman, I, too, was surprised to learn that these test animals ingested the equivalent of 800 diet soda drinks each day. That sounds ridiculous to me, Mr. Speaker, as I know it does to many of my constituents. But I am not a scientist, and I am not qualified to evaluate the validity of this or any other scientific test. I have been informed by experts at the FDA, who are so qualified, that the Canadian test was scientifically valid. These experts state that a substance causing cancer in a small group of animals at high doses is likely to cause cancer in a large group of animals at lower doses. This principle lies at the basis of virtually all food and drug safety testing. Although the testing procedure may sound strange to the nonscientist, this was, in fact, a

scientifically valid test whose results must be considered with the utmost seriousness.

WHAT SHOULD BE DONE?

There is no question that saccharin, as the only artificial sweetener on the market, is a popular product. Diabetics have no alternative sweetener available to them. Neither do millions of Americans who suffers from hypoglycemia or other conditions which require them to restrict their intake of sugar. These people will be seriously inconvenienced and deprived of sweet foods altogether should saccharin be removed from the marketplace.

Balanced against these considerations is the Government's legitimate interest in minimizing disease and suffering among the American people. In the Canadian test, the incidence of cancer among the offspring of the saccharin-fed rats was more than twice that among the first generation. Thus, your decision to use saccharin may affect future generations as well. These factors make this issue far more complex than it may appear at first glance.

I believe that the following steps should be taken to resolve this most dif-

ficult problem:

First. The Delaney amendment should be revised to permit the FDA to weigh comparative risks and benefits in deciding what action to take concerning a food additive suspected of causing cancer. Possible actions in each case may include: banning the substance altogether. permitting the continued sale of the substance upon a doctor's prescription, permitting the continued sale of the substance in certain forms while prohibiting its sale in other forms, permitting the continued sale of the substance in all forms with an appropriate warning label. and withholding regulatory action altogether pending the completion of more conclusive tests. It would be up to the FDA, in exercising its best scientific judgment, to determine the proper action in each case after thoroughly reviewing all relevant factors.

Second. Until the comprehensive analysis called for under recommendation No. above can be completed, Congress should authorize the continued sale of saccharin in solid, powdered, tablet, and liquid forms with an appropriate warning label or by a physician's prescription.

Third. The FDA should give immediate reconsideration to artificial sweetener applications currently pending or sub-

mitted in the near future.

Mr. Speaker, the above measures will not please everyone, but I believe they strike a reasonable balance between the rights of the individual and the responsibilities of their Government. Decisions involving basic questions of human health must be based upon scientific expertise, not political pressure. I urge the Interstate and Commerce Subcommittee on Health, which is preparing a report on this issue, to give serious consideration to these proposals.

Mr. GILMAN. Mr. Speaker, as we are all too well aware on March 9, 1977 a ban on saccharin was proposed by the Federal Food and Drug Administration following the results of Canadian studies in which the second generation of labora-

tory mice developed-in 17 out of 100 cases-malignant bladder tumors when fed massive doses of saccharin. Pursuant to the Delaney amendment to the Federal Food, Drug, and Cosmetic Act, which states that any substance which is proven to cause cancer in either humans or animals when ingested may not be sold to the public, the FDA is moving to ban the use of saccharin in this country.

Although less than 1 month has passed since this proposed ban was made public, my office has received more mail opposing this ban than it has received on any other single issue since the beginning of this session of Congress. The letters are not only from individuals concerned about their sugar intake or are from those who are watching their weight, but from constituents suffering from diabetes, heart disease, and hypertension and who depend upon this artificial sweetener to control their diets.

Saccharin, the only legal artificial sweetener in use in the United States, has been used by millions of Americans for over 80 years without any demonstrable ill-effects. Chemists in the dietfood industry around the Nation have pointed out that if a human were to ingest the same amount of saccharin which was fed to the mice used in the Canadian tests, "he would have to drink 1,250 cans of diet soda or eat 4,000 packets of saccharin a day for a lifetime." (U.S. News & World Report, Mar. 24, 1977). Accordingly, it is appropriate that we question the validity of a law which would ban any substance based on such

flimsy testing methods.

Furthermore, it is not equitable to penalize the 40 million Americans suffering from diabetes, obesity, hypertension and heart disease, who rely on saccharin as their only form of sweetener, not to mention the inequity of disrupting businesses which produce diatetic foods for these individuals and account for over \$2 billion a year in sales. It should be pointed out that although it has been proven that the nicotine and tar in cigarettes causes cancer, emphysema, and heart disease in humans-rather than disrupt the tobacco and cigarette industry and curb smokers' freedom to use cigarettes and other tobacco products if they so desire, the surgeon general allowed the products to remain on the market by printing a warning label of their possible dangers on the package. Do we have the right to restrict the freedom of choice of saccharin users when we grant that same right to smokers, for that matter, to drinkers, drivers, and any other citizen who has the right to decide for themselves whether the risk they take is worth taking? I would like to share with my colleagues some of my constituents thoughts who do not think so:

DEAR CONGRESSMAN: Diabetics, like myself. satisfy their craving for something sweet with foods and drinks sweetened with saccharin. A low calorie food or beverage sweetened with honey . . . will not help us, but, in fact will undermine our health further. Putting saccharin on a prescription basis available to diabetics will only succeed in calating the price of that drug and will put it beyond our reach. . .

DEAR MR. GILMAN: I believe the FDA should review its stand and perhaps allow sweetened products to be sold with a warning label similar to that on cigarettes: The surgeon general has determined that using this product will endanger your health."

Dear Mr. Gilman: I have used saccharin since 1940 and have been able to control high blood pressure and obesity; I directly attrib-

ute my good health to its use.

DEAR SIR: Please try to stop the ban on saccharin. No human could possibly consume the quantity which has been fed to rats. It is very insulting to class us with rats.

DEAR CONGRESSMAN GILMAN: My mother has suffered from severe diabetes for over, 25 years. Two of her children died from it. Without saccharin, I don't know how she will be able to control her diet . . . People who smoke do so with a warning on the label. As they do so, they disturb many non-smokers around them. Give us a warning label and we wont bother anyone.

This is only a small sample of mail protesting the ban on saccharin: I could read on at length. The same message is made clear over and over again: "don't take away our freedom of choice; don't remove from the market our only alternative to using sugar; don't make our own decisions for us through the irresponsible use of restrictive legislation."

For this reason, I have cosponsored Representative MARTIN's legislation calling for a modification of the Delaney clause and urge my colleagues to do so as well. Whatever the experiments with rats and other animals show, there is still inconclusive evidence that saccharin causes cancer-or any other disease-in humans. Well-intentioned as the FDA's proposed ban may be, surely we do not have the right to regulate away our right of free choice, nor to cause a great economic loss to the producers of a product which is not proven to be harmful to our health. The national clamor, since the announcement of this proposed ban, provides ample evidence that saccharin is needed and wanted by the American public. I suggest we heed their message as we seek a more substantive investigation of this product.

ARE PRESIDENT CARTER'S PRO-POSED ELECTORAL REFORMS REALLY REFORMS?

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. Michel) is recognized for 30 minutes.

Mr. MICHEL. Mr. Speaker, on March 22, 1977, President Jimmy Carter sent to the Congress a message containing his "recommendations for reforms in our Nation's electoral system." Those recommendations dealt primarily with voter registration, public financing of congressional election campaigns, direct popular election of President and Vice President, and repeal of the Hatch Act.

I have no doubt we will debate each of these issues fully and in detail when the proper time comes. For the present, however. I would like to share with you my general views on these reforms.

I will go into detail concerning my questions on each proposal, but for the moment let me briefly list what I am convinced are major flaws in the proposed reforms:

First. There is not enough scholarly

evidence to conclusively demonstrate that election-day registration will solve the problem of nonvoting. Indeed, some of the most prestigious studies suggest that the overwhelming majority of nonvoters fail to vote for reasons other than difficulty of registration. In this area, we clearly need more evidence than the President has supplied.

Second. The proposed reform does not take into account the possible effects of such proposals on the Federal system which is central to constitutional government in this country. I call for a full and detailed study of the impact of these proposals on the Federal system before we begin to debate the proposals as such.

Third. The reforms are offered in the name of the "right of every citizen to vote." But the right to vote, if it is to be meaningful, cannot simply mean ease of registration—it must also mean that the possibility of widespread voter fraud will not make this right a mockery. We need something more than the threat of punishment to guarantee that the right to vote for eligible voters is not made meaningless by corrupt and fraudulent practices. When it comes to protecting this right, threats are not nearly enough. We need safeguards. Where are they?

Fourth. The proposals are presented as cures for most of the electoral ills that beset our Nation. But is not the President, despite the clear lessons of recent history, promising more than can be de-livered? Are we not seeing once again that "Great Society" syndrome of promises of utopia which inevitably are followed by disillusionment as "reforms" turn out to be nightmares? Not all those who cry "reform" are doing the real work of reform. Let us find out precisely what 'reform' means in this context. Then let us see if the people and the States can handle such reforms in their own way before we thrust the Federal bureaucratic apparatus into areas it historically-and for good reason-has been kept away from.

Mr. Speaker, having listed these general points, allow me to examine each major proposal individually:

Let me begin with the proposed reform that has generated the most comment, both in the media and in Congress and that is the proposal for election day voter registration. Vice President WALTER MONDALE has called this the administration's "principal recommendation."

There are a number of arguments that have been used to justify such a step but basically they come down to one major point: In recent years there has been a trend toward lower levels of voting. Election day voter registration will remove barriers that have hitherto stopped citizens from voting and will thereby "open up the process" and bring in millions of Americans into the electoral process.

Such an argument, phrased in that way, seems at first to be irrefutable. Who indeed, wants to appear to be stopping millions of Americans from voting by opposing such a measure? The President has said the "right of every eligible citizen to vote" is at the very heart of this

I would like to suggest today that while the President has clearly identified the disease—low voter turnout—there is good reason to believe that he has proposed the wrong remedy. In this case, Carter's little liberal pill is not apparently the answer. To put it in the most charitable form, those who claim that low voter turnout is directly caused by current registration laws have not proved their point. Those who point to the higher turnouts in Wisconsin and Minnesota, where registration procedures are similar to that proposed by the President are in use, are assuming a cause-and-effect relationship that is not yet proved. Yes. these two States have election day registration. Yes, these two States had a higher voter turnout than the national average. But did the first directly and solely cause the second or were there other causes involved? And even if it can be conclusively demonstrated that election day registration was the sole cause of higher voter turnout in Wisconsin and Minnesota, how do we know the experience of these two States can be repeated in the other 48?

A detailed and scholarly look at the complex and unique aspects of each State's voter population, the political attitudes prevelant in these States, and the history of such phenomena as voter fraud in these States must be undertaken before we jump to the conclusion that one election's voter turnout in these States can be used as a justification of making such a system mandatory for all States. In fact, we need to investigate the entire field of nonvoting.

In order to provide the start of such an investigation let me quote from a publication of the Bureau of the Census, "Population Characteristics." In the issue devoted to voting and registration in the election of 1974, the Bureau's analysts found that, insofar as a failure to vote is concerned:

The largest share of non-registrants (about 51%) gave reasons that reflected apathy or cynicism regarding politics.

On the other hand only 8 percent said "barriers to registration" were the reason for not registering.

The same publication states:

Nonvoting has been a significant feature of recent American political history. Nonvoters comprised about 55% of the population of voting age in 1974 and 37% in the Presidential election of 1972. Cumbersome registration procedures have often been cited as discouraging many potential voters from participating in elections. In recent years, registration hours have been lengthened, more registration places have been provided, registration by mall is permitted in a few areas, and laws have been enacted prohibiting outright discrimination against minorities. Despite these measures, the level of registration in 1974 was below that in 1970, the last (non-Presidential election year) Congressional election.

In a paper delivered before the 1976 meeting of the American Political Science Association, Steven J. Rosenstone and Raymond E. Wolfinger of the University of California, Berkeley, read a paper in which they concluded that easier registration procedures—although not necessarily the one proposed by the President—would increase voter participation. But at the same time they stated:

Finally, we should note that the registration laws are not the only environmental variables affecting turnout. The modern peak of voter turnout was reached in 1960, when one- and two-year residency requirements, poll taxes and literacy tests were common; and when millions of southern blacks were disenfranchised through maladministration of the laws. Since then all these barriers have been removed, the nation's education level has risen substantially, and turnout has fallen. The 18 year-old vote does not explain the drop in turnout. Other aspects of the political environment clearly are at work. This caution, however, should not distract us from the finding of this paper that registration laws have a substantial effect on the percentage of the population that goes to the polls on election day.

Yes, this scholarly paper suggests that easier voter registration would lead to a high voter turnout. But it also strongly urges us not to lose sight of the other "environmental variables" at work. While I respect the work of these distinguished scholars, I want merely to add that their paper, while admirable, is not the final answer to the question before

So far as the scholarly findings are concerned, we can say this: Even if we accept the most optimistic findings of the effect of easier registration on voter turnout, we must ask ourselves if the additional numbers of voters we will gain is worth the very dangerous and unprecedented Federal intrusion into the electoral process and, possibly, the beginning of the end of the Federal system. In short, are the benefits, even measured by what its proponents claim, worth the cost?

One major study done on voter turnout showed that it is "attitudinal" rather than "structural" problems that cause most eligible voters not to vote. This is a social-science-jargon way of saying that most people fail to vote, because of the way they feel, not because of the way the voter registration is set up. And what many of them feel most strongly about is not such matters as voting registration procedure, but the perceived failure of both major parties and the Government to meet the needs of the people. I say "perceived" not to suggest that the failure is not real-it most certainly is, especially at the national level-but to emphasize that it is how people feel and what they believe to be true that is the major factor influencing the decision not to vote. If the President wanted to get real electoral reform and get millions of Americans voting he might better use his time talking with the leadership of Democratic-controlled Congress about its failures and with the high-level bureaucrats who make life miserable for these Americans. Let Washington clean up its own act first before it begins to lecture the States on how they should register voters.

You may take note, Mr. Speaker, that I mentioned the States. It is perhaps considered quaint and archaic to remind this body that there is such a thing as a Federal system, that it is not peripheral but central to our American system and that, given half a chance, it actually works. The Democratic-controlled Congress has of course looked upon federalism as a nice-sounding idea, but something that has to be put aside when enough pressure groups feel that the

Federal Government can provide goodies. Before we begin to consider adopting the proposed reform, I hope and pray there will be a full and informed debate on the possible ramifications of a Federal take-over of the electoral process. And let us not kid ourselves, Mr. Speaker, that is what we are talking about. As the Washington Post said about this proposed reform—

All in all, it's one of those nice-sounding but awful ideas. Anybody can guess what would come next: Affirmative action programs for precinct workers, "outreach" demonstration projects, charges that federal funds are being used as walking-around money, and more rules and restrictions and "reforms". And each such step erodes the traditional role of the states and stifles free, competitive political activity.

As the Post points out, when the Federal Government puts its foot in the door, nonsensical and dangerous ideas cannot be far behind. Why can we not leave it to the people of the States to make their own decision on registration reform?

Our distinguished minority leaders, in both the House and Senate, my very dear friends, John Rhodes and Howard friends, John Rhodes and Howard registration, generally speaking, is needed. I respect their position. They are both men of utmost integrity and political sagacity. All I am doing here is raising questions that I feel should be answered before any binding commitment is made.

The President's proposal to abolish the electoral college presents a different problem. This question has been debated back and forth for many years. I must confess that I am at a loss to determine precisely where the truth lies in this area. I have examined the question and I am not at all certain, as I was in the past, that such reform is needed. In fact the more I examine the issue the more I am convinced that this is one of those cases in which many things people take for granted turn out, upon investigation, to be simply not true. Let me illustrate that point. The major argument for abolishment of the electoral college is the danger of a system in which it is possible for a candidate to win the Presidency with fewer votes than his opponent. The Washington Star editorially addressed this issue and said:

As for the abolition of the electoral college, the sales-pitch offered in the President's statement to Congress repeats the shopworn slogans that pass for critical analysis in Senator Bayh's constitutional amendments subcommittee. Mr. Carter implies that the electoral college was directly to blame for the election of minority presidents in three elections: 1824, 1876, and 1888. He further implies that direct popular elections would avert that risk. Neither supposition is warranted.

Eighteen eighty-eight is the only apposite presidential election: Benjamin Harrison indeed defeated Grover Cleveland in the electoral college, while losing the popular vote. But in 1824, Andrew Jackson lost the presidency to John Quincy Adams because Adams and Henry Clay Joined forces in the House of Representatives. Senator Bayh's direct-election amendment, because it would require a runoff vote if the leading candidate fell short of 40 percent of the vote, would not prevent a first-round winner like Jackson from losing the second round if the runners-

up combined against him. What, then is the point of citing the 1824 election—or for that matter the 1876 election, which was complicated by disputed outcomes in three Southern states?

The proposed abolishment of the Electoral College is called by the President an issue of "overriding governmental significance." But as the Star pointed out, the examples he used to illustrate this supposed significance are both less than convincing. The case simply has not been made, in my view, that abolishment of the electoral college will improve the democratic process. What it would do, I fear, is to contribute to the growing homogenization of the American people. the move toward dealing with Americans as if they were interchangeable parts and with States as if they are vestigal parts of the body politic, a sort of appendix which may be cut off without much thought taken.

As I said, Mr. Speaker, this is one issue that is truly difficult to resolve. But I must say that while I have in the past leaned toward abolishment and the setting up of a different system, I am not at all certain this is the best way. I look forward to the debate that I know will bring forth learned and compelling arguments on both sides.

As for the other reform proposals of the President, let me deal with them briefly: The President want to revise the Hatch Act. He wants to do so, he states, in the name of "full opportunity to participate in the electoral process." Unfortunately, revision of the Hatch Act will simply turn over millions of Federal employees to the tender mercies and not-so-subtle pressures of political and labor union bosses. It puzzles me as to why anyone knowing the political facts of life would make such a suggestion, unless, of course, he thought political and labor bosses deserve "full opportunity" to extend their power.

When the Hatch Act was originally passed it sought to protect Federal employees from political pressure coming from their bureaucratic or appointed political bosses. But the pressure today comes equally from a different set of bosses, the union bosses. Revision of the Hatch Act would leave Federal employees helpless before the new, as well as the old, bosses. This is such a bad idea I seriously cannot understand why it was proposed in a message dealing with "reform."

Insofar as public financing of congressional elections is concerned. I view it as the Incumbent's Protection Act of 1977 and I do not like it. I am an incumbent, but I do not want to go into an election knowing that my opponent and I are equally "limited" to the same expenditure of funds, but that with all the special exposure that incumbency gives, I am "more equal than others." I want to win, but I want to win fair and square. I might add that while I may be in the Congress myself, one of my dreams is to see my party become once more the majority party and that is not going to happen if we have an Incumbent's Protection Act helping the current majority.

In passing, Mr. Speaker, let me note that I find it a rather striking coincidence that every proposed reform, given the current facts of political life, would in all probability work for the current majority and against the current minority. I am not, of course, suggesting that this is the only reason such reforms were presented, but one wonders; one just wonders

And that is what I ask this House to do about the proposed reform: Wonder about them. Think about them. I have deliberately played devil's advocate today and I want to hear the opposing arguments. I want a full and free debate—no closed rules, please, in the name of openess and no limit to free debate in the name of opening up the public dialog. Let us ask questions. Let us examine not only the proposed reforms on their merits, but also our own role in causing the current apathy and often bitterness that every major survey shows has kept Americans from the polls.

Seek not to find for whom reform is needed—it is needed in the Congress.

In my general remarks today, Mr. Speaker, I have not dwelled on the very real possibilities of fraud under such a procedure as election day registration. It is not that I am convinced such fraud will not happen—far from it—but that it is an issue of such major importance that I reserve the right to discuss it later as a single topic.

One of the major causes of voter alienation and apathy-which in turn is one of the major causes of nonvotingoverpromising and underdelivery of the Federal Government. All too often the Government presents programs in glowing rhetoric and promises to eliminate the ills that beset us. When the rhetoric wears off, and billions of dollars are spent, the ills remain and are often increased. The American people are sick of this kind of thing. That is why I urge caution as we look at these reforms. They promise much. But can they deliver? We simply do not know. And if we make them laws and then do not deliver, what you will see will be the biggest voter turnoff in American history.

Let us look at each of the President's proposals with care. Perhaps there is some merit to them. But let us take a good hard look.

JUDICIAL REVIEW FOR THE VETERANS' ADMINISTRATION

The SPEAKER. Under a previous order of the House, the gentleman from Maryland (Mr. Steers) is recognized for 5 minutes.

Mr. STEERS. Mr. Speaker, today I have joined as a cosponsor of legislation that would provide for judicial review of veterans' appeals cases. Our colleagues, Mr. BINGHAM and Mr. WIRTH, have each introduced legislation that would provide veterans with a right the rest of us have taken for granted, due process of law. I am cosponsoring both proposals.

The right of appeal is basic to our system of justice. It is a cornerstone that has been omitted from the process of VA appeals. In effect, this has denied veterans, dependents, and survivors the fullest opportunity to receive all of the benefits available as small payment for their service to this country.

The time has come for the Veterans'

Administration to move back into the framework of the Constitution. The VA is the third largest agency in the Government. The current law has given the VA the ability to develop rules and regulations outside of the intent of congressional actions.

I urge the Congress to provide to all veterans the checks and balances that are present in the rest of the Government. If we amend title 38 of the United States Code, we provide veterans with the full protection under the fifth amendment. I can think of no finer group of individuals or a group more deserving of the benefits the Constitution provides than the people who fought for their country.

ALASKA D-2 LANDS

The SPEAKER. Under a previous order of the House, the gentleman from Alaska (Mr. Young) is recognized for 30 minutes.

Mr. YOUNG of Alaska. Mr. Speaker, during the past months the Alaska congressional delegation and the Governor have conducted a series of meetings to discern the opinions of Alaska's citizens regarding the D-2 lands issue. These sessions have proved most informative and permit me to make two basic observations regarding D-2 lands: First, there is near unanimity among Alaskans that lands within the State be managed to preserve compatible, diversified uses; second, the statements delivered by Alaskans at these meetings convey this message in clear, unmistakable language.

Accordingly, I commend the following statements to my colleagues which represent approximately half of the submissions presented to the delegation; the remaining statements were inserted into the Congressional Record on March 17, 1977, by the senior Senator from Alaska, Mr. Stevens.

The statements appear in the following order:

First. Statement of the Alaska Resource Development Council on Agricultural Interests.

Second. Statement of the Alaska Section of the Society of American Foresters.

Third. Statement on behalf of the United Fisherman of Alaska, the Izaak Walton League, the Territorial Sportsman, and Trout Unlimited.

Fourth. Two statements from the Alaska Oil & Gas Association.

Fifth. Statement of the Alaska Coalition.

Sixth. Two statements by the National Defense Transportation Association: The material follows:

AGRICULTURAL INTERESTS—D-2 SELECTION CONCERNS

Preface.—The D-2 land selection process confronts Alaskans, and the U.S. as a nation, with decision alternatives that have profound implications for future as well as current generations. This potential transition of land management and control occurs in a setting of diminishing world capability to satisfy food needs. Decisions on land ownership and use are also being addressed before the U.S. as a nation has clearly identified and established criteria by which it would preserve prime agricultural land for future use.

Changing world energy reserves and shifting climatic conditions appear to have significant implications for future food production capabilities irrespective of man's influence. In continuing to address the question of D-2 land selection a maximum degree of flexibility therefore appears to be a high priority objective. Implicit in the concept of flexibility, is a need to not only identify Alaskan agricultural lands, but to make them reasonably accessible when needed.

them reasonably accessible when needed.

1. National policy regarding food may be subject to change in the direction of more complete utilization of food production resources to meet increasing world food needs.

2. An option should be incorporated into D-2 classified lands to allow "prime agricultural lands," identified at a later time within D-2 boundaries, to be considered for conversion to food and/or fiber production in the "national interest" as well as to meet future State needs.

3. Present D-2 proposals include lands with demonstrable food production capabilities of both intensive and extensive styles, i.e., from greenhouse through grazing livestock production; both types of food production resources within D-2 lands should be recognized.

4. D-2 lands proposed for selection potentially pose barriers to access to some private lands; consequently, provisions should be made for transportation across as well as to D-2 lands for legitimate needs. Transportation decisions require consideration of modes, costs and compatibility with D-2 land use goals.

5. Monitoring and identification of present air and water particulate conditions may be necessary to provide a rational base line from which future standards may be devel-

oped.

 Aquaculture and fisheries should be considered as viable options with respect to D-2 land values.

7. Complimentary features, compatibility and competitiveness of agricultural uses should be evaluated with respect to other natural resources, i.e., waterfowl, predators, big and small game, and aesthetics. Associated costs and values need definition.

8. Joint management philosophies and procedures appear to be beneficial for agricultural resource utilization on D-2 lands if they are consistent in providing for agricultural development where physically compatible with a particular region. Present federal agency policy and regulations primarily limit "multiple use" to grazing activities in the agricultural field.

9. Dedication of large blocks of land to new federal management systems carries a responsibility to continually assess the resources within those lands. Such assessments may indicate uses not currently perceived and which potentially involve the private as well as the public sector. Therefore, continuing and increasing federal support of such assessments appears essential, either directly through federal agency resources or indirectly through support of state level institutions.

STATEMENT OF THE ALASKA SECTION, SOCIETY OF AMERICAN FORESTERS

The Society of American Foresters is the only professional Society for foresters in the United States. It represents 20,000 members nationally and includes a professional membership of over 200 foresters in the Alaska Section.

Forestry is the science, practice and art of managing and using for human benefit, forest lands and natural resources that occur on and in association with forest lands, including trees, other plants, wildlife, soil, water and related air and climate.

Multiple use is a strategy of deliberate land management for two or more purposes, which utilizes without impairment, the capabilities of the land to meet different demands simultaneously. Renewable and nonrenewable resource, including wilderness, under multiple use, are identified and managed in a compatible manner to provide maximum economic and wildland benefits.

Classification of forested lands should be made only after careful study has determined that the social, economic and managerial benefits therefrom will promote more efficient use of natural resources and in-

creased public benefits.

There is need for classification of forested lands in Interior Alaska for management under the principals of multiple use. The total forest biome in the Interior provides excellent opportunities for management for wildlife, recreation, water range, minerals and agriculture. The forest resource is present in large enough areas that will allow for environmental protection and commodity uses. The forest resources can be identified as manageable units.

The Interior forests stand today like our western forests stood in the early 1800's, essentially inaccessible with limited market outlets. Today our western forests are of economic importance. So Alaska's Interior forests one day be looked upon to provide lands for recreation, wildlife, water and other wildland amenities and commodity uses, provided they are recognized for multiple-use characteristics.

The Alaska Native Land Claims Settlement Act of 1971 provides for the classification of 80 million acres into National Forests, National Parks, Wild and Scenic Rivers and Wildlife Refuges under Section (d)(2) of

this Act.

Interior Alaska contains lands of outstanding scenic beauty, critically needed wildlife and waterfowl habitat and other wildland amenities necessary for our citizens recreational and spiritual need.

Over 16 percent of the United States forested lands are found in Alaska with over 106 million acres located in Alaska's Interior.

The Interior forested lands of Alaska support 22.5 million acres of productive forest lands supporting over 14 billion cubic feet of merchantable timber.

The total value of the Interior's forested lands has the potential of national economic significance in providing both amenity and commodity needs for our nation.

Alaska's future growth and progress is dependent upon the wise use of the State's

national resources.

The Alaska Section of the Society of American Foresters supports multiple-use management of public lands, consistent with sound environmental protection as being in the best interest for contributing the most benefits to the economy and to the citizens of the United States.

The Congress of the United States has seen fit to recognize the need to manage all public lands including National Resource Lands for Multiple-Use indicated by the passage of P.L. 94-579, The Federal Land Policy and Management Act of 1976 and S. 3091, The National Forest Management

Act of 1976.

With these facts in mind, the Alaska Section of the Society of American Foresters recommends that legislation be enacted to provide, insofar as practicable, an equitable balance of National Parks, National Forests, National Resource Lands, Wildlife Refuges and Wild and Scenic Rivers be established under the provisions of ANCSA (d) (2) with appropriate consideration to be given to classifying forest resource lands into a multiple-use category.

ALASKA LOGGERS ASSOCIATION, INC., Ketchikan, Alaska, February 9, 1977.

Thank you for this opportunity to present our industry's views regarding the d-2 lands. These comments summarize our beliefs and

we will be prepared to support these statements with research and additional information when we meet with you on February 14 in Anchorage.

Two facts are essential to a land-use plan-ning and must remain the basis for intelligent decisions. One is the inevitable population increase of the United States and of the world, and the second is that Alaska contains vast resources valued by the people. We must recognize that the inequity between those demands and Alaska's supply will increase with time. As Max Brewer noted 442,-856,000 acres of land in Alaska have been provisionally committed in some manner or another.

It is with these facts in mind that intelligent, long-range, comprehensive land-use classification and planning must be determined. If our plans do not accurately access the eventual usage, problems and adverse en-

vironmental impacts will result.

Regardless if recent increases in demand for wilderness and recreational use of the land continues, it is questionable that we can afford low-use management of large areas of land. As resources dwindle and population increases, material values and developed high-usage recreational needs will logically and inevitably go to the fore-front. If any solution is best, it is one that optimizes the utilization of the land. If we truly understand conservation, we recognize it means the wise use of the land and its resources.

A particularly wise use of the land is the development of its renewable resources. Timber, of course, is one. Alaska contains 5.388% the commercial forest land in the United States and 6.742% of the commercial growing stock. Yet in 1970 we contributed only 1.119% of the United States round-wood

production.

In 1972 the timber industry's direct employment exceeded 2,800 people and related employment was over 4,000. The earnings in that year topped all basic resource industries in the state with \$41,000,000. Another industry contribution to the State is 25% of the federal stumpage fees, which exceeded \$4,000,000 in 1976. Despite the significance of these contributions, the potential of the industry dwarfs these figures.

In southwest Alaska, where the industry is currently centered, the potential total related employment is 8,800. Although this is more than double the current development, is based on a conservative sustained-yield calculation and includes setting aside 12% of the Tongass National Forest for wilderness

The interior contains 225 million acres of commercial forest, an area larger and with greater per acre stocking of wood than Minnesota where a 30,000 job industry exists.

Representative Udall's National Interest Lands bill includes 4,400,000 acres of the Tongass National Forest, 1,429,017 acres of commercial forest, and would eliminate 3,630 timber industry related jobs. In the interior, Udall's proposal would eliminate a substantial portion of the commercial forest land and untold thousands of jobs; not to mention depriving the people of millions of cubic feet of much needed wood annually and forever.

Hasty, politically motivated land-use classifications without the benefit of comprehensive, long range planning based on researched resource values will not only impact the land actually withdrawn but large amounts of adjacent lands as well. Expensive access, inflexible air and water quality standards and lost efficiencies of scale will all hinder responsible development of the remain-

A major reason for these demands to lock up the land is environmental concern. The Report of the President's Advisory Panel on Timber and the Environment states:

"Many citizens conscious of the demands modern society places on our environment, criticize operations and management objec tives on national forests. They have found much that upsets the erosion from logging roads, streams clogged with logging debris, spawning beds silted over, huge quantities of slash and defective material left on logging sites, and large areas clearcut thus oftheir esthetic sensibilities. Some fending question if long-term forest management can e practiced without soil depletion.

"The Panel has made a thorough inquiry into these and related matters. A careful review of scientific findings together with onsite inspection revealed that most of such damage caused by logging can be avoided or minimized. Many of the fears that have been expressed are unfounded, misleading, or exaggerated, often due to extrapolation from an isolated case to forest lands in general.

'Properly executed logging operations do not destroy wildlife habitat, though they

may temporarily alter it."

Forest Service and State regulations on logging operations carefully safeguard the environment. Bald eagle nest trees, salmon streams, wildlife corridors, scenic areas, estuaries and many other areas receive special protection. As research is accumulated, additional regulations are added, thus improving the compatability of logging with other resource values.

A significant positive benefit of the timber resource is that during cultivation of the crop, the same land is productive of many other resources: improved wild life habitat, stabilized streamside vegetation and watershed cover; and improved access via logging roads to recreational and hunting areas.

Another concern is that Alaska is depleting its valuable timber resource only to the benefit of foreign peoples and big business. To begin with, timber is renewable, and rather than depleting our wood stock, we are currently removing low value, old-growth timber which will contain twice as much commercial volume per acre. Additionally, the cost of logging Alaska wood is so much higher than Canadian and south 48 timber consumers cannot afford it. However, by exporting our products to Japan, we ease demand on and lower the price of Canadian wood, which provides over 20% of the U.S. consumption. All Americans benefit from export of Alaska timber.

With these thoughts in mind the Alaska Loggers Association makes the following

recommendations:

Only a minimal amount of land and only that which is particularly rare, be selected for inclusion in the single-use land classifications through the d-2 procedures.

All land selected for such classification must first be studied to determine the values of all resources, prior to final classification.
The value of the single-use should exceed

the combined values of excluded uses in order to restrict the land-use possibilities.

In that the valuation of scenic beauty and undeveloped recreation is tremendously subjective in the current political/economic situation ALA recommends that determination of such single-use classifications be carried out through the U.S. Forest Service land-use planning procedure.

We must realize that the best interests our state and nation will be served if we make long range plans for the development of the land and its resources; particularly renewable resources. We cannot over-emphasize the danger of poorly or un-planned de-velopment in the future if we withdraw excessive amounts of land now.

Sincerely.

DONALD A. BELL, General Manager, Alaska Loggers Association.

A SPECIAL REPORT OUTLINING THE CONCERNS OF RECREATIONAL FISHERMEN AS THEY MAY BE AFFECTED BY LAND CLASSIFICATIONS

(Presented by Rupert Andrews representing United Fisherman of Alaska, Izzak Walton League, Territorial Sportsmen, and Trout Unlimited)

The report that follows will emphasize those special concerns of the recreational fishing community; not only resident Alas-kans but non-resident visitors as well. Recreational anglers comprise the single

largest wildlife resource users in Alaska. The 1976 calendar license sales were in excess of 167,000. Add to this figure an estimated 60,000 juveniles under 16 years of age and persons over 60 years of age meeting residency requirements for free angling privileges for a total of some 227,000 persons participating or eligible to participate in sport fishing. Population characteristics indicate that 40 percent of the total estimated Alaskan population will participate in sport fishing in 1977.

Surveys have shown that sport fishing provides many social and economic benefits while substantially contributing to the quality of Alaskan living. It is estimated that during 1976, sport fishing activities in Alaska generated in excess of \$60.0 million to the

total Alaskan economy.

Alaska enjoys the unique situation of being able to provide an extraordinary share of the nation's recreational fishing needs. Perhaps, even more significantly, a large percentage of the state's anadromous and resident species fisheries are on native wild stocks in untouched wilderness environments. The large size of Alaska, coupled with an abundance of fresh water (about 16 percent of the total fresh water contained the continental United States) enables Alaska to assume a deserved reputation as an angler's paradise. The Secretary of the Interior and the U.S. Congress have the opportunity under the d-2 section of ANCSA to classify up to 80.0 million acres of land in Alaska in a manner that will shape the use of these lands for recreational fishermen for generations. It is, therefore, important that this classification adequately provide for angler needs for optimum use of the fishery resources.

A foremost concern of anglers is the problem of access to the fishery resources—access in fact, as well as law. All of the proposed classification systems will provide legal access for anglers. The problem is logistical access. In order to best serve angler and people needs, historical and traditional means of access must be considered for each and every classification proposal. This would include amphibious or wheeled aircraft and/or motorized watercraft in many instances. Of course, modes of transportation must conform to the rules and intent of each classification act.

Research, fishery enhancement, and development and rehabilitation projects, particularly as regards anadromous species of fish, should be allowed and encouraged where necessary and where opportunities exist. It is recognized that provisions are included in both the Wilderness Act and the National Wild and Scenic Rivers Act for specifically delineating the responsibilities of the states with respect to fish and wildlife.

However, the State of Alaska is embarking on the most ambitious anadromous fishery rehabilitation and enhancement program ever undertaken by a single state. Creation of new or expanded National Park and Wild and Scenic Rivers will pose special problems and considerations in order to accomplish fishery enhancement projects including construction of hatchery facilities. Early on, it is recommended that this be included in the language of each of the separate classifications.

Classification of lands under National Park management are of concern to users of fishery resources, in that the National Park Service has no historical tradition of fishery expertise. Park officials have not developed management experience in fisheries and have in fact, demonstrated a lack of flexibility in meeting changing public needs. Proper fishery management requires knowledge of annual fluctuations in fish populations for optimum harvest rates; it also requires an appreciation of community ecology in order to maintain reasonable levels at each step in the food chain.

Proper fishery management also includes that under-utilized species be harvested by more liberal bag limits than fully-utilized species. A case in point are sport fishing regulations for national park areas in Alaska that prohibit the use of bait to take fish. This regulation, while having merit during ice-free months, effectively eliminates historical ice fisheries especially for burbot in an area such as Katmai. Burbot are underutilized in this area and can only be taken by use of bait fishing methods. In summary, it is recommended that, due to the flexibility and management expertise of the state management agency for fish and game, that fishery harvest rates and methods and means of harvest be established on a cooperative basis.

ALASKA OIL AND GAS ASSOCIATION, Anchorage, Alaska, February 10, 1977. Hon. TED STEVENS, U.S. Senate, Anchorage, Alaska. Hon. MIKE GRAVEL, U.S. Senate, Anchorage, Alaska. Hon. DON YOUNG. U.S. House of Representatives, Anchorage, Alaska. Hon. JAY HAMMOND, Governor,

Anchorage, Alaska. GENTLEMEN: The Alaska Oil and Gas Association welcomes the opportunity to present to you its views concerning the D-2 lands question. Our comments suggest basic ideas which will be amplified during our planned discussions with you on February 15, 1977.

Members of our Association strongly be-lieve that the concept of "multiple use" of public lands is the only logical guideline to the final disposition of the D-2 issue.

Multiple use promotes the compatability of oil and gas exploration and development not only with other resource industries such as forestry, agriculture, hunting and fishing, but also with the concepts of wildlife ranges, recreation areas and preservation of regions of scenic beauty or historic importance.

We do not believe this issue to be one

which must be resolved in a fashion that is either black or white, i.e., one which is totally to the benefit of one group at the expense of being totally detrimental to the cause of another. We believe that a middle ground exists which will accomplish the major goals of each of the various interest groups and thus be beneficial to the nation as a whole.

Specifically, resource development on D-2 lands should not proceed in total disregard for the environment, nor should environmental concern totally preclude the benefits to be derived from resource development. These activities can be carried out compatibly and are not mutually exclusive.

The concept of multiple use of lands is critical to our nation's need for raw materials and essential for our economic existence and national survival. The domestic energy supply situation in this country is increasingly serious, and, this winter, it has become very apparent to many persons whose homes, transportation and livelihood are being affected by the lack of oil and gas. This situation serves to emphasize the adverse economic effects on everyone resulting from the import of almost 50% of our country's petroleum needs. No single system should be permitted to take precedence and thus exclude the remaining values so critically important and necessary to our future existence.

The ultimate decisions that Congress must make on the disposition of the D-2 lands will have a lasting impact on not only the 83 million acres now classified as "D-2" lands. but also all of the adjoining 103 million acres of D-1 lands; state lands and the newly acquired 40 million acres of native lands. Once classified, only an act of Congress can change the classification. Therefore, any lands on which exploration is forbidden are likely to remain so for many years to come. A National crisis could bring the required Congressional action. However, we must realize that there will be many years of delay from the time lands ultimately become available for exploration and the time when any newly discovered hydrocarbons can make their way to the consumer to alleviate the crisis. For the benefit of the long-range needs of the nation, it seems more sensible to allow exploration and development to take place under a multiple use concept while adhering to good conservation practices.

We feel our position is fair and reasonable. rather than extreme. We recognize that any D-2 land concept must be compatible with the needs and wishes of the American people. The nation's need for energy is obvious; the wish of reasonable people to preserve the beauty of Alaska equally so. We are confident that both these requirements can be met by responsible industries in Alaska if the multiple use concept is applied to D-2

We have attached for your consideration a list of specific comments on issues already before you, including a definition of the multiple use concept.

We appreciate this opportunity to present our views concerning the final disposition of D-2 lands. Our Association is prepared to offer any assistance necessary to aid you in reaching a position on this most important

ALASKA OIL AND GAS ASSOCIATION: COMMENTS ON ISSUES CONCERNING D-2 LANDS DIS-POSITION

DEFINITION OF MULTIPLE USE CONCEPT

The Alaska Oil and Gas Association suggests and promotes the concept of "multiple use" as a means of achieving compatibility between varied interests concerning the D-2 lands question.

In order that no ambiguity surrounds this term, we accept the definition of the Department of the Interior as set forth in 43 CFR.

viz . . "(0) 'Multiple use' means the management of the various surface and subsurface resources so that they are utilized in the combination that will best meet the present and future needs of the American people; the most judicious use of the land for some or all these resources or related services over areas large enough to provide sufficient latitude for periodic adjustments in use to conform to changing needs and conditions; the use of some land for less than all of the resources; and harmonious and coordinated management of the various resources, each with the other, without impairment of the productivity of the land, with consideration being given to the relative value of the various resources and not necessarily the combination of uses that will give the greatest dollar return or the greatest unit output."

ISSUE 1. WILDLIFE MANAGEMENT/HUNTING/ SUBSISTENCE

Oil and gas exploration and development is compatible with wildlife management, hunting and fishing (both sport and subsistence) and often enhances these activities by supplying the necessary access, and invariably aids wildlife management. There is little doubt that the area in the vicinity of Prudhoe Bay is one of the most intensely

studied biological habitats in the whole of the State. The operations there, along the Alyeska pipeline and at the oil fields on the Kenai Peninsula all preclude hunting and fishing by industry operating personnel. Such considerations, plus numerous other protective measures, allow fish and game to thrive.

The compatibility of oil and gas exploration and development with wildlife management, sport and subsistence hunting has been demonstrated in Alaska.

ISSUE 2. ACCESS/TRANSPORTATION

Prospective oil and gas basins in Alaska conservatively occupy only a minor percentage of D-2 acreage. The attached map outlines the major sedimentary areas in the State and illustrates the relative geographical isolation of many of them and their present inaccessibility. If these lands are to be adequately explored and the benefits of my hydrocarbon deposits made available to the American people, reasonable access is absolutely essential. Furthermore, the cheapest and safest method of moving oil or gas is by using a pipeline, and future production will require pipeline routes. Without means of access through D-2 areas, oil and gas development is impossible. This can only be to the detriment of the American way of life and standard of living.

With the principle of multiple use of D-2 lands, reasonable access makes available both the beneficial utilization of resources, and the enjoyment of the esthetic intangibles which these lands offer.

ISSUE 3. MINERAL EXPLORATION AND DEVELOPMENT

The oil and gas industry is supportive of exploration and development on D-2 lands. As has already been mentioned, a portion of the selected D-2 lands has a reasonable potential for accumulations of oil and gas. The domestic energy supply situation in this country is increasingly serious, and this winter, it has become very apparent to many persons whose homes, transportation and livelihood are being affected by the lack of oil and gas. The present situation serves to emphasize the adverse economic effects on everyone resulting from the import of almost 50% of our country's petroleum needs.

The discovery of the hydrocarbons neces-

The discovery of the hydrocarbons necessary to decrease the country's reliance on foreign supplies is largely dependent on the availability of new areas for exploration. At the present time millions of acres covering sedimentary basins in Alaska are closed to exploration by the petroleum industry. America needs more oil and gas. It can only be obtained by allowing immediate access to favorable regions for oil and gas so that their potential may be evaluated as soon as possible.

Our society is energy dependent. However, this dependence is compatible with preserving the scenic beauties and delights of Alaska. Almost 1,000 wells have been drilled in Alaska and 19 oil and gas fields have been discovered. These fields cover a total area of less than 450,000 acres out of Alaska's 375,-303,000 acres (703 square miles out of 586,412 square miles). Of that area, only a small portion is utilized for surface facilities, and the effects of industry presence on that land is negligible. In fact, it is beneficial due to the extra environmental protection and care afforded it. For example, the total surface components of the Prudhoe Bay Field occupy much less than 1% of the area of the hidden subsurface oil and gas deposits. The remaining surface area of the field will continue to serve as wildlife habitat. Similarly, the Alyeska pipeline, with all its related facilities will cover a mere 14 square miles of Alaska's 586,412 square mile area. The pipeline will be capable of delivering 2 million barrels of oil a day to the economic benefit of the state and the nation.

The proven techniques of operation of the oil and gas industry are now compatible with the preservation of scenic and wildlife values. D-2 lands must allow mineral exploration and production as part of a multiple use concept.

ISSUE 4. WILDERNESS REVIEW

AOGA wishes to express total opposition to the wilderness proposals contained in Congressman Udall's D-2 land proposals set out in HR 39. The designation of any wilderness area should only be made after it has been reasonably determined that oil or gas resources are not present.

ISSUE 5, AGRICULTURE

Agriculture is clearly compatible with the multiple use concept favored by AOGA.

ISSUE 6. COOPERATIVE MANAGEMENT

The effective operations of an oil and gas lease are inevitably an intense exercise in cooperative management. This is imposed on the oil companies by practical necessity and stipulation. It is covered very adequately by existing Federal and State laws and further promotion of Cooperative Management in a D-2 bill will only add to bureaucratic involvement without easing the administrative burdens of oil and gas operations. We recognize that this issue is not aimed at the oil industry, but we suspect it would not have a beneficial effect on any multiple use operation.

In more general terms, the American public has recently indicated a desire to reduce bureaucracy in the United States—Cooperative management would problably not achieve that.

ISSUE 7. FIFTH MANAGEMENT SYSTEM

AOGA does not wish to make a specific recommendation for the designation of the D-2 lands beyond stressing that the management system must allow the land to be open to oil and gas exploration and development. Also, the land should be managed by a multiple use agency such as the Bureau of Land Management or the Forest Service. It is our contention that a specialized agency such as the Fish and Wildlife Service or the National Park Service is not competent to manage multi-use land. We strongly oppose the provision in Mr. Udall's bill (H.R. 39) for the management of NPR 4 to be undertaken by the Fish and Wildlife Service.

No matter which multiple use system eventually administers D-2 lands, it should not be necessary to create a new bureaucratic organization to oversee it. Such tasks are well within the capability of existing Federal and State Departments.

ISSUE 8. FEDERAL CLASSIFICATION ENTITY

AOGA has no comment on this issue.

ISSUE 9. FORESTRY

Forestry management should be encouraged as part of a multiple use system for D-2 lands.

THE ALASKA COALITION AND THE ISSUES OF THE D-2 LANDS

H.R. 39.—the Udall bill—expreses the judgment of the Alaska Coalition concerning the type of classification and management that conservationists propose for the National Interest lands.

We feel that the basic choice presented to Alaskans by the D-2 issue is one involving the kind of Alaska we want to live in, and that we want to bequeath to future generations. The strong emphasis and impetus to expedite development of Alaska's natural resource base in order to build a stable economic situation must be balanced by an equal emphasis on the preservation of large areas in a natural state to provide for wild-life habitat, renewable resource protection and the continuation of the quality of life

and the perpetuation of a variety of Alaskan life styles dependent on these values.

This does not mean that lands so preserved will not represent real economic values in the future, for we are entering upon a period in which the economy of scarcity will prevail, and proportionately within the U.S., wild lands are becoming the rarest of commodities. Alaska's unpeopled spaces will become jewels beyond price to those living in the future.

We perceive land and resource allocations to be matters of social judgment, the most preferable means of balancing conflicting viewpoints to satisfy human needs, desires, and interests. The proposal which led to the creation of Yellowstone National Park was a social judgment, now recognized as one of the greatest creative ideas America has contributed to world culture.

What areas of land to include under protective management, how much land, and how strictly to protect it are, thus, social judgments.

We support the desirability of obtaining as many facts as possible. This will give all concerned the sharpest available tools for best judging how to obtain the ultimate balance, so as to gain maximum possible protection of lands with high natural values, with the minimum possible negative impact upon availability of lands or resources highly valued for other purposes. If we must err because of lack of specific knowledge of all resources present in areas of high scenic or other natural values, let us err initially on the side of protection, for this judgment can be amended later, but once despoiled, these other values may be forever lost.

As a result of Statehood and ANCSA, approximately 150 million acres of Alaska will be under the exclusive control of Alaskans. In addition there will be tens of millions of acres of state-owned tide- and submerged lands. An important feature of both grants is their priority vis-a-vis the d-2 lands. Also, Native and State selections have been made from some of the most economically valuable land within the state.

Past federal actions designed to foster industrial development and provide access to energy resources include the establishment of the national forests, the National Petroleum Reserve—Alaska, and millions of acres of public domain managed by the BLM. In addition, the right-of-way for the Trans-Alaska pipeline was a direct federal action committing Alaskan lands to maximum economic development.

These dispositions will result in about two-thirds of the state being available for community, transportation, mineral, and other developmental purposes, while about one third will be in protective categories, much of it above the 3,000-foot altitude level.

Alaskan conservationists have played a leading role in the d-2 issue from the very beginning. Alaskans on the former Federal Field Committee originated the idea for a Congressional review of the remaining unreserved public lands for potential national park and wildlife refuge purposes, as part of settling the Alaska native land claims. In 1971, Alaska conservationists lobbying in Congress for the National Interest Lands provision broadened the refuge and park review to include wild and scenic rivers and previously classified BLM lands.

Since that time, conservationists here have worked with their national colleagues in preparing the Coalition's d-2 recommendations to Congress.

The Alaska Coalition is composed of numerous Alaskan and national environmental groups, including The Alaska Center for the Environment, Fairbanks Environmental Center, Alaska Conservation Society, Brooks Range Trust, Denali Citizen's Council,

Southeast Alaska Conservation Council, Trustees for Alaska, Anchorage and Janeau chapters of National Audubon Society, Interior Alaska branch of Friends of the Earth, Alaska chapter of Sierra Club, and Alaska members of the Wilderness Society. Alaska based membership numbers in the thousands.

Nationally, Alaska Coalition membership includes Defenders of Wildlife, the Federation of Western Outdoor Clubs, Friends of the Earth, National Audubon Society, National Parks and Conservation, Sierra Club, The Wilderness Society, and American Rivers Conservation Council.

These groups have collaborated to provide the basic framework of HR 39, designed to further their strongly held common goal, ie: to provide the greatest protection for the lands we have selected as representing a diverse and varied assortment of landscapes, habitats, wildlife populations, and high quality scenic and recreational opportunities.

The overriding concept under which boundaries were drawn is that of encompassing in each case as complete an ecologic or physiographic unit as practicable. Lands selected are intended to encompass the greatest possible diversity of landscapes and habitats. We also emphasize the concept that lands most likely to be infringed upon by human activities deserve the most immediate attention for protective status.

WILDLIFE MANAGEMENT/HUNTING/SUBSISTENCE

Our proposal fully supports the concept of permitting continuation of subsistence and related life-style activities where such activities now exist. Under a policy framework designed to define objectives and procedures, decisions relating to subsistence would be promulgated by local boards composed of the local people who are most knowledgeable of the subsistence use patterns prevailing in their area, and which people are actively engaged in subsisting.

We recognize that a considerable diversity of ways of living are included under the concept of "subsistence". We intend that our bill will allow for practicable application of this policy, and for its evolution as well, as conditions in geographic locations and over time may dictate. The situation in the northwest Arctic is an example of where a similar approach is already required, and is now occurring.

We think that our bill protects opportunities for subsistence and related life-styles better than any other proposal, since it encourages continuation of existing uses, allows for primarily local management, and would best protect the largest tracts of land whose continued productivity and uncrowded condition is necessary for these ways of living to continue.

Current wildlife management fails to provide the necessary research, the innovative and imaginative approaches to both habitat and wildlife resources which will insure the perpetuation of existing Alaskan species. There are strong pressures for correction of these failings by upgrading federal authority, but in our view the essential changes will involve much more than this—it will involve the forging of strong cooperative agreements between state and federal wildlife managers and those land proprietors having responsibility for the maintenance of habitat, whether state, federal or private.

Sport hunting is provided for in many of the areas included in the Udall bill. Among these would be wildlife refuges, national preserves, U.S. Forest Service lands, including wilderness areas.

ACCESS AND TRANSPORTATION

The proposals in the Udall bill do not in general present obstacles to transportation of materials to market nor of access to resource areas. We do not favor the designation of specific corridors or routings across d-2

lands, but would rather see legislation provide a process by which such corridors could be delineated in the future as needs arise. This process must include a thorough analysis of all viable alternatives to such crossing of reserved lands.

MINERAL DEVELOPMENT

We propose that all National Wildlife Refuges and National Park Units be closed to new mineral entry or leasing. A number of recent publications, from such sources as the U. of A. Institute for Social and Economic Research (Tussing and Erickson), Resources for the Future (Brubaker and Krutilla), U. of California at Santa Cruz (Shaine) and the Office of Technological Assessment all conclude that preservation of wildlands of high known values in most cases can be justified for exclusion from utilization on the basis of speculative mineral values, without impacting seriously U.S. supplies of scarce minerals.

Where changing needs indicate that a reevaluation should be made, Congress has set precedents for making such a re-determination

WILDERNESS

We view the existence of the quality of wilderness to a high degree as central to most of our proposals. Indeed, in some cases, existence of such values was a criterion for their selection and boundary determination. Areas to be placed under protection of the National Wilderness Preservation System would be subject to valid existing rights of use or access, as stated specifically in the Wilderness Act. In many existing wilderness areas, considerable flexibility has been demonstrated in permitting such uses, where problems of access or human safety occurred.

AGRICULTURE

In the opinion of the Alaska Coalition, agricultural development in the State of Alaska will not be significantly affected by placing all of the d-2 lands in the classifications we have determined. Ample lands with agricultural potential exist within state and native selections, and within lands which will continue within the federal public domain, under BLM management.

COOPERATIVE MANAGEMENT

As we have indicated in reference to the management of fish and wildlife resources, the Alaska Coalition strongly supports development of cooperative management agreements between federal agencies, between federal and state agencies, and between both federal and state agencies and private landholders where problems or situations exist or develop which require such cooperation in order to have rational land and resource management. The pattern of land ownership in many areas of Alaska upon conclusion of the land exchanges under ANCSA, State-hood land selections, and the final patterns federal public domain holdings will inevitably fragment ecosystems and logical management units, and some means must be devised to permit comprehensive land use planning.

FIFTH MANAGEMENT SYSTEM

If the presently-existing federal land-management agencies fully utilize the flexibility of their various categories and classifications, we fail to see that an additional management entity would be necessary or advisable. As noted below, we do recognize the need for some type of interface between the federal government and the state government, but whether such an interface arrangement depends upon the designation of a fifth management system is uncertain.

FEDERAL-STATE CLASSIFICATION ENTITY

The idea of an entity to serve as a facilitator between federal and state offices, agencies and personnel is certainly one of the alternatives for providing for land classification. The exact nature of such an entity is a matter which we feel deserves detailed and searching study, especially if it is visualized

that this entity will have actual authority to classify and reclassify lands. Experiences to date with the Federal Field committee and the Federal-State Land Use Planning Commission demonstrate both the values which can be realized and the hazards which exist in such arrangements.

Many questions arise: What are the alternatives? Should it be an advisory body, or actually possess power to classify lands, both state and federal? What types of lands should be placed within its classification authority? Should it have part-time members, or full-time, fully-paid members of equal stature? Who would select its members, and what criteria would be set? Should members serve regular terms or serve at the pleasure of the appointing official?

FORESTRY

The issue of forestry within the interior forests of Alaska has been fairly extensively explored within the Resources for the Future study by Krutilla and Brubaker. In essence, we oppose designation of any new National Forests within interior Alaska. We recognize that there has been and will continue to be some commercial utilization of interior forests for local use. However, we do not feel that such utilization provides a reason for increasing the presence of the U.S. Forest Service in Alaska. Experience in Southeastern Alaska has demonstrated that the U.S.F.S. is a predominantly single-use agency operating under a multiple-use banner; timber cutting has been the major activity funded, with only passing attention to the other aspects of multiple use, such as watershed management, fisheries protection, recreation,

wilderness protection, etc.

Management of interior forests can be carried out by the state on state lands, and by BLM on public domain lands as it has in the past. Research projects by U.S.F.S. research laboratories have been operating on these kinds of lands in Alaska for many years.

The Alaska Coalition appreciates the opportunity for the type of discussion of issues which is presented by this meeting with Governor Hammond, Rep. Young, and Senators Gravel and Stevens. However, we want to suggest that the lands which are under discussion are designated as 'national interest' lands, and they will properly receive national consideration within the Congress of the U.S. We look forward to being a part of the ongoing legislative process, and hope to bring our Alaskan perspectives to this important and crucial decision-making setting.

NATIONAL DEFENSE TRANSPORTATION ASSOCIATION d(2) LANDS STATEMENT

Today our representation before you includes:

Ben Benediktsson, president North Pole Chapter of NDTA and Managing Director of the Alaska Carriers Association.

Bill Coghill, administrator, Alaska Railroad.

Tony Watson, operations officer, Military Sea Lift Command, U.S. Navy.

Jack Barnett, Crowley Maritime.

We of the National Defense Transportation Association very much appreciate the chance to make this presentation today. The NDTA is a national joint, nonpolitical, nonpartisan Military and Civilian Transportation Association. We have two basic goals which are:

To support the civil defense effort.
 To encourage a healthy interchange between military and civilian transportation

There are two chapters in the State (Fairbanks and Anchorage). The Anchorage chapter represented here has some 170 members from all of the transportation modes in the State. In fact, NDTA is the only nongovernmental multimodal agency in existence in Alaska.

Since both civilian and military members belong to the association there are certain caveats which must be observed in making a presentation like the one we are making today. NDTA can and is very pleased to act as a spokesman for the States transportation industry. It must be emphasized, however, that the position we present is not that of NDTA but rather is a consensus taken from civilian and military transportation members. The modes we represent include: Trucking, air, water, rail, and pipeline. Additionally we have solicited the input of the newly formed citizens for the management of Alaska's lands (CMAL). CMAL is a coalition of labor, miners, contractors, truckers, foresters, and native regional corporations among others. They represent probably the best readily available source of information on d(2) lands and their potential use.

Transportation is one of the most critical and sensitive functions we must deal with in the State. Nationally, transportation accounts for 20 percent of the gross national product. One in every five dollars spent for goods and service goes into the movement of commodities and people. The problem with transportation we face in Alaska, however, can not be measured in a simple dollar and cents context. Nor can those services be compared to contracting or merchandising of the goods carried. In the lower 48, if there is a strike against a railroad one can usually opt to ship his product by road. In Alaska the redundance of a second mode is almost a luxury (big mountain story). In this State a shipper has to do it right the first time or often not at all.

When I was approached to make this presentation I scrambled around through various documents from the North Report initiated at the direction of Governor Miller, through military studies to the BLM Multimodal Transportation Utility Corridor System in Alaska study. It was in this last document that I found probably the most definitive work on transportation which has been written in the state. It is thorough, comprehensive and extremely well documented. Our initial intent was to define potential corridors. After examining the BLM study we discarded this idea. With the time available and without a full time staff we probably could not improve on, or for that matter, really offer constructive criticism of the 40 corridors identified. Secondly any such duplication of effort would simply reinvent the wheel. Our primary objection to this approach, however, is not a matter of technique but rather of intent.

Establishing corridors as a first step to planning is simply putting cart before horse. The BLM study does not define areas of service beyond their potentiality. The premise employed, and it is a good one, is that if the State or Federal Government wants to get a particular area—this is how you have to do it. It should be emphasized at this juncture both from the point of view of this presentation and the BLM study that surface transportation systems are being considered solely. d(2) land decisions are not going to impact heavily on air corridors. Additionally, that cargo which is air worthy is not the cargo which supports or supplies the renewable or non-renewable assets which make Alaska unique in the United States.

We then considered the possibility of attacking the problem by mode—using a mode by mode view of potential transportation problems or applications. This too was discarded for basically the same reasons applying to the BLM study—too specific and too limiting. Moving people and expansion of existing social systems as a rationale was dismissed for a totally different reason. If resource areas are accommodated workers and support personnel must be provided for. One cannot go without the other.

Since we are a quasi-military group the military facet of our position must be dealt with. Regardless of the threat, your military machine needs to know what to protect before it can plan that protection.

Last, as a guiding premise, corridors, however defined, must be precise. To say simply that corridors will be made available begs the simple question of "where", more forceably "why" or probably more pragmatically "why me." This sort of problem need not be. Early definition of corridors will eliminate many, many problems down stream.

Our position base derives from the broader position of location of resources including but not limited to:

- 1. Minerals, including coal.
- 2. Forest lands.
- 3. Recreation and wildlife lands.
- 4. Petroleum.
- 5. Agriculture.

Positions on the matter of utilization of Alaska's lands range from unlimited exploitation to nearly total blockage of access to resources through the imposition of single purpose recreation lands. The organizations represented by the NDTA take a middle of the road position. We desire neither extreme. Rather we espouse a position which ensures that the following objectives are adhered to:

- 1. Ensure optimum usage.
- 2. Impose multipurpose development where needed.
- Allow for military access to those resource areas designated as critical or of economic importance.
- 4. Avoid those areas which have been determined to be single purpose usage for human or wildlife reasons.

Alaska is a significant source of minerals of critical importance to the nation. Among them are chromium (91 percent imported), tin (75 percent imported) and nickel (71 percent imported). Timber is another resource of considerable value to the United States roughly 106 million acres of the state is forested, 21 percent of this has been designated as having economic commercial potential. The potential of Alaska's interior forests compare favorably with lake states. For example stands in Minnesota average 5774 ft. 3/acre—interior Alaska everages 634 ft. 3/acre. The total new saw timber volume in interior Alaska is estimated to be 31 mm board feet. Of this 73 percent is in commercially viable stands. This is of course a renewable resource.

Our petroleum resources both liquid and gas have, of course been the subject of enough press and personal exposure to warrant a simple statement that the resources are very significant. The potential for other energy minerals including uranium is here. Unfortunately, the resource must be discussed in terms of potentiality not proven reserves. If one examines the Canadian and Soviet finds on either side of us and realizes that Alaska has the same geological make up it is a reasonable assumption that we too have those minerals in sufficient quantities to make them an economically feasible resource. Coal, on the other hand, is a proven resource. The coal in the Cook Inlet area alone could satisfy the nation's requirements for years. Agriculture in Alaska has a much greater potential than is usually recognized even in the State itself. The Tanana and Yukon flats areas alone offer high potential for specialized crops including barley which could bring revenue into the state.

Consideration should be given to recreation, subsistence and wildlife areas. Those areas which are critical to the States wildlife or which have unique scenic value must be preserved for all of us and our children. One of the considerations which often is not applied in looking at the ecological impacts which are the heart of most of the wildlife and recreational concerns is that people are one part of the ecological equation. Transportation corridors must be defined to allow citizens of average means to have access to those lands. Very large recreational blocks of land simply mean that either an airplane

or significant amounts of time are required to ensure enjoyment of the facilities.

None of this so far has posed any firm solution to the identification of specific areas or corridors. We are not going to try to lay out specific geographical boundaries but rather suggest that specific rules be applied to the definitions of included and excluded areas.

We are in favor of eliminating proven resource areas from d(2) land choice lize either the appropriate BLM corridor definitions or extensions to them to insure access. Where there is a potential for crit-ical or economically feasible resource let that land and the appropriate corridor be defined for multiple use until evaluation is made. At that time if there is no significant resource identified delete the corridor. If a resource area is determined to be worthy of exploitation then evaluate that particular problem for multiuse. This process should be repeated for each resource present. This of course would include the recreational and wildlife resources as well. Where critical wildlife zones are identified, however, there should be no corridors specified since there is no particular need for large scale access.

Where corridors are defined one last caveat must be observed. The corridors should be part of the continuous transportation system and although we do not advocate any modal designations for particular corridors the dimensions specified should be extensive enough to allow the planners sufficient flexibility to design the appropriate mode for the job required. We submit that the corridor criteria in the BLM study would be sufficient for planning purposes.

The approach I have just described, un-fortunately does not deal with certain of the political problems of land use planning. I am thinking in particular of the recreational/wildlife versus renewable or nonrenewable resources. How one prioritizes a ptarmigan breeding area against a chro-mium ore deposit presents a very difficult cost benefit problem. One approach might be to use the benefit-detriment analysis or something like it which I have provided to you. This was prepared for analysis of mining interests but it could be modified for almost any resource analysis. As far as transportation corridor analysis goes—we feel that the option should be left open to cross the wildlife lands through designation of potential corridors. Failing this there should be a well defined process to obtain corridors if needed at a later date.

For a moment I would like to depart from the commercial problems and talk about the military side of things. I see from the agenda you have published that General Boswell has made a statement. Since I have not seen it I cannot comment on it.

Our greatest potential threat in Alaska is, obviously, our next door neighbor to the West. His forces are highly mobile and highly mechanized. They are capable of operating in all terrains. What has been developed is essentially a distant successor to the German Panzer Divisions of World War II. Whatever forces we might have to put in the field will have to have a surface transportation capability (Jack Frost story).

If it becomes necessary to provide military support to Pet 4, Prudhoe Bay or the Seward Peninsula, for instance, there have to be transportation resources to get them there and to provide the necessary logistics support. Air transportation is simply not going

to do the trick alone.

We consider that transportation has a great deal of significance in the d(2) problem as well as the more general problems of daily living in Alaska. Transportation corridors impact on the military, development area alternatives, and recreation access. The costs for staples to support life are obvicusly influenced in part by the cost of moving them into the state. Before the required transpor-

tation planning can be made, however, support areas have to be identified and tradeoffs dealt with. We suggest that a reading of public policy in part defined by these meetings you are having will determine the d(2) problem.

We hope our input will help and again thank you for the opportunity to speak. I will be followed by Mr. Coghill from the

Alaska Railroad.

TRANSPORTATION CORRIDORS ACROSS D-2 LANDS-RAILROAD

Introduction. I am speaking today as a member of the National Defense Transportation Association. Having known each of you, I am sure you are aware that I am a lifetime legal resident of Alaska and am presently the Plans Officer of The Alaska Railroad. My family had an early association with transportation in this great State as my father President Harding drove the golden spike at Nenana, marking completion of The Alaska Railroad, and lived at Nenana until attending the University of Alaska in the early 40's.

Overview. I endorse Mr. Benediktsson's transportation position and wish to support it by centering my remarks on the railroad mode related to one specific corridor. For the purposes of this presentation, I have selected a general transportation corridor familiar to all of you-a North-South central corridor extending from the existing railbelt in the interior to the North Slope or Prudhoe Bay with a branch corridor to the Kobuk-Bornite area.

Discussion. First, why a transportation corridor to the North Slope and Northwest regions of Alaska? While I believe the need is obvious, let me note some reasons I believe are important:

Transportation is not adequate now for anticipated future needs. When the total need probabilities are considered, the magnitude is enormous.

A corridor will permit intelligent exploraiton and development of northern Alaska's rich natural resources. It will also provide access to secondary resources and the movement of people and goods.

There is now, and will be in the future on an increasing basis, a need to serve the oil and gas community. Also, the Kobuk region constitutes the largest section in the U.S. without surface transportation, and we already know it has extensive copper, lead, zinc and other mineral deposits.

A transportation corridor is required if Alaska is ever going to become competitive

in world markets.

The nation's national energy policy is moving towards the greater use of low sulfur coal. The coal reserves in northern Alaska may be as large as three trillion tons, which exceeds the total reserve in the Lower 48.

A corridor will provide a means to move the State's royalty gas. Of course, this is true whichever gas route is selected, but would be especially significant if Arctic Gas is selected.

Assuming a need for a transportation corridor to this region, let me review the rail-road mode, first relating some general in-herent qualities of this mode and then addressing specific conditions applying to the North and Northwest corridor.

General inherent advantages of rail include:

Energy efficiency. It is a fact that railroads are the most energy-efficient mode for overland transportation. The nation's railroads move 37 percent of the total freight ton miles, yet use only 13 percent of the total fuel used by all transportation modes. Railroads haul four times as much tonnage as trucks with only one-fourth as much fuel. Thus, railroads provide a positive focus on the nation's need to conserve and use wisely our dwindling supply of energy reserves.

Economic. Railroads are the most economical for freight, especially heavy and bulky commodities. In 1975 they handled 761 bil lion ton miles of freight which is greater than trucks, water carriers and air combined.

Environmental. Railroads can minimize the impact on the environment-an important factor in Alaska. Air pollution is also minimal as railroads cause one-sixth as much pollution as trucks carrying an equivalent amount of tonnage. Because railroads are essentially self-contained, there is no significant requirement for restaurants, filling stations, rest facilities, etc., as is the case for highways.

Multi-functional. A special advantage is the multi-functional accommodation to commodities such as petroleum, coal, minerals and people. Also, they have a piggyback capability such as trailers on flat

(TOFC)

Dependability. Railroads are an all-weather, year-round mode with a good record for safety.

Subsidy. There is less impact on the taxpayers since railroads are not subsidized in the manner that trucks, water and air carriers are subsidized.

National defense. Railroads have played a significant, strategic role for national de-

These are general issues that apply when considering a railroad mode. What about concrete issues relating to the North and Northwest corridor? I will cover some of the

stronger points.

Move North Slope gas liquids. When oil flows, Prudhoe Bay will initially produce associated gas liquids equivalent to 55 railroad cars, holding 30,000 gallons each, per day. Total gas liquids are estimated at 1¼ billion barrels of \$19 billion value. It is impractical to transport these gas liquids by pipeline, and it would require 167 trucks of 10,000 gallon capacity per day or one every 8½ minutes. A railroad is the most logical, effective and efficient way to move these oil liquids. Comparing the \$18 billion product value to \$2 billion cost of a railroad means a railroad would be justified on this one product alone. It is assumed our country will not permit the 'burning off" of this product at the well sites.

Cost savings. As an example, a railroad would have had a real cost savings impact on the trans-Alaska pipeline construction if one had been built to Prudhoe. The Alaska Railroad cost to move a ton 470 miles from Seward to Fairbanks is \$33 per ton, but to move it the like distance to Prudhoe from Fairbanks costs \$145 per ton by truck and about \$250 per ton by air. Had there been a railroad to Prudhoe Bay, millions of dollars would have been saved for the aborted barge freight in 1975: and if all freight is considered hundreds of millions in freight costs would have been avoided. A rail line would still benefit the TAPS line but will certainly have a drastic cost reduction impact on future lines. Also, reduced construction costs will increase well-head profit resulting in greater State royalty income. Dr. Bill Darsch, Alyeska's president, stated last week that a spade that sells for \$6 in Anchorage is worth \$10 on the North Slope because of freight costs.

Access versus environmental and other interests. A railroad provides the best mode to balance the needs of the State, of business and of the citizens to open the country while controlling access and insuring greater environmental protection. Native corporations will want to develop natural resources, yet they indicate strong support for the limited access a railroad provides

Minimizes freight handling. A rail car can move from any point on this extension to any location served by rail in the Lower 48 or vice versa without transferring the contents.

Moving resources. A railroad is the ideal

mode, especially with unit trains, for moving the heavy bulk coal and mineral commodities that exist in this region.

Cold region. This cold region can best be served by a railroad with savings to all concerned. It overcomes seasonal restrictions such as load limits imposed on highways.

Summary. While addressing the case for a railroad to the North and Northwest, the fundamental concern is that this region is an essential area which should not be denied transportation access either through a designated multi-modal transportation corridor now or a defined future process that makes one possible.

WHALEN PAY RAISE DEFERRAL PROPOSAL ADOPTED BY PANEL

The SPEAKER. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 5 min-

Mr. WHALEN. Mr. Speaker, I am pleased to note that the members of the Ad Hoc Subcommittee on Presidential Recommendations, which was formed to hold hearings on the Quadrennial Commission-proposed increases in congressional and other salaries, have introduced a bill that incorporates the key features of the Congressional Pay Raise Deferral Act, H.R. 1365.

As you will recall, I introduced H.R. 1365 on the first day of this Congress, together with chief cosponsors NED PATTI-SON, DON PEASE, and NEWTON STEERS. We now have a total of 94 cosponsors on our bill

The primary feature of the Congressional Pay Raise Deferral Act is that it would defer any increase in congressional salary until the start of the Congress following the one in which it is approved. Thus, all Representatives and one-third of the Senators would be required to stand for election before they could benefit from any salary increase.

When the ad hoc subcommittee met in February, I appeared as the leadoff congressional witness. I understand that approximately 30 other Members also urged the panel to consider favorably the Whalen proposal for congressional pay raise deferral.

In its report, which was issued on March 17, the subcommittee said, in

The subcommittee agrees that pay adjustments for Members should be deferred until the Congress next following that in which they are considered. Such a practice would lessen the inherent and inescapable conflict of interest charges which Congress faces with respect to establishing its own rate of pay.

The subcommittee report also endorsed second key element of H.R. 1365, namely that while legislative salaries are delayed until the next Congress, executive and judicial branch increases are not deferred. This particular provision, however, is not specifically mentioned in the summary of the subcommittee bill, placed in the Extensions of Remarks section of the March 31 Congressional Rec-ORD. I shall seek further clarification from the ad hoc subcommittee regarding this matter.

I am pleased that the Ford subcommittee has come to the same conclusion as those of us who originally sponsored the Congressional Pay Raise Deferral Act;

namely, that there is an inherent conflict of interest when Members of Congress vote on their own salaries. I am hopeful that, with the added support of the ad hoc subcommittee, we soon will see substantive action taken on this legislation.

At this point in the Record, Mr. Speaker, I would like to insert a list of the 94 cosponsors of the Congressional Pay Raise Deferral Act. The names are arranged by State, with an asterisk appearing next to those 37 States whose constitutions prohibit State legislators from raising their own salaries:

LIST OF COSPONSORS
*CALIFORNIA

Clair Burgener, Robert Dornan, Mark Hannaford, William Ketchum, Robert Lagomarsino, George Miller, Norman Mineta.

*COLORADO

Timothy Wirth.

CONNECTICUT

Toby Moffett, Ronald Sarasin.

FLORIDA

Skip Bafalis, Richard Kelly, William Lehman, Bill Young.

*GEORGIA

Elliott Levitas, Dawson Mathis.

GUAM

Antonio Won Pat.

*ILLINOIS

Robert McClory.

*INDIANA

Floyd Fithian, Elwood Hillis, Philip Sharp.

Berkley Bedell, Michael Blouin, Tom Har-kin.

KANSAS

Dan Glickman, Martha Keys.

*KENTUCKY

Romano Mazzoli.

LOUISIANA

John Breaux.

*MAINE

William Cohen, David Emery.

*MARYLAND

Marjorie Holt, Newton Steers.

MASSACHUSETTS

Silvio Conte, Robert Drinan, Edward Markey, Paul Tsongas.

MICHIGAN

Bob Carr, Dale Kildee, Albert Quie, Harold Sawyer.

*MINNESOTA

Donald Fraser, Bill Frenzel.

*MISSISSIPPI

Trent Lott, Sonny Montgomery.

NEBRASKA

John Cavanaugh, Virginia Smith, Charles Thone.

*NEVADA

Jim Santini.

*NEW HAMPSHIRE

James Cleveland, Norman D'Amours.

*NEW JERSEY

Millicent Fenwick, William Hughes, Andrew Maguire, Helen Meyner, Robert Roe.
*New YORK

Barber Conable, Hamilton Fish, Stanley Lundine, Robert McEwen, Leo Zeferetti, Richard Ottinger, Ned Pattison, Frederick Richmond, James Scheuer.

*NORTH CAROLINA

James Martin, Stephen Neal, Charles Whitley.

*оню

Clarence Brown, Willis Gradison, Tennyson

Guyer, Thomas Kindness, Clarence Miller, Ronald Mottl, Donald Pease, Ralph Regula, William Stanton, Charles Whalen.

OREGON

Robert Duncan.

*PENNSYLVANIA

Robert Edgar, William Goodling, Robert Walker.

*SOUTH CAROLINA

John Jenrette, Floyd Spence.

*TENNESSEE

John Duncan, Marilyn Lloyd.

*TEXAS

James Collins.

*UTAH

Dan Mariott.

James Jeffords

*VIRGINIA

Joseph Fischer.

WISCONSIN

Robert Cornell, Robert Kastenmeier, Henry Reuss, William Steiger.

*WYOMING

Teno Roncalio.

REFORMING TAX REFORM

The SPEAKER. Under a previous order of the House, the gentleman from Connecticut (Mr. McKinney) is recognized for 5 minutes.

Mr. McKINNEY. Mr. Speaker, for those of us who recognized the inevitable unfairness of retroactively repealing the sick pay and disability exclusion, today's vote is an unhappy "I told you so." What appears as a sound tax bill when read in the cold, unintelligible language of the tax code, too often translates into hardship and undue burden for many middle-income taxpayers trying to make ends meet. That was the case last year when this House endorsed so-called tax reform legislation which good cause but through heavyhanded means eliminated the exclusion for sick pay. Like me, many voted for the bill because it extended basic tax cuts which protected the shrinking buying power of millions of hard-pressed citizens. However, that "tax reform" was accomplished at the expense of those who could least afford it-those who had already been disabled or received sick pay in lieu of wages and had withheld or estimated their tax liability on the basis of existing law. When we finally finished not reforming the Internal Revenue Code in October of 1976, it was those same people—not the rich, loophole finders—who found themselves with an unexpected tax bill often reaching hundreds of dollars.

When viewed in this light, the issue we face today is not just tax adjustment but fundamental fairness, a concept all but stifled by the code's relentless complexity. Taxpayers whose livelihood was already threatened by illness and disability and who planned through 1976 to soften the blow by excluding sick pay benefits were abruptly informed last October that "tax reform" required them to pay tax on that substitute income. Mr. Speaker, retroactive taxation is a concept I cannot endorse, but when it is applied to the sick and disabled, it be-

comes a bizarre distortion of equitable taxation.

Much time has been spent here debating the proper means to stimulate the economy and thereby reduce the inherent tax of inflation on the poor and not-so-rich taxpayer. In my view, we have in this bill an excellent opportunity to build citizen confidence in both our economic and political systems. Unlike the poorly aimed and misdirected spending and rebate proposals we have seen to date, this bill provides a one-time, immediate, and just rebate to a segment of the population we know is in need.

Finally, I was appalled to learn of IRS and Department of Treasury opposition to this bill solely on the basis of administrative difficulty. Since tax returns are already filed eliminating the sick pay exclusion, amended returns would be required from the estimated 1 million beneficiaries of this delayed implementation. The size of that constituency should only convince us, and them, that retroactive taxation and penalty levied on the sick and disabled is an unfair revenue device and no effort should be spared to reform that reform. The projected \$327 million loss is revenue to which we have no just claim and the \$6 million IRS administrative cost to refund the tax is the price we must be willing to pay if fairness is to be more than a forgotten tax concept.

Mr. Speaker, when those who were hurt by the elimination of the sick pay exclusion wrote to me last year seeking a single year's delay in the repeal, I was at a loss to promise results but expressed my hope that the situation could be corrected. Today, I urge my colleagues to fulfill that hope and allow me to respond to those taxpayers, "I told you so."

HENRY COUNTY FARM BUREAU VISITS LOCK AND DAM 26, ALTON. ILL.

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. Railsback) is recognized for 5 minutes.

Mr. RAILSBACK. Mr. Speaker, on March 14, the Henry County Farm Bureau, Illinois, marketing committee sponsored a bus trip to Alton, Ill., the site of lock and dam 26. This group included Lowell Bjorling, president; Dick Anderson, vice president; George Larson, marketing chairman; and Carl H. Carlson, legislative coordinator on locks and dam 26. Weir Brokaw, president of the Mercer County Farm Bureau, along with Chuck Hallam, farm editor of the Rock Island Argus; Mary Roesner, farm editor of the Moline Dispatch; and Max Molleston, reporter for WHBF TV and Radio, as well as 32 members of the sponsoring organization. The group called me at my office in Washington from their onsite inspection, and, if I may, I would like to share some of their comments with you:

This is a vital issue to the economy of midwestern agriculture, for shipping our grain down the Mississippi as well as our supplies up River.

On a quiet normal day such as today, there was a 12 hour wait to lock through.

Even when your turn does come, it takes to 2 hours at its best by having to split the tow. This as we look at it, is a very ancient method

Lock 26 is a bottleneck carrying the largest load on the Mississippi because of its location below the confluence of the Mississippi and the Illinois Rivers.

Building a new lock and dam down river will never interfere with river travel.

To repair, will take 3 years and the lock

and dam would have to be closed.

The \$390 million spent (to rebuild) will all stay in this country. Visualize the man hours it will create directly and indirectly.

There will be plenty of business for both

the railroads, and the barges.

We feel it is the most important issue at stake to the midwestern part of the country.

Four days after the Henry County Farm Bureau visit to Alton, Harvey D. Carlson, president, Henry County Livestock Feeders Association, wrote a letter to me which stated in part:

This week I inspected Locks and Dam 26 at Alton, Illinois. I cannot impress upon you strongly enough the importance of moving swiftly to replace this structure. I also favor an amendment to pending legislation calling for a 600 foot lock in addition to the

proposed 1200 foot lock.

I am sure you are well aware of the deteriorating condition of the present structure and the long delays in traffic moving through the locks. What I think must be considered is the fact that even if pending legislation were to be passed immediately calling for the replacement of the present structure, it would be nearly a decade before the new lock and dam would be completed. If river traffic increases at the rate of even con-servative estimates, the new lock would be operating at or nearly at full capacity immediately.

It is my understanding there is much discussion on user fees. We midwest farmers aren't looking for a handout on this or any other program. We rely so heavily on efficient transportation for the exportation of grain and the supply of fuel and fertilizer that we must insist on a first class transportation system. To this end, we urge the implemen-

tation of user fees.

LEGISLATION TO BAN STEEL-JAW TRAPS

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. Van Deerlin) is recognized for 5 minutes.

Mr. VAN DEERLIN. Mr. Speaker, I am cosponsoring with Congressman Long of Maryland a bill to ban steel-jaw traps. These traps cause a great deal of suffering to animals, and I question the use of them from several points of view.

Chairing the House Communications Subcommittee brings me into contact with a lot of people who are concerned about what we are showing our children in our own homes. They worry, for example, that there is too much violence on television. I am sympathetic to that concern. Perhaps, as parents, we are less concerned than we should be about the kinds and degrees of violence that our children see. Perhaps we should be making a greater effort to demonstrate for our children a respect for living things.

Steel-jaw traps are used by trappers. many of them young people. Some States pay a bounty for what are considered undesirable animals. Additional animals are trapped for the sale of desired fur pelts. The victims sometimes include household pets or endangered species.

The steel-jaw trap works by pinning the leg of an animal between two steel Typically, the animal struggles against this restraint. Often there is a long slow death by exposure or starvation. Some animals are known actually to try chewing off the caught leg. A trapper finding a half dead animal usually mercifully clubs the struggling creature.

A child observing such incidents might come to accept them as routine, and why not? They are sanctioned by most State

fish and game departments.

I wonder if all this may be analogous to television violence, whereby young people are inured to violence, accepting it as normal.

Some will argue that violence is a normal part of nature. But predators do not take several days to kill their prey.

Many other countries have banned the steel-jaw trap. Other devices are available which are more discriminate, and more humane.

Let us lose no more time in putting the United States on the right side of this issue

THE BAN ON SACCHARIN

The SPEAKER. Under a previous order of the House, the gentleman from Alabama (Mr. Nichols) is recognized for 5 minutes.

Mr. NICHOLS. Mr. Speaker, in 1959 the Congress amended the Food, Drug, and Cosmetic Act of 1939 to include a clause offered by Congressman Delaney of New York. The amendment requires that food additives be approved and regulated by the Food and Drug Administration and "that no additives shall be deemed to be safe if it is found to induce cancer when ingested by man or animal * * *" There are no if's, and's or but's about the regulation; the law is absolute.

So when some Canadian scientists found that laboratory rats developed cancer when force-fed large amounts of a sugar substitute called saccharin, the FDA had no choice but to announce plans to ban the sale of this popular artificial sweetener.

For more than 70 years saccharin has been used as a sugar substitute with no known adverse effects. In 1970, when the FDA banned the sale of another sugar cyclamate, substitute. saccharin achieved universal use. The 1970 ban left saccharin as our only known source for artificial sweeteners.

To millions of Americans who are diabetic, who suffer from heart conditions, hypertension or who are overweight and depend on saccharin to control their diets, the announced ban on this artificial sweetener was a bitter pill to swal-

I suspect that if the laboratory studies had been reasonable the announced ban would have been accepted, but some very reputable organizations have shown that absurd amounts of saccharin were needed to cause cancer in the laboratory rats. Most estimates I have seen show that a human would have to consume 800 12ounce cans of diet soda a day, for life, to match the amounts of saccharin which was force-fed the rats.

Certainly no one wants to allow a cancer-causing substance on the market if reasonable and realistic tests demonstrate possible health hazards. The Delaney rule, however, does not allow for rationality but only looks at the bottom

I question the wisdom of this and I have cosponsored legislation which will set up a procedure whereby the FDA Secretary will have a select panel to evaluate a substance on a public health benefit risk basis. I believe Congress should allow commonsense to play a role in Federal regulation of food additives so as to reduce the chance of unjust, unreasonable, and unwanted intervention as in the case of the proposed saccharin

HUMAN RIGHTS AMENDMENTS TO THE INTERNATIONAL DEVELOP-MENT INSTITUTIONS BILL—H.R.

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. Badillo) is recognized for 15 minutes.

Mr. BADILLO. Mr. Speaker. Wednesday, we expect that H.R. 5262, a bill authorizing increased participation by the United States in the International Bank for Reconstruction and Development-the World Bank, the International Development Association-IDA, the International Finance Corporation-IFC, the Asian Development Bank and the Asian Development Fund, will come before this body. I think that this is an important bill, for it authorizes us to pursue more effectively the most successful programs of aid to developing countries that we are now engaged in.

However, there is one part of the bill that is very disturbing to me, and that is title V, which contains human rights language. That language states:

The United States Government, in connection with its voice and vote . . . shall advance the cause of human rights, including by seeking to channel assistance toward countries other than those whose govern-ments engage in a consistent pattern of gross violation of internationally recognized hu-man rights, such as torture or cruel, inhumane or degrading treatment or punishment.

That language is fine, for it marks a positive step toward assisting those countries that are making an effort to respect the dignity and freedom of their citizens. However, it is not enough, particularly at a time when the President has articulated so strongly our national commitment to human rights.

Last year, as many of my colleagues know, we passed a human rights amendment introduced by my distinguished colleague, Tom HARKIN, to authorization legislation governing our participation in the Inter-American Development Bank and the African Development Fund. That amendment states that the U.S. representatives to those institutions must vote no to any loan or extension of aid to any country that is in violation of

the human rights of their citizens, unless that aid goes directly to help the needy

people of that country.

The Harkin amendment language, coupled with the new legislation, provide an ideal complement to one another. For it gives our representatives to the banks the opportunity to help those countries that are respecting the rights of their citizens, coupled with the power to express our disapproval of those who do not.

However, not only does the Harkin language not appear in the bill that is coming to the floor on Wednesday, but there is also a provision in the bill to strike that language from the IADB and AdDF law. Therefore, I shall be offering amendments that are, I feel, absolutely necessary in order to correct what I see as a step backward in our international human rights posture.

The first amendment I shall offer to H.R. 5262, amends title V by adding a new subsection (b) that reads:

In addition, the United States government, in connection with its voice and vote in the institutions listed in subsection (a) is authorized and directed to vote against any loan, any extension of financial assistance or any technical assistance to any country which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhumane or degrading treatment punishment, prolonged detention without charges, or other flagrant denial of the right to life, liberty, and the security of person, and including providing refuge to individuals committing acts of international terrorism such as hijacking of an aircraft. unless such assistance is directed specifically to programs which serve the basic human needs of such country.

The second amendment I shall offer is to strike subsection (e) of title V of H.R. 5262. This is the section of the bill that removes the "Harkin amendment" from IADB and AfDF law.

And finally, because I feel that when all is said and done, the question of how, in determining what countries shall receive aid and which shall not, we define "basic human needs" and "human rights" will be a matter of controversy and conjecture, I shall offer an amendment that will instruct the Secretary of State and the Secretary of the Treasury to initiate international discussions to establish viable standards for human needs and human rights. For it is only when we have internationalized what are now individual national criteria that we will begin to have a sound foundation for the increasingly important multilateral institutions.

My amendment states:

New Title V, Section 502

(a) The Secretary of State and the Secretary of the Treasury shall initiate a wide consultation, starting with the industrialized democracies, designed to develop a viable standard for the meeting of basic human needs and the protection of human rights, and a mechanism for acting together to insure that the rewards of international economic cooperation are especially available to those who subscribe to such standards are seen to be moving toward making them effective in their own systems of governance.

(b) No later than one year from the en-

actment of this Act, the President shall report to the Congress on the progress made by the Secretary of State and the Secretary of the Treasury in carrying out the above section.

These three amendments, coupled with the language already in the bill, will create a new standard that can serve as a model for all our foreign assistance in the coming years. I hope that all my colleagues, Republican and Democrat, liberal and conservative, will see the justice of this strong language and will join me in supporting it.

PERSONAL EXPLANATION

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. Fary) is recognized for 5 minutes.

Mr. FARY. Mr. Speaker, on Monday, April 4, I was away on official business at the request of my chairman of the Committee on Public Works and Transportation. Had I been present I would have voted in the following fashion:

H.R. 5027, veterans medical service, "yea."

H.R. 3695, State grants for veterans home facilities, "yea."

NINTH ANNIVERSITY OF THE AS-SASSINATION OF THE REV. DR. MARTIN LUTHER KING, JR.

The SPEAKER. Under a previous order of the House, the gentlewoman from Illinois (Mrs. Collins) is recognized for 5 minutes.

Mrs. COLLINS of Illinois. Mr. Speaker, I wish to take this time to commemorate the death of one of America's great leaders for the cause of human rights and global solidarity, The Rev. Dr. Martin Luther King, Jr., who was felled by an assassin's bullet on April 4, 9 years ago.

The debt that all people, especially of our country, owe Dr. King can best be paid by steadfast adherance to the high principles that he lived and ultimately died for. To this end, I feel a combination of grief and joy as I reminisce about my friend Martin. The grief and joy I feel is based upon the untimely loss of this consummate man combined with the hope for salvation that he left for all to remember. Permit me to share with you the parting words of the last speech of Dr. Martin Luther King, Jr., delivered April 3, 1968:

We've got some difficult days ahead. But it doesn't matter with me now. Because I've been to the mountain top. And I don't mind. Like anybody, I would like to live a long life. Longevity has its place. But I'm not concerned about that now. I just want to do God's will. And He's allowed me to go up to the mountain. And I've looked over. And I've seen the promised land. I may not get there with you. But I want you to know tonight, that we, as a people will get to the promised land. And I'm happy tonight. I'm not worried about anything. I'm not fearing any man. Mine eyes have seen the glory of the coming of the Lord.

The following day, Dr. King was killed. May God rest his soul and lead us onward to complete his mission.

LITHUANIAN INDEPENDENCE DAY

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, February 16, 1967, was the day on which the Lithuanians throughout the world observed the 59th anniversary of the Declaration of Independence of Lithuania. On that date in 1918, the Republic of Lithuania was created, and declared its independence from the Russian Empire. On this occasion I am proud to join with all Americans of Lithuanian descent to commemorate this anniversary.

Over 1 million people of Lithuanian ancestry live in the United States. Many of them left their native land when it was occupied by Soviet troops and came to the United States. Thousands fled to other countries and many more were interned in Siberian prison camps.

In the 22 years of its independence, Lithuania, though a small nation, made great progress in reestablishing its national identity, its culture, and its society. Agriculture and industry also grew. However, this freedom was short lived, ended by the 1940 invasion of the Soviet troops.

Today, despite the fact that on modern maps Lithuania is shown as being part of the territory of the Soviet Union, the U.S. Government has maintained a policy of nonrecognition of this forcible seizure of Lithuania and her neighbors. Indeed, both the President and the Congress declared in no uncertain terms that agreement with the Helsinki Accords in no way constitutes a shift in our nonrecognition policy on Lithuania.

The Lithuania struggle continues to this day. Partisans of freedom and Lithuanian human rights continue their struggles. It is only fitting to pay tribute to their efforts and to the thousands of descendents and relatives that now grace this country with their work and their culture.

TRIBUTE TO M. SGT. WILLIAM D. BRIDGE, JR.

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Before being forced to retire at the beginning of this year due to his age, 62, Sergeant Bridge served a long and distinguished career in the U.S. Armed Forces. His military career began in 1931, when he walked 115 miles from Portland, Maine, to the Boston Naval Yard to join the U.S. Marine Corps. The hike took 30 hours, and it was done on a dare.

After a tour in the Marine Corps and some schooling, Sergeant Bridge joined the U.S. Army Air Corps as an aviation cadet in 1942. Because of a severe accident, his aviation career ended, but he remained on active duty until 1945.

Sergeant Bridge then joined the 8312th

Recovery Group, Providence, R.I., as a reservist. When that unit disbanded in the early 1960's, he transferred into the 9223d and then the 9175th Air Reserve Squadron.

In the spring of 1972, the 59th Aerial Port Squadron was formed at Westover Air Force Base, Mass., and Sergeant Bridge joined as its first first sergeant. There he was an inspirational leader, who was loved and respected by all those with whom he worked and commanded.

Even after his retirement, Sergeant Bridge, at his own expense and on his own time, spent many hours away from his home, painting and cleaning up Hangar 9 at Westover Air Force Base in preparation for a MAC IG inspection which was coming up. He even brought his wife on numerous occasions to help him. The 59th APS, because of his efforts and dedication, received a score of excellent on the inspection.

It is with great pride that I ask this Congress to recognize the outstanding career of an outstanding man, William D. Bridge.

ON THE DEATH OF IRVING "PAT" SPIEGEL

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extrapeous matter.)

Mr. KOCH. Mr. Speaker, Irving Spiegel known by everyone as Pat died on March 31, and his funeral services are being conducted today in the Riverside Chapel in New York City. Everyone in politics knew Pat—he was everywhere. He was good humored; he was incisive; he was a superb reporter; and most of all, he was what Jew and non-Jew alike would refer to as a "mensch."

The obituary, which appeared in today's New York Times, conveys the feelings of those of us who had any kind of association with him. He will be sorely missed. He was a friend.

The obituary follows:

IRVING SPIEGEL OF THE TIMES DIES; EXPERT ON JEWISH AFFAIRS WAS 69

(By Murray Schumach)

Irving Spiegel, for more than 30 years the New York Times expert on Jewish affairs and, for many years before that, a generalassignment and police reporter, died yesterday of heart failure at Albert Einstein Hospital. He was 69 years old.

The senior reporter on the Times—he joined the newspaper as a copy boy in 1925—Mr. Spiegel's furious energy and irrepressible humor became famous in city rooms

throughout the country.

"A one-man crowd," his colleagues called him. Chunky, with piercing blue eyes and close-cropped curly hair, he was a superb mime who convulsed friends with anecdotes or with free translations of Shakespeare into Yiddish.

At social gatherings, he would raise his tenor voice in Irish song or, in a more solemn mood, would sit at the piano and play Chopin—until he suddenly broke away, snatched up a scratch sheet and went looking for horses to bet on the next day. He applied a credo of lese majesté to himself as well as to others.

REFUSED TO BOW TO ILLNESS

On a story, however, he was a fanatic. Even in recent weeks, when illness confined him to his apartment, at 11-20 73d Road in Forest Hills, Queens, he refused to give up his search for news. He spurned pleas by his wife, Vera, and instead, he bent over phone and typewriter, gathering and writing articles for the Times.

A few weeks ago, after Hanafi Moslem gunmen released more than a hundred hostages from B'nai B'rith headquarters in Washington, Mr. Spiegel, although he could scarcely walk across the living room with a cane, somehow got on a plane, flew to Washington and filed a story.

On his 50th anniversary at The Times,

On his 50th anniversary at The Times, Jewish organizations all over the country set up award ceremonies for Mr. Spiegel and sometimes had to put up with gibes

from their guest of honor.

Although Mr. Spiegel spent most of his reporting years covering stories about Jewish organizations and events—sometimes in Israel—he preferred to recall his work on police, feature and general stories, for which he won several publisher's awards at The Times.

FLATTERY AND CAJOLERY

He earned one of the prizes in 1959. While Mr. Spiegel was attending a meeting of the Union of American Hebrew Congregations in Miami Beach, The Times' national editor told him that a plane with 42 persons had crashed into the Gulf of Mexico.

Somehow—Mr. Spiegel on the trail of a story was as wily as a great con artist, mixing flattery, promises, threats and cajolery—he talked his way aboard a search plane and filed history.

The achievement he used to recall most happily—his arms fialling, his eyes burning, doing imitations of everyone involved—was his work in behalf of another reporter. His own name did not appear on the article.

It was a story about a young Ku Klux Klansman and member of the American Nazi Party, Daniel Burros. Another reporter, McCandlish Phillips, after days of digging and interviewing, was quite certain that the American Nazi was a Jew. He needed one bit of evidence—proof that Mr. Burros had been bar mitzvahed. Mr. Spiegel undertook this part of the investigation.

He went to the Queens neighborhood where Mr. Burros was supposed to have grown up. It was on a Saturday, the Jewish Sabbath.

He entered a synagogue, put on a prayer shawl and mixed with the worshipers. In Yiddish, he inquired if anyone knew a Daniel Burros. Interviews led him to a synagogue and the rabbi who had confirmed Mr. Burros.

In writing of this legwork, in 1967, when Mr. Spiegel was the guest of honor at a dinner in the Waldorf-Astoria Hotel given by Jewish organizations, Arthur Gelb, then the metropolitan editor of The Times and now its deputy managing editor, said, "It was the backbone of a front-page story that attracted worldwide attention."

Mr. Spiegel came into newspaper work after a childhood in tenements in the upper 90's between Madison and Park Avenues. It was there he got the first of his nicknames—Spizzy. It was given by a boyhood friend, Sam Levenson, the comedian. Originally, it was Spizzy Eagle.

The next nickname, Pat, came when he was a copy boy, taking courses at Columbia and trying to get on The Staff Times.

As was the custom, neophytes were given tryouts covering sermons. He covered St. Patrick's Cathedral so often that an assistant city editor began referring to him as the reporter from St. Pat's. By the time he began covering police stories, he was known simply as Pat.

Besides his wife, Mr. Spiegel is survived by a son, David, and a grandson, Eric. Funeral services will be held beginning at

Funeral services will be held beginning at 10 A.M. today in the Riverside Chapel at Amsterdam Avenue and 76th Street.

THE HANDICAPPED STRIKE

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, enforcement of the basic rights of our handicapped citizens must be effected as soon as possible. I have urged Secretary Califano of the Department of Health, Education, and Welfare to take immediate action on the implementation of section 504 of the Rehabilitation Act of 1973.

Section 504 is that part of the Rehabilitation Act which prohibits discrimination against disabled citizens by recipients of Federal funds. Regulations to implement section 504 were developed last year, and have been reevaluated by an intra-HEW task force. Unless regulations are signed, the handicapped will continue to be denied access to the labor force, public transportation, educational programs, hospitals, and other services.

Delays in implementing section 504 have been cited as contributing to the consistently high rate of unemployment among disabled persons, which is a rate which exceeds the figures for all other categories of people. This situation will continue to exist unless the most stringent guidelines are provided affirming the responsibilities of educational institutions or employers in the treatment of the handicapped.

This fall it will be 4 years since the Rehabilitation Act was passed. Urging Secretary Califano to implement the regulations expeditiously is a necessary step toward fulfilling the commitment we made in 1973 to incorporate our handicapped citizens into the mainstream of our society.

Mr. Speaker, because of these long delays, the handicapped community has found it necessary to express their dissatisfaction directly to the Department of Health, Education, and Welfare. Tomorrow, at 1 o'clock e.s.t., the handicapped strike. Demonstrations will begin at the 10 HEW offices across the country, including the Department headquarters here in Washington. I wish the demonstrators success.

My letter to Secretary Califano is appended:

Washington, D.C., April 1, 1977. Hon. Joseph Califano,

Secretary, Department of Health, Education, and Welfare, Washington, D.C.

DEAR JOE: I know you are quite aware of the controversy surrounding the proposed regulations implementing Section 504 of the Rehabilitation Act of 1973. I understand that you have appointed a special task force to make recommendations concerning the proposed regulations which you had been asked to sign immediately upon assumption of your duties at HEW.

As one who has supported the efforts of handicapped citizens to eliminate discrimination in employment and barriers of all kind—both legal and physical—I feel quite strongly that regulations implementing Section 504 should be adopted as soon as possible. As you know, because of various delays in that last Administration, the necessary regulations to implement Section 504 have been delayed for almost four years. These delays, I think we both recognize, are serious. Employers and government agencies should know, in easy, understandable terms, of

their responsibilities under the law, and handicapped individuals should be able to demand adherence to the regulations.

I am concerned that handicapped persons may remain excluded from potential em-ployment and from educational opportunities because of a lack of guidelines affirming the responsibilities of educational institutions or employers in the treatment of the handicapped. Therefore, I urge you to take prompt action following the receipt of your task force's report to sign a comprehensive and effective set of regulations implementing Section 504.

For my part, I am prepared as a member of the Appropriations Committee to urge the appropriation of funds necessary to enable affected public institutions, such as schools and libraries, to make the architectural modifications that may be necessary to comply with the regulations.

All the best Sincerely.

EDWARD T. KOCH.

PERSONAL EXPLANATION

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, I was out of town last Thursday, March 31. Had I been present, I would have voted "yes" on House Resolution 393 (roll no. 114) and its amendment (roll no. 113), to authorize additional funds for the leadership offices.

I would have voted "yes" on H.R. 4895, the Strategic and Critical Materials Stockpiling Amendments (roll no 115), and "yes" on H.R. 4975, the Biomedical Research Extension Act (roll no. 116).

I also would have cast a "yes" vote for the Health Services Extension Act, H.R. 4976 (roll no. 118), and yes on the amendment that increases the authorization for demonstration projects for home health services (roll no. 117).

IRS REGULATIONS ON TUITION RE-MISSION PROGRAMS

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, I am today introducing a bill which attempts in part to clarify a misconception on the part of the Internal Revenue Service about the intent of Congress in enacting section 117 of the Internal Revenue Code.

On November 3, 1976, the IRS issued proposed regulations which would require employees of educational institutions to treat as taxable income scholarships given to their families under a tuition remission program. At a hearing at the IRS on January 7 of this year, I testified in opposition to these proposed regulations. My opposition was for two reasons: First, I felt that the regulations were in clear violation of the statute, the intent of Congress, and the long-standing pracice of the IRS. Second, the regulation seized upon only one small piece of the "benefits in kind" problem, and thus aimed the axe exclusively at the private liberal arts colleges.

The IRS withdrew its plan to tax tuition remission plans on January 13: however. I think that the issue of congressional intent in this area should be re-

Further, at these IRS hearings, Commissioner Alexander indicated that another problem in this area was the cooperative arrangement between employers whereby one employer provides socalled scholarships to the dependents of the other employer. Although this situation occurs relatively infrequently, and usually among closed corporations, this bill provides that the determination of whether such reciprocal assistance is income will be made as if the assistance were furnished by the employee's own employer.

In conclusion, I believe that the IRS's position on the matter was short-sighted and not in the best interests of the country. To prevent the recurrence of similar or identical regulations, I urge the Congress to consider this bill favorably.

The text of the bill follows:

H.R. 5956

A bill to amend the Internal Revenue Code of 1954 to provide that amounts received under certain tuition remission programs will be exempt from taxation, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 117 of the Internal Revenue Code of 1954 (relating to scholarships and fellowship grants) is amended by adding at the end thereof the following new subsection: "(c) Tuition-Remission Programs Main-

tained by Institutions of Higher Educa-

"(1) In general.-For purposes of subsection (a), any amount received by an employee of an institution of higher education, or by the spouse or a dependent of such an employee, pursuant to a tuition-remis-sion program of such institution shall be treated as an amount received as a scholar-

"(2) Tuition-remission program.-For purposes of paragraph (1), the term 'tuition-remission program' means a plan of an institution of higher education if—

"(A) under such plan employees of such institution or the spouses or dependents of such employees may be provided with assist-ance for purposes of attending such institution or any other institution of higher education;

"(B) such assistance is provided only in the form of-

"(i) a reduction in the amount of the tuition charged for attending such institution (or any other institution of higher education if such reduction is pursuant to an agreement between such institutions), or

(ii) a grant to be used for purposes of paying tuition for attending an institution of higher education; and

"(C) the provision of such assistance to any employee, or to the spouse or dependent of such employee, is not conditioned on a reduction in the compensation which would otherwise have been paid to such employee or on an increase in the amount of services which such employee would have otherwise been required to perform for such institu-

"(2) Institution of higher education.—For purposes of this subsection, the term 'institution of higher education' means an educational institution in any State which-

"(A) admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate;

(B) is legally authorized within such

State to provide a program of education beyond high school;

(C) provides an educational program for which it awards a bachelor's or higher degree, or provides a program which is acceptable for full credit toward such a degree, or offers a program of training to prepare stu-dents for gainful employment in a recognized occupation; and

(D) contributions to or for the use of which are charitable contributions (as de-

fined in section 170(c)).

(b) The amendment made by subsection shall apply to all taxable years whether such years begin before, on, or after the date of the enactment of this Act.

SEC. 2. (a) Section 117 of the Internal Revenue Code of 1954 (relating to scholarships and fellowship grants) is amended by adding at the end thereof the following new subsection:

(d) Cooperative Agreements Between

Employers.-If-

"(1) an individual is employed by any person (hereinafter in this subsection referred to as the 'employer'

(2) such individual or the spouse or a dependent of such individual is furnished assistance by any other person for purposes of attending educational organization

scribed in section 170(b) (1) (A) (ii), and
"(3) such assistance is furnished by such other person pursuant to an agreement between him and the employer, then, for purposes of this section, the determination of whether such assistance is excludable from gross income under this section shall be made as if such assistance were furnished by the employer."

(b) The amendment made by subsection shall apply to taxable years ending after the date of the enactment of this Act.

SALES REPRESENTATIVES PROTECTION ACT

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, today I am introducing a bill designed to provide a remedy for sales representatives working on commission who are unjustifiably terminated by the business firms whom they represent. Like the Franchising Termination Practices Reform Act which I introduced earlier this session, the Sales Representatives Protection Act will provide much needed reform in an important area of business conduct.

The vast majority of salesmen work long, hard hours attracting and maintaining customers for the business firms they represent. But, regardless of the number of successful contracts which they negotiate, many sales representatives are continually in jeopardy of having their sales relationship terminated or diminished arbitrarily and unjustifiably. The bill establishes certain minimum standards to protect sales representatives from unfair conduct by their principals.

The concept of providing substantive rights for the protection of commissioned sales representatives is not unknown-many European countries now guarantee such rights. And, the method of commissioned sales has continued to play an important role in the commercial life of those countries. This bill establishes no regulations of any kind, nor does it interfere with the right of principal and sales representative to enter into

a contract to which they mutually agree. Rather, the bill permits representatives to bring an action in court to obtain an indemnity when they are terminated or have their territories or commission rates cut without good cause.

It is clear that commissioned sales representatives serve an integral function in American commercial life. It is also clear that many businesses derive their profits from the hard work and sacrifice of their commissioned representatives. It should be no less clear that these individuals deserve to be protected from arbitrary and unfair treatment.

Mr. Speaker, I join with Mr. Baucus, Mrs. Burke of California, Mr. Dellums, Mr. Downey, Mr. Fraser, Mr. Harris, Mr. Hughes, Mr. Jenrette, Mr. Moakley, Mr. Simon, Mr. Solarz, Mrs. Spellman, Mr. Stark, Mr. Vento, Mr. Weiss, and Mr. Yatron in including the text of the Sales Representatives Protection Act in the Record:

H.R. 5957

A bill to correct inequities in certain sales representatives practices, to provide protection for certain sales representatives terminated from their accounts without justification, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Sales Representatives Protection Act".

FINDINGS

Sec. 2. The Congress makes the following findings:

(1) A substantial amount of useful business activity in and affecting interstate commerce is carried on and conducted under agreements or relationships between sales representatives compensated solely by commission and principals on whose behalf such sales representatives solicit orders.

(2) Such agreements and relationships benefit the economy, enhance commerce, and promote competition by providing a means for the sale and distribution of goods in an

efficient and economic manner.

(3) Such sales representatives, as independent businessmen, do not have the benefits of workmen's compensation, unemployment compensation, and company-sponsored retirement or pension plans and are not eligible to bargain collectively.

(4) Many such sales representatives are not sufficiently protected from wrongful termination from their accounts, reduction in the size of their sales territories, conversion of their accounts to accounts serviced directly by the principal, and other inequities.

INDEMNIFICATION BY PRINCIPAL OF UNJUSTLY TERMINATED SALES REPRESENTATIVE

SEC. 3. (a) Any principal who, without good cause, terminates or fails to renew any contract between such principal and any sales representative under which such sales representative solicits orders on behalf of such principal form an original or improved account of such sales representative to which such sales representative has been assigned to solicit orders on behalf of such principal for a period of not less than eighteen months immediately preceding such termination or fallure to renew shall indemnify such sales representative in accordance with section 4 (a).

(b)(1)(A) Any principal who takes any action to reduce the size of the geographic territory, if any, which such principal has assigned to a sales representative with respect to an original or improved account of such sales representative to which such sales

representative has been assigned for a period of not less than eighteen months immediately preceding such action by the principal shall, if such action results in a reduction of not less than 25 per centum in the dollar amount of commissions paid by such principal to such sales representative for orders accepted from such account in the twelve-month period immediately following such action compared with the dollar amount of commissions paid by such principal to such sales representatives for orders accepted from such account in the immediately preceding twelve-month period, indemnify such sales representative in accordance with paragraph (3).

(B) In any determination under subparagraph (A), any reduction in the dollar amount of commissions paid by a principal to a sales representative with respect to an account because such principal failed to fill orders submitted by such account due to an act of God, an act of war or insurrection, a strike, or an act of an agency of Government

shall be disregarded.

(2) Any principal who reduces the rate of commission paid to a sales representative of such principal for orders accepted by such principal from an original or improved account of such sales representative to which such sales representative has been assigned for a period of not less than eighteen months immediately preceding such reduction shall, if the total effect of such reductions in any twelve-month period is a reduction in rate of commission of not less than 25 per centum, indemnify such sales representative in accordance with paragraph (3).

(3) Upon a reduction in amount of commissions described in paragraph (1) or a reduction in rate of commission described in paragraph (2), the principal causing such

reduction shall-

(A) if the sales representative involved elects to terminate his contract with such principal with respect to the account involved, indemnify such sales representative for such reduction in accordance with section 4(a); or

(B) if such sales representative elects not to terminate his contract with such principal with respect to such account, indemnify such sales representative for such reduction

in accordance with section 4(b).

COMPUTATION OF INDEMNITY

Sec. 4. (a) Any principal required under section 3(a) or section 3(b)(3)(A) to indemnify a sales representative with respect to any account shall be liable to such sales representative—

(1) in an amount equal to the sum of the amounts of the commissions paid or to be paid such sales representative for orders accepted by such principal from such account during the base year and for orders received by such principal from such account during the base year and accepted after the end of the base year; and

(2) at the end of each successive twelvemonth period after the base year, in an amount equal to the product of—

(A) the total sales (if any) of such principal to such account in such twelvemonth period;

(B) the percentage of such principal's total sales to such account in the base year for which such sales representative received a commission; and

(C) one-half the percentage rate of commission paid to such sales representative for sales by such principal to such account in the base year.

Liability under paragraph (2) shall terminate at the end of the seventh successive twelve-month period after the base year or at the end of the period of years after the base year equal in number to one less than the number of years (rounded to the nearest whole number) during which such sales representative was a party to a contract or

contracts with such principal under which such sales representative solicited orders from such account, whichever occurs first. The amount in which any principal may be liable to any sales representative under paragraph (1) as an indemnity shall be in addition to, and not in lieu of, amounts owed to such sales representative as commissions.

(b) Upon election by a sales representa-tive under section 3(b)(3) not to terminate his contract with a principal with respect to an account after such principal has caused a reduction in the amount of such sales representative's commissions as described in section 3(b)(1), or in the rate of commission paid such sales representative as described in section 3(b)(2), such principal shall be liable to such sales representative as if such reduction were a termination or failure to renew under section 3(a) creating liability under subsection (a) of this section, except that each amount computed under subsection (a)(1) or (a)(2) as the amount of liability of the principal shall, for purposes of this subsection, be multiplied by the percentage of such reduction in amount of commissions or rate of commission.

(c) For purposes of this section, the term "base year", when used with respect to the liability of principal to a sales representative, means the twelve-month period preceding the date on which such liability first arose.

EXEMPTIONS

SEC. 5. (a) Section 3(a) shall not apply to any principal which, for a period of two years after a termination or cancellation referred to in such section, neither solicits, directly or through sales representatives, nor accepts orders from the account involved in such termination.

(b) Section 3 shall not apply with respect to any action by a principal with respect to a sales representative if the volume of sales of such principal in the line of business for which such sales representative solicits orders is in any twelve-month period ninety percent or less of the volume of sales of such principal in such line of business in the preceding twelve-month period.

DUTIES OF PRINCIPALS WITH RESPECT TO SALES
REPRESENTATIVES

SEC. 6. Any principal who enters into a contract with a sales representative under which such sales representative shall solicit orders for the merchandise of such principal shall—

 inform such sales representative, within a reasonable time to be specified in such contract, of such principal's receipt of each order from an account of such sales representative;

(2) furnish such sales representative, within a reasonable time to be specified in such contract, copies of all invoices and credit memorandums issued with respect to sales in the assigned geographic territory, if any, of such sales representative;

(3) furnish such sales representative monthly statements of commissions due such sales representative; and

(4) provide such sales representative, upon the request of such sales representative—

(A) an accounting showing each sale made by such principal in the preceding twelve months in the assigned geographic territory, if any, of such sales representative;

(B) information with respect to any matter which is related to any claim by such sales representative against such principal for a

commission; and

(C) access to the records of such principal for the purpose of verifying information supplied under subparagraphs (A) and (B).

PROCEDURE

SEC. 7. (a) An action to enforce any rights of liabilities created by this Act may be brought in a district court of the United

States without regard to the amount in controversy or in any other court of competent

jurisdiction.

(b) In the case of an action arising under this Act which is brought in a district court of the United States, such action may be brought in the judicial district where all the plaintiffs reside in addition to any other judicial district provided by law.

(c) No action may be brought under this Act later than five years after the right to

such action first arises.

(d) In any action brought by any sales representative against any principal under this Act, the burden of proof on the issue of whether such principal acted without good cause shall rest on such principal.

(e) In any successful action brought by a sales representative under this Act, the court may award reasonable attorneys' fees and costs to such sales representative.

WAIVER PROHIBITED

SEC. 8. Any provision in any contract between any sales representative and any principal requiring such sales representative to waive any of the provisions of this Act shall be void.

DEFINITIONS

SEC. 9. For the purposes of this Act:
(1) The term "principal" means any person who-

(A) is engaged in the business of manufacturing, producing, assembling, importing, or distributing merchandise for sale in commerce to a customer who purchases such merchandise for resale or for use in business;

(B) utilizes sales representatives to solicit

orders for such merchandise; and

(C) compensates such sales representa-

tives, in whole or in part, by commission.
(2) The term "sales representative" means any person (other than an agent-driver or commission-driver) who is an independent contractor engaged in the business of soliciting on behalf of a principal orders for the purchase of such principal's merchandise.

(3) The term "original or improved account", when used with respect to a sales representative, means a customer of a

principal-

(A) which purchases merchandise of such principal through such sales representative for resale or for use in business; and

(B) the business of which with such prin-

cipal-

(i) was initially solicited by such sales rep-

resentative; or

- (ii) was not less than 50 per centum greater in dollar volume in any twelvemonth period during which such sales representative was a party to a contract contracts with such principal under which such sales representative solicited orders from such customer than in the twelvemonth period ending with the month preceding the month in which such a contract was first entered into.
- (4) The term "good cause", when used with respect to the termination of, or failure to renew, a contract between a principal a sales representative, means conduct on the part of such sales representative with respect to such principal which constitutes-

(A) fraud, dishonesty, or criminal activity; (B) a material breach of the contract between such sales representative and such

principal:

- (C) failure to put forth a good faith effort to obtain orders for the merchandise of such principal; or
- (D) gross negligence in the performance the duties of such sales representative under such contract.
- (5) The term "commerce" means trade, traffic, transmission, communication, or transportation-
- (A) between a place in a State and any place outside thereof; or
 - (B) which affects trade, traffic, transmis-

sion, communication, or transportation described in subparagraph (A).

The term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, and the Canal Zone.

EFFECT ON STATE LAW

SEC. 10. Nothing in this Act shall invalidate or restrict any right or remedy of any sales representative under the law of any

CHILEAN REFUGEE BILL

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, the truth about Chile can no longer be ignored. The United States can no longer wash its hands of responsibility for the tragic series of events which culminated in the violent overthrow of a legitimately elected foreign government and the subsequent methodical bloody repression by the Pinochet dictatorship of those who supported that government. We learned painfully that this repression has not been limited to opponents within Chile when we recently witnessed right in our own capital the assassination of the Pinochet regime's leading critic and, incidentally, a totally uninvolved American woman, Mrs. Michael Moffitt.

Our Government cannot erase this tragic chapter in the lengthening history of misguided and misbegotten covert foreign intervention by the CIA, but at the very least we can offer sanctuary to those Chileans whose lives are every day placed in jeopardy at least in part as a result of those interventions. To this end, I am today reintroducing humanitarian legislation to grant asylum to these refugees from Chilean political terrorism.

This bill marks the continuation of a struggle to guarantee refuge for endangered Chilean nationals and their immediate relatives which I began last year when I introduced, along with 22 cosponsors, H.R. 14392, a bill that would have granted Chilean political prisoners permanent residence in the United States. This original bill met with staunch criticism from the State and Justice Departments because of the automatic provision to grant immediate permanent resident status. While I disagree with State and Justice, in order to get this urgent matter moving, in light of the objections. I have revised the bill to initially grant 2 years' nonpermanent residence, followed by a redetermination of status by the Attorney General. I am advised that this formula may be more acceptable.

We can no longer turn our backs on those whose desperate plight we have played a part in causing. As President Carter said so well in his inaugural ad-

Because we are free we can never be indifferent to the fate of freedom elsewhere. Our moral sense dictates a clear cut pref-erence for those societies which share with us an abiding respect for individual human

The military junta which rules Chile has shown no respect for human rights. However, we, a Nation of immigrants and refugees, must.

The text of the bill and section-bysection analysis follows:

HR 5969

A bill to grant admission to the United States to certain nationals of Chile and the spouses, children, and parents of such nationals, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding section 214 of the Immigration and Nationality Act, any alien who is a national of Chile and is not in the United States shall be issued a nonimmigrant visa and admitted to the United States as a nonimmigrant if the consular officer deter-

(1) that such alien-

(A) if in Chile, being persecuted or is in danger of persecution on account of his political opinions; or
(B) if not in Chile, would be persecuted

or be in danger of persecution on account of his political opinions if he returned to Chile;

(2) that such alien is not excludable from the United States under section 212(a) of the Immigration and Nationality Act without regard to paragraph (26) of such section;

(3) that such alien has applied for such admission during the one-year period which begins on the day after the date of enactment of this Act.

(b) (1) The admission to the United States of any alien under this Act shall be for the two-year period which begins on the date of admission. During such period any alien admitted under this Act shall be allowed to accept employment. Not later than the date on which such two-year period expires, the Attorney General shall examine the case of such alien and, if the Attorney General de-

(A) that such alien has not acquired permanent residence; and

(B) in the case of an alien other than an alien subject to this subsection by reason of section 3(a)(1) of this Act, that such alien would be persecuted or be in danger of persecution on account of his political opinions if he returned to Chile,

such alien shall be placed in the custody of the Immigration and Naturalization Service, and shall thereupon be inspected and examined for admission into the United States, and his case dealt with, in accordance with the provisions of sections 235, 236, and 237 of the Immigration and Nationality Act.

(2) Any such alien who, pursuant to paragraph (1), is found, upon inspection by an immigration officer or after hearing before a special inquiry officer, to have been and to be admissible as an immigrant at the time of his arrival in the United States and at the time of his inspection and examination, except for the fact that he was not and is not in possession of the documents required by section 212(a)(20) of the Immigration and Nationality Act, shall be regarded as lawfully admitted to the United States for permanent residence as of the date of his arrival.

Sec. 2. (a) Notwithstanding section 241 of the Immigration and Nationality Act, any alien who is a national of Chile and is in the United States on the date of the enactment of this Act shall be treated in accordance with subsection (b) if the Attorney General de-

(1) that such alien would be persecuted or be in danger of persecution on account of his political opinions if he returned to Chile:

(2) that such alien is not excludable from the United States under section 212(a) of the Immigration and Nationality Act without regard to paragraph (20) or (26) of such section:

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(3) that such alien has applied for such treatment during the one-year period which begins on the day after the date of enactment of this Act.

(b) (1) An alien subject to this subsection shall be examined by the Attorney General in accordance with paragraph (2) not later than the earlier of—

(A) in the case of an alien holding a valid nonimmigrant visa, the date on which the visa expires;

(B) in the case of an alien paroled into the United States by the Attorney General, the date on which such parole status expires; or

(C) the date two years after the date on which such alien makes application under

subsection (a) (3).

The Attorney General shall examine the case of an alien subject to this subsection and, if the Attorney General determines

(A) that such alien has not acquired per-

manent residence: and

(B) in the case of an alien other than an alien subject to this subsection by reason of section 3(a) (2) of this Act, that such alien would be persecuted or be in danger of persecution on account of his political opinions if he returned to Chile,

such alien shall be placed in the custody of the Immigration and Naturalization Service, shall thereupon be inspected and examined for admission into the United States, and his case dealt with, in accordance with the provisions of sections 235, 236, and 237 of the Immigration and Nationality Act.

(3) Any such alien who, pursuant to paragraph (2), is found, upon inspection by an immigration officer or after hearing before a special inquiry officer, to have been and to be admissible as an immigrant at the time of his arrival in the United States and at the time of his inspection and examination, except for the fact that he was not and is not in possession of the documents required by tion 212(a)(20) of the Immigration and Nationality Act shall be regarded as lawfully admitted to the United States for permanent

residence as of the date of his arrival.

SEC. 3. (a) Notwithstanding section 214 or 241 of the Immigration and Nationality Act-

(1) any alien who satisfies the requirements of subsection (b) and is not in the United States shall be issued a nonimmigrant visa, admitted to the United States as a nonimmigrant, and treated in accordance with subsection (b) of the first section of this Act; and

(2) any alien who satisfies the requirements of subsection (b) and is in the United States shall be treated in accordance with subsection (b) of section 2 of this Act.

(b) An alien satisfies the requirements of this subsection if the Attorney General

determines

(1) that such alien is the spouse, a child, or a parent of a national of Chile who has been admitted to the United States under subsection (a) of the first section of this Act or with respect to whom determinations described in subsection (a) of section 2 of this Act have been made:

(2) that such alien-

(A) is a national of Chile but does not satisfy the requirements for admission under subsection (a) of the first section of this Act or for receiving treatment in accordance with subsection (b) of section 2 of this

(B) is not a national of Chile; and

(3) such allen has applied for treatment under this section within the one-year period which begins on the day the date of enactment of this Act.

Sec. 4. An alien who acquires permanent residence under this Act shall not be chargeable for purposes of the numerical limitations contained in section 201 or 202 of the Immigration and Nationality Act.

Sec. 5. The Attorney General shall take

such steps as he deems appropriate to provide that any alien who is a national of Chile or the spouse, a child, or a parent of a national of Chile shall be informed of the treatment for which application may be made under this Act before such alien is otherwise excluded from admission into, or deported from the United States.

Sec. 6. The definitions contained in sections 101(a) and (b) of the Immigration and Nationality Act shall apply in the administration of this Act.

SECTION-BY-SECTION ANALYSIS

Section 1.(a) Provides for the admission of any National of Chile as a Non-Immigrant, if a Consular Officer determines that:
(1) If in Chile is being persecuted or in

danger of persecution; (2) If not in Chile, would be persecuted in danger of persecution if returned to

Chile;
(3) Further findings must be made that he is not excludable from the U.S., except relating to eligibility for a non-immigrant

(4) Must apply for admission within one year of date of enactment of this Act.

(b). Provides for the admission for a 2-year period, with authorization to accept employment. After a 2-year period, if alien has not acquired permanent residence and a determination is made that he would be in danger of persecution if he returned to Chile, he will accorded permanent resident status as of the date of his arrival in the U.S. notwithstanding the fact that he is not in possession of the appropriate documents.

Section 2. Relates to Nationals of Chile in the U.S. and provides the same relief as Section 1 of the bill for such applicants, provided they apply within a 1-year period fol-

lowing enactment of the Act.

Section 3. Related to the similar treatment for spouses, children or parents of a national of Chile (admission or adjustment of status to permanent resident)

Section 4. Exempts any person admitted under the Act from the numerical limitations imposed by or contained in the Immigration

and Nationality Act.

Section 5. Places responsibility on the Attorney General for disseminating information to possible beneficiaries concerning application for treatment under the Act. Especially the limitations on the time which they must apply for admission or adjustment of status

Section 6. Provides that the technical definitions used in the Immigration and Nationality Act are applicable to this Act.

SEARCH FOR PEACE IN THE MIDDLE EAST

(Mr. YATES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. YATES. Mr. Speaker, with the Carter administration's resumption of the search for peace in the Middle East, one of the areas on which talks must surely focus is the dual plight of Jews displaced from Arab lands and Arabs displaced from Palestine. Joan Peters, in an article in Commentary magazine, has made a valuable contribution to understanding the full dimensions of the problem. I commend the remarks of this distinguished and accomplished writer to my colleagues in the House as well as all those who seek to understand the situation in the Middle East with a view toward eventual peace.

The article follows:

AN EXCHANGE OF POPULATIONS (By Joan Peters) *

More than sixty million persons have be-come refugees since World War II. Of these, most have been resettled and rehabilitated in the countries to which they fled, seeking asylum. Indeed, the world community has long considered the resettlement and integration of refugees in their host countries to be a moral obligation of the highest order, and this understanding has been embodied in international law. Except after military victory, there have been no instances of the successful mass repatriation of any refugee group once it has become absorbed in its host country.

The one striking exception to the general rule is the situation of the Arab refugees in the Middle East. The Arabs who left Palestine during Israel's War of Independence in 1948-49 have to this day not been resettled or rehabilitated in the Arab countries to which they fled. On the contrary, the Arab states have refused to absorb or integrate their brethren into their respective societies: instead they have made the "restoration" of the "legitimate rights" of these refugees namely, their repatriation to Jewish Palestine in a position of sovereignty they never previously enjoyed—the central demand in their confrontation with Israel: the "heart of the matter." This demand runs counter to all historical precedent and the universal present-day practice of mankind, yet it seems to have the approval and endorsement of a majority of the world community.

That this should be so is a tribute primarily to the success of Arab propaganda in persuading the world that in the Middle East the cause of justice lies on one side and one side only. That, however, is a serious distortion of truth, with respect to the "refugee problem" no less than with respect to the general situation. With respect to the refugee problem, the truth is that an exchange of populations has taken place be-tween Israel and the Arab countries. Far from being a case simply of Palestinian Arabs fleeing from Jews, what occurred in the Middle East in the late 1940's was a flight of refugees in both directions almost simultaneously. For every Arab refugee-adult or child—now competing for the sympathy of the world from Syria, Lebanon, or Jordan, there is a Jewish refugee now living in Israel who fled or was expelled from the Arab land of his birth where he and his ancestors had lived for two thousand years. Indeed, so symmetrical is the historical record that the actual numbers on each side are almost exactly the same-about 700,000 Palestinian Arabs versus about 700,000 Jews from Arab lands. And so far as property goes, the tradeoff leans, if anything, to the benefit of the Arabs, who confiscated Jewish-held assets in Iraq, Syria, Libya, Egypt, and elsewhere. The difference is that where the Israeli government, from the beginning, took it upon itself to attempt to integrate its refugees into society, the Arab states, successfully flouting precedent and disregarding the claims of conscience, have kept their fellow-Arab refugees in a condition of unremitting squalor and poverty.

^{*} Joan Peters contributed the much-discussed article, "In Search of Moderate Egyptlans," to our May 1975 number. The present essay, in a somewhat different version and augmented by transcripts of interviews with Jewish refugees from Arab lands, will form part of her forthcoming book on the Middle East conflict.

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"Before the Jewish state was established there existed nothing to harm good relations between Arabs and Jews." Thus, to Henry Kissinger, spoke the late King Faisal of Saudi Arabia, a country which Jews are not even allowed to enter. The king was repeating a cliché which has attained something of the status of a myth: that, unlike the history of the Jews under Christendom, the history of the Jews under Islam was one of tranquility, equality, and friendship—until the advent of Zionism. Yet the assertion of Muslim tolerance is only a myth; one would have to search far indeed in doctrine and in historical practice to find substantial evi-dence of it as a reality. The fact that during certain short-lived periods Jews under Arab domination did achieve a greater degree of security than Jews often experienced in Christian lands should not be allowed to obscure the essential record, which is one of political subjugation, social humiliation, and officially decreed religious inferiority.

This inferiority is prescribed in the Koran itself, and is elaborated upon in the hadith, the traditional sayings attributed to the prophet Muhammad. Wherever Jews have lived under Islam, their condition has been determined by the legal ordinances of the Koran, which forbids followers of Muhammad from dealings with Jews, promises their eventual downfall and ignominy "because they disbelieve the revelations of Allah and slew the prophets wrongly," and in general denounces them as the enemies of the faith. It was to such Koranic imprecations that President Sadat of Egypt referred in 1972 when he said of Jerusalem: "We shall take it out of the hands of those of whom the Koran said, 'It is written that they shall be demeaned and made wretched.' . . . We shall celebrate the defeat of Israeli arrogance so that they shall return and be as the Koran said of them, a people 'condemned to humiliation and misery.'

The 7th-century Covenant of Omar delineates the twelve laws under which a dhimmi, or non-Muslim, was allowed to exist as a non-believer among believers. The charter codified the conditions of life for Jews (and Christians) under Islam-a life which became forfeit if the law was broken. According to the Covenant, Jews were compelled to wear a distinctive (sometimes dark-blue or black) habit with sash, and a yellow piece of cloth as badge; they were not allowed to perform their religious practices in public, or to own a horse; they were forbidden to drink wine in public; and they were required to bury their dead without letting their grief be heard by the Muslims. Islam's religious law decreed the lightest of penalties for a Muslim who murdered a non-Muslim; the testimony of a Jew (or Christian) against a Muslim was held invalid. As payment for being allowed so to live, the dhimmi paid a special head-tax and a special property tax.

These and other harsh restrictions of the Covenant were carried down through the centuries, implemented with varying degrees of cruelty or flexibility depending upon the character of a particular Muslim ruler. The extra head-tax, for example, was enforced in some form until 1909 in Egypt, Iraq, Syria, Lebanon, and Turkey, until 1925 in Iran, and in Yemen until the present day. Throughout the centuries, the Jews were the first to suffer in times of economic turmoil or political upheaval, and were also the victims of sporadic mass murders.

In the 20th century, with the departure of the Eurpoean colonial powers from the Middle East, the old Muslim attitude toward Jews—superior, condescending, possessive—came to be replaced by one of open hatred. Nazi anti-Semitism found a receptive home here in the 1930's and 1940's. As early as 1940 the Mufti of Jerusalem requested the Axis powers to acknowledge the Arab right "to set-

tle the question of Jewish elements in Palestine and other Arab countries in accordance with the national and racial interests of the Arabs and along lines similar to those used to solve the Jewish question in Germany and Italy." Hitler's crimes against the Jews have frequently been justified in Arab writings and pronouncements. In the 1950's Anwar Sadat, then a government minister, published an "open letter" to Hitler expressing the hope that he was still alive and would yet resume his interrupted cause.

The anti-Semitic literature (including The Protocols of the Elders of Zion and many official school texts) published by the Arabs since World War II has been voluminous, and is continually increasing, despite the almost total evacuation of Jews from the Arab world. The virulence of the literature aside, what is significant about it is its official origin-it is the product not of an extremist fringe of Arab governments, including those called moderate. And in the meantime the image of the Jew has taken on new colorations: despised for centuries as a non-believer, portrayed in the modern Arab world as the demoniacal incarnation of evil, the Jew living in an Arab country after the rise of Zionism and the establishment of the state of Israel came to be calumniated, as well, as a fifth columnist, a foreign agent, a de facto spy. This was the climate from which the Jews of Arab lands fled.

II

Of nearly 900,000 Jews who lived in Arab lands in 1948, only some 35,000 remain. The Arab world has been nearly emptied of its large and ancient Jewish communities.

The entire Yementte community of Jews, almost 50,000, swarmed into Israel via "Operation Magic Carpet" in 1948. Yementte Jewry, whose history went back 2500 years, was fleeing from what the historian S. D. Goitein has described as "the worst aspect" of Arab mistreatment of Jews. A Yemenite law had decreed that fatheriess Jewish children under thirteen be taken from their mothers and raised as Muslims. Goitein mothers and raised as Muslims. Goitein mothers "To my mind, this law, which was enforced with new vigor about fifty years ago, more than anything else compelled the Jews to quit that country to which they were very much attached. ... The result was that many families arrived in Israel with one or more of their children lost to them. . ." The stoning of Jews was still practiced in Yemen at the time of the 1948 exodus.

From Iraq, between the years 1949 and 1952 alone, 123,371 Jews fled to Israel, leaving their assets and communal holdings behind, Iraqi Jews took pride in their distinguished community, with its history of scholarship and

¹Some examples drawn from educational texts:

A history text for third year junior-highschool students, Jordan: "The Jews in Europe were persecuted and despised because of their corruption, meanness, and treachery."

From a religious-studies reader, second year of junior high school, Syria: "The Jews . . . lived exiled and despised since by their nature they are vile, greedy, and enemies of mankind."

An elementary-school exercise in syntax and spelling, Syria: "Analyze the following sentences. 1. The merchant traveled to the African continent. 2. We shall expel all the Jews from Arab countries."

A favored subject in much Arab anti-Semetic literature is the *infamous* Damascus blood libel of 1840. In 1962 the Egyptian Ministry of Education brought out an official book, *Human Sacrifices in the Talmud* (a reprint of a work dating from 1890), which repeats the charge that Jews use human blood for ritual purposes, and in 1973 a former minister in the Egyptian foreign service published a play based on the same idea.

honor. Under the British mandate many were writers, traders, and physicians, and some had become quite wealthy through commerce and banking. All this ended when Iraq declared independence in 1932. Almost immediately afterward, increasingly violent demonstra-tions took place over the "Palestine problem": many Iraqi Jews were murdered by agitated mobs, nitric acid was thrown by terrorists upon Jews in the street, and bombs were flung into synagogues. In 1941 the violence exploded into a bloody farhud-massacre—of the Jews, with the police openly participating in the attack; at least 150 were killed, hundreds more were wounded, and more than a thousand Jewish-owned houses and businesses were looted and destroyed. That same year, the Iraqi Minister of Justice proclaimed that "Judaism is a threat to mankind." From then on Jews suffered indiscriminate torture, imprisonment without charge, and relentless persecution.

When Iraq joined the Arab war against Israel in May 1948, government terror in-creased: Jews were forbidden to leave the country, and many fortunes were extorted or confiscated. Zionism was made a capital crime, and Jews were publicly hanged in the center of Baghdad. (A Dutch Jew was hanged as a "Zionist" in Iraq less than a year ago.) Although no laws authorized the confiscation of Jewish property before 1950, the Jews were stripped of millions of dollars through economic discrimination, "voluntary donations" appropriated by the government, and other subterfuges. An Egyptian journal reported in 1948 that all Iraqi Jews who went to Palestine and did not return would be tried in absentia as criminals. Those who were tried in absentia were sentenced to hang or serve extended prison sentences. Perhaps because of the desperate financial condition of the Iraqi government, Jewish "emigration" was later legalized-upon confiscation of property and permanent loss of citizenship. The Jews their accumulated holdings behind, and within the first three years of the law, most fied. As of 1975, only 400 of this ancient and distinguished community of 150,000 remained behind

In 1948, 75,000 Jews lived in Egypt; today there are 350, the remnant of a community dating back millennia. Under Ottoman rule. Egyptian Jews had flourished; despite occasional eruptions of hostility toward them, their standard of living into the 20th century was much better than in most other Arab countries. Yet by the late 1930's Egyptian nationalism, Arab hatred of Zionists, and Nazi propaganda combined to erupt violently against the Jews. The first major incident was the burning of synagogues, churches, and other communal buildings belonging to non-Muslims. From 1945 on, many Jews were killed or injured in organized riots. Jews suffered extensive economic losses when the Egyptians passed a law that largely excluded Jews from employment; the government confiscated much Jewish property and wrecked the economic situation of the Jews within a few months. In 1948 anti-Jewish riots were rampant. According to one account, in one seven-day period, 150 Jews were murdered or seriously wounded. With the outbreak of the 1948 war, Egyptian Jews were barred from leaving Egypt, whether to go to Israel or elsewhere. Then, early in August 1949, the ban was abruptly lifted, and much sequestered Jewish property was returned. From August until November of that year, more than 20,000 of Egypt's 75,000 Jews fled, many to Israel. A brief period of tolerance under General Naguib was followed by the takeover of Gamal Nasser who instituted mass arrests of Jews and confiscation of their property.

After the Sinai campaign of 1956, thou-

After the Sinai campaign of 1956, thousands of Egyptian Jews were interned without trial while thousands more were served with deportation papers and ordered to leave

within a few days; their property was confiscated, their assets frozen, and they were forced to acknowledge in writing that they were leaving voluntarily. When the Six-Day War began in 1967, many Jews were again arrested and held in camps, where they were beaten and whipped, deprived of water for days on end, and forced to chant anti-Israel slogans. By 1970, these Jews too had left the country. "Egypt," according to the officer in charge of one internment camp, "has no place for the Jews." By 1975, Egypt was virtually Judenrein.

From North Africa more than 300,000 Jews have crowded into Israel since 1948. Almost 250,000 of these are from what is now Morocco, where Jews have lived since the destruction of the First Temple. Down through the 19th century, Jewish existence in Morocco remained insecure and tenuous. Under Islam, André Chouraqui has written, the Jews of Morocco were subjected at various times to "such repression, restriction, and humiliation as to exceed anything in [Christian] Europe" except for the Nazi Holocaust. Charles de Foucauld, a French Christian officer who in 1863-84 posed as a rabbi in an intelligence-gathering mission, was one of many to record Jewish life under Arab rule in 19th-century Morocco:

"... Bled white without restraint, ... they are the most unfortunate of men... Every Jew belongs, body and soul, to his sid [Muslim seigneur]... he came in the sid's possession through inheritance as part of his personal belongings under the rules of Muslim law ... or [if] he settled only recently in the place where he lived, then immediately upon 'arrival he had to become some Muslim's Jew... Once having rendered homage, he was bound forever, he and his descendants... Nothing in the world protected the Jew against his sid: he was entirely at his mercy."

By contrast, in those regions of Morocco which were under Turkish rule the Jewish condition was less desperate, and some Jews even achieved a measure of affluence.

French rule came to Morocco in 1912 and brought welcome relief for the Jews, despite pogrom in Fez that killed sixty Jews left 10,000 homeless, and despite the fact that (unlike Algeria and Tunisia), Jews remained under local Arab rule. By 1948, Jews had even become nominally involved in local When Israel was established, the French authorities strove to maintain calm between the Muslim and Jewish communities, and the Muslim sultan appealed to his subjects not to commit violence against the Jews. Yet early in June 1948, mob violence erupted simultaneously against the Jewish communities of several towns in Northern Morocco, and dozens of Jews were killed. Shortly afterward, the first major group of Moroccan Jews-30,000-fled to Israel. The fate of Morocco's Jewish community fluctuated with each strong political wind: Moroccan independence was declared in 1956 and although emigration to Israel was declared illegal, 70,000 more managed to reach the Jewish state. The Sultan's return was followed by appointment of Jews to major government posts; in 1959, Zionism became a crime. Two years later the new king attempted to appease the Jews by legalizing emigration; another 100,000 made their way to Israel. Israel's victory in the 1967 brought heightened hostility from the Muslims, and by 1975 Moroccan Jewry had shrunk to less than 10 per cent of its former number. The 22,000 or so who remain reportedly live well, and King Hassan is anxious for them to stay, but many Jewish schools are now run by Muslims, there has been no Jewish press since 1960, and occasionally there are renewed anti-Israel demonstrations.

The Algerian Jewish community generally shared the treatment of Moroccan Jews. In the 1930's the ascent of Nazi Germany, re-

inforcing Muslim attitudes of the past, gave rise to new waves of anti-Semitism; a massacre at Constantine in 1934 left twenty-five Jews slain. dozens wounded, and Jewish property pillaged. In 1940, when the Vichy government took over, Jews were stripped of French citizenship, banned from schools and public activities, and legally rendered "pariahs." Only the Allied landing prevented the transfer of Algerian Jews to European death camps. (However, Messali Hadj, "father of the Algerian nationalist movement," refused to support Nazi Germany.) After World War II, Jews were caught in the middle of the struggle for Algerian independence between the French and the nationalists, and in addition Algeria had now forged stronger links with the Arab League. The Jewish community of Algeria which had numbered 140,000 in 1948 diminished within months at the height of hostilities in the early 1960's; about 14,000 Jews fled to Israel 125,000 went to France. The Jewish population in Algeria now numbers 500.

Tunisian Jews were somewhat better off than either their Algerian or Moroccan brothers throughout the last centuries, but the separate Jewish quarter of Tunis was not much less squalid and miserable than were other North African mellahs or haras—Jewish ghettos—before French rule. When Tunisia became independent in 1956, a Jew was included in the Bourguiba cabinet, yet the Jews of Tunisia were soon forced to flee from the extremism which the "Arabization" of policy of the government now fostered. Of 105,000 Jews in 1948, only a tiny fraction, about 8,000, live in Tunisia today; 50,000 emigrated to Israel and many others have gone to France.

Jewish history in Syria dates back to bibtimes. By 70 c.E. 10,000 Jews dwelled in Damascus, and a consistent Jewish presence was maintained there for more than two millennia despite periodic eruptions of vio-lence, the best-known of which in modern times was the Damascus blood libel of 1840it is still being invoked to this day. The French, assigned mandatory rights over Syria in 1920, made persistent attempt to protect the Jews from attack by Arabs, but the growing dispute over neighboring Palestine in the 1930's crystallized local hostility and brought anti-Jewish riots in 1936. In 1937 a Nazi delegation paid a visit to Damascus, the level of anti-Jewish propaintensifying ganda and bringing about closer affiliations between German and Arab youth organizations. From Damascus, the Arab Defense warned the Jewish Agency: Committee Your attitude will lead you and the Jews of the East to the worst of calamities that has been written in history up to the pres-." In 1944 and '45 the Jewish quarter was raided; in the latter year Syria won its independence, Damascus and the warned at a religious conference that if Jewish immigration to Palestine were not halted, all countries of Islam would declare a "holy war" against the Jews. Shortly afterward a Syrian student mob celebrated a Muslim hol-

In December 1947 anti-Jewish feeling climaxed in a vicious program: Syrian mobs poured into the mellah of Aleppo and burned down most of the Synagogues, destroyed 150 Jewish homes, five Jewish schools, fifty shops, and offices, an orphanage, and a youth club. Holy scrolls, including a priceless ancient manuscript of the Old Testament, were burned, while the firemen stood by and police "actively helped the attackers." By early 1947 only 13,000 Jews remained in Syria of as estimated 30,000 four years earlier. Letters smuggled out of Syria told a "war against

iday by desecrating the Great Synagogue of

Aleppo, beating Jews at prayer and burning

prayer books in the street. Government in-

timidation was initiated, and Jews were pro-

hibited from leaving the country. Jewish leaders were forced to denounce Zionism

Zionists [which] has turned into a war against the entire Jewish people. . . ."

Since that time regimes have come and gone in Syria, but except for brief periods Syria's ever-diminishing Jewish community has remained huddled together in a ghetto. without collective or individual rights. Despite Government-monitored or staged media presentations for propaganda purposes, the only candid reports available on the condition of the Jews in Syria are those of escapees. The plight of Syria's Jews-menaced both by officialdom and by hostile Palestinian Arabs who have been moved into the homes left by Jewish escapees-has become an international issue of human rights, and world attention has been focused on the government's repressive tactics. No one knows what will become of the 4,350 Jews still in Syria.

The Jews of Lebanon-a country about which, at this point, it is difficult to generalize—have historically enjoyed greater freedom than any other Jewish community living in the Arab world. In fact, many Jews fled to Lebanon from other Arab lands in the years following Israel's independence, boosting the Jewish population there to 9,000 by 1958. In that year, in the wake of the attempted revolution in Lebanon, the Jews began to depart; the 1967 war and the infiltration of Lebanon by Arab terrorists caused most to fiee. The latest figure estimates the number of Jews still in Lebanon at 1,800, but that figure was calculated prior to the recent warfare there between Muslims and Christians, which has produced many Christian refugees and undoubtedly some Jewish ones.

Libya's Jewish community has virtually disappeared. Of the 38,000 Jews whose roots were deep in the North African terrain that is Libya today, perhaps twenty are left. Most fled in the years after World War II, which saw virtually unceasing violence against a community that had already suffered horribly during the war. One violent anti-Jewish program, in November 1945, was described by Clifton Daniel in the New York Times: Babies were beaten to death with iron pars. . . . Old men were hacked to pieces where they fell. . . . Expectant mothers were disemboweled. Whole families were burned alive in their houses." By the time Libya achieved independence in 1952, there were only 8,000 Jews remaining to attempt to take advantage of the equality purportedly of-fered under the new constitution. Libva's entry into the Arab League made life even more hazardous after the Six-Day War of 1967. Libya's remaining Jews were forced literally to run for their lives, leaving behind everything they owned; most became a part of Israel's refugee community.

What this cursory survey indicates is an unwavering pattern all over the Arab world. and reaching far back into history. No Arab nation has ever accepted the Jews (or any other minority) on an equal footing in its midst, none has given any sign of a readiness to do so, despite all the PLO talk of a "sec-ular democratic" state to be established in Palestine. No Arab state today is or has ever been secular; none is or has ever been democratic. It is in light of this melancholy fact, indeed, that one should understand the extraordinarily cynical "invitation" recently extended by various Arab governments, amid much publicity, to Jewish refugees from Arab lands, to return to their countries of birth and resume there the life of "harmony and amity" which they supposedly left behind. "invitation," by Lib-Responding to one such "invitation," by Lib-ya's President Qaddafi, the Tunisian-born writer Albert Memmi summed up the real plight of the Jews from Arab lands, and contrasted it to that of the Palestinian

irabs:

"Do you believe that the Jews who were born in Arab countries can go back, where

they had been robbed, massacred, and from which they had been expelled? . . When all is said and done, the disaster of the Arabs Palestine amounts to their having been displaced for some fifty kilometers within the same enormous Arab nation. How much more serious is our case: we Jews from Arab countries have been displaced for thousands of kilometers, after having lost everything."

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Quite some time before the 1947 Partition Plan which proposed the division of Palestine into a Jewish and an Arab state, there were British advocates of an exchange of populations—the Arabs of Palestine for the Jews in Arab countries-to facilitate the formation of homogeneous populations in the envisioned new sovereignties. (Modern precedents for such an exchange include those between Turkey and Bulgaria in 1913 between Turkey and Greece in the 1920's; in the postwar period perhaps the best-known example of an exchange of populations is that between India and Pakistan in the 1950's-81/2 million Sikhs and Hindus from Pakistan to India, an almost equal number of Muslims from India to Pakistan.) Among the arguments advanced in favor of the proposed Arab-Jewish exchange was that of the British Colonial Secretary in 1937, who observed before a hearing of the Mandate commission that since the Arabs living in the Jewish areas of Palestine "had not hitherto regarded themselves as Palestinians but as part of Syria, as part of the Arab world as a whole," they would be "going to a peo-ple with the same civilization" and "therefore the problem of transfer would be easy. In fact, a preponderance of the approximately 650,000 Arabs living in Jewish Palestine in the mid-40's were relatively recent arrivals, having been attracted there by the affluence and work opportunities created by the Jews (a circumstance that in itself gives the lie to present-day claims of a centuries-old Arab "Palestinian identity").

As is well known, neither the proposal for a Jewish state nor the plan for an exchange of Arab and Jewish populations won the approval of the Arabs themselves. They rejected the 1947 UN Partition of Palestine, and instigated hostilities immediately upon Israel's declaration of independence. Ironically, it was as a result of these Arab hostilities that the war of independence and the Arab-Jewish population exchange did

take place.

At the time of the 1948 war the invading Arab governments were certain of a quick victory. Arab leaders exhorted their fellow Arabs to leave Jewish Palestine in order to clear the roads for advancing Arab armies and to cause general chaos. They promised a triumphal return after the hostilities, meanwhile creating panic and fear by spreading false stories of Jewish "revenge." The Jews in fact had pleaded with the Arabs to stay. After the Arab defeat, of course, the Arab position changed: now their demand was for "return" of the "expelled" refugees to their former homes, but only after those homes ceased to be "occupied" by Jews. Emile Ghoury, Secretary of the Arab Higher Command, stated the new Arab position in the Beirut Telegraph on August 6, 1948: "It is inconceivable that the refugees should be sent back to their homes while they are occupied by the Jews. . . . It would serve as a first step toward Arab recognition of the state of Israel and Partition." Thus was created the status of semipermanent refugeehood which the "Palestinian" Arabs have assumed ever since.

Right after the war international experts cited undisputed evidence that resettlement of the Arab refugees within the larger community of Arab nations would not only benefit the refugees but would also contribute

needed additional labor forces to the underpopulated and underdeveloped Arab world.2 Iraq and Syria seemed especially ideal for such resettlement. A report by President Truman's International Development Advisory Board, headed by Nelson Rockefeller, asserted that Iraq alone could absorb an Arab refugee population of 700,000.3 As for Syria, a Catham House Survey estimated that that country "might well absorb over 200,000 Palestine refugees within five years in agriculture alone." In 1949 an editorial in a Damascus newspaper stated that "Syria needs not only 100,000 refugees, but five million to work the lands and make them fruitful." The paper suggested that the government place these "100,000 refugees in districts where they will build small villages with the money appropriated for this purpose," and in fact Syrian authorities began the experiment by moving 25,000 refugees into areas of potential development in the northern parts of the country. The overthrow of the ruling regime in August 1949 changed the situation, however, and the new leadership reverted to the rigid Arab League position against reset-

As late as 1959, UN Secretary-General Dag Hammarskjold reiterated that there were ample means for absorbing the Arab refugees into the economy of the Arab region. Hammarskjold detailed the estimated cost of the refugee absorption, which he proposed be financed by oil revenues and outside aid. But plans for permanent rehabilitation of the refugees were rejected by the Arabs, because such measures would have terminated their status as "refugees" waiting to be repatriated. At a Refugee Conference in Homs, Syria, the Arabs declared: "Any discussion aimed at a solution of the Palestine problem which will not be based on insuring the refugees' right to annihilate Israel will be regarded as a desecration of the Arab people and an act of treason."

Over the years there have been individual Arabs who have admitted in public to the cynical use made of the Arab refugees for propaganda advantages. Khaled El-Azm, who was Syria's prime minister following the 1948 war, wrote in his 1972 memoirs: "Since 1948 it is we who demanded the return of the refugees while it is we who made them leave. . . . We brought disaster upon one million Arab refugees. We rendered them dispossessed, unemployed. . . . We accustomed them to begging and . . . participated in lowering their morale. . . . Then we exploited

² This continues to be the case. This year it has been reported that Saudi Arabia alone is seeking to recruit up to half-a-million workers to develop its growing economy, and an Iraqi official confirmed recently that Iraq "inviting Egyptian farmers to settle is now there.

³ The report also acknowledged explicitly that what had occurred was an actual ex-change of populations. At the same time, anauthoritative study noted that the flight of Jews from Iraq had opened a gap that could best be filled by Arab refugees from Palestine. Even Arab sources were known to put forward suggestions of this kind. El-Balad, a daily paper in Jordanian Jerusalem, stressed the value to Arabs of the Jews' flight from Iraq. According to the paper "roughly 120,000" Jewish refugees had fled Baghdad to go to Israel, leaving all of their goods and homes behind them. "Now the 120,000 Arab refugees could replace the Jews, occupy their houses, and find opportunities to earn a livelihood which had been left vacant." In fact, many of these homes left behind in Syria, Libya, and Iraq by Jewish refugees who fled to Israel are today occupied by Arabs who formerly lived in Palestine.

them in executing crimes of murder, arson, and throwing bombs upon . . men, women, and children—all this in the service of political purposes in Lebanon and Jordan, Some of them become so accustomed to crime that their thirst for it is never quenched. . Others have gone so far as to acknowledge the reciprocal nature of the refugee question. Thus, Sabri Jiryis of the Institute for Palestine Studies wrote last year in the Beirut journal, Al Nahar: "This is hardly the place to describe how the Jews of the Arab states were driven out of their ancient homes, . . . shamefully deported after their property had been commandeered or taken over at the lowest possible valuation." Jiryis envisages a day when Israel will claim. " Israelis entailed the expulsion of some 700,-000 Palestinians. However, you Arabs have entailed the expulsion of just as many Jews from the Arab states.' Actually," he goes on, "what happened was a kind of 'population and property exchange,' and each party must bear the consequences. Israel is absorbing the Jews of the Arab states; the Arab states for their part must settle the Palestinians in their own midst and solve their problems...

But these are isolated voices. Today, the official Arab position remains as it was stated in 1949 by the Egyptian Minister for Foreign Affairs, Mohammad Salah al-Din: "Let it therefore be known and appreciated that, in demanding the restoration of the refugees to Palestine, the Arabs intend that they shall return as the masters of the homeland.... More explicitly: they intend to annihilate the state of Israel." It is in line with this position that the Arab governments over the years have rebuffed every effort to secure the well-being of their refugees, have insistedwithout legal or moral foundation-on their 'legitimate right of return," and have sought to obscure the fact that, with the exchange of Arab out-migrants from Israel for Jewish out-migrants from Arab lands that occurred in the late 1940's and early 50's, a balance of refugee populations has already been struck in the Middle East.

THE KEMP PROPOSAL: TAX RE-FORM THAT WILL CREATE JOBS

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MICHEL. Mr. Speaker, it is a very great pleasure for me to bring to your attention an article written by my good friend and esteemed colleague, Jack KEMP. The article, "Needed—Tax Reform That Will Create Jobs" appears in April's Reader's Digest and I am glad to see such an excellent article in a magazine that has such wide distribution both in the United States and throughout the world.

JACK KEMP reminds readers of some of the basic facts of economic life, facts which are too often forgotten today. If there is not enough capital to invest there will not be any jobs to fill. If Government increasingly takes money away from citizens in the form of high taxes, there is less money available for investment to create jobs.

Simple? Yes. Elementary? Yes. But almost totally forgotten by the Congress when it comes time to talk about job creation. Jack Kemp has not forgotten. He outlines his Jobs Creation Act in the article and shows how true reform can

lead to tax cuts and increased capital investment.

As the article notes, passage of the Jobs Creation Act would not result in a loss of tax revenues. This is because the lowering of high tax rates would remove the disincentives which presently exist to increased production, investment, and employment. Thus GNP would expand and thereby expand the tax base itself. Furthermore, the jobs created would be tax producing jobs in the private sector, rather than tax-consuming public service jobs.

But I believe the best way to learn about Jack Kemp's thoughtful approach to job creation is to read his informative and important article. I include the article in the Record at this point:

NEEDED—TAX REFORM THAT WILL CREATE JOBS

(By Representative Jack Kemp, Republican of New York)

In the traffic circle at Niagara Square in Buffalo, N.Y., stands the white marble William McKinley Memorial, a handsome 93-foot obelisk that has been a local landmark for almost 70 years. Unfortunately, it has also now become a landmark example of how not to create jobs. Consider:

With the city hard hit by the recent recession, a decision was made to create jobs by building a brick wall around the base of the monument. Buffalo hastly scraped up \$135,-000 to "match" \$440,000 in federal funds, and the bricklayers went to work. Only as the fortress-like wall began rising did citizens realize how grotesquely it altered the beauty of the square.

A great public outcry finally halted the job, the project was torn down, and the monument area restored to its original condition. But by the time the last truck had hauled away the debris, taxpayers all over the country had chipped in on a "project" that added nothing to the wealth or well-being of the city and did nothing for the area's flagging economy.

Buffalo needs jobs. America needs jobs, for the millions now out of work and for the almost two million young men and women who will be entering the market each year. But America does not need McKinley monument-type jobs like those urged by too many of my colleagues in Congress. Tax rebates, temporary tax credits and government makework programs, such as those advocated by the Carter Administration, cannot deal permanently with unemployment because they do nothing to increase real wealth and exist only as long as the private sector supports them with its taxes. Real jobs—those that produce goods and services, pay taxes and, in turn, create more jobs—come only one way: by harnessing private enterprise, the ultimate source of all of America's wealth.

Today, however, America's job machine, once the wonder of the world, is slowing down. Its fuel supply—the investment capital to start new companies, expand old ones, develop new products, replace obsolete or worn-out machines—is slowly being choked off.

How has it happened? The voracious combination of taxes rising on the tide of inflation has been eating up profits and discouraging the saving and investment necessary to increase our pool of job-producing, economy-expanding capital. Corporate after-tax profits (as a percentage of corporate domestic income) were 13 percent in 1965. By 1975 they had dropped to 5.1 percent.

This decline has also meant a drastic drop in retained earnings, the money left after paying dividends that business plows into job-producing modernization and expansion.

A study by the Machinery and Allied Products Institute, adjusted to show the effects of inflation, shows that in 1965 corporations had \$19 billion in retained earnings. A decade later, retained earnings had been wiped out.

The consequences of this economic reality are evident in every part of the country. In Buffalo, a major employer decides not to expand plant capacity. In Ohio's Mahoning Valley, a group of small steel companies considers a drastic pooling of resources to acquire enough capital to build a jointly operated mill that would replace antiquated blast furnaces. Fears of anti-trust violations are raised, but the alternative is frightening: get out of business. Indeed, this whole capital issue is the jobs issue. There is no economic lesson more basic than that capital creates jobs (a man can't hire people to cut wood if he hasn't first invested in saws) and increases productivity-and therefore wages by buying better, more efficient tools.

The most important factor in increasing productivity is the amount of capital investment spent per worker. In the 1950s, we were investing an average of \$84,000 per worker added to the labor force. In the '70s, that rate dropped to \$60,000 per new worker. As a consequence, American workers are losing ground in the productivity race against world

competitors.

Lest anyone think there is no correlation between investment capital and real economic growth, look at Japan. The free-world leader in productivity growth (close to 11 percent a year), it has also been the leader in private investment, plowing an average of 35 percent of its GNP back into capital expenditures. In West Germany, the figure is 26 percent; in France, 25 percent. The United States trails all major free world nations, with an investment rate of only 18 percent.

Because our investment rate ranks last among the major industrial nations, we also rank last in growth of real wages and benefits. From 1965 to 1975, the real income of the American worker increased only 15.7 percent. In Sweden, it increased 68.8 percent; in Germany, 78.1 percent; and in Japan, 137.9 percent. In the United States by 1950, per-capita income was twice that of Sweden or Switzerland. Today, both have surpassed us, and other industrial nations are not far behind.

If we are to meet our energy needs, compete with foreign industry, build a projected 28 million new homes and maintain our standard of living, staggering amounts of capital are essential—\$4 trillion in new investment between now and 1968. If present trends continue, we will fall \$650 billion short of this goal.

Despite such predictions—plus the relationship between our dwindling rate of investment and jobs—we find Congress today still talking about soaking the rich and increasing taxes on business. It is the spectacle of a man choking himself. But if the advocates of "getting the fat cats" and "placing the burden on business" have their way, we will see still further reduction of our ability to save, invest, energize the economy.

There is, however, a way to encourage investment and provide millions of new jobs. Many of my colleagues in the House have joined me in sponsoring the Jobs Creation Act. Its most important proposals:

An across-the-board cut of ten percent on all personal income-tax rates. The American taxpayer's need for permanent relief is painfully obivous. The total tax bill of the average American household in 1975 (the most recent year computed) was \$5,844, or 41.2 percent of household income. Because of the universality of the federal income tax, a permanent cut at that level would be the most equitable and easily attained form of relief. Such a cut would be far better than one-shot rebates of money that has already been funneled to Washington and is then sent back—without interest, plus the added ex-

pense of printing and mailing checks. We can best stimulate the economy by leaving more money with the people in the first place.

An exemption to each taxpayer of up to \$1,000 on a new savings account, money added to existing savings, or new investments in stocks and bonds. This will treat everyone equally and is a basic step to encourage the saving that is the heart of capital formation. Of the nine major industrial nations of the free world, the United States ranks eighth in taxation of what we consume. But it ranks first in taxation of wealth—the pool from which we must draw to finance the kind of productivity that makes things available to consume. Only by encouraging investment can we provide the trillions of dollars that American industry needs to supply real jobs for millions of workers.

An end to the double taxation of corporate dividends. This double dip by the U.S. Treasury has reduced the benefits of investment to individuals. After whacking 48 cents out of corporate profit dollar for federal taxes, the government then extracts tax a second time from the dividend checks of individual stockholders. The bite can go as high as 70 percent. This virtual confiscation of at least half and often more of a profit dollar has made many people reluctant to invest in business. The evidence: while 548 small companies (under \$5 million net worth) were able to sell stock and raise \$1.5 billion in capital in 1969, only four new companies issued stock in 1975, raising just \$16 million

A reduction of the tax rate on small businesses. Today many small businesses must pay 48 percent of all earnings above \$50,000 to the government—more than double the already high (20 to 22 percent) tax rate on earnings below \$50,000. The tax jump is a formidable disincentive to firms that might otherwise expand. While these smaller businesses cannot borrow one of the same terms as bigger companies, nor easily sell stock to raise funds, they are taxed at the same rate as multimillion-dollar businesses.

I also believe in adjusting personal and corporate income taxes to the consumer price index so that individuals and businesses are not penalized when they are pushed into higher tax brackets solely because of inflation. It is the automatic result of inflation that income taxes as a percent of the average worker's income have risen steadily since 1950. Case in point: a Chicago construction worker earned \$7,196 in 1965 and saw \$634, or 8.8 percent of it siphoned off to Washington via income tax. In 1975, he earned \$13,798, nearly double his pay of a decade ago. But Washington slipped \$1,386 out of his pay envelope—more than ten percent of his earnings. There's a hidden story here of how relentlessly the government tax machine runs on. When inflation is factored in, it turns out that the worker's pay increased only 12.4 percent over the decade, while his real taxes increased 28.1 percent, more than twice the wage rate.

The Jobs Creation Act would obviously increase after-tax corporate profits. This means bigger dividends, but also more money for job-producing capital expansion. In short, the "bonanza" would be widespread—through new jobs and through the financial benefits to the more than 25 million U.S. stockholders, many of them workers and retirees.

As I have found from the wide blue-collar support in my home district, working people understand all this better than do many supposedly pro-labor Congressmen. More than 51 million workers have a vital stake—beyond their jobs—in American business. Their retirement funds are invested in stocks and bonds (in fact, the controlling interest—at least one third of the shares—

of the 1000 largest U.S. industrial corporations is held by about 1300 of the biggest union, teacher and employe pension funds). In addition, more than 380 million life-insurance policies depend to a great degree on business investments.

A major study-directed by economist Norman Ture-shows that enactment of the Jobs Creation Act would restore production incentives and generate a substantial amount of new jobs and higher wages. As such economic activity increases, the tax base grows. The revenue loss would be substantially less than usual estimates because lowering the high tax rates, which are the roadblocks to a more vigorous economy, would result in an increased GNP and, there fore, increased tax base. This is because jobs in the private sector pay for themselves, while the taxpayer foots the bill for publicsector jobs. And, of course, more privatesector jobs mean fewer unemployment-related expenditures by government, such as food stamps and unemployment compensation.

On the other hand, if we go the route of government make-work, we will find ourselves dreaming up largely nonproductive jobs at a cost that could reach \$34 billion a year in public money. We are clearly at a time of decision. We can "create" jobs that are, in fact, an ill-disguised divvying of a shrinking economic pie into smaller and smaller portions. Or we can set about baking a bigger and better pie.

We've known the recipe for 200 years in America: it's the intrinsic genius of the capitalist system. But we've been stifling that genius through restrictive, regressive tax policies. It's clearly time to examine, revise and in some cases throw out those policies and let that genius breathe free.

OVERHAUL OF POSTAL SYSTEM TO AVOID BLEAK PREDICTIONS

(Mr. ANDERSON of California asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. ANDERSON of California. Mr. Speaker, on April 18 Congress will receive the recommendations of the Commission on Postal Service on changes necessary to maintain the Postal Service by the year 1985. And according to reports appearing in the press, they do not paint an optimistic view.

Of course, the full study report is yet to be released. Three of the recommendations are elimination of Saturday service, increasing Federal subsidies, and increasing the first-class mail rate from the present 13 cents to 22 cents.

In other words, the American taxpayer will see more of his tax dollars going to the Postal Service, he will pay more for the delivery of mail, and he will lose 1 day of service.

There can be no question that, considering the volume of mail and the size of our Nation today, the Postal Service is doing an incredible job. But it is also true that the past few years have seen a steady increase in the costs, coupled with a drop in service.

The Commission's report may well be realistic. But I strongly feel that the Congress should take any steps necessary to avoid the bleak outlook predicted for 1985—and apparently that will entail a complete overhaul and reorganization of the Postal Service.

INTRODUCTION OF LEGISLATION RESTRICTING SSI PAYMENTS

(Mr. SISK asked and was given permission to extend his remarks at this point in the Record.)

Mr. SISK. Mr. Speaker, today, I am introducing legislation which will for the most part restrict payment of supplemental security income—SSI—to citizens and legally admitted permanent resident aliens who have resided in this country for at least 5 years, and to authorize the deportation of any alien who within 5 years after entry becomes a public charge.

Recently a series of articles appeared in the San Francisco Examiner graphically illustrating how foreigners could sign up for SSI 30 days after they arrived here and since that time I have been deluged by letters from angry constituents. I believe many of my California colleagues have received similar letters.

I was in Congress back in 1972 when the SSI program was adopted and I strongly supported it. As I recall, some concern was expressed then that aliens would be allowed to receive these Federal welfare benefits as well as citizens, but our consideration of the issue came in the wake of a significant U.S. Supreme Court decision. On June 14, 1971, the Supreme Court in Graham v. Richardson, 403 U.S. 365, held that State statutes which deny welfare benefits to resident aliens or those which deny them to who have not resided in the aliens United States for a specified number of years violated the equal protection clause of the Constitution and encroached upon the exclusive power of the Federal Government over the entrance and residence of aliens. Against that background it was felt that we could not exclude legal resident aliens or impose a residency requirement for aliens, although the law does make it clear that illegal aliens are not eligible.

That belief persisted until recently. On June 1, 1976, the Supreme Court in Mathews against Diaz et al., the Supreme Court held, in effect, that the Congress has no constitutional duty to provide all aliens with the welfare benefits provided to citizens and that a residency requirement for aliens is permissible.

Therefore, I believe the time has come to close this loophole. I do not believe that we have an obligation to provide welfare benefits to aliens who have made no contribution to this country, have no equity here or have paid no taxes.

Before obtaining an immigrant visa, an alien must prove to the satisfaction of an American consular officer that he is not likely at any time to become a public charge in this country. To meet this requirement the alien usually presents evidence that he will have a job, that he has income or assets of his own to support himself, or that relatives in the United States will provide adequate support. Unfortunately we have found that relatives in the United States, many with considerable income and assets, who promise to provide support, claim that

they cannot provide that support once the alien arrives here. The courts have ruled that those affidavits of support filed by U.S. relatives are not legally binding. So the alien with no assets of his own, particularly the elderly alien with limited potential for success in the labor market, applies for and receives SSI as well as medicaid assistance.

The legislation I have introduced today will hopefully eliminate this problem by making all aliens ineligible for SSI until they have resided in this country for 5 full years. Illegal aliens, of course, will continue to remain ineligible at all times. The second bill would authorize the Attorney General to deport any alien who becomes a public charge within 5 years after his arrival here. Because in some cases an unavoidable event such as accident, disease, or illness develops after the alien's entry, the legislation will give the Attorney General discretionary authority to waive deportation in the case of total disability which arose after entry. The bill also requires the Secretary of HEW and State welfare agencies to report the names and addresses of aliens receiving public assistance on a regular basis and the Attorney General will be required to initiate an investigation to determine whether such aliens are deportable.

Mr. Speaker, welfare costs in this country have skyrocketed, and I am sure my colleagues will agree that this Government does not have an obligation to support newly arrived immigrants, particularly when financial solvency was a condition of their admission to this country in the first place.

try in the first place.

SELECT COMMITTEE ON POPULATION

(Mr. SCHEUER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SCHEUER. Mr. Speaker, on the opening day of Congress I introduced a resolution (H. Res. 70) to establish a Select Committee on Population. Over 235 Members have joined me as cosponsors of this proposal.

Presently, jurisdiction over populationrelated programs is scattered among many committees:

The Interstate and Foreign Commerce Committee has jurisdiction over the domestic family planning services and population research program authorized under title X of the Public Health Services Act and the family planning services provided under medicaid;

The Ways and Means Committee has responsibility for family planning services authorized under title XX of the Social Security Act;

The International Relations Committee oversees AID's population programs;

The Banking, Finance and Urban Affairs Committee handles housing legislation:

The Transportation and Public Works Committee is concerned with transportation;

The Agriculture Committee has jurisdiction over legislation affecting food and agriculture:

The Interior and Insular Affairs Committee is responsible for legislation affecting energy and the environment.

The Judiciary Committee has jurisdiction over U.S. immigration policy;

The Education and Labor Committee has the responsibility for developing population education programs; and

The Census and Population Subcommittee of the Post Office and Civil Service Committee has jurisdiction over demographic aspects of the population problem.

Some focal point within Congress is necessary if we are to cope with the problems caused by a world population that is doubling every 30 years. In 1972, the Commission on Population and the American Future, on which I served, recommended that a Committee on Population be established in the Congress. Clearly, one committee should have responbility for studying issues from the perspective of their effect upon population growth and distribution, for spotlighting problems, and for reviewing the implementation of Federal programs in these areas.

The proposal to establish a Select Commmittee on Population has received considerable support. Not only have 235 Members cosponsored the resolution, but also various individuals and groups from across the country have expressed their support for this proposal. Sunday's editorial in the Washington Post is the latest example of the growing awareness of a need for their select committee.

Mr. Speaker, at this time I would like to include in the Record some of the letters of endorsement which I have received and the Washington Post editorial.

These letters are evidence of a growing concern about the effects of current population growth on the quality of life in this country and around the world. I commend them to my colleagues' attention. The letters and editorial follow:

THE POPULATION INSTITUTE, December 23, 1976.

Congressman James Scheuer, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN SCHEUER: I want to express my strong support for your efforts to create a Select Committee on Population for the 95th Congress. As a private organization concerned with ensuring better prospects for the present and future quality of life for the world's people, we feel that the causes and consequences of population growth must be forthrightly addressed.

There are few issues that touch so profoundly on most aspects of life as population growth. We in the U.S. feel these effects daily with increased congestion, inflation and warnings of scarcities of essential resources. And although we have made major strides in coping with our own population growth, a large potential for future growth remains which would only exacerbate present problems, as concluded by the Commission on Population Growth and the American Future.

Even in the U.S., there are 3 million women without access to family planning services. Aside from the demographic implications, it is essential that our citizens have the means to ensure the number and spacing of the children they desire for the well-being of the family and the nation.

The world population problem looms large for the future security of the world and its people. It is estimated that 500 million people are currently facing starvation or mainutrition, yet the present 4 billion could double in just 35 years. Although that prospect appears overwhelming, we can be guardedly optimistic as we see the result of the U.S. foreign assistance program. In recent years, our population programs have had notable successes and the climate of opinion in developing countries is generally one of enthusiasm for working in partnership with us in pursuing these essential development programs. We have gained a great deal of know-how and have the responsibility to use it well and effectively.

A Select Committee on Population would provide an excellent mechanism for investigating the causes and consequences of population growth and those approaches best suited to bring population in balance with the earth's capacity to support it.

Sincerely,

RODNEY SHAW, President.

HOLY REDEEMER COLLEGE, Washington, D.C., January 27, 1977. Hon. James H. Scheuer, U.S. House of Representatives, Washington, D.C.

DEAR MR. SCHEUER: I am delighted to have had the opportunity to meet and lunch with you, the other day; and I enjoyed your kindness in introducing me to the Speaker, Mr. O'Neill, and to your good friends, Congressmen Delaney, Wright and Brademas.

As I believe I indicated in our conversation

As I believe I indicated in our conversation regarding the demographic problem, I am very much in favor of your proposal for a Select Committee of the House on Population. It would be not merely useful but most important in sorting out the problems involved in the United States position on World Population as well as in our relations with the underdeveloped countries.

I feel strongly that, while definitely well-intentioned, the policies adopted by our government, thus far, do not reflect the total, benevolent attention we are capable of giving to this grave source of difficulty affecting both the future of the U.S. and world destiny. A Select Committee on Population could draw all the strings together, reflecting the political, social, economic, religious, ethical and ethnic thinking of our people vis-a-vis the demographic dangers facing the United States and the world.

Should you feel that I can be of any assistance to you in this matter, please do not hesitate to contact me. With every good wish, I remain

Sincerely yours, Francis X. Murphy, C.SS.R.

SIERRA CLUB,
San Francisco, Calif., January 24, 1977.
Congressman James H. Scheuer,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN SCHEUER: We are aware of your introduction of a bill, together with one hundred other sponsors, to create a Select Committee on Population in the House of Representatives for a two-year period. We support your efforts and believe the proposed Select Committee would be an important vehicle for raising population policy issues within Congress. Currently jurisdiction for legislation dealing with the many dimensions of population problems is split among the Committees on Education & Labor, Government Operations, International Relations, Interstate & Foreign Commerce, Judiciary, Post Office & Civil Service, and Science & Technology. A Select Committee would provide a much needed focus for discussion of the U.S. response to world population growth as well as our own. In addition, your proposal would generate interest in and knowledge of those domestic and foreign programs cur-

rently being supported by or proposed to Congress dealing with the reduction in population growth rates.

The Sierra Club has been concerned for many years about the rapid population growth rates in many parts of the world and the slower but nevertheless substantial growth in the United States and most other developed countries. It is our view that population growth intensifies the environmental problems associated with energy and resource use; increases pressure on sensitive agricultural, coastal, and wild lands; and makes achievement of air and water quality goals more difficult. Throughout the world, population growth threatens the survival of many species of animals and plants, is associated with deforestation and the spread of deserts, and makes the problems of hunger and poverty more difficult to solve.

We realize the Congress is looking for ways to streamline its committee organizations. However, we do feel the purposes of this proposed Select Committee are valid and important ones and are concerned that the goals be realized somewhere within the organizational structure of the House of

Representatives.

We would therefore like to add the name of the Sierra Club to the list of organizations supporting your bill. Please let us know how we can be of further assistance in speeding the passage of this measure.

Sincerely,

MICHAEL MCCLOSKEY, Executive Director.

DEPARTMENT OF STATE,
Washington, D.C., January 6, 1977.
Hon. James H. Scheuer,
House of Representatives,
Washington, D.C.

DEAR JIM: Or, with the new Administration should I call you Jimmy? Many thanks for your letter of December 27 with its enclosures. Here are a few comments:

First, your article appearing in the New York Times on December 23 was well balanced and constructive. Congratulations.

Second, the letter to your colleagues regarding the establishment of a Select Committee on Population has an impressive list of co-sponsors, but, more importantly, the resolution itself could not be stated better.

The longer I deal with population, the more I am convinced that the major weakness of most governments we are supporting is their failure to enlist their own people in social and community action programs for solving their own problems. Enlisting the positive support of people is especially essential in those poorest countries whose only real resource is their people. Until they do that, there is little that outsiders can do to help that will be of much use.

All the best this coming year in your highly important work, especially in the population field.

Sincerely yours,

MARSHALL GREEN, Coordinator of Population Affairs.

FORDHAM UNIVERSITY, DEPARTMENT OF SOCIOLOGY AND ANTHROPOL-OGY.

Bronx, N.Y., February 16, 1977. Rep. James H. Scheuer, U.S. House of Representatives,

Washington, D.C.

DEAR MR. SCHEUER: This is in support of your recent resolution, H. Res. 70, to establish a selective committee on population in the U.S. House of Representatives. I am pleased to see that this step is being taken and certainly hope that the committee is active in the near future.

As both a college teacher and an active professional demographer, I have been very concerned about the lack of a sound knowledge base in the formulation of U.S. policies and programs related to Population. In fact, recently chaired a Technical Consultants Panel of the U.S. National Committee on Vital and Health Statistics which was charged with reviewing "Statistics Needed for the Formulation of Fertility Policies." We found many gaps in the available data base. The same situation exists with respect to migration and health programs.

I urge this committee, when it is established, to work on some mechanism for a regular interchange between policy makers, including those in the House of Representatives and Senate, and professionals who are

also working in this area.

Again, this is to wish you success with your efforts in this area.

Sincerely,

MARY G. Powers, Professor, Member, Board of Directors, Population Association of America.

FRIENDS OF THE EARTH, Washington, D.C., February 1, 1977. Hon. JAMES H. SCHEUER, House of Representatives, Washington, D.C.

DEAR JIM: On January 22, 1977, the Executive Committee of the Board of Directors of Friends of the Earth unanimously approved the following resolution:

Whereas Friends of the Earth believes that many environmental problems would be alleviated if the growth of the globe's human

population were reduced, and

Whereas Congressman James Scheuer with more than 80 cosponsors, has introduced House Resolution 74, calling for a House Select Committee of Population to study means of reducing population growth, now therefore, be it

Resolved that Friends of the Earth supports House Resolution 74 and directs its Washington representatives to convey our approval to the sponsors and to urge its support by other congressmen and by our mem-

bership. This letter, then is to notify you of this resolution, of our support for it, of our thanks for the leadership you are showing on this, and our desire to help you make creation of a Select Committee on Population a reality.

> DAVID R. BROWER President.

LUTHERAN COUNCIL IN THE UNITED STATES OF AMERICA, Washington, D.C., February 25, 1977. Hon. JAMES E. SCHEUER. House of Representatives,

Washington, D.C.

DEAR CONGRESSMAN SCHEUER: I wanted to share a copy of the February issue of our office newsletter, FOCUS, with you. Your name figures prominently in two articles, the first dealing with the Maternal and Child Health Care Act, and the second with H. Res. 70, which would establish a Select Committee on Population.

I am grateful for the assistance which your special assistant, Marion Ein, gave to me in preparing an analysis of the Health Bill for comparative chart being prepared by the Interreligious Coalition on Health Care. The bill is an important one, and would represent a proper "next step" in the quest for a na-

tional health care policy.

I would also like to express my personal support for the establishment of a Select Committee on Population. While the work of the Subcommittee on Census and Population the House Committee on Post Office and Civil Service has been important, I personally believe that the issue does deserve much more visibility. Every best wish.

Sincerely.

ALLAN C. CARLSON, Assistant Director, Office for Governmental Affairs.

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UNIVERSITY OF WISCONSIN-MADISON, February 17, 1977.

Hon. JAMES H. SCHEUER, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN SCHEUER: I read in Intercom, a publication of the Population Reference Bureau, that you have recently introduced a resolution to create a House Select Committee on Population. As a political scientist with a great interest both in Congress and in population policy developments, I would very much like to have a copy of that resolution and any supporting speeches made at the time of introduction.

The Intercom article quotes you as saying that Congress "has failed to devote adequate attention to the population issue despite the countless social, health, environmental and economic implications and consequences of population growth for individuals as well as entire societies in the United States and the rest of the world." I couldn't agree with you more. My doctoral dissertation at Yale dealt in part with documenting that inattention to population and related environmental issues, and I am currently writing an article on Congress and population policy-making for a symposium I am editing for the Policy Studies Journal on American population policy analysis. Thus I certainly wish you the best of luck with the resolution. Apart from Pat Schroeder's hearings in 1975 and 1976, there has been precious little follow-up to the Commission on Population Growth and the American Future. Congress can hardly afford to ignore the issues much longer.

I look forward to seeing the new resolu-tion and your introductory remarks.

Sincerely,

MICHAEL E. KRAFT, Assistant Professor.

INSTITUTE OF PUBLIC ADMINISTRATION, Washington, D.C., January 8, 1977. Mr. JAMES H. SCHEUER.

U.S. House of Representatives,

Washington, D.C.

DEAR MR. SCHEUER: Thank you very much for your letter of 6th January and enclosures. Your proposal to establish a Select Committee on Population is well-timed and much needed. U.S. policy in foreign aid is not on the best course and a well-written report from the Select Committee could certainly help in correcting that course

There is no doubt at all that population growth is causing the poorest group of nations to become progressively even poorer, relative to the richer nations and absolutely In particular, see the tables at page 10 of the enclosed study, "International Distribution of Income Among 188 Countries, 1971 and 1972", which I wrote in 1974 and updated in 1975.

Using simple World Bank Atlas data, I showed in this study that the long-alleged spreading of the gap was taking place. True, the poorest nations conduct vigorous trade by barter, so the World Bank's monetary measures of per capita income are deficient, but even doubling or trebling those incomes does not much change the basic dismal situ-

Worse, I firmly predicted both in the original paper and in the updated version that is enclosed that the standard or level of living would continue to fall, not rise, despite efforts of the developed world to assist the less developed nations. The World Bank confirmed this in its December preprint of the World Bank Atlas, I regret to say (see enclosed clipping from the New York Times, 27th December, 1976).

Economic incentives can be used to influence health programs, as was shown in the success of rewards for identifying smallpox

suspect cases. In fertility control, India has turned to more coercive measures. The availability of unrestricted abortion has been studied and found to be widely used in the nations where it is available (see enclosed article from the new issue of Scientific American).

Ideally, a "technical fix" would be developed, viz., a time capsule which would have zero side effects and provide complete protection while installed, yet be reversible when removed. Being a time capsule, it would not be affected by the vagaries of an illiterate population. Certainly the adjustment of social outlook on high fertility is too slow in countries even where the mortality is dropping dramatically and where retirement income is available from grown children. Fatalism and adverse expectations are the rule and are extremely difficult to change. A comprehensive review of the situation is long overdue.

Yours faithfully.

FRANK M. GRAVES.

ZERO POPULATION GROWTH, Washington, D.C., December 29, 1976. Hon. JAMES SCHEUER. U.S. House of Representatives.

Washington, D.C.

DEAR CONGRESSMAN SCHEUER: The national membership of Zero Population Growth, Inc. commends you on your introduction of legislation to create a Select Committee on Population in the House of Representatives. We stand ready to assist you in working for the passage of your bill.

It has been nearly five years since the Commission on Population Growth and the American Future, created by President Nixon, filed its report containing 52 recommendations for government action on population issues-recommendations which have virtually been ignored by Congress and the Executive branch.

In 1974, the United States played a major role in the U.N.-sponsored World Population Conference and was among the 136 countries endorsing the World Population Plan of Action. But in the two years that have followed the United States has done little to live up to the commitments contained in the Plan.

The world's population exceeds four billion and is doubling every 38 years, and growth rates in the poorest countries exceed three percent. Finite resources are causing the nations of the world to become increasingly interdependent; the United States, with only five percent of the world's population uses aprpoximately one-third of the world's non-reproducible resources and energy. Yet, surprisingly enough, the policymakers of this country demonstrate only a minimal awareness of the global implications of continued U.S. and world population growth.

We are hopeful that the Select Committee on Population which you propose will serve as a vehicle for promoting an increased awareness by those policymakers as well as the general public. The Committee can do this by demonstrating that continued population growth contributes to international food and resource shortages, environmental degradation, impeded development of Third World countries, and political instability.

Zero Population Growth, Inc. shares your belief that continued population growth is one of the root causes of many of the world's ills and we congratulate you for looking beyond the symptoms to the cause in seeking a solution.

Sincerely,

ROY MORGAN. Executive Director. AMERICAN FREEDOM FROM HUNGER FOUNDATION, December 30, 1976.

Hon. James H. Scheuer, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN SCHEUER: The American Freedom from Hunger Foundation commends your efforts to establish a Select Committee on Population in the U.S. House of Representatives to examine on a continuing basis worldwide population growth, one of the most serious global problems of our time.

At present, the United States and other industrial countries are islands of affluence in a sea of poverty. The 12 to 1 income gap between rich and poor nations grows wider while population growth—most of it in poor countries—continues unabated.

Efforts to fight poverty around the world through assistance in health, education, nutrition and improvements in agriculture are strongly affected by these burgeoning popu-

lation growth rates.

The American people worry about the population problem and the growing split between rich and poor. However, we know that curbs on population growth rates alone cannot solve global inequities. We know that population is part of the systemic problem of social injustice. Deep inside, each American knows that security and peace in the last quarter of the 20th century depend on this nation taking an active and creative role in grappling with global problems.

A Select Committee on Population is animportant step in underscoring an American commitment to the ideals of egalitarianism and social justice worldwide.

Sincerely yours,

GERALD E. CONNOLY, Executive Director.

Washington, D.C., January 3, 1977. Hon. James H. Scheuer, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN SCHEUER: Congratulations and thanks for taking the initiative to propose a Select Committee on Population. This should help surface the whole problem and clarify U.S. policy. You have certainly been most successful in obtaining the backing of a distinguished group of Congressmen. This initiative is just what the people who attend to the population growth situation need.

Sincerely,

FRED O. PINKHAM,
Former Assistant Administrator for
Population and Humanitarian Assistance, AID

N.O.N.,

Baltimore, Md., January 8, 1977.

Hon. James Scheuer,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN SCHEUER: This letter is written to extend the support and encouragement of the national membership of the National Organization for Non-Parents in regard to your proposed formation of a Select Committee on Population in the House of Representatives.

As one of its concerns, N.O.N. recognizes the need to raise the awareness of the public and policy makers to the role continued population growth plays in resource depletion, environmental corruption, and other political and economic global problems.

The World Population Conference held in 1974 was designed to focus world attention on population problems. While most nations recognized the existence of population problems within their own borders and in the world community, there was much disagreement about causes of the problems and workable solutions. A World Population Plan of Action was agreed to only after intense debate. This conference represented the first

time that virtually all the countries of the world faced up to population problems and their relationship to other important economic and social issues

nomic and social issues.

The U.S. policy makers and general public must be made aware of the important role our country needs to take in finding solutions to population problems globally as well as domestically. The U.S. must recognize that while Americans account for only six percent of the total world population, their high per capita consumption causes the size and growth of their population to have a disproportionate impact on world resources, a matter of considerable importance in view of the fact that it now appears that the combination of increasing world demands, higher costs of fuels, and lower grades of reserves is overtaxing supplies, according to the Fifth Annual Report of the Council on Environmental Quality.

We are concerned that the policy makers of our country are not paying sufficient attention to the tremendous implications population has for the future of our country and of the world. We fully support the establishment of a Select Committee to investigate the problems more intensively in the hope of laying the ground work for creative productive solutions.

ductive solutions. Sincerely.

CAROLE GOLDMAN, Executive Director.

INTERNATIONAL EDUCATION
DEVELOPMENT, INC.,
New York, March 2, 1977.

Hon. JAMES H. SCHEUER, House of Representatives Washington, D.C.

DEAR CONGRESSMAN SCHEUER: I was very pleased to read your recent N.Y. Times Op. Ed. article on the essential birth reducing programs to level population growth. I am in full agreement with that December 23rd statement.

I was also pleased to read in the February Interdependent an article stating you have proposed a House Select Committee on Population.

Our organization is about to begin a three year program funded by AID to mobilize indigenous organizations in Latin America. In the third year we will be including Africa in this effort. The purpose is to encourage local leaders to work collaboratively on integrated development programs. Most of the indigenous group leaders we will be working with relate directly to grass-root problems affecting the poor. Most of them have not been including a population component. I feel the program we are beginning has tremendous potential for reaching the rural poor in ways to which they can immediately respond.

I would appreciate the opportunity of meeting with you to discuss how we might try to raise the consciousness of other members of Congress as to the seriousness of the population growth rate. I look forward to hearing from you on your next trip to New York

Sincerely,

JANE K. BOORSTEIN, Director of Population Programs.

CONSORTIUM ON PARENTHOOD APTITUDE,
New York, N.Y., December 29, 1976.
Hon. James Scheuer and Colleagues,
House of Representatives,
Congress of the United States,
Washington, D.C.

DEAR MR. SCHEUER: The Consortium congratulates you and your colleagues who have proposed a House Select Committee on Population. Your leadership is greatly to be admired.

We recognize how vital it is for elected congressional leaders to examine profound world questions of food, resources, demographics. We hope the Select Committee will explore personal dimensions of the population problem as well—such as the psychological determinants of population growth in various nations of the world.

We offer all possible professional resources and support for your effort—and look forward eagerly to future word on creation of

the Select Committee.

We again thank you and your colleagues for your resolution to create the Committee. Sincerely,

ELLEN PECK, Co-Director,
For the Consortium Board and Membership

POPULATION FOOD FUND, Grand Forks, N. Dak., February 2, 1977. Hon. James H. Scheuer, House of Representatives, Washington, D.C.

DEAR REPRESENTATIVE SCHEUER: I was pleased to see that you had introduced legislation to establish a Select Committee on Population. We believe that, though the public has not yet accepted it, overpopulation is the most dangerous pressure on global stability we face.

I am enclosing a paper by Dr. Cargille [President of Population Food Fund] on NIH's lack of policy direction and also a paper which we prepared for a member of the Carter Transition Team at HEW. The latter outlines the immensity of the population problem, points to the institutional vacuum in policy making, and suggests the need for presidential leadership and a new institutional authority, perhaps at the Cabinet level, to formulate and coordinate all the elements of a coherent population policy.

Please let us know if the Population/Food Fund can be of any further assistance to the Select Committee in its important work.

Sincerely,

ELIOT GLASSHEIM, Executive Vice President, Population/ Food Fund.

THE ENVIRONMENTAL FUND, Washington, D.C., December 30, 1976. Hon. James H. Scheuer, U.S. House of Representatives, Washington, D.C.

DEAR MR. SCHEUER: The Environmental Fund is pleased to have this opportunity to comment upon the proposed creation of a Select Committee on Population. We believe that there is no more pressing or more urgent problem that needs to be addressed by Congress than the effect of population growth on the human environment.

The critical question that mankind faces in the last quarter of the twentieth century will be whether his ingenuity and creativity will stabilize his numbers or whether nature, through famine, pestilence and war, will halt population growth. It is a problem unprecedented in all of human history.

dented in all of human history.

Almost a decade ago, a Presidential Commission on Population recommended that the U.S. seek to stabilize its population. However, since that time, the U.S. population has not only continued to increase, but increased at a faster rate, primarily due to illegal immigration.

In the poorest parts of the world, populations continue to grow at rates higher than those of ten years ago. For example, Asia (excluding P.R.C.) grows by 2.2%; Africa grows by 2.8%; Latin America grows by 2.6%. These growth rates, if continued, mean populations will almost double each generation. But as a recent Worldwatch publication warned, the world's population may never double because of the growing environmental destruction and the resulting rise in death rates.

We do not believe that the development efforts of this country, or any other country, can be successful, if the world's population doubles in so short a time.

Speaking before the second committee of

the General Assembly a few weeks ago, Senator McGovern underscored the dilemma we face:

"Development which ignores actionoriented population programs is no development at all . . . Without a halt to population growth, development and food aid assistance cannot result in meaningful social change."

As poor nations' populations continue to grow, the gap between the rich and poor nations will continue to grow. In addition, the rapacious consumption of raw materials by the industrialized world cannot long be controlled if its population continues to grow.

The establishment of a population committee would enable Congress to consider carefully the problems raised by population growth both here in America and worldwide. It would make it possible to ask the questions that have not been asked before. The answers which the Committee seeks are desparately needed in this crowded world of ours. What those answers are we do not know, but we would gladly support the task of seeking them.

If there is anything we can do to help,

please let us know.

With every good wish, sincerely yours,

Justin Blackwelder.

[From the Washington Post, April 3, 1977] FIGHTING THE POPULATION BATTLE

A potentially useful project is gaining in the House to sharpen the American attack on the world population problem. Under a proposal carefully framed by Rep. James Scheuer (D-N.Y.) to mute domestic opposition, and co-sponsored by 200-plus House members, a select committee would be set up to study for two years (1) the "major adverse effects" of international population growth, (2) "approaches" to cope with it "with emphasis on those measures designed to reduce the frequency of conception rather than the termination of pregnancy," and (3) "means to encourage" countries to adopt "proven" fertility-reduction methods. Only tangentially, it seems, would the committee enter domestic waters

The steam behind this proposal seems to arise less from a dissatisfaction with U.S. government population programs than from the deepening frustration many Americans feel as they watch population growth chew into the resource base and development efforts of the world's needlest countries. American-supported family-planning programs are now funded at the rate of \$143 million. This is due to rise to \$177 million next year. To the extent that general development rather than any specific family planning program reduces fertility rates, to be sure, the American contribution to population control is much greater. But the problem remains huge.

Much more than money is involved. Research on cheap, reliable and safe contraception methods, for instance, is considered inadequate. The integration of family-planprograms into overall development planning needs to be furthered. Techniques for mobilizing social pressures against large families—techniques short of coercion—must be refined. The way the U.S. government is organized to conduct population activities, and to bring its influence effectively to bear on foreign governments, is scarcely beyond improvement. The Helms amendment, barring use of aid funds for foreign abortion programs; severely limits American relevance to foreign needs. It must also be asked if the United States would not have a higher claim to advise other countries on their official population policies if it had one itself.

The complexity of these questions is no reason why a select House committee should not help other concerned Americans, in and out of government, to cope with them. Rapid or "excessive" population growth is as urgent as any issue on the U.S. international

PRESIDENT CARTER'S DISCHARGE PROGRAM

(Mr. HAMMERSCHMIDT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HAMMERSCHMIDT. Mr. Speaker, I have introduced a bill that would deny automatic veterans' benefits to those individuals who will be receiving upgraded discharges from the administration's program for review of Vietnam-era discharges. I would like to invite those of my colleagues who are interested to join me as cosponsors.

This legislation is not offered as the result of bitterness, nor would it completely deny benefits to the veterans concerned. It merely makes the distinction between "compassion," which is the administration's purpose in upgrading discharges, and "honorable service," which is what the taxpayers of this country pay for when they extend veterans benefits to those who have earned them.

My bill will preclude veterans who have received upgraded discharges as a result of the lowered standards of the administration's program from automatically qualifying for veterans' benefits. However, it still allows these veterans to apply to the Veterans' Administration for a determination of the character of their service, under procedures that have existed for years. The Veterans' Administration will then review the applicant's service record comprehensively, and if it is found that a person's service was other than dishonorable, he will receive veterans' benefits. This is the procedure veterans with less than honorable discharges have been required to follow for years, and I see no reason to abandon the procedures for a select group who have received a Presidential windfall.

I believe this legislation is eminently fair to all concerned. The person who takes advantage of the lowered standards of the Carter program is not completely precluded from receiving benefits, and has the same opportunity to receive them as veterans of other eras. The veteran who served honorably and well is able to maintain some sense of worth regarding his effort. And the taxpayers who foot the bill will be paying benefits only to those who earned them with honorable service.

GENERAL LEAVE

Mr. MARRIOTT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special orders today by the gentlewoman from Maryland (Mrs. Holf) and the gentleman from

Illinois (Mr. O'BRIEN).
The SPEAKER. Is there objection to the request of the gentleman from Utah? There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Young of Florida (at the request of Mr. Rhodes), for April 4, 5, and 6, 1977, on account of eye surgery.

Mr. JEFFORDS (at the request of Mr. RHODES), for today and the balance of the week, on account of illness in the family.

Mr. STUMP, for today, on account of official business with the Subcommittee on Aviation, as requested by Chairman ANDERSON.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. MICHEL, for 30 minutes, today, and to revise and extend his remarks and

include extraneous matter.

(The following Members (at the request of Mr. MARRIOTT) to revise and extend their remarks and include extraneous material:)

Mr. Steers, for 5 minutes, today. Mr. Young of Alaska, for 30 minutes.

Mr. WHALEN, for 5 minutes, today.

Mr. McKinney, for 5 minutes, today.

Mr. STOCKMAN, for 5 minutes, today. Mr. RAILSBACK, for 5 minutes, today.

Mr. EDWARDS of Oklahoma, for 60 minutes, April 19.

Mr. Lent, for 15 minutes, April 5.

Mrs. HECKLER, for 5 minutes, today.

Mr. MARTIN, for 30 minutes, today. Mr. Burke of Florida, for 5 minutes, today.

(The following Members (at the request of Mr. HUCKABY), to revise and extend their remarks, and to include extraneous matter:)

Mr. Van Deerlin, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. PREYER, for 10 minutes, today.

Mr. Dopp, for 5 minutes, today

Mr. Nichols, for 5 minutes, today. Mr. Badillo, for 15 minutes, today.

Mr. Fary, for 5 minutes, today.

Mrs. Collins of Illinois, for 5 minutes, today.

Mr. Jones of North Carolina, for 5 minutes, today.

Mr. Badillo, for 60 minutes, on April 5.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted

Mr. YATES, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost \$1,047.

Mr. Wylie, to revise and extend his remarks following Mr. Hammerschmidt's remarks on H.R. 3695 and H.R. 5027.

Mr. Young of Alaska, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public

Printer to cost \$2,174.

Mr. Scheuer, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost \$886.

(The following Members (at the request of Mr. Marriott) and to include extraneous matter:)

Mr. RINALDO in two instances.

Mr. SARASIN.

Mr. MICHEL in two instances.

Mr. WHITEHURST.

Mrs. PETTIS.

Mr. McKinney.

Mr. Forsythe.

Mr. GRASSLEY.

Mr. Collins of Texas.

Mr. BROOMFIELD.

Mr. Dornan in two instances.

Mr. DEL CLAWSON.

Mr. Bob Wilson.

Mr. LAGOMARSINO.

Mr. MARTIN.

Mr. ROUSSELOT.

(The following Members (at the request of Mr. Huckaby) and to include extraneous matter:)

Mr. Murtha.

Mr. RODINO.

Mr. CARNEY.

Mr. Patterson of California.

Mr. KOSTMAYER.

Mr. Byron in two instances.

Mr. Fraser in three instances.

Mr. Fary in two instances.

Mr. VAN DEERLIN.

Mr. DANIELSON.

Mr. CORRADA.

Mr. DE LA GARZA in 10 instances.

Mr. Rosenthal in 10 instances.

Mr. Sisk.

Mrs. LLOYD of Tennessee in five instances.

Mr. Annunzio in six instances.

Mr. Anderson of California in three instances.

Mr. Gonzalez in three instances.

Mr. Brown of California in 10 instances.

Mr. Hamilton in 10 instances.

Mr. OTTINGER.

Mr. BRINKLEY.

Mr. TEAGUE in four instances.

Mr. EILBERG in four instances.

Mr. Downey in two instances.

Mr. Ford of Michigan.

Mr. ICHORD.

Mr. Wirth in two instances.

Mr. NEAL.

Mr. HOLLAND in three instances.

Mr. McDonald in four instances.

Mr. PATTEN.

Mr. ZEFERETTI.

Mr. HARRIS.

Mr. HARKIN. Mr. CHAPPELL.

Mr. OBEY in 10 instances.

Mr. Dopp.

Mr. BINGHAM in five instances.

Mrs. Collins of Illinois in two instances.

Mr. PERKINS.

Mr. Sikes in two instances.

Mr. Stark.

Mr. EDGAR.

Mr. Mann in three instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 37. An act to amend the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5906), and for other purposes; to the Committee on Science and Technology.

S. 1153. An act to abolish the Joint Committee on Atomic Energy and to reassign certain functions and authorities thereof, and for other purposes; to the Committee on Rules

ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 4800. An act to extend the Emergency Unemployment Compensation Act of 1974, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 626. An act to reestablish the period within which the President may transmit to the Congress plans for the reorganization of agencies of the executive branch of the Government, and for other purposes

ADJOURNMENT

Mr. HUCKABY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 40 minutes p.m.), the House adjourned until tomorrow, Tuesday, April 5, 1977, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1152. A letter from Secretary of Agriculture, transmitting the annual report for calendar year 1976 on animal welfare enforcement, pursuant to section 25 of the Animal Welfare Act of 1970; to the Committee on Agriculture.

of Defense (Comptroller), transmitting notice of the intention of the Department of Defense to obligate funds available in the DOD stock fund for war reserve inventory for the Army, pursuant to section 735 of Public Law 94-419; to the Committee on Appropriations.

1154. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation for fiscal year 1977 to the Department of the Treasury for "Salaries and expenses," U.S. Customs Service, has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

1155. A letter from Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that

the appropriation for fiscal year 1977 to the Department of the Treasury for "Salaries and expenses," U.S. Secret Service, has been reapportioned on a basis which indicates the necessity of a supplemental estimate of appropriation, pursuant to section 3679(e) (2) of the Revised Statutes, as amended; to the Committee on Appropriations.

1156. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the Federal Crop Insurance Fund has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

1157. A letter from the Acting Secretary of the Air Force, transmitting the justification for the proposed closure of Craig Air Force Base, Selma, Ala., pursuant to section 612 of Public Law 94-431; to the Committee on Armed Services.

1158. A letter from the Acting Secretary of the Air Force, transmitting the justification for the proposed closure of Kincheloe Air Force Base, Mich., pursuant to section 612 (a) of Public Law 94-431; to the Committee

on Armed Services.

1159. A letter from the Acting Secretary of the Air Force, transmitting the justification for the proposed closure of Webb Air Force Base, Big Spring, Tex., pursuant to section 612(a) of Public Law 94-431; to the Committee on Armed Services.

1160. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notification of the location, nature, and estimated cost of six construction projects proposed to be undertaken by the Naval and Marine Corps Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

1161. A letter from the Secretary of Housing and Urban Development, transmitting a report and recommendations for changing the allocation formula for community development block grant funds, pursuant to section 106(1) of the Housing and Community Development Act of 1974; to the Committee on Banking, Finance and Urban Affairs.

1162. A letter from the Chairman, District of Columbia Law Revision Commission, transmitting the annual report of the Commission, pursuant to section 4(a) of Public Law 93-379; to the Committee on the District of Columbia.

1163. A letter from the Attorney General, transmitting a draft of proposed legislation to amend the Juvenile Justice and Delinquency Prevention Act of 1974, and for other purposes; to the Committee on Education and Labor.

1164. A letter from the Acting Assistant Secretary for Education, Department of Health, Education, and Welfare, transmitting the second annual report of the Advisory Council on Education Statistics, pursuant to section 443 of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

1165. A letter from the Executive Secretary of the Department of Health, Education, and Welfare, transmitting a proposed final regulation for research projects in vocational education, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

1166. A letter from the Chairman, Student Loan Marketing Association, transmitting the Association's fourth annual report, covering calendar year 1976, pursuant to section 439(n) of the Higher Education Act of 1965, as amended (90 Stat. 2141); to the Committee on Education and Labor.

1167. A letter from the Acting Administrator, Small Business Administration, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1168. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of a proposed new records system for the Air Force Academy Library, pursuant to 5 U.S.C. 552a(0); to the Committee on Government Operations.

1169. A letter from the Acting Administrator of General Services, transmitting a report on the proposed Presidential archival depository to house the John Fitzgerald Kennedy Library in Boston, Mass., pursuant to 44 U.S.C. 2108; to the Committee on Government Operations.

1170. A letter from the Acting Assistant Secretary of the Interior, transmitting notice of the receipt of project proposals under the Small Reclamation Projects Act of 1956 from Santa Maria Water Control and Improvement District, Cameron County No. 4, Tex., for a supplemental loan, and from Graham-Curtis Canal Cos., Arizona, for a cost escalation grant, pursuant to section 10 of the act; to the Committee on Interior and Insular Affairs.

1171. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of major defense equipment sold commercially to Pakistan (transmittal No. MC-28-77), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on International Relations

1172. A letter from the Attorney General, transmitting a draft of proposed legislation to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 801 et seq.) to extend for 2 fiscal years the appropriation authorizations for the administration and enforcement of that act; to the Committee on Interstate and Foreign Commerce.

1173. A letter from the Chairman, Administrative Conference of the United States, transmitting his comments on the proposed rules of practice of the Interstate Commerce Commission respecting matters involving common carriers by railroad, pursuant to section 305(b) of Public Law 94-210; to the Committee on Interstate and Foreign Commerce.

1174. A letter from the Administrator, Federal Energy Administration, transmitting a draft of proposed legislation to amend the Federal Energy Administration Act of 1974, the Energy Policy and Conservation Act, and the Energy Conservation and Production Act to provide for authorizations of appropriations to the Federal Energy Administration; to the Committee on Interstate and Foreign Commerce.

1175. A letter from the Administrator, Federal Energy Administration, transmitting the first annual report on the weatherization assistance program, pursuant to section 421 of the Energy Conservation and Production Act; to the Committee on Interstate and Foreign Commerce.

1176. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a) (1) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to section 244(c) of the act (66 Stat. 214, 76 Stat. 1247); to the Committee on the Judiciary.

1177. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting a copy of an order suspending deportation under the authority of section 244(a) (2) of the Immigration and Nationality Act, pursuant to

section 244(c) of the act (66 Stat. 214, 76 Stat. 1247); to the Committee on the Judiciary.

1178. Å letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to amend section 1332(a) (1) of title 28, United States Code, relating to the jurisdiction of the U.S. district courts in suits between citizens of different States; to the Committee on the Judiciary.

1179. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to amend the Jury Selection and Service Act of 1968, as amended, to make the excuse of prospective jurors from federal jury service on the grounds of distance from the place of holding court contingent upon a showing of hardship on an individual basis; to the Committee on the Judiciary.

1180. A letter from the Secretary of Commerce, transmitting a report on actions taken to insure service is provided by U.S. flag commercial vessels to each of the Nation's four seacoasts, pursuant to section 809 of the Merchant Marine Act of 1936, as amended to the Committee on Merchant Marine and Fisheries.

1181. A letter from the Secretary of Transportation, transmitting the third annual report on railroad-highway demonstration projects, pursuant to section 163(n) of the Federal-Aid Highway Act of 1973, as amended; to the Committee on Public

Works and Transportation.

1182. A letter from the Acting Administrator of General Services, transmitting a report on the building project survey for Chattanooga, Tenn., requested by a resolution of the House Committee on Public Works and Transportation adopted June 29, 1976; to the Committee on Public Works and Transportation.

1183. A letter from the Chairman, U.S. International Trade Commission, transmitting the Commission's eighth quarterly report on trade between the United States and the nonmarket economy countries, pursuant to section 410 of the Trade Act of 1974; to the

Committee on Ways and Means.

1184. A letter from the Comptroller Gen-

eral of the United States, transmitting a report on the status of the F-16 aircraft program (PSAD-77-41, April 1, 1977); jointly to the Committees on Government Operations, and Armed Services.

1185. A letter from the Comptroller General of the United States, transmitting a report on the role of social research and development in formulating social policy (HRD-77-34, April 4, 1977); jointly to the Committees on Government Operations, and Science and Technology.

REPORTS OF COMMITTEES ON PUB-LIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Pursuant to the order of the House on March 31, 1977, the following reports were filed on April 1, 1977]

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 5117. A bill to provide temporary authorities to the Secretary of the Interior to facilitate emergency actions to mitigate the impacts of the 1976–77 drought; with amendment (Rept. No. 95–155). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 5306. A bill to amend the Land and Water Conservation Fund Act of 1965, and for other purposes; with amendment (Rept. No. 95-156). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE: Committee on Science and Technology. H.R. 5101. A bill to authorize appropriations for activities of the Environmental Protection Agency, and for other purposes; without amendment (Rept. No. 95–157). Referred to the Committee of the Whole House on the State of the Union.

[Submitted April 4, 1977]

Mr. ULLMAN. Committee of conference. Conference report on H.R. 4800 (Rept. No.

95-158). Ordered to be printed.

Mr. REUSS: Committee on Banking, Finance, and Urban Affairs. H.R. 5675. A bill to authorize the Secretary of the Treasury to invest public moneys, and for other purposes (Rept. No. 95–159, Pt. I). Ordered to be printed.

Mr. REUSS: Committee of conference. Conference report on H.R. 3365 (Rept. No. 95-160). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BINGHAM (for himself, Mr. Beilenson, Mr. Downey, Mr. Fraser, Mr. Hawkins, Mr. Hughes, Mr. Kilder, Mr. Krebs, Ms. Mikulski, Mr. Mitchell of New York, Mr. Moakley, Mr. Moorhead of Pennsylvania, Mr. Mubphy of Pennsylvania, Mr. Mix, Mr. Panetta, Mr. Patterson of California, Mr. Pepper, Mr. Rangel, Mr. Rodino, Mr. Roe, Mr. Rosenthal, Mr. Scheuer, Mr. Simon, Mrs. Spellman, and Mr. Charles H. Wilson of California):

H.R. 5934. A bill to authorize the establishment of the Eleanor Roosevelt National Historic Site in the State of New York, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BRECKINRIDGE:

H.R. 5935. A bill to direct the Secretary of Agriculture to take an enumeration of horses in 1978 and every 5 years thereafter; to the Committee on Agriculture.

By Mr. BRINKLEY (for himself and Mr. Abdnor):

H.R. 5936. A bill to amend title 38 of the United States Code to assist veterans with a permanent and total service-connected disability due to the loss or loss of use of one upper and one lower extremity to acquire specially adapted housing; to the Committee on Veterans' Affairs.

By Mr. CARNEY:

H.R. 5937. A bill to amend the Clean Air Act to establish certain motor vehicle emission standards, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CORRADA:

H.R. 5938. A bill to amend title 38 of the United States Code in order to extend from 10 years to 15 years the period in which veterans' educational assistance may be used; to the Committee on Veterans' Affairs.

H.R. 5939. A bill to amend title 38 of the United States Code, to revise certain administrative requirements of the veterans educations program, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. DRINAN (for himself, Mr. Badillo, Mr. Baucus, Mr. Bingham, Mr. Bonior, Ms. Burke of California, Ms. Chisholm, Mr. Clay, Mr. Harneington, Mr. Kostmayer, Mr. Mann, Mr. Metcalfe, Mr. Nolan, Mr. Rich-

MOND, Mr. ROYBAL, Mr. SCHEUER, Ms. SPELLMAN, Mr. VENTO, Mr. WEISS, and Mr. CHARLES WILSON of Texas): 5940. A bill to establish an inde-

pendent agency to administer the internal revenue laws; to the Committee on Ways and Means.

By Mr. FREY (for himself and Mr. STEIGER)

H.R. 5941. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of certain increases in monthly benefits under the Social Security Act and other Federal retirement programs; to the Committee on Veterans' Affairs.

H.R. 5942. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

By Mr. GRASSLEY (for himself, Mr. ABDNOR, Mr. ARMSTRONG, Mr. BEDELL, Mr. BLOUIN, Mr. JEFFORDS, Mr. JEN-RETTE, Mr. LEACH, Mr. THONE, Mr. VANDER JAGT, and Mr. WINN):

H.R. 5943. A bill to encourage the establishment of wind erosion control and wildlife habitat areas which meet standards prescribed by the Secretary of Agriculture; to the Committee on Ways and Means.

By Mr. HARRINGTON:

H.R. 5944. A bill to authorize the head of any Federal department or agency to set aside the total amount of any procurement by such department or agency for a labor surplus area; to the Committee on Government Operations.

By Mr. KASTENMEIER (for himself, Mr. HAWKINS, and Mr. RICHMOND): H.R. 5945. A bill to amend the Clayton Act to provide for additional regulation of certain anticompetitive developments in the agricultural industry; to the Committee on the Judiciary.

By Ms. KEYS (for herself and Mr.

H.R. 5946. A bill to amend part B of title XI of the Social Security Act to assure appropriate participation by professional registered nurses in the peer review, and related activities authorized thereunder; jointly, to the Committees on Ways and Means, and In-

terstate and Foreign Commerce.

By Mr. JOHNSON of Colorado (for himself, Mr. Drinan, Mr. Lagomar-sino, Mr. Caputo, Mr. Jacobs, Mr. MOORHEAD of California, Mr. KILDEE, Mr. STUDDS, Mr. McHugh, Mr. Cohen, Mr. FRENZEL, Mr. SEIBERLING, Mr. EMERY, Mr. COLLINS of Texas, Mr. McCloskey, Mr. Whitehurst, LAFALCE, Mr. DERWINSKI, Mrs. FEN-WICK, Mr. KETCHUM, Mr. BRODHEAD, Mr. EDGAR, Mr. OTTINGER, Mr. Moss, and Mr. SYMMS):

H.R. 5947. A bill to repeal Federal provisions of law establishing agricultural programs concerning the marketing of and price support for tobacco; to the Committee on

Agriculture.

By Mr. JOHNSON of Colorado (for himself, Mr. WALGREN, Mr. MIKVA, Mr. VENTO, Mr. EDWARDS of California, Mr. Pike, Mr. Pritchard, Mr. Hype, and Mr. Brown of California):

H.R. 5948. A bill to repeal Federal provisions of law establishing agricultural programs concerning the marketing of and price support for tobacco; to the Committee on Agriculture.

By Mr. KETCHUM:

H.R. 5949. A bill to establish a Public Integrity Section within the Department of Justice: to the Committee on the Judiciary. By Mr. KETCHUM (for himself, Mr. BYRON, Mr. FARY, Mr. HARSHA, Mr. BURLESON of Texas, Mr. Collins of Texas, Mr. KINDNESS, Mr. NIX, and Mr. MINETA):

H.R. 5950. A bill to amend the Federal Food, Drug and Cosmetic Act respecting the treatment of saccharin as a food additive: to the Committee on Interstate and Foreign Commerce.

By Mr. LENT (for himself, Mr. Lun-

DINE, and Mr. KILDEE)

H.R. 5951. A bill to authorize the Secretary of Housing and Urban Development to make grants to local agencies for converting closed school buildings to efficient, alternate uses, and for other purposes; to the Committee on Banking, Finance, and Urban Affairs.

By Mr. LONG of Maryland (for him-self and Mr. Van Deerlin):

H.R. 5952. A bill to discourage the use of leg-hold or steel jaw traps on animals in the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. McDONALD:

H.R. 5953. A bill to amend title XX of the Social Security Act so as to eliminate certain restrictions therein pertaining to the use, in the financing of State social services programs, of goods and services provided in kind by a private entity and of donated private funds; to the Committee on Ways and

By Mr. MARTIN (for himself, Mr. BENJAMIN, Mr. SYMMS, Mr. STANTON, Mrs. Holt, Mr. Sebelius, Mr. Dor-nan, Mr. Ryan, Mr. Forsythe, Mr. Erlenborn, Mr. Simon, Mr. Hage-DORN, Mrs. MEYNER, Mr. JOHN T. MYERS, Mr. STOCKMAN, Mr. HUGHES, Mr. CHARLES WILSON of Texas, and Mr. Ketchum):

H.R. 5954. A bill to amend the Federal Food, Drug, and Cosmetic Act to authorize an evaluation of the risks and benefits of certain food additives and to permit the marketing of saccharin until such an evaluation can made of it; to the Committee on Interstate and Foreign Commerce.

By Mr. MATHIS:

H.R. 5955. A bill to amend the Federal Water Pollution Control Act, as amended, to define the term "navigable waters" applies to Corps of Engineers responsibility and authority to regulate the discharge of dredged or fill material; to the Committee on Public Works and Transportation.

By Mr. MIKVA:

H.R. 5956. A bill to amend the Internal Revenue Code of 1954 to provide that amounts received under certain tuition remission programs will be exempt from taxation, and for other purposes; to the Committee on Ways and Means.

By Mr. MIKVA (for himself, Mr. Baucus, Mrs. Burke of California, Mr. Dellums, Mr. Downey, Mr. Fraser, Mr. Harris, Mr. Hughes, Mr. JENRETTE, Mr. MOAKLEY, Mr. SIMON, Mr. Solarz, Mrs. Spellman, Mr. Stark, Mr. Vento, Mr. Weiss, and Mr. YATRON):

H.R. 5957. A bill to correct inequities in certain sales representatives practices, to provide protection for certain sales representatives terminated from their account without justification, and for other purposes; to the Committee on Interstate and Foreign Com-

> By Mr. MIKVA (for himself, Mr. Koch, Mr. NEAL, and Mr. PURSELL):

H.R. 5958. A bill to require Federal employees compensated at the rates in effect for GS-13 and above to disclose each position held by such employees during the 3 years preceding and following their employment with the Federal Government; jointly, to the Committees on Post Office and Civil Service, and the Judiciary.

By Mr. MINISH (for himself, Mr. Evans of Indiana, Mr. GONZALEZ, Mr. AN-NUNZIO, Mr. ALLEN, Mr. MITCHELL of Maryland, Mrs. SPELLMAN, Mr. Mc-KINNEY, Mr. BROOKS, Mr. JOHN L. BURTON, Mr. STARK, and Mr. REUSS):

H.R. 5959. A bill to revise and extend the Renegotiation Act of 1951; to the Committee on Banking, Finance, and Urban Affairs. By Mr. MURPHY of New York (for

himself, Mr. Kildee, Mr. Cough-Lin, Mr. Hannaford, Mr. Traxler, Mr. BAUCUS, Ms. OAKAR, Mr. Mc-CLORY, Mr. BRODHEAD, and Mr. WON PAT)

H.R. 5960. A bill to amend the Child Abuse Prevention and Treatment Act to prohibit the sexual exploitation of children and the transportation and dissemination of photographs or films depicting such exploitation; to the Committee on Education and Labor.

By Mr. MURTHA:

H.R. 5961. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a deduction from gross income for expense paid by him for the education of any of his dependents at an institution of higher learning; to the Committee on Ways and Means.

H.R. 5962. A bill to amend title II of the Social Security Act to increase to \$7,500 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

H.R. 5963. A bill to amend the Internal Revenue Code of 1954 to increase the rate of tax imposed on tax preferences from 10 to 14 percent and to reduce the amount of tax preferences exempt from such tax; to the Committee on Ways and Means. By JOHN T. MYERS:

H.R. 5964. A bill to amend title 18, United States Code, to prohibit the transportation of stolen livestock and the sale or receipt of such livestock; to the Committee on the Judiciary.

By Mr. NEAL:

H.R. 5965. A bill to amend part B of title of the Higher Education Act of 1965 to limit the half-cost restriction on certain insured loans to first-year students; to the Committee on Education and Labor.

H.R. 5966. A bill to amend the Federal Salary Act of 1967 and the Legislative Re-organization Act of 1946 to provide that adjustments in the pay for Members of Congress may not take effect unless specifically approved by each House of the Congress; the Committee on Post Office and Civil Serv-

H.R. 5967. A bill to amend title II of the Social Security Act to provide that an individual's entitlement to benefits thereunder shall continue through the month of his or her death (or of the insured individual's death in the case of a dependent), instead of terminating with the preceding month, unless the resulting delay in survivor eligi-bility would reduce total family benefits; to the Committee on Ways and Means.

By Mr. OBERSTAR:

H.R. 5968. A bill to designate the Boundary Waters Wilderness, to establish the Boundary Waters National Recreation Area, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. OTTINGER:

H.R. 5969. A bill to grant admission to the United States to certain nationals of Chile and the spouses, children and parents of such nationals, and for other purposes; to the Committee on the Judiciary.

By Mr. PRICE (for himself and Mr. BOB WILSON):

H.R. 5970. A bill to authorize appropriations during the fiscal year 1978, for procure-ment of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes; to the Committee on Armed Services

By Mr. QUIE (for himself and Mr.

Long of Louisiana):

H.R. 5971. A bill to authorize the construction of a lock and dam project on the Mississippi River near Alton, Ill., to revoke authority for 12-foot channel studies on the upper Mississippi River and its tributaries, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. ROBINSON:

H.R. 5972. A bill to amend the Internal Revenue Code of 1954 to extend the time for making an election under subchapter S of such code with respect to a small business corporation; to the Committee on Ways and

By Mr. SISK:

H.R. 5973. A bill to change certain criteria for determining whether an alien is deportable as a public charge under the Immigration and Nationality Act; to provide that an alien who receives certain types of public assistance shall be investigated by the Attorney General to determine whether such alien is deportable as a public charge under such act; and for other purposes; to the Committee on the Judiciary.

H.R. 5974. A bill to amend title XVI of the Social Security Act to provide that an alien may not qualify for supplemental security income benefits unless he not only is a permanent resident of the United States has also continuously resided in the United States for a least 5 years; to the Committee

on Ways and Means.

By Mrs. SMITH of Nebraska (for herself, Mr. THONE, Mr. MARRIOTT, Mr. SEBELIUS, Mr. JOHNSON of Colorado. and Mr. Roncalio) :

H.R. 5975. A bill to authorize the establishment of the Trails West National Historical Park in the States of Nebraska and Wyoming, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SYMMS (for himself, Mr.

BADILLO, Mr. BROYHILL, Mr. CAPUTO, Mr. CLEVELAND, Mr. COLLINS Of Texas, Mr. Robert W. Daniel, Jr., Mr. Dornan, Mr. Faunteoy, Mr. Gephardt, Mr. Jones of North Carolina, Mr. Kindness, Mr. Krebs, Mr. Murphy of Pennsylvania, Mr. Simon, Mr. Walgren, and Mr. YATRON):

H.R. 5976. A bill to repeal the earnings limitation of the Social Security Act; to the

Committee on Ways and Means.

By Mr. THOMPSON: H.R. 5977. A bill to amend the Public Health Service Act to provide financial assistance to medical facilities for treatment of certain aliens; to the Committee on In-

terstate and Foreign Commerce.

H.R. 5978. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to reaffirm the authority of the States to regulate terminal and sta tion equipment used for telephone exchange service; to require the Federal Communica-tions Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate

H.R. 5979. A bill to provide for the reinstatement of civil service retirement survivor annuities for certain widows and widowers whose remarriages occurred before July 18. 1966, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 5980. A bill to authorize the Administrator of General Services to provide space in the Old Post Office Building to tenants approved by the Chairman of the National Endowment for the Arts, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. THOMPSON (for himself, Mr. NEDZI, and Mr. BRADEMAS):

H.R. 5981. A bill to amend the American Folklife Preservation Act to extend the authorizations of appropriations contained in such act; to the Committee on House Administration.

By Mr. WHALEN (for himself, Mr.

FITHIAN, and Mr. MARRIOTT):
H.R. 5982. A bill to provide that any increase in the rate of pay for Members of Congress proposed during any Congress shall not take effect earlier than the beginning of the next Congress; to the Committee on Post Office and Civil Service.

By Mr. WHALEN (for himself, Mr. BLOUIN, Mr. DAVIS, Mr. GLICKMAN, Mr. Hannaford, Mr. Panetta, Mr. Patterson of California, Mrs. Spellman, Mr. Vento, and Mr. Weiss):

H.R. 5983. A bill to protect citizens' privacy rights, establishing guidelines for access to third party records regulating the use of mail covers, limiting telephone service monitoring, and protecting nonaural wire communications; jointly, to the Committees on Banking, Finance and Urban Affairs, and the Judiciary.

By Mr. BEDELL:

H.R. 5984. A bill to require committee reports on proposed legislation to contain statements of the reporting and recordkeeping requirements which will be imposed on private business as a result of the enactment of such proposed legislation; to the Committee on Rules.

By Mr. CONYERS (for himself, Mr. JOHN L. BURTON, Mr. CORMAN, Mr. PATTERSON of California, Mr. CLAY, Mr. Evans of Georgia, Mr. Nix, Mr. Moffett, Mr. Panetta, Mr. Leggett, Mr. Pattison of New York, Mr. Har-RINGTON, Mr. NOLAN, Mr. DIGGS, and Mr. DELLUMS):

H.R. 5985. A bill to establish certain rules with respect to the appearance of witnesses before grand juries in order better to protect the constitutional rights and liberties of such witnesses under the fourth, fifth, and sixth amendments to the Constitution, to provide for independent inquiries by grand juries, and for other purposes; to the Committee on the Judiciary.

By Mr. DINGELL (for himself, Mr. BROYHILL, Mr. JOHN T. MYERS, Mr. CARR, Mr. O'BRIEN, Mr. SAWYER, Mr. WAGGONNER, Mr. CORCORAN Of IIlinois, Mr. EDWARDS of Oklahoma, Mr. Brown of Michigan, Mr. Wat-KINS, Mr. PRICE, Mr. HANSEN, Mr. DICKINSON, Mr. SEBELIUS, Mr. HYDE, Mr. Huckaby, Mr. Rudd, Mr. Ireland, Mr. Skubitz, Mr. Montgomery, Mr. Erlenborn, and Mr. Volkmer):

H.R. 5986. A bill to amend the Clean Air Act to establish certain motor vehicle emission standards, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FASCELL (for himself, Mr. Buchanan, Mr. Abdnor, Mr. Dick-INSON, Mr. DIGGS, Mr. GOODLING, Ms. MEYNER, Mr. REUSS, Mr. SOLARZ, Mr. WHITEHURST, and Mr. WINN):

H.R. 5987. A bill granting the consent of Congress to retired members of the uni-formed services, members of Reserve components of the Armed Forces, and members of the Public Health Service Reserve Corps to accept employment with foreign governments; to the Committee on International Relations.

By Mr. FORSYTHE:

H.R. 5988. A bill to limit the authority of States and their subdivisions to impose taxes with respect to income on residents of other States; to the Committee on the Judiciary.

H.R. 5989. A bill to amend section 5520 of title 5, United States Code, relating to the withholding of city taxes from the pay of Federal employees; to the Committee on Post Office and Civil Service.

H.R. 5990. A bill to limit civil service disciplinary actions in certain cases involving the failure of an employee to report as directed for the service of process; to the Committee on Post Office and Civil Service.

By Ms. HOLTZMAN (for herself, Mr. BUCHANAN, and Mrs. CHISHOLM): H.R. 5991. A bill to amend the National School Lunch Act with respect to the summer food service program for children: to the Committee on Education and Labor.

By Ms. HOLTZMAN (for herself and Mr. KOSTMAYER):

H.R. 5992. A bill to amend the Immigration and Nationality Act to exclude from admission into and to deport from the United States all aliens who persecuted others on the basis of religion, race, or national origin under the direction of the Nazi government of Germany; to the Committee on the Judiciary.

By Mr. LUKEN:

H.R. 5993. A bill to amend the Internal Revenue Code of 1954 to provide credits against income tax to individuals for insulation and solar energy equipment ex-penditures in residences, and to amend the Small Business Act to provide low-interest loans to small business concerns for qualified energy investments; jointly to the Committees on Ways and Means, and Small Business.

By Mr. MOORE (for himself, Mr. Mathis, Mr. Breaux, and Mr.

HUCKABY):

H.R. 5994. A bill to extend the Rice Produc-tion Act of 1975 through the 1981 crops of rice; to the Committee on Agriculture.

By Mr. PATTERSON of California: H.R. 5995. A bill to eliminate racketeering in the sale and distribution of cigarettes, and for other purposes; to the Committee on the Judiciary.

By Mr. PERKINS:

H.R. 5996. A bill to amend the Elementary and Secondary Education Act of 1965 to provide Federal financial assistance to local educational agencies in order to assist them in meeting the emergency caused by the high costs of fuel and fuel shortages and adverse weather conditions, and for other purposes; to the Committee on Education and Labor.

By Mr. QUILLEN:

H.R. 5997. A bill to amend the Communications Act of 1934 with respect to the renewal of licenses for the operation of broadcasting stations; to the Committee on Interstate and Foreign Commerce.

By Mr. RISENHOOVER:

H.R. 5998. A bill to amend title VII of the Civil Rights Act of 1964 to prohibit sex discrimination on the basis of pregnancy; to the Committee on Education and Labor

H.R. 5999. A bill to amend section 214 of the Interstate Commerce Act to increase the amount of capital stock or principal value of other securities which may be issued by motor carriers without authorization of the Interstate Commerce Commission; to the Committee on Public Works and Transportation.

By Mr. HAGEDORN:

H.R. 6000. A bill to amend the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

By Mr. RODINO:

H.R. 6001. A bill to amend the Clayton Act to expand the applicability of section 7 of the act to activities which affect commerce; to the Committee on the Judiciary.

By Mr. ST GERMAIN: H.R. 6002. A bill to amend title II of the Social Security Act to provide that the automatic cost-of-living benefit increases authorized thereunder shall be made on a semiannual basis (rather than only on an annual basis as at present); to the Committee on Ways and Means.

By Mr. STANGELAND (for himself, Mr. Grassley, Mr. Nolan, and Mr.

PRESSLER):

H.R. 6003. A bill to amend the Agricultural Act of 1949 to provide that the eligibility for, and the amount of, certain disaster benefits paid with regard to wheat and feed grains shall be based on the actual acreage planted in such commodity; to the Committee on Agriculture.

By Mr. THORNTON (for himself, Mr. Brown of California, Mr. Hammer-schmidt, Mr. Murphy of New York,

Mr. Ryan, and Mr. Bonker): H.R. 6004. A bill to reduce the hazards of earthquakes, and for other purposes; to the Committee on Science and Technology.

By Mr. ANDERSON of California (for himself, Mr. Patten, Ms. Oakar, Mr. Baucus, Mr. Pike, Mr. Udall, Mr. Mann, Mr. Symms, Mr. Walgren, Ms. MEYNER, Mr. VANDER JAGT, Mr. EVANS of Georgia, Mr. Rogers, Mr. Steiger, Mr. ROBINSON, Mr. ARCHER, Mr. KIL-DEE, and Mrs. Collins of Illinois):

H.J. Res. 371. Joint resolution to provide for the designation of a week as National Lupus Week; to the Committee on Post Office and Civil Service.

By Mr. DEL CLAWSON:

H.J. Res. 372. Joint resolution to authorize the President to issue a proclamation designating the week in November which includes Thanksgiving Day in each year as National Family Week; to the Committee on Post Office and Civil Service.

By Mr. CONTE (for himself and Mr.

MARKEY):

H.J. Res. 373. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. DERWINSKI (for himself, Mr. ANNUNZIO, Mr. BEARD of Tennessee, Mr. Benjamin, Mr. Burke of Florida, Mr. Crane, Mr. Dan Daniel, Mr. Dodd, Mr. Fary, Mr. Hyde, Mr. Mc-CLORY, Mr. MITCHELL of New York, Mr. MURPHY of Illinois, and Mr.

UDALL):
H.J. Res. 374. Joint resolution to authorize monument to General Draza Mihailovich in

the District of Columbia, in recognition of the role he played in saving the lives of approximately 500 U.S. airmen in Yugoslavia during World War II; to the Committee on House Administration.

By Mr. ENGLISH:

H.J. Res. 375. Joint resolution designating April 14, 1977, as National Free Enterprise to the Committee on Post Office and Civil Service.

By Mr. ENGLISH (for himself and

Mr. Hightower): H.J. Res. 376. Joint resolution to establish priorities for the usage of natural gas for agricultural purposes; to the Com-mittee on Interstate and Foreign Commerce.

By Mrs. FENWICK:

H.J. Res. 377. Joint resolution to authorize the President to proclaim the last Friday of April each year as National Arbor Day: to the Committee on Post Office and Civil Service.

By Mr. MOTTL (for himself, Mr. Archer, Mr. Badham, and Mr. MITCHELL of New York):

H.J. Res. 378. Joint resolution proposing an amendment to the Constitution of the United States to prohibit compelling attendance in schools other than the one nearest the residence and to insure equal educational opportunities for all students wherever located; to the Committee on the Judiciary.

> By Mr. MARKS (for himself, Mrs. CHISHOLM, Mr. CORNWELL, MARKEY and Mr. RICHMOND):

H. Con. Res. 187. Concurrent resolution expressing the sense of the Congress with respect to potential cancer risks associated with past radiation treatment of tonsil, adenoid, thymus, and similar problems; to the Committee on Interstate and Foreign Commerce.

> By Mr. HORTON (for himself, Mr. STEED, Mr. ABDNOR, Mr. BALDUS, Mr. FRENZEL, Mr. BLANCHARD, Mr. TREEN, Mr. ROUSSELOT, Mr. EDGAR, Mr. JEN-RETTE, Mr. HAGEDORN, Mr. PEASE, Mr. WHALEN, Mr. BEDELL, Mr. WHITLEY, Mr. Pursell, Mr. Flood, Mr. Cor-coran of Illinois, Mr. Robert W. DANIEL, JR., Mr. NEAL, Mr. WALGREN, Mr. O'BRIEN, Mr. Long of Louisiana, Mr. Nolan, and Mr. Patterson of California):

H. Res. 471. Resolution to amend clause 7 of Rule XIII of the Rules of the House; to the Committee on Rules.

By Mr. MATHIS:

H. Res. 472. Resolution expressing the sense of the House that no ban on saccharin should take effect without prior congressional approval; to the Committee on Interstate and Foreign Commerce. PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOUIN: H.R. 6005. A bill for the relief of Raymond W. Quillin; to the Committee on the Judiciary.

By Mr. MIKVA:

H.R. 6006. A bill for the relief of the Nedlog Co.; to the Committee on the Judiciary. By Mr. THOMPSON:

H.R. 6007. A bill for the relief of Habib Haddad; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as

75. By the SPEAKER: Memorial of the Legislature of the State of Idaho, relative to firearms control; to the Committee on the

Judiciary.

76. Also, memorial of the Legislature of the State of Michigan, requesting that Congress propose an amendment to the Constitution of the United States providing for the direct popular election of the President and Vice President; to the Committee on the Judiciary.

77. Also, memorial of the Legislature of the Commonwealth of Virginia, relative to a national coal policy; jointly, to the Com-mittees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

70. By the SPEAKER: Petition of La Société des Quarante Hommes et Huit Chevaux, Grande Voiture No. 832, Paris, France, relative to amnesty; to the Committee on the Judiciary.

71. Also, petition of the Ohio River Valley Water Sanitation Commission, Cincinnati, Ohio, relative to the deadline for application of "best practicable control technology currently available" to effluent treatment under Public Law 92-500; to the Committee on Public Works and Transportation.

72. Also, petition of the city council, Seward, Alaska, relative to the trans-Alaska gas pipeline; jointly, to the Committees on Interior and Insular Affairs, and Interstate and

Foreign Commerce.

73. Also, petition of the city council, Yonkers New York, relative to quotas on the importation of raw sugar; jointly, to the Committees on Ways and Means, and Agriculture.

EXTENSIONS OF REMARKS

H.R. 4082-RENEGOTIATION REFORM ACT OF 1977

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. DOWNEY. Mr. Speaker, last week the House Banking, Finance and Urban Affairs Committee heard testimony on H.R. 4082, the Renegotiation Reform Act of 1977.

I am very concerned about the effects this bill would have on small businessmen. I intend to support efforts to raise the minimum threshold floor to \$5 million, to exempt many small businesses from the act.

I would like to submit my testimony as part of the RECORD:

HON. THOMAS J. DOWNEY'S TESTIMONY BE-FORE THE OVERSIGHT AND RENEGOTIATION SUBCOMMITTEE OF THE HOUSE BANKING, FI-NANCE AND URBAN AFFAIRS COMMITTEE, MARCH 29, 1977

Mr. Chairman, I appreciate this opportunity to appear before your committee today testify on H.R. 4082, the Renegotiation Reform Act of 1977.

Let me begin my testimony by stating that

I am no expert in the field. But, I did feel that it was important for the committee to hear a number of complaints about the renegotiation Act that have been voiced by the small business community of Long Island. With me today are Mr. Robert V. Cox and Mr. John Brown of the Long Island Association of Commerce and Industry and Mr. Manfred Goldstein, a professional consultant to small businessmen. They will fol-low up my comments with specific testimony concerning the effects of the act on small businesses.

I offer no specific solutions, although the small businessmen who follow me may. My interest is to outline some problems with the present act which I hope this committee will consider before it completes its work on the bill introduced by my colleague, Mr. Minish.

I know that many of the witnesses you will hear today share my concerns about the Renegotiation Act. These concerns were succinctly stated by Goodwin Chase, President Carter's choice to chair the Renegotiation Board, who has been quoted recently as saying that the Board's focus in recovering profits has been "generally in minimal dollar amounts—from small defense contractors".

As the chart I brought along with me shows, small businesses are renegotiated more often and forfeit more money than

their larger counterparts.

For instance, small businesses with total sales from \$1 to \$10 million accounted for 34 percent of all excess profit determinations by the Board between 1972 and 1976. In contrast during that same period, large defense contractors with sales of over \$250 million accounted for only 13 percent of these determinations. In terms of monies collected, the same pattern holds—approximately \$78 million from firms below \$10 million in total sales and approximately \$30 million from firms above \$250 million in sales. In the past four years, over one-third of the excess profit determinations and over one-third of monies retrieved has come from the smallest firms that file with the Board.

I think that the Board's administration of the act has been arbitrary and uneven as it affects the small business community.

I believe that this is a clear case of the government giving with one hand and taking with the other. Small business defense contractors are given specific set asides to insure their participation in our overall defense procurement plans. But, in effect, small businesses are being told by the Renegotia-

tion Board that they will be subject to disproportionate scrutiny if they do business with Uncle Sam.

My small business constituents tell me that one reason they are subject to such scrutiny by the Board is their lack of a battery of lawyers and accountants that large defense contractors use to combat allegations of excess profits. In addition, large firms can shift overhead costs, therefore paper profits, from one division to another in order to satisfy the Government—an accounting capability that small businessmen don't usually enjoy. In sum, my small business friends believe that the Board concentrates on them because they make easier targets than larger corporations.

I would like to make one final point based on testimony I have heard as a member of the Armed Services Committee. There has been a dramatic growth in other Government monitoring techniques dealing with defense procurement. Legislation and protections like the truth in Negotiations Act, the cost accounting standards, performance reporting, the establishment of the Defense Contract Audit Agency, and the Defense Contract Administration Services branch have all been instituted since the Renegotiation Act of 1951. It seems to me that these other checks would certainly be adequate to watchdog small businesses if they were exempted from the act.

In conclusion, let me say that I firmly believe in the principle of stemming excess profits in defense procurements. I also believe that the small businessman's experience under the present Renegotiation Act should be an important factor in the consideration of its future. Perhaps the solution may lie in raising the minimum threshhold floor to \$5 or even \$10 million to allow

the Renegotiation Board to concentrate its efforts against big contractors and not small businesses.

For, it would be tragic if small businessmen were driven from the defense procurement field because of misguided government regulation.

APPENDIX A

Total sales category (renegotiable/nonrenegotiable)

[In thousands]

Excessive profit determinations fiscal years 1972-76 totals

	o totals
Jp to \$2 million	\$13,307
Greater than:	
\$2 million to \$3 million	
\$3 million to \$4 million	10, 342
\$4 million to \$5 million	7, 557
\$5 million to \$6 million	12, 434
\$6 million to \$7 million	8, 501
\$7 million to \$8 million	4, 320
\$8 million to \$9 million	
\$9 million to \$10 million	6, 455
\$10 million to \$30 million	50,068
\$30 million to \$50 million	5, 710
\$50 million to \$70 million	9,650
\$70 million to \$90 million	1, 175
\$90 million to \$110 million	4, 600
\$110 million to \$130 million	22,092
\$130 million to \$150 million	22,075
\$150 million to \$170 million	2,600
\$170 million to \$190 million	5, 625
\$190 million to \$210 million	
\$210 million to \$230 million	
\$230 million to \$250 million	3, 825
\$250 million to \$270 million	6,000
\$270 million	23, 992
Total	235, 823

APPENDIX B

FISCAL YEAR 1972 THROUGH TRANSITION QUARTER 1976, FILINGS SCREENED (OTHER THAN BROKERS/AGENTS), RENEGOTIABLE SALES

[Dollars in thousands]

	Less than \$2,000	Percent	Between \$2,000 and \$5,000	Percent	Between \$5,000 and \$10,000	Percent	Greater than \$10,000	Percent	Fiscal year totals
Fiscal year: 1972 1973 1974 1975 1976	\$1, 165 728 776 606 556	28 25 23 26 22	\$1, 147 876 895 796 809	27 31 27 33 33 32	\$585 385 450 364 392	14 13 13 15 16	\$1, 328 891 1, 224 619 754	31 31 37 26 30	\$4, 225 2, 880 3, 345 2, 385 2, 511
Fiscal year totals	3, 831 130	25 21	4, 523 134	30 22	2, 176 66	14 11	4, 816 282	31 46	15, 346 612
Fiscal year and transition quarter totals	3, 961	25	4, 657	29	2, 242	14	5, 098	32	15, 958

Source: The Renegotiation Board.

A PROPOSAL FOR AIDING RURAL FARMERS IN LESSER DEVELOPED COUNTRIES

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. OTTINGER. Mr. Speaker, I have recently had an opportunity to review a proposal developed by Dr. John Loret to aid rural farmers in the less developed countries of the world.

Dr. Loret is director of environmental

studies at Queens College of the City University of New York. He has conducted environmental study courses in Meso-America since 1969. In 1974, Dr. Loret initiated a program in simple subsistance technological skills in developing a living historical center on Long Island. N.Y.

I believe that Dr. Loret's ideas could be put to good use in programs such as those carried out by the Peace Corps, AID, and other agencies concerned with increasing food production to satisfy the needs of the world's growing population. I would, therefore, like to insert this proposal into the Record at this time:

A PROPOSED PROGRAM IN APPROPRIATE SUB-SISTANCE TECHNOLOGY FOR RURAL FARMERS IN LESSER DEVELOPED COUNTRIES

(By Dr. John Loret)

Today we are constantly reminded of the exploding world population and the much slower progress in increasing food production. Information collected by organizations such as the Food and Agriculture Organization (FAO) of the United Nations, World Health Organization (WHO), and U.S. Department of Agriculture (USDA) all indicate that the world is rapidly approaching a point when it will be unable to feed itself. The most immediate pressing problems exist in the lesser developed countries (LDC's) where in some cases more than 60 percent of the

population are suffering from "protein-calorie malnutrition." (1) Shortages of food supplies have prompted the United States and other aid-donor countries to develop international agricultural programs in LDC's. However, many of these attempts involved the exportation of western technologies which are oriented towards the problems of highly industrialized countries using modern intensive agricultural practices. Such programs had little or no effect on the productivity or increase in the standard of living for populations in rural areas of LDC's. (2) Many of these programs were preoccupied with production for commercial markets employing 20th Century technology that require advance knowledge and skills, high capital investment, and equipment dependent on industrial support systems and services. This emphasis on sophisticated intensive technology has proved to be too cumbersome and in some cases not adaptable to the environment of the host country. hence they were wasteful of capital and natural resources. In some cases Governments and wealthy business entrepreneurs have developed in LDC's that have been directed to short-term exploitation rather than toward a more sustained-yield agriculture.

Such programs would obtain capital from areas at a cost much less than its value. (3) People living in rural areas of most LDC's are poor. They are usually family farmers lacking capital, have an insufficient infrastructure, are uneducated and have little or no organization. Economist, Dr. E. F. Schumacher in his book, "Small is Beautiful,"

states the problem so:

"In many places in the world today the poor are getting poorer while the rich are getting richer, and the established processes of foreign aid and development planning appear to be unable to overcome this tendency. In fact, they often seem to promote it, for it is always easier to help those who can help themselves than to help the help-less ..." The new thinking that is required for aid and development will be different from the old because it will take poverty seriously. It will not go on mechanically saying: 'What is good for the rich must also be good for the poor.' It will care for people."

(4) If improving the nutritional intake and well being of the rural disadvantaged populations of LDCA's is to be one of our goals, then we must obviously plan to carry out development in such a way that the benefits are widely shared. Family farmers in rural areas of LDC's are large in number, however, the potential of their labor force has not been fully developed. With this group as a focus, the author, has proposed a scheme to train change agent teams in a comprehensive program in simple subsistence, labor-intensive and appropriate technology to work with family farmers in rural areas of LDC's. Because of their small size, many of these family farm enterprises could be the most efficient users of the land if sound basic ecological agricultural practices were employed and by using a technology requiring simple hand and animal powered tools and hardware. This could result in an increase in productivity in terms of food supply and afford a gain in the standard of living for this segment of the population.

In many rural areas of LDC's the existing technology is at a level more primitive than the self-sufficient systems which were used in many of the developing countries in the 19th Century. Further, many of these rural agricultural areas have never been introduced to the many efficient hand and animal tools and hardware technology of this last period.

The following are some of the advantages which could be realized by introducing a

simple hand and animal powered technology into rural and remote areas of LDC's:

 This simple technology can be introduced at a low capital investment.

2. Tools and hardware of this technology are not cumbersome and can be transported without difficulty to remote areas using existing roads and trails even using animal or man power

3. The users of this technology can be self-sufficient as the facilities and resources for producing and repairing the tools and hardware can be almost wholly indigenous.

4. The technology is dependent on hand labor and thus can be used by the broadest segment of these rural populations.

5. The simplicity of this technology has the capability for immediate implementation into many rural areas and family farm enterprises.

The main purpose of this proposal is to seek assistance in developing a program to train change agents and students who wish to work in LDC in the knowledge and skills of basic subsistence agriculture using hand and animal powered tools and hardware.

Such a training program organization must require multi-disciplinary approaches and should include:

I. An understanding of the intellect, energy and abilities of the people living in specific remote areas of LDC as well as their social structure and cultural patterns.

2. Proficiency in the skills and techniques required to make a general assessment of the physical environment in terms of land use potential and the ability to design and apply the most appropriate technology to an area.

3. Knowledge and skills in the use of the tools and hardware of simple hand and

animal powered technology.

4. The ability to develop a program of technological priorities for individual, group, or family needs, i.e. Many rural communities and farm families in LDC are living at a primitive, poor or less than subsistence level which results in high incidents of disease, malnutrition and possible retardation. Motivation for such groups and families is as expected, low. Thus in designing a program in such situations, it is important that the well-being of the group be given first consideration and attempts be made to improve the general health situation and thus stimulating their internal motivation to work.

It is contended that the establishment of new simple technologies will improve the productivity of existing technologies using the same infra-structure and other features of the economy and social structure. Further, a program as proposed will develop greater internal motivation and pride in the family farm enterprise.

It is not the intent of this program to replace any existing technology with a technology proposed to be "correct" but rather that the existing technologies be complemented and supplemented in a course of improvement.

Current agricultural curricula in modern universities in developed countries is not suited for application in LDC's. Many hungry nations are located in tropical or sub-tropical environments. Agricultural assistance these areas has been in terms of introducing technologies which were developed for temperate zones and not designed for the carrying capacity of tropical regional resources. mono agriculture, crops dependent on mechanization, irrigation and intensive fertilization. In addition, research in tropical agro-ecosystems have in the past been parochial and discipline oriented. Holistic approaches are not common and little work has been done to adapt technological finding to tropical systems.

Family farmers in rural areas of LDC's

do not need modern intensive agricultural technological systems but rather assistance to show them how hand care technology can be better used and how to integrate what is already known into developing a greater sustained yield.

The major objective of this Proposal will therefore be to develop a scientific farmer for small system agriculture, with the broadest possible knowledge and skills in simple appropriate subsistence technology.

The proposed program will be divided into two phases. Phase I, will include twelve months of intensive resident training in general background courses concerned with environmental and cultural aspects of a specific underdeveloped region or country as well as the learning of appropriate skills and technologies for use in these areas. The general courses will be designed to acquaint participants with the physical and biological environment of the host LDC, its people, their language, customs, contributions to civilization, history, education, economic and political problems and relations to other states. Training in appropriate technology studies will include the development of skills using basic hardware of simple subsistence technology, employing current agricultural ecological concepts, i.e., nutrition, ecosystem management, soil genesis, crop ecology, insect and pest management, small farm tems, food utilization, simple agricultural technology, livestock science and energy alternatives.

Upon completion of Phase I, participants will enter the second phase of the program and be required to fulfill a field practicum in a rural community of a LDC for a minimum of eighteen months. Individuals will be placed in teams consisting of four to five persons per team. Although all participants will receive the same training education, individuals will be encouraged to develop strengths and proficiencies in an area of their choice i.e., social or cultural science, nutrition, technological skills, farming, etc. Teams will be selected by placing individuals with varied competencies and skills on each team. Each team will function as a unit and work in a community in a rural area of a LDC.

Implementation of this program in rural areas of LDC's will make a long-lasting contribution to family farmers in these areas. Expectations of the program are realistic and get to the heart of the problem through education and demonstration. With such a program, rural farmers will be better able to evaluate the resources they have and learn how to organize social systems that will increase their standard of living using those resources.

THE PEOPLE WIN AGAIN—CAL-OSHA BITES THE DUST

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. HANSEN. Mr. Speaker, CAL-OSHA inspections have been declared unconstitutional and I commend the court for upholding the Constitution of the United States as well as the constitution of the State of California.

The consensus of Judge Green's decision is that CAL-OSHA inspectors cannot make random searches or inspections of private property. The CAL-OSHA decision marks the 11th consecutive time that OSHA has lost a court

case involving our fourth amendment guarantees against warrantless searches. Five Federal courts and six State courts in a row during the past 15 months have now consistently voted to uphold the constitution.

Judge Green states in his decision

The Court finds that the facts stated in each count do not constitute a public offense in that the statute relating to said counts is unconstitutional and void. Each charge is found to be unconstitutional on its face in that the warrantless searches demanded by the statute do not comply with the fourth amendment requirements of the U.S. Constitution and article I, section 13 requirements of the California Constitution.

Mr. Speaker, the CAL-OSHA decision will additionally strengthen the fourth amendment case against OSHA presently being considered by the U.S. Supreme Court. The news release follows:

CAL-OSHA DECLARED UNCONSTITUTIONAL

Washington.—U.S. Rep. George Hansen said today inspections under California's occupational safety and health law have been declared unconstitutional by a Fresno municipal court.

The California safety laws, now administered by CAL-OSHA, were forerunners of federal occupational health and safety

statutes.

The court found on March 24 that the statute is "unconstitutional and void" and that "the warrantless searches demanded by the statute do not comply with the Fourth Amendment requirements of the U.S. Constitution and Article 1, Section 13 requirements of the California Constitution."

California, Hansen said, joins federal decisions against OSHA in Idaho, Texas, Ohio, New Mexico, and Georgia, and State decisions in Maryland, Kentucky, Alaska, Oregon and Utah, where judges have found warrantless searches of private property unconstitutional.

"The California decision is a most significant one," Hansen said, "because it is against one of the toughest programs in the nation and since it involves the biggest State in the Union. It proves again that with courageous action, rights of the individual can be preserved by the Constitution and the Bill of Rights."

Hansen's congressional office serves as a national clearinghouse for complaints against

OSHA.

APPEARANCES COUNT, TOO

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. ABDNOR. Mr. Speaker, recently the Daily Belle Fourche Post which is published in my South Dakota congressional district, carried a very thoughtful editorial on the subject of lobbying, and its potential for abuse. The editorial prompted one of my constituents, to ask for my comment, at the same time conveying her admonition that it behooves legislators to avoid not only evil but also the appearance of evil.

My constituent's concern underscores our need to be constantly alert for any abuses of the privilege of letting our legislators know our needs and ideas: MY GOSH

One does not realize how far removed he is from the realities of today's life until he reads something like the recent report on the amount of money spent by various organizations for lobbying in Washington.

It is almost beyond our comprehension to read that a postal workers union spent over \$8 million lobbying and that another \$2 million was spent by a letter carrier's union. The first reaction is "My gosh!"

Those are just two examples. There were numerous other groups and organizations which spent staggering sums in lobbying.

To your garden variety citizen who will probably never see more than \$1000 at one time in his lifetime, the knowledge that such sums are spent by one group or organization to promote their own interests is staggering. If they can spend that kind of money to promote their particular idea the returns must be enormous and who is paying the bill?

We don't know that such thinking is right. We only know that such thinking occurs. An early reaction is one of massive suspicion. It automatically makes any related legislative action highly suspect in the mind of the person who is aware that millions were spent by the parties affected.

One cannot say what is being done is wrong. Perhaps that is the way things are done. Congress should be aware, however, that a report like this coming on the heels of the huge back-door pay increase which the legislators quietly turned their back on and permitted to happen, really does raise questions.

Whether or not the conclusion is correct, the fact is that such information coming on the heels of the great pay raise thing, makes the ethics of congress suspect in the minds of millions.

It also raises the question as to how congress is able to withstand such massive pressures and whether this is a problem that can be controlled without excessive restriction or abuse of rights.

The theory seems to be that the more money you have to spend, the better your chances of getting your way. The theory probably works beautifully, but somewhere along that line of thinking lies the wreckage of justice and equality. Remember them?

TESTIMONY ON H.R. 2222

HON. SHIRLEY N. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mrs. PETTIS. Mr. Speaker, I would like to insert for the Record a copy of my testimony which I have given today to the House Subcommittee on Labor-Management Relations concerning H.R. 2222, a bill to amend section 2(12)(b) of the National Labor Relations Act to specifically make interns, residents, fellow and "other such trainees" employees.

My testimony follows:

STATEMENT OF SHIRLEY N. PETTIS

Mrs. Pettis. Mr. Chairman, for the greater part of my adult life I have been closely connected with the medical profession. As a former: nursing student, wife of a physician, wife of a medical school vice president, partner in a medical educational foundation, and now, as the Congressional Representative of one of the finest medical training facilities in Southern California—Loma Linda University Medical Center—I take more than just a

Subcommittee Member's passing interest in the measure we are considering today—H.R. 2222. My interest lies in seeing that the long-standing educational objectives of our nation's medical training centers are not jeopardized; and that the authority of the National Labor Relations Board is not undermined by Congress.

Therefore, after carefully reviewing the "decision and order" and the "dissenting opinions" of The U.S. National Labor Relations Board in the case of Cedars-Sinai Medical Center and the Cedars-Sinai Housestaff Association, 223 NLRB No. 57 (March 19. 1976), the amicus curiae brief submitted by The Association of American Medical Colleges, the arguments of the Physicians National Housestaff Association and various communications from several medical schools I am convinced that Congress is not justified in amending Section 2(12)(b) of The National Labor Relations Act as amended to specifically make interns, residents, fellows and "other such trainees" employees if they receive "a stipend or compensation for work performed in connection with such programs or for performing related work" provided that they have completed the educational requirements set forth in Subsection (IV) of Section 2(12)(a).

The reasons I take this stand are as follows:

(1) Internship/residency programs are traditionally an integral part of the medical education process. Interns/residents are selected rather than "hired" through the National Intern and Resident Matching Program—a process designed to fulfill the educational needs and requirements of these students—not to enable them to earn a living. Moreover, stipends received are characterized as "a scholarship for graduate study" and not compensation for services rendered. As a result, the intern/resident is primarily a student whose relationship with the hospital is based on an educational, rather than an industrial model.

(2) Application of the industrial model would clearly disrupt the graduate medical education process, since many fundamental aspects of medical training would become "bargainable" subjects, e.g., hours, wages, reappointment policies, rotations, testing, length of training programs. This would not only preclude individualized treatment of each graduate based on his/her needs, but leave the fashioning of the intern/resident's educational program to his/her exclusive bargaining representative. Moreover, hospitals would be forced to bargain about subjects over which they do not have sole control. Graduate medical programs are often jointly administered by a medical school and are prescribed by "the Essentials of Approved Internships/Residencies." In cases of deviation from "The Essentials" a teaching hospital would face loss of accreditation.

(3) Implicit in (1) and (2) is the inevitability of The National Labor Relations Board becoming the final arbiter concerning structure, content and form of graduate medical education.

(4) Congress has given the National Labor Relations Board the authority to define "employee" under the National Labor Relations Act. The NLRB did not refuse jurisdiction but held in case of Cedars-Sinai that house staff were students and as such made the same determinations as they have in the past for students who receive stipends. Congress defining a particular category of persons—interns/residents—as employees rather than leaving determination to the NLRB would undermine the Board's subtentile.

would undermine the Board's authority.

(5) As drafted, this legislation goes much further than merely according "employee" status to intern/resident physicians. It

would also convert into "employees" graduate students in other fields-law, arts, humanities, sciences-who receive a stipend or compensation for work performed in connection with a graduate program; thereby, overruling two NLRB cases—Adelphi University, 195 NLRB No. 107, and Sanford University, 214 NLRB No. 82—which respectively held that graduate teaching and research assistants were primarily students, not "employees."

Mr. Chairman, there are many other prob-lems associated with the approach of this legislation which I will not go into at this time. However, I would like to add one final note, lest the interns, residents and clinical fellows of this country feel I am unmoved by their representational claim that their primary interest for "employee status" is the improvement of patient care.

I do not doubt for one instant that their claim is anything but sincere. But I do not believe that the introduction of a third party-the collective bargaining process what traditionally has been a two party relationship—patient-physician—will serve the interests of either our medical training system or the quality of patient care. In fact, nothing will jeopardize the quality of our medical training and patient care more than our allowing yet another governmental -the National Labor Relations Boardto intervene between patient and physician for whatever reason.

Whose interest are we really serving by allowing an agency-the NLRB-whose expertise is not rendering quality medical care but arbitrating labor-management grievances-to decide whether a first year resident must take calls at night when it is inherently necessary for any physician to have had the experience of around-theclock patient care? How are we helping the patient by leaving it to collective bargaining whether a physician has taken enough medical histories, observed enough surgery, or read enough EKG's so that no more of the same should be required of him/her? Irrelevant questions? Hardly. These areas conceivably fall under bargainable "working conditions."

Mr. Chairman, I submit that individually and collectively the effects of this legislation would seriously reduce the effectiveness of medical training programs to the detriment of new physicians and the society at large, and therefore, strongly urge its defeat.

IT TAKES MORAL FIBER TO FIGHT COMMUNISM

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES Monday, April 4, 1977

Mr. McDONALD. Mr. Speaker, each year in this body we debate how much defense spending is enough for the needs of the security of this Nation. Each year the debate rages as to whether we have enough or too few of a given weapon. However, as was recently pointed out, it takes more than weapons to resist an enemy. There has to be the will to fight and win. We all recall the story of France prior to World War II wherein it had tanks superior to the Germans and a good Air Force, but these were of no avail because the leadership of the country and the rank and file soldier lacked the resolve to fight. The Honorable Julian Critchley, Conservative M.P. in Great Britain, recently summed up the problem in an editorial that appeared in the Daily Telegraph of January 12, 1977. I commend it to the attention of my colleagues:

A THOUGHT FOR TODAY'S DEFENCE DEBATE: IT TAKES MORAL FIBRE TO FIGHT COMMUNISM (By Julian Critchley)

Has Western Europe the moral fibre that would enable it to resist the encroachment of Soviet Russia? We know that the military balance has tipped in favour of the East, but what of the "moral factor"-first identified by von Clausewitz-which, by giving peoples and politicians the will to resist, should underpin Western defence? Have the changes in Western European societies in the past 25 years weakened or strengthened our resolve?

The changes in attitudes that have taken place are dramatic in their effect. There has been a growing materialism, with material values overtaking the spiritual at the expense of a readiness to serve and sacrifice. Idealism, such as exists, is directed either towards social problems or the Third World. Much

of it is Marxist-inspired.

Yet another change has been the decline of religion, the increasing secularisation of thought. The West is challenged by Marxism-a religion of sorts; can we meet this challenge without the transcendental factor in our moral and mental make-up? Religion has been a cement both for men and nations: will it be enough to put prosperity in its place?

A third change has been the end of patriotism. The nation-State survives but without the legitimacy of public affection. What is terrifying is that the politicians have put nothing in its place. The unity of Europe ought to be an end in itself, just as the unification of Germany and Italy, or of the con-tinental United States were "ends" in themselves, but we have been sold Europe not as a super-State to which we should owe love and loyalty, but as a super-market.

There is, too, a growing hostility towards history, the teaching of which is, in some parts of Europe, being positively discouraged. In its stead are to be found sociology and political science with their blueprints for the future. After all, what has history to teach us but wrong and out-dated ideas? Those who would manipulate our future must first

destroy our past.

In the West we overemphasise our rights and ignore our duties. Words like "service" 'duty" are thought old-fashioned. We make higher and higher claims on the State for this and that benefit, without being pre-pared to pay the price in terms of taxes and service. We have become hyper-critical of our own societies, of our own Governments, of our own institutions. We have been encouraged to develop feelings of guilt, guilt for our past; guilt at the idea that our Western societies are "capitalistic" and hence morally inferior to "socialist" societies. We tend to forget that capitalism as a wealthproducing mechanism actually works, at least in those countries of Western Europe where it is allowed to do so.

We have also been tricked into accepting the false notion that the quarrel between Nato and the Warsaw Pact is one between capitalism and socialism-in other words that we are prepared to fight, if need be, for dollars and Deutsche Marks-whereas our opponents are the defenders of the rights of the common man. The issue that divides East from West is not capitalism versus socialism but liberty.

These changes, intellectual and moral, which I have listed, have weakened the West. They mark the profound nature of the social revolution which Europe has experienced since the war

Until recently, Europe was governed by a

traditional elite which ran Foreign Offices and military establishments, and set the of government. The private ethos of Europe was upper-middleclass, and those who had not climbed the ladder aspired to it. All this has changed.

The lower-middle and working classes have moved into positions of power and influence. They have Americanised the social and ethiclimate of Europe. Their materialism, their acquisitiveness, their ability to win for themselves in a few years possessisons and living standards which would have been beyond the dreams of their grandfathers would put any American to shame.

THE NEW ISOLATIONISTS

Moreover, these people are not just interested in politics, for unlike their American counterparts they are not involved in the political processes and seem to have no wish to be involved. They are European isolationists in the same sense that their cousins in America were isolationists 50 years ago. They can see no point in standing up to the Soviet Union when time could be more usefully occupied watching football or television.

I do not exaggerate. In a study made for years 1972-73 by the Social Service Institute of the German Armed Forces, 24.3 per cent of men in uniform saw no sense at all in their military service, 26.3 per cent saw little sense, 21.4 per cent saw some sense, but then modified their view, while only 2.1 per cent. saw very much sense in

their military service.

Two world wars have debilitated the will of peoples and Governments. There is a feeling in Europe, not always articulated but prevalent, that almost any policy is better than war—for war only destroys without settling anything. At one level this is reasonable enough, for no one in his right mind would wish that we took war lightly; but, at another level, should not one ask whether a philosophy of pacifism in a world where few are pacifist is itself an health attitude?

There is also a tendency towards defeatism. Armies are generally regarded as superfluous, if not dangerous. The armed forces enjoy a lower social prestige, unlike their counterparts in the Soviet Union. The Swiss sociologist, Rolf Biegler in his recently published book "The Lonely Soldier" comes to the conclusion that the defence of a country is seriously endangered when defence and the soldier no longer enjoy public prestige, and when the public feels that their armed forces are no longer really capable of assuring the defence of the country anyway.

Are the politicians to blame? As power has passed from the MP, first to his party, then to the Executive, and now to the bureaucracy and beyond so popular democracy has been substituted for the Parliamentary kind. We do not lead, we follow. We tend to make sure first what is the trend of public opinion, and then pronounce ourselves in favour of it. And in which country in Western Europe is public opinion in favour of defence spending when it is not constantly and courageously reminded of its vital necessity? If the British Government cuts defence spending four times in less than three years, is it any wonder that the public continues to put defence spending at the bottom of its list of priorities?

How do the Russians regard us? We can hide nothing. They see our present confusions as the fruit of their policy of détente. They will cling to that policy. As we weaken, will become more truculent manding. Sooner or later they will try to translate their military superiority into po-litical advantage. At what point can we, and will we, resist?

And are Russians convinced that we are still capable of resistance, not only militarily but intellectually and morally? May they not come to believe that the whole structure of

Western defence, including the deterrent which depends for its credibility on the will to use it, is but a pack of cards?

The policy of détente is not new. It is peaceful co-existence under another name. Its essence is that there shall be no war but that the ideological struggle should be waged most intensely. What does that mean for our defence? It surely means that we must pay much more attention to the intellectual and moral factors that underpin defence.

What the West needs is leadership. Leadership that would restore our self-confidence. Leadership that would offer the peoples of Europe the objective of unity. Leadership that would take the ideological offensive. For we have the more powerful ideology. The idea of the rule of law, the idea of personal freedom, the idea of human dignity are extremely powerful ideas. They have agitated humanity for centuries and their appeal is fresh and inexhaustible. Should we not deploy them before it is too late?

REFORM OF THE FEDERAL GRAIN INSPECTION SERVICE

HON. RICHARD H. ICHORD

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. ICHORD. Mr. Speaker, as you know the Senate unanimously passed S. 1051 to eliminate recordkeeping requirements and supervision fees established by the U.S. Grain Standards Act of 1976, and to establish a temporary committee to advise the Federal Grain Inspection Service Administrator on March 30, 1977. I hope the House of Representatives will take expeditious action to see that this legislation receives favorable action.

This legislation makes necessary changes in the Federal Grain Standards Act passed late last year by Congress. The bill repeals provisions for inspection and weighing by country elevators, as well as any payment of fees by them. The cost of weighing and inspection by Federal agencies will be by appropriated funds to the Federal Grain Inspection Act. Commercial grain elevators are now required to keep for 5 years records of purchases, sales, transportation, storage, weighing, handling, treating, cleaning, drying, blending, and processing of various types of grains. This bill repeals provisions of the previous law requiring local elevators to keep records to 5 years. Export elevators would still be required to keep records on file of grain samples for 5 years. This proposal would help alleviate the bureaucratic problems of the small businesses having to comply with these ridiculous recordkeeping requirements

In addition, the bill would create a seven-member advisory committee from all segments of the grain industry, from farmers to consumers, to advise the Administrator of FGIS on regulation development, registration requirements for export elevators, weighing provisions, and improvement of grain standards. This advisory committee would allow thorough examination of the regulations

and help avoid any disruption in the marketing of grain.

I have cosponsored a bill identical to S. 1051 and am hopeful my colleagues will act favorably on this proposal.

DENIS BRACKEN

HON, GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. ANDERSON of California. Mr. Speaker, in this age of the specialist, it is becoming increasingly rare to see a person who routinely displays a wide variety of interests and abilities in his everyday life. Denis Bracken, radio reporter and personality for KNX in Los Angeles, was truly a "renaissance man" in modern broadcasting. His unfortunate demise last Sunday, March 27, was a cause of sadness not only to his family and friends, but also to the many people who had listened to his programs and reports over the years.

A native of New York City, "Deni" Bracken, as he was known to his audience, was a graduate of Fordham University where he worked as a student sportscaster. After starting his professional career in Syracuse, N.Y., he moved to San Diego as a reporter for radio station KSON in 1959. Bracken joined the KNX news team in 1963, where he worked until his passing this week at the age of 45.

Versatility is the word that best describes Denis' career. He was probably best known for his 6-day a week "Meet the Chef" radio show, which was broadcast nationally by CBS. In addition, he handled regular features such as "Voice of the People" and "Citizen of the Week." However, Bracken never lost touch with hard news, and often handled breaking stories of major importance. His last assignment was yet another tribute to his wide-ranging abilities as he handled the commentary for the Santa Anita Derby horse race.

I came to know Denis over the years as an excellent interviewer on a wide variety of issues. He had a way of asking probing, intelligent questions while at the same time making one feel relaxed and at ease. At the same time, few stones were left unturned—and I always came away impressed with his preparation in obtaining background knowledge on the issues.

Through the wide variety of coverage he handled on radio news, Denis Bracken became one of the best known broadcasting personalities in southern California. No matter what one's interests were, there was a good chance that a Los Angeles area resident had at some time listened to Denis Bracken doing a story on it. This versatility made him one of the mainstays of the KNX news radio staff, and he will surely be missed by those who worked with him over the years. Those of us who knew and lis-

tened to him almost daily will also miss his voice.

My wife, Lee, joins me in expressing our sincere condolences to Denis Bracken's lovely wife, Bee, and their children, Kathleen and Denis. Jr.

HISPANIC-AMERICANS LEARN THE GAME OF POLITICS

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. WIRTH. Mr. Speaker, William Greider's article "Hispanic-Americans Learn the Game of Politics" is an excellent outline of one of the important present and future forces in American politics. Hispanic-Americans number 11 million in the United States, and are starting to forge the kind of organization needed to make their voice heard.

This is particularly important in States like Colorado, where the large Chicano population has already made a governmental impact, and as a large minority group, is more clearly heard every

If we are serious about this democracy, it is essential that all members of the society have a fair stake and clear role. And to achieve these goals, organization must come from the grassroots, while help affirmative action, and support comes from governmental institutions and elected representatives.

Mr. Greider's good article once again reminds us of the continuing quest for justice and equity in a democratic society—a quest we must all recommit ourselves to every day. I commend it to my colleagues:

HISPANIC-AMERICANS LEARN THE GAME OF POLITICS

(By William Greider)

The enduring puzzle of modern politics involves a bit of magic—how do invisible people make themselves seen and heard?

The black minority figured it out. Now it appears that another vast constituency, long neglected, not listened to much, is beginning to learn the trick; the 11 million Hispanic-Americans.

"Hispanics are learning how the game is played," said Alfonso Ludi, an equal-opportunity officer at NASA by day and a community activist on his own time.

Willie Velasquez, of San Antonio, who heads the Southwest Voter Registration Education Project, explains: "It's similar to what happened in the South with blacks. The same thing is happening with Latinos except we're a couple years behind. But there's no question that political action is the priority now."

Rep. Edward R. Roybal, the Los Angeles Democrat who has started a fledgling five-member Latino Caucus on Capitol Hill, puts the transition in this perspective: "I still think we're in a gray area. I don't think you could say the Hispanic community is being recognized yet, but the potential is there. There's a different attitude."

While these things are impossible to measure, Washington does have some tangible evidence that the citizens of Spanish origin, from Mexican-Americans to Puerto Ricans, are influencing the political decisionmaking

with more force and more sophistication. This does not mean the millennium is at hand—any more than blacks have arrived at their political objectives. Still, the change is evident from a few years ago when the wide array of Hispanic groups often squabbled among themselves and watched in frustration as other special interests moved in on the pie—especially federal jobs and funds.

Consider these scattered examples:

The heat is rising on President Carter to follow through on his generous campaign promises of jobs for Hispanic-Americans, whose disappointment ranges from mild to furious. While some groups work with a velvet glove of low-key persuasion, others are keeping their "frustration visible," as Ludi put it.

This month, the Hispanic-American archbishop of Sante Fe, N.M., the Most Rev. Robert Sanchez, is scheduled to celebrate a special mass at the Lincoln Memorial, followed by La Marcha de Reconocimiento—March of Recognition—around the White House. Ludi, an organizer, accused the Carter administration of lapsing into "the business-as-usual treatment of our needs as soon as

the election ends."

Some Hispanic spokesmen are confronting, on a number of levels, the traditional priorities of filling minority-designated jobs with

"Generally, I think our goals are similar," said Lupe Saldana, an equal-opportunity officer at the Environmental Protection Agency and Washington representative for the GI Forum. "But we do find that history has put the blacks in almost as our middleman, where we have to go to him for our money and our jobs, and we don't like that

particularly."

The Mexican-American viewpoint, which has become much more unified in the last two years, is now an important factor in whatever legislation organized labor hopes to attain on the problem of illegal aliens from Mexico. The combined force of Hispanic groups might not be strong enough to sell all of their own proposals, but it is acknowledged that they can ally themselves with other interests to help kill the legislation, as they did last year.

The Hispanic groups went head-to-head with the NAACP last year on a particular issue—whether the Voting Rights Act should be broadened to cover the Spanish-speaking of the Southwest—and the Hispanic position

prevailed in Congress.

The growth of Latino elected officials has been slow over the last decade, according to Velasquez, but he expects the pace to quicken, based on the voter drives underway. Mexican-Americans now claim two governors and 74 legislators in the five states of Texas, Colorado, Arizona, New Mexico and California where they have 17 per cent of the population. Only 6 per cent of municipal officials are Spanish-origin citizens.

"There is a new type of leadership that is sophisticated and moderate," said E. B. Duarte, a special assistant and Hispanic liaison for the U.S. immigration commissioner. "These aren't people who are off the wall. They're taking government jobs and doing a good job with them. It's not different really from the Irish or Italians or blacks. It's the

American way."

A FEDERAL BEACHHEAD

A decade ago, when minorities were in ferment and struggling to develop voices in politics, the only Hispanic figures who got much attention nationally were the ones with the most provocative rhetoric, staging street confrontations or worse in the interest of arousing their own people and building political movements. In a sense, their success

is reflected in the greater sophistication and more substantial political muscle which has eclipsed them.

One place where Hispanics have made a small but important beachhead is in the federal government itself—the "ghetto in public service," as Ludi called the equal-opportunity offices in federal agencies. This at least gives them access to make the complaint, to gather the data and churn the political system.

Their favorite statistics are these: from 1968 to 1975, a period when minority employment was supposedly a priority, the federal government increased its Hispanic job-holders only from 2.8 to 3.3 per cent. They

expect Carter to do better, faster.

On the other hand, Ludi said, access and prodding do change things, as he has learned at NASA. The agency was burned by controversy when its well-known civil rights officer was fired. In the year which followed, Ludi said, equal-opportunity hiring improved considerably—including 33 Hispanic engineers, slightly more than the number of black engineers hired.

The black-brown conflict keeps popping up. Manuel Fierro, president of El Congreso, a lobbying coalition, wrote a very strong letter last month to HEW Secretary Joseph A. Califano Jr., opposing the appointment of William Robinson as director of HEW's Office of Civil Rights. Robinson is black and general counsel of the Equal Employment Opportunities Commission, where Fierro claims he neglected Hispanic employment discriminantion.

"We've got to overcome this idea that civil rights positions are only for blacks," Fierro said. "They called us, trying to get us together, and I said, look, I'm not interested in trying to sensitize him any more. He ought to be sensitized already."

El Congreso has been shot down on some other initiatives. Fierro lobbied in vain for Hispanics to serve as EEOC chairman and as assistant secretary of state for Latin Amer-

On the other hand, the Carter administration has made at least three Hispanic appointments to jobs at the assistant secretary level—including the new commissioner of immigration and naturalization, Leonel Castillo of Houston. So Fierro and other leaders are generally optimistic about the future even while they continue to raise complaints.

PLAYING "CATCH-UP"

On most issues, the Hispanic organizations see a natural alliance with blacks, seeking greater funding for federal programs, protecting human rights in domestic settings. So the points of conflict are often minimized.

"Within the last several years, the Mexican-American community has been playing a kind of catch-up in many communities," said Manueal Lopez of Los Angeles, a leader of the Mexican American Political Association. "At that time, they may have come in conflict with blacks who were in the managerial positions, but on a broader scale we seek coalition."

Rivalries between organizations and leaders are still a factor but apparently less dramatic than they once were. Congressman Roybal and others are organizing a National Association of Latino Democratic Officials, hoping to pull together some 5,000 to 6,000 elected and appointed public officials as a nationwide assembly which would lobby government.

Legislation to curb the influx of illegal

Legislation to curb the influx of illegal aliens by imposing federal penalties on employers who hire them has been bottled up in recent years by what Duarte calls "an unholy alliance" among the agribusiness lobby (which likes the influx of cheap labor), Hispanic-American groups, the Catholic Church (which supports the Hispanics) and

civil libertarians who fear broad-brush police actions.

The consensus position of the Hispanics now is that they would go along with tougher controls only with these conditions: The government grants an amnesty to the 8.5 million "undocumented workers" (5.5 million are Hispanic) who are already living and working in this country; the government creates some sort of reliable identity card for job-seekers so that Mexican-Americans will not be discriminated against; the government launches a long-range trade-and-aid program for Mexico to solve the problem at its source.

While the prospects for settlement are mixed at best, the Latino position suggests what some see as another future issue—when Hispanic-Americans develop a heightened sense of foreign-policy interests just as other ethnic groups, Jews and Irish and blacks, have tried to help ancestral homelands through U.S. diplomacy.

That development is still a ways off. But these things do change, "It's not really very strong right now, but it's growing," said Saldana. "We will begin to take positions on things like the Panama Canal treaty. We're gathering momentum. We're beginning to

see a broader picture."

MAYOR RIZZO DESIGNATES WEEK OF APRIL 17-24 AS RED MAGEN DAVID WEEK IN PHILADELPHIA

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. EILBERG. Mr. Speaker, Mayor Frank L. Rizzo has issued a proclamation designating the week of April 17-24 as Red Magen David Week in Philadelphia, and a copy of that proclamation has been presented by Managing Director Hillel S. Levinson to Joseph A. Katz, president of Liberty Chapter, American Red Magen David for Israel at appropriate ceremonies at City Hall.

The American Red Magen David for Israel is a volunteer nonprofit organization which solicits aid in the United States for the Magen David Adom, Israel's official Red Cross service.

Like the Red Cross, Magen David Adom provides life saving and healthgiving services for the people of Israel. It provides blood and plasma storage facilities, 24-hour ambulance service, first aid and emergency hospitalization services, and first aid training.

The American Red Magen David for Israel was formed as the authorized support wing in the United States to provide funds, blood plasma, trained personnel, ambulances, bomb shelters, and scientific equipment to Israel's Magen David Adom.

The Liberty Chapter of the American Red Magen David for Israel was organized here in Philadelphia, Tel Aviv's sister city, in 1975, to help Israel's Red Magen David build a central blood bank and fractionation center in Tel Aviv, and to provide funds and emergency sup-

plies to aid in the fight to preserve and ECONOMIC AND ENERGY GROWTH protect life in Israel.

SUPPORT FOR A NATIONAL HOLI-DAY TO HONOR MARTIN LUTHER KING, JR., CONTINUES TO GROW

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Monday, April 4, 1977

Mr. CONYERS. Mr. Speaker, I want to bring to the attention of my colleagues a resolution adopted by the City Council of New York City on February 22, 1977 calling upon the Congress and the President to make the birthday of the late Dr. Martin Luther King, Jr., a national public holiday. Particularly on this day, the anniversary of Dr. King's tragic assassination, many in the Nation should pause, reflect upon, and rededicate themselves to his vision of equality and justice for all Americans and for peace in the world. Nine years after Dr. King's passing, respect continues to grow for his unshakable faith in people, his indomitable courage, and his magnificent ideals. This past weekend, the Committee for the Renaissance, a regional civic organization in the Mid-Atlantic States met here in Washington carrying thousands of signatures on petitions in support of legislation to make Dr. King's birthday a national holiday. Just today I received from Mr. Howard Bennett, chairman of the National Citizens Committee for a Martin Luther King, Jr., Holiday, 50,000 additional signatures in support of a national King holiday bill.

I applaud the New York City Council for their supporting resolution, and also thank 102 of my colleagues who have thus far joined with me in cosponsoring H.R. 2972, a bill that would make Dr. King's birthday a legal public holiday. The New York City Council resolution follows:

RES. No. 849

Resolution by the City Council of New York City Calling Upon the United States Congress and the President of the United States to Make the Birthday of the Late Dr. Martin Luther King, Jr., a National Holiday Whereas, the late Dr. Martin Luther King

has won national and international acclaim as one of the strongest advocates for human rights, human dignity and peace among nations, and

Whereas, the late Dr. Martin Luther King, Jr., devoted his life in a courageous and consistent struggle to attain these ideals for all people, and

Whereas, the peoples of the world of all creeds, races and national origin have been the beneficiaries of the work and activities of this great American, now be it

Resolved, That the Council of The City of York call upon the Congress of the United States and the President of the United States to take whatever steps are necessary to the end that the birthday of the late Dr. Martin Luther King be hereafter observed as a National Holiday in memory of the life, the work and the contributions of this great American.

February 22, 1977.

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Monday, April 4, 1977

Mr. BROWN of California. Mr. Speaker, I would like to share with my colleagues some information concerning the connection between economic growth and energy growth. I am sure all of you have seen graphs which show a close correlation between the annual percentage growths in gross national product GNP-and total energy consumption. Many people interpret these statistics to mean that any slack in our resolve to supply abundant energy would be disastrous to our material well-being. However, I have always felt that we could significantly decrease the amount of energy we use per unit of GNP without any damage to the economy. In order to see if my intuition was valid, I recently sought more information and here is what I found.

First of all, energy consumption per unit of real GNP has decreased over the last 60 years by nearly 40 percent-since 1947 the decrease has been on the average about 0.6 percent per year. These efficiency improvements have occurred in spite of an accompanying sharp decline up to 1974 in both the deflated cost of energy and the relative cost of energy compared to other commodities. As real energy prices were declining, energy in-tensive industries were still becoming more efficient. Also, our economy was evolving to a decreasing mix of goods to services—the latter are less energy intensive per dollar—and this trend is expected to continue. Nevertheless, the residential, commercial, and transportation sectors were requiring more energy per unit of product, which illustrates that there is a considerable potential for efficiency improvements. Since 1974, the price of energy has rapidly increased, in fact wiping out the total decrease in the real price of energy for the last half century, and we know this trend will con-tinue. With higher priced energy, a considerable improvement in energy efficiency is highly cost effective in every sector. Therefore, it appears reasonable to assume that the ratio of energy consumption to GNP will probably decrease even faster in the future.

In 1976, with the economic recovery and the cold winter, energy consumption rose 4.8 percent; yet the ratio of energy to GNP fell 1.8 percent which is three times the historical decline. Moreover, several sources estimate, through detailed examination of end use, that we can reasonably achieve an average yearly decrease in the ratio of energy to GNP of 2 percent-see John G. Myers, "Energy Conservation and Economic Growth-Are They Compatible?" the Conference Board Record, February 1975, and F. von Hippel and R. Williams, "Nuclear Energy Growth Projections", Center for Environmental Studies, Princeton University, March 1977. This large potential for effi ciency improvements is further substantiated by the fact that several European countries have a ratio of entry to GNP which is one-half and two-thirds of that in the United States.

The significance of these efficiency improvements over the next 30 years can be estimated as follows. If we assume that real GNP will increase on the average at this historical rate of 3.5 percent, which is an exceedingly optimistic assumption since population growth is slowing, than a 2 percent yearly decrease in energy to GNP means that energy consumption will grow at only 1.5 percent per year, which is roughly one-half its historical rate—leading to total energy consumption slightly over 100 quads in the year 2000. Consequently, we can maintain a dynamic economy, with maximum employment, while at the same time greatly slowing our growth in total energy consumption.

PRESIDENT CARTER PASSES ARMS TALK TEST

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES Monday, April 4, 1977

Mr. FASCELL. Mr. Speaker, on April 1, 1977, the Miami Herald carried an editorial entitled "Despite Arms Talk Setback, the President Passed a Test," about which I wish to comment.

It is a brief editorial, as good editorials should be; it is a good editorial in my judgment because of its perceptiveness of the implications of the known facts on our future relations with the Soviet Union on negotiating arms agreements.

The President is credited for taking a forthright position based on principle. The necessity to limit the proliferation and the reduction of strategic arms is imperative. President Carter has demonstrated his appreciation of this and his intense desire to achieve results. He knows the matter cannot be waffled; he knows that both sides must negotiate with honesty and full recognition of the implications of a breakdown of negotiations. As the editorial notes, this danger does not appear to be a likelihood.

More probably the Soviets are taking extra time to test President Carter's firmness and sincerity. On this, there should be no doubt, but as the editorial suggests that we allow the Soviets the necessary time to understand and digest this, we must be patient and not panic into moving precipitously in any direction.

With this last point in mind, I wish to note what appears to be the outcropping of the negative tone of "Monday morning quarterbacking." The tendency to criticize the lack of immediate success of the President's first negotiation with the Soviets is understandable, but regrettable. The President is on trial at home, as well as abroad, on a whole range of matters, and we, as a Nation, often are impatient when we do not have immediate success. But what about the success of this arms

talk-the Soviets were offered an innovative and justifiable plan for reductions and limitations of horrendously destructive weapons. The negotiations have not terminated; they must be continued and they will be, as has been agreed to by the Soviets. President Carter has set a solid base for future negotiations. As the Miami Herald editorial notes, he passed the test well and we can well afford the time needed for future, positive, no-nonsense results.

Mr. Speaker, I commend the editorial to the attention of our colleagues:

DESPITE ARMS TALK SETBACK, THE PRESIDENT PASSED A TEST

A new President embarking, as he must, on new theories and practices in the conduct of foreign policy is always a challenge to the rest of the world.

How much will he borrow from the past? How sincere is he? What is his real strength at home, not only with the people but also with the Congress, which will have to ratify one way or another any agreements to which he seeks to commit the Nation? Is he strong or is his negotiating muscle flabby?

These questions, we think, rather than Russian annoyance at Mr. Carter's global view of human rights, explain the apparent collapse of the Moscow talks on arms limitations. They have come to a halt, but not a screaming one as in the past when President Eisenhower was read the riot act after the U-2 incident, After all, didn't Andrei Gromyko speak good ole boy English in seeing Sec-retary of State Vance off at the Moscow airport?

President Carter has shown neither dismay nor anger at the outcome, toward which there had been so much diplomatic preparation. He showed his aplomb. He also showed some muscle in hinting at greater U.S. arms production. The Russians felt it. As for the curtness of the thing, the President is on record as once saying that "some people are concerned every time Brezhnev sneezes."

Mr. Carter's view for the consumption of the American public is that a quick agreement eliminating the new Cruise missile from the talks and a limitation at once on both old and new weapons was too much for the Kremlin to swallow on the spot.

This may be so, but in pre-Moscow negotiations it must be that the Russians knew what was coming and at least were salivating. The test theory is more likely. The Soviets have always thought that time is a diplomatic weapon. We haven't, but so should we in overcoming traditional American impatience with results.

The proof of the pudding, of course, is in the eating. Yesterday the Russians showed plainly that they had tentatively swallowed and wanted to digest Mr. Vance's proposals, for they joined this country in the announcement that the Strategic Arms Limitation Treaty talks will be resumed in Geneva in May.

The communique continued enigmatically: "The consideration of practical questions of bilateral relations produced several specific understandings." No identification of specifics on the one. Yet we are led to hope that it concerns a recess in the production of nuclear weapons. Both sides now possess enough of them to kill each other 12 times over, so their concern and possible understanding is with preventing proliferation of the ultimate

Jimmy Carter has passed his first world test: Stand up to the Soviets, but do it with diplomatic grace and preservation of principle. In good time he can go on from there.

INFORMATIVE AND ENLIGHTENING BY WILLIAM STATEMENT LUERS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES Monday, April 4, 1977

Mr. HAMILTON. Mr. Speaker, I found the following statement of Mr. William H. Luers to be informative and enlightening. I include it in the CONGRESSIONAL RECORD for the benefit and use of my col-

STATEMENT BY WILLIAM H. LUERS, ACTING AS-SISTANT SECRETARY OF STATE FOR INTER-AMERICAN AFFAIRS, BEFORE THE SUBCOM-MITTEE ON INTER-AMERICAN AFFAIRS, HOUSE INTERNATIONAL RELATIONS COMMITTEE, MARCH 24, 1977

Mr. Chairman: On behalf of the Bureau of Inter-American Affairs, I welcome this series of hearings. I hope they can contribute to an illumination and to a better appreciation of the profound changes that have taken place in our hemispheric relations over the past generation.

In this opening statement, I plan to describe briefly:

How our perceptions of the hemisphere

have lagged behind reality.

How differently we and the other nations of this hemisphere perceive our mutual interests.

How strikingly different our perceptions are from the Latin Americans on the proper emphasis on rights.

And how we are setting out in this environment to improve hemispheric coopera-

OUR PUBLIC AWARENESS OF THE HEMISPHERE

America's appreciation of and attitude toward Latin America and the Caribbean have not kept pace with the dramatic changes that have taken place in this hemisphere since the early days of the Alliance for Progress. Symptomatic of this lag is the fact that a major U.S. newspaper carried an editorial on Brazil only last month and referred to its capital as Rio.

Today the nations of Latin America and the Caribbean are more diverse, confident, independent and self-aware than any gional grouping in the Third World. they also have a crushing burden of foreign debt, an alarming population growth, and a dizzy rate of urbanization. As change has transformed these societies, inequities have become exaggerated—stark poverty exists alongside prosperity.

Most of the nations of the hemisphere have given up one-man rule for more institutionalized forms of government. But the dominant institution is the military. Democracy, never strongly rooted in Latin America, is less prevalent today than at any time since World War II. Yet, while there are repressive governments, many democratic freedoms coexist-paradoxically-with serious abuses of human rights.

Latin America and the Caribbean present most dramatically the importance of the North-South issues to the people of this counrty. From no other part of the world does foreign poverty impinge so intimately on our society or create such an implicit obligation to help:

As our living standards outstrip theirs, we become the illegal but logical haven for workers escaping the despair of poverty.

Regional proximity sharpens our humanitarian perceptions that poverty is a global rather than a national problem.

As our market for illicit drugs expands, our corruption and crime extends itself into the poor agricultural areas where the products the poppy and the coca plant valued commodities.

As our interchanges of finance, trade, and tourism grow, they impact deeply on citizens of this country.

And as citizens from our neighborhood enter the United States, our society is enriched and our labor force expanded.

The people of this hemisphere are longer in awe of us. They respect our vitality, success, technology and prosperity. But they charge that we have an insatiable thirst for the world's resources, that we are unwilling to share our expanding wealth, and that we have used our enormous power arbitrarily in the past.

If Latin Americans are still described in cliches by us, so we, likewise, are little understood by them.

OUR INTERESTS IN THE HEMISPHERIC NATIONS DIFFER FROM THEIR INTERESTS IN US

Let me turn now to discuss briefly how our interests in the nations of Latin America and the Caribbean contrast with their interests in us.

The United States:

Hopes that this hemisphere remains free from military conflict, from arms races, and from the proliferation of nuclear weapons.

Depends on the expansion of two-way trade with a rapidly growing and industrializing market.

Looks to the leaders of this hemisphere to play a mature and moderating role in the international councils now exploring the reordering of the world's economic institutions and procedures.

Desires to see the end of torture, persecution, arbitrary arrest and violence from the left and the right.

And hopes that economic development will be accompanied by the development of democratic institutions which provide the most certain guarantee of human rights.

the nations of Latin America and the Caribbean seek from us is quite different. From each nation of the hemisphere comes a different set of requests, reflecting the diversity of the region. You will be examining this diversity with my colleagues. There are common threads, however:

Trade and resource flows are at the center of their concerns. They want expanded and preferred access to our markets and guarantees of stabilized earnings from their exports. They want financial backing for their heavy debt burdens.

They insist that we not intervene in their internal affairs. Their obsession with U.S. interventionism has a long history. By interventionism they often mean not only military intervention and subversion but also the ubiquitous U.S. products and television programs.

They also want our respect, and our appreciation of their dignity, independence and sovereignty. They want our understanding and our attention.

Interdependence requires that we respond to these hemispheric interests. Otherwise we cannot expect responsiveness to ours.

DIFFERING PERSPECTIVES ON HUMAN RIGHTS

I would like here, Mr. Chairman, to make a comment on the differing perspectives that we and many Latin nations have on human rights.

Some governments see our urging respect for human rights as a new type interventionism. They are annoyed that our comments and program restrictions reflect failure to understand their particular domestic problems and security threats. We do not pretend to measure or judge the domestic threat. It is the type and severity of the response that concerns the American people. As President Carter said, no signatory of the U.N. Charter "can avoid its responsibilities to speak out when torture or unwarranted deprivation of freedom occurs in any part of the world."

And let it be said that other hemispheric governments and many people in this hemisphere welcome and are heartened by our renewed attention to values that still form a unique part of this New World. In our increased interest in human rights, we are not imposing our political preferences on any nation. But we are summoning governments to respect the principles to which they have ascribed in numerous U.N. and OAS documents.

There is a second aspect of the rights question, the perception of which separates us from many governments, leaders, intellectuals, and ordinary citizens in this hemisphere. We stress as fundamental the rights of liberty and freedoms from physical and mental persecution. Yet many in this hemisphere see the rights to food, shelter, work and survival as fundamental. If the right to be free from torture and persecution is vital to man's dignity, so are the economic and social rights. We must be alert to the charge that we justify our decision not to share our wealth on the grounds that others violate human rights. Our conscience thus eased, some charge, we continue to devour a third of the world's resources.

I should like to quote here again from President Carter's address to the United Nations. The human rights issue, he said, "is important by itself. It should not block progress on other important matter affecting the security and well-being of our people and of world peace. It is obvious that the reduction of tension, the control of nuclear arms, the achievement of harmony in troubled areas of the world, and the provision of food, good health and education will independently contribute to advancing the human condition. In our relations with other countries, these mutual concerns will be reflected in our political, our cultural and our economic attitudes."

Mr. Chairman, if we are prepared to match our morality with our generosity, if compassion for the poor is equal to our passion for freedom, and if we pay as much attention to egalitarian as we do to libertarian issues—our message will be heard and understood.

TOWARD IMPROVED HEMISPHERIC COOPERATION

Mr. Chairman, I am optimistic about our capacity to shape a more cooperative relationship with the other nations of this hemisphere.

First, we have with our neighbors a long experience in shaping economic change and growth. The global North-South debate in a real sense began in this hemisphere. The leaders of Latin America are advanced in their ideas on how the United States might become better partners in their economic development. We must address simultaneously global, regional, sub-regional and bilateral issues. Our approach to many economic issues will depend on solutions developed in a global framework. Other issues we can best work out through a strengthened inter-American system with the Organization of American States at its center. Still others we can best approach cooperatively through existing sub-regional organizations. Finally there will be a number of questions we can resolve most effectively only on a bilateral hasis

Second, this is a hemisphere whose nations are at peace with each other. Although there are repressive governments, there is no serious threat of war. The nations of Latin America and the Caribbean spend less on armaments than any region in the world. And while violence is too often turned inward in the Americas, the governments have the interest and capacity to improve the lot of their pepole. Most people throughout the Americas respond instinctively to fundamental humanitarian values. Even authoritarian governments accept these ideals and explain departures from them in terms of priorities rather than preference. Without war, governments and societies can devote their energies to people.

Third, we must make clear that the long

era of U.S. interventionism has passed. Governments will remain skeptical of our assurances. We must be open in our relations and abstain from our historic compulsion to design the future of our neighbors. We can convince them now only by our performance, not rhetoric.

Fourth, there is a new sense of cooperation between the U.S. private sector and the governments of this hemisphere. Governments have better defined the terms under which foreign capital is wanted. U.S. companies for their part are demonstrating a new sensitivity to the national pride and sovereign rights of their hosts. Improved cooperation with the private sector is critical to capital and technology transfers.

to capital and technology transfers. Fifth, the increasing role of hispanic Americans and people from the Caribbean in our society is beginning to raise the American consciousness about our neighborhood. We must develop together with the Congress and the media new ways and new programs for expanding our understanding of this hemisphere and its peoples. It is likewise essential that the nations of this hemisphere make greater efforts to understand us.

Finally, President Carter has shown an unprecedented interest in Latin America:

His first Presidential visitor was, by no coincidence, from Mexico. We have already set an energetic and cooperative course with the Government of Mexico to manage the complex problems we share.

A first priority of this Administration after the inauguration was to give urgent attention to negotiating a new treaty with Panama for the canal. This is an issue of importance not just between us and Panama, but for our relations with the entire hemisphere.

Several Foreign Ministers have visited Washington as a first step to rebuild our relations with traditional friends.

We have indicated a readiness to talk to the Cuban Government without preconditions on a range of issues that divide us.

We are committed to continued strong support for international and regional financial institutions and to sustaining significant bilateral assistance programs which are critical to the development needs of the region. In this endeavor we shall need the support of the Congress.

And although we know it will be difficult to move rapidly on the many economic issues critical to this hemisphere, this Administration is committed to engage the issues seriously.

Mr. Chairman, we have an opportunity and obligation to cooperate constructively with this new hemisphere. We must do so without sentimentality but with a sense of strong tradition, without paternalism but with respect for the sovereignty, independence, and dignity of each nation to find its own future.

MATCHING FEDERAL DOLLARS
FOR STATE'S SOCIAL SERVICES
PROGRAM

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. McDONALD. Mr. Speaker, today I am introducing legislation to allow the States to use "in kind" goods and services provided by private sources as part of a State's share in matching Federal funds for the State's social services program.

Presently, under title XX of the Social Security Act, the States are unable to claim in kind services—the value of

space, supplies, staff—provided by private institutions to meet the required State share of the cost of its social services programs. This prohibition does not apply, however, to in kind contributions of public institutions, which may be claimed as part of the State's share in matching Federal funds.

Not only is this unwarranted discrimination against private institutions, but it places an unnecessary burden on the States and the taxpayers. The function and value of an in kind service is the same whether provided by a private or public institution: it allows for more efficient social service programs by making use of existing facilities and personnel. The only difference is that in kind services of private institutions are funded by private sources, thus saving the taxpayers some money and, in effect, giving the State a free gift.

By being denied the use of available services provided by private institutions, States in many cases are put in the position of either discontinuing social service programs or increasing State expenditures and thus State taxes. For example, consider the following situation in my own State of Georgia. For the past 4 years the State has contracted with Berry College, a private institution, to provide day-care trainers to work in the various day-care centers in the area of Rome, Ga. The funds for this program came from the Appalachian child care project and the State was able to claim certain in kind services from Berry College as part of its share in matching Federal funds.

On August 1, 1976, however, all training in the day-care centers became funded by title XX. And because of title XX's prohibition against in kind services from private institutions, either the tax-payers or Berry College will have to provide the 25-percent required match in cash. It so happens neither can afford this, and the State's day-care programs in that area may have to be discontinued, even though both the State and Berry College are very eager to continue their relationship which has worked so well in the past.

The effect of the law as it presently stands is to add to the cost of social service programs and thus reduce the services available for a given amount of public funding.

Rural and nonurban areas, where public institutions often are not available, are particularly hard hit. The citizens of these areas are taxed to pay for social service programs, but are unable to use the facilities of their private institutions to compete fairly for the establishment of social service programs in their area. And to add insult to injury, they also pay State taxes to support State institutions in urban areas, the facilities of which are used as in kind services to attract social service programs away from the rural areas.

Mr. Speaker, whatever the reason for including the prohibition of in kind services from private institutions in title XX, I am sure it was not intended to add to the cost and discourage the establishment of social service programs. Removing this prohibition and allowing States to use all in kind services and goods

available to them will require only a minor change in title XX, but will allow much more efficient and fair operation of the social services programs.

I urge my colleagues to give their support to this legislation.

ELECTORAL REFORM: BEHIND THE SHINE, A SMELL

HON. DEL CLAWSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. DEL CLAWSON. Mr. Speaker, it is always incumbent upon us to look beyond the wrappings and the euphemistic labels of legislative packages sent to the Congress. Mr. James J. Kilpatrick in his column of March 29 in the Washington Star reminds us how close examination often reveals potential disaster. The column is included for the information of my colleagues at this point in the Record.

ELECTORAL REFORM: BEHIND THE SHINE, A SMELL

(By James J. Kilpatrick)

President Carter last week sent up his package of proposals for electoral reform. A sorrier package seldom has been dumped on the congressional stoop.

The President's plan contains four principal elements. The first, and worst, is for a constitutional amendment to provide for the direct election of presidents. A second measure would extend federal subsidies and controls to congressional elections. A third would scrap the Hatch Act, thus politicizing the federal civil service. The fourth would create an elaborate scheme for registering

overs on election day.

On the surface, the four-part package exudes the innocence of a gurgling grand-child. These reforms, it is said, would promote the principle of one man, one vote. They would increase political participation. They would strike a blow against the special interests. They would enhance the democratic process. But one is reminded of John Randolph's dead mackerel in the moonlight: The proposals both shine and stink.

The constitutional amendment would be absolutely destructive of one of the oldest, soundest, and wisest principles of American government: the principle of federalism. In a hundred ways, ours is of course "one nation." We have one Constitution, one flag, one currency, one defense establishment, and so on. But the great genius of the American plan is that diversity underlies the uniformity. When we act politically, we act not as citizens of the separate states. Politically we are not one consolidated nation; we are a federation composing a federal union.

No amount of pitter-patter about "equalized voting" can conceal the revolutionary nature of Mr. Carter's proposal. In asking that the old system be scrapped, he is striking at the very heart of our political process. Only three weeks ago the President himself seemed to realize this. In response to questions on March 9, he appeared uneasy about the proposed amendment. But someone, probably Vice President Mondale, abruptly turned him around. One should not get born again so quickly.

again so quickly.

The proposal for public financing of congressional elections is accompanied by psalms of piety and virtue. By limiting fat-cat contributions, and by subsidizing the candidates' campaigns, the invidious special interests

will be thwarted. Who could oppose a plan of such noble intentions?

Humbug! The President's pious little bill is the sweetest scheme ever devised for insuring the election of incumbents into the end of time. An incumbent member of the House or Senate already has every imaginable advantage over an unknown challenger. In the hundred-yard dash of a fall campaign, the incumbent starts about 30 yards down the track. Public financing would hand him 10 yards more.

The bill to scrap the Hatch Act sweats the same bogus perfume. The idea is to make the 2.8 million federal employees whole citizens again—to let them participate fully in partisan political activities. Only those in exceptionally "sensitive" positions would be inhibited hereafter. But the reasons for the Hatch Act are as sound today as they were when the act was adopted in 1939. Indeed, with the rise of public employee unionism, the reasons are all the more compelling. This is a bill to create a Democratic political machine. It cannot be successfully disguised.

Nothing good can be said of the President's scheme for election day registration. Ostensibly, the idea is to remove those terrible "antiquated" and "arbitrary obstacles to voting." Under Mr. Carter's bill, states would be com-pelled to register and to give a ballot to any person who staggers, stumbles, is led or bribed to the polls on election day. The bill bristles with formidable penalties for fraud, but these are the kind of fictitious penalties, like \$500 fines for littering, that never are imposed. There would be no practical way of detecting or punishing the phantom voters who could be herded like sheep to the polls. The package, in brief, is a bad bill of goods. The measures might be great for the Democratic party, but if they pass, Lord help the Republic.

ENERGY AND THE NEW CIVIL WAR

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. TEAGUE. Mr. Speaker, the hardships of this last winter and the natural gas shortages which resulted have set different regions of this country at odds with each other. Charges of fuel withholding have been leveled at the Western and Southwestern States by the Eastern and Midwestern States. They say that their development has been deliberately prevented. The Western and Southwestern States are hesitant to develop the oil and gas that lies on their Outer Continental Shelves. They feel that it is unfair that similar demands are not made on the eastern coast States. This internecine conflict is truly deplorable. A description and attempt at resolution of this problem is contained in the following editorial of the March 12, 1977. Houston Chronicle:

Hypocritical and Parochial Withholding of Energy

"This winter politicians (from the East, Midwest and West) and judges have sat on huge deposits of fossil fuels, while their constituents have frozen." . . . "To my mind there is a deplorable, hypocritical, parochial brand of withholding that is growing all the more prevalent in the national energy policy debate."

Strong words those. And we could not agree more. They are Sen. Lloyd Bentsen of

Texas describing known and probable natural gas and oil deposits in and off the Eastern and Midwestern states whose development has been deliberately and admittedly prevented.

As Sen. Bentsen says, it is neither fair nor rational to drill off the Texas and Louisiana coasts and refuse to drill off other coasts. Neither is it fair nor rational for those consuming states to get gas at a low, subsidized price while the people of Texas and other producing states pay, through their free intrastate marketplace, for virtually all the natural gas exploration that is being done in the country.

For this same hard core of people as Sen. Bentsen describes to then have the arrogant effrontery to charge that gas is being withheld from them by the producing states and the oil-gas industry is just too much. We would not think anyone could be so shame-

There is a hue and cry from these demagogues for yet another "investigation"—all the others having been fruitless—into suspicions of withholding of gas from the interstate market. That is being done.

Very well. Then let there be an investigation of the withholding of energy from production in the East and Midwest, Sen. Bentsen has called on Interior Secretary Cecil Andrus for just such a probe. He cites at least three known areas in the East and Midwest "where there was natural gas in the ground that was not being produced and supplied to the American people during the coldest winter in the history of our Republic. I want to know how many other cases there are."

What is fair in one instance is fair in another. Unfortunately, fairness and rational debate are seldom in the vocabulary of those who have tried to turn the serious questions of energy policy into emotional diatribes.

of energy policy into emotional diatribes.

We are sure that Sen. Bentsen deplores as much as we do that the country cannot address its energy problems without these attempts from consuming states to set one section of the country against another.

tion of the country against another.

But one can only take so much. The oilgas producing states are being subjected to ideological and political warfare. They cannot be expected to stay silent while being crucified in a frantic attempt to shift the blame from where it belongs to those who have warned for decades that precisely what happened this winter was going to happen.

COUNTY BOARD OF ELECTIONS REACTS TO CARTER VOTER REGISTRATION PROPOSAL

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. FORSYTHE. Mr. Speaker, all of my colleagues here in the House are aware of President Carter's March 22 election reform proposal. Of that five-part package, perhaps the most controversial "reform" proposal is the so-called "Universal Voter Registration Act." The purpose of this proposal is to simplify registration and supposedly thereby enable millions of additional voters to participate in Federal elections.

In the State of New Jersey we have postcard voter registration and have been able to substantiate very little if any connection between easier registration and increased participation in elections. Additionally, postcard registration has it-

self created enough problems to make local election officials quite apprehensive of the sweeping changes proposed by President Carter.

For the information of my colleagues I am including in the RECORD of these proceedings a recent letter from one of the county election boards in my congressional district.

Mr. Speaker, an informed and participating electorate is one of the fundamental strengths of a democracy. I think I can say without hesitation that we all support the principal underlying attempts to increase voter participation. Unfortunately, however, as responsible legislators we also have an obligation to our constituents to provide laws which reflect the realities of the world in which we must function.

The following letter, I think, highlights some of the unrealities of the Universal Voter Registration Act. As the letter states,

Too often legislators dream dreams without taking into consideration the practical.

In protecting our constituents' right to a fair election process, I strongly feel that we have no choice but to be practical in spite of the temptation to dream.

BURLINGTON COUNTY
BOARD OF ELECTIONS,
Mount Holly, N.J., March 24, 1977.
Hon. Edwin B. Forsythe,
Cannon House Office Bldg.
Washington, D.C.

Dear Congressman Forsythe: As members of a County Board of Elections, we strongly oppose voter registration at the polls. We look upon the right to vote as a privilege that should be extended to everyone who can qualify; but, with that privilege, should be born the responsibility of establishing proof of those qualifications. It is no greater effort to go to the proper authority to register in advance of an election, than it is to go to the polls to vote on election day. With registration by mail, one need not even leave his home to register to vote.

Workers at the polls should not be given the authority or responsibility of determining a persons qualifications to register; nor should they be given the added burden of handling registrations while they are supervising an election. A poll workers' day is long and arduous, and if there are 50 people in line waiting to vote and register at the moment the polls should close, they must be permitted to do so and the election could go on ad infinitum.

With what identification does one establish qualification to register to vote? A birth certificate and drivers license may establish age, but neither establish citizenship or residency. Many people hold a drivers license from another state or county. A property deed does not necessarily establish residency, since many people own dual properties. One could register from a resident property and again from a vacation property. The same person could use a different means of identification to register in several different locations. A person could register in the name of a deceased person before the death is known. Providing false identification is simple and the possibilities for fraud are endless.

Imposing large fines and years of imprisonment for fraudulently registering to vote is similar to locking the barn door after the cow is out—it is after the fact. Moreover, with the large court backlogs, it could be years before an offender would be penalized. Courts are lenient in regard to voting infractions; Prosecutors don't follow through, and

election boards cannot afford to hire suffi-

In Burlington County, we have uncovered some fraud in Registration by Mail simply because it is made so easy, and because the forms get into the hands of irresponsible people who use them. One is the case of the mother who signed her two sons names to registration forms. Our appeal never reached the Court, because the Prosecutor contended that, since the boys did vote, the intent was there; and the mother, being next of kin, had a right to sign her sons names. Another, two minors registered and the fact was discovered by parents who notified the Election Board. Then, there is the case of a dozen or so high school teenagers who registered to get their ID cards. The fact was discovered at the local level and reported to the press. After the story appeared in the news, we asked the press for the names, and were refused on the grounds of Privacy. We, then appealed to the Prosecutor to obtain the names for us, but he was uncooperative since they were minors. As a result, they are still registered—fraudulently. We are sure that if we had cooperation and the means to investigate, we could find many more.
Further, we believe it would be using tax-

Further, we believe it would be using taxpayers money unwisely were the federal government to refund to the states an approximate \$15.5 million, or 20 cents per voter registration. To begin with, it costs much more than 20 cents in equipment, supplies and employee salary and time to process a single registration. Moreover, this refunded money, as we have seen with the 50 cent per registration in New Jersey, goes into the general treasury and never filters down to the level of an election board for its use.

We believe that too often legislators dream dreams without taking into consideration the practical and impractical sides of such legislation; and, without considering, how the job is going to be accomplished by those who are responsible for acomplishing it; namely, County Boards of Elections.

ing it; namely, County Boards of Elections.

We believe, also, that if this country is to have an informed and responsible electorate, we must give that electorate some responsibilities of its own, such as registering to vote at a proper time and place. We believe that an informed and responsible electorate wants, and has the right to expect, proper safeguards in the right to vote.

Very truly yours,

Mrs. Dorothy P. Main, Chairman.

PEARL B. BUSH,

Secretary.

JIMMY FLEMING: TALENTED WRITER AND RARE HUMANITARIAN

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. PATTEN. Mr. Speaker, recently Jimmy Fleming, the talented, respected, and popular columnist of the Home News of New Brunswick, N.J., reached his 70th birthday. He is the youngest looking 70-year-old I have seen in years.

Jimmy is modest by nature, so practically no one knew it was his birthday. Because of his many friends and position, there could have been an elaborate party, but it was celebrated in a simple, but moving way.

On his birthday, Jimmy was eating in a restaurant in New Brunswick, where scores of friends and admirers—from plain workers, to executives—simply went up to his dining table and just said, "Happy birthday, Jimmy."

Mr. Speaker, I am sorry I could not be there to extend my congratulations on Jimmy's achievement, so I am now doing that in the Congressional Record. Thanks, Jimmy, for your fine writing over these many years, for your "Hemingway touch"—clear and beautiful writing—for your versatility, but most of all, thanks for the real and great feeling you have for people. Your mind is bright, your heart is warm, and your soul is beautiful and wonderful. You love people and they love you. Happy birthday, Jimmy.

SENATOR EDWARD ZORINSKY SPEAKS OUT ON PRESENT OPERA-TIONS OF CONGRESS

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. GRASSLEY. Mr. Speaker, it is always a matter of satisfaction to me to read when a Member of the Congress speaks his or her mind about the present operations of the Congress. It is especially noteworthy when a Member courageously speaks out on some of the abuses in our congressional system.

This courage has been recently demonstrated by the newly elected Senator from Nebraska, Edward Zorinsky. The Senator gained nationwide attention for his candid assessment of the practices and procedures followed in the politics of the Senate. This action is especially praiseworthy because it did not come from a Member of the minority party but from a Member of the majority party.

It would have been much easier for Senator Zorinsky, to keep quiet and go along with the system despite private scruples. He could have adopted the motto "go along in order to get along" by refusing to rock the boat through silence. He could have easily become "one of the boys" by closing his eyes to distasteful political practices and accepted the system without a word of criticism. But it appears that this is not the nature of such a man as Senator Zorinsky. He attacked two of the so-called sacred cows in politics: patronage and the closed caucus meeting discussing issues. In his recent statements, he has provided a guide to all of us who are concerned about the "politics as usual" we see demonstrated in the Halls of Congress.

I wish to call the attention to my colleagues to two editorials on Senator ZORINSKY'S critique: "Senator ZORINSKY Disowns Patronage" from the Omaha World-Herald—March 1, 1977 and "Mr. ZORINSKY in Washington" in the Wall Street Journal—March 15, 1977.

[From the Omaha World-Herald, March 1, 1977]

SEN. ZORINSKY DISOWNS PATRONAGE

(By Darwin Olofson)

Washington.—In trying to shake up the "system," Sen. Edward Zorinsky has shaken some political plums right off the patronage

tree into the eager hands of several of his Democratic colleagues.

He also may have shaken up Senate Major-

ity Leader Robert Byrd.

Zorinsky told how he and other freshman Democratic senators were summoned to Byrd's office and told "that we were privileged to enjoy the fruits of the patronage system."

Up for grabs were a number of jobs in the Senate Post Office, one of which paid \$9,519 a year for four hours of work a day.

The other positions paid \$8,517 a year for

five hours of work a day.

It was suggested to the senators that they might find some deserving young people, about 17 years old, to fill the jobs, according to Zorinsky.

I informed Sen. Byrd that I would have nothing whatsoever to do with the placing of patronage jobs and that I felt they should all be abolished," he said.

"I saw a mass grab by the other senators for the jobs I was turning down," he added.

What was being suggested to the senators, the Nebraskan said, was that they find out whether any of their key political supporters had 17-year-old sons who would like a wellpaying job that would require them to work only a half day.

"Then, when election time comes around there's an IOU outstanding," he said.

'If you pay a 17-year-old \$9,500 a year for four hours of work," Zorinsky said, "then you have helped him embark on a lifetime of

dependence on government subsidization.' He said he felt unemployed persons should have a chance to compete for jobs that are

now filled on a patronage basis.

He also criticized the existence of certain patronage jobs, such as those held by the operators of automatic elevators on Capitol Hill, calling it "a gross misuse and waste of taxpayers' dollars."

[From the Wall Street Journal, March 15, 1977]

MR. ZORINSKY IN WASHINGTON

Senator Edward Zorinsky, elected from Nebraska last fall, was so appalled by his initial experiences in Washington that he considered chucking the job and going back to Omaha, or so he told The Washington Star. It would have been a principled and spectacular political act, but Mr. Zorinsky's wife persuaded him to reconsider.

Among other frustrations, the Senator was annoyed over having to sit through a particular extended closed-door session of the Senate Democratic caucus. The momentous, hush-hush subject? Free haircuts in the

Senate barbershop.

It seems that what with sharp congressional pay raises, office-girl scandals and the like, some Senators were worried that the tradition of free haircuts was like rubbing the taxpayer's nose in the dirt. A price of \$3 was agreed upon but then somebody mentioned that the House barbershop charged less and that everyone's staff would be wasting time waiting to get in the chairs over there. Market economics puzzle Senators so this question required considerable debate.

"You talk about federal projects," groused Mr. Zorinsky. "They could have built a dam in less time, and it's still not resolved."

It no doubt occurred to Senator Zorinsky, as it does to us, that there must be a lot of guilt perched on the shoulders of men who would spend so long worrying over and de-bating appearances. And considering some of the ways Congress has found to spend the \$450 billion it extracts from the economy, maybe that should not be surprising. A \$3 penance does not seem high.

Mr. Zorinsky finds the ambience of Washington no more enchanting outside the Senate halls. "Everybody here is at the public trough," he complained. What with some of that \$450 billion leaking through the cracks into the local economy, land values approximate a gold rush town. "They conZorinsky.

We're happy that Schator Zorinsky will stay on. Iconoclasts may not change things much but they are good to have around.

ENERGY POLICY AND THE NEED FOR A CLIMATE PROGRAM

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Monday, April 4, 1977

Mr. BROWN of California. Mr. Speaker, this morning the Subcommittee on the Environment and the Atmosphere of the Committee on Science and Technology heard from the Administrator of the Federal Energy Administration on the need for a national climate program. While it is not generally my practice to bring such testimony to the attention of the full House before legislation is reported. I believe the statement by John F. O'Leary deserves to be seen by every Member of this body.

The basic point made by Administrator O'Leary was that the energy policy of this country and the world is profoundly affected by the climate, and the energy strategies of this country should meet the variations in the weather which have, and will occur. Mr. O'Leary made the point that if the long range weather forecasters of this country had been able to tell the energy planners of this country what last winter would be like the energy shortages which occurred could have been avoided.

Mr. Speaker, I expect the Committee on Science and Technology to report legislation to establish a comprehensive Federal climate program, designed to serve users of climatic information, before May 15. The testimony of Mr. O'Leary demonstrates why this is important.

The testimony follows:

STATEMENT OF JOHN F. O'LEARY

Mr. Chairman, members of the Subcommittee. I am pleased to speak before you today on proposed legislation to establish a National Climate Program. This past winter has dramatically shown that changes in weather and climate are extremely critical to the energy situation. Improving our knowledge and ability to anticipate changes in climate and weather conditions is vital to our efforts in developing energy policy and in dealing with current and future energy prob-

My comments are brief and address the of information and analysis which would be useful and suggestions in implementing a National Climate Program.

With regard to the specific proposal under consideration for a National Climate Program, I do not feel I am in a position to make a recommendation on the need for new legislation. Consequently, I wish to defer to the Administrator of the National Oceanic and Atmospheric Administration on the draft legislation.

I will begin by stating simply that even a cursory glance at the alternatives which are available to us for meeting our future energy needs reveals the intimate connection which exists between climate and energy. Our energy requirements are directly related to the climatological conditions which surround us, as is our capability to effectively

demn houses that cost \$100,000," said Mr. mobilize some of the more abundant energy resources.

> RELATIONSHIP BETWEEN WEATHER AND ENERGY

The past winter is an excellent example of the effects weather can have on energy supdistribution, and use. Because abnormally cold weather experienced by the eastern portion of the country, space heating needs increased significantly for natural gas, distillate fuel oil, propane, and electricity. These larger fuel needs resulted in increased natural gas curtailments and spot shortages. The warm dry air in the West has lowered the snow pack and decreased river flows, thus affecting the generation of hydroelectricity. Our oil imports increased dramatically; they were temporarily driven to over 10 million barrels per day. In addition, our economy was adversely affected; at one point over one million jobholders were furloughed.

The fuel situation last winter was monitored closely in regions of the country where increased energy demands could have resulted in fuel shortage problems. As one part of the monitoring system, FEA was in daily contact with the National Weather Service to obtain 5-day weather outlooks and also projections of 10-day forecasts being conducted on an experimental basis by the Weather Service. The available information was found to be useful to FEA. Dr. Schlesinger and other parts of the government.

However, our understanding of the relationship between weather and fuel consumption is still in its infancy. Available information shows that while heating degree-days and energy consumption are definitely correlated, there is a wide range of estimates in the actual statistical relationship. As a consequence, we estimated that the additional heating costs of this last winter could range from \$4.3 to \$7.8 billion, and the impact of the winter on oil demand and imports could range from 0.8 to 1.6 million barrels per day more than would have occurred in a normal winter. (A copy of an FEA working paper on "Alternative Estimates of the Energy Costs of This Year's Colder than Normal Weather" is attached for submission to the record.) This variation of nearly 100% illustrates the importance in greater emphasis on understanding weather and how it influences energy consumption, supply, and distribution.

Mr. Chairman, the climate will be of central relevance to the mission of the Department of Energy, and I believe that an improvement in our understanding of climatological processes could be of inestimable value in carrying out that mission. Of course, we will work closely with agencies involved in climate research, and provide them with feedback on our interests in weather and climate information. As we begin to lay the foundation for the energy systems which will sustain us beyond the era of the natural fluid hydrocarbons, and we are doing so today, we most assuredly do not wish to bear risks stemming from any climatological uncertainty which lies within our power to resolve.

The profoundly disturbing anomalies in the

global circulatory patterns of the past few years which have manifested themselves variously as wheat shortages in the Soviet Union in 1973, drought in Africa that is traceable back to 1969, prolonged drought in England and western Europe, and again in our extreme winter just passed, and our continuous Western drought all point to the possibility that major climatological changes could be taking place.

While the likely duration and the implications of these events is very uncertain at present and the subject of a growing scientific discussion, there is no question but that the scale of these changes is foreboding, and that these occurrences warrant increased study and attention.

The prolonged and extremely cold weather experienced in the eastern United States from mid-October through early February of this past winter resulted from complex changes in the factors determining the weather. The pronounced blocking ridge over the western plateau was discernable as early as last August and remained essentially stable for over six months, giving us cold in the East and drought in the West. Understanding why last winter's prolonged colder than normal weather occurred and knowing if this is likely to be repeated next year and in subsequent years with a greater probability, could be important to not only those concerned with energy but also to those dealing with water resources and agriculture.

NEEDS FOR CLIMATE AND WEATHER INFORMATION

The needs for information on climatic changes and the weather broadly fall into short-term efforts on monitoring and analyzing the current situation, and long-range forecasting of future weather and climate patterns. While both types of effort are important, I believe that more attention and resources need to be used on longer-range "strategic" forecasting.

SHORT-TERM WEATHER INFORMATION

1. Knowing on a current basis the temperatures, degree-days, precipitation, solar insolation, and wind speed and direction by regions of the country is required. Information should be gathered, processed, and validated and made available to users in a readily accessible manner.

Increased accuracy in snow aerial extent and snow water content information would be useful for hydroelectric planning. Remote sensing of such data by satellites offers significant improvement over standard aircraft

snow surveys.

3. Data on solar insolation is critical for computing the size and projected heating load of a solar collector system. The Weather Service currently collects these data on approximately 120 locations throughout the United States. More extensive solar insolation data will be extremely useful for designing systems suitable for specific areas.

LONG-TERM WEATHER AND CLIMATE INFORMATION

1. There is a need for accurate long-range forecasts of weather so that the government and industry can plan their actions regarding fuel use and allocations. High accuracy in 1- and 5-day forecasts is important, but having good long-range forecasts that could be used to assess energy needs months or more in advance would be very helpful for planning and taking appropriate actions to address potential fuel shortage problems.

2. We should make every effort to determine whether or not the combustion of fossil fuels is significantly affecting our climate, or has the potential for affecting the climate if world consumption were to grow significantly above today's levels. The primary concern I refer to is the requirement to understand and measure the greenhouse or heating effect which some researchers contend could result from the increased amounts of carbon-dioxide we are venting into the atmosphere. We should also push forward with the study of the possible cooling effects that could result from the small dust particles in smoke, or aerosols, which remain in the air for long periods.

3. We also should seek to understand whether the atmosphere's capacity to act as a heat sink will be stressed by the continued growth of our use of all forms of energy. We do not think that this particular climate altering potential is approached by the present activities, but we must be concerned with potential climate modifications which could be stimulated by increasing levels of waste

heat.

4. Forecasting energy consumption over the next one to two years on a quarterly or more frequent basis, as well as even for longer time periods (10 and 15 years), should be based on long-run climate and weather variables. To explain variations in demand for

weather-sensitive energy products, both heating and cooling degree-day information is needed. Historical degree-day data are currently used at the state level by month. Improvements in long-range forecasts by geographical region would be of great value in assessing potential energy demands.

5. In regard to projected gas curtailments and alternate fuels information for a coming winter, the ability to know well in advance if weather in specific areas of the United States would be materially colder or warmer than normal would be an invaluable tool for additional analysis. Since the usage of fuel is affected by a combination of wind and weather (i.e., chill factors), better information on the relationship of these factors would be helpful.

6. Long-run studies of climate and weather patterns are also important. For example, understanding the factors which caused last year's weather which pushed warm air up into Alaska and cold air down over the Midwest and East would be useful. Greater attention should be placed on strategic climate patterns, how they are changing, and their implications for the future on energy, agri-

culture, and the economy

7. A greater effort should be made to utilize weather information in government decisionmaking. User agencies such as FEA are beginning to consider the relationships between weather and energy. More effort is clearly required. The agencies responsible for developing weather and climate statistics and forecasts should apply their expertise to meet the users needs of weather information in application areas such as energy, agriculture, and water resource management.

SUGGESTIONS FOR IMPLEMENTING A NATIONAL

Even though my comments are not directed specifically to the proposed legislation, I would like to make several general suggestions in implementing the national

climate program.

1. I strongly support the need for close coordination with user organizations. The lead agencies in the climate program should determine what information is needed, in what form, and on what frequency. The survey should seek out how weather data is being used, what problems are being addressed which require weather or climate information, and what results are emerging from studies relating to weather.

2. A strong applications program should be built based on the results of the user survey to complement agency programs. Staff should include expertise not only in meteorology and climatology, but also in such fields as agriculture, energy, environment, water resources, and economics. Studies should be conducted on the use and application of weather information to

these application areas.

3. A long-range program should be developed reflecting national information needs. User agencies such as FEA or the Department of Energy should be provided the opportunity to comment on the plan and suggest research and data priorities.

4. The process by which information is exchanged between meteorologists and those who must react to the weather should be seriously examined. The current communications process with regard to weather and climate could be inhibiting the exchange of information between those who seek to understand and those who need what is known about the weather. It is the communication of the available knowledge and insight that is of greatest value-and to that communication we increase build into the design of a national climate program a liaison group that is specifically charged with the mission of facilitating this two-way exchange. This liaison group mission of facilitating should contain both climatologists and professionals trained in hydrology, agricultural sciences, energy, economics, and other fields. Thank you for this opportunity to comment. I would be pleased to answer your questions.

WHO OWNS THE PRESS?

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. CHAPPELL. Mr. Speaker, I rise to voice the concern of many Americans over disturbing trends in this Nation's media industry. Increasingly, independent media outlets—newspapers, radio and television stations—are being swallowed into giant firms, communications chains, and even industrial conglomerates. This phenomenon, which has reached an epidemic level in recent years, has several dangerous implications.

Lest I be accused of overstating the case, Mr. Speaker, let me present the following statistics: At least 71 percent of newspaper circulation is now controlled by chains or is under some forms of multiple ownership; this represents 60 percent of America's newspapers. The era of the independent newspaper is plummeting toward its end—increasingly, we find independent status only among small papers of 10,000 circulation or less. We are approaching a time when all news will reach us through the funnels of media barons.

The foremost danger is the jeopardy in which we are placing the rights guaranteed us by the first amendment. For all practical purposes, we are seeing freedom of speech and press fall under the control of fewer and fewer individuals. And when a freedom is restricted, it loses its meaning.

No one needs to be reminded of the tremendous power the communications industry holds in our society. Creation of empires in that industry also creates communications lords, who can dictate how the news is reported—what is to be revealed and what is to be suppressed. As we see more and more of our smaller news sources being absorbed into these empires, we should realize that we are also seeing the disappearance of local autonomy—and the sacrifice of a certain degree of freedom.

Except by the tolerance of ownership an individual editor or publisher can no longer print according to his own conscience. He must follow the dictates or whims of his company's policies.

Many of our communities presently have only one newspaper as it is. To place the control of a community's only source of printed news in the hands of a giant conglomerate—which may be far-flung both geographically and philosophically from the society of that community—places the citizens of that area under a very real sort of dictatorship. They become characters right out of George Orwell, fed only what some remote Big Brother wants them to have.

On Friday, March 25, a thought-provoking article appeared in the Washington Post. The author, Charles B. Seib, is to be commended for his insights into the present trends in America's media. I submit Mr. Seib's piece for the Record, in the hope that it will serve as a warning signal of what is happening in our

news industry. If Americans are approaching a state of imperial news control, they should at least be aware of the fact. The article follows:

WHO OWNS THE PRESS? (By Charles B. Seib)

Remember the cartoon showing the little fish being eaten by a bigger fish, and that fish being eaten by a still bigger fish and so on? That is what is beginning to happen in the news business. The multiple-paper chains, having gobbled up the pick of the country's newspapers, are now beginning to feed on each other.

The result is increasingly centralized ownership of newspapers. This has profound meaning for those who care about the role of the press in America.

Last year 72 daily newspapers changed hands, according to Editor & Publisher, a trade magazine. The previous year the figure

The chains were active in the busy trading. As usual, they added to their strings by buying individual papers. But perhaps more significantly, the big ones gobbled up some little ones.

Two recent examples of chain-eat-chain were the purchase of the Booth Newspapers by chain owner Samuel Newhouse and an agreement by the Gannett chain to buy the Speidel papers.

Newhouse paid \$300 million for the Booth properties. For that he got eight daily newspapers in Michigan, Parade magazine and some odds and ends. This brought his holdings to 30 newspapers with circulations totaling 3.7 million. He is the king of chain owners in total circulation.

The Gannett purchase of Speidel—13 newspapers for \$178 million—will, along with some other recent acquisitions, bring that chain's total to 73 papers. Gannett number one chain in papers owned, although it is below Newhouse and several others in circulation.

The dealing continues unabated. Last month Capital Cities Communications, Inc., bought the Kansas City Star, which had been owned by its employees. The price: \$125 million, which turned 15 or 20 newspaper people into instant millionaires.

A few days later, the Buffalo (N.Y.) Evening News was sold for about \$33 million to Blue Chip Stamps of California. Blue Chip is controlled by Warren Buffett, a director and major stockholder of the Washington

Post Company.

The result of all the buying and selling over the past few years is that three out of five of the country's 1,750 dailies belong to chains. The 12 largest chains publish nearly 40 per cent of the 61 million newspapers sold every day.

Group ownership is not bad per se. Chains sometimes nurse sick and shoddy papers back to journalistic health. And many chain newspapers serve their communities well while producing nice profits for the owners.

Nevertheless, the great, discordant choir that makes up the press of America is losing its independent voices, one by one. If the trend continues, its music may end up resembling the slick, superficial harmonies of a barbershop quartet. And that is bad.

At stake is diversity. The First Amendment guarantees a free press—not a fair, honest or good one. Diversity has always been the essential ingredient that made the whole thing

A recent report on newspaper ownership asked a question: "How much competition is required to insure a forum for unbiased jour-nalism?" That is not quite the issue. The nalism?" That is not quite the issue. The real question is: "How much competition is required to insure that the press will do its job despite biased journalism?"

the brisk trade in newspapers? For one thing, they are businesses and they are subject to the same pressures as other businesses. Those pressures today are expressed in words like acquisition, consolidation, diversification and conglomeration.

Also, newspapers are extremely attractive properties. A monopoly newspaper in a healthy community is second only to a television license as a money-maker. And it comes equipped with its own special constitutional protection.

Rupert Murdoch, the Australian press lord who is becoming a power in American journalism, has said that a monopoly newspaper is "a license to steal money forever." Otis Chandler of the Times-Mirror Co. of Los Angeles put it less crudely: A monopoly paper, he said, "gives you the franchise to do what you want with profitability. . . . You can control expenses and generate revenues almost arbitrarily."

It should be noted that the number of monopoly newspapers—newspapers with no true competition—grows each year. When they feel the need to improve their image, the moguls of the news business like to point out that the First Amendment's protection of a free press is not something that belongs to them. It belongs to YOU-the public, they

That is good PR and it also is true, at least in the large sense. If a free press is necessary to an open society, then it is indeed the precious property of the citizens of that so-

But a more mundane and equally valid truth was expressed by A. J. Liebling, the late press watchdog and iconoclast: "Freedom of the press belongs to the man who owns one." That concisely sums up the concerns aroused by what is happening to own-

And it doesn't help that Liebling's aphorism may soon be outdated. Before long, a more accurate version may be: "Freedom of the press belongs to the conglomerates that

NATIONAL DRAFTING WEEK

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. RINALDO. Mr. Speaker, the board of directors of the American Institute for Design and Drafting has proclaimed this week, April 4 through April 7, as National Drafting Week. It is fitting that national recognition be given to the drafting profession and to the dedicated men and women who make such a vital contribution to the countless items produced in meeting society's needs, such as household and business equipment, hardware for space missions, and concepts to enhance our environment.

The history of drafting is long and rich. Among the earliest records of engineering graphics is a stone engraving of a fortress plan made by the Babylonian engineer, Gudea, about 2000 B.C. Leonardo da Vinci illustrated his work profusely with technical drawings. His treatise on painting is regarded as the first book printed on the theory of projection drawing. It was Gaspard Monge, however, who is regarded as the first to make an organized record of the principles of engineering drawing that are used today. Drafting history continues to be made, and the accomplishments of contemporary professionals will render invaluable service to the present and future generations.

I am pleased to have this opportunity to pay tribute to our Nation's more than 350,000 skilled professional designers and draftsmen and draftswomen, and I wish them every success during their 17th anniversary held in Houston, Tex., this week

OPINION SURVEY

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. BROOMFIELD. Mr. Speaker, in order to better represent the people of Michigan's 19th Congressional District, I conduct a yearly district opinion survey on major national issues. This year, more than 13,000 people responded.

Because of the President's expressed interest in the views of the average citizen, I have written him conveying the results of my poll.

Mr. Speaker, so that my colleagues may also have the benefit of the results of this survey, I am inserting into the RECORD my letter to the President along with a breakdown of the constituent responses:

President JIMMY CARTER. The White House, Washington, D.C.

DEAR MR. PRESIDENT: More than 13,000 Michigan residents in Oakland and Livingston Counties responded to my 1977 Congressional Questionnaire on important national

Because of your interest in the views of average citizens, I thought you would like to know the results. More than ninety-six percent of those responding favor "sunset" legislation requiring every Federal program to rejustify its existence at least every five years—a program which you and I both support.

Ninety-two percent support mandatory sentencing for all crimes committed with a gun, and nearly as many-ninety percentare opposed to extending diplomatic recognition and aid to North Vietnam. Sixty percent favor your efforts to begin negotiations to normalize relations with Cuba.

A large majority-eighty-two percentfavor delaying auto emissions standards to allow the industry time to develop the technology to comply, an effort which I whole-heartedly support. The same percentage back Federal tax breaks and low-interest loans in the production and marketing of solar energy for residential and commercial use.

Two thirds of those responding said they favor legislation giving your Administration authority to re-establish the military draft, but only twenty-six percent said they supported your Vietnam-era amnesty program.

Only twenty-eight percent said they felt national health insurance was an urgent priority if it means higher taxes, while twenty percent backed direct Federal subsidies to cities in danger of defaulting. Three quarters of the respondents favor legislation allowing parents a tax deduction for the costs of financing their children's college education.

I look forward each year to this crosssection of views from the people in my Congressional District. I know you will be equally interested in their thinking on major national issues.

Respectfully,
WILLIAM S. BROOMFIELD, Member of Congress

QUESTIONNAIRE RESULTS (Tabulated by PSA, Inc., Baltimore, Md.) [In percent] 1. Military Draft: Would you support legislation giving the President authority to reestablish the miltiary draft? Yes _____ 2. Auto Emissions: Should auto emissions standards be delayed to allow the industry time to develop the technology to comply? 3. Sunset Law: Would you support legislation requiring every Federal program to re-justify its existence at least once every five years or be abolished? Yes _____ 96 4. Health Insurance: Do you believe that it is urgent that national health insurance be instituted even if it will mean increased Yes _____ 28 5. North Vietnam: Do you favor extending diplomatic recognition and financial aid to North Vietnam? Yes ______ 7 No _____ 90 6. Amnesty: Do you favor the President's program granting amnesty to Vietnam-era draft evaders? 7. Solar energy: Should the Federal Government provide tax breaks and low-interest loans in the production and marketing of solar energy for residential and commercial Yes _____ 15 8. Mandatory Sentencing: Would you support mandatory sentencing and a denial of parole for all crimes committed with a gun? Yes _____ 92 9. Aid to Cities: Would you favor direct subsidies to cities in danger of defaulting? No ----- 74 10. Cuba: Do you favor beginning negotiations to normalize relations with Cuba? 11. Parents' Tax Break: Do you favor legislation allowing parents a tax deduction for the costs of financing their children's college education? Yes

CAPITOL POLICE OFFICER ADOLPH KRENN

(Balance equalling 100 percent undecided.)

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. FRASER. Mr. Speaker, the small, informal community made up of Mem-

bers, staff, and House employees is minus a well known senior colleague this week— Capitol Hill Police Officer Adolph Krenn. Officer Krenn died Tuesday, March 29, and he was buried April 1 in Shenandoah Pa.

I learned of Adolph Krenn's death through Ron Mazzoli's March 30 Record statement. Because we moved our office from 1111 Longworth to 2268 Rayburn this January, Adolph Krenn's absence from his post was not noted by myself or my staff. Our habits of entering the Longworth Building each day at the police post located near the New Jersey and C Street entrance were ended early this year.

Now, with Adolph Krenn's death, all of us are forever denied the good feelings we exprienced as we walked past Adolph's post and he greeted us. He was the first House employee many of us met most mornings and this experience was always a good way to start the day.

My staff and I extend our sincere condolences to his family. We share with them a sense of loss. Adolph Krenn was a valued member of our small House community

BELLA'S BOONDOGGLE IS NOT WORTH \$5 MILLION

HON. ROBERT L. F. SIKES

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. SIKES. Mr. Speaker, James J. Kilpatrick, an articulate speaker and a capable writer, has voiced the sentiments of many persons in a column which appeared in the Washington Star on April 2. The title of the article is, "Bella's Boondoggle Is Not Worth \$5 Million." Many of us voted against the appropriation of \$5 million for a National Commission on the Observance of International Women's Year. The questions raised by Mr. Kilpatrick were apparent in the debate on the measure. Even so, it could have been worse. The proponents sought an appropriation of \$10 million for the project. This was rejected.

I submit the article for reprinting in the Congressional Record:

BELLA'S BOONDOGGLE IS NOT WORTH \$5 MILLION

(By James J. Kilpatrick)

President Carter on Monday reconstituted the National Commission on the Observance of International Women's Year, and named Bella Abzug as its chairperson. Speaking simply as one taxpayer, I am minded to ask what in the world goes on. The commission is to include 42 public

The commission is to include 42 public members plus two from the Senate and two from the House. One of the senators is Birch Bayh of Indiana, whose modest claim is to have written more of the U.S. Constitution than any man since Madison. He is the constitutional expert. But if there is any constitutional authority for this exercise in public expenditures, it eludes ready identification.

The gentlewoman from New York, as chairperson of this outfit, has been handed a \$5 million kitty to stroke. It is immaterial that in a budget of \$460 billion, an item of \$5

million dollars is not even pocket change. The \$5 million has been taken from the people under the compulsions of taxation. For what purpose?

The ostensible purpose, spelled out in the authorizing legislation in 1975, is to assess the progress toward "equality between men and women in all aspects of life in the United States," and to identify the barriers that prevent women from participating fully in all aspects of national life. Jimdandy.

The commission also is charged with set-

The commission also is charged with setting up a series of state meetings to be followed by a national whoop-te-doo in Houston in November.

The ulterior purpose, unless I am vastly mistaken, is something else. This commission will be spending our money in a desperate, last-ditch lobbying effort for the pending Equal Rights Amendment. Any such diversion of public funds is unpardonable—and probably unlawful as well.

Perhaps my speculations are unjust. Back in December of 1975, as a member of the House, Mrs. Abzug reassured her doubtful colleagues. The commission's conferences, she said, would afford an opportunity "for every kind of woman, representing every viewpoint," to make her concerns known. Mrs. Abzug promised that "some who are opposed to the ERA" would be represented.

It will be interesting to see what develops. In the normal pattern of such ventures, study commissions follow a classic outline. First is the lofty statement of purpose—in this case, an executive order by former President Ford. This is followed by enabling legislation, approved by a Congress that finds it politically inexpedient to challenge so noble an undertaking.

The study commission then is appointed, according to demographic rules as immutable as the laws of physics—so many blacks, so many members with Spanish-American surnames, so many from the South, the West and the East, a smattering of Republicans, a celebrity or two. Most of the commission members will attend only three or four meetings; some will attend none at all.

The work will be done by a carefully rigged staff under the supervision of a chairperson whose views are as predictable as the vernal equinox. The final report could be composed, for all practical purposes, before the first organizational meeting is held.

The ultimate report at last languishes, unread, in a thousand library files. And \$5 million goes down the drain.

It will be phenomenal if Bella's boondoggle follows any other course. Nothing will be learned from this expenditure of public funds that could not be gleaned from the women's magazines or from the consistories of the League of Women Voters.

The same speakers will make the same ritual points they have been making for months. The commission's 38 employes will draw their pay and will process travel vouchers. We will have press releases, agendas, programs, statements.

The only excitement will come, as it came in Mexico City in the summer of 1975, when some of the participants get to howling and pulling hair.

Persons who oppose the Equal Rights Amendment would be well advised to mount a counter-offensive. With vigorous effort on their part, stacked conferences can be unstacked, and rigged schedules of witnesses can be unrigged.

Bella tends to overwhelm opposition, but the gentlewoman is not invincible. As head of a public body, spending public funds, she is in a position of public trust. Deliberate lobbying can't be tolerated. As these conferences proceed, perhaps the local press will seek to keep the lady in line. ED KLITCH

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. BYRON. Mr. Speaker, last Friday in the portfolio section of the Washington Star newspaper, Reporter Boris Weintraub honored one of western and central Maryland's outstanding citizens, Ed Klitch.

Ed Klitch is host of Phone Party each morning on WJEJ Radio in Hagerstown. Phone Party is a relaxed source of information and guidance for area residents. With Ed at the helm, the program is a source of promotion of the beauties and advantages of western and central Maryland.

For more than a decade, Ed has been seen and heard on radio and television in the area. He has been a force in making western and central Maryland a better and more enjoyable place to live.

I would like to join my fellow residents of the Sixth Congressional District in thanking our friend, Ed Klitch, for a job well done. And I would like to share with my colleagues in the U.S. House of Representatives this tribute to Ed Klitch and WJEJ radio by Boris Weintraub in the Washington Star:

IN HAGERSTOWN, RADIO IS THE PEOPLE'S VOICE

(By Boris Weintraub)

HAGERSTOWN, MD .- It begins like this:

"Good morning, you're on Phone Party." "Good morning. If anybody listening has some scrap metal or old batteries they don't want, I'll pick it up free. They don't have to pay anything."

Nothing at all, huh?"

"No. They can call me at . . ."

It begins like that at 11 a.m. four days a week, Tuesdays through Fridays on WJEJ, AM and FM, from this bustling small town in Washington County, Md., population 108,000. It's called Phone Party, and it is a perfect example of how a radio station in a small town

can bring people together. The show, which has been on WJEJ for 14 years and has its counterpart in other towns of comparable size, has a very simple premise: People who want advice, information, guidance, whatever, call in and state their problem. Host Ed Klitch, who has been with WJEJ for four years and has worked on Phone Party most of that time, converses with them, commiserates and restates the problem and the caller's phone number. Then listeners who want to help either call the first caller or call the show and offer an answer.

"I need somebody to plow up a garden. It's 20 yards by 20 yards."

What could be simpler?

Ed Klitch is a native of Baltimore, a 60year-old, gray-haired, crew-cut, superstraight veteran of 25 years in the Army who got into radio in Frederick, Md., when he retired from the Army in 1964. He is a bluff, hall-fellow-well-met, local-booster type who is a ready talker and a quick ad-libber. As such, he is almost a prototype for the type of person who should be hosting a program

like Phone Party.
"My idea is to put people in touch with other people," Klich says.

If other listeners can't help him his callers, Klitch keeps a file of persons or agencies that offer the sort of services that his listener-callers tend to request. A partial list:
Amway, animal rescue, bathtub tiling, bike

parts, carpet cleaning, chair caning, clowns, clock repair, concrete contractors, dog houses, electric stove repair, eyeglasses, German food store, handymen, lawnmower repair, majorettes, newspaper collection, paint remover, piano teachers, player piano repair, refrigerator pickup, sandblasting, saw sharpening, scissor sharpening, seamstresses, slipcovers, tinsmithing, upholstery, washing machine repair, Welcome Wagon and wicker baskets.

'I have a three-gallon garden spray that doesn't work."

"I'll bet you 10 to 1 it's the rubber gasket at the bottom.'

Well, maybe so. If someone can help,

I'd appreciate it. The number is . . ."
"Sometimes," says John Staub, owner and general manager of WJEJ, "things are a little slow on the show if Ed opens the show and has some things to say. They'll wait till he finishes, then they start to call. The variety of things they call about is amazing.'

"The most memorable call ever," says Klitch, "was from a woman who called and said, 'I'm sturdily built, and I need panty-hose for a big frame that are reinforced in the heel.' I said, 'Lady, I wouldn't touch that with a 10-foot pole.' People still talk about that when they see me."

"I'd like to obtain a World War II flight

helmet. I'm a pilot and a collector, and I need a flight helmet."

Ed Klitch is the "morning man" at WJEJ, driving in from his Frederick home at 3:30 a.m. to get the station on the air at 4:30. He also is responsible for doing newscasts, mostly of the rip-and-read variety, but also involving checks with local police, for selecting some of the station's recorded music—it has a "contemporary MOR" format—for doing a Sunday night show of nostalgic, recorded big band music, and for doing a variety of interview features.

When a caller to Phone Party suggests an interest in something unusual, such as World War II flight helmets, Klitch often extends the conversation. You never know, he says, when such a conversation might lead to an interesting interview for one of his other

"Hi, Ed, how are you?"

"I can't stand the hot weather. How are

"I'm fine, I just wanted to tell you that I took the wife and kids to see the 'Up With People' show last week and they were terrific: I was a music major in college and I don't think you could see a better show this side of Broadway."

"I agree with you. What I especially liked was the way they played for us free down at the mall, and the way Hagerstown opened its hearts and its homes to them."

When things get slow on Phone Party, as they sometimes do, Ed Klitch fills in with various announcements and comments. For example, he'll plug an upcoming concert by the South Hagerstown High School concert band and wind ensemble, or he'll joke about the engineer, Sue Burns, who is also one of the station's disc jockeys. At a station this size, there is litle room for specialists.

The prevailing atmosphere, both at the station and on the program, is relaxed and small town. The station, the show and Ed Klitch are Hagerstown fixtures. Could this work in a bigger market, such as Washington? Klitch thinks so.

"Everybody thinks that big city people are so sophisticated, but there's plenty of unsophisticated folks out there who need the same sort of help they get on this show,

John Staub, the station's boss, isn't sure. He thinks that the show would have to be adapted to a larger market in some way, but that it might work.

"There are magazines now aimed at apart-ment dwellers," he says. "Maybe there would be some way to aim a show like this at people who live in apartments. But this show amazes people who have lived in big cities and now live here. They're always commenting about it, and using it, too. They call in and ask what's a good time for planting, or young housewives call in and ask for recipes. Then the . . . let's call them 'more mature' ladies call in and answer."

In fact, one of the most endearing aspects of Phone Party is the direct communication that individuals conduct, using the show as a third party. On this day, a caller says that she saw Red Skelton on the Academy Awards show and was surprised because she thought he was dead. A few calls later, another caller reports that Skelton happened to be on the Mike Douglas television show that morning, that the show would be repeated on channel 13 later that day, and that the first caller might want to tune in.

'I have a little grandson who's starting to walk pigeon-toed and I wonder if there's anywhere in Hagerstown I can get special shoes

for him?"

The calls keep coming in as the half-hour races by: Does anybody have a Busy Lizzy Bright Begonia? Did you know that this is a good time to gather dandelions and cook them? Where can I get an electric motor repairman? Finally, near the show's end, Mrs. Queen calls.

"Good morning, Mr. Klitch."
"Good morning, Mrs. Queen."

"The lady who wanted the Busy Lizzy, she might try one of the greenhouses. The woman about the shoes, after she sees the doctor, she might try . . . shoe store. The gentleman who wanted to repair his motor, he might call . . . These are good days for planting the 1st and 2nd for flowers, the 3rd through the 7th for vegetables. The woman who called the other day about a Dutch Boy quilt pattern, she can call me and I'll give her a number."

If Phone Party has a star other than Ed Klitch, it's Mrs. Juanita Queen, a sprightly 75-year-old black woman (Klitch calls her "a Negress") who is the show's most regular caller. Over the years Juanita Queen has built up a file of her own on things that just about everybody in the "Four-State area"parts of Maryland, West Virginia, Virginia and Pennsylvania can hear WJEJ's powerful FM signal--would want to know, and she has no hesitation about sharing her knowledge with Phone Party's listeners

'She used to call after almost every call with an answer, so we put in a rule that limited people to one call per program," Klitch says affectionately. "So now she saves up till the end of the show, and then she calls and answers everyone at one time."

Corny? Of course it is. Laughable? Sometimes. But the Federal Communications Act requires a radio station licensed to use the public airwaves to serve the "public interest, convenience and necessity." What could do that better than a show like Phone Party?

EMERGENCY ASSISTANCE FOR SCHOOLS ACT

HON. CARL D. PERKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES Monday, April 4, 1977

Mr. PERKINS. Mr. Speaker, today, I am introducing, on behalf of the American Association of School Administrators, the Emergency Assistance for Schools Act. The basic purpose of this legislation is to assist our educational institutions, especially our elementary and secondary schools, to meet the budgetary crisis they are presently facing due to the rapidly accelerating costs of fuel.

The American Association of School

Administrators has taken the leadership in urging congressional action to help meet this crisis; and Senator CLAIBOURNE Pell, chairman of the Senate Subcommittee on Education, has responded by writing and introducing legislation proposing a program of Federal assistance. Senator Pell and the American Association of School Administrators are to be highly commended for taking the initiative in this area. Senator Pell has always been an outstanding leader in education, and the legislation he has introduced confirms this leadership role.

The bill I am introducing today is basically a companion bill to Senator Pell's bill, S. 701. It is my hope that the introduction of this bill will spurt prompt hearings in the House on the problems our educational institutions are facing as regards the energy crisis.

Our Nation's schools alone consume 11 percent of the heating/cooling fuel in this country. Yet, it has been estimated that almost half of the energy they consume is wasted, mostly because school buildings were constructed in a very energy inefficient manner. In fact, the Federal Energy Administration has estimated that if 30 percent of the Nation's elementary and secondary schools were retrofitted to become more energy efficient, we would save 25 million barrels of oil a year.

We must focus on making our schools more energy efficient not only because of the effect their wasteful consumption has on our Nation's balance of payments, but also because of the effect that this waste is having on the quality of education being offered in this country. In school year 1974-75 the Nation's public schools spent an estimated \$514 million more on fuel than they had in school year 1972-73, even though consumption dropped slightly over that 2-year period. At current salary levels, this increase in the cost of fuel represents about 43,000 teaching positions. In other words, our schools could have hired 43,000 teachers to reduce the pupil/teacher ratio with the money they had to spend for the increased cost of fuel.

Another way of looking at this cost is to compare it with the cost of textbooks purchased by our schools every year. The additional \$514 million spent on fuel represents the total amount of money schools usually spend every year for new textbooks.

Obviously, the increased cost of fuel, and the inefficient manner in which the schools are using this fuel, has placed an extreme strain on school budgets. Local school districts traditionally spend between 12.5 to 15 percent of their discretionary funds for fuel. This year, they are now committing between 25 and 35 percent of their discretionary funds for this purpose. Often, these funds must come from other areas of local school district budgets which obviously has a direct impact upon the quality of teaching and learning. Furthermore, since local school expenditures are usually the largest item in every locality's budget, this means that every taxpayer in the country is paying more for the increased cost of fuel in the schools and for the presently inefficient manner in which schools are consuming

For all of these reasons, I am today introducing the Emergency Assistance for Schools Act. I believe that we must focus immediate attention on this problem, and I would hope that the administration and the Congress will make schools as more efficient energy users a prime element of our emerging national energy policy.

Mr. Speaker, I am enclosing at the end of my remarks a short summary of the Emergency Assistance for Schools Act:

SUMMARY OF THE EMERGENCY ASSISTANCE FOR SCHOOLS ACT

The purpose of this legislation is to provide Federal financial assistance to local educational agencies to help them meet the emergency caused by the high costs of energy and to make their schools more energy efficient. The bill authorizes three types of grants: basic grants to make school facilities more efficient to operate, (2) demonstration grants to State agencies and educational institutions for projects which show great promise of improving energy efficiency; and (3) technical assistance to such agencies and institutions.

Three hundred and fifty million dollars is authorized for the basic grants section for each fiscal year from fiscal year 1978 to fiscal year 1981. Half of the sums appropriated is to be distributed on an equitable basis among the States by the Commissioner, and the other half is to be distributed to local educational agencies on the basis of severe energy hardship. These grants may be used energy conservation measures including the costs of insulation, remodeling, renovation and modifications of school facilities.

Thirty million dollars is authorized for fiscal years 1978 through 1981 for a program of demonstration grants to projects which show unusual promise in promoting the objective of developing energy conservation methods. These grants can be made to local educational agencies or to State educational agencies, energy offices, other appropriate State agencies and institutions of higher education to work in conjunction with local school districts.

One hundred and twenty million dollars is authorized for fiscal years 1978 through 1981 for technical assistance to local educational agencies or agencies and institutions working in conjunction with local districts. This technical assistance can include temporary employment of specially qualified personnel to plan and implement energy conservation projects, and the conduct of specialized studies, feasibility studies, and energy use evaluations.

Local educational agencies are required to match Federal funds received under the Act on a 50-50 basis for the basic grants and technical assistance grants, and on a onethird/two-thirds basis for demonstration grants.

HUMPHREY-HAWKINS FULL EM-BALANCED PLOYMENT AND GROWTH ACT

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. SARASIN. Mr. Speaker, controversy continues to rage over the Humphrey-Hawkins Full Employment

and Balanced Growth Act. I would like to share with my colleagues some of the thoughts and concerns of Raymond J. Saulnier, professor emeritus of economics, Barnard College, Columbia University, in the form of his correspondence with the Honorable Augustus F. HAWKINS:

MARCH 22, 1977.

DEAR MR. HAWKINS: I will not undertake here to respond to all points made in your statement (Congressional Record, February 17, 1977) criticizing an article of mine (Business Horizons, February 1977, Indiana University Graduate School of Business) introduced by Senator Goldwater into the Congressional Record, February 10, 1977, in thich I commented negatively on the Humphrey-Hawkins bill (H.R. 50), but I believe a rejoinder is warranted on four major issues

(1) It is surely no error to describe H.R. 50's approach to reducing unemployment as putting people into some form of federallyassisted employment and as a "last resort" into project-type public service jobs. The bill does indeed say that it gives top priority to the expansion of private employment, and would not activate its reservoir of last-resort projects within two years of enactment, waiting in the interim for private employment to absorb adult unemployment down to the 3 percent level, but it is a fair description of the bill that it would do nothing in the interim (nor thereafter) to promote private employment, unless one regards an increase in federal spending under provisions of the bill not subject to the two-year standstill as a means to that end. Nor would H.R. 50 do anything to remove obstructions to the increase of private self-supporting jobs. It remains a fair criticism of the bill that, lacking encouragement to the creation of private jobs, its effect would be to lodge assisted persons more or less permanently in makework public projects.

(2) I fail to see why it is an error to say that the bill would offer federally-assisted employment at market rates of pay when it specifically requires that assisted persons be paid at rates equivalent to what the public or private employer pays others doing the same work. It still seems to me that this pay standard would attract persons to federally-assisted jobs from lesser-paid private or public employment, that it would be exceedingly difficult administratively to prevent such transfers, that there would be a strong pull of additional persons into the labor force, and that these effects could make it impossible ever to reach the bill's unemployment-reduction goal. Clearly, it would be a mistake to overlook or minimize these implications of the pay standard the bill would mandate in assessing how it would work in practice and thus what it would

cost in annual federal outlays.

(3) In part because of considerations raised in paragraph two above, it is unclear what the bill would cost, but surely the outlays could be enormous. My estimate dealt exclusively with those provisions of the bill under which the Federal Government would act directly to try to bring the adult unemployment rate down to 3 percent. It was made by multiplying the number of persons presumably eligible for aid as of October 1976 (2.65 million) by \$18,000, which, seemed a reasonable average of what the cost would be per person assisted, counting administrative overhead and needed facilities and equipment as well as pay, and net of costs such as unemployment compensation and welfare payments that in many cases would be obviated. I see estimates of per person public service employment costs that are close to \$10,000, but then again there are estimates of costs to create a single new public works job

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as high as \$40,000. Thus, the \$18,000 average, and the \$48 billion estimate of startup costs, which would be incurred over an indefinite period as the corps of persons being assisted was expanded, seems to me not at all a "wild exaggeration." And if the \$48 billion figure needs cutting back-for example, if the estimate of persons ultimately obtaining assistance should be less than 2.65 million-costs for other programs the bill would authorize, such as that which would aim to underwrite "stabilization and needed growth and State and local budgets," could easily make up the difference. Moreover, the \$48 billion estimate deals not at all with the continuing, as distinct from the startup, costs of the bill.

(4) It is surely not "categorically erroneous" to conclude that the bill would lead to a widening range of direct controls over the economy. This would be the inevitable result of passing a bill which, while it would be immensely inflationary, includes a provision that would prohibit any increase in the inflation rate. The combination would lead sooner or later to what the bill calls "administrative and legislative actions to promote reasonable price stability," and which I cannot read otherwise than as direct wage and

price controls.

Moreover, government cannot set a battery of numerical targets to be met by the economy within what is alluded to as a "comprehensive planning framework," as H.R. 50 would require, without at some point being explicit and mandatory in directing how the targets should be met. It is simply too much to ask one to believe that government can set out not only the rules of the game and the limits of the playing field, but in this case what the score should be, without at point telling the players how they should play the game.

I have never meant to underestimate the seriousness of structural unemployment or the urgency of getting on with measures to reduce it. My view is simply that H.R. 50 is not the way to do it. As I stated in my testimony on February 22, 1977 before the Sub-committee on Equal Opportunities of the Committee on Education and Labor, which you were unable to attend, my position is that H.R. 50 should be abandoned in favor of action in two separate but related areas.

First, something must be done to increase the effectiveness of the "training and employment" programs that H.R. 50 would greatly expand. As the Carter administra-tion's fiscal year 1978 budget revisions (page 51) shows, actual outlays on these programs were \$7.3 billion in fiscal 1976 and authorization is proposed for outlays reaching \$9.3 billion in fiscal 1978 and \$11.2 billion in fiscal 1979. Surely there is reason to expect benefits from expenditures on this scale greater than would appear to have been produced to date.

Second, it is surely time to face squarely the need to devise and enact a program of measures to help increase private, self-supporting jobs. In part this is a matter of re-moving or reducing present obstructions to the increase of private employment, in which I would put the need for modification of minimum wage and related laws at the top of the list. I do not underestimate for a moment the opposition that moves to make these laws economically defensible would encounter, but somehow the political courage and will must be found to close, at least reduce, the gap between the wage that is paid and the productivity that can realistically be expected from the employment. You and I would agree, surely, that the better way to close the gap is to lift productivity, and I would spare no expenditure that can reasonably be expected to produce this essential result, but it is futile to expect this approach to succeed in the face of efforts to

raise minimum wage rates that in many areas are already a deterrent to employment. In addition to removing, at least reducing, obstructions to the increase of private employment, steps need to be taken also, mainly in the area of tax law, to increase incentives to save and to invest. In short, there is a need for a broadbased program to increase private self-supporting jobs.

It is unreasonable to expect all this to be done at once, and even more unreasonable to expect instant results. What is important is to get started on the right road. I hope you and your committee will reconsider H.R. 50 in the light of this need.

Believing that other members of your committee will be interested in my reactions to your Congressional Record statement, I am taking the liberty of sending each a copy of this letter.

Sincerely,
RAYMOND J. SAULNIER, Professor Emeritus of Economics.

A TRIBUTE TO DE LA SALLE INSTI-TUTE OF CHICAGO

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Monday, April 4, 1977

Mr. FARY, Mr. Speaker, I rise to pay tribute to the De La Salle team runnersup in the Illinois State AAA Basketball Championship recently held in Champaign. Ill.

It is with a great feeling of nostalgia as I stand before my colleagues and reminisce about De La Salle Institute and the great contributions it has made over the years to the Chicago community in the education of our youngsters and the molding of their character so as to prepare them for the difficulties and tribulations they will face in life.

The history of De La Salle began in 1892. Classes were opened by Brother Ajutor, F.S.C. and are still conducted by the Brothers of the Christian Schools.

Two years later, 22 men became the first graduates of De La Salle and shortly after that the school alumni association was organized and established on a firm basis as the Annual Alumni Association of 1895.

Today it is vigorous in its yearly service of meetings, retreats, and individual class reunions. It has built the distinction of being the largest gathering of any high school or college in the country, and has helped build the reputation of De La Salle to the point where today Chicago Radio Station WLS honors it as the high school of the year.

Its recent outstanding achievements in athletics is one more tribute to the quality of this institute. Just this year the De La Salle Meteors swung the third place markup in the All American State High School Basketball Champion-

This is the first year the Meteors have competed and, like all other areas De La Salle has concerned itself with, they are excelling quickly. The great strides of De La Salle are often attributed to the rigorous reserve of young talent combined with a strong sense of excellent teamwork.

It was this running formula that brought the De La Salle team up through the regional championship in the Chicago area and later to topple the St. Lawrence Vikings of Burbank, Ill., bringing them to the runners-up position in the Illinois State basketball championship held in Champaign, Ill.

In Champaign 15,000 parents, students and fans cheered for a victory. The great sophomore center Darrel Allen added fire to those cheers while breaking the State's rebound record of 55 for the tournament. Before the end of the game Darrel Allen had pushed his 6-foot 6inch height to capture a new State rebound record of 58. Allen was the choice of the press for the most outstanding player award in the tournament—he was chosen as an All State Center by the Chicago Tribune.

Much of this team's rising success stems from the detailed coaching techniques developed by Coach Jerry Tokars. As pointed out by Coach Tokars, the technique fits in with De La Salle's athletic motto, "A team that won't be beaten."

Coach Tokars has coached the Meteors for 22 years and was recently honored by being selected as the alternate coach of the State tournament. His name is listed in the Chicago Tribune's Illinois Basketball Association Hall of Fame.

Coach Tokars is setting the team on a straight course to next year's championship playoffs. The outlook for this goal is promising with many of this year's veteran players continuing into next year's season. Darrel Allen will be returning with Aaron Harris. Upcoming freshmen will add to this talent bank that Coach Tokars will draw from to reach the playoffs.

Mr. Speaker, I am proud to honor these young men whose determination and fine team work brought the De La Salle Meteors up through the regional competition and super sectional contests to the semifinals who were honored at the 39th Annual Community Congress of the Back of the Yards Neighborhood Council

I attended the congress held on Palm Sunday at Saint Michaels Social Center, along with 400 guests and delegates. Chicago Mayor Michael Bilandic gave an eloquent speech and paid tribute to the long De La Salle history of accomplishments.

The history of De La Salle is impressive. Its listing of graduates include athletes such as Ed Riska, all American of Notre Dame; Bob Kennedy, who was in pro baseball with the Chicago White Sox and is now general manager of the Chicago Cubs; La Rue Martin, all American at Loyola University.

De La Salle has inspired and graduated many fine civic leaders such as three of Chicago's mayors, Mayor Richard J. Daley, Mayor Martin J. Kennelly, and Mayor Michael A. Bilandic. Other civic leaders include Morgan Murphy, the chairman of Commonwealth Edison; Joe Meegan, community leader and editor; the late Daniel Ryan, whose name now endows Highway 90-94; the late James B. McCahey, president of the Board of Education of Chicago, and the late Mike Connolly, a Hollywood columnist.

The school's listing of religious, civic, and professional leaders goes on and on—so too does the school's listing of new

achievements.

Whether it is in athletic accomplishments or in preparing the future leaders of our great community, De La Salle Institute stands as a model to the entire Nation and I am proud of its many contributions to the city of Chicago.

"WHAT AMERICA MEANS TO ME"

HON. TOM HARKIN

OF TOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. HARKIN. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its ladies auxiliary conduct a Voice of Democracy Contest. This year nearly 500,000 secondary school students participated in the contest competing for five national scholarships.

The winning contestant from each State will attend the Veterans of Foreign Wars Annual Congressional Convention and Dinner to be held March 4 to 9.

The 1976-77 Voice of Democracy scholarship Iowa winner is Jan Leslie Elias, the daughter of Mr. and Mrs. Norman Elias of Persia. It is my pleasure to insert into the Record, Jan's winning speech:

WHAT AMERICA MEANS TO ME

America! It's only a small word, but a word that my life centers around. Our country is "home" to me. Anything that I have ex-

perienced is "America."

America is not made up of just "baseball, hotdogs, or apple pie," nor is it simply a red, white, and blue flag rippling in the wind. No, she is much more than those symbols. She becomes more and more a part of "me" as I live within her boundaries. America reveals herself to me through everything I see, hear, or feel.

I see America in a vast number of varying places and situations. She is the majestic Grand Canyon. I see her on snow-peaked mountains and in fertile green valleys. America can be scampering rats in city dumps or sparkling silver in "Tiffany's." I see America at bustling football games, at chaotic family reunions, in crowded shopping centers, and on television every evening with Walter Cronkite.

America is the smile of a parent when his child has taken his "first" step! She is the terror-stricken eyes of a five-year-old at his first day of school. Watching teenagers learn how to drive a stick-shift; noticing the eternal twinkle in Grandpa's eye . . . these are

America.

Our country means new Easter dresses, playing Monopoly, horseback rides, prom night, and semester tests. America, word of opposites, can be Las Vegas or Harlem.

America watches a tear roll down a child's face. She is the middleclass worker, striving to "break even." I see her on the wrinkled faces of the aged while time crumbles away. I can "see" America in all things, but I

"hear" it, too. She's chirping robins, the humming air conditioners, rustling leaves, and the crunchy snow.

America screams at a pep rally before a championship game. It is the rustle of magazine pages. The friendly yip of a puppy, a gentle spring shower, the moaning siren: all ring America!

I hear America on television: The Fonz on "Happy Days", and the pop of champagne bubbles on the "Lawrence Welk Show". She harmonizes with the Mormon Tabernacle Choir, or crickets chirping on a summer evening.

The surging blast of rock and roll music or Beethoven's majestic fifth symphony, the joyous racket of Christmas carolers, the banging fireworks of July 4th—all are America.

Our nation is blaring horns at five o'clock traffic on congested freeways or dead silence in an "old cemetery" road. America shouts—and sighs.

I can "feel" America. America feels satisfaction after passing the final exam with an "A". Our land is the continual struggle between you and another person for that vacant position. America can be frustration when your car has a flat tire or she is joy when you find that "one special person" to share your life with. America is sadness when your best friend moves a thousand miles away.

I feel America all around me, every moment of the day. She expresses every known emotion. I see her in time of crisis—her strength is shown through those who "pick up the pieces" and start over after the tornado. I see her in the face of death, evident in the solemn stare of a young boy who wonders why mommy will never "wake up."

America lives in new fads or solid corner-

America? She is truth. Democracy hears her subjects criticize and reprimand. Her freedom sees riots on campuses and campaigns for equal rights. Our country touches opportunity with no limitations.

My senses perceive hope and belief that things will always get better in America. To me, she is trust in God, facing day with a renewed surge of strength.

America is my birthplace, my home, my family, my friends, my religion, and will probably be my grave.

America. It's not just a word. It's not just the flag, or the superbowl, or the band playing. My country is much more than those. America: it's Me!!!

MR. WILLIAM E. PAINE COMMENDED BY CARNEGIE HERO FUND COM-MISSION

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. CARNEY. Mr. Speaker, I would like to pay tribute to Mr. William E. Paine of 4235 Dobbins Road, Poland, Ohio, upon being awarded a bronze medal by the Carnegie Hero Fund Commission for his outstanding act of heroism in rescuing Mr. Walter L. Wilfong from a burning

On January 14, 1976, Mr. Walter L. Wilfong was involved in a serious automobile accident. Pinned in the front seat of his automobile, Mr. Wilfong at-

tempted to escape as flames erupted in the engine compartment and spread to the interior of the car.

A labor foreman, Mr. William E. Paine, who was in the vicinity at the time of the accident, rushed to the motor vehicle and proceeded in vain to pry open the battered car door. Exercising quick judgment, Paine lunged through a partially broken car window and seized Mr. Wilfong. With extreme difficulty, he dragged the injured man from the wreck as it was consumed by flames. Mr. Wilfong's life was saved and later he recovered from his injuries and burns.

Mr. Speaker, I commend Mr. William E. Paine for performing this brave act and for risking his life to save the life of another human being.

LITHUANIAN INDEPENDENCE DAY

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. KOSTMAYER. Mr. Speaker, I would like to join with my colleagues in the House of Representatives in commemorating the 59th anniversary of Lithuanian Independence Day.

I think that we can all find much to admire in the long history of Lithuania. Dating back to the year 1009, Lithuania has always been known as a country of people devoted to the preservation of basic human freedoms, faithful to their religion, language, and traditions.

In modern times Lithuania has suffered much. Despoiled by World War I, the people of Lithuania were able to rally together and demand from their former German oppressors the right to conduct a congress for the purposes of establishing a free Lithuania. On February 16, 1918, this Congress proclaimed an independent Lithuanian state based on democratic principles.

A permanent constitution was adopted on August 1, 1922. Included in this Constitution were the freedoms of speech, assembly, religion, and communication.

Unfortunately, Lithuania was one of the first countries to suffer from the aggression of Nazi Germany and the Soviet Union. In the face of an ultimatum and the threat of war with Germany, Lithuanians were forced to give up part of their state in March of 1939. Soviet interference quickly followed. On August 3, 1940, Lithuania was declared a constituent republic of the Soviet Union.

I am proud to point out that the U.S. Government has never recognized the unlawful seizure and occupation of Lithuania by the Soviet Union. Despite being dominated by the Soviet Union for over 30 years the people of Lithuania have maintained a spirit of independence and a pride in their national heritage.

I applaud their courage and resiliency and hope that their goals of freedom and self-determination will soon be realized. ERA MYTHS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. FRASER. Mr. Speaker, in 1923, Alice Paul authored the Equal Rights Amendment. She recently celebrated her 92d birthday.

In 1972, the Congress finally passed the Equal Rights Amendment. Thirtyfive States have now ratified the ERA. Three of these, Nebraska, Tennessee, and Idaho, have voted to rescind their ratification; but these reversals may not successfully withdraw their original ratifications.

Amy, a character in Gary Trudeau's "Doonesbury," was afraid that it would take 200 years to pass the ERA. Of course, Amy was right. It is now more than 200 years since her comic-strip apprenticeship with Paul Revere. We just celebrated our Nation's Bicentennial and we have not yet acknowledged that women and men must be treated equally under the law.

ERAmerica, women's groups, Members of Congress, Presidents, and First Ladies have all attempted to communicate information about the purposes of the ERA to Americans. Despite all these efforts, rumors, and misinformation continue to circulate.

Mr. Speaker, I would like to insert in the Record an article by Sylvia Porter that appeared in the Washington Star on March 30, 1977. Ms. Porter describes some of the myths about the ERA that continue to confuse Americans. She also reiterates some important facts about the ERA's effects. The article follows:

Your Money's Worth—Vicious Myths Stalling ERA

(By Sylvia Porter)

A full five years after the Equal Rights Amendment was passed by Congress and recommended to the states for ratification, it still is three states short of becoming a part of our Constitution. Why has so reasonable a measure been so long delayed?

Because of a deliberately waged campaign—characterized by scare tactics and misinformation—to create confusion and misunderstanding. Thus, below are six myths (some really ludicrous) that have been circulated about the ERA, along with the facts.

Myth No. 1: If the ERA is ratified, husbands will pay Social Security taxes twice, one on their own earnings and again on the value of their wives' services as homemakers.

Facts: This is simply not true! Some changes in Social Security law would be required, but they would be in the direction of recent Supreme Court decisions, giving husbands and widowers of woman workers the same rights as female spouses now enjoy. The rumor that ERA would double a husband's Social Security tax liability is a vicious lie.

There is great merit in the concept of giving a homemaker credit for the work she does in the home. But it would require enactment of a separate law—possibly permitting couples to share their family earnings, just as they now file tax returns.

Myth No. 2: Under ERA, a husband would no longer be obliged to support his wife. This, says Phyllis Schlafly, vehement opponent of ERA, "would take away the most basic and precious legal right every wife now enjoys." A wife also would have to "provide half the family income," adds Schlafly.

Facts: The ERA would not require any mathematically equal contribution to family support from husband and wife, an analysis of ERA in the Yale Law Journal of April 1971 states.

Instead, the decision would be based on such matters as the current resources of husband and wife, their earning power, the non-monetary contribution each makes to the family.

If one of the couple was a wage-earner and the other worked in the home, the wage-earner, regardless of sex, would have the duty of supporting the other spouse.

Myth No. 3: The ERA is an anti-male measure.

Facts: The title of this proposed 27th Amendment to the U.S. Constitution is "Equal Rights for Men and Women." Its purpose, says Mary A. Delsman, in "Everything You Need to Know About ERA," (Meranza Press, \$4.50 paperback), is to declare that "women and men have equal legal standing and that individuals should be treated as individuals, not all one way because they are all one sex."

The ERA allows for legal distinctions between the sexes when the subject concerns physical or functional differences unique to one sex. And that leads into the next myth, refuted again and again.

Myth No. 4: According to this absolutely silly rumor, there would be no separate bathrooms for men and women and the sexes would not be segregated in living quarters in dormitories, prisons, etc.

Facts: Of course, this is not true. The ERA deals only with public legal relationships. And even in the legal area, sex classifications based on physical or functional differences would continue.

Myth No. 5: Women would be drafted and assigned to combat duty.

Facts: Young women would be subject to the draft (if we had a draft) but not be required to perform military duties for which they were not qualified. Some might be assigned to combat duty, many would not be. (Nurses have been in combat zones in all our wars.)

Just as in the past, the single would be drafted first; childless, married persons, second; and then the situation in each family would have to be weighed to decide whether husband or wife, or neither, or both, were to be called up.

Myth No. 6: Upon ratification of ERA, states would be required to validate homosexual marriages.

Facts: Bunk. All that ERA proposes to do is give males and females equal rights. By definition, a marriage is the union of a man and a woman. ERA will not change that definition.

In the above myths lie the reasons legislatures have voted against ERA despite the attitudes of most of a state's residents.

In North Carolina, a poll showed less than 18 percent against ERA but the legislature defeated the measure.

In Florida, where ERA will come up for legislative action after April 6, polls show 67 percent favoring ratification, but the law-makers are being hit by an anti-ERA barrage—not valid arguments but fictitious, venomous propaganda, most from out of state.

H.R. 3869—TO COUNTERACT A CIVIL SERVICE COMMISSION RULING

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. CORRADA. Mr. Speaker, on February 23, 1977. I introduced H.R. 3869 in order to counteract a discriminatory ruling by the Civil Service Commission. The ruling reduces the cost of living allowance—COLA—granted to Federal employees who have access to a commissary or exchange and reside in nonforcign areas outside the continental United States.

The proposed legislation would amend 5 U.S.C. 5941 (1966) by limiting the application of the ruling to civilian Federal employees. Military retirees with 20 years of service in the Armed Forces and honorably discharged veterans with 100 percent service connected disability, their dependents and unmarried widows or widowers are entitled to exchange and commissary privileges.

Veterans with 100 percent service connected disability and military retirees working for the Federal Government have access to commissaries and exchanges because they earned the privilege from service in the U.S. Armed Forces. Now the Civil Service Commission has turned this privilege into a handicap. By limiting the application of the ruling to civilian Federal employees, the law would affect only those who are presently receiving a windfall.

I have reintroduced the legislation as H.R. 5575 with the cosponsorship of Mr. Hawkins, Mr. Badillo, Mr. Roe, and Mr. Steers. To further explain the existing situation I would like to highlight the following points:

First. The nonforeign areas outside the continental United States have predominantly import-substitution economies and thus a high cost of living.

Second. Although the existing law theoretically applies to all Federal employees, it affects only veterans. Taking the existing situation in Puerto Rico as an example, only veterans have commissary or exchange privileges, civilian Federal employees do not.

Third. A veteran's exchange privileges are not granted to offset cost of living increases. They are an earned privilege derived from service in the U.S. Armed Forces.

Fourth. The Commission's ruling is based upon "access" to an exchange or commissary, not its actual use. The effect is to penalize the veteran regardless whether he/she uses the facility. It further encourages use of the commissary and chills the veteran's freedom of choice in consumer affairs.

Fifth. The term "access" to a commissary refers to the existence of the privilege rather than the availability of the facility. There are many veterans who reside in nonforeign areas outside the continental United States who do not

have these facilities in the surrounding areas. The cost and inconvenience of traveling to the exchanges further penalizes the veterans.

Sixth. Exchanges/commissaries do not fulfill all the consumer needs of a veteran. An elimination of the COLA places the veteran and his/her family at a distinct disadvantage in the civilian marketplace.

Seventh. Elimination of the COLA compounds inflationary conditions for veterans in nonforeign areas outside the

continental United States.

Mr. Speaker, I am including a letter from a constituent which exemplifies one aspect of the ordeal veterans and their families are undergoing because of the Civil Service Commission ruling:

DEAR MR. CORRADA: I am employed by the U.S. Postal Service at the General Post Office in Hato Rey, I have been a career Civil Service employee with the Federal Government

for the past 24 years.

In 1974, I married a veteran who had been in the U.S. Army for 21 years. As a Federal employee, I always received the cost-of-living allowance whenever one was in effect. However, I recently learned that I was going to lose my cost-of-living allowance solely due to the fact that because I am married to a veteran (by the way, he is a disabled veteran), and because as the wife of a veteran who served honorable for 21 years, I have an I.D. card which entitles me to buy in the PX and the Commissary. This means I am about to lose 7.5% of my salary.

What I wish to emphasize in this letter is the fact that I am going to lose the COLA within the next few weeks which means I shall lose a large amount of my salary. I have considerable loans and other expenses to pay and am, in a sense, the head of the house, as

far as expenses are concerned.

I believe it is terribly unfair that I must lose the COLA just because I married a veteran. It is especially unfair since my husband is a disabled veteran and can't even hold a job because of his illnesses, is not entitled to unemployment insurance because he is disabled, does not qualify for disability retirement from the Veterans Administration because he didn't work in the Federal Government for 5 years or more, and cannot collect Social Security, either.

I am only a PS-5 at the Post Office with no prospects for a higher grade, thus, my salary

is not considered a high one.

In view of the aforementioned facts, I would sincerely appreciate it if you would please do whatever you can to see that veterans and their wives do not lose the cost-of-living allowance.

I believe a person who has served in the Armed Forces of the U.S. for over 20 years deserves to have PX privileges and Commissary privileges and still retain his cost-ofliving allowance if he is a Federal employee.

In a case such as mine, don't you agree that it is cruel for my cost-of-living allow-

ance to be taken away from me?

Your opinion regarding this matter and any efforts you make towards helping people such as myself will be genuinely appreciated. Sincerely,

DOROTHY NEWBY,

Calle Domingo Delgado HW-18, Septima Sección, Levittown Lakes, Cataño, Puerto Rico 00632.

Note.—I wish to add that only on two occasions have I ever used the Commissary as I was very displeased with the quality of meat I purchased there as well as the fact that it was very high-priced compared to Pueblo Supermarket. My husband and I do not drink liquor and I don't smoke so I am not interested in liquor or cigarettes. Since my only opportunity to get to the Commissary would be on a Saturday, I would have to get up at 5:30 A.M. to be one of the first people on line there, would have to spend extra money for gasoline, seldom have the car on Saturdays as my husband uses it on that day, and would miss my morning at the beauty parlor or an opportunity to do household chores. What I am saying is that it is very difficult for me to get to the Commissary and I prefer the freshness of the meats and vegetables at Pueblo Supermarket.

I have just been informed that my next paycheck will be a very small one because deductions will be made concerning the C.O.L.A. retroactive to December 15, 1976."

QUOTAS TOTALLY UNJUSTIFIABLE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. BIAGGI. Mr. Speaker, the recent statement by Health, Education, and Welfare Secretary, Joseph Califano, endorsing quotas as a means of implementing affirmative action programs in employment and education, have left many in this Nation with a sense of bitter disappointment. His position, in my estimation, is without any foundation and represents an insensitivity to the thousands in this country who have endured gross discrimination at the hands of quotas. In effect, Secretary Califano condones the establishment of reverse discrimination and this, in reality, is far worse than the discrimination which affirmative action programs were designed to correct. I do not believe that this is the Secretary's contemplation.

One opponent of Secretary Califano's position is Prof. Sidney Hook of New York University, who wrote a lengthy article denouncing the Secretary's point of view. Professor Hook refers to racial and sexual quotas as "illegal and immoral." He states as his main premise, that the only way to ameliorate the discrimination of the past, is to apply a single and fair standard for all. This rather simple proposal has been totally emasculated by the present system and as a result, we have unfair standards being applied to only a select few.

Professor Hook substantiates his argument by citing the example set by professional sports in overcoming their previous discrimination problems. In the

professor's own words:

In no field was racial discrimination so rampant as in professional sports until Jackie Robinson broke the color barrier. Today we do not set quotas in sports or engage in reverse discrimination to undo the past. We select the best qualified players, regardless of their race or national origin. Who worries about proper numerical representation? The same is true in music and the arts. Why should it be any different in other fields if we operate with a single relevant standard for all?

The Constitution of the United States provides for "equality" under the law for all. It does not provide for preferential treatment to allow some to achieve equality—it means equality for all. The only way one could possibly justify quotas

would be if they applied them equally for all. They are not—they are wrong—and they must be abolished for the good of this Nation.

The Supreme Court may provide us with the ultimate decision on this matter. The Court is expected to rule on a California case which determined that a medical school admissions program was unconstitutional because it specifically used race as a criteria in its admissions policy. I fervently hope that the Supreme Court will uphold the judicial wisdom of the California court, and strike out quotas once and for all.

It is especially disturbing to me that a man of the caliber and influence of Secretary Califano, would take such a position. He must be aware that qualified members of minority groups have been denied opportunities because of the quota system. He must be aware of the deeply rooted polarization which quotas have created in this Nation. My basic question to Secretary Califano is, why the necessity to take this position?

I have long been opposed to quotas and will continue to oppose them in my capacity as a member of the House Education and Labor Committee. The immo-rality and unjust nature of this system transcends whatever mythical benefits they are supposed to provide. Where discrimination exists, we should prosecute the offenders to the fullest extent of the law. If all the resources required for gathering records to support affirmative action programs were applied to antidiscrimination actions, justice would be swift, all-encompassing, and effectivethe best deterrent to further discrimination. Let us return to a system in which equality, justice, and merit prevail. This is what the American people want, and this is what the American people deserve.

I now offer Professor Hook's article, which appeared in the New York Daily News on March 27, 1977, for the consideration of my colleagues:

RACIAL AND SEXUAL QUOTAS: THEY'RE NOT ONLY ILLEGAL; THEY'RE IMMORAL

(By Sidney Hook)

The least one can expect from a Cabinet official sworn to uphold the law is that he not urge citizens to violate the constitutional law of the land. But in his endorsement of illegal racial and sexual discrimination, HEW Secretary Joseph Califano has done precisely that. He has called for support of racial and sexual quotas and policies of preferential employment and admission outlawed by the equal-protection clause of the Constitution and the Civil Rights Act of 1964.

A quota system is not only legally wrong; it is morally wrong. It smacks of the notorious "numerus clausus" system of reactionary European states that barred minorities from posts for which they were qualified. What made past discrimination against women and minorities wrong was a failure to consider them on the basis of their individual qualifications, the judgment of them not on their merit but on membership in a group or class over which they had no control. In the name of equality and justice, Califano is proposing new forms of inequality and injustice.

The only way to counteract past and present racial and sexual discrimination is by applying a single fair standard to all, and not by reverse discrimination that unfairly punishes some individuals today for the

evils of previous generations. Those evils flowed precisely from the same immoral principle that Mr. Califano now endorses—judging persons not by their specific capacities but by their color or sex.

Mr. Califano asks: Where shall I get firstclass black doctors, lawyers, scientists without a quota system? The answer is—by strengthening our elementary and secondary school education, and dropping all discrimination; then an adequate supply of first-class blacks will appear. Quotas are not needed for this.

Here is some evidence. In no field was racial discrimination so rampant as in professional sports until Jackie Robinson broke the color barrier. Today we do not set quotas in sports or engage in reverse discrimination to undo the discrimination of the past. We select the best qualified players, regardless of their race or religion or national origin. Who worries about proper numerical representation? The same is true in music and the arts. Why should it be any different in other fields if we operate with a single relevant standard for all?

It may be necessary in certain areas to offer remedial programs and economic aid to all persons whose education and social background have left them disadvantaged. But once they have overcome these handicaps, they must be selected on the basis of the same criteria of competence as we apply today in professional sports, music and the arts.

Those who, like Mr. Califano, urge a quota system and preferential hiring are sacrificing the civil-service principle, our most effective bar to corruption and all forms of invidious discrimination. He agrees that color, sex and national origin have nothing to do with what makes a person a first-class athlete or artist. Why, then, does he call for a quota system physicians, lawyers, administrators and scientists? Here his own unwitting racism and sexism are disclosed. He and those who think like him fear, as I do not, that members of minorities and women will not make the grade. He believes, as I do not, that regardless of all remedial programs, members of minorities and women need the special crutch of protective favoritism. His own and sexism are apparent in his racism patronizing assumption that equal opportunity is not enough, that when all invidious discriminations are outlawed, blacks, women and other minorities cannot make it on their

The great promise of the American tradition is that each person is entitled to be judged on his merits alone in any fair race or in any honest evaluation for a position. That tradition was betrayed by the racists and sexists of the past. It is being betrayed today by the partisans of a quota system who would root human rights not in the individual person but in race, sex or national origin.

To adopt Mr. Califano's quota system would be psychologically demoralizing. Self-respecting members of minorities and women would resent the imputation generated by the quota system that they owe their positions not to their capacities but to reverse discrimination.

To adopt Mr. Califano's quota system would be to plunge our nation into turmoil. If we abandon our present approach which is blind to color, deaf to religious dogma, indifferent to sex or national origin where only merit should count, we intensify endemic racial and national conflicts. The struggle for "proper quotas" among different groups, all vying to increase their quotas, will generate tensions that in time may burst with explosive force. Our pluralist society will become a permanently polarized society.

Instead of a quota system, let us aim for full employment and a guaranteed family income. Instead of reverse discrimination, let us build a learning society with remedial

educational programs at every level. Let us have open enrollment and universal access to post-secondary education, provided we do not dilute and abandon standards and lapse into a dead, dull sea of mediocrity.

Excellence in any field has no color, merit no sex, truth no national character.

(Note.—Sidney Hook is emeritus professor of philosophy at New York University and a senior research fellow at the Hoover Institution, Stanford University.)

WOMEN'S INTERNATIONAL LEAGUE FOR PEACE AND FREEDOM SPEAKS OUT ON BUDGET PRIORI-TIES

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. EILBERG. Mr. Speaker, the Women's International League for Peace and Freedom has presented some important testimony to the House Committee on the Budget, outlining its views on the priorities it feels we should establish in Federal spending in the coming fiscal year.

For more than 60 years, the league—which was founded by that great American social worker, Jane Addams, and which is headquartered in Philadelphia, Pa.—has acted as a conscience for America. The league's testimony, presented by Naomi Marcus, president of the U.S. section, is in keeping with the league's historic commitment to improving the quality of life in our Nation.

Because there is so much wisdom contained in Mrs. Marcus' testimony, I commend it to my colleagues in the Congress. The full text of the statement by the Women's International League for Peace and Freedom follows:

TESTIMONY FOR THE HOUSE BUDGET COMMITTEE, MARCH 2, 1977

The Women's International League for Peace and Freedom was founded in 1915. It works primarily through education and citizen action to achieve peace, freedom, and justice by nonviolent means. The League has sections in 23 countries and 120 branches in the United States. It has consultative status B at the United Nations. We are grateful to the House Budget Committee for giving us this opportunity to express our point of view, and congratulate the Committee for the excellent job it is doing in handling the Third Budget Resolution.

Budget Resolution.

The budget of the government of the United States is probably the single most important factor in determining the economic and social health and growth of our nation. The amount to be spent on federal services, subsidies, grants, and other programs, the amount to be collected by taxation of individuals and businesses, the amount to be borrowed to cover any deficit, are vital decisions. They necessarily reflect how the Administration and the Congress view the current state of the economy, and the relative importance to be attached to the needs of the nation.

It is appropriate, as our nation enters the third century of its existence, to remind ourselves of our Constitutional goals to "form a more perfect Union, establish justice, insure the domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity." It is appropriate and necessary to examine the budgets of previous years and the proposed budget for Fiscal Year 1978 to determine whether federal spending reflects the historical purposes of our nation in view of our country's current needs. It is possible to make choices, to structure the federal budget without incurring additional deficits, so that the human needs of our country can be met.

The major problems facing our country today are economic. High rates of unemployment and inflation, increasing numbers of people officially defined as "poor," malnutrition, substandard housing, inadequate health care, decaying cities, the growing needs of the elderly and of small farmers—these are the problems that concern most Americans now. These are the problems, far more than any external threat, that must be dealt with at this time in our history.

How you, members of Congress, deal with these problems will determine the course of history for many years to come. You must make a careful appraisal of what our nation should spend on the various segments of our national life and that appraisal must be conducted in like of realistic assumptions about

The Women's International League for Peace and Freedom has serious reservations about the economic assumptions on which the revised budget for Fiscal Year 1978 is based. While the full impact of the severe winter just passed has yet to be assessed and while no one can predict how long the drought in the West will last or with what economic implications, most economists agree that there will be a significant depressing impact on the growth of the economy this year, with an increase in the anticipated rate of inflation. The Eggert Report prediction on unemployment is quite discouraging—that there is doubt that the jobless rate for the year will average less than 7.3 percent.

The need for economic stimulus is evident. It is the belief of the League that the most effective way to stimulate the economy is to provide jobs-and thus purchasing pow--for those who are presently unemployed. We do not believe that the "trickle-down" through tax reductions and rebates can do the job. We note that in 1975, 80 percent of the rebates went into savings. Therefore, we were disappointed by the formula for economic stimulus for 1977 and 1978 as proposed by the Administration. For Fiscal 1977, rebates, changes in standard deductions and business tax incentives account for \$13.8 billion of the \$15.7 billion proposed-allowing only \$1.9 billion total for public service em-ployment, expanded training and youth programs, accelerated public works, and creased countercyclical revenue sharing. For Fiscal 1978, the proposed spending is altered considerably, with \$8.1 billion going into changes in the standard deduction and busitax incentives and \$7.1 billion going into employment, public works, and revenue sharing. We are aware that Congress is now in the process of legislating changes in the Fiscal 1977 portion of the stimulus program and urge that Congress in its wisdom give careful consideration to revising the formulas for 1978 so that more money will go directly into job programs. Estimates of how many jobs would be created by the Administration proposal vary widely. Secretary of Labor F. Ray Marshall has predicted that the program, during its two year course, could place in jobs or training (directly or indirectly) 2,000,000 Americans who would otherwise be out of work, while others predict substantially smaller figures.

The Women's International League for

The Women's International League for Peace and Freedom is greatly concerned about the impact of unemployment, underemployment, and inflation on the lives of our fellow citizens. Bureau of Census figures released in September, 1975, showed that the

number of Americans living below the poverty line had risen in 1975 by 2.5 million, the largest increase since the government began keeping poverty statistics in 1959. The number of people defined as poor was 25.9 million, or 12.3%, with long spells of unemployment responsible for 42% of the 1975 increase. Census Bureau figures just released show that inflation hits low and moderate income families hardest. While inflation in 1975 was 7%, income increases for families in the bottom fifth of the income scale averaged only 4.3% over the previous year, while income for families in the top fifth increased an average of 6%.

ECONOMIC IMPACT ON WOMEN AND MINORITY GROUPS

Economic problems have special impact on women and minority groups. Women are entering the job market in unprecedented numbers, and now comprise 40.7% of the labor force. Twenty-three percent of them are single; 19% are divorced or separated; 29% are married to men whose incomes are less than \$10,000 a year. The Census Bureau in 1976 reported that about 1 out of 7 families in the United States is headed by a woman; yet unemployment among women since 1970 has run about 1.5% higher than the unemployment rate among men and median incomes in 1974 for women were \$6,772 and \$11,835 for men. The amount of hidden unemployment among women cannot be accurately gauged, but a tight job market and a paucity of day care centers limits the options for women. In 1976, the seasonally adjusted figures for August showed national unemployment at 7.9%, but unemployment among black females and other female minorities at 12.3%, and black teenagers at 40 2%

Tackling the problems created by poverty and near-poverty is going to be a monumental and expensive task, but the longer we delay the harder it will become. An extensive public jobs program will help considerably to revitalize the economy and to lift some of the poor and near-poor out of their misery. But we must face the fact that long neglect of the social problems of our country created a whole generation of young people whose development has been impaired by lack of adequate diet or education or training. About a year ago, a team of scientists estimated that more than one million American infants and young children have either suffered brain damage or risk it because of malnutrition. When the poor cannot afford to feed their children, the young are doomed to remain in the poverty cycle. At the other end of the life cycle, consider the fact that one out of every ten Americans is age 65 or over, and that one-third of the urban elderly live on incomes below the official poverty level.

We cannot accurately estimate the number of hungry or malnourished people in our country today, nor can we put a price tag on what it would cost to provide an adequate income maintenance program. But neither can we put a price tag on the lost potential and productivity of people trapped in the poverty cycle, nor on the cost of human misery.

The Women's International League for Peace and Freedom believes that it is time to institute a federally funded comprehensive health care program. Although federal funding for health care has been going up over the years, so has the cost of medical care. By 1970, elderly people were already paying more out of their own pockets for medical services than they did before Medical services than they did before Medical world in the world the United States now ranks 10th in public expenditures per capita on health care, 17th in population per physician, 29th in population per hospital bed,

17th in infant mortality, and 20th in life expectancy.

In housing, according to the Bureau of Census Annual Housing Survey: 1974, the United States has 3,062,000 houses lacking some or all plumbing and 3,438,000 additional homes that are overcrowded. Nor is this entirely an urban problem: about % of the homes lacking adequate plumbing are in non-metropolitan areas. Furthermore, according to the 1974 survey, 5,925,000 home owners and 9,666,000 renters were spending more than 25% of their income for housing.

The Women's International League for Peace and Freedom favors a complete revision of food programs, welfare programs, and aid for dependent children, with fairly uniform, nationwide payments and funding principally by the federal government. The purpose of such a program must be to assure a decent level of income maintenance for all. Elimination of the wasted costs of administering the present patchwork system would go a long way toward providing expanded services and aid to the recipients.

The Women's International League for Peace and Freedom recognizes that some of the needed social programs are expensive, and at the same time our organization takes a dim view of large federal deficits. However, we feel that funds can be reallocated to finance major increases in human needs programs. One of the two major sources of such funds is in the military budget. The other is through tax reform.

MILITARY SPENDING

The national defense function constitutes about one quarter of the total budget. However, this category has a much larger impact on budgetary decision making than this figure would indicate. The bulk of federal spending is relatively uncontrollable under present law, as shown on pages 90 and 91 of the 1978 Budget Revisions: February, 1977. Relatively uncontrollable outlays total \$335.4 billion out of the Carter Administration's proposed budget of \$459.4 billion. \$71.4 billion, or well over half, of the relatively controllable outlays come in the national defense function. Thus, it is clear that we must look very carefully at military spending if we wish to release significant funds to meet urgent demands without increasing the federal deficit.

The controls on military personnel costs which the Carter Administration has indicated it plans to institute may eventually release a few billion dollars annually for other uses. But to release substantial funds in the near term will require challenging some of the basic assumptions of military planners.

Is it reasonable, for example, to assume that our strategic nuclear forces need the capability of destroying half the opponent's industry and one fourth of its population after the United States has absorbed a well-designed first strike? Would a rational opponent risk anything close to that level of destruction? And could an irrational opponent be effectively deterred from instituting an insane military attack by any level of nuclear capability?

The strategic nuclear triad (bombers, land-based ICBMs, submarine-based ICBMs) is not engraved on tablets of stone. A prudent planner, concerned about shifting and preserving resources, might feel it was a redundancy we cannot afford. Nor must it be assumed that every weapons system is probably nearing obsolescence by the time it is well into production. One reason the Soviets, with a much smaller Gross National Product than we have, is able to compete in the arms race is that they replace weapons systems much less frequently than we do.

The Women's International League for Peace and Freedom notes that the procure-

ment figure in the budget for Fiscal Year 1978 (budget authority) is \$32.2 billion—up \$11.3 billion, or about 50%, from the actual budget authority figure for 1976. Even adjusted for inflation, that is a tremendous increase. We should like to state emphatically that spending that amount of money on military procurement just doesn't make economic sense; that it is, in fact, counter to slowing the rate of inflation and cutting back on the number of unemployed. Military production does not aid in the formation of productive capital; the weapons produced have no further impact on the economy in terms of generating demand for additional products or services. Military production is highly capital intensive, not labor intensive, and so produces far fewer jobs per billion dollars spent than does spending in the civilian segment of the economy. Military spending leads to instability in the economy s contracts are terminated or shifted from one locality or contractor to another. And cost overruns, lack of competitive bidding and government subsidies make military production expensive, while the demand it generates for scarce resources, including energy, is inflationary.

Larger military spending does not guarantee greater national security. In fact, the constant introduction of new weapons systems which change the arms balance is a destabilizing factor which in itself poses a threat to our national security. Wouldn't it provide us with more security if we devoted our resources and talents, which are enormous, to fulfilling the dreams of the American Revolution? Surely if we can demonstrate a greater degree of social and economic justice within a framework of political and cultural freedom, our standing as a nation in the world will improve.

The Women's International League for Peace and Freedom is aware of the argument, made by some, that cutting defense expenditures would have an adverse effect on our economy. This argument is usually based on the assumption that the long depression of 1930s was unrelieved and unrelievable until the U.S. went into high gear to produce armaments for World War II. But the fact is that an equal amount of money put into any form of production would have produced similar results. Furthermore an analysis of the economic impact of the large and abrupt defense spending cutbacks after the second world war and after the Korean conflict reveals that the economy was capable of adjusting itself rapidly with much smaller unemployment rates than had been predicted.

What is necessary in order to ease the transition period from a military oriented economy to a civilian oriented economy is government planning and government funding for the transition period. With such planning and funding, it is probable that a healthier economy would be produced with a stronger economic base than before the cuts.

TAX REFORM

The second major source of funds to meet human needs is tax reform. While we recognize that it is impossible to compute revenue losses attributable to provisions of the federal tax laws which allow a special exclusion, exemption, or deduction from gross income or which provide a special credit, a preferential rate of tax, or a deferral of tax liability (definition of "tax expenditures" in the Congressional Budget Act), it is clear that the sums are substantial. If one adds up the tax expenditure estimates in the Ford Administration's proposed budget for 1978, one gets a total of \$112.7 billion.

The budgetary impact of a reduction in revenue is just as real and as limiting to other budget options as the impact of a direct budgetary expenditure. However, it is less visible and is not subject to the appropriations process. In general, the Women's International League for Peace and Freedom

would favor the elimination of tax expenditures, and would prefer the use of normal budgetary means to achieve public policy objectives. Tax expenditures go disproportionately to the affluent. Clearly those with a very limited income have minimal capacity to take advantage of tax exemptions, deductions and exclusions, 231/2 % of tax expenditures* go directly to corporations. Even tax exceptions which at first glance seem designed to achieve worthy ends are skewed in favor of the wealthy. Home ownership, for example, is a laudable objective. But deductions for mortgage interest and property taxes provide great savings for the wealthy who would own their own homes anyway, but generally fail to allow the poorest to own their own homes.

We hope that President Carter's tax reform proposals, which are not reflected in his proposed budget revisions, will be comprehensive. Sweeping tax reform could generate tens of billions of dollars in additional revenue. Some of this might be foregone by lowering tax rates, but we feel the major portion should be retained for use in human needs programs which are discussed elsewhere in our testimony. At least in the initial stages of tax reform, certain exclusions from gross income, such as unemployment benefits and public assistance payments, which principally benefit the poor might be retained.

While we are aware that it may be too optimistic to expect that comprehensive tax reform will be enacted in time to have a major impact on the FY 1978 budget, we hope the Committee will seriously consider including some revenue gain from tax reform in its proposals.

SUMMARY AND CONCLUSION

In the view of the Women's International League for Peace and Freedom, the federal budget both reflects and determines national priorities. We believe that choices can and should be made in view of the nation's economic and social needs and its goals, and that a national debate on priorities should be instituted. We recognize that the House Budget Committee, as it moves toward presentation of the First Concurrent Resolution, will make major recommendations that will affect our national life for many years to

We have examined the budget for fiscal year 1978 and the budget revisions, and feel that additional funding is needed for job programs and social services and that less is needed for national defense. We believe that cuts in military spending and tax reform can provide much of the needed revenue for human needs programs, without significantly increasing the proposed deficit. We do not believe that our nation needs or can afford the redundancy of the strategic nuclear triad, and we believe that other savings in the national defense function are desirable and possible. We further note that many economists are convinced that a transition from a military-based economy to a civilian-oriented one can take place with a minimum of social and economic disruption, provided that federal funding is available to aid industry and workers during the transition period, and that the resulting economy would be healthier than the present one.

Unemployment is the major problem facing our nation today. A shift from defense spending to civilian spending could go a long way toward easing it. Bureau of Labor Statistics figures in "Structure of the U.S. Economy in 1980 and 1985" indicate that direct and indirect jobs produced for \$1 billion in final demand are 75,710 in defense contrasted with 112,363 in personal consumption, 100,072 in construction, 92,071 in transportation, 138,939 in health, and 187,299 in educa-

tion. Furthermore, military spending contributes to inflation—indeed, one of the causes of the present inflation is the high percentage of national spending that goes into military production; another is the result of the huge military spending that took place during the Vietnam War without compensating tax increases during that period.

We would point out that 75% of our population lives in urban areas, and that these areas are particularly in need of additional federal funding for social services and in-

come maintenance programs.

Vital decisions have to be made. Should spending on national defense consume one quarter of the national budget and well over half of controllable federal outlays? Or should funds be transferred to take care of pressing human needs—to provide jobs and homes and education and training and health care and mass transport? We suggest that it is imperative that our nation start now to strengthen the economy and to break the poverty cycle in which too many of our citizens are now trapped. There is an immediate need to redirect our dollars and maternal and human resources toward improving the quality of life in our nation.

We urge the House Budget Committee in considering the budget for fiscal year 1978 to begin to make the necessary transfers that will benefit all the people of our nation. We urge the transfer of \$15 to \$20 billion in the fiscal year 1978 budget from military spend-

ing to spending for human needs.

SOME THOUGHTS ON THE ELECTORAL COLLEGE

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. NEAL. Mr. Speaker, there has been a great deal of talk recently about the need for changes in the electoral college system of electing our President and Vice President. I would certainly agree that some reform is necessary.

However, in spite of what I see as the need for reform, I would urge that we proceed carefully in this area. I am no expert on the electoral college—and I certainly do not have all the answers—but I am aware of the fact that there are many considerations which may not come readily to mind during discussions on abolishing the present system and electing our national leaders by direct popular vote.

A good friend of mine, Blanche Zimmerman of Winston-Salem, N.C., recently shared with me her thoughts on this important issue. Blanche is a very knowledgeable person, and I know she gave this issue a great deal of thought before coming to the conclusions she stated in a letter to me. I believe her comments will be of interest to my colleagues, and I would like to share them. Her letter follows:

DEAR STEVE: Since our last Presidential election reminded us again of what could happen in the electoral vote, I am concerned about whether or not Congress will consider electoral reform in this session.

I understand that the most popular proposal for reform is a decision by simple popular majority. This concerns me because I see in this method the possibility of three undesirable results:

 The candidates might concentrate on amassing large popular votes in populous areas and write-off less populous areas;

2. The popular vote would decrease awareness of concerns of electoral entities and decrease the impact of third parties, which are the breeding grounds for creative progress and the last spokesmen for preservation of particular traditional values;

3. The system could deteriorate into tyranny of the majority, fostering an entrenched elite concerned with maintaining the status quo and requiring overthrow of

the government to bring it down.

I also object to the concept of apportioning electoral votes according to the popular votes in states. In our increasingly mobile society geographical boundaries are becoming less and less viable as people identify more and more with groups that transcend geographical divisions. Also, like a national popular vote, this method would lessen identification of the particular concerns of identifiable groups.

The Declaration of Independence declares that the purpose of government is "to secure these rights" of the individual including the individual's part in determining the "consent of the governed." Of the major reform methods proposed, I feel that election of electors by Congressional Districts with two electoral votes going to the candidate winning the popular vote in the state is the

wisest proposal for reform.

Most certainly, reform of the Electoral College is long overdue; however, I also think we should avoid blind worship of unconditioned majority rule.

Respectfully,

BLANCHE ZIMMERMAN.

Now, Mr. Speaker, I call my colleague's attention to the lead editorial in the February 8 edition of the Washington Star. It addresses several additional points which the Congress and the public should consider carefully as the Nation debates the future of the electoral college.

We need to insure that a popularly elected President not be denied the office. But we must be diligent in protecting the rights of all our citizens, and careful not to destroy the delicate balance that has preserved our constitutional democracy and made it the most successful form of government in the history of mankind.

Therefore, I commend the following editorial to my colleagues as they, too, ponder the complexities of the electoral college issue.

[From the Washington Star, Feb. 8, 1977]
ANTI-FEDERALIST THINKING

The American Bar Association shares Sen. Birch Bayh's dim view of the electoral college and boasts that it has favored what abolitionists are pleased to call "reform" of that venerable institution for at least a decade.

With Senator Bayh, the ABA is pushing for a direct popular election of the president and vice president on the "one man, one vote" principle.

This is a plausible, but risky, alternative to the electoral college. But in last week's appearance before Senator Bayh's Senate constitutional amendments subcommittee, two ABA officials offered arguments that seem to us debatable indeed.

The ABA officials rest their case against the electoral college not on the federalist spirit of the Constitution itself but on the distinctly anti-federalist spirit of recent Supreme Court decisions in reapportionment cases.

"We believe," said President Justin Stanley, "that there is no valid reason why the

^{*}As defined by the Congressional Budget Act—see preceding page.

HUMAN LIFE AMENDMENT

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. ABDNOR. Mr. Speaker, the Legislature of the State of South Dakota has joined a growing list of jurisdictions calling for a convention to consider a proposed human life amendment to the U.S. Constitution. Passage of the resolution demonstrated a broad base of bipartisan support indicating that in South Dakota there is a very strong belief that abortion is one of our grave national concerns which will have to be faced and resolved in a manner which will provide protection to the real victims of abortion-unborn children.

The resolution originated in the South Dakota House of Representatives where it passed 59 to 10. It passed the South Dakota Senate 34 to 1 and was concurred in by the House with a vote of 51 to 0. The text of the resolution is as follows:

H.J. RES. 503

A joint resolution, making application to the Congress of the United States to call a convention for the purpose of proposing a human life amendment to the Constitution of the United States in accordance with article V of said Constitution.

Whereas, millions of abortions have been performed in the United States since the abortion decision of the Supreme Court of January 22, 1973; and

Whereas, the Congress of the United States has not to date proposed, subject to rati-fication, a human life amendment to the Constitution of the United States; and

Whereas, in the event of such congressional inaction, article V of the Constitution of the United States grants to the states the right to initiate constitutional change by applications from the Legislatures of twothirds of the several states to the Congress, calling for a constitutional convention; and

Whereas, the Congress of the United States is required by the Constitution to call such a convention upon the receipt of applications from the Legislatures of two-thirds of the several states: be it resolved, by the House of Representatives of the State of South Dakota, the Senate concurring there-

That the Legislature of the state of South Dakota does hereby make application to the Congress of the United Staes to call a convention for the sole purpose of proposing an amendment to the Constitution of the United States that would protect the life of all human beings, including unborn children: be it further

Resolved, That this application shall constitute a continuing application for such convention pursuant to article V of the Constitution of the United States until the Legislatures of two-thirds of the states shall have made like applications and such convention shall have been called by the Congress of the United States; be it further

Resolved. That certified copies of this resolution be presented to the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, the Clerk of the House of Representatives of the United States, and to each Member of the Congress from this state attesting the adoption of this joint resolution by the Legislature of the state of South Dakota.

BOEING-VERTOL LIGHT AIRBORNE MULTI-PURPOSE SYSTEMS

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES Monday, April 4, 1977

Mr. EDGAR. Mr. Speaker, the Navy is presently in the process of reviewing bids for a U.S. Navy helicopter called LAMPS, for light airborne multi-purpose systems. One of the proposals under review is by the Boeing-Vertol Co. in my congressional district. At their February meeting, the Aerospace Conference of the United Automobile, Aerospace & Agricultural Implement Workers of America-UAW-approved a resolution supporting the proposal of Boeing-Vertol, in light of the company's record of expertise and achievement. and in light of its recent economic difficulties. Those of us who are concerned about the well-being of Boeing-Vertol and about the need to bring economic recovery to the Delaware County area in which it is located appreciate this gesture by the UAW. I would like to share the UAW resolution with my colleagues, Mr. Speaker. The resolution follows:

BOEING VERTOL LIGHT AIRBORNE MULTIPUR-POSE SYSTEMS

Employment in the Boeing Vertol Company, whose employes are represented by the UAW, has declined from a peak of 15, 400 in 1968 to the present low of 4300. With the long decline in military orders for helicopters and most recently the loss of the Army UTTAS contract, the biggest helicopter award in 20 years, came the precipitous loss of jobs to Vertol workers. Any further losses seriously threaten the job security of remaining Vertol workers.

Over the years Vertol workers have demonstrated great ability in successfully fulfilling many major programs. This was demonstrated in military programs requir-ing superior technology and reliability durthe Korean War and the Vietnam hostilities.

Many of the Vertol workers have spent the majority of their worklife with this company. They now find that in many in-stances their skills are not being fully utilized.

With regard to the thousands who still remain on layoff from Vertol, they are acute-ly aware of the fact they are located in an area that has suffered massive layoffs and plant closings which has produced a 12 percent area unemployment level.

The Department of Defense is presently in the process of reviewing a proposal for a U.S. Navy helicopter called LAMPS (Light Airborne Multi-Purpose Systems).

The Boeing Vertol Company is committed to staying in competition for this \$700 million helicopter contract with the finest design of which it is capable. Sikorsky Aircraft Company, which received the UTTAS award, and the Westland Helicopter Company (located in Yeovil, England) are also being considered. It is expected that a decision on this award will be made within the next few months.

It is imperative to Vertol workers that the Boeing model be selected as the U.S. Navv's helicopter of the future.

The selection of the Boeing Vertol Helicopter would mean jobs and job protection for thousands of Vertol workers. Since Boeing is in a position to dedicate itself to the LAMPS contract exclusively, award of the

concept of one person, one vote should not be applied to the election of the highest offi-cers in our land." Pursuing the same line of argument, Mr. John D. Feerick, who is chairman of the ABA's special committee on elec-tion reform, declared: "To paraphrase an early 1960 decision of the United States Supreme Court, the thrust of political equality from the Declaration of Independence to Lincoln's Gettysburg address, to the 15th, 17th, 24th and 25th Amendments is that of one man one vote." This "thrust," he contended, should be embodied in the way we elect presidents and vice presidents.

Several rather obvious comments are in-

vited by these remarks.

In the first place, legislators, whether state or federal, have a function rather easily distinguishable from that of a president or vice president. Legislators and congressmen are, after all, representatives. A President is more than that. He is an official-the only one, it is sometimes said—with a truly na-tional constituency, and "one man, one vote" is not the only valid principle on which that constituency should rest.

Under the electoral college system, which counts votes by states, it is all but inconceivable that a president could be chosen without the substantial electoral vote of at least two sections of the country or scattered electoral support in all sections. Under the popular vote plan supported by the ABA and Senator Bayh, that need not be true. rolling up heavy popular majorities in a few populous states a president could be elected with only the slightest "national" con-stituency. One's view of whether this would be a desirable change depends, of course, on one's view of the federal system-we recognize that the states are regarded as mere nuisances in some quarters. As we have observed before, the electoral college is neither more nor less defensible than the federal system, of which it is a keystone.

If there is, in Mr. Stanley's words, "no vaild reason" why "the concept of one person, one vote should not be applied" in the election of a president, there is by the same token "no valid reason" why some states should have more representation in the Senate, in proportion to their population, than others. No reason, that is, except for the Constitution and the political values embodied in it.

That brings us to what Mr. Feerick said. Paraphrasing a dictum of Justice William O. Douglas in the Gray v. Sanders reapportion-ment case, he invokes, again, "the thrust of political equality." Of Justice Douglas' original observation, interestingly, the late Alexander Bickel observed that it was "notable for its reference to documents not commonly taken as having legal effect, and to the extralegal significance of provisions that do legal, but circumscribed, strictly application."

The Declaration and the Gettsburg Address were splendid embodiments of basic American political values, but no more valid as guides to constitutional questions or issues of basic institutional practice than any given speech on the Senate floor. Nor do the constitutional amendments cited by Justice Douglas (to which the ABA has now added two more) vitiate the federalist principle.

Thus the ABA attaches overriding priority to one, but only one, of the basic values of the constitutional system—political equality. Other values of great historic importancethe protection of minority views, the rights and prerogatives of the states, geographical balance, the checking and balancing of the popular will by anti-majoritarian institutions like the Supreme Court or the presidential veto-deserve at least equal consideration. Indeed, a powerful rhetorical case can be made against the electoral college by emphasizing one value and ignoring the others. But the case reaches no farther than the rhetoric, and that is not very far.

contract to Vertol would assure the Department of Defense of a second contract with viable competitive helicopter technology

and production capability.

Therefore the Vertol workers are asking the 18th UAW Aerospace Conference to go on record in requesting the Department of Defense to award the LAMPS contract to Boeing Vertol.

> THE COAL CONVERSION INCENTIVES ACT

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES Monday, April 4, 1977

Mr. MURTHA. Mr. Speaker, I will soon introduce the Coal Conversion Incentives Act. This bill is designed to increase domestic use of coal, and reduce U.S. reliance on natural gas and foreign oil.

The bill provides for the following:

First. A first year tax writeoff of 35 percent on expenditures for pollution abatement equipment and construction required to facilitate the use of coal;

Second. Permanent extension of FEA power to mandate powerplant conversion from natural gas and petroleumfired boilers:

Third. Require any new-and to the practicable existing—electric powerplant boilers and major industrial boilers which use fossil fuels to be capable of using coal as their primary fuel;

Fourth. Currently the United States is in an inferior position with other industrialized nations in regard to the investment tax credit. I have included a 1year extension of the 12-percent investment tax credit. In order to further encourage the conversion to coal, my bill provides a 1-year, 20-percent investment tax credit for existing electric powerplants and major industrial installations for the express purpose of investment in coal conversion construction and equipment investment; and

Fifth. Small industries and nonindustries will be offered incentives in the form of low interest rate loans for the purchase and installation of coal fuelfired boilers. This section will apply only to those existing small industries and nonindustrial facilities now using petro-

leum or natural gas.

This Nation lacks a complete energy policy. Two parts of my bill are aimed at promoting that policy. Part 1 requires the President to present by October 15 of each year an annual energy plan. The President would list the available energy supplies for the coming winter; provide evidence from independent Government audits of energy supplies; announce contingency plans for meeting energy shortages during the coming year, and outline Government plans for promoting energy

Part 2 gives the President authority to declare an energy emergency and take the following actions: Reallocate scarce energy resources to those regions most in need; require cutbacks in energy use in industrial facilities; allocate energy resources to seasonal industries; restrict business hours of schools, business, and

government, and temporarily relax Federal clean air standards for use of alternate fuels.

I believe the energy problems facing our Nation will be solved much more by incentives than penalties. This bill is aimed at providing some of those incentives. Any of my colleagues wishing to join me in sponsoring this bill are urged to contact me.

SACCHARIN—A CONSUMER ISSUE

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES Monday, April 4, 1977

Mr. MARTIN. Mr. Speaker, the response to the Food and Drug Administration's proposal to ban saccharin has been phenomenal. My office has received close to 6,000 letters on the subject. Many who write plead with Congress to stop the ban because of a health problem or because of dietary conditions.

The saccharin controversy clearly presents Congress with the necessity for amending the food additives law which forced the FDA move to ban saccharin. Saccharin is the first clear case where the absolute zero tolerance standard of Federal law requires a substance to be removed from the market, even though its benefits to the general public clearly exceed any remote risk. Saccharin also has the distinction of being slated for a ban based on consideration of less valid evidence when far better evidence-tests on monkeys and public health statistics on human illness as opposed to tests on rats-show that normal use of saccharin poses no risk to the public health.

Yet the law requires that the best medical evidence and any consideration of health and nutritional benefits be dis-

In general, medical, scientific, and nutritional experts recommend a change in the law to allow reasonable judgment of all the evidence of risk as well as the public benefits.

Increasingly, it is recognized that obesity predisposes humans not only to diabetes and heart illness, but also to cancer. Accordingly, whether saccharin is regarded by some as essential and by others as a convenience, there is no question but that it helps millions of American consumers to maintain their dietary discipline. It is thus an important part of the preventive medicine regimen of those who need to control their weight. It is also of similar importance to elderly invalids and those who already have diabetes and heart illness.

This effort to save saccharin as a general purpose—as opposed to a more expensive prescription item-nonnutritive sweetener is not a case of producers versus consumers. Rather, it poses a conflict of consumers versus consumer advocates, at least those consumer advocates who insist upon the zero tolerances in the law. Those who would ban saccharin on the basis of a disregard for its benefits and the best evidence of safety are in the position of preventing FDA from

acting in the best interest of the health and nutrition of many millions of American consumers.

GEORGE BALL TALKS COMMON-SENSE ON MIDDLE EAST

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. OBEY. Mr. Speaker, nothing makes one so susceptible to being misunderstood as saying anything which indicates that one is trying to deal with reality in the Middle East. We cannot offer constructive assistance in bringing peace to the Middle East if we approach the world like the board of directors of an optimist club. We must face hard realities and help our friends do the same. George Ball has written an important piece which does just that. I am inserting it in the RECORD at this point and I commend it to my colleagues:

[From the Washington Post, Apr. 3, 1977] How To Save Israel in Spite of HERSELF

(By George W. Ball)

Most Americans approach the problems of the Middle East with a pro-Israeli biasand rightly so. The desire of a dispersed people for a homeland cannot help but enlist the sympathy even of those with no Jewish roots; nor can any sensitive man or woman fail to be moved by the countless tales of valor and self-sacrifice in the years both preceding and following the creation of Israel. Set against the grim background of the Holo-caust, the story of Israel is a continuing chronicle of grit and enterprise.

Not only must Americans admire Israel; there can be no doubt that we have an interest in, and special responsibility for, that valiant nation. So the question is no longer whether the United States should contribute to assuring Israel's survival and prosperity, but rather how we Americans can best fulfill our responsibilities to Israel to ourselves and to other nations whose wellbeing could be endangered by further con-

flict

By expending substantial effort and political capital, we can probably overcome the technical impediments to a reconvened Geneva Conference, principally the question of representation for the Palestine Liberation Organization. Thus, by sometime next fall, Arabs and Israelis will presumably sit down around a green baize table or tables.

Yet, unless we are prepared to act more incisively than in the past, that conference will be the prelude to disaster. Neither side has altered its formal positions in any significant way. The Arab nations still demand that Israel withdraw from all territory occupied since the 1967 war, while refusing unequivocal assurances of full recognition of Israel. Israeli leaders, on their part, insist that their security requires the retention of substantial areas of their post-1967 territories.

The critical significance of this stalemate cannot be overemphasized; a breakdown of the conference would set in motion ominous forces, resulting, first of all, in the radicalization of the Arab front-line states. In Egypt, President Sadat has staked his political fu-ture on the belief that the United States holds the key to peace and is prepared to turn it. In Syria, President Assad's policies of moderation will be critically undermined if Geneva fails. And even Saudi Arabia, though currently the most effective force for Arab reasonableness, will, in the event of renewed warfare, be compelled by the dynamics of Arab politics to impose an oil embargo. Indeed, if the Geneva Conference disintegrates, it may even feel forced to use its oil weapon before hostilities begin.

So we dare not regard the projected Geneva Conference as merely another episode in the long-playing Middle East movie serial. If it ends with a whimper, it will be followed by a bang. The leaders of the front-line Arab states will concentrate on building fighting forces to attack Israel as soon as they can approach military parity. Faced with that prospect, the beleaguered Israelis may well jump off first.

However it begins, another Arab-Israeli war will be far more destructive than any in the past. Because both sides now possess surface-to-surface missiles, cities and civilian populations will almost certainly be targets, while the prospect for superpower involvement will be much greater than in earlier conflicts.

Yet, although the relatively impotent governments in the key Arab countries and in Israel can never by themselves devise a compromise solution, the conventional wisdom still rejects any suggestion that the United States should lay out proposed terms of a settlement. Instead—we are told—the parties must be left to find their way by palaver to some common meeting ground near the center of a no-man's land studded with land mines of hatred, religion, vested interests and rigid doctrines of military necessity, in bland disregard of the fact that the conditions essential to an effective negotiation do not exist.

First, there is no unanimous desire for peace on either side. Although weakened by events in Lebanon, the Rejection Front—which totally rejects the concept of Israel's right to exist—remains an influence in Arab politics, while in Israel some politicians still wish to avoid any negotiation in the wistful hope that Israel can hang on permanently to the territories seized in 1967.

Second, neither the Israelis nor their Arab neighbors believe that their side can gain as much as the other side by a major concession. Lacking even a minuscule quantum of mutual trust, each side views its own concessions in the narrow focus of the other's gains.

Third, the governments on both sides are politically too insecure to be able to offer the concessions requisite to a solution.

Finally—and most important—the positions of the parties are so far apart that they can never, by themselves, find their way to a compromise in the context of a total settlement.

For her own security, Israel can accept nothing less than an unequivocal Arab commitment to peace and full recognition, together with adequate safeguards; yet, in view of the primacy of the issue in Arab politics, leaders of the key Arab nations can give no such commitment without the assurance of an Israeli withdrawal from the territories taken in 1967.

WITHDRAWAL FOR RECOGNITION

Thus, to bring about a settlement, the missing preconditions to negotiation must either be provided or rendered unnecessary—and this can be accomplished only by an assertive United States diplomacy. This means that our government must advise the more moderate Arab states—Saudi Arabia, Syria, Egypt and Jordan—that it will use its leverage in the search for peace but not unless those states make clear their acceptance of Israel's sovereignty. At the same time, Israel must be made to understand that a continuance of the present stalemate is more dangerous than the concessions required for peace. Finally, America must play the indispensable role of relieving the political leaders on both sides of the need to make politically unpalatable decisions by enabling

them to yield with cries of outrage under relentless outside pressure.

I am not proposing at all that the United States lay down arbitrary terms of peace. Rather, we must insist that both sides carry out the United Nations Security Council Resolution 242 of 1967, (affirmed in 1973 by Resolution 338), which so far neither side has been willing to do.

To make progress possible, we must translate the principles embodied in that resolution into a comprehensive plan of settlement. That plan should establish as a firm precondition that Israel's neighbors explicitly recognize her as a Jewish sovereign state and that they commit themselves unequivocally to respect freedom of navigation in the waterways of the area for Israeli ships as well as cargoes, permit free movement of peoples and trade and take other specified measures to assure full political, economic and cultural intercourse. They must accept arrangements through leasehold or otherwise to provide Israel control over access to the Gulf of Aqaba by the maintenance of an adequate garrison at Sharm el Sheikh, acthe demilitarization of the Golan Heights and agree to the injection of neutral forces into that area and into other appropriate buffer zones under conditions where they cannot be withdrawn without agreement on both sides. To mitigate Israeli apprehensions of a West Bank Palestinian state, the front-line Arab states should commit themselves to discourage acts of violence terrorism against Israel. Some formal link of Palestine to Jordan, as recently proposed by President Sadat, might go far to assure a responsible government.

The principal powers supporting the proposal—the United States, Great Britain, France and, one may hope, the Soviet Union—would guarantee the inviolability of the boundaries as finally determined. In addition, we should seek agreement with the other guaranteeing powers to limit the flow of arms to both sides.

What chance does the United States have of persuading the Arab leaders to accept such commitments? There is accumulating evidence that Yasser Arafat, and such elements of the PLO as he can control, are moving toward the acceptance of a partitioned Palestine and, as the price for the return of the West Bank, would agree to recognize the sovereignty of Israel within her pre-

Moreover, the current leaders of Saudi Arabia, as well as of Syria and Egypt, desperately need a settlement to escape radicalization and the increase of Soviet influence in the area, as well as the high cost of maintaining Arab military might in an environment of hostility. Since the Saudis will be the principal source of financing for a Palestinian state, they should be able to exercise considerate discipline over whatever regime administers that state and to restrict the development of its military capability.

PRESSING THE ISRAELIS

But if it we are to persuade the Arabs to accept these commitments, we must insist categorically that Israel withdraw from the territories occupied in 1967-subject to the negotiation of minor border rectifications. We must preserve the principle that there be no territorial aggrandizement by as President Eisenhower made clear in 1956. Faced, in the aftermath of the Suez affair, with the Israeli refusal to withdraw from the Sinai territories in defiance of the U.N. Security Council resolution of Feb. 16, 1957, he responded with clarity and promptness. If the Israeli government did not comply, the United States would not merely suspend governmental assistance, but would also eliminate essential tax credits and take other administrative action to restrict the

flow of cash gifts and bond purchases from American private citizens.

That Israel today is far more dependent on United States help than in 1958 is shown by the fact that her gross national product is only slightly larger than her budget. Last year, our public sector aid alone amounted to \$2.34 billion, which means more than \$600 for every man, woman and child in Israel. A similar amount is in view for the current fiscal year, so that our contributions to a country of 3.2 million people will again be a very high percentage of our total foreign aid expenditures. Rarely before have so many done so much for so few. Yet the aid should not be begrudged if it works for the long-range interest of the Israeli people.

Thus, the national decision Americans must make is not whether we should try to "impose" an unpalatable peace on the Israeli people, but, rather, how much longer we should continue to assist Israel to maintain policies that impede progress toward peace, with all the dangers war holds not only for Israel but for the United States and other countries. Put another way, how much longer should we go on subsidizing a stalemate that is manifestly dangerous for all concerned?

The unhappy dilemma of Israel is that, so long as she refuses to relinquish the territorial gains from her 1967 conquest and thus prevents possible progress toward peace, she must continue as a ward of the United States. Already economically overstretched. Israel could not maintain anything like her present level of military capability the continued infusion of something approaching \$2 billion a year from the American treasury, to say nothing of the vast amounts provided by the generosity of the American Jewish community under American laws and regulations that facilitate such contributions. Even with that huge subsidy, it is doubtful she can long continue as a garrison state. With 38 per cent of her GNP committed to defense-equivalent to a U.S. defense budget of \$560 billion-with inflation running at 35 per cent, with the interest rate on bank loans ranging between 25 and 35 per cent, and with very nearly the world's highest tax rates, her economy slowed to an annual real growth rate of only 1 per cent a year in 1975 and 3 per cent last year, while in 1976 her balance of trade deficit amounted to more than \$3 billion.

Beleagured Israel is no longer the land of bright promise it was a few years ago; last year not only did her emigration exceed immigration but, in spite of strenuous efforts to encourage new immigrants, 60 per cent of the Jews permitted to leave the Soviet Union for Israel chose not to go there but moved by way of Vienna to such Western countries as the United States, Canada, and France.

Despite these foreboding developments, however, many still passionately contend that America should not undertake to turn Resolution 242 into a full-fledged plan of settlement, since only the Israelis are competent to decide what they need for their own security and we have no right to interpose our own judgment. Yet that assumes that the Arab-Israeli conflict involves the interests of only the direct participants whereas, if a war with sophisticated weapons should erupt in the Middle East the dangers for America and for world peace and prosperity would be appalling.

Let us suppose that Israel's arms should prevail and an Israeli column were moving on Damascus. Would the Soviet Union once again accept the humiliation involved in the defeat of its clients and again write off expensive armaments it has poured into the area? Or would it feel compelled to drop a paratroop division or two into Syria? In its present mood, would the United States respond by force? Merely posing that question

would tear our country apart—reawakening latent prejudices and creating bitter divisions.

Or, as a possible alternative, assume that Arab arms were triumphant and Israel was in imminent danger of invasion. Would the United States use its military might on Israel's behalf? Imagine the searing debate that issue would provoke! Nor can one ignore the possibility that, threatened with destruction, Israel might use, or at least threaten to use, nuclear weapons.

Even if none of these fearsome developments occurred, war would still mean catastrophic losses for the non-Communist nations. Not only would the dynamics of Arab politics require the oil-producing states to impose another oil embargo, but this time it would almost certainly be more destructive than the last. Nothing could more tragically undermine the solidarity of the West than an embargo applied in a consciously discriminating fashion.

FEARS AND NEEDS

It is hardly surprising that many Israelis believe they believe they cannot, under any circum-stances trust their Arab neighbors, who, as they see it, are committed to Israel's destruction. Thus, one can well understand their fear that a West Bank Palestinian state would menace Israeli security. Yet, that is circular argument. Irredentism for the Palestinians is a compelling abstraction not dissimilar to the Jewish desire for a national home. So long as there is no part of old Palestine which Palestinians can call their own and to which they can, in principle, return, so long, in other words, as they are denied the possibility of building their own nation in that part of old Palestine represented by the West Bank and the Gaza Strip, resentment, terrorism and excessive rhetoric are

Unhappily, Israel's relations with the Arab world are so distorted by history and hardship and the deep emotional commitment of her people to what is, at the same time, both a nation and a spiritual concept as to disable many Israelis and their American supporters from anything approaching objectivity. As a pro-Israeli friend replied when I recently mentioned the apparent inability of the Jerusalem government to face the hard realities of its own situation, "Don't you think they are entitled to their paranoia?"

It was not a flippant comment; instead, it reflected the fatalistic acceptance of a possibly grim evolution of events. When the historic agonies of the Jewish people and their understandable yearning for a national home are viewed against the background of the Holocaust, can one wonder at the fierce tenacity with which they seek to maintain, and to enlarge, their Israeli homeland, and the suspicion with which they regard their Arab neighbors who, they fear, threaten that very concept?

Yet, no matter how much we may sympathize with what my friend calls Israeli "paranoia," how far dare we let it determine American policy? How far, in other words, should we go in continuing to subsidize a policy responsive to Israeli compulsions which does not accord with the best interests—as we see it—either of Israel or the United States, but is a threat to world peace?

The fact we must reluctantly acknowledge is that the national interest of the United States and of Israel cannot, in the nature of things, be precisely congruent; there will necessarily be situations in which our policies must diverge from those of the Israeli government if our country is to be true to itself. Israeli is a power with only regional interests, and the very intensity of her long struggle to survive has produced an excessive preoccupation with her own quite limited range

of concerns—or, in other words, has forced her to view the world in short time spans and

with severely limited horizons.

America's view of the world and her responsibility for world developments are of a wholly different order. We must appraise the evolution of the Arab-Israeli dispute in a world setting, taking account not merely of what certain policies might do for, or to, Israel in the short run, but also of what consequences they might hold for other countries and for the peace and well-being of the world as a whole.

SOVIET SUPPORT?

I have suggested that, prior to the reconvening of the Geneva Conference, we should seek quietly to obtain the agreement of our Western allies, France and Great Britain, as well as of the Soviet Union, to support a carefully developed settlement plan.

Although the Soviets cannot by themselves bring about a solution, they can probably frustrate any settlement. Yet, even though the Kremlin voted for Resolutions 242 and 338 and the proposed plan would merely put flesh on the bare skeleton provided by those resolutions, would the Soviet Union go along with an American proposal to bring peace to the Middle East?

Today there is reason to believe that as an alternative to the maintenance of tension and turbulence—entailing irksome expenditures for arming the Arab countries as well as the danger of a superpower confrontation—the Soviet Union would elect to support—or, at least, not to sabotage—a peace proposal that accorded with Resolution 242, especially if it were given some recognition for its peacekeeping role. This is, at least, a reasonable hypothesis given credence by recent Soviet statements, and, although some may regard it with skepticism, it has not recently been tested.

To be sure, America once tried to make peace by expanding the principles of Resolution 242 in the so-called Rogers Plan. But those proposals could not have been floated at a less auspicious moment. In April 1969, Nasser had launched his War of Attrition; by October, Israel was heavily bombing Egyptian artillery positions, Egyptian casualties had reached high levels, her army's morale had fallen disastrously and over 1 million civilians had been evacuated from the Canal cities. Thus, when Secretary of State William P. Rogers launched his plan, the Israeli government was rapidly escalating the air war, feeling in strong position to impose its will and in no mood to bargain. The Egyptians, on the other hand, were smarting at their deteriorating military position and quite un-willing to negotiate when their power and prestige were at such a low ebb.

That was eight years ago. Today the Arabs have largely regained their self-respect in the light of their military achievements during the early days of the October 1973 war. Developments in Lebanon have reduced the authority of extreme Palestinian elements within the PLO. For the moment, there are responsible leaders in all the key Arab capitals, while Saudi Arabia, the central treasury for Araby, seems determined to press toward peace, although—at least for negotiating purposes—it may try to hold to Sadat's definition of peace as "a state of peace" excluding for this generation diplomatic relations and trade.

But without a settlement, these favorable conditions will not long prevail, for time is not working on the side of either Israel or peace. That the balance of strength will ultimately shift to the Arabs seems almost inevitable, not merely because there are 100 million Arabs opposed to 2.9 million Jewish Israelis, but because Arab financial resources and economic power have immeasurably increased since 1969 and are still expanding. Thus, because of the "logic of numbers,"

as well as the intolerable economic burden of maintaining a garrison state, Israel will absent a settlement, almost certainly lose ground, depsite the fact that, for the moment—but for the moment only—she holds military superiority due to the inflow of sophisticated United States weapons.

"SAVING ISRAEL FROM HERSELF"

Thus, the time is ripe for the United States to take a strong hand to save Israel from herself and, in the process, try to prevent a tragic war that could endanger the economies of the major non-Communist powers, separate the United States from its allies, precipitate a divisive domestic debate and pose a serious danger of a clash with the Soviet Union.

Up to this point, President Carter has not yet fully revealed his Middle East strategy, and the time is probably not yet ripe for him to do so. But he has, by publicly suggesting some of the elements of a final settlement, clearly departed from the more passive line rigorously pursued by the Ford administration. What is now to be hoped is that, as a probable reconvening of the Geneva Conference approaches, he will develop those views into a full-fledged solution that takes into account the security interests and other legitimate claims of both sides, then seek the agreement of the French, British and Russians—those permanent members of the Security Council that originally approved Resolution 242-to unveil the terms of a settlement the major powers would collectively support.

To carry through such an initiative, President Carter must be prepared to overcome formidable political opposition and to act with the same incisiveness President Eisenhower displayed in 1957. That will not be easy, for in the years since then Israeli supporters have greatly increased their political power in Washington.

Yet such a line of action would be responsible leadership by a great nation, while anything less would be highly dangerous.

SOUTH CAROLINIAN ELECTED TRUCKING ASSOCIATION PRESI-DENT

HON. JAMES R. MANN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. MANN. Mr. Speaker, I am pleased to call to the attention of my colleagues the fact that Mr. Richard L. Few, president of Cooper Motor Lines, Greenville, S.C., was recently elected president of the Common Carrier Conference-Irregular Route. The conference, a major affiliate of the American Trucking Association, represents more than 450 trucking companies throughout the country.

Mr. Few brings to the presidency a broad background of knowledge and experience in the trucking industry, including 22 years of service with Cooper Motor Lines. He is a community leader in the Greenville, S.C. area, where he has given generously of his time and talents to promote worthwhile civic and community endeavors.

The conference has chosen well, and as his Congressman, I am pleased that his abilities and accomplishments have been recognized by his peers in the trucking industry.

NURSES LOSING PATIENCE

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. FRASER. Mr. Speaker, in a recent King Features syndicated column, Marianne Means outlined the recent history of involvement of nurses in national politics. Long accustomed to domination by doctors and other institutional authority, the nurses are beginning to be heard through the American Nurses' Association and its political arm, Nurses' Coalition for Action in Politics—N-CAP. The article which follows relates developments that led to the nurses involvement in last year's election:

THE NURSES ARE AROUND
(By Marianne Means)

There are one million registered nurses and 450,000 licensed practical nurses in this country, and only 380,000 doctors.

The doctors, whose average income is approximately \$48,000 a year, have long been the dominant outside factor shaping government health policy. The nurses, who earn an average of \$9,000 a year, have had the least to say of any group of health professionals about government policy, even though numerically they are the largest such group.

BIGGER DOLLAR LOBBY

The disparity stems not so much from the difference in job prestige and education but from the efforts of the American Medical Association, which is one of the most powerful national lobbying organizations. Common Cause has identified the AMA Political Action Committee as the single largest contributor to congressional campaign funding in 1974 and again in 1976. Of 1183 political committees organized last year to distribute campaign donations, 46 are affiliated with AMA.

The American Nurses Association (ANA), by contrast, has historically been too timid or too naive to get involved in political action. One of the major reasons for this is that nurses are trained to defer to doctors and other institutional authority; they are not accustomed to demanding anything themselves (as witness their salary level).

Therein lies a story. Two years ago, a group of nurses in New York decided they were tired of being taken for granted and appealed to ANA to get busy and raise the political blood pressure of nurses. However, the ANA ignored them, so they set up a rump organization and attempted to go into politics.

When the fledgling unit foundered in legal problems, the ANA, finally aroused, agreed to take over. It created the first nurses' political action committee, with a \$50,000 budget. Val Fleischhacker, a legislative aide for Rep. Don Fraser, D-Minn., became its director and chief of everything, with a total staff of one secretary.

The ANA remained somewhat nervous about the whole idea, but Fleischhacker plunged ahead. In a year the committee raised \$40,000 from nurses in small contributions, mostly below \$200, and made its political donations in the 1976 congressional races. Compared to the AMA and more established political action funds, the nurses are still a tiny factor. But now at least some congressmen and women know they are around.

CANDIDATES GET ELECTED

The nurses group, called N-CAP (Nurses Coalition for Action in Politics) contributed small amounts to 95 candidates. In addition, they endorsed 189 congressional candidates

with a formal letter. More than 90 per cent of those endorsed and more than 80 per cent of those to whom the group contributed were elected.

In addition, Fleischhacker has prodded schools of nursing to include courses on political science for the first time in their curriculum.

What the nurses have finally done is typical of concerned special interest groups across the country. "If nobody knows you're around," Fleischhacker says, "they won't do anything for you."

She knows the nurses are still a day late and a dollar short. The AMA, for instance, is working hard to block a House measure which would allow nurses for the first time to be reimbursed for work done without a doctor's supervision. The odds are the AMA will succeed.

But at least such a bill was introduced for the first time and a hearing was held. As Fleischhacker says, somebody's beginning to realize the nurses are around.

RESOLUTION OF TRIBUTE

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. FORD of Michigan. Mr. Speaker, the "Blue Engels" in my congressional district, one of the Nation's nearly 90 Engelbert Humperdinck fan clubs, have asked me to call the attention of my colleagues to the 10th anniversary year of this outstanding vocalist.

Engelbert Humperdinck, who in December became a permanent resident of the United States, is touring the country this year to mark the 10th anniversary of his first hit record, "Release Me," in

Each of his fan clubs throughout the Nation are working on individual charitable projects in his name. The Blue Engels have made their own personal commitment to the Arthritis Foundation and the Diabetes Association. Other Humperdinck fan clubs have raised money for such causes as muscular dystrophy, cerebral palsy, the Foster Parent Plan, and medical research at St. Jude's Hospital in Memphis.

Three years ago, the Michigan State Senate adopted a Resolution of Tribute to this great singer. I insert its wording at this point in the RECORD, and recommend it to the notice of my colleagues here in the House:

Whereas, The success of Engelbert Humperdinck in the entertainment field is both remarkable and inspirational for he has rapidly ascended to a position where he is regarded by the public and his peers as one of the most talented singers in the record industry; and

Whereas, During the past six years Engelbert Humperdinck has been immensely popular all over the world. After his first hit record, "Release Me," in 1967, Mr. Humperdinck broke numerous box office records as he toured the United States. Such an overwhelming reception to his music gives eloquent testimony to this man's talent and charm; and

Whereas, Born in Madras, India, where his father served as an officer in the British Army, Mr. Humperdinck moved to Leicester, England, when he was ten years old. At an early age, he had ambitions to be a singer; and

Whereas, Engelbert Humperdinck has a loyal following of fans in the United States in whom he inspires a sense of goodwill and kindness, his admirers have worked diligently for numerous worthy causes to eliminate disease and have undertaken the support of a little Korean girl in his name; and Whereas, Engelbert Humperdinck has a

Whereas, Engelbert Humperdinck has a long career yet to fulfill and it is natural to look forward to his future contributions in music and toward international goodwill; now therefore he it.

Resolved by the Senate, That this legislative body pay tribute to the achievements and talents of this remarkable entertainer and to welcome Engelbert Humperdinck back to Michigan; and be it further

Resolved, That a copy of this resolution be presented to Engelbert Humperdinck as an enduring testimony to the high esteem in which he is held by the Michigan Senate and the people of this State.

PROVIDING BETTER HEALTH CARE
FOR OUR VETERANS

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. McKINNEY. Mr. Speaker, we have before us today, four bills which are designed to improve the quality and application of health care for our Nation's veterans. While I plan to support each of these proposals, I would like to explain my endorsement of one measure which I feel is particularly worthwhile and long overdue. The bill to which I refer, H.R. 3695, will increase the funds from which State entitlements are drawn for the construction and renovation of nursing home and domiciliary facilities.

As you know, Mr. Speaker, existing law authorizes financial grants by the Veterans' Administration to States for remodeling existing State hospitals and domiciliary facilities and also for constructing new State nursing homes. The VA is currently attempting to operate both programs under an annual authorization of \$10 million. Unfortunately, the present funding level is inadequate to meet the needs of the many States which have expressed an interest and desire to improve this type of care for their veteran populations.

In Connecticut we are presently engaged in a struggle to clear the way for the construction of a badly needed veterans nursing home in Fairfield County. While many of the obstacles that stand in the way of construction are "in-state" matters, there is no doubt that the additional \$10 million contained in this legislation will ultimately improve Connecticut's chances to obtain the proposed facility.

As in most States, the need for nursing and domiciliary care in Connecticut is increasing at a dramatic rate. Thousands of World War II veterans are approaching the age when nursing care is a necessity. In the not-too-distant future, Mr. Speaker, these ranks will be filled by an even larger number of Korean and

Vietnam-era veterans. Therefore, this Congress has an undeniable responsibility to accomodate the needs of these men who have sacrificed in the defense of this Nation.

I am in complete support of this legislation, Mr. Speaker, and will further endorse an additional increase of such funding should the necessity and opportunity arise.

A DEFENDER OF INSTANT PENSIONS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Monday, April 4, 1977

Mr. STARK. Mr. Speaker, for several weeks now, a columnist in the San Francisco Bay Area has been doing a series of articles on the SSI program and the ability of aliens to receive benefits under that program. The issue has turned into a running controversy between the columnist, Guy Wright, and the defenders of the program. Mr. Wright has made a number of statements falsely linking the concept of the program to Phil Burton, and which are almost completely false in content but devastating in their impact. The mail that I and other bay area Members have received on this subject has been hateful and vicious toward the alien population of this country. I feel that Mr. Wright has stirred up prejudices toward immigrants the likes of which have not been seen since the days of the "yellow peril."

I would like to place in the RECORD an article written in response to Mr. Wright by Ralph Santiago Abascal, the deputy director of California Rural Legal Assistance. Mr. Abascal deals with the SSI program on a daily basis from the viewpoint of the recipients, whose voices have been lacking from this debate. I think that Mr. Abascal's article speaks for itself in terms of simplicity and accuracy. and I would hope that Mr. Wright pays attention to these words. The article appeared in the San Francisco Examiner on March 27, 1977:

> A DEFENDER OF INSTANT PENSIONS (By Ralph Santiago Abascal)

Within the past month, Guy Wright has written several columns regarding the eligibility of permanent resident (not illegal) aliens for Supplementary Security Income benefits for the aged, blind, and disabled.

He has, in doing so, assaulted Congress, Phil Burton, aliens and, most importantly, the truth. While the rabble-rousing nature of his attacks cannot now be undone, the public is entitled to know the truth.

First, and most important, is the fact that the policy of providing public assistance to poor aged, blind or disabled permanent resident aliens has been a fundamental part of the public policy of California and the United States for decades.

Wright obviously has just learned of the policy. It reflects how poorly he does his research when he calls it a "precedent shattering" policy.

Secondly, Phil Burton did not introduce the bill creating the SSI program. Wilbur Mills did, and he did it, moreover, at the request of President Nixon.

The alien provision was in the original bill which was drafted by the Nixon Administration; it was further expanded by Sen. Edward Gurney, Rep., Fla., on the floor of the Senate to provide for needy Cuban political refugees.

Indeed, a principal class of aliens who benefit from this provision today are those Vietnamese who fied South Vietnam during the closing weeks of our occupation there and the Filipinos who have recently fled from the Marcos dictatorship.

These Filipinos are part of a nation which sacrificed an untold number of its people defending our territory, the Philippine Islands, during World War II. I hope the memory of their courage, and the blood they shed displaying that courage, will endure longer in the pages of history than the hatred gen-erated by Wright's columns.

The most extreme example of Wright's irresponsibility was in his first column where he said: "Some aliens come here just long enough to sign up and then return home for months."

The clear implication of this statement is that the law permits such action. It doesn't. The statute specifically provides that when any SSI recipient leaves the country for at least one full month, payments are to stop immediately, and they are not resumed until the person has returned for at least 30 days.

Either Wright was unaware of this provision and didn't bother to find out, or he was aware and meant that there are dishonest aliens leaving the country and not telling Social Security

In that case, the fault lies with the bureaucracy, not Congress. Certainly, the dishonest recipient is at fault, but that doesn't mean we should destroy the SSI program any more than we should abolish columnists or newspapers just because some do sloppy research.

Any aged, blind or disabled person, alien or citizen, who receives less than \$296 monthly in Social Security, or any other income, and who is not receiving SSI, has good reason to complain. But the complaint should not be aimed at aliens. They are not denying them SSI benefits.

In nearly all cases, denial of benefits to an applicant whose income is less than \$205 is based upon the fact the applicant has assets in excess of the \$1.500 maximum.

SSI is available only to the poorest aged. blind and disabled people, and being "poor as Congress has defined it means having a low income and very few assets.

SSI is available only to the poorest aged, blind and disabled people, and being "poor' as Congress has defined it means having a low income and very few assets.

Such people should have been told by the bureaucracy that they have the option to spend some of their excess resources, get down to the \$1,500 limit, and then apply

Wright should try to rouse the anger of the citizenry against Congress by explaining how the \$1,500 limit, established in 1971, has had its true value depressed from inflation to less than \$1,000, considering the higher value of 1971 dollars.

Now there's some real inequity.

The last point I want to make hits close to home. Wright said in his first article that "aliens collecting those pensions never paid any taxes.'

My mother and father, as aliens during their first 40 years in this country, paid a lot of taxes. After 40 years, they got up their courage to deal with the English literacy requirement that we impose on all aliens before they can become citizens. They succeeded. Is this what, in Wright's mind, makes them worthy?

We're all-except native Americansaliens. Some of us just arrived sooner than others. In fact, those of you who arrived earlier did so under much more lenient immigrant laws.

The very stringent immigration laws that we have today are a result of successful stoking of the fires of paranoia over yellow (or brown or black) peril just like that which we've seen on these pages over the past few weeks.

Let's have an end to it.

Mr. Wright, if you want to help bring about some really necessary changes in the SSI program, we should get together so you can learn what the government is doing to the people rather than what the people are doing to the government.

SALUTE TO NEWARK'S EAST SIDE HIGH SCHOOL HOCKEY TEAM

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES Monday, April 4, 1977

Mr. RODINO. Mr. Speaker, it is with great pride that I wish to bring to the attention of my distinguished colleagues the outstanding achievements of members of the East Side High School hockey team of Newark, N.J. I wish to insert the following article from the front page of the March 26 edition of the Newark Star Ledger in the Congressional RECORD as I believe it excellently illustrates the accomplishments of these fine young men:

HOCKEY TRIP COMES TRUE FOR STUDENTS (By J. Gregory Clemens)

It was a "dream come true," a dream realized after weeks of hard work raising money, making endless phone calls and appealing for contributions from the public.

But they did it.

Newark's East Side High School ice hockey team left for Europe yesterday to compete against four high school teams in Finland and Sweden.

"We found out we had sufficient funds on Monday, and we were committed to go," said coach Stephen Leonardis, before the teenage athletes departed for the long-awaited flight to the foreign countries.

The coach said the team needed approximately \$20,000 to make the trip, \$11,000 of which was raised through a fund-raising campaign. The remaining portion was supplied by the parents of the athletes.

'I feel it's an experience, and a thrill these players will never have again," Leonardis said. I see it as an academic, cultural and athletic trip. It holds great value in all of these areas."

Speaking in the middle of an array of suitcases, bags and hockey sticks at the team's headquarters in Newark, the team official explained that the 17 ice hockey players will play four of the best high school teams in the respective countries.

"Our first stop will be Helsinki (Finland), where we'll play the number one team there (tomorrow) and Monday we'll play the eighth-ranked team," he said.

An overnight cruise from Helsinki will take the hockey players to Stockholm, Sweden, where they'll compete Wednesday and Thursday against the third- and 14th-ranked teams there, he added.

"I think we'll be competition for those teams and hold our own. We should come back with a split at least. And I'm sure we'll win one out of the two games in Fin-land," said the coach.

He characterized his squad as "one that is above-average, has good skating, lots of scoring power and, most of all, a lot of pride."

The East Side hockey team was invited to play abroad by the Finnish and Swedish high schools, and Finnair Airlines, an international competition sponsor, after the squad finished its season with a 15-6 record.

Center Luke Bearfield, 17, who was named this year's most valuable player in Division B, of the New Jersey Scholastic Hockey League, said, "We expect to come out pretty even. I hope to learn a great deal about how they play and vice versa.

Our attitude and desire for the game will

help us win," he added.

Senior team member Sal Bidot, 17, said, This is a once-in-a-lifetime chance. I think it'll be a heck of an experience."

Sophomore and left wing Bobby Kurdes, 15, agreed. "I'm really excited about the trip. and I hope we win the games. The other (European) teams will be pretty good. Hockey over there is like football over here."

Upon their return to New Jersey on April 2, the team will be the guests of a welcome home party in their honor by East Ward Councilman Henry Martinez.

Mr. Speaker, I would like to highly commend the East Side High School hockey team and wish them great success in their overseas tournaments.

HAL W. SHEAN RETIREMENT DINNER.

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. PATTERSON of California. Mr. Speaker, the California Conference of Machinists will honor grand lodge representative, Hal W. Shean, on Friday, April 15, 1977, in Sacramento, Calif. Mr. Shean, a 37-year member of the IAM and AW will be retiring in August of this year, and I would like to take this opportunity to commend his service to the IAM and AW and to bring some of his accomplishments to the attention of my colleagues.

His many friends who will be honoring him at his retirement dinner recognize not only the contribution that Hal has made to the California Conference of Machinists but also his national leadership on behalf of his fellow union members. Hal Shean is presently a member of the Labor Committee of the National Safety Conference, and has served as the chairman of the National Council of Aircraft Unions. He is currently assigned as the international representative in charge of safety legislation, health-apprenticeship, and new tech-nology programs in California, Arizona, New Mexico, Nevada, and Hawaii.

Before becoming grand lodge representative, Hal served as president of lodge 727-I in Burbank and was educational director for the southwest territory. He was the national contract coordinator for General Dynamics, Douglas, Lockheed Aircraft, and others and served as chairman of the Aerospace and Electronics Committee of the California Conference of Machinists. Hal and his lovely wife Madeline have three sons, Fred, Bill, and Chris, and five grand-

I invite my distinguished colleagues to join me in congratulating Hal W. Shean on his admirable and productive career. and to wish him success in his retirement activities. His work and dedication have left their impact on the California Conference of Machinists and his contributions to the labor movement will be long remembered.

IS THERE A SAFE ALTERNATIVE TO SACCHARIN?

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. WHITEHURST. Mr. Speaker, within the past few days two particularly interesting articles on the saccharin question have appeared in national publications. The first, entitled "Hunting a Safe Sweetener," comes from the April 4. 1977, issue of Newsweek, and the second, describing the "Incredible Replacement for Saccharin," was in the April 5 edition of the National Enquirer.

I have asked the FDA for a full report on this information, especially with regard to the grapefruit-peel extract, since the whole problem of finding a sugar substitute can be solved if this substance is indeed proven to be completely safe. Pending FDA action on this, I hope that the House will continue to consider legislation to permit the FDA to use a modicum of common sense in applying the Delaney amendment, by giving that agency the kind of leeway that my bill, H.R. 4994, provides.

I am pleased to share these two articles with my colleagues:

HUNTING A SAFE SWEETENER

Few government actions have soured the American people quite as much as the decision to ban saccharin. Congress has been deluged with mail. The Food and Drug Administration, which imposed the ban, has received more phone calls than on any other issue in its history. Amid the bitter reaction, scientists have stepped up research on a new sugar substitute.

Last week, the tangled issue was tossed in the lap of Congress. Testifying before a House subcommittee, manufacturers, legislators and physicians wrangled over the true significance of the Canadian studies responsible for the ban. Fed huge amounts of saccharina standard procedure for such experimentsthirteen out of 200 rats developed bladder cancer. Under the 1958 Delaney clause, no substance known to induce cancer in man or animals can be used as a food additive. The ban takes effect in about three months' time.

Chunky Rep. Barbara Mikulski, a Maryland Democrat who claimed to have lost 47 pounds on a diet supplemented by lowcalorie sodas, ridiculed the huge dose of sac-charin given to the rats—equivalent to human consumption of 800 cans of diet soda per day for a lifetime. "People would die of gas before they would die of cancer," she gibed. One manufacturer of an artificial sweetener called the ban "ludicrous." According to Robert Kellen, a lobbyist for diet prod-ucts, the ban would leave 10 million diabetics without a sugar-free sweetener.

Diabetics aren't the only patients who use saccharin. C. Joseph Stetler of the Pharma-ceutical Manufacturers Association pointed out that 619 separate medications, ranging from antibiotics to antacids, now contain the sweetener. And some, he said, could not be

reformulated with sugar since it serves as a natural incubator for bacteria.

OTTESTIONS

Perhaps the most objective testimony came from a panel of five physicians. They doubted neither the validity of the Canadian experi-ments nor the FDA's contention that their results could be projected into four cases of bladder cancer among every 10,000 Americans who drink just one 12-ounce can of diet soda per day. But they did question whether the risks of the sweetener really outweigh its medical benefits. "The potential of dying from obesity and its complications is as serious as the potential of dying from bladder cancer that may be caused by the use of saccharin," said Dr. Kurt J. Isselbacher of the Harvard Medical School. "Actually, cancer of the bladder is one of the more treat-able kinds of cancer."

The doctors' prescriptions for dealing with saccharin ranged from restricting its sale to diabetics and overweight patients to allowing it on the open market with a warning label, like that on cigarette packages. The physicians also proposed that a federally funded panel of experts analyze all data on saccharin's safety. The testimony did little to remove the confusion surrounding the subject. And with no more hearings scheduled, it was unlikely that Congress would resolve the controversy before the ban takes

effect this summer.

SEARCHES

One compelling reason why Congress eventually might make the ban less than absolute is the fact that new sweeteners are hard to find. Most sugar substitutes, including saccharin, have been discovered by accident, because experts know too little about the mechanism of taste. "The chemical struc-tures of all known sweetening agents are so diverse that it's almost impossible to predict that a chemical structure is going to produce sweetness," says Edward M. Acton, chemist at Stanford Research Institute. Acton himself has worked on SRI oxime V,

which is synthesized from petrochemicals and is 450 times as sweet as sugar. But testing and development of the clean-tasting, no-calorie compound could take up to ten years. Scientists at the Dynapol Co. in Palo Alto, Calif., are looking even further into the future. They hope to develop nonabsorbable sweeteners that pass completely unaltered through the body, leaving behind nothing more than a sweet message on the

tongue.

Some new sugar substitutes have already undergone intermittent public taste testing. Five years ago, the Miralin Co. introduced a derivative of a West African berry that, when consumed before a meal, gave sour foods a sweet taste. But the FDA, rejecting the company's plea that it was not strictly a food additive, forced the Miralin compound off the market. Abbott Laboratories is now running a high-pressure campaign for the reinstatement of cyclamates, which were banned in 1969. Abbott's argument: the cyclamates that produced cancers in laboratory rats were tainted with saccharin. Yet another product is xylitol. Extracted from birch trees, it is sold in some European countries as a sweetener for diabetics. Its appeal is limited, however, because it contains just as many calories as natural sugar.

Even the two most promising alternatives

to saccharin are more than a year from commercial production, largely because of the work involved in confirming their absolute safety. One of these, aspartame, is a compound of two substances found naturally in many foods; it tastes exactly like sugar, is 180 times sweeter and leaves no aftertaste. The other compound, known as Neo-DHC, is, ironically, derived from naringin, the main bitter component of citrus-fruit rinds. Neo-DHC can be produced most easily from grapefruit and Seville oranges.

RESOLUTION

Aspartame was actually cleared for marketing in 1974, but was withdrawn when a scientist objected that the compound could produce brain lesions. Moreover, questions were raised about the accuracy of the testing procedures used by G. D. Searle & Co., which developed aspartame. Those problems now seem likely to be resolved-but not for at least eighteen months. Animal studies suggest that Neo-DHC, which was developed by Robert Horowitz and Bruno Gentili of the Department of Agriculture, is extraordinarily safe. Two companies are preparing to petition for its use in toothpaste, mouthwash and chewing gum. Its major disadvantage is a strong aftertaste, which makes it hard to use in diet drinks.

One major reason saccharin can't be re-placed sooner is simply commercial. It costs millions of dollars to develop a new product, and the relative safety of the substitute is not established until the final testing phase. It's an expensive—and long-term—investment gamble. Thus, unless Congress unexpectedly agrees to alter the Delaney clause, dieters and diabetics are likely to face a prolonged period of life without sweetness.

LEADING GOVT. RESEARCHERS AND INDUSTRY EXPERTS REVEAL INCREDIBLE REPLACEMENT FOR SACCHARIN IS READY—It's 1,000 TIMES SWEETER THAN SUGAR AND COMPLETELY CAL-

(By Maury M. Breecher and Ron Caylor)

An amazing sweetener-one thousand times sweeter than sugar yet totally free of calories—has passed rigid government tests and could soon replace the controversial saccharin.

Top researchers and industry experts have revealed to the Enquirer that this sugar substitute could reach the market as early as this summer when the Food and Drug Administration plans to begin its ban on saccharin—an action that will affect millions of diabetics and consumers of diet food, low calorie soft drinks, and certain brands of gum.

"This new sweetener is the answer to the ban on saccharin," declared Dr. Arthur Morgan, director of the U.S. Department of Agriculture's Western Regional Research Center which has been testing the sugar substitute. "It could be used in all foods, drinks and other products which today are sweetened

by saccharin."

The USDA has "encouraged and supported research into this sweetener because it is a very promising substance," said Dr. Michael Pallansch, assistant administrator of the USDA's Agricultural Research Service in Washington, D.C.

"It's sweet and non-caloric and has been shown to be safe in animal tests. Its sweet-ening agent lingers in the mouth, making it ideal for products like diet drinks and sugar-

free chewing gum."

Added FDA biochemist Dr. Jacqueline Verrett: "This could be an ideal alternative to saccharin. I know of nothing that has no calories and is as sweet as this. The quickest it could possibly receive FDA approval and be on the market is three months."

The incredible sweetener, known as neohesperidin dihydrochalcone, ironically, is derived from a bitter compound in grapefruit peels. The bitter compound, naringin, is then chemically modified until it becomes an incredibly sweet white powder.

Dr. Robert Horowitz, a research chemist, at the USDA's Fruit and Vegetable Chemistry Laboratory, discovered the sweetener in 1961. "But in those years there was no great urgency for a new sugar substitute," he said.

There is nothing bitter in its taste. As far as we know, it doesn't cause cancer, it's a naturally derived substance and it is noncaloric. And it's 1,000 times sweeter than sugar." Dr. Arthur Morgan said all experiments precisely followed the guidelines laid down by the FDA.

"We used the substance on animals for more than seven years and there was never any hint of cancer or any other disease as a result of their consumption of the sweetener. Nor was there any evidence of a sweetener-related disease in their offspring."

The research, funded by the USDA, has been completed and the results have been sent to the FDA, said Dr. Morgan. "I see no reason why the FDA should not approve this substance for use by the public as an alternate to saccharin." Many manufacturers of diet soft drinks are banking on FDA approval to switch from saccharin to the new substance.

"My company is very interested in this grapefruit peel extract—it's a wonderful thing," said David Kirsch, president of No-Cal Corp., makers of 17 flavors of sugar-free drinks under the No-Cal label. "We're very interested in placing orders with manufac-turers of this sweetener. All we are waiting for is FDA approval."

Said J. Robert Bedell, director of marketing for Canada Dry Corp.: "The grapefruit extract is a definite possibility for Canada Dry. Each soft drink firm is testing it to see how

it works with their product."

Industry sources told The Enquirer that among those companies that have tested it are the makers of Sugar Free 7-Up, Tab, Diet Fresca, Sugar Free Mr. Pibb and Sugar Free Sprite.

The New Jersey-based Research Organic/ Inorganic Chemicals Corp. has been manufacturing the sweetener for experimental purposes under the trade name Sukor for seven years said Dr. Paul Pratter, the firm's technical director.

"It has been sold to hundreds of food and beverage producers for testing in their products," he said. "But until the FDA gives permission, these companies can't sell the products containing the new substance to the general public.

"It is so sweet that one teaspoon is equal

to 70 pounds of cane sugar."

The firm says it has petitioned the FDA to allow the sweetener on the market. Richard Ronk, director of the Division of Food and Color Additives at the FDA, told The Enquirer a meeting has been arranged between the FDA and the firm for April 5 to discuss research data and possible applications for the sweetener

"We are ready to go commercial," said the firm's president, Marianne Pratter. "We are in contact with Coca-Cole, 7 UP, Canada Dry and other companies. It can be used in soft drinks and in any other item that now uses saccharin."

If the saccharin ban goes through and the grapefruit peel-derived sweetener is not approved, the one-calorie diet drink will approved, the one-calorie diet drink will vanish from the grocery shelves, warn industry experts.

"Diet Pepsi and similar drinks will be a thing of the past," said Paul Rogers, president of Amurol Products, Co., producers of sugar-free and low calorie foods.

Instead of one-calorie drinks, people will be consuming low calorie drinks that will contain about 70 calories as opposed to 140 calories for a normal cola drink." (In order to qualify as a low calorie drink it must have 50 percent or less calories than its sugared counterpart.)

"The ban will affect at least 21 million Americans who buy saccharin-sweetened drinks," said Bob Lederer, managing editor of Beverage World. "A percentage are diabetics but the majority are weight watchers."

According to the American Diabetes Assn., the removal of saccharin could seriously affect many of the 10 million diabetics who are unable to do without a sugar substitute.

IF FDA CARRIES OUT ITS BAN: THESE PRODUCTS WILL NO LONGER BE ABLE TO CONTAIN SACCHARIN

Saccharin is found in a wide array of products from diet soft drinks to chewing gum. Among the products that will no longer to be able to contain the artificial sweetener if the FDA carries out its ban are:

DRINKS

Diet Pepsi. Sugar Free Dr. Pepper. TAB. Low Sugar Hawaiian Punch. Canada Dry Sugar Free Ginger Ale. Diet Rite Ginger Ale. Diet Rite Cola. Sugar Free Sprite. Sugar Free Mr. PiBB. No-Cal beverages. Gatorade. Schweppes Diet beverages. Sugar Free 7 UP. Sugar Free Diet Vernor's One Calories beverage.

Low Calorie Welchade Grape Drink. Welch's Sugar Free Sparkling Grape Soda. Lipton Iced Tea Mix, low calorie. Tetley Sugar-Free Iced Tea. Nestea Low Calories ice tea mix.

Alba 66 hot cocoa mix. Alba 77 Fit 'N Frosty low fat drink mix. Knox Grapefruit Drinking Gelatine.

SWEETENERS

Necta Sweet. Pearson Sakrin. Sweet 10* no-calorie. Sucaryl. Sugar Twin sugar replacement. Sweeta. Sweet 'n Low. Superose dietetic. Sweet Thing. Crystallose. Saccharin.

DESSERTS

Smucker's Artifically Sweetened Strawberry Jam.

Smucker's Artificially Sweetened Grape Jelly.

Diet Delight jams and jellies.

Dia-mel Diet Control Brand jellies, jams, preserves and marmalade.

Tasti-Diet Pancake and Waffle Topping. D-Zerta low calorie gelatin.

D-Zerta low calorie pudding and pie filling. D-Zerta low calorie whipped topping. Featherweight Gelatin Desserts and Pud-

GUM, COOKIES

CareFree sugarless gum. Blammo Bubble gum. Trident Sugarless Gum. Amurol Sugarless Gum. Amurol Sugarless Mints. Amurol Dietetic Wafer Bars. Harvey's sugarless gum.

O'BRIEN'S COMMONSENSE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Monday, April 4, 1977

Mr. MICHEL. Mr. Speaker, all of the controversy surrounding the proposed ban on the artificial sweetener, saccharin, has brought about a new awareness of the fact that regulatory agencies frequently sing sour notes when regulating our daily lives because they are basing their actions on the directives they receive from Congress. One of my colleagues from Illinois, Mr. O'BRIEN, along with others in this Chamber has focused new attention on this phenomenon. In Mr. O'BRIEN's district, the Kankakee Daily Journal brought the wisdom of this thinking to the attention of the public in a March 24, 1977, editorial comment entitled "O'Brien's Common Sense." At this point I would like to insert this commentary in the RECORD:

O'BRIEN'S COMMON SENSE

Rather than emulate his less sensible colleagues by mounting a nonsensical attack on the Food and Drug Administration for its proposed ban on the artificial sweetener, saccharin, U.S. Rep. George O'Brien, R-Joliet, has recognized the source of the problem--and based legislation on that fact.

In 1958, Congress approved the so-called Delaney Amendment, which mandates that the FDA ban any food additive found to cause cancer in either humans or animals. The FDA is given no options.

Tests in Canada produced evidence that saccharin causes bladder cancer in rats, hence the FDA action to ban the substance. But the human equivalent of the dosage given the rats in the Canadian tests would require the consumption of \$73,000 in diet soda a year over a 40-year period, after -as a whimsical O'Brien put it to The Journal-"8.5 times in 100, you would get a cancer on your bladder, if your bladder resembles that of a Canadian rat.

O'Brien wants to modify the Delaney Amendment, which has its good points, to give the FDA the missing latitude it needs to set reasonable standards for additives, rather than being forced to require zero tolerance.

LEGISLATIVE LEADERSHIP VERSUS COMMON CAUSE

HON. ROBERT L. F. SIKES

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES Monday, April 4, 1977

Mr. SIKES. Mr. Speaker, "Washington Report," the column by Lawrence Francis, contains this interesting comment subheading "COMMON under the CAUSE." I submit it for reprinting in the RECORD. The contents are not news to most of the Congress, but it confirms common suspicions about the policies of this organization.

COMMON CAUSE

Headed by John Gardner, a self-styled reformer who held high office under President Lyndon Johnson. Common Cause is a national organization with state and local units. It is one of the more effective grass-roots lobbies because of its articulate, active and committed membership. The group has been in the forefront of those working on behalf of reform in government. Some of its early efforts were laudable.

Though still stating the same lofty goals and high principles, some of the current objectives of Common Cause have become very controversial. Reform, it seems, is like beauty, being in the eye of the beholder and not necessarily universally agreed upon.

The so-called reforms currently advocated by Common Cause can profoundly affect the ability of other legitimate interests to fairly take part in the governmental processes. The highly perceptive strategists and lobbyists within Common Cause and a few other organizations seek to make profound changes in the rules of the legislative and political game-changes at the expense of other legitimate interests also having the right to be heard.

The reformers have sought to capitalize on the considerable hostility and distrust of government generated during the Vietnam and Watergate eras. Most of us want government to be more open and responsive. One of the favorite tactics used by these groups, however, is public attacks on their opposition. Those who may honestly disagree with Common Cause are branded as anti-democratic, against good government, reactionary or trying to cover up.

Our later examination of the federal lobby reform measures advocated by Common Cause should send shivers down the spines of all Americans, especially gun owners and

Mr. Francis' column was printed in the April issue of Guns & Ammo.

HOLY FAMILY COLLEGE, PHILADEL-PHIA, PA., TO DEDICATE NEW NURSING EDUCATION BUILDING APRIL 15, 1977

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. EILBERG. Mr. Speaker, on April 15, 1977, His Eminence John Cardinal Krol of Philadelphia will dedicate the new nursing education building at Holy Family College in the Torresdale section of Philadelphia.

In connection with this event, the Northeast Philadelphia Chamber of Commerce published an excellent article on this new facility in the March issue of the Northeast Business Monthly. I am pleased to join in paying tribute to those who made this new structure possible, and I would like to insert into the Con-GRESSIONAL RECORD at this point the full text of the article:

HOLY FAMILY COLLEGE, PHILADELPHIA, PA.,
TO DEDICATE NEW NURSING EDUCATION BUILDING APRIL 15, 1977

At one time it was possible to stand at what today is Frankford and Grant Avenues and see the broad Delaware River flowing by on its way to the sea. You would be standing on the top of a gentle slope and not only would you see the river but you could watch river traffic as well.

Shortly, students at Holy Family College who are participating in a degree program in nursing will be able to recapture this view of the river from the top floor of the new Nursing Education Building which is nearing completion at the corner of Grant and Frankford Avenues in the Torresdale section of Philadelphia. His Eminence John Cardinal Krol, Archbishop of Philadelphia, will dedicate this new facility on Friday, April 15,

Groundbreaking for this structure occur-red on November 21, 1975. Harmonizing with the pleasantly landscaped campus, the building has been oriented to the interior of the grounds. At the same time this four-story structure with an area of 29,312 square feet presents its modern brick wall to Frankford Avenue, blending with the College's front

The completion of building represents an important stage in the development of the Nursing Education Program that began in 1971. Following ever-increasing evidence both of student and public interest in the growing need for qualified personnel in health care occupations, a program in nursing was developed. The State Board of Nurse Examiners authorized Holy Family College to admit students into the program in September 1971. Full approval was given by the Pennsylvania Board of Nurse Examiners in July of 1974. The first graduates received their degrees in May 1973. The National League for Nursing granted full accreditation status to the baccalaureate degree program at Holy Family College in December

NURSING IS APPLICANTS' CHOICE

Since its introduction the nursing program has generated considerable interest in the community at large. Nursing is now selected by more applicants to the College than any other field. Doubtless the availability of late afternoon, evening and summer sessions has been an important factor. Registered Nurses find the time convenient to continue their education.

COLLEGE FOUNDED IN 1954

Now in its twenty-third year of operation, Holy Family College is an independent, fully accredited liberal arts college, founded in 1954 by Sisters of the Holy Family of Nazareth. The College is dedicated to preserving the historical character and traditions of the Catholic liberal arts college. This entails the development of graduates enriched by a sound cross-disciplinary foundation, having a major strength in one academic area and an abiding awareness of the spiritual dimensions of their existence.

Or, to put this in another focus, Sister Mary Lillian, CSFN, President of Holy Family College, observed: "Students in this program are able to draw upon professional theories and practices which are based upon Christian principles and enriched by the liberal Sister Lillian went on to say, "Our institutional philosophy has always been 'family-centered' and the preparation of the competent and compassionate nurse practitioner is but a further development of this philosophy. In our view, the program responds to a basic need of the human family."

DEGREES IN OTHER AREAS

In addition to a B.S.N. in Nursing the College awards B.A. and B.S. Degrees. Areas of concentration are: art, biology, business administration, chemistry, child care, economics, elementary education, English, French, history-social studies, mathematics, medical technology, nursing, psychology, sociology and Spanish. Special programs are available in: early childhood education, librarianship, secondary education, special education, teacher certification and premedical and pre-legal studies.

With a student body numbering about 1,000 and a student-faculty ratio of 12 to 1, the College offers a unique educational opportunity at a location of great convenience

to many.

ONLY 4-YEAR CO-ED COLLEGE IN N.E.

Being the only four-year, co-educational college in the northeast section of Philadelphia, the enrollment is derived chiefly from the expanding communities of the Delaware Valley. This same area has an exceptional number of laboratories, hospitals and other health care facilities with a continuing need

for the qualified professional.

Students enrolled in the nursing program, conspicuous by their nursing hats and green and white uniforms, as part of the academic sequence receive their clinical experiences from a number of community agencies. Major agencies currently providing this experience include: Nazareth, Jeanes, Parkview, Holy Redeemer and Friends Hospitals, Holy Redeemer Visiting Nurse Agency, Blessed John Neumann Nursing Home, Eastern State School and Hospital, Shriners Hospital for Crippled Children, and Philadelphia State Hospital.

In every instance, the host agencies have commended the college's nursing candidates for the quality of their technical preparation as well as their personal enthusiasm.

Mrs. Alice Phillips, Chairperson of the Department of Nursing, states: "The faculty and students of the Department of Nursing seem to generate an aura of purposeful accomplishment and professionalism which is immediately apparent. It is an essence that impresses their peer groups on campus as the community agencies with which they interact."

\$2,000,000 BUILDING

The new nursing building is neither elaborate nor extravagant. The total construction cost is approximately \$2,000,000. A Federal Grant of \$1,182,610 received from the Department of Health, Education, and Welfare leaves the College with a financial responsibility of almost a million dollars. For a nonprofit institution, this is a major responsibility. A community that takes pride in Holy Family College will want to share in

helping underwrite the balance. The Trustees of Holy Family College are dedicated to raising the necessary funds and confident that their decision to construct the new building is sound. The growth of the nursing program is greater than ever anticipated. Yet, to date, classes for students in virtually all programs have been held in a single academic building, Holy Family Hall. The need for additional office, classroom and

laboratory space is critical.

EDUCATIONAL CENTER FOR COMMUNITY

While Holy Family is a church-related institution it benefits the entire community. It educates not only nurses qualified by their Bachelor of Nursing Degree to act in a supervisory capacity in a nursing situation, but to assist the physician by performing para-

medical procedures.

The College is a center of continuing education for adults seeking their first college degree and adults returning to the classroom for additional professional education. The College also has a well-developed evening program which attracts housewives and secretaries and others in the general commuis, in short, an educational center for Northeast Philadelphia and surrounding suburbs. It has earned the support it has from Philadelphians, both Catholic and non-Catholic alike.

CHAMBER BOARD MEMBERS SERVE COLLEGE

Several members of the Board of the Northeast Philadelphia Chamber of Commerce serve on the Board of Advisers of Holy Family College. Francis S. Gregory, member of the Chamber Board, is a member of the Board of Trustees of the College. Robert J. McNuity, Sr., former President and Chairman of the Board of the N.E. Chamber, is Chairman of the College's Board of Advisers. Among the Directors of the Chamber serving on Holy Family's Board of Advisers are: Anthony Mazur and Raymond E. Mullen, Jr. Former member of the Chamber Board Salvatore S. Calderaro, President of Kingsbury, Inc., also serves as a Board Member of Holy Family College Advisers.

MR. VLADIMIR J. SZAREK

HON, HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES Monday, April 4, 1977

Mr. HARRIS. Mr. Speaker, it was with deep regret that I learned of the recent death of Mr. Vladimir J. Szarek, a distinguished public servant. A naval aviator during World War II and a resident of Springfield, Va., Mr. Szarek began his public service career in 1952 as a member of the staff of the Counsel to the Comptroller of the Navy. In 1973, he was appointed Counsel to the Comptroller of the Navy and was serving in that position at the time of his death. Over the years, his selfless dedication to the Navy earned him the respect and admiration of all of those who came across his path. His superior performance and the high standards of professional excellence which he set reflect credit not only on himself and the Department of the Navy. but they also serve as a beacon to those who have chosen Government service as

At a time when we are striving to revive public confidence in our Government institutions and renew the desire of our citizens to enter the public service. I think it appropriate to pay public tribute to his accomplishments, in the trust that they will set an example for those who follow in his footsteps. The following summary of Mr. Szarek's accomplishments has been extracted from the documentation accompanying the Navy's Distinguished Civilian Service Award which was presented to him in January of this year:

Mr. Szarek served in the Office of Counsel to the Comptroller since 1952 and was appointed Counsel to the Comptroller in the Navy in October 1973 in recognition of his exceptional capabilities and distinguished service to the Department of the Navy. In this position, he expertly and diligently applied his extensive professional knowledge to provide superior and invaluable judgments on complex accounting, budgeting and fiscal matters. The professionalism which Mr. Szarek displayed provided executive leadership, and a profound influence on operational and special interest programs of the Navy Secretariat, the Chief of Naval Operations and the Commandant of the Marine Corps. He earned the highest respect of top officials, his colleagues and subordinates.

As Counsel to the Comptroller of the Navy, the demands of the position go beyond the interpretation of laws and regulations. Frequently, Mr. Szarek was called upon to provide counsel covering the gamut of organizational structures, contractual matters as well as legislative and executive department relationships. He was extraordinarily successful in providing the perceptive legal and managerial guidance that assisted Department of the Navy top management in addressing the highly intricate and crucial problems which have confronted the Department on a nearly continual basis. His analytical approach and concise logic resulted in many effective solutions. Without reservation, Mr. Szarek's sage guidance undoubtedly proscribed possible management problems across many spectrums and assisted in the avoidance of fiscal pitfalls.

Mr. Szarek was directly involved in the development of voluminous amounts of legal material in support of the Department the Navy budgets before the Congress. He personally appeared before Congress to insure the Navy's position was succinct and legally precise. In addition to the foregoing, Mr. Szarek was frequently called upon within the Navy to actively participate in solutions to prevailing contractual problems. His general perspicacity on fiscal matters transcended all boundaries of accounting, auditing or budgeting. His depth of knowledge proved most valuable through the years when difficult situations were encountered. During these especially demanding and austere times, his insight and counsel were

instrumental in providing a solid structure for the Department of the Navy Budget re-

Oftentimes, determinations on uses of appropriated funds affect agencies and governments other than the U.S. Navy. Mr. Szarek consistently displayed the ability to balance the qualities of diplomacy and forthrightness in dealing with representatives of other agencies and governments in a manner which consistently and tactfully upheld the best interests of the Department of the Navy and the U.S. Government. A recent example of such qualities arose with respect to the clearing of the Suez Canal. By his diligent and astute efforts, Mr. Szarek assured that in this complex operation, Navy funding was in concert with the directives and regulations, and intent of the Congress.

As the Navy's legal expert in contract financing, Mr. Szarek brought his energy and talents to the myriad of financial problems facing the Navy. He furnished legal, financing and accounting advice at all levels in contract financing matters which are of continuing concern to the Navy and the Congress. Additionally, his outstanding skills in this area have been recognized by many Government organizations. Agencies outside DOD frequently request legal advice; for example, the Justice Department recently requested that Mr. Szarek present the closing arguments on behalf of the United States after a lengthy bankruptcy hearing; the case, in significant part, turned on the question of title to inventory under a Government contract. The Government prevailed, due in large part to Mr. Szarek's astute efforts.

Mr. Szarek's authoritative knowledge of all aspects of financial management, comptrollership, and fiscal law have been recognized by various professional associations and universities seeking lecturers. He has been appointed honorary faculty member of the U.S. Army Logistic Management Center,

Fort Lee, Virginia.

Through crisis situations and extra work, and in spite of multitudinous demands, Mr. Szarek remained devoted to his responsibilities and focused his energies on contributing to Navy fiscal objectives. His superior performance, outstanding judgment, absolute integrity and pervasive professionalism are unexcelled and have had a profound impact on improving financial management within the Department of the Navy. Mr. Szarek's peerless performance has brought great credit upon himself, the Department of the Navy and on the Government Service.

THE NEED FOR FULL FUSION POWER FUNDING

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. RINALDO. Mr. Speaker, on March 30 I urged Mr. FLOWERS, chairman of the Subcommittee on Nuclear and Fossil Fuels of the Committee on Science and Technology, to support an increase in the fiscal 1978 authorization for fusion power research. In my letter to Mr. Flowers, I was joined by 18 other Members of Congress.

A similar letter, cosigned by myself and 10 other Members of Congress, has been sent by Mr. PURSELL to Mr. GIAIMO, chairman of the Committee on the Budget. The text of this letter will appear in the April 5 RECORD.

Mr. Speaker, these two letters are a

response to President Carter's cut of \$80 million in the fiscal 1978 budget for fusion power research. This budget cut. which represents a reduction of nearly 25 percent in fusion power funding, could not have come at a more inappropriate

Scientists at Los Alamos have recently succeeded in triggering a controlled fusion reaction through the use of a carbon dioxide laser; several physicists have now reported that this research breakthrough could lead to commercial fusion power at a date 10 to 20 years ahead of earlier estimates. However, the President's budget cut will make it difficult to build upon the recent research breakthrough, since the cut will mean the cancellation of several pilot fusion power plants-some of which are already under construction.

It now appears quite likely that the full House will be grappling with the issue of fusion power funding in the near future. Indeed, the issue may come before the House next month during the course of deliberations on the fiscal 1978 budget resolution.

Accordingly, for the benefit of my colleagues, I am inserting the text of my letter to Mr. FLOWERS:

> HOUSE OF REPRESENTATIVES, Washington, D.C., March 30, 1977.

Hon. WALTER FLOWERS, Chairman, Subcommittee on Nuclear and Fossil Fuels, Committee on Science and Technology, Rayburn House Office Build-

ing, House of Representatives, Washing-

D.C.

DEAR MR. CHAIRMAN: As Chairman of the Subcommittee having jurisdiction over Federal authorizations for fusion power research. you play a special role in determining the thrust and pace of fusion power develop-ment. We therefore urge you to support an increase in fusion power funding levels over the amount that the President has recommended

If President Carter's budget recommendations are allowed to stand, fusion power research funding will fall \$80 million below the level recommended by President Ford. This would be a cut in funding of nearly 25%

Furthermore, the \$80 million cut-\$60 million from magnetic fusion programs, \$20 million from laser fusion programs—is focused upon construction expenditures. The practical impact will be a serious delay in the development of pilot fusion power plants, some of which are already under construc-

Ironically, this massive budget cut has been recommended at a time when the prospects for fusion power have never been more promising. For the first time, scientists at Los Alamos have initiated a controlled fusion reaction through the use of a comparatively inexpensive carbon dioxide laser.

According to the Washington Post, "A laboratory spokesman called the achievement a breakthrough in fusion reaction that could cut 10 to 20 years from the time needed to develop a fusion reactor." According to the San Diego Evening Tribune, "Dr. Peter L. Auer of Cornell University told an American Association for the Advancement of Science audience that recent advances indicate a practical demonstration of fusion power could come within about five years. Dr. Edward A. Frieman, associate director of Princeton University's Plasma Physics Laboratory,

Now is the time to maintain a strong Federal commitment to fusion power de velopment. It is not the time to reduce that commitment.

We urge you to bear in mind the tremendous benefits of fusion power if this energy source can be tamed.

First, the energy yield from fusion power plants could put all other centralized power sources to shame; according to one estimate, a single large fusion power plant could generate electricity for the entire Atlantic Seaboard.

Second, the fuel utilized by fusion power plants would be abundant: deuterium, a form of hydrogen derived from common sea-

Third, the commercial advantages accruing to the first nation to develop fusion power plants could be ernomous.

Fourth, fusion power plants would generate no radioactive wastes and would therefore represent an immense improvement over nuclear power plants from an environmental standpoint.

In light of the many considerations that we have mentioned, we hope that you will strongly support an upward revision of the President's recommendations for fusion power resaerch authorizations.

Cordially,

Matthew J. Rinaldo, Clair W. Burgener, Edward J. Derwinski, Robert E. Badham, Dan Daniel, John J. Duncan, David F. Emery, Floyd J. Fithian, Norman F. Lent, Edward J. Patten, Claude Pepper, Peter W. Rodino, Jr., Bob Traxler, Millicent Fenwick, Thomas N. Kindness, Paul N. McCloskey, Jr., Edward W. Pattison, Carl D. Pursell, and Frank Thompson, Jr., Members of Congress.

A CHILD'S GARDEN OF PERVERSITY

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Monday, April 4, 1977

Mr. DORNAN. Mr. Speaker, an article appeared in today's Time magazine which relates the spread of the most vicious and sordid of all pornography: that which abuses children.

The article related the content of several of the most disgusting products of the "child-porn" industry. The films which are being made and sold are shocking. One 8-mm film depicts a 10-year-old girl and her 8-year-old brother in intercourse. Another shows a bike gang breaking into a church during a First Communion service and raping six little girls. Other examples are equally repulsive.

But as the article points out, efforts are being made by legislators in several States and in Congress to ban the sexually explicit pictures of children, whether or not they are legally obscene. The fine legislation introduced by my colleagues from New York and Michigan, Congressmen Murphy and Kildee, was singled out as a good example of the various efforts that are being made here on Capitol Hill to end this odious prac-

In the other body, the legislation introduced by Senator William V. Roth should also be noted by the House.

So that those of my colleagues who have not yet read this article may be made aware of the extent of this type of pornography, I ask that the Time article be included at this point:

CHILD'S GARDEN OF PERVERSITY

Lollitots magazine is one of the milder examples. It features preteen girls showing off their genitals in the gynecological style popularized by Penthouse and Playboy. Other periodicals, with names such as Naughty Horny Imps, Children-Love and Child Discipline, portray moppets in sex acts with adults or other kids. The films are even raunchier. An 8-mm movie shows a ten-yearold girl and her eight-year-old brother in fellatio and intercourse. In another film, members of a bike gang break into a church during a First Communion service and rape six little girls.

These and a host of other equally shocking products are becoming increasingly common fare at porn shops and sex-oriented mailorder houses across the nation. They are part of the newest growth area pushed by the booming billion-dollar pornography indus-

try: child porn.
"I just found out about these magazines and films this summer, and I've become a raving banshee over it," says Dr. Judianne Densen-Gerber, a Manhattan psychiatrist who has been barnstorming around the country in a crusade against this abuse of minors. Her effort is only one part of a new campaign against child porn. New York City has cracked down, and police have at least temporarily forced kiddy-sex periodicals and films out of the tawdry Times Square area. Some twenty states are considering childporn laws. Last week the Illinois house of representatives approved a bill setting stiff penalties for producing and selling child porn. The bill is expected to pass the senate and become state law.

Child porn is hardly new, but according to police in Los Angeles, New York and Chicago, sales began to surge a year or two ago and are still climbing. Years ago much child pornography was fake—young-looking women dressed as Lolitas. Now the use of real children is startlingly common. Cook County State's Attorney Bernard Carey says porno pictures of children as young as five and six are now generally available throughout Chicago. Adds Richard Kopeikin, a state's at-torney investigator: "They are even spreading to the suburbs, where they are now considered rare items, delicacies."

Among recent developments:

Underground sex magazines are heavily stressing incest and pedophilia. One current West Coast periodical ran ten pages of photos. cartoons and articles on sex with children.

In San Francisco hard-core child-porn films were shown in a moviehouse for five weeks before police seized the films last February. Even San Francisco's Mitchell brothers, the national porn-film kings, were out-raged. Says Brother Jimmy: "We think obscenity laws should start with child porn."

An Episcopal priest, the Rev. Claudius I. Vermilye Jr., who ran a farm for wayward teens in Winchester, Tenn., is awaiting trial on charges that he staged homosexual orgies with boys on the farm and mailed pictures of activities to donors around the country.

Until recently, much child porn sold in America was smuggled in from abroad. Now most of it appears to be home grown, with the steady stream of bewildered, broke runaways serving as a ready pool of "acting talent" for photographers. Pornographers who stalk children at big-city bus stations find many victims eager to pose for \$5 or \$10-or simply for a meal and a friendly word. Says Lloyd Martin, head of the Los Angeles police department's sexually abused child unit: Sometimes for the price of an ice-cream cone a kid of eight will pose for a producer. He usually trusts the guy because he's getting from him what he can't get from his parents— love." In many cases, the porn is a byproduct of child prostitution. Pimps invite children to parties, photograph them in sex acts, and circulate the pictures as advertisements to men seeking young sex partners. Frequently, the pictures are then sold to porn magazines.

Even worse, some parents are volunteering their own children to pornographers, or producing the sex pictures themselves. Last year a Rockford, Ill., social worker was sent to jail for allowing his three foster sons to perform sex acts before a camera for \$150 each. In January, a couple in Security, Colo., was charged with selling their twelve-year-old son for sexual purposes to a Texas man for \$3,000.

Some children in porn photos are victims of incest. Parents will have intercourse with a son or daughter, then swap pictures with other incestuous parents, or send the photos to a sex publisher. Sex periodicals, particularly on the West Coast, publish graphic leters on parents' sexual exploits with their own children. Says Los Angeles' Martin: "We had one kid in here the other day who is eleven years old. His father started on him when he was six, then sold him twice as a sex slave. The kid had been in movies, pictures, magazines and swap clubs. After a while, he broke down and cried and said how grateful he was to have been pulled out of it."

Such experiences can of course scar a child for life. Warns New York Psychoanalyst Herbert Freudenberger: "Children who pose for pictures begin to see themselves as objects to be sold. They cut off their feelings of affection, finally responding like objects rather than people." Some psychiatrists believe that children who pose in porn pictures are often unable to find sexual fulfillment as adults. Another danger, says Los Angeles Psychiatrist Roland Summit, "is that sexually abused children may become sexually abusing adults."

Child porn poses fewer hazards for the pornographers. Producers of child porn can be prosecuted for sexual abuse of children, but the children are hard to identify and locate. So are the producers, who often hide behind a welter of dummy corporations. Thus most prosecutions are under the obscenity laws, which generally make no distinction between children and adults as porn models. One result: many lawyers believe that the genital pictures in Lollitots, however offensive, might be judged no more obscene under the law than similar photos of adult women routinely published in most men's magazines.

To make prosecutions easier, angry legislators in several states and Congress are proposing a kind of end run around the obscenity laws—a ban on sexually explicit pictures of children, whether legally obscene or not. One bill introduced into the House of Representatives by Democrat John Murphy of New York and Dale Kildee of Michigan already has 103 co-sponsors. It would make any proven involvement with the production and sale of explicit sex pictures of children a felony. Says a Kildee aide: "Our bill is clearly enough directed toward child abuse so that the First Amendment should not arise. This is why we defined child pornography as a form of abuse, rather than a form of obscenity."

Under this approach, a salesman in an adult bookstore could be prosecuted as an active participant in the crime of sexually exploiting the children pictured in the store's magazines. New York Lawyer Charles Rembar, who successfully defended "Lady Chatterley's Lover" and "Fanny Hill" against obscenity charges, thinks the seller of child porn is a suitable target: "It is totally unrealistic to say that the people who sell these magazines and films are not involved in the act themselves." Yet other lawyers consider a broad child-abuse law a form of backdoor censorship. Says Ira Glasser of the New York Civil Liberties Union: "I assume if you put your mind to it, you could come up with an acceptable statute prohibiting adults from using children in explicit sex films and photos, but controlling what people see or

read is another matter. Everything published ought to be absolutely protected by the First Amendment."

Despite First Amendment problems, public pressure for some kind of laws is likely to grow. Many Americans battling against child porn view their efforts as a last stand against the tide of pornography. Says California State Senator Newton Russell: "This is a reflection of the social and spiritual morality of this nation. If there is to be any reversal in the trend, the place to start is child porn."

CYNTHIA SUE HINTON—VOICE OF DEMOCRACY

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. HANSEN. Mr. Speaker, Cynthia Sue Hinton of Mountain Home, Idaho, has written a thought-provoking essay for the Veterans of Foreign Wars' Voice of Democracy contest. I appreciate this opportunity provided by the VFW which enables me to place Cynthia's excellent essay in the Congressional Record.

Cynthia is a senior at Mountain Home High School, the daughter of Mr. and Mrs. M. D. Hinton. Her interests are in civil affairs, both in school and off campus, and she hopes to attend the University of Idaho to begin a career in law.

A leader in activities in her school today, I suspect Cynthia will be heard from again tomorrow. After reading her essay, this is my hope.

The essay follows:

America is a land of pride, a crucible in which pride in a heritage uniquely its own has provided the powerful flame to cast a bond of unity; a country not mired down by its past but rather a country that is still living its history.

America is a land of glory, a nation begun by a mere handful of down-trodden people who make the current poverty standards appear as luxury. It can, and does, raise its sons and daughters to greatness; a nation which instills the strength to take a firm stand in support of its most cherished asset— Freedom; a country where the right to object is vigorously defended and where truth has greater value than wealth.

America is a land of beauty, not only in the breathtaking beauty of its panoramic vistas of plains and mountains, but in the staunch beauty of the faces of its people; in the vibrant, expectant beauty on the smooth faces of the citizens of tomorrow which are as yet untouched by the scars of living, and the wise, intuitive beauty on the weathered and lined faces where each wrinkle is a map—not only of the sorrows of life, but of its laughter and joy.

America is a land of compassion, whose citizens are able to subdue despair over misplaced trusts and prepare to rise to a new and grander tomorrow; who are able to look for the good in people of all nations and offer friendship; it remains a country born from a search for religious freedom and still offers this choice; where a man of strength can sit misty-eyed, without fear of scorn, as he listens to his friend play a haunting melody on a simple harmonica.

America is a land with a dream whose citizens look to the future and see a country that is not yet completely formed; where each new generation stands on that threshold of the dream whose foundation has

been laid securely by those who have passed before and view a country—not as it is, but as it potentially can be; who perceive a land that, as a lump of clay in the strong hands of its sculptor, has continued to mold a Utopia much sought after by those forced to live in nations which offer nothing but ask everything; where the sculptors of the Third Century can and will accept the challenge and responsibility to continue—and perhaps improve upon—the pattern left to be followed.

America is a land of pride, glory, beauty, compassion, and, because of its dream, so very much more. This is what America means to me.

BEVERAGE DEPOSITS

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. JEFFORDS. Mr. Speaker, because of the increased interest in legislation requiring deposits on beverage containers. I recently wrote an article for Beverage Industry magazine, which relates my thoughts on why we should adopt a nationwide deposit system for beverage containers. The article shows that we are not talking of a measure which would simply reduce litter along our roadsides, but rather we have the opportunity to conserve substantial amounts of energy, material resources, as well as save the American consumer billions of dollars a year. I include the article in the RECORD:

THE CASE FOR MANDATORY BEVERAGE DEPOSITS
(By Congressman James M. Jeffords,
Republican of Vermont)

A few years ago, it might have seemed foolhardy to appeal to the beverage industry for support in an effort to enact a deposit system for beer and soda containers.

That, however, is my purpose in this forum. And while I expect you to be skeptical, I hope you will hear me out. Through personal experience, I have learned that the beverage industry is made up of a great many reasonable, intelligent, and well meaning people. For far too long, those of us who have traditionally supported deposit systems, and those of you who have traditionally supported deposit systems, and those of you who have traditionally opposed them, have raised our voices in emotional argument without actually communicating.

actually communicating.

Hopefully, the time has come for us to modulate our voices and engage in a meaningful give-and-take, to resolve the dispute in a manner which is reasonable and equitable for all concerned. This publication, Beverage Industry, has graciously opened the door for this type of exchange.

Undoubtedly, few of this magazine's readers will agree with everything I have to say. But I hope that some of you will see fit to get in touch with me, to respond to my comments, and to determine whether we share enough common ground to make continued dialogue worthwhile.

With that said, I will state my case: why I believe the industry should support, or at least withdraw opposition to beverage container deposit legislation.

One reason is purely practical. I firmly believe that national deposit legislation will be adopted; perhaps by this Congress, perhaps a few years from now but it is a coming thing.

This type of legislation has been proposed in many different forms, some of which are more beneficial to the industry (or less injurious, as the case may be) than others. In that light, it would seem that the industry's best strategy would be to cooperate in developing the most acceptable proposal, rather than offering blanket opposition to all beverage container deposit initiatives.

Even if, through blanket opposition, you were able to delay national legislation for a few years, initiatives will continue at the state level. Public support for the deposit laws in Vermont and Oregon is so strong that is clear those laws are on the books to

Proponents of deposits have been buoyed by successes in Maine and Michigan, and their near-miss in Massachusetts, as well as the adoption of a deposit system for federal installations. Efforts are now being organized in dozens of other states, and realistically, some of those efforts are bound to be successful. Surely it would be easier for the beverage industry to cope with a single national system than with a patchwork of state and municipal deposit laws.

A second argument for your support is somewhat more altruistic, but certainly no less significant. Simply stated, deposit legislation is a good idea which, if properly implemented, will provide substantial benefits.

You should be aware that the ground for argument has shifted somewhat since the time the state legislation was debated in Vermont and Oregon. The big issue then was litter—whether we were willing to accept a small inconvenience in exchange for cleaner roadsides.

The litter issue has not disappeared: the Vermont and Oregon roadsides are indeed cleaner, which is partly responsible for continued strong public support in those states.

ENERGY IS PRIMARY

But the big issue now, particularly when national legislation is discussed, is energy. We can quibble about the exact number of BTU's that would be saved-more about that later. But the savings would be significant, and, at this point in history, that is an extremely important consideration.

Other national benefits include savings of steel and aluminum, and preservation of space in sanitary landfills, which is increasingly scarce in many sections of the country.

As you know, two states in the U.S. and three Canadian provinces have had extensive experience with this type of legislation. The deposit law I am most familiar with, course, is the one in my home state of Ver-

The vast majority of Vermonters believes our state law has been a tremendous success. Two years ago, I conducted a poll, responded to by 10,000 Vermonters, an extremely large sample for a small state. At that time, 80% said they supported the state law and felt it should be adopted on a national level. As a politician, I naturally have extensive contact with the people of my state, and I strongly believe that support for the state law has increased since that time.

PEOPLE SUPPORT LAW

This is reflected in the State Legislature. Legislators who originally opposed the legislation have either changed their positions, or simply given up trying to repeal the law. In fact, last year, the Legislature voted to strengthen the deposit law.

There are some good reasons for this level of support within Vermont.

The original intent of the legislation, to reduce litter, has been realized beyond expectations. The beverage container portion of liter has been reduced by 76.1%, while total litter is down about 35%. The return rate is 95%.

Beyond that, and contrary to the claims of some opponents, Vermonters have benefitted financially from the legislation. Before the law was passed, most Vermonters

were not given the option of purchasing refillable containers

Now, refillables are available for the people who want them. And the average Vermont family choosing refillable saves something like \$60 a year. That's not a huge amount, but any savings is appreciated in these times of economic distress. As for the family which continued to purchase beverages in nonrefillables, the cost was no higher than it would be without the law.

The argument has been advanced that adoption of the Vermont law resulted in a substantial drop in beverage sales. This is not true. There was an initial slump in beverage sales in 1974, but the fact that it oc-curred following passage of the deposit law is coincidental. That year was a disastrous year for the tourist industry in Vermont, which accounts for a large part of our beverage sales.

SALES CLIMB

During 1974, Vermont experienced a lack of snow, a shortage of gasoline, severe inflation, and a summer flood. As a result, beverage tax receipts were down 9% below projections. Total state revenues for touristrelated taxes, however, were down by 10.8%, a fact which can hardly be attributed to the state's deposit law.

The following winter, in 1975, beverage sales surpassed pre-law levels and continued to climb at a rate far faster than in neighboring New Hampshire, which has lower beverage taxes and no deposit law. It is clear, therefore, that the initial slump was not a

reaction to the deposit law.

At the risk of repetition, I believe the strongest evidence of the success of the Vermont law is the level of public support it enjoys among the people. Vermonters are thrifty Yankee. Most are unimpressed by abstract statistics and studies. If they couldn't see an improvement in the appearance of the roadsides, if they couldn't see a savings at the checkout counter, they would have repealed that law in no time. They have chosen not to do so.

BOTTLER SUPPORT

Incidentally, while I have less direct familiarity with the situation in Oregon, the figures from that state would appear to be even more impressive. Beverage container litter in that state was down by 82% in the first two years the Oregon law was on the books, with no drop in beverage sales attributable to the law. In fact, survey reports from soft drink bottlers and distributors from that state indicated a rise in sales of almost 10%, well above the national average. And, a poll of Oregonians indicated 91% pub-

lic support for the forced deposit law there.
The continued support of Vermonters and Oregonians for their state laws becomes even more significant when you consider that a state law provides fewer benefits than would be obtained through a national deposit

system.

Even in terms of litter control. Vermont's roadsides would be cleaner yet along our borders if deposits were required on beverage containers purchased in neighboring New Hampshire, Massachusetts, and New York State

And, in a tiny state like Vermont, the quantities of energy and other resources saved through a deposit system are almost insignificant. There is some symbolic satisfaction in taking a step away from the "throw away mentality" which has pervaded American society for too long, but Vermonters are well aware that, by themselves, they are not saving enough energy, steel, and aluminum in this manner to make a real difference.

The savings would be real, and noticeable, on a national scale.

Recognizing that a beverage container deposit system makes most sense on a national scale especially when you consider the confusion which would result from a patch work of state laws. I recently introduced H.R. 936, with the co-sponsorship of nearly 50 of my colleagues in the House.

This is not a "bottle ban" or "ban the can" bill, although those catch phrases seem to

persist in the public lexicon.

My hill would allow consumers freedom of choice as to the type of beverage container they prefer. It would simply require a deposit of at least 5¢ on each container, a sufficient incentive to return the bottle or can for either re-use or recycling, as the case may

This is a very significant difference between my bill and some of the proposals that have been advanced in the past, which would eliminate cans in favor of refillable bottles.

The fact is that some people do prefer to purchase their beverages in cans. Cans are convenient, lightweight, and don't break. They can also be crushed at a redemption center, minimizing transportation needs when they are returned in quantity for recycling.

Because of these and other, less tangible factors (some people just like the feel of a can in their hands, as opposed to a bottle),

I feel that cans would retain roughly their present share of the market if my bill were passed. This has been the experience in Vermont, and assuming that the beverage industry continues to promote its products in cans, there is no reason to believe the experience would be any different nationwide.

This factor eliminates many of the strongest arguments which have been advanced against "ban the can" legislation. It would not cause severe economic displacements; more meaningful, high paying jobs would be created than eliminated.

The industry would have three years of leadtime to gear up for the change, although one feature of the bill, a ban on detachable "flip tops," would be implemented one year after passage.

FEW ADVERSE EFFECTS

Therefore, unlike "ban the can" proposals, my bill would absolutely minimize any potential for adverse effects on the industry. And the benefits would be virtually as great, as energy and other resource savings are nearly as great from recycling cans as from refilling bottles.

As I said, energy conservation is the biggest benefit to be attained through a national deposit system. Obviously, we will not save enough energy through this means alone to resolve our energy crisis, or even come close to that goal. But it is a start, something which can be done, and which will have measurable results. The natural gas shortage this winter was an urgent reminder that we need this kind of start-and many others which will cumulatively result in very substantial total conservation.

Nobody can predict with absolute accuracy the amount of energy which will be saved through my legislation. Many studies have performed, with varied conclusions. Probably the most comprehensive study is that released by the Federal Energy Administration (FEA) last fall. [see bi, Dec. 12, 1975]

This detailed study examines three major areas of potential impact based upon projected system requirements of the beverage industry by 1982 (the baseline year for which the impacts are projected).

The projections indicate that without a national deposit law, production and distribution of beverage would require 383 trillion BTU's of energy, \$7.3 billion in capital investment, and 369,000 jobs with a total of \$4.1 billion in labor earnings in 1982.

In determining impacts of beverage container deposit system, the FEA study makes use of two illustrative scenarios which fall within what FEA considered to be within the broad range of predictable behavorial responses to legislation such as the bill I introduced.

ASSUMED TRIPPAGE

The first scenario, which I personally consider to be most likely, assumes that in 1982 the market share for cans would be the same as it was in 1976. It further assumes that both cans and bottle will be returned at a rate of 90%—certainly reasonable in light of Vermont's 95% return rate.

The assumed trippage for refillable bottles is 10, very conservative compared to the current national average of 19 or 20 trips, according to industry publications.

according to industry publications.

Under this scenario, a national deposit system would reduce energy consumption by 168 trillion BTU's annually, or the equivalent of about 81,000 barrels of oil a day. This is a savings of about 44% of the energy projected for consumption by the beverage industry in 1982.

The second scenario, which I personally consider to be far less likely than the first, assumes that the 1982 market share of cans declines by about 50%, with a container return rate of 80% and a trippage of 5 for refillable bottles. Under these projections, the energy savings amount to 144 trillion BTU's figures are conservative in comparison with projections which have been made by others. For example, the Environmental Protection Agency has estimated a deposit system would lead to energy savings of 245 trillion BTU's the equivalent of 125,000 barrels of oil a day.

It has been argued, correctly, that regardless of what figures you choose to believe, the energy savings constitute only a fraction of one per cent of the current national energy consumption. This certainly proves that container deposits, by themselves, cannot lead us to energy independence. But nobody is claiming they would.

VOLUME SAVINGS

In terms of volume of savings, even the tiny percentage figure is very significant. One environmental group, using a savings figure of 211.5 trillion BTU's, illustrated this point dramatically by pointing out that this is equivalent to the amount of energy needed to supply the electrical needs of 9.1 million relatively affluent Americans for a year.

Put in other terms, the group computed that the savings would be equivalent to the amount of gasoline used by 1.69 million automobiles averaging 10 miles per gallon for a typical driving year of 10,000 miles or to heat 2 million 3-bedroom brick homes in the Middle Atlantic region with natural gas for an entire eight month heating season.

Certainly, we can quibble about the exact figures. I am not about to stake my reputation on a firm projection that we can heat a specific number of brick homes with our energy savings. And it's true that these are all energy equivalents: in practice, the savings would allow us to heat some brick homes, provide some electricity for people, and so on.

ENERGY USE

But we have just come through a period when schools and factories have been closed down because of a natural gas shortage, a situation which is likely to be repeated, with perhaps even more serious consequences, in the future. In the Northwest, electricity rationing now appears to be a serious possibility, a threat which will undoubtedly spread to other parts of the country in future years.

When push comes to shove, when the American people realize that they can keep even a few schools and factories open by sacrificing the convenience of throwing away their beverage containers, it is going to be awfully hard to convince the public that this "convenience" is more important.

As you know, beverage containers are big business. Over 90 billion containers are produced each year in this country, and over

8 million tons of them are discarded. Beverage containers are the most rapidly growing segment of all municipal solid waste, increasing at a rate of over 10% a year. Conservative but reliable projections estimate that with passage of national deposit legislation, this country would be able to reduce beverage container solid waste by 70%.

In this way, by 1980, a half million tons of aluminum, 1.5 million tons of steel, and over 5 million tons of glass would be saved on an annual basis. This, I point out again, is, in addition to the energy savings, prolonging the use of sanitary landfills, and litter reduction.

Your industry, of course, is concerned about the capital investments which would be required in a switch to a deposit system.

CAPITAL INVESTMENTS

The FEA study says that under the first scenario, \$820 million in capital requirements would be needed with the deposit legislation. The second scenario projects about a \$2 billion increase. These are, admittedly, significant figures.

The impact would be softened, however,

by several factors.

First, the FEA did not include in its equation the reduced capital requirements of certain primary suppliers, such as the energy sector.

Second, a part of any capital expenditure is recaptured in later years in income tax reductions because of investment depreciation

Third, my legislation would phase in a deposit system over a three year period, so new capital investment could be spread over that amount of time.

Fourth, the most substantial new capital requirements would come about only with a large-scale shift to refillable bottles. Although these costs would, over a period of time, have to be passed on to the consumer who purchases this type of container, that consumer would still come out ahead financially. This is because refillables are, and will continue to be, the most economical type of beverage container.

As I have mentioned, the economics of using refillables have been well documented in Vermont. The FEA says that, under its two scenarios, consumer savings from the use of refillables would range from \$1.8 billion to \$2.6 billion a year.

Your industry obviously is not the only source of waste of energy and other re-

sources. Therefore, you may very legitimately ask why you are so often singled out as an example of waste in America. It is, indeed, unfair to label you the "bad guys" unless that label is also applied to vast segments

of industry and the public.

You may well ask: "Why don't we take meaningful steps to improve fuel efficiency of automobiles?" Why don't we adopt large scale programs to recover all kinds of recyclable materials, and to use our landfills and even sewage treatment plants to generate methane?" "Why don't we conserve energy by providing incentives for improving home insulation?"

The list of questions along that line could go on at length. And the answer is simple. Yes, we should proceed as rapidly as possible with a wide variety of substantive steps to conserve our energy and other resources. We should start with the steps which will involve a minimum amount of true sacrifice by the American people. And we should—we must—be prepared to adopt more stringent conservation efforts if and when they become necessary.

A deposit system, in the form called for by my bill, is one of the steps we can take with minimum sacrifice; in fact, there will be financial savings, and it can be argued that returning beverage containers is not a sacrifice at all.

To be sure, it is not the only action we

should take in the name of conservation, but it is something which can be accomplished, with measurable benefits, without lowering our standard of living or compounding the nation's economic problems.

It is a big step for your industry, but for the public at large, the benefits will clearly outwelgh the inconvenience. Few people rank throwing away beverage containers as among their most cherished rights.

Momentum is growing rapidly on this issue, and for the reasons outlined in this article, I believe this is for good cause. More states and municipalities will adopt deposit systems, and sooner or later Congress will too.

Nearly 50 members of Congress have signed on to my bill, a very large number for any issue which is more controversial than apple pie. A great many more will vote for it when it reaches the floor—I do not know for certain whether proponents have a majority yet, but we are growing.

I hope you will let me know your views—particularly if you have any suggestions as to how the bill could be made more attractive to your industry without sacrificing its goals.

But I firmly believe that it is in your best interests to put on a white hat, help to put this legislation in the best possible form, then support it.

TRIBUTE TO COMMENDATORE ANDREW TORREGROSSA, SR.

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. ZEFERETTI. Mr. Speaker, I take great pleasure in being able to join with the many people in my district in paying tribute to one of the most respected members of our community, Commendatore Andrew Torregrossa, Sr., who will be honored by the Sons of Italy on the 16th of April. Mr. Torregrossa, who has just celebrated his 85th birthday, has devoted his entire life to others who, like himself when he emigrated to this country almost 70 years ago, so desperately needed guidance and help.

Commendatore Torregrossa came to the United States at the age of 16. Since that time, he has been directly involved with and responsible for the establishment of such organizations as an all Italian Longshoremen's Local, the Italian Catholic Union in the Diocese of Brooklyn, of which he was the Supreme Orator, the first Italian Plasterman's and Hod Carriers, the Citizens of Licata Society in Brooklyn, and the Anthony Torregrossa Democratic Club. Through these groups, he has illustrated time and time again his concern for his fellow man by working to improve working conditions and working for a better way of life. His successes, particularly in the field of labor, made him most popular among his fellow countrymen who came to him for help.

It is most fitting that the Sons of Italy, Verrazano Lodge, will be honoring Commendatore Torregrossa, for he has served with this organization since 1912, as venerable, grand treasurer and supreme delegate, among other positions.

However, it must be recognized that

Mr. Torregrossa has received the praise and honor for his civic and religious duties in the past. For example, he was conferred by the Republic of Italy as a Member of the Order of the Italian Star of Solidarity in 1957, followed by the title of Commendatore in the Order of Merit of the Republic of Italy in 1967. Only 7 years ago, he received a Papal Decoration by Pope Paul VI initated by Cardinal Terrance Cooke as a Knight of the Equestrian Order of the Holy Sepulchre of Jeruseleum, and was elevated as Knight Commander in 1972.

Commendatore Torregrossa's list of accomplishments and awards for community and religious service are almost too numerous to mention. However, each one is significant, and, it must be said, more deserved than the next. Surely, all of them serve as testament to the great-

ness of the man.

I believe that we can all learn from him. Andrew Torregrossa believed in America. As an immigrant, he put his faith and trust in this country and invested in her future. As a result of this faith as well as his strength and fortitude, he became successful in business, establishing the Andrew Torregrossa Realty Holding Corp., Andrew Torregrossa and Sons, Inc., and Andrew Torregrossa Securities.

Most importantly, however, these values and trust have been pased along to his children and his 10 great-grandchildren who will long carry out the Torregrossa name for generations to come. His family will gather with the many friends on April 16th to honor Andrew Torregrossa and to them, I offer my

congratulations and respect.

At this point, I want to extend to Commendatore Andrew Torregrossa my thanks on behalf of all who have benefited from his guidance and advice. We honor him and offer our most sincere respect. He has proven to our community if not the country that men still care about their fellow men and are willing to help. Personally, I am pleased to consider him not only as a constituent, but as a friend.

LOBBYING FOR THE B-1 BOMBER

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES Monday, April 4, 1977

Mr. WIRTH. Mr. Speaker, as the battle over the budget continues, major weapons systems continue to be a matter of significant controversy. As a body, the House is faced with the need to choose between those that are a needed part of a strong national defense structure, and those that have become technological wonders whose marginal defense value is limited, but whose jobs or "public works" value continues to be sold to the American public.

Included among the latter is the B-1 bomber, as heavily lobbied a weapons program as any we have seen. The enclosed article outlines the need to rec-

ognize an extraneous program when we see one. I urge my colleagues to read this carefully, and to continue to oppose this poor expenditure of public money:

THE LOBBYING FOR THE B-1 BOMBER

(By Jack Anderson)

The rallying of the arms lobby around the cause of the B-1 bomber is a stirring demonstration that the military-industrial complex has survived the embarrassments of the past and has lost none of its prehensile vitality.

At issue is the most expensive single weapons systems ever to get this far. The B-1 bomber program will cost an estimated \$92 billion, maybe over \$100 billion if past cost overruns are a guide. Each plane will cost from \$94 million to \$117 million, depending on whether one relies on official or independent analysts.

If such amounts baffle your comprehension, consider that the price of a single B-1 bomber could finance the operation of 1,000 rural health clinics for a year or, if you prefer, the construction of a capacious prison in each of our dozen most crime-ridden states.

Backers of the B-1 say it will assure U.S. supremacy in the air in the foreseeable future; opponents say it is already obsolete in a strategic world dominated by intercontinental missiles. But where vast expenditures are involved, arguments on the merits tend to get drowned out by the self-interests.

Each great weapons system develops by natural law an aggressive lobby to clear its path. The process by which pursuasion and pressure are brought to bear on the government process has been honed to an art form: success depends as much on political influ-

ence as professional competence.

In the executive suites of almost all the top defense contractors are retired generals and admirals who are on first-name basis with the Pentagon's big brass. They help to sell the weapons system to their former comrades in the armed forces. At the critical stage, the campaign becomes focused on Capitol Hill. Then the pressure people take over affable lobbyists who know the right people in the backrooms of Congress.

Whether the B-1 program should be adopted or not, based on the merits, has been lost in the lobbying effort. This effort is directed by the prime contractor, Rockwell International, on mostly extraneous, porkbarreling, log-rolling arguments, thus demonstrating once again that the vulnerability to well-financed lobbies is the Achilles heel of American democracy. From our own investigation, consider these findings:

Rockwell carefully listed the members of the key Senate and House committees in a document stamped "Not to be disclosed to unauthorized persons." Next to each member's name is a list of the companies in his district that have received subcontracts from the B-1 project. Sen. Clifford Case (R-N.J.), for example, has a \$400,000 Bendix subcontract in his state, and Rep. Louis Stokes, (D-Ohio), has \$227,000 going to the Cleveland Pneumatic Company in his district.

When Rep. Jonathan Bingham (D-N.Y.), asked for the basic economic facts about the B-1. Rockwell rushed him some charts that ignored his question but showed how the program would generate 45,000 jobs and \$2.3 billion in business for New York and New

Rockwell President Robert Anderson has urged all the firm's 119,000 employees to write their congressmen in behalf of the B-1, complete with stationery, stamps and en-

Rockwell has produced a film touting the B-1 and has distributed it to various Chambers of Commerce. Nowhere in the film is it mentioned that Rockwell was the producer.

Key Pentagon officials in charge of the B-1 project have been wined and dined by Rockwell at its Maryland hunting lodge. The Pentagon's former research chief, Malcolm Currie, was fined one month's pay after accepting a trip to Rockwell's Bimini resort as the guest of Rockwell's Robert Anderson.

The company has funneled campaign contributions to 18 key members of the House Armed Services and Appropriations committees. It also conducted a newspaper adver-

tising blitz for the B-1 last year.
Holding out the promise of 70,000 new jobs, the B-1 proponents have also enlisted the support of AFL-CIO President George Meany and the United Auto Workers. Not mentioned is the fact that the jobs would be only temporary. For that matter, twice as many jobs would be created by spending the same money on housing construction, say, or on education.

The General Accounting Office, mean-while, anticipates that the ultimate cost of the B-1 system could be several billion dollars higher than the military brass are predicting. The decision whether to undertake this massive spending will rest with President Carter, who has promised to cut military spending. But he is not likely to abandon the B-1 unless the Soviets also reduce

their military build-up.

When the idea of representative government was young, it was feared that a system subject to mass opinion and accountable to ordinary people would be unable to handle decisions requiring wisdom. Subsequent history, however, showed that the rough-andtumble of democracy usually produced wiser decisions than the pompous cogitations of the elite.

What has yet to be proved, as government largesse grows and spreads, is whether the thin, wide-flung forces representing com-mon sense and the general interest can withstand the concentrated forces that press the cause of their own purse. The case of Rockwell International and its allied mercenaries is furnishing a test.

RETAINING OUR NATION'S PRIME AGRICULTURAL LAND

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES Monday, April 4, 1977

Mr. JEFFORDS. Mr. Speaker, on March 7, I introduced H.R. 4569, a bill which addresses the problems of retaining our Nation's prime agricultural land. I have been extremely pleased with the support this legislation has received from many Members of Congress. Yesterday, I reintroduced this legislation along with several cosponsors. It is apparent that the interest in this bill is tied closely to the many problems our agricultural land is currently facing. Soil erosion, urban sprawl, and skyrocketing land costs are a few of the current problems that pose a real threat to the continued existence of our family farms.

Recently, there has been an increasing amount of national publicity on the issue of our diminishing level of good farm

I would like to insert in the Congres-SIONAL RECORD two recent articles dealing with some of these issues:

[From the Christian Science Monitor, Mar. 29, 1977]

CROPLAND UNDER URBAN-SPRAWL ATTACK (By Richard J. Cattani)

OMAHA, NEBRASKA.-America's foremost land-use challenge-the loss of prime cropland to suburban house-lots and lawns—is getting closer scrutiny at federal, state, and local levels.

No overnight breakthrough in halting the loss of farmland to urban sprawl is at hand, according to rural land-use experts.

But the rising awareness of the issue, plus experiments in controlling urban sprawl and in preserving cropland, are generating fresh hope that prime farmland losses can be curbed.

Total cropland in the U.S. has been increasing, but prime lands have been declining—lost mostly to urban sprawl—as less rich lands have been brought into use.

But among positive signs noted at a recent land-use symposium here of the Soil Conservation Society of America, are these:

Congress is warming up to farmland preservation. The House is considering a demonstration bill that would fund special projects in critical farm-loss areas around the country. President Carter is expected to take a close look at the issue, too. And the U.S. Department of Agriculture has launched a nationwide farmland-mapping effort to identify imperiled areas.

States are trying a variety of farmland preservation measures. Three-fourths of the states have passed at least some legislation already.

New Jersey, which has been losing one farm on the average of every three days, is attempting a test program in Burlington County. The state will spend \$5 million to fund a permanent farmland preserve—paying farmers the difference between farm values as cropland and as housing, or other development in exchange for a guarantee that the land be kept under agricultural production.

Iowa's Black Hawk County has come up with a zoning scheme to control land-use. Housing development is allowed to continue at a steady pace in the county—"but this development is now occurring on soils deemed suitable for such land use, while the vast majority of land in the county remains in agricultural production," says Janice Clark, Black Hawk County zoning administrator.

CITIES ARE HELPING

Some farmers are getting an assist from the cities.

Only recently are cities noting that uncontrolled growth costs them money.

Crystal Lake, Illinois, near Chicago, made a study of the hidden costs of growth (bigger schools, added sewer lines) and discovered it was charging developers only a fraction of their fair share of service costs to the community.

"We've been subsidizing the exodus from the cities and close-in suburbs," says Crystal Lake Councilman Michael Hinebaugh. "We should promote redevelopment of areas that already have sewers and schools." Crystal Lake's solution was to hike service fees for developers 13-fold.

Chicago's planning department says the city could easily add another 2 million residents, for a total of 5 million, by full use of land within its limits. Instead, the city is expected to continue losing residents to housing developments on farmland in the region.

Omaha, which has suburb annexation powers lacking in Chicago, is attempting to deal with farmland loss by halting development in a farmland belt that rings the city.

The Omaha City Council is considering a city master plan which would compel better use of nonfarmland close in the city.

WHERE LAND GOES

The U.S. has been "losing" 2 million acres a year of first-rate farmland directly to urban sprawl for housing, shopping centers, and highways. Another 2 million acres are lost indirectly due to "leapfrogging"—cutting

off farmland from effective crop-use by development.

One million acres a year is lost to water projects for recreation, irrigation, or power. Hence, 5 million acres of U.S. farmland a year are being taken out of agricultural production

While much land has been lost to farming in recent years, land elsewhere was brought into production, keeping the U.S. cropland total at about the same 400 milion acres. In fact, between 1968 and 1975, cropland harvested actually increased by 10 percent, while the total supply of cropland declined by the same figure.

But farmers may have brought marginal land into production, increasing the chances of soil erosion and scrimping on good landuse practices, like conservation and crop rotation.

Still, some 70 million acres of potential prime farmland are available for crops, says the U.S. Soil Conservation Service (SCS). In all, about 100 million acres of good farmland could be tapped for crops, says Norman A. Berg, SCS associate administrator—or enough to offset the current farmland loss rate for 20 years.

[From U.S. News & World Report, Mar. 21, 1977]

GAINING MOMENTUM: A DRIVE TO STOP SUB-URBAN SPRAWL

States and communities in growing numbers are clamping down on how owners of rural and recreational land can use their property.

The drive reflects an increasing concern over the effects of population growth—particularly the spread of the suburbs—and of damage to the environment.

Behind this concern is the continuing loss of valuable farmland, marshes, beaches and scenic beauty spots that are bulldozed, paved over or fenced in each year.

The U.S. Department of Agriculture estimates 2 million acres of farmland disappear annually before advancing urban sprawl. California's Santa Clara Valley lost 140,000 prime acres between 1950 and 1970. In Iowa alone, about 25,000 acres of rich agricultural land—some of the most fertile in the world—are lost each year.

Resort developers rapidly are covering the nation's remaining open beaches with condominiums, motels and restaurants. Marshlands necessary for sustaining fish, waterfowl and aquatic animals are being filled in for housing subdivisions and shopping centers.

DEMANDS BY PUBLIC

Alarmed at this loss, the public now is demanding a greater role in determining how private property is used. Some examples:

Walworth County in southeastern Wisconsin has adopted a plan limiting the use of fertile land to farming. It also protects recreational areas and restricts checkerboard development by requiring that individual land purchases be at least 35 acres in size.

California has enacted a law that is sharply curtailing commercial development along the State's scenic 1,027-mile coastline.

Hawaii is trying to block the ouster of tenants from farmland upon which the owner wants to erect housing, a more profitable use.

Suffolk County on New York's Long Island is purchasing "development" rights from farmers to preserve the land. When a farmer surrenders his right to develop his property commercially, he is paid the difference between the land's agricultural value and its assessed tax value.

Experts believe that such land-use controls, as they are called, eventually will govern the utilization of almost all land in the country. Most movement is occurring at the State and local level, but Congress and the Administration also have expressed interest in greater land regulation.

FIERCE RESISTANCE

While some land-owners are strong advocates of controls, many fiercely resist any effort to give the general public power over private property.

Says J. Vernon Martin, president of the Soil Conservation Society of America: "Land use is a very controversial subject. It relates to a person who lives under the free-enterprise system, and he resents or resists being told how to use or dispose of his land."

Because land ownership is one of the most cherished dreams of Americans, fights over land-use control are emotion-charged and often end up with battles in the courts.

Controversy is most intense in areas with the greatest population density and the least open land. In Hawaii, for example, a shortage of land is a growing problem despite passage of perhaps the nation's toughest legislation governing use.

Fred Trotter, trustee of the Campbell Estate, one of the islands' largest land-owners, warns of chaos unless Hawaii's land problems are solved. "I want out," he says, "The first people they shoot in a revolution are landowners."

Landowners in urban areas long ago surrendered some control over their property with the advent of zoning laws, planning commissions, deed restrictions and building codes. Now these restrictions on property are applied with increasing frequency to rural land as well.

World food shortages, for example, have shifted the emphasis on land-use planning from protecting city neighborhoods and scenic areas to the preservation of farm-

The energy crisis also has heightened concern over the loss of open land. Taken together, current proposals for new power plants, strip mines, oil-shale plants, coalgasification projects and related facilities would require a land area the size of Missouri if all were built.

STRIP MINING HIT

At a recent congressional hearing in Washington, a group of Illinois farmers asked the Government to ban strip mining on agricultural land. Robert Masterson, zoning administrator for Knox County, Ill., said coal reserves underlie 61 percent of the county and that strip mining threatens to destroy 284,000 acres of farmland.

William M. Johnson, an official with the federal Soil Conservation Service, warns: "We are facing a squeeze in productive capability only a few years from now. We have very little time in which to build a protective fence around our cropland or lose it for all time."

Because many major cities grew from rural villages, some of the best farmland surrounds urban centers. Usually flat and well drained, this prime farmland is highly prized by developers who can offer a struggling farmer quick riches.

In Indiana, farmers who might receive \$1,500 to \$2,500 per acre for land sold for agriculture are selling the same land to developers for \$10,000 to \$25,000. If he refuses to sell, a farmer may see his tax bill escalate because of the higher market value of his land. This trend has converted some farmers into supporters of restrictions on their property, provided they can get protection from higher taxes.

Dairy farmer Charles McLaughlin of Britt, Ia., favors land-control laws, even though he has reservations about turning over control of his land to the State. "Farmers are rugged individualists by nature, and they oppose any controls that would interfere with free use of their land," he says, "But when we see our land being diverted into nonagricultural uses—the often wasteful, irreversible diversion of food-producing land—we began to see we need some kind of land-use policy."

This attitude also is prevalent in Lexington, Ky., where a tug of war is going on between developers who want to provide shopping centers and subdivisions and those who want to preserve the horse-breeding farms surrounding the city.

"We're feeling the pressure and we're starting to develop a growth-planning system," says Frank Mattone, Lexington planning director. "Land-use control is essential."

Because of the heavy loss of prime agricultural acreage, almost every State in the U.S. now has some program aimed at preserving farmland. The most popular method is to grant preferential tax treatment to farmers whose land has increased in value because of its proximity to urban development—typically, basing the tax rate strictly on the agricultural value of the land.

Land-planning advocates argue, however, that preferential tax treatment is not the

answer to the problem.

"Farmland-assessment programs have slowed down the rate of development, but in many States lower taxes are still not sufficient incentive to farmers," says Betty Wilson, assistant commissioner of New Jersey's department of environment protection. "While farmers gain some from such programs, there is still a larger chunk of money awaiting them if they sell to developers."

TAX BREAKS OPPOSED

Local governments often oppose tax breaks for farmers. Kent Shelhamer, Pennsylvania's secretary of agriculture, had this comment: "Our program of reduced taxation for farmers has not worked out as well as we would have liked it. Some commissioners are not in favor of preferential tax treatment for farmers because it holds down the county's tax base."

In Florida's Orange County, which is losing citrus acreage at the rate of 2,000 to 3,000 per year, county extension director Henry F. Swanson says local government officials frequently deny preferential tax treatment to farmers because development of the land

would bring in more tax dollars.

With encroachment continuing, more State and local governments are developing other programs to preserve farmland. New York State, for instance, has been designating farm areas as agriculture districts since 1971. Once in a district, farmers are entitled to preferential tax treatment and are subject to fewer restrictions than urban landowners who must comply with local building codes, deed restrictions and other limitations.

LONG ISLAND'S ANSWER

Proponents of controls believe programs such as one enacted by Suffolk County on Long Island can provide farmers with longrange protection against urbanization. Concerned that it had lost two thirds of its farmland to development over the past 25 years, the county embarked on a farmpreservation program that involves purchasing the development rights of farmlands. The price of development rights is equal to the difference between the fair market value of the land and the agricultural value. Farmers retain physical ownership of the land but cannot do anything but farm it. Purchasers acquire the land with the understanding that the property must continue in its present agricultural use. An obstacle to the program is the relatively large amount of money it takes. Last September, Suffolk County approved an appropriation of 21 million dollars to buy development rights.

With a modest program of restrictions, New Jersey has slowed a decline in farmland after losing 440,000 acres from 1957 to 1967. From 1967 to the present, New Jersey farmland has decreased 95,000 acres. One method involves the spending of 5 million dollars normally budgeted for acquisition of open space to purchase development rights from farmers.

In Iowa, Black Hawk County has a landcontrol plan based on the productivity of the

soil. Good land is reserved for farming and poor land for recreation and development.

By the end of the year, five other counties in the Iowa Northland Regional Council of Governments are expected to adopt a "soil mapping" plan similar to the one in Black Hawk County. "In some areas people are literally shot over zoning arguments, but we've had zoning for 20 years and it is pretty well accepted here," says Hugh Copeland, executive director of the council.

Land-use controls also are being employed to protect scenic and environmentally sensitive areas. New York, for example, now bars development on coastal wetlands unless the owner can prove economic hardship. Before implementation of its Tidal Wetlands Act in 1973, New York lost an estimated 7,000 to 10,000 acres of tidal wetlands over a 20-year period. Since 1973, only 100 acres have been lost

While everyone seems to agree that something needs to be done to preserve farmland, scenic and environmentally sensitive areas, other aspects of land-use controls are more controversial. Critics argue that controls often protect those who already own property, rather than the community at large.

A restrictive program in Eastlake, Ohio, made the headlines in 1976 when the U.S. Supreme Court upheld residents' rights to vote down a developer's plan to place a highrise apartment complex for senior citizens and low-income families in the town.

There is concern that California's law protecting the coastline will be used to exclude newcomers from acquiring property. One State senator, David Roberti of Hollywood, calls the law the "Elite Neighborhoods and Enhancement Act of 1976" because it protects existing ownerships.

STOPPING GROWTH

Critics also complain that advocates of restrictions on the use of land are employing environmental-protection laws to stop rather than control growth. With such laws, environmentalists can snarl a development project in red tape and, in some cases, litigate it to death in the courts.

Environmentalists recently blocked a proposed 500-million-dollar petrochemical complex on the Sacramento River near San Francisco and a dam in Tennessee. Environmental laws also have been used to block numerous energy-related projects around the country.

Some environmentalists fear the use of laws to halt growth could create a backlash. Says Ann R. Jennings, an official of the South Carolina Sierra Club: "When you are flush and you have plenty of money and jobs floating in by the thousands, it is easier to talk in terms of limiting your economic growth. The environment is a lot like the arts. It is something you do when you are rich."

For this reason, land-control advocates see little chance that the Government will adopt a nationwide land-use program until the economy improves and land becomes much more scarce.

Comments Richard C. Longmire, director of the National Association of Conservation Districts: "The American people react to crisis. There won't be anything like a land crisis for 20 to 30 years when people get hungry."

NATIONAL NEWS COUNCIL CON-DEMNS DOCUDRAMAS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. McDONALD. Mr. Speaker, I have been providing my colleagues with background information on NBC's 3-hour smear of Senator Joseph McCarthy. I have shown over and over again with documentary evidence that NBC lied and distorted the facts in its anti-McCarthy pseudo-history.

NBC calls its pseudo-history "Docudramas." The prestigious National News Council has now underscored the major point that I was making. "Docudramas" distort history in accordance with the bias of the writer, but pretend to be accurate reenactments of a historical incident.

The conservative writer, William A. Rusher, himself a member of the National News Council, wrote about the condemnation of "Docudramas" in his March 30, 1977, column. It gives me great pleasure to share this column with my colleagues:

THE CONSERVATIVE ADVOCATE: THE DANGERS IN "DOCUDRAMAS"

(By William A. Rusher)

DES MOINES.—The National News Council, at its meeting here, added its respected voice to the others that have recently been raised against the dangers inherent in television "docudramas."

The word "docudrama" was coined not long ago to describe a hybrid creature, half documentary and half drama, that recently made its appearance on America's television screens. The worst example to date of the abuses to which the form is subject was "Tail Gunner Joe," a heavily fictionalized biography of the late Senator Joseph McCarthy of Wisconsin, which ran for three hours on the NBC television network one Sunday evening not long ago, and broke all existing records for sheer numbers of outright lies artfully packaged to resemble truth.

(I owe an apology, by the way, to the American Express Company, which I listed in an earlier column on the subject, as one of the sponsors of "Tail Gunner Joe.") American Express says it sponsored a one-minute news summary that happened to appear during a commercial break in the "docudrama," but assures me it had nothing to do with "Tail Gunner Joe" itself.

Having served as one of the few conservative members of the National News Council at its foundation, four years ago, as a nongovernmental critic (and defender) of America's lustily free print and electronic media, I knew my colleagues well enough to be sure their judgment would not be swayed, one way or the other, by their personal opinions on the controversial McCarthy.

To stress that I wanted to focus their attention on the generic problems inherent in "docudramas," and not at all on the merits (if any) of "Tail Gunner Joe," I brought the question before the Council's Freedom of the Press Committee (which is specifically concerned to defend the independence of the media) rather than its Grievance Committee (which receives and passes upon specific complaints of alleged abuses by the media).

I am glad to say that both the Committee and then the Council as a whole saw the point and voted unanimously to sound the alarm. The Council's statement noted the problem "with deep concern," explaining: "These are dramas, purportedly based on fact, written and produced not by journalists but by dramatists, as entertainment in the broad sense. Because . . . they appear under the general umbrella of the same broadcast organizations that also present news and documentaries, the dangers of public confusion and historical revisionism or inaccuracy are considerable, particularly because the needs of drama may tend to take priority over journalistic standards . . . The Council ex-

presses its concern and urges that the television networks take this matter under serious consideration, going beyond mere routine disclaimers, to assure a proper regard for factual and historical accuracy."

For the time being, no doubt, the Hollywood writers who are grinding out this trash will content themselves with twisting the facts to ennoble the liberals' heroes ("Franklin and Eleanor") and smear the liberals' enemies ("Tail Gunner Joe)—that being the command of what Bill Buckley calls Zeitgeist": the spirit of the times. But let one suppose the infection will stop there—any more than the presidency stopped being imperial when Richard Nixon got his hands on it. If this sort of abuse goes unresisted, we can all expect to see, sooner or later, a depicting "docudrama" Luther King, Jr. as a self-intoxicated opportunist who liked to fool around with white women and cynically allied himself with known Communists. Ah, what a wailing and gnashing of teeth there will be then! The television networks ought to address themselves seriously to this problem right now, before their medium loses forever what reputation it has for fairness and truth.

APPROVED BUT UNFUNDED CANCER RESEARCH PROJECTS

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. BRINKLEY. Mr. Speaker, in last Thursday's Congressional Record, during debate on the Biomedical Research Extension Act of 1977, there are listed the unfunded approvals from the National Cancer Institute. They are well worth your review. Each line represents a project application. There are 1,543 of them. The total figure needed to fund these amounts to \$126,362,000. This is a recurring pattern as I demonstrated 3 years ago.

Nine hundred people will die from

cancer today.

It is not within their lifetime that a cure for cancer will have been found.

Three years ago there were comparable approved, but unfunded, projects of NCI. The hopes of 900 people who die today may have been shattered upon that nonfunding decision made 3 years ago.

The lives of 900 people who may die on a day three years from now may be sealed in these project applications. The fate of them, and for them, is within our hands.

For the RECORD I attach two news articles which I came across yesterday, related to cancer research:

[From the Columbus (Ga.) Ledger-Enquirer, Apr. 3, 1977]

HEADWAY ON CANCER REPORTED

SARASOTA, FLA.—Although the battle is far from won, a leader in the fight against cancer said Saturday there is cause for "reasonable optimism" that scientists eventually will learn how to control and prevent the disease.

"In short, the problem is now wide open and approachable and it begins to look to the most skeptical and sophisticated of biological scientists like an ultimately solvable problem," said Dr. Lewis Thomas, president of the Memorial Sloan Kettering Cancer center in New York.

"This is in itself a great change from the situation just a few years back."

But Thomas, expanding on an opening address he made to an American Cancer Society seminar, which he heads, said that the field is filled with uncertainties, with much basic research yet to be done.

Thomas said there are half a dozen different fields that offer great promise in the cancer fight. One, he said, is the effort to find biological substances that signal to the doctor if cancer cells exist, and what kind.

A panel of scientists reported on different

aspects of that work Saturday.

Dr. David Baltimore, Nobel laureate from the Massachusetts Institute of Technology, said a certain enzyme called terminal transferase is useful in differentiating between different types of leukemia so doctors can better plan treatment.

[From the Atlanta Journal and Constitution, Apr. 3, 1977]

TESTS ZERO IN ON APPROACH: TAILOR-MADE CANCER THERAPY NEAR?

(By Jane E. Brody)

SARASOTA, FLA.—Researchers reported here Saturday they are beginning to zero in on special characteristics of cancer cells that can be used to test for or predict the most effective approach to treatment.

These characteristics can help to distinguish between patients whose cancers appear identical microscopically but in fact have important biological differences—and different responses to various treatments.

Accordingly, it should be possible to tailormake treatments to improve the survival chances of individual patients, the researchers said. One distinguishing character already has been used to plan the therapy of some patients, with encouraging results so far.

The new studies provide factual support for what many cancer specialists have long believed—that among any group of patients with one type of cancer, say breast cancer, there are likely to be important differences in the cancer cells of the individual patients that, in part, determine their survival chances following a particular type of therapy.

Doctors long have pondered why some patients do extremely well and others with seemingly the same cancer do not, although they are receiving the same therapy. The characteristics described here represent part of the attempt to find out why this happens.

Two scientists, Dr. David Baltimore, a Nobel Prize-winning virologist from Massachusetts Institute of Technology, and Dr. Stuart F. Schlossman, chief of tumor immunology at the Sidney Farber Cancer Institute in Boston, described three so-called biological markers that help to differentiate between leukemia cells that may otherwise appear identical to or show similarities to outwardly different cancers.

One is an enzyme called TDT (for terminal deoxynucleotidyl transferase) and two are cell surface molecules designated as HTL and Ia. Antibodies can be prepared against each of these substances to enable doctors to determine which patients have them and which don't, and use this information to predict the most effective treatments for each.

A third researcher, Dr. Sydney E. Salmon, director of the University of Arizona Cancer Center in Tucson, described a new technique of isolating and growing the relatively few cells within a cancer that are the apparent "true villains"—the ones that can spread and establish colonies in other parts of the body.

Salmon said he can then use these test tube colonies of malignant cells to test various drugs or radiation therapy and select the treatment that is likely to be most effective against the patient's cancer. FEEDING THE CROCODILE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. DORNAN. Mr. Speaker, I have recently read three disturbing reports, the facts of which should cause alarm in the highest circles of our Government. These articles, by and about Mr. Miles Costick, detail the export of our scientific knowledge and technology to the Communist regimes of Eastern Europe, the Soviet Union, and Red China.

While I believe that few Americans or national leaders would endorse the sale of complex military technology directly to the Soviets or other Communists, many of our leading computer companies—including IBM, Control Data, Sperry-Rand, UNIVAC, Honeywell, and General Electric—have entered into commercial agreements which have the same effect.

One might naturally ask how this has been permitted to happen? The answer is frighteningly simple: The Departments of Commerce and State and the National Security Council have approved the sale by these companies of millions of dollars worth of sophisticated computers, peripheral equipment, and manufacturing expertise to the Communists. During the last 4 years, American companies have sold the Soviet Union alone more than \$300 million worth of advanced computer equipment.

And that is not the end of it. Late last year, permission was granted to Control Data by the National Security Council to sell the Soviet Union the Cyber 73 computer system. Control Data received \$6 million in the deal and the Soviets received a 10- to 15-year boost in their military capability. In this Congressman's mind, that was far from being an even trade.

Red China is to benefit from our knowledge as well. The Chinese Communists are to receive a computer which is used in the United States for antisubmarine warfare, nuclear weapons calculations, and large phase-array radar systems that track ICBM's. On October 12, 1976, the National Security Council approved the sale of two Control Data Cyber 172 computer systems. Again, Control Data made \$6 million on the deal and the Red Chinese advanced their computer technology by leaps and bounds. And again, America got the short end of the deal.

These sales were approved in spite of the objections of the Department of Defense and ERDA that these computer systems were suitable for nuclear weapons calculations.

As Mr. Costick explains, computers are essential to all aspects of modern warfare. They are used for navigation and weapons guidance in modern missiles, aircraft, tanks, high performance satellite-based surveillance systems, ABM defense systems, and submarines. Mr. Costick correctly observes that "without computers, modern weapons systems could not be built, integrated, tested, deployed, kept combat-ready, or operated."

The national policy which allows for

the sale of American technology to our Communist enemies can only be described as suicidal. These companies—using the name of free enterprise—are helping our avowed enemies toward their goal of eliminating free enterprise. Our national leaders—using the name of mutual security—are arming our enemies and helping them toward their goal of world domination.

It is as if these men had never learned that socialist dictatorships are inherently parasitic and can survive only by borrowing or buying from the free world. They rely almost totally on the fruits of the free enterprise system to acquire even the most primitive technology. Socialist dictatorships cannot provide the economic atmosphere required to invent a sewing machine-let alone a sophisticated computer. It is amazing that these otherwise intelligent Americans ignore this fact. Again, Mr. Costick rightly states: "Computer technology in the Soviet Union is almost totally dependent on Western imports." Our computer industry and National Security Council appear to be working hard to end that dependence.

I believe that the time is long past to reverse this national policy. The facts Mr. Costick has mentioned are well known to our leaders. I only reiterate them here so that the American people can see them and be aware of what the triumvirate of big business, the executive branch, and communism has been accomplishing.

Lenin once said, "The imperialists are so hungry for profits that they will sell us the rope with which to hang them." He would be pleasantly surprised to see that not only are we selling the rope but we are doing it at bargain prices.

I, for one, do not believe that the American people will cooperate with Lenin's prophecy, even if big business and the executive branch do.

Related articles follow:

[From the Birmingham News, Feb. 13, 1977]
NATIONAL SECURITY AT STAKE: U.S. COMPANIES WANT TO SELL COMPUTERS TO SOVIETS

(By Miles Costick)

(EDITOR'S NOTE.—A congressional consultant, Miles Costick is the author of the book The Economics of Detente and of the forthcoming study, The U.S.-Soviet Computer Capabilities. The following article was written especially for The Birmingham News.)

Jimmy Carter's national security advisor, Zbigniew Brzezinski, has said that detente must be reciprocal in order to be enduring. But what remains to be seen is whether the Carter administration will also reassess the Kissinger policy of transferring to the Soviets advanced technology of critical military importance.

A test of this would be whether Control Data Corp. is permitted to deliver to the Soviet Union the world's largest strategic computer the Cyber 76. The deal has been closed and the export license application is pending before the Commerce Dept. There are also several additional pending applications for sale of military computers to the Communist governments on behalf of Control Data, IBM, UNIVAC and Honeywell. None of the computers involved, however, can match the strategic potential of CDC's Cyber 76.

Cyber is a sensitive topic. It is a very high speed, large volume, advanced scientific computer which processes a phenomenal 100 million instructions per second, and has a memory storage capacity at least 15 years ahead of anything that a Communist computer maker is able to construct. Only about two dozen of such installations even exist. Typical installations: The Pentagon, U.S. Air Force, the Atomic Energy Commission, NASA, and the top secret National Security Agency.

Last year President Ford vetoed the extension of the Export Administration Act leaving the county without effective controls over export of strategic items to the Communists. This meant that all restrictions on Soviet bloc purchases in the U.S. have lapsed. Mr. Ford, however, had issued an executive order reimposing controls on exports under authority vested in him by the War powers Act. The executive order placed the National Security Council in a position of authority to permit or decline strategic exports to the communists.

The select informed few knew what most had missed: For the executive order to become an effective barrier to export of strategic goods, the President would have to designate the recipient country as an "enemy country." Obviously under Henry Kissinger's detente, the President could hardly, declare the Soviet Union or Red China an enemy.

NUMEROUS APPLICATIONS

In the order tube, ready to pop out when the cap was removed on Oct. 1, 1976 were numerous applications for export of strategic items of critical military significance. The most important were the applications for export of military computer systems.

On Sept. 30, 1976 President Ford and his National Security Council under Kissinger appointed Lt. Gen. Brent Scowcroft, in strict discretion, have approved the sale of the Control Data's Cyber 73 computer system to the USSR. The value of the transaction to CDC was about \$6\$ million and to the Soviets about a 10-year leap in computer technology plus a new acquired strategic capacity.

On October 12, the National Security Council approved the sale of two CDC Cyber 172 computer systems to Red China. The announced value of transaction was \$6 million. Through acquisition of Cyber 172 computers the Chinese communists gained capabilities which they have lacked before, since their computer technology is about 15 to 20 years behind that of the United States.

The stated purpose of computer sales to Red China was oil exploration and earthquake detection.

An inquiry revealed that the stated purpose of computer sales to the Soviet Union was oil exploration.

However, the Pentagon and the Energy Research and Development Administration (ERDA) objected to the sale of computers on the grounds that both systems—the Cyber 73 and Cyber 172—were suitable for nuclear weapons calculations for anti-submarine warfare, for large phased-array radar to track enemy ICBMs and for other military applications.

OBJECTIONS OVERRULED

A number of U.S. officials confirmed that Dr. Kissinger and his assistant at the State Department, Winston Lord, prevailed over the opposition of the Pentagon and ERDA.

One Commerce Dept. official commented, "If there were no potential military applications there would have been no reason to take a full year to review the sale . . of the equipment."

Today, the U.S. Defense Dept. deploys about 9,000 of the so-called general purpose computers for military purposes. The same type of computers could be used in a wide variety of civil applications from research and development in industry to crime control.

Obviously the national security implications of this trade are enormous. Concern in the United States had led the Defense Department's Science Board task force under J. Fred Bucy of Texas Instruments to recommend restrictions on the transfer of strategic technology to the Communist superpowers and their satellites.

Six high-technology trade associations, however, through their spokesmen, have warned Congress against permitting the Defense Department to control transfer of strategic technology. "In a civilian government such as ours, the control and administration must reside apart from the military," demanded Peter F. McCloskey, president of the Computer and Business Equipment Manufacturers' Association.

It seems that McCloskey and his friends from the industry agree with William Norris of Control Data who stated that, "Our biggest problem isn't the Soviets, its the damn Defense Department."

Businessmen should remember Lenin's words that when it was time to hang the the world's capitalists, they would trip over each other in their eagerness to sell the Communists the necessary ropes.

[From Human Events, Feb. 19, 1977]
WILL BRZEZINSKI GIVE SOVIETS ADVANCED
COMPUTER?

Jimmy Carter's national security adviser, Zbigniew Brzezinski, is facing a major test that could affect the future of detente: will he reassess the Kissinger policy of transferring to the Soviet bloc sophisticated technology with critical, strategic implications?

What's particularly worrying military and intelligence officials is whether Control Data Corp. will be permitted to deliver to the Soviet Union the world's largest and most sophisticated computer, the Cyber 76. Control Data has closed a tentative deal with Moscow, and the application for an export license is pending before the Commerce Department. But Commerce won't give the goahead unless at National Security Council—where Brzezinski, as Carter's personal aide, plays a key role—gives a nod of approval.

There are several other applications by Control Data for the sale of advanced computers to Communist nations, but none of the computers involved can match the strategic potential of Cyber 76.

Cyber 76, according to Miles Costick, an expert on U.S. computer policy, is "a very high-speed, large volume, fourth generation scientific computer which processes a phenomenal 100 million instructions per second." He stresses it "is at least 15 years ahead of anything that any Communist country is able to produce." Only two dozen of these computers exist, with the bulk of them installed in such sensitive military and military-related agencies as the Pentagon, the U.S. Air Force, the Atomic Energy Commission, NASA and the National Security Agency.

Last year, Costick informed Human Events, former President Ford vetoed the extension of the Export Administration Act, leaving the country without effective controls over strategic exports to the Communists. This meant that all significant restrictions on Soviet bloc purchases had collapsed. Ford, however, reimposed the controls under authority vested in him by the War Powers Act. The Executive Order gave the National Security Council a predominant role in exercising authority over strategic exports.

But the question is, will Brzezinski continue in the Ford-Kissinger manner? On September 30 of last year, notes Costick, President Ford and his National Security Council, with Lt. Gen. Brent Scowcroft then fulfilling the Brzezinski role, discretely approved the sale of Control Data's Cyber 73 computer system to the USSR. The value of this transaction to Control Data was about \$6 million, but to the Soviets it meant "a 10-year leap in computer technology," says Costick. The stated purpose of the computer sale was the improvement of Soviet oil exploration.

On October 12, the National Security Council also approved the sale of two Control

Data Cyber 172 computer systems to Red China, with a value of \$6 million. Through acquisition of the Cyber 172's, the Chinese Communists, according to Costick, received computers 15 to 20 years ahead of their own. Supposedly, the computer sale to Red China was to help enhance the detection of both oil and earthquakes.

The Energy Research and Development Administration (ERDA) and the Pentagon objected to the sale of both the Cyber 73 and the Cyber 172 on the grounds that they were suitable for nuclear weapons calculations, for anti-submarine warfare, for large phasedarray radar to track enemy ICBMs and for anti-ballistic missile systems.

A number of U.S. government officials, says Costick, "confirmed that Dr. Kissinger and his assistant at the State Department, Winston Lord, prevailed over the opposition at Pentagon and ERDA."

"If there were no potential military application," noted one Commerce Department official, "there would have been no reason to impose safeguards on the use of the equipment."

There is a general consensus among the experts, however, that there are no effective safeguards so far as application of computers is concerned. Today, the U.S. Department of Defense deploys about 9,000 so-called general purpose computers for military purposes. The same type of computers are being used in a wide variety of civil applications from R&D in industry, to crime control and psychiatry.

"Obviously," says Costick, "the national security implications of this trade are enormous." And the big question today is: what will Brzezinski do? If the Soviets get the Cyber 76, there will be no question as to what direction the Carter Administration intends to lead this country.

[From Conservative Digest, March 1977] SELLING ARMS TO THE ENEMY (By Miles Costick)

During the last four years American companies have sold the Soviet Union more than \$300 million worth of advanced computer equipment—material crucial to modernizing the Soviet military machine.

The giants of our computer industry—including Control Data, IBM, Sperry-Rand and General Electric—have sent Russia and East Europe computers, peripheral equipment, software and manufacturing know-how, and have even built computer component plants for Iron Curtain countries.

And a major new deal that will further erode U.S. security is in the works. Late last year Control Data received permission from the National Security Council, after intervention by Henry Kissinger, to sell very so-phisticated computers to America's two biggest enemies.

The Soviet Union will receive the Cyber 7300, a large scientific computer ideal for military applications and about 15 years ahead of current Soviet computer capability.

And Communist China will acquire the Cyber 172, used in the U.S. for antisubmarine warfare, nuclear weapons calculations, and large phase-array radar systems that track ICBMs.

Computers are essential to modern warfare. Computers themselves are used for both navigation and weapons guidance in modern missiles, aircraft, tanks, high-performance satellite-based surveillance systems, ABM defense systems and submarines.

And without computers modern weapons systems could not be built, integrated, tested, deployed, kept combat-ready or operated.

All technologies revolutionizing warfare, such as giros, lasers, avionics, nucleonics, propulsion and computers themselves, are dependent on computers.

For example, the world's most advanced computers (ILLIAC IV, CDC STAR-100,

Texas Instruments' ASC and Goodyear's STARAN IV) were built with the aid of several large computers.

In short, today's emerging technologies are as dependent on computers as the technologies of the first industrial revolution were dependent on energy.

In the present era of technological competition with the Soviet Union, the United States enjoys now and is expected to maintain a 10 to 12 year advantage in computer technology, provided there are no ill-considered exports to the Soviet Union and other communist countries.

HENRY SAID YES

Computer technology in the Soviet Union is almost totally dependent on Western imports, and there are several significant features of Western computer technology that the Soviets have failed thus far to acquire.

The first is mass production of high-quality computer components, subsystems, and systems. The second is reliability engineering and quality control. The third is the creative dynamism characteristic of the Western computer scene.

The fourth is computer software: Soviet software today is no further advanced than Western software was in 1960. However interesting Soviet work on the theory of automatic programming may be, it has not led to software that economizes programming time and makes computers more accessible to users.

The fifth area of weakness in Soviet computers is memory storage, both internal and external. Even the most advantaged computers produced in the Soviet Union and East Germany have acute memory problems.

The Soviets are making every effort to close these gaps by buying them from us. And they have scored notable successes with this strategy. (They also continue to steal or illicitly buy secrets from private citizens.)

Control Data has been one of the Soviets' richest sources. The company recently agreed to develop jointly with Moscow the next generation of large high-speed computers, the Cyber series, and to build a plant that can manufacture them.

The Cybers are high-speed, large-volume scientific computers, suitable for military and intelligence operations. Only 12 such installations exist in the world, and they belong to such organizations as the Atomic Energy Commission, the U.S. Air Force, NASA and the National Security Agency.

This Control Data-Soviet venture would create a serious competitor for U.S. computer sales overseas and would sharply upgrade Soviet military potential. American sources in Moscow put the agreement's ultimate worth at more than \$500 million.

In the last dozen years Control Data has sold communist countries about 40 computer systems, and has established a joint operation with Romania, which it is now expanding to produce peripheral equipment, integrated circuits and software.

The company's strategy is to increase its share of the communist bloc computer market, and, in combination with communist computer producers, in increase penetration of the developing countries' markets.

And Control Data has an agreement pending to manufacture 100-megabit disk memory units in the Soviet Union, which would considerably enhance Soviet computer capabilities.

The granddaddy of computer companies, IBM, has frequently sold advanced computers to the Soviet Union and its satellites. It sold the USSR what is believed to be the largest industrial computer in the world for use at the Kama River truck plant, and in 1974 it sold Hungary the advanced 370–155.

This sale, which required the personal approval of Kissinger, violated U.S. policy in that the computer was more powerful than the buyer required, was unknown in the East, and could be copied or diverted for military purposes.

IBM has several other pending computer orders from the Soviet Union, including a triplex 36065 computer system for Soviet air traffic control, which would have obvious military uses.

Other firms selling computer equipment, know-how or manufacturing capability to the Soviet bloc include Singer, Dataproducts

and Willi Passer.

While America would never consent to give complex military technology directly to the Soviet Union, we have entered into commercial and scientific agreements which have the same effect.

As former Deputy Defense Secretary William Clements has said, "There have been some significant losses of advanced technology to the communist countries, particularly in electronic and very exotic, sophisticated machine tools."

And Britain's NATO envoy, Sir John Killick, recently stated, "Clearly something is amiss when the Soviet Union's all-consuming military machine continues to gather speed and strength, while its economy is increasingly dependent on Western exports."

Yet six high-technology trade associations have warned Congress against permitting the Department of Defense to control transfer of

strategic technologies.

"In a civilian government such as ours, the control and administration must reside apart from the military," recently demanded Peter F. McCloskey, president of the Computer and Business Equipment Manufacturers' Association.

Control Data's William Norris puts it more bluntly, "Our biggest problem isn't the Soviets, it's the damn Defense Department!"

JEWISH COMMUNITY RELATIONS COUNCIL ENDORSES ADMINIS-TRATION STRESS ON HUMAN RIGHTS CONSIDERATIONS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. EILBERG. Mr. Speaker, the board of directors of the Jewish Community Relations Council of Greater Philadelphia has just adopted a resolution endorsing the efforts of President Carter and his administration to stress human rights considerations in the development and implementation of U.S. foreign policy.

This policy statement reflects JCRC's positive response to the unfolding of an American foreign policy with a strong human rights dimension. Jews have learned from bitter experience that silence only encourages repression. Therefore, we support our Government's decision to speak out against threats to fundamental human freedoms.

I am placing the text of this resolution in the Congressional Record, Mr. Speaker, so that other Members of the Congress will be aware of this strong grassroots support for the ongoing efforts to promote international human rights through our foreign policy:

RESOLUTION OF THE JCRC OF GREATER PHILA-DELPHIA ON THE RELATIONSHIP OF HUMAN RIGHTS CONSIDERATION TO AMERICAN FOR-EIGN POLICY

The Jewish Community Relations Council of Greater Philadelphia supports the efforts of the Carter administration to stress the centrality of fundamental human rights to the conduct of the United States' foreign policy. JCRC applauds the decision of the administration to begin the policy of reduc-

ing foreign aid to some countries because of gross human rights violations within them.

By forging links between the level of American assistance and human rights considerations, the United States is beginning to restore the moral authority of our foreign policy. We are declaring that a goal of American efforts abroad is, in the words of Secretary of State Cyrus R. Vance, to promote "social progress and human rights for individuals wherever they might be."

As a community with a long history of bitter and tragic persecution, Jews have been particularly disturbed by the encouragement provided to repressive governments by the silence of the world community. The slaughter of 6,000,000 Jews by the Nazis was preceded by a thorough, calculated, and increasingly, restrictive abridgement of their fundamental human freedoms. Thus, JCRC is mindful of the crucial importance of speaking out whenever and wherever basic human rights are threatened. We agree with the words spoken by President Carter when he was a candidate, "Violations of basic human rights are no longer the internal affair of any one nation."

JCRC favors the continued examination of the link between American foreign aid and the requirement to promote a commitment to human rights by those who are our partners throughout the world. Sensitivity to considerations of human rights and fundamental freedoms does not restrict the scope of American foreign policy; rather, it expands it. The JCRC urges the administration to continue employing foreign aid leverage—in an imaginative, restrained, and responsible fashion—to express both our national commitment to fundamental American values and also our abiding concern for human rights around the globe.

INDIA: A DEMOCRATIC MODEL?

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following column by my constituent, Gen. Henry Huglin. General Huglin is a retired Air Force brigadier general and syndicated columnist. He comments on India's democratic example as an attractive alternative to Marxism:

INDIA: A DEMOCRATIC MODEL? (By Henry Huglin)

India is again a functioning democracy. The election of March 16-20—which Prime Minister Indira Gandhi and her Congress Party lost decisively—was a major step back from the authoritarian emergency rule which she invoked 21 months ago.

And India's process of rejecting authoritarian rule may provide a good lesson and useful model for other peoples of the world.

When Mrs. Gandhi declared a state of emergency in June 1975, she undertook to guide and goad the 600 million Indians into reversing a trend of growing economic and political chaos. The economy was deteriorating, with inflation at 30%, and opposition politicians—who had never held power since India gained independence 30 years agowere becoming irresponsible.

With emergency powers, which were legally invoked, Mrs. Gandhi suspended civil liberties, jailed tens of thousands, controlled the press, and took many other authoritarian

During the 21-month emergency rule, much more order was enforced, inflation was drastically reduced, the top-heavy and often corrupt bureaucracy was shaken up, and overall economic conditions were considerably improved.

Yet, Mrs. Gandhi's timing in scheduling this election surprised everyone. She evidently thought that the economic stimulation and political stability that had developed, as the result of her actions under the emergency powers, would gain her enough favor to give her a large majority of the vote.

However, neither the election campaign nor the election itself turned out as she expected. There were major defections of prominent members of her Congress Party to the opposition. And there was surprisingly strong support for her opponents.

Her opposition defined the central issue as democracy versus dictatorship. She contended that the basic issue was stability versus chaos.

Mrs. Gandhi obviously underestimated the depth of concern for human rights and overestimated the political value of the benefits of her emergency measures. The values of democracy have evidently sunk deeper into the Indians' psyches than imagined. However, other factors were the still high cost of living and over-zealous enforcement of family planning programs under the aegis of her son, Sanjay.

So, there clearly was quite a backlash against the repression imposed during the emergency—irrespective of the benefits created by it. Hence, civil liberties and democratic forms were major factors in the election.

This election was certainly a major event in India's political evolution and perhaps will be of considerable significance beyond India.

In contrast, to cope with similar problems, the Chinese have been molded—without electoral choice—into a thought-controlled, highly-regimented society, with an all-pervasive communist communal ideology dictated by the late Mao Tse Tung.

If India can now cope effectively with her problems in a democratic, somewhat economic free-enterprise way—with the possibility still that further "emergencies" may be declared if corruption and disruption require—then India will provide a valuable model for many of the other peoples of the world to emulate. They can have another feasible, attractive alternative to Maxxism.

This turn of events in India shows again that non-communist authoritarian and dictatorial regimes can evolve back to democracy, if given a chance. Greece did this several years ago. Portugal has been in the throes of such an evolution for nearly three years, and Spain for a year. Now India, which has had the shortest period of authoritarianism of any, has reverted to democracy in a resounding way.

The ability of non-communist authoritarian nations reverting to or establishing democratic regimes also highlights a most pernicious feature of communist regimes—that the police-state control they impose is so effective as to preclude any change in the regimes by any means.

As with most of the underdeveloped nations, India has massive problems. Some of hers stem from religious conflict, residual effects of the caste system, and unearned privilege. But perhaps, above all, she has been handicapped with having had imposed too much narrow, doctrinaire, bureaucratically-stultifying socialism, which has held back the progress that could have come from a greater measure of incentive-creating free enterprise.

The 600 million Indians have much potential. Their material and human resources are great. What they need most are unity, diligence, and dedication to pull together, within a functioning democracy.

Perhaps the Indians will now find a workable political and economic democratic formula that fits their circumstances and aspirations—and will, in the process, provide a model for other peoples. Let us hope so.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare such information daily for printing in the Extensions of Remarks section of the Congressional Record.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Wednesday, April 6, 1977, may be found in the Daily Digest section of today's Record.

The schedule follows:

MEETINGS SCHEDULED APRIL 6

9:00 a.m.

Energy and Natural Resources Parks and Recreation Subcommittee

To hold hearings on S. 393, the proposed Montana Wilderness Study Act. 1224 Dirksen Building

9:30 a.m.

Agriculture, Nutrition, and Forestry

To hold hearings on the nominations of Rupert Cutler, of Michigan, Dale Ernest Hathaway, of the District of Columbia, Alex P. Mercure, of New Mexico, and Robert Haldeman Meyer, of California, each to be an Assistant Secretary of Agriculture; to be followed by consideration of these nominations and that of Howard W. Hjort, of the District of Columbia, and John C. White, of Texas, all to be Members of the Board of Directors of the Commodity Credit Corporation.

324 Russell Building

Appropriations Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear Congressional witnesses.

S-126, Capitol

Banking, Housing, and Urban Affairs

To hold a hearing on the nomination of Harold Marvin Williams, of California, to be a member of the Securities and Exchange Commission.

5302 Dirksen Building

Commerce, Science, and Transportation Communications Subcommittee

To hold oversight hearings on rural telecommunications policy.

235 Russell Building

Commerce, Science, and Transportation Aviation Subcommittee

To continue hearings on bills proposing regulatory reform in the air transportation industry, including S. 292 and S. 689.

5110 Dirksen Building

Human Resources
Subcommittee on Child and Human Development

To hold hearings on the proposed extension of the Child Abuse and Prevention Treatment Act (Public Law 93-247)

Until 12:00 noon 4200 Dirksen Building Human Resources

Health and Scientific Research Subcommittee

To hold hearings on benefits from and technological uses of genetic engineering-Deoxyribonucleic Acid (DNA) research

6202 Dirksen Building Until 3:00 p.m.

Select Small Business

Monopoly Subcommittee

To continue hearings on alleged restrictive and anticompetitive practices in the eye glass industry.

424 Russell Building

10:00 a.m.

Appropriations

Foreign Operations Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for for-eign aid programs, to hear public witnesses.

1318 Dirksen Building

Appropriations

HUD-Independent Agencies Subcommittee To resume hearings on proposed budget estimates for fiscal year 1978 for the Consumer Product Safety Commission, Office of Consumer Affairs, and Consumer Information Center.

Room to be announced

Appropriations

Public Works Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.

1114 Dirksen Building

Armed Services

Subcommittee on Research and Development

To resume closed hearings on proposed military procurement authorizations for fiscal year 1978 for weapons pro-

224 Russell Building

Armed Services

Military Construction Subcommittee

To hold hearings on S. 1164, authorizing funds for fiscal year 1978 for construction at certain military installa-

212 Russell Building

Banking, Housing, and Urban Affairs

To mark up S. 305, to require issuers of registered securities to keep accurate records, and to prohibit the payment of overseas bribes by any U.S. business concern.

5302 Dirksen Building

Budget

To mark up proposed first concurrent resolution setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority. 357 Russell Building

Governmental Affairs

Subcommittee on Energy, Nuclear Prolif-eration, and Federal Services

To continue hearings on S. 897, to strengthen U.S. policies on nuclear nonproliferation, and to reorganize certain nuclear export functions 3302 Dirksen Building

Human Resources

Subcommittee on Labor

To continue oversight hearings on the administration of the Black Lung Benefits program.

4332 Dirksen Building Until: 1:00 p.m.

Select Intelligence

*Subcommittee on the Budget

To hold a closed hearing on proposed fiscal year 1978 authorizations for Government intelligence activities.

S-407, Capitol

1:30 p.m.

Appropriations Public Works Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.

1114 Dirksen Building

2:00 p.m.

Appropriations

Foreign Operations Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs.

1318 Dirksen Building

Appropriations

*HUD-Independent Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, on funds for New York City financing.

S-126 Capitol

Armed Services

Military Construction Subcommittee

To hold hearings on S. 1164, authorizing funds for fiscal year 1978 for construction at certain military installa-

212 Russell Building

Armed Services

Subcommittee on Research and Development

To resume closed hearings on proposed military procurement authorizations for fiscal year 1978 for weapons programs.

224 Russell Building

2:30 p.m.

Foreign Relations

Subcommittee on African Affairs

To meet in closed session to receive a briefing from officials of the Central Intelligence Agency on internationalization of local conflicts in Africa

S-116, Capitol

4:30 p.m.

Foreign Relations

Subcommittee on Arms Control, Oceans, and International Environment, and Subcommittee on Foreign Assistance

To meet in closed session to receive testimony from State Department officials on negotiations with Pakistan on nuclear programs, military sales, and economic assistance

4221 Dirksen Building

APRIL 7

8:00 a.m.

Energy and Natural Resources

Subcommittee on Public Lands and Resources

To resume consideration of S. 7, to establish in the Department of Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations.

3110 Dirksen Building

9:00 a.m.

Agriculture, Nutrition and Forestry

To hold hearings to receive testimony on the administration's proposals relative to the food stamp program.
322 Russell Building

Foreign Relations

Subcommittee on Foreign Economic Policy To resume, in closed session, oversight hearings on major international economic issues facing the United States. S-116, Capitol

9:30 a.m.

Banking, Housing, and Urban Affairs

To hold a hearing on the nomination of Chester Crawford McGuire, of Cali-fornia, to be an Assistant Secretary of Housing and Urban Development 5302 Dirksen Building

Commerce, Science and Transportation Aviation Subcommittee

To continue hearings on bills proposing regulatory reform in the air trans-

portation industry, including S. 292 and S. 689.

5110 Dirksen Building

Environment and Public Works

Subcommittee on Resource Protection To hold hearings on proposed fiscal year 1978 authorizations for three national wildlife refuges: San Francisco Bay, Calif., Great Dismal Swamp, Va., and Tinicum National Environmental Center, Pa.

4200 Dirksen Building

Human Resources

Subcommittee on Child and Human Development

To continue hearings on the proposed extension of the Child Abuse and Prevention Treatment Act (Public Law 93-247).

4232 Dirksen Building

10:00 a.m.

Appropriations

Labor-HEW Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for the Department of HEW, to receive testimony on research programs for and to aid families of deceased children suffering from sudden infant death.

S-128, Capitol

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for military construction programs, on funds for NATO and classified programs. S-146, Capitol

Armed Services

Subcommittee on Research and Develop-

ment

To resume closed hearings on proposed military procurement authorizations for fiscal year 1978 for weapons programs.

224 Russell Building

Banking, Housing and Urban Affairs To hold oversight hearings on the 1977 budget of the Federal Reserve System.

5302 Dirksen Building Commerce, Science, and Transportation Merchant Marine and Tourism Subcom-

mittee To hold hearings on S. 1019, to authorize funds for fiscal years 1978 and 1979 for certain maritime programs.

235 Russell Building Energy and Natural Resources

Subcommittee on Energy Production and Supply

To continue hearings on S. 977, to conserve gas and oil by fostering increased utilization of coal in electric generating facilities and in major industrial installations.

3110 Dirksen Building

Select Intelligence

To hold a closed hearing on proposed fiscal year 1978 authorizations for Government intelligence activities. S-407, Capitol

Special Aging

To continue hearings on the impact on older Americans of rising energy costs. 1224 Dirksen Building

10:30 a.m.

Foreign Relations

Subcommittee on Foreign Assistance To mark up proposed legislation authorizing funds for fiscal year 1978 for bilateral development assistance.

1:00 p.m.

Foreign Relations

Subcommittee on Near Eastern and South Asian Affairs

To meet in closed session to receive a briefing from the Central Intelligence Agency on the situation in Lebanon.

S-116, Capitol

6202 Dirksen Building

Armed Services

Subcommittee on Research and Development

To resume closed hearings on proposed military procurement authorizations for fiscal year 1978 for weapons programs.

224 Russell Building

Commerce, Science, and Transportation To hold hearings on the nomination of Dr. Frank Press, of Massachusetts, to be Director of the Office of Science and Technology Policy.

5110 Dirksen Building

*Commerce, Science, and Transportation Surface Transportation Subcommittee To hold hearings on S. 562, the proposed Union Station Improvement Act 235 Russell Building

APRIL 8

8:00 a.m.

Energy and Natural Resources

Subcommittee on Public Lands and Resources

To continue consideration of S. 7, to establish in the Department of Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations.

3110 Dirksen Building

9:00 a.m.

Governmental Affairs

To continue hearings on S. 826, to estab-lish a Department of Energy in the Federal Government to direct a coordinated national energy policy.

APRIL 11

10:00 a.m.

Governmental Affairs

Subcommittee on Governmental Efficiency To receive testimony on a GAO study alleging inaccurate financial records of the Federal flood insurance program. 6226 Dirksen Building

APRIL 18

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development and Independent Agencies, to hear public witnesses 1318 Dirksen Building

Banking, Housing, and Urban Affairs To hold hearings on proposed housing and community development legisla-tion with a view to reporting its final recommendations thereon to Budget Committee by May 5.

5302 Dirksen Building

Environment and Public Works Water Resources Subcommittee

To resume hearings on national water policy in view of current drought situations.

4200 Dirksen Building

Judiciary

To hold hearings on S. 825, to foster competition and consumer protection policies in the development of product standards.

2228 Dirksen Building

APRIL 19

9:30 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and Re-lated Agencies, to hear public witnesses.

1114 Dirksen Building

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget

estimates for fiscal year 1978 for the Federal Aviation Administration. 1224 Dirksen Building

Commerce, Science, and Technology Science, Technology, and Space Subcommittee

To hold hearings on S. 126, to establish an Earthquake Hazards Reduction Program.

5110 Dirksen Building *Energy and Natural Resources

To resume hearings on S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.

3110 Dirksen Building

Environment and Public Works

To resume hearings on the proposed replacement of Lock and Dam 26, Alton,

4200 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs
To continue hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15. 5302 Dirksen Building

Consumer Subcommittee

To hold oversight hearings on activities of the Consumer Product Safety Commission.

235 Russell Building

Governmental Affairs

Subcommittee on Reports, Accounting and

Management

To hold hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.

3302 Dirksen Building

To continue hearings on S. 825, to foster competition and consumer protection policies in the development of product standards.

2228 Dirksen Building

3:00 p.m.

Appropriations

HUD-Independent Agencies Subcommittee To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development, to hear public witnesses.

1318 Dirksen Building

APRIL 20

9:30 a.m.

Environment and Public Works

Water Resources Subcommittee
To continue hearings on the proposed
replacement of Lock and Dam 26, Al-

ton, Ill.

4200 Dirksen Building

10:00 a.m.

Appropriations

Interior Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies, to hear public wit-

1114 Dirksen Building

Banking, Housing, and Urban Affairs
To continue hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.

5302 Dirksen Building

Commerce, Science, and Technology

Consumer Subcommittee

To continue oversight hearings on activities of the Consumer Product Safety Commission. 235 Russell Building

Governmental Affairs

Subcommittee on Governmental Efficiency

To receive testimony on a GAO study alleging inaccurate financial records of the Federal flood insurance program. 6226 Dirksen Building

Judiciary
To continue hearings on S. 825, to foster
competition and consumer protection
policies in the development of product standards.

2228 Dirksen Building

Select Small Business

To hold hearings on S. 872, to authorize the Small Business Administration to make grants to support the development and operation of small business development centers

424 Russell Building

APRIL 21

9:00 a.m.

Judiciary

Subcommittee on Juvenile Delinquency To hold hearings on S. 1021 and S. 1218, to amend and extend, through fiscal

year 1980, programs under the Juvenile Justice and Delinquency Prevention

2228 Dirksen Building

10:00 a.m.

Appropriations

Interior Subcommittee To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies, to hear public witnesses 1114 Dirksen Building

Banking, Housing, and Urban Affairs

To continue hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to Budget Committee by May 15.

5302 Dirksen Building

Commerce, Science, and Technology

Consumer Subcommittee

To continue oversight hearings on ac-tivities of the Consumer Product Safety Commission.

5110 Dirksen Building

Energy and Natural Resources

Subcommittee on Parks and Recreation

To hold hearings on S. 658, to designate certain lands in Oregon for inclusion in the National Wilderness Preservation System.

Room to be announced

Environment and Public Works

Subcommittee on Resource Protection

To hold hearings on proposed legislation authorizing funds to the States to ex-tend the Endangered Species Act through 1980.

4200 Dirksen Building

Governmental Affairs

Subcommittee on Governmental Efficiency To receive testimony on a GAO study alleging inaccurate financial records of the Federal flood insurance program. 6226 Dirksen Building

Governmental Affairs

Subcommittee on Reports, Accounting and Management

To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Gov-ernment, are established.

3302 Dirksen Building

APRIL 22

10:00 a.m.

Banking, Housing, and Urban Affairs

To continue hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.

5302 Dirksen Building

APRIL 25

9:30 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Forest Service.

1114 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs Consumer Affairs Subcommittee

To hold hearings on S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act to prohibit abusive practices by independent debt collectors. 5302 Dirksen Building

Commerce, Science, and Transportation Merchant Marine and Tourism Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for the Coast Guard.

5110 Dirksen Building

Energy and Natural Resources

To resume hearings on S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.

3110 Dirksen Building

Judiciary

To resume hearings on S. 825, to foster competition and consumer protection policies in the development of product standards.

2228 Dirksen Building

APRIL 26

9:30 a.m.

Select Small Business

To hold hearings on problems of small business as they relate to product liability.

1202 Dirksen Building

Select Small Business

To resume hearings on S. 972, to authorize the Small Business Administration to make grants to support the development and operation of small business development centers.

424 Russell Building

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.

1224 Dirksen Building

Banking, Housing, and Urban Affairs Consumer Affairs Subcommittee

To continue hearings on S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act to prohibit abusive practices by independent debt collectors.

5302 Dirksen Building

Commerce, Science, and Transportation Merchant Marine and Tourism Subcommittee

To hold hearings to receive testimony in connection with delays and congestion occurring at U.S. airports-ofentry.

235 Russell Building

2:00 p.m.

Appropriations
Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.

1224 Dirksen Building

APRIL 27

10:00 a.m.

Appropriations Transportation Subcommittee To continue hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.

1224 Dirksen Building

Banking, Housing, and Urban Affairs Consumer Affairs Subcommittee

To continue hearings on S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act to prohibit abusive practices by independent debt col-

lectors.

5302 Dirksen Building

Commerce, Science, and Technology Consumer Subcommittee

To hold hearings on S. 403, the proposed National Product Liability Insurance Act.

5110 Dirksen Building

APRIL 28

10:00 a.m.

Appropriations Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.

1224 Dirksen Building

Commerce, Science, and Technology Consumer Subcommittee

To continue hearings on S. 403, the proposed National Product Liability Insurance Act.

5110 Dirksen Building

Environment and Public Works

Nuclear Regulation Subcommittee To resume hearings on proposed fiscal

year 1978 authorizations for the Nuclear Regulatory Commission. 4200 Dirksen Building

APRIL 29

10:00 a.m.

Commerce, Science, and Transportation Consumer Subcommittee

To continue hearings on S. 403, the proposed National Product Liability Insurance Act.

5110 Dirksen Building

Energy and Natural Resources Subcommittee on Parks and Recreation

To hold hearings on S. 1125, authorizing the establishment of the Eleanor Roosevelt National Historic Site in Hyde Park, N.Y.

3110 Dirksen Building

MAY 3

9:00 a.m.

Veterans' Affairs

Subcommittee on Housing, Insurance, and Cemeteries

To hold hearings on S. 718, to provide veterans with certain cost information on conversion of Government supervised insurance to individual life insurance policies.

Until: 12 noon 6202 Dirksen Building 10:00 a.m.

Banking, Housing, and Urban Affairs

To hold oversight hearings on U.S. monetary policy.

5302 Dirksen Building

Commerce, Science, and Technology Consumer Subcommittee

To hold hearings on proposed legislation amending the Federal Trade Commission Act.

235 Russell Building MAY 4

10:00 a.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Highway Administration. 1224 Dirksen Building

Banking, Housing, and Urban Affairs
To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15. 5302 Dirksen Building

Commerce, Science, and Transportation

Consumer Subcommittee

To continue hearings on proposed legis-lation amending the Federal Trade Commission Act.

235 Russell Building

MAY 5

9:00 a.m.

Veterans' Affairs

Subcommittee on Housing, Insurance, and Cemeteries

To continue hearings on S. 718, to provide veterans with certain cost information on conversion of Government supervised insurance to individual life insurance policies.

6202 Dirksen Building Until: 12 noon

10:00 a.m.

Banking, Housing, and Urban Affairs

To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15. 5302 Dirksen Building

Commerce, Science, and Transportation

Consumer Subcommittee

To hold hearings on S. 957, designed to promote methods by which controversies involving consumers may be resolved.

5110 Dirksen Building

MAY 6

10:00 a.m.

Banking, Housing, and Urban Affairs

To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations to the Budget Committee on May 15. 5302 Dirksen Building

MAY 9

9:30 a.m.

Commerce, Science, and Transportation Communications Subcommittee

To hold oversight hearings on the broadcasting industry, including net-work licensing, advertising, violence on TV, etc.

235 Russell Building

MAY 10

9:30 a.m.

Commerce, Science, and Transportation Communications Subcommittee

To continue oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.

235 Russell Building

10:00 a.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimate for fiscal year 1976 for the Federal Railroad Administration (Northeast Corridor)

1224 Dirksen Building

Banking, Housing, and Urban Affairs To resume oversight hearings on U.S. monetary policy.

5302 Dirksen Building

Governmental Affairs Subcommittee on Reports, Accounting and

Management To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Gov-ernment, are established.

3302 Dirksen Building

MAY 11

9:30 a.m.

Commerce, Science, and Transportation Communications Subcommittee

To continue oversight hearings on the broadcasting industry, including net-work licensing, advertising, violence on TV, etc.

235 Russell Building

MAY 12

10:00 a.m.

Governmental Affairs

Subcommittee on Reports, Accounting and Management

To continue hearings to review the processes by which accounting and audit-ing practices and procedures, promul-gated or approved by the Federal Government, are established.

3302 Dirksen Building

MAY 18

10:00 a.m.

Appropriations

Transportation Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.

1224 Dirksen Building

2:00 p.m.

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for DOT,

to hear Secretary of Transportation Adams.

1224 Dirksen Building

MAY 24

10:00 a.m.

Governmental Affairs Subcommittee on Reports, Accounting and

Management

To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.

3302 Dirksen Building

MAY 26

10:00 a.m.

Governmental Affairs

Subcommittee on Reports, Accounting and Management

To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.

3302 Dirksen Building

JUNE 13

9:30 a.m.

Commerce, Science, and Transportation Communications Subcommittee

To hold oversight hearings on the cable TV system.

235 Russell Building

JUNE 14

9:30 a.m.

Commerce, Science, and Transportation Communications Subcommittee

To continue oversight hearings on the cable TV system.

235 Russell Building

JUNE 15

9:30 a.m.

Commerce, Science, and Transportation Communications Subcommittee

To continue oversight hearings on the cable TV system.

235 Russell Building

CANCELLATIONS

APRIL 6

10:00 a.m.

Energy and Natural Resources

Subcommittee on Energy Conservation and Regulation

To continue oversight hearings to determine status of national efforts in energy conservation.

3110 Dirksen Building

APRIL 7

11:00 a.m.

Foreign Relations

Subcommittee on International Operations To hold hearings on proposed fiscal year 1978 authorizations for the Department of State.

4421 Dirksen Building

HOUSE OF REPRESENTATIVES—Tuesday, April 5, 1977

The House met at 12 o'clock noon. Rev. Floyd H. Gayles, St. James Baptist Church, Washington, D.C., offered the following prayer:

The Lord will give strength unto His people, the Lord will bless His people

with peace .- Psalms 29: 11.

O God our Father, we thank Thee for this another day. We are grateful for Your abiding faith in these troublesome times. We ask of Thee if Thou would abide with us today as we serve our Nation-a calling to fulfill. Give us more love for Thee and our fellow man. Bless the President of this great Nation, the Speaker of the House, and Members of this Congress. As we wait upon Thee, grant unto us light to guide us, strength to sustain us, and wisdom to help us, that we may be true servants of Thine and always devoted to our country. We thank You for the way Thou hast provided for the welfare and care of all of

And now may the blessing of God Almighty, Father, Son, and Holy Spirit be with us through Christ. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced CXXIII-652-Part 9

that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 925. An act to provide temporary authorities to the Secretary of the Interior to facilitate emergency actions to mitigate the impacts of the 1976-77 drought.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 266. An act to amend Public Law 92-314 to authorize appropriations to the Energy Research and Development Administration for financial assistance to limit radiation exposure from uranium mill tailings used for construction, and for other purposes.

PROBLEMS OF INFLATION INDUCED BY CERTAIN FEDERAL GOVERN-MENT ACTIONS

(Mr. BOLLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOLLING. Mr. Speaker, the committee I have the honor of chairing, the Joint Economic Committee, has a responsibility to look ahead and see some of the problems that may confront us, and later this afternoon, at the conclusion of today's legislative business, I hope to address the House for a few minutes on one of those problems, which is actually an accumulation of problems. It is the problem of inflation which may be induced by certain Federal Government actions and a possible way of dealing with that.

JOSEPH CATANIA, COMMISSIONER, BUCKS COUNTY, PA., WELCOMED TO WASHINGTON

(Mr. KOSTMAYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOSTMAYER. Mr. Speaker, no one need impress upon the Members of the House the importance and value of local government officials to our system of government in America.

Many of my colleagues have distinguished themselves in local government positions prior to their serving here.

Today I take pleasure in welcoming to Washington and to the House a dear personal friend of mine who too has distinguished himself while serving as a county commissioner in my home of Bucks County in southeastern Pennsylvania

Official business brings the Honorable Joseph Catania and his wife, Elaine, to Washington this week and I am honored to welcome them to the beginning of our session today and have their presence acknowledged by my distinguished colleagues. I hope their trip is both pleasant and productive and that they enjoy the session.

Thank you, Mr. Speaker.

PERSONAL EXPLANATION

(Mr. EVANS of Delaware asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. EVANS of Delaware. Mr. Speaker, yesterday, as I think most of my colleagues know, I participated fully in the debate on the debt collection practices bill because I felt that it was a good bill. I felt that we needed to protect individuals from unscrupulous and unreasonable practices by some debt collection agencies. Human beings have their human frailties, but electronic systems also have some frailties. It was certainly my intention vesterday to vote for the debt collection practices bill but somehow my vote was not recorded.

Mr. Speaker, I ask unanimous consent that the RECORD show my intention to have voted "ave" on H.R. 5294 and that this statement appears in the permanent

RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Dela-

There was no objection.

IN SUPPORT OF ZAIRE GOVERN-MENT AND WORLD PEACE

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERWINSKI. Mr. Speaker, proceeding on the solid premise that enlightenment begets enlightenment. I have today reintroduced, with eight cosponsors, a resolution which affords Congress an opportunity to position itself in support of the Zaire Government

and world peace.

As I pointed out when I introduced an identical resolution on March 22. President Carter deserves commendation for his aid to Zaire which is attempting to defend itself from an attack by a Marxist encouraged mercenary force from Angola. The resolution also calls upon the United Nations and its Security Council "to look posthaste into the blatant violation of Zaire's sovereignty by the invading rebel force with the objective of finding a speedy and peaceful solution to this invasion of Zaire."

Realistically, the current crisis in Zaire can be traced to the head-in-thesand attitude of the 94th Congress. It was that Congress which stopped President Ford from aiding elements in Angola which were resisting a Soviet-Cuban-backed minority. That action certainly encouraged the ascendancy of a Marxist regime which now is aiding a rebel force that is invading Zaire from a staging area in Angola.

The invasion of Zaire represents a clear threat to world peace and to Zaire's critically important copper industry in Shaba Province. If Zaire were to lose Shaba Province, the government probably would fall and the security of neighboring Zambia would be jeopardized.

Zaire is one of the few allies the United States has in black Africa. Its demise very possibly would result in the installation of another Marxist-oriented regime in Africa with a concomitant increase in Soviet influence in an area laden with strategically important reserves

On January 27, 1976, 99 Members of this body voted in opposition to a Senate amendment to the fiscal year 1976 defense appropriations bill to cut off funds for covert operations in Angola. Events have since demonstrated the correctness of that opposition vote.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE A CON-FERENCE REPORT

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a conference report on the bill (H.R. 4877) making supplemental appropriations for the fiscal year 1977, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Ken-

tucky?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, should we reserve points of order on this?

Mr. NATCHER. It is not necessary. Mr. ROUSSELOT. Mr. Speaker, has the minority been informed?

Mr. NATCHER. The minority has been informed.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Ken-

There was no objection.

REQUEST FOR COMMITTEE BANKING, FINANCE AND URBAN AFFAIRS, TO SIT DURING 5-MINUTE RULE TODAY

Mr. MINISH. Mr. Speaker, I ask unanimous consent that the Committee on Banking, Finance and Urban Affairs may sit during the 5-minute rule

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. ROUSSELOT. Mr. Speaker, I object.

Mr. WYLIE. Mr. Speaker, I object. Mr. GRASSLEY. Mr. Speaker, I

Mr. EVANS of Delaware. Mr. Speaker, I object.

Mr. BAUMAN. Mr. Speaker, I object. Mr. GOODLING. Mr. Speaker, I object. Mr. MICHEL, Mr. Speaker, I object.

Mr. LAGOMARSINO. Mr. Speaker, I object.

Mr. SCHULZE. Mr. Speaker, I object. Mr. TREEN. Mr. Speaker, I object. Mr. BROOMFIELD. Mr. Speaker, I

object. The SPEAKER. Objection is heard.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make an announcement. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated, and after those motions, to be determined

by nonrecord votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

TO PROVIDE FOR RELIEF AND RE-HABILITATION ASSISTANCE TO THE VICTIMS OF THE RECENT EARTHQUAKES IN ROMANIA

Mr. ZABLOCKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5717) to provide for relief and rehabilitation assistance to the victims of the recent earthquake in Romania, as amended.

The Clerk read as follows: H.R. 5717

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 9 of part I of the Foreign Assistance Act of (as amended) is amended by adding at the end thereof the following new section:

"SEC. 495D. ROMANIAN RELIEF AND REHA-BILITATION.—(a) The Congress, recognizing that prompt United States assistance is necessary to alleviate the human suffering arising from recent earthquakes in Romania. authorizes the President to furnish assistance, on such terms and conditions as he may determine, for the relief and rehabilitation of refugees and other earthquake victims in Romania.

"(b) There are hereby authorized to be appropriated to the President for the fiscal year 1977, notwithstanding any other provisions of this Act, in addition to amounts otherwise available for such purposes, not to exceed \$20,000,000, which amount is authorized to remain available until expended.

'(c) Assistance under this section shall be provided in accordance with the policies and general authority contained in section

"(d) Obligations incurred prior to the date of enactment of this section against other appropriations or accounts for the purpose of providing relief and rehabilitation assistance to the people of Romania may be charged to the appropriations authorized under this section.

"(e) Not later than sixty days after the date of enactment of appropriations to carry out this section, and on a quarterly basis thereafter, the President shall transmit reports to the Committees on Foreign Relations and Appropriations of the Senate and to the Speaker of the House of Representatives regarding the porgraming and obliga-tion of funds under this section.

(f) Nothing in this section shall be interpreted as endorsing any measure under-taken by the Government of Romania which would suppress human rights as defined in the Conference on Security and Co-operation in Europe (Helsinki) Final Act and the United Nations Declaration on Human Rights, or as constituting a precedent for or commitment to provide United States development assistance to Romania, and the Romanian Government shall be so notified when aid is furnished under this section.".

The SPEAKER. Is a second demanded? Mr. BROOMFIELD. Mr. Speaker. I demand a second.

Mr. ROUSSELOT. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. ROUSSELOT. Mr. Speaker, I am. The SPEAKER. The gentleman qualifies. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Wisconsin (Mr. ZABLOCKI) and the gentleman from California (Mr. Rousselot) will each be recognized for 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill H.R. 5717, as amended, authorizes \$20 million to provide for the relief and rehabilitation of refugees and other earthquake victims in Romania. The executive branch has requested congressional consideration of this measure on a very urgent basis, in order to effectively demonstrate this country's readiness to act in accordance with our humanitarian tradition.

It is a clear intention of the Committee on International Relations that the disaster assistance authorized in H.R. 5717 is to serve the humanitarian needs of the victims of the earthquake and not to be confused with or used as development assistance to the Romanian Government. This bill was introduced with this intention in mind, and language in the form of an amendment was added by the committee on page 2, line 2 by substituting the words "earthquake victims" for the words "needy people," to make clear beyond any doubt that the sole purpose to be served by these disaster assistance funds would be strictly humanitarian and related directly to losses incurred by the earthquake.

The committee also further amended the bill by substituting on page 2, line 6, the sum, "\$20,000,000" for the sum "\$25,-000.000." This amendment brought the amount of the authorization into line with the executive branch recommendation and the Senate bill, S. 1124.

A third amendment is a technical correcting amendment and simply inserts after "chapter 9," the words "of part I".

As you are all no doubt aware, the earthquake that struck Romania on March 4 was a major disaster. The most recent reports from the executive branch lists over 1,500 dead, 11,000 injured, and 34,000 families homeless. Losses to the Romanian economy are said to exceed \$1 billion. AID has already provided some \$626,000 in emergency disaster relief.

The Committee on International Relations held 2 days of hearings on this bill, on April 4 and today, April 5. The executive branch witnesses who testified in support of the bill as amended, and answered the questions of the committee were: the Honorable Matthew Nimetz, Counselor-Designate, Department of State; Mr. John A. Armitage, Deputy Assistant Secretary of State for European Affairs; Mr. Kempton B. Jenkins, Deputy Assistant Secretary of State for Congressional Relations; and General Earl E. Anderson, Director of the Office of Foreign Disaster Assistance, Agency for International Development.

The executive branch intends to use the funds authorized by this bill in accordance with the following list of priorities, according to the testimony received by the committee, and an April 4 letter from the Deputy Secretary of State, Mr. Warren Christopher:

First. Hospital, medical, and similar equipment and commodities with a humanitarian purpose:

Second. Equipment, commodities, and technical services required for clearing damaged buildings and the rehabilitation and reconstruction of damaged housing, schools, and hospitals; and

Third, Equipment and commodities reguired for rehabilitation and reconstruction and replacement in other sectors.

I wish to emphasize to my colleagues once again that this bill is strictly for humanitarian assistance to the earthquake victims. Further, it is not to be construed in any way as constituting a precedent for or commitment to provide U.S. development assistance to Romania.

Finally, Mr. Speaker, I would urge all of my colleagues to support this bill and thereby continue the generous tradition of the U.S. response to disasters which befall our less fortunate fellow man. As the most fortunately endowed country in the world, we have always done so in the past. Recent disaster assistance to Yugoslavia, Turkey, Italy, and in Latin America has demonstrated our generosity.

Finally, our relations with Romania have been steadily improving in recent years, and a generous response from the United States now, in their hour of need will no doubt go a long way to encourage this positive trend.

Therefore, for all of these good reasons, I urge adoption of this bill as amended.

Mr. ROUSSELOT. Mr. Speaker, before yielding to my distinguished colleagues on this side of the aisle who are very anxious to talk about this giveaway money, can the distinguished chairman of the committee tell me whether this is a direct grant? As I understand it, there are no loans, but a straight giveaway of money.

Mr. ZABLOCKI. Will the gentleman vield?

Mr. ROUSSELOT. I yield to the gentleman.

Mr. ZABLOCKI. There is no simple transfer of money, nor any loan involved. It is for humanitarian disaster assistance, and we will have full knowledge whether it is used for the purposes intended in this bill.

Mr. ROUSSELOT. If the gentleman can tell us, who in this country, which agency, will control the program? How it will work?

Mr. ZABLOCKI. The Agency for International Development.

Mr. ROUSSELOT. AID. And we can be assured they will not be as permissive as they have been sometimes in the past in giving away money? In other words, can we be assured it will go directly for the disaster victims of the earthquake and will not be in any way used for military purposes or to assist the Government in Romania, which is a Communist dictatorship? None of those purposes?

Mr. ZABLOCKI. I can assure the gentleman categorically it will not be used for those purposes. And I can further assure the gentleman that AID will comply with the intent of Congress, and we will have a report in 90 days, which I am sure will help us insure that their actions are in conformity with the legislative intent of this bill.

Mr. ROUSSELOT. Can the gentleman explain to us why there is no report? What is the big rush?

Mr. ZABLOCKI. The reason is that it is humanitarian legislation and there

is a need to move quickly.

Mr. ROUSSELOT. I understand that. Mr. ZABLOCKI. And it is very urgent that we pass it. The reason we were unable to provide a report—we have a report in readiness-the reason it could not be printed for consideration today is because of the lack of time. If we do not act on it today-and we sincerely hope it will pass-it will then have to wait until after Easter.

Mr. ROUSSELOT. If we brought it up, say, tomorrow, we would have been able to get a report printed, probably. It is not that I think a report of the committee is an absolute necessity, but it does give more of us who want to raise questions a genuine chance to see what the committee did, what their findings were, and if in fact there were any supplementary, additional, or minority views.

It was a voice vote in committee for this, was it not?

Mr. ZABLOCKI. It was a voice vote. Mr. ROUSSELOT. I know we are always in a great hurry. We are always told if we do not do it today, everything will fall apart tomorrow. But I do not understand why we were not able to get a report. I do know it is for a disaster loan, that there are great problems in Romania as aresult of the earthquake, and the gentleman cited the figures of the casualties, et cetera. None of us want to be in a position of being against help-

ing people who genuinely need assistance. Why cannot Moscow provide the wherewithal? I mean, are they in desperate straits, or something?

Mr. ZABLOCKI. Will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman.

Mr. ZABLOCKI. It is my understanding that Moscow has assisted the Romanian people.

Mr. ROUSSELOT. How much?

\$22 million, Mr. ZABLOCKI. equivalent of \$22 million.

Mr. ROUSSELOT. They have sent \$22 million from Moscow?

Mr. ZABLOCKI. Yes.

Mr. ROUSSELOT. The equivalent? Mr. ZABLOCKI. The equivalent of \$22

Mr. ROUSSELOT. That has all been in direct medical aid, and humanitarian services, and there has been no use of that money other than to help the people who have been harmed or damaged by the earthquake; is that right?

Mr. ZABLOCKI. That is my understanding.

Mr. ROUSSELOT. What is the estimate the committee received as to how much total aid was needed? If Moscow gave \$22 million, why did they not, say, appeal to the OPEC nations, who have lots of hard American cash which they have received from selling oil to us? Why did they not appeal to the OPEC nations for help?

Mr. ZABLOCKI. The determination as to the amount of aid was in part the result of AID and other U.S. Government agencies assessing the needs, and the amount was arrived at accordingly. As I stated, the loss to the economy of Rumania was over \$1 billion.

Mr. ROUSSELOT. What is the total amount that Rumania requested from all

sources?

Mr. ZABLOCKI. That figure I am not

in a position to give.

Mr. ROUSSELOT. We do not have that figure. So how do we know that our "participation" should be \$10 million, \$15 million, or \$20 million? If Moscow has already sent \$22 million, how do we know that another \$20 million is needed so urgently, without the Members having been provided with a report, and being badgered, etc.

Mr. ZABLOCKI. If the gentleman will yield, I am sure the gentleman will thoroughly understand the difficulty in assessing the total need. But I must point out that we are not predicating our assistance on what they might like to have

on or what they want.

Mr. ROUSSELOT. Well, I would think

we would want to do that.

Mr. ZABLOCKI. And \$20 million is a very reasonable amount. It is in keeping with our tradition of assisting those who are in need.

Mr. ROUSSELOT. Has Romania re-

quested \$20 million from us?

Mr. ZABLOCKI. Mr. Speaker, I am sure that if Romania had the prerogative of requesting more, they would; \$20 million was the amount agreed upon by the committee.

Mr. ROUSSELOT. But we do not have a definitive request from Romania for

\$20 million?

Mr. ZABLOCKI. We have a request for \$20 million. As a matter of fact the Romanians would like much more.

Mr. ROUSSELOT. We do? Mr. ZABLOCKI. We do.

Mr. ROUSSELOT. Do we have that

in writing?

Mr. ZABLOCKI. Yes, we do. I received a letter from the Under Secretary of State, Mr. Warren Christopher, supporting an authorization of \$20 million.

Mr. ROUSSELOT. The committee or the investigating body that went from AID and investigated and returned to this country said that \$20 million was what they needed; is that right? I

thought it was \$10 million.

Mr. ZABLOCKI. Mr. Speaker, I might explain to the gentleman further that the \$10 million that was in the supplemental appropriation bill in the other body was not the full amount supported by the executive branch. It is my understanding that the other body will attempt to correct this figure and increase it to \$20 million.

Mr. ROUSSELOT. How did they get

so far off?

Mr. ZABLOCKI. I cannot speak for the other body as to why they went that far off.

Mr. ROUSSELOT. Of course, none of

us would try to do that.

Mr. ZABLOCKI. Mr. Speaker, if the gentleman will yield further, I was advised earlier that the figure of \$50 million was going to be proposed. We felt immediately that that would be a figure in excess of what the Congress would re-

spond to favorably and, therefore, when the bill was introduced, the figure of \$25 million was the amount authorized to be appropriated. In the deliberations of our committee we reduced it by \$5 million.

Mr. ROUSSELOT. Mr. Speaker, I appreciate that, and I am sure the American taxpayers do, especially when we really do not know what the definitive amount is that is really needed. The other body said it was \$10 million; the gentleman is now telling us that figure needs to be corrected.

What was the additional finding of the committee or the group—the auditors, I think the gentleman said—that was sent over? When will they report back to us as to their findings, and why can we not wait until that gets back?

Mr. ZABLOCKI. Mr. Speaker, will the

gentleman yield?

Mr. ROUSSELOT. I yield to the gen-

tleman from Wisconsin.

Mr. ZABLOCKI. The first team has already come back and reported to the executive branch, and the executive branch has, on the basis of that report, supported a program of \$20 million.

As I said earlier, the damage is far in excess of that figure; it is perhaps \$1 billion. However, I think our contribution of \$20 million is a gesture in keeping with our humanitarian interests and our desire to assist those who are struck by a very unfortunate incident.

Mr. ROUSSELOT. Mr. Speaker, I appreciate the comments of the distin-

guished committee chairman.

Mr. Speaker, I now yield 3 minutes to my distinguished colleague, the gentleman from Illinois (Mr. Derwinski), who, I understand, favors this outstanding giveaway program.

Mr. DERWINSKI. Mr. Speaker, I am pleased to support H.R. 5717, the legislation which will provide relief and reconstruction assistance to the victims of the Romanian earthquake. In my opinion, the aid would effectively demonstrate our country's readines to assist victims of a disaster in a humanitarian undertaking.

As the Members know, the earthquake that struck Romania on March 4 was a major disaster. The reports available to us show that over 1,500 persons were killed, 11,000 were injured, and 34,000 families were left homeless. More than 32,000 buildings were destroyed or seriously damaged, and losses exceed \$1 billion

The Romanian Government has requested our assistance, and I believe the United States should take the necessary steps to help Romania in their reconstruction efforts from this major disaster.

Funds provided by the United States would be used for humanitarian purposes. They would be used for hospital, medical and similar equipment, as well as technical services, commodities, and equipment for clearing damaged buildings and the rehabilitation and reconstruction of damaged housing, schools, and hospitals. Some of these funds would also provide equipment and commodities required for rehabilitation and reconstruction and replacement in other sector.

Romania has demonstrated specific areas of independence from the U.S.S.R. in its foreign policy. Moreover, in its domestic policy, while maintaining a typical Communist regime, it has cooperated with humanitarian immigration efforts and has progressed beyond the practices followed by some of the other East Eurpean governments.

It must be noted that the Romanians

It must be noted that the Romanians are receiving more assistance from the free world than from Communist governments, a point that will not be lost on the Romanian officials and the Romanian people as they struggle to recover from the disaster. Thus, our aid would be a positive foreign policy step as well as a legitimate humanitarian

action.

I believe action is appropriate to make funds available for these purposes, and urge Members to support the legislation to aid Romania in their reconstruction efforts.

Mr. Speaker, I support this bill in the spirit of statesmanship and diplomatic leadership that the Republican side of

the aisle displays.

I would like to point out to the Members that this bill is consistent with the humanitarian response that the United States provides peoples in other countries when they are the victims of a natural disaster. The good Lord, when he inflicts such punishment, does not ask about the political color of the victims, and the question of the political situation in Romania is really beside the point insofar as the suffering of the victims is concerned.

However, since a number of the Members in committee, as well as on the floor, have raised a question concerning the precedent of providing disaster relief for a country with a Communist government, let me remind the Members that back in 1962, when an earthquake devastated Skopie, Yugoslavia, we did provide emergency relief which was very effective and, I might add, appreciated.

In this particular case I can assure the Members that the assistance we provide the people of Romania will be appreciated by them and will enhance their respect for and their appreciation and understanding of the attitude of the American people and our Government. I think this is a worthwhile measure. I believe it is a practical measure.

Quite frankly, the relief support reaching Romania from the West substantially exceeds the relief Romania is receiving from the governments of Eastern Europe, which to me is dramatic evidence of the effectiveness of our approach rather than that of the Communist regimes.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield briefly?

Mr. DERWINSKI. Of course.

Mr. ROUSSELOT. Mr. Speaker, let me ask the gentleman this:

Was there any attempt by Romania to get any form of relief from the OPEC nations or the Arabic nations, which are very cash-rich after receiving all the money they have taken from us in selling us their oil?

Mr. DERWINSKI. Mr. Speaker, as the

gentleman from California knows, being the great statesman that he is, when disaster strikes a country, its government accepts aid and support from wherever it comes, whether it be from governmental sources or private sources.

Mr. ROUSSELOT. Did we make a determination that a request had been made of the OPEC nations so that maybe so much of a burden would not be placed on us?

Mr. DERWINSKI. I do not believe that, as a matter of practical administrative policy, we could establish such a policy.

Mr. ROUSSELOT. We sent auditors over to look the situation over, did we not?

Mr. DERWINSKI. Yes. But I do not think it is within our jurisdiction to determine what should be expended from other countries. That is an individual determination of a nation.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. ROUSSELOT. I yield 1 additional minute to the gentleman from Illinois.

Mr. DERWINSKI. I would like to point out to the gentleman from California, knowing of his profound appreciation of history and that the gentleman is also one of the great scholars of this body, I am sure he knows that one of the things that has earned for the United States a position of respect throughout the world is the fact that we properly and instinctively come to the support of people affected by natural tragedies. In this case it is a political advantage to the United States to be more effective than the Communist government of the Soviet Union.

I might point out the gentleman from California that Romania, to the extent that they can and are able to do so, have fashioned an independent foreign policy. For example, they do not cooperate with the Warsaw Pact in maneuvers. They did not permit Russian troops to use their soil. They advised the Soviet Union when there were rumors of a Soviet move again Yugoslavia, that they dare not cross their territory.

So, from not only a logical but a humanitarian standpoint I think the gentleman will find this measure to be completely justified.

Mr. ROUSSELOT. Mr. Speaker, I yield 2 minutes to my distinguished colleague, the gentleman from Ohio (Mr. HARSHA).

Mr. HARSHA. Mr. Speaker, I would like to ask the distinguished ranking minority member of this committee, the gentleman from Illinoi (Mr. Derwinski), if the administration approves of this legislation?

Mr. DERWINSKI. The answer is "yes."

Mr. HARSHA. Did they in fact send a request up here?

Mr. DERWINSKI. Yes, the administration, as the chairman, the gentleman from Wisconsin (Mr. Zablocki), has indicated, will use the AID agency as the arm of the administration and this bill is consistent with not only the administration's policy, but I think it is a legitimate request that the American public supports.

Mr. HARSHA. Mr. Speaker, I would like to ask the gentleman from Illinois if he could explain to me the rationale of this humanitarian administration to deny the same kind of relief to the citizens of the State of Ohio after an extremely severe winter where we had damages in excess of \$60 million in losses and damages to our roads and our brdiges, water mains and lines destroyed, and where many farm buildings were destroyed, fences were destroyed, also where the farmers lost a lot of livestock over this extremely difficult winter? Yet this same humanitarian administration refuses to grant aid or relief to those people who are citizens of the United States and most of whom are taxpayers of the United States. Now that administration seeks to take the taxes from those same people and send it for the relief of Communist people across the sea. Would the gentleman please explain the rationale for that kind of policy?

Mr. DERWINSKI. Yes, very easily. First of all, Mr. Speaker, I represent the State of Illinois where many citizens suffered from the same severe winter as they did in Ohio. We did not have quite the problem that they had in Ohio probably because of better planning by our public utilities. But the fact remains that there is a substantial difference between a devastating earthquake and a severe winter. The gentleman from Ohio knows that local and State governments as well as the Federal Government officials have done what they could to alleviate the problems caused from the severe winter and more will be done. But what we are speaking about today is an earthquake in which thousands of people lost their lives, in which the property damage ran into the billions and this is a country without the resources that we

Further, we have consistently gone to the support of people suffering from natural disasters regardless of the political coloration of their country. That is one of the great virtues of our country.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROUSSELOT. I yield 30 seconds to the gentleman from Ohio.

Mr. HARSHA. Mr. Speaker, I thank the gentleman from Illinois for his response, but, Mr. Speaker, I would like to remind the gentleman that a disaster is a disaster no matter where it is. When people have to exist under conditions of 25° below zero over an inordinate length of time then they are suffering a great deal of hardship. The reason we are here seeking Federal assistance is because the local communities are totally unable to cope with the problem. It is of such a magnitude that they do not have the resources or the wherewithal to do it.

So, Mr. Speaker, I question the philosophy of a government that will give taxpayers' money to Communist people and not to U.S. citizens. Charity begins at home. These are Americans and taxpayers and they deserve at least the same humanitarian assistance that this administration offers to communists.

Mr. ZABLOCKI. Mr. Speaker, I yield

1 minute to the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Speaker, let me just say one thing in response to the question about the matter of the Romanians asking for help from the OPEC countries. I, frankly, do not whether they have or not, but would remind the Members that one reason why they might not have asked for help from the OPEC countries is that Romania shipped oil to us all through the Arab oil embargo. Indeed Romania has retained diplomatic relations with Israel and it is the only Warsaw Pact country to do so. So that might explain why they might not have asked for help from the OPEC countries.

Mr. Speaker, in recommending continued most favored nation treatment by the United States toward Romania last year, President Ford said that "continued good United States-Romanian relations, both political and commercial, serve the foreign policy interests of both countries." That, I think, is a good summary of our national posture toward Romania. It is to further cement good relations with the people of Romania that I introduced H.R. 5717, with the cosponsorship of Mr. Vanik, Mrs. Fenwick, Mr. Rostenkowski, and Mr. Whalen.

I do not need to recite the terrible consequence of the recent earthquake in Romania. They have been widely reported in the press, and were discussed in detail when the House, on March 17, passed a resolution—Senate Concurrent Resolution 12—expressing our sympathy to the Romanian people and calling for the United States to do everything possible to assist the victims of this terrible natural disaster. The legislation now before us would fulfill the promise of that resolution in concrete terms by providing \$20,000,000 in relief and rehabilitation assistance to the earthquake victims.

The Romanian people, Mr. Speaker, have in recent years sacrificed a great deal in efforts to develop their country. The Romanian Government has pursued one of the most ambitious economic development programs of any developing country in the world. In its current 5-year plan, for example, Romania seeks overall economic growth of 9 to 10 percent.

While it has not always achieved these goals, and while some of us might question the wisdom of such rapid growth, these development efforts have required the Romanian people to live with virtually no luxuries and with little in reserve to fall back on in the event of disasters such as the recent earthquakes. The plight of the earthquake victims, therefore, is particularly serious and assistance urgent.

The United States has a long tradition of extending a helping hand to people in need of our help in emergencies. It is one of our proudest traditions—a tradition for which we are remembered with affection by millions of people around the world. We should join with other nations in living up to this tradition of care and generosity for Romania in its moment of need as we have for other friendly nations.

The only factor, Mr. Speaker, that

could give anyone the slightest pause concerning this legislation is the fact that Romania is a Communist country. Several things should be kept in mind about that, however.

Most importantly, as has already been mentioned, Romania is among the most independent of the Communist countries in its foreign policy. It trades more with the West than it does with the Communist bloc. It is a member of COMECON—the Soviet dominated common market of Communist countriesbut pursues its own economic planning and development without subordination to COMECON planning. It does not permit Soviet troops to be stationed on its soil, and generally does not participate in Warsaw Pact maneuvers. It has abstained or voted with the West on a number of occasions on issues of importance to the United States in the United Nations and other international bodies. Unlike most other Communist countries, it is a member in good standing of the International Monetary Fund and other international financial institutions.

Mr. Speaker, the friendship of the Romanian Government and people toward the United States is well proved. As I have already noted, Romania supplied us with oil during the critical days of the Arab oil embargo. The number of Romanians emigrating to the United States has increased dramatically in recent years. We have had many cultural and sports exchanges. We have recognized our basic friendship with Romania by granting it most favored nation status.

In the final analysis, however, the assistance called for in this legislation should not be put in a political context. This is a humanitarian bill. The assistance it provides will go directly to the earthquake victims and their rehabilitation. I urge my colleagues to support this legislation to grant \$20 million in emergency disaster assistance in Romania.

Mr. ZABLOCKI. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. Hamilton).

Mr. HAMILTON. Mr. Speaker, I rise in support of H.R. 5717, a bill to authorize an appropriation of \$20 million for disaster relief aid and reconstruction assistance for Romania.

On March 4, 1977, Romania was hit by a severe earthquake, the epicenter of which was only a little more than 100 miles from Bucharest, the capital. The earthquake did considerable damage to Bucharest and surrounding towns. Over 1,500 people were killed, some 11,000 were injured, and close to 150,000 citizens were left homeless.

Mr. Speaker, this disaster relief and reconstruction effort is designed to help the Romanian people deal with post-earthquake problems. This aid is not designed to merely supplement other Romanian Government programs. Rather, based on extensive discussions with the Romanian Government, this assistance will help Romania with three priority concerns:

First. Hospital, medical, and similar equipment and commodities with a humanitarian purpose;

Second. Equipment, commodities, and

technical services required for clearing damaged buildings and the rehabilitation and reconstruction of damaged housing, schools, and hospitals; and

Third. Equipment and commodities required for rehabilitation and reconstruction and replacement in other sections.

Mr. Speaker, we have important mutual interests with Romania. Romania has been an independent voice in Eastern Europe. The earthquake Romania recently had will likely put enormous pressures on the country's efforts to maintain independent policies.

But we also have a strong interest in demonstrating our concern over the human suffering and misery that has hit Romania in the aftermath of the earthquake.

H.R. 5717 shows our concern for the suffering of the Romanian people. I urge its adoption.

Mr. ROUSSELOT. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr Findley).

Mr. FINDLEY. Mr. Speaker, I rise in support of the bill. Some question was raised as to the extent of earthquake damage. It was an enormous toll. In monetary terms the Romanian Government estimated it at about \$1 billion.

A question was raised as to other countries' helping in this crisis. The United Kingdom, which is a country, of course, with many pressing financial problems, nevertheless offered the equivalent of \$20 million in aid to Romania.

I realize that this matter is being considered under rush conditions. I wish more time had been taken for the deliberations, but I believe that in a situation like this where there are humanitarian considerations as well as political considerations the timeliness of the congressional response is important. Therefore, I do recommend that the House suspend the rules and pass the bill. H.R. 5717.

Mr. Speaker, in the wake of natural disasters striking other nations, the United States has repeatedly reached out to help the victims with food supplies, clothing, medical help, and shelter.

We have responded in the past to earthquakes in Italy, Guatemala, and Turkey with relief and rehabilitation aid. In 1970, we provided Romania which had been hit by a series of spring floods with \$11.5 million. That aid money significantly improved the climate of United States-Romanian relations.

By approving H.R. 5717 to authorize \$20 million in disaster relief aid for Romania we have a good opportunity to demonstrate our interest in continued good relations with Romania and to help the victims of the March 4 earthquake which left 1,500 dead, 11,000 injured, and 34,000 families homeless. To date we have sent shipments of medical supplies and powdered milk to Romania as well as a team of seismic experts to assess the extent of the damage. This initial aid of \$625,000 was funded out of the Foreign Assistance Act and Public Law 480 and would be included in the \$20 million total proposed today.

The economic difficulties engendered by this earthquake which hit the center of Romania's industrial area jeopardize the independent path Romania has been trying to maintain during the past 10 years. Our aid would signal our interest in Romania continuing its efforts to avoid total domination by the Soviet Union.

In recent years, these efforts have meant that Romania has only minimally participated in Warsaw Pact maneuvers and has not permitted their maneuvers on Romanian soil.

United States-Romanian relations have been friendly. We have extended most favored nation status to Romania. We have a cultural and scientific exchange agreement with Romania and have signed with that country a statement of principles on economic cooperation.

The money authorized for Romania will provide hospital and medical equipment supplies and goods. Nine hospitals were damaged in Bucharest alone.

It will also provide services and equipment for clearing rubble and for rehabilitating shelter and hospitals for the earthquake victims. I would like to stress, however, that this money should be used strictly for humanitarian purposes and should not go toward large-scale reconstruction projects.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. FINDLEY. I yield to the gentle-

man from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

I appreciate my colleague's point, but I do think it is unfortunate that we did not have time for the committee report to be printed and that we did not have time to debate this under an open rule and consider whether in fact "our fair share" would be \$10 million or \$20 million. Unfortunately, this is always the method and technique that we use. I do not believe I day would have made that much difference, although I realize there is a scheduling problem so that we can go on our "working recess."

Mr. FINDLEY. I want to say to the gentleman that I agree with the points that he has made. As one member of the committee I did what I could to secure full consideration, and I hope that the committee in the future will be more deliberate in taking up questions of this sort.

Mr. ROUSSELOT. I appreciate my colleague's comment.

Mr. Speaker, I yield 1 minute to my distinguished colleague, the gentleman from Ohio (Mr. Whalen).

Mr. WHALEN. Mr. Speaker, I thank the gentleman from California for yielding. I simply rise as one of the coauthors of this bill in its support.

Mr. Speaker, today we are considering a measure to provide \$25 million for disaster relief to Romania to aid in that country's recovery from the greatest natural disaster in its history.

On March 4, 1977, a devastating earthquake measuring 7.2 on the Richter scale struck Romania. The heaviest damage occurred in the capital city of Bucharest, where it is estimated that 1,400 persons were killed and 10,500 injured.

According to official information, the heaviest damages were inflicted upon the chemical industry; machine-manufac-turing industries; food, forestry, construction, metallurgy, and transportation industries. Agricultural facilities were destroyed. And 32,897 housing units collapsed or were heavily damaged, while tens of thousands of homes suffered lesser damages. Over 34,500 families were left homeless.

Important losses also occurred in the commercial and services sectors with numerous medical institutions, schools and kindergartens, institutes of higher edupublic cation, historic monuments, buildings, and cultural facilities destroyed. In all, damages are estimated at over \$2 billion. These losses come on top of severe droughts in 1974 and mas-

sive flooding in 1975.

The Romanians have undertaken reconstruction and recovery in an admirable fashion, with assistance from many countries. The United States promptly sent medical provisions and trained seismological personnel to Romania in the days following the earthquake. Additional American expertise and financial support is needed in the fields of housing and engineering. This continued assistance requires authorization by the Congress.

On March 17, the House joined the Senate in expressing the sense of Congress that the United States should do all that is possible to assist Romania in recovering from the earthquake of March 4. The legislation before us today, which is sponsored by Mr. VANIK, Mr. ROSTENkowski, Mrs. Fenwick, and myself, enables us to make that promise a reality. In view of our constantly improving relations with that country and our response to similar, but lesser, disasters in other countries such as Italy and Yugoslavia, let us not hesitate to extend to Romania this concrete proof of our compassion and friendship.

Mr. ZABLOCKI. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. Biaggi)

Mr. BIAGGI. Mr. Speaker, I rise in full support of H.R. 5717, legislation to provide desperately needed relief and reconstruction aid for the nation of Romania which was ravaged by an earthquake on March 4. Passage of this legislation will be consistent with this Nation's leadership on behalf of persons of foreign nations who are victims of natural disasters

The March 4 earthquake was truly a disaster of profound significance. The most recent reports show over 1,500 dead, 11,000 persons injured, and some 35,000 families homeless. The total extent of damage may exceed \$10 billion. The Romanian Government has specifically requested this assistance and the Carter administration has indicated its support of any relief efforts which Congress may provide.

The need for U.S. assistance is both obvious and compelling. Among the priority needs in Romania today is medical equipment and services to aid the injured. An equally important need is for equipment which will help in the removal of damaged buildings which pose a continual threat to many towns in Romania.

I myself was the sponsor of similar legislation to aid the victims of the Italian earthquake of last May. We provided \$25 million in emergency assistance which according to reports I have received has played an invaluable role in the rebuilding of the Fruili region of Italy which was virtually devastated by the earthquake. We have provided similar assistance to a number of other nations including Turkey, the African Sahel, and Ethiopia, Our record on behalf of providing emergency humanitarian aid is sound. Passage of this legislation will be an important extension of this commitment

Of course, in our discussion of this legislation we should not be oblivious to the political situation in Romania, Despite being a captive nation under Soviet control-Romania over the years has demonstrated their independence from certain of the repressive policies of the Soviet Union. A primary example is the area of emigration. Despite the practices of the Soviet Union and other Eastern European nations which refuse emigration privileges to their citizens-Romania has accomplished an outstanding record in this area. They have consistently demonstrated great humanitarian concern in their allowing of Romanian citizens to emigrate to the United States to be reunited with relatives and friends. To aid Romania in her desperate time of need would represent more than mere humanitarianism. It would make important sense from a foreign policy standpoint, as we would clearly be showing our solidarity with the freedom loving people of Romania

Mr. Speaker, I am proud to support this legislation today. The people of Romania need our help today and we should respond generously. The thousands of injured and destitute victims of this horrible calamity are awaiting our actions today. Let us not let their pleas go unanswered.

Mr. ROUSSELOT. Mr. Speaker, I yield

myself 2 minutes.

Mr. Speaker, I think I have made the point, and my colleague, the gentleman from Illinois, has tended to agree with me, although he supports the bill. I think it is unfortunate that in the name of emergency we rush these kinds of bills through. I certainly do not want to be accused of being insensitive to the needs of disaster-stricken people, and obviously in this case it is desperately needed, but I do feel it is unfortunate that under this procedure, where there is no chance for amendment, there is no chance for really closer questioning as to what amount genuinely our country should be asked to contribute. In fact I have been told that the amount might be as much as a billion dollars of damage, but my attitude is that really Russia which controls this country to a substantial degree has the basic responsibility for providing the assistance even though Romania claims to be a relatively independent satellite of Soviet Russia.

I do not recall Russia ever offering to help, nor have we ever requested it to help when we have had a disaster of a substantial nature. I find it very regretful that we have brought this legislation

up under this procedure. I think it was unfortunate that the committee felt it necessary to rush the bill through in this

I know comments will be made that it is only \$20 million, but that is still a great deal of money, and as my colleague. the gentleman from Ohio, said, he has found it difficult to get aid in Ohio for people who have been drastically hurt by the winter situation. I think it is an unfortunate conflict that we are rushing this bill through here today.

Furthermore, I think it can be well substantiated that there are sufficient funds already available under a number of different accounts which would more than satisfy the needs of Romania without Congress having to hurriedly pass this special emergency legislation. There are at least four different places where disaster-relief funds for Romania could

be secured:

First. The Agency for International Development Disaster Relief Account. It is my understanding that this is a \$26 million account with sufficient funds to assist Romania, at least in the short run, until we have a better chance to carefully consider this legislation.

Second. Public Law 480 Agriculture

account.

Third. Export-Import Bank.

Fourth. Contingency funds account of the 1977 foreign aid appropriation. The Appropriations Committee has indicated that there are sufficient balances in this account to more than take care of the immediate needs of Romanian earthquake victims.

It is clear to see, then, that more than adequate resources are already available to grant Romania the relief that it needs-at least until Congress has had a better chance to consider this matter and carefully determine exactly what Romanian needs truly are.

Mr. BROOMFIELD. Mr. Speaker, H.R. 5717 proposes a \$20 million authorization for relief and rehabilitation for Romania to aid that nation to recover from the earthquake it suffered on March 4. This is a timely and generous response appropriate to the United States and is indicative of our continuing desire to help victims of natural disasters. In recent years we have provided Italy, Guatemala, and Turkey with assistance in the aftermath of similar earthquake tragedies.

In the days immediately following the March 4 earthquake, the United States rushed medical supplies and more than 300 tons of powdered milk to Romania. We also sent a team of seismic experts to Bucharest to assess the extent of structural damage. This initial aid package of \$625,000 was funded out of the Foreign Assistance Act of 1961, as amended and from Public Law 480 accounts. This assistance would be subsumed within this authorization rather than be in addition to the \$20 million.

Reports we have received from seismic experts and estimates from our Embassy in Bucharest place the level of damage at over \$1 billion. In Bucharest alone, nine hospitals suffered structural damage. However, the greatest loss was in terms of human lives. As a result of the earthquake, over 1,500 are dead, 11,000 injured while 34,000 more families are homeless.

These reports on aid priorities have stressed the need for medical supplies and equipment, and for assistance to repair hospitals and shelters. Although the administration has also expressed interest in some funding for rehabilitation and reconstruction, I would like to reiterate my concern and the concern of many of my colleagues that this aid be devoted to purely humanitarian ends. I would also like to note with approval the language in this bill which states that this authorization does not constitute a precedent for further aid to Romania.

I, therefore, intend to support H.R. 5717 and urge my fellow Members of the House to vote to authorize humanitarian disaster relief aid for Romania.

Mr. ROSTENKOWSKI. Mr. Speaker, I am pleased to see that H.R. 5717 is receiving such expeditious consideration in the House. The United States has always been quick to respond whenever a natural disaster of this magnitude has struck. The House and Senate have already passed Senate Concurrent Resolution 12, expressing the sympathy of the United States to the victims of this disaster and requesting that our country do all that is possible to assist the victims of the earthquake. As one of the original cosponsors of H.R. 5717, I congratulate Chairman ZABLOCKI and the members of the Committee on International Relations for their prompt consideration of this legislation.

During the consideration of Senate Concurrent Resolution 12, I discussed the damages which the recent earthquake caused in Romania. At that time, however, only preliminary figures were available. We have now learned from the Department of State and from official Romanian communiques that the damages from the earthquake will amount to more than \$1 billion. There are more than 1,500 people dead, almost 1,400 of these in Bucharest alone, and over 20,-000 injured. Thirty-two thousand housing units either collapsed or were heavily damaged, leaving 34,000 families without shelter. Two hundred industrial enterprises have had to close, at least temporarily.

The funds provided by H.R. 5717 would be used for such humanitarian purposes as hospital and medical supplies. These funds also would provide assistance in clearing and reconstructing damaged hospitals, schools, and homes; and would be used for equipment and commodities to rehabilitate and reconstruct damaged areas.

The long-range effects of this disaster will be visible for years to come. There is very little we can now do to remedy this. We can do something, however, to alleviate the high degree of human suffering which presently exists in Romania.

I again congratulate the International Relations Committee for moving so rapidly on this important bill and urge all my colleagues to support it.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to

revise and extend their remarks on the bill (H.R. 5717) pending before us.

The SPEAKER pro tempore (Mr. Foley). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI, Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I realize that the gentleman from California is concerned and I do appreciate his concern that we are rather hurriedly scheduling this bill, but we must bear in mind that at this time if we do not consider it today, the bill could not be considered tomorrow. If we are going to deal with an emergency, we have to do it as soon as possible.

I detect that there are some, or at least the gentleman from California has given me this impression, who feel that we should stand back and see who else will help and then come with our little share. I think this would not be in keeping with our tradition of assisting those who are in need and, therefore, I urge the adoption of this bill.

Mr. ZABLOCKI. Mr. Speaker, I have

no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. Zablocki) that the House suspend the rules and pass the bill H.R. 5717, as amended.

The question was taken.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently

a quorum is not present.

Pursuant to clause 3 of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

Does the gentleman from Maryland withdraw his point of order that a quorum is not present?

Mr. BAUMAN. Mr. Speaker, I withdraw my point of order.

ELEMENTARY AND SECONDARY CAREER EDUCATION ACT OF 1977

Mr. PERKINS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7) to authorize a career education program for elementary and secondary schools, and for other purposes as amended.

The Clerk read as follows:

H.R. 7

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Elementary and Secondary Career Education Act of 1977".

PURPOSE

Sec. 2. In recognition of the prime importance of work in our society and in recognition of the role that the schools play in the lives of all Americans, it is the purpose of this Act to assist States and local educational agencies in making education as preparation for work, and as a means of relating work values to other life roles and choices (such as family life), a major goal of all who teach and all who learn by increasing the emphasis they place in elementary and secondary schools on career awareness, exploration, decisionmaking, and planning, and

to do so in a manner which will promote equal opportunity in making career choices through the elimination of bias and stereotyping (including bias and stereotyping on account of race, sex, or handicap) in such activities.

AUTHORIZATIONS

SEC. 3. (a) Subject to the provisions of subsection (c), appropriations are authorized to be made (as provided in subsection (b)) to carry out the provisions of this Act for five fiscal years. The first such fiscal year thereinafter in this Act referred to as the first funded fiscal year") may be any fiscal year beginning after the date of enactment of this Act, and the second, third, fourth, and fifth such fiscal years (hereinafter referred to as the "second funded fiscal year", "third funded fiscal year", "fourth funded fiscal year", and "fifth funded fiscal year," respectively) may be any fiscal year thereafter, except that no such appropriation may be made for the second, third, fourth, or fifth such fiscal year unless such an appropriation was made for the first, second, third, or fourth such fiscal year, respectively

(b) Subject to the provisions of subsection (c), there are authorized to be appropriated for the fiscal years specified in sub-

section (a)-

(1) \$25,000,000 for the first funded fiscal year;

(2) \$100,000,000 for the second funded fiscal year;

(3) \$75,000,000 for the third funded fiscal

year;
(4) \$50,000,000 for the fourth funded fiscal
year; and

(5) \$25,000,000 for the fifth funded fiscal

year.

(c) No funds are authorized to be appropriated for any fiscal year under this section unless such funds are appropriated in the fiscal year prior to the fiscal year in which such funds will be obligated, and unless such funds are made available for expenditure to the States prior to the beginning of such fiscal year.

fiscal year.

(d) Notwithstanding any other provisions of law, no funds may be made available under the provisions of section 406(f) of the Education Amendments of 1974 for grants or contracts with local educational agencies for any fiscal year for which funds have been appropriated pursuant to subsection (b).

ALLOCATIONS

Sec. 4. (a) (1) From the sums appropriated pursuant to section 3 for any fiscal year which are not reserved under paragraph (2) of this subsection, the Commissioner shall allot to each State an amount which bears the same ratio to such sums as such State's population, aged five to eighteen, bears to the total population, aged five to eighteen, of all the States, except that no State shall be allotted from such sums less than \$100,000.

(2) The Commissioner shall reserve from the sums appropriated pursuant to section 3 for any fiscal year an amount equal to 1 per centum of the sums so appropriated for that fiscal year for the purpose of making grants to local educational agencies located in Guam, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands in furtherance of the purposes of this Act.

(b) (1) Any funds allotted to a State under subsection (a) (1) for which a State has not applied or for which a State application has not been approved shall be reallotted by ratably increasing the allocations of each of the States which have approved applica-

(2) If the sums appropriated for any fiscal year are not sufficient to make the allotments of the minimum amounts specified in subsection (a)(1), such minimum amounts shall be ratably reduced. If additional sums become available during a fiscal year for which such allotments were reduced, such

allotments shall be increased on the same basis as they were reduced.

APPLICATIONS

SEC. 5. Every State desiring to receive funds appropriated under section 3(b) for the first funded fiscal year shall submit to the Commissioner an application containing assurances that-

(1) the State educational agency will be the agency responsible for planning the use, and administering the expenditure, of funds received under this Act;

(2) the State legislature and the Governor have been notified of the State's application for such funds:

(3) the State will expend, from its own sources, for any fiscal year for which funds are received under this Act, an amount equal to or exceeding the amount which such State expended for career education during the preceding fiscal year;

the State shall make every possible effort to integrate career education into the regular education programs offered in ele-

mentary and secondary schools in the State;
(5) the State educational agency shall provide assurances satisfactory to the Commissioner that programs of career education assisted under this Act will be administered in such a manner as to impact upon all instructional programs in elementary and secondary education, and not be administered solely as a part of the vocational education program, and these programs of career education will be coordinated by a person having prior experience in the field of career education (who shall be designated as a State coordinator of career education);

(6) such agency will employ such staff as are necessary to provide for the administration of this Act and programs of career education funded under this Act, including a person or persons experienced with respect to problems of discrimination in the labor market and stereotyping affecting career education (including bias and stereotyping on account of race, sex, or handicap), and including at least one professional trained in guidance and counseling who shall work jointly in the office of the principal staff person responsible for such administration and coordination and in the office of the State educational agency responsible for guidance and counseling, if any such office

(7) such agency will continuously review the plan submitted under section 6 and will submit such amendments thereto as may be deemed appropriate in response to such agency's experience with the program;

(8) not less than 15 per centum of that portion of a State's grant for any fiscal year which is not reserved pursuant to section 8(b)(1) will be used for programs described in section 7(a)(3)(B); and

(9) the funds received under this Act will be used in accordance with the provisions of section 7.

STATE PLANS

Sec. 6. Every State desiring to receive funds appropriated pursuant to section 3(b) shall submit to the Commissioner by July 1 of the first funded fiscal year a State plan which shall-

(1) set out explicitly the objectives the State will seek to achieve by the end of each of the five funded fiscal years in implementing the goal of providing career education for students in elementary and secondary schools within the State, and set out the methods by which the State will seek each year to achieve these objectives with all resources available;

(2) describe the methods by which the funds received under this Act will be used, in accordance with section 7, to implement the overall objectives in each of the five funded fiscal years;

(3) set forth policies and procedures which the State will follow to assure equal access of all students (including the handicapped and members of both sexes) to career education programs carried out under the State plan;

(4) provide adequate assurance that the requirements of section 5 will be met in each funded fiscal year after the first such year.

USE OF FUNDS

Sec. 7. (a) Subject to the provisions of section 8, funds received under this Act may be used by a State only for the following activities:

(1) employing such additional State educational agency personnel as may be required for the administration and coordination of programs assisted under this Act;

(2) providing State leadership for career education, either directly or through arrangements with private and public agencies and organizations (including institutions of higher education), in-

conducting inservice institutes for education personnel;

(B) training local career education coordinators;

(C) collecting, evaluating, and disseminating career education materials on an intrastate and an interstate basis;

(D) conducting statewide needs assessment and evaluation studies;

(E) conducting statewide leadership conferences;

(F) engaging in collaborative relationships with other agencies of State government and with State organizations representing the business-labor-industry professional community and organizations representing the handicapped, minority groups, and women; and

(G) promoting the adaptation of teachertraining curricula to the concept of career education by institutions of higher education located in the State;

(3) making grants to local educational agencies for comprehensive programs including-

(A) infusing career education concepts

and approaches in classrooms; (B) developing and implementing compre-

hensive career guidance, counseling, placement, and followup services utilizing counselors, teachers, parents, and community resource personnel;

(C) developing and implementing collaborative relationships with organizations representing the handicapped, minority groups, and women and with the business-labor-industry-professional-government community, including the use of personnel from such organizations and that community as resource persons in schools and for student field trips

into that community;
(D) developing and implementing work experiences for students whose primary pur-pose is career exploration, provided that such work experiences are related to existing or potential career opportunities and do not displace other workers who perform such

(E) employing coordinators of career education in local educational agencies or in combinations of such agencies (but not at the individual school building level);

(F) training of local career education coordinators;

(G) inservice education of teachers, counselors, school administrators, and other education personnel aimed at helping them to understand career education, including their roles in career education, and to acquire competencies essential for carrying out their roles;

(H) conducting institutes to acquaint school board members, community leaders, and parents with the nature and goals of career education;

(I) purchasing instructional materials and supplies for career education activities;

(J) establishing and operating community career education councils;

(K) establishing and operating career education resource centers serving both students and the general public;

(L) adopting, reviewing, and revising local plans for coordinating the implementation of the comprehensive program; and

(M) conducting needs assessments and evaluations: and

(4) reviewing and revising the State plan.

(b) Grants to local educational agencies pursuant to subsection (a) (3) from funds received under this Act shall be made on the basis of applications approved by the State educational agency, and shall, to the extent practicable, be made in accordance with equitable distribution criteria established by the State educational agency, having due regard for the special needs of local educational agencies serving sparsely populated areas or serving relatively few students.

(c) (1) To the extent consistent with the number of children enrolled in private nonprofit elementary and secondary schools within the State, as regards services provided under paragraph (2) of subsection (a), and within the school district, as regards a grant made to a local educational agency under paragraph (3) of such subsection, after con-sultation with appropriate private school officials, provision shall be made for the effective participation on an equitable basis of such children and the teachers of such children in these services and in the programs funded with these grants.

(2) (A) The control of funds provided under this Act and title to materials, equipment, and property repaired, remodeled, or constructed therewith shall be in a public agency for the uses and purposes provided in this Act, and a public agency shall administer such funds and property.

(B) The provisions of services pursuant to this paragraph shall be provided by employees of a public agency or through contract by such public agency with a person, an association, agency, or corporation who or which in the provision of such services is independent of such private school and of any religious organization, and such employment or contract shall be under the control and supervision of such public agency, and the funds provided under this Act to accommodate students and teachers in nonprofit private schools shall not be commingled with State or local funds.

PAYMENTS

SEC. 8.(a) (1) The Commissioner, upon receipt of an application of assurance for the first funded fiscal year which the Commissioner finds to be in compliance with section 5, and upon finding the State to be in compliance with sections 6 and 7 for the second and third funded fiscal years, shall pay to the State the amount which it is entitled to receive for each such year under this Act.

(2) The Commissioner, upon finding the State to be in compliance with sections 6 and 7 for the fourth and fifth funded fiscal years, by reviewing the report required to be submitted by the State under section 10 for the second and third funded fiscal years, respectively, shall pay to the State the amount which it is entitled to receive for each such fourth and fifth funded fiscal years under this Act reduced in proportion to the extent to which the Commissioner determines that such State has substantially failed to achieve the objectives for the second and third fiscal years set forth in its State plan

(b) (1) Any State receiving funds appropriated under section 3 may reserve not more than 10 per centum of such funds for services performed for local educational agencies pursuant to section 7(a)(2) and not more than 5 per centum for the purposes of paragraphs (1) and (4) of section 7(a). The remainder of such funds shall be distributed to local educational agencies.

(2) In the first funded fiscal year, funds available under this Act to a State may be used, subject to the provisions of paragraph

(1), to pay the entire cost of employing the State career education coordinator and staff assisting such cordinator. Funds available under this Act to a State may be used to pay, subject to the provisions of paragraph (1), not more than 75 per centum of such costs in the second funded fiscal year and not more than 50 per centum of such costs in the third

through fifth funded fiscal years.

(3) In the first and second funded fiscal years, funds available under this Act may be used, subject to the provisions of paragraph (1), to pay the entire costs of carrying out the State plan adopted pursuant to section 6. Funds available under this Act may be used, subject to the provisions of paragraph (1), to pay (A) not more than 75 per centum of such costs in the third funded fiscal year, (B) not more than 50 per centum of such costs in the fourth funded fiscal year, and (C) not more than 25 per centum of such costs in the fifth funded fiscal year.

(c) (1) If a State is prohibited by law from providing for the participation in programs of children enrolled in private nonprofit elementary and secondary schools, as required by section 7(c), the Commissioner may waive such requirement and shall arrange for the provision of services to such children through arrangements which shall be subject to the

requirements of that section.

(2) If the Commissioner determines that a State or a local educational agency has substantially failed to provide for the participation on an equitable basis of children en-rolled in private nonprofit elementary and secondary schools as required by section 7 (c), the Commissioner may waive such requirement and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of that section.

FEDERAL ADMINISTRATION

SEC. 9. (a) (1) The Office of Career Education created pursuant to section 406 of the Education Amendments of 1974 shall be the administering agency within the Office of Education for the review of the State plans, applications, and reports submitted pursuant to this Act. In addition, the Office of Career Education shall perform a national leadership role in furthering the purposes of this

(2) In reviewing the plans, applications, and reports submitted pursuant to this Act, the Office of Career Education shall provide technical assistance to those States having plans, applications, and reports needing improvement. The Office shall also provide technical assistance, as requested by the States, to all participating States, Guam, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands.

(3) The Office of Career Education shall attempt to assert a national leadership role

in career education through:

(A) encouraging and sponsoring a continuing national dialog aimed at further de-velopment of the career education concept;

(B) providing policy statements for the Office of Education that reflect a national consensus regarding career education among practitioners and conceptualizers;

(C) fostering career education as a goal in the operation of other programs of the

Office of Education;

(D) providing professional upgrading op-portunities to State educational agency personnel in career education;

- (E) designating and carrying out a national communications system for assuring that career education methods and materials developed at the Federal, State, and local levels become available to career education personnel throughout the Nation;
- (F) developing criteria to assist States and local educational agencies in measuring the effectiveness of their career education programs; and
 - (G) establishing and maintaining effective

liaison arrangements with national agencies, organizations, and associations, within and outside of government, who are actively concerned about and involved in improving relationships between education and work.

(b) The National Advisory Council on Career Education created pursuant to section 406 of the Education Amendments of 1974 shall perform the same functions with respect to the programs authorized under this Act as it is authorized to perform with repect to the programs authorized under that section.

(c) The National Institute of Education shall continue its complimentary efforts in career education, including product and program development, evaluation, and research, and shall devote special attention to development and validation of instruments required for measuring the effectiveness of career education pursuant to criteria developed by the Office of Career Education under subsection (a) (3) (F) of this section. The Office of Education shall cooperate with the Institute in identifying research and development priorities and, either directly or through arrangements with private and public agencies and organizations (including institutions of higher education), in disseminating the products and findings of research and development undertaken by the Institute.

(d) The Office of Education shall provide the Office of Career Education and the National Advisory Council on Career Education with sufficient staff and resources required for them to carry out their responsibilities under this Act in addition to those already assigned pursuant to section 406 of

the Education Amendments of 1974.

(e) Section 406(g) (1) of the Education Amendments of 1974 is amended by striking out subparagraph (B) and inserting in lieu

thereof the following:

"(B) not less than twelve public members broadly representative of the fields of education, the arts, the humanities, the sciences, community services, business and industry, and the general public, including (i) members of organizations of handicapped persons, minority groups knowledgeable with respect to discrimination in employment and stereotyping affecting career choices, and women who are knowledgeable with respect to sex discrimination and stereotyping, and (ii) not less than two members who shall be representative of labor and of business. respectively.

A majority of the members selected pursuant to subparagraph (B) shall be engaged in education or education-related profes-

REPORTS

SEC. 10. (a) No later than December 31 of each fiscal year each State receiving funds under this Act shall submit to the Commissioner a report evaluating the programs assisted with funds provided under this Act for the preceding fiscal year. Such report shall include-

(1) an analysis of the extent to which the objectives set out in the State plan submitted pursuant to section 6 have been fulfilled during that preceding fiscal year;

- (2) a description of the extent to which the State and local educational agencies within the State are using State and local resources to implement these objectives and a description of the extent to which funds received under this Act have been used to achieve these objectives; and
- (3) a description of the exemplary programs funded within the State, including an analysis of the reasons for their success, and a description of the programs which were not successful within the State, cluding an analysis of the reasons for their failure.

(b) The Commissioner, through the Office of Career Education, shall analyze each one of the State reports submitted pursuant to subsection (a) and shall provide to the State no later than three months after the date of such submission an analysis of the report and recommendations for improvement in the operation and administration of programs being provided by the State with funds made available under this Act.

(c) The National Advisory Council on Career Education shall submit a report to the Congress by April 30 of each year evaluating the effectiveness of the programs operated during the preceding fiscal year with funds provided under this Act.

(d) The Commissioner shall conduct a comprehensive review of a random sample of the State programs funded under this Act and shall submit a report on such review to the Committee on Education and Labor of the House of Representatives and the Committee on Human Resources of the Senate by no later than September 30 of the fourth funded fiscal year.

DEFINITIONS

SEC. 11. For purposes of this Act the term—
(1) (A) "career education", for the purposes of this Act, except for paragraphs (2) and (3) of section 7(a), and sections 7(b), 7(c), and 8, shall mean the totality of experiences, which are designed to be free of bias and stereotyping (including bias or stereotyping on account of race, sex, or handicap), through which one learns about, and prepares to engage in, work as part of his or her way of living, and through which he or she relates work values to other life roles and

choices (such as family life);
(B) "career education," for purposes of paragraphs (2) and (3) of section 7(a), and sections 7(b), 7(c), and 8, shall be limited to those activities carried out by State educations. cational agencies and local educational agencies involving career awareness, exploration, decisionmaking, and planning, which activities are free of or are designed to eliminate bias and stereotyping (including bias or stereotyping on account of race, sex, or handicap), and shall not include any activities carried out by such agencies involving specific job skill training;
(2) "handicap" or "handicapped" means

mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, orthopedically impaired, or other health impaired persons, or persons with specific learning disabilities, who by reason thereof require special education and related services;

(3) "State" shall mean the States, the District of Columbia, and the Common-

wealth of Puerto Rico;

(4) "State board of education" shall mean the governing board or boards designated pursuant to State law for the administra-tion, or for the supervision of administration, of elementary and secondary education in local educational agencies and other agencies in each State;

(5) "local educational agency" has the meaning given it by section 403(6)(B) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 244(6)(B)); and

"work" shall mean conscious effort, other than that involved in activities whose primary purpose is either coping or relaxation, aimed at producing benefits for oneself or for oneself and others.

AMENDMENT TO THE EDUCATION AMENDMENTS OF 1976

SEC. 12. Section 332 of the Education Amendments of 1976 is amended-

Amendments of 1976 is amended—

(1) in subsection (b) (2), by striking out
"3 per centum" and inserting in lieu thereof
"1 per centum," and by striking out "the
Commonwealth of Puerto Rico,"; and
(2) in subsection (b) (3) (B), by striking
out "and the District of Columbia" and
inserting in lieu thereof ", the District of

Columbia, and the Commonwealth of Puerto Rico."

The SPEAKER pro tempore. Is a second demanded?

Mr. BUCHANAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. PERKINS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 7 makes funds available to State and local educational agencies to implement comprehensive programs of career education in elementary and secondary schools. The underlying purpose of this bill is to insure that more emphasis be placed on career awareness, exploration, decisionmaking, and planning in our schools.

Mr. Speaker, too many of our young people are lacking in knowledge of what type of jobs are available in society, what jobs they are most suited for, and how to go about securing a job. Since 1972 the Federal government has provided ap-

proximately \$200 million in Federal funds for demonstration programs and research in career education. We have clear evidence from these demonstration programs that career education is successful in providing students with these sorts of skills. I feel that the time is right to move beyond demonstrating the worth of career education and instead provide funds to actually implement it in a comprehensive fashion and on a broad national scale.

H.R. 7 makes clear that the Federal Government will only provide funds for this purpose for 5 years and that these funds will decline over this 5-year period. Twenty-five million dollars is authorized for the first year, \$100 million for the second year, \$75 million for the third year, \$50 million for the fourth year, and \$25 million for the fifth year. I believe that this declining funding structure is the right approach, since the ultimate goal of the legislation is to integrate career education into the regular instructional program reaching all students and all teachers of all subjects.

Eighty-five percent of the funds each State receives must be passed through to local school districts. States are permitted to keep 5 percent of the funds for administrative purposes and 10 percent of the funds are for State level programs. States must match these funds over the 5-year period by increasing amounts.

At the local level there is a wide range of activities that can be funded, including inservice training for teachers and guidance and counseling. Funds can also be used to provide a variety of State leadership activities.

Mr. Speaker, career education is supported by a wide range of groups representing educators, the general public and business and industry. These groups include the U.S. Chamber of Commerce and the AFL—CIO.

For the information of the Members, I would like to insert at this point in the RECORD an allocation chart for the States for the 5 years proposed in H.R. 7.

The chart follows:

FUNDING LEVELS UNDER H.R. 7

[Minimum allocation—\$100,000; 1 percent set aside for outlying areas; Puerto Rico counted as a State; based on provisional 1976 estimate for ages 5 to 18 (1970 for Puerto Rico). Authorization levels (in millions)—1st yr: \$25; 2d yr: \$100; 3d yr: \$75; 4th yr: \$50; 5th yr: \$25]

State	1st yr	2d yr	3d yr	4th yr	5th yr	State	1st yr	2d yr	3d yr	4th yr	5th yr
Alabama Alaska Arizona Arkansas California Colorado Connecticut Delaware District of Columbia Florida Georgia Hawaii Illinois Indiana Iowa Kansas Kentucky Louisiana Maine Mairyland	261, 326 233, 771 2, 320, 823 291, 547 346, 212 100, 000 100, 000 837, 310 578, 206 101, 330 100, 000 1, 264, 853 327, 102 249, 771 387, 989 475, 542 122, 663	1, 713, 538 205, 193 1, 058, 362 946, 766 9, 399, 258 1, 180, 757 1, 402, 149 287, 990 3, 391, 077 2, 341, 775 410, 385 395, 986 5, 122, 614 2, 478, 510 1, 324, 752 1, 011, 563 1, 571, 343 1, 925, 930 496, 782 1, 942, 129	1, 285, 153 153, 894 793, 771 710, 074 1, 049, 444 885, 558 1, 051, 612 203, 843 215, 992 2, 543, 308 1, 756, 286 307, 789 286, 989 3, 841, 950 1, 858, 882 93, 844 958, 672 1, 178, 672 1, 178, 672 1, 444, 447 372, 586	856, 611 102, 577 529, 083 473, 296 4, 698, 763 590, 270 700, 945 135, 870 143, 968 1, 170, 642 205, 155 197, 956 2, 560, 835 1, 239, 027 662, 254 505, 688 785, 527 962, 788 248, 345 970, 886	423, 099 100, 000 261, 326 233, 717 2, 320, 823 291, 547 346, 212 100, 000 837, 310 578, 206 101, 330 100, 000 1, 264, 853 617, 983 327, 198 327, 198 327, 198 327, 542 122, 663 479, 542	Nebraska Nevada New Hampshire New Jersey New Mexico New York North Carolina North Dakota Ohio Oklahoma Oregon Pennsylvania Puerto Rico Rhode Island South Carolina South Dakota Tennessee Texas Utah Vermont	100, 000 813, 310 147, 107 1, 949, 227 100, 000 1, 218, 188 295, 547 249, 771 1, 274, 186 405, 766 100, 886 336, 435 100, 000 463, 542 1, 435, 071 152, 885 100, 000	705, 574 282, 590 379, 786 3, 293, 880 595, 778 7, 896, 313 307, 789 4, 933, 621 1, 196, 956 1, 011, 560 1, 011, 643, 340 408, 585 1, 362, 550 322, 188 1, 877, 332 5, 811, 989 619, 177 224, 992 2, 289, 517	529, 181 211, 942 284, 840 2, 470, 410 446, 834 5, 922, 235 1, 860, 232 230, 842 3, 700, 215 387, 717 758, 672 3, 870, 309 1, 232, 605 306, 439 1, 021, 913 241, 641 1, 407, 999 4, 358, 991 4, 368, 744 1, 717, 138	352, 722 141, 269 189, 858 1, 646, 637 297, 834 3, 947, 429 1, 239, 926 2, 446, 356 598, 368 505, 87, 731 821, 519 204, 255 681, 150 938, 493 2, 905, 632 112, 475 112, 475	174, 217 100, 000 100, 000 813, 310 147, 107 1, 949, 723 612, 427 100, 000 1, 218, 188 295, 547 295, 547 2405, 766 100, 886 336, 435 100, 000 463, 542 1, 435, 071 152, 885 100, 000 565, 317
Massachusetts	641, 760 1, 080, 858 467, 987 289, 770	2, 599, 105 4, 377, 441 1, 895, 331 1, 173, 557	1, 949, 329 3, 283, 081 1, 421, 498 880, 168	1, 299, 313 2, 188, 317 947, 491 586, 671	641, 760 1, 080, 858 467, 987 289, 770	Virginia Washington West Virginia Wisconsin Wyoming	403, 100 195, 994 541, 318 100, 000	1, 632, 541 793, 771 2, 192, 320 181, 793	1, 224, 405 595, 328 1, 644, 240 136, 345	816, 120 396, 812 1, 095, 958 100, 000	403, 100 195, 994 541, 318 100, 000
Missouri	521, 763 100, 000	2, 113, 123 358, 187	1, 584, 842 268, 640	1, 056, 367 179, 060	521, 763 100, 000	Federal total	24, 749, 997	99, 000, 000	74, 249, 996	49, 499, 999	24, 749, 997

Mr. Speaker, I ask the House to support the motion to suspend the rules and to pass H.R. 7.

Mr. BUCHANAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am delighted to have been a sponsor of H.R. 7, which Chairman Perkins has just described, and rise in strong support of it. The bill was reported unanimously by the Subcommittee on Elementary, Secondary, and Vocational Education, upon which I serve, and by the full committee. The lack of controversy concerning it is, in, part, a tribute to the careful preparation and hearings by Chairman Perkins—a similar bill having been introduced in the 2d session of the 94th Congresspart, due to the importance of the underlying concept that we must forge a strong link between schools and the world of work.

If only more young people could see a firm connection between what is taught in school and what is needed to bulld a

career in work of their choice, there would be far fewer dropouts and far more successes among those who remain in school. But even before this connection is made-before it can be made-young people need to know a great deal more about the kinds of careers open to them, about what people do for a living in this society and the skills they employ, and they need at some point to have actual experience with work. The experience may be no more than spending some time at actual places and observing and talking with people in a variety of work and career situations, but it is an experience most young people today do not

To accomplish these ends—to begin at an early age with career awareness which proceeds in the middle grades of school to career exploration and in high school with career planning and decisionmaking—requires a complete reorientation of our school systems. It is the purpose of the program authorized

by this bill to assist in the implementation of activities designed to achieve this goal.

Fortunately, as Chairman Perkins has stated, we already are far advanced in planning such reorientation. It is planning which has had some assistance and stimulus from the Federal level-from the Office of Career Education which we created by law in the Education Amendments of 1974, and from the National Institute of Education—but mostly has come about through State and local initiative. All States currently are involved in some phase of career education programs; every State now has a State coordinator of career education; 15 have legislation on the subject; and some 9,200 of the approximately 13,000 operating school districts in the Nation have some kind of career education program. So this legislation has a solid basis upon which to build.

I am proud to be able to say that my State of Alabama has been a national leader in designing and implementing a career education program in our schools, and I want to come back to our experience later because I think it is significant in terms of the structure and timeliness of H.R. 7.

For those of you whose committee assignments do not bring you into daily contact with educational issues, I think it is important to discuss the basic premises of this legislation. We are not talking about an extension of vocational education, although a strong vocational component in education is essential in order to be able to implement many career choices. The definition of "career education" in the bill gives a very good idea of the scope intended for the programs:

Career education . . . shall mean the totality of experiences, which are designed to be free of bias and stereotyping (including bias or stereotyping on account of race, sex, or handicap), through which one learns about, and prepares to engage in, work as a part of his or her way of living, and through which he or she relates work values to other life roles and choices (such as family life).

My colleague, Mr. BLOUIN, and I sponsored the amendment adopted in full committee to make specific reference to the problem of bias and stereotyping. Nothing can be more injurious to career development than stereotypes which limit a child's concept of what he or she can accomplish in the world. Whether such bias and stereotyping is based upon race, creed, color, national origin, physical or mental handicap, or sex it has the effect of crippling a child's self-image with results that are always bad and often irreparable. While we have eliminated a good deal of bias in our educational system, it still does exist. We had testimony that sex bias and sex stereo-typing actually is still in evidence in many instructional materials and in some career education materials in use in our schools. In my judgment we can no longer afford to relegate the more than one-half of our population who are women to inferior career roles in our society. Despite the need to utilize all of our human and intellectual resources, it is still true today that the average working woman with a college degree earns less income than the average working man who was a high school dropout. A major purpose of this legislation is to address that sort of imbalance by helping eliminate the kinds of stereotyping which cause people to limit their own view of their role in society.

Mr. Speaker, I am very proud that Alabama is an acknowledged leader among the States in the development of career education. We are ready to use the assistance that this legislation would provide to implement a complete program of career education reaching from kindergarten into the university level. As early as March of 1972, when the concept of career education was just being discussed nationally, the Alabama State Department of Education set up a committee on career education cutting across all divisions of the department. They appointed a State coordinator of career education, Mrs. Anita Barber, and under her dynamic leadership set out to make career education a major thrust of all education, grades K through 14, in Alabama. They worked out a definition and goals for the program which are very similar to those in this bill. It involved promoting career awareness in the early grades, career exploration in the middle grades, and career planning and decisionmaking in senior high school.

But to reach these goals, as this bill recognizes, teachers must first themselves be aware of career opportunities. In Alabama they established a teachers' committee to plan ways to infuse career concepts in the curriculum and in August of 1973 they held a 1-week seminar for 3,000 Alabama teachers and school counselors to help them understand how to implement the program. In cooperation with the National Alliance of Businessmen, and working with organized labor, 60 career education institutes have been held permitting some 340 classroom teachers to take field trips to visit business, industry, and labor at the worksites. The institutes have been held only in the metropolitan areas of Birmingham, Huntsville, and Mobile, but with assistance under this act could be expanded to all areas of the State.

Alabama is one of only 18 States last year to receive an Office of Education grant for the actual implementation of career education programs, it is the only State with funding for a State university proposal, and we have two junior college projects—one in my district at Jefferson State Community College-in career education. Today, 60 percent of all the schools in Alabama have some kind of career education program in place. With funding from the Appalachian Regional Commission we have programs in 35 school districts in northern Alabama which enroll 300,000 children. In Jefferson County four out of the five school districts have career education coordinators already at work, including the Birmingham City School District.

So Alabama is completely prepared to implement this act successfully. On February 17 of this year the Alabama State Board of Education passed resolutions calling upon the State superintendent, Dr. Wayne Teague, to implement a career education program throughout the State. Dr. Teague serves on both the career education and legislative committees of the council of chief State school officers and is giving outstanding leadership to this effort.

With adequate appropriations as authorized by H.R. 7, we could complete the reorientation of education in Alabama to have a serious focus on career development. Every State has made some progress in this direction, and with the help of funds under this bill could move to complete implementation.

Mr. Speaker, it is imperative that education move forward in making a closer connection between school and work and school and the community at work. In my judgment, one of the reasons for our chronically high rate of youth unemployment—rates which reach disastrous levels among disadvantaged and minority populations—is the lack of career awareness and orientation which should be developed early in the education process. This is a further cause of a sense of rootlessness and alienation from

family and community which contributes to youth delinquency and unemployment. Career education is not a panacea. It is not the single answer to these problems; but it does represent a serious and essential effort to solve part of the problem.

H.R. 7 would move this effort a large step forward. I strongly commend Chairman Perkins and others in this House who have taken the lead in bringing the bill this far. I urge its approval today and hope for swift action in the other body.

Mr. PERKINS. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield to the distinguished chairman of the committee.

Mr. PERKINS. Mr. Speaker, I want to congratulate the distinguished gentleman from Alabama for his great contribution to this particular piece of legislation, and likewise the ranking minority member of the committee, the gentleman from Minnesota (Mr. Quie), and other members on the minority side. We have all worked together. It has been a nonpartisan piece of legislation we have brought to the floor, and to my way of thinking it is long overdue.

When I was a youngster I had access in a settlement school to industrial arts and manual training, all kinds of trades and crafts. We were compelled to take these courses from the third grade to the second year of high school.

I think of that when we talk about career education. If a youngster does not get started out right in the early years, he perhaps in many instances will be a failure later in life. But, when he gets started out correctly in the early years, most likely he will succeed.

I have watched youngsters who have had access to different types of careers, particularly industrial arts and the various trades and crafts, go to the mining communities and become carpenters. Many could read blueprints by the time they got through the eighth grade. It is this type of thing where this legislation will be helpful. It has almost become a lost art to have a comprehensive educational program—and that is all this is—in the early years of a child in school.

We hope that this will plant the seed so that the States will carry on a comprehensive program which will enrich the curriculum at the elementary and secondary levels tremendously in the days ahead. I just want to compliment the gentleman and his fellow minority members for the leadership they have shown on their side of the aisle.

Mr. BUCHANAN. I thank the distinguished chairman, both for his kind words and for his own leadership in this important matter, and I agree entirely with what he has said, as well as with the thrust of this legislation.

Too many young people drop out of school too soon. There is too little connection seen in too many cases between the world of education and the world of work, and if we can somehow so orient our educational system in its entirety so that a young person going through school, in the very early years of education, begins to see some of these connections and is encouraged to stay in

school and move on toward learning the skills of a vocation or profession, I think it will meet a great need in solving some of the great needs of our society, such as youth unemployment problems, which are so severe in our time, and will make better use of our most precious resources, the youth of our country.

Mr. SARASIN. Mr. Speaker, will the

gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Connecticut (Mr. Sarasin).

Mr. SARASIN. I thank the gentleman

for yielding.

Mr. Speaker, I want to thank the gentleman from Alabama (Mr. Buchanan) and the gentleman from Kentucky (Mr. Perkins) for bringing out this important bill.

Mr. Speaker, I rise in support of the Elementary and Secondary Career Education Act, a measure long overdue if we are to honor our commitment to an integrated, comprehensive form of

education.

Millions of adult Americans are without jobs; young college graduates often find themselves trained for positions in fields that are saturated with applicants; graduates of vocational and technical schools often find the fields for which they trained obsolete; and high school graduates often have no knowledge of the jobs and careers that might be available to them. Many have never even given much thought to the world of work until a few months before graduating.

This adds up to millions of our citizens who are inadequately trained, poorly informed, tremendously dissatisfied with their jobs, or simply unemployed. These are not just the problems of the affected individuals. These problems belong to all of us, because our Nation cannot afford such an enormous waste of human talent and creativity.

Many solutions to unemployment have been proposed. Some focus on public service employment; others on the private sector. None will be successful until we recognize the one seriously underutilized ingredient—the long-range potential contribution of our education

system

We must recognize that thousands of schools throughout the country have a captive audience in the elementary and secondary grades. It is here that the seeds of a successful future must be cultivated and nurtured. It is during the early stages of life that our people must be exposed to the vast array of work challenges, that interest must be sparked and developed.

Career education will certainly help this overall process by providing them with an idea of the types of jobs available in society, with guidance and counseling to determine what jobs they are most suited for, with assistance in securing these jobs, and with specific job

training.

Career education is not a completely new idea. Since 1972, \$190 million of Federal funds have been provided for research and development programs under a variety of Federal laws. Until now, however, no funds have been provided for a broad scale implementation of career education in the schools.

Our Career Education Act is structured to provide funds through State educational agencies which can best give the leadership necessary to make career education an intrinsic part of elementary and secondary education. It is offered on an almost no-strings-attached basis in that the States draw up their own plans. The only responsibility they have to the Federal Government is to work toward the objectives they have set for themselves. This is education at its best since it leaves the educational decisions solely within the jurisdiction of State and local education agencies.

The funding of this program is not without end. Because we believe the concept to be so important that it should be part of the regular curriculum of the schools, the bill provides funding for only 4 years. After the fourth year, funding would become the responsibility of the State governments, since it is assumed that career education would be operational by that time and only maintenance funding would be required. This limitation is also in recognition of the fact that the Federal Government does not have the resources to continue to fund programs endlessly.

Beyond providing for career education at the elementary and secondary level, the bill provides funding for research and demonstration programs in postsecondary education for adults. It offers increased funding for improved guidance and counseling services, something that is sorely lacking in many schools. Finally, it provides advance funding to assist the States in their planning.

Given the high rates of unemployment and the changes in job market requirements, we must give young people and adults throughout the country the opportunity to learn about the jobs available in our society. We must also provide them with professional help in choosing their occupations and in finding the best training available. Otherwise, our greatest national resource—the intelligence and capabilities of our people—will continue to be wasted, and this is an enormous loss of human potential that this country can ill afford.

I urge my colleagues to join in the support of the Elementary and Secondary Career Education Act.

Mr. WHITEHURST. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Virginia (Mr. WHITEHURST).

Mr. WHITEHURST. Mr. Speaker, I want to associate myself with the remarks of my colleague and I want to express my appreciation to the gentleman from Alabama (Mr. Buchanan) and the gentleman from Kentucky (Mr. Perkins) for bringing this legislation to the floor.

Mr. Speaker, I am delighted to rise in support of H.R. 7, the Elementary and Secondary Career Education Act of 1977.

In large measure, the impetus for career education programs has been the extremely high unemployment rate among young workers. Nineteen percent of our teenage population are now unemployed when more than a million jobs are going unfilled. This is largely because the new members of the labor force have not gained marketable skills in school. About 900,000 students currently leave

school each year before earning a high school diploma, and this chronically high dropout rate continues at a time when the number of unskilled jobs available is constantly diminishing; 40 years ago, on the other hand, 30 percent of the jobs were unskilled or required few qualifications other than a willingness to work.

At the other end of the spectrum, there are college graduates unable to find employment related to their education, while a number of technical positions requiring less than 4 years of college, but offering good pay and a promising future, remain relatively difficult to fill. While jobs bills and tax credits can help stimulate the economy and provide employment for the short run, the longterm solution requires that adequate vocational counseling be provided students. so that they will be prepared to make intelligent choices of their life's work and have the necessary skills and background for meaningful, productive careers.

During my service in Congress, I have been increasingly skeptical about the efficacy of Federal education programs. Too often, those programs have failed to result in meaningful achievement by our children. However, I can think of no more practical or promising use of Federal education funds than to link education directly to employment. By bringing together educators and leaders of business, industry, and the professions, school programs can be focused on preparing students for specific careers. Students will then find their studies more meaningful, because they will better understand the relationship of their school subjects to employment, and this can be a strong motivating factor. In addition, career education resource center facilities will be available to adults, and this is another strong plus for this legislation.

The incredibly high unemployment rate among young people, and the difficulties faced by some older workers in adjusting to the new technology, impose heavy burdens upon our society in terms of rising costs of welfare and unemployment compensation, escalating crime rates, and lowered economic growth and productivity. Because these costs so far outweigh the relatively minimal costs of career education, I am convinced that a Federal program to provide career education and counseling is an extremely valuable long-range investment.

As the sponsor of H.R. 710, a bill identical in purpose and similar in language, I am delighted to urge my colleagues to act favorably on H.R. 7 today. We can have no greater resource than our work force, particularly the potential among our young people. I am grateful to the chairman for making this time available to me to offer my wholehearted support of this bill.

Mr. BUCHANAN. I thank the gentleman for his contribution.

Mr. PERKINS. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from New York (Mr. Blaggi).

Mr. BIAGGI. Mr. Speaker, I wish to take this opportunity to pay tribute to our distinguished chairman, the gentleman from Kentucky (Mr. Perkins) for his leadership on behalf of this legislation.

Mr. Speaker, I rise as an original co-

sponsor to urge support for H.R. 7, the Elementary and Secondary Career Education Act of 1977. Passage of this legislation will represent a major step forward in this Nation's efforts to remove the educational system from the ivory tower and make it more adaptable to meeting the needs of our society.

H.R. 7 provides a 5-year authorization to local and State educational agencies for career education programs in elementary and secondary schools, both public and private. The practical effects of this legislation will be far reaching.

We find a paradox in the American educational system today. Our citizens are better educated than ever before. The number of Americans completing high school has increased from 24 percent in 1940 to 63 percent today. Yet despite the statistical achievement of the higher matriculation rate by American students, there is a growing isolation of students from the society which awaits them at the completion of their schooling.

The concerns about this gap between knowledge and its practical application, have prompted this legislation. H.R. 7 will allow State and local educational agencies to develop comprehensive programs for the integration of career education programs in regular school curriculums. Included in the career education programs will be specialized counseling and guidance services, as well as the development of collaborative arrangements with community groups representing the handicapped, minority groups, and others. The bill also provides for the implementation of work experience for students for career exploration, and the purchase of relevant instructional materials and supplies.

This legislation today is not breaking any new ground. Federal funds, while limited, have been provided for career education programs since 1972. A survey conducted by the Office of Education revealed that 52 percent of the total student population were in school districts where at least one grade participated in career education activities. In the same OE survey, it was noted that 54 percent of the school districts reported that funding is the most critical factor in insuring the future success of their career education programs. H.R. 7 recognizes the need for a greater Federal commitment and provides a total of \$275 million, over a 5-year period to strengthen existing programs while also providing for the means to create new career education programs. It is hoped that a good number of the estimated 15.5 million elementary school children who have not yet been offered career education programs, will receive these

services under this legislation.

Another problem inhibiting the effectiveness of career education programs is a lack of capable personnel to teach such programs. H.R. 7 also addresses this problem and provides for the specialized training of career education personnel.

The Career Education Act enjoys wide support in the educational community. It is felt by many local and State educational administrators that an expanded career education program is essential to the overall educational enhancement of students. They do not see this legislation as any type of Federal encroachment on their rights as the language of the bill specifically calls for the cooperative integration of career education programs into the standard school curriculums. It is not designed to promote confusion in school curricula or usurp traditional state and local autonomy in education matters.

H.R. 7 recognizes the need for education to have greater relevance to our society. It recognizes the need to remove the barriers between education and work by emphasizing preparation for the work experience as a major goal of American education at the early levels. The American educational system can no longer be a sacrosanct entity detached from the real world. Far too many students are graduating from high schools and colleges into a labor market for which they are inadequately trained. Education must be viewed from a practical and not a theoretical vantage point. I have long advocated that the Federal Government consider funding programs which allow persons who have not benefited from a formalized education, to apply their life's work experience toward a degree. I consider this legislation to be consistent with this philosophy in that it provides the opportunity for students to apply their educational experience to their future career goals.

I wish to take this opportunity to pay tribute to my distinguished chairman, Mr. Perkins, for his leadership on behalf of this legislation. Passage of H.R. 7 today will represent a legislative landmark in the history of American education and I am especially proud to be so closely associated with the bill.

The SPEAKER pro tempore (Mr. Roberts). The time of the gentleman from New York (Mr. Biaggi) has expired.

Mr. PERKINS. Mr. Speaker, I yield 30 additional seconds to the gentleman from New York (Mr. BIAGGI), and I ask him to yield to me.

Mr. BIAGGI. I am delighted to yield to the distinguished committee chair-

Mr. PERKINS. Mr. Speaker, I wish to compliment the distinguished gentleman from New York (Mr. Biagg) for the tremendous interest he took in this legislation in committee. He was with us *throughout the hearings and throughout the markup and manifested a great interest in the legislation. I certainly want to compliment the gentleman

Mr. BIAGGI. Mr. Speaker, I thank the gentleman from Kentucky.

Mr. PERKINS. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Iowa (Mr. BLOUIN).

Mr. BLOUIN. Mr. Speaker, first let me say that, as a cosponsor of this legislation who has worked very closely with the chairman of our committee, the gentleman from Kentucky (Mr. Perkins) in the past 2 years on this overall concept and who has worked in the Congress with the gentleman from Alabama (Mr. Buchanan) and others on the minority side, I wish to commend the committee chairman and the entire committee for the

persistence and diligence that the complete membership of that committee has shown in moving this legislation forward.

Mr. Speaker, as I said in my remarks on the floor last week, I believe that even with the progress that we have made over the past decade and a half in education—despite the very real and very substantial success of our vocational education programs at the secondary and post-secondary level, I am convinced that we have a long way to go in providing young people with the type of education and with the educational options which they need in order to function as meaningful and productive members of adult society.

Throughout this country, far too many young people have been abandoned by the education process in recent years. These young people were never given meaningful exposure to the world of work—they were not adequately appraised of the aptitudes, skills, talents, and training which they need to find meaningful, productive jobs. These young people were virtually dumped into the adult world . . . unaware of what they wanted to do . . . unware of what, in fact, they were equipped to do. As a result, they became both frustrated and angry. In far too many cases, they ended up as unemployment statistics-or worst yet, as crime statistics.

I think the director of the career education project at Rhode Island College, Dr. Ronald Esposito, put his finger on at least part of the problem when he testified before our House Subcommittee on Vocational Education earlier this year. He said the young people he talks to:

Rarely can list more than 100 different career titles . . . or have any concrete knowledge of either the cognitive or affective requirements of their tentative job choices. This, to me, is frightening. With over 30,000 job titles to choose from, how can these young people make valid choices if they only have superficial knowledge of 100 of these titles?

This is not intended as a criticism of our present educational institutions. On the contrary, given the limited financial resources currently available—especially their dependence on a regressive property tax system and the fact that the Federal Government assumes less than 9 percent of total educational costs at the elementary and secondary level—I think schools are doing the best job they can. My point is that, given the challenges facing education and society in the future, we need to do an even better job.

I believe the Federal Government has a responsibility to help local schools develop better ways of meeting the needs of noncollege-bound students—especially in a postindustrial society where job opportunities—and demands for occupational skills—are constantly changing. Career education programs can help do this by making students more aware of career opportunities at an earlier age, by helping relate more traditional classroom learning to the "outside" world of work, and by giving students better opportunities to experience that world through on-the-job learning.

But it is important to keep these points in mind:

Career education is not a substitute for traditional classroom academics;

It is not designed to replace existing vocational education programs;

It is not a tracking system which will program students into one curriculum or another:

It is not mandatory; and

It does not represent a permanent Federal intervention in local education.

Career education is designed to become an integral part of the elementarysecondary school curriculum. Unless it is fully integrated into existing programs, it will fail.

Ultimately, it is designed to expand, not restrict, the individual student's

choice of education and jobs.

The program envisioned by the House bill is limited to school districts which choose, voluntarily on their own, to develop career education programs over the 5-year-period when Federal technical and financial assistance will be available for such purposes.

I envision career education as an integrated and comprehensive approach to education at the elementary and secondary levels—an approach which fuses the formal classroom, the shop, and the community at large in a common educational experience which prepares young people for the realities of the work-a-day world in which everyone must live.

It is an approach which must rely heavily on the input of local community leaders, businessmen, labor and parents, as well as educators. It is an approach which depends, in the final analysis, on local initiative and local choice.

It is a good program whose time has come and I urge its approval.

The SPEAKER pro tempore. The time of the gentleman from Iowa (Mr. BLOUIN) has expired.

Mr. PERKINS. Mr. Speaker, I yield 30 additional seconds to the gentleman from Iowa (Mr. BLOUIN), and I ask him to yield to me.

Mr. BLOUIN. I yield to the chairman of the committee.

Mr. PERKINS. Mr. Speaker, I certainly would be derelict in my responsibility if I failed to congratulate the distinguished gentleman from Iowa (Mr. Blouin) for his untiring efforts on behalf of this legislation, not only this year but last year.

From the day the gentleman came to this Chamber he has been an ardent supporter of the concept of career education. He introduced a companion bill to my original bill last year and has been a part of the operation from the very beginning. I think the gentleman is to be complimented for his great efforts.

Mr. BLOUIN. Mr. Speaker, I thank the

gentleman from Kentucky.

Mr. BUCHANAN. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. Pursell).

Mr. PERKINS. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. Kildee) who has been very helpful in the passage of this legislation.

Mr. KILDEE. Mr. Speaker, first of all, I should like to commend the distinguished and honorable chairman of the Committee on Education and Labor, Mr. Perkins, for his fine work in presenting the Elementary and Secondary Career Education Act of 1977 to the House of Representatives.

I am sure that the majority of my col-

leagues have become used to—perhaps, even take for granted—the gentleman from Kentucky's unswerving efforts on behalf of education. But as a new Member of Congress and of the Committee on Education and Labor, I have been impressed and elated to view first hand, the dedicated and excellent work of my chairman. I am proud to serve on his committee, and I hope I will be his worthy colleague in improving educational opportuities for all our citizens.

Mr. Speaker, I rise to voice my wholehearted support of H.R. 7, not only because I feel the need for career education is great and will continue to grow, but also because I believe the States and local school districts have recognized this need and stand ready to implement comprehensive programs once Federal legislation is enacted.

As a member of the Michigan State Senate, I chaired hearings on career education and became aware of the positive results career education was effecting at the classroom level. We have evidence, not just in Michigan but in several States, that career education provides young people with a better understanding of the world of work, better knowledge of the variety of careers that exist and the requirements for these careers, and better ability to make important decisions about their futures.

I think it speaks well for career education that every State in the Union has begun career education efforts of some sort. Fifty-five of the 57 States and outlying areas have appointed career education coordinators. Nine thousand of the 16,000 school districts in the country have begun some career education efforts. I think all of these statistics indicate that there is a great deal of enthusiasm for this new approach to education.

Most of these efforts, however, have been operating with a great deal of faith and very limited funds. Only 3 percent of the Nation's school districts have implemented career education in a comprehensive way. For this reason, I believe there is a need for Federal direction in this area. In the absence of Federal funds, most local districts will not have the leeway in their budgets to mount comprehensive career education programs. Without Federal initiative, local districts will become discouraged by their own inadequate efforts; and it is doubtful career education will ever become a broad-scale, national program.

The committee bill provides that this Federal support ought to be limited in duration, and of a nature so as to encourage increased State and local funding over this limited time period. Since the goal of the legislation is the infusion of career education into the regular school instructional program, and since the accomplishment of this goal depends to a large extent on retraining existing personnel and purchasing instructional materials, it will not involve sizable additional costs to the States and local districts to maintain career education once fully implemented.

Mr. Speaker, I urge that the House support the motion and pass H.R. 7.

Mr. PERKINS. Mr. Speaker, will the gentleman yield?

Mr. KILDEE. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Speaker, I think I should point out to the Members of the House that the gentleman from Michigan (Mr. Kildee) was the chairman of a committee on career education in the Michigan State Senate and has brought that know-how to the House Committee on Education and Labor and has made a tremendous contribution to developing this legislation.

Mr. KILDEE. I thank the gentleman

from Kentucky.

Mr. PERKINS. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Florida (Mr. Lehman).

Mr. LEHMAN. Mr. Speaker, I rise in strong support of this legislation. I know how much dedication and how much work the distinguished Chairman of the Committee on Education and Labor has given to this effort.

Mr. Speaker, I am proud to be one of the cosponsors of the Elementary and Secondary Career Education Act of 1977.

The concept of career education is an important one, particularly in a society which can offer such a diversity of career paths. Little children are often asked what they want to be when they grow up. The answers to such questions are normally what might be considered the traditional occupations such as doctors, nurses, firemen, or teachers. It is not until much later in life that children begin to comprehend the wealth of career choices that face them.

Career education programs aim to familiarize children with various career possibilities beginning at an early age. Hopefully, we will see the fruits of these programs in years to come. Perhaps then our high school and college graduates will not face the world totally confused as to what roles they can play in it.

The legislation now before us will facilitate the implementation of career education programs throughout the United States. Through its provision of declining amounts of assistance over a 5-year period, this bill will help States to establish programs of high quality and then allow them to eventually fund and administer the programs on their own. I might add that the Department of Education in my own State of Florida is quite pleased with this bill and the way in which it will fit into the State's own programs.

I strongly support both the concept of career education and the way in which this legislation will provide Federal sup-

Mr. PERKINS. Mr. Speaker, I yield $2\frac{1}{2}$ minutes to the gentleman from Hawaii (Mr. Akaka).

Mr. AKAKA. Mr. Speaker, I wish to thank my distinguished colleague, the gentleman from Kentucky (Mr. Perkins), who is renowned in the United States for initiating the best education programs for future generations in their time and thank him for allowing me this opportunity to express my support for H.R. 7, the Elementary and Secondary Career Education Act of 1977.

It is my view that this measure will give our educational systems the opportunity to assist our young people through increased career guidance and counseling. All of us are aware of the high unemployment rates throughout the Nation. Increasingly, graduates of secondary and postsecondary institutions are facing the dismal prospects of a tightening job market. Many high school and college level students leave their schools having gained few if any marketable skills and are frustrated when their efforts to achieve in our competitive society are rewarded with unemployment. H.R. 7 is much-needed legislation which will encourage and stimulate preparation for meaningful work. It could also help eliminate sex sterotyping in many occupations by explaining to both young women and men how performance on most jobs is based not on sex but on competence and training. This legislation will also be a means to develop an awareness of the working world through the development of career education programs at all levels of education. I commend my honored colleague from Kentucky, as well as the other members of the Subcommittee on Elementary and Secondary Education for their outstanding work in preparing this important legislation, and I highly recommend its passage.

Mr. PERKINS. Mr. Speaker, I yield 3 minutes to the gentleman from Cali-

fornia (Mr. PANETTA).

Mr. PANETTA. Mr. Speaker, I, too, want to commend the chairman and the committee for their work. Having served in the Department of Health, Education, and Welfare, I can say that there is no man on this floor who has done as much for education as the distinguished chairman of the Committee on Education and Labor. This is an example of the work of that committee. It is a bill which would help advance career education at a time in this country when our basic concern is making education relevant to students, to the children in our schools. There is tremendous concern in this country about whether education is doing the job. It is not just a question of the three R's.

It is also a question of teaching our children and our students what life is all about. That is what this career education bill attempts to do. In my area, in the Monterrey School District, I participated in a career education program where the students were able to get into the professions and into the work life of the community and understand what it is about. I think this bill will help fund that kind of effort. I support it wholeheartedly. I hope Congress will pass this bill forthwith for the benefit of education, our children and our Nation.

Mr. BUCHANAN. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana (Mr. Treen).

Mr. TREEN. Mr. Speaker, I thank the

gentleman for yielding.

I have asked for this time so I could ask a couple questions of the chairman of the committee. As I understand the program, the Federal share for the first couple of years will be what? It will be 75 percent or 100 percent?

Mr. PERKINS. The first year and the second year, 100 percent; the third year, 75 percent.

Mr. TREEN. And then it will drop to

50 percent and then 25 percent and then it is to phase out?

Mr. PERKINS. That is correct, over a period of 5 years.

Mr. TREEN. Can the chairman assure the House that in the latter years we will not be subject to such lobbying by the education departments of the various States and that we will not increase that percentage once the States get used to the money or that we will not go back to

100-percent Federal funding?

Mr. PERKINS. Let me say to my friend, the gentleman from Louisiana, I know what the history of legislation has been in the past and I know what the history of the Congress has been when we initiate a new program, but in this particular instance we have thought of something here to enrich the curriculum and that is the reason we start the first year with \$25 million, go up to \$100 million, and then go back down to \$25 million. It is my hope that by the end of the 5-year period we will have it pretty much embodied throughout the Nation at the elementary and secondary level in all the curricula of the country and reaching all the programs and all the children, and that there will not be any need for a new authorization after the lapse of 5 years. The States and the local educational agencies should carry on the burden from

Mr. TREEN. As I understand the chairman then, what he is saving is this is an incentive program to get the States to do this and that it is not intended there will be a long-term Federal involvement in this program. I would hope—and I know the distinguished gentleman from Kentucky will probably chair this committee for many yearswhen the pressure does come in later vears to change this law and provide 100percent financing rather than 75, 50, or 25 percent, the chairman will resist that and we will say to the States: "Gentlemen, it is now up to you to finance the program.'

I am not opposed to the goals and purposes of this legislation, but as I see it, it represents another involvement of the Federal Government in something the States and local communities ought to be doing, so I hope it will be a temporary

incentive program.

Mr. PERKINS. Mr. Chairman, if the gentleman will yield further, let me say to my distinguished colleague that the reasons I gave the gentleman are the reasons I feel that the National Federation of Independent Business People and the U.S. Chamber of Commerce are for the legislation. I feel confident that this program will not be reauthorized by the Congress of the United States. But we must remember that this idea is not a new program by any means. We have just gotten away from it in the last quarter of a century. Career education as we have had it in some school systems has existed for 50 or 75 years or maybe longer. We had it in the Hindman Settlement School when I was a youngster.

Mr. TREEN. But this is the first time the Federal Government has financed the program.

Mr. PERKINS. The idea of the bill

is to change the basic curriculum of the schools, and I believe that it will be phased out of the Federal funding at the end of the 5 years.

Mr. TREEN. This is the first time that the Federal Government has got-

ten into it. Is that correct?

Mr. PERKINS. This is the first time for actual implementation money. We have spent demonstration money before.

Mr. TREEN. But other than that, this is the first time Federal Government has gotten into the substantive part of it?

Mr. PERKINS. It is purely a State and local matter. The money is turned over to the States and the local education agencies. There is no Federal control here whatever.

Mr. TREEN. Mr. Speaker, I am very pleased to hear the chairman say there will be no Federal control. I will await the outcome with great interest.

It seems to me, regardless of the merits of the goals, and I subscribe to the objectives of this program fully, that we are again embarking the Federal Government on a mission that falls within the responsibility of the State and local governments.

A new bureaucracy, a vast new spending program, is instituted by this bill. What happened to those voices, including that of now-President Jimmy Carter, in last fall's campaign that we must stop the spiraling Federal bureaucracy, that we must keep Government close to home?

I also think it unconscionable that a bill of this magnitude should be brought to the floor under suspension of the rules; not subject to amendment by me

or any other Member.

Sure, the bill will pass overwhelmingly because it comes under suspension, a procedure which insures that few Members will really know the substance of the bill. We should not be acting on this kind of legislation without observing the full legislative process.

Mr. BUCHANAN. Mr. Speaker, I yield 2 minutes to the gentleman from New

Jersey (Mr. LE FANTE).

Mr. LE FANTE. Mr. Speaker, I rise in support of H.R. 7, the Elementary and Secondary Career Education Act. First of all, I would like to commend Chairman Perkins for introducing this important legislation and for his leadership in guiding it through committee.

The Elementary, Secondary and Vocational Education Subcommittee, of which I am a member, held extensive hearings on the concept of career education and has reported out a bill which would encourage States and local school districts to develop and implement career education programs in their elementary and secondary schools. This legislation builds on existing career education demonstration programs whose purpose has been to provide greater emphasis on career awareness, exploration, and planning in the schools. It expands these valuable demonstration programs to a broader national scale.

Career education should begin in the early elementary grades and continue through a person's adult years. Career education increases students' awareness of the many careers open to them, emphasizes the relationship between education and work, and encourages career

planning.

An important provision of H.R. 7 is the automatic phaseout of Federal funding 5 years after enactment of the legislation. The committee has made it clear that it is not the intent of this legislation to create a permanent, ongoing federally subsidized program. Instead, the Federal role is viewed as a catalyst for changing the attitudes of teachers, school administrators, and officials in their approach to career education. At the end of the fifth year, States and local school districts are expected to take over the full costs of career education as an integral part of their curriculum.

Several improvements were made in the Career Education Act during committee which strengthened the bill and which I wholeheartedly support. A series of amendments was adopted which aims at eliminating bias and stereotyping with regard to sex, race, and physical handicap. The purpose of these amendments is to promote equal opportunity in making career choices through elimination of these biases and stereotyping by altering traditional patterns in selecting careers and educational programs. It makes sense that the early childhood years are the opportune time to accom-

plish these goals.

The bill originally provided for participation of non-public-school children and teachers in State leadership programs and grants to local educational agencies. I was pleased that an amendment that I offered to clarify and strengthen these provisions was accepted by the committee. My amendment provided that appropriate non-publicschool officials are to be consulted prior to providing services to non-public-school children and teachers and that these services be provided on an equitable basis. It recognizes that there are differences in public and non-public-school needs and reiterates the congressional intent of comparability and equity in providing those services.

I believe the Career Education Act will provide the necessary stimulus for States and local school districts to include career education as an integral part of their curriculum. In doing so, they will hopefully provide children with more realistic concepts about careers and the world of work and give them the tools to make more informed choices about

their future.

I urge my colleagues to vote in favor of H.R. 7.

Mr. EVANS of Delaware. Mr. Speaker, I rise in strong support of H.R. 7, the Elementary and Secondary Career Education Act of 1977.

In my judgment, we have not done enough in this country to prepare young people for future employment in the private sector. Rarely has there been the proper linkage between public education and private employment.

In recent years, we have made some progress in accomplishing this linkage. Since 1974, for instance, there has been an Office of Career Education in the U.S. Office of Education to promote the con-

cept of infusing an understanding of career opportunities and the educational requirements for the "world of work" into the school program. There has also been funding authorized for demonstration projects for these purposes of approximately \$10 million a year. In the 1976 education amendments \$10 million was authorized for fiscal year 1978 for planning grants to the States for career education programs.

But we need to do more. Unemployment, especially for teenagers, remains at unacceptably high levels. Because they have no skill, teenagers, particularly minority youths, are unable to become working and productive members of society. Instead, we are creating a whole new generation of welfare recipients, people who have no place in our economic structure. Unskilled and unemployable, they have no alternative but to live on the dole, roaming the streets and getting into trouble.

If we can direct that teenager to a productive skill during his school career, he will become a contributing member of society. As a skilled worker, his economic status, and even more importantly, his own self-esteem will improve immeasurably. He will be on a payroll, instead of

a welfare roll.

In the past, I have criticized Federal programs such as public service jobs because they did nothing to train a person for permanent employment in the private sector. Instead of solving our long-term unemployment problems, these kinds of programs only cover it up. Public policy must be directed at the root causes of unemployment, such as lack of training and proper education, if we are to ever end the discouraging cycle of economic deprivation in this country.

The Career Education Act, however, is directed at these root causes. It makes grants of \$275 million over the next 5 years to States for actual implementation of career education programs in elementary and secondary schools. The program would involve such activities as inservice teacher training, counseling and guidance programs, and collecting, evaluating, and disseminating career education materials.

Mr. Speaker, this is a long-needed and very cost-effective program. I urge my colleagues to join with me in support of this measure, which will significantly help our young people of today become productive citizens of tomorrow.

Mr. SIMON. Mr. Speaker, the bill before us, H.R. 7, will establish career education as a national priority.

In voting for this measure, we will assure that all students will have access to the countless career possibilities open to a working adult in our country today.

Unfortunately, for many years students have often gone through 8 years or 12 years or more of schooling with no concept of the multitude of choices that could be theirs.

As a result, many left school with the feeling that it bore no relation to their lives. Others completed their studies only to choose an unsatisfying occupation, a sad choice that was made because they were unaware of other areas in which to direct their talents.

But with this bill, Mr. Speaker, we are

finally moving in a direction that will help all realize their potential.

I hope this step will lead to a more satisfying, productive, and rewarding life for many.

Mrs. COLLINS of Illinois. Mr. Speaker, I rise today to urge my colleagues to support the Elementary and Secondary Career Education Act of 1977. This is an important measure that affects most of our Nation's youth.

The act calls for \$275 million to be spent over the next 5 years to set up and develop programs geared toward helping the young people of America think seriously about the careers they may wish to pursue. Such programs would emphasize the many career possibilities open today, demonstrate the connection between education and work, and encourage the students to plan ahead.

Currently, more than 3 million Americans between the ages of 16 and 24 are on the unemployment rolls. It is my firm belief that if many of these young people had received better career guidance and counseling while still in school, they would quite likely be among the Nation's work force today.

work force today.

In my own inner-city district in Chicago, unemployment among young persons is overwhelmingly high. Passage of H.R. 7 will mean that their younger brothers and sisters will have an increased chance of succeeding at the job market because these younger siblings will be better able to tailor their own capablities to existing job opportunities through career education programs.

Therefore, I encourage all of my colleagues to vote yes on this very important bill.

Mr. ROYBAL. Mr. Speaker, I rise in support of H.R. 7, which would authorize career education programs in elementary and secondary schools.

A few years ago, people readily moved between different jobs and often changed career choices with little difficulty. However, as our economic problems have grown, job mobility has decreased and consequently, initial career choices have become much more crucial. School administrators have long sensed this change and have responded by designing programs which increase students' awareness of possible careers, emphasize the relationship between education and work, and encourage career planning

H.R. 7 will help local schools to continue the work they have pioneered in career education programs. The bill authorizes grants to States to help local and State educational agencies plan and provide career education programs in elementary and secondary schools. In order to qualify for a grant, a State must meet very detailed requirements which are provided for in the bill. Specifically, a State must submit a plan which insures that 85 percent of the grant will be channeled to local school districts, that 15 percent of the grant is used for guidance and counseling programs, and that not more than 5 percent of the Federal grant is used for administration. The bill also provides that the States must match Federal funding by an increasing percentage over the 5-year authorization period, and that each State must prepare a State evaluation report on its

career education programs.

Mr. Speaker, the bill before us will aid hundreds of thousands of elementary and secondary school children to better plan their future and career choices. It will open new vistas to many and will encourage others to pursue dreams they have nurtured. I commend this bill to all my colleagues and urge their affirmative vote.

Mr. FORD of Michigan, Mr. Speaker, I rise to urge my colleagues to support H.R. 7, the Elementary and Secondary Career Education Act of 1977, and I commend my good friend and colleague, the distinguished chairman of the Education and Labor Committee (Mr. Perkins) for sponsoring this excellent legislation designed to aid our educational system in becoming more relevant to today's needs.

As a cosponsor of H.R. 7, I believe that after funding career education planning with \$200 million since 1972 in the Education Amendments of 1974 and the Education Amendments of 1976, it now is the time with the Elementary and Secondary Career Education Act of 1977 to provide Federal dollars to State and local education agencies for implementation of this worthwhile program.

Career education provides a better framework in the schools in which to prepare our young people for work and to retrain some of our adults who have become unemployed or have found themselves not adequately trained for

today's work situations.

By placing an emphasis on career awareness, exploration, decisionmaking, and planning in the elementary and secondary grades, this legislation will make our educational institutions more relevant to the current job market. Career education provides students with the skills to make them more adaptable to today's society and gives them a better idea beforehand of the available options when they graduate. In addition, career education bridges the gap between what students learn in school and the tasks they will be requested to perform when they enter the work force without concentrating on any particular group of students' needs.

The idea of a homogenized education curriculum blending basic educational skills with vocational, occupational, and career skill training and orientation is not novel. In the 1870's, Calvin M. Woodward, a Harvard-trained mathematician. launched a campaign to persuade the public that the schools were out of tune with the changing times. They were training gentlemen, but not training men

for the world of work.

Mr. Woodward advocated manual training, not aimed at a specific trade necessarily, but to be a part of the regular curriculum for all students. Despite his advocacy, the homogenization did not take place and vocational and technical education developed on a separate track.

More recently, the term career education was introduced in 1971 during the previous administration as one of the top educational priorities by U.S. Commissioner of Education Sicney P. Marland, Jr. Since then, career education has gained widespread acceptance.

In few other instances is there the broad support for an educational program that exists for career education. Perhaps the success career education has already encountered and the good reception it has received in the schools is reflected in the number and diversity of the groups supporting H.R. 7 which include the U.S. Chamber of Commerce. the National Education Association, the National Association of Chief State School Officers, the United Auto Workers, the American Vocational Association, the National Advisory Council on Vocational Education, the Association of Secondary School Principals, the General Motors Corp., the American Association of Junior Colleges, the College Entrance Examination Board, and the National Institute of Education, which has earmarked nearly 20 percent of its own budget in support of career education research and demonstration.

Career education has received these endorsements probably much quicker and with fewer reservations than any other educational program which has surfaced in the last several years. The States themselves have also been quick to respond. As of 1976, two-thirds of the States had adopted formal career education policies, and 14 States had enacted career education legislation. There are career education coordinators in 55 of the 57 States and outlying areas, and 27 of them are supported with State funds.

Career education got underway early in my home State of Michigan when several pilot projects were awarded in 1970 and 1971. Then in 1974, the State legislature by a wide margin passed career education legislation and a broadly based Career Education Advisory Council was subsequently appointed. Further, each local educational agency is required by law to establish career education performance objectives and to evaluate its program.

The 5-year phase-in of funding in H.R. will simply augment what most of the States have already put into funding for career education. It is clear the States have proven their interest. With the addition of Federal support in H.R. 7, the States can place even more emphasis on career education and fully implement the programs the pilot projects have proven to be successful. The States have done what we have asked them to do with the planning money we have supplied and now I believe we should provide further funding to insure the success of career education activities.

Mrs. SPELLMAN. Mr. Speaker, one of the complaints we, as Members of the Congress, hear from concerned parents. is that the public education process does not meet the future needs of the students. They are not prepared for careers, and indeed, they are not even aware of the variety of careers which await them after graduation. Of all the Federal programs to assist general education, only \$200 million of Federal funds has been spent on research and demonstration projects in this field, from sources such as the Vocational Education Act and the

Education Professions Development Act; only \$200 million since 1972.

While many school districts do have professional career guidance staffs, they are often hampered by lack of funding and understaffing, and face their clients with an unorganized myriad of information that may or may not apply to the individual needs. Limited demonstration projects, which I mentioned before, have proved highly successful in bringing some order out of this chaos, and point to the need for a fully developed national program of funding to State and local governments which are, after all, the most closely involved with the education of our youth. The Federal Government funding acts as a catalyst. and under this bill, will be phased out after 5 years.

Of particular interest to me is the section which contains a 15-percent setaside for career guidance activities. Career guidance professionals maintain that the lack of career education assistance on a more national level has led to an "absence of career vision" which, in turn, leads to indecision, loss of time, and loss of money for parents as well as students. H.R. 7 is designed to assist States and local school districts to redirect this trend of student career indecision. As a cosponsor of this bill, I urge my colleagues to join me in support of this legislation.

Thank you.

Mr. HARRIS. Mr. Speaker, I am pleased to support today H.R. 7, the Elementary and Secondary Career Education Act of 1977, which will help local school systems develop career education programs in our elementary and secondary schools.

The career education concept is an important one. Career education seeks to provide elementary and secondary students with an understanding of the world of work, by providing them with a broad orientation to various occupations in their studies. For example, a teacher implementing the career education concept might have a rural elementary child learning to read, read a story about a zookeeper. In learning specific reading skills, the child would also be exposed to a career he or she might not otherwise be familiar with. Or, career education could be incorporated in a high school chemistry class by relating the study of and experimentation with chemicals to jobs ranging from drug manufacturing to energy research. The student would not learn specific job skills; rather, the student would be exposed to various career options.

Providing our children with a wide range of options is critical. Making a career decision, even trying to understand what is available out there in the working world, is one of the most frustrating experiences a youngster has to go through. Most just fall into an area of study because it is convenient or their parents urge it. And many areas of study have not been oriented sufficiently toward work. I do not mean to suggest that academic training should be emphasized less. But I believe that there is room in the school program for both approaches. Sooner or later our schools have got to

stop "turning out" students who feel their studies did not prepare them. Helping them understand the career options available, it seems to me, is putting the horse before the cart. Our students cannot make an informed career or career training choice without understanding what is available.

Another important advantage of the career education concept is that it has been very successful in raising the performance of the low-motivated student. One evaluation of 40 11th graders exposed to career education with severe reading problems showed a dramatic reversal in their attitudes about reading. according to evidence presented to the Education and Labor Committee. This should come as no surprise. We are all familiar with the teenager whose mind is on his or her weekend plans, rather than the textbook. An uninterested teenage boy, who is preoccupied with cars, would read with much more excitement a handbook on auto mechanics than Beowulf. The student who resists writing a book report might be more interested in writing a job résumé, emphasizing his or her talents

Many teachers have long recognized the need for this type of instruction and have developed programs on their own initiative. I am pleased that the Congress has recognized this need and is taking this step toward encouraging a comprehensive career education approach in our total school curriculum. Over 3 million young people between the ages of 16 and 24 are unemployed; this represents over half of the Nation's unemployed. Our unemployment situation has resulted from several factors, but I would venture to guess that the confusion and disillusion with the work place has been a large contributor to youth unemployment. I am pleased to vote aye today and to help end that confusion and disillusion among our young citizens, our most precious national resource.

Mr. CONTE. Mr. Speaker, I rise in support of the Elementary and Secondary Career Education Act of 1977. As a cosponsor of this measure, I want to commend the chairman, Mr. Perkins, and the other members of the committee for reporting this out early in the session.

There is a genuine need for greater effort in career education. Just yesterday, I met with a group of students from my district who were concerned that there was a lack of information available about career options open to them. They asked why there could not be more done in terms of a more cooperative relationship between Government, business, and labor, to make students more knowledgeable about the world of work.

This bill helps meet many of those concerns. This measure authorizes \$275 million over a 5-year period to assist States and local educational agencies in making career education a major goal of our school systems. This amounts to a relatively small expenditure of approximately \$1 per year for each of our Nation's 48 million elementary and secondary students, but will significantly assist in improving and expanding career education programs.

There are a number of indications that

such programs are needed. Over 3 million Americans between the ages of 16 and 24 are unemployed. This represents half the Nation's unemployed, and indicates that students are to a large extent either unaware of or ill prepared for the job opportunities available to them. About three-quarters of all secondary school students are enrolled in college preparatory courses and programs, even though it is projected that only about 20 percent of all jobs between now and 1980 will require a college degree.

The National Assessment of Education Progress carried out a nationwide assessment of the career development of 17-year-olds. They found that over half had trouble writing a job application, and that less than half could name more than one skill needed for the job they had tentatively chosen.

Career education appears to be the obvious solution and means for improving these skills in which students are lacking. A National Institute of Education study found that children develop concepts about careers at an early age, and that unless they are provided with a wide range of information, they tend to develop narrow, stereotypic views of jobs.

There are, of course, a number of reasons for high teenage unemployment which cannot be addressed by this or any other Federal legislation. In simple terms teenagers have less experience than other, older workers. But career education as provided for under this bill can have a definite impact in improving students' awareness of work through a variety of educational and demonstration methods.

Mr. Speaker, I strongly urge the adoption of this bill.

Mr. DE LA GARZA. Mr. Speaker, I support remarks that have already been made on the Elementary and Secondary Career Education Act of 1977. I cosponsored this legislation with the distinguished chairman because of the evergrowing importance of this proposal to my district.

Recognizing and realizing one's fullest potential is an inherent part of the American dream—the dream we have heard so much about during all of our recent Bicentennial celebrations—and passage of this bill will help to bring that dream closer to an attainable goal. As opposed to vocational education, the purpose of the Career Education Act, as stated in the committee report, is to make "education as preparation for work and as a means of relating work values to other life roles and choices a major goal of all who teach and all who learn."

The approach to career education after the passage of this act would be of an eclectic sort, comprehensive in nature, providing "educational experiences at all age levels with implications for teachers of all subjects."

One other very important aspect to be considered at this time is the role of and the cost to the Federal Government. The Federal Government's involvement is purely catalytic. The provisions of this bill provide for the phasing out of the Federal Government from this program after 5 years. The authorization of appropriations would be for \$25 million for the first year. The outlay would peak in

the second year with an authorization of \$100 million, which amount would be decreased by \$25 million each succeeding year until the Federal Government is phased out of the program. This is in keeping with the spirit of reform in the Federal Government. The program, after its inception, would become a State effort. No Federal Government agency or bureaucracy would be created and after the 5-year initial period there would be no further Federal involvement.

Again, Mr. Speaker, for these reasons, I am proud to be able to lend my support to this legislation.

Mr. HAMMERSCHMIDT. Mr. Speaker, I am pleased to have joined with the distinguished chairman of the House Education and Labor Committee in cosponsoring H.R. 7, the Elementary and Secondary Education Act of 1977. And, I strongly urge its passage by the House today.

This is a good piece of legislation that addresses itself in a very positive way to insure that greater emphasis is placed on career awareness, exploration, and planning in the schools. Career education is surely one of the most vital aspects and integral facets of the entire educational system. I have always been a staunch advocate of intensified efforts in this area.

Under the provisions of H.R. 7, Federal funds will be made available to State and local educational agencies to implement comprehensive programs of career education in the elementary and secondary schools. Consider, for example, the favorable impact that its enactment will have at the local level, for there are numerous activities into which funds will be channelled: inservice training of education personnel; development of collaborative arrangements with business, labor, industry, and groups representing women. minorities, and the handicapped; development of work experience for career exploration, purchasing of career education materials and supplies; and educating community people about the goals of career education. These are all extremely practical purposes; they are workable goals that can and will be achieved.

In these times of unemployment, we can appreciate the need to place emphasis on preparing young people for specific careers that will be marketable and useful.

To give us an example of how far reaching are the goals and provisions of H.R. 7, consider the strong statement of support for this legislation by the National Federation of Independent Business, the Nation's largest association representing small business. The NFIB has actively endorsed the Elementary and Secondary Career Education Act because "small business is labor intensive and most hiring is done by small business right out of the schools. For such reason, Career Education would impact greatly on the caliber of students being hired by small business. NFIB is disturbed over the present state of education and feels that this legislation will encourage a return to basics so students would be more practically oriented for the world of work which they will be entering.'

I cannot imagine a more apt description of the aims of H.R. 7 and I believe

the NFIB comments appropriately emphasize the need for enactment of the

"Basics" is what the bill is all aboutadequately helping to prepare our young people for the world they will face when they graduate from school. The legislation before us today will help to arm them with basic, practical skills and abilities and will help to insure that they will be productive members of the American work force and of society.

I urge my colleagues to support H.R. 7 which will truly improve the quality of education in our country.

Mr. BRADEMAS, Mr. Speaker, I rise

in support of H.R. 7.

Mr. Speaker, career education is a comprehensive instructional strategy. It helps equip students with the skills to enable them to adapt successfully to the career opportunities of the present and the future. These skills include basic academic skills, good work habits, a constructive orientation toward work, career decisionmaking skills and job-seeking, job-getting and job-holding skills.

Mr. Speaker, career education is neither a substitute for academic achievement or vocational education. It is rather an educational strategy for infusing new meaning and relevance into the entire curriculum by relating school work to the larger society beyond the

school house doors.

In essence career education aims at informing students of the career choices available to them, providing them the ability to make intelligent choices from among a variety of options and giving them the skills to pursue successfully the career they choose. Career education, at its best, broadens the choices available to a student and helps education to achieve its fundamental goal of liberating the individual.

I am particularly pleased, Mr. Speaker, that the legislation before us today places strong emphasis on State efforts to eliminate bias and stereotyping due to race, sex, and physical handicap. Minorities, women, and the handicapped are among those most in need of sensitive assistance to enhance their career awareness and

skills.

The Elementary and Secondary Career Education Act of 1977 is an excellent example of creative Federal leadership in education. Commissioner Marland perceived the widespread interest in creating a better linkage between education and work.

In 1971, he coined the phrase "career education" and gave support to development work from the limited discretionary funds available to him. The Education Amendments of 1974 authorized research and demonstration in career education.

Mr. Speaker, the response to career education by students, parents, and educators has been very enthusiastic and supportive. The limited evaluations available indicate that career education is succeeding. For example, the Indiana State Department of Education found that a group of 11th graders with severe reading problems, who were in a career education program, showed dramatic improvement in their attitudes about reading.

The Federal Government did not impose the career education concept from Washington. Federal efforts instead served to crystallize and support a new approach to instruction, the need for which was widely perceived.

Mr. Speaker, this legislation will provide Federal support for the implementation of career education programs in elementary and secondary education. But the support will be carefully phased in and phased out. Career education will get the boost it now needs to be integrated into education nationwide but without undertaking a permanent Federal responsibility in this area. Simultaneously the research and demonstration authorized by the 1974 act will shift to focus on postsecondary education where career education is at an earlier stage of development compared to

elementary and secondary education.

Mr. Speaker, I commend the distinguished chairman of the Education and Labor Committee, Mr. PERKINS, for his leadership in formulating the creative and carefully balanced approach to career education contained in this bill. I am proud to be a cosponsor of the bill, and I urge my colleagues to support it.

Mr. MAZZOLI. Mr. Speaker, I rise in support of H.R. 7, the Elementary and Secondary Career Education Act of 1977.

Since World War II, more and more American youngsters have been entering and graduating from high school. Theemphasis in American secondary education is largely on academic training.

As a result, many young Americans find themselves with high school diplomas, but-for those who do not elect to enter college-with no specific career skill or marketable job talent.

H.R. 7 addresses this problem by providing Federal assistance to encourage, at the local system level, the establishment of career education and counseling programs. Federal assistance would be used to support programs devised and operated by local and State boards of education.

By allowing a great degree of local autonomy in the formulation of career education and counseling programs, the bill insures that each program is tailored to the particular and varying vocational needs of a State or a region.

The program calls for the fairly modest expenditure of \$275 million over a 5year period. These funds are not intended to substitute for local funds, but instead to encourage and assist local school districts in establishing career training and counseling programs.

H.R. 7 provides what I would describe as an ideal Federal program-one designed to assist local districts without forcing them-in return for the assistance—to give up their cherished and necessary independence from the Federal Government.

H.R. 7 provides a satisfactory and inexpensive means for filling a major national need. And, I urge my colleagues to support this measure.

Mr. PERKINS. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky (Mr. PERKINS)

that the House suspend the rules and pass the bill H.R. 7, as amended.

The question was taken.

Mr. BUCHANAN. Mr. Speaker, on that demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

PERMISSION FOR COMMITTEE ON ARMED SERVICES TO HAVE UNTIL APRIL 7 TO FILE A REPORT ON H.R. 5970

Mr. PRICE. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services may have until April 7 to file a report on the bill H.R. 5970.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PETROLEUM MARKETING PRACTICES ACT

Mr. DINGELL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 130) to provide for the protection of franchised distributors and retailers of motor fuel; to encourage conservation by requiring that information regarding the octane rating of automotive gasoline be disclosed to consumers; and to prevent deterioration of competition in gasoline marketing, as amended.

The Clerk read as follows:

H.R. 130

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Petroleum Marketing Practices Act".

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TITLE II—OCTANE DISCLOSURE

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TITLE I-FRANCHISE PROTECTION DEFINITIONS

SEC. 101. As used in this title:

- (1) (A) The term "franchise" means any contract
 - (i) between a refiner and a distributor,
- (ii) between a refiner and a retailer, between a distributor and another distributor, or
- (iv) between a distributor and a retailer, under which a refiner or distributor (as the case may be) authorizes or permits a retailer or distributor to use, in connection with the sale, consignment, or distribution of motor fuel, a trademark which is owned or controlled by such refiner or by a refiner which supplies motor fuel to the distributor which authorizes or permits such use.

(B) The term "franchise" includes-

(i) any contract under which a retailer or distribution of motor fuel under a tradeized or permitted to occupy leased marketing premises, which premises are to be employed in connection with the sale, consignment, or distribution of motor fuel under a trademark which is owned or controlled by such refiner or by a refiner which supplies motor fuel to the distributor which authorizes or permits such occupancy;

(ii) any contract pertaining to the supply of motor fuel which is to be sold, consigned, or distributed under a trademark which is owned or controlled by a refiner; and

- (iii) the unexpired portion of any franas defined by the preceding provisions of this paragraph, which is transferred or assigned as authorized by the provisions of such franchise or by any applicable provision of State law which permits such transfer or assignment without regard to any provision of the franchise.
- (2) The term "franchise relationship" means the respective motor fuel marketing or distribution obligations and responsibilities of a franchisor and a franchisee which result from the marketing of motor fuel under a franchise.
- (3) The term "franchisor" means a refiner distributor (as the case may be) who authorizes or permits, under a franchise, a retailer or distributor to use a trademark in connection with the sale, consignment, or distribution of motor fuel.
- (4) The term "franchisee" means a retailer or distributor (as the case may be) who is authorized or permitted, under a franchise, to use a trademark in connection with the sale, consignment, or distribution of motor fuel.
- (5) The term "refiner" means any person engaged in the refining of crude oil to produce motor fuel, and includes any affiliate of such person.

(6) The term "distributor" means any person, including any affiliate of such person, who-

(A) purchases motor fuel for sale, consignment, or distribution to another; or

(B) receives motor fuel on consignment for consignment or distribution to his own motor fuel accounts.

(7) The term "retailer" means any person who purchases motor fuel for sale to the general public for ultimate consumption.

(8) The term "marketing premises" means, in the case of any franchise, premises which, under such franchise, are to be employed by the franchise in connection with the sale, consignment, or distribution of motor fuel.

- (9) The term "leased marketing premises" means marketing premises owned, leased, or in any way controlled by a franchisor and which the franchisee is authorized or permitted, under the franchise, to employ in connection with the sale, consignment, or distribution of motor fuel.
- (10) The term "contract" means any oral
- written agreement or contract.
 (11) The term "trademark" means any trademark, trade name, service mark, or other identifying symbol or name. (12) The term "motor fuel" means gaso-
- line and diesel fuel of a type distributed for use as a fuel in self-propelled vehicles designed primarily for use on public streets,
- roads, and highways.
 (13) The term "failure" does not include-(A) any failure which is only technical or unimportant to the franchise relationship;
- (B) any failure for a cause beyond the rea-
- sonable control of the franchise.
 (14) The terms "fail to renew" and "nonmean, with respect to any franchise relationship, a failure to reinstate, continue, or extend the franchise relationship-
- (A) at the conclusion of the term, or on the expiration date, stated in the relevant franchise:

(B) at any time, in the case of the relevant franchise which does not state a term of duration or an expiration date; or

(C) following a termination (on or after the date of enactment of this Act) of the relevant franchise which was entered into prior to such date of enactment and has not been renewed after such date.

(15) The term "affiliate" means any person who (other than by means of a franchise) controls, is controlled by, or is under common control with, any other person.

(16) The term "relevant geographic area" includes a State or a standard metropolitan statistical area as periodically established by the Office of Management and Budget.

(17) The term "termination" includes cancellation.

(18) The term "commerce" means any ade, traffic, transportation, exchange, or trade. other commerce-

(A) between any State and any place outside of such State; or

(B) which affects any trade, transportation, exchange, or other commerce described

in subparagraph (A).

(19) The term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, or any other commonwealth, territory, or possession of the United States.

FRANCHISE RELATIONSHIP; TERMINATION AND NONRENEWAL

Sec. 102. (a) Except as provided in sub-section (b) and section 103, no franchisor engaged in the sale, consignment, or distribution of motor fuel in commerce may-

(1) terminate any franchise (entered into or renewed on or after the date of enactment of this Act) prior to the conclusion of the term, or the expiration date, stated in the franchise; or

(2) fail to renew any franchise relation-ship (without regard to the date on which the relevant franchise was entered into or renewed)

(b) (1) Any franchisor may terminate any franchise (entered into or renewed on or after the date of enactment of this Act) or may fail to renew any franchise relationship.

the notification requirements of sec-(A) tion 104 are met; and

(B) such termination is based upon a ground described in paragraph (2) or such nonrenewal is based upon a ground described

in paragraph (2) or (3).
(2) For purposes of this subsection, the following are grounds for termination of a franchise or nonrenewal of a franchise relationship:

- (A) A failure by the franchisee to com-y with any provision of the franchise, which provision is both reasonable and of material significance to the franchise relationship, if the franchisor first acquired actual or constructive knowledge of such
- (i) not more than 120 days prior to the date on which notification of termination or nonrenewal is given, if notification is given pursuant to section 104(a); or
- (ii) not more than 60 days prior to the date on which notification of termination or nonrenewal is given, if less than 90 days notification is given pursuant to section
- (B) A failure by the franchisee to exert good faith efforts to carry out the provisions of the franchise, if-
- (i) the franchisee was apprised by the franchisor in writing of such failure and was afforded a reasonable opportunity to exert good faith efforts to carry out such provisions: and
- (ii) such failure thereafter continued within the period which began not more than 180 days before the date notification of

termination or nonrenewal was given pursuant to section 104.

The occurrence of event which is relevant to the franchise relationship and as a result of which termination of the franchise or nonrenewal of the franchise relationship is reasonable, if such event occurs during the period the franchise is in effect and the franchisor first acquired actual or constructive knowledge of such occurrence-

(i) not more than 120 days prior to the date on which notification of termination or nonrenewal is given, if notification is given pursuant to section 104(a); or

(ii) not more than 60 days prior to the date on which notification of termination or nonrenewal is given, if less than 90 days notification is given pursuant to section

(D) An agreement, in writing, between the franchisor and the franchisee to terminate the franchise or not to renew the franchise relationship, if-

(1) such agreement is entered into not more than 180 days prior to the date of such termination or, in the case of nonrenewal, not more than 180 days prior to the conclusion of the term, or the expiration

date, stated in the franchise; (ii) the franchisee is promptly provided with a copy of such agreement, together with the summary statement described in section 104(d): and

(iii) within 7 days after the date on which the franchisee is provided a copy of such agreement, the franchisee has not posted by certified mail a written notice to the franchisor repudiating such agreement.

- (E) In the case of any franchise entered into prior to the date of the enactment of this Act and in the case of any franchise entered into or renewed on or after such date (the term of which is 3 years or longer or with respect to which the franchisee was offered a term of 3 years or longer), a determination made by the franchisor in good faith and in the normal course of business to withdraw from the marketing of motor fuel through retail outlets in the relevant geographic market area in which the marketing premises are located, if-
 - (i) such determination-

(I) was made after the date such fran-chise was entered into or renewed, and (II) was based upon the occurrence of

changes in relevant facts and circumstances after such date;

- (ii) the termination or nonrenewal is not for the purpose of converting the premises, which are the subject of the franchise, to operation by employees or agents of the franchisor for such franchisor's own account;
- (iii) in the case of leased marketing premises
- the franchisor, during the 180-day period after notification was given pursuant to section 104, either made a bona fide offer to sell, transfer, or assign to the franchisee such franchisor's interests in such premises, or, if applicable, offered the franchisee a right of first refusal of at least 45-days duration of an offer, made by another, to purchase such franchisor's interest in such premises; or
- (II) in the case of the sale, transfer, or assignment to another person of the franchisor's interest in such premises in connection with the sale, transfer, or assignment to such other person of the franchisor's interest in one or more other marketing premises, if such other person offers, in good faith, a franchise to the franchisee on terms and conditions which are not discriminatory to the franchisee as compared to franchises then currently being offered by such other person or franchises then in effect and with respect to which such other person is the franchisor.
 - (3) For purposes of this subsection, the

following are grounds for nonrenewal of a franchise relationship:

(A) The failure of the franchisor and the franchisee to agree to changes or additions to the provision of the franchise, if-

(i) such changes or additions are the result of determinations made by the franchisor in good faith and in the normal course of business; and

(ii) such failure is not the result of the franchisor's insistence upon such changes or additions for the purpose of preventing the renewal of the franchise relationship.

(B) The receipt of numerous bona fide customer complaints by the franchisor concerning the franchisee's operation of the marketing premises, if-

(i) the franchisee was promptly apprised of the existence and nature of such complaints following receipt of such complaints

by the franchisor; and (ii) if such complaints related to the condition of such premises or to the conduct of any employee of such franchisee, the franchisee did not promptly take action to cure

or correct the basis of such complaints.

(C) A failure by the franchisee to operate the marketing premises in a clean, safe, and healthful manner, if the franchisee failed to do so on two or more previous occasions and the franchisor notified the franchisee of such failures.

(D) In the case of any franchise entered into prior to the date of the enactment of this Act (the unexpired term of which, on such date of enactment, is 3 years or longer) and, in the case of any franchise entered into or renewed on or after such date (the term of which was 3 years or longer, or with respect to which the franchisee was offered a term of 3 years or longer), a determination made by the franchisor in good faith and in the normal course of business, if-

(i) such determination is-

(I) to convert the leased marketing premises to a use other than the sale or distribution of motor fuel,

(II) to materially alter, add to, or replace

such premises,

(III) to sell such premises, or

- (IV) that renewal of the franchise relationship is likely to be uneconomical to the franchisor despite any reasonable changes or reasonable additions to the provisions of the franchise which may be acceptable to the franchisee; (ii) with respect to a determination referred to in subclause (II) or (IV), such determination is not made for the purpose of converting the leased marketing premises to operation by employees or agents of the franchisor for such franchisor's own account: and
- (iii) in the case of leased marketing premises, such franchisor, during the 90-day period after notification was given pursuant to section 104, either-

(I) made a bonda fide offer to sell, transfer, or assign to the franchisee such fran-duration of an offer, made by another, to

- (II) if applicable, offered the franchisee right of first refusal of at least 45-days duration of an offer, made by another, to purchase such franchisor's interest in such premises.
- (c) As used in subsection (b) (2) (C), the term "an event which is relevant to the franchise relationship and as a result of which termination of the franchise or nonrenewal of the franchise relationship is reasonable" includes events such as-
- (1) fraud or criminal misconduct by the franchisee relevant to the operation of the marketing premises;
- (2) declaration of bankruptcy or judicial determination of insolvency of the franchisee:
- (3) continuing severe physical or mental disability of the franchisee of at least 3 months duration which renders the franchisee unable to provide for the continued proper operation of the marketing pemises;

- (4) loss of the franchisor's right to grant possession of the leased marketing premises through expiration of an underlying lease, if the franchisee was notified in writing, prior to the commencement of the term of the then existing franchise-
- (A) of the duration of the underlying lease, and
- (B) of the fact that such underlying lease might expire and not be renewed during the term of such franchise (in the case of termination) or at the end of such term (in the case of nonrenewal);

(5) condemnation or other taking, whole or in part, of the marketing premises pursuant to the power of eminent domain;

- (6) loss of the franchisor's right to grant the right to use the trademark which is the subject of the franchise, unless such loss was due to trademark abuse, violation of Federal or State law, or other fault or negli-gence of the franchisor, which such abuse, violation, or other fault or negligence is related to action taken in bad faith by the franchisor;
- (7) destruction (other than by the franchisor) of all or a substantial part of the marketing premises:
- (8) failure by the franchisee to pay to the franchisor in a timely manner when due all sums to which the franchisor is legally entitled:
- (9) failure by the franchisee to operate the marketing premises for-

(A) 7 consecutive days, or

- (B) such lesser period which under the facts and circumstances constitutes an unreasonable period of time;
- (10) willful adulteration, mislabeling, or misbranding of motor fuels or other trademark violations by the franchisee;
- (11) knowing failure of the franchisee to comply with Federal, State, or local laws or regulations relevant to the operation of the marketing premises; and

(12) conviction of the franchisee of any

felony involving moral turpitude.

(d) In the case of any termination of a franchise (entered into or renewed on or after the date of enactment of this Act), or in the case of any nonrenewal of a franchise relationship (without regard to the date on which such franchise relationship was entered into or renewed) -

(1) if such termination or nonrenewal is based upon an event described in subsection (c) (5), the franchisor shall fairly apportion between the franchisor and the franchisee compensation, if any, received by the fran-chisor based upon any loss of business opportunity or good will; and

(2) if such termination or nonrenewal is based upon an event described in subsection (c) (7) and the leased marketing premises are subsequently rebuilt or replaced by the franchisor and operated under a franchise, the franchisor shall, within a reasonable period of the franchise under which such premises

are to be operated.

TRIAL FRANCHISES AND INTERIM FRANCHISES; NONRENEWAL

Sec. 103. (a) The provisions of section 102 shall not apply to the nonrenewal of any franchise relationship-

- (1) under a trial franchise; or
- (2) under an interim franchise. (b) For purposes of this section-
- The term "trial franchise" means any (1) franchise-
- (A) which is entered into on or after the date of enactment of this Act;
- (B) the franchisee of which has not previously been a party to a franchise with the franchisor:
- (C) the initial term of which is for a period of not more than 1 year; and
- (D) which is in writing and states clearly and conspicuously-
 - (i) that the franchise is a trial franchise;

- (ii) the duration of the initial term of the franchise;
- (iii) that the franchisor may fail to renew the franchise relationship at the conclusion of the initial term stated in the franchise by notifying the franchisee, in accordance with the provisions of section 104, of the franchisor's intention not to renew the franchise relationship; and

(iv) that the provisions of section 102, limiting the right of a franchisor to fail to renew a franchise relationship, are not applicable to such trial franchise.

- (2) The term "trial franchise" does not include any unexpired period of any term of any franchise (other than a trial franchise, as defined by paragraph (1)) which was transferred or assigned by a franchisee to the extent authorized by the provisions of the franchise or any applicable provision of State law which permits such transfer or assignment, without regard to any provisions of the franchise.
- (3) The term "interim franchise" means any franchise-

(A) which is entered into on or after the

date of the enactment of this Act:

(B) the term of which, when combined with the terms of all prior interim franchises between the franchisor and the franchisee, does not exceed 3 years;

(C) the effective date of which occurs immediately after the expiration of a prior franchise, applicable to the marketing premises, which was not renewed if such nonrenewal-

(i) was based upon a determination described in section 102(b)(2)(E), and

(ii) the requirements of section 102(b) (2)

(E) were satisfied; and

(D) which is in writing and states clearly and conspicuously-

(i) that the franchise is an interim franchise:

(ii) the duration of the franchise; and

- (iii) that the franchisor may fail to renew the franchise at the conclusion of the term stated in the franchise based upon a determination made by the franchisor in good faith and in the normal course of business to withdraw from the marketing of motor fuel through retail outlets in the relevant geographic market area in which the marketing premises are located if the requirements of section 102(b)(2)(E) (ii) and (iii) are satisfied.
- (c) If the notification requirements of section 104 are met, any franchisor may fail to renew any franchise relationship-
- (1) under any trial franchise, at the conclusion of the initial term of such trial franchise: and
- (2) under any interim franchise, at the conclusion of the term of such interim franchise, if-
- (A) such nonrenewal is based upon a determination described in section 102(b)(2) (E); and
- (B) the requirements of section 102(b)(2) (E) (ii) and (iii) are satisfied.

NOTIFICATION OF TERMINATION OR NON-RENEWAL

Sec. 104. (a) Prior to termination of any franchise or nonrenewal of any franchise relationship, the franchisor shall furnish notification of such termination or such nonrenewal to the franchise who is a party to such franchise or such franchise relation-

- (1) in the manner described in subsection (c); and
- (2) except as provided in subsection (b), not less than 90 days prior to the date on which such termination or nonrenewal takes
- (b) (1) In circumstances in which it would not be reasonable for the franchisor to furnish notification, not less than 90 days prior to the date on which termination or non-

renewal takes effect, as required by subsection (a) (2)-

(A) such franchisor shall furnish notification to the franchisee affected thereby on the earliest date on which furnishing such notification is reasonably practicable;

(B) in the case of leased marketing premises, such franchisor-

(i) may not establish a new franchise relationship with respect to such premises before the expiration of the 30-day period which begins-

(I) on the date notification was posted or

personally delivered, or

(II) if later, on the date on which such termination or nonrenewal takes effect; and (ii) may, if permitted to do so by the franchise agreement, repossess such premises and, in circumstances under which it would be reasonable to do so, operate such premises

through employees or agents.

- (2 In the case of any termination of any franchise or any nonrenewal of any franchise relationship pursuant to the provisions of section 102(b)(2)(E) or section 103 (c) (2) the franchisor shall furnish notification to the franchisee not less than 180 days prior to the date on which such termination or nonrenewal takes effect.
 - (c) Notification under this section-

- (1) shall be in writing; (2) shall be posted by certified mail or personally delivered to the franchisee; and
- (3) shall contain-(A) a statement of intention to terminate the franchise or not to renew the franchise relationship, together with the reasons there-
- (B) the date on which such termination or nonrenewal takes effect; and

(C) the summary statement prepared un-

der subsection (d).

- (d)(1) Not later than 30 days after the date of enactment of this Act, the Administrator of the Federal Energy Administration shall prepare and publish in the Federal Register a simple and concise summary of the provisions of this title, including a statement of the respective responsibilities of, and the remedies and relief available to, any franchisor and franchisee under this title.
- (2) In the case of summaries required to be furnished under the provisions of section 102(b)(2)(D) or subsection (c)(3)(C) of this section before the date of publication of such summary in the Federal Register, such summary may be furnished not later than 5 days after it is so published rather than at the time required under such provisions.

ENFORCEMENT

SEC. 105. (a) If a franchisor fails to comply with the requirements of section 102 or 103, the franchisee may maintain a civil action against such franchisor. Such action may be brought, without regard to the amount in controversy, in the district court of the United States in any judicial district in which the principal place of business such franchisor is located or in which such franchisee is doing business, except that no such action may be maintained unless commenced within 1 year after the later of-

- (1) the date of termination of the franchise or nonrenewal of the franchise relationship; or
- (2) the date of the franchisor fails to comply with the requirements of section 102 or 103.
- (b)(1) In any action under subsection (a), the court shall grant such equitable relief as the court determines is necessary to remedy the effects of any failure to comply with the requirements of section 102 or 103, including declaratory judgment, mandatory or prohibitive injunctive relief, and interim equitable relief.

- (2) Except as provided in paragraph (3), in any action under subsection (a), the court shall grant a preliminary injunction
 - (A) the franchisee shows
- (i) the franchise of which he is a party has been terminated or the franchise re lationship of which he is a party has not been renewed, and

(ii) there exist sufficiently serious quesgoing to the merits to make such questions a fair ground for litigation; and
(B) the court determines that, on bal-

- ance, the hardships imposd upon the franchisor by the issuance of such preliminary injunctive relief will be less than the hardship which would be imposed upon such franchisee if such preliminary injunctive relief were not granted.
- (3) Nothing in this subsection shall be construed as preventing any court from requiring the franchisee in any action under subsection (a) to post a bond, in an amount established by the court, prior to the is-suance or continuation of any equitable
- (4) In any action under subsection (a), the court need not exercise its equity powers to compel continuation or renewal of the franchise relationship if such action was commenced-
- (A) more than 90 days after the date on which notification pursuant to section 104 (a) was posted or personally delivered to the franchisee:
- (B) more than 180 days after the date on which notification pursuant to section 104 (b) (2) was posted or personally delivered to the franchisee; or
- (C) more than 30 days after the date on which the termination of such franchise or the nonrenewal of such franchise relation-ship takes effect if less than 90 days notification was provided pursuant to section 104 (b) (1).
- In any action under subsection (a), the franchisee shall have the burden of prov ing the termination of the franchise or the nonrenewal of the franchise relationship. The franchisor shall bear the burden of going forward with evidence to establish as an affirmative defense that such termination or nonrenewal was permitted under section 102(b) or 103, and, if applicable, that such franchisor complied with the requirements of
- section 102(d).
 (d)(1) If the franchisee prevails in any action under subsection (a), such franchisee shall be entitled-

(A) consistent with the Federal Rules of Civil Procedure, to actual damages;

(B) in the case of any such action which is based upon conduct of the franchisor which was in willful disregard of the requirements of section 102 or 103, or the rights of the franchisee thereunder, to exemplary damages, where appropriate; and

(C) to reasonable attorney and expert witness fees to be paid by the franchisor, unless the court determines that only nominal damages are to be awarded to such franchisee, in which case the court, in its discretion, need not direct that such fees be paid by the

(2) The question of whether to award ex-emplary damages and the amount of any such award shall be determined by the court and not by a jury.

(3) In any action under subsection (a), the court may, in its discretion, direct that reasonable attorney and expert witness fees be paid by the franchisee if the court finds that

such action is frivolous.

(e) (1) In any action under subsection (a) with respect to a failure of a franchisor to renew a franchise relationship in compliance with the requirements of section 102, the court may not compel a continuation or renewal of the franchise relationship if the franchisor demonstrates to the satisfaction of the court that-

- (A) the basis for such nonrenewal is a determination made by the franchisor in good faith and in the normal course of business-
- (i) to convert leased marketing premises to a use other than the sale or distribution of motor fuel,
- (ii) to materially alter, add to, or replace such premises,

(iii) to sell such premises, (iv) to withdraw from the marketing of motor fuel through retail outlets in the relevant geographic market area in which the marketing premises are located,

(v) that renewal of the franchise relationis likely to be uneconomical to the franchisor despite any reasonable changes or reasonable additions to the provisions of the franchise which may be acceptable to the franchisee: and

(B) the requirements of section 104 have

been complied with.

(2) The provisions of paragraph (1) shall not effect any right of any franchisee to recover actual damages and reasonable attorney and expert witness fees under subsection (d) if such nonrenewal is prohibited by section 102.

RELATIONSHIP OF THIS TITLE TO STATE LAW

SEC. 106. (a) To the extent that any provision of this title applies to the termination (or the furnishing of notification with respect thereto) or any franchise, or to the nonrenewal (or the furnishing of notification with respect thereto) of any franchise relationship, no State or any political subdivision thereof may adopt, enforce, or continue in effect any provision of any law or regulation (including any remedy or penalty applicable to any violation thereof) with respect to termination (or the furnishing of notification with respect thereto) of any such franchise or to the nonrenewal (or the furnishing of notification with respect thereto) of any such franchise relationship unless such provision of such law or regulation is the same as the applicable provision of this

(b) This title shall not be construed to authorize any transfer or assignment of any franchise or to prohibit any transfer assignment of any franchise as authorized by the provisions of such franchise or by any applicable provision of State law which permits such transfer or assignment without regard to any provision of the franchise.

TITLE II-OCTANE DISCLOSURE DEFINITIONS

SEC. 201. As used in this title:

- (1) The term "octane rating" means the rating of the antiknock characteristics of a or type of automotive gasoline as determined by dividing by 2 the sum of the research octane number plus the motor octane number, unless another procedure is prescribed under section 203(c)(3), in which case such terms means the rating of such characteristics as determined under the procedure so prescribed.
- (2) The terms "research octane number" and "motor octane number" have the meanings given such terms in the specifications of the American Society for Testing and Materials (ASTM) entitled "Standard Speci-fications for Automotive Gasoline" designated D 439 (as in effect on the date of the enactment of this Act) and, with respect to any grade or type of automotive gasoline, are determined in accordance with test methods set forth in ASTM standard test methods designated D 2699 and D 2700 (as in effect on such date).

The term "knock" means the combustion of a fuel spontaneously in localized areas of a cylinder of a spark-ignition engine, instead of the combustion of such progressively from the spark.

(4) The term "gasoline retailer" means any person who markets automotive gasoline to the general public for ultimate consumption.

- (5) The term "refiner" means any person engaged in—
- (A) the refining of crude oil to produce automotive gasoline; or
- (B) the inportation of automotive gasoline.
- (6) The term "automotive gasoline" means gasoline of a type distributed for use as a fuel in any motor vehicle.
- (7) The term "motor vehicle" means any self-propelled four-wheel vehicle, of less than 6,000 pounds gross vehicle weight, which is designed primarily for use on public streets, roads, and highways.

(8) The term "new motor vehicle" means any motor vehicle the equitable or legal title to which has not previously been transferred

to an ultimate purchaser.

- (9) The term "ultimate purchaser" means, with respect to any item, the first person who purchases such item for purposes other than resale.
- (10) The term "manufacturer" means any person who imports, manufactures, or assembles motor vehicles for sale.
- (11) The term "octane requirement" means, with respect to automotive gasoline for use in a motor vehicle, or a class thereof, imported, manufactured, or assembled by a manufacturer, the minimum octane rating of such automotive gasoline which such manufacturer recommends for the efficient operation of such motor vehicle, or a substantial portion of such class, without knocking.
- (12) The term "model year" means a manufacturer's annual production period (as determined by the Federal Trade Commission) for motor vehicles or a class of motor vehicles. If a manufacturer has no annual production period, the term "model year" means the calendar year.
- (13) The term "commerce" means any trade, traffic, transportation, exchange, or other commerce—
- (A) between any State and any place outside of such State; or
- (B) which affects any trade, transportation, exchange, or other commerce described in subparagraph (A).
 (14) The term "State" means any State of
- (14) The term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, or any other commonwealth, territory, or possession of the United States.
- of the United States.

 (15) The term "person", for purposes of applying any provision of the Federal Trade Commission Act with respect to any provision of this title, includes a partnership and a corporation.
- (16) The term "distributor" means any person who receives gasoline and distributes such gasoline to another person other than the ultimate purchaser.

OCTANE TESTING AND DISCLOSURE REQUIREMENTS
SEC. 202. (a) Each refiner who distributes

automotive gasoline in commerce shall—
(1) determine the octane rating of any

(1) determine the octane rating of any such gasoline; and

(2) if such refiner distributes such gasoline to any person other than the ultimate purchaser, certify, consistent with the determination made under paragraph (1), the octane rating of such gasoline.

- (b) Each distributor who receives automotive gasoline, the octane rating of which is certified to him under this section, and distributes such gasoline in commerce to another person other than the ultimate purchaser shall certify to such other person the octane rating of such gasoline consistent with—
- (1) the octane rating of such gasoline certified to such distributor; or
- (2) if such distributor elects (at such time and in such manner as the Federal Trade Commission may, by rule, prescribe), the octane rating of such gasoline determined by such distributor.

- (c) Each gasoline retailer shall display in a clear and conspicuous manner, at the point of sale to ultimate purchasers of automotive gasoline, the octane rating of such gasoline, which octane rating shall be consistent with—
- (1) the octane rating of such gasoline certified to such retailer under subsection (a) (2) or (b):
- (2) if such gasoline retailer elects (at such time and in such manner as the Federal Trade Commission may, by rule, prescribe), the octane rating of such gasoline determined by such retailer for such gasoline, or

(3) if such gasoline retailer is a refiner, the octane rating of such gasoline deter-

mined under subsection (a) (1).

(d) The Federal Trade Commission shall, by rule, prescribe requirements, applicable to any manufacturer of new motor vehicles, with respect to the display on each such motor vehicle (or representation in connection with the sale of each such motor vehicle) of the octane requirement of such motor vehicle.

(e) No person who distributes automotive gasoline in commerce may make any representation respecting the anti-knock characteristics of such gasoline unless such representation fairly discloses the octane rating of such gasoline consistent with such gasoline's octane rating as certified to or determined by such person under the foregoing provisions of this section.

(f) For purposes of this section, the octane rating of any automotive gasoline shall be considered to be certified, displayed, or represented by any person consistent with the rating certified to, or determined by,

such person-

(1) in the case of automotive gasoline which consists of a blend of 2 or more quantities of automotive gasoline of differing octane ratings, only if the rating certified, displayed, or represented by such person is the average of the octane ratings of such quantities, weighted by volume; or

(2) in the case of gasoline which does not consist of such a blend, only if the octane rating such person certifies, displays, or represents is the same as the octane rating of such gasoline certified to, or determined by,

such person.

(g) The foregoing provisions of this section shall not be construed to apply—

- (1) to any representation (by display at the point of sale or by other means) of any characteristics of any automotive gasoline other than its octane rating; or
- (2) to the identification of automotive gasoline at the point of sale (or elsewhere) by the trademark, trade name, or other identifying symbol or mark used in connection with the sale of such gasoline.
- (h) Any display or representation, with respect to the octane requirement of any motor vehicle, required to be made under any rule prescribed under subsection (d) shall not create an express or implied warranty under State or Federal law that any automotive gasoline the octane rating of which equals or exceeds such octane requirement—
- (1) may be used as a fuel in all motor vehicles of the same class as that motor vehicle without knocking; or
- (2) may be used as a fuel in such motor vehicle under all operating conditions without knocking.

ADMINISTRATION AND ENFORCEMENT

SEC. 203. (a) The Federal Trade Commission shall have procedural, investigative, and enforcement powers, including the power to issue procedural rules in enforcing compliance with the requirements of this title and rules prescribed pursuant to the requirements of this title, to further define terms used in this title, and to require the filing of reports, the production of documents, and the appearance of witnesses, as though the applicable terms and conditions of the Fed-

eral Trade Commission Act were part of this title.

(b) (1) The Environmental Protection Agency shall, to the extent practicable—

(A) conduct field testing of the octane rating of automotive gasoline in connection with any other testing of such gasoline it conducts under other provisions of law; and

(B) certify the results of such testing to

the Federal Trade Commission.

- (2) The Federal Trade Commission may enter into interagency agreements with the Environmental Protection Agency and such other agencies of the United States as the Commission determines appropriate for the purpose of assuring enforcement of the provisions of this title in a manner which is consistent with—
- (A) minimizing the cost of field inspection and related compliance activities; and
- (B) reducing duplication of similar or related field compliance activities performed by agencies of the United States.
- (c) (1) Not later than 6 months after the date of the enactment of this Act, the Federal Trade Commission shall, by rule, prescribe and make effective—
- (A) a uniform method by which a person may certify to another the octane rating of automotive gasoline; and
- (B) a uniform method of displaying the octane rating of automotive gasoline at the point of sale to ultimate purchasers.

(2) Effective on and after the effective date of the rule prescribed under paragraph (1),

any person-

(A) shall be considered to satisfy the requirements of subsection (a) or (b) of section 202, as the case may be, only if such person complies with the requirements established pursuant to paragraph (1) (A); and

lished pursuant to paragraph (1)(A); and (B) shall be considered to satisfy the requirements of section 202(c) only if such person complies with the requirements established pursuant to paragraph (1)(B).

- (3) The Federal Trade Commission may, by rule, prescribe procedures for determination of the octane rating of automotive gasoline which varies from that prescribed in section 201(1). In prescribing such rule, the Commission—
 - (A) shall consider-
- (i) ease of administration and enforcement, and
- (ii) industry practices in the distribution and marketing of automotive gasoline; and
- (B) may permit adjustments in such octane rating to take into account the effects of altitude, temperature, and humidity.
- (4) The Federal Trade Commission may, by rule, prescribe and make effective a method of determining the octane rating of automotive gasoline which consists of a blend of 2 or more quantities of automotive gasoline of differing octane ratings if the Federal Trade Commission finds that the method prescribed more accurately reflects the octane rating of such blend than the weighted-average method set forth in section 202(f)(1). Effective on and after the effective date of such rule, any person shall be considered to satisfy the requirements of section 202(f)(1) only if such person utilizes the method prescribed in such rule (in lieu of the method set forth in section 202(f)(1)).
- (d) (1) Except as provided in paragraph (2), rules under this title shall be prescribed in accordance with section 553 of title 5. United States Code, except that interested persons shall be afforded an opportunity to present written and oral data, views, and arguments with respect to any proposed rule.

(2) Rules prescribed under subsection (c)
 (3) and section 202(d) shall be prescribed on the record after opportunity for an agen-

cy hearing.

- (3) Section 18 of the Federal Trade Commission Act (15 U.S.C. 57a) shall not apply with respect to any rule prescribed under this title.
 - (e) It shall be an unfair or deceptive act

or practice in or affecting commerce (within the meaning of section 5(a)(1) of the Federal Trade Commission Act) for any person to violate subsection (a), (b), (c), or (e) of section 202, or a rule prescribed under subsection (d) of such section. For purposes of the Federal Trade Commission Act (including any remedy or penalty applicable to any violation thereof), such a violation shall be treated as a violation of a rule under such Act respecting unfair or deceptive acts or practices; except that for purposes of section 5(m) (1) (A) of such Act, the term "or knowledge fairly implied on the basis of objective circumstances" shall not apply to any viola-tion by any gasoline retailer of the requirements of section 202 (c) or (e).

RELATIONSHIP OF THIS TITLE TO STATE LAW Sec. 204. To the extent that any provision of this title applies to any act or omission, no State or any political subdivision thereof may adopt, enforce, or continue in effect any provision of any law or regulation (including any remedy or penalty applicable to any violation thereof) with respect to such or omission, unless such provision of such law or regulation is the same as the applicable provision of this title.

EFFECTIVE DATES

SEC. 205. (a) Sections 202(a) (1) and 203(b) shall take effect on the first day of the first calendar month beginning more than 6 months after the date of the enactment of this Act.

(b) Subsections (a) (2), (b), (c), and (e) of section 202 shall take effect on the first day of the first calendar month beginning more than 9 months after such date of enactment.

(c) Rules under section 202(d) may not take effect earlier than the beginning of the first motor vehicle model year which begins more than 9 months after such date of enact-

The SPEAKER pro tempore. Is a second demanded?

Mr. BROWN of Ohio. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Michigan (Mr. DINGELL) will be recognized for 20 minutes, and the gentleman from Ohio (Mr. Brown) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan.

Mr. DINGELL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 130, the Petroleum Marketing Practices Act, is similar to legislation reported from this committee during the 2d session of the 94th Congress (H.R. 13000). The purposes of H.R. 130 are to establish Federal standards governing the termination and nonrenewal of franchise relationships in the marketing of motor fuels and to establish standards requiring the disclosure of the octane rating of automotive gasoline to consumers. The bill contains two titles: Title I deals with franchise relationships in the marketng of motor fuels; ttle II deals with the disclosure of the octane rating of automotive gasoline to consumers.

Title I of this legislation protects franchisees from arbitrary or discriminatory termination or nonrenewal of their franchises. The provisions strike a balance between the, at times, conflicting interests of the parties to the relationship.

Title II establishes a program for the testing, certification, and display of the octane rating of automotive gasoline in order that meaningful information regarding a key characteristic of gasoline will be disclosed to consumers. Title II should provide a basis for greater competition in automotive gasoline marketing.

Little need exists to again document the need for this legislation. The problems of arbitrary or discriminatory and, at times, unfair or punitive terminations and nonrenewals of franchises have long plagued the marketing of gasoline. A Federal statute is needed to provide meaningful protection in these areas to motor fuel franchisees

I believe that several important matters regarding this legislation should be appreciated. First, the grounds specified as justification for termination or nonrenewal of a franchise are intentionally broad enough to provide to franchisors the flexibility which may be needed to respond to changing market conditions or consumer preferences. However, to assure that franchisees nevertheless receive the meaningful protections which this Federal legislation is intended to provide and to assure that this flexibility does not frustrate the purposes of this legislation, the bill utilizes very special enforcement mechanisms. The burden of proof is placed upon the franchisor to prove compliance with the requirements of the legislation. In addition, because the franchisee's rights must be preserved, pending litigation, if his ultimate victory is to be meaningful, preliminary injunctive relief is made available to the franchisee as a matter of right upon a minimal

The key to this legislation is the balance which is struck by including flexibility in the grounds which justify termination or nonrenewal and simultaneously requiring that the franchisor prove to an impartial arbiter, a Federal court judge, that permissible grounds for termination or nonrenewal do in fact exist. Franchisee rights under this bill are, as a result, more meaningful than limitations on franchisor conduct, provided in some State laws, which are arguably more stringent. The theoretical protections afforded by these State laws are often not enforceable in practice, due to procedural advantages enjoyed by the

In view of this fact, the Federal legislation can solve the problem of uncertainty of franchisor-franchisee rights created by a multiplicity of differing State laws on the subject. Thus, this bill preempts State laws dealing with termination, nonrenewal, and notification of termination or nonrenewal, if the applicable provision of the State law is "not the same as" that of the Federal law. Of course, where the Federal law does not apply, for example, in the area of termination of existing franchises, no State law dealing with that issue is preempted.

Two other issues should also be addressed: First, the franchise protections of this legislation are extended fully to distributors or jobbers. As a matter of equity, the bill imposes upon these marketers an obligation to comply with

the legislation's requirements in their dealings with their own franchisees.

Not included in this legislation are measures designed to address three marketing issues. These issues include. first, the security of the supply relationships of nonbranded independent marketers, that is, marketers which are not franchisees. The second issue is competitive impacts of greater forward integration by refiners into marketing. The third marketing issue, not addressed by this bill, relates to allegations of predatory pricing practices by both refiners and jobbers, whereby an integrated marketer undersells his own retailers through direct sales to consumers at a price near, or in some cases less than. the supplier's price to its retailers. The absence of legislative solutions to these problems does not indicate that very real problems may not exist in these areas. To the contrary, these are matters which must, and will be, examined by the Congress so that a determination may be made as to whether a legislative response to these problems is justified and, if so, what solution should be enacted. The omission of solutions to these issues, however, should not be a basis for refusal to enact, at this time, the solution to the very real problems of franchise relationships which is presently at hand.

I urge my colleagues to vote "aye" on the motion to suspend the rules and pass the bill, H.R. 130, the Petroleum Marketing Practices Act.

Mr. STEIGER. Mr. Speaker, will the gentleman vield?

Mr. DINGELL. I yield to the gentleman from Wisconsin.

Mr. STEIGER. I thank the gentleman for yielding to me. I have been looking for the report on the bill, but I cannot find it.

Mr. DINGELL. The answer is that the report has been filed but has not yet been printed.

Mr. STEIGER. It has not yet been printed, but it has been filed?

Mr. DINGELL. It has been filed, and we are proceeding, as the gentleman knows, under suspension.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Ohio

Mr. BROWN of Ohio. I might say to the gentleman from Wisconsin that the report has been prepared with the cooperation of both the majority and minority, and that the minority is satisfied with the report. I do not think its nonavailability is a matter of design, but rather a matter of printing difficulties.

Mr. DINGELL. It was a matter of printing difficulties, and difficulty in getting the report together in the time we had to bring the matter up under suspension.

Mr. LONG of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentle-

man from Louisiana.

Mr. LONG of Louisiana. Mr. Speaker, I rise in support of H.R. 130, the Petroleum Marketing Practices Act. This measure is a step forward in protecting our free enterprise system and will benefit the American gasoline consumer.

At the present time, retail dealers have little protection against loss of franchise, a devastating loss of supply which may occur without notice. H.R. 130 provides franchise protection by defining grounds for termination or failure to renew. The bill will prevent arbitrary termination or failure to renew the franchise relationship unless such action is based upon grounds specified in the legislation and complies with specified notice requirements. The legislation is a fair compromise. Heretofore the small businessman owning and operating his own service station for a number of years could lose his franchise arbitrarily.

In this time of changing market conditions, franchise protection for the retail dealer is absolutely necessary. Otherwise, the livelihood of numerous independent service station retailers may be jeopardized. It is in the best interest of the local community to keep the independent owner-operator alive. The independent retailer is a local employer and his profits are rechanneled into the local economy. Our small communities, our rural areas, and even our cities need the economic support of small business, and H.R. 130 is a much needed bill which will provide small business protection to the independent retail gasoline dealer.

Mr. Speaker, this bill also includes a wise consumer protection measure. The legislation requires testing and certification of octane ratings of automotive gasoline and conspicuous posting of these octane ratings at the point of sale. This requirement will give the consumer a uniform national standard of comparison among the choice of gasoline and will encourage competition—hopefully resulting in better consumer bargains in automotive fuel sales.

Mr. Speaker, I encourage my colleagues to vote for the Petroleum Marketing Practices Act, thereby achieving appropriate protection for retail service station owners and giving to consumers information that will help them to get the most for their money in gasoline purchases.

Mr. DINGELL. Mr. Speaker, I reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join my colleague from Michigan, Mr. Dingell, in support of H.R. 130, the Petroleum Marketing Practices Act. This legislation has been before our committee for the last three Congresses, and in the waning days of the 94th Congress was scheduled to come before the full House under the suspension calendar. Unfortunately, the bill was never called up due to the press of more urgent matters in the waning days of the Congress.

But this year, the Energy and Power Subcommittee acted quickly on marketing issues in its schedule of legislative action and reported a compromise bill by a voice vote. Although I am not completely satisfied in every respect with H.R. 130, it does represent a delicate and effective compromise among several legitimate, competing interests, and is, I feel, a better bill than H.R. 13000, which was the bill that achieved a unani-

mous position last year in the subcommittee and in the full committee but did not get acted upon by the House before the House adjourned. Therefore, I urge my colleagues to vote for passage of this bill.

The bill has two basic purposes. First, it protects the franchisee who is involved in a franchise relationship, but at the same time, the bill recognizes the legitimate interests of the franchisor and maintains his fundamental property rights with some modification. Second, the bill provides uniformity of rules under which such franchises are to operate and termination or nonrenewal may occur. Some 30 States have conflicting petroleum marketing protection laws which make it difficult for companies to develop unified and efficient national and regional marketing plans.

This is one of the problems this legislation is designed to cure, since it preempts such laws and the various differences in them.

Mr. Speaker, it is essential that members appreciate how gasoline is marketed in this country in order to understand this legislation.

Today, the petroleum industry markets motor fuel through a unique and extremely complex marketing system which often transcends State lines. From the refinery, motor fuel can move into the final market in one of several ways. First, refiners can market through their own distribution and marketing systems which may include company owned, salary operated retail outlets as well as franchised lessee dealers. All majors and most small and independent refiners market the bulk of their motor fuel in this way. Second, the refiners may sell motor fuel at wholesale to branded jobbers or wholesalers who in turn market the product, under the refiner's brand, through salary operated stations or through franchised lessee dealers. This method is particularly well adapted to rural areas. Third, refiners may sell to independent wholesale marketers who then sell to the ultimate consumer through salary operated stations or dealers.

This bill focuses particularly on that portion of gasoline marketing involving franchise relationships—the agreement a jobber has with a refiner and the agreement that a jobber or refiner has with a service station dealer through which the refiner's brand is used in marketing the motor fuel. This bill establishes rules under which such franchise arrangements should operate.

Under the provisions of this bill, a franchisor would be prohibited from terminating or failing to renew a franchise relationship unless written notice is given and: First, the franchisee has failed to comply with a material term of the franchise or to exert good faith efforts to carry out the franchise; second, an event, such as fraud, bankruptcy, condemnation or the like, occurs that is relevant to the operation of the premises; or third, the parties agree in writing to terminate.

In addition, the franchiser may fail to renew if a 3-year lease has been granted and he decides to convert the franchise to other use, to materially alter the premises, to sell the premises, to withdraw from the market or that the franchise is uneconomical. Finally, there are other grounds for nonrenewal, such as customer complaints and failure by the parties to agree to reasonable changes in the franchise argeement, and with respect to a new franchise, the franchisor may grant a trial franchise of 1 year that the franchisor may fail to renew for whatever reason.

Mr. Speaker, two provisions of this legislation trouble me. I would be remiss in not mentioning them. First, the bill shifts the major burden of proof in an action under this act from the plaintiff-franchisee to the defendant-franchisor to show that a termination or nonrenewal made by the franchisor was in compliance with the act.

Second, the grounds for nonrenewal provisions of the bill are made applicable to existing franchises.

However, as I stated earlier, this legislation is a compromise, and it is one to which all parties involved have agreed. It is specifically designed to address the problems of retail gasoline marketing and should not be viewed as adaptable to other franchise arrangements in businesses which have very different marketing practices.

Finally, it should be noted that the subcommittee struck the title addressing pricing practices because the subcommittee believed that this issue should be considered separately and because no one could come up with a workable formula.

The bill also contains a second title relating to octane rating, for which I have no particular pride of authorship, although various members of the subcommittee do, and, therefore, it is part of the bill. I am not sure that it is significant one way or the other.

Mr. Speaker, the bill addresses a significant change in the practice of marketing gasoline and gasoline-related oil products, and that is this: That people, because the price of that product has gone up, are looking for the lowest possible prices, and, therefore, the marketers are looking for the most economical and efficient marketing methods. In that process there have been complaints that some gasoline retailer-franchisees have been mistreated by the franchisors who are attempting to restructure their marketing methods.

This bill attempts to address that problem in order to assure that fairness and equity will be accorded to both the franchisor, who has property rights, and the franchisee, who has legitimate economic interest in trying to maintain a reasonable relationship in an economically changing business that will hopefully continue to be of significance in the distribution of energy in our society for many years to come.

Mr. Speaker, I urge the passage of this legislation and urge on my colleagues support of the bill as it appears under suspension of the rules.

The SPEAKER pro tempore. The gen-

tleman from Ohio (Mr. Brown) has 11 minutes remaining.

Mr. BROWN of Ohio. Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, I strongly support this bill. The gentleman from Michigan (Mr. DINGELL) and I have had many months of hearings on this issue when he was chairman of the subcommittee of the Committee on Small Business and was handling this legislation. I cosponsored this bill with him, and I strongly favor the bill.

Mr. Speaker, I rise today in support of the Petroleum Marketing Practices Act, H.R. 130. This proposal goes a long way in alleviating the problems the small retailers face today. I believe that many of my colleagues in this body can recite experiences the service station dealers in their district have gone through in the past few years. Many of the stations located in my district experienced a shortage of supplies which have had a dramatic effect on their current economic standing. I find it distressing that the major oil refiners and distributors use this uneconomical basis as a determination to terminate the lease with the retailer. Certainly, such a weak economic standing was not a result of a deliberate action by the station owner.

Apart from this problem, I have learned of numerous stations which are under continued pressure from their supplier to either buy them out or face stiff increases in their rent once they renew their lease contract. The reason for this pressure is that the major oil refiners and distributors desire to operate these stations as retail outlets and cut out the small independent retailer. I believe that title I of the legislation will limit the franchisor from engaging in these forms of harassment in order to achieve their purpose of retail ownership. Under this proposal, the franchisor may not terminate or fail to renew a franchise unless written notice is furnished 90 days in advance. Additionally, the right to terminate or not renew is contingent upon the fact that: First, the dealer failed to comply with the terms of the lease; second, the dealer did not act in good faith: third, an event such as fraud or abandonment occurs; or fourth, the parties agree to terminate.

The proposal also contains a provision that states that a franchisor may decide not to renew a franchise if both fail to agree to changes or additions to the provisions of the contract, provided that the failure does not result from insistence by the franchisor upon changes for the purpose of preventing renewal of the franchise. Such provisions will protect the retailer from these pressures. Title II of the bill deals with the testing of gasoline to determine its octane rating and to display the rating at the pump. This is needed in order to assure the consumer of an adequate octane content which maintains the peak fuel efficiency of the automobile.

Mr. Speaker, I believe these provisions, contained in H.R. 130, are needed in or-

der to reaffirm our continued interest in the market position of the independent retailer. We have seen too many examples of what will result if the giant oil corporations continue this practice of eliminating the independent retailer. strongly urge my colleagues to closely examine this bill before they decide on their vote. Clearly, the future existence of a segment of the small business community is at stake here. I fully concur with the sponsor of the legislation, Mr. DINGELL, that these independent dealers need the protection and security that this proposal prescribes. I thank the gentleman for allowing me to express my support.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Michigan,

Mr. DINGELL. Mr. Speaker, I would just like to say that not only has my dear friend, the gentleman from Ohio (Mr. Brown), been helpful in this matter, but the gentleman from Massachusetts (Mr. Conte) has given great assistance. He and I labored together for many hours on this matter in the Committee on Small

Business. The gentleman has given his valuable support to this legislation in those days and continues his support today.

Mr. BROWN of Ohio. Mr. Speaker, if the gentleman will yield, there have been just many Members who have been wonderful about the whole thing.

Mr. DINGELL. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. Seiberling).

Mr. SEIBERLING. Mr. Speaker, I thank the distinguished gentleman for yielding this time to me.

First of all, I would like to say that I think this is an excellent bill. It is going to remedy some of the problems afflicting small businessmen in the retail gasoline business. However, there is one problem the bill does not address, and I would like to ask the chairman of the subcommittee about it.

In the course of looking into the structure of the oil industry—everything from the oil fields through the refineries to the retail establishments, we learned in the Committee on the Judiciary that one of the problems many independent gasoline marketers face is competition from their own supplier-owned outlets which are selling at retail at prices which are often lower than those the independent dealers pay for their gasoline from the suppliers. Obviously that makes it very difficult for them to compete, to say the least.

I take it that this bill does not address itself to that problem?

Mr. DINGELL. Mr. Speaker, if the gentleman will yield, the answer to the question is that it does not.

The introduced bill before the subcommittee involved three titles. One title of the introduced bill related to the issues to which the gentleman has alluded. This title would have mandated a functional pricing system on the oil companies. The title was removed for a number of good reasons. The title is no longer present in the bill; that title is no longer in the bill.

Mr. SEIBERLING. In other words, that is some unfinished business that the Congress still needs to look into, is that correct?

Mr. DINGELL. The answer to that question is yes. The Congress should address itself to these questions separately in the future.

Mr. SEIBERLING. Mr. Speaker, I thank the chairman.

Mr. DINGELL, Mr. Speaker, I yield 2 minutes to my good friend the gentleman from Indiana (Mr. Sharp) who has been invaluable in helping in this legislation.

Mr. SHARP. Mr. Speaker, I thank the chairman, the gentleman from Michigan (Mr. DINGELL) for yielding me this time.

I just want to express my appreciation for the chairman's leadership and hard work in this matter and for the cooperation of the ranking member, the gentleman from Ohio (Mr. Brown). Through them I think we have provided an important protection for our small business men and women who are franchise dealers.

Like the gentleman from Ohio (Mr. Seiberling) I am concerned that we were not able to find an effective solution to the predatory price problem that has faced many of our dealers. There is no question but that this has been a difficult problem for these dealers. I still hope that we can, through our staff and the resources available to us, work toward some resolution of this problem.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I have taken this time in order to ask the gentleman from Michigan (Mr. DINGELL) a question for the purpose of establishing some legislative history.

One of the events specified as a ground for termination and failure to renew in section 102 of this legislation is that of "willful adulteration, mislabeling or misbranding." Is it the understanding of the gentleman from Michigan that the language in section 102 would cover a situation wherein a brand-name dealer buys gasoline of the brand he sells and then mixes it with some other brand of gasoline purchased from a refiner or a jobber, and then sells the whole lot under the name of the original brand he usually sells, that this would be covered under the language in section 102?

Mr. DINGELL. Mr. Speaker, if the gentleman will yield, the answer to that question is "Yes." That would be misbranding or mislabeling.

Mr. BROWN of Ohio. And would be grounds for termination or nonrenewal action under section 102?

Mr. DINGELL. That is true.

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentleman from Michigan.

Mr. Speaker, I now yield such time as he may consume to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I would

like to address a question to the gentleman from Michigan (Mr. DINGELL).

As the gentleman from Michigan knows, one of the witnesses who appeared before the gentleman's committee was Mr. Michael Abercrombie, of Salisbury, Md., who is the chairman of the Commission Wholesalers Committee of the National Oil Jobbers Council. Mr. Abercrombie and other oil distributers like him are part of a whole class of people who deal in oil and gasoline products. some of whom are called commission wholesalers or consignees. It is their job to distribute products under a consignment agreement, but they never take legal title to the oil or gas product.

It is my understand that these commission wholesalers perform basically the same marketing functions as other classes of distributors, as this bill defines them. I personally believe that they ought to be afforded the same protection given other distributers. Is my understanding correct that this particular type of consignee is in fact afforded protection in this bill and that that was the intent of

the committee?

Mr. DINGELL. The answer to that

question is a qualified yes.

First of all, the gentleman from Maryland has referred to Mr. Abercrombie. Mr. Abercrombie was consulted by the staff and language is in the report on this particular point. It was our intention to cover a consignee or commission agent where he in fact provides the functions and services of a jobber. It was not intended that a consignee would be covered if, in fact, he is an employee. This is a question of fact resolution of which lies in the hands of the courts whose job it will be to see that fairness is accorded to all parties.

Let me read from the report. The report states:

[I]t is intended that the provisions of the would apply to a consignee who acts generally like a jobber.

What I am saying is that where a person has the characteristics of an employee, although he in fact does handle the product, he is not covered. It is not our intention to expand the rights of employees. Where a consignee functions, however, as a jobber and does everything that a jobber would do, save taking title to the motor fuel-or most of what a jobber does-he would then have the protections afforded by the legislation. We have tried to draw that very narrow distinction. It is not our goal to create problems for either side in this controversy but to leave this as a fact question which will be properly and prudently decided by the court.

Mr. BAUMAN. I thank the gentleman

for his response.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I thank the gentleman for yielding.

I concur with the explanation given by the gentleman from Michigan (Mr. DINGELL) and would say that in the case mentioned by the gentleman from Maryland (Mr. Bauman), it is likely that he would be considered to be in a jobberdealer relationship, but that in many cases the line is so fine that he would probably be deleted.

Mr. Speaker, I have no further requests for time.

Mr. DINGELL. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. Mikva).

Mr. MIKVA. Mr. Speaker, I want to compliment the gentleman from Michigan and the committee for putting out this very important piece of legislation.

Mr. Speaker, the Petroleum Marketing Practices Act introduced by Mr. DINGELL is an important reform in one segment of an industry in which I have long been interested—the franchise industry. Gasoline station operators or franchisees represent one of the oldest franchise relationships in American commerce, and one of the groups most deserving of legal protection. In the past few years, gasoline retailers have been hard hit by the hundreds of terminations ordered by the major refiners.

In the 94th Congress and in the present Congress, I have introduced legislation to provide substantive legal rights to all franchisees, including gasoline retailers. During that time I have met and talked with franchisees all over the country situated in both rural and urban settings and from the sunbelt to the snowbelt States. These operations now run the gamut among all phases of American commercial life from fast food operators to motel managers and from farm implement dealers to beer and wine distributors.

Like the gasoline retailers, these hardworking and independent small businessmen and women are subject to arbitrary and harsh terminations and cancellations. As the franchiser business becomes larger and increasingly dominated by conglomerates and multinationals, the franchisee becomes more vulnerable to corporate decisions not to renew the franchise-even where the individual has put 10 or 15 or 20 years of work into a business that has prospered.

Most franchisors deal fairly and honestly with their distributors and franchisees, but there are some who are more than willing to let the franchisee take the financial risks and invest the time and money in the project, but are not willing to let him share in the success of the venture. Neither the consumer nor the business community is benefited when success in a market becomes a cause for termination.

The bill which my colleague from Michigan has introduced is directed toward an important element in the franchise industry. The bill will not hurt franchising in the gasoline retail business; rather the bill helps to restore to that businesss the essential factor in a fair business relationship-equal bargaining power.

The important principle of equalizing the bargaining power between parties to a franchise is magnified by the extraordinary growth of this method of doing business. Franchising now accounts for over \$200 billion in sales annually, or almost 12 percent of our gross national product. There are over 400,000 franchisees in America—the largest grouping of small businesses in the whole commercial spectrum.

The growth and expansion of the franchise business method is due to the hard work, time and imagination of the men and women who operate the outlets, sell the goods and perform the services-as well as the franchisers. These people deserve the legal protection provided in the Petroleum Marketing Practices Act. But, other franchisees also deserve those legal rights, and I hope that this bill can serve as a model to the effort to pass broad-based franchise reform legislation.

Mr. DINGELL. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. Downey).

Mr. DOWNEY. Mr. Speaker, I just want to join the mutual admiration society and say that not only as a cosponsor but as one who has been involved with gasoline retailers, I know that they strongly support the actions of the subcommittee and will welcome it when the bill is finally passed and signed by the

President. Mr. DINGELL. I thank my good friend.

comments

the gentleman from New York, for his Mr. Speaker, I have no further requests for time.

Mr. BROWN of Ohio, Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. Don H.

Mr. DON H. CLAUSEN, Mr. Speaker, I rise in support today of the Petroleum Marketing Practices Act which will go a long way in helping to protect the petroleum franchises throughout the country and to provide uniformity of the rules under which these businesses must operate. While it is certainly not a perfect bill, it is an effective compromise which has taken into consideration several legitimate and competing interests and one to which all parties involved have agreed.

The bill primarily deals with the agreement a jobber has with a refiner and the agreement a jobber or a refiner has with a service station dealer through which the refiner's brand is used in marketing motor fuel. In short, this legislation would establish rules by which such franchise agreements should operate.

Under the provisions of this bill, a franchisor would be prohibited from terminating or failing to renew a franchise relationship unless written notice is given and: First, the franchisee has failed to comply with a material term of the franchise or to exert good faith efforts to carry out the franchise; second, an event, such as fraud, bankruptcy, condemnation or the like, occurs that is relevant to the operation of the premises; or third, the parties agree in writing to ter-

In addition, the franchisor may fail to renew if a 3-year lease has been granted and he decides to convert the franchise to other use, to materially alter the premises, to sell the premises, to withdraw from the market or that the franchise is uneconomical. Finally, there are other grounds for nonrenewal, such as customer complaints and failure by the parties to agree to reasonable changes in the franchise agreement, and with respect to a new franchise, the franchisor may grant a trial franchise of 1 year that the franchisor may fail to renew for whatever reason.

It is unfortunate that this legislation could not have been addressed during the last Congress, but the press of business in the last few days prevented its consideration. A recent withdrawal of a petroleum supplier in my own district points up the need for this legislation, which among other things, would require the rights of first refusal to the franchisee to purchase the service station. This, in fact, was a provision we urged the Federal Energy Administration to require when the major withdrew. However, officials with the Administration felt they did not have the authority and in one lamentable case a man who had been in the business for a number of years was forced to completely close his doors.

This legislation would have allowed him the right to purchase the station and I am hopeful that it will receive speedy enactment so that we can prevent other

similar situations.

Mr. BROWN of Ohio. Mr. Speaker, I have just one final comment to make, if I may. I think a compliment should be given to, in addition to the members the committee, those representatives of both the dealers and the franchisees who have suffered some in the last few years with the change in marketing conditions, and also to the representatives of the franchisors who have in the spirit I think of trying to resolve what is a national problem worked out with us a piece of legislation that, while nobody was 100 percent satisfied, leaves everybody well enough satisfied that I think we have a piece of legislation which should go successfully through the Senate and through the conference without substantial change and be passed. If there is an effort to change it substantially, it is quite likely that this delicate balance will be disrupted, and then we could have some difficulty and a lot more time go by before we can work out something that can get successfully through the Congress, be signed by the President, and become law.

Mr. DINGELL. Mr. Speaker, will the gentleman from Ohio yield?

Mr. BROWN of Ohio. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

I concur fully in the remarks just made by my good friend, the gentleman from Ohio. Both the dealers and the franchisors should be commended for their participation and their assistance in this compromise. I concur in the remarks of the gentleman with regard to the fact that this bill is in a delicate state of balance. It should not be changed at any subsequent time without an appreciation that such action will pose

grave risk to the possibility that the legislation will ever reach the President's desk for signature.

Mr. STAGGERS. Mr. Speaker, I rise in support of this bill. We have considered many pieces of energy-related legislation during the last number of years, but few of those bills were as justified as this legislation. Few groups have made as strong a case for legislation protecting their interests as have the gasoline marketers. That is the reason this bill quickly passed our committee and is before the House today.

Franchisors are often the same multinational oil companies which are so powerful that, at times, even the Federal Government cannot control their conduct. Franchisees are commonly the local gasoline retailer who is struggling to provide service to his customers. The corner gas station owner is, in many cases, the last element of independent business competition in this industry, which is dominated by giant corporations. These corporations don't really care about the motorist; they care only about their profits. We need the continued presence of the independent gasoline marketers who care about the motoring needs of their customers and who will continue to provide important consumer services and price competition.

This legislation will do just that. It will place the protection of the Federal Government between the franchisor and the franchisee. The inequality of power which exists between the franchisor and his franchisee is balanced by this bill. That balance is provided by prohibiting termination or nonrenewal of any franchise without good cause. As a result, gasoline retailers will no longer be threatened by arbitrary, unfair, discriminatory, or punitive termination or nonrenewal of their livelihood. The entire motoring public will ultimately benefit from this result.

For that reason, I strongly support this bill. I urge my colleagues to vote yes on the motion to suspend the rules and pass H.R. 130, the Petroleum Marketing Practices Act.

Mr. WHALEN, Mr. Speaker, I rise in support of the Petroleum Marketing Practices Act (H.R. 130) which will establish Federal standards regarding the termination or nonrenewal of franchise relationships in the marketing of motor fuels and will require the disclosure of octane rating of automotive gasoline to consumers.

The franchise relationship in the petroleum industry is unique and complex. The franchisor not only grants a trademark license but often controls and leases to the franchisee the real estate premises and is the primary, if not exclusive, supplier of the principal sale item. Natural tensions have grown out of this relationship. There can be little doubt, however, that in the past threats of termination or nonrenewal have been used to compel franchisees to comply with marketing policies of the franchisor. In practice, actual threats of nonrenewal are not essential to the leverage

the prospect of nonrenewal provides a franchisor over the activities of a franchisee. The prospect is ever present and the franchisee can readily comprehend the implications of departing from the marketing policies of the franchisor, even if in some cases those policies are contrary to the franchisee's economic interests. The increasing friction between the big companies and their franchisees has two adverse effects: First, it threatens the independence of the franchisee as a competitive influence in the marketplace; and second, it threatens to have an adverse impact upon the Nation's marketing and distribution system resulting in poorer service to the consumer.

The legislation before us today provides a single, uniform set of rules regarding the grounds for termination and nonrenewal of motor fuel marketing franchises and the notice which franchisors must provide franchisees prior to termination of nonrenewal of a franchise, It defines the rights and obligations of the parties to the franchise relationship in the crucial area of termination or nonrenewal of the franchise.

This bill, formerly known as "Dealers' Day in Court," prohibits a franchisor from terminating a franchise during the term of the franchise agreement and from failing to renew the relationship at the expiration of the franchise term, unless the termination or nonrenewal is based upon a ground specified or described in the legislation. These provisions strike a balance between the, at times, conflicting interests of the parties to the relationship.

Specifically, H.R. 130 provides a 90-day advance notice period before termination or nonrenewal of a franchise; 180-days' notice is required if the termination or nonrenewal is based upon the withdrawal of the franchisor from marketing of motor fuels in the market area. Under certain circumstances, initial trial franchise periods are instituted. Last, the legislation places upon the franchisor the burden of proving compliance with all statutory requirements and provides for enforcement by private civil action in U.S. district court.

The second aspect of H.R. 130 is establishment of a gasoline octane testing, certification, and posting program. This program is designed to provide automotive gasoline purchasers with meaningful information with respect to the octane quality of gasoline they purchase. It is our aim thus to reduce the costly and wasteful practices of octane overbuying by coordinating the information, which automobile manufacturers provide to the motorist regarding the octane requirements of new cars, with information about the gasoline which they purchase at the pump. Thus, the consumer will be provided with the information needed to avoid octane overbuying. In addition, this provision should lead to healthy competition in gasoline marketing practices.

A lot of expertise has been contributed to the shape of the bill before us today. It has been studied extensively in both this and the 94th Congress. I urge its prompt passage and enactment into law.

Mr. FRENZEL. Mr. Speaker, I rise in support of H.R. 130, the Petroleum Marketing Practices Act. It is not perfect legislation but it does fill a major need in our petroleum marketing system.

As in any profitmaking business the refiner or franchisor must have a right to demand compliance with reasonable rules from his franchisee. However, the present system in many States has left our dealers virtually defenseless in the face of arbitrary or discriminatory actions on the part of their franchisors. This bill will provide some needed protections.

We have been fortunate in my home State of Minnesota in that our legislature passed pioneering legislation on this subject some time ago. It provides that the securities commission regulate franchises and it has, so far, been, working rather smoothly. I am pleased that this new Federal statute will not preempt the heart of our Minnesota law but will add some sensible additional safeguards. It's preemptions will be minimal, and it offers the additional benefits of first right of refusal on a valid offer to the franchisee and shifts the burden of proof for notice of termination or nonrenewal.

The second major function of the bill is to provide reliable octane figures to the consumer. This is a sound step forward and should end much of the present confusion concerning differing State standards.

I support the bill and encourage its

Mr. BROWN of Ohio. Mr. Speaker, I have no further request for time.

Mr. DINGELL. I have no further re-

quest for time The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. DINGELL) that the House suspend the rules and

pass the bill H.R. 130, as amended. The question was taken.

Mr. BROWN of Ohio. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has been concluded on all motions to

suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion, on which further proceedings were postponed, in the order in which that motion was entertained.

Votes will be taken in the following

order:

H.R. 5717, de novo; H.R. 7; and H.R. 130

Pursuant to the provisions of clause 3(b)(3) of rule XXVII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on all the additional motions to suspend the rules on which the Chair has postponed further proceedings, after the first vote in the series.

TO PROVIDE FOR RELIEF AND RE-HABILITATION ASSISTANCE TO VICTIMS OF RECENT EARTH-QUAKES IN ROMANIA

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 5717, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. Zablocki) that the House suspend the rules and pass the bill H.R. 5717, as amended.

The question was taken.

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Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were-yeas 322, nays 90, answered "present" 1, not voting 19, as follows:

[Roll No. 125]

	YEAS-322	
abbo	Burke, Mass.	Emery
ka	Burlison, Mo.	English
ander	Burton, John	Erlenborn
ro	Burton, Phillip	Ertel
nerman	Caputo	Evans, Colo.
erson,	Carney	Evans, Del.
lif.	Carr	Fary
erson, Ill.	Carter	Fascell
rews, N.C.	Cavanaugh	Fenwick
rews,	Cederberg	Findley
Dak.	Chappell	Fish
legate	Chisholm	Fisher
strong	Clausen,	Fithian
ey	Don H.	Flippo
illo	Cleveland	Flood
lus	Cohen	Florio
nard	Coleman	Flowers
cus	Collins, Ill.	Foley
d, R.I.	Conable	Ford, Mich.
d, Tenn.	Conte	Ford, Tenn.
ell	Corcoran	Forsythe
enson	Corman	Fountain
jamin	Cornell	Fraser
nett	Cornwell	Frenzel
11	Cotter	Fuqua .
gi	Coughlin	Gaydos
gham	D'Amours	Gephardt
chard	Danielson	Giaimo
iin	de la Garza	Gibbons
gs	Delaney	Ginn
nd	Dellums	Glickman
ing	Dent	Goldwater
ior	Derwinski	Gonzalez
ker	Dicks	Gore
en	Dingell	Gradison
iemas	Dodd	Guyer
ux	Downey	Hagedorn
kinridge	Drinan	Hamilton
kley	Duncan, Oreg.	Hanley
ihead	Duncan, Tenn.	Hannaford
oks	Early	Harkin
mfield	Eckhardt	Harrington
wn, Calif.	Edgar	Harris
hanan	Edwards, Ala.	Hawkins
ke, Calif.	Edwards, Calif.	
ke, Fla.	Eilberg	Hefner

Hightower Miller, Calif. Hollenbeck Mineta Minish Horton Mitchell, Md. Mitchell, N.Y. Hubbard Moakley Moffett Hyde Mollohan Ireland Moorhead, Pa. Jacobs Jenkins Mott1 Murphy, Ill Jenrette Johnson, Calif. Johnson, Colo. Murphy, N.Y. Murtha Myers, Gary Myers, Michael Jones. Tenn. Kastenmeier Natcher Neal Nedzi Kazen Kevs Kildee Nichols Koch Kostmayer Krebs Nolan Nowak Krueger LaFalce O'Brien Oberstar Latta Le Fante Obey Ottinger Leach Lederer Panetta Leggett Patten Patterson Pattison Lehman Lent Levitas Pease Perkins Long, La. Lott Pettis Pickle Luian Luken Lundine Pike Poage McClory McCloskey Preyer Price Pritchard McCormack Pursell McEwen McFall Quie Quillen McHugh Rahall Railsback McKinney Rangel Madigan Regula Maguire Reuss Mahon Rhodes Richmond Mann Markey Rinaldo Marks Roberts Marlenee Rodino Martin Roe Rogers Rooney Mattox Mazzoli Meeds Rose Rosenthal Metcalfe Meyner Michel Rovbal Ruppe Mikulski Russo Ryan Mikva

Scheuer Schroeder Schulze Sebelius" Seiberling Sharp Shipley Sikes Simon Sisk Skelton Skubitz Slack Smith, Iowa Solarz Spellman St Germain Stangeland Stanton Stark Steed Steers Steiger Stokes Stratton Studds Stump Thompson Thornton Traxler Tucker Ullman Van Deerlin Vanik Vento Waggonner Walgren Walker Walsh Waxman Weaver Weiss Whalen White Whitehurst Whitten Wiggins Wilson, Bob Wilson, Tex. Wolff Wright Wydler Wylie Yates Yatron Young, Mo. Young, Tex. Young, Zablocki Zeferetti

NAYS-90

Goodling Abdnor Allen Gudger Archer Ashbrook Hall AuCoin Hammer Badham Bafalis schmidt Hansen Bauman Harsha Hillis Brown, Mich. Brown, Ohio Brown, G Holland Holt Huckaby Burgener Burleson, Tex. Ichord Jones, N.C. Butler Kasten Byron Clawson, Del Cochran Kelly Kemp Ketchum Collins, Tex. Kindness Lagomarsino Crane Daniel, Dan Daniel, R. W. Lloyd, Calif. Lloyd, Tenn. Davis Long, Md. Derrick McDonald Devine Dornan Marriott Edwards, Okla. Mathis Miller, Ohio Evans, Ga. Evans, Ind. Montgomery Flynt Moore Moorhead, Frey Gammage Calif.

Gilman

Quavle Risenhoover Robinson Rousselot Rudd Runnels Santini Satterfield Sawyer Shuster Smith, Nebr. Snyder Spence Stockman Symms Taylor Thone Tonry Treen Vander Jagt Volkmer Watkins Whitley Wilson, C. H. Young, Alaska

Myers, Ind.

Murphy, Pa. ANSWERED "PRESENT"-Winn

Winn

Wirth Wolff

Wright Wydler

Wylie

Yates

Yatron

Zablocki

Young, Alaska

Young, Mo. Young, Tex.

Mitchell, Md.

Mitchell, N.Y. Moakley

Moffett

Brodhead

Brooks Broomfield

Brown, Calif. Brown, Mich.

Brown, Ohio

Burke, Calif. Burke, Fla. Burke, Mass.

Burlison, Mo.

Broyhill

Buchanan

Burgener

Caputo

Carney

Carr

Carter

Cavanaugh

Cederberg

Chappell

Chisholm

Don H.

Cleveland

Cochran

Coleman

Conable

Conyers

Cornell

Cotter

Corcoran

Coughlin D'Amours

Danielson

Delaney

Dellums

Derrick

Dent

de la Garza

Davis

Daniel, Dan Daniel, R. W.

Conte

Collins, Ill. Collins, Tex.

Cohen

NOT VOTING-19

Annunzio Aspin Clay Conyers Dickinson Diggs Heftel

Jeffords Teague Tsongas Udall Jones, Okla. Milford Wampler Pepper Roncalio Young, Fla. Rostenkowski

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Aspin.

Mr. Teague with Mr. Dickinson. Mr. Milford with Mr. Young of Florida. Mr. Pepper with Mr. Wampler. Mr. Rostenkowski with Mr. Jeffords.

Mr. Heftel with Mr. Diggs. Mr. Roncalio with Mr. Tsongas.

Mr. Clay with Mr. Staggers Mr. Jones of Oklahoma with Mr. Conyers.

Mrs. SMITH of Nebraska, Mrs. LLOYD of Tennessee, Messrs. BROWN of Michigan, GUDGER, TONRY, THONE, BUR-GENER, BROWN of Ohio, EVANS of Georgia, BUTLER, HUCKABY, STOCK-MAN, ALLEN, RISENHOOVER, FREY, WATKINS, FLYNT, VOLKMER, JONES of North Carolina, KASTEN, WHITLEY, and HOLLAND changed their vote from "vea" to "nav."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER pro tempore. (Mr. SMITH of Iowa). Pursuant to the provisions of clause 3(b) (3), rule XXVII, the Chair announces he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on all the additional motions to suspend the rules on which the Chair has postponed further proceedings.

ELEMENTARY AND SECONDARY CAREER EDUCATION ACT OF 1977

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill (H.R. 7) as amended.

The Clerk read the title of the bill. The SPEAKER pro tempore. The ques-

tion is on the motion offered by the gentleman from Kentucky (Mr. PERKINS) that the House suspend the rules and pass the bill H.R. 7, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were-yeas 398, nays 14, not voting 20, as follows:

[Roll No. 126]

YEAS-398

Abdnor Addabbo Akaka Alexander Allen Ambro Ammerman Anderson, Calif. Anderson, Ill. Andrews, N.C. Applegate Armstrong

Ashbrook Bevill Biaggi Ashley AuCoin Badham Bingham Badillo Blouin Boggs Boland Bolling Bafalis Baldus Barnard Baucus Bonior Beard, R.I. Bonker Beard, Tenn. Bedell Beilenson Bowen Brademas Breaux Breckinridge Benjamin Brinkley Bennett

Blanchard

Derwinski Devine Dicks Dingell Dodd Dornan Drinan Duncan, Tenn. Early Eckhardt Edgar Edwards, Ala. Edwards, Calif. Edwards, Okla. Eilberg Emery English Erlenborn Evans, Colo. Evans, Del. Evans, Ga. Evans, Ind. Fary Fascell Fenwick Findley Fish Fithian Flippo Flood Flowers Flynt Foley Ford, Mich. Ford, Tenn. Forsythe Fraser Frenzel Frey Fuqua Gammage Gaydos Gephardt Giaimo Gibbons Gilman

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Glickman

Goldwater

Meyner Michel

Mikva

Mineta

Minish

Mikulski

Miller, Calif. Miller, Ohio

Gonzalez Goodling Gore Gradison Grassley Gudger Guyer Hagedorn Hamilton Hammer schmidt Hanley Hannaford Burton, John Burton, Phillip Butler Harkin Harrington Harsha Hawkins Heckler Hefner Hightower Hillis Holland Hollenbeck Holtzman Horton Howard Hubbard Huckaby Hughes Hyde Ichord Ireland Jacobs Jenkins Jenrette Johnson, Calif. Johnson, Colo. Jones, N.C. Jones, Tenn. Jordan Kasten Kastenmeier Kazen Keily Kemp Ketchum Keys Kildee Kindness Koch Kostmayer Krebs Krueger LaFalce Latta Le Fante Leach Lederer Leggett Lehman Lent Levitas Lloyd, Calif. Lloyd, Tenn. Long, La. Long, Md. Luian Luken Lundine McClory McCloskey McCormack McDade McEwen McFall McHugh McKinney Madigan Maguire Mahon Mann Markey Marks Marlenee Marriott Martin Mathis Mattox Mazzoli Meeds Metcalfe

Moorhead. Mottl Murphy, Ill. Murtha Natcher Neal Nedzi Nichols Nix Nolan Nowak O'Brien Oakar Oberstar Obev Ottinger Panetta Patten Patterson Pattison Perkins Pickle Pike Pressler Price Pritchard Pursell Quayle Quie Quillen Rahall Railsback Rangel Regula Reuss Rhodes Richmond Rinaldo Risenhoover Roberts Robinson Rodino Rogers Rooney Rose Rosenthal Roybal Rudd Runnels Ruppe Ryan Santini Sarasin Sawyer Scheuer Schroeder Schulze Sebelius Seiberling Sharp Shipley Shuster Sikes Simon Sisk Skelton Skubitz Slack Smith, Iowa Smith, Nebr. Snyder Solarz Spellman Spence St Germain Stangeland Stanton Stark Steed Steiger Stockman Stokes Stratton Stump

Mollohan Montgomery Moore Moorhead, Pa. Murphy, N.Y. Murphy, Pa. Myers, Michael Myers, Ind. Taylor Thompson Thone Thornton Tonry Traxler Trible Tsongas Tucker Udall Uliman Van Deerlin Vander Jagt Vanik Archer Bauman Burleson, Tex. Hansen Annunzio Aspin Clay Dickinson Duncan, Oreg. Ertel pairs: Mr.

Volkmer Walgren Walsh Watkins Waxman Weaver Whalen White Whitehurst Whitley Whitten Wilson, Bob Wilson, C. H. Wilson, Tex. NAYS-McDonald Myers, Gary

Symms Treen Poage - Rousselot Waggonner Wiggins Satterfield

NOT VOTING--20

Fountain Rostenkowski Heftel Staggers Jeffords Jones, Okla Walker Wampler Young, Fla. Milford Pepper Roncalio

The Clerk announced the following

Mr. Annunzio with Mr. Aspin. Mr. Teague with Mr. Dickinson. Mr. Heftel with Mr. Jeffords. Mr. Milford with Mr. Walker. Mr. Staggers with Mr. Wampler.

Rostenkowski with Mr. Young of

Mr. Ertel with Mr. Duncan of Oregon.

Mr. Diggs with Mr. Fountain.

Mr. Roncalio with Mr. Jones of Oklahoma.

Mr. Clay with Mr. Pepper.

So (two-thirds having voted in favor thereof), the rules were suspended, and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the

PETROLEUM MARKETING PRAC-TICES ACT

SPEAKER pro tempore SMITH of Iowa). The unfinished business is the question of suspending the rules and passing the bill H.R. 130, as amended.

The Clerk read the title of the bill. The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. DINGELL) that the House suspend the rules and pass the bill H.R. 130, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were-yeas 404, nays 3, not voting 25, as follows:

[Roll No. 127] YEAS-404

Badillo

Bafalis

Abdnor Addabbo Akaka Alexander Allen Ambro Ammerman Anderson, Calif. Anderson, Ill. Andrews, N.C. N. Dak

Applegate

Ashbrook

Archer

AuCoin

Badham

Baldus Barnard Baucus Bauman Beard, R.I. Beard, Tenn. Bedell Beilenson Benjamin Bennett Bevill Biaggi Bingham Blanchard Blouin Boggs

Bolling Bonior Bonker Bowen Brademas Breaux Breckinridge Brinkley Brodhead Brooks Broomfield Brown, Calif. Brown, Mich. Brown, Ohio Broyhill Buchanan Burgener

Burke, Calif. Burke, Fla.

Burke, Mass. Burleson, Tex. Burlison, Mo. Hall Hamilton Hammer Burton, John Burton, Phillip schmidt Hanley Hannaford Butler Byron Hansen Caputo Carney Harrington Carr Harris Carter Harsha Cavanaugh Hawkins Cederberg Heckler Chappell Chisholm Hefner Hightower Clausen, Don H. Hillig Holland Clawson, Del Cleveland Hollenbeck Holt Holtzman Cochran Cohen Horton Coleman Howard Hubbard Huckaby Collins, Ill. Conable Hughes Conte Convers Hyde Corcoran Ichord Corman Ireland Jacobs Jenkins Cornwell Cotter Coughlin Jenrette Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Jordan Crane D'Amours Daniel, Dan Daniel, R. W. Danielson Kasten Kastenmeier de la Garza Kazen Kelly Delaney Dellums Kemn Dent Ketchum Derrick Keys Kildee Derwinski Devine Kindness Koch Dingell Kostmayer Dodd Krebs Krueger Dornan Downey LaFalce Lagomarsino Drinan Duncan, Tenn. Latta Le Fante Eckhardt Leach Edgar Lederer Edwards, Ala. Edwards, Calif. Edwards, Okla. Leggett Lehman Lent Eilberg Levitas Lloyd, Calif. Lloyd, Tenn. Emery English Erlenborn Long, La. Evans, Colo. Luian Evans, Del. Evans, Ga. Luken Lundine McClory McCormack Evans, Ind. Fary Fascell Fenwick McDade McEwen Findley McFall McHugh Fish Fisher McKay Madigan Fithian Flippo Maguire Florio Mann Markey Flynt Marks Marlenee Marriott Ford, Mich. Ford, Tenn. Forsythe Martin Mathis Fountain Mattox Mazzoli Fraser Frenzel Meeds Metcalfe Frey Fugua Mevner Gammage Mikulski Gavdos Gephardt Giaimo Miller, Calif. Miller, Ohio Gibbons Gilman Mineta Ginn Glickman Minish Mitchell, Md Goldwater Gonzalez Mitchell, N.Y. Moakley Moffett Goodling Gore Gradison Mollohan Montgomery Grasslev Moore Gudger Moorhead, Guyer Calif. Moorhead, Pa. Hagedorn

Mott1 Murphy, Ill. Murphy, N.Y. Murphy, Pa. Murtha Myers, Gary Myers, Michael Myers, Ind. Natcher Neal Nedzi Nichols Nolan Nowak O'Brien Oakar Oberstar Obey Ottinger Patten Pattison Perkins Pettis Pickle Pike Poage Pressler Preyer Price Pritchard Pursell Quayle Quie Quillen Railsback Rangel Regula Rhodes Richmond Rinaldo Roberts Robinson Rodino Roe Rogers Rooney Rose Rosenthal Rousselot Roybal Rudd Runnels Ruppe Russo Ryan Santini Sarasin Satterfield Sawyer Schroeder Schulze Sebelius Seiberling Sharp Shipley Shuster Sikes Simon Sisk Skelton Slack Smith, Iowa Smith, Nebr. Snyder Solarz Spellman Spence St Germain Stangeland Stanton Stark Steiger Stockman Stokes Stratton Studds Stump Symms Taylor Thompson Thone Thornton Tonry Traxler

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Udall Wolff Weaver Ullman Van Deerlin Weiss Whalen Wright Wydier Wylie Vander Jagt White Whitehurst Vanik Yates Vento Volkmer Whitiey Whitten Yatron Young, Alaska Young, Mo. Young, Tex. Waggonner Walgren Wiggins Wilson, Bob Walker Walsh Wilson, C. H. Wilson, Tex. Zablocki Watkins Winn Waxman Wirth NAYS-3 Armstrong Collins Tex. McDonald NOT VOTING-

Annunzio Long, Md. Rostenkowski Aspin McCloskey Skubitz Clay Dickinson McKinney Staggers Teague Tucker Milford Diggs Duncan, Oreg. Patterson Wampler Young, Fla. Pepper Risenhoover Jeffords Jones, Okia. Roncalio

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Aspin. Mr. Teague with Mr. Dickinson. Mr. Heftel with Mr. Jeffords. Mr. Milford with Mr. Wampler. Mr. Staggers with Mr. Young of Florida.

Mr. Rostenkowski with Mr. Diggs. Mr. Clay with Mr. Patterson of California. Mr. Roncalio with Mr. McKinney.

Mr. Roncalio with Mr. McKinney. Mr. Moss with Mr. McCloskey. Mr. Pepper with Mr. Tucker.

Mr. Jones of Oklahoma with Mr. Skubitz. Mr. Risenhoover with Mr. Duncan of Oregon.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read:
"A bill to provide for the protection of franchised distributors and retailers of motor fuel and to encourage conservation of automotive gasoline and competition in the marketing of such gasoline by requiring that information regarding the octane rating of automotive gasoline be disclosed to consumers."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 130) just passed.

The SPEAKER pro tempore (Mr. SMITH of Iowa). Is there objection to the request of the request of the gentleman from Michigan?

There was no objection.

PERMISSION FOR COMMITTEE ON THE BUDGET TO FILE A REPORT

Mr. GIAIMO. Mr. Speaker, I ask unanimous consent that the Committee on the Budget may have until midnight, April 6, 1977, to file its report on the first budget resolution for fiscal year 1978.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

CONFERENCE REPORT ON H.R. 3365, FLEXIBLE REGULATION OF IN-TEREST RATES ON DEPOSITS

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H.R. 3365) to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr.
SMITH of Iowa). Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent that the statement of the managers be read in lieu of the report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of April 4, 1977.)

Mr. ST GERMAIN (during the reading). Mr. Speaker, I ask unanimous consent that the further reading of the statement of the managers be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The SPEAKER pro tempore. The gentleman from Rhode Island (Mr. ST Germain) is recognized for 30 minutes.

Mr. ST GERMAIN. Mr. Speaker, the conferees met. As we will recall, the legislation passed the House by a vote of 401 to 4. It was a four-title bill. The first title has been changed by changing the date from March 1, 1978 to December 15, 1977. The Senate bill had extended it to October 1, 1977.

Title II, relating to the third party transfer instruments for Federal Savings and Loan Associations in New York State has been deleted.

Titles III and IV remain as passed by the House.

Mr. Speaker, I yield to the gentleman from Ohio (Mr. Stanton).

Mr. STANTON. Mr. Speaker, I want to take this time to compliment the gentleman, the chairman of the subcommittee and the ranking minority Member, the gentleman from California (Mr. Rousselor) for sticking to the House position. The vote was unanimous in signing the report and I urge its adoption.

Mr. ST GERMAIN. I thank the gentleman.

Mr. ROUSSELOT. Mr. Speaker, I, too, wish to compliment my colleagues on the conference committee for their consistent support of the House position, which resulted in a very successful conference from the House's point of view. I join my distinguished ranking member (Mr. Stanton) in observing that the legislation process does not work very well when it is focused to operate in a "crisis" situation, particularly when the crisis is artifically created, as it would be if the

extension of regulation Q were unreasonably short.

At this time I would like to ask the distinguished chairman of the subcommittee (Mr. St Germain) for his assurance that when we legislate on this subject again, between now and December 15, that he will do everything he can to produce a compact product which will advance the cause of financial reform, and not a "Christmas tree" bill which will be loaded up with extraneous Senate provisions.

Mr. ST GERMAIN. Will the gentleman vield?

Mr. ROUSSELOT. I yield to my distinguished subcommittee chairman.

Mr. ST GERMAIN. I thank the gentleman for yielding and I want to give my assurance to the gentleman that I will see that we will not be accepting the "Christmas tree" treatment by the other body.

Mr. ROUSSELOT. Is the gentleman willing to include assurances at this time that such a bill will not require the House to accept nongermane Senate provisions which have not been properly considered by the House?

Mr. ST GERMAIN. Will the gentleman yield further?

Mr. ROUSSELOT. I will be glad to yield.

Mr. ST GERMAIN. You have my assurance on that point.

Mr. ROUSSELOT. I thank the gentleman and I yield back the balance of my time.

Mr. ST GERMAIN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

MOTION OFFERED BY MR. ST GERMAIN Mr. ST GERMAIN, Mr. Speaker, I offer a motion,

The Clerk read as follows:

Mr. ST GERMAIN moves that the House recede and concur in the amendment of the Senate to the title of the bill.

The motion was agreed to.

A motion to reconsider was laid on the table

REPORT TO ACCOMPANY HOUSE RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 5262

Mr. SISK, from the Committee on Rules, submitted a privileged report (Rep. No. 95–162) to accompany House Resolution 473, providing for consideration of the House bill H.R. 5262, to provide for increased participation by the United States in the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Asian Development Fund, and for other purposes, which was referred to the House Calendar and ordered printed.

PROVIDING FOR CONSIDERATION OF H.R. 3199, THE FEDERAL WA-TER POLLUTION CONTROL ACT AMENDMENTS OF 1977

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up

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House Resolution 468 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 468

Resolved, That upon the adoption of this resolution it shall be in order to move, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3199) to amend the Federal Water Pollution Control Act to provide for additional authorizations, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works and Transportation, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Public Works and Transportation now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and all points of order against said amendment for failure to comply with clause 5 of Rule XXI are hereby waived. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 3199, it shall be in order in the House to take from the Speaker's table the bill H.R. 11 with the Senate amendment thereto and to move to concur in the Senate amendment with an amendment in the nature of a substitute consisting of the text of the bills H.R. 11 and H.R. 3199 as passed by the House; if said motion is agreed to, it shall then be in order to move to insist on said House amendment and to request a conference with the Senate.

The SPEAKER pro tempore. (Mr. Smith of Iowa). The gentleman from California (Mr. Sisk) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. Del Clawson) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 468 provides for the consideration of H.R. 3199, the Federal Water Pollution Control Act Amendments of 1977. The rule is somewhat unusual, and, consequently, I will make a more detailed effort to explain the exact procedure provided by the language of the resolution.

The resolution provides for a 1 hour open rule with general debate time equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works and Transportation.

The committee reported an amendment in the nature of a substitute, and it is made in order by the rule as an original bill for the purposes of amendment. The rule waives points of order under clause 5 of rule XXI which prohibits appropriations in a legislative bill. This is necessary because the committee substi-

tute provides for the reallocation of funds for which appropriations have already been made. For example, on page 29, lines 3 through 6 of the bill as reported, sums which were made available for January through March of 1975 are to remain available through September 30, 1978. While the provision is relatively innocuous in nature, it is a technical violation of clause 5 of rule XXI, and therefore the waiver of the rule becomes necessary.

Another waiver provided by House Resolution 468 concerns the Budget Act. H.R. 3199 authorizes \$5 billion in fiscal year 1977 for EPA construction grants for municipal sewage treatment plants. Since this is new budget authority for fiscal year 1977, it violates section 402(a) of the Congressional Budget and Impoundment Act. Section 402(a) of that act provides that it shall not be in order to consider a bill authorizing the enactment of new budget authority for a fiscal year unless the bill has been reported by May 15 preceding the beginning of such fiscal year. Thus, section 402(a) would require H.R. 3199 to have been reported from committee by May 15, 1976. Since the bill obviously was reported subsequent to that date, the budget waiver is necessary. The Committee on Budget has also indicated their support for this

The rule also, as is necessary when a committee amendment in the nature of a substitute is made in order as an original bill for purposes of amendment, provides for a motion to recommit with or without instructions.

The rule further states that after passage of H.R. 3199, it shall be in order in the House to take from the Speaker's table the bill H.R. 11 with the Senate amendment and to move to concur in the Senate amendment with an amendment in the nature of a substitute consisting of the text of the bills H.R. 11 and H.R. 3199 as passed by the House. If the House agrees to this motion, it then would be in order to move that the House insist on its amendment and to request a conference with the Senate.

Mr. Speaker, this procedure is necessary to insure that the House-passed version of the Federal Water Pollution Control Act Amendments is adequately considered in conference with the Senate. The House passed the so-called economic stimulus public works bill, H.R. 11, on February 24, 1977. The Senate on March 10, 1977, passed its version of the bill which included a 2-year authorization of \$9 billion in grants to help municipalities construct sewage treatment plants to help clean up the Nation's waters. Meanwhile our own Public Works Committee was completing work on H.R. 3199, a more comprehensive program for providing sewage treatment plant construction grants. Naturally, the House committee prefers to sit down in conference with their counterparts from the other body with the complete package of House proposals rather than to consider only the Senate amendment to H.R. 11.

Consequently, Mr. Speaker, the chairman of the Public Works Committee has requested a rule which will allow his committee to adequately represent the

position of the House in conference. The Committee on Rules has granted that request, Mr. Speaker, and I would urge my colleagues to adopt House Resolution 468 so that we may proceed to consideration of H.R. 3199 and that we may be assured if this bill is passed the position of the House will be adequately represented in conference.

Mr. MOSS. Mr. Speaker, will the gen-

tleman yield?

Mr. SISK. I yield to my colleague, the gentleman from California.

(By unanimous consent, Mr. Moss was allowed to speak out of order.)

PERSONAL ANNOUNCEMENT

Mr. MOSS. Mr. Speaker, I was present on the floor and voted on the previous two resolutions and thought I had voted on H.R. 130 on rollcall No. 127. Apparently, my card failed to record my vote. It was my intention, Mr. Speaker, to be recorded in the affirmative.

Mr. SISK. Mr. Speaker, as I indicated earlier, if there any questions in connection with the rule, we will be happy to discuss these matters with the Members or attempt to answer any of their questions. Otherwise, Mr. Speaker, I reserve the balance of my time.

Mr. DEL CLAWSON. Mr. Speaker, I vield myself such time as I may consume.

Mr. Speaker, House Resolution 468 provides an open rule with 1 hour of general debate for the consideration of H.R. 3199, the Federal Water Pollution Control Act Amendments of 1977, which provides additional authorizations for construction and maintenance of sewage collection systems. The rule waives points of order lying against the bill for failure to comply with section 402(a) of the Budget Act of 1974 because the bill contains fiscal year 1977 authorizations and did not meet the May 15 reporting deadline. The rule also waives points of order lying against the bill for failure to comply with clause 5 of rule XXI because the bill reallocates funds that were previously appropriated. In addition, the rule makes the committee substitute in order as the original bill for purposes of amendment, and allows for one motion to recommit with or without instructions.

After the adoption of the bill, the rule provides that the House may take H.R. 11, the local public works capital development bill, from the Speaker's table with the Senate amendments thereto and substitute the language of H.R. 11 and H.R. 3199. It shall then be in order to move to request a conference with the Senate on the measure.

The Senate's recently passed public works bill (S. 427) contains a 2-year authorization of \$9 billion for water pollution projects and construction grants. The House jobs bill (H.R. 11) contained no EPA water program funding. The House Public Works Committee seeks substantive changes in water pollution legislation, as set forth in H.R. 3199, and House leaders believe that simply continuing project authorizations would jeopardize action on the proposed changes. Therefore, appointment of Members to a conference on the jobs bills has been delayed pending action on

H.R. 3199. If H.R. 3199 passes, the motion will be made to join it to H.R. 11 for conference consideration.

Mr. Speaker, I am not aware of any organized opposition to this unusual rule and therefore suggest its adoption so the House can work its will.

Mr. SISK. Mr. Speaker, I yield 5 minutes to the gentleman from New York

(Mr. OTTINGER).

Mr. OTTINGER. Mr. Speaker, I think that this rule is not just a little peculiar, I think it is an awful lot peculiar. I understand the reasons for it. The gentleman from Maine, Senator Muskie, added some \$9 billion for water pollution grants in the emergency jobs bill, and the Committee on Public Works, as I understand it, wants to hold the jobs bill hostage so as to work its will with regard to the Water Pollution Control Act amendments it desires.

However, Mr. Speaker, it is my understanding that the administration made a commitment that it would come in with proposals for changes to the Water Pollution Control Act promptly. Also the money added by the other body for the sewage treatment grants is very badly needed. Therefore, despite the fact that I can understand the committee's resentment against the action of Senator Muskie, I believe their actions today ill advised.

The rule is most unusual in having the House act on the Water Pollution Control Act amendments and then attaching that, as is permitted under this rule, to the jobs bill. The effect of it is to hold the entire jobs bill, which is so badly needed, hostage to the changes the Committee on Public Works desires to make to the Water Pollution Control Act. This could delay both the jobs bill and the sewage treatment grant money for months.

Second, Mr. Speaker, I am very greatly concerned about a number of other changes which the Committee on Public Works has included in this legislation, particularly its narrow definition of waters to be protected by the section 404 program. I think this change will be terribly damaging to the protection of the wetlands in the United States and go far beyond anything that is needed to assure that the definition of navigable waters does not go beyond what is sensible with regard to farmlands, which seems to be the principal concern.

Another problem involves the newly devised formula for granting moneys to the States. I will offer an amendment to change it. A provision is added to include a 25 percent population factor into the formula, whereas previously the entire formula was based on the actual need for sewage treatment facilities. This will result in a distribution of the funds to States where the need for sewage treatment plants are not the greatest and will provide inadquate funds for the areas of greatest need for the sewage treatment money.

An additional difficulty I have is that what is supposed to be a law to provide for Federal water standards, so as to provide equal treatment among the States, is now being made into an options-tothe-States program. This will inevitably lead to a weakening in all water standards as States with lower standards compete successfully for industries now located in States with more stringent standards and requirements. Only if there is a Federal requirement can the States be expected to measure up to a meaningful water quality program. Without such Federal controls, States presently with strong programs will have to weaken them in order to prevent massive departures by their industries. We have a number of instances in New York, where our standards are quite strong, of industries saying, "we will leave if the New York standards are enforced against

I expect to join the gentleman from Pennsylvania (Mr. EDGAR), the gentleman from New Hampshire (Mr. CLEVE-LAND), the gentleman from Ohio (Mr. HARSHA), and others with amendments to try to improve what I feel is a very undesirable bill. Particularly I am interested in trying to assure the best possible protection of the Nation's wetlands by retaining the strongest language for section 404, amended so badly by section 16 of H.R. 3199.

Mr. SISK. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsyl-

vania (Mr. EDGAR).

Mr. EDGAR. Mr. Speaker, we are here today discussing a very controversial bill. the Water Pollution Control Act Amendments of 1977. I was a member of the Water Resources Subcommittee in the 94th Congress which spent a great deal of time looking at all of the major questions of water pollution. We dealt with questions like State certification and ad valorem taxes. We dealt with issues relating to section 404. However, when that bill came to the House floor and was passed it went to conference with the Senate. I remind the Congress that this very bill was deadlocked for many weeks. and at the conclusion of the 94th Congress on October 1, the Water Pollution Control Act Amendments of 1976 simply did not succeed and were not passed.

We have before us today a revisited version of the Water Pollution Control Act Amendments now entitled 1977. Essentially the bill is the same bill, with some minor changes, and we are asking for a rule today to consider tieing this very controversial bill to H.R. 11. the Public Works Employment Act of 1977 providing for the authorization of an additional \$4 billion of public works

funding.

I am opposed to this rule. Specifically, I should like to suggest that, this particular rule permitting that, after this bill is enacted by the House, it will become title II of H.R. 11, and in fact we might see the same fate occur: That the water pollution bill will deadlock in conference and the very needed public works will not pass.

I have specific concerns. First, my concern that this bill handled in this way, will in fact create additional red tape.

Second, my concern is that it will force the Senate to deal with legislation in conference which they have not had the opportunity to have full public hearings

Third, I think it is dangerous for us to link a water pollution bill with a public works jobs bill. If we look at the

unemployment rate at 7.3 percent nationally and in communities like I serve such as Chester, Pa., we have an unemployment rate of about 13 percent, we need that public works authorization passed. We need the jobs bill passed before the public works appropriation bill gets passed because if the public works appropriation bill, the funding bill, is signed into law, all of the refinements, all of the changes that were very carefully drawn in January and February early this year as part of the President's major economic package will simply not be part of that \$4 billion of expenditure.

Fourth, I think that if this conference were deadlocked on the Water Pollution Act, we are going to find ourselves in the winter months of next year with a public works bill but in fact no opportunity to put people to work in needed construction because in fact the weather

will have changed.

I would urge my colleagues to vote no on the rule. I wonder what will happen when we begin to deal with the clean air act amendments. I would suggest to the Members that the refinements that will have to be made will need certainly more than 1 hour of general debate and then general amendments. I would also suggest that tacking it onto pulbic works employment legislation at this time is playing politics with a lot of jobs that I would like to see being placed in operation by early June or July of this year.

Finally, I think there is probably a more important reason. One of the most controversial sections of this bill is section 16 which changes the intention of Congress in 1972 when the initial water pollution bill was passed. It changes the intention of the section 404 program, which is a program to protect our very necessary wetlands of the United States.

Mr. Speaker, I ask my colleagues to

vote no on this legislation.

Mr. SISK. Mr. Speaker, I appreciate the comments of my two colleagues. However, this rule provides for full discussion and it is an open rule. Therefore I move the previous question on the resolution and urge the adoption of the resolution.

Mr. JOHNSON of California. Mr. Speaker, I urge the entire membership of the House to support the rule for consideration of H.R. 3199.

It is an unusual rule, and as chairman of the Committee on Public Works and Transportation, I urge its adoption.

As you all know, one of the pieces of the President's economic recovery package was a public works jobs program.

Our committee cooperated with the President and introduced a bill at the

first opportunity, H.R. 11.

The leadership of both sides cooperated and we moved it quickly through the House and sent it to the

The other body took the bill up quickly and began to move it, but in committee a second title was added.

This title authorized 2 years of funding for the water pollution program.

The provision remained in H.R. 11 as

it passed the Senate.

In the last Congress, the House passed a water pollution bill by a vote of 339 to 5.

We were unable to work out any conference agreement with the other body because we wanted minor modifications in the 1972 Water Pollution Act, and they only wanted authorizations.

This year, by linking these two matters together, they have attempted to prevent consideration of any House water pollution amendments at this time or in the near future.

The proposed rule before the House will allow us to go to conference and to negotiate

I only want to emphasize that this situation has come about because the other body has put these two bills together, not the House.

Our effort was to cooperate with the administration and have a public works jobs bill on the President's desk as soon as possible.

It is unfortunate that the other body

has put us in this position today.

Mr. ROBERTS. Mr. Speaker, I rise in support of the rule for the consideration of H.R. 3199, the Federal Water Pollution Control Act Amendments of 1977.

I congratulate the gentleman from California (Mr. Johnson) chairman of the Committee on Public Works and Transportation, on the strength and leadership he has shown in leading the committee's consideration of H.R. 11, the amendments to the Local Public Works Capital Development and Investment Act of 1976 and of H.R. 3199, the Federal Water Pollution Control Act Amendments of 1977.

Moreover, I congratulate him on his determination to see that the House's will in each of these matters be given full recognition and consideration in a conference in the Senate. I give him my complete support in this effort.

This year, in keeping with the President's request, the committee moved swiftly to respond to a problem of sweeping magnitude which affects us all-the need for a job-creating economic stimulus program. In this effort under the brilliant gudiance of our chairman, Bizz Johnson of California, and my friend and colleague, Bob Roe of New Jersey, the Committee on Public Works and Transportation developed and brought to the floor of the House H.R. 11, amendments to the Local Public Works Capital Development and Investment of 1976.

On February 24, 1977, the House worked its will on H.R. 11, passing it by a vote of 295 to 85 and sent it to the Senate. It was our hope that the Senate would also act promptly on this necessary legislation so that we might move quickly to conference and bring this legislation to law.

While H.R. 11 was receiving consideration, the Subcommittee on Water Resources, which I chair, moved to consider necessary amendments to the Federal Water Pollution Control Act (P.L. 92-500)

On February 7 of this year the members of the Subcommittee on Water Resources, the chairman of the full committee, Mr. Johnson and I, as chairman the Subcommittee on Water Resources, introduced H.R. 3199, the bill, as introduced, was the same as H.R. 9560, as passed by the House with the exception of a few technical changes which were needed to update the bill.

You may recall that H.R. 9560 was overwhelmingly supported by the House last year by a vote of 339 to 5, and that the House and Senate were in conference on this important legislation at the close of the session.

On March 1, 2, 3, and 4, the Subcommittee on Water Resources held hearings on H.R. 3199. We received testimony from more than 50 witnesses representing Federal, State, local, industrial, and environmental groups. By far, the full weight of the testimony gave complete support for the approach contained in H.R. 3199—that is, the approach of making both authorizations and necessary changes in the Water Pollution Control Act now. The treatment works construction grant program provided by the act is one of the largest public works programs in the Nation and has been in glaring need of legislative reform of bureaucratic entanglements. The provisions in H.R. 3199 are needed now if we are to have a Federal law that is both workable and enforceable.

While the committee was considering H.R. 3199, and with full awareness of our intent to move the bill as quickly as possible, the Senate moved to combine water pollution control authorizations with the vital job-creating provisions of H.R. 11. Unless we are able to amend H.R. 11 to incorporate the substance of H.R. 3199, we will not be able to deal with these matters in conference and be foreclosed from obtaining urgently needed modifications of the Water Pollution Control Act.

I remind you that in the last session. the Senate balked at considering the necessary substantive amendments that had been developed and supported overwhelmingly by the House in favor of passing little more than authorizations and of letting this major public works program flounder in a sea of redtape and administrative snafus.

We find, this session, that their concern for implementing this program in a responsible and efficient manner has again failed to manifest itself.

Again, they passed authorizations only. They ignored real and pressing problems-problems such as the need for the use of ad valorem taxes to meet the user charge requirements of the act. Pending resolution of this matter many grants are now being held at 80 percent of the 75-percent grant share. We know that without this reform hundreds of municipalities will be forced, at great cost, to completely revamp their administrative procedures. Why? To fulfill a statutory requirement that was directed toward providing an ongoing source of funds for operation and maintenance, a requirement that was never intended to be a tool to dictate to localities the exact manner in which they could finance and administer their local affairs. Without full consideration of H.R. 3199 as part of H.R. 11, I fear that this matter will not be resolved in time to avoid unnecessary and costly expenditures.

H.R. 3199 provides for a case-by-case extension of the July 1, 1977, requirements for municipalities up to July 1, 1982, or where special technology is being used, to July 1, 1983. Also, it provides for a case-by-case extension of the July 1, 1977, requirements for industries up to July 1, 1979.

Some refuse to say it, but I know that it is no secret that more than 50 percent of the municipalities will be unable to meet the law's July 1, 1977 requirements. It is no secret that even though about 85 percent of all industries will meet their 1977 requirements, a good portion of the remaining 15 percent will not meet their requirements for good cause.

It simply does not make sense to put thousands of local elected officials and industrial officers in jeopardy when we know that the law's 1977 requirements cannot and will not be met. It is not fair to rely on an administrative compliance procedure which, if used, is without any basis in the law and subject to extensive and costly litigation. I fear, though, that if the House does not permit H.R. 3199 to be considered as part of H.R. 11, this matter will never have a chance of being resolved before July 1, 1977.

In subcommittee hearings more than 100 witnesses have testified to the need for streamlining the construction grant application process—of the thousands of man-hours of effort that are wasted in pro forma paperwork and redtape—of a process that resembles a beserk bureaucratic's brainchild gone wild. H.R. 3199, would permit a combined grant approval process and a State certification program that would bring this paper monstrosity under control.

But if H.R. 3199 and H.R. 11 are not considered in conference as part of the same package, I fear that the House's solution to real problems will never see the light of day. This means that authorized construction grant money will continue to be tied up—never reaching the localities where it is transformed into the needed jobs that are part and parcel of our water cleanup program.

A district court decision has resulted in an amplification of the Corps of Engineers' power to regulate the activities of individuals under the dredge and fill permit program. Not only does this mean creation of another bureaucratic paperwork empire, but it means duplicating the State programs and substituting Federal land-use decisions for those that rightfully belong to the State and localities.

Section 16 of H.R. 3199 would remedy this matter. This section, which was originally developed by our distinguished Majority Leader Jim Wright in concert with the gentleman from Louisiana (Mr. Breaux), not only provides the basis for the first wetlands protection act in the history of this Nation, but also clarifies the Federal role and eliminates the unnecessary and unjust substitution of Federal judgment for that of the State.

If H.R. 3199 is not considered as part of H.R. 11, I fear, gentlemen, that the destructive course set forth by the court's decision will continue unhindered.

It was never the intent of the committee that water pollution control and economic stimulus legislation be considered together. Quite the opposite.

But our colleagues in the Senate have

seen fit to move to manipulate the rules of the House against us—to avoid consideration of the House's position on water pollution control.

It is now urgent that H.R. 3199 and H.R. 11 be combined into a single package for consideration in conference. In this way, and only in this way, can we guarantee that we will meet the Senate on equal terms—that the conference will be considering not only the Senate's position on jobs legislation and water pollution control, but also the House's position on each of these matters.

To do otherwise is to throw away more than 4 years of hearings, investigation, and monitoring of water pollution control by the House in favor of the Senate's superficial package of authorizations

Without the reforms in the House bill, the Senate's package is meaningless in many cases the money will never be spent, in others, it will be wasted.

To prevent the House from meeting the Senate on equal terms is to say that the will of the House in supporting H.R. 9560 by a vote of 339 to 5 is insignificant—to be cast aside at the whim of a parliamentary maneuver by the other body.

I urge you to support the rule on H.R. 3199 which will permit the House to again consider needed water pollution control authorizations and reform. Then, after the House has worked its will on H.R. 3199, we would take H.R. 11, as passed by the Senate from the Speaker's table, and amend title II of that bill to contain the full text of H.R. 3199, as passed by the House.

To do otherwise is to bend to the will of the other body who apparently choose to completely disregard the efforts and will of this House.

I urge the adoption of the rule.

Mr. LEHMAN. Mr. Speaker, I rise in opposition to the rule which would allow the attaching H.R. 3199 to H.R. 11. A likely consequence of such a course of action would be to hold up funds for the construction of sewage treatment plants. These funds are urgently needed by the State of Florida and 35 other States. Other provisions of H.R. 3199 are not so urgent as to require immediate action by Congress. To embroil ourselves at this time in a protracted struggle with the Senate over these nonurgent issues may well imperil the efforts to clean up our waters.

The Federal Water Pollution Control Act (P.L. 92-500) set our Nation on an ambitious timetable to clean up our Nation's waters. This long overdue effort included a goal that by 1983 all our waterways be clean enough for swimming and for the propagation of fish. To meet that goal a timetable was established. The first deadline is of July 1 this year.

Although 85 percent of the industries in the country will meet their deadlines, only 50 percent of the municipalities will do so. The requirement for municipalities is that they employ secondary sewage treatment. The low rate of compliance is largely due to initial tieups in distributing construction grant funds.

In the past 2 years these problems

have been cleared up and projects have proceeded smoothly. However, we still find ourselves far behind schedule in our effort to clean up the water.

Under Public Law 92-500, the Federal Government funds 75 percent of the cost of building sewage treatment plants. Obviously, these funds are necessary if our financially distressed municipalities are to construct the plants. However, authorization for funding the construction grant program expires September 30 of this year. Thirty-six States will exhaust their funds prior to that date, nine of them this very month, according to the Association of State and Interstate Water Pollution Control Administrators. These States have \$3.1 billion in projects ready to be funded according to ASIW-PCA and Environmental Protection Agency estimates. Many States that will not run out are slowing the pace of their programs, trying to stretch their money as long as possible. Thus, there is clearly a need to authorize funds for the construction grant program as soon as possible.

The Senate version of the public works bill provides \$4.5 billion for construction grants for fiscal year 1977 and fiscal year 1978. This is the amount which the EPA says is necessary for continuation of the cleanup effort. The House public works bill contains no such provision.

H.R. 3199 would include funding of the construction grants program as part of a comprehensive revision of Public Law 92–500. I agree that such a review of the law is desirable.

However, controversies over such complex issues as State certification and priority determination, user charges, extensions of deadlines, and Army Corps of Engineers' authority to monitor dredge and fill operations in wetlands are certain to cause delays in getting the funds out to the States on time. It appears unlikely that the Senate will accept H.R. 3199's provisions on these issues, certainly not before having had an opportunity to hold hearings and thoroughly review them. Former acting EPA Administrator John Quarles estimates a 12- to 18-month delay in final passage of a bill due to such controversies. We clearly cannot afford such a delay. On the other hand, to pass H.R. 3199 in time to get funding out to the States would mean rushing it through Congress. Such an approach would deprive us of the opportunity for a thorough, comprehensive review of the strengths and weaknesses of the law.

I urge the House to provide for necessary authorizations for water pollution programs as soon as possible. When fiscal problems are less pressing, we can undertake a more prolonged fact finding and debating process which is necessary when large changes are being considered for a program of this magnitude.

I am aware that one further approach is simultaneously underway to provide construction grant funds. H.R. 4877 included \$500 million for fiscal year 1977. This quantity is far below the amount needed by the EPA.

My home State of Florida needs a new authorization to be passed quickly. The State currently has more projects than it has funding for. Thus, the State will run out of funds before the end of the current fiscal year. A \$500 million authorization would be far insufficient for its needs. Under the current formula, Florida would receive \$162,450,000 of a \$4.5 billion authorization. Officials of the Florida Department of Environmental Regulation have informed me they have enough projects to warrant the need for that sum.

Dade County has proposed projects which will require \$80 million in Federal funds: \$52,675,000 of that sum is earmarked to tie in the numerous small treatment plants to the three large advanced sewage treatment plants now under construction by the Miami-Dade Water and Sewer Authority; \$13,134,-594 is requested for the rehabilitation of Dade County collecting sewers with excessive infiltration/inflow. Expansion of the Miami-Dade Water and Sewer Authority's North District Wastewater Treatment Plant from 60 Mgal/d. to 80 Mgal/d. will require an additional \$15,-000,000. These projects should provide an approximated 3,200 jobs in Dade County. The portion of these funds going to my district alone will require \$35 million and should provide roughly 1,200 jobs. However, under H.R. 4877's \$500 million authorization, Florida would receive only \$18,050,000. The city of Tampa has requested more than that amount just for its own projects!

Clearly, a serious need exists in my district, in the State of Florida and across the United States for the construction grants program to continue. The attitude of President Carter, the EPA, Governor Askew and Florida's State officials, and local water authority officials is that authorization of funds is needed as quickly as possible. The authorization must be of sufficient quantity to enable our municipalities to proceed with the task of cleaning up the water. We must get on with this program so that our goals can become realities. Our citizens have the right to have water clean enough to drink without getting sick, clean enough for bathing and boating, and clean enough so that fish can live and flourish. I therefore urge the House to reject this attempt to attach H.R. 3199 to H.R. 11. The need to quickly extend the water pollution grant program should be enough incentive to provide for the consideration of the less urgent clean water issues on their own merits later during the session.

Mr. CLEVELAND. Mr. Speaker, March 18, a telegram went to organizations of States, counties, cities, and metropolitan areas which have had the effrontery to support a position taken by the House of Representatives last year by a vote of 339 to 5. Its message: Back off and take a walk or you will get no funding for construction of wastewater treatment projects for a year or more.

extraordinary document, Speaker, exposing the reasons why the other body attached water pollution au-

thorizations to the local public works jobs bill, and laying out the challenge this House faces in enacting critically needed amendments to the Water Pollution Control Act.

That statement alone more than justifies the rule we have requested for handling this legislation and the strategy of combining it with the jobs bill to get into conference.

Issued over the signature of the chairman of the Senate Subcommittee on Environmental Pollution, the message said: "We either fund now and legislate substantively later, or we do the both to-gether at a later date."

It went to such groups as the National Governors Conference, the League of Cities, Conference of Mayors, and the Association of Metropolitan Sewerage Agencies, which have shared the House view that funding must go hand in hand with substantive amendments.

I found it particularly disturbing to find the amendments contained in H.R. 3199, like their predecessors contained in H.R. 9560, 94th Congress, characterized as narrow "special interest" provisions. Special interests? User charges, municipal time extensions, 404, State certification? Is that what we passed last year by a vote of 339 to 5? Special interest legislation?

How about those special interest lobbies supporting the legislation, the Governors Conference, the League of Cities, the National Association of Counties, AMSA, and the Environmental Protection Agency, for that matter?

The attitude conveyed to them, and implicitly to the House, is that no amendments to the Water Pollution Control Act produced by this body will be considered unless and until it suits the other side

With this in mind, our committee report took note of the fact that the 1972 act was the product of compromise between the absolute and the attainable. And it noted that our conference on H.R. 9560 died last year as a result of refusal of some to recognize the urgency of States exhausting their grant allocations this year, or to recognize that the 1972 act was anything less than unblemished perfection.

I want to make it very clear that we are not trying to force the Senate to take our language, any more than we should have to accept theirs. In fact section 16 of our bill is very objectionable to me. That is not the point. The issue is that the other body does not even want to consider our amendments which were the product of 3 years of work.

Procedurally, they invented the game. They wrote the book. Holding one bill hostage to another, loading up our legislation with nongermane amendments in conference, and now refusing to sit down and negotiate honest differences.

Substantively, they created the confrontation, and the crisis facing States running out of construction grant funds. They created the money pinch and are trying to use it to put the squeeze on us.

The organizations, with a nationwide constituency, of agencies and other entities responsible for carrying out the water pollution control program have been courageous in resisting efforts to block action on our amendments. They recognize the urgency of enacting H.R. 3199

I urge my colleagues to keep faith with those groups. This is deadly serious business we are involved in, and not the latest parlor game by Parker Brothers. Support this committee, support these amendments, and support our efforts to get them into conference. We have done all we can. The rest is up to the House. urge the adoption of the rule.

The SPEAKER pro tempore. The question is on ordering the previous question. The previous question was ordered.

The SPEAKER pro tempore. The guestion is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. EDGAR. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members

The vote was taken by electronic device, and there were-yeas 348, navs 60. not voting 24, as follows:

> [Roll No. 128] YEAS-348

Abdnor Addabbo Carney Carter Alexander Cederberg Ambro Chappell Anderson, Chisholm Calif. Clausen, Andrews, N.C. Don H. Clawson, Del Andrews, N. Dak Cleveland Cochran Cohen Coleman Applegate Armstrong Collins, Ill. Collins, Tex. Ashbrook Ashley AuCoin Conable Corcoran Badham Bafalis Corman Cornwell Baldus Barnard Cotter Baucus D'Amours Daniel, Dan Daniel, R. W. Bauman Beard, R.I. Beard, Tenn. Danielson Benjamin Bennett Davis de la Garza Bevill Biaggi Blanchard Delaney Derrick Blowin Derwinski Boland Devine Dicks Bolling Dornan Bonior Duncan, Oreg. Duncan, Tenn. Bonker Bowen Brademas Early Edwards, Ala. Breaux Breckinridge Brinkley Brooks Eilberg Broomfield Emery English Brown, Mich. Brown, Ohio Erlenborn Broyhill Ertel Evans, Colo. Evans, Del. Burgener Burke, Calif. Burke, Fla. Burke, Mass Evans, Ga. Evans, Ind. Burleson, Tex. Fary Fascell Findley Burlison, Mo. Butler

Flippo Flood Florio Flynt Ford, Mich. Ford, Tenn. Forsythe Fountain Fraser Frenzel Frev Fuqua Gammage Gaydos Gephardt Giaimo Gibbons Ginn Glickman Goldwater Gonzalez Goodling Gradison Grassley Gudger Guyer Hagedorn Hall Hamilton Hammer-schmidt Hanley Hannaford Hansen Harrington Harsha Hawkins Edwards, Calif. Heckler Edwards, Okla. Hefner Hightower Hillis Holland Hollenbeck Holt Howard Hubbard Huckaby Hughes Hyde Ichord Ireland Jenkins

Jenrette Moss Johnson, Calif. Mottl Johnson, Colo. Jones, N.C. Jones, Tenn. Jordan Murphy, Ill. Murphy, II. Murphy, N.Y. Murphy, Pa. Murtha Myers, Gary Myers, Michael Myers, Ind Kasten Kazen Myers, Ind. Kelly Kemp Natcher Ketchum Neal Nedzi Kindness Nichols Krebs Nowak Krueger O'Brien Lagomarsino Oakar Oberstar Patten Latta Le Fante Leach Lederer Patterson Leggett Lent Perkins Pettis Pickle Levitas Lloyd, Calif. Lloyd, Tenn. Pike Poage Long, La. Pressler Preyer Lott Pritchard Luken Pursell Quayle Lundine McClory McCormack McDade McDonald Quie Quillen Rahall Railsback McEwen McFall Rangel McKay Regula Madigan Reuss Mahon Richmond Rinaldo Mann Markey Marks Risenhoover Roberts Marlenee Marriott Robinson Rodino Roe Rogers Martin Mattox Roncalio Rooney Meeds Rose Metcalfe Rosenthal Rousselot Michel Mikulski Rudd Runnels Mikva Miller, Ohio Ruppe Mineta

Shipley Shuster Sikes Simon Sisk Skelton Skubitz Smith, Iowa Smith, Nebr. Snyder Spence St Germain Stangeland Stanton Steed Steiger Stockman Stokes Stratton Stump Symms Taylor Thompson Thone Thornton Tonry Traxler Treen Trible Udall Ullman Van Deerlin Vander Jagt Vanik Volkmer Waggonner Walgren Walker Walsh Watkins Whalen White Whitehurst

Whitley Whitten

Winn

Wolff

Wright

Wydler

Yatron

Zeferetti

Young, Alaska Young, Mo. Young, Tex. Zablocki

Yates

Wilson, Bob Wilson, C. H. Wilson, Tex.

NAYS-

Ryan Santini

Sarasin

Sawyer Scheuer

Schulze

Sebelius

Satterfield

Edgar Allen Ammerman Badillo Fish Bedell Beilenson Gore Bingham Brodhead Buchanan Burton, John Burton, Phillip Carr Cavanaugh Convers Dellums Dodd Downey Drinan Eckhardt

Minish

Moore

Mollohan

Moorhead,

Calif.

Mitchell, N.Y.

Montgomery

Moorhead, Pa.

Moffett Fenwick Ottinger Gilman Panetta Pattison Harris Holtzman Rhodes Roybal Kastenmeier Schroeder Seiberling Koch Kostmayer Sharp Solarz Spellman Studds Lehman Long, Md. McCloskey Tsongas McHugh Tucker Vento McKinney Maguire Waxman Meyner Weiss Miller, Calif. Mitchell, Md. Wirth Wylie

NOT VOTING-

Flowers Harkin Akaka Nolan Annunzio Pepper Rostenkowski Staggers Aspin Heftel Brown, Calif. Horton Clay Dickinson Jeffords Stark Jones, Okla. Teague Diggs Dingell Milford Wampler Moakley Young, Fla.

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Aspin. Mr. Heftel with Mr. Dickinson. Mr. Milford with Mr. Horton. Mr. Teague with Mr. Jeffords.

Mr. Rostenkowski with Mr. Wampler.

Mr. Moakley with Mr. Young of Florida.

Mr. Jones of Oklahoma with Mr. Stark. Mr. Flowers with Mr. Clay.

Mr. Pepper with Mr. Diggs.

Mr. Dingell with Mr. Akaka. Mr. Harkins with Mr. Brown of California.

Mr. Staggers with Mr. Nolan.

Mrs. SCHROEDER, Messrs. SOLARZ, MILLER of California, GORE, Mrs. SPELLMAN, and Mr. RHODES changed their vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. OTTINGER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman

from New York?

There was no objection.

FEDERAL WATER POLLUTION CON-TROL ACT AMENDMENTS OF 1977

Mr. ROBERTS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3199) to amend the Federal Water Pollution Control Act to provide for additional authorizations, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3199), with Mr. STRATTON in the chair.

The Clerk read the title of the bill. By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas (Mr. ROBERTS) will be recognized for 30 minutes, and the gentleman from California (Mr. Don H. will be recognized for 30 CLAUSEN) minutes.

The Chair recognizes the gentleman from Texas (Mr. ROBERTS).

Mr. ROBERTS. Mr. Chairman, I yield such time as he may consume to the distinguished chairman of the full committee, the gentleman from California (Mr. JOHNSON)

Mr. JOHNSON of California. Mr Chairman, I rise in support of H.R. 3199. the Federal Water Pollution Control Act Amendments of 1977. As everyone knows, the 1972 Water Pollution Control Act was a massive undertaking to clean up our Nation's waters. In any legislation as complex as the 1972 act oftentimes fine tuning is necessary to smooth out program performance. The Public Works and Transportation Committee was fortunate in having JIM WRIGHT'S Investigations Subcommittee keeping a close

eye on the Agency's performance in carrying out the massive congressional mandate. For 2 years, I was honored to have been a member of the National Commission on Water Quality led by Vice President Nelson Rockefeller and our former Chairman Bob Jones. This study concentrated on the impact of the 1972 act on society. Later this year the Public Works Committee will be holding extensive hearings on our national water pollution program with the Commission report as its basis.

The bill before us today, for the most part, does not change the thrust of the 1972 act. H.R. 3199 extends the 1972 act through fiscal years 1978 and 1979 and

also calls for:

Greater State authority over administration of the program, subject to continuing Federal oversight:

A new formula for allocating Federal construction funds among the States which, for the first time since 1972, takes into consideration the relative populations of the various States;

A \$5 billion authorization for fiscal year 1977 and \$6 billion for each of fiscal year 1978 and 1979 for construction

grants.

A moratorium of up to 6 years for municipalities which cannot meet the present July 1, 1977, deadline for secondary treatment of their wastes.

Several provisions to eliminate cumbersome redtape.

Case-by-case extensions of the 1977

requirement for the private sector. In addition, under H.R. 3199, municipalities would be permitted to collect the cost of operation and maintenance of their treatment plants through ad valorem taxes. Existing law requires that such costs be recovered by user charges. Many of our large cities such as Los Angeles and Chicago are affected by this.

All of these provisions are important to maintaining the momentum that is building behind our water pollution cleanup efforts while cutting away some of the unnecessary redtape that has kept the program from moving as fast as we would like.

One section of H.R. 3199 which has received a considerable amount of attention is the amendment to section 404. If section 404 continues in the law without amendment, the committee is concerned that the program will prove impossible to administer and that more will be lost than gained in the protection of the Nation's waters. Rather than managing a more limited program well, the corps will be in the position of managing a too-large program poorly, because the required additional personnel cannot be realistically expected to be approved by either the administration or by the Congress.

This legislation will remedy many of the minor problems that have afflicted implementation of the act. I have been concerned about the overlapping and duplicative review of construction grant applications by undermanned and underfunded agencies at both the State and Federal level which continues to delay cleanup efforts. These delays result in increasing costs, forfeiture of employment, and the resultant economic benefits, while depriving the Nation of our ultimate goal, water pollution abatement.

For this reason, Mr. Chairman, we have included new section 214 which gives some States the authority to carry out certain requirements for facility grants. I want to emphasize that only States which qualify may participate. States only qualify when their pollu-tion control agencies have the authority, responsibility, and capability to effect all actions, determinations or approvals for which certification is submitted. While this section is limited only to those States which qualify, it is a necessary step to effect the Federal-State participation we envisioned when Public Law 92-500 was passed.

One of the areas of controversy surrounding the act is the requirement of secondary treatment of municipal effluent being discharged into the ocean. My own State of California will have to invest as much as a billion dollars to meet this requirement. There is a contradictory scientific evidence on this point. While one side says that secondary treatment is a waste of fiscal resources for unrealized environmental gains, the other side argues that the oceans do not assimilate effluent in the manner that many people have thought. Our committee needs time to evaluate this, Mr. Chairman. The National Commission on Water Quality has amassed a great deal of data on this subject and our committee will review it carefully. For the meantime, however, H.R. 3199 allows the Administrator to grant caseby-case extensions of the 1977 requirement for installation of secondary treatment by municipalities. It is expected that he will take particular note of extension requests for ocean discharges while the Congress conducts its evaluation

Rather than go over each section, I would like to include at this point in my remarks a section-by-section summary of H.R. 3199:

SUMMARY OF H.R. 3199, THE FEDERAL WATER POLLUTION CONTROL ACT AMENDMENTS OF 1977 AS AMENDED AND REPORTED BY THE COMMITTEE ON PUBLIC WORKS AND TRANS-PORTATION, MARCH 24, 1977

Section 1 provides that the act would be cited as the Federal Water Pollution Control Act Amendments of 1977.

Section 2 provides a general authorization for funds appropriated for fiscal year 1976, and the transition quarter; in other words, section 2 would recognize previous appro-priations that were made without the benefit of authorizations.

Section 3 provides authorizations for programs for fiscal year 1977 and 1978, the authorizations are as follows: Manpower training grants, \$2 million for 1977, \$3 million for 1978; manpower forecasting, \$1 million for 1977, \$1.5 million for 1978; grants for State and interstate water pollution control agencies, \$100 million for each of fiscal years 1977 and 1978; \$6 million in 1977 and \$7 million in 1978, for grants for training and scholarships; \$150 million would be authorized for each of fiscal years 1977 and 1978 for grants for 208 area wide planning process; \$50 million in fiscal year 1977 and \$60 million in fiscal year 1978 would be authorized for the clean lake program; and the EPA's program authorization \$100 million would be authorized for fiscal year 1977 and \$150 million for fiscal year 1978.

Section 4 would permit a grantee to apply excess construction grant funds toward collection system which is already under construction.

Section 5 would permit the combination of two administrative steps for a treatment works construction grant where the total grant would not exceed \$1 million.

Section 6 would amend the user charge provision of the act to premit the use of ad valorem taxes as a method of collecting operation and maintenance costs. Under section 6 there would be no less than two classes of users, one of which would be industrial users.

Section 6 would provide for proportionality among classes of users and within the class of industrial users. So, where necessary, a surcharge would be established for industrial users, so that each industrial user would be paying a fee directly related to the strength, volume, and other characteristics of its discharge into the treatment works.

Section 7 provides a new allotment procedure for funds authorized for fiscal year 1977 and beyond. Included in the new procedure is the provision that the construction grant contract authority would be subject to whatever limitations might be set in appropriation acts. This provision brings the contract authority into compliance with the Budget and Impoundment Control Act of 1974.

Also, a new allotment formula is provided for fiscal year 1977 and 1978 for construction grant funds. The formula would be ¼ population, ½ partial needs, ¼ total needs. In addition, section 7 would provide an

additional period of 1 year for the obligation of currently authorized construction grant funds. These funds are now subject to reallotment on September 30, 1977.

Section 8 would amend the reimbursement provision of the act to extend from July 1, 1972, to July 1, 1973, the date for qualifying for reimbursement grants. In addition, the authorization for reimbursement grants would be increased from \$2.6 billion to \$2.950

Section 9 provides a total authorization of \$17 billion for construction grants: \$5 billion in fiscal year 1977, and \$6 billion in each of fiscal years 1978 and 1979.

Section 10 extends 100 percent Federal grants for new 208 areawide planning agencles if the first grant is approved by October 1, 1977. Thereafter subsequent grants of up to 75 percent are provided.

Section 11 brings the contract authority provision for areawide planning within com-pliance with the Budget and Impoundment Control Act of 1974, and provides that this contract authority would be subject to whatever limitations might be set in appropriation acts.

Section 12 creates three new sections in the act. One of these, a new section 214, is the State certification program. This provides a program whereby States could certify to EPA that certain Federal requirements for a construction grant have been complied with. States could receive certifying authority only after EPA has made the determination that they have appropriate authority, responsibility, and capability to handle the program. EPA's determination would be subject to public hearing and to judicial review.

Among the Federal requirements for which the states could receive certifying authority are: that the treatment works is not subject to excessive infiltration-inflow; that the proposed works is consistent with any applicable area wide or State plans; and that the work contain sufficient reserve capacity.

The State certification provision does provide that the responsibilities of the admin-istrator of EPA under any other Federal law, including the National Environmental Policy Act of 1969, are not affected by this section. The administrator's responsibility to award Federal grants is not changed, nor existing EPA procedures and environmental assessment to be affected. Participating States would be permitted to use up to 2 percent of their construction grant allotment to defray the costs of the State certification program.

The new section 215 provides for State determination of priority among categories

of treatment works.

The new section 216 provides that materials used in constructing the treatment works are to be American-made. However, EPA may grant exemptions to this requirement where the administrator determines that it is not in the public interest or that costs would be unreasonable.

Section 13 provides for a case-by-case ex-

tension of the 1977 requirement for munici-

palities and for industries.

Municipalities may receive an extension up to July 1, 1982, or, if innovative technology is being used, to July 1, 1983, where EPA determines the construction of the treatment plant cannot be completed by July 1, 1977. An industry proposing to tie in with a municipal works may qualify for an extension of its 1977 industrial requirement if, within 60 days after the municipality receives its extension, the industry enters into an enforceable contract to discharge its waste into the completed municipal treat-

Industries may receive an extension of their 1977 requirement up to July 1, 1979. where the administrator determines that best practicable control technology cannot be completed or applied by July 1, 1977. Also, an industry which received a research grant to develop innovative technology but was unsuccessful in accomplishing its research goal may receive an extension of its 1977 requirement up to July 1, 1978, or the date of the completion of the necessary construc-

Section 14 would permit biennial submission of the State water quality inventory report

Section 15 authorizes hearings on proposed toxic standards within six months of publication and permits EPA to give up to three-year extension for compliance with final toxic standards where compliance within one year would be technologically infeasible.

Section 16 of the bill amends section 404 of the act. Section 404 requires a permit from the Department of the Army for the discharge of dredged or fill material into any water or wetland of the United States. Section 16 would amend 404 by limiting the permit requirement to navigable water and adjacent wetlands. Navigable water are defined as those waters which are presently used, or are susceptible to use in their present condition, or with reasonable improvement, to transport interstate or foreign commerce.

Section 16 also contains the following provisions: The discharge of dredged or fill materials into non-navigable waters and wetlands adjacent to them is regulated if the Secretary of the Army and the Governor of the State in which they are located agree that such regulation is needed because of the ecological and environmental importance of these waters and wetlands.

The Secretary of the Army would be authorized to issue general permits for normal farming, ranching, silvicultural activities; the maintenance of structures such as dykes, dams and levees, and the construction and maintenance of farm or, stock ponds, or irrigation ditches are exempted from the requirement for a permit.

There is a similar exemption for federally or federally-assisted projects where an en-vironmental impact statement for the project has been submitted to Congress in connection with the authorization or funding of

The Secretary of the Army's permit authority over wetlands adjacent to navigable waters and over any fresh water lake located entirely within the boundaries of a State may be delegated to a State if the State has the authority, responsibility and capability to exercise the authority, and the delegation is found to be in the public interest. Section 16 also makes it clear that toxic

Section 16 also makes it clear that toxic substances cannot be discharged into non-navigable waters and wetlands adjacent to them under the guise that it is a discharge of dredged or fill material. This provision is consistent with existing language regulating toxic substances as contained in section 307 (a) (5) of the act.

Section 17 provides a \$5 million contingency fund for use by EPA in emergency situations that would present substantial and imminent danger to public health or welfare.

Section 18 provides for court of appeals review of EPA's approval of a State certification program, and of EPA's publication of effluent guidelines or limitations.

Section 19 provides for congressional disapproval of administrative rules and regulations by resolution of either House of Concress

Section 20 provides for the filing of public written statements by EPA employees that have a financial interest in programs that are regulated or funded by the Federal Water Pollution Control Act.

Section 21 provides for a study of the impacts of the industrial cost recovery provision of the act, to be completed within 12 months of the enactment of this section.

For an 18 month-period, beginning with the date of enactment of this section, industrial cost recovery payments may be deferred.

Section 22 provides for reimbursement to the city of Boston for certain costs of constructing a correctional facility where the city conveys land for a treatment works to the State, and the State conveys certain land to the city.

As everyone is aware the House is faced with an unusual parliamentary situation. The Rules Committee and its distinguished Chairman, JIM DELANEY, have graciously reported to the House a rule which will allow H.R. 3199 to be incorporated into title II of Senate passed H.R. 11. The committee requested this rule, because we felt it was important to allow the House to work its will, as it did last year by a vote of 339 to 5, on some amendments to the 1972 Water Pollution Control Act. The ranking minority member of the committee, BILL HARSHA, and I agree that the House of Representatives deserves just as much consideration as the other body on this matter. We have presented our position to you in a Dear Colleague letter which I would like to include at this point in my remarks:

APRIL 1, 1977.

DEAR COLLEAGUE: On Tuesday, April 5, we are scheduled to bring urgently needed amendments to the Water Pollution Control Act, contained in H.R. 3199, to the floor under a procedure offering the best prospects for gaining consideration of the House position by the Senate in Conference.

We earnestly solicit your support for (1) the rule, (2) this bill, and (3) our Committee's efforts to counter Senate moves to bypass any water pollution control amendments passed by the House this year.

To assert the will of the House, this approach is a fully justified response to the Senate's action in adding water pollution construction grant authorizations to the local Public Works Jobs bill.

Briefly stated, our approach is to have

H.R. 3199 considered in normal fashion under an open rule with one hour of debate—ample time in view of last year's debate and decisive vote on H.R. 9560, 94th Congress—and upon conclusion of action on the bill have it combined with H.R. 11, the Housepassed jobs bill in a single package for Conference.

Most Members will recall that the similar bill passed by the House 339-5 last year, many of whose principal provisions were supported by the Environmental Protection Agency and the National Commission on Water Quality, was taken to Conference with the Senate.

With the Conference in disagreement as adjournment neared, House conferees were prepared to continue negotiations to a conclusion.

The Senate was not. This created the situation wherein a majority of states will exhaust their construction grants this year.

Also left unresolved are the problems of user-charge requirements burdening our major cities, the July 1, 1977 deadline for municipal secondary treatment of sewage which half of our communities can't possibly meet, the section 404 controversy over wetlands vs. the threat of needless over-regulation, and bureaucratic mismanagement of the construction grants program which is strangling our cleanup efforts in red tape.

H.R. 3199, containing amendments to address these and other problems, such as the need of some industries for case-by-case extension of their July 1, 1977 deadline, urgently warrants prompt consideration by the House—and Senate—on its merits.

Yet the Senate, in full knowledge that H.R. 3199 was being expedited this year, divorced water pollution funding from substantive program amendments.

This approach exploits the strong support for the latter measure as well as the plight of communities exhausting their construction grant funds. But if this package is enacted, the Senate can avoid any consideration of House amendments by the simple procedure of failing to act or meet the

House in Conference.

We seek not to force our will upon the Senate, but rather to prevent the reverse from occurring.

Urgency of our amendments momentarily aside, this controversy raises the basic issue of the ability of the House to deal with the Senate, whether House committees can exercise negotiating parity in the face of Senate manipulation of unrelated bills or titles.

Our colleagues on the Committee on Rules fully recognized this problem in their overwhelming vote in support of our position as reflected in the rule. We urge the entire House membership to concur in the interests of the widely recognized need for H.R. 3199. Sincerely.

HAROLD T. (BIZZ) JOHNSON, Chairman.

WILLIAM H. HARSHA,
Ranking Minority Member.

We are not in any way attempting to impede enactment of a jobs bill. Indeed what we in the House passed was just that, a jobs bill. What we got back was something more. The other body has chosen to make amendments to the Federal Water Pollution Control Act part of the conference, but on their terms. Failure to pass H.R. 3199 and make it part of the conference in the jobs bill means that the House of Representatives has been effectively precluded from addressing important amendments to Public Law 92–500.

Mr. Chairman, as I stated before the Rules Committee, I am optimistic that a compromise can be worked out with the other body in conference. We just want

the opportunity to go to conference and negotiate on the basis of a House position.

I urge all my colleagues to vote to pass H.R. 3199, and to amend H.R. 11 so that when the House and Senate meet in conference all the isues will be on the table.

Mr. ROBERTS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, my colleagues may recall that it was less than 1 year ago that we moved to pass H.R. 9560, the Federal Water Pollution Control Amendments of 1976, by the outstanding vote of 339 to 5. H.R. 9560 represented the output of continuous investigation and monitoring of the implementation of the Federal Water Pollution Control Act.

Major and unprecedented amendments to the act had been enacted in 1972 in the form of Public Law 92-500. These amendments included strict treatment requirements for municipalities and industries that were to be met by July 1, 1977, and a major Federal public works program in the form of \$18 billion for 75 percent grants for the construction of municipal treatment works. Public Law 92-500 was the product of more than 2 years of analysis and study by the Committee on Public Works and Transportation and is now recognized as a landmark piece of environmental legislation.

I remind you that this committee which produced Public Law 92-500, and which today brings you H.R. 3199, The Federal Water Pollution Control Act Amendments of 1977, is the same committee which in 1948 produced the first Water Pollution Control Act, Public Law 845 of the 80th Congress.

We have demonstrated commitment to cleaning up our Nation's waters over almost 30 years—significantly predating the recent emergency of the so-called

environmental fad.

Some have seen fit to accuse the committe of moving to weaken the Clean Water Act-I can only question their understanding and the depth of their newfound commitment to the complexity of this effort. The water pollution control program cuts across all sectors of our life-the massive construction grant program, the treatment requirements for industries and municipalities, the restoration and preservation of our waters for current and future generations-all of these affect us as a nation in terms of technology, economic, institutional arrangements, and environmental impacts.

It is for this reason that Congress calls for a thorough study and assessment of the impacts of the goals and requirements of the 1972 act. We recognized that as we proceeded toward meeting the 1977 and 1983 requirements of the act it might be necessary to make adjustments in the law—to assure that our pace of environmental cleanup was sure and steady—and did not result in unforeseen and disruptive economic dislocations and impossible technological demands for which there was no solution.

It was for this reason that the House called for the establishment of a study conducted by nationally recognized experts to assess the 1983 requirements of the Act. In fact, the House felt so strongly of the need for the study that

it provided for a "trigger mechanism" whereby the 1983 requirements could not go into effect until the Congress received the results of the study and acted affirmatively on the 1983 requirements. Unfortunately, in conference the Senate position prevailed and the House provision for a study was retained, but the "trigger mechanism" was abandoned, leaving the act with two sets of requirementsone for July 1, 1977, and another, more

stringent set, for July 1, 1983. Well, the National Commission on Water Quality, which was established in Public Law 92-500, has completed its study and last year reported its results to the Congress. The Commission was chaired by Vice President Nelson Rockefeller and five members of the House Public Works and Transportation Committee, five members of the Senate Public Works Committee, and five members of the public sat as Commissioners.

The House Commission included Robert E. Jones, former chairman of the committee who served as Vice Chairman of the Commission, the distinguished Chairman of the full committee, Bizz Johnson, the majority leader of the House, JIM WRIGHT, and BILL HARSHA who is ranking minority member of the committee.

Certainly there can be no doubt of this committee's interest and determination to see our waters restored.

Unfortunately, the Commission's recommendations were not before the Committee when we developed H.R. 9560. However, several of the provisions in H.R. 9560 were subsequently supported by recommendations in the Commission's report. This report will serve as the focal point for a major reassessment of the goals and requirements of the act later this Congress.

In the meantime, though, it is mandatory that we move ahead with needed reforms in the water pollution control program-reforms that have come to the committee's attention through extensive oversight and legislative hearings of two separate subcommittees of the Committee on Public Works and Transportation. Oversight hearings were held by the Subcommittee on Investigations and Review under the excellent leadership of the gentleman from Texas, Congressman JIM WRIGHT, who is now our majority leader, and legislative hearings were conducted by the Subcommittee on Water Resources, which I have the privilege of chairing, in 1975 and 1977.

These hearings are only a small part of the extensive monitoring of the act that has taken place since 1972. The committee has regularly conducted field inspections and discussions with representatives of professional organizations, industries, environmental organizations, and representatives of the Environmental Protection Agency, which has the primary responsibility of implementing

As I mentioned earlier, H.R. 3199 is essentially the same as H.R. 9560, with the exception of some technical changes. H.R. 3199 is a well thought-out effort to streamline the redtape that has hampered the water pollution control pro-

gram-to recognize the reality of impossible requirements that are pitting industry and Government together instead of aligning them side-by-side as partners. In H.R. 3199 we have tried to give the concept of a partnership among the Federal Government, the States, local governments, and industry a basis in reality, not just on paper.

H.R. 3199 includes provisions that were recommended and endorsed by the Environmental Protection Agency, several provisions which were included in the recommendations of the National Commission on Water Quality, and others which were developed as solutions to the problems that were thoroughly explored

in subcommittee hearings.

H.R. 3199 provides \$18,250,500,000 in authorizations. In addition to authorizing \$17 billion for three years for the construction grant program, authorizations are provided for fiscal years 1977 and 1978 for important components of the water pollution control effort, such Treatment works operator training and forecasting, program grants to State and interstate water pollution control agencies, training grants and scholarships for undergraduate education, grants for areawide waste treatment management planning processes, the clean lakes program, and funds for EPA to carry out its responsibilities under the act. These authorizations are contained in section 3 of H.R. 3199, and are realistic estimates of the minimum levels of funding that should be provided for the programs, taking into account current, actual program levels. In many cases the authorizations are more than a two-thirds reduction from levels previously authorized. This was done, not because the committee considers these programs to be of a lesser priority, but in recognition of the fact that the programs have been seriously underfunded since the enactment of major water pollution control legislation in 1972 and that program increases will realistically have to occur in increments over time. However, two water pollution control programs for which authorizations were not reduced are program grants to State and interstate water pollution control agencies and grants for areawide waste treatment management planning. The State grant program is the only source of assistance to States to carry out their responsibilities under the Federal Water Pollution Control Act (Public Law 92-500) -responsibilities which were significantly expanded by Federal law in 1972 to include intensive water pollution control planning, the issuance monitoring of control permits, and the processing of construction grant applications for municipal treatment works.

To date the States have been maintained at a starvation level which has drastically handicapped the entire water pollution control effort.

Another key effort is the areawide waste treatment management and planning program which is directed toward the establishment of an ongoing, professional planning capability at the local level. Current law provides 100 percent initial grants with subsequent grants up

to 75 percent. The intent is to progressively decrease Federal assistance over time.

The Office of Management and Budget, however, from the beginning has maintained a posture of one-shot funding. If there is only one-shot funding we have effectively bought a piece of paper onlya plan-not a continuing local, professional planning capability. If we permit one-shot funding, we abandon our own program. The President's budget request provides only \$5 million for this program in 1978. H.R. 3199 would authorize \$150 million for this program. There are more than 150 planning organizations underway, others are awaiting designation. The authorization in H.R. 3199 is the minimum amount necessary to maintain the program.

The authorizations are only some of the important provisions in the bill. Other provisions which will cut down the red tape in the program and make it run

more effectively include:

A case-by-case extension of the July 1, 1977, requirements for municipalities up to July 1, 1982, or where special technology is being used, to July 1, 1983; a case-by-case extension of the July 1, 1977, requirements for industries up to July 1, 1979:

A procedure that permits the combination of two administrative steps for a small treatment works project;

Permitting the use of ad valorem taxes to meet the user charge requirements:

The State certification program for

construction grants:

Clarifying the definition of the term "navigable waters" as it applies to the Corps of Engineers dredge and fill permit program. This language is essentially the same as the Wright-Breaux amendment which was contained last year in H.R. 9560 and was overwhelmingly supported by the House.

I wish to point out, Mr. Chairman, that the committee is not insensitive to the preservation of our Nation's wetland areas. Section 16 does provide a mechanism for the protection of wetlands other than those adjacent to navigable waters where protection is found to be needed, while also recognizing the proper role and responsibility of the States in determining the need for protection. Moreover, in section 150 of the Water Resources Development Act of 1976 we took a significant step forward in restoring and increasing our Nation's wetlands. That section authorizes the Corps of Engineers to create new wetland areas in connection with the dredging of water resources projects. Research undertaken by the corps has shown that wetland areas can be successfully established and section 150 will allow the results of that research to be implemented to help solve the problems of disposal of dredged materials while at the same time creating new wetland areas which are so important for flood control, water quality, and the entire food chain.

I take a moment now to congratulate some of my friends whose contributions were vital to the development of this legislation—to the chairman of the full

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committee, Congressman Bizz Johnson, whose strong leadership has never wavered; to my fellow Texan, Jim WRIGHT, whose creativity and leadership during the last session of Congress as chairman of the Subcommittee on Investigations and Review and now as majority leader of the House, laid necessary groundwork and set a clear direction for this legislation. Also, I want to express my appreciation to the ranking minority member of the committee, Mr. HARSHA, and the ranking minority members of the subcommittees involved in this legislation, Mr. CLAUSEN and Mr. CLEVELAND, for their splendid cooperation and diligent efforts to ferret out the problems and to develop reasoned solutions.

Mr. Chairman, in my opinion the amendments in H.R. 3199 are necessary if we are to cut the redtape in the Federal water pollution control program. We have got to bring this effort back where it belongs—on a partnership level among the Federal Government, the States, cities, and industry. No one group can afford to go it alone.

H.R. 3199 is an excellent piece of legislation and it addresses problems which need resolution now.

Mr. Chairman, at this point, I would like to insert for the RECORD a sectionby-section summary of H.R. 3199:

THE FEDERAL WATER POLLUTION CONTROL ACT AMENDMENTS OF 1977

(Section-by-Section Summary of H.R. 3199 as amended and reported by the Committee on Public Works and Transportation, March 24, 1977)

\$18,250,500,000 Total Cost: (includes \$17,000,000,000 for the construction grant program, \$5,000,000,000 for fiscal year. 1977, \$6,000,000,000 for each of fiscal years 1978 and 1979.)

Section 1: The Act is to be cited as the Federal Water Pollution Control Act Amend-

ments of 1977. Section 2: Provides a general authorization for funds appropriated for FY 1976 and

the transition quarter.

Section 3: Provides authorizations for the following programs for fiscal years 1977 and 1978: Manpower Training Grants—\$2 million and \$3 million, Manpower Forceasting-\$1 million and \$1 million, State and Interstate Agency Grants-\$100 million and \$100 million, Scholarships-\$6 million and \$7 million, Grants to Areawide Planning Agencies-\$150 million and \$150 million, Clean Lakes—\$50 million and \$60 million, and EPA's Administration—\$100 million and \$150 million.

Section 4: Permits a grantee to apply excess construction grant funds toward collection systems already under construction.

Section 5: Permits the combination of two administrative steps for a treatment works construction grant where the total combined grant would not exceed \$1,000,000.

Section 6: Permits the use of ad valorem taxes as a method of collecting operation and maintenance costs.

Section 7: Provides an allotment formula for FY 1977 and 1978 construction grant funds; ¼ population, ½ partial needs, total needs; provides an allotment procedure for funds authorized for fiscal year 1977 and beyond; and extends for one year the period time available to obligate currently authorized construction grant funds.

Section 8: Extends from July 1, 1972, to 1, 1973, the date for qualifying for a reimbursement grant; and increases the authorization for reimbursement grants from \$2,600,000,000 to \$2,950,000,000.

Section 9: Authorizes \$5 billion for FY 1977, \$6 billion for FY 1978, and \$6 billion for FY 1979 for construction grants.

Section 10: Extends 100 percent Federal grants for new areawide planning agencies until October 1, 1977, and permits subsequent grants of up to 75%.

Section 11: Makes the contract authority grants to areawide planning agencies subject to limitations set in appropriations

Section 12: Creates 2 new sections:

New Section 214: State Certification-Provides for State delegation of review of certain Federal requirements for a construction grant award.

New Section 215: Provides for State determination of priority among categories of treatment works.

New Section 216: Provides that materials and supplies used in construction Federallyfunded municipal treatment works must be American-made. The Administrator may grant exemptions to this provision where he determines that it is not in the public interest or where costs would be unreasonably high.

Section 13: Authorizes a case-by-case extension of the 1977 requirements for municipalities to July 1, 1982, or, if innovative technology is being used, to July 1, 1983, where EPA determines that construction cannot be completed by July 1, 1977. Industry proposing to tie-in with a municipal works may qualify for an extension of the 1977 industrial requirement if, within 60 days after the municipality receives an extension, it enters into an enforceable contract to discharge into the completed municipal works.

Authorizes a case-by-case extension of the 1977 requirement for industry, up to July 1, 1979, where EPA determines that the application of best practicable control technology cannot be completed or applied by July 1, 1977.

Also, authorizes an extension of the 1977 industrial requirement up to July 1, 1978, or the date construction can be completed, for an industry that received a research and development grant for new technology but was unsuccessful in achieving their research

Section 14: Permits biennial submission of the State water quality inventory report.

Section 15: Authorizes hearings on proposed toxic standards within six months of publication and permits EPA to give up to a three year extension for compliance with final toxic standards where compliance within one year would be technologically

Section 16: Amends section 404 concerning the Corps of Engineers' permit program for dredged or fill material. Retains the traditional definition of navigable waters, minus the historical test, but adds Corps' regulatory authority over the discharge of dredged or fill material into wetlands adjacent to navigable waters and coastal wetlands:

Provides for the regulation of such discharges into other non-navigable waters and wetland areas by the Corps if the Corps and the Governor of the State in which the areas are located agree to such regulation because of their environmental importance

Exempts from regulation normal farming and silvicultural activities and Federal projects where an environmental impact statement or environmental assessment has been submitted to Congress in connection with project authorization or funding;

Provides for delegation to a State of the regulation of adjacent wetlands where the State meets certain requirements, and clarifies the authority of the Corps to issue general permits.

It also provides for delegation to a State under the same conditions of the Secretary of the Army's permit authority relating to fresh water lakes located entirely within the bounds of a State under sections 9, 10, and of the Act of March 3, 1899, and under section 404.

Clarifies that toxic substances cannot be discharged into non-navigable waters and wetlands adjacent to them under the guise that it is a discharge of dredged or fill

Section 17: Provides a \$5 million contingency fund for use by EPA in handling emergency situations presenting substantial danger to public health or welfare.
Section 18: Provides for Court of Appeals

review of EPA's approval of a State certification program and of EPA's effluent guidelines

Section 19: Provides for Congressional disapproval of administrative rules and regulations by resolution of either House of Con-

Section 20: Provides for the filing of public written statements of EPA employees with a financial interest in programs regulated or funded by the Federal Water Pollution Control Act

Section 21: Provides for an EPA study of the efficiency and need for industrial cost recovery within 12 months after enactment of this section; provides for deferral of industrial cost recovery payments for a period of 18 months after enactment.

Section 22: Provides for reimbursement of facility construction costs to Boston where the city and the State have exchanged land for construction sites.

Mr. Chairman, I would like to add just one thing, that only 10 percent of the funds have been expended that this committee brought to the Members in the original act. We want to clean up the waters, and we want to cut the redtape.

Mr. DON H. CLAUSEN. Mr. Chairman. I yield 10 minutes to the gentleman from Ohio (Mr. HARSHA).

Mr. BURGENER. Mr. Chairman, will the gentleman yield?

Mr. HARSHA. I yield to the gentleman from California.

Mr. BURGENER. I thank the gentleman for yielding.

Mr. Chairman, I rise in vigorous support of the amendments, and particularly proposed subsection g, which would grant the EPA authority to extend, case by case, the June 30, 1977, deadline for installation of "best practicable technology."

As we are aware, Public Law 92-500 provided for the creation of the National Commission on Water Quality, estab-lished to report to the Congress on the effects of achieving the standards and goals called for in the act. The Commission spent 3 years and \$17 million evaluating the program and the act's implementation, and the No. 1 recommendation of the Commission, Mr. Chairman, was that we authorize EPA to grant extensions of time for compliance on a case-by-case basis.

In my own district, local wastewater treatment plants which discharge into deep water outfalls some 3 miles from shore are forced to spend countless millions of dollars. Scientific measurements and monitoring done of the past 15 years by several eminent organizations and individuals have illustrated that there has been no adverse environmental effect. The Southern California Coastal Research Project, whose consulting board is headed by Dr. Robert Issacs of the Scripps Oceanographic Institute, has contended that there have been no adverse environmental impacts.

The city of San Diego alone is faced with a cost of \$200 to \$400 million to upgrade the secondary treatment, compared to an expenditure of \$30 million for expanded primary treatment.

We have for too long, Mr. Chairman, insisted on arbitrary standards in many realms before we knew what the economic impacts of such actions would be. I think it is time we allow some discretion—and I have no fear that it will be very limited discretion when exercised by EPA officials—in this matter, both municipally and industrially.

I urge my colleagues to support this legislation, as it returns some sensibility to the review of standards, in which we have never permitted any waiver or leeway.

Mr. HARSHA. Mr. Chairman, in view of the colloquy and debate that took place on the floor of this House during the consideration of the rule, I think at this time I should reemphasize what the distinguished gentleman from Texas has said relative to H.R. 11. As this House knows, this House passed H.R. 11 without any encumbrances whatsoever. It dealt strictly and solely with the jobs creation and public works construction program, the administration's economic stimulus package. We passed that earlier this year at the request of the administration and sent it over to the other body. The other body then took it upon themselves to tack onto that bill extraneous matters that did not deal with that specific subject matter, and they are the ones that have in fact created this situation which now confronts us, not the Committee on Public Works and Transportation.

But be that as it may, it requires some rather unique parliamentary procedure, and that is why we have the kind of rule we have, because if the conferees on the House side were to go to conference with the other body with only that section pertaining to water pollution control that dealt with construction grants, then according to the rules of the House we could not consider changes in the substantive law which the House considers necessary and which the array of witnesses who appeared before the Public Works and Transportation Committee alluded to day after day.

In an effort to make the water pollution control program work, in an effort to eliminate as much redtape and bureaucracy as possible, and in an effort to get the funds out to the States so that they can more expeditiously start construction of the waste water treatment facilities, this committee has brought before the House H.R. 3199. This bill is designed to do just that. It is designed to restrict redtape and bureaucracy.

For example, we provide in here for a construction grant program where the grant does not exceed \$1 million, that a combination of the design and construction grants may be authorized by the Environmental Protection Agency, therefore doing away with unnecessary redtape.

As Members know the Environmental

Protection Agency requires three steps to a construction grant. They require a feasibility study first to get estimates of the cost of such a project. Then after that appplication is approved and the grant is approved, the community must come back with a second application, setting forth the design and a detailed plan of that project. First the State has to approve it, and then the region has to approve it, and then the Federal Government in the Washington office has to approve it, and then the second step grant awarded. Then after that is done, the community has to come back with a third step application which is the step for the actual construction of the project, which has to go through the same series of reviews and approvals and comes back to Washington, and then if that is approved the third step grant is awarded.

Many of the grant applications in this country are of \$1 million or less, so in order to help the communities overcome the burden of this tremendous workload and the tremendous amount of redtape, we have consolidated these steps, so that after the feasibility study or step 1 grant, the EPA may award a grant for steps 2 and 3 at the same time on just one application.

Second, there are many communities of the Members who represent large communities, and they use an ad valorem tax in order to assess the cost of operation and maintenance of the waste treatment plant. EPA first permitted this procedure. Then the General Accounting Office said: "No, you cannot do that." As a result the EPA is holding up a considerable amount of money that should be passed over to these communities to complete their projects and to get on with the job of cleaning up the streams of the country, but because they do not actually charge a specific user charge for each and every household for each and every plant that discharges into that facility, the EPA is holding up the

Many communities, particularly the large ones, came into the Public Works and Transportation Committee and testified to the inordinate cost and the inordinate billing process and the inordinate burdensome work that would be entailed if they had to install meters for each and every user. The communities of Los Angeles testified they would have to install over 1.2 million specific individual meters to have a user tax for the maintenance and operation of their waste water treatment facilities and that particular fact in itself would create an additional cost to that community of some \$2 billion.

This defeats the purpose of the waste water treatment program. Therefore, we have made it possible under H.R. 3199 to use an ad valorem tax but at the same time requiring that those municipalities that use ad valorem must insure that each user pays their proportionate share and which may include a surcharge depending upon the volume and amount and characteristics of the discharge they put into the waste water treatment plant, so that everybody that is using the facilities of the publicly owned waste

water treatment facilities will in turn pay their proportionate and fair share of the cost of operating those facilities.

Mr. Chairman, there are many other provisions in the bill that merit the support of the Members of the House.

I must say in all candor there is one provision that I do not agree with. That is section 404. I think it is far too broad. I think it permits the pollution of our wetlands. I think it is a step backwards in this effort to clean up the waterways of the country; however, I happen to be in the minority in that particular case. The full committee did not see it as I see but under the provisions of section 404 that is written in the bill, I am advised by the Environmental Protection Agency, substantiated by the Corps of Engineers, that almost 98 percent of the streamways of this country would not be covered by the permit section as it is written in section 16 of this bill and almost 80 percent of the wetlands and swamps would likewise not be covered.

Mr. Chairman, we have spent too many years degrading and destroying the wetlands of this country to ever be able to return them to the condition in which they were. We have destroyed already about 40 percent of the wetlands of this Nation in the last 15 or 20 years. We have destroyed an additional 16,000 to 18,000 acres of wetlands by dredging and filling processes. If we are ever going to get about the task of protecting these wetlands and waterways of the country, we have to have a more stringent permit section than allowed in section 16.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. HARSHA. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Chairman, I would like to compliment the gentleman on his comments on section 16. I join with my colleague in his strong concern over what section 16 will, in fact, do to the section 404 program.

Mr. Chairman, I would hope we as a House would delete that section 16 or modify it to the language of the gentleman from Ohio and the gentleman from New Hampshire (Mr. Cleveland) and myself, so that when we go to conference with the Senate we can have those noncontroversial provisions and we can act quickly to get this legislation out with the necessary money, at the same time protecting the very valuable wetlands.

Mr. HARSHA. Mr. Chairman, I thank the gentleman from Pennsylvania for this contribution. I know the gentleman's sincere interest in this and the gentleman's efforts to amend the bill in the committee. Unfortunately, neither one of us were successful.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. DON H. CLAUSEN. Mr. Chairman, I yield 2 additional minutes to the gentleman from Ohio (Mr. Harsha).

Mr. HARSHA. Mr. Chairman, while this is a most important section of the bill, section 16, and while it does not meet the criteria that I would like to see in the legislation, there are many other redeeming factors in this bill that I think are very worthwhile if we are to get

about the problem of cleaning up our waterways, particularly the one of State certification. Here again, there are a number of processes in the program of cleaning up the water and defining water quality standards that require permit applications and grant applications that have to be processed, not only by the local level, but at the State level and at the regional level and at the Federal level. In an effort to eliminate as much duplication as we can, we have put in a State certification program which will, in my judgment, go a long way toward expediting the ultimate objective that we are all concerned with, that is the cleaning up of the waterways; but not only does that State certification eliminate many of the duplications and bureaucracy that we are constantly confronted with, but in my judgment it provides a number of safeguards to see that the plan goes forward as the authors and as the Congress would envision and want it.

We have, first, put in here the requirement that public hearings be conducted by the Environmental Protection Administrator when he determines that a State is able to do these things without the overview of all the Federal bureaucracy. The EPA must first determine that the State has the capability, the responsi-bility and the authority to take the actions that are set forth in this particular

provision.

In addition to the public hearing rerequirement we have provided for judicial review of certification, so that I think there are ample protections in here for the public and for those who are concerned about water pollution abatement

Mr. Chairman, I urge adoption of this bill.

Mr. DON H. CLAUSEN. Mr. Chairman. I yield myself 10 minutes.

Mr. HARSHA. Mr. Chairman, will the gentleman yield?

Mr. DON H. CLAUSEN. I yield to the

gentleman from Ohio.

Mr. HARSHA. Mr. Chairman, I certainly would be remiss in my remarks if I did not refer to the extremely effective leadership, that has been afforded the Public Works and Transportation Committee by the distinguished chairman of that committee, the gentleman from California, (Mr. Johnson), and by the distinguished chairman of the Subcommittee on Water Resources, the gentleman from Texas (Mr. ROBERTS). They both have not only been extremely cooperative and fair to the minority, but they have maintained the best interests of the committee, they have been firm in protecting the perogatives of the House and I think have done a tremendous job toward getting on with the task of cleaning up the resources of this

Likewise Mr. Chairman, the ranking minority of the subcommittee Mr. CLAU-SEN, has likewise made a major contribution toward this issue of clean waters and has provided exceptional leadership to the minority.

Mr. DON H. CLAUSEN. Mr. Chairman, I rise in support of H.R. 3199. This bill contains urgently needed revisions to the Federal Water Pollution Control Act. It meets the immediate needs of

our water pollution control effort. It is intended to do those things which must be done now!

My good friend and colleague from California, Bizz Johnson, the distinguished chairman of the Committee on Public Works and Transportation, as well as my hard working colleague from Texas, RAY ROBERTS, the chairman of the subcommittee, are to be commended for their leadership in bringing this bill to the floor.

I do appreciate also the leadership provided by my most articulate friend and colleague BILL HARSHA of Ohio. He has been a source of major assistance.

Even though I support H.R. 3199 because it meets our immediate needs, two sections give me concern.

I have particular reservations on the amendment to section 404 of the Federal Water Pollution Control Act as set forth in section 16 of H.R. 3199. I shall have

more to say on this later.

Second, the provision on determination of priority in section 12 of H.R. 3199 requires clarification. This provision not preclude EPA from setting guidelines for the proper expenditure of Federal funds. It simply prohibits the Administrator from promulgating regulations which have the effect of precluding the inclusion of certain categories of construction. While cost effectiveness and value engineering criteria must still be followed, EPA cannot preclude the inclusion of collector sewers or correction of combined sewer overflow, for example.

As ranking minority member of the Subcommittee on Water Resources, I can testify that with the exceptions I noted, this is an urgently needed piece of legislation and one which merits immediate action by this body. This need has been repeatedly exhibited by Federal, State, and local officials as well as those regulated by the act. Our water pollution

control effort needs H.R. 3199.

The Federal Water Pollution Control Act was intended to serve as an incentive for industrial dischargers to participate in municipal systems. We sought to minimize the number of discharges, to benefit from the better management and control available at regional facilities and to benefit from the economics of scale. We provided this incentive in a number of ways including reduced requirements and long-term interest-free loans. Unfortunately, the implementation of the pretreatment requirements of section 307(b) of the Federal Water Pollution Control Act by the Environmental Protection Agency has been grossly deficient. As we point out on page 18 of our report, the "failure of EPA to promulgate pretreatment standards is disappointing. The content of pretreatment regulations should weigh heavily on the decision of industrial point sources to participate in municipal systems. It is expected, therefore, that the EPA will make every efto promulgate required regulations at the earliest time. Major emphasis must be and is expected to be given to this

New section 301(g)(4), which is added by section 13 of H.R. 3199, provides a further incentive to participate in regional systems. It recognizes the desirability of having industrial participation

in municipal systems by allowing time modifications of the requirements for industrial discharges if they meet the requirements of the new section.

This provision could result in mischief if not carefully implemented. For an industry to receive a time modification, there must be an enforceable contract. Obviously, a contract is not enforceable if it is illusory and there is not good assurance that the publicly owned treatment works will be constructed.

Before granting time modifications to publicly owned treatment works, I expect that there will in each case be an evaluation of viable alternative wastewater treatment technologies. Specifically included should be an analysis of chemical treatment technology as a costeffective method for the separation of solids and liquids by coagulation, flocculation and sludge conditioning. Presently, available chemical treatment technology will allow publicly owned treatment works in many areas to meet secondary treatment at current funding levels.

Ocean discharges of primary treatment effluents from publicly owned treatment works is addressed carefully on pages 16 and 17 of our committee report. One comment should be made to clarify any misunderstandings. Treatment of industrial effluents in accordance with pretreatment standards will remove many of the materials which may be toxic to ocean life. Thus, a decision to utilize ocean outfalls consistent with section 13 as explained in the committee report is not intended to be a basis for reducing the level of pretreatment. We believe our position is consistent with the needs of the ocean environment; thus pretreatment standards apply for discharges into all publicly owned treatment works.

Section 9 of H.R. 3199 provides an authorization of \$5 billion for fiscal year 1977, \$6 billion for fiscal year 1978 and \$6 billion for fiscal year 1979 for grants for the construction of publicly owned treatment works. All should recognize that these new authorizations are in furtherance of the intent of Congress to fund fully the grant program for the construction of municipal treatment works. This is a most important part of the water pollution control program and it is recognized that it will require continued assurance of congressional intent to bring all municipalities up to the necessary levels. State and local officials should recognize this added \$17 billion as assurance of a continued Federal grant program until the time all treatment works meet the requirements.

Section 5 of H.R. 3199 provides that the Administrator may, after approval of a step 1 facility plan which contains estimates of the cost to complete the project, award a single grant for step 2, design, and step 3, construction, combined in a single application, where the total cost of steps 2 and 3 for this grant would not exceed \$1 million. Roughly a f urth to a third of all projects nationwide would fall within the \$1 million combined ceiling, and would include complete systems for small communities newly instituting treatment or replacing old facilites, as well as extension of existing systems in larger communities. This

procedure will speed up the construction program and will reduce costly delays and redtane.

The Environmental Protection Agency should recognize that projects can be segmented to allow orderly construction with allotments for each fiscal year. The provision of section 203(d) of the act, as amended, make this clear. However, it is clearly not intended that section 5 of H.R. 3199 serve as an incentive to segment projects solely for the purpose of being able to combine steps 2 and 3. The qualitative evaluation and consideration obtained by going through steps 2 and 3 may be necessary for thorough review of larger projects.

Section 404-I hesitate to leap into this but I am concerned by the amendment to section 404 of Public Law 92-500. the Federal Water Pollution Control Act Amendments of 1972, which is incorporated as Section 16 of H.R. 3199.

The Corps of Engineers expanded regulatory authority results from a March 27, 1975 decision by the U.S. District Court of the District of Columbia. which directed the corps to expand the 404 program to all waters of the United States. Previously the corps was applying section 404 to waters which were used in the past, are presently used, or could be used with reasonable improvement, to transport interstate commerce.

This court decision forced the Corps of Engineers to administratively define 'waters of the United States" as well as what activities would be regulated. On May 6, 1975, draft regulations were published and on July 26, 1975, "interimfinal" regulations were promulgated. These regulations extend in three phases the Army Engineers' authority to control dredge and fill operations. Phase I, effective July 25, 1975, covers traditional navigable waters of the United States and continguous or adjacent wetlands. Phase II, effective July 1, 1976, expanded the corps' permit program into primary tributaries of navigable waters of the United States, lakes, and the contiguous or adjacent wetlands. After July 1, 1977. the corps will exercise its section 404 authority over all waters of the United States, administratively defined as a stream with 5 cubic feet per second flow.

It is important that we affirm the administrative exemptions in order that the program be rationalizedthis I think everyone agrees. The extent of jurisdiction is another matter. While I support a moratorium on the implementation of phase III of the Corps of Engineers regulations, I will support the Wright amendment as a vehicle to get to conference. I believe we should leave for the conference with the other body the ultimate determination over the corps' jurisdiction.

Section 6 which amends the "user charge" provisions of the act recognizes the onerous and unfair burden which would be imposed if water or sewage meters had to be installed for every residence. Thus, section 6 is intended to rectify this for residences in eligible municipalities.

Industrial and other classes of significant waste users must pay their proportionate share. If ad valorem taxes are utilized to collect user charges, a system of surcharges will be required to insure that residential customers do not subsidize industrial or other classes and that each industry source pays its fair share based upon volume, strength, and other relevant factors.

There should be a reasonable relationship between the level of user charge income and the cost of collecting user charges. Further, the system to correct inaccuracies in charges based upon ad valorem taxes, high or low, should result in a clear recognition by the users of water of the cost of treating their waste in order that they will factor this into their overall business decisionmaking. The system of surcharges will impose upon industry the full cost of the treatment of their waste and should operate in an incentive to reduce treatment requirements.

Mr. Chairman, I want to call particular attention to State certification, which I have long supported as one of the early cosponsors and which I consider to be one of the principal merits of H.R. 3199.

This is a badly needed reform and one which stands the best chance of any single provision considered since enactment of Public Law 92-500 of enabling that act to deliver-to make performance live up to its promise.

I am pleased to be able to say that it is strongly supported by the water pollution control agency in my own State of California as well as the Federal Environmental Protection Agency. As a matter of fact, Russell Train, the previous Administrator of EPA, has cited the performance and capabilities of my own State's agency as an argument in support of State certification.

This is a limited and carefully drafted provision, an optional alternative to the current procedure followed by EPA and the States, and is focused directly on problems that have swamped the construction grants program since its inception.

It will mean more State responsibility. more State authority, stronger State agencies, and better State performance in assuring that the construction grants program is subject to strengthened management by increasing numbers of qualified personnel.

This provision had its inception in oversight hearings of the Subcommittee on Investigations and Review more than 2 years ago, when the main concern was failure to get the funds out to the States and into construction. Those concerns are equally valid today in terms of getting projects underway and accelerating achievement of the clean water goals of the 1972 act.

We should not lose sight of other benefits, however, represented by its impact on jobs. Getting this construction program on track will mean jobs in the construction of facilities. But more than that, it will mean jobs in other types of construction in countless communities where housing and business and industrial development have been impeded by the lack of adequate facilities. Beyond this it will mean permanent jobs in areas where unemployment is high.

For all that, we are not telling EPA to close its eyes and shovel out the money. On the contrary, State certification will meet the increasingly recognized need to strengthen management over the program, whose \$6 billion annual authorization level exceeds interstate highway construction. It will provide greatly strengthened staffs at the State level, familiar with applicant communities and their problems and needs, familiar with the public officials involved and with the consultants and contractors involved in the process.

Under State certification, 2 percent of State's construction grant allotment would be reserved, and upon approval of the Administrator would be obligated and available until expended. In specific terms, this would mean that a State like California could make an application identifying the staffing levels and activities to be performed on a group of projects initiated during a given year, some of which would take years to complete. This would be analogous to plans, specification and estimated in construction terms. Approval plus a statement of intent by the States would constitute an obligation of funds, assuring their availability to support the needed manpower perform all activities necessary meet certification responsibilities throughout the life of the projects involved.

For these reasons, State certification has been endorsed by a number of environmental groups in California, State water pollution control administrators in at least 48 of the 50 States, the National Governors Conference, the Conference of State Legislatures, the Water Pollution Control Federation and other organizations, the National Commission on Water Quality, and nearly 140 House

This is an outstanding measure reflecting credit on its author, the gentleman from New Hampshire, the principal cosponsor, the gentleman from Texas. the majority leader, and the strong bipartisan majority on the Subcommittee on Water Resources and the full committee responsible for bringing it to the

Mr. Chairman, I urge this body to support H.R. 3199. It is necessary for us to go to conference with the other

Mr. Chairman, I have one further item to address during our recent hearings on amending the Federal Water Pollution Control Act, I asked a number of questions of various witnesses regarding: First, the use of innovative technology in our municipal waste-water treatment program; and second, the necessity of providing incentives to municipalities to utilize new innovative technologies and

Land treatment is not new. Land treatment, perhaps, is not even innovative anymore. Land treatment, in fact, is utilized in dozens and dozens of facilities around the country. However, land treatment in my opinion is not utilized at the level it should and could.

At one time there were significant financial incentives to utilize new and special technology. When Congress special technology. When Congress amended the act of 1972, the net result was to increase the grant level to 75 percent for all new treatment works construction from the then existing 30- to

55-percent level, thereby removing the 20- to 45-percent financial incentive to utilize new technology. The financial incentive is no longer there. Municipalities and their consultants are reluc-

tant to take engineering risks.

I intend to introduce a bill which would change this by amending the Federal Water Pollution Control Act to add an additional 12½-percent incentive to treatment works owners and operators to utilize new technology and land treatment. In addition, study of innovative techniques would be a required part of engineering review. I considered including my amendment in H.R. 3199, but I did not because I believe more study was needed on my part.

I will introduce my bill as soon as we have resolved H.R. 3199 and I can devote increased energies to my bill. I expect it to be a part of the legislation during the "mid-course correction" next year. At this time I ask for and would appreciate any comments or suggestions from any of my colleagues in this body. I believe my bill is important and I know with your help it can be improved. I insert in the RECORD at this point a draft of my bill so that you may have it available for review and comment:

H.R. -

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Subsection (g) (2) of section 201 of the Federal Water Pollution Control Act (33 U.S.C. 1281) is amened by striking out "and" at the end of subparagraph (A); by striking the period at the end of subparagraph (B) and inserting "; and" in lieu thereof; and by adding a new subparagraph "(C)" as follows at the end thereof:

"(C) demonstrated new and innovative wastewater treatment processes, techniques and equipment, including but not limited to treatment and new or improved methods of joint treatment systems for municipal and industrial waste, have been fully studied and evaluated by the applicant taking into account and allowing to the extent practicable the more efficient use of energy and resources.

(b) Subsection (a) of Section 202 of such Act (33 U.S.C. 1282) is amended by inserting "(1)" immediately after "(a)" and by inserting a new paragraph "(2)" at the end of

subsection 202(a) as follows:

"(2) The amount of any grant made after the date of enactment of this subparagraph for that part of a treatment works utilizing methods, processes, techniques and equipment meeting the requirements of subparagraph 201(g)(2)(C) shall be 871/2 percentum of the cost of construction thereof (as approved by the Administrator)."

(c) Subsection (d) of section 304 of such Act (33 U.S.C. 1314) is amended by adding the following new subparagraph "(3)" at the

"(3) The Administrator, after consultation with appropriate Federal and State agencies and other interested persons, shall publish within 180 days after enactment of this subsection guidelines for identifying and evaluating demonstrated new and innovative wastewater treatment processes, techniques and equipment under section 201(g) (2) (C)."

(d) Section 205 of such Act (33 U.S.C. 1285) is amendeed by adding a new sub-

section "(c)" at the end thereof:

"(c) Not to exceed 2 percentum of the alloted to a State under subsection (a) of this section shall be used for increasing grants for construction of treatment

works from 75 percentum to 871/2 percentum pursuant to section 202(a)(2).

I do not wish to set up another roadblock in the already difficult path from application to grant to construction. There are too many roadblocks now. I am considering making my bill serve as an encouragement rather than a requirement. This could be done by combining my bill with section 201(f) which requires the administrator to "encourage waste treatment management which combines 'open space' and recreational considerations with such management."

Just as I solicit comments from my colleague I also solicit comments from the engineering and construction professions as well as representatives of local governments and the environmental

organizations.

Proper preparation and review now by all concerned will lead to better use of our construction grant dollars.

Mr. Mckinney. Will the gentleman vield?

Mr. DON H. CLAUSEN. I yield to the

gentleman from Connecticut.

Mr. McKINNEY. Mr. Chairman, I come here today to face a very difficult decision regarding H.R. 3199, the Federal Water Pollution Control Act Amendments of 1977. Over a month ago several of my colleagues and I cosponsored legislation to extend the deadline for the construction grants program. This extension is extremely important to Connecticut—not to mention Delaware, Maryland, Massachusetts, Michigan, New York, Pennsylvania, and the District of Columbia-to prevent the potential loss of up to \$700 million in water pollution control funds. Connecticut alone could lose up to \$140 million unless Congress acts to extend the deadline today. However, I feel like Pandora when she opened the famous box. Our simple 1-year extension has been incorporated into the Federal Water Pollution Control Act amendments, and I am forced to vote for some very good provisions along with a very bad oneto drastically restrict the Army Corps of Engineers' authority to regulate dredging and filling in the Nation's nonnavigable waterways and wetlands.

I do not mean to belittle many of the other important provisions in this bill. I strongly support the State certification program, which would allow the Environmental Protection Agency-EPA-to give State agencies the authority to approve Federal construction grants for municipal sewage treatment facilities. This provision would certainly speed up a too-slow approval process for grant applications and accelerate achievement of our clear water goals. I also support case-by-case extensions for municipalities and industries to comply with the July 1977 deadline for installing water cleanup equipment. In view of the fact that approximately 50 percent of the Nation's municipalities and 15 percent of its industries will not meet this deadline, a time extension appears very reasonable. EPA considers 7.5 percent of all industrial dischargers to have been acting in bad faith. While it seems unfair to penalize those industrial polluters that have worked hard to meet the deadline, it would also

be unfair to penalize those who have worked hard yet failed. Also, many of the municipalities have missed the deadline for perfectly legitimate reasons, not the least of which is the impoundment of construction grant funds during the Nixon administration and excessive bureaucratic redtape.

While offering short-term advantages, I have long-range objections to the provision permitting municipalities to use ad valorem taxes to recoup operating and maintenance costs of federally financed sewage plants. After all, municipalities should be permitted to select the revenue system most appropriate to them. However, this is a step backward. The users fee presently in use requires the allocation of operating and maintenance costs based on the actual use of the sewage treatment system in hopes of encouraging water conservation and waste water reduction. While I support this approach, it would be a costly hardship for many municipalities. Under this new provision, property taxes could be used if the EPA determined that the tax system would result in proportional distribution of costs among user classes according to class use, and a surcharge for industrial users could be employed to insure proportional shares.

These provisions, along with many of the others crowded into this legislation, I support today. However, I am now faced with the eternal problem of weighing the good against the bad. While there is only one provision in this legislation to which I strongly object, its weight is almost equivalent to those remaining. The Corp of Engineers' authority over dredging and filling, established in section 404 of the 1972 law, currently covers the "waters of the United States." Section 16 of H.R. 3199 would restrict this authority to commercially navigable waters, adjacent wetlands, and coastal wetlands. While excessive and burdensome regulation should be prevented. I believe this goes too far. According to the EPA, 98 percent of the Nation's stream miles and 80 percent of its swamps and marshlands would be excluded from regulation under this provision. This artificial distinction between navigable and nonnavigable, as a Federal court has held, does not reflect the environmental truism that water is water, wherever it is.

It is my belief that State regulation is preferable to Federal regulation, and my State has effective statutes which regulate wetlands, both coastal and inland. However, Connecticut is an exception to the rule. The majority of States have weak environmental protection programs, and delegating the corps' program to State agencies would leave too much of the Nation's wetlands subject to uncoordinated, unplanned, and destructive development. While Connecticut can take assurance in the fact that we have a very good program, it should be remembered that the failure of one State to adequately regulate its water resources will adversely affect the resources of other States.

The wetlands are the most vital and productive part of the aquatic ecosystem.

Estuaries and mangrove swamps are the breeding ground for an estimated 70 percent of marine life, and would be exempt from protection under this provision. These fecund waters also support a majority of aquatic life fished and eaten by us, and consumed by other forms of marine life. Each marsh area is fragile in nature, and unique in character because each has its own, peculiar biota. Nature takes as long as 5,000 years to develop the flora and fauna in these small ecosystems, and uncontrolled dumping of waste and chemicals, filling with dirt, commercial developing, or dredging presents an invasion against which wetlands have no evolved defense.

Limiting the definition of wetlands to navigable waterways would have severe implications on efforts to keep our present wetlands intact, as evidenced by the loss of over 50 million acres of wetlands since the Nation's formation, with a 6 million acre loss occurring in the last 20 years. In an attempt to rectify this situation, an amendment has been offered by Congressman William Harsha and Congressman James Cleveland, which attempts to restore much of the

corps' regulatory authority.

I strongly support the Cleveland-Harsha amendment to restore the broader definition of waters and wetlands now in the law. The amendment would exempt virtually all routine agricultural and ranching activities from permit requirements, thus avoiding needless regulation. While the amendment would authorize general permits, this would apply only to practices having minimal environmental impacts, such as construction of logging roads and homebuilding. Also, it calls for a study of State and local programs to determine the extent to which the corps' program could be delegated to the State agencies, which is a positive and safe step toward the State regulation

As if the substantive issues were not difficult enough, I am also faced with a complicated rule that would permit House conferees to consider H.R. 3199 with the public works jobs bill (H.R. 11). I object to this unnecessarily complex political manuever which has as its obvious goal to put the House in an extreme position in hopes of a more reasonable conference version. Failing to debate the merits of the controversial wetlands proposals so that a more reasonable conference compromise might emerge is a gross abdication of our responsibilities. I resent the use of this "wait and see" approach, and I will not support a rule that permits the consideration of a short-term economic stimulus measure with a long-term community planning program. The House decision to consider these proposals separately has sound substantive justification which water pollution politics cannot overcome.

Mr. HAGEDORN. Mr. Chairman, will the gentleman yield?

Mr. DON H. CLAUSEN. I yield to the gentleman from Minnesota.

Mr. HAGEDORN. Mr. Chairman, I rise in behalf of H.R. 3199, the Federal Water Pollution Control Act Amendments of 1977. The act addresses a number of serious problems that have arisen with the basic act since its inception in 1972. Most immediately pressing is the fact that nearly one-half of the Nation's municipalities are currently subject to a deadline for the installation of secondary sewage treatment facilities which they cannot meet. In Minnesota, well over half the municipalities find themselves in this position, as, of course, do all the industries which are hooked up to their treatment facilities.

This bill would authorize the Administrator of EPA to extend the current July 1, 1977, deadline, on a case-by-case basis, up to July 1, 1982, in most instances. Rather than totally denying some 11,000 municipal units, the opportunity to avail themselves of wastewater treatment funds, these provisions would recognize the difficulties encountered by thousands of diverse units of Government in complying with inflexible Federal deadlines. I fail to appreciate the arguments of those who argue that such an extension penalizes communities which have completed their facilities on a timely basis. If the benefits of a pure water supply are all that they are claimed to be by supporters of strong Federal pollution control action, then I would think that communities which have completed their work on time would receive benefits from that fact alone. Rather than being exposed for longer lengths of time to impure water supplies, they are already able to enjoy cleaner water.

Two other important provisions of H.R. 3199 represent to me healthy exercises in federalism, restoring greater authority to the States to manage their own affairs. In neither instance, in my opinion, will the overriding objective of the act-clean water-be jeopardized. First, the bill establishes a program for State certification of project applications which give to the States authority to administer requirements for facility grants. Although I might prefer giving the States an even greater role in administering grants made to their own communities, section 12 of this act at least indicates an appreciation for the fact that the States may be able to operate these programs more efficiently, more expeditiously, and with more attention to the important environmental and engineering details which must be considered on each project. Safeguards exist which insure that all State agencies to which certification responsibilities are delegated will be willing and prepared to promote the objectives of this act.

Second, and probably the most controversial part of this bill, is section 16 which amends section 404 of the Federal Water Pollution Control Act. Section 404 is a perfect example of single-minded Federal courts interpreting the provisions of legislation in a manner which completely distorts the intentions of Congress. As curently understood, section 404 requires a permit from the Army Corps of Engineers whenever discharges of dredged or fill material are made into any water or wetland of the United States. While the corps has made several controversial efforts to limit the apparently unlimited scope of this authority, the fact remains that, until now, this has been a decision that has been left in the hands of the corps. Without questioning the judgment of the corps-a position which I daresay many opponents of section 16 would not agree with on anything other than section 16-I do not believe that a matter as important to as many people as section 404 should be left entirely to executive discretion.

Section 16 of this act would limit the corps' permit requirements to navigable waters, excluding those which have been considered such purely through historic use. Many agricultural activities would be totally exempted from the provision regardless of where they occurred, while most project maintenance activities would be entitled to a similar exemption. Where the Governor of a State and the corps are in agreement, the permit program would be authorized to protect even nonnavigable waters of unusual environmental value. What this section wili do simply is to restore the corps program to its proper limits, thereby enabling them to focus limited resources in areas where they can do the most good. In the midst of some tens of thousands of permits annually, and jurisdictional responsibilities which cover virtually every brook and stream in the country, it is very easy to lose sight of the basic objectives with which the corps charged-clean and pure water. At far less cost, with far less manpower, and with far less interference in individual and local activities, I believe that section 16 permits the corps to carry on this basic objective without being weighed down with the trivia with which they have been burdened by the courts.

Mr. Chairman, I believe that there has to be a greater recognition of the role that States and local communities must play in the national effort to secure a cleaner environment. H.R. 3199 is a first step in that direction, and attempts to place important responsibilities on local units of government. While critics of this approach have considered it a copout by Washington and indicative of a declining commitment to a healthy environment, I believe that it represents the opposite. It finally represents an appreciation that our environmental objectives are so great that we cannot fully

entrust them to Washington.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. DON H. CLAUSEN. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Mr. Chairman, I rise

in support of H.R. 3199.

As has been evidenced thus far by the remarks of my distinguished colleagues on the Committee on Public Works and Transportation, there is a lot at stake here today-and it bears emphasis.

First of all, major improvements and clarifications in the water pollution control program are at stake, including State certification reforms, municipal time extensions, accelerated processing of small projects, the use of ad valorem tax systems, and, a clarification of section 404.

The local public works jobs bill is at stake, with \$4 billion in additional funds for community projects hanging in the

But in the long run, perhaps the most important thing at stake here today is the very integrity of the House of Representatives and our ability to deal fairly and equitably with the other body.

Mr. Chairman, the approach taken by this legislation was dictated by the as yet unexplainable position of the other body in refusing to even consider the amendments contained in the water pollution control bill. The scenario last year resulting in the House bill, which was adopted by this body by the overwhelming vote of 339 to 5, dying in the waning moments of the session, has been fully and fairly treated in previous statements. it is important to note now that once again, the other body is attempting to hold one bill hostage to another despite the undeniable support for the water pollution control bill in the House as clearly documented in last year's legislative history.

Unless the House asserts itself now, and aggressively defends the right of the House to have its measures considered in the Senate, we shall be relegated to playing second fiddle to the manipulation and determination of the other body.

Mr. Chairman, I think it is significant to emphasize an observation made earlier that the distinguished chairman of both the House and Senate Public Works Committees urged that the jobs bill go to conference alone, unencumbered by the additional water pollution control authorizations tacked on in the Senate, but the chairman of the Senate Subcommittee on Environmental Pollution declined. Why? Because without the security of holding the jobs bill hostage, he could not proceed to ignore the mandate of the House and force several billion dollars in water pollution control money down our throats without ever considering for a moment the critical amendments contained in H.R. 3199.

As a member of the Subcommittee on Economic Development, I am most anxious to have the \$4 billion jobs bill adopted so that the communities of our Nation can begin to reap some of its benefits. There will be those who will argue wrongfully that this approach jeopardizes the jobs bill, but the truth is that unless we are successful in asserting the integrity of the House today, the communities of our Nation may never see one red cent of jobs bill money.

I fully support this legislation; we must stand firm now, or we will forever be subjected to the maneuvering and manipulation of the other body in total disregard of the sense of the House.

For this reason, I urge adoption of this bill.

Mr. TAYLOR. Mr. Chairman, will the gentleman yield?

Mr. DON H. CLAUSEN. I yield to the gentleman from Missouri.

Mr. TAYLOR. Mr. Chairman, I rise in support of section 12 of H.R. 3199, which seeks to extend the protection of the Buy American Act to any municipal procurement contract for the construction of a treatment works where Federal construction grant funds are used.

The language of section 12 follows the language of the buy American provision of the public works jobs bill, H.R. 11, as it was perfected and approved by this body not long ago. The section specifies that no grant is to be made for the construction of treatment works unless

American materials or products made substantially from American articles, materials, and supplies are to be used in the construction of the treatment works

The section recognizes that in some situations exceptions from the general buy American requirement may be necessary. Where the Administrator of EPA determines that enforcement of the buy American provision would not be in the public interest or that costs would be unreasonable, the provision shall not apply.

Mr. Chairman, the purpose of the buy American provision is to insure that the general taxpayer gets the maximum benefit of the \$18.2 billion we plan to spend through the Federal construction grant program over the next 3 fiscal years. At the same time these funds are put to work to clean up our water quality, they can be used to bring relief to the Nation's unemployed.

With more than 7 million people—7.3 percent—out of work and looking for jobs, it is imperative that we do everything within our power to strengthen our domestic economy. Limiting the use of construction grant funds to within the United States will have a major stimulus effect, creating meaningful, long-term jobs that will go a long way toward bringing relief to those who long to rejoin the ranks of the employed.

Mr. Chairman, section 12 is one of the many favorable provisions of H.R. 3199 which makes this legislation deserving of swift approval. I strongly urge the passage of H.R. 3199 without the addition of weakening amendments.

Mr. ROBERTS. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania (Mr. Edgar) for debate only.

Mr. EDGAR. Mr. Chairman, I want first to thank the Members of the House for their patience, and in particular I want to thank the members of the Committee on Public Works and Transportation. I have taken the floor many times on very controversial issues to oppose positions taken by the Committee, and so often we find ourselves locked in battle. I hope we all recognize that the battle is one of issues and not person-

I stood in this well a few moments ago to oppose the rule. I believed that the rule was not a good one, but that rule passed overwhelmingly. I think one of the reasons that occurred is many Members of the House are not aware of the controversial nature of some sections of this important piece of legislation.

I refer the Members of the House to a letter that was sent to the chairman of the Committee on Public Works and Transportation dated March 24 from Mr. Douglas M. Costle, who is the Administrator of EPA. He expresses in the last 2 paragraphs of that letter his strong concern and the concern of the administration that we are bringing this bill forward today with substantive changes to the Water Pollution Control Act. He suggests clearly that what we should have in this legislation is simply the authorizations for funding.

Second, I draw the attention of the House to an editorial that appeared in the Washington Post just last week, on March 31. If I may, I will quote from

just the final paragraph of that editorial, which is entitled: "War Over the Wetlands—Again." The editorial says as follows:

Both sides ought to back off. The public works bill needs to be wrapped up rapidly, because every delay will push more of the actual spending into next year, when such an economic stimulus could be ill-timed. The wetlands, on the other hand, can wait a little while. The need to extend the water pollution grant program should be enough incentive for both houses to consider the clean water issues on their own merits later this spring. Right now, the two committees should agree to a truce.

Mr. Chairman, I hope that in the course of this debate and in the amending process, we will either delete section 16 or amend it substantially. By doing so, we can provide that truce atmosphere so that when we go to conference on H.R. 11, we can stand firm on some very important provisions of H.R. 3199 other than section 16.

I am prepared to offer an amendment later in the day which amends section 404, but which is much more environmentally acceptable than section 16 of H.R. 3199.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROBERTS. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. Anderson).

Mr. ANDERSON of California. Mr. Chairman, I rise in support of H.R. 3199.

I compliment our chairman, BIZZ Johnson, and my fellow members of the committee, RAY ROBERTS, chairman of the Subcommittee on Water Resources, BILL HARSHA, and Don CLAUSEN, ranking minority members of the full committee and the subcommittee, respectively. We have worked long and hard, for several years now, to develop the amendments to the Federal Water Pollution Control Act which are necessary to keep its requirements meaningful and enforceable.

I especially lend my support to that portion of section 13 of the bill which provides for a case-by-case extension of the July 1, 1977, treatment requirements for municipalities.

When the 1977 requirement was established in 1972, with the enactment of Public Law 92-500, Congress provided for 75 percent Federal grants to assist municipalities in the construction of treatment works. We expanded the elements of a treatment works system that are eligible for grant assistance; and we provided a total 3-year authorization of \$18 billion to help municipalities meet this requirement. We expected to see this major public works program going full speed in a matter of months. But, what we actually did see was a Presidential impoundment of \$9 billion of the authorized funds and a bureaucratic maze of paper that would defy the skills of the best laboratory rat looking for cheese. The net result is that 50 percent of publicly owned treatment works will not be in compliance with the 1977 requirements on July 1. We are talking about no less than 11,000 separate facilities not in compliance. This means that less than 40 percent of the population will be served by wastewater treatment facilities which meet the deadline, principally because a number of large cities

will not have sufficient time to complete needed construction.

In addition to the thousands of local elected officials in jeopardy, thousands of industries which would reasonably be discharging their waste into a municipal plant rather than going it alone, will also be in jeopardy. This is especially discouraging because a major objective of the act is to encourage, not discourage, the development of regional treatment works.

In response to this situation, the committee developed section 13 of H.R. 3199 which amends section 301 of Public Law 92–500, to authorize the Administrator to grant extensions of the 1977 requirement up to July 1, 1982, or if innovative technology is being used, up to July 1, 1983.

Section 13 provides that time modifications shall not be granted unless there is an approved compliance schedule. These compliance schedules are to be part of any permit issued under section 402, and violation of any conditions in the schedule would be subject to enforcement under section 309 of the act.

Since 1972, there has been a lot of discussion concerning the need to require secondary treatment at publicly owned treatment works which discharge into the ocean. Many cities have argued that removal of dissolved oxygen and suspended solids—the major pollutants addressed in EPA's secondary treatment regulations—are not an important concern in marine waters and that it is a waste of money to require secondary treatment of ocean discharges.

In making time extensions under this section, it is expected that where appropriate treatment works which discharge into the ocean waters, the territorial seas, or the contiguous zone will be

granted extensions.

It is recognized that some municipalities or regions such as Seattle, Hawaii, Puerto Rico, and southern California regions, such as the city of Los Angeles, have already made extensive studies which may provide most of the information and data necessary to grant extensions. Also parts of certain other open waters such as Puget Sound and Cook Inlet have dispersion characteristics similar to ocean outfalls which permit effective dispersion of waste waters from mu-

nicipal treatment works.

In the case of municipal ocean outfalls, it is expected that the Environmental Protection Agency would make planning grants which would be used to make the environmental assessments necessary to determine the need for secondary treatment. These studies and evaluations should be thorough and should include the determination of treatment alternatives and the environmental effects of these alternatives.

Any time extension granted to municipalities that have ocean outfalls or are planning or considering ocean outfalls should be reflected in a compliance schedule that will include a final date for installation of secondary treatment.

INDUSTRIAL TIE-INS

For municipal ocean discharges, as well as all other municipal dischargers, section 13 of H.R. 3199 only postpones

the secondary treatment requirement; it does not eliminate it. It will be up to Congress to consider whether the requirement should be changed, depending upon what evidence is developed by the environmental studies, operating experience, and research, development and demonstration programs.

In addition to addressing the problem of municipalities that cannot meet the 1977 requirement and the problem of ocean-discharging municipalities that may be able to demonstrate a case for not applying secondary treatment, section 13 addresses the question of point sources which will tie-in with a publicly owned treatment works. Section 13 provides that any point source which has an enforceable contract to participate in a publicly owned treatment works shall not be subject to the 1977 requirements for industry until the date the treatment works itself is required to meet its 1977 requirements.

In order for an industry to be eligible for a time extension under this section, the enforceable contract must be in effect no later than 60 days after the date the treatment works receives its time extension

One of the objectives of Public Law 92–500 is the encouragement of industrial dischargers to participate in publicly owned treatment works. These provisions in section 13 are intended to be administered by the EPA in such a way as to encourage industrial participation in publicly owned treatment works.

Mr. Chairman, section 13 is vital to maintaining Public Law 92-500 as a realistic and enforceable law.

Mr. HAMMERSCHMIDT. Mr. Chairman, I rise in support of section 13 of H.R. 3199 which authorizes extensions of time to those municipalities and industries that will not be able to meet the 1977 requirements of the Federal Water Pollution Control Act. I would like to stress that these are not blanket extensions; rather, they are intended to be granted only in those cases where the discharges have made good faith efforts to meet the 1977 requirements but have not. Included would be those municipalities that have not received the requisite Federal funding necessary to construct the facilities to upgrade the treatment of their waste water to the 1977 standards as well as through industries that have exercised their right to challenge effluent standards promulgated by the EPA in the courts. I believe all will agree that it is only fair not to penalize those that have exercised their constitutional rights.

I have also vigorously supported section 21 of the bill which defers the repayment of the industrial costs associated with the construction of waste treatment facilities. Current information indicates that the law as currently drafted may be discouraging industry participation in public systems. This is not the intent. I think the study authorized by section 21 will bring before the Congress the answers we need to insure that the law is doing what we intended—cleaning up our waters in an equitable manner.

Mr. DON H. CLAUSEN. Mr. Chairman,

I yield such time as he may consume to the gentleman from New Hampshire (Mr. Cleveland).

Mr. CLEVELAND. Mr. Chairman, as ranking minority member of the Public Works Subcommitee on Investigations and Review, I take pride in the fact that at least three key provisions of H.R. 3199 emerged from investigations of that subcommittee into the operations of the clean water program.

In saying that, I also want to express my appreciation to the gentleman from Texas (Mr. Roberts), chairman of the Subcommittee on Water Resources and the gentleman from California (Mr. Don Clausen) for supporting these measures along with other urgently needed amendments in the committee bills in the 94th Congress as well as the 95th.

The particular amendments I refer to are State certification reforms to the construction grants program, accelerated processing of grants for small projects costing a million dollars or less, and use of ad valorem tax systems to levy operating and maintenance costs of sewage treatment works.

Mr. Chairman, these are not the product of any contemplative exercise in abstract reasoning on the part of those who write the laws or the regulations to carry them out.

Resulting from extensive investigative hearings followed by legislative hearings, they represent priority provisions in the minds of those in our States and localities with the duty and responsibility to see the provisions of Public Law 92–500 carried out, translated from concept into construction.

It is significant to point out in that connection that those same agencies and their organizations who contributed so much to shaping H.R. 3199 regard its enactment provisions equally important as funding.

Perhaps the highest priority among them is State certification, which is intended to speed up approval of construction projects, to get the dollars out cleaning up the water and creating jobs, strengthening environmental and fiscal management of the program at all levels of government, saving Federal and local tax dollars.

The first principal product of investigative hearings in early 1974 was introduced by myself with the cosponsorship of Majority Leader Jim Wright, then chairman of the Investigations Subcommittee. Briefly, it is intended to strengthen the authority, responsibility, and funding of State agencies in administering the day-to-day operation of construction grants program.

This provision, contained in section 12 of H.R. 3199, would authorize the Administrator of the Environmental Protection Agency to allow qualifying States to certify compliance with a number of requirements of the act with respect to eligible project applications.

States choosing to participate could use up to 2 percent of their construction grant allocations to strengthen the capabilities of their water pollution control agencies so as to equip themselves to fulfill this function.

This would have the effect of ending the duplicative, overlapping and timeconsuming review of grant applications by both State and Federal personnel. This would strengthen program management capabilities at the State level, while freeing EPA personnel to perform the expanded monitoring, inspecting, and auditing activities more in keeping with ultimate Federal responsibility which, of course, would remain with the agency.

This provision has the support of EPA, the National Commission on Water Quality, the National Governors Conference, the National Conference of State Legislatures, the National Association of Counties, the Water Pollution Control Federation, the Association of State and Interstate Water Pollution Control Administrators, and others with a stake in

the program.

The beauty of State certification is that it is not mandatory, nor must it be undertaken on an all-or-nothing basis. We recognize that some States are stronger than some in certain areas of project development and analysis, weaker

than some in others.

We therefore would provide that certification authority could be assumedsubject to EPA approval-on a blanket basis or a piecemeal basis, phased in as State capabilities improve. Only those States with a demonstrated track record of competence in and commitment to the construction grants program would qualify for certification.

Finally, the Administrator's decision to accept certification from a given State would be subject to judicial review.

Mr. Chairman, this provision thus represents a strong step forward consistent with the mandate of the original act with respect to paperwork and delay. and the role of the States, while subject to adequate safeguards to protect the Federal interest. I am proud to commend it to my colleagues in the hope that it will receive the same overwhelming sup-

port it enlisted last year.

The acceleration of small projects costing a million dollars or less is a modest yet practical, workable improvement largely affecting smaller communities newly instituting treatment systems or replacing old facilities. Section 5 of this bill would achieve this by permitting the combination of two steps of the threestage grant award process into a single application. Resulting time savings would range from 4 months to a full year.

Also of benefit to large communities expanding existing systems, this provision would maintain assurance that the requirements of the act and those of the National Environmental Policy Act would be met. Thus it, too, enjoys the support

Authority for communities to employ their ad valorem tax base as a mechanism to levy user charges for operation and maintenance costs of treatment works would prove of benefit to large cities as well as smaller communities.

Actually, EPA, which supports this provision, had proposed such an approach in regulations issued agency which were ruled illegal by an opinion of the Comptroller General on the basis of existing language in Public Law 92-500. The provision is necessary to avoid imposing on cities and towns the need to set up a costly system of metering and bookkeeping which might prove more costly to install and administer than it would yield in rev-

Equity would be assured by a requirement that there be proportionality between classes of users, and within classes of industrial users. Surcharges would be added to assure that each industrial user pays his fair share of municipal treatment of discharge on the basis of volume, strength, and other factors.

In conclusion, Mr. Chairman, a word about section 16 of the bill which in its present form I object to. In additional views to the report on H.R. 3199, Mr. HRUSKA and I address the issue which I will ask to have included at this point in the RECORD:

Additional Views of Hon. William H. Harsha and Hon. James C. Cleveland

We strongly support H.R. 3199 because most of its principal provisions do those things for the clean water program which must be done now, including several measures we have personally worked to develop and refine over the past two to three years The same unfortunately cannot be said of section 16 of the bill, dealing with the authority of the Corps of Engineers to protect the Nation's streams and wetlands.

Our concern is that section 16 of H.R. 3199 goes too far in curbing the regulatory jurisdiction of the corps by a major redefinition of navigable waters with the result that, according to the Environmental Protection Agency, 98 percent of stream miles and 80 percent of swamps and marshlands would be excluded from Federal protection. We believe the Congress and the country agree that the environmental values which these represent must be preserved against irretrievable loss.

At the same time we are mindful of the justifiable concern of farming, ranching, forestry and other interests that-in an era of one-sided environmental emphasis compounded by bureaucratic heavy-handedness—their lawful and legitimate activities may be subjected to needless intrusion of government

Accordingly, we have taken the lead in offering, on the floor last year and in sub-committee and full committee this year, a compromise which we are convinced meets the dual objectives of wetlands protection

and regulatory restraint.

Rather than curb the corps' regulatory jurisdiction, we would instead apply a twofold approach strongly supported by environmental groups and the previous adminis-tration, and wholy consistent with the concerns of those fearing overregulation. procedure would exempt by statute virtually all agricultural operations by straight exemption of a list of specific activities from any requirement for any permit whatsoever. Other practices having minimal environ-mental impact—such as road culverting in connection with logging operations and some home-building activities—would be covered by general permits issued in blanket terms by the corps with no individual application procedure required.

With permit-issuing workload thus reduced, corps personnel would be freed to concentrate on expediting the processing of individual permits where necessary.

We reject the argument that no amend-ment to section 404 is warranted, an argument based on the dubious assumption that the regulatory program being phased in by the corps is working well. The third and final phase, covering nearly 80 percent of the corps' section 404 jurisdiction, will not take effect until July 1, 1977. This is the point

at which there exists at least a real threat of increasing regulatory intrusion accompanied by diminishing environmental benefits, absent the protection afforded by our amendment.

We are similarly unable to accept at this time the argument that state regulation can be relied upon to protect our most important wetlands in areas beyond Federal authority as curtailed by section 16 of this bill. If the States were doing an adequate job, the version of 404 currently in H.R. would not have the support it has among those interests not wishing to be regulated at all.

Major participation by the States will in fact be desirable based on their emerging capabilities and interest in addressing wetlands protection. But any legislative reliance on their performance should most properly await the mid-course corrections in Public Law 92-500 to be considered shortly. The study of state and local capacities in this respect called for by this year's version of our amendment would assist Congress in making this determination responsibly.

We persist in the view that our compromise ought ultimately to prevail: not because it is a compromise in the traditional split-the-difference sense of the term, but because it does indeed balance the conflicting interests involved. It is right, it is

workable, and it will do the job.

The overriding consideration to be borne in mind, however, is that H.R. 3199 is not a "404 bill," nor should it be judged totally in terms of the language to emerge in that respect. No amendment to section 404 was included originally in its predecessor bill, which ultimately became H.R. 9560, 94th Congress and was overwhelmingly passed by the House. The other provisions of H.R. 3199 have long been considered of such high priority that many Members had hoped to see them enacted in advance of the extensive consideration which section 404 would deserve on its own merits. Time has obliterated that option. And time has also rendered more urgent the enactment of those other provisions. We, therefore, urge Members to support the bipartisan efforts of the Committee on Public Works and Transportation to bring H.R. 3199, with funding and substantive amendments intact, to conference with the other body and prompt enactment

Mr. DON H. CLAUSEN. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Nebraska (Mrs. SMITH).

Mrs. SMITH of Nebraska. Mr. Chairman, first let me say I appreciate having had the opportunity to work with the gentleman from California (Mr. Don H. CLAUSEN) on section 21 of H.R. 3199. It offers much needed relief to our communities and to industrial users of industrial waste treatment works. As the gentleman knows, the industrial cost recovery requirement in the Water Pollution Control Act requires industry to pay back that portion of waste treatment works costs attributable to the treatment of industrial waste. In many cases we have found the cost of collection exceeds the amount of money collected. Certainly this is not consistent with the act. Section 21 of H.R. 3199 defers these payments for 18 months while the Administrator of EPA makes a 1-year study of the efficiency of and the need for payment by industrial users.

A major question still remains. As the gentleman knows, the Environmental Protection Agency, in accordance with their regulations, withholds 20 to 50 percent of construction grant funds pending the implementation of a collection system. Is it the gentleman's intent during the 18-month deferral period that the Administrator of the Environmental Protection Agency, at his discretion, might make grants of the full amount of the 75 percent Federal share where he determines that the community will have a system in operation at the end of the deferral period rather than continuing to withhold grant funds.

Mr. DON H. CLAUSEN. Will the gen-

tlewoman yield?

Mrs. SMITH of Nebraska. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. I thank the

gentlewoman for yielding.

Let me commend the gentlewoman not only for working with me in development of section 21 of H.R. 3199, but also for bringing this most important question to our attention.

It is our intent, clearly, to allow the Administrator to make grants at the full 75-percent level. It is not our intent to have the Administrator to continue to withhold 20 or 50 percent of the 75percent Federal grant if he determines the owner or operator of the publicly owned treatment works will have an industrial cost recovery system at the end of the 18-month deferral period. This is an important consideration in the implementation of section 21 and I would like to ask my good friend, the distinguished chairman of the Public Works and Transportation Committee, the floor manager of H.R. 3199, if my answer to H.R. 3199 is consistent with his intent.

Mr. ROBERTS. Mr. Chairman, will

the gentlewoman yield?

Mrs. SMITH of Nebraska. I yield to

the gentleman from Texas.

Mr. ROBERTS. I thank the gentlewoman for yielding. I also thank Mrs. SMITH and Mr. CLAUSEN for bringing this most important consideration to our attention. I listened carefully to Mrs. SMITH'S question and Mr. CLAUSEN'S answer and can assure you that your answer is completely consistent with our

Mrs. SMITH of Nebraska. Section 21 directs the Administrator of the Environmental Protection Agency to study the effectiveness of and need for the Industrial Cost Recovery-ICR-provisions of the Federal Water Pollution Control Act. While this study is being completed and analyzed, the amendment would impose an 18-month moratorium on enforcement of ICR agreements.

Under section 204(B)(1)(b) of Public Law 92-500, an industrial user is presently required to repay to the Federal Government his share of the treatment plant installation costs. This is a payment in addition to the user fee for operation and maintenance of the plant. Although this might appear fair, it discriminates harshly against small rural businesses.

The waste water treatment plant proposed for Stuart, Nebr., a town of 561, is an excellent example of this inequity. Stuart's sewer plant is designed to handle 67,000 gallons of waste water daily. The Stuart Locker Co., a small meatpacker, will generate about 0.5 percent of that

total-380 gallons-the Jack and Jill Market will generate about 0.2 percent-160 gallons-and a small milk shipper will generate around 1 percent-670 gallons. Despite this limited usage, ICR will require Stuart Locker Co., and Jack and Jill Market to pay nearly \$17,000 of the installation costs, and the milk shipper will be required to pay \$36,000. Although these charges can be spread over several years, they are still a significant burden for a rural business with a tight profit margin. These same three businesses in a larger city would have little or no effect on a sewage treatment plant and, therefore, would have a much smaller ICR payment, or no payment.

There are many uncertainties about the effects of ICR on different sectors of our economy. Businesses may have to lay off workers or increase consumer prices in rural areas to recover the ICR outlay. Ravenna, Nebr., serves as a good example of this problem. The cheese company and a few other small businesses employ a majority of the town's 1,300 inhabitants directly or indirectly. City leaders, as well as the cheese producers, are seeking relief from ICR fearing that businesses will be forced to lay off workers or move elsewhere to escape the payments on the waste water plant to be built there.

Although I would be inclined to repeal some aspects of ICR outright, this simple study will provide an ample record for future legislative corrections. Meantime the moratorium will take some of the pressure off businessmen threatened by ICR.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. DON H. CLAUSEN. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I rise in support of section 16 as presently drafted. This provision, which is similar to that adopted by the House last year, would amend section 404 of the Federal Water Pollution Act.

Section 404 currently requires an Army Corps of Engineers permit for the discharge of dredged or fill material into any water or wetland. Section 16 would restrict the scope of the corps permit program. It would limit the requirement to navigable waters and adjacent wetland. Navigable waters would be defined as those waters presently used or susceptible to use in their present condition or with reasonable improvement to transport interstate or foreign commerce.

In addition, normal farming, ranching, and silviculture activities would be exempted by section 16 from the permit requirement. Included under the exemption would be the maintenance of items such as dikes, dams and levees and the construction and maintenance of farm or stock ponds and irrigation ditches.

Section 16 would restore some commonsense to water pollution control activities. Unless we adopt this provision many farming and forest activities—even those which are conservation practices designed to reduce soil erosion and improve water quality-would need permits.

I include here a telegram which was

sent by the Ohio Farm Bureau indicating their support of section 16.

Section 16 is a reasonable provision with broad support. I urge that this section be retained as is.

> COLUMBUS, OHIO, April 5, 1977.

Representative JOHN M. ASHBROOK.

Washington, D.C.

We would ask your support of section 16 of H.R. 3199. Section 16 will restrict the authority of the Army Corps of Engineers "dredged and fill" permit program to the major navigable streams and adjacent wet-

This legislation is necessary to undo the distortion of section 404 of the Federal Water Pollution Control Act created by court and corps actions. The current corps regulation will require an estimated 50,000 permits per year from agriculture.
Your support of section 16 of H.R. 3199 is

a vote against over-regulation.

Sincerely,

DEAN W. SIMERAL. Vice President, Public Affairs, Ohio Farm Bureau Federation.

Mr. ROBERTS. Mr. Chairman, I yield to the distinguished gentleman from Georgia such time as he may consume.

Mr. GINN. Mr. Chairman, I commend the distinguished chairman of the Committee on Public Works and Transportation, Congressman Bizz Johnson of California, and my friends and colleagues. RAY ROBERTS, chairman of the Subcommittee on Water Resources, BILL HAR-SHA, ranking minority member of the committee, and Don Clausen, ranking minority member of the Subcommittee on Water Resources, for the intricate and thoughtful bill which they have brought to the House today.

For the past several years, these able legislators have been studying and reviewing the social, economic, and environmental impact of the act. changes proposed in H.R. 3199, the Federal Water Pollution Control Act Amendments of 1977, will do much to strengthen the national program for the restoration and preservation of our waters.

I am proud to associate myself with the efforts of these gentlemen. Also, I am pleased to note that two of these provisions-section 8, concerning reimbursement, and the new section 214, which is created by section 12, concerning State certification will correct problems that surfaced during oversight hearings which were held by the Subcommittee on Investigations and Review in 1974.

Through a series of penetrating oversight hearings and repeated examination of the efforts, abilities, and problems encountered by localities and States in applying for reimbursement grants and for treatment works construction grants, the Subcommittee on Investigations and Review revealed that deserving communities had been deprived of access to both a 75-percent construction grant or a 50 to 55 percent reimbursement grant because of administrative problems. Testimony showed that the regular grant application process had been transformed from a free-flowing system to a Rube Goldberg monstrosity of repeated requests for minute pieces of information, stacks and stacks of paper, and waste of the taxpayer's money because of repeated reviews of the same piece of information by State and EPA person-

Section 8 amends section 206 of the Pollution Control Act to correct inequities that have occurred in the implementation of the reimbursement grant program. Section 206(2) provides that any treatment works on which construction was initiated after June 30, 1966, but before July 1, 1972, that meets certain requirements of that section, would be eligible for reimbursement of 50 percent or 55 percent of eligible project costs.

The cutoff date for qualifying for a 50to 55-percent reimbursement grant was July 1, 1972. After that a community could not qualify for reimbursement but could receive a 75-percent grant for a new treatment works. The law was not enacted until October 18, 1972. The first proposed regulations implementing section 206(a) were not published until June 23, 1973. Since there was a substantial lapse between the eligibility date in the act, the date of enactment, and the date that EPA's definition was published, it is estimated that 61 projects in 18 States which would have otherwise qualified for reimbursement were declared ineligible.

Section 8 of H.R. 3199 corrects this inequity by extending to July 1, 1973, the date by which treatment works projects must have initiated construction in order to be eligible for reimbursement grants. It is estimated that \$26 million would be required to reimburse these projects. On a national scale this is a small amount of money, but locally, each project's share is significant to each community—especially when one realizes that some of these projects are still undergoing construction.

Unless this section is enacted, these communities will essentially be penalized because of the intricacies of the legislative process and EPA's delays in administering the program.

In addition to correcting this inequity, section 8 also amends section 206(e) of the act to increase the authorization for reimbursement grants from \$2,600,000,000 to \$2,950,000,000.

Two billion dollars were initially authorized for reimbursement payments by Public Law 92-500. This was later increased to \$2.6 billion by Public Law 93-207 which was enacted on December 28, 1973. The authorization provided in section 8 will ensure that adequate funds are available to fully reimburse all eligible projects.

The new section 215 created by section 12 is one of the key provisions in the act. This provision demonstrates the committee's responsiveness to the recommendations of the State and local authorities who are on the firing line in this great national effort. Section 215 provides a program whereby States could certify to EPA that certain Federal requirements for a construction grant have been complied with. States could receive certifying authority only after EPA has made the determination that they have appropriate authority, responsibility, and capability to handle the program. EPA's determination would be subject to public

hearing and to judicial review.

Among the Federal requirements for

which the States could receive certifying authority are: that the treatment works are not subject to excessive infiltrationinflow; that the proposed works are consistent with any applicable areawide or State plans; and that the works contain sufficient reserve capacity.

This State certification authority in no way diminishes Federal responsibility for the administration of the program. The certification authority is safeguarded by strict Federal requirements and can be withdrawn in the case of a single application or in all applications after EPA determines that the job is not being done properly.

There is a provision that the responsibilities of the Administrator under any other Federal law, including the National Environmental Policy Act of 1969, are not affected by this section. This makes it absolutely clear that the Administrator's responsibility to award Federal grants is not changed—under the certification procedure EPA, and only EPA, will have the authority to make a grant award.

Also, existing EPA procedures, including environmental assessments, are not affected by this section. Therefore, for example, where citizens feel that an environmental impact statement should be developed on a proposed project, they would still have recourse to both EPA and the courts.

Participating States would be permitted to use up to 2 percent of their construction grant allotment to defray the costs of the State certification program. This will enable States to develop and maintain a high quality of staff to process construction grant applications. However, these funds are in no way to be used by either EPA or the States as a substitute for the section 106 program grants.

This new provision will go a long way toward speeding up the program by eliminating much of the redtape and paper-shuffling between the States and Washington that have slowed our efforts in the past. Its inclusion in the legislation before the House today is one of the major reasons for my urging prompt and overwhelming approval of H.R. 3199.

Mr. ROBERTS. Mr. Chairman, I yield to the distinguished gentleman from California (Mr. MINETA) such time as he may consume.

Mr. MINETA. Mr. Chairman, I rise in support of the provisions of H.R. 3199, the Federal Vater Pollution Control Act Amc idments of 1977, which correct many of the inequitable situations that have resulted from the administration of the Federal Water Pollution Control Act-Public Law 92-500. Sections 3 and 10 of H.R. 3199, concerning the section 208 areawide planning processes, go a long way toward smoothing out the problems that have resulted from an early refusal by EPA to implement this program. The program of areawide waste treatment management planning processes which is called for by section 208 is of key importance to the entire water pollution control program.

Section 3(c) of H.R. 3199 amends section 208 to provide authorizations of \$150 million for each of fiscal years 1977 and

1978. Section 10 provides for the level of Federal funding and the time period for which such funding shall be available.

Section 208 of the act provides for the development of continuous areawide waste treatment management planning processes in areas within a State having substantial water quality control problems as a result of urban industrial concentrations or other factors. Section 208 (a) (6) provides that the State is to act as a planning agency for those portions of the State which are not designated as areawide management areas. Section 208 (f) of Public Law 92-500 provides 100percent grants to areawide agencies for each of the fiscal years ending on June 30, 1973, 1974, and 1975. Grants of up to 75 percent are provided for subsequent years.

It was intended that many agencies would be designated immediately after the enactment of Public Law 92-500 and that the provision of 100-percent funding would allow them to initiate their planning processes immediately. However, implementing regulations were not published until almost 1 year after Public Law 92-500 was enacted and the EPA did not begin actively implementing section 208 until well after that date. In addition, proposed grant regulations were not published until May 1974 and did not become effective until September 1974—almost 2 years after the enactment of Public Law 92-500.

The publishing of the grant regulations is especially significant because local agencies were provided only a limited time in which to qualify for the 100-percent Federal funding.

Because of EPA's delay in implementing this program, none of the funds authorized for fiscal year 1973 were obligated, and only 11 grants were awarded in fiscal year 1974 for a total of \$13,575,550. Between July 1973, and July 1975, 149 designations were approved with most approvals taking place in May and June 1975.

So many grant applications were submitted in fiscal year 1975 that all of that money was obligated with 17 areas not receiving 100-percent grants because EPA ran out of funds.

On June 30, 1975, the availability of 100-percent Federal funding expired, and only 75-percent grants can now be awarded. To date, 27 additional areas have been designated and funded at the 75-percent level. These areas had initiated the complex and lengthy qualification procedure with the understanding that they would be eligible for 100-percent grants. It is estimated that an additional 50 to 55 areas remain to be designated and funded. If EPA had implemented section 208 as intended by Congress, these areas would be eligible for 100-percent grants.

Section 10 of H.R. 3199 corrects the inequities that have resulted from the way the section 208 program has been administered. Section 10 amends section 208(f) (2) to provide for 100-percent Federal grants to designated areawide waste treatment management planning agencies for the first 2 years of the costs of developing and operating a continuing areawide treatment management planareawide treatment management planareawide.

ning process if the first grants are approved by EPA before October 1, 1977. The 2-year period begins on the date the first grant is made.

I note that with respect to funds appropriated for section 208 in Public Law 94-378 the following condition was added:

No part of any budget authority made available to the Environmental Protection Agency by this Act or for the fiscal year 1976 and the period ending September 30, 1976, shall be used for any grant to cover in excess of 75 per centum of the total cost of the purposes to be carried out by such grant made pursuant to the authority contained in section 208 of the Federal Water Pollution Control Act (P.L. 95-500).

It is not our intent to override this condition with respect to the moneys appropriated by that act, and it is intended that none of the funds appropriated for section 208 grants in that act be used to provide 100-percent grants.

Grants of up to 75 percent of the costs of developing and operating a continuing areawide waste treatment management process in any 1 year, are provided for each succeeding 1-year period to newly designated agencies whose first grants are approved after October 1, 1977. Also subsequent grants of up to 75 percent are to be made for each succeeding 1-year period to agencies which have already utilized their first grant. However, if within the 2-year period, it is determined that the first grant is insufficient to cover the costs of the planning process, it is expected that the first grant will be amended by EPA to provide the necessary additional funds. If such a determination is made after the expiration of the 2-year period, the grantee is eligible for a second grant of up to 75 percent of the costs.

It is expected that any agency which receives a first 208 grant of less than 100 percent of the planning process costs before the enactment of this section will receive an amended grant award raising their grant to the 100-percent level. It is expected that any such amended grant awards will be made from funds appropriated after the enactment of this section.

Mr. ROBERTS. Mr. Chairman, I yield to the distinguished gentleman from Michigan (Mr. Bonion), a new member of our committee, 3 minutes. We are delighted to have the gentleman on our committee.

Mr. BONIOR. Mr. Chairman, in the course of debate this afternoon there will be much discussion over controversial sections of H.R. 3199 and I too share those concerns. But it is important not to lose sight of the scope and purpose of the bill. This bill would authorize \$17 billion in water pollution control funds over the next 3 years. This \$17 billion is one of the largest public works programs ever before Congress, it authorizes more than four times the money in the Public Works Jobs bill. Seventeen billion dollars means much needed money for clean water and jobs for the construction industry which has been so badly hurt by the recession.

H.R. 3199 also includes some other very important and much needed provisions which correct inequities which have resulted. One of the major problems facing

State and local governments has been the lack of money to administrate water pollution control programs. H.R. 3199 authorizes 2 percent of the total funds for administrative purposes which will greatly relieve State and local governments which up until now have had to spend local funds for this purpose. It also includes a much needed case by case extension for those local communities which cannot meet the pollution control deadlines in Public Law 92-500. H.R. 3199 is not a perfect bill, I have some problems with the controversial section regarding protection of the wetlands, one of our greatest natural resources. I voted in committee for amendments which would extend greater protection to the wetlands and if this problem is not worked out in this bill I hope the Conference Committee will address this drastically important issue.

One of the major inequities of Public Law 92-500 is corrected by section 7(e) of the bill

Section 7(e) provides an additional period of 1 year for the obligation of currently authorized construction grant funds. These moneys were authorized for allotment to the States on January 1, 1973, 1974, and 1975. However, because of illegal Presidential impoundment action, a total of \$9 billion was withheld from the States and subsequently released, pursuant to a Supreme Court decision in February 1975.

The net result of this action was that a total of 13 billion, \$4 billion that had been allotted by the President plus 9 billion that was released was suddenly made available to the States. States fund themselves with 13 billion to spend in 1976–77 when they had had only 4 billion the year before and 3 billion the previous year. By administrative regulation any portion of the 9 billion which remains unobligated on September 30, 1977, is subject to reallotment among the States.

At this time EPA estimates six States and the District of Columbia are in danger of losing part of their fiscal year 1976 allotment. Totally these States stand to lose about \$850 million.

New York, 300 million.
Connecticut, 70 million.
Pennsylvania, 100 million.
Maryland, 100 million.
Delaware, 15 million.
Michigan, 200 million.

In my own State of Michigan the 200 million we stand to lose is 30 percent of our total allocation for this fiscal year.

These are all States with tremendously high unemployment which cannot afford to lose this Federal money and the jobs it can bring industrial areas that need money to clear up waste.

Some of the reasons why these States are having major problems in obligating these funds are:

The sudden increase of 9 billion was more than double the previous State allotment, Michigan got 625 million during fiscal year 1976 while it had only 189 million the previous year. Many States had not planned on getting this money and could not afford to hire the needed personnel quickly enough to get the projects completed in time.

A large number of municipalities are prevented from receiving Federal funds because they could not come up with the necessary 25 percent local funds. This is a problem for large cities which are having trouble getting funds because of their insecure financial position. This is the case for the city of Detroit which stands to lose about 40 percent of the total State loss.

The bureaucratic redtape involved in getting each step in the construction process approved by EPA and getting the environmental impact statements approved is one of the major reasons for many of these projects not being approved. The EPA regional office in New York has stated that they could not get all the approvals and impact statements necessary completed before the deadline even with additional personnel.

Mr. Chairman, I think section 7(e) is necessary to prevent these States with such high unemployment from being penalized because of political and administrative problems at the Federal level.

Mr. ROBERTS. Mr. Chairman, I yield to the distinguished gentlewoman from Tennessee (Mrs. Lloyd) such time as she may consume.

Mrs. LLOYD of Tennessee. Mr. Chairman, the Committee on Public Works and Transportation, and its distinguished chairman, Bizz Johnson, should be commended on the thoughtful bill they have brought to the House today to amend the Federal Water Pollution Control Act, Public Law 92-500.

For much of the past year, these able legislators have been studying and reviewing the social, economic, and environmental impact of the act and the changes they propose in H.R. 3199, the Federal Water Pollution Control Act Amendments of 1977, will do much to strengthen the national program for the restoration and preservation of our waters.

One section of the committee amendments in particular demonstrates the committee's responsiveness to the recommendations of State and local authorities who are on the firing line in this great national effort—that is the provision which gives the States authority to certify municipal applications for Federal grants for the construction of waste water treatment plants.

This State certification authority in no way diminishes Federal responsibility for the administration of the program. It allows the Environmental Protection Agency to accept such certifications where the State pollution control agencies have the authority, responsibility, and capability to do the job effectively. The certification authority is safeguarded by strict Federal requirements and can be withdrawn in the case of a single application or in all applications at any time that EPA determines the job is not being done properly.

This new provision will go a long way toward speeding up the program by eliminating much of the redtape and paper-shuffling between the States and Washington that have slowed our efforts in the past. Its inclusion in the legislation before the House today is one of the major reasons for my urging prompt

and overwhelming approval of H.R. 3199.

Mr. ROBERTS. Mr. Chairman, I yield to the gentleman from New York (Mr. Nowak) such time as he may consume.

Mr. NOWAK. Mr. Chairman, I rise in support of H.R. 3199 The Committee on Public Works and Transportation has worked effectively and persistently, to report a bill that expedites our Nation's effort for clean waters. One of the provisions of the bill which will significantly reduce unnecessary redtape, in the construction grant process, is the establishment of an alternative method of collecting operation and maintenance fees.

The provision to which I refer is section 6 of H.R. 3199 which amends section 204(b) of the Federal Water Pollution Control Act, to permit the use of ad valorem taxes as a method of collecting the costs of operating and maintaining a municipal waste treatment works which was constructed with the assistance of a 75 percent Federal grant provided under title II of the act.

Section 204(b) of the act provides that the Administrator shall not approve any grant for any treatment works after March 1, 1973, unless he has determined that the grant applicant will establish a system of charges to assure that each recipient of waste treatment services wil pay its proportionate share of the costs of operating and maintaining the treatment works. This provision was intended to insure that the users of treatment work systems bear their fair share of the costs and that each treatment works have a self-sustaining source of revenue. It was also intended that these charges serve as an incentive to heavy users of the treatment works to reduce their contribution to the waste water load of the plant.

In 1972 the committee recognized that the foremost objective of the user charge requirement was the achievement of a local revenue system that would enable the operation costs of the treatment works to be self-financed. Therefore, the committee recognized that a fair system of user charges should be established and that specially designed systems should be used where differing local conditions called for them.

The Environmental Protection Agency has advised the committee that during its effort to implement section 204(b), it discovered that numerous cities and districts, including many large metropolitan areas, presently finance operation and maintenance costs through ad valorem taxes. On April 15, 1974, EPA issued a Program Guidance Memorandum which would have allowed municipalities to establish ad valorem tax-based user charge systems. Included among the criteria used by EPA in approving such systems was a determination that appropriate user classes would be established and charged on a basis roughly proportionate to their use of the system, and that industrial users would be surcharged based on the strength and volume of their wastes.

However, on July 2, 1974, the Comptroller General of the United States issued an opinion advising EPA that it would be illegal to fund new projects in

cases where communities are utilizing ad valorem tax system to finance the operation and maintenance costs of their treatment works.

Since then, EPA has formally requested the Congress to consider legislative action which would permit the use of ad valorem tax systems as a method of collecting waste treatment works operations and maintenance costs. And, in an April 7, 1976, letter for former Chairman Robert E. Jones the Administrator of EPA indicated the importance of the committee's amendment to section 204 (b) when he stated that unless an amendment to section 204 is enacted. the decision by the Comptroller General will have a severe impact on both the implementation of the construction grant program and on municipal compliance with the requirements of the act.

Since then, in testimony before the Subcommittee on Water Resources on March 3, 1977, EPA advised the committee that:

The present state of ad valorem is . . . presenting problems for both municipalities and EPA by hampering the expeditious development and conduct of construction grant projects.

EPA further stated that they supported the provision in H.R. 3199 which would permit the use of an ad valorem tax system when the system achieves proportionality among classes of users and proportionality is achieved within the class of industrial users by imposing surcharges.

The committee is advised that at the present time no less than 97 projects are being held at 80 percent of their 75 percent grant payment level pending resolution of this matter. We are advised that this number can expand to the point where it presents a major bottleneck in the construction grant program.

Mr. Chairman, the committee has heard repeatedly of the need for and importance of this amendment not only from EPA but from many representatives of State and local government and professional organizations—before the hearing of the Subcommittee on Investigations and Review, before the legislative hearings of the Subcommittee on Water Resources on H.R. 9560 and again, just last month, in hearings on H.R. 3199.

Mr. Chairman, I believe that section 6 is the appropriate answer to this problem and will help expedite the construction of waste treatment facilities.

Section 6 provides that a grant applicant which is using an ad valorem tax system to collect any municipal revenues at the time of application for a Federal construction grant may be eligible to use this system for the purpose of collecting revenues to defray the costs of operating and maintaining the proposed treatment works. The Administrator would be required to determine that the ad valorem tax system would result in a proportional distribution of costs between user classes according to each class' use of the treatment works. The committee expects that there will be no less than two classes of users, one composed of residential users of the treatment works, the other composed of industrial users.

For the purposes of this section "in-

dustrial users" includes those industries identified in the Standard Industrial Classification Manual, Bureau of the Budget-1967, as amended and supplemented, under the category "Division -Manufacturing" and such other classes of significant waste producers as, by regulation, the Administrator deems appropriate. Where appropriate, it is expected that EPA and the locality will develop a separate class of users composed of commercial users which make heavy demands on the treatment works; such as laundromats and car washes. These facilities could also be considered "industrial uses" for the purpose of this section

In addition to requiring proportionality among user classes, section 6 requires proportionality within the class of industrial users. The grant applicant would be required to establish surcharges to insure that each industrial user pays its proportionate share of the costs on the basis of volume, strength, and other relevant factors.

Indirect costs not identifiable with any individual user, such as administrative costs, treatment of storm sewer and combined sewer flows, correction of infiltration/inflow, and services for exempt property shall be equitably prorated among all user classes. It is expected that EPA will accept the designations of properties as tax-exempt as made by the local community in accordance with Federal, State, and local law.

Mr. Chairman, I think that section 6 is a vital and necessary amendment.

Mr. ROBERTS. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey (Mr. Roe).

Mr. ROE. Mr. Chairman, I rise in support of H.R. 3199, the Federal Water Pollution Control Act Amendments of 1977. As one of these who was privileged to be a conferee on the basic 1972 act, Public Law 92–500, I have been repeatedly disappointed in the past 4½ years as I have watched the intent of Congress be repeatedly subverted.

Sometimes it seems like we are never going to get down to the business of building treatment works and necessary connecting sewers. Over and over I have protested the cumbersome methods by which the act has been administered—the never ending flow of massive and confusing regulations.

The grant approval process has been so fouled up by EPA that States have effectively been deprived of the use of their funds. EPA's decision to give a low priority to collector sewers, which certainly was not the intent of Congress, has been particularly troublesome for my State of New Jersey.

Congress made it abundantly clear in 1972 that collector systems were coequal in authorization and in priority with all other eligible categories of treatment works. Apparently we did not get the message across, though, because EPA has passed a regulation, stating that only treatment works plants could have top priority. EPA has, on its own; made it tough on cities who want to build collector systems. This was not by direction of Congress.

Mr. Chairman, I think we all know

that you cannot get the sewage to the treatment plant without collector sewers. If cities are going to bond and create a viable flow of capital, then they have to be able to bill the customer. In order to vote bonds, it is necessary to show that they can be paid off with income revenue.

There are two provisions in H.R. 3199 which address this problem—the new section 215 created by section 12 regarding State priority lists and section 7 which provides an allotment formula for

the construction grant funds.

There are several categories of projects eligible for Federal funding under the act: secondary treatment plants; treatment more stringent than secondary treatment needed to meet water quality standards; correction of infiltration/inflow; major sewer system rehabilitation; new collector sewers; new interceptor sewers and appurtenances; and correction of combined sewer overflows. Section 215 provides that the States have the right to determine its own needs and to allocate its funds by whatever priority they choose—a right that Congress intended in 1972. States must have the right to apply their allotted grant funds to any portion of the total system, whether it be for sewers or the treatment plant itself.

Congressional intent that all cate-gories of needs of a total treatment works system are eligible for Federal grant assistance is further reaffirmed by the allotment formula for construction grant funds provided by section 7 of the bill. The amounts authorized are \$5 billion for fiscal year 1977, and \$6 billion for each of fiscal years 1978 and 1979.

The formula is based one-fourth on population, one-half on partial needs, and one-fourth on total needs. Partial needs include secondary treatment, treatment more stringent than secondary to meet water quality standards, and interceptor sewers and appurtenances. Total needs include partial needs plus collector sewers, infiltration/inflow, and correction of combined sewers.

The formula developed by the committee is a resonable compromise between those that advocate a population factor and those that want a formula based totally on needs. It is a formula that we

can all live with.

Under the committee's formula onefourth of the money is to be distributed on the basis of total needs which expressly includes collection system.

We have, therefore, reached not only a fair compromise in the method of distributing funds, but we make it clear that we include and mandate that collector sewers which are part of the needs, are

eligible for Federal funding.

Two other provisions in H.R. 3199 are of special importance to me. One is section 13 which provides for a case-bycase extension of the 1977 requirements for both municipalities and industries. Municipalities could get an extension up to July 1, 1982, or if innovative technology is being used up to July 1, 1983. Industries may qualify for an extension up to July 1, 1979.

It has long been clear that all municipalities and all industries were not going to meet the 1977 requirements. The provisions in section 13 recognize the facts while still providing a mechanism for keeping these dischargers on a strict cleanup schedule.

Another important provision is section 21 which provides for a study of the impacts of the industrial cost recovery provision of the act. Section 204(b) provides that industries that participate in a municipal treatment works must pay back to the Federal Government that portion of a Federal grant that can be attributed to the industry's use of the

It is only recently that any industrial cost recovery systems have been developed and implemented. But ever since the provision was first enacted we've heard horror stories of industries being forced out of business because of this provision-stories that have never really been substantiated. We've heard from localities claiming that the cost of collecting the money was much greater than the amount of money recovered. Be-cause there haven't been any systems in operation before, we had no way of ascertaining what the costs of collecting the revenues would be.

Now, under section 21, we will have an opportunity to determine the economic impacts of the industrial cost recovery provision, once and for all. The section provides for a 12-month study of the provision. While the study is being conducted and for the next 6 months,

payments may be deferred.

Mr. Chairman, I think H.R. 3199 goes a long way toward bringing some practical solutions to real problems. I urge my colleague to support its enactment. Mr. O'BRIEN. Mr. Chairman, will the

Chairman yield for a question?

Mr. ROBERTS. I would be pleased to yield to the gentleman for a question.

Mr. O'BRIEN. Mr. Chairman, it was my intention to offer an amendment that would allow the Environmental Protection Agency to address the problem of the hundreds of small communities throughout Illinois and the rest of the country for whom the cost of building conventional treatment plants and installing collection sewers just prohibitive. I am talking about towns under 1,000 population, many of them under 500.

Until now construction grants have gone to the big cities and larger towns, rightly so because they are the major polluters. Residents of the smaller communities rely on septic tanks which work reasonably well but, in many instances, do not provide the degree of pollution control required by Federal and State standards. The amendment I had drafted would have allowed EPA to offer grants to small communities for the purpose of improving septic tank and drainage field systems on a community basis. The Illinois EPA sent me a list of 65 small communities, 9 of them in my district, that have been certified for step 1 grants. According to the State EPA, however, none of these towns could afford to build and maintain sewer and treatment plant systems. The costs per household, even with Federal grants, would be much too high. Our State agency would like to have authority to

assist these communities meet pollution control standards by financing needed improvements in their existing septic tank systems.

I have been persuaded, however, through staff discussions with Federal EPA officials, that my proposed amendment is not necessary; that EPA has authority under existing law to extend this kind of assistance, and is in fact just about ready to announce that such grants will be made, under certain conditions. The principal condition is that a septic tank seepage field or sand filter system would serve a group of homes and would be operated and maintained by the municipality. My question, Mr. Chairman, is: Do you agree with EPA that it has authority under existing law to fund such projects?

Mr. ROBERTS. Mr. Chairman, if the gentleman will allow me to say so, the

situation is covered.

Mr. O'BRIEN. The chairman agrees that the EPA has authority under existing law to fund such projects?

Mr. ROBERTS. I do. Mr. Chairman, I yield 2 minutes to the gentleman from

Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. Mr. Chairman, wish to address myself to section 13 of the bill, which is a departure from the legislation in the past, last year, just recognizing the reality of the situation in industry and the problems that are posed.

Mr. Chairman, one important difference between H.R. 3199 and the similar bill in the last Congress is in the area of time extensions. In a limited way H.R. 3199 addresses the 1977 deadline for industrial discharges. Section 13 of H.R. 3199 grants the Administrator of EPA the authority to give case-by-case modifications of the time requirements for installation of best practicable control technology by industrial point sources under section 301(b)(1) of the act. Such time modifications affecting industrial point sources may be granted by the Administrator when he determines that the installation of the necessary treatment works cannot be completed by the date specified in section 301(b)(1). However, no time modification shall extend beyond July 1, 1979. In addition, the Administrator may not issue a modification unless he first approves a schedule of compliance with the modified date.

Failure by the industrial discharger to meet the conditions of an approved schedule of compliance shall be subject to enforcement under section 309 of the act, including the civil and criminal

penalties of that section.

Mr. Chairman, the installation of "best practicable control technology" by American industry is an important first step in achieving the ultimate goals of the 1972 act. However, certain things have occurred since 1972 which may prevent a discharger from complying with the law on time through no fault of his own. When a discharger petitions the Administrator of the Environmental Protection Agency for a time modification we expect the Administrator to review his request thoroughly. Some of the situations he should consider is when an industry has no effective permit, either because one has not been issued or where important provisions of that permit have been stayed pending an adjudicatory hearing or litigation. Another situation the Administrator should take particular note of is where the discharger will be unable to comply through no fault of its own. Such things as strikes, equipment shortages, and land acquisition are oftentimes beyond the control of an individual discharger.

Mr. Chairman, this provision of H.R. 3199 is only limited in scope. In testimony on this matter, the former Deputy Administrator of the Environmental Protection Agency estimated that of the 4,500 major dischargers in the country, 15 percent would not meet the 1977 standard on time. Some of that 15 percent will not reach the standard due to circumstances beyond their control. It is this small number of dischargers which have made good faith efforts to comply with law, that should have some temporary relief. This point was also made by the prestigious National Commission on Water Quality which recommended a similar provision be enacted.

In closing, Mr. Chairman, let me reiterate what this new provision does. It grants only temporary extensions to those dischargers which the Administrator determines have made every effort to comply with the law but will not be able to do so, through no fault of their own. It does not open up the statute to all dischargers that will fail to comply with the law. The Administrator is given ample legal tools in the 1972 act for dealing with those dischargers who are either delaying or failing to live up to their obligations under the act.

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. Mr. Chairman, does the gentleman intend that the Administrator of the Environmental Protection Agency look closely at the seafood processing industry for time modifications?

Mr. OBERSTAR. Yes. We have looked at that aspect and that issue.

I would direct the gentleman's attention to the committee report on section 13, which addresses the peculiar situation in the seafood processing industry, particularly with Alaska in mind.

Mr. AuCOIN. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Oregon.

Mr. AuCOIN. Mr. Chairman, section 13 specifically refers to the situation in Alaska. My question is, do the concerns mentioned apply also to other seafood processors in other States.

Mr. OBERSTAR. It certainly does. We only addressed ourselves to Alaska because that was addressed in the hearings.

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. Mr. Chairman, as the gentleman knows, in 1972, the House bill exempted organic seafood processing wastes from the definition of "pollutant." Can the gentleman state whether it is the committee's intention to review the definition of "pollutant" as part of its midcourse correction activities?

Mr. OBERSTAR. I can assure the gentleman that the committee will seek the expertise of many organizations, including the Environmental Protection Agency, in analyzing the impacts of the definition of "pollutant." I would also mention that the National Commission on Water Quality studied in depth the seafood processing industry and the committee will be reviewing its findings.

Mr. AuCOIN. Mr. Chairman, will the gentleman yield further?

Mr. OBERSTAR. I yield to the gentle-

man from Oregon.

Mr. Aucoin. Mr. Chairman, the Ocean Dumping Act of 1972 provides that "no permit is required * * * for the transportation for dumping or the dumping of fish wastes, except when deposited in harbors or other protected or enclosed coastal waters, or where the Administrator finds that such deposits could endanger health, the environment, or ecological systems in a specific location."

Is there any reason fish wastes should be treated differently under the Federal Water Pollution Control Act?

Mr. OBERSTAR. Mr. Chairman, there is no reason for it to be treated differently.

Mr. DON H. CLAUSEN. Mr. Chairman, I received a letter from our colleague, Mr. Young of Alaska, which advocated amending the Federal Water Pollution Control Act to recognize the severe problems in Alaska where fishing is their second largest industry. I note that in my district, fishing is also very important. We experience the same problems.

There are certain well-flushed bodies of water where waste from canneries has been shown in scientific studies to have no effect on the aquatic ecosystem. The Environmental Protection Agency in issuing effluent guidelines has not recognized the differences in characteristics between various receiving waters. However, I cannot criticize EPA for this because this is consistent with requirements of the act. However, for my friend from Alaska, I note that our committee report has addressed this problem on pages 18 and 19. We urged the Administrator to give special attention to this depressed industry's "total costs" when determining effluent limits. This is consistent with the requirements of the act.

In addition, I say to my friend from Alaska that the provision for time extension in section 13 of H.R. 3199 will allow an additional 2 years for the fish processing industry to meet effluent limitations.

I can also assure the gentleman from Alaska (Mr. Young) this committee will thoroughly review the problems of this industry before bringing before this body our major review of the Federal Water Pollution Control Act next year.

Mr. Chairman, I yield the remaining 3 minutes to the gentleman from Louisiana (Mr. Breaux).

Mr. BONKER. Mr. Chairman, will the gentleman yield?

Mr. BREAUX. I yield to the gentleman from Washington.

Mr. BONKER. Mr. Chairman, I would like to ask the gentleman from Minnesota a brief question. The provisions of section 304 indicate that Congress has some flexibility in mind in this legislation. Do I understand correctly that the committee plans a detailed review of these provisions of the act and EPA's administrative interpretation of congressional intent?

Mr. OBERSTAR. The committee certainly does intend to undertake that review. The gentleman raises a very important point which concerns me, the people in my district and those in other districts.

Mr. BONKER. I thank the gentleman. Mr. Chairman, six pulp and paper mills in Washington State have vigorously contested the need for installing secondary treatment for their discharge into marine waters. While these mills have not conceded their contention, five have now agreed to install secondary treatment. Despite the agreements to proceed with installation of secondary treatment, these mills now face fines by the Environmental Protection Agency for failing to meet the July 1977 deadline for achieving the required effluent limitations.

The committee has added provisions to section 301 of the Federal Water Pollution Control Act which will give the Administrator the power to modify the July 1977 deadline when he determines that the necessary technology cannot be applied by such deadline.

It was, I believe, the committee's intent that the Administrator in fact grant extensions of time to industrial dischargers who have not completed their facilities due to bona fide challenges to the EPA's effluent limitations. I have in mind these pulp mills which have been delayed by the EPA's delay in finalizing applicable effluent limitations, by delays in judicial appeals of such limitations and also by the EPA's delay in promulgating a meaningful variance procedure. These are mills contending that it is not practicable to be required to install secondary treatment, when to do so will produce no appreciable improvement in the already excellent quality marine receiving waters, yet cost millions of dollars with energy and other environmental disadvantages.

These marine discharge mills have been and are seeking the legal review to which they are entitled by law prior to commencing costly construction of treatment facilities. It would be extremely arbitrary for the EPA to assess penalties against such mills for non-compliance with the July 1977 deadlines, yet it has done so, much to the surprise of the Washington State Department of Ecology, which has been working closely with the industries involved to bring about water quality improvement. It is to be hoped that the Administrator will grant extensions to such mills.

The EPA appears to hold the view that marine dischargers must meet the same limitations as inland dischargers.

The express conclusion of a cost-benefit test in section 304 indicates that Congress had some flexibility in mind. Do I understand correctly that the committee plans a detailed review of these provisions of the act and of the EPA's administrative interpretation of congressional intent?

Mr. BREAUX. Mr. Chairman, I would like to take this time to tell every member of the committee individually how much I enjoyed working with him, but I do not have time to do that, so rest assured that I did enjoy working with every member.

I would like to take this time to try to inform some of the members of the committee, because many of them may be misinformed or even uninformed, about one section of the bill, section 404, and amendments thereto. There has been a great deal of discussion concerning the feeling that section 404 amendments in the bill lay open all of the wetlands of the United States to rape and ruin because they will be unregulated. Let me say that is simply not so.

The bill we have before us today is a compromise. Do not let anyone tell you that they are going to offer a compromise, because we are working from what was a compromise in the last Congress. The basic legislation contained in this bill, in section 404, is the legislation which passed last year, and it passed by a margin of about 2 to 1. The bill passed on final pasage with only five dissenting votes, because we felt that we had a good, workable compromise. This is basically the same legislation and if anything, it has probably been strengthened to protect the wetlands more than it was last time.

What this bill does is redefine what navigable is. It says that it maintains the same definition, except that it takes out historical because we are not concerned with what was navigable back in the 1700's, but what is navigable today or what could be made navigable in the future. We say those still would require permits from the Army Corps of

The CHAIRMAN. The time of the gentleman from Louisiana has expired.
Mr. ROBERTS. Mr. Chairman, I yield 1 additional minute to the gentleman from Louisiana.

Mr. BREAUX. In conclusion, in the last 60 seconds I have, I will say that after we change the definition we say that all adjacent wetlands to all those waters are covered by the permit process, then set out exemptions, exemptions for normal operations such as silviculture—which is forestry—ranching activities, and other exemptions set out on page 41.

I submit to all the members of the committee that the bill the committee has come up with is a good approach to a very complicated problem. It should not be dealt with on a hysterical basis, but on the facts, and I think the facts presented by the committee indicate that we have a good, solid, workable bill that is going to adequately protect all the wetlands of the United States that are adjacent to navigable waters. In addition, it will protect all navigable waters.

This is not a coastal zone management bill or a national environmental protection act. It is simply a bill regulating clean water activities. Coastal zone and land management problems are handled under other pieces of legislation of this Congress, which is where they should be.

Mr. KEMP. Mr. Chairman, H.R. 3199, the water pollution control amendments of fiscal year 1977 will assist New York State in a number of ways. Its main provisions will increase State responsibility over treatment works grants, extend authorizations mandated by the 1972 act through fiscal year 1978, and allow more State jurisdiction in the regulation of our navigable waters and adjacent wetlands.

This last provision will prove beneficial to our State's many small farmers. The 1972 act contained a very controversial section 404, which reemphasized the Corps of Engineers' traditional authority to issue permits for any dredge and fill operations in the country's navigable waters. Since then, however, the corps has defined "navigable waters" to include virtually every body of water in the United States that has ever been traveled on, and ranchers, farmers and foresters have become concerned that this broad definition would necessitate a very complicated permit process for ordinary agricultural and forestry activities. This bill will aid farmers in that it will return the jurisdiction over water use to the States where they belong, while retaining the corps oversight activities on the major waterways to adequately protect our wetlands.

I was also particularly pleased with the committee's decision to include funding for collector sewers, combined sewers, and infiltration/outflow in their construction grants program. I know that EPA originally opposed the inclusion of moneys for collector sewers, a proposal that would have severely hurt the smaller communities in western New York and indeed, throughout the State. For some years, the State of New York did not allow reimbursement for the construction of collector sewers even though they were eligible for reimbursement under Federal construction grant programs. As a result, our State now has an overwhelming backlog of collector sewer construction projects that desperately need this Federal funding. I strongly urge my colleagues to vote for this provision in its entirety, because of the immediate impact this will have both on small communities and on the hard-hit construction industry.

There are two more provisions in this bill that will be particularly beneficial to New York State residents. The first will extend for 1 year the September 30, 1977, deadline for EPA approval of Federal wastewater treatment construction grants, a measure which I cosponsored as H.R. 2937. While I would have preferred a shorter extension of time, so that EPA would be encouraged to finish its review process as close to schedule as possible I feel that this will be necessary to preserve for New York State approximately \$316 million in Federal dollars that would otherwise be reallocated to different States as a result of USEPA's continual delays.

A better solution would be a combined effort by USEPA and the States to speed

up the review process for these types of grants, and I was indeed happy to see that the provisions of my bill, H.R. 3751, have been incorporated into the final version of the Water Pollution Control Act amendments. My bill proposed to authorize EPA to accept, from qualifying States, certifications of their compliance with FWPCA in developing applications for treatment work grants. This would eliminate the useless duplication of effort that is delaying vital projects that have already been thoroughly examined at the State level, and should help to eliminate the kinds of problems that New York is facing this year with the wastewater treatment construction grants.

Mr. Chairman, I believe that the bill we are considering today is a well thought out measure that will insure needed public works development without jeopardizing our valuable environment. I urge that my colleagues give full consideration to these points as we examine and vote on this bill today.

Mr. LEHMAN. Mr. Chairman, I rise in opposition to H.R. 3199. The bill makes full funding of the construction grants program for sewage treatment plants contingent upon making farreaching changes in the water clean-up programs set up by the Federal Water Pollution Control Act (Public Law 92–500). The bill is strongly opposed by environmentalists. Prolonged controversy over some of its provisions could cause 36 States, including Florida, to exhaust their funds for constructing sewage treatment plants.

Section 16 of H.R. 3199 has generated the most controversy. This section would cut back substantially on the comprehensive Federal coverage provided waters and wetlands under section 404 of the Federal Water Pollution Control Act. Section 404 requires the Corps of Engineers to regulate by permit all dredging and filling operations in the Nation's waters and wetlands. This provision is a key to the protection of drinking supplies, finfish and shellfish spawning grounds, wildlife nesting and breeding areas, and countless esthetic and recreation benefits that are enjoyed throughout the Nation. Furthermore, wetlands provide free of charge \$140 billion worth of flood protection and water purification services, according to the clean water action project. Such priceless natural resources should be given Federal protection from development and destruction. However, the amount of wetlands in our Nation has diminished by 50 percent over the past 200 years.

President Carter issued several statements voicing support of wetlands protection during the campaign. In addition, his forthcoming environmental message is expected to include strong support for maintaining corps authority over wetlands development.

Section 16 of H.R. 3199 would provide for a continued reduction of our wetlands. Under this bill, the corps could require permits only for dredging and filling that occurs in commercially navigable waters, adjacent wetlands, and coastal wetlands. Such a provision would cut back Federal water authority to pre-

1899 limits. The EPA and the Corps of Engineers estimate that the effect of section 16 would be to leave 98 percent of stream miles and 80 percent of wetlands unprotected by uniform nationwide controls.

Section 12 of H.R. 3199 would give each State the sole authority to approve Federal sewage plant construction grants and to determine the priority of projects for funding. Such amendments were first proposed 3 years ago as a means of speeding up the obligation process. At that time this new program had trouble getting off the ground. The initial tieups were compounded by the former administration's impoundment of pollution control funds. Since that time, however, the rate of grant obligations has improved dramatically. States are now spending money as fast as the Federal Government authorizes it. Thus, changing the delegation of the program to a different level of government would not improve the program's efficiency.

In fact, such a change could actually slow down the rate of grant obligations. Accompanying such a change would be a period of uncertainty over "new rules of the game." There would probably be a lengthy period during which State staffs would be increased and trained to handle the new workload. Only 6 States are currently deemed capable by EPA of adequately handling such a re-

sponsibility.

Furthermore, provisions already exist for States to assume almost all grant review functions once they have proven to the EPA that they have the competence and resources to handle such functions in a responsible manner. California has done so since 1975.

The Association of Metropolitan Sewerage Agencies, which represents the Miami-Dade Water and Sewer Authority and whose members serve 50-60 million Americans, opposes section 12 as now written.

State certification could prove to be both wasteful and harmful. States usually provide less than 25 percent of the money for construction grants. State agencies are prone to use less scrutiny with the spending of money not raised by themselves. Evidence exists indicating substantial reductions are often desirable in State-approved projects. Internal EPA analyses indicate that the quality of the cleanup efforts provided by the States could be inadequate.

At stake is how effectively billions of tax dollars are to be spent. Thus, the Federal Government should take extra precautions to insure that the funds it distributes are being spent wisely by the

recipients

H.R. 3199 would grant industries 2year extensions on their July 1, 1977, deadlines on a case-by-case basis. The deadline calls for the use of best practicable technology to limit discharge of pollutants; 85 percent of the Nation's industries will meet the deadline. The bulk of those which will not be in compliance have been more active trying to get out of their requirements than trying to meet them. Court cases were pursued, with no action being taken in the interim. A recent Supreme Court deci-

sion quashed any hopes these industries had of getting around the law. To grant these industries extensions would be to reward them for dragging their feet. Indeed, these recalcitrant industries have given themselves unfair competitive advantages over the majority of industries who in good faith made the substantial expenditure necessary to begin their cleanup efforts.

No doubt, some industries did make a sincere effort to meet the deadline but were unable to do so. EPA already has provisions to put such industries on a compliance schedule. To provide for more far-reaching extension for undeserving industries would merely encourage them to stall longer, hoping they could come back in 2 years for another

One amendment added in committee would defer for 18 months the industrial cost recovery fee and have EPA study the issue for 1 year. These fees are charged to industries to cover their share of the sewage treated by municipal sewage plants. The result of allowing industries a way out paying this fee would be to have domestic consumers subsidize treatment of industrial pollution.

Too much latitude is given municipalities in extending their deadline by up to 5 years. Clearly some extensions are needed. However, H.R. 3199 provides no guidelines establishing when extensions would be appropriate. Extensions would be authorized even if municipalities have not made good faith attempts to comply. In addition, H.R. 3199 contains no provision for exploring why certain municipalities failed to meet the deadline. In many cases water quality standards were set under the Water Quality Act of 1965. Lengthy extensions should not be granted to municipalities which have had 12 years to clean up.

A further complication arises with industries who intend to meet their requirement by tying in to municipal treatment plants which are granted time extensions. The result is an unwarranted extension for those industries. Their industrial discharge, sometimes including toxic substances, will continue to go untreated until the municipality completes its project. Some means of interim control, such as pretreatment by the industries, are necessary but not provided for by H.R. 3199.

A final objection to H.R. 3199 involves discontinuing user charges for commercial and residential users of water. User charges based on metered water use, strength of waste, et cetera, are the most logical way to collect money for the operation of a sewage treatment system. The use of meters and user charges for all new developments-industrial, commercial and residential—provides incentive for conservation of water and help cut pollutant load going into the sewage systems. Such a system of user charges makes much more sense than H.R. 3199's plan to use a property tax system in its place for commercial and residential users of water.

H.R. 3199 would significantly weaken the requirements of the Federal Water Pollution Control Act and jeopardize the goal of cleaning up the Nation's waters. We must do all we can to protect our wetlands. We must see that effective Federal control remains over the sewage treatment program. We must insure that recalcitrant industries and municipalities are not rewarded for dragging their feet with their cleanup requirements. Because H.R. 3199 takes an environmentally unsound approach to these important issues, I urge the defeat of this bill.

Mr. BONIOR. Mr. Chairman, H.R. 3199 provides much needed money for water pollution control and corrects some inequities which have resulted from the EPA's administration of the Water Pollution Control Act. One of the most controversial sections of this bill, section 16, would amend section 404 of the act. While I recognize the necessity for exemptions under this section for normal farming and ranching operations I believe section 16's definition of "navigable waters" as: "all waters which are presently used, or are susceptible to use in their natural condition or by reasonable improvement as a means to transport interstate or foreign commerce shoreward to their ordinary high water mark, including all waters which are subject to the ebb and flow of the tide shoreward to mean high water mark," is much too narrow and I do not believe is consistent with the intent of the act.

Under this definition of "navigable waters" only wetlands adjacent to navigable waters would be protected by the act. Wetlands are one of this Nation's largest resources because they provide a natural filtration system for our waterways, and the sedimentation process, and provide a spawning ground for a huge variety of fish and waterfowl. Wetlands are a very fragile resource which is constantly in danger of being eliminated by dredge and fill operations and contractor's quests for more land. This valuable, fragile resource must be protected yet under this definition of "navigable waters," 80 percent of this Nation's wetlands would not be protected.

Wetlands are especially necessary for the filtration of waterways near large urban areas where the pollution is the worst. Many of the waterways near urban centers are not navigable and their wetlands would not be protected under this bill. In my own district the St. John's Marsh, which is the largest remaining wetland on the American side of Lake St. Clair, is in danger of being filled. This resource is one my constituents value and want protected. While the St. John's Marsh would be protected by section 16 because Lake St. Clair is used for commerce, I would like the same protection for other wetlands along smaller bodies of water which are presently not used for commerce although they may have been in the past.

I am confident the conference committee will address this issue and will submit language which will more adequately protect the wetlands. I am hopeful that the conference language will contain a broader definition of "navigable waters" than section 16 and would make less drastic changes in section 404 of the act.

Mr. SIKES. Mr. Chairman, I support

H.R. 3199, the Water Pollution Control Amendments of 1977. This measure contains both critically needed funding and substantive amendments. It is essentially the same as H.R. 9560 of the 94th Congress, which was passed last year; however, this occurred late in the session. Congress adjourned before the conference committee could act.

The bill does not completely overhaul the program, but seeks to remove the principal impediments to the program's

success.

This measure would authorize \$17 billion of Federal grants for construction of municipal waste treatment plants over a 3-year period and sets limits on the authority of the U.S. Army Corps of Engineers to require permits for disposal of dredge and fill materials in the Nation's waters—the so-called section 404 wet-

lands protection program.

The bill would authorize extensions, on a case-by-case basis, for municipalities and industries that are unable to meet the 1972 law's deadline. Approximately one-half of the Nation's municipalities confront a deadline of July 1, 1977, for installation of secondary sewage treatment which they cannot conceivably meet. Industries relying on delayed municipal systems for treatment of their discharges face the same deadline. Others facing the prospect of noncompliance may have justifications for extensions. It further delegates greater authority to the various States for administration of the construction grant program. Current requirements for charges to defray plant operating and maintenance costs create the need for costly and cumbersome metering and bookkeeping syetems, with administrative costs exceeding revenues. Unresolved controversy over the scope of Corps of Engineers regulatory authority over activities affecting wetlands and nonnavigable streams poses the threat of needless bureaucratic overregulation of farming, forestry, and other practices. Duplicative and overlapping review of construction grant applications by undermanned and underfunded agencies at both State and Federal levels is delaying construction of treatment works and resulting pollution abatement, increasing costs, forfeiting employment and economic stimulus benefits, and depriving the program of strengthened environmental and fiscal integrity to result from more rational use of resources.

The administrative and regulatory reforms contemplated by H.R. 3199 to resolve these problems directly involve the credibility of the clean water program and the prospects for sustaining public support essential to its success.

In 1972, the Congress mandated a 3year crash program to help the Nation's communities build badly needed waste treatment plants. The program has been delayed by court orders and bureaucratic redtage

This legislation is desirable and I feel it is necessary in order to carry out the intent of Congress under the Federal Water Pollution Control Act Amendments of 1972. The interim improvements within the framework of Public Law 92–500 are necessary, if it is to work as Congress intended. Therefore, the modest adjust-

ments provided in H.R. 3199 are needed and should be enacted now. This measure contains amendments of pressing urgency. The primary provisions of this proposal include streamlining the application process by permitting local applicants for projects costing \$1 million or less to combine two of the three timeconsuming steps in applying for a grant; allow communities to continue to use local ad valorem tax to pay for plant operations and maintenance where they have traditionally done so; provide a fairer allotment formula: State certification of project compliance; allow cities to go ahead with projects using their own money and providing reimbursement when it is determined they have fulfilled Federal requirements, and define navigable waters in the way that term has been traditionally understood.

The Senate has passed a straight 2year, \$10 billion extension bill, without substantive changes in the existing water pollution control law, as an amendment

to its public works job bill.

I urge my colleagues to join in supporting this legislation. This is a major effort to make the clean water program work. It has very general support nationwide. It is a proper approach to the problem. It should be approved by both the House and the Senate without delay.

Mr. BAUMAN. Mr. Chairman, I am pleased to support H.R. 3199, presently being considered which would amend the Water Pollution Control Act. While not perfect, this legislation goes a considerable distance to correct many of the deficiencies in our present Federal clean

water program.

One of the most important ways in which this bill will do this is provided in section 16 which restricts the authority of the Army Corps of Engineers "dredge and fill" permit program as originally outlined in section 404 of the Federal Water Pollution Control Act-Public Law 92-500. As presently interpreted by the courts, section 404 could require over 50,000 permits a year to satisfy corps' regulations in the State of Maryland alone. Farmers and others in agriculture must apply for such permits and this results in a waste of time and money for them, and the process makes little contribution to the improvement of water quality. It is a prime illustration of the kind of Government overregulation and redtape politicians rail against. H.R. 3199 would modify section 404 to give more authority to the States where it ought to reside and to limit the meaning of navigable waters as Congress intended.

Certainly normal farming and forestry activities ought to be exempt from inclusion in the corps' "permit authority" restrictions. I hope that section 16 will remain in tact in the bill we are considering. The costly and time-consuming regulations which have victimized farmers are factors working against increased agricultural production, and the bill's delineation of "navigable waters" gives the corps ample authority to protect wetlands.

Mr. Chairman, I am particularly pleased that H.R. 3199 makes provision for the delegation by the Corps of Engineers for the administration of permit authority to the States in cases where

the States have this capacity. The State of Maryland already has on the books a strict wetlands protection law and it would be unnecessary and burdensome to require permit applicants to go through the same process twice at both the Federal and State level.

This bill embodies the substance of similar legislation I sponsored last year

and I support it.

Mrs. HECKLER. The Water Pollution Control Act Amendments of 1977 contain several key provisions amending the present law and authorizing an additional \$17 billion for fiscal year 1977 through 1979 for municipal sewage treatment plant construction grants. However, section 21 of H.R. 3199 is of particular interest to my district and to other older, urbanized areas.

Section 21 imposes a deferral on the collection of payments from industrial users for the recovery of the Federal share of the cost of constructing waster-treatment facilities. The moratorium will be in effect for a period of 18 months allowing a year long study to be conducted by the Administrator of the Environmental Protection Agency to determine the efficiency and need for the industrial cost recovery provisions of Public Law 92–500. The study will be submitted to the Congress 1 year from the date of enactment allowing the Congress time for review of the results.

One year ago the publication of the "Report to the National Commission on Water Quality," brought to the fore some startling facts. The implications for older industrialized areas are immense.

The report states that the degree of use of publicly owned treatment facilities by various industrial categories varies from negligible to nearly complete dependence. Industrial categories in which 70 percent or more of plants or production capacity ties to publicly owned treatment plants are the following: Textiles, meat and dairy processing, canned and preserved fruits and vegetables, metal finishing, brewing, grain milling and leather tanning

milling, and leather tanning.

In an analysis of the negative social impacts resulting from implementation of water quality treatment requirements, the report states that small, older businesses will be most adversely affected Heaviest job losses are expected in several of the same industrial categories most heavily dependent on publicly owned treatment works: textile manufacturing, electroplating, pulp and paper, and meat and dairy processing. Major job losses are expected in the Northeast and North Central States.

The "Report to the National Commission on Water Quality" predicts severe economic hardships in affected areas:

Employment losses from plant closures, both direct and indirect, could amount to over one-quarter million jobs with full implementation of BPT (Best Practicable Technology) and BAT (Best Available Technology) limitations.

Mr. Chairman, section 21 of this bill acknowledges the fact that industries in older cities are handicapped by an industrial cost recovery charge which may not, in the overall picture, be cost effective. There is a direct relationship between cost increases and plant closings.

The Government must be wary of imposing new industrial costs in cities where industrial survival is already endangered by a myriad of rising operational costs ranging from fuel bills to taxes. This study will provide data essential to our consideration of the overall effect of the industrial cost recovery charge. I feel confident it will prove that industry in older, urbanized, and industrialized areas cannot absorb these construction costs without severe damage to individual companies and the attendant labor market. The unemployment resulting from imposition of industrial cost recovery may well cost far more in unemployment insurance, food stamps, and other Federal income and nutrition programs than the industrial cost recovery itself.

I requested that this provision be added to H.R. 3199. It was passed by a unanimous vote of the Public Works Committee. I hope my colleagues in the full House will give it the same endorsement. The economic and social impact of industrial cost recovery must be thoroughly investigated prior to imposition of charges having long-term economic implications for key industrial areas of the Nation.

Mr. ALEXANDER. Mr. Chairman, I rise in support of H.R. 3199, the Water Pollution Control Act Amendments of 1977, as reported by the committee.

1977, as reported by the committee.

This bill represents the vigorous work of the Public Works and Transportation Committee over the last 3 years to bring some sense to the situation that has developed with regard to the Corps of Engineers' authority to regulate discharges of dredged and fill materials into waterways and wetlands as contained in section 404 of the Federal Water Pollution Control Act of 1972.

Last year the House approved what I believe to be a sound compromise on this issue. I am pleased that the committee saw fit to incorporate that compromise into the bill before us today.

I do not believe the Congress intended for section 404 to cover all of the Nation's waters and wetlands. I believe the intent was to maintain Federal authority over dredging and filling operations in commercially navigable waters.

The broad definition of "navigable waters" as contained in the 1972 act has, however, left us with the potential for the corps' exercising power of approval for any routine activity that a farmer may engage in on his own land. The bureaucracy that comes with this extensive permit process leaves one to wonder whether the bill we passed in 1972 is a water pollution control bill or a Federal inland waterways and wetlands management law. I believe the amendments before us today make clear that the 1972 act is the former.

This bill specifically provides that the discharge of dredged or fill material into nonnavigable waters can be regulated by the corps if requested by the Governor of the State in which they are located. The bill also exempts normal farming and ranching activities from any permit requirements and allows the corps to issue general permits for activities not needing periodic review.

The corps' authority over wetlands,

adjacent to navigable waters, under the terms of H.R. 3199 as well as its authority over freshwater lakes totally within State boundaries, may be delegated to a State if the State meets certain requirements.

In summary, Mr. Chairman, I believe this bill strikes a proper balance between the urgent need to protect the environment and the urgent need to use some commonsense. I urge adoption of H.R. 3199.

Mr. MITCHELL of New York. Mr. Chairman, before us today we have a bill which is of critical importance to the State of New York and several communities throughout our Nation. I support this bill, particularly the provision which allows for a 1-year extension of the September 30, 1977, deadline for the obligation of sewer construction funds. As it now stands, New York will lose a \$316 million reservation of Federal funds if these funds are not released for approved projects by September 30.

The Environmental Protection Agency became aware of the need for this extension when it was apparent they could no longer process the flood of applications they were receiving in a timely fashion. In response they took several steps to rectify this unfortunate situation. By coordinating their efforts with State officials they attempted to process all applications prior to the deadline, however, it proved to be an impossible task and it became more apparent that New York State would lose \$316 million in sewer construction funds unless an extension of the September 30 deadline is granted.

The need for this legislation providing an extension for the obligation of funds is obvious. We all know that a timely allocation would have been a preferable alternative but it is also an alternative that can not be achieved under present circumstances and, therefore, we must support this legislation.

The EPA must realize, and I think they do, that this extension is not a signal to slow the pace of the application review process. On the contrary, we want to see the funds allocated as soon as possible. But with the "use them or lose them" cloud hanging over our heads on these Federal funds so necessary for vital water and sewer projects, we must take action now to protect our interests.

Mr. McKAY. Mr. Chairman, I wholeheartedly support passage of H.R. 3199, the Federal Water Pollution Control Act Amendments of 1977, and would particularly like to address myself to section 16 of this legislation which pertains to section 404 of the original act. As you know, section 16 would, among other things, amend section 404 to clarify the meaning of "navigable waters." This has been a source of controversy for several years, and our effort to correct the problem last year failed when the legislation died in conference with the Senate. I sincerely hope H.R. 3199 will successfully proceed to final enactment. It is a measure we have needed for too long.

I have long been an active supporter of remedial legislation to curb the overlybroad authority assumed by the Corps of Engineers in dredge and fill activities. On July 16, 1975, I testified before the Sub-

committee on Water Resources on the problems of the expanded section 404 permit program. I had serious reservations then, I still have them today, as to the substance and the procedure by which the corps has broadened its authority over our Nation's wetlands.

First, I object to the ever-burgeoning collection of Federal rules and regulations which the American people are forced to live with. It is a scandal when businessmen and farmers must spend substantial portions of their time and money trying to keep up with the paperwork forced upon them by their National Government. Even worse, many of the forms they fill out are duplications of those issued by other Federal agencies.

As it now stands, the corps has effective authority to require a permit application every time a dredge or fill activity is planned for any stream, ditch, or pond in the United States. I do not think Congress intended this, nor should we allow such an interpretation to remain a possibility.

Second, the intention of Congress has been called into question, and I feel it is mandatory that we reaffirm our original intent in connection with section 404. The original legislation, I believe. contemplated a commonsense meaning of "navigable waters"-not one which would inflate the corps' permit authority to unprecedented levels. The House of Representatives reaffirmed this last year when we voted 339 to 5 to pass remedial legislation similar to the bill we are considering today, H.R. 3199. The term "navigable waters" meant what it said: Waters which are used or could be used for navigation-no more, no less. The fact that the corps has voluntarily limited its permit authority should have no bearing on our actions today. The Federal court ruling which interpreted "navigable waters" to mean "waters of the United States" has caused much controversy. I feel a further statement of congressional intent is necessary to lay the matter to rest.

I would like to emphasize that I fully support the goal of protecting our environment, and I recognize the need for effective Federal controls. However, even back in 1975 when I testified before the Water Resourcs Subcommittee, there were 15 Federal laws and programs designed to protect our Nation's wetlands. To give further authority over them to the Corps of Engineers in the form of a burdensome and expensive permit program is simply not necessary or desirable. What we need is efficient government, not one which resembles a patchwork quilt of duplication and waste.

Mr. Chairman, I urge my colleagues to vote in favor of H.R. 3199 for the above reasons, and particularly because I feel its passage will restore some of the confidence in the legislative process which this whole controversy has challenged. It will perhaps reassure the American people that Members of Congress are not insensitive to the burdens which may be created by a false interpretation of the laws we pass.

The CHAIRMAN. All time has expired. Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute, recommended by the Committee on Public Works and Transportation, now printed in the bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Water Pollution Control Act Amendments of 1977".

AUTHORIZATION APPROVAL

Sec. 2. Funds appropriated before the date of enactment of this Act for expenditure during the fiscal year ending June 30, 1976, and the transition quarter ending September 30, 1976, under authority of the Federal Water Pollution Control Act, are hereby authorized for such purposes.

AUTHORIZATION EXTENSION

SEC. 3. (a) Section 104(u) (2) of the Federal Water Pollution Control Act (33 U.S.C. 1254) is amended by striking out "1975" and inserting in lieu thereof "1975, \$2,000,000 for fiscal year 1977, and \$3,000,000 for fiscal year

(b) Section 104(u)(3) of the Federal Water Pollution Control Act (33 U.S.C. 1254) is amended by striking out "1975" and insert-ing in lieu thereof "1975, \$1,000,000 for fiscal year 1977, and \$1,500,000 for fiscal year 1978,".

(c) Section 106(a) (2) of the Federal Wa-

- ter Pollution Control Act (33 U.S.C. 1256) is amended by striking out "and the fiscal year ending June 30, 1975;" and inserting in lieu thereof "and the fiscal year ending June 30, 1975, and \$100,000,000 per fiscal year for the fiscal year ending September 30, 1977, and the fiscal year ending September 30, 1978;".
- (d) Section 112(c) of the Federal Water Pollution Control Act (33 U.S.C. 1262) is amended by inserting "\$6,000,000 for the fisyear ending September 30, 1977, and \$7,000,000 for the fiscal year ending September 30, 1978," immediately after "June 30, 1975.".
- (e) Section 208(f)(3) of the Federal Water Pollution Control Act (33 U.S.C. 1288) is amended by striking out "and not to exceed \$150,000,000 for the fiscal year ending June 30, 1975." and inserting in lieu thereof "and not to exceed \$150,000,000 per fiscal year for the fiscal years ending June 30, 1975, September 30, 1977, and September 30, 1978."
- (f) Section 314(c) (2) of the Federal Water Pollution Control Act (33 U.S.C. 1324) is amended by striking out "and \$150,000,000 for the fiscal year 1975" and inserting in lieu thereof "\$150,000,000 for the fiscal year 1975; \$50,000,000 for fiscal year 1977; and \$60,000,-000 for fiscal year 1978".
- (g) Section 517 of the Federal Water Pollution Control Act (33 U.S.C. 1376) is amended by striking out "and \$350,000,000 for the fiscal year ending June 30, 1975." and inserting in lieu thereof "\$350,000,000 for the fiscal year ending June 30, 1975, \$100,000,000 for the fiscal year ending September 30, 1977. and \$150,000,000 for the fiscal year ending September 30, 1978.".

SEWAGE COLLECTION SYSTEM GRANTS

SEC. 4. Section 202 of the Federal Water Pollution Control Act is amended by adding at the end thereof the following new subsection:

"(c) Notwithstanding any other provision of this title, in any case where the total of all grants made under section 201 for the treatment works exceeds the actual construction costs for such treatment works such excess amount shall be a grant of the Federal share of the cost of construction of

a sewage collection system if—
"(1) such sewage collection system was constructed as part of the same total treat-ment system as the treatment works for which such section 201 grants were approved,

"(2) an application for assistance for the construction of such sewage collection system was filed in accordance with section 702 of the Housing and Urban Development Act of 1965 (42 U.S.C. 3102) before all such section 201 grants were made and such section 702 grant could not be approved due to lack of funding under such section 702.

The total of all grants for sewage collection systems made under this subsection shall not exceed \$2,800,000.".

PLANS, SPECIFICATIONS, ESTIMATES, AND PAYMENTS

SEC. 5. Section 203(a) of the Federal Water Pollution Control Act (33 U.S.C. 1283) is amended by adding at the end thereof the following new sentence: "In the case of a treatment works that has an estimated total cost of \$1,000,000 or less (as approved by the Administrator) upon completion of an approved facility plan, a single grant may be awarded for the combined Federal share of the cost of preparing construction drawings and specifications, and the building and erection of the treatment works.".

USER CHARGES

SEC. 6. Clause (A) of paragraph (1) of subsection (b) of section 204 of the Federal Water Pollution Control Act (33 U.S.C. 1284)

(1) by striking out "proportionate share" and inserting in lieu thereof "proportionate share (except as otherwise provided in this paragraph)"; and

(2) by adding at the end of such paragraph (1) the following: "In any case where an applicant uses an ad valorem tax system and the Administrator determines such system results in the distribution of operation and maintenance costs for treatment works within the applicant's jurisdiction, to each user class, in proportion to the contribution to the total waste water loading of the treatment works by each such user class, and such applicant establishes surcharges which will insure that each industrial user will pay its proportionate share on the basis of volume, strength, and other relevant factors, then such ad valorem tax system and surcharges shall be deemed to be a user charge system meeting the requirements of clause (A) of this paragraph.".

ALLOTMENT

SEC. 7. (a) The first sentence of subsection (a) of section 205 of the Federal Water Pollution Control Act (33 U.S.C. 1285) is amended by striking out "June 30, 1972," and inserting in lieu thereof "June 30, 1972, and before September 30, 1976,".

(b) Such section 205 is further amended

adding at the end thereof the following

new subsections:

"(c) Sums authorized to be appropriated pursuant to section 207 for the fiscal year beginning October 1, 1976, shall be allotted the Administrator not later than the tenth day which begins after the date of enactment of the Federal Water Pollution Control Act Amendments of 1977. Sums authorized to be appropriated pursuant to sec-tion 207 for each fiscal year beginning after September 30, 1977, shall be allotted by the Administrator on October 1 of the fiscal year for which authorized. Sums authorized for the fiscal years ending September 30, 1977, and September 30, 1978, shall be allotted in accordance with table 1 of Committee Print Numbered 94-39 of the Committee on Public Works and Transportation of the House of Representatives.

"(d) If the sums allotted to the States for a fiscal year are made subject to a limitation on obligation by an appropriation Act, such limitation shall apply to each State in pro-portion to its allotment. So much of any allotment not subject to such a limitation on obligation shall remain available for obligation for the fiscal year during which it can first be obligated and for the period of the next succeeding sixteen months, the remain-

ing amount of the allotment shall remain available until expended. The amount of any allotment not subject to such a limitation on obligation which is not obligated by the end of such sixteen-month period shall be immediately reallotted by the Administrator on the basis of the same ratio as is applicable to sums allotted for the then current fiscal year, except that none of the funds reallotted by the Administrator shall be allotted to any State which failed to obligate any of the funds being reallotted. Any sum made available to a State by reallotment under this subsection shall be in addition to any funds otherwise allotted to such State for grants under this title during any fiscal year.

(e) Notwithstanding any other provision of this section, sums made available between January 1, 1975, and March 1, 1975, by the Administrator for obligation shall be available for obligation until September 30, 1978.". REIMBURSEMENT AND ADVANCED CONSTRUCTION

SEC. 8. (a) Subsection (a) of section 206 of the Federal Water Pollution Control Act "July 1, 1972," and inserting in lieu thereof "July 1, 1973,".

(b) Subsection (e) of such section 206 is amended by striking out "\$2,600,000,000" and inserting in lieu thereof "\$2,950,000,000".

(c) Notwithstanding section 206(c) of the Federal Water Pollution Control Act and section 2 of Public Law 93-207, in the case of publicly owned treatment works on which construction was initiated between July 1, 1972, and June 30, 1973 (both dates inclusive), applications for assistance under such section 206 shall be filed not later than the ninetleth day after the date of enactment of the Federal Water Pollution Control Act Amendments of 1977.

CONSTRUCTION GRANT AUTHORIZATIONS

SEC. 9. Section 207 of the Federal Water Pollution Control Act (33 U.S.C. 1287) is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "and for the fiscal year ending September 30, 1977, subject to such amounts as are provided in appropriation Acts, not to exceed \$5,000,000,000 and for the fiscal years ending September 30, 1978, and September 30, 1979, subject to such amounts as are provided in appropriation Acts, not to exceed \$6,000,000,000 per fiscal year.".

FEDERAL SHARE OF MANAGEMENT PLANNING PROCESS COSTS

SEC. 10. Section 208(f)(2) of the Federal Water Pollution Control Act (33 U.S.C. 2188) is amended to read as follows:

"(2) For the two-year period beginning on the date the first grant is made under paragraph (1) of this subsection to an agency, if such first grant is made before October 1. 1977, the amount of each such grant to such agency shall be 100 per centum of the costs developing and operating a continuing areawide waste treatment management planning process under subsection (b) of this section, and thereafter the amount granted to such agency shall not exceed 75 per centum of such costs in each succeeding oneyear period. In the case of any other grant made to an agency under such paragraph (1) of this subsection, the amount of such grant shall not exceed 75 per centum of the costs of developing and operating a continuing areawide waste treatment management planning process in any year.".

CONTRACT AUTHORITY

SEC. 11. The second sentence of section 208(f)(3) of the Federal Water Pollution Control Act (33 U.S.C. 1288) is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "subject to such amounts as are provided in appropriation Acts.".

NEW PROVISIONS

SEC. 12. Title II of the Federal Water Pollution Control Act (33 U.S.C. 1281 et seq.) is amended by adding at the end thereof the following new sections:

"CERTIFICATION

"Sec. 214. (a) (1) The Administrator may carry out any of his responsibilities for actions, determinations, or approvals under sections 201(g) (2) and (3), 203 (a) and (d), 204 (a), (b) (1), and (b) (3), and 212(2) (B) of this Act with respect to projects or proposed projects for treatment works by accepting a certification by the State water pollution control agency of its performance of such responsibilities.

"(2) Nothing in this section shall affect or discharge any responsibility or obligation of the Administrator under any other Federal law, including the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

"(b) The Administrator shall not accept any certification provided for in subsection (a) of this section unless the Administrator determines after public hearings that the State water pollution control agency has the authority, responsibility, and capability to take all of the actions, determinations, or approvals for which certification is submitted under subsection (a) of this section and the Administrator has determined that the State is following practices that conform to the Federal construction grant regulations under section 201 of this Act, including specifically that any person having a significant financial interest in the construction of treatment works will not be a member of any State board or body which processes an application for a grant under this title.

"(c) If the Administrator determines after public hearings that a State water pollution control agency, with respect to any requirement, condition, or limitation for which he has accepted a certification under subsection (a), fails to meet the requirements of this section, he shall suspend his acceptance of certification as to such requirement, condition, or limitation with respect to any project, or may suspend such acceptance with respect to all projects in such State, as he determines necessary, and during such suspension he shall be responsible for such requirement, condition, or limitation.

"(d) The Administrator shall conduct interim and final inspections and audits, and shall require such information, data, and reports as he determines necessary to carry out this section.

'(e) (1) The Administrator shall reserve an amount not to exceed 2 per centum of the allotment made to each State under section 205 on or after February 1, 1975. Sums so reserved shall be available for making grants to such State under paragraph (2) of this subsection for the same period as sums are available from such allotment under subsection (b) of section 205, and any such grant shall be available for obligation only during such period. Any grant made from sums reserved under this subsection which has not been obligated by the end of the period for which available, and any reserved amount at the request of the State, shall be added to the amounts last allotted to such State under section 205 and shall be immediately available for obligation in the same manner and to the same extent as such last allotment.

"(2) The Administrator is authorized to grant to any State exercising, or proposing to exercise, certification authority under this section, from amounts reserved to such State under this subsection, the reasonable costs, as determined by the Administrator, of carrying out such authority.

"(f) The Administrator shall promulgate

"(t) The Administrator shall promulgate such rules and regulations as may be necessary to carry out this section. The initial rules and regulations necessary to carry out this section shall be promulgated not later than the ninetieth day after date of enactment of this section.

"DETERMINATION OF PRIORITY

"Sec. 215. Notwithstanding any other provision of this Act, the determination of the priority to be given each category of projects for construction of publicly owned treatment works within each State shall be made solely by that State. These categories shall include, but not be limited to (A) secondary treatment, (B) more stringent treatment, (C) infiltration-inflow correction, (D) major sewer system rehabilitation, (E) new collector sewers and appurtenances, (F) new interceptors and appurtenances, and (G) correction of combined sewer overflows.

"REQUIREMENTS FOR AMERICAN MATERIALS

'SEC. 216. Notwithstanding any other provision of law, no grant shall be made under this title for any treatment works unless only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States will be used in such treatment works. This section shall not apply in any case where the Administrator determines it to be inconsistent with the public interest. or the cost to be unreasonable, or if articles, materials, or supplies of the class or kind to be used or the articles, materials, or supplies from which they are manufactured are not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality.".

TIME REQUIREMENTS

SEC. 13. Section 301 of the Federal Water Pollution Control Act (33 U.S.C. 1311) is amended by adding at the end thereof the following new subsections:

"(g) (1) The Administrator may modify the time for achieving the requirements of subsection (b) (1) of this section for any publicly owned treatment works and any point source (other than a publicly owned treatment works) to extend such time beyond the dates specified in such paragraph, if the Administrator determines that the construction of the treatment works, or the application of best practicable control technology necessary for the achievement of such requirements cannot be completed or applied (as the case may be) by the dates specified in such paragraph.

in such paragraph.

"(2) No time modification granted by the Administrator under this subsection for any point source (other than a publicly owned treatment works) shall extend beyond July 1, 1979. No time modification granted by the Administrator under this subsection for any publicly owned treatment works shall extend beyond July 1, 1982, except in the case of treatment works which the Administrator determines are based on innovative technology relating to the abatement and control of water pollution in which case time modifications may extend up to, but not beyond, July 1, 1983.

"(3) No time modification shall be granted under this subsection unless the applicant shall have first submitted to the Administrator, and the Administrator shall have approved, a schedule of compliance with the modified date. Failure to meet the approved schedule of compliance shall be a violation of this section and shall be subject to enforcement under section 309 in the same manner as any other violation of this section. The Administrator shall promulgate such rules and regulations as may be necessary to carry out this paragraph.

"(4) Any point source (other than a publicly owned treatment works) which has, either on the date a time modification is granted a publicly owned treatment works

under paragraph (1) of this subsection or not later than the sixtieth day after the date such time modification is granted, a contract (enforceable against such point source) to discharge its effluent into such publicly owned treatment works shall not be subject to the requirements of subsections (b)(1)(A) and (C) of this section until the date such treatment works must meet the requirements of subsections (b)(1)(B) and (C) of this section.

"(h) Notwithstanding any other provision of this Act, any owner or operator of a point source which is subject to the requirements of subsection (b) (1) (A) (i) of this section who—

"(1) received a research and development grant pursuant to section 105(c) of this Act to develop new technology for the treatment of industrial waste and was unsuccessful in accomplishing the goal set forth in the grant agreement; and

"(2) did not commence the necessary construction to comply with the requirements of such subsection (b) (1) (A) (i) until it became apparent that the research and development project would be unsuccessful, shall be deemed to be in compliance with the requirements of such subsection until July 1, 1978, or the date of the completion of such construction, whichever date first occurs."

STATE REPORTS

Sec. 14. Subsection (b) of section 305 of the Federal Water Pollution Control Act (33 U.S.C. 1315) is amended—

(1) by striking out "January 1, 1975, and shall bring up to date each year thereafter," in paragraph (1) and inserting in lieu thereof "April 1, 1975, and shall bring up to date by April 1, 1976, and biennially thereafter,"; and

(2) by striking out "annually" in paragraph (2) and inserting in lieu thereof the following: "October 1, 1976, and biennially".

TOXIC AND PRETREATMENT STANDARDS

SEC. 15. (a) The first sentence of paragraph (2) of subsection (a) of section 307 of the Federal Water Pollution Control Act (33 U.S.C. 1317) is amended by striking out "to be held within thirty days".

(b) Paragraph (6) of subsection (a) of section 307 of the Federal Water Pollution Control Act (33 U.S.C. 1317) is amended by adding at the end thereof the following new sentence: "In any case where the Administrator determines that compliance within one year from the date of promulgation is technologically infeasible for a category of sources, the Administrator shall establish the effective date of the effluent standard (or prohibition) for such category of sources at the earliest date which compliance can be feasibly attained by such sources, but in on case shall such date be more than three years after the date of promulgation."

PERMITS FOR DREDGED OR FILL MATERIAL

SEC. 16. (a) Subsection (a) of section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344) is amended by adding immediately after "navigable waters" the following: "and adjacent wetlands".

(b) Such section 404 is further amended by adding at the end thereof the following new subsections:

"(d) (1) The term 'navigable waters' as used in this section shall mean all waters which are presently used, or are susceptible to use in their natural condition or by reasonable improvement as a means to transport interstate or foreign commerce shoreward to their ordinary high water mark, including all waters which are subject to the ebb and flow of the tide shoreward to their mean high water mark (mean higher high water mark on the west coast).

"(2) The term 'adjacent wetlands' as used in this section shall mean (A) those wetlands, mudflats, swamps, marshes, shallows, and those areas periodically inundated by saline or brackish waters that are normally characterized by the prevalence of salt or brackish water vegetation capable of growth and reproduction, which are contiguous or adjacent to navigable waters, and (B) those freshwater wetlands including marshes, shallows, swamps, and similar areas that are contiguous or adjacent to navigable waters, that support freshwater vegetation and that are periodically inundated and are normally characterized by the prevalence of vegetation that requires saturated soil conditions for growth and reproduction.

e) Except as provided in subsection (f) of this section, the discharge of dredged or fill material in waters other than navigable waters and in wetlands other than adjacent wetlands is not prohibited by or otherwise subject to regulation under this Act (except for effluent standards or prohibition under section 307), or section 9, section 10, or sec-

tion 13 of the Act of March 3, 1899.
"(f) If the Secretary of the Army, acting through the Chief of Engineers, and the Governor of a State enter into a joint agreement that the discharge of dredged or fill material in waters other than navigable waters and in wetlands other than adjacent wetlands of such State should be regulated because of the ecological and environmental importance of such waters, the Secretary, acting through the Chief of Engineers, may regulate such discharge pursuant to the provisions of this section. Any joint agree-ment entered into pursuant to this subsection may be revoked, in whole or in part, by the Governor of the State who entered into such joint agreement or by the Secretary of the Army, acting through the Chief of Engineers.

"(g) In carrying out his functions relating to the discharge of dredged or fill material under this section, the Secretary of Army, acting through the Chief of Engiis authorized to issue those general permits which he determines to be in the

public interest.

The discharge of dredged or fill "(h)

material-

"(1) from normal farming, silviculture, and ranching activities, including, but not

limited to, plowing, terracing, cultivating, seeding, and harvesting for the production of food, fiber, and forest products;

"(2) for he purpose of maintenance of currently serviceable structures, including, but not limited to, dikes, dams, levees, groins, riprap, breakwaters, causeways, and abutments and approaches, bridge other transportation structures (including emergency reconstruction); or

"(3) for the purpose of construction or maintenance of farm or stock pounds and

irrigation ditches,

is not prohibited by or otherwise subject to

regulation under this Act.

"(1) The discharge of dredged or fill ma terial as part of the construction, alteration, or repair of a Federal or federally assisted project authorized by Congress is not prohibited by or otherwise subject to regulation under this Act if the effects of such discharge have been included in an environmental impact statement or environmental assessment for such project pursuant to the provisions of the National Environmental Policy Act of 1969 and such environmental impact statment or environmental assessment has been submitted to Congress in connection with the authorization or fund-

ing of such project.

"(j) The Secretary of the Army, acting through the Chief of Engineers, is authorized to delegate to a State upon its request all or any part of those functions vested in him by this section relating to the adjacent wetlands in that State if he determines (A) that such State has the authority, responsibility, and capability to carry out such funtions, and (B) that such delegation is in the public interest. Any such delegation shall be subject to such terms and conditions as the Secretary deems necessary, including, but not limited to, suspension and revocation for cause of

such a delegation.

"(k) The Secretary of the Army, acting through the Chief of Engineers, is authorized to delegate to a State upon its request all or any part of those functions vested in him this section and by sections 9, 10, and 13 of the Act of March 3, 1899, relating to any fresh water lake located entirely within the boundaries of such State (other than such a lake constructed, in whole or in part, by either the Secretary of the Army, acting through the Chief of Engineers, or the Secretary of the Interior) if he determines (A) that such State has the authority, responsibility, and capability to carry out such functions, and (B) that such delegation is in the public interest. Any such delegation shall be subject to such terms and conditions as the Secretary deems necessary, including, but not limited to, suspension and revocation for cause for such a delegation.".

EMERGENCY FUND

SEC. 17. Section 504 of the Federal Water Pollution Control Act is amended by designating the initial subsection therein as subsection "(a)" and adding the following new subsections at the end thereof as follows:

'(b) There is hereby established a contingency fund to provide assistance for emergencies, including, but not limited to, those which present an imminent and substantive endangerment to the public health or welfare, those which require protection of perwhere the endangerment is to the livelihood of such persons, and those resulting from natural and other disasters.

(c) There is authorized to be appropriated not to exceed \$5,000,000 to carry out subsection (d) of this section. The amounts appropriated under this subsection shall remain available until expended. There is authorized to be appropriated such sums annually as are necessary to maintain such fund at a \$5,000,000 level.

(d) The Administrator shall submit a report annually to each House of Congress on his activities in carrying out subsections (b)

and (c) of this section.

This section shall not be construed to relieve the Administrator of any requirement imposed on the Administrator by any other Federal laws. Nothing contained in this subsection shall (1) affect any final action taken under such other Federal law, or (2) in any way affect the extent to which human health or the environment is to be protected under such other Federal law.".

JUDICIAL REVIEW

Sec. 18. Subsection (b) (1) of section 509 of the Federal Water Pollution Control Act is amended by striking out "and (F) in issuing or denying any permit under section 402," and inserting in lieu thereof the following: "(F) in issuing or denying any permit under section 402, (G) in promulgating or revising guidelines for effluent limitations under section 304(b), and (H) in making any determination as to a program for State certification under section 214,"

RULE AND REGULATION REVIEW

SEC. 19. Title V of the Federal Water Pollution Control Act is amended by renumbering section 518 as section 519 and by inserting immediately after section 517 the following new section:

"RULE AND REGULATION REVIEW

"SEC. 518. (a) Any rule or regulation issued under authority of this Act after the date of enactment of this section may by resolution of either House of Congress be disapproved, in whole or in part, if such resolution of disapproval is adopted not later

than the end of the first period of sixty calendar days when Congress is in session (whether or not continuous) which period begins on the date such rule or regulation is finally adopted by the department or agency adopting same. The department or agency adopting any such rule or regulation shall transmit such rule or regulation to each House of Congress immediately upon its final adoption. Upon adoption of such a resolution of disapproval by either House of Congress, such rule or regulation, or part thereof, as the case may be, shall cease to be in effect.

"(b) Congressional inaction on or rejection of a resolution of disapproval shall not be deemed an expression of approval of such rule.".

FINANCIAL DISCLOSURE

SEC. 20. Section 501 of the Federal Water Pollution Control Act (33 U.S.C. 1361) is amended by adding at the end thereof the following new subsection:

"(g) (1) Each officer or employee of the Environmental Protection Agency who-

"(A) performs any function or duty under

this Act: and

"(B) has any known financial interest in any person who (i) discharges pollutants any point source, (ii) discharges oil, hazardous substances, or sewage from any vessel, (iii) discharges oil or hazardous substances from any onshore or offshore facility, (iv) is otherwise subject to regulations unthis Act, or (v) is applying for or receiving financial assistance under this Act,

shall, beginning on October 1, 1977, annually file with the Administrator a written statement concerning all such interests held by such officer or employee during the preceding calendar year. Such statement shall be avail-

able to the public.

"(2) The Administrator shall-

"(A) act within ninety days after the date of enactment of this section-

(i) to define the term 'known financial interest' for purposes of paragraph (1) of this

subsection; and

'(ii) to establish the methods by which the requirements to file written statements specified in paragraph (1) will be monitored and enforced, including appropriate provisions for the filing by such officers and employees of such statements and the review by the Administrator of such statements;

"(B) report to the Congress on June 1 of each calendar year with respect to such disclosures and the actions taken in regard thereto during the preceding calendar year.

"(3) In the rules prescribed in paragraph
t) of this subsection, the Administrator may identify specific positions within the Environmental Protection Agency which are of a nonregulatory and nonpolicymaking na-ture and provide that officers or employees occupying such positions shall be exempt from the requirements of this subsection.

"(4) Any officer or employee who is sub-ject to, and knowingly violates, this subsection, shall be fined not more than \$2,500 or imprisoned not more than one year, or

both.".

COST RECOVERY STUDY

SEC. 21. (a) The Administrator of the Environmental Protection Agency (hereafter in this section referred to as the "Administrator") shall study the efficiency of, and the need for, the payment by industrial users of any treatment works of that portion of the cost of construction of such treatment works (as determined by the Administrator) which is allocable to the treatment of such industrial wastes to the extent attributable to the Federal share of the cost of construction. Such study shall include, but not be limited to, an analysis of the impact of such a sys tem of payment upon rural communities. No later than the last day of the twelfth month which begins after the date of enactment of this section, the Administrator shall submit a report to the Congress setting forth the re-

sults of such study.

(b) During the period beginning on the date of enactment of this section and ending on the last day of the eighteenth month which begins after the date of enactment of this section (both dates inclusive), no officer or employee of the Federal Government shall enforce, or require any recipient of a grant under section 201(g) (1) of the Federal Water Pollution Control Act (33 U.S.C. 1284) to enforce, any provision in an application for a grant or in a grant agreement under such section which requires any payments by industrial users pursuant to section 204(b) (1) (B) of such Act.

(c) For purposes of this section, the terms "industrial user" and "treatment works" have the same meaning given such terms in the Federal Water Pollution Control Act.

SECONDARY TREATMENT FACILITY SITE

SEC. 22. The Administrator of the Environmental Protection Agency shall reimburse the city of Boston, Massachusetts, an amount equal to 75 per centum, but not to exceed \$15,000,000, of the cost of constructing a modern correctional detention facility on a site in such city, on condition (A) that such city convey to the Commonwealth of Massachusetts all of its right, title, and interest in and to that real property owned by such city on Deer Island which is the site of the existing correctional detention facility for use by such Commonwealth as the site for a publicly owned treatment works providing secondary treatment and (B) that such Commonwealth convey to such city all of its right, title, and interest to the real property on New Chardon Street in such city owned by such Com-monwealth for use by such city as the site for such correctional detention facility. There is authorized to be appropriated \$15,000,000 to carry out the purposes of this section

Mr. ROBERTS (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT OFFERED BY MR. OTTINGER

Mr. OTTINGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OTTINGER: Page 27, line 13, insert "(1)" immediately after

Pages 27, after line 17, insert the following: (2) The fourth sentence of subsection (a) of such section 205 is amended by striking "For the fiscal year ending June 30, 1975," and inserting in lieu thereof, the fiscal years ending June 30, 1975, September 30, 1977, and September 30, 1978,".
Page 28, strike out the sentence beginning

on line 3 and ending on line 7.

Mr. OTTINGER. Mr. Chairman, this amendment has the effect of restoring the formula presently in effect for distribution of sewer treatment grant funds-on the basis of a State's needs, eliminating the provision that was added by the Committee on Public Works inserting 25-percent consideration of population in the distribution formula.

Section 7 of H.R. 3199 sets up this new formula for allocating sewer treatment construction grants among States on the basis of: First, 25 percent of a State's projected 1990 population; second, 50 percent on its partial needs for sewage treatment facilities-including secondary treatment, more stringent treatment to meet water quality standards, interceptor sewers and appurtenances; and third, 25 percent on the basis of total needs which include partial needs plus collector sewers, combined sewers and infiltration inflow devices.

What my amendment would do is to strike the population variable entirely and fashion the formula around total water treatment needs as it was in the

previous and current formula.

It has been demonstrated that population has no bearing on a State's need for financial assistance for the construction of vital sewage treatment facilities. When the population element was first proposed several years ago, both the Committee on Public Works and the Senate committee, in a detailed analysis dated September 13, 1973, rejected the population variable. In the original House report to accompany Public Law 92-500. the 1972 Water Pollution Control Act (House Report 92-911, March 11, 1972. page 93), the committee discussed the relationship between total population and State's need for financial assistance to construct sewage treatment facilities and agreed that: "This needs formula is a sound basis for allocating funds since our experience to date clearly demonstrates that there is no necessary corollation between the financial assistance needed for waste treatment works in a given State and its population."

Instead, degree of industrialization and urbanization-not total population-are major factors which determine a State's need for sewage treatment facilities; and it is those States which are the most urbanized and the most industrialized which suffer under the proposed formula.

New Jersey would lose \$14 million in fiscal year 1977 under the Committee formula; Michigan, \$40.5 million; Ohio, \$26 million; Illinois, \$8.5 million; Massachusetts, \$.5 million; New York, \$71.5 million; New Hampshire, \$4 million; Delaware, \$2.5 million; Maryland, \$16 million; Kentucky, \$3 million; Indiana, \$2 million; Arkansas, \$.5 million; Oklahoma, \$3 million; Kansas, \$9 million; Nebraska, \$3.5 million; Hawaii, \$1.5 million; Samoa, \$.5 million; Trust Territories, \$1.5 million; Alaska, \$3 million; Idaho, \$1 million; and Washington, \$1 million.

Of course, the States that are hit the hardest are those in the Northeast and Midwest, States that are already suffering disadvantages under so many of the Federal formulae for distribution of funds. This would just add to the very serious inequities in funds distribution that already exist.

All of these large industrialized and urbanized States whose present allotments are determined solely on the basis of need are going to lose millions of dollars if we enact a new formula based on population.

The objective of the Water Pollution Control Act is to "restore and maintain the chemical, physical, and biological integrity of the Nation's waters." If one State's allotment, based on sewage treatment needs, is to be decreased because of the new population variable-and we would be decreasing the allotment of the States most in need under the proposed formula-then it seems to me that Congress is defeating the purpose of the act and placing us further away from the objective of cleaning up the Nation's

Mr. Chairman, I hope in the interest of fairness the Committee will support this amendment.

Mr. HARSHA. Mr. Chairman, I rise in

opposition to the amendment.

Mr. Chairman, we must first recognize that this program is one of national scope. We are trying to clean up all the waterways of the entire Nation, and in order to do that we have to devise the most equitable and the most effective formulas if we are to try to do that.

Obviously there are going to be some problems in that area because everybody is not going to get the same amount of money. When we first devised the formula back in 1972, we based it totally on need. The net effect of that was that some of the States that had the capability got together very quickly and put in a lot of needs, whether they were justi-fied or not. They in effect loaded the formula down with an inordinate number of needs in some areas, and that penalized those States that were rather deliberate in their gathering of the information to determine their needs. These were States that were more cau-

As a result of that, some States, for example, the State of West Virginia, gathered together their needs very quickly. They acted rightly or wrongly, as the case may be-and I am not attributing any ulterior motives to anyone—and they got together on a rather expedited program and set forth their needs. As a result, they got roughly five times as much money under the grant formula in West Virginia as the State of Arizona; yet the State of Arizona had probably the same amount of population.

The State of Texas, for example, with 13 million people, because it was more deliberate and more circumspect in preparing the needs report, got less than the District of Columbia, which has only 800,000 people.

Mr. Chairman, in an effort to overcome these inequities we devised this new formula. One of the most difficult aspects of any Federal grant program is the determination of the formula for the allot-

ment of grant money. Everybody naturally wants as much of the money as he

In the case of the construction grant programs these allotments are made to the States. In the past the committee has been adamant that actual environmental needs, and only such needs, should be the basis of that allotment. On the other hand, there is a body of opinion that says that other factors such as population should be recognized. After all, it is the population that pollutes. That is a very important factor.

Needless to say, the advocates of either formula, whether they go to one extreme or the other, generally base their decision on what their particular State will actually receive under a particular formula.

In our system of government, compromise is the basis for reaching difficult

program or political decisions, and the key is fairness to all. That is what we have tried to do in resolving this particular issue, to be as fair and as equitable as possible to everybody concerned and get on with the national commitment of cleaning up the waterways of this coun-

This is a difficult formula, I recognize that. Some States do not receive as much as other States, but the needs of the country will be best met by this formula.

When we get into consideration of population as a factor, we come up with what is probably the most equitable on a national level to do the job and get about the task of cleaning up the waterways. Certainly the Representatives of a particular State can sit here and pick a fight with the formula or with these provisions, and it is just like any other issue dealing with percentages or figures; they can justify just about anything they want to justify.

But I implore the Members and plead with them to look upon this as a national commitment to go on and complete a national program to get the waters of this country cleaned up and as quickly as possible and to do it as equally and as equitably to everyone concerned as is

possible.

I urge defeat of the amendment.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. HARSHA. I will be happy to yield to the gentleman from New York.

Mr. OTTINGER. If the gentleman's problem is with correct ascertainment of needs-and obviously we will get the water cleaned up most effectively if we do apply the fund in accordance with need-then what is needed is better oversight of the application of the needs formula, not a change which adds population.

The CHAIRMAN. The time of the gen-

tleman has expired.

(By unanimous consent, Mr. HARSHA was allowed to proceed for 2 additional minutes.)

Mr. OTTINGER. Isn't yours a problem of getting the States to accurately ascertain their needs rather than inserting an irrelevant factor of population into the formula?

Mr. HARSHA. Let me say to my good friend, the gentleman from New York (Mr. OTTINGER) that initially when the needs test was applied, many States who had the capabilities of going ahead with the program, and there were only a few, one of which was the State of New York. went ahead and included in its needs every possible phase of the water pollution abatement problem. Included in this was the storm water issue. This is not now eligible for funding under the grant program due to the fact that it is such a tremendous problem in and of itself, and would alone entail billions of dollars. If we were to address the storm water problem in this bill alone it would take up about all that we have in here. There were other States that did not address the storm water problem and addressed solely the collector systems and the waste water treatment facilities, so their needs do not reflect this significant problem.

I realize that the State of New York does have a tremendous problem with storm waters but I believe we will have to address that specifically after a study and after we get into the issue of revising and going over the water that is involved

Mr. OTTINGER. I do not see how the introduction of population helps address

that kind of a problem.

Mr. HARSHA. It is because population is what is actually causing the problem. If we do not take that into consideration on at least a partial basis then we will never address the problem of pollution.

The CHAIRMAN. The time of the gen-

tleman has expired.

Mr. GINN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the allotment formula contained in the legislation before us. H.R. 3199, represents a compromise between two major factions-one group that wanted the construction grant funds distributed 50 percent on population and 50 percent on partial needs, and another group that wanted the money distributed 50 percent on partial needs and 50 percent on total needs.

Both factions had a good point-there is a relationship between the population in a State and the level of municipal

On the other hand, different States have different needs, and the cost of meeting these needs varies. For example, some States have major needs for treatment works and for collector sewers, while other States may need funding to meet the water quality standards and to correct combined sewers.

The needs are different and the costs are different and a population factor

simply will not reflect this.

Thus, Mr. Chairman, the formula in Section 7 of H.R. 3199 is a compromise between these two extreme positions. H.R. 3199 recognizes the importance of having a population factor while still giving a major emphasis to the real needs.

The formula in H.R. 3199 is exactly between these two extremes. The H.R. 3199 formula is one-quarter population, one-half partial needs and one-quarter total needs.

This formula is equitable and I believe that it fairly reflects the needs of the States.

Mr. Chairman, I rise in strong opposition to the amendment offered by the gentleman from New York (Mr. OTTIN-GER) and hope that it shall be defeated.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. GINN. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. I thank the gentle-

man for yielding.

I think the key word in the gentleman's statement is "compromise." We spent a great deal of time in hearings last year in the 94th Congress and again this year receiving testimony on many aspects of the bill, including this matter distribution of funds. The committee did arrive at a fair compromise. We do have to recognize the concentrations of population in this country where large industries are located and where they are making the big discharges of waste water, and where these funds are needed for treatment. We also need to recognize the one-quarter total needs aspect of the formula, including collector and interceptor sewers, and that, too; is a problem. It is a matter of putting some of these problems in proper perspective. That is what this committee does-put all the many requirements in proper balance and with a responsive approach. I commend the gentleman and urge defeat of the amendment.

Mr. HARSHA. Mr. Chairman, will the

gentleman yield?

Mr. GINN. I yield to the gentleman from Ohio.

Mr. HARSHA, I thank the gentleman for yielding.

I think that during my colloquy I inadvertently said that one-half of the formula was based on population, and I was incorrect; it is one-quarter.

Mr. GINN. It is one-quarter.

Mr. HARSHA. But I do want to point out to the House that the House has already approved this formula in the supplemental appropriation bill which passed this House. That bill alluded to this very distribution formula, and the House by voting to approve the supplemental voted to approve this formula. Now the gentleman is in here several days later asking that it be changed

Mr. Chairman, I ask for defeat of the amendment

Mr. GINN. The gentleman from Ohio is exactly correct.

Mr. CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Don H. CLAUsen, and by unanimous consent, Mr. GINN was allowed to proceed for 2 additional minutes.)

Mr. DON H. CLAUSEN, Mr. Chairman, will the gentleman yield?

Mr. GINN. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. I thank the gentleman for yielding.

Mr. Chairman, I rise in opposition to the amendment for most of the reasons stated by the gentleman from Georgia and the gentleman from Ohio. This formula recognizes properly that population should be included as a serious criterion. This formula also recognizes and gives emphasis to those needs which are currently being emphasized in the construction program, which are primary treatment, secondary treatment, interceptor sewers, and the more stringent treatment necessary to meet the water quality standards. This formula also goes one step further and recognizes the need for funds for collector sewers, correction of infiltration and inflow problems, as well as combined sewer problems

Regarding the statement of the gentleman from New York, that the formula will cause States to lose money, we know from the experience of implementing the program that there are many factors other than just an allocation formula that cause States to lose money. The committee amendment is fair, and I join in opposition to the gentleman's amendment.

Mr. GINN. I thank the gentleman.

In closing, Mr. Chairman, I would like to point out that I can certainly understand the gentleman from New York's concern. I should like to remind him that we have attempted to be of assistance to his great State in this legislation by drafting language in section 7(e) that will reinstate approximately \$400 million that would have lapsed in New York State were it not for the action taken by this committee.

Mr. ROBERTS. Mr. Chairman, I move

to strike the last word.

Mr. Chairman, I rise in opposition to this amendment and ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. OTTINGER).

The question was taken: and on a division (demanded by Mr. OTTINGER) there were-ayes 13, noes 32.

Mr. OTTINGER. Mr. Chairman, I demand a recorded vote, and pending that I make the point of order that a quorum

is not present.

The CHAIRMAN. Evidently a quorum is not present. The Chair announces that pursuant to clause 2 of rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears. Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its busi-

Does the gentleman from New York insist on his request for a recorded vote?

Mr. OTTINGER. Mr. Chairman, yielding to the sage advice of my senior colleague from New York (Mr. PIKE), who knows how to count better than I do, I withdraw my request for a recorded vote.

So the amendment was rejected. AMENDMENT OFFERED BY MR. ECKHARDT

Mr. ECKHARDT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ECKHARDT: On age 44, strike line 16 and all that follows through line 13 on page 45.

Redesignate the subsequent sections ac-

cordingly.

Mr. ECKHARDT. Mr. Chairman, I have additional copies of this very simple amendment here on the desk, if any

Member wishes to see it.

Mr. Chairman, this amendment would simply strike what is called the legislative veto device. It is contained on page 44, and it would require that any rule or regulation issued under authority of this act after the date of enactment of this section may, by resolution of either House of Congress, be disapproved in whole or in part if such resolution of disapproval is adopted not later than the end of the first period of 60 calendar days when Congress is in session. That is the guts of the amendment.

Now, Mr. Chairman, that means that

every single regulation of this agency under the act would be subject to legislative veto, and of course that means that every such provision would be delayed in its force for 60 days.

Now, I understand the argument behind the legislative veto, but if the legislative veto is to be applied, it must be applied reasonably and effectively. In the first place, there is no provision in this bill by which expedited procedure of the House or the Senate could be put into effect if the legislative veto is sought

to be applied.

That means, my friends, that in any instance where the legislative veto is sought to be applied, somebody is going to have to get up and move to discharge the committee from consideration of the matter. That means that this committee which has devised this bill is not going to have an opportunity to advise this House as to whether or not the action of the agency was in the committee's view a proper exercise of the authority delegated to this agency. We would then have to decide the matter ad hoc on the

We have had experience with that process under the Oil Allocation Act. We have not had any opportunity for deliberate consideration of whether FEA acted rightly or wrongly on motions brought on the floor without the advice of the committee, in that case the Interstate and Foreign Commerce Committee, that fashioned the legislation under which authority was delegated.

In fact, we have seldom, if ever, exercised our negative because we do not have the time or facilities to intelligently

examine the matter.

Let me show the Members what type of action would be subject to this veto under the present bill as written.

Section 301 of the Water Quality Act gives the administrator authority to make, under certain conditions, and modify effluent limitations. This is a very

technical subject matter.

Section 302 gives the administrator authority to apply additional effluent limitations where a point source would interfere with attainment of that water quality necessary to protect water supplies, fish, and other interests in a portion of the stream.

So we are called upon to decide whether the effluent is going to affect the fish. We in Congress are going to make that determination, are going to be called upon to judge whether the very technical and specialized decision of the agency

was good or bad.

In addition to that, that particular section 302 gives the administrator the right to waive these limitations where somebody comes in and shows that the social benefits are not equal to the cost. That would have to be reviewed. So even where the rule is to be modified in favor of a person under conditions where there is no real reason for or benefit from the rule, that question has to be submitted to us before an exception is made, and 60 days must elapse prior to the decision becoming final. And so on and so forth.

Section 303 gives the agency authority to make water quality standards and implement plans.

The CHAIRMAN. The time of the gentleman from Texas (Mr. ECKHARDT) has expired.

(By unanimous consent, Mr. ECKHARDT was allowed to proceed for 3 additional minutes.)

Mr. ECKHARDT, Mr. Chairman, section 304 provides information and guidelines; and in section (b) it says:

For the purpose of adopting or revising effluent limitations under this act the administrator shall, after consultation with appropriate Federal and State agencies and other interested persons, publish within one year of enactment of this title, regulations providing guidelines for effluent limitations.

That would have to be submitted to us for our consideration.

The next section which deals with this matter is section 306, National Standards of Performance. In section (B) under that section, it provides:

As soon as practicable, but in no case more than one year after a category of sources is included in a list under subparagraph (A) of this paragraph, the administrator shall proand publish regulations establishing Federal standards of performance for new sources within such category.

The categories include regulations for pulp paper mills, for paperboard, for meat, for dairy product processing, for grain mills, for canned and preserved fruits and vegetables, and on down the

So we are dealing with highly technical questions and purporting to decide whether the agency acted rightly in all of these most detailed provisions if we chose to exercise our authority to review.

The toxic and pretreatment effluent standards of section 307 would likewise be subject to such review.

To reach the absolute in ridiculousness, there is a provision in this act by which the toilets on boats can be regulated and Congress would reserve the right to exercise the function of latrine

inspector for marine operations. Mr. Chairman, if we take upon ourselves the duty to review every act of the water pollution control agency, we are not going to have time to do much else. I submit to Members that if review procedure of this type has any merit at all, it should be strictly limited to those types of rules which are statutory in nature, and should not be applied to the technical details of enforcing prohibitions against water pollution. This provision is not in existing law. This is a new and improvident addition in this bill and it should be stricken out.

Mr. Chairman, I hope that the amendment will be adopted.

Mr. LEVITAS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Texas (Mr. Eck-HARDT), and I will ask the Members to follow me in what I say for just a moment.

This provision that is now in the bill was adopted by the House in the 94th Congress. This provision simply includes in this bill what we included on 10 other occasions during the 94th Congress, and by this provision we say to the administration, regardless of which party is in control, that the laws of this country

are to be made by the Congress of the United States and not by the unelected, anonymous bureaucracy. It is as simple as that.

If my friend, the gentleman from Texas (Mr. Eckhardt), does not believe that the rules and regulations which pour out of these bureaucratic departments downtown are laws, then I suggest he ask his constituents whether they have ever been told they could be punished with a fine or a civil penalty or even put in jail because they have violated a rule or regulation adopted by someone elected by no one.

This provision in the bill as it is now written simply provides that where we have a rule that has been adopted by an administrative agency which has the force and effect of law, someone elected by somebody will have an opportunity to say whether it is or is not consistent with the congressional intent and

whether it makes sense or whether it should be imposed upon the American people. The basic question is simply who makes the laws in this country.

Let me give the Members a classic example. We have been fighting for 2 years about section 404 of this very bill. Why? Not because the law provided that the Corps of Engineers could make the types of rules and regulations that they make, forcing every farmer in America to get a permit to dig a hole on his farm. It was because the Corps of Engineers issued a rule, a regulation, and if this provision had been in effect and the Congress by its exercise of a legislative veto could have acted, we would not now have to deal with this problem.

Mr. Chairman, I could give example after example. Indeed if there is any agency that merits the close scrutiny of Congress and deserves congressional review, it is the Environmental Protection Agency, because we have all had expe-

rience with it.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I would like to commend the gentleman on his statement, and I wish to associate myself with it.

As the gentleman has already pointed out, on some 10 occasions last year we adopted exactly the same provision to numerous authorization bills that were

before this House.

I think if there is any one thing that distresses the American taxpayer and the American voter more than perhaps even the attaching of nongermane riders by the Senate, it is this situation where administrative bureaus and bureaucrats are making the rules and regulations by which people must live and pay their taxes and carry on their daily activities.

Therefore, I rise in very strong opposition to this amendment. I would, if I may, like to add just one other thing,

and that is this:

We have this in the law already, and if the members of the committee will recall, those who were here last year, we used it. It is contained, for example, in the provision requiring the GSA to report back on what disposition should be made of the Nixon tapes and documents.

Mr. LEVITAS. The gentleman is eminently correct. Not only is there legislative veto provided in 129 other statutes, but during the 94th Congress we exercised a legislative veto, as the gentleman has indicated.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Chairman, I want to commend the gentleman from Georgia for his opposition to the amendment and in asking that we retain the provision in the rule. I have worked with the gentleman as we designed a similar proposal for the Committee on the Judiciary last year. As I recall, it went through the Committee on Rules but got bogged down on the floor. It actually carried by a majority but since it was on suspension of the rules it did not carry.

Somehow we will have to bring the agencies to account and one way to do it is to include a statement telling the people downtown that the people up on the Hill are watching them.

Mr. LEVITAS. I thank the gentleman from California for his statement.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Levitas was allowed to proceed for 2 additional minutes.)

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, if the gentleman from Georgia really wants to provide a means by which Congress may review these actions, why not go through the Committee on Rules and provide for some sort of shortened procedure for the House? Does the gentleman really believe that such a review on the floor of this House is going to be done? Does the gentleman think he will accomplish his purpose by such truncated language?

Mr. LEVITAS. No. 1, Mr. Chairman, I have got to acknowledge the fact that the bill which would provide for a comprehensive congressional veto has been referred jointly to the Committee on Rules and the Committee on the Judiciary. I hope that sometime during the early stages of the 95th Congress we will have an opportunity to deal with the matter. But, in answer to the gentleman's last question, let me say that I do so believe. I do believe this House could have dealt with Section 404 and the problem created by the Corps of Engineers and their regulations through that legislation. The only difference between that legislation and the legislation this House passes is that the bureaucrats are not hampered by any restrictions, they pass one sort and we pass another sort. We have the responsibility, it seems to me, to say to the American people that this is the law, if they violate it then they can be punished, or they can go to jail or they can lose funds. It is not the bureaucrats who have that responsibility.

I would say to my friend the gentleman from Texas (Mr. Eckhardt) for whom I have the greatest respect, that if this House retains the provision and defeats this amendment that we will so sensitize these bureacrats that they will write regulations that make sense and are workable, rather than the type we have seen all too frequently.

Mr. VOLKMER. Mr. Chairman, will

the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Missouri. Mr. VOLKMER, I thank the gentle-

Mr. VOLKMER, I thank the gentleman for yielding.

Mr. Chairman, there is one specific thing that I would like to bring out to the Members of the House.

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. Volkmer, and by unanimous consent, Mr. Levitas was allowed to proceed for 2 additional minutes.)

Mr. VOLKMER. If the gentleman will continue to yield, I believe that perhaps with this language in the bill we could have more sane regulations when they know that there is a strong possibility that someone in the Congress will be looking them over.

Second, Mr. Chairman, I also think we have to agree with the gentleman from Texas, perhaps, that there are any number of regulations being issued and that it would be a monumental task to review all of them. But, perhaps is that not our own fault since we are the ones who produce so many agencies that pro-

duce so many regulations?

Mr. LEVITAS. Mr. Chairman, I believe that the point made by the gentleman from Missouri is very well taken and that is that we ourselves have created the problem we now have to deal with. But, let me say that I am sure the gentleman from Texas knows that this House would not have to deal with every single regulation that is issued. There are thousands of bills in the Congress and we do not deal with every one. Only those pieces of legislation which are the most important are dealt with. I believe we would do the same thing with regard to the regulations.

I am not concerned about the great workload. What I am concerned about is the great burden being placed upon the American people.

Mr. VOLKMER. The gentleman from Georgia then is willing to go ahead and review them?

Mr. LEVITAS. Not only that, but I would say with all respect that any Member of the Congress that is unwilling to take the time to deal with matters that so drastically deal with his constituents might well stop and think about whether he is earning his pay.

Mr. VOLKMER. Mr. Chairman, I ask to be associated with the remarks of the gentleman from Georgia.

Mr. FOUNTAIN. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from North Carolina.

Mr. FOUNTAIN. Mr. Chairman, I am happy to associate myself with the views of the gentleman from Georgia. I am not unsympathetic to the position that was raised by the gentleman from Texas but I believe this is something we should have done many, many years ago.

I am happy to be the coauthor of a

bill now pending in the House, and which I hope the Congress will pass that provides that legislation shall be written through the duly elected Representatives of the people. I think the legislation, if we can enact it into law, will have a salutary effect, to which the gentleman has referred, that would prevent these agencies from writing countless thousands of unnecessary regulations.

The CHAIRMAN. The question is on the motion offered by the gentleman from Texas (Mr. ECKHARDT).

The amendment was rejected.

AMENDMENT OFFERED BY MR. EDGAR

Mr. EDGAR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDGAR: On page 38, strike out everything after line 23 up to and including line 2 on page 43, and insert in lieu thereof the following:

SEC. 16. Section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344) is amended by adding at the end thereof the following new subsections:

(d) For purposes of this section, the following shall not be considered discharges of dredged or fill material:

"(1) plowing, cultivating, seeding, and harvesting for the production of food, fiber,

and forest products;
"(2) maintenance, including emergency reconstruction of recently damaged parts, of currently serviceable fills such as dikes, dams, levees, groins, riprap, breakwaters, causeways, bridge abutments or approaches, and other transportation structures;

"(3) maintenance of irrigation and drainage ditches and small dams that create stock

ponds and farm ponds.

"(e) No permit shall be required under this Section or Section 402 of this Act for discharges of dredged or fill material necessary to construct farm ponds, stock ponds, and debris basins.

"(f) consistent with the requirements of through the Chief of Engineers, may issue general permits for discharges of dredged or fill material where such activities are similar in nature and cause only minimal adverse environmental impact. Such permits shall contain such conditions as necessary to achieve the purposes of this Act and shall be for a maximum period of five years. A general permit may be revoked or modified if it is determined that the effects of the permitted activities are such that individual permit treatment is required consistent with the goals of the Act.

"(g) The Secretary shall submit a detailed report to the Congress on or before December 31, 1978, on the implementation to such date by the Department of the Army of the provisions of this Section. This report, which shall be prepared in conjunction with the Administrator, shall detail the progress made in implementing the requirements of this Section and the objectives of this Act, shall, in consultation with the Secretary of Agriculture, assess the impact of this section on the rural, agricultural, ranching, and forestry community, and shall provide recommendations on the manner in which State and local agencies can become more directly responsible for fulfilling the requirements of this Section in a manner consistent with the purposes of the Act."

Mr. EDGAR (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the amendment be considered as read and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to

the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EDGAR. Mr. Chairman, there has been a great deal of controversy since May 6, 1975, when the Army Corps of Engineers put out a press release which scared everyone-the farmers, the loggers, the ranchers. These particular industries began to be very concerned about this section 404 program. They immediately began to respond and to react to this misleading and poorly worded press release, which has since been repudiated by the corps. Suddenly it has been blown up until 2 years later we find ourselves here on the House floor with section 16 in this bill. I find section 16 to be very inappropriate in light of the fact that section 404 is basically working, that section 404 as it presently is operating with the general permit program of the Army Corps of Engineers is not overly bureaucratic, and that the rules and regulations that have been promulgated clearly exempt normal farming, normal agricultural activities, and normal logging activities.

The amendment which I am offering as a substitute to section 16 clearly spells out in the beginning that those particular practices such as plowing, cultivating, seeding, harvesting, construction of groins, ripraps, and break-waters, farm ponds and stock ponds, and similar structures needed during routine operations will not be regulated by sec-

tion 404.

Therefore, I believe it is sensitive to the anger and frustration of those farmers who were concerned about normal farming, normal agriculture, and normal logging operations, but are not aware that corps' regulations exempt these activities.

The second thing that my amendment does is it puts statutory language in the law to provide for something that the Army Corps of Engineers is already doing-providing for a general permitting program which obviates the need for the large numbers of individual permits that frighten so many farmers and small businessmen.

Finally, my amendment provides that a report be submitted to Congress by December 31, 1978, that would specifically outline how the 404 program is working.

I want to bring to the Members' attention several pages of additional views that have been submitted in the report of this bill by my colleague, the gentleman from Pennsylvania, (Mr. GARY A. Myers) and myself.

If Members will note, in the report on page 52 we underscore how the section 404 program is working. We analyze the court decisions and other legal controversies. We point out that on page 131 of the House Public Works Committee report in 1972, this very committee defined what it meant by navigable waters when it said this:

One term that the committee was reluctant to define was the term "navigable waters." The reluctance was based on the fear that the interpretation would be read narrowly. However, this is not the commit-tee's intent. The committee fully intends that the term "navigable waters" be given

the broadest possible constitutional interpretation unencumbered by agency determinations which have been made or may be made for administrative purposes.

Similar language appears in the conference report accompanying the Federal Water Pollution Control Act. And we point out that the act itself clearly defines "navigable waters" as "waters of the United States including the territorial seas."

We go on to cite what we believe is basically an overreaction to the specific language of section 16, and provide an appendix of valuable legislative history to the section 404 issue. First we share President Carter's wetlands statement. Then we go on to share several statements by the Army Corps of Engineers and EPA outlining the fact that section 404 is in fact working.

I would commend each of you to read the report carefully and read the additional views and find out exactly what this section 404 program does. I believe after Members read that carefully, they will discover we are moving a little too hastily in proposing major catastrophic changes to section 404.

What we should do is move more cautiously and provide exemptions for normal farming, ranching, and silvicultures.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent, Mr. EDGAR was allowed to proceed for 3 additional

Mr. EDGAR. Mr. Chairman, I think we should proceed very cautiously and carefully and take a closer look at section 404. It would be very unfortunate if we failed to protect our very valuable wetlands, and if we failed to recognize how important those wetlands are in serving as natural wastewater treatment plants and flood protection. If we do not recognize the fact that these wetlands are at the heart of our food chain and provide this Nation with a tremendous food source, we have made a mistake.

I think it is important for us to provide business and industry the opportunities for them to do their vital work. But we can at the same time provide responsible protections for the very precious wetlands of our United States which are being destroyed at an alarming rate.

I hope that we would accept the language which we carefully drafted and carefully reviewed by the staff in the EPA and the Army Corps of Engineers and in the administration.

I urge my colleagues to accept my compromise substitute to section 16 of H.R. 3199.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(On request of Mr. OTTINGER, and by unanimous consent, Mr. Edgar was al-lowed to proceed for 2 additional lowed to minutes.)

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I would just like to congratulate the gentleman on a very sensible amendment and a very eloquent statement in support of it. I think his amendment provides for an adequate protection of the wetlands and at the same time it eliminates the fears that have been sent abroad by the Corps of Engineers very lately. This would, I am afraid, affect the normal farming processes. I hope the amendment will receive widespread

Mr. HAMMERSCHMIDT. Mr. Chairman, I move to strike the requisite number of words and I rise in strong opposition to the amendment offered by the gentleman and in strong support of the amendment to section 404 of the Federal Water Pollution Control Act that is contained in section 16 of H.R. 3199. This provision restates that it is the intent of the Congress that the jurisdiction of the Corps of Engineers to regulate the discharge of goods and fill material be limited to what it always has been; namely, regulation of only "navigable waters." We are not changing the jurisdiction of the Corps of Engineers, we are merely restating the intent of Congress as to what their jurisdiction really is. This is a point that many people seem to have overlooked even though it was clearly reemphasized by my friend and distinguished colleague (Mr. BREAUX), a member of the committee and the author of this amendment contained in section 16.

A second point, Mr. Chairman, that I think needs to be raised is the question of what are the roles of the States on the subject of wetlands preservation.

I would submit, Mr. Chairman, that section 404 is not the appropriate provision for regulating our Nation's wetlands. We already have a statute to address this problem, the Coastal Zone Management Act. Under this act, the States have developed plans to regulate activities impacting on the wetland resources. I would argue, therefore, that to make section 404 a "wetlands protection act" would be duplicative and a usurpation of the States rights that we delegated to the States under the Coastal Zone Management Act.

I, therefore, urge, Mr. Chairman, my colleagues to rise in support of section 16 of H.R. 3199 and reject the contention that we are taking away Federal protection of our wetlands. I urge the defeat of this amendment.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the

gentleman from Pennsylvania.

Mr. EDGAR. Mr. Chairman, I appreciate the gentleman's statement. Let me see if I understand the gentleman correctly. It is accurate to say that the gentleman is stating that the definition as provided on page 39 of the bill does not change; it simply restates the committee's position of 1972.

Mr. HAMMERSCHMIDT. Only as it relates to the Corps of Engineers historical jurisdiction over navigable waters; that is my contention, yes.

Mr. EDGAR. Mr. Chairman, if the gentleman will yield further, it seems to me as I have read that language carefully it restricts even further than the court decision the definition of navigable waters way beyond what was suggested on

page 131 of the committee print and way beyond the section 101 goal that is provided in the original intention of the act.

I was wondering if the gentleman could clarify for me how the gentleman believes that this language, in fact, reinstitutes the initial committee intention?

Mr. HAMMERSCHMIDT. Well, it is my contention and my belief that the Congress intended for the Corps of Engineers to limit their jurisdiction over navigable waters to be what has been traditionally navigable waters. I think that was the intent of Congress. I recall that from my discussions and colloquies within the committee and the debate that has gone on here.

Mr. Chairman, I yield to the gentleman from Louisiana (Mr. Breaux), since this is the gentleman's original amend-

Mr. BREAUX. Mr. Chairman, I think the distinguished gentleman from Arkansas is referring to what the gentleman has had and the majority of the Members of Congress had as the original intent, to require a permit for navigable waters that were involved in interstate and foreign commerce.

I think the gentleman is now talking about language that will put in proper perspective what we intended when we first voted for the 1972 act. It was intended and that is how the original regulations were set out, it was intended to be limited to waters involved in interstate and foreign commerce.

Mr. HAMMERSCHMIDT. Mr. Chairman, I concur in that.

Mr. DON H. CLAUSEN. Mr. Chair-

man, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to

the gentleman from California, Mr. DON H. CLAUSEN. Mr. Chairman, under section 16(j) there is a dele-

gation to the States. I would read this:

"(J) The Secretary of the Army, acting through the Chief of Engineers, is authorized to delegate to a State upon its request all or any part of those functions vested in him by this section relating to the adjacent wetlands in that State if he determines (A) that such State has the authority, responsibility, and capability to carry out such functions, and (B) that such delegation is in the public interest. Any such delegation shall be subject to such terms and conditions as the Secretary deems necessary, including, but not limited to, suspension and revocation for cause of such a delegation.

Mrs. SMITH of Nebraska. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to this amendment.

I would like to make just one point in addition to the other points made that is, for one thing, that it will not destroy the wetlands. I have a list of 13 Federal laws which protect the national wetlands. I think that our critics are not right on target in feeling this will destroy the wetlands. We have not only the Wetlands Protection Act, but we have the Coastal Zone Management Act, the Watershed Protection and Flood Prevention Act, and a host of others to protect our wetlands.

Mr. Chairman, last year the House voted 234 to 121 to limit the Army Corps of Engineers' regulatory program for dredge and fill activities in rivers, lakes, streams, and wetlands. In the final days of the 94th Congress, however, the House and Senate conferees deadlocked over the extent of changes needed in the program, leaving us to resolve the issue. I have introduced, with 13 cosponsors, legislation which is identical to section 16 of H.R. 3199. This would confine the corps' permit programs to waters that are now being used or could be used in the future for commercial water transportation. In addition, our language would allow delegation of the permit authority to State agencies that are willing to assume those responsibilities.

The military's jurisdiction over America's waterways is limited by the terms of the original act, Public Law 92-500, section 404, to "navigable waters." Although the term "navigable waters" would appear to restrict the corps to waters deep enough and wide enough to afford passage of ships, the definition of that term has a long and complex history. If any of my colleagues are interested in this sad commentary on the expansion of Federal authority, I would invite them to read my statement on page 6568 of the March 7, 1977 RECORD. I have a few copies of that statement with me now if you are immediately interested.

Over the years, the courts developed a wise definition for "navigable waters" as that term appeared in the laws which first authorized the corps to issue permits for activities involving our Nations' waterways. This workable definition confined the corps to those activities which might actually have an effect on waters which carried interstate commerce. Were it not for a March 25, 1975, District of Columbia District Court decision, the corps would administer section 404 along with its other permit programs within those workable geographic boundaries. But the court's ruling forced the Army to extend its regulatory tentacles into all the "waters of the United States." Pursuant to that decision the Army issued regulations, effective July 1977, which regulate all waters that flow more than 5 cubic feet per second. To be frank, that bloated definition of navigability may make my bathtub tap a "navigable water."

Today we must define clearly the parameters of this 404 permit program by defining, for once and for all, "navigable waters." The Congress must do what only the Congress can do: clarify its intent. Surely the Congress does not intend to make a stream 2 inches deep navigable. Nor do we intend to make every watering pond in the Nation navigable. Nor do we intend to make every source of irrigation water navigable. Nor do we intend to require 20,000 permits or more a year from agriculture. Instead, I submit, we logically intend to support the language of section 16 which clearly establishes the corps' appropriate authority over waterways used or susceptible to use in interstate commerce.

I feel that section 16 is the best resolution of this entire controversy because it insures agriculture an unrestricted use of water resources, perpetuates the State's privilege to dictate water policy, and avoids needless expense.

Since the corps' release of May 6, 1975,

in response to the Callaway decision which stated in part:

Under some of the proposed regulations, Federal permits may be required by the rancher who wants to enlarge his stockpond or the farmer who wants to deepen an irrigation ditch or plow a field, or the mountaineer who wants to protect his land against stream erosion.

There has been great concern over the impact such regulation could have on crop production. Although the corps was quick to retract its May 6 statement and promise moderate and reasonable implementation of its regulations; when even a potential exists to put Federal controls on agricultural water, that potential is a threat to the Nation's food supply and the livelihood of thousands of farmers.

This is particularly distressing because even conservation measures could require a Federal permit under the corps' expansive jurisdiction. Ironically, conservation measures improve water quality by preventing sedimentation. farmer, who has for years voluntarily installed and maintained these important water purification and conservation systems, stands to be penalized for continuing these beneficial practices.

It must be undisputed that a farmer can fill an irrigation ditch or divert a stream on his own land without a Federal permit. H.R. 4231 would insure by law that normal farming operations would be free from corps intervention.

The right of States to govern water policy is traditionally accepted. Protection and allocation of water necessarily demands a careful balancing of many important social and economic interests. It should be the State's role to weigh these concerns at a local level where the questions are best understood and handled. Many States, Nebraska included, have sensed such a prominent responsibility to determine water policy that their constitutions set forth specific guidelines for water resource management. The dominant role of the States becomes even more evident when a lake or stream is entirely within one State. There is great wisdom in leaving this authority with the States, where it belongs.

Finally, this bill would prevent the expenditure of millions of dollars toward misguided pollution control programs. The Army Corps came before the Appropriations' Public Works Subcommittee recently to request an increase of 202 Federal employees and added funds to administer the permit programs. The corps' representative, General Morris, clarified that those 202 are needed to merely keep pace with the present programs; anticipated growth will require still more personnel. These employees, at taxpayer expense, are needed to merely handle the paperwork, not to mention the tremendous expense and delay for private businessmen and farmers. In both human and monetary cost, the current program under swollen Federal jurisdiction does not merit continuance.

To put this all in focus, I recommend that we examine the number of permit applications received by the corps under its permit programs. The year 1974 was the first year applications were received under the 404 program. During that year 2,878 were filed. At that time the corps was not operating under its expanded jurisdiction, therefore these permits were combination section 10 of the 1899 act and section 404 permits. In 1975, 4.353 were requested. In 1976, the corps moved into a larger jurisdiction and 7,734 were filed. In just 3 years the 404 permit program had tripled. All of these permits have been requested for traditionally navigable waters or their tributaries. Imagine what will happen in July 1977 when the corps assumes jurisdiction over all waters which flow at more than 5 cubic feet per second. The American Farm Bureau's estimate of 50,000 annual permits from agriculture may be far too conservative. No wonder General Morris was careful to state that future growth of the corps permit authority will require additional personnel.

Finally, let me stress one thing that this legislation would not do. It would not, as some critics charge, destroy this Nation's valuable wetlands. Removing some wetlands from the corps jurisdiction does not leave them without protection, for there is an ample body of Federal and State law designed to preserve wildlife habitats and wetlands. Although my list may not include them all, allow me to isolate 13 different laws protecting wetlands:

ALTERNATIVE LAWS AND PROGRAMS ALREADY DESIGNED TO PROTECT WETLANDS

1. The Water Bank Act.

2. The Rural Development Act.

3. The Coastal Zone Management Act.

The Marine Protection Research and Sanctuaries Act.

5. The Appalachian Regional Development Act.

6. Watershed Protection and Flood Prevention Act.

7. The Land and Water Conservation Fund

8. The Federal Aid in Fish Restoration Act. 9. The Federal Aid in Wildlife Restoration Act

10. The Migratory Bird Conservation Act. 11. The Fish and Wildlife Coordination Act.

12. Great Plains Conservation Program.

13. The Wetlands Acquisition Act.

The stakes in legislation such as this are especially high because of the pressing need for U.S. farmers to join all farmers in the world in an all-out attempt to double food production in the next 25 years. The population of the Earth is expected to nearly double by the year 2000—jumping from 4 to 6 or 7 billion people. Some 86 percent of this increase will take place in the less developed countries. As it is, nearly 500 million people currently suffer from chronic malnutrition. And 2 billion people, one-half of the world population, exist on a per capita income of less than \$200 a year. The American farmer has accepted the challenge of feeding the world. But today's farmer cannot afford to operate his business under rules and regulations that inhibit his full production. The image of the environmentally destructive farmer is false. In issues such as this, we should honor the rural tradition of voluntary action: Let the farmer continue his conservation practices. Let him maintain his production without unnecessary permits. Let him feed the world.

I wholeheartedly endorse the language

of section 16 of H.R. 3199 and urge its immediate adoption.

AMENDMENT OFFERED BY MR. CLEVELAND AS A SUBSTITUTE FOR THE AMENDMENT OF-FERED BY MR. EDGAR

Mr. CLEVELAND. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows: Amendment offered by Mr. CLEVELAND as a substitute for the amendment offered by Mr. EDGAR: Page 38, strike out line 24 and all that follows down through and including line 2 on page 43 and insert in lieu thereof the following:

SEC. 16. Section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344) is amended by adding at the end thereof the

following new subsections:

(d) The discharge of dredged or fill material-

"(1) resulting from normal farming, silviculture, and ranching activities, such as plowing, cultivating, seeding, and harvesting, for the production of food, fiber, and forest products;

"(2) placed for the purpose of maintenance (including emergency reconstruction) of (A) currently serviceable structures such as dikes, dams, levees, groins, riprap, breakwaters, causeways, and bridge abutments or approaches, and (B) transportation structures; or

"(3) placed for the purpose of construction or maintenance of farm and stockponds and irrigation ditches and the maintenance of drainage ditches.

is not prohibited by or otherwise subject to

regulation under this Act.

(e)(1) Consistent with the requirement of subsections (a) through (c) of this section, the Secretary of the Army, acting through the Chief of Engineers, may issue general permits for discharges of dredged or fill material if the activities to be conducted under the permit (A) are similar in nature, (B) would cause only minimal adverse environmental impact is performed separately, and (C) will have only a minimal adverse cumulative effect on the environment. Such permits shall contain such conditions as necessary to achieve the purpose of this Act and shall be for a maximum period of five years. A general permit may be revoked or modified by the Secretary of Army if he determines that the cumulative effects of the permitted activities are such that an individual permit is required for one or more of the activities for which such general permit was issued, except that no general permit shall be revoked or substantially modified without opportunity for public hearings.

(2) The Secretary of the Army, acting through the Chief of Engineers, shall distribute by public notice a list of all categories of activities proposed for processing

by means of general permits. "(f) The Secretary of the Army, acting through the Chief of Engineers, shall submit a detailed report to the Congress on or before December 31, 1977, on the implementation to such date by the Department of the Army of the provisions of this sec-tion. Such report, which shall be prepared with the Administrator, confunction shall (1) detail the progress made in implementing the requirements of this section and the objectives of this Act, (2) assess State programs that are similar to this program, and (3) provide recommendations on the manner in which State and local agencies can become more directly responsible for fulfilling the requirements of this section in a manner consistent with the purposes of the Act.".

Mr. CLEVELAND (during the reading). Mr. Chairman, I ask unanimous consent that this substitute amendment be considered as read and printed in the

The CHAIRMAN. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. CLEVELAND. Mr. Chairman, the substitute for the Edgar amendment is known as the Cleveland-Harsha amendment. This is an amendment that was prepared last year. Some may ask why it is necessary to have an amendment as similar to the Edgar amendment offered as a substitute. I want the RECORD to show, so that not only the members of this committee, but the Members of the House and those who read the RECORD, will have an opportunity to read the two amendments and the discussion of them.

Last year, the Cleveland-Harsha amendment was prepared in consultation with a number of environmental organizations. After an appropriate approach to the so-called 404 problem was drafted, this amendment was then run through the whole array of downtown bureaucracy—the Corps of Engineers, the Environmental Protection Agency, the Department of Agriculture, the Department of the Interior, et cetera. This amendment has been thoroughly examined and thoroughly scrutinized.

This Cleveland-Harsha amendment, we feel, is the proper approach to the so-called 404 problem. In the discussion on the floor of the House last year when the Cleveland-Harsha amendment was offered, our distinguished colleague from Texas (Mr. Wright) offered a substitute. I must compliment him on the manner in which he argued for his substitute, because the arguments that he used for his substitute, which was adopted by approximately a 2 to 1 vote in the House, were precisely the arguments that had been prepared and were offered in support of the Cleveland-Harsha amendment. There was a great deal of confusion, and in fact surface similarities insofar as both contained statutory exemption from permit requirements for farming, et cetera, and general permits. The arguments for the Cleveland-Harsha amendment were adroitly used in support of the Wright substitute.

One may say, what would be the difference between the Wright substitute and the Cleveland-Harsha amendment if the same arguments could be used? I will tell the Members what the difference is. It is a rather startling difference; it is a very startling difference. First of all, the Cleveland-Harsha amendment takes care of the farmers, takes care of the loggers, takes care of the ranchers, takes care of all the idiocies that came out of the early Corps of Engineers announcements and early press releases. We take care of most conservation and forestry programs. They are all exempt.

This year we have taken from Mr. EDGAR'S amendment the wise suggestion that there be a study of States capabilities to qualify for the State certification principle elsewhere in this bill, and the corps could then be empowered to turn over to most States a vast amount of the task at hand.

But again, we come back to the question what is the difference? Here is the difference, the way I see it-and it is a big difference. Under the Wright substitute, which is now embedded in the legislation that we are considering, 80 percent-80 percent of the wetlands, the marshlands-are placed by the definition used for navigable waters beyond the reach of Federal protection. Even more startling, as far as streams are concerned, 98 percent of them are placed beyond the protection. So there is a difference. There is a big difference: there is a substantial difference.

It is for that reason, I think the REC-ORD should clearly show, that when the Cleveland-Harsha proposal was made last year and was approved, as I say, by many environmental groups and by the entire administration it was approved and it was approved for a good and

sound reason.

This is not to in any way say that the Edgar amendment is unsound, but it has not had the history of the Cleveland-Harsha amendment.

The CHAIRMAN. The time of the gentleman from New Hampshire (Mr.

CLEVELAND) has expired.

(On request of Mr. Cohen and by unanimous consent, Mr. CLEVELAND was allowed to proceed for 2 additional minutes.)

Mr. COHEN. Mr. Chairman, will the gentleman yield?

Mr. CLEVELAND. I yield to the gentleman from Maine (Mr. COHEN). Mr. COHEN. I thank the gentleman

for yielding.

Mr. Chairman, some States, such as Maine, have very progressive environ-mental laws that effectively regulate certain wetlands within their borders. In my judgment, parties operating in these areas should not be required to acquire Federal permits, general or otherwise, if they comply with the Federal law. Would this bill, if the gentleman's amendment is adopted, permit an arrangement between the corps and the State whereby the meeting of stringent State requirements would effectively constitute the meeting of the Federal requirements? In other words, would a party be required to obtain a Federal permit even if by meeting State requirements the party satisfies the intent of the Federal law?

I know we are all interested in reducing bureaucracy and redtape, and it seems to me unnecessary to duplicate the State-required paperwork were such an exemption provided for in the amend-

Mr. CLEVELAND. Under the Cleveland-Harsha permit provision, that might be accomplished. Certainly that is my intent.

Mr. COHEN. But would it be?

Mr. CLEVELAND. For me to tell the gentleman what any agency of Government is going to do would be foolhardy in the extreme. I think that under the Cleveland-Harsha permit provisions, it might be done. As a result of the study provision it is even more certain that eventually it will be done, though additional legislation might be necessary.

Mr. BREAUX. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman. I would like to take this time to try to clarify and put into proper perspective where we are, so far as the whole question of section 404 is concerned.

What we have now pending is an amendment to the legislation contained in the bill in a substitute amendment to that amendment. I, basically, think, and I think both of the authors will agree, that there is not a lot of difference between the amendment offered by the gentleman from Pennsylvania and the substitute amendment offered by the gentleman from New Hampshire (Mr. CLEVELAND)

I think, basically, they do the same thing. Let me explain, if I may. The Water Pollution Control Act says that anybody who wants to do any dredge and fill activity in any navigable waters of the United States is going to have to get, before he can do that, a permit from the Army Corps of Engineers, the Federal permit.

The district courts here in the District of Columbia took that on a case, and said, "Well, Congress, when you said you need a permit for all activities in navigable waters, you really meant you needed a permit for dredge or fill activities in all waters of the United States."

And right now we are under a threephase program to require a permit for any dredge or fill activities in any waters of the United States. So I offered an amendment which was worked on and improved by the gentleman from Texas WRIGHT), which became the Wright-Breaux amendment, which was adopted by this House last year by a 2to-1 margin, and that is what is contained in the legislation pending before us today, and which the amendment is trying to take out.

Let me tell the Members how we docided to approach the problem, why our method is a lot more preferable.

They are, I think, using a number of exemptions saying that you are not going to need a permit if you are engaging in this kind of activity, that kind of activity, or what have you. This said you would not need a permit if you are engaging in normal activity, silviculture, and that type of activity.

But the amendment is defective because it does not say what areas we are

going to need a permit in.

Here is what the legislation says in the bill before us and why I think it should be kept in there:

First of all, we start out by defining what is "navigable." Before we know what we can exempt from a permit, we have to know what we need a permit for in the first place, so we need a definition of "navigable." It is contained on page 39 of the bill we are working on, and it says you are going to need a permit if it is navigable, and this is what "navigable" means. We take out the historical definition of "navigable," because we do not think it is necessary for anyone to get a permit for a body of water which is not navigable today but which might have been navigable back in 1700 when

the fur trappers were using it. Yet that is what the original definition said.

So we define "navigable," and then we add something. We say that you are also going to need a permit for any dredge and fill activity that is going to be carried on in any adjacent wetlands or areas contiguous to those navigable waters. So

we extended it in that sense.

So they are going to need a permit if it is navigable under that definition, and they need a permit from the Army Corps of Engineers if it is activity in any wetlands adjacent or contiguous to the navigable waters. That is true if it is salt wetlands or if it is fresh water wetlands; they are also going to need a permit

It is not correct to say that a permit is needed in 80 percent or 90 percent of all the wetlands. This is not a correct statement. If we want to stretch it out and measure it in miles, we might be correct, but I say that when we measure a 5-foot stream and simply because it might be 500 miles long and we say we ascertain the 80 percent by that measurement, that is to me not a proper argument. That is not what we should be concentrating on.

So, as I say, we redefine "navigable," and we add "adjacent wetlands" to that and say this is where we need a permit. Then we take the features from the Cleveland amendment and the features from the Edgar amendment and say "All right, these are the exceptions." There is

no real disagreement on that.

So I think that what we have in the committee print is a compromise. It was the Wright-Breaux compromise adopted by the Congress last year, and if any Member says, "Well, we ought to compromise and split the difference," I say it has already been done. I think that what we have to come up with is a more rational approach.

The CHAIRMAN. The time of the gentleman from Louisiana (Mr. BREAUX) has

expired.

(On request of Mr. Tucker and by unanimous consent. Mr. BREAUR was allowed to proceed for 3 additional minutes.)

Mr. TUCKER. Mr. Chairman, will the gentleman yield?

Mr. BREAUX. I yield to the gentleman from Arkansas.

Mr. TUCKER. Mr. Chairman, I appre-

ciate the gentleman's yielding.

Mr. Chairman, I would like to ask what would happen in the event that a large landowner was preparing a road, for example, for a logging operation. If a large landowner had a logging operation already and decided to construct a road across a watershed which blocked off, let us say, 15 or 20 small streams in the watershed which individually have no significant impact whatsoever on the navigable stream, but taken together represent a very substantial amount of flow off the watershed, what provision of law protects the watershed in that event?

Mr. BREAUX. Mr. Chairman, if I interpret the gentleman's proposition correctly, he is talking about an area that is clearly a wetland area which would fall under the bill, and then he wants to know whether, because there is a logging operation involved, it would require a permit?

Mr. TUCKER. No. Let us say we are in watershed area that does not fall within a wetland classification as defined in the bill. Let us say it is beyond that, but the water flows into a navigable stream. What protects the watershed area? What provision of law would protect it if the committee's proposal is adopted?

Mr. BREAUX, Mr. Chairman, I will say to the gentleman that, as he has stated, it is not an adjacent wetland and it is not a navigable body of water, so it would not be covered. However, it would probably be covered if there is a major Federal action involved. It would be covered by the national environmental policy, and they would have to do an environmental impact report on that type of project.

If there is not a major Federal action involved, it would probably not be covered, but if there is a watershed project or it involves a watershed, it would be covered by the national environmental policy, so you would need an environmental impact report before you could carry out that type of operation.

Mr. Chairman, I will recapture some of my time, and I thank the gentleman from Arkansas (Mr. Tucker) for getting

me extra time.

Mr. Chairman, I believe that we have a proper compromise contained in the bill before us today. It protects adjacent wetlands and navigable waters. It protects all navigable waters by requiring a permit for any activity in that area, and it takes into account the exceptions being proposed by the substitute and by the amendment. I think we have a good pact. and let us stick with it.

Mr. Chairman, I ask that both amend-

ments be rejected.

Mr. GARY A. MYERS. Mr. Chairman. I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I rise in support of the Cleveland amendment. I support the Edgar amendment, and in the spirit of compromise I support the Cleveland

amendment.

I think we should be aware of the fact that both the Corps of Engineers and the EPA have expressed a need for this type of legislation so that they can have substantial control over the effects on wetlands, not only coastal wetlands but on internal wetlands as well. If we fail to recognize by not making substantial changes in this provision away from what is presently in the bill, we do, in fact, ignore our responsibility to the tremendous amounts of wetlands, no matter how you measure them, by mileage or some other standard. It is important to realize that we are debating a bill in which we are attempting to upgrade the general quality of our water and we must realize that the retrofitting of good environmental practices is far more expensive than preserving the integrity and the environmental quality of wetlands to begin with.

We should not ignore the fact that the Cleveland and Edgar amendments virtually answer all the concerns of most of our constituents about the activities the corps was going to take. It would seem to me that very few of us would have very many complaints in our districts by accepting either one of the amendments. They both address almost in totality the concerns that all individual farmers are going to have, and for the individual loggers, and so forth. I think both of these amendments are the answers that we were struggling for last year.

I oppose the amendment that is now in the bill and ask for support of the Cleveland-Edgar amendments.

Mr. EDGAR. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Harsha-Cleveland substitute.

Mr. Chairman, there may be only two Members in the room who understand the difference between the Cleveland-Harsha substitute and the Edgar amendment. I would just share, very quickly, what the major difference is and indicate why I also support the Cleveland-Harsha substitute to the Edgar amendment.

It is clear and correct what the gentleman from New Hampshire (Mr. CLEVE-LAND) has said that, in fact, the language of his amendment was carefully drawn by the last administration. It would simply exempt from both section 402 and section 404 the normal operations of farming silviculture, ranching, logging, and other things, with some technical amendment changes. That is the substance of it.

The Edgar amendment simply focuses more on section 404 alone. In section 402 the permitting is done by the Environmental Protection Agency and in section 404 the permitting is done by the Army Corps of Engineers. But I believe with the exception of exemptions under section 402, the Cleveland-Harsha-Edgar-Myers amendments are essentially the same. There have been some technical changes made after informal consultation with staff in the executive branch. But the Edgar-Mineta-Myers and the Cleveland-Harsha amendments have the same very important focus.

I would like to direct the attention of the Members to the text of a letter received by Jennings Randolph in the other body from the Acting Administrator of the Environmental Protection Agency, at the request of Senator Ran-DOLPH which describes the importance of the section 404 program, and there is indicated in the heart of this letter, the

following:

The permit program is our only direct control over discharges of dredged or fill material. Such discharges can irrevocably destroy critical aquatic areas including swamps, marshes, and submersed grass flats that play a valuable role in maintaining the chemical, physical and biological integrity of our water resources. If conserved, these resources can continue to be of value by providing: (1) high-yield production of food for aquatic animals; (2) spawning and nursery areas for commercial and sports fish; (3) removal and recycling of pollutants; (4) recharge of surface and underground water supply; (5) nesting and winter areas for waterfowl; and, (6) natural protection from flood and storms

It goes on to describe the general permit program. It clearly indicates that in November 1976, when this letter was sent, after this House passed H.R. 9560, the last Water Pollution Control Act amendments of the 404 program is working. We approved section 16 of this bill last year without having the benefit of these letters from the corps and EPA.

I would again urge my colleagues to look carefully at the discussion—additional views of Mr. Meyers of Pennsylvania and myself which appear in the report accompanying H.R. 3199. I would ask each Member to weigh carefully the statements of the Army Corps of Engineers and the EPA, and I urge that the Members support the amendment in the form of a substitute offered by my colleague, the gentleman from New Hampshire (Mr. CLEVELAND).

Mr. COHEN. Mr. Chairman, will the

gentleman yield?

Mr. EDGAR. I yield to the gentleman from Maine.

Mr. COHEN. I thank the gentleman for yielding.

Is it the gentleman's understanding that under the Cleveland-Harsha amendment, or under the gentleman's amendment, that the corps could delegate to the States the responsibility for enforcing laws which are currently on State books or might be put on State books without the necessity of getting State permits as well as Federal?

Mr. EDGAR. The language of the Edgar amendment provides for a study to be brought forward to Congress with specific recommendations of how States could become more directly responsible for fulfilling the requirements of section 404. There is similar language in the Cleveland-Harsha amendment.

The CHAIRMAN. The time of the gen-

tleman has expired.

Mr. WRIGHT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think there probably has been sufficient debate. Most Members understand what is involved. Let me give just a brief recapitulation.

In 1972 the Congress enacted a very ambitious water cleanup program. One of the provisions of that bill called for permits to be obtained for any work of a construction type that would be done in the navigable waters of the United States.

The Court interpreted that to mean all the waters of the United States—all the waters. Pursuant to that interpretation, the Corps of Army Engineers wrote a series of regulations. Those regulations are 35,000 words long.

Before Members vote for any amendment to this portion of the committee bill, they ought to know what is in those regulations. Those regulations would require that anybody who intends to perform any work that involves any impoundment of water—on private property—any impoundment of water—would have to get a permit from the Army.

Anybody who would do any construction work on any land that is periodically inundated by water—the regulation does not say what that means; it does not say whether "periodically inundated" means once every 2 weeks, once every 6 months, or once a year—would have to get a permit from the Army.

Anybody who would do any work on

any body of water which is used by any interstate traveler for recreational purposes would have to get a permit. This means that if one is going to visit his Uncle Fred out in North Dakota and fish in a pond on his land, then that property would be subject to a permit.

It would increase the permit-writing authority of the corps to the point that the agency eventually would have to hire more people to monitor permits by private citizens of the United States to do work on their own property than it employs for actually building the civil works projects of the Army Corps of Engineers.

The Secretary of Agriculture, Mr. Bergland, has written a letter in which he endorses the committee language. He says that what happened in phases 1 and 2, let alone phase 3 which will go into effect this July unless we act as is proposed in the committee bill, already is causing delays, duplication, and expense in carrying out soil and water programs which are aimed at efficient production of needed food, fiber, and forest resources.

What I would like to say to the Members is that this bill recognizes the necessity to protect the really significant wetlands. It includes all the navigable waters and all the wetlands that are adjacent or contiguous to them. In addition to that, it allows any State to nominate any other body of water that State authorities think is ecologically valuable, and it can be subject to the permit requirement as well.

But, at the same time, it protects the citizens against the all-inclusive authority of the Army Corps of Engineers that otherwise would be requiring citizens in great numbers to go to the Army to apply for permits and then to wait 6 or 8 or 10 weeks for permission to use their own land in ways that have never before been questioned and which do not affect anything of serious ecological importance.

The citizens of this country are concerned about increasing Government regulation. If Members do not think the citizens are concerned about overregulation and the growing instrusiveness by Government agencies into their private lives, I suggest they go back this week and talk to some of them. I think the Members will find that the citizens in increasing numbers are deeply concerned about this problem.

In the second place, the bill protects the major wetlands, those that are of primary ecological value to the Nation, against any acts by those who would despoil them.

In the third place, the bill protects the Congress of the United States against the intrusion of administrative regulation writers who more and more thirst to make law without the inconvenience of running for Congress. It restores the original intent of Congress. It is a fair provision, carefully thought out and carefully drafted.

The committee view prevailed on the House floor last year by a very substantial margin over the view that is being offered by those who offer these amendments today. It prevailed heavily again this year in the committee. I urge the Members with all the emphasis at my

command that if they would protect the citizens against an intrusive and growing and ever more costly bureaucracy, if they would free the clean water program from the encumbrance of proliferating redtape and let it work as it was intended to work, they will vote down these amendments and they will vote for the committee bill.

Mr. ROBERTS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would oppose the Edgar amendment and the substitute amendment, and I ask the Committee to vote down the substitute and vote down the amendment, and then we will vote for the bill and get it over with.

Mr. TUCKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will be very brief. I have listened to this whole debate this afternoon, because I respect very deeply the work of the Committee on Public Works and Transportation and the work of my colleagues from Arkansas and Texas who serve on the committee.

I must admit I come from a State that is predominantly agricultural, where I have had a great, great deal of concern expressed about the activities of the Corps of Engineers. I could not agree more with the gentleman from Texas, the distinguished majority leader, when he says we need to change the provisions that currently exist on this. But by the same token I would urge my colleagues to be aware of the fact, as I understand the debate, and I questioned the gentleman from Louisiana about this earlier, that this legislation is a significant narrowing of the environmental protections which are important to all of our citizens. including farmers and loggers and the forest industry.

The watersheds of our Nation do not respect State boundaries. They extend on both sides of State boundaries. My State is surrounded by other States. We have a border on every side. We do not have a coastline, and the activity which takes place in Arkansas affects Louisiana, and the activity which takes place in Oklahoma affects the northwest portion of my State of Arkansas, which my distinguished colleague, John Paul Hammerschmidt, represents.

I have a substantial amount of concern about the wording of this bill as it is today. It strikes me that we do need to protect the farmers from the outrageous incursion of the Corps of Engineers, and the substitute and the amendment itself I understand do that.

As has been recognized, I think there no protection under the committee language for watershed areas and for water table areas where a marshland owner builds a road across a large number of small streams, each one of which in and of itself, would have no substantial impact on the watershed, but when taken together, 10, 20, 35 separate streams, could have a substantial impact on ground water and water supply in adjacent States. I am not talking about toxic substances. I would appreciate hearing an answer to this, because as I remember when I asked that question, I was told no protection was available.

Mr. ROBERTS. Mr. Chairman, if the gentleman will yield, that would be cov-

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ered in any of the three amendments, the bill or the other three amendments; if they were building a road, they would

have to have a permit.

Mr. TUCKER. Mr. Chairman, if I may engage in further colloquy with the gentleman, would it cover a private watershed area not adjacent to a navigable stream?

Mr. ROBERTS. It would not.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Hampshire (Mr. Cleve-Land) as a substitute for the amendment offered by the gentleman from Pennsylvania (Mr. Edgar).

The amendment offered as a substitute

for the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. Edgar).

The question was taken; and the Chairman announced that the noes

appeared to have it.

Mr. GARY A. MYERS. Mr. Chairman, on that I demand a recorded vote.

A recorded vote was refused. So the amendment was rejected.

Mr. DANIELSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, and members of the committee, I rise in support of H.R. 3199. My purpose today is to emphasize the importance of section 6 of H.R. 3199, which would permit the use of an advalorem tax as a user-charge for a waste treatment—sewage—system when the Administrator of the Environmental Protection Agency determinates such a system results in a proportionate distribution of operation aid maintenance costs among recipients of sewer services, based on the user's contribution to the total wastewater treated by the system.

share of the costs.

BACKGROUND

Presently section 204 of the Federal Water Pollution Control Act Amendments of 1972, Public Law 92–500 (33 U.S. Code 1284) of October 18, 1972, provides as follows:

and the applicant for a grant establishes

surcharges which will insure that each

industrial user will pay its proportionate

(b) (1) Notwithstanding any other provision of this subchapter, the Administrator shall not approve any grant for any treatment works . . . unless he shall first have determined that the applicant (A) has adopted or will adopt a system of charges to assure that each recipient of waste treatment services within the applicant's jurisdiction, as determined by the Administrator, will pay its proportionate share of the costs of operation and maintenance (including replacement) of any waste treatment services provided by the applicant.

The above provision is essentially the same as section 204 of the Senate bill, S. 2770 (92d Cong., 2d sess.), dated October 28, 1971. The committee report states, in part, as follows, in explanation of section 204(b) (1):

Although the committee is aware of the many different legal and financial circumstances that characterize state and local governments and agencies throughout the country, the bill directs the Administrator to promulgate guidelines for the establishment and imposition of user charge systems as a guide to grant applicants for waste treat-

ment works grants.... As a general rule, the volume and character of each discharge into a publicly owned system should form the basis of determining the rate at which each user should be required to pay.

In my congressional district in Los Angeles County, sewage treatment costs have traditionally been paid through an ad valorem tax on the real property served. Initially, there was some question as to whether the ad valorem tax system met the requirements of the Federal Water Pollution Control Act Amendments of 1972. Then, in response to my objection that the creation and inauguration of a new user-charge system, or the installation of sewage meters, would be prohibitively expensive and an undue burden on the people served by the sanitation districts within my congressional district, and others similarly situated, the Environmental Protection Agency, on April 5, 1974, issued program guidance memorandum No. 28, which authorized the use of the ad valorem tax as a user charge under the act, under certain narrow, well-defined circumstances, as follows:

The use of ad valorem taxes can be permitted as a source of funds for operation and maintenance only in those cases where such a method has been used historically. Where there is a history of the use of ad valorem taxation for collection of operation and maintenance costs, and it is properly demonstrated that it would be administratively difficult, more costly, and disruptive to change that system, and that the goal of proportionality among user classes can be achieved by means of an ad valorem tax system, such a system may be used.

On July 2, 1974, however, the Comptroller General rendered a decision that an ad valorem tax for the payment of sewage charges does not meet the requirements of the Federal Water Pollution Control Act Amendments of 1972. That decision, in effect, reversed the authorization of EPA memorandum No. 28.

After reviewing the legislative history of the amendments, the Comptroller General stated, in part, that:

The basic difficulty with EPA's position is that the ad valorem system is clearly a tax based on the value of the property and, conceptually at least, the Congress did not intend that a tax be used to obtain the user charges. . . . Of major importance also is the fact that the ad valorem tax does not in any way reward conservation of water and this was clearly an important factor in the congressional adoption of the user charge.

Accordingly, while the matter is quite complex and not entirely free from doubt, it is our view that the Section 204(b) (1) requirement that each recipient of the sewer services will pay its proportionate share of the treatment works' operation and maintenance expenses may not be met through an ad valorem tax system.

Those responsible for the providing and operation of sanitation districts in Los Angeles County have advised me that there are really only two alternatives to the ad valorem tax as a method of imposing a user charge. The first of these, which would accomplish a precise measurement of waste water discharge, is the sewage meter. However, in order to comply with the act, sanitation districts within Los Angeles County, but not including the city of Los Angeles,

would have to install some 1,200,000 sewage meters. If we were to add the city of Los Angeles, which operates its own sanitation system, the number of meters would be doubled. Needless to say, it would cost an astronomical sum to purchase and install those meters.

In addition, the meters probably would not work in the case of residential connections because a substantial head of pressure is required to operate the meters and to pass the waste through the meters.

The other alternative which would meet the requirements of the Comptroller General's decision, would be to base sewage charges on the amount of water going into each place of use as determined by water meters, on the supposition that water input will bear a direct relationship to sewage output. That system although less costly, would still result in an estimated \$2,000,000 per year in additional accounting expense to the sanitation districts within Los Angeles County, but not including the city of Los Angeles. That is because, in my area, the water supply systems are not coterminus with, do not have the same boundaries as, the sewage collection systems. In other words, a given residential area may receive its water from one source, but it may be served by two or more different sanitation districts, or conversely, although a given area is in a single sanitation district, it may receive its water from a number of different suppliers. Matching up the sewage output with the water input would, in many cases, result in an administrative nightmare, as well as great additional expense which would have to be passed on to the consumers.

This problem is not limited to Los Angeles County. It is nationwide, although many jurisdictions may yet be unaware that they have the problem, because they have not yet applied for, and have not yet been refused, Federal

aid.

However, a few jurisdictions have been identified since they have applied for grants and have been denied.

Besides Los Angeles County, Calif., Cook County, Ill., which includes Chicago, is affected. So are several cities in Indiana. San Francisco and Santa Rosa, Calif., are affected. So are Fairbanks, Alaska, Wellesley, Mass., Hampton, N.H., Woonsocket, R.I., Phoenix, Ariz.

Those are just some of the areas that have already been identified. I am certain that there are many more which will be found to be ineligible for Federal aid because they use the ad valorem tax to pay for sewage collection and treatment.

The goal of the law seems to be to provide for an equitable sharing of the cost of operating and maintaining sanitation systems and a financial incentive for people and industries to conserve water and thereby avoid unnecessary loading of the sewage system. I am doubtful that such a laudable goal can be achieved, when adoption of the type of system necessary to carry out that goal will automatically result in a greater expense to the consumer, rather than a saving. The overall purpose of Public Law 92–500 is to clean the Nation's water, but so long as the added expense to the taxpayer defeats

eligibility for grants, water will not be cleaned.

This legislation which I strongly support, provides that an ad valorem tax is to be regarded as an acceptable form of user charge for sewage collection and treatment, provided that it results in an equal distribution of costs among the various classes of users. The ad valorem tax can be structured to insure that each user pays his fair share. This legislation would in no way hinder the primary goal of the Federal water pollution control program, namely, to clean up our rivers, lakes and streams but would permit the program to operate as efficiently and economically as possible.

A chronology of my efforts to authorize the use of ad valorem taxes as an acceptable form of user charge is as fol-

1. Background: Section 204 of the Federal Water Pollution Control Act (33 U.S.C. 1284) requires local authorities to have a system of sewage treatment user-charges as a prerequisite to Federal financial assistance.

2. Chronology of Events Oct. 18, 1972—Enactment of Federal Water

Pollution Control Act (P.L. 92-500). Sept. 1973—EPA adopts guidelines for "user charges" which exclude ad valorem

Mar. 14, 1974—Danielson urges EPA to revise regulations so as to permit ad valorem taxes.

Apr. 5, 1974—EPA approves ad valorem tax as an acceptable user charge (PG 28).

July 2, 1974 General Accounting Office disapproves ad valorem taxes (reverses EPA). Sept. 16, 1974—Danielson introduces H.R. 16662 to reinstate ad valorem taxes (referred

to Public Works Committee).
Sept. 24, 1974—Public Works Committee
requests comments from EPA Comptrolller General, and the Office of Management and

Oct. 31, 1974—Comments received from

GAO (Neutral comments-not for against).

Jan. 28, 1975—Danielson introduces H.R.

2183 for the 94th Congress (identical to old

May 13, 1975—Subcommittee on Investigations and Review, Committee on Public Works and Transportation recommends user charge alteration to permit ad valorem tax and incorporates Danielson amendment into Committee bill.

Oct. 1976-94th Congress adjourns without passing Public Works Committee bill. Feb. 7, 1977-H.R. 3199 introduced includ-

ing provisions of Danielson amendment. Mar. 29, 1977—Public Works Committee reports H.R. 3199 favorably to full House.

3. The Situation in Los Angeles County: In Los Angeles County, of the 78 incorporated cities, 72 are members Angeles County Sanitation District", a "special district" organized under the laws Angeles of California, (all cities except Avalon, Bur-bank, Glendale, Hidden Hills, San Fernando and Santa Monica, and the vastly largest part of the City of Los Angeles).

Abandonment of the existing ad valorem tax system in favor of a new user charge system would require one of the following two actions:

1,200,000 sewage meters (not including City of Los Angeles).

\$2,000,000 per year for an administrative system that will measure sewage output will measure sewage output based on water input.

4. Other Areas Currently Using Ad Valorem

Tax User-Charges:
a. In California: San Franciso, Santa

Elsewhere: Phoenix, Arizona, Chicago, Illi-

nois, several cities in Indiana, several cities in New England region.

Mr. VOLKMER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to take just a few minutes, not the entire 15 minutes, for a short colloquy with the gentleman from Missouri as regards a matter that was brought up before, not exactly in the same area, it does not quite cover the area I would like to cover, that is in the very small towns I have in my district of 500 to 1,000 population that right now are having a great deal of difficulty with pollution.

I would like to know if the gentleman can tell me what would be available to them. They do not even have funds, in other words, to come up with an engineer or planning or anything else, yet they have problems, they have pollution and health hazards.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to the gentle-

man from Minnesota. Mr. OBERSTAR. Mr. Chairman, thank the gentleman for yielding. The

gentleman raises an important point. The matter is an issue in my own congressional district. I have great sympathy for the problem the gentleman refers to. Small communities have been bypassed in previous years in operating this program for funding for sewage treatment plants and collector and interceptor sewers, but thanks to the efforts the Environmental Protection Agency, they have corrected that situation with a regional guidance memo to the regional offices of the EPA. Thanks to the guidance memo, the State agency can reserve a portion of its funds for small communities. The request to do so must be made by the State's pollution control agency. The situation is working very well in Texas, which is the first State in which that system has been brought up.

Mr. VOLKMER. Mr. Chairman, in other words, if the State institutional body would request it, it can be done?

Mr. OBERSTAR. Yes. I believe it can. The State can reserve as much of a portion as the State desires to set aside.

Mr. VOLKMER. So there are no disqualifications from the EPA itself to disqualify these people?

Mr. OBERSTAR. No. In fact, EPA is very encouraged about this program. I think the gentleman is making a valuable contribution.

Mr. VOLKMER. Then, what I have to do is go back to my State and try to urge them to do what the State of Texas has done.

Mr. OBERSTAR, I would strongly suggest that, and point to the example of Texas where the system has worked very

Mr. ICHORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I apologize to the Members, but I do rise to support H.R. 3199, and commend Chairman Johnson. Chairman Roberts, the ranking minority member of the committee (Mr. HARSHA), and all the members of the committee for bringing this bill to the House. But, I am caught in a very peculiar parliamentary situation with respect to Senator Johnston's amendment to H.R. 11.

I refer to Senator Johnston's amendment to H.R. 11, adopted by the Senate on March 10, 1977, which prohibits deferral or recission of fiscal year 1977 funds for Federal construction projects listed in Public Law 94-355 and Public Law 94-351. In Senator Johnston's words:

This amendment is intended to undo the prospective action of the Executive with respect to water projects.

An amendment to Senator Johnston's amendment offered by the newly elected junior Senator from Missouri, Senator DANFORTH, who has been influenced by ecologists who have taken the word logic out of ecological, exempted the Meramec Park Lake project from Senator Johnston's prohibition against deferral or rescission of fiscal year 1977 moneys for water resource projects and from the application of Public Law 93-251 which establishes the discount rates for costbenefit ratios. It was adopted on the Senate floor by a voice vote.

In Senator Johnston's words:

The real effect of the Danforth amendment is to except it from the statement on policy and the statement of intent of this Congress with respect to water resource projects. We are telling the President not only to follow the law, but we are telling him he is doing wrong by not following the law. We are excepting the Meramec project from that broad statement of policy by the Danforth amend-

In essence the Johnston amendment as amended by Senator Danforth tells the President that the Senate will override any rescission or deferral on water resource projects and reminds the President of existing law-Public Law 93-251, the Water Resources Development Act of 1974—governing the use of interest rates in determining cost-benefit ratios and then exempts the Meramec Park Lake project from the existing laws of the

In other words the President would be permitted to act illegally toward the Meramec project.

There is some question in my mind and I know also in the minds of many members of the Public Works Committee as to whether the Johnston amendment really means anything, but I was concerned that it might in the words of Senator Johnston permit the President to act illegally toward Meramec?

The Johnston amendment of course was nongermane to H.R. 11 but unfortunately the Senate does not have the rule against nongermaneness. H.R. 3199 and H.R. 11 will be worked out in conference. Under the rules of the House it would not be in order for me to offer the original Johnston amendment to H.R. 3199 as it would not be germane. It was my intention to prevail upon the House and Senate conferees to delete the Danforth amendment in conference but due to the highly unusual parliamentary situation I am advised by the parliamentarian that to add the Meramec Lake to the other 18 projects would make the conference report subject to a point of order since it would be outside the scope of the versions of the bills of the two Houses. Since it is doubtful that the Johnston amendment has any effect whatsoever and since the Meramec is in somewhat different situation than other projects as the Missouri General Assembly is now considering the possibility of a referendum which the Governor of Missouri has agreed to abide by. I have not objected to any deferrals until the legislature of Missouri finally resolves the question of a referendum.

The House is often taken in a particular situation like this so it is exceedingly difficult for the House to work its will. I certainly would not ask the House to hold the public works bill and these important water pollution amendments in the interest of one individual water project.

Therefore, I must proceed by letting the House work its will on the Meramec project when the House receives the public works appropriation bill.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. Ichord) has expired.

(By unanimous consent, Mr. ICHORD was allowed to proceed for 1 additional minute.)

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman

from Texas (Mr. Roberts). Mr. ROBERTS. I thank the gentle-

man for yielding.

Mr. Chairman, I sympathize with the gentleman. I agree with the gentleman, and I regret that is the situation in which we find ourselves.

The CHAIRMAN. There being no further amendments, the question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The CHAIRMAN. Under the rule, the Committee rises

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Stratton, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3199) to amend the Federal Water Pollution Control Act to provide for additional authorizations, and for other purposes, pursuant to House Resolution 468, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment. The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill

The bill was ordered to be engrossed and read a third time, and was read the third time

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ROBERTS. Mr. Speaker, on that I demand the yeas and navs.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were-yeas 361, nays 43, not voting 28, as follows:

[Roll No. 129] YEAS-361

Eilberg

Erlenborn

Evans, Colo.

Evans, Del. Evans, Ga.

Evans, Ind.

Fary Fascell Fenwick

Findley Fisher

Fithian

Flippo

Flood Florio

Flynt

Ford, Mich. Ford, Tenn.

Forsythe

Fraser

Frev

Frenzel

Fuqua

Gammage

Gaydos Gephardt

Giaimo

Gilman

Ginn

Gore

Hall

Gibbons

Glickman

Goldwater

Gonzalez

Goodling

Gradison

Guyer Hagedorn

Hamilton

Hammerschmidt Hanley Hannaford Hansen

Harkin

Harris Harsha

Hefner

Hillis

Holt Horton

Howard Hubbard

Huckaby

Hughes

Hyde

Ichord

Ireland

Jenkins

Jenrette

Jordan

Kasten

Kazen

Kelly Kemp Ketchum

Keys Kildee

Kindness

Krueger

Le Fante Leach

Lederer

Leggett

Levitas

Long, I

Long, Md.

Lloyd, Calif. Lloyd, Tenn.

Lent

LaFalce

Latta

Hawkins

Hightower

Holland Hollenbeck

Harrington

Grasslev

Gudger

Fountain

Emery

Alexander Allen Ambro Ammerman Anderson, Calif. Anderson, Ill. Andrews, N.C. Andrews, N. Dak. Applegate Archer Armstrong Ashbrook Ashley AuCoin Badham Bafalis Baldus Barnard Baucus Bauman Beard, R.I. Beard, Tenn. Bedell Benjamin Bennett Bevill Biaggi Blanchard Blouin Boggs Boland Bolling Bonior Bonker Bowen Brademas Breaux Breckinridge Brinkley Brooks Broomfield Brown, Calif. Brown, Mich. Brown, Ohio Broyhill Buchanan Burgener Burke, Calif. Burke, Fla. Burke, Mass. Burleson, Tex. Burlison, Mo. Butler Caputo Carney Carr Carter Cavanaugh Cederberg Chappell Chisholm

Abdnor

Akaka

Addabbo

Cohen Coleman Collins, Ill. Collins, Tex. Conable Conte Corcoran Corman Cornell Cornwell Cotter Crane D'Amours Daniel, Dan Daniel, R. W. Danielson Davis de la Garza Delaney Derrick Derwinski Devine Dicks Dodd Dornan Downey Duncan, Oreg. Duncan, Tenn.

Edwards, Ala.

Clausen,

Don H.

Cleveland

Cochran

Clawson, Del

Edwards, Okla, Lott Lujan Luken Lundine McClory McCormack McDade McDonald McEwen McFall McHugh McKay McKinney

Madigan Mahon Mann Markey Marks Marlenee Marriott Martin Mathis Mattox Mazzoli Meeds Metcalfe Meyner Michel Mikulski

Miller, Ohio Mineta Minish Mitchell, Md. Mitchell, N.Y. Moakley Mollohan Montgomery Moore Moorhead, Calif.

Murphy, Ill. Murphy, N.Y. Murphy, Pa. Murtha Myers, Gary Myers, Ind. Natcher Neal Nedzi Nichols Nix Nowak O'Brien Oakar Oberstar Obey Panetta

Patten Pattison Pease Perkins Pettis Pickle Pike Poage Pressler Preyer Price Pritchard Pursell

Quayle Quie Quillen Rahall Regula Reuss Johnson, Calif. Johnson, Colo. Jones, N.C. Jones, Tenn. Rinaldo Risenhoover Roberts Robinson Rodino Roe Rogers Rooney Rose Rousselot Roybal Rudd

Runnels Ruppe Ryan Santini Sarasin Satterfield Sawyer Schulze Sebelius Shipley

Shuster Sikes

Sisk

Skelton Thompson Skubitz Thone Slack Thornton Smith, Iowa Smith, Nebr. Traxler Snyder Treen Spellman Spence St Germain Tucker Ullman Stangeland Stanton Steed Steiger Stockman Vento Volkmer

Stokes

Stump

Symms

Taylor

Stratton

Van Deerlin Vander Jagt Waggonner Walker Walsh Watkins Weaver

White Whitehurst Whitley Whitten Wiggins Wilson, Bob Wilson, C. H. Wilson, Tex. Winn Wolff Wright Wydler Yates Vatron Young, Alaska Young, Mo. Young, Tex. Zablocki Zeferetti

NAYS-43

Badillo Koch Beilenson Kostmayer Bingham Krebs Brodhead Burton John Lehman McCloskey Burton, Phillip Maguire Coughlin Mikva Miller, Calif. Moffett Dellums Dingell Eckhardt Moss Nolan Edgar Edwards, Calif. Mottl Ottinger Holtzman Richmond Kastenmeier Rosenthal

Scheuer Schroeder Seiberling Solarz Stark Steers Studds Vanik Waxman Wirth Wylie

Russo

NOT VOTING-

Jones, Okla. Milford Annunzio Simon Aspin Staggers Clay Conyers Moorhead, Pa. Myers, Michael Teague Tsongas Dickinson Diggs Pepper Railsback Hahll Walgren Rangel Rhodes Wampler Young, Fla. Drinan Flowers Heftel Roncalio Jeffords Rostenkowski

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Aspin. Mr. Teague with Mr. Dickinson. Mr. Milford with Mr. Jeffords.

Mr. Heftel with Mr. Conyers. Mr. Rangel with Mr. Michael O. Myers. Mr. Rostenkowski with Mr. Diggs.

Mr. Pepper with Mr. Tsongas. Mr. Jones of Oklahoma with Mr. Wampler. Mr. Staggers with Mr. Drinan.

Mr. Clay with Mr. Young of Florida. Mr. Moorhead of Pennsylvania with Mr. Udall.

Mr. Flowers with Mr. Simon. Mr. Roncalio with Mr. Walgren.

Messrs. VANIK, RUSSO, BRODHEAD. and NOLAN changed their votes from "yea" to "nay."

Mr. LUNDINE changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the bill (H.R. 3199) just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JOHNSON of California. Speaker, pursuant to House Resolution 468, I call up from the Speaker's table the bill (H.R. 11) to increase the authorization for the Local Public Works Capital Development and Investment Act of

1976, with the Senate amendment thereto.

The Clerk read the title of the bill.
The Clerk read the Senate amendment.

as follows:

Strike out all after the enacting clause and insert:

TITLE I—PUBLIC WORKS EMPLOYMENT
SEC. 101. This title may be cited as the
"Public Works Employment Act of 1977".

SEC. 102. (a) There are authorized to be appropriated not to exceed \$4,000,000,000 for the period ending September 30, 1978, for the purpose of making grants for projects for which applications have been submitted under title I of the Public Works Employ-

ment Act of 1976 (90 Stat. 999).

(b) Projects eligible for such grants shall those projects considered under title I of the Public Works Employment Act of 1976 (90 Stat. 999) prior to December 23, 1976, and not selected for funding and those projects for which applications under such Act were submitted prior to December 23, 1976, and not considered for funding under such Act because such applications were not received in a timely manner or in the judgment of the Secretary of Commerce were improperly rejected for consideration, except that units of local government which have projects pending, the grant total of which is less than 150 per centum of the residual benchmark for the unit, may submit projects not to exceed in aggregate 150 per centum of said benchmark.

(c) (1) Up to 2½ per centum of the funds appropriated under this section shall be available for projects requested by Indian tribes or Alaska Native villages; and such funds shall be set aside as the exclusive source of funds for such projects before any allocation of the funds appropriated under this section among the States is made.

(2) Up to 1 per centum of the funds authorized under this section may be reserved by the Secretary of Commerce, acting through the Economic Development Administration, to be available for projects that in the judgment of such Secretary were erroneously not selected for funding as of December 23, 1976, due to procedural dis-

crepancies.

- (3) Any allocation among the States of funds appropriated under this section and not reserved pursuant to this subsection shall be made 65 per centum on the basis of the ratio that the number of unemployed persons in each State bears to the total number of unemployed persons in all the States and 35 per centum on the basis of the relative severity of unemployment among the States with an average unemployment rate for the preceding twelve-month period in excess of 6.5 per centum: Provided, That no State shall receive less than three-fourths of 1 per centum nor more than twelve and one-half per centum of the amount appropriated under this section: Provided, how-That no State whose unemployment data was converted for the first time in 1976 to the benchmark data of the current population survey annual average compiled the Bureau of Labor Statistics shall receive percentage of funds appropriated under this section less than the percentage of funds allocated to the State from funds appropriated for title I of the Public Works Employment Act of 1976 (90 Stat. 999) prior to January 1, 1977.
- (d) Funds appropriated under this section shall be distributed and all grants under this section shall be made in accordance with the provisions of title I of the Public Works Employment Act of 1976 (90 Stat. 999), except that—
- (1) in lieu of the provisions of section 108(d) of such title, 85 per centum of all amounts appropriated to carry out this section shall be granted for projects given priority under clause (1) of the first sentence

of section 108(c) of such title, and the remaining 15 per centum shall be available for projects given priority under clause (2) of the first sentence of such section 108(c). The Secretary of Commerce, acting through the Economic Development Administration, may waive any of the requirements of this paragraph for any State which receives the minimum allocation pursuant to section 108(a) of such title, and such Secretary may waive the requirement that the remaining 15 per centum be available for projects under clause (2) of the first sentence of such section 108(c) for any State in which the State unemployment rate exceeds the national unemployment rate;

(2) the Secretary of Commerce, acting through the Economic Development Administration, may require all State and local governments that have submitted applications eligible for funding under this section to use unemployment data for the most recent twelve-month period for which data are available, before consideration for grants under this section. Such Secretary may also require all such State and local governments to revise estimates of project cost, as ap-

propriate;

(3) in determining whether certain possible grants may result in an undue concentration of funds under this section in a particular area, the Secretary of Commerce, acting through the Economic Development Administration, may take into consideration grants made in such area under title I of the Public Works Employment Act of 1976 (90 Stat. 999), relative to the severity of unemployment in such area;

(4) any project requested by a State or by a special purpose unit of local government, which is endorsed by a general purpose local government specifically for the purposes of this paragraph, shall be accorded the priority and preference to public works projects of local governments provided in section 108(b) of such title;

(5) a project requested by a school district shall be accorded the full priority and preference to public works projects of local governments provided in section 108(b) of such title:

(6) section 108(f) of such title shall not apply, and section 108(e) of such title shall apply only in cases where the requested project will be constructed within the community or neighborhood on which the qualifying unemployment rate is based;

(7) in comparing projects requested by different applicants which are otherwise considered to be the same in priority and preference, the Secretary shall take into consideration the immediate job-creating potential of such projects and the relative time necessary to complete such projects;

- (8) grants under this section shall be made only for projects for which the applicant gives satisfactory assurances that the project will be designed and constructed in accordance with the standards for accessibility for public buildings and facilities to the handicapped and elderly under the Act of August 12, 1968 (42 U.S.C. 4151-4156), as amended. The Architectural and Transportation Barriers Compliance Board is authorized to insure that the construction and renovation done pursuant to this section complies with the accessibility standards for public buildings and facilities issued under the Act of August 12, 1968, as amended;
- (9) grants shall be made under this section only for projects for which the applicant gives satisfactory assurances that the project will not have a significant adverse effect on the human environment, unless the Secretary of Commerce determines that full consideration to the effect of the project on the human environment has been given in accordance with section 102(2)(C) of the National Environmental Policy Act of 1969 and the regulations of the Council on Environmental Quality thereunder;

- (10) in making grants for projects for construction, renovation, repair, or other improvement of buildings, the Secretary shall also give priority and preference as between such building projects to those projects which will result in conserving energy, including but not limited to, projects to redesign and retrofit existing public facilities for energy conservation purposes, and projects using alternative energy systems; and
- (11) consideration shall be given to those projects which demonstrate a probability of reducing unemployment by (A) stimulating private investment; (B) generating construction in addition to the project; and (C) creating new long-term employment opportunities in accordance with an applicant's long-range economic development plans.

SEC. 103. If any funds authorized in section 102 of this Act are appropriated for the fiscal year ending September 30, 1978, projects eligible for grants under such appropriation shall include projects eligible for grants under the provisions of title I of the Public Works Employment Act of 1976 (90 Stat. 999) and projects for construction, renovation, repair, or other improvements of health care or re-habilitation facilities owned and operated by private nonprofitmaking entities. The Secretary of Commerce, acting through the Economic Development Administration, shall receive and consider new applications for grants under this section in addition to applications received under title I of the Public Works and Economic Development Act of 1976 (90 Stat. 999). Any projects for which applications have been submitted prior to enactment of this section shall be revised and new information required to be submitted, as appropriate.

SEC. 104. (a) The President is authorized and directed to study public works investment in the United States and the implications for the future of recent trends in such

investment.

(b) The study authorized by this section shall include, but not be limited to, the following:

(1) the historical scope and nature of public works investment, including—

 (A) shifts in the types of public facilities constructed over the last thirty years and the implications of such shifts;

- (B) the patterns of regional distribution of investment;
- (C) the role of the Federal Government, States, and local communities in funding public facilities;
- (D) the impact upon unemployment in minority groups:
- (2) the proportion of the gross national product devoted to public works investment over the last thirty years;
- (3) methods by which the aggregate need for public works can be determined;
- (4) how public works are financed and how financing arrangements affect the pattern and type of investment; and
- (5) the level of maintenance or renovation of existing public facilities needed, compared to that provided.
- (c) The President shall submit to Congress a report with respect to its findings and recommendations no later than eighteen months after enactment of this section. A preliminary report putting forth the study design shall be submitted to Congress within four months after enactment of this section.

Sec. 105. Pursuant to regulations prescribed by the Secretary of Commerce in consultation with the Secretary of Labor and consistent with existing applicable collective bargaining agreements and practices, special consideration shall be given to the employment of qualified disabled veterans (as defined in section 2011(1) of title 38, United States Code) and those qualified Vietnamera veterans (as defined in section 2011(2) (A) of such title) who are under twenty-

seven years of age, in projects carried out under this title.

SEC. 106. (a) Notwithstanding any other provisions of law, no grant shall be made under this Act for any local public works project unless at least 10 per centum of the articles, materials, and supplies which will be used in such project are procured from minority business enterprises. For purposes of this paragraph, the term "minority business enterprise" means a business at least 50 per centum of which is owned by minority group members or, in case of publicly owned businesses, at least 51 per centum of the stock of which is owned by minority group members. For the purposes of the preceding sentence, minority group members are citizens of the United States who are Negroes, Spanish-speaking, Orientals, Indians, Eskimos, and Aleuts.

This section shall not be interpreted to defund projects with less than 10 per centum minority participation in areas with minority populations of less than 5 per cen-tum. In that event, the correct level of minority participation will be predetermined by the Secretary in consultation with the Economic Development Administration and based upon its list of qualified minority contractors and its solicitation of competitive

bids from all minority firms on that list. Sec. 107. The Secretary of Commerce, acting through the Economic Development Administration, may allow any applicant which has received a grant for a project under section 102 of this title to substitute another project or projects (including the transportation and providing of water to drought-stricken areas) if in the judgment of such Secretary (1) the Federal cost in the aggregate of such project or projects does not exceed the grant made under section 102 of this title; (2) the project or projects pro-posed for substitution are consistent with section 106(d) of the Public Works Employment Act of 1976; (3) if the project was selected on the basis of section 102(d)(7) of the Public Works Employment Act of 1976, the project or projects proposed for substitution are similar in immediate job-creating potential and relative time necessary for completion; and (4) notwithstanding any provision of section 106(a) of the Public Works Employment Act of 1976, which shall not apply to projects substituted under this section, the project or projects proposed for substitution will in fact aid in alleviating drought or other emergency or disaster related conditions or damage.

SEC. 108. (a) Notwithstanding any other provision of law, no grant shall be made under this Act for any local public works project unless only such unmanufactured article, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, and supplies mined, produced, or manufactured, as the case may be, in the United States, will be used in such

project. (b) This section shall not apply in any case where the Secretary determines it to be inconsistent with the public interest, or the

cost to be unreasonable, or if articles, materials, or supplies of the class or kind to be used or the articles, materials, or supplies from which they are manufactured are not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quan-

tities and of a satisfactory quality.

Sec. 109. (a) The President is also authorized and directed to study public works in-

vestment in the United States.

(b) The study authorized by this section shall be separate and independent from the study authorized by section 104 of this Act and shall include, but not be limited to, the following:

(1) economic stimulus created by public

(2) tax expenditure per job;

(3) evaluation of the criteria for assessing public works needs relative to other national spending priorities:

(4) impact on construction costs in the private sector; and

(5) the comparison between public works and private sector construction costs on similar facilities

(c) The President shall submit to Congress a report with respect to such study no later than eighteen months after enactment of this section. A preliminary report putting forth the study design shall be submitted to Congress within four months after enactment of this section.

TITLE II-FEDERAL WATER POLLUTION CONTROL ACT AUTHORIZATIONS

SEC. 201. Section 517 of the Federal Water Pollution Control Act, as amended (Public Law 92-500), is amended by striking the word "and" before the words "\$350,000,000" word "and" and by striking the period at the end thereof and inserting the words "and \$350,000,000 for each of the fiscal years ending June 30, 1976, September 30, 1977, and September 30, 1978.".

SEC. 202. (a) Section 104 of the Federal Water Pollution Control Act, as amended (Public Law 92-500), is amended by adding

the following new subsection:

(v) There are authorized to be appropriated to the Environmental Protection Agency for the following categories of research, development, and demonstration under this Act not to exceed \$148,800,000 for each of the fiscal years ending September 30, 1977, and September 30, 1978, of which each year

(1) \$89,900,000 shall be for programs authorized by paragraph (1) of subsection (u)

of this section.

(2) \$5,600,000 shall be for programs authorized by paragraph (4) of subsection (u) of this section.

"(3) \$2,000,000 shall be for programs authorized by paragraph (5) of subsection (u) of this section

'(4) \$20,000,000 shall be for programs authorized by paragraph (6) of subsection (u) of this section,

"(5) \$24,700,000 shall be for programs authorized by section 105(h) of this Act,

"(6) \$4,600,000 shall be for programs authorized by section 107 of this Act, and

(7) \$2,000,000 shall be for programs au-

thorized by section 113 of this Act.' (b) Subsection (a) of section 106 of the Federal Water Pollution Control Act, amended (Public Law 92-500), is amended by striking the word "and" after the words "1973" and by inserting after the words "1974;" the following "and (3) \$75,000,000 for each of the fiscal years ending June 30, 1975, June 30, 1976, September 30, 1977, and Sep-

(c) Subsection (c) of section 112 of the Federal Water Pollution Control Act, as amended, is amended to read as follows:

'(c) There are authorized to be appropriated \$25,000,000 per fiscal year for the fiscal years ending June 30, 1973, June 30, 1974, June 30, 1975, June 30, 1976, September 30, 1977, and September 30, 1978, to carry out sections 109 through 112 of this Act.

SEC. 203. (a) Section 207 of the Federal Water Pollution Control Act as amended (86 Stat. 839), is amended by striking the period at the end of the sentence and adding for each of the fiscal years ending September 30, 1977, and September 30, 1978, subject to such amounts as are provided in appropriation Acts, not to exceed \$4,500,000,000.".

(b) The first sentence of subsection (a) of section 205 of the Federal Water Pollution Control Act (86 Stat. 837) is amended by striking out "June 30, 1972," and inserting in lieu thereof "June 30, 1972, and before September 30, 1976,".

(c) Such section 205 is further amended by

adding at the end thereof the following new subsection:

"(c) (1) Sums authorized to be appropriated pursuant to section 207 for each fiscal beginning after September 30, 1976, shall be allotted by the Administrator on October 1 of the fiscal year for which au-thorized. Sums authorized for the fiscal years ending September 30, 1977, and September 30, 1978, shall be allotted in accordance with the following table:

Propo	Proportional share		
"State	share		
Alabama	0.0110		
	. 0048		
Arizona	.0064		
Arkansas	. 0109		
California	. 0831		
Colorado	. 0081		
Connecticut	. 0123		
Delaware	. 0040		
District of Columbia	.0040		
Florida	. 0361		
Georgia	. 0201		
	.0070		
Hawaii	.0041		
Idaho	. 0526		
Illinois			
Indiana	.0219		
Iowa	.0111		
Kansas	.0123		
Kentucky	.0151		
Louisiana	.0126		
Maine	.0055		
Maryland	. 0382		
Massachusetts	. 0279		
Michigan	.0473		
Minnesota	.0152		
Mississippi	.0076		
Missouri	. 0200		
Montana	.0020		
Nebraska	.0062		
Nevada	.0030		
New Hampshire	.0068		
New Jersey	.0480		
New Mexico	.0026		
New York	.1062		
North Carolina	.0209		
North Dakota	.0019		
Ohio	.0560		
Oklahoma	. 0136		
Oregon	.0084		
Pennsylvania	. 0471		
Rhode Island	.0040		
South Carolina	.0132		
South Dakota	.0016		
Tennessee	.0150		
Texas	. 0434		
Utah	.0051		
	0022		
Vermont Virginia	.0222		
Washington	.0155		
West Virginia	.0218		
Wisconsin	.0201		
Wisconing	.0012		
Wyoming	.0005		
Virgin Islands	.0090		
Puerto Rico	.0003		
American Samoa	.0020		
Trust Territories	.0020		
Guam	.0010		
If the sums allotted to the States for	a fiscal		

If the sums allotted to the States for a fiscal year are made subject to a limitation on obligation by an appropriation Act, such limitation shall apply to each State in proportion to its allotment.

(2) For the fiscal years 1977 and 1978, no State shall receive less than one-third of 1 per centum of the total allotment under the first paragraph of this subsection, except that in the case of Guam, Virgin Islands, American Samoa, and the Trust Territories, not more than forty one-hundredths of 1 per centum in the aggregate shall be allotted to all four of these jurisdictions. For the purpose of carrying out this paragraph there are authorized to be appropriated, subject to such amounts as are provided in ap propriation Acts, not to exceed \$40,000,000 for each of the fiscal years ending September 30, 1977, and September 30, 1978.".

SEC. 204. (a) Section 208(f) (2) of the

Federal Water Pollution Control Act (33 U.S.C. 2188) is amended to read as follows:

'(2) For the two-year period beginning on the date the first grant is made under paragraph (1) of this subsection to an agency, if such first grant is made before October 1, 1977, the amount of each such grant to such agency shall be 100 per centum of the cost of developing and operating a continuing areawide waste treatment management planning process under subsection (b) of this section, and thereafter the amount granted to such agency shall not exceed 75 per centum of such costs in each succeeding one-year period. In the case of any other grant made to an agency under such paragraph (1) of this subsection, the amount of such grant shall not exceed 75 per centum of the costs of developing and operating a continuing areawide waste treatment manage-

ment planning process in any year.".

(b) The second sentence of section 208
(f)(3) of the Federal Water Pollution Control Act (33 U.S.C. 1288) is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "subject to such amounts as are

provided in appropriation Acts."

(c) Section 208(f)(3) of the Federal Water Pollution Control Act (33 U.S.C. 1288) is amended by striking out "and not to exceed \$150,000,000 for the fiscal year ending June 30, 1975." and inserting in lieu thereof "and not to exceed \$150,000,000 per fiscal year for the fiscal years ending June 3, 1975, September 30, 1977, and September 30, 1978."

SEC. 205. Paragraph (2) of subsection (c) of section 314 of the Federal Water Pollution Control Act, as amended, is amended to read

as follows:

"(2) There is authorized to be appropriated \$50,000,000 for the fiscal year ending June 30, 1973; \$100,000,000 for the fiscal year ending June 3, 1974; and \$150,000,000 for each of the fiscal years 1975, 1976, 1977, and 1978 for grants to States under this section which such sums shall remain available until expended. The Administrator shall provide for an equitable distribution of such sums to the States with approved methods and procedures under this section."

SEC. 206. Subsection (b) (1) of section 205 of the Federal Water Pollution Control Act, as amended (86 Stat. 837), is amended by striking "one-year" and by inserting after the second sentence the following: "The sums first made available for obligation during fiscal year 1976 shall continue to be available for obligation until September 30, 1978.".

TITLE III—FEDERAL PUBLIC WORKS PROJECTS CONTINUATION

SEC. 301. The Congress hereby finds and declares that:

(A) the construction projects listed in Public Law 94–355, the Public Works for Water and Power Development and Energy Research Appropriations Act, 1977, and in Public Law 94–351, the Agriculture and Related Agencies Program Appropriations Act, 1977, represents the foundation of our national public works activity. Such projects are essential to the reduction of unemployment;

(B) such projects provide long-term benefits to communities, to States, and to the entire Nation in terms of water management, flood control, navigation, recreation, and en-

hanced economic activity; and

(C) such projects have been authorized by the Congress after protracted hearings and consideration extended over many years. Appropriations have been made and are being made pursuant thereto. It is the judgment of Congress that such projects should not be discontinued except by following the legislative process provided by the Constitution of the United States and the provisions of Public Law 93-344, the Congressional Budget and Impoundment Control Act of 1974.

Sec. 302. Notwithstanding the deferral and rescission provisions of Public Law 93-344,

all appropriations provided in Public Laws 94–355 and 94–351 for construction projects or for investigation, planning, or design related to construction projects shall be made available for obligation by the President and expended for the purposes for which the appropriations are made, with the exception of those appropriations or expenditures relating to the Meramec Park Lake project in Missouri.

SEC. 303. With the exception noted relating to the Meramec Park Lake project in Missouri, section 302 of this Act shall be equivalent to and have the legal effect of a resolution disapproving any deferral of budget authority previously provided for construction projects in Public Law 93-355 or in any prior law appropriating funds for the United States Army Corps of Engineers or the Department of the Interior Bureau Reclamation, or for construction projects in Public Law 94-351 or any prior law appropriating funds for construction projects in the Department of Agriculture, as provided for in section 1013(b) of Public Law 93-344, the Congressional Budget and Impoundment Control Act of 1974. With the exception noted relating to the Meramec Park Lake project in Missouri, section 302 is also equivalent to a congressional statement of intent not to uphold any rescission of budget authority with regard to funds appropriated for construction projects in Public Law 94-355 or Public Law 94-351 or for construction projects in any prior law appropriating funds for the United States Army Corps of Engl-neers, the Department of the Interior Bureau of Reclamation, or the Department of Agriculture, as provided for 1012(b) of Public Law 93-344.

SEC. 304. It is hereby reiterated that the interest rates or rates of discount to be used to assess the return on the Federal Government's investment in projects of the United States Army Corps of Engineers or the Department of the Interior Bureau of Reclamation, shall be those interest rates or rates of discount established by Public Law 93-251, the Water Resources Development Act of 1974, or by any prior law authorizing projects of the United States Army Corps of Engineers or the Department of the Interior

Bureau of Reclamation.

MOTION OFFERED BY MR. JOHNSON OF CALIFORNIA

Mr. JOHNSON of California. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Johnson of California moves to concur in the Senate amendment with an amendment that contains the texts of H.R. 11 and H.R. 3199, as passed, as follows:

TITLE I

That section 102 of the Local Public Works Capital Development Investment Act of 1976 is amended by adding at the end thereof the following:

"(4) 'public works project' includes the transportation and providing of water to

drought-stricken areas,".

SEC. 102. Paragraph (2) of section 102 of the Local Public Works Capital Development and Investment Act of 1976 is amended by striking out "and American Samoa," and inserting in lieu thereof the following: "American Samoa, and the Trust Territory of the Pacific Islands.".

SEC. 103. Section 106 of the Local Public Works Capital Development and Investment Act of 1976 is amended by adding at the end thereof the following new subsections:

"(e) No part of the construction (including demolition and other site preparation activities), renovation, repair, or other improvement of any public works project for which a grant is made under this Act after the date of enactment of this subsection shall be performed directly by any department, agency, or instrumentality of any State or local government. Construction of

each such project shall be performed by contract awarded by competitive bidding, unless the Secretary shall affirmatively find that, under the circumstances relating to project, some other method is in the public interest. Contracts for the construction of each project shall be awarded only on the basis of the lowest responsive bid submitted by a bidder meeting established criteria of responsibility. No requirement or obligation shall be imposed as a condition precedent to the award of a contract to such bidder for a project, or to the Secretary's concurrence in the award of a contract such bidder, unless such requirement or obligation is otherwise lawful and is specifically forth in the advertised specifications. No grant shall be made under this Act for local public works project unless the State or local government applying for such grant submits with its application a certification acceptable to the Secretary that no contract will be awarded in connection with such project to any bidder who will employ on such project any alien in the United States in violation of the Immigration and Nationality Act or any other law, convention, or treaty of the United States relating to the immigration, exclusion, deportation, or expulsion of aliens.

"(f) (1) Notwithstanding any other provision of law, no grant shall be made under this Act for any local public works project unless only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only

such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, and supplies mined, produced, or manufactured, as the case may be, in the United States. will be used in such project. This subsection shall not apply in any case where the Secretary deter-

ply in any case where the Secretary determines it to be inconsistent with the public interest, or the cost to be unreasonable, or if articles, materials, or supplies of the class or kind to be used or the articles, materials,

or supplies from which they are manufactured are not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available

States in sufficient and reasonably available commercial quantities and of a satisfactory quality.

'(2) Except to the extent that the Secretary determines otherwise, no grant shall be made under this Act for any local public works project unless the applicant gives satisfactory assurance to the Secretary that at least 10 per centum of the amount of each grant shall be expended for minority business enterprises. For purposes of this paragraph, the term 'minority business enterprise' means a business at least 50 per centum of which is owned by minority group members or, in case of a publicly owned business, at least 51 per centum of the stock of which is owned by minority group members. For the purposes of the preceding sentence, minority group members are citizens of the United States who are Negroes, Spanish speaking, Orientals, Indians, Eskimos, and Aleuts."

"(g) No grant shall be made under this Act for any project for which the applicant has not given assurances satisfactory to the Secretary that the project will be designed and constructed in accordance with the standards for accessibility of transportation and public facilities to the handicapped and elderly under the Act entitled 'An Act to insure that certain buildings financed with Federal funds are so designed and constructed as to be accessible to the physically handicapped', approved August 12, 1968 (42 U.S.C. 4151 et seq.)."

SEC. 104. (a) Subsection (a) of section 108 of the Local Public Works Capital Development and Investment Act of 1976 (Publice Law 94-369) is amended by inserting immediately after "any one State" the fol-

lowing: "unless a State has no Indian tribe in such State in which case the minimum percentage to be granted within such State shall be three-fourths of 1 per centum'

(b) Such subsection (a) of section 108 is further amended by adding at the end thereof the following new sentence: "Notwithstanding any other provision of this Act, not more than 21/2 per centum of all amounts appropriated to carry out this title shall be granted to Indian tribes under this Act for

local public works projects.".

(c) Subsection (b) of such section 108 is amended by adding at the end thereof the following new sentence: "In making grants for projects for construction, renovation, repair or other improvement of buildings for which application is made after the date of enactment of this sentence, the Secretary shall also give priority and preference as between such building projects to those projects which will result in conserving energy, including but not limited to, projects to redesign and retrofit existing public facilities for energy conservation purposes, and projects using alternative energy sys-

(d) The first sentence of subsection (c) of such section 408 is amended by striking out "three most recent consecutive months" each place it appears and inserting in lieu thereof 'twelve most recent consecutive months"

(e) Subsection (d) of such section 108 is amended to read as follows:"(d) Whenever a State or local govern-

ment submits applications for grants under this Act for two or more projects such State or local government shall submit as part of such applications its priority for each such

(f) Subsection (f) of such section 108 is

hereby repealed.

(g) Subsection (g) of such section 108 is amended by inserting "for improving socio-economic conditions" immediately before the period.

SEC. 105. The first sentence of section 109 of the Local Public Works Capital Development and Investment Act of 1976 is amended by striking out "by contractors or subcontrators"

SEC. 106. Section 111 of the Local Public Works Capital Development and Investment Act of 1976 (Public Law 94-369) is amended

to read as follows:

'SEC. 111. Notwithstanding any provision of this Act, other than subsection (a) of section 108, amounts appropriated after the date of enactment of this section to carry out this title shall be allocated by the Secretary among the States not later than the 30th day after the date of enactment of such appropriation bears to the average number of the average number of unemployed persons in each State during the 12-month period ending on the date of enactment of such appropriation bears to the average number of unemployed persons in all the States during such 12-month period.

Sec. 112. Notwithstanding any other provision of this Act, the Secretary is authorized to make a grant for a public works project under this Act to any State or local government whose application for a grant for such project under this Act made after the date of enactment of this Act was not received, was not considered, or was rejected, if, as determined by the Secretary, such application was not received, was not considered, or was rejected solely because of an error by an officer or employee of the United States. Not to exceed 1½ per centum of the amount authorized by section 114 of this Act may be

expended to carry out this section.

'SEC. 113. Whenever a State certifies to the Secretary that such State has standards for construction of jails, and that all such standards will be met in connection with any grant made under this Act for a project relating to jails, such State standards shall be the sole standards criteria governing approval of such jails for the purpose of any grant made under this Act.

"Sec. 114. There is authorized to be appropriated not to exceed \$6,000,000,000 to carry out this Act.".

Sec. 107. The Secretary of Agriculture and the Secretary of the Interior shall immediately initiate the construction of those Federal public works projects (A) which are the responsibility of their respective departments, (B) which have been authorized, and (C) which can be commenced within 60 days of the date of enactment of this section and completed no later than the 180th day after commencement of construction. No funds authorized by section 114 of the Local Public Works Capital Development and Investment Act of 1976 (Public Law 94-369) may be used to carry out this section.

TITLE II SHORT TITLE

SEC. 201. This title may be cited as the "Federal Water Pollution Control Act Amendments of 1977".

AUTHORIZATION APPROVAL

SEC. 202. Funds appropriated before the date of enactment of this Act for expenditure during the fiscal year ending June 30, 1976, and the transition quarter ending September 30, 1976, under authority of the Federal Water Pollution Control Act, are hereby authorized for such purposes.

AUTHORIZATION EXTENSION

SEC. 203. (a) Section 104(u)(2) of the Federal Water Pollution Control Act (33 U.S.C. 1254) is amended by striking out "1975" and inserting in lieu thereof "1975, \$2,000,000 for fiscal year 1977, and \$3,000,000 for fiscal year 1978,".

(b) Section 104(u)(3) of the Federal Water Pollution Control Act (33 U.S.C. 1254) is amended by striking out "1975" and inserting in lieu thereof "1975, \$1,000,000 for year 1977, and \$1,500,000 for fiscal

year 1978,".

(c) Section 106(a) (2) of the Federal Water Pollution Control Act (33 U.S.C. 1256) is amended by striking out "and the fiscal year ending June 30, 1975;" and inserting in lieu thereof "and the fiscal year ending June 30, 1975, and \$100,000,000 per fiscal year for the fiscal year ending September 30, 1977, and the fiscal year ending September 30, 1978;".

(d) Section 112(c) of the Federal Water Pollution Control Act (33 U.S.C. 1262) is amended by inserting "\$6,000,000 for the fiscal year ending September 30, 1977, and \$7,000,000 for the fiscal year ending September 30, 1978," immediately after "June 30,

1975,"

(e) Section 208(f) (3) of the Federal Water Pollution Control Act (33 U.S.C. 1288) is amended by striking out "and not to exceed \$150,000,000 for the fiscal year ending June 30, 1975." and inserting in lieu thereof 'and not to exceed \$150,000,000 per fiscal year for the fiscal years ending June 30, 1975, September 30, 1977, and September 30, 1978.".

f) Section 314(c)(2) of the Federal Water Pollution Control Act (33 U.S.C. 1324) is amended by striking out "and \$150,000,000 for the fiscal year 1975" and inserting in lieu thereof "\$150,000,000 for the fiscal year 1975; \$50,000,000 for fiscal year 1977; and \$60,000,000 for fiscal year 1978".

(g) Section 517 of the Federal Water Pollution Control Act (33 U.S.C. 1376) is amended by striking out "and \$350,000,000 for the fiscal year ending June 30, 1975." and inserting in lieu thereof "\$350,000,000 for the fiscal year ending June 30, 1975, \$100,-000,000 for the fiscal year ending September 30, 1977, and \$150,000,000 for the fiscal year ending September 30, 1978.".

SEWAGE COLLECTION SYSTEM GRANTS

Sec. 204. Section 202 of the Federal Water Pollution Control Act is amended by adding at the end thereof the following new subsection:

"(c) Notwithstanding any other provision of this title, in any case where the total of all grants made under section 201 for the same treatment works exceeds the actual construction costs for such treatment works such excess amount shall be a grant of the Federal share of the cost of construction of a sewage collection system if-

"(1) such sewage collection system was constructed as part of the same total treatment system as the treatment works for which such section 201 grants were approved,

"(2) an application for assistance for the construction of such sewage collection system was filed in accordance with section 702 of the Housing and Urban Development Act of 1965 (42 U.S.C. 3102) before all such section 201 grants were made and such section 702 grant could not be approved due to lack of funding under such section 702.

The total of all grants for sewage collection systems made under this subsection shall not exceed \$2.800,000.".

PLANS, SPECIFICATIONS, ESTIMATES, AND PAYMENTS

SEC. 205. Section 203(a) of the Federal Water Pollution Control Act (33 U.S.C. 1283) is amended by adding at the end thereof the following new sentence: "In the case of a treatment works that has an estimated total cost of \$1,000,000 or less (as approved by the Administrator) upon completion of an approved facility plan, a single grant may be awarded for the combined Federal share of the cost of preparing construction drawings and specifications, and the building and erection of the treatment works.".

USER CHARGES

SEC. 206. Clause (A) of paragraph (1) of subsection (b) of section 204 of the Federal Water Pollution Control Act (33 U.S.C. 1284)

- (1) by striking out "proportionate share" and inserting in lieu thereof "proportionate share (except as otherwise provided in this paragraph)"; and
- (2) by adding at the end of such paragraph (1) the following: "In any case where an applicant uses an ad valorem tax system and the Administrator determines such system results in the distribution of operation and maintenance costs for treatment works within the applicant's jurisdiction, to each user class, in proportion to the contribution to the total waste water loading of the treatment works by each such user class, and such applicant establishes surcharges which will insure that each industrial user will pay its proportionate share on the basis of volume, strength, and other relevant factors, then such ad valorem tax system and surcharges shall be deemed to be a user charge system meeting the requirements of clause (A) of this paragraph.".

ALLOTMENT

SEC. 207. (a) The first sentence of subsection (a) of section 205 of the Federal Control Act (33 Water Pollution U.S.C. 1285) is amended by striking out "June 30, 1972," and inserting in lieu thereof "June 30, 1972, and before September 30, 1976,".

(b) Such section 205 is further amended

by adding at the end thereof the following

new subsections:

"(c) Sums authorized to be appropriated pursuant to section 207 for the fiscal year beginning October 1, 1976, shall be allotted by the Administrator not later than the tenth day which begins after the date of enactment of the Federal Water Pollution Control Act Amendments of 1977. Sums authorized to be appropriated pursuant to section 207 for each fiscal year beginning after September 30, 1977, shall be allotted by the Administrator on October 1 of the fiscal year for which authorized. Sums au-

thorized for the fiscal years ending September 30, 1977, and September 30, 1978, shall be allotted in accordance with table Committee Print Numbered 94-39 of the Committee on Public Works and Transportation of the House of Representatives.

"(d) If the sums allotted to the States for a fiscal year are made subject to a limitation on obligation by an appropriation Act, such limitation shall apply to each State in pro-portion to its allotment. So much of any allotment not subject to such a limitation on obligation shall remain available for obligation for the fiscal year during which it can first be obligated and for the period of the next succeeding sixteen months, the remaining amount of the allotment shall remain available until expended. The amount of any allotment not subject to such a limitation on obligation which is not obligated by the end of such sixteen-month period shall be immediately reallotted by the Administrator on the basis of the same ratio as is applicable to sums allotted for the then current fiscal year, except that none of the funds reallotted by the Administrator shall be allotted to any State which failed to obligate any of the funds being reallotted. Any sum made available to a State by reallot-ment under this subsection shall be in addition to any funds otherwise allotted to such State for grants under this title during any fiscal year.

"(e) Notwithstanding any other provision of this section, sums made available between January 1, 1975, and March 1, 1975, by the Administrator for obligation shall be available for obligation until September 30, 1978.". REIMBURSEMENT AND ADVANCED CONSTRUCTION

SEC. 208. (a) Subsection (a) of section 206 of the Federal Water Pollution Control Act (33 U.S.C. 1286) is amended by striking out "July 1, 1972," and inserting in lieu thereof "July 1, 1973,".

- (b) Subsection (e) of such section 206 is amended by striking out "\$2,600,000,000" and inserting in lieu thereof "\$2,950,000,000"
- (c) Notwithstanding section 206(c) of the Federal Water Pollution Control Act and section 2 of Public Law 93-207, in the case of publicly owned treatment works on which construction was initiated between July 1, 1972, and June 30, 1973 (both dates inclusive), applications for assistance under such section 206 shall be filed not later than the ninetieth day after the date of enactment of the Federal Water Pollution Control Act Amendments of 1977.

CONSTRUCTION GRANT AUTHORIZATIONS

SEC. 209. Section 207 of the Federal Water Pollution Control Act (33 U.S.C. 1287) amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "and for the fiscal year ending September 30, 1977, subject to such amounts as are provided in appropriation Acts, not to exceed \$5,000,000,000 and for the fiscal years ending September 30, 1978, and September 30, 1979, subject to such amounts as are provided in appropriation Acts, not to exceed \$6,000,000,000 per fiscal vear.".

FEDERAL SHARE OF MANAGEMENT PLANNING PROCESS COSTS

SEC. 210. Section 208(f)(2) of the Federal Water Pollution Control Act (33 U.S.C. 2188) is amended to read as follows:

"(2) For the two-year period beginning on the date the first grant is made under paragraph (1) of this subsection to an agency, if such first grant is made before October 1. 1977, the amount of each such grant to such agency shall be 100 per centum of the costs of developing and operating a continuing areawide waste treatment management plan-ning process under subsection (b) of this section, and thereafter the amount granted to such agency shall not exceed 75 per centum of such costs in each succeeding one-year period. In the case of any other grant made to an agency under such paragraph (1) of this subsection, the amount of such grant shall not exceed 75 per centum of the costs of developing and operating a continuing areawide waste treatment management planning process in any year.".

CONTRACT AUTHORITY

SEC. 211. The second sentence of section 208(f)(3) of the Federal Water Pollution Control Act (33 U.S.C. 1288) is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "subject to such amounts as are provided in appropriation Acts.".

NEW PROVISIONS

SEC. 212. Title II of the Federal Water Pollution Control Act (33 U.S.C. 1281 et seq.) is amended by adding at the end thereof the following new sections:

"CERTIFICATION

"SEC. 214. (a) (1) The Administrator may carry out any of his responsibilities for actions, determinations, or approvals under sections 201(g) (2) and (3), 203 (a) and (d), 204 (a), (b) (1), and (b) (3), and 212(2) (B) of this Act with respect to projects or proposed projects for treatment works by accepting a certification by the State water pollution control agency of its performance of such responsibilities.

(2) Nothing in this section shall affect or discharge any responsibility or obligation of the Administrator under any other Federal law, including the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

- "(b) The Administrator shall not accept any certification provided for in subsection (a) of this section unless the Administrator determines after public hearings that the State water pollution control agency has the authority, responsibility, and capability to take all of the actions, determinations, or approvals for which certification is submitted under subsection (a) of this section and the Administrator has determined that the State is following practices that conform the Federal construction grant regulations under section 201 of this Act, including specifically that any person having a significant financial interest in the construction of treatment works will not be a member of any State board or body which processes an application for a grant under this
- "(c) If the Administrator determines after public hearings that a State water pollution control agency, with respect to any require-ment, condition, or limitation for which he has accepted a certification under subsection (a), fails to meet the requirements of this section, he shall suspend his acceptance of certification as to such requirement, condition, or limitation with respect to any project, or may suspend such acceptance with respect to all projects in such State, as he determines necessary, and during such suspension he shall be responsible for such requirement, condition, or limitation.

(d) The Administrator shall conduct interim and final inspections and audits, and shall require such information, data, and reports as he determines necessary to carry

out this section.

"(e)(1) The Administrator shall reserve an amount not to exceed 2 per centum of the allotment made to each State under section 205 on or after February 1, 1975. Sums so reserved shall be available for making grants to such State under paragraph (2) of this subsection for the same period as sums are available from such allotment under subsection (b) of section 205, and any such grant shall be available for obligation only during such period. Any grant made from sums reserved under this subsection which has not been obligated by the end of the period for which available, and any reserved amount at the request of the State, shall be added to the amounts last allotted

to such State under section 205 and shall be immediately available for obligation in the same manner and to the same extent as such last allotment

"(2) The Administrator is authorized to grant to any State exercising, or proposing to exercise, certification authority under this section, from amounts reserved to such State under this subsection, the reasonable costs, as determined by the Administrator, of carrying out such authority.

"(f) The Administrator shall promulgate such rules and regulations as may be necessary to carry out this section. The initial rules and regulations necessary to carry out this section shall be promulgated not later than the ninetieth day after date of enactment of this section.

"DETERMINATION OF PRIORITY

"SEC. 215. Notwithstanding any other provision of this Act, the determination of the priority to be given each category of projects for construction of publicly owned treatment works within each State shall be made solely by that State. These categories shall include. but not be limited to (A) secondary treatment, (B) more stringent treatment, (C) infiltration-inflow correction, (D) major sewer system rehabilitation, (E) new collector sewers and appurtenances, (F) new interceptors and appurtenances, and (G) correction of combined sewer overflows.

"REQUIREMENTS FOR AMERICAN MATERIALS

"Sec. 216. Notwithstanding any other provision of law, no grant shall be made under this title for any treatment works unless only such unmanufactured articles. materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles. materials, or supplies mined, produced, or manufactured, as the case may be, in the United States will be used in such treat-ment works. This section shall not apply in any case where the Administrator deter mines it to be inconsistent with the public interest, or the cost to be unreasonable, or if articles, materials, or supplies of the class or kind to be used or the articles, materials. or supplies from which they are manufactured are not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality.".

TIME REQUIREMENTS

SEC. 213. Section 301 of the Federal Water Pollution Control Act (33 U.S.C. 1311) is amended by adding at the end thereof the following new subsections:

"(g)(1) The Administrator may modify the time for achieving the requirements of subsection (b) (1) of this section for any publicly owned treatment works and any point source (other than a publicly owned treatment works) to extend such time beyond the dates specified in such paragraph, the Administrator determines that the construction of the treatment works, or the application of best practicable control technology necessary for the achievement of such requirements cannot be completed or applied (as the case may be) by the dates specified in such paragraph.

"(2) No time modification granted by the Administrator under this subsection for any point source (other than a publicly owned treatment works) shall extend beyond July 1, 1979. No time modification granted by the Administrator under this subsection for any publicly owned treatment works shall extend beyond July 1, 1982, except in the case of treatment works which the Administrator determines are based on innovative technology relating to the abatement and control of water pollution in which

case time modifications may extend up

to, but not beyond, July 1, 1983.

"(3) No time modification shall be granted this subsection unless the applicant shall have first submitted to the Administrator, and the Administrator shall have approved, a schedule of compliance the modified date. Failure to meet the approved schedule of compliance shall be a violation of this section and shall be subject to enforcement under section 309 in the same manner as any other violation of this section. The Administrator shall promurgate such rules and regulations as may be necessary to carry out this paragraph.

"(4) Any point source (other than a

publicly owned treatment works) which has, either on the date a time modification is granted a publicly owned treatment works under paragraph (1) of this subsection or not later than the sixtieth day after the date such time modification is granted, a contract (enforceable against such point source) to discharge its effluent into such publicly owned treatment works shall not be subject to the requirements of subsections (b) (1) (A) and (C) of this section until the date such treatment works must meet the requirements of subsections (b) (B) and (C) of this section.

"(h) Notwithstanding any other provision of this Act, any owner or operator of a point source which is subject to the requirements of subsection (b) (1) (A) (i) of this section

who-

"(1) received a research and development grant pursuant to section 105(c) of this Act to develop new technology for the treat-ment of industrial waste and was unsuccessful in accomplishing the goal set forth in the grant agreement; and

"(2) did not commence the necessary construction to comply with the requirements of such subsection (b) (1) (A) (i) until it became apparent that the research and development project would be unsuccessful,

shall be deemed to be in compliance with the requirements of such subsection until July 1, 1978, or the date of the completion of such construction, whichever date first

STATE REPORTS

SEC. 214. Subsection (b) of section 305 of the Federal Water Pollution Control Act (33 U.S.C. 1315) is amended—

- (1) by striking out "January 1, 1975, and shall bring up to date each year thereafter," in paragraph (1) and inserting in lieu there-of "April 1, 1975, and shall bring up to date by April 1, 1976, and biennially thereafter,";
- by striking out "annually" in para-(2) graph (2) and inserting in lieu thereof the following: "October 1, 1976, and biennially".

TOXIC AND PRETREATMENT STANDARDS

SEC. 215. (a) The first sentence of paragraph (2) of subsection (a) of section 307 of the Federal Water Pollution Control Act (33 U.S.C. 1317) is amended by striking out to be held within thirty days"

(b) Paragraph (6) of subsection (a) of section 307 of the Federal Water Pollution Control Act (33 U.S.C. 1317) is amended by adding at the end thereof the following new sentence: "In any case where the Adminis-trator determines that compliance within one year from the date of promulgation is technologically infeasible for a category of the Administrator shall establish sources. the effective date of the effluent standard (or prohibition) for such category of sources at the earliest date which compliance can be feasibly attained by such sources, but in no case shall such date be more than three years after the date of promulgation.".

PERMITS FOR DREDGED OR FILL MATERIAL

SEC. 216. (a) Subsection (a) of section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344) is amended by

adding immediately after "navigable waters" the following: "and adjacent wetlands"

Such section 404 is further amended by adding at the end thereof the following new subsections:

"(d)(1) The term 'navigable waters' as used in this section shall mean all waters which are presently used, or are susceptible to use in their natural condition or by reasonable improvement as a means to transport interstate or foreign commerce shorevard to their ordinary high water mark, including all waters which are subject to the mean high water mark (mean higher high water mark on the west coast).

"(2) The term 'adjacent wetlands' as used in this section shall mean (A) those wetlands, mudflats, swamps, marshes, shallows, and those areas periodically inundated by saline or brackish waters that are normally characterized by the prevalence of salt or brackish water vegetation capable of growth and reproduction, which are contiguous or adjacent to navigable waters, and (B) those freshwater wetlands including marshes, shallows, swamps, and similar areas that are contiguous or adjacent to navigable waters, that support freshwater vegetation and that are periodically inundated and are norcharacterized by the prevalance of vegetation that requires saturated soil con-

ditions for growth and reproduction. (e) Except as provided in subsection (f) of this section, the discharge of dredged or fill material in waters other than navigable waters and in wetlands other than adjacent wetlands is not prohibited by or otherwise subject to regulation under this Act (except for effluent standards or prohibition under section 307), or section 9, section 10, or section 13 of the Act of March 3,

"(f) If the Secretary of the Army, acting through the Chief of Engineers, and the Governor of a State enter into a joint agreement that the discharge of dredged or fill material in waters other than navigable waters and in wetlands other than adjacent wetlands of such State should be regulated because of the ecological and environmental importance of such waters, the Secretary, acting through the Chief of Engineers, may regulate such discharge pursuant to the provisions of this section. Any joint agreement entered into pursuant to this subsection may be revoked, in whole or in part, by the Governor of the State who entered into such joint agreement or by the Secretary of the Army, acting through the Chief of Engineers.

'(g) In carrying out his functions relating to the discharge of dredged or fill material under this section, the Secretary of the Army, acting through the Chief of Engineers, is authorized to issue those general permits which he determines to be in the public

interest.

"(h) The discharge of dredged or fill material-

"(1) from normal farming, silviculture, ranching activities, including, but not limited to, plowing, terracing, cultivating, seeding, and harvesting for the production of food, fiber, and forest products;

"(2) for the purpose of maintenance of currently serviceable structures, including, but not limited to, dikes, dams, levees, groins, riprap, breakwaters, causeways, and abutments and approaches, and other transportation structures (including emergency reconstruction); or

"(3) for the purpose of construction or maintenance of farm or stock ponds and irrigation ditches

prohibited by or otherwise subject to regulation under this Act.

"(i) The discharge of dredged or fill material as part of the construction, alteration, or repair of a Federal or federally assisted project authorized by Congress is not prohibited by or otherwise subject to regulation under this Act if the effects of such discharge have been included in an environmental impact statement or environmental assessment for such project pursuant to the provisions of the National Environmental Policy Act of 1969 and such environmental impact statement or environmental assessment has been submitted to Congress in connection with the authorization or funding of such project.

(j) The Secretary of the Army, acting through the Chief of Engineers, is authorized to delegate to a State upon its request all or any part of those functions vested in him by this section relating to the adjacent wetlands in that State if he determines (A) that such State has the authority, responsibility, and capability to carry out such functions, and (B) that such delegation is in the public interest. Any such delegation shall be subject to such terms and conditions as the Secredeems necessary, including, but not limited to, suspension and revocation for

cause of such a delegation.

"(k) The Secretary of the Army, acting through the Chief of Engineers, is authorized to delegate to a State upon its request all or any part of those functions vested in him by this section and by sections 9, 10, and 13 of the Act of March 3, 1899, relating to any fresh water lake located entirely within the boundaries of such State (other than such lake constructed, in whole or in part, by either the Secretary of the Army, acting through the Chief of Engineers, or the Secretary of the Interior) if he determines (A) that such State has the authority, responsibility, and capability to carry out such functions, and (B) that such delegation is in the public interest. Any such delegation shall be subject to such terms and conditions as Secretary deems necessary, including, but not limited to, suspension and revocation for cause of such a delegation.".

EMERGENCY FUND

SEC. 217. Section 504 of the Federal Water Pollution Control Act is amended by designating the initial subsection therein as subsection "(a)" and adding the following new subsections at the end thereof as follows:

(b) There is hereby established a contingency fund to provide assistance for emergencies, including, but not limited to, those which present an imminent and substantive endangerment to the public health or welfare, those which require protection of persons where the endangerment is to the livelihood of such persons, and those re-sulting from natural and other disasters.

There is authorized to be appropri-(c) ated not to exceed \$5,000,000 to carry out subsection (b) of this section. The amounts appropriated under this subsection shall remain available until expended. There is authorized to be appropriated such sums annually as are necessary to maintain such fund at a \$5,000,000 level.

"(d) The Administrator shall submit a report annually to each House of Congress on his activities in carrying out subsections

and (c) of this section.

(e) This section shall not be construed to relieve the Administrator of any requirement imposed on the Administrator by any other Federal laws. Nothing contained in this subsection shall (1) affect any final action taken under such other Federal law, or (2) in any way effect the extent to which human health or the environment is to be protected under such other Federal law.".

JUDICIAL REVIEW

SEC. 218. Subsection (b) (1) of section 509 of the Federal Water Pollution Control Act is amended by striking out "and (F) in issuing or denying any permit under section 402," and inserting in lieu thereof the following: "(F) in issuing or denying any permit under section 402, (G) in promulgating or revising guidelines for effluent limitations under section 304(b), and (H) in making any determination as to a program for State certification under section 214,"

RULE AND REGULATION REVIEW

SEC. 219. Title V of the Federal Water Pollution Control Act is amended by renumbering section 518 as section 519 and by inserting immediately after section 517 following new section:

"RULE AND REGULATION REVIEW

'Sec. 518. (a) Any rule or regulation issued under authority of this Act after the date of enactment of this section may by resolution of either House of Congress be disapproved, in whole or in part, if such resolution of disapproval is adopted not later than the end of the first period of sixty calendar days when Congress is in session (whether or not continuous) which period begins on the date such rule or regulation is finally adopted by the department or agency adopting same. The department or agency adopting any such rule or regulation shall transmit such rule or regulation to each House of Congress imupon its final adoption. Upon mediately adoption of such a resolution of disapproval by either House of Congress, such rule or regulation, or part thereof, as the case may be, shall cease to be in effect.

(b) Congressional inaction on or rejection of a resolution of disapproval shall not be deemed an expression of approval of such

FINANCIAL DISCLOSURE

SEC. 220. Section 501 of the Federal Water Pollution Control Act (33 U.S.C. 1361) is amended by adding at the end thereof the following new subsection:

(g) (1) Each officer or employee of the Environmental Protection Agency who-

"(A) performs any function or duty under

this Act; and

"(B) has any known financial interest in any person who (i) discharges pollutants from any point source, (ii) discharges oil, hazardous substances, or sewage from any vessel, (iii) discharges oil or hazardous substances from any onshore or offshore facility, (iv) is otherwise subject to regulation under this Act, or (v) is applying for or receiving financial assistance under this Act, shall, beginning on October 1, 1977, annualfile with the Administrator a written statement concerning all such interests held by such officer or employee during the ceding calendar year. Such statement shall be available to the public.

(2) The Administrator shall-

"(A) act within ninety days after the date

of enactment of this section—
"(i) to define the term 'known financial interest' for purposes of paragraph (1) of

this subsection; and

"(ii) to establish the methods by which the requirements to file written statements specified in paragraph (1) will be monitored and enforced, including appropriate provisions for the filing by such officers and employees of such statements and the reby the Administrator of such statements; and

"(B) report to the Congress on June 1 of each calendar year with respect to such dis-closures and the actions taken in regard thereto during the preceding calendar year.

- "(3) In the rules prescribed in paragraph of this subsection, the Administrator may identify specific positions within the Environmental Protection Agency Agency which are of a nonregulatory and nonpolicy-making nature and provide that officers or employees occupying such positions shall be exempt from the requirements of this subsection.
- "(4) Any officer or employee who is subject to, and knowingly violates, this subsection, shall be fined not more than \$2,500 or

imprisoned not more than one year, or both.".

COST RECOVERY STITUY

SEC. 221. (a) The Administrator of the Environmental Protection Agency (hereafter in this section referred to as the "Administrator") shall study the efficiency of, and the need for, the payment by industrial users of any treatment works of that portion of the cost of construction of such treatment works (as determined by the Administrator) which is allocable to the treatment of such industrial wastes to the extent attributable to the Federal share of the cost of construction. Such study shall include, but not be limited to, an analysis of the impact of such a system of payment upon rural communities. No later than the last day of the twelfth month which begins after the date enactment of this section, the Administrator shall submit a report to the Congress setting forth the results of such study.

(b) During the period beginning on the date of enactment of this section and ending on the last day of the eighteenth month which begins after the date of enactment of this section (both dates inclusive), no officer or employee of the Federal Government shall enforce, or require any recipient of a grant under section 201(g)(1) of the Federal Water Pollution Control Act (33 U.S.C. 1284) to enforce, any provision in an application for a grant or in a grant agreement under such section which requires any payments by industrial users pursuant to section 204(b) (1) (B) of such Act.

(c) For purposes of this section, the terms "industrial user" and "treatment works" have the same meaning given such terms in the Federal Water Pollution Control Act.

SECONDARY TREATMENT FACILITY SITE

SEC. 222. The Administrator of the Environmental Protection Agency shall reimburse the city of Boston, Massachusetts, an amount equal to 75 per centum, but not to exceed \$15,000,000, of the cost of constructing a modern correctional detention facility on a site in such city, on condition (A) that such city convey to the Commonwealth of Massachusetts all of its right, title, and interest in and to that real property owned by such city on Deer Island which is the site of the existing correctional detention facility for use by such Commonwealth as the site for a publicly owned treatment works providing secondary treatment and (B) such Commonwealth convey to such city all of its right, title, and interest to the real property on New Chardon Street in such city owned by such Commonwealth for use by such city as the site for such correctional detention facility. There is authorized to be appropriated \$15,000,000 to carry out the purposes of this section.

Mr. JOHNSON of California (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. Johnson).

The motion was agreed to.

A motion to reconsider was laid on the table.

MOTION OFFERED BY MR. JOHNSON OF CALIFORNIA

Mr. JOHNSON of California. Mr. Speaker, pursuant to House Resolution 468, I move to insist on the House amendment to the Senate amendment to H.R. 11 and to request a conference with the Senate thereon

The SPEAKER. The question is on the

The motion was agreed to.
The SPEAKER. The Chair appoints the following conferees: Messrs. John-SON of California, ROBERTS, ROE, ANDER-SON of California, BREAUX, NOWAK, ED-GAR, HARSHA, DON H. CLAUSEN, and HAM-MERSCHMIDT.

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO HAVE UNTIL 6 P.M., APRIL 11 TO FILE REPORT ON H.R. 5864, AMENDMENTS TO RULES OF CRIMINAL PROCEDURE

Mr. MANN. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary have until 6 p.m. Monday, April 11 to file the report on H.R. 5864, a bill to approve with modifications certain proposed amendments to the Federal Rules of Criminal Procedure, to disapprove other such proposed amendments, and for other related purposes.

The SPEAKER. Is there objection to the request of the gentleman from

South Carolina?

There was no objection.

PERSONAL EXPLANATION

Mr. FOUNTAIN. Mr. Speaker, I departed from a luncheon meeting with President Sadat of Egypt to vote on H.R. 5717 without knowing that suspension votes had been postponed to be voted on every 5 minutes.

Consequently, I am not recorded on the next vote, H.R. 7, the Elementary and Secondary Career Education Act of 1977. I would like for the record to show that had I been recorded, I would have

voted "Aye."

LIFELINE AND ELECTRIC REFORM BILL BY MR. ALLEN AND OTHERS

(Mr. ALLEN asked and was given permission to address the House for 1 minute to revise and extend his remarks and include extraneous matter.)

Mr. ALLEN. Mr. Speaker, today I am introducing a new "Lifeline and Electric Rate Reform Act" to reduce residential electric rates throughout the country and provide incentives for all users to stop the wasteful use of electricity and conserve all forms of energy.

The bill, which as backed and cosponsored by 24 House Members from all sections of the Nation, including HENRY REUSS, chairman of the House Banking Committee, and Tennesseans ED JONES, AL GORE, JR., JIMMY QUILLEN, and HAR-OLD FORD, would encourage the conservation of electric energy by all users, prohibit quantity discounts or declining block rates, and give the lowest rates to residential customers and small businesses

This legislation will put an end to discrimination by electric utilities which charge higher rates to residential consumers and small businesses, as compared with the much lower rates they charge giant industries and their most favored classes of users.

The bill would also establish national minimum standards or guidelines for electric ratemaking, to be formulated by the Electric Energy Office proposed by President Carter to assist all State regulatory agencies to carry out the provisions of the act.

The bill would put an end to and prohibit any increases in rates or fuel cost adjustments without prior approval by the proper regulatory agency after

full public hearings.

Under the act, residential customers will be charged the lowest rate for their basic needs or what is termed a "subsistence quantity" of electricity. "Subsistence quantity" is defined as the average number of kilowatt-hours of electricity used by all residential users in the area served by any utility. Electricity used in excess of the "subsistence quantity" will be sold at a progressively higher schedule of rates, with the highest permissible rate for residential users not to be above the average rate charged the most favored class of customers.

The same principle would apply to nonresidential users. The basic requirement of electrical energy of such nonresidential users would be at the lowest rate made available to such classes of users. Any amount of electricity used in excess of such basic requirements would

be graduated upward.

These provisions would discourage the wasteful and excessive use of electrical energy by all users of electric energy, and would apply to all electric utilities in all 50 States, including TVA and other federally owned agencies.

This bill is truly designed to relieve the residential users of the unfair burden they are having to bear under the upsidedown rate structures that now prevail in the electric industry. Under this legislation everyone will have economic incen-

tive to save energy.

The bill would cover all production, distribution and sale of electric energy to other than ultimate consumers by local distributors whose operations are regulated by authority of State governments, under guidelines to be provided by the Federal Energy Office. An Electric Energy Office would be established in the Federal Power Commission or its successor, and would require all utilities and distributors to furnish monthly reports. The reports will show supply and demand with 6- and 12-month projections. The Commission is required to maintain all such data and to furnish monthly reports to the President.

The bill would become effective 1 year after passage, except that the Electric Energy Office would be created by Executive order within 30 days after passage and the lifeline electric rate guidelines would be set up by the Electric Energy Office within 45 days of the effective

date.

Cosponsors of the bill, in addition to Chairman Reuss and the Tennessee House Members, include: Jerry Patterson of California; Joe Moakley of Massachusetts; Walter Jones of North Carolina; Ron Mottl of Ohio; Tom Harkin of Iowa; John Burton of Cali-

fornia; James Scheuer of New York; Robert Nix of Pennsylvania; Ed Beard of Rhode Island; James Blanchard of Michigan; Shirley Chisholm of New York; Tim Lee Carter of Kentucky; Stephen Neal of North Carolina; Romano Mazzoli of Kentucky; Bruce Vento of Minnesota; Herman Badillo of New York; John Conyers of Michigan; Herbert Harris of Virginia; and Charles Wilson of Texas.

LEGISLATION TO DENY TITLE 38 BENEFITS TO UPGRADED VIET-NAM ERA VETERANS

(Mr. SATTERFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SATTERFIELD. Mr. Speaker, I am introducing today a bill which would deny title 38 veterans benefits to those Vietnam era veterans, who by upgrading of military discharges under the special discharge review program announced by Secretary of Defense Brown on March 29, would for the first time qualify for such benefits

Under that review program, more than 435,000 Vietnam servicemen who served from August 4, 1964, through March 23, 1973, will be eligible to apply to a discharge review board to upgrade an undesirable or general discharge on the basis of special criteria designed to assure a high incidence of success. It also provides a procedure by which individuals now carried in a deserter status may return to military control, obtain a discharge, then apply to a discharge review board to have it upgraded.

It is estimated that more than 173,000 Vietnam era servicemen may apply for upgrading an undesirable discharge and, if successful they would qualify for full veterans benefits. To permit this to occur would be an insult to our Nation's veterans who have earned their benefits by full and honorable service to their

country.

When this program was announced it was termed "an act of forgiveness." In my view, acting in a spirit of compassion to forgive past offenses is one thing: rewarding the offender with benefits which others are required to earn through honorable service is quite another.

Aside from the principle involved, the VA has estimated that the cost of 30,000 additional recipients of veterans benefits will increase the total cost of veterans benefits by more than \$100 million. At a time when funds for VA programs are already marginal such a new demand could result in a diminution of service, both in quality and quantity, now provided to veterans. Those with nonservice disabilities would be especially affected. To permit this to occur would be unconscionable.

My bill does not challenge the spirit of compassion which is the heart of the President's program: but it would preserve the integrity of the VA system.

A veteran would still be eligible to have his discharge upgraded and thus remove any stigma which may attach to it. His right to veterans preference in

civil service employment and participation in veterans jobs programs administered by the Secretary of Labor would not be affected. Only those benefits actually administered by the Veterans' Administration would be covered.

Mr. Speaker, there are other aspects of this review program which compel further comment. For example, it is alleged that the program will consider the upgrading of undesirable discharges on a case-by-case basis only. However, that program will make no distinction between discharges given for different reasons. An examination of the broad criteria which will control discharge reviews reveals that the program will result in blanket upgrading of discharges, with very few exceptions. Very few of the individuals whose discharges will be upgraded under this program were originally discharged for reasons relating to a moral objection to the war in Vietnam. In fact, few discharges had any relevant connection with Vietnam.

Moreover, there is no rational justification for distinguishing between those who are eligible for upgrading under this program and those who are not. Why should a serviceman who received an undesirable discharge for an offense unconnected with Vietnam on March 28, 1973, be entitled to have his discharge upgraded when a serviceman who received an undesirable discharge for the same reason on March 29, 1973, will not? Indeed what reason can there be to justify this kind of preferred treatment for a man who elected to take an undesirable discharge administratively rather than face a court-martial while denving use of the review program to another who committed a similar or perhaps a less heinous offense but insisted on a trial by court-martial and as a result received a bad conduct discharge? The assumption that undesirable discharges during the period between 1964 and 1973 are more worthy of being upgraded than undesirable discharges granted at some other time must be described as arbitrary.

Furthermore, this program is bound to create new inconsistencies which will lead to further reviews of all discharges by correction boards or courts. This will inevitably lead to destruction of our clearly defined and established system of discharges ranging from dishonorable to bad conduct to undesirable to general to honorable. In the process there is a real danger that a precedent will be established which ignores the distinction between good and bad military service during a time of open hostilities. Should that occur, then the reliability of any system of conscription in a future emergency will be seriously compromised.

POWER TO WHICH PEOPLE?

(Mr. MICHEL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MICHEL. Mr. Speaker, in remarks I made on the floor yesterday, I was critical of the President's proposed electoral reforms, particularly his suggestion that there be public financing of congressional campaigns. I stated that this would be unfair to challengers and would give incumbents an almost insurmountable edge. Yes, campaign expenditures would be "equal" under such a law. As I pointed out, however, the incumbent would be "more equal than others" since he can command media attention and has wide name recognition while the challenger would have to spend most of his funds on simply getting his name before the public.

Today's Wall Street Journal has an editorial giving more reasons why such a change in our electoral laws is not desirable. The editorial, "Power to Which People?" says in part:

The cry for public financing of campaigns is being heard once again in the land—this time for Congress. Bills have been introduced in the House and Senate; the leadership has endorsed the idea, and so has the President.

Mr. Speaker, I would like the record to show that although I am a Member of the minority leadership I have never endorsed any scheme of public financing of congressional races. I will be speaking out again on this issue when the proper time comes, but for the present I want to place in the Record the Wall Street Journal's editorial that so concisely and accurately sums up the case against these so-called reforms, especially the old shell game of public financing which simply redistributes political power:

POWER TO WHICH PEOPLE?

The federal election amendments of 1974, with their limits on contributions and their public funding of presidential campaigns, were promoted as reforms that would have far-reaching effects on our political life. And the verdict is now coming in on just what those effects were. In particular, the recent reports by Michael Malbin of the National Journal should give some pause to anyone who thought that this kind of lawmaking would bring a purer and less partisan government in its wake.

Mr. Malbin found first that the FEC, established to administer the new regulations, has spent its first election year reeling from to embarrassment and back. It has spent 35 man-years auditing the reports of candidates who got federal funds. It has been sued by the League of Women Voters for disallowing contributions the league had planned to use to pay for the presidential debates. It has also incurred serious criticism for the extent to which some of its rulings infringe on the freedom of political expression. The commission's problems do not arise from some specially perverse bureaucratic malice or ineptitude. Some of them are birth pangs; but more of them come from the scope of the law itself, from the huge variety of activities the law presumes to regulate and

Even more striking than these administrative problems is the clarity with which one can see who won and who lost from the new laws. Incumbents, professional fund-raisers, ideological zealots and wealthy candidates have all been gainers. But the biggest winner was organized labor. In the presidential general election, private contributions to the candidates themselves were just about eliminated, but labor could still spend unlimited money to communicate with its own union members. The unions used this advantage to spend what Mr. Malbin estimates to have been \$11 million for Jimmy Carter in 1976—half as much as the Carter campaign itself was allowed to spend.

Business did nowhere near so much for

Ford—and, given the nature of its relationship with its stockholders, it was hardly likely that it could equal labor's massive expenditures.

Now there is nothing particularly sinister in this movement of influence. One can imagine presidential counselers a lot less worthy than George Meany. In fact labor has reason to feel a bit cheated; it doesn't seem to be getting quite the spoils it paid for.

It's clear, though, that the result of the last electoral "reform" was not a transfer of power from "the interests" to "the people"; it was a transfer of power from individuals with one kind of political resources to individuals with another. There's not much evidence that the nation as a whole got more accurately represented by the change, any more than the 1972 reforms of the Democratic Party led to a convention that better represented the opinions of most Democrats.

The cry for public financing of campaigns is being heard once again in the land—this time for the Congress. Bills have been introduced in the House and Senate; the leadership has endorsed the idea, and so has President Carter. "It would be a tragic irony," he explained, "if the 1974 law, which reduced the pressure special interests could place on presidential candidates, increased the pressures on candidates for Congress, as the large contributors look for new means of gaining influence with their political funds."

If public funding for congressional elections does come, it will come with less administrative agony than it did last time around; and it is unlikely to go so far as the presidential law in eliminating private contributions. But it will not be a politically neutral reform any more than the original was; like its predecessor, it will redistribute influence rather than somehow creating a politics free of any influence at all. In battles like this one, it is only natural that the "reformers" should want to appropriate the legitimacy that comes from calling themselves the true representatives of the people. But the rest of us might remember that the issue is one of power.

LEGISLATION TO PAY BONUS TO VIETNAM ERA ARMED SERVICES MEMBERS

(Mr. SCHULZE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SCHULZE. Mr. Speaker, I am today introducing legislation to authorize the payment of a Federal bonus to members of the U.S. armed services who served during the period described as the Vietnam era. The bill would authorize the payment of \$100 to anyone who served on active duty during that period, and it would authorize an additional \$400 to be paid to those active duty personnel who served in or adjacent to the Indochina theater of operations during the Vietnam era. The eligibility to receive the \$400 increment will be based upon prior pay records wherein the serviceman received combat pay.

Mr. Speaker, in the furious days of the Vietnam conflict, impassioned pleas were made on behalf of those who answered their country's call and served in the Armed Forces of the United States. More recently, when President Carter unilaterally pardoned those who did not choose to serve their country in the Vietnam era, public statements again alluded to the priority that should be given those who served their Nation in uni-

form. Many died, many were wounded, but many more came home.

President Carter has said that by issuing the pardon, we would be putting behind us those emotional days. Whatever you or I or American citizens generally may think about the pardon, I believe that there is unanimity that the other side of the coin is whether or not we have done all which we might do to assist those veterans who served on active duty during that era. Rates of unemployment are highest among returning veterans. Many are unskilled and have problems in attempting to enter the job market. Others who secured employment were the first to be laid off since they were the most recently hired. There are Federal programs which are designed to help their needs in training and education. My legislative proposal does not attempt to substitute for those actions. In some ways, my proposal can be viewed as simply a symbolic act by this Congress to let every veteran of that conflict know that we have not forgotten him and we do not intend to forget him.

My proposal does not distinguish between those who served with honor in Vietnam but who, subsequent to their return to noncombat assignments elsewhere in the world, became involved in disciplinary action that may have led to their receiving less-than-honorable discharges. I believe that we must measure that man on the sole basis of his serving his country under fire, and thank him as well. So my proposal would focus only on that period of service in the theater of operations while he was drawing combat pay. If that service was honorable, then he would be eligible to re-

ceive the bonus.

I hope that my colleagues will agree with my proposal and join in support of it. The text of my bill follows:

H.R. 6046

A bill to provide a \$100 bonus to each Vietnam-era veteran and an additional \$400 bonus to each Vietnam-era combat veteran

Be it enacted by the Senate and House of Representative of the United States of America in Congress assembled, That this Act may be cited as the "Vietnam-era Veteran Bonus Act".

SEC. 2. (a) The Secretary of Defense shall make a lump-sum payment of \$100, as provided in subsection (b), with respect to each qualified Vietnam-era veteran

qualified Vietnam-era veteran.

(b) (1) A qualified Vietnam-era veteran shall be entitled to receive a payment under subsection (a) upon filing an application in accordance with section 4.

(2) In the case of a qualified Vietnam-era veteran who is deceased before receiving a payment under paragraph (1), the survivor of such veteran (as determined in accordance with section 1447 of title 10, United States Code) shall be entitled to receive the payment under subection (a) with respect to such veteran upon filing an application in accordance with section 4.

(c) For purposes of this section, the term "qualified Vietnam-era veteran" means any

Vietnam-era veteran who-

(1) in the case of an individual who is a former member of the Armed Forces at the time an application with respect to such individual is made under subsection (a), was discharged or separated from the Armed Forces under honorable conditions, and

(2) in the case of an individual who is a member of the Armed Forces at the time an application with respect to such individual is made under subsection (a), is not awaiting execution of or serving a sentence of a court martial which includes a discharge or separation under other than honorable conditions, and includes a Vietnam-era veteran who died while on active duty.

SEC. 3. (a) The Secretary of Defense shall make a lump-sum payment of \$400, as provided in subsection (b), with respect to each qualified Vietnam-era combat veteran.

(b)(1) A qualified Vietnam-era combat veteran shall be entitled to receive a payment under subsection (a) upon filing an application in accordance with section 4.

(2) In the case of a qualified Vietnam-era

combat veteran who is deceased before receiving a payment under paragraph (1), the survivor of such veteran (as determined in accordance with section 1447 of title 10, United States Code) shall be entitled to receive the payment under subsection (a) with respect to such veteran upon filing an application in accordance with section 4.

(c) Any payment with respect to a qualifled Vietnam-era combat veteran under this section shall be in addition, and not in lieu of, any payment with respect to such veteran under section 2.

(d) For purposes of this section, the term "qualified Vietnam-era combat veteran" means any Vietnam-era veteran—

(1) who at any time during the Vietnam era received special pay for duty subject to hostile fire under section 310 of title 37, United States Code,

(2) whose entitlement to such special pay arose out of the involvement of the United States in the Vietnam conflict, and

(3) whose service during the period for which such veteran received such pay was honorable service.

Sec. 4. (a) An application for a payment under this Act shall be filed in such form and manner as the Secretary of Defense shall prescribe. Any such application shall be filed not later than the end of the three-year period beginning on the date on which funds are first appropriated under this Act.

(b) The Secretary of Defense shall take appropriate measures to identify individuals who are eligible for payments under this Act and to inform such individuals and the general public of the provisions of this Act and of the requirements established by the Secretary under subsection (a) for filing applications for payments under this Act.

SEC. 5. For purposes of this Act: (1) The term "Vietnam-era veteran" means any individual who served in the Armed Forces on active duty (other than for train-

ing) at any time during the Vietnam era. (2) The term "Vietnam era" means the period beginning on August 15, 1964, and ending on May 7, 1975.

(3) The term "Armed Forces" means the

Army, Navy, Marine Corps, and Air Force, including the Reserve components thereof.

AMENDMENT TO ATOMIC ENERGY COMMUNITY ACT OF 1955

(Mr. LUJAN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. LUJAN. Mr. Speaker, I am introducing today a bill to amend the Atomic Energy Community Act of 1955, as amended, to authorize, but not require, the Administrator of the Energy Research and Development Administration to continue to make financial assistance payments to the Los Alamos School Board and the county of Los Alamos, N. Mex. Present provisions of the Atomic Energy Community Act provide that this authority terminate at the end of ini-

tial 10-year periods of assistance payments. The dates which mark the end of the 10-year periods and the expiration of the authority of the Administrator to make assistance payments were June 30. 1976, for the schools and June 30, 1977, for the county. This bill will extend the authority of the Administrator to continue to make assistance payments to the schools and the county of Los Alamos on essentially the same basis that the 1967 amendment of the Community Act previously extended the authorization for the Administrator to continue payments to the former AEC communities of Oak Ridge, Tenn., and Richland, Wash., after expiration of their initial 10-year period of payments.

The amount of the assistance payments would be determined under the criteria now in the Community Act. The Administrator would be authorized to enter into contracts not exceeding a 10year term with the schools and the county at Los Alamos. Such contracts have been used to spell out the obligations and responsibilities of the parties as well as the mechanics of requesting, supporting, and making the payments. A 1967 amendment to the Community Act required that any appropriation for assistance payments must first be authorized by Congress. This would require that funds to satisfy any contractual obligations entered into by ERDA and the schools and county would be requested to be included in authorizing any appropriation acts. Six months prior to expiration of the 10-year periods for which ERDA would be authorized to contract with the schools and the county, recommendations would have to be made the Administrator to the Congress to the need for further assistance payments. In the absence of further legislation at that time, assistance payments could be continued on a year to year, or as needed, basis subject to congressional authorization and appropriation of funds.

During the 94th Congress I introduced H.R. 9948, which would have amended the Community Act to authorize continuance of assistance payments to the county and schools at Los Alamos just as the bill I am introducing today will do. The Administrator of ERDA and the Office of Management and Budget supported the need for continued assistance payments. A hearing was held on H.R. 9948 and an identical Senate bill, S. 2435. The record made at the hearing before the Subcommittee on Legislation of the JCAE provides a convincing case that continuance of financial assistance payments should be authorized. Unfortunately, because of the press of other business the JCAE did not report the bills out during the 94th Congress, although I am not aware of any objections to the bills by any members of the JCAE.

Los Alamos, N. Mex., is one of the communities originally constructed by the Army during V. orld War II to support research and development, and the production of atomic weapons. The community was later transferred to the Atomic Energy Commission and remained a Government-owned and managed community until 1962, when the

transfer of much of the property to private ownership and self-government began. Because of its construction as a defense installation, the one-industry nature of the town, and the tax-exempt status of that one industry due to its ownership by the Federal Government. the schools and the county require financial assistance from the Federal Government to provide an adequate level of service to the community. The adequate level of service expected by the Federal Government is that which will permit retention and recruiting of the highly qualified people necessary for the important research and development program at the Los Alamos Scientific Laboratory.

It is for these reasons, based on the origin and long history of the community as federally owned and managed, the tax-exempt nature of the one industry and the requirements and burdens on the schools and local government by the Federal activities, that I introduce this legislation today.

IN DEFENSE OF RICHARD SPRAGUE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. McKinney) is recognized for 60 minutes.

Mr. McKINNEY. Mr. Speaker, it appears that the Select Committee on Assassinations has overcome the "internal strife"-real or alleged-that has for a short time impeded its work. However, there is one matter that has yet to be resolved and which for me will continue to be an impediment until the record has been made straight. The matter to which I refer is the vindication of Richard

I have never been one to aggravate festering wounds, Mr. Speaker. However, I feel a moral responsibility to a man who came to serve at the request of Congress and who left under a barrage of the cruelest, most vindictive accusations I have ever heard. That Richard Sprague was not even granted the opportunity to repudiate the charges made against him only adds to the unfortunate situation to which this Congress has subjected itself and for which it must accept full responsibility.

It is not my intention at this time to attack any other Member of Congress, but rather to protect the right of a man to be presumed innocent until proven guilty. Richard Sprague's right to operate and depart under that presumption has been violated. The fact that Mr. Sprague's resignation was accepted prior to the substantiation of any of the charges levied against him and prior to any opportunity for Mr. Sprague to refute those charges is a violation of every principle of this Nation. Thus, Mr. Speaker, I take this opportunity, on behalf of Mr. Sprague, to clear his name and attempt to right the severe wrongs that were done him while in the employment of this body.

Four of the most serious attacks on Mr. Spreague's personal integrity were: Charge.—As reported in the New York

Times of February 12, 1977:

Richard A. Sprague was accused of violating the Rules of the House of Representatives by . . . refusing to file a statement of his outside income . . . It was said that Mr. Sprague had refused in writing to provide a financial statement of his outside income, which is required by Rule 44.

Facts.—The pertinent provision of House Rule XLIV reads as follows:

Members, officers, principal assistants to Members and officers and professional staff members of committees shall ... by April 30 of each year . . . file with the Committee on Standards of Official Conduct a report disclosing certain financial interests as provided in this rule.

There was no requirement that any of the committee staff file a financial statement in 1976 because no staff member had been hired prior to October 1976. Further, no staff member is presently in violation of House Rule XLIV, which requires that a financial statement be filed by April 30, 1977. This date is 25 days away.

At the time that this particular charge was made—February 12, 1977—the chairman at that time had ordered committee staff members to submit financial statements by February 15, 1977. The charge was at least untimely in that it preceded by 3 days the deadline he had set for the filing of the statements.

The necessary forms for disclosure of finances only can be obtained after the chairman of the committee in question has submitted to the Committee on Standards of Official Conduct a list of personnel to whom the forms should be sent. This list was never presented to the Committee on Standards of Official Conduct.

Charge.—It has been stated that Mr. Sprague has taken several trips in recent years to Las Vegas and it has been asked of him who had paid for those trips. It was also charged that Mr. Sprague has taken several trips to the Fountainbleau Hotel in Miami Beach and a statement was made. "We all know who owns the Fountainbleau," insinuating an association between Mr. Sprague and various disreputable individuals.

Facts.—Mr. Sprague has been in Las Vegas on one occasion when he lectured at a conference of a National Trial Lawyers Association along with other nationally prominent attorneys. He spoke in the evening of the day he arrived and left the next day. Mr. Sprague has never stayed at the Fountainbleau Hotel in Miami Beach.

Charge.—It has been charged that Mr. Sprague has engaged in fee-splitting with a well known Washington lawyer—whose name I have chosen to omit—particularly in connection with the Yablonski murder case and a civil suit involving the United Mine Workers.

Facts.—The charge is simply untrue. Fee-splitting is a violation of professional ethics covered in the Lawyers Code of Professional Responsibility. No court or bar association has ever found Mr. Sprague in violation of this ethical rule.

Mr. Sprague has also been subjected to severe and unfounded criticism on his performance as Chief Counsel of the Select Committee on Assassinations. While it should suffice to state that 12 members of that committee have repeatedly endorsed his performance as chief counsel, for the sake of Mr.

Sprague's integrity I will outline the most serious charges.

Charge.—The following article was submitted from the San Antonio Light—March 9, 1977—to the Congressional Record—March 28, 1977—charging Mr. Sprague with personally contacting Cuban officials in New York without first consulting the committee or proper U.S. Government agencies:

. . . in a bitter attack against Sprague, said the committee chief counsel made contact with the Cuban delegate to the United Nations, without the knowledge and consent of the Committee leadership.

"Sprague has, through his ego-maniacal naivete, exposed the committee, the Congress and the country to the most insidious of forces not friendly to our nation and its

"I asked him what kind of consultation and coordination he had made with the executive branch of government, and he became irritated and clammed up. He refused to discuss the matter further."

Facts.—The entire committee was advised in executive session of the Cuban situation as it arose and before any contacts with any foreign officials were made. The State Department was not only consulted on this matter, but their representatives had high praise for the committee's delicate handling of the matter. In fact, it was on the basis of the State Department's specific suggestions, that the method of contacts with foreign officials was formulated.

Charge.—It was stated in the Con-GRESSIONAL RECORD of March 28, 1977 that expense vouchers were submitted for the month of December 1976 totaling more than \$9,900. It was further stated that the vouchers were improperly accounted for and that the biggest single expense was long-distance telephone calls made by Mr. Sprague to Philadelphia.

Facts.—The amount of the vouchers for that period totalled \$11,488.80, with each item clearly accounted for. The total telephone bill for that period was \$826.85. Calls to Philadelphia totaled \$114.48 for which the committee was totally reimbursed by check, by Mr. Sprague. In fact, after all 1976 expenses have been paid, the committee expense account will show a surplus of nearly \$5.000.

Charge.—It was charged that the committee was overspending its budget under House Resolution 222 by \$20,000 per month. It was further contended in a statement in the Congressional Record of March 28, 1977 that committee members had intentionally ignored pleas for fiscal responsibility.

"When I pointed out that the Committee was overspending, as it has now in the range of exceeding \$100,000 over what the House mandates was the limit, not a word."

Facts.—The committee has at no time exceeded the financial limitations under the continuing resolution, House Resolution 11, or the resolution recreating the committee, House Resolution 222.

The committee statement for the first 3 months of this year leaves a surplus balance of \$433.86, with the expenses for that period totalling \$13,890.21. It has been possible to remain within the proper financial limits due to the willingness of

the committee staff to take voluntary reductions in pay.

Charge.—In a statement in the Congressional Record of March 28, Mr. Sprague was charged with violating House Rule XI(6)(a)(3)(B):

Mr. Sprague appears to maintain an active law practice, with offices at 1622 Locust Street, Philadelphia, Pa., and, furthermore, is engaged in the teaching of law at Temple University, also in Philadelphia. It is plain that since the Rules of the House apply to this Committee, Mr. Sprague is in clear violation of the requirement that he have no outside employment.

Facts.—Such is not the case. House Rule XI(6)(a)(3)(B) reads, in pertinent part, as follows:

The professional staff members of each standing committee . . . shall not engage in any work other than committee business . . .

This rule refers to standing committees and is not applicable to select committees.

House Resolution 222, which established the Select Committee on Assassinations, specifically exempted our committee from the provisions of House Rule XI(6) (a).

Furthermore, when Mr. Sprague accepted, at our request, the position of chief counsel of the Select Committee on Assassinations, he did so with the assurance that he would be allowed to continue his law practice and teaching responsibilities to the extent that such activities did not interfere with his work on the committee. At no time did I find Mr. Sprague inaccessible nor his work as chief counsel in any way hindered by his other activities. In fact, even on weekends Mr. Sprague always contacted his office and made it known where he could be reached in an emergency.

Charge.—In a statement for the Con-GRESSIONAL RECORD of March 28, Mr. Sprague was deemed responsible for hiring 23 people on January 1, 1977, and thus placing the committee in financial jeopardy.

Facts.—The conditions by which these people were hired have been misrepresented. While 23 people did join the staff at that time, they were in fact hired long before January 1, some as early as October. The beginning of the new year was a convenient time for them to leave their former positions—many had to fulfill previous obligations to former employers—as well as relocate themselves and their families in the Washington area. It must also be remembered that this hiring was done with the advice and consent of the then chairman

Perhaps the most unfortunate charges levied against Mr. Sprague were those that called his professional integrity into question. The possible damage done to his professional career as a result of these charges is most regrettable. I hope that again by providing answers to these charges, any misconceptions regarding Mr. Sprague's integrity can be laid to rest.

Charge.—An article from the January 2, New York Times, states that while Mr. Sprague was first district attorney of Philadelphia he used a county detective to follow the husband of Mr. Sprague's friend.

Facts.—As Mr. Sprague has stated

publicly, the county detective indeed followed the gentleman but did so on his own time, in the evening, and in no way involved his work with district attorney's

Charge.—An article from the New York Times of January 2 cited a report by the Philadelphia citizens crime commission criticizing the Philadelphia district attorney's office during the period when Mr. Sprague served as first assistant district attorney. The major findings of the study stated that there was too much power in the office of the first district attorney, problems with the administration of the DA's office and that money had been wasted by that office.

Facts.

To this day, the office of first district attorney in Philadelphia retains all the power that had existed during the period that Mr. Sprague held that position.

The budget of the Philadelphia DA's office has increased annually in accordance with the responsibilities of an ever

increasing caseloads.

At no time was Mr. Sprague subject to any criticism for his performance as a result of the report from the crime commission

In the past several months this Congress has had the unfortunate opportunity to hear a litany of charges raised against Richard Sprague. It would be of little benefit to anyone to list and refute every unnecessary accusation against him. I am satisfied that with the publication of this statement most of the serious charges made will have been refuted. However, there is one final accusation made against Mr. Sprague which I cannot let pass. It has been charged in a statement to the Congressional Record of February 16, 1977, that Mr. Sprague was in violation of House Rule (XLIII).

Rule XLIII states:

A Member, officer or employee of the House of Representatives shall conduct himself at all times in a manner which shall reflect creditably on the House of Representatives.

If the activities of the Select Committee on Assassinations have brought embarrassment upon the House of Representatives it most certainly is not attributable to Richard Sprague. In the midst of a constant attack upon his personal integrity, professional standards and performance as an employee of the House, Dick Sprague remained silent. Even with the submission of his resignation, and despite the fact that this unprecedented public maligning of an employee of the House of Representatives has persisted, Mr. Sprague has conducted himself as a gentleman. By his silence, Mr. Sprague has spared this Congress from some severe and justified criticism. I am not certain that I understand his reluctance to speak out, but I certainly admire him all the more for it.

Mr. Speaker, I think in the case of Richard Sprague we have seen a "witchhunt" and a divestation of human rights that I never expected to see again a part

of our democratic process.

I think a man has been systematically, publicly destroyed by falsehood, by rumor, by innuendo and by just plain callous cruelty in a clear denial of his civil and human rights.

I would hope we would never again forget that every man has a right to his own defense in our Nation, and that a basic tenet of our freedom is that all men are innocent until proven guilty in a court of law, through due process.

Thank you, Mr. Speaker.

GENERAL LEAVE

Mr. McKINNEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the subject of my special order of today.

The SPEAKER. Is there objection to the request of the gentleman from Con-

necticut?

There was no objection.

CONGRESSMAN LENT DISCLOSES 1976 FINANCIAL STATUS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LENT) is recognized for 5 minutes.

Mr. LENT. Mr. Speaker, as has been my practice since 1972 and because of the concern with possible conflicts of interest and the financial status of all public officials expressed by many citizens, I am pleased to disclose at this time pertinent information regarding my financial status for the year 1976. This financial disclosure follows the March 12, 1974, recommendations of the Ad Hoc Committee on Financial Disclosure of the New York State delegation to Congress. which consists of 39 Members of the House:

First. Sources of all noncongressional income-law firm of Hill. Lent & Troescher, Esqs., Lynbrook, N.Y. I received income from the practice of law, rent, speaking honorariums, interest and dividends. I do not practice in the Federal courts or before Federal agencies.

Second. Unsecured indebtedness in excess of \$1,000-None, other than ali-

Third. The sources of all reimbursements for expenditures in excess of \$300 per item-I had congressional expenses not compensated for by the Federal Government of \$12,693. Of this sum, \$8,084 was paid out of the Fourth Congressional District Congressional Club.* \$1,609 was paid out of the Lent for Congress fund; \$3,000 was paid by the Na-

*During 1976, the Congressional Club consisted of individuals who paid annual dues of \$100 each to maintain a fund used exclusively to help me defray the cost of newsletters, reports and questionnaires sent to constituents, and to pay travel, dues, office, telephone, community relations, and other expenses directly related to my job as Congressman. The entire proceeds of this fund were included as income on my 1976 intax returns, and the amounts expended were deducted as official Congressional expenses, pursuant to 1973 IRS Ev. Rul. No. 73-356. In accordance with new rule LXV, Rules of the House, adopted March 2, 1977, the Congressional Club account ceased to accept dues after March 2, 1977. Such funds as then existed in said account will be completely expended on or before January 3, 1978 in accordance with the provisions of said rule XLV.

tional Republican Congressional Committee "REACH" account.

I had additional cost-of-living expenses directly related to my job as Congressman, including the maintenance of living quarters in Washington. D.C., travel, and so forth, estimated at \$7,900 for which I was not reimbursed. I was allowed the statutory maximum deduction of \$3,000 for these living expenses on my 1976 income tax return-IRC section 162(a). These expenses were entirely paid from personal funds.

Fourth. The identity of all stocks, bonds and other securities owned outright or beneficially: Research Cottrell Corp., common stock; Michigan General Corp., common stock: Scudder, Stevens and Clark, common stock fund; Scudder, Stevens, and Clark, special fund; Growth Industries Shares Fund; and New York City Municipal Assistance Corporation Bonds. I own no other se-

curities.

Fifth. Business entities-including partnerships, corporations, trusts, and sole proprietorships-professional organizations, or a noneleemosynary nature, and foundations in which I am a director, officer, partner, or serve in an advisory or managerial capacity-I am partner in the law firm of Hill, Lent, and Troescher, Esqs., Lynbrook, N.Y., and am a partner with Robert H. Troescher in the ownership of our law office property at 81 Hempstead Avenue, Lynbrook, N.Y.

Sixth. I paid \$7,450 in Federal and New York State income taxes for the year 1976. I have filed a report of my earnings and sources of earnings with the House Committee on Standards of Official Conduct pursuant to Rule XLIV of the House of Representatives every year that I have been in Congress.

CURTAILING GOVERNMENT-GENERATED INFLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. Bolling) is recognized for 20 minutes.

(Mr. BOLLING asked and was given permission to revise and extend his remarks and include extraneous matter.)

Mr. BOLLING. Mr. Speaker, despite -percent unemployment and substantial unused industrial capacity, inflation again has reached ominous proportions in the United States. During the 3 months ending in February, the Consumer Price Index rose at a 9.1-percent annual rate. The Wholesale Price Index went up by 8.4 percent, foreshadowing more bad news for consumers ahead.

This upsurge in the indexes is due partly to the volatile prices of farm products, which jumped during this 3month period at a 26-percent annual rate after a period of declines. Customary market fluctuations were magnified somewhat by winter crop losses. Retail food prices rose consequently at a 12percent rate. A brief breakdown of wholesale and consumer price increases appears in table 1 included with this statement.

Part of the recent increase in consumer prices, however, reflects the fact that

wholesale industrial prices moved up at an 8-percent annual rate throughout the latter half of 1976. This component encompasses energy prices, which rose by 18 percent at wholesale and 12 percent at retail, led by prices of natural gas. This bulge of cost increases now is passing through to the consumer level.

Everyone recognizes that price rises for farm and fuel products do not signal general excess demand but instead stem from special factors in these sectors. It must be emphasized, however, that excess demand cannot account for 1976 price increases in the nonfuel industrial sectors either. In fact, the opposite was true: Inadequate and declining demand growth exerted a drag on industrial productivity gains as the process of restarting idle capacity came to a halt. Productivity growth slowed with GNP growth in every quarter throughout the year. These losses of productivity caused production costs-and therefore prices-to rise faster after a short lag. This pattern of relationships is shown unmistakably in table 2 included with this statement.

If not followed by sharp new upward price currents, this spate of price increases should run its course within 2 or 3 months, especially if the economy resumes its growth. But a continuation of these higher inflation rates beyond this period-whatever its causes-could have fateful consequences for the Nation by reviving the self-fulfilling fears of accelerating inflation that lie barely below the surface of today's economy.

For this reason I think it is important to call attention to a number of recent and pending Government decisions that could aggravate the already threatening inflation outlook. These include decisions on energy prices, farm prices, tariffs on imported TV sets, quotas on imported sugar, a boost in the minimum wage, and others.

To illustrate what I mean, let me point out that the large increases in natural gas prices already approved will permit homeowners' rates to rise this year by perhaps 50 percent or more, after increases of over 20 percent annually in the past 3 years. While higher gas prices clearly were needed, gas heating costs alone could raise the Consumer Price Index this year by one-half percentage point. Costs of gas passed through in the prices of other goods and services will boost it somewhat more. These effects must be borne in mind when we consider new proposals to phase in even faster increases. The same will be true for proposals to boost gasoline taxes, which the President is rumored to be considering.

As another example, recent increases in milk price supports will raise retail milk prices by 5 to 6 percent and those of butter, cheese, and other milk products by somewhat less. Whatever the virtues of the decision to raise support levels, it is estimated by the Council on Wage and Price Stability to cost about \$1.3 billion in higher grocery bills and taxpayer payments to producers. Actions on other farm price supports are pending in Con-

Also pending are presidential decisions on the International Trade Commission's recommendations for an increase in the tariff on television sets and for quota restrictions on the quantity of imported sugar. The recommended tariff increase on TV sets would raise the retail prices of sets in the United States by close to 20 percent. These decisions are due by early May. Last week the President rejected a recommendation to increase tariffs on nonrubber footwear that would cost consumers an estimated \$2.4 billion and would raise the CPI by about 0.3 percent, according to the Council on Wage and Price Stability. The President chose to seek voluntary export limits by major supplier countries. Congress can override the President's decision within the next 60 days.

Congress also is considering a boost in the minimum wage. Undoubtedly the minimum should be increased to protect low-paid workers from the effect of inflation. This action inevitably raises future price levels, however. If not phased in judiciously, therefore, it could tend to be self-defeating.

These arguments do not imply that no action should be taken where action is required in the interests of equity or efficiency. We must be cognizant, however, of the cumulative effects of our decisions in these many different areas of the economy. The next few months will be critical in our struggle to subdue inflation and to get the economy moving to-

ward sustained prosperity. To avoid adding seriously to inflation at this critical time, necessary Government-approved price increases should be phased in gradually. The effects of different decisions should not be permitted to come simultaneously. This is a time for Government to do everything possible to avoid price increases. To achieve the necessary coordination in this area, I am writing to the Acting Director of the Council on Wage and Price Stability to suggest that the Council draw up proposals to minimize the inflationary impact of Government decisions affecting prices and wages.

It also should be emphasized that, if Government actions can raise prices, then Government actions can lower them. For instance, President Carter and Secretary Califano have proposed to limit price increases for medical care, which have been exceptionally large for several years. Moreover, a bill that many people think would lower air fares is under consideration before a Senate subcommittee with administration backing. The President has promised a comprehensive antiinflation program soon in which reductions in costs of regulation and redtape are expected to play a major role. I await his proposals with great interest. I hope also that the President will find ways to moderate price increases in the private economy that are imposed by arbitrary power not responsive to market conditions.

In closing, let me reemphasize that the stakes riding on our ability to bring inflation down in the next few months are very large. If we fail, a self-fulfilling inflationary psychology will reassert itself. Managers will begin to boost prices faster to beat anticipated future cost increases. Workers will demand bigger raises to

cover present inflation and to hedge against the future. And lenders will increase the inflation premiums contained in interest rates. Worst of all, widespread misunderstanding of the role of the Federal budget in this situation could make it impossible to conduct a fiscal policy adequate to get the economy's productive juices flowing again. If this happens, then the full recovery that we all hope for will be supplanted by a new period of stagflation and malaise, and the consequences of such a turn for our country would be very serious indeed.

I include the following:

TABLE 1.—CHANGES IN WHOLESALE AND CONSUMER PRICES. NOVEMBER 1976 TO FEBRUARY 1977

Price index	Percent change from previous month 1			Percent change,	
	ecem- ber	Janu- ary	Febru- ary	November to February	
Consumer prices:			300		
All items	0.4	0.8	1.0	9.1	
Goods less food	.1	.9	2.0	12. 4	
Services	.6	. /	.6	8. 0 8. 0	
Wholesale prices:	**	.,	.0	0.0	
All commodities	. 6	.5	.9	8.4	
Farm products	2.6	1.1	2.2	26. 2	
Processed foods and	20.00	-	122	1 200/8	
feeds	1.8	2	1.8	14.9	
Industrial commodities	.3	.5	.6	5, 9	

TABLE 2.—RATES OF CHANGE OF GNP, LABOR PRODUCTIV ITY, UNIT COSTS, AND PRICES, 1976

[Percents, at seasonally adjusted annual rates]

	Quarter of 1976			
Data series -	1	11	Ш	IV
GNP (in constant 1972 dollars)	9.2	4.5	3.9	2.6
Output per man-hour in nonfarm business sector	5.4	4.4	2.6	-1.0
Unit labor costs in nonfarm business sector	3.4	3. 2	4.3	8. 2
Implicit price deflator, nonfarm business sector	4.3	3.6	5.8	5.9
Wholesale prices, industrial com- modities	5.1	4.5	8.2	7.8

Sources: Department of Commerce, Bureau of Economic Analysis and Department of Labor, Bureau of Labor Statistics.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. I thank the gentleman for yielding.

Mr. Speaker, I am delighted to hear the gentleman from Missouri (Mr. BoL-LING) bring up what seems to me a statement warning about an existing situation that seems to me to be one of our greatest and perhaps our most neglected problems today, and that is inflation.

I was a little disturbed to see an article—I believe it was in the Washington Post, and I hope that it was an inaccurate statement of any prophecy with respect to the price of gas-which indicated that there were some plans afoot to provide a limitation on the price of gas which would be based on a Btu equiva-lent of foreign oil. That runs around \$2.25 plus an increase above that of some 15 cents, perhaps, as a margin. So it is

¹ Seasonally adjusted.
2 Seasonally adjusted annual rates.

Source: Bureau of Labor Statistics.

said it would run gas prices up to \$2.45 per Mcf.

It is not selling anywhere near that

price in the intrastate market.

Mr. Speaker, I think that this is at least something we ought to be watching, because it could develop into a very inflationary tendency, I think, in our economy if the price of gas should move from the presently high intrastate gas average in 1976 of approximately \$1.75 to \$2.45, and I would hope that the administration would be most sensitive to that danger.

Mr. BOLLING. Mr. Speaker, I thank the gentleman from Texas (Mr. Eck-

HARDT) for his contribution.

LEGISLATION TO ESTABLISH IDI-TAROD TRAIL IN ALASKA AS A NATIONAL HISTORIC TRAIL

The SPEAKER pro tempore (Mr. SCHEUER). Under a previous order of the House, the gentleman from Alaska (Mr. Young) is recognized for 10 minutes.

Mr. YOUNG of Alaska. Mr. Speaker, in a great display of the Alaskan frontier spirit men and women hitch up their dog teams in the early spring and race a grueling 1,049 miles from Anchorage to Nome on the Iditarod Trail.

This year, my wife, Lu, and I were in the small Bering Sea community of Nome to watch the mushers cross the finish line. The champion musher crossed the line to the sounds of sirens and an excited crowd's cheering after 16 days on the exhausting trail. The second place winner was only 4 minutes behind the winner. After mushing freezing temperatures, 36 of the 47 mushers who started completed the race.

Dogracing is an integral part of Alaska's history. The first "All Alaska Sweepstakes" was held in 1908 and the first Iditarod Sweepstakes race was held

Eskimos and Athabascan Indians used portions of the Iditarod Trail for hundreds of years before the white men came to Alaska. But, in 1896, the cry of 'gold" went out and the Iditarod became the main artery to the interior of the State.

Roadhouses, postal cabins and small communities developed along the trail as miners poured into the vast bush country of Alaska. The Iditarod Trail received its heavy use from miners as they mushed or walked over it in search of their fortune. Some found that fortune. Between 1910 and 1920 over \$3 million in gold was brought out over the Iditarod. The trail became a busy bush roadway which played a primary role in the development of the interior.

Today, some of the historic sites still remain along the trail. A few of the cabins and roadhouses which once bustled with activity still stand as silent reminders of a vibrant past. Traces of mining activity are rapidly being reclaimed by nature, but can still be seen. Five of these old sites along the trail are already listed on the National Register of Historic Places.

Today, I am introducing legislation to establish a new category in the National Trails System, the National Historic Trails. The Iditarod, as well as other trails across the Nation, belongs in this category. This bill differs from legislation introduced in the Senate with the clause allowing for roads, pipelines and other transportation modes to cross the

H.R. -

A bill to establish National Historic Trails as a new category of trails within the National Trails System, to include the Iditarod Trail, Alaska, in the National Trails System as a National Historic Trail, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the National Trails System Act (82 Stat. 919; 16 U.S.C. 1241) is amended as follows:

(a) In section 2(b) delete "and scenic" and

insert, "scenic and historic".

(b) In section 3 redesignate subsection

"(c)" as "(d)", and insert prior thereto a "(c)" as "(d)", and insert prior thereto a new subsection (c) as follows:

- "(c) National Historic Trails, established as provided in section 5 of this Act, and designated in accordance with the criteria in section 7 of this Act, which will be extended trails that follow as closely as possible the original trails or routes of national historical significance. Although designation of such trails or routes shall be continuous, an established or developed trail may not be con-
- (c) In the new section 3(d) delete "or national scenic" and insert ", national scenic, or national historic".
- (d) In the heading of section 5 "SCENIC" insert "AND NATIONAL HISTORIC"; in the first sentence of section 5(a) after "scenic" insert "and national historic"; and in section 5(b) after "national scenic" wherever it appears insert "or national historic"

(e) In section 6 delete in the first sentence "or national scenic" and insert ", national scenic, or national historic"; and in the second sentence delete "or scenic" and insert ", scenic, or historic".

(f) In section 7 in the first sentence of subsection (a) after "Scenic" insert "and National Historic", and after "facilities" omit the period and insert "and may be crossed by roads, pipelines, or other transportation modes"; in subsection (b) and in the first ; in subsection (b) and in the first sentence of subsection (c) after "scenic" wherever it appears insert "or national historic"; in the penultimate sentence of sub-section (c) delete "and scenic" and insert scenic, and historic"; in subsection (d) delete "or scenic" and insert ", scenic, or historic"; in subsection (e) after "scenic" ever it appears insert "or historic"; in the first sentence of subsection (h) delete "or scenic" and insert ", scenic, or historic"; in the second sentence of subsection (h) after 'scenic" insert "or historic"; and in the first sentence of subsection (i) delete "or scenic" and insert ", scenic, or historic".

(g) Section 7 of such Act is further amended by adding at the end thereof the

following new subsection:

"(j) To qualify for designation as a National Historic Trail, a trail must meet all three of the following criteria:

- "(1) It must be a trail established by historic use and historically significant as a result of that use. The trail need not exist as a trail at present to qualify, but its location must be known sufficiently to permit evaluation of public recreational potentials.
- "(2) It must be of national significance with respect to any of several broad facets of American history such as trade and commerce, migration and settlement, or military campaigns. To qualify as nationally signifi cant, historic use of the trail must have had a far-reaching effect on broad patterns of American culture. Trails significant in the history of native Americans (Indians, Aleuts, and Eskimos) may be included.

"(3) It must have significant potential for public recreational use based on historic interpretation and appreciation. The potential for such use generally is greatest along crosscountry segments developed as historic trails. and at historic sites associated with the trail. The presence of recreation potential not related to historic appreciation is not sufficient justification for designation under category."

(h) In section 8(a) at the end of the first sentence insert the following sentence: "The Secretary is also directed to encourage States to consider, in their comprehensive statewide historic preservation plans and proposals for financial assistance for State, local, and private projects submitted pursuant to the Act of October 15, 1966 (80 Stat. 915), as amended, needs and opportunities

for establishing historic trails."

SEC. 2. (a) The Iditarod Trail, Alaska, a trail of approximately one thousand six hundred miles extending from Seward to Nome, Alaska, following the route(s) as generally depicted on the map identified as "Proposed Iditarod Trail, Numbered

is hereby designated a national historic trail within the National Trails System. The Iditarod National Historic Trail shall be administered by the Secretary of

the Interior.

(b) Within three years from the date of this Act an inventory and evaluation of all sites, structures, and other properties located along or immediately adjacent to the designated route possessing historical, architectural, archeological or cultural value shall be conducted by the administering agency in consultation with concerned public and private landowners or managers. This inventory and evaluation shall, among other things, identify properties eligible for inclusion in the National Register of Historic Places and formulate plans for the protection and preservation of significant historical and archeological properties.

(c) There is authorized to be appropriated \$150,000 for the purpose of acquiring lands or interests in lands, signing, conducting an inventory and evaluation of historical

and archeological sites, and other actions necessary to implement this Act.

THE YOUTH INCENTIVE ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. SARASIN) is recognized for 10 minutes.

Mr. SARASIN. Mr. Speaker, today I am introducing the Youth Incentive Act. We are all aware of the countless numbers of proposals that have been dropped to solve the crisis unemployment problems of youth. Most of these proposals have come laden with many promises and are usually submitted with lengthy descriptions of the serious nature of youth unemployment. Most all, for example, cite the fact that more than half of the Nation's unemployment consists of those under the age of 24, that more than half of the Nation's major crime is committed by teenagers. Ironically, many of these bills simply avoid addressing the problem. They do not target in on those most in need, they do not target in on areas where youth unemployment is most concentrated, and in some instances they are open to all youth regardless of economic background.

This bill attacks the problem of youth unemployment head on and is targeted to where the problem is greatest. legislation will guarantee a part-time job to any economically disadvantaged youth who resides in an area of substantial unemployment, who continues or renerters high school or into a program that leads to high school equivalency. For the same youth, it guarantees a full-time summer job.

My proposal works through the CETA prime sponsors, who would be responsible for working with the schools and community organizations to develop youth

incentive jobs.

Mr. Speaker, this bill pulls no punches. It is designed to get the most seriously economically disadvantaged youth back into school. It is designed to get such youth who clearly are responsible for a major share of the Nation's crime problem off the streets. It is designed to encourage youth to complete their high school education, which a recent Bureau of Labor Statistics—BLS—report entitled "Special Labor Force Report 193, Educational Attainment of Workers, March 1976," showed is critically important to their future employability.

Most of the youth proposals submitted thus far are only stopgap measures. The administration bill would provide for a community services program and for a young adult conservation corps designed to last only 18 months. The obvious question is what happens to the youth after the 18 months is over, and what has it done to further their education and employment? The BLS report reveals that workers who have not completed high school are more likely to be unemployed than those who have and that labor force participant rates are highly correlated with workers' educational attainments. For example, workers who had only one to 3 years of high school in March 1976 had a jobless rate of 13.5 percent, this compared with 8.2 percent for workers who had completed high school. That is a whopping 5-percent difference; and I might add that the unemployment rate continues to fall dramatically as formal schooling continues. The unemployment rate for workers with one to 3 years of college is only 6.3 percent, and for college graduates is a minimum 2.8 percent, or about the fractional level of unemploy-

In addition, the labor force participation of workers was checked in elementary school education as extremely low and BLS estimated it to be 38 percent; a very large percentage of the so-called "discouraged worker" and labor force dropout involves those who have not completed high school.

There is no guarantee, of course, that completion of high school will assure anyone permanent security in the labor market. In fact, the level of education of the American workforce has been rising steadily and in March 1976 was 12.6 years on the average, up from 12.2 years a decade earlier when unemployment was much lower. This means that a person without a high school education has an even tougher time today in finding permanent employment than he did 10 years ago, and it is this individual who finds his or her way to the welfare rolls and to underemployment, unemployment and a checkerboard work career.

Make-work public service job approach to the youth unemployment problem is not the way to go. Youths themselves reject it. At a recent hearing held by our subcommittee in New York City we received considerable testimony from those very kids we are trying to affect; namely, gang leaders, school dropouts, criminals and the like, who strongly urged the committee to avoid the mistakes made by the neighborhood youth corps program. The testimony of this hearing is revealing and encouraging. The youths who testified indicated that they did not want to receive welfare handouts. That what they wanted to do was complete their education, but that they need work experience along the way. They also testified to the immense need to improve our elementary and secondary education, but even so the high school degree was critical to their future needs.

My bill works to prevent any jobs from becoming make work. The bill provides incentives to include on-the-job training and apprenticeship training as part of the part-time work experience, and even includes full-time institutional training in place of such employment.

There are those who on first glance would feel that providing a job guarantee to such youth would be inordinately expensive. Naturally, such a charge would be made if one does not look at the facts. In 1975, according to a Congressional Budget Office analysis, there were enrolled in school 4,551,000 youth between the ages of 16 and 19 and 1,230,-000 dropouts in the same age classification. The unemployment rate of the dropouts was the highest of all youth at 29.9 percent; for inschool youth it was 17.1 percent. Still, a very high rate of unemployment. But while the unemployment rate is high, the actual gross numbers of such youth is not very large, and, if we include the economically disadvantaged criteria, is even smaller. According to the Census Bureau's definition of low income in 1973, not too dissimilar from the current figure used to determine economically disadvantaged, 9 percent of the inschool group came from low-income families but more than 25 percent of the out-of-school youth were classified as low income. The actual gross numbers of youth who would be eligible without any kind of targeting into areas of unemployment is 817,000. Adding in the summer program, the entire cost of the program, I estimate, would be \$1.5 billion, assuming 100 percent participation. This total, which does not exceed the amount included in the Budget Act, and, in fact, assumes existing outlays for the current summer youth employment program leaving about \$500 million for other programs. In my view, this would be a far more cost-effective approach than any other program I have yet seen. If we are to affect youth unemployment where it is the worst, namely in our inner cities, and to provide those youth most likely to give greatest cost to society if they are unemployed, then the one way we can go is to target our resources to them.

A section by section analysis of the Youth Incentive Act follows:

SECTION-BY-SECTION ANALYSIS

The Youth Incentive Act creates a new Title VII to the Comprehensive Employment and Training Act of 1973. Purpose

Section 701 states the purpose of the bill which is to guarantee part-time employment during the school year and full-time employment during the summer months to economically disadvantaged youth, ages 14-19, who continue their secondary education, to enable such youth to complete their high school education.

Job guarantee program

Section 702 authorizes the Secretary to enter into arrangements with CETA prime sponsors to provide guaranteed jobs to eligible youth, and establishes procedures to insure adequate appropriations for the job guarantee.

PART A-SCHOOL YEAR

Description

Section 703 describes the school year program, which consists of part-time employment for eligible youth.

These jobs can either be individual jobs, or employment on projects, submitted by community based organizations with a demonstrated knowledge of youth needs, local education agncies, colleges and universities, non-profit service organizations, voluntary youth organizations, unions, cultural and other private non-profit associations, local and State governments including the prime sponsor, and selected private employers.

Jobs are to last no less than six months, and not more than nine, beginning no earlier than September 15 of each school year and ending no later than June 15, and youth are required to meet the minimum academic and attendance requirements of the school in which they are enrolled.

Conditions for assistance

Section 704 details the conditions which prime sponsors must meet to receive assistance. Prime sponsors must submit a plan to the Secretary of Labor as part of his Title I CETA plan describing how it will go about arranging for jobs for eligible youth, the number of such youth, and that consultation has taken place with relevant local agencies, including the schools, community based organizations and the schools, and private corporations.

The prime sponsor must assure that the job will not replace existing jobs, that youth will have to meet the minimum requirements of employment, including good work habits and punctuality, and must continue to meet the school's attendance requirements.

The jobs are restricted to no more than twenty hours a week, and prime sponsors must assure that substitution of Federal for local funds will not occur. Minimum wage will be paid, except where job-training is also included in the job, where the wage may be 85% of the minimum, the balance being applied to the training. The minimum may be waived for youth 14 and 15, but in no event can it be less than \$1.50.

Review of plans

Section 705 describes the Secretary's procedures in approving the prime sponsor plan. No plan submitted under this title shall be approved or disapproved on account of any failure of plans submitted under Title I and the same holds true for the Title I plan. In addition, prime sponsors are required to notify the Secretary no later than March 1 of each fiscal year of his intention to operate a youth incentive program during the next fiscal year. If by September 1 the prime sponsor has not submitted an acceptable plan the Secretary is required to make alternative arrangements to provide the employment guarantees.

Eligible activities

Section 706 requires that any employment provide needed community services designed to contribute the fiscal, social or economic or cultural improvement of the community. Included is environmental quality projects,

health care, education, welfare, transportation, community improvement and the like. This section also prohibits substitution of Federal for local funds be it in the public or non-profit private agency.

Conditions governing private sector employment

Section 707 states that any private-forprofit employer who hires an eligible youth during the school year will be required to provide that same youth with a full-time summer job out of his own pocket under the same conditions as is described in the Part B Summer Youth Incentive Program.

Consultation with community groups youth advisory committees

Section 708 requires consultation of prime sponsors with a variety of community groups including community based organizations and voluntary youth organizations, school officials and others and also requires a youth advisory committee to be established as part of the prime sponsor planning council with at least four youth representatives from the community on the committee.

Application to prime sponsors

Section 709 describes the procedures for applicants in the community to submit to the prime sponsors requests to hire eligible youth for youth incentive jobs. These requirements are kept purposely brief and include the requirement that the youth be in school, that the work not exceed 20 hours per week, that the youth is not a relative of anyone hiring him or her, and that the job will not displace any existing workers. In addition, any private-for-profit employer will assure that no member or officer of the firm or business will benefit either directly or indirectly from employment of such youth.

Determinations by prime sponsors

Section 710 requires the prime sponsor to give preference to certain applications; specifically, those which involve the greatest number of disadvantaged youth, those which involve youths in the planning, administration and evaluation of the proposed project. Third, those that are coordinated with appropriate educational agencies, and fourth those that are generally of the greatest benefit to the community. A special priority is given to those applications submitted by local education agencies or community based organizations of demonstrated effectiveness. This section also requires that the prime sponsor assure that applicants meet minimum standards of fiscal accounting and/or will provide such assistance as is necessary to assure such minimum standards are met.

Reports

Section 711 requires each applicant who has been funded for a youth incentive job to submit a financial report and a client characteristics report. Unlike existing CETA programs, there are only three reports required: two of which are the financial reports to be submitted on January 15 and on June 15 of each year, and the client characteristics report to be submitted at the end of the program.

Program costs

The prime sponsor may utilize only three percent of the funds allocated for administrative costs for those employment projects which are subcontracted by the prime sponsor. The subcontractor in turn can use up to 12%. When the prime sponsor elects to establish its own youth incentive program, the prime sponsor may utilize up to 15%. This 15% is to be used under the same conditions as applies to the Public Service Employment programs under CETA. (Section 712)

PART B—SUMMER YOUTH INCENTIVE PROGRAM Description

Section 713 states that the purpose of this program is to provide full-time and/or part-

time employment with training to disadvantaged youth.

Conditions for receipt of assistance

Section 714 requires the prime sponsor to submit a plan no later than April 15 for his summer program. This plan is to count as a plan modification to his Title I program plan.

Program procedure

Section 715 establishes priority for summer youth employment incentive programs to those applicants who receive funds during the school year and who desire to continue their project or employment through the summer provided that such employment becomes full time This section also provides that eligible youth may enter a full-time course of instruction in lieu of such employment or in a matching employment-training program. Special consideration is also to be given to those proposals for the summer program submitted by disadvantaged youth themselves under the supervision of a qualified institution, government agency or private non-profit organization. The section also allows youth who have received their high school diploma or equivalency certificate at the completion of the school year to continue in employment through the summer following their completion of high school. In addition, no employment in the private-for-profit sector is allowed under the summer program, although on-the-job training may be provided for as under Title I. Any employment or projects are not to begin before June 15 and will not end later than September 15 and in this program three reports are again required, two financial reports and one client characteristics report. Project applicants are required to submit the summer program proposals no later than May 1 preceding the summer in which the program is to begin.

Definitions

Section 716 defines various terms used in the act. The term "disadvantaged youth" means a youth between the ages of 14 and 19 inclusive who is either a member of a family which receives cash welfare payments, who is a member of a family who has any annual income, in relation to family size, which does not exceed the poverty level, or is a ward of a court of competent jurisdiction who is deemed by the appropriate officers of such court to be in need of assistance under this program.

Income exclusion

Section 717 states any income earned by the youth shall not be counted in determining eligibility for other federal or federally assisted programs.

Authorization of appropriations

Section 718 authorizes such sums as may be necessary for FY 78 and for each succeeding fiscal year.

FOOD AND NUTRITION PROGRAM CONSIDERATION AND REORGANI-ZATION ACT OF 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. Sebelius) is recognized for 15 minutes.

Mr. SEBELIUS. Mr. Speaker, today, I introduced the Food and Nutrition Program Consolidation and Reorganization Act of 1977, which is similar to S. 1094 introduced on March 23 by the junior senator from my neighboring State of Oklahoma, the Honorable Henry Bellmon.

This is a block grant bill that would consolidate, for State reorganization and administration, the following current Federal categorical food and nutrition programs: The food stamp program provided for under the Food Stamp Act of 1964; such child feeding programs provided for under the National School Lunch Act and the Child Nutrition Act of 1966 as the national school lunch program, the school breakfast program, the child care food program, the summer food service program for children, the special milk program, the special supplemental food program for women, infants and children-WIC program-the supplemental food program, the nonfood assistance program—equipment—State administrative expenses, the nutritional training and survey program, and special developmental projects; and the commodity supplement food program. The expanded food and nutrition education program conducted by the extension service at land grant universities is included in S. 1094 but not in mine.

While each of these programs individually serves a very useful purpose, they are administered by various agencies within the U.S. Department of Agriculture, Department of Health, Education, and Welfare, and Community Services Administration. The multiple eligibility of these programs provides builtin disincentives that encourage people to remain unemployed, collect welfare payments, and rely on the numerous Government feeding programs rather than on the fruits of their labor.

There is unnecessary duplication and overlap. The benefits derived from one program are not counted as benefits in another program. Unfortunately, the combined effect of the aid to families with dependent children program—AFDC—food stamps and medicaid in many States is a lure and a snare. In high benefits States, benefits from these three programs can produce a tax equivalent annual income of \$7,000 to \$8,000 for a family of four. These benefits are not taxable and no doubt are a strong incentive not to work. It is proof that we are marching toward a welfare state.

Dr. Richard P. Nathan, Senior Fellow at Brookings Institution, advocated an incremental approach to welfare reform in an article published in the spring 1976 issue of Public Welfare.

In the article, he stated:

Finally, it is conceivable that in a general cash program all benefits distributed to the poor would not be counted toward reducing the income deficiencies leading to official poverty. Yet none of the \$12 billion in food and housing benefits are counted by the Census Bureau in determining who is poor and by how much they are poor. (In many cases, of course, cost to the government of providing goods or services is a very poor guide to setting an income value of the goods or services to the beneficiaries. This is because often the services could be provided more cheaply in the private market or because, given a choice, beneficiaries would not have spent the same amount for the goods or services. But in most instances, and especially with respect to subsidized food and housing, the value to recipients, is significantly above zero, which is the value the Census Bureau now implicitly assigns.)

From the subcommittee's perspective, we are drifting toward an ever greater number of programs with potentially disruptive consequences. Its conclusion was that we need fewer, rather than more noncash programs.

Later on, Dr. Nathan stated that cen-

sus data significantly overstate real poverty in the United States because inkind benefits such as medicare, food, housing, free school lunches, et cetera, are not included in census data on personal income.

CBO states in its 1977 Food Stamp Budget Issue Paper:

While the (food stamp) program was never specifically designed to remove participating households from poverty, the inclusion of the food stamp bonus benefit in a household's income definition does move over one-quarter of the pre-food stamp poor households out of poverty. Assuming that a dollar in food stamps has the same value as cash to the recipient, currently it is estimated that nearly 4 million of the 14.4 million pre-transfer poor persons are moved out of poverty as a result of counting the food stamp benefit in their income.

CBO has estimated that in 1975, 57 percent of the households receiving food stamps were also receiving some other form of public assistance, and only 19 percent went to households classified as working poor. Although it was originally designed to provide households "an opportunity to obtain a nutritionally adequate diet," liberalization of the program in recent years has enabled food stamp recipients to spend 43 cents of every dollar of bonus food stamps transferred on nonfood purchases.

The program has become a virtual cancer. Participation has increased to almost 18 million and at the same time the food stamp program is such an administrative nightmare that currently 46 percent of the cases are in error and 28 percent of the program's dollars are misspent. Total program costs—including both State and Federal outlays—increased from \$272 million in fiscal year 1969 to approximately \$5.9 billion in fiscal year 1976.

The average monthly transfer for an individual increased from slightly more than \$6.60 in 1969 to approximately \$23.90 in 1976. Administrative costs went from \$22 million—7.8 percent of the total cost—to nearly \$370 million—6.2 percent of the total cost—over the same period.

Child feeding programs have also ballooned, from a cost of \$497 million in 1965 to \$2.471 billion in 1976. Including the cost of the nutrition program for the elderly, the community food and nutrition program and food distribution programs, the 1976 Federal obligations amount to \$8.325 billion, revealing more than a 1,000 percent increase in our Nation's food program expenditures between 1965 and 1976, and comprising about two-thirds of the USDA budget.

Unfortunately, the public does not view all of these welfare-related programs together. The bill I am introducing is an attempt to do that. It would place the food and nutrition programs administered by the USDA under a central administrative unit, except for the expanded food and nutrition program conducted by the USDA Extension Service at land grant universities.

THE PLANNING PERIOD AND THE STATE PLAN

Each State which chooses the consolidation program would be eligible for a planning grant to be used over a 2-year period prior to the actual program

consolidation. During this period, a single State agency would be designated to perform the required assessments, formulate the State plan, receive and apportion the funds, monitor the progress of the programs, prepare general guidelines, and examine all required reports and audits.

The State plan would be initiated with a comprehensive assessment of the food and nutritional requirements of the needlest people of the State. It would also incorporate the results of a comprehensive assessment of the need for nutrition education among the people of the State.

An open planning process requiring the participation of interested citizens, local organizations, units of general local government, and appropriate State agencies would be required. The State plan would establish program priorities, and would insure that funds would be coordinated with other State and Federal funds so as to avoid duplication of effort and to insure program effectiveness.

The State plan would contain procedures for, and results of, the needs assessments; the goals to be achieved by the consolidated programs; program descriptions; policies and procedures to be followed: description of the organization structure for program administration; procedures for necessary monitoring and technical assistance with respect to agencies, institutions, and organizations within the State; audit requirements; procedures to eliminate unnecessary paperwork and duplication; methods for insuring that local agencies develop and implement program plans; an appeal process for local agencies; and the requirement that the Secretary of Agriculture would make timely notification to the State as to whether or not its State plan complies with the require-ments of the act, and if it does not, in what respects it is deficient.

Upon consolidation, States would not be bound to pattern State food and nutrition programs after existing programs. They would be free to design a package of programs which would meet the needs of populations as revealed by their assessments.

LEVEL OF FUNDING, BONUS, AND LIMITATION ON ADMINISTRATIVE EXPENDITURES

Upon consolidation, the State would receive funds equal to the total funding it received under the categorical programs described above in the most recent fiscal year in which the State participated. In no event would the State receive less than it would have received had it remained under categorical programing. This amount would be adjusted annually to reflect changes in the price of food. Federal funds would be required to supplement, not supplant, State and/or local funds.

Each State which elects and qualifies for the consolidation would also be eligible for an additional amount of funds up to 10 percent of the consolidated Federal funds, providing the State matches that amount with an equal amount of funds from non-Federal sources—considering Federal-State revene sharing funds to be non-Federal.

No more than 71/2 percent of the funds

made available to a State under this bill could be used for administrative purposes. The State would not lose funds if it used less than 7½ percent for administration.

CONTROLS

In addition to the procedural and auditing safeguards required in the State plan, States would be required to perform annual program evaluations, using an evaluation model designed by the State. No later than the end of the fifth fiscal year after enactment of this bill, the Comptroller General would evaluate the entire consolidation experience and make recommendations for legislation as he sees fit.

To insure implementation of programs for conformity with the act, the Secretary of Agriculture would undertake such monitoring efforts as he deems necessary. States would be notified in advance of monitoring visits. Where noncompliance is found, the Federal representatives would recommend the appropriate corrections to the State agency. The Secretary of Agriculture would provide advice, counsel, and technical assistance upon request.

Thereafter, in case of continued noncompliance, the Secretary of Agriculture shall reduce the amount otherwise payable to the State by an amount not to exceed 7½ percent. Continued noncompliance would subject States to a possible injunction and termination.

Funds under this act would be subject to title VI of the Civil Rights Act of 1964, title IX of the Education Amendments of 1972, and section 504 of the Rehabilitation Act of 1973.

There would be a provision for the participation of nonpublic school children, and criminal penalties for individual fraud.

FEDERAL ADMINISTRATION

During the 4-year phase-in period in order to accommodate the dual track of regular categorical and consolidated programing, the Secretary of Agriculture will establish a separate, identifiable administrative unit within the Department of Agriculture, drawing from personnel of the categorical programs. Upon completion of the phase-in period, the administrative units of the old categorical programs will be terminated, and the new administrative unit will have sole administrative authority.

Mr. Speaker, there are two main reasons for enacting this legislation. First, with the replacement of categorical program proliferation with this one consolidated program, we as legislators are giving States the ability to best meet the needs of their own constituency. It is ridiculous to attempt to legislate social programs at the Federal level because needs vary not only from State to State. but also from locality to locality. Yet with this consolidated approach advocated by Senator Bellmon and myself, States would still receive the same level of Federal funding they currently receive. We are not changing the philosophy that the Federal Government has a responsibility in the area of welfare; indeed, it does. Rather, recognizing that States are much more aware of constituent needs in this area than the Federal

Government could ever hope to be, we are simply designating States as the distributor of benefits.

Second, such a consolidation approach would not only enhance the quality of the benefits to the recipients but it would also be a most cost effective procedure. By October 1, 1982, the huge, complex administrative morass of Federal bureaucracy would be greatly reduced, and what administrative system is established in the States would be centralized in one focal point. Therefore, many of the program dollars currently spent for administration would be eliminated.

Mr. Speaker, like Senator Bellmon, I am convinced that neither the executive nor legislative branches of the Government here in Washington are able to write programs that fit every community in this country. We believe that the best route for reforming our Federal food and nutritional programs is to give the States greater flexibility through this block grant process. States are better able to tailor their own needs.

There is a rising tide of concern in Kansas and across the Nation regarding the abuses within the food and nutrition programs and the need to provide adequate assistance to the truly needy. I trust and hope that we will respond to this concern and enact comprehensive and meaningful reform such as I have introduced.

LEGISLATION RELATED TO PRESI-DENT CARTER'S DISCHARGE PRO-GRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. Hammerschmidt), is recognized for 5 minutes.

Mr. HAMMERSCHMIDT. Mr. Speaker, last week I introduced legislation that would deny automatic veterans' benefits to those individuals with other than honorable discharges who will have their discharges ungraded under the reduced standards of the Carter administration's special discharge review program. That program was announced in all its particulars today, and I find it necessary to reintroduce my bill to conform with the different terminology used in today's announcement.

The substance of the bill, however, has not changed. It is an eminently fair piece of legislation designed to allow President Carter to elevate Vietnam-era discharges according to his new standards, but at the same time to preclude those standards from applying for the purpose of determining veterans' benefits. Its purpose is not spite, but equity. There are only so many apples in the Veterans' Administration barrel, and those who have met present standards for entitlement are the ones who deserve them. I see no justice in requiring the taxpayers of this country to dig into their pockets in order to pay out veterans' benefits to those who either could not or would not perform the type of service that would entitle them to benefits.

There is nothing in my bill that would deny recipients of Carter-mandated discharges from applying under existing standards. This is the process that otherthan-honorable discharge recipients

have followed for years, and it is the fairest measure for all parties concerned.

RICHARD SPRAGUE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Anderson) is recognized for 15 minutes.

Mr. ANDERSON of Illinois. Mr. Speaker, on March 30, the Select Committee on Assassinations voted 11 to 1 to accept the resignation of Richard Sprague, our chief counsel. This action was taken with great reluctance on my part, and I am sure on the part of every member of this committee.

I think it is important to remind my colleagues that Dick resigned his post with the same honor and integrity as he accepted it. I believe he took the job because he felt as I do that the pursuit of the truth is more important to history and this country than an individual's career or personal remuneration. Dick left his lucrative law practice to take a position which offered less money and more work.

Why was Dick Sprague offered the opportunity to head this perilous but rather uniquely historic investigation? He was chosen because former chairman, Tom Downing, sought him out as a man with a reputation for hardnosed investigating and years of experience to prove his competence. Having accepted the job, Dick set out to methodically conduct two definitive investigations simultaneously.

He went to work, hiring a staff of more than 70 people. To many, this size staff seemed excessive. However, this was part of his game plan to provide this committee with the necessary resources to conduct a major congressional inquiry.

He established a good working relationship with all of the members of this committee and we at all times had complete confidence and trust in him. At the risk of eulogizing a man hardly dead and whose career is well-founded, let me personally say I found Dick Sprague to be a man of uncompromising strength and purpose. He wanted just one thing for this committee—the truth. I trust we will reach that goal, and I regret he will not be here to share it with us.

PRESIDENT CARTER DESERVES SUP-PORT IN HIS FIRST MAJOR EN-COUNTER WITH THE SOVIETS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Kemp) is recognized for 10 minutes.

Mr. KEMP. Mr. Speaker, President Carter deserves the support of Congress and the American people in what was and is his first major encounter with the Soviets at last week's SALT negotiating sessions in Moscow.

As my colleagues know, I had expressed some concern before last week over both the presumed content of the American proposals. I had specifically pointed out the necessity of incorporating throw-weight comparisons and a number of new Soviet warfare systems in any new agreement. I was, therefore, very encouraged to read the specifics surrounding the

American proposals, disclosed after the negotiations by top American officials.

We should be not only encouraged by the President's steadfast commitment to human rights and interlocking that with other commitments made by this country in the foreign policy and defense areas, but we should also be impressed with the President's resolve to proceed with major new U.S. weapon systems if the Soviets fail to deal with us in good faith at the next round of arms scheduled for May in Geneva.

It is very important we understand what the Soviets' motives may be here. There was a thorough discussion of those motives, and our reactions to them, in this morning's Washington Post in that paper's lead editorial, and I quote:

It is a formidable performance but our own eyes are dry. The charge of inconsistency is simply unfounded. Mr. Carter offered the Russians essentially the last Ford proposal, a relatively modest measure that they had rejected before and that they rejected again last week. As an alternative, he offered a much bolder proposal for genuine reductions of offensive strategic arms.

There is a more plausible explanation of Soviet policy. It is this. Mr. Carter posed the Russians some tough choices. They chose not to respond. One can think of various explanations, including the hope that by hanging tough they could coax out a sweeter offer without making any concessions of their own. Another possibility is that Leonid Brezhnev's illness may have induced in the Soviet political system an inability to take large and important decisions—something similar to the condition that afflicted the American political system at the height of Richard Nixon's Watergate immobilization.

This is not to say that the American tactics were flawless. Quite the contrary. As we suggested earlier, Mr. Carter may well have laid on the human rights line too thick. Though the Russians had adequate forewarning, the scope of the proposals Mr. Vance brought to Moscow probably did startle them. Certainly there were no grounds for expecting quick Soviet approval. But these are hardly the determinants of Soviet policy in an area so crucial as strategic arms. To confuse the expressions of a Soviet manner with a failure of American substance is unjustified. Analytically it is questionable and politically it is needlessly damaging to assert that American "miscalculation" was somehow the engine of a great diplomatic debacle.

Fortunately, the situation is not irredeemable. The essence of the American position—to trade limits on the American weapons that Moscow most fears for limits on the Soviet weapons that Washington most fears in order to hold a strategic balance—remains sound. The details of it as presented in Moscow are hardly cast in concrete. The Russians may need a while to decide to look closely at it. The United States should use the interval to regain its internal balance and to contemplate the tactics best suited to gain a fair hearing for an approach that is, we believe, firmly in the mutual Soviet-American interest.

It was clear to me from that editorial and the contrasting column across the page by Joseph Kraft that the President has staked out a position which reflects a deeper understanding of Soviet power, motives, and maneuvers than those of either Secretary of State Vance or President Assistant Brzezinski. I think they would have gone with a softer line. The President has been shown, by the reaction of the Soviets, to have been right in his calculation that the Soviets really

may not want an arms limitation agreement which reduces the quantity and danger of nuclear arms in a real way.

At this point in this afternoon's proceedings, I wish to include a very fine article on last week's negotiations from this week's issue of Human Events. It follows:

CARTER DESERVES SUPPORT IN FIRST MAJOR SOVIET ENCOUNTER

President Carter's execution of U.S. foreign policy has come in for some severe criticism from these quarters, but we think the President deserves some solid praise for the way he has faced up to his first major Soviet challenge. He has not grovelled. He has not shivered in his shoes. To our way of thinking, he has—at least in the area of arms negotiations—shown more initiative and more nerve than President Ford or Henry Kissinger ever thought of showing. Our initial impression of last week's developments is that, while the Soviets may be "testing" the President, as many people believe, the President is also telling the Soviets he does not intend to be triffed with

In seeking an arms agreement with the Soviets, the President, for instance, has made it quite clear that he is not going to be bullied into silence when it comes to human rights issues within the Soviet Union. When Soviet party secretary Leonid Brezhnev barked that our raising of the issue would prove an obstacle to negotiations, and some handwringers cautioned the President to lower his voice, Carter, according to Jody Powell, tartly commented: "Some people are concerned every time Brezhnev sneezes."

When the Soviets last week firmly rejected both of the disarmament proposals Secretary of State Cyrus Vance offered to put before the Russians for discussion, the President refused to panic on his human rights stand.

In the first place, he told reporters, he had no shred of evidence that the Soviets rejected his proposals because of his position on the subject, though he acknowledged that he couldn't "certify that there is no linkage in the Soviets' minds." The President was then asked: "Mr. Carter, if necessary to achieve any progress, are you willing to modify your human rights statements?"

The President's response, in our view, disclosed spunk. Instead of skirting the issue or offering some mushy response, he stressed: "No... I will not modify my statements. My human rights statements are compatible with the consciousness of this country. I think that there has been repeated recognition in international law that verbal statements or any sort of public expression of a nation's beliefs is not an intrusion in other nations' affairs."

The Soviets, he went on, "have, in effect, ratified the rights of human beings when they adopted the United Nations Charter. The Helsinki Agreement, which will be assessed at Belgrade later on this year, also includes references to human rights themselves. So I don't intend to modify my position."

Kissinger and Ford wouldn't say "boo" to Brezhnev, and most Americans recall with shame how this duo, ever so sensitive to Soviet feelings, coldly snubbed Alexandr Solzhenitsyn when he was here in the Nation's Capital. But Carter has had the courage to say boo. It's downright refreshing. Indeed, it's the way most Americans expect a U.S. President to respond. But the Carter response is more than just "style." What the Soviets fear Carter is saying—and we hope their fears are fully justified—is that he will

not be pushed around. And that's substance. The Soviets plously insist we are interfering in their internal affairs, but this is an extreme form of chutzpah. For the Soviets have been grossly wading into every nation's

internal affairs since the Bolsheviks seized power in Russia, and normally their "intrusion" includes armies, terrorists, subversion and spies. Just last week, the Soviet President, Nikolai Podgorny, was touring Africa, setting the stage to put the continent ablaze with wars of national liberation against Rhodesia and South Africa.

Carter's talk about human rights, then, helps to restore a bit of symmetry to the equation. While he is not interfering in a legal way with the Soviet Union, he is saying to its leaders that he is willing to invade their troubled turf with verbal encouragement to the dissidents—a major source of concern for the Soviet leaders. Well, if the Soviets persist in attempting to systematically export aggression, what in the world is wrong with the President trying to fight back?

But we were not only encouraged by the President's steadfast commitment to press ahead on human rights, even in the face of stiff Soviet objections and a turndown of his disarmament offerings. We were also somewhat impressed by the thrust—if not all the details—of his rejected proposals, and his calm threat to go ahead with major new weapons systems if the Soviets fail to deal with us in good faith at the next round of arms talks scheduled for May in Geneva.

The one proposal of the President's would have ratified the 1974 Vladivostok accords permitting each side to have 2,400 intercontinental nuclear delivery systems, but it would have permitted the U.S. to continue developing its cruise missile program and the USSR to develop its Backfire bomber.

The Soviets rejected this, it is believed, because they want to do all they can to stop our development of the cruise missile.

The second proposal, the one warmly embraced by Carter, would have forced the Soviets to live up to the spirit of SALT—that is, it was designed to substantially reduce their existing nuclear throwweight advantage, in exchange for our foregoing a number of advanced strategic weapons and placing constraints upon the cruise missile.

Gen. Daniel Graham, the former head of the Defense Intelligence Agency and considered one of the beakiest hawks around, told Human Events that this proposal was far better than anything that Kissinger and Ford had to offer the Soviets, even though it would still have left the Soviets with some important advantages.

But the Soviets were clearly disenchanted with Carter's whole approach, said Graham, because they perceive his entire strategy as trying "to disentangle the U.S. from the one-sided SALT agreements" we have repeatedly accepted.

We are unable to know, of course, if the President plans to "hang tough," as he has promised, and wait out the Soviets, or whether he will rush in with new concessions to ensure that there is a new SALT agreement by October when the SALT I agreement is scheduled to expire. But, for the moment, we are happy with our new President.

WINNERS ANNOUNCED IN "KEEP CHICAGO CLEAN" ESSAY CONTEST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Annunzio) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, I want to call to the attention of my colleagues the winners in the essay contest sponsored by Mayor Bilandic's Citizens Committee for a Cleaner Chicago, myself, and Illinois State Representative William J. Laurino.

The essay contest, in conjunction with a program called "Pitch in for Chicago,"

is part of a nationwide antilitter project which invites all Americans to join in the important task of ridding our country of litter, and I am delighted to contribute \$25 savings bonds to five of the winners, along with Representative Laurino, who will contribute savings bonds to the other five. The 10 runners-up will receive a city of Chicago citation presented by Mayor Michael A. Bilandic.

The pupils in grades 5 through 8 from 10 schools in the 39th Ward area of the 11th Congressional District of Illinois, which I am proud to represent, were asked by their principals and teachers to write an essay entitled "How I Can Help Keep Our Community Clean and Beautiful." The teachers selected the best entry from their room and the best of those were then judged by the principals and their staff, who selected the top two entries for their schools.

In order for our democracy to remain strong and viable, it is necessary for all our citizens to participate. A program such as this helps to prepare our youngsters to assume their obligations and responsibilities in a democratic society such as ours for they are not only future citizens but future officeholders.

On Wednesday, April 13, Representative Laurino and I will present each first place winner with a \$25 U.S. savings bond, and each runner-up with a special citation of recognition, and I wish to take this opportunity to extend to them my heartlest congratulations and warmest good wishes for their future.

Mr. Speaker, I proudly announce the winners in the "Keep Chicago Clean" essay contest: Tammy Latham, 4244 North Pulaski Road, of Belding School, Agenor E. Osuch, principal; Annie Kotscharjan, 4951 North St. Louis Avenue, of Von Steuben School, William Schertler, principal; Mike Pitts, 5039 North Kimberly Avenue, of St. Edwards School, Sister Mary Brian, principal; Lisa Morton, 6239 North Lenox Avenue, of Queen of All Saints School, Sister Regina Crowley, principal; Trisa Ignacio, 4429 North Whipple Street, of Our Lady of Mercy School, Joseph LoCashio, principal; Ursula Wojcik, 3517 West Carmen Avenue, of Volta School, Crescentia M. LeDonne, principal; Valerie Bazaros, 4945 North Kedvale Avenue, of Palmer School, Theodore W. Wallschlaeger, principal; David Searle, 4300 North Monticello Avenue, of Haugan School, Ursula Blitzner, principal; Karen Chien, 6203 North Hiawatha Avenue, of Sauganash School, Charles Stanley, principal; and Helen Skoubis, 6200 North Monticello Avenue, of Solomon School, Elizabeth La Palermo, principal.

Mr. Speaker, I am also proud to announce the runners-up in the contest: Florence Erickson, 4917 North Lawndale Avenue; Ronald Bugar, 5130 North Kolmar Avenue; Sheila Learn, 4401 North Hamlin Avenue; Mary Shultz, 6218 North Keystone Avenue, Robert Kazel, 6131 North Harding Avenue; Joann Ritro, 4028 West Cullom Avenue; Annabelle Sinense, 4916 North Albany Avenue; Tim Neja, 4427 North Kenneth Avenue; Barbara Ann Jenkinson, 4021 West Rosemont Avenue; and Rose Ann Blair, 3322 West Wilson Avenue.

Mr. Speaker, I also wish to include in the RECORD copies of the winning

"KEEP CHICAGO CLEAN" ESSAY CONTEST WINNERS

TAMMY LATHAM

There are many things that could be done to help keep our community clean. However, this chore calls for the help of all, not just some. If some people don't do their part, it will make the task more difficult. There are certain things that I, myself, must do, such as: always remember not to litter, pick up trash that might be lying on the sidewalks, and remind others of their responsibilities. If I were to do these things, I am sure that this would help our community. If others could also remember these things and do their part in cleaning up our community, it would soon become a more beautiful place in which to live.

ANNIE KOTSCHARJAN

I can keep my community clean and beautiful by putting litter in the right place and by encouraging people to do the same. I'd try to organize a club that would get kids and are willing to help clean a park, pick up litter in the street, and make posters that would say 'Keep Your Neighborhood Clean'.

When spring comes, I can get kids from the neighborhood or anyone to chip in a few cents which would help buy trees, plants, shrubs, bushes, and flowers. Then anyone who wanted to use a little muscle power could help plant seeds and put in bushes.

I would then take my friends to the polluted river. We would try to pick up all the things that were making the river look bad like rusted cans, and pieces of paper.

However, clean communities are not just spring and summer happenings, but a winter project also. I like to shovel snow to make it easier for a person to walk. This could be done by my friends and I if someone was unable to shovel. I think cooperation is the key to a clean and beautiful neighborhood.

MIKE PITTS

"Wouldn't you like to live in the cleanest city in the world? How can we keep Chicago clean?" we ask ourselves. Let's pretend Chicago is a big house and we are a family. Every member has a chore so let us make a list of chores to keep our house, Chicago,

clean. Here are a few:
We throw away a lot of useful items in the garbage can which can be recycled such as bottles, old newspapers, and cans.

Vacuuming is one of the chores in home which is like raking leaves and sweeping the streets. In your home you don't cook for no reason, so do not build unnecessary fires. In your house you do not throw away your food, so do not waste our natural resources like gas and oil. Our sink and bathroom pipes are cleaned regularly to prevent clogging and buildup. We must not throw sewage and garbage in the water to keep the waterways

from clogging and looking filthy.

As you can see there are various ways to keep Chicago clean; but only if we all pitch in to make our home clean.

LISA MORTON

I live in one of the nicest neighborhoods in Chicago. There used to be a lot of nice neighborhoods in Chicago, but because some people did not care, their neighborhoods became garbage-ridden and run down. When saw what was happening to their neighborhoods, they moved out and left behind a slum area because it was inconvenient to help clean up. We would not want this to happen to our neighborhood and there are many ways to prevent it.

One of the things we should do is to start with our own property. If you see a can or paper on your lawn, pick it up. Keep every-thing in good repair. Maintain the little things around your house so they don't turn into big repair jobs. After that, look at your own community and neighborhood and see what can be done. Organize groups to go around picking up junk and garbage. If your group finds a lot of trash you can sort it out and see what could be recycled. Then, some of the trash could be put to a good use. If you're walking by yourself and you see cans or paper on the street pick it up. Don't just let it lay there.

We should also try to keep our school and shopping area clean just as we keep our own property clean. When we go shopping at the stores, we should not throw candy wrappers on the sidewalks, streets, empty lots, etc., but in the garbage cans that are provided for that use. When we are playing at the playground we should not damage the equipment put there for our enjoyment. We should not deface buildings by writing on them. We should encourage the stores in our neighborhood to stay by shopping at them. Otherwise, business will start to decrease and vastores invite careless attitudes and sometimes vandalism.

There is also forest preserve land in our community which has been set aside for our summer and winter enjoyment. It's always disappointing to see some of the property destruction in these areas. For example, people should not destroy picnic tables, tip over garbage cans, or fail to clean up their camping ground. People should not pollute the river by throwing waste materials into the water.

These are some of the ways we can keep our neighborhoods clean and beautiful. If people in every neighborhood would do their share and help each other, the city's many neighborhoods would once again be pleasant places to live. That's why we have the slogan "Pitch In For Chicago."

TRISA IGNACIO

The first thing I could do to keep my neighborhood clean is to be a good example in my community by not throwing trash on the streets but instead picking up those I see and putting them in their place.

Next I can gather my friends and go to different parks picking up scraps people left on the grass and bike paths.

I can also teach kids in my neighborhood whom I babysit to throw garbage in its place and nowhere else. If they don't throw the trash in a wastebasket, I'd tell them not to throw candy, gum wrappers, paper or any over and over again until they learn.

I can paint posters with words that can catch people's eyes and convince them not to litter. I can also repaint old posters and make them brighter than they were before.

Another way to keep my neighborhood clean is to speak to the kids in my class who live in my neighborhood. I'd tell them that if we wanted our neighborhood to be clean and unpolluted we would have to pitch in and work together in order to do a good job. And when other people from different communities see how clean our neighborhood is, they would work to make their community cleaner, too. And soon all of Chicago would be clean.

URSULA WOJCIK

Some of the things that I can do to help keep our Albany Park Community clean and beautiful are (1) make sure that I don't throw candy, gum wrappers, paper or any other kind of litter on our streets and sidewalks. (2) get my friends to join me in doing our part to keep our beautiful Gompers Park free of litter and a pleasant place in our neighborhood. (3) get all the children to work at keeping the river free of pollution.

Last summer I organized a club called the K.O.N.C. Club. (Keep our Neighborhood Clean) Our club members went around the neighborhood picking up paper, cans, Some members mowed lawns for neighbor-hood people. Then in the fall many of us raked lawns for people. I plan to do the same thing this year. Keeping our community clean and beautiful is an all-year around job.

VALERIE BAZAROS

Pollution is a problem, but we can wipe it out if we try. This contest was to find out what the children want to do about pollu-

My solution is simple; a contest. Palmer could, in April, or May have a contest to clean up the neighborhood. Each room in the school will participate. The teachers will have a specific area to clean up. There will also be a time limit of about thirty minutes. The room that collects the most garbage wins. The garbage would be weighed in pounds or ounces. The winning room would get a certificate or trophy.

If this works for our neighborhood, imag-

ine what it might do for the city!

DAVID SEARLE

You can pitch in to keep Chicago clean by making sure your own property is free of litter. You should always make sure the lids are on the cans in the alley to help keep the wind and stray dogs and cats and even kids from throwing trash around.

To help keep the streets and rest of your neighborhood clean, everyone should throw his empty cans, candy wrappers, and other garbage into the cans provided by the city. When there are no such baskets on the corners, you should keep the litter in your pocket or bag until you come to a trash If you walk your dog, you should bring a shovel to remove the waste.

Finally, you can organize others in the block to help clean up any vacant lot or eye sore. It's up to everyone to make Chicago beautiful. It's everyone's duty to pitch in and keep Chicago clean.

KAREN CHIEN

Sauganash is one of the finest residential areas in Chicago. Because of this, people should be proud of it and keep up their neighborhood as best as possible.

To keep Sauganash looking clean and beautiful we should learn to pick up after ourselves and try to remember to keep every-thing looking clean and neat. Wildlife should be encouraged so people can be closer to nature. Trees and other plants should be planted to beautify the neighborhoods. We should also organize volunteer groups that would be assigned to keep different sections of the community clean. Houses should be kept in good condition and lawns should be well taken care of. Above all, we should all stop polluting the air for what we don't see now may kill us later.

No one person could do this all so each and every resident of Sauganash should help improve our growing community.

HELEN SKOUBIS

As we all know, there are many communities in our big city. They all start out to be clean and beautiful. Some are kept up and stay that way, others are not that clean any more.

When I visit one of those communities and I return to mine, then is when I notice the big difference. Then I remember the words of my parents and teachers: "Don't throw that down." "Pick it up." "Put it in the waste basket." "Keep off the grass." I'm proud to live in a good and clean community. Here are some ways that I can help to keep it clean and beautiful.

1) I will not litter.

2) I will help keep my yard clean and tidy, also my part of the alley and sidewalk.

I will remind my father when it is time to trim the bushes, rake the leaves and mow the lawn.

4) My job after a picnic will be to clean up or see if there is any litter left.

5) I will tell all my friends to do the

If everyone could do just their small part in their community, this could lead to the

next and the one after that and so on until the whole community will be "America the Beautiful."

IF SECTION 504 WERE FULLY IM-PLEMENTED THE HANDICAPPED WOULD BE SET FREE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Koch) is rec-

ognized for 5 minutes. Mr. KOCH. Mr. Speaker, at noon today, along with my colleagues, CHRIS Dodd, and Pat Schroeder, and Clarence Mitchell of the National Association for the Advancement of Colored People-NAACP—I attended a press conference called by the American Coalition of Citizens with Disabilities, Inc. We were there to support 36 million disabled American citizens in their demand that Secretary of HEW Joseph A. Califano issue regulations implementing section 504 of the Rehabilitation Act of 1973 as required by the Congress. These regulations are long overdue and should have been signed and issued in the prior administration.

It would be an abomination if President Carter's new administration failed to forthwith carry out the law of this country as well as his own pledges to the

handicapped.

Listening to Dr. Frank Bowe read his statement, a copy of which I am appending, brought me close to tears—not out of pity, because the leaders of the handicapped and the handicapped themselves do not ask for pity, but out of an enormous feeling of admiration for the courage of these people in overcoming handicaps: They are simply demanding the right to participate as equals for opportunities for jobs they are capable of doing. They want no special consideration in employment, but simply the right to apply and not be rejected on the basis of their handicap, when the handicap is not job related.

It is outrageous that we have permitted this situation to go on for so many years, abusing our fellow citizens in this way and losing their productivity and genius. The handicapped across the country are at this very moment demonstrating in front of HEW buildings, urging that the Secretary of HEW sign the necessary regulations implementing section 504. We here in the Congress must take every step necessary to assure that these regulations are signed, by speaking out, by considering additional legislation, by holding oversight hearings, and by telephoning Secretary Califano.

I telephoned Secretary Califano this afternoon, to urge that he do only that which is decent and what is required by the law itself. Regrettably, when I called, the Secretary of HEW was not in, but I left word with his office and with the General Counsel of HEW, asking that my

inquiry be answered promptly.

I subsequently received a return call from Klenn Kamber, project manager of the 504 Work Group who advised me that the Secretary had told demonstrators picketing HEW here in Washington that he would sign the regulations no later than early May, but that he was not committed to them in their exact current form. I regret the delay on his

part and even more his lack of commitment to signing the regulations in their current form. I urge everyone interested in redressing the legitimate grievances of the handicapped to write to Secretary Joseph Califano requesting his immediate signature to the regulations as is.

I urge every Member in this Chamber to read the appended statement of Dr. Bowe. If it does not move you to action, I ask you to examine your conscience.

In the course of the press conference, Dr. Bowe recited from memory the text of section 504, to wit:

No otherwise qualified handicapped individual in the United States . . . shall, solely by reason of his handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

It was as though he were reciting the Declaration of Independence or the Magna Carta. And in fact that is exactly what it is. If section 504 were fully implemented, the handicapped would be set

I am appending a copy of the statement of Dr. Frank Bowe:

STATEMENT OF ACCD DIRECTOR BOWE

Despite the passing of the April 4 deadline, Secretary of Health, Education, and Welfare Joseph A. Califano has not issued regulations implementing Section 504 of the Rehabilitation Act of 1973, the civil rights act for this nation's 36 million disabled citizens. He did not promise strong language protecting the long-violated rights of disabled people. He did not pledge enforcement that would honor President Carter's campaign promise to "vigorously seek out and redress discrimination against the handicapped." The Secretary has failed to fulfill the promise of equal rights in education, employment, health and social services the Congress made three and onehalf years ago. Equally of concern to us, the present course of action of the Secretary and his staff to seriously weaken draft regulations prepared after the most extensive and intensive period of preparation any Federal agency has undertaken in recent memory defies the promises of the President, the express desires of the Congress, and the repeated urging of disabled Americans themselves.

The disabled people of this country must now call these facts to the attention of President Jimmy Carter and the American peo-ple. It is to the President, who has taken world-wide and unprecedented action on human rights; to the Congress which has repeatedly demonstrated strong, support for prompt and vigorous implementation and enforcement of a law it enacted by the largest override of a Presidential veto ever recorded up to that time; and to the thousands of Americans who have supported civil rights for disabled people through letters, telegrams, phone calls, and visits with their representatives in government that we now turn.

We believe Mr. Califano must listen to disabled citizens, to the President, to the Congress, and to concerned Americans. He must now develop strong regulations and an effective enforcement program to end the blatant and systematic denial of equal opportunity for people who have abilities which must be developed if this country is to achieve its goal of equality for all citizens. He must realize that his delay and his present attempts to build loopholes, waivers, and exemptions into the regulations excuses rather than prohibits discrimination. Each day his inaction fails to protect one million disabled children youth who are out of school altogether and four million who receive inadequate and inappropriate services from school districts

receiving Federal funds, six million disabled people who cannot use public transportation or take advantage of other essential health and social services funded with billions of Federal dollars, uncounted millions of disabled adults fully qualified for employment who are denied equality of opportunity by employers receiving Federal support, hundreds of thousands of disabled people who are paid only half the minimum wage by workshop employers subsidized with Federal money, and tens of millions of Americans seeking to re-enter the mainstream of society after 200 years of exclusion.

I believe disabled people must make the President, the Congress, and the American public aware of the tragic consequences of further delay, of the inclusion of waivers and loopholes such as those now being built into the regulations, and of the absence of a vigorous enforcement program. Today, at 1:00 P.M. and simultaneously in Atlanta, Boston, Chicago, Dallas, Denver, New York, Philadelphia, San Francisco, and Seattle thousands of disabled Americans whose rights are being jeopardized will come to HEW offices to call for their rights. They will tell their own stories-of discrimination in employment, of denial of education, of failure to receive needed health services, of inaccessibility of buildings and transporta-tion systems built with Federal funds. They will be joining the long line of civil rights protesters who have found dramatic action necessary to obtain equal treatment in this country. I have learned that many disabled individuals are now determined to go to HEW and to stay there until adequate regulations are signed and an enforcement program begun.

Disabled people are first-class citizens in this country and expect to be treated that way. Meaningless policy statements will not be accepted. Waivers, exemptions, and loopholes will not be accepted. Continued de-lays will not be accepted. Lack of enforcement will not be accepted. Disabled people seek prompt, strong, and vigorous implementation and enforcement of their rights and will settle for nothing less. The time has long since come but positive action is still possible. Thousands of disabled Americans join me today in calling upon the President to alter Secretary Califano's present course of action and to ensure full protection of the civil rights of America's 36 million dis-

abled citizens.

Disabled people in this country have waited 200 years for their most elementary human and civil rights. They are determined to continue their action for as long as it may take until they are protected from un-just discrimination. If the President does not respond now, we will carry our cause to the White House Conference on Handicapped Individuals in May.

To paraphrase a recent candidate for the Presidency, disabled people do not intend to

COMMONSENSE APPROACH NEEDED FOR ENVIRONMENTAL MATTERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana (Mr. WAGGONNER) is recognized for 10 minutes.

Mr. WAGGONNER. Mr. Speaker, the commonsense approach to problems has always been an American trademark. As a nation, and as individual citizens, we have tackled tasks that seemed insur-mountable to others and solved them. The key has always been informed, concerned commonsense.

In recent years, however, we seemed to have lost our national reliance on commonsense, and instead approached many

problems with our emotions. The area of environmental protection is a prime example of where we have allowed our emotions to rule our heads.

No one wants to see this great and beautiful land wantonly destroyed, just as no one wants to further endanger already endangered animals and plants. Americans as a whole have a close attachment to this land and want to see it preserved and protected for future Americans. We have become acutely aware of our responsibility toward nature; and we will continue to fulfill this responsibility.

But as a nation we are also realistic. We know that we need dams for electric power and irrigation. We need highways, navigable rivers and ports for transportation. We need coal, oil, and natural gas for energy. We need to cut trees for homes and wood products.

The Washington Post editorial, entitled, "The Lousewort and the Law," points out that "in almost all of perhaps 200 cases where endangered species and some projects have seemed to collide, a means of coexistence has been found." In these cases, we have used our heads—our commonsense—to find the proper solution. And in each case man and nature have been able to live in harmony together.

The same commonsense attitude should now be applied to the multimillion dollar public works projects that have become entangled and stalled because of snail darters, louseworts, rare clams, and an assortment of other flora and fauna. This was not the intent of Congress in passing the laws now being applied to the projects, nor was it the intent of the multitude of Americans who supported passage of the laws. It is time to display some of the commonsense and rational judgment that has been our hallmark in the past.

been our hallmark in the past.

The full text of the Post editorial follows my remarks:

THE LOUSEWORT AND THE LAW

The furbish lousewort may be a lovely plant, if you like scraggly snapdragons. And the snail darter may be more delightful than the average three-inch fish. But something is awry when a clump of louseworts along the Upper St. John River can louse up planning for the Dickey-Lincoln Dam—or when a federal court, to save the snail darter, stops the nearly-complete Tellico Dam down on the Little Tennessee River.

Misty-eyed environmentalists are delighted to see such obscure bits of nature hold sway over huge public works. They are also coming to regard the endangered species act as a weapon of last resort against projects that they oppose on broader grounds. The more pragmatic dam-fighters recognize, however, that many more snail-darter type showdowns or more lousewort jokes can endanger the law itself. Already some members of Con-gress are grumbling that when they approved the act, they had in mind good causes such as saving bald eagles and keeping commercial foragers from ripping off great cacti in the West. They didn't mean to give automatic priority to a whole assortment of undistinguished flora and fauna with precarious existences and funny names.

What Congress should bear in mind as it considers changes in the law is that in almost all of perhaps 200 cases where endangered species and some project have seemed to collide, a means of coexistence has been

found. Often all that's required is some care and redesign. Down on the Gulf Coast, after a great brouhaha, the last habitat of the Mississippi sandhill crane may be preserved by rerouting Interstate 10. In California several types of butterflies may be saved by setting aside some small preserves, including parts of an oil refinery, Los Angeles airport and an Army rifle range. Some species, too, are more adaptable than you might think. One rare butterfly is hanging on amid the television towers of Twin Peaks in San Francisco, while some endangered birds are reported to be thriving along various freeway shoulders and medians.

ous freeway shoulders and medians.

The Tellico case is the first in which a choice seems to be unavoidable. Supporters of the project want Congress to exempt it from the law. Some opponents welcome hearings as one more chance to advance all of their arguments against finishing the dam. By taking that tack they are acknowledging that, in the rare instance in which accommodations cannot be worked out, a project should not be canceled just because of one endangered fish or flower. We have not reached a conclusion about the Tellico dam on its merits. But we do think the decision should not be dictated by the snail darter alone. The same applies to the lousewort and the studies of the Dickey-Lincoln project that are now under way.

EDUCATIONAL TAX CREDIT ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. Le Fante) is recognized for 10 minutes.

Mr. Le FANTE. Mr. Speaker, today I am again introducing legislation I originally submitted on the opening day of the 95th Congress. The bill will provide a tax credit for certain educational expenses. Legislation of this nature is not new to the Congress, but unfortunately the decree of action has not matched the immediacy of the problem.

The measure I, and 25 of my colleagues, are proposing will provide a tax credit for postsecondary education expenses. The credit can be subtracted directly from the amount of taxes owed for expenses paid by an individual for himself, his spouse, or any dependents. The amount of the credit will total \$100 in 1978, \$200 in 1979, and \$300 in 1980 and thereafter.

The credit will cover tuition, fees, books, and supplies needed for courses at an eligible institution. Room and Board are not included, and an individual must be a full-time student attending a postsecondary school.

Mr. Speaker, similar legislation was introduced last year in the other body by Senator William Roth of Delaware, and twice it was approved by the full Senate as an amendment to the tax reform bill. The House Ways and Means Committee did make a commitment to bring the tax credit to a vote before the second Senate vote, but unfortunately a heavy legislative schedule prevented a House vote before the 94th Congress adjourned.

Meanwhile, the cost of a college education has been spiralling upward. According to the College Entrance Examination Board, total expenses for resident students at 4-year public institutions went up 8 percent from 1975-76 to 1976-77, and 6 percent in private institutions during the same period. This legislation makes no distinction between enrollment in public and private schools.

The result of these price increases—which by no means is a recent trend, only a recent example—has grossly affected attendance in colleges and universities among students of middle-income families.

In a report to Congress in 1976, the Congressional Research Service said that student enrollment from families earning between \$5,000 and \$15,000 went down 14 percent from 1971 to 1974 in institutions of higher education. At the same time, among families earning over \$20,000, student enrollment was up 10 percent, and enrollment from low-income families remained fairly stable. A major reason for this is that too often, middle-income families cannot afford to personally pay their children's college expenses, and are not poor enough to qualify for assistance.

The questions are then raised: Are we not responsible for the future of these and all citizens? Should not everyone be entitled to a sound education?

The knowledge attained in our Nation's colleges and vocational schools is the major factor in our Nation's strength. Let us not allow the backbone of our country be weakened because of the weight of financial burden.

WE SHOULD VOTE ON PAY RAISES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. Neal) is recognized for 5 minutes.

Mr. NEAL. Mr. Speaker, yesterday I introduced legislation which would require a recorded vote on all future pay increases for Members of Congress.

I am sure my colleagues know that the conference report on the Unemployment Compensation Act Amendments of 1977, which passed both Houses of Congress yesterday, included the Senate amendment requiring rollcall votes on all pay increases recommended by the Quadrennial Commission. I think this is a step in the right direction, but it does not go far enough. Members of Congress can receive pay raises through two completely different procedures. The first method, which caused such consternation in February, is by recom-mendation of the Quadrennial Commission. As every Member knows, there was no vote on the February raise, and the public-rightfully, in my opinion-was outraged. I would have voted against this raise. It is my firm belief that we should have been allowed that opportunity.

The second method was established by an amendment to the Legislative Reorganization Act of 1946, which included those affected by the Quadrennial Commission proposals under cost-of-living increases recommended by the President's Pay Agent. The Senate amendment which we accepted today would require a vote on raises recommended by the Commission, but not by the Pay Agent. Surely these cost-of-living increases should also require a vote of

the Representatives and Senators receiving them.

I am a cosponsor of legislation which would defer all increases until the Congress following the one in which they are proposed or approved. Since House Members serve terms of 2 years, and a Congress coincides with those 2-year terms, those of us in the House of Representatives would never actually be voting on increases for ourselves, but for those Members of the House who are elected for the following Congress. Such a chance. I think, is the least we can do.

Obviously I am concerned that Members of Congress can actually vote themselves an increase under the present methods. I am even more disturbed, however, that increases can go into effect even without the benefit of a vote. For these reasons, I urge my colleagues' support of my bill to require a recorded vote on all pay increases affecting Members of Congress. Our citizens have a right to know how their elected representatives stand on such a controversial issue

THE PIPE DREAM OF ENERGY . INDEPENDENCE

(Mr. PRICE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PRICE. Mr. Speaker, I want to invite the attention of my colleagues to some statements made by an engineer concerning our energy dilemma. For that purpose, I am asking that his statements, which were printed on the front page of the February 24 Washington Star, be printed following my remarks.

The engineer, Dr. John McKetta, specializes in the energy field and has served as an adviser to the Government many times in dealing with energy problems. You will see his points are very clear: We cannot, for the foreseeable future, gain energy independence and we must develop every practical source to stave off catastrophic consequences. I cannot help but comment that it appears our official actions all seem to ignore his advicefor example, conservation is being touted as the complete solution, utilities are cutting back on plans to build more coal and nuclear plants, drilling for additional oil is being held up, et cetera. We must start taking actions which will add to our energy supplies from our own domestic sources.

In my statement of February 23, 1977, printed on page 5095 of the February 23 Record, I point out the confusion which is being injected in the planning of electrical utilities by the many statements being made by Government officials that we can take care of all of our problems by conservation. I certainly hope that this misconception is removed in the energy plan the administration has scheduled to release in April.

The interview of Dr. John McKetta from the February 24, 1977, Star follows: HE ENDORSES USING EVERY ENERGY FORM

Dr. John J. McKetta, a University of Texas professor of chemical engineering, has served as chairman of the Interior Department's Advisory Committee on Energy and on a variety of other energy panels. He was in-

terviewed by Washington Star Staff Writer Stephen M. Aug.

Stephen M. Aug.
Question: Where would you say we are today in terms of energy independence?

McKetta. We are at the point of no return. There's no way in our lifetime and our children's lifetime that there's anything we could do in the United States to have energy self-sufficiency.

Q. So the old idea of energy independence by 1980 . . .

A. It's out. It's a pipe dream. It's a shuck.
Q. Why couldn't we be energy independent by, say, the turn of the century?

A. First of all, in order to continue a positive gross national product would mean that you are going to have to have an increase of energy of approximately 2 or 3 percent a year. And this will continue between now and the year 2000. From the supply standpoint there is nothing you can do today that would bring you more energy by the next seven or eight years. You can't open enough coal mines or increase the transportation and so forth in the next five or seven or eight years. In the United States it takes about 10 or 11 years to build a nuclear plant. You've got to find four more Alaskas. You've got to find four more Texases. You've got to triple the amount of coal, you've got to build a new reactor each -a new nuclear reactor-starting today. You've got to get approximately a mil-lion to 2 million barrels of oil from shale by the year 2000. All these things together you've got to do in order to have self-sufficiency by the year 2000 or 2010.

Q. Would you put more emphasis on developing coal mines or building nuclear plants or perhaps solar energy which takes no fuel to run?

A. Right now I'd put effort in every direction. First of all I would start a very strong program into tripling the amount of coal in the next 15 years. This evening I would start opening up trying to have as many nuclear plants started as we could get. I would try to encourage people to find more oil and gas opening up the outer continental shelf and free the people from the shackles. Right now as you know the new outer continental shelf bill is going to hold back the producing companies up until 1987 before you really develop the fields. This is really senseless. It sounds like Soviet Russia is making the rules for us rather than our own people. I would remove those shackles and go out in the outer continental shelf and start bringing in oil next year. It can be done. The reason I say oil and gas is because the present dependence is about 80 percent on oil and gas. If you and I increase this only 10 percent that helps us as much as doubling the amount of coal. But we've got to do all this at one time.

Q. The coal industry advertises that there's enough coal to last 500 years. If more of our energy demand was to come for coal how long would the coal last?

A. If coal were to supply all the energy that oil and gas is supplying today it would only last 100 years. But on the other hand you have vast amounts of shale as well as shale oil and coal and lignite. What we're looking for is by the year 2010 we will be receiving possibly 8 to 10 percent of our energy from solar and maybe by 2020 this may increase to 25 percent. By the year 2030 we will be in the fusion energy era where we will be making energy from duterium in the sea water. These are inexhaustible sources. You and I want to do something over the next 30 years. In the meantime we've got to be frugal. We're going to have to make many sacrifices and we ought to have voluntary sacrifices right now to try not only to conserve but to do without the luxurious use of energies.

energies.

Q. Would you just go ahead and build nuclear plants and not worry about how to dispose of the waste products?

A. Well, there are two things we want to look at. First, the nuclear reactive waste is dangerous. Radiation is dangerous. But remember gasoline is extremely dangerous. You and I keep it in our cars every night; 10, 15 or 20 gallons in our car each night of this highly dangerous gasoline. Automobile driving is dangerous. So there are dangers in every area. But reasonable people will take moderate risks if the benefits are great, or they'll take small risks if the benefits are moderate or they won't take any risks if the benefits are small. Fortunately there have been no accidents in the nuclear field. There have been no deaths in any nuclear reactor, power reactor facility, no over-radiation cases, and remember we've been in business for over 20 years. So from the standpoint of accidents I think that we've learned how to handle plants and so forth.

Q. Is one way to encourage frugality to simply make energy so expensive that people can no longer afford to use it?

A. I don't think that you should intentionally make energy more expensive. I think that what happens is that you have to encourage people to go out and look for energies. And one way that you are going to en-courage them is by making sure that they get a good return on their investment. And if they don't, then they aren't going to look. You understand that in 1954 we had as high as 38,000 independent drillers for oil and gas. In 1974 we had less than 3,800. The people left the business because the risks were too great for the return of their money. Now we're back up to about 10,000 people in the business. And the risks are still great. But the return is a little better. And a lot of it on the basis that we do have intrastate gas whose price is maybe as high as \$1.75 or \$2.

THE OFFICIAL FLOW TO PRIVATE INDUSTRY

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, much has been said over the years about the 'revolving door" problem of officials of Government leaving their public positions and going to work in industries affected by the Government agencies for which they formerly worked. All too frequently a member of a regulatory agency turns to the regulated industry for his next employment. Examples are legion. The "revolving door" also admits the same people back into Government, too, so that it is often the case that a person spends a few years regulating from the Government side, then goes to an industry that does business with the Government or is regulated by it, and then again returns to industry. And so on.

In the New York Times of Sunday, April 3 there was an excellent article on the "revolving door" problem, written by Thomas Goldwasser. Not only does his article recount some eggregious tales of conflict of interest from movement back and forth between industry and Government, but also spells out legal action which could prevent it. I commend this article to the attention of my colleagues:

THE OFFICIAL FLOW TO PRIVATE INDUSTRY
(By Thomas Goldwasser)

President Carter's guidelines on conflict of interest have been heralded as the first step in restoring trust in our public officials. At least the President and his advisers, who wrote the new code, have promised as much. However, scrutiny of what has been offered

confirms the cliche that the more things change, the more they stay the same.

From the early days of his campaign to his first fireside chat, Mr. Carter vowed to put a stop to the pernicious "revolving door" flow of high officials between the Government and industry. This practice, which was extant long before Dwight D. Eisenhower warned of the coziness of the military-industrial complex, allows the highest ranking Government decision makers to approve large contracts for industry one day and to join forces with these same companies the next. This has always gone on in Washing-

ton with impunity.

The Carter Administration's noble intentions apparently have not been matched with meaningful remedies. They add little to what is already on the books. For many years Sections 207 and 208 of Title 18 of the United States Code have been the Federal statutory provisions governing conflict of interest. Section 208 specifically precludes a Government official from negotiating for employment with a private firm that has a financial interest in any matter before the Government in which he participated "per-

sonally and substantially.

Section 207 permanently prohibits former Government officials from acting as agents in a governmental proceeding concerning the matter in which they were involved while in Government service. Furthermore, for one year these officials are prohibited from personal appearances before a Government agency concerning a matter which was "under their official responsibility" during their final year of employment by the Gov-ernment. Violation of these provisions is punishable by a fine of up to \$10,000 and/or imprisonment for not more than two years.

With all their fanfare, the Carter innovations offer only a single improvement: a twovear stricture on post-Government employment. Hardly enough to regain public confidence. Robert Lipshutz, White House counsel, concedes that "the laws on the books, if properly enforced, might reach all the prob-

Stringent enforcement of the code, as it now stands, would suffice. Despite highsounding promises from previous administrations, action always lagged far behind.

Let's look at some examples.

Title 18 was in effect but did not stop Alan S. Boyd, the first Secretary of Trans portation, from accepting the presidency of the Illinois Central Railroad just three months after his department awarded a \$25.2 million grant to the Chicago South Suburban Mass Transit District for 130 commuter railroad cars to be leased to the Illinois Central. Mr. Boyd's familiarity with transportation, especially with high officials in the industry, really paid off.

On Dec. 28, 1968, less than a month before Mr. Boyd was to leave office, the Illinois Central grant was announced. Late in January Mr. Boyd's acceptance of the railroad's presidency was made public. Representative Jack Brooks, Democrat of Texas, demanded an investigation. Supposedly carried out under the aegis of Mr. Boyd's successor as Secretary of Transportation, John A. Volpe, the inquiry was actually directed by Under Secretary John E. Robson, a holdover from the Boyd era. In effect, Mr. Boyd was "investigated" and declared not guilty by himself.

Mr. Boyd's defense was that he had insulated himself from knowledge concerning the Illinois Central grant. However, a memo from Mr. Robson to Mr. Boyd of Oct. 22, 1968, unequivocally showed that Mr. Boyd was kept abreast of negotiations about the grant with the Illinois Central's chief executive officer, William B. Johnson, Mr. Robson assured Mr. Boyd that the chances for approval were

Mr. Boyd became president of the railroad on April 1, 1969. The following day Mr. Volpe, on the advice of Mr. Robson and other Boyd holdovers in the Transportation Department. exonerated Mr. Boyd in a brief press release.

Last month Mr. Boyd took up new duties as a special representative named by Presi-Carter, Mr. Boyd heads the negotiating team for the United States in its efforts to arrive at a new air services agreement with Britain. And Mr. Robson is now chairman of the Civil Aeronautics Board.

Hamer H. Budge, while chairman of the Securities and Exchange Commission, negotiated directly with the Investors Group Companies, the Minneapolis mutual fund giant, to become its president. At the same time-with Title 18 on the books-the company had significant business pending before the S.E.C. So did Investors Diversified Services, the world's largest mutual fund complex, which manages the Investors Group and is inextricably connected with it.

Again there was an uproar. The Senate Banking and Currency Committee's subcommittee on securities held hearings at the end of July 1969, immediately after it became known that Mr. Budge had received, and was seriously considering, a second, more appealing Investors Group presidency offer. The original negotiations took place in May, just three months after Mr. Budge, a commissioner, had been elevated to S.E.C. chairman.

Although two Democratic Senators-William Proxmire of Wisconsin and Harrison A. Williams Jr. of New Jersey-scolded Mr. Budge, no sanctions resulted. In January 1971 Budge assumed the company's presidency, a post he still holds. Now he can conduct the company's business before the agency he formerly headed. The company, though, does not seem eager to publicize its former status. In a mutual fund prospectus, Mr. Budge's biographical sketch ends this way: "Mr. Budge was an executive of a Federal agency and was head of such agency from February 1969 to January 1971."

As Assistant Secretary of Defense for Installations and Logistics, Thomas D. Morris was the Defense Department's primary procurement officer. He first served in that position from January 1961 to the end of 1964. Beginning in August 1967, he resumed the assignment, Mr. Morris left the Government in February 1969 to become a vice president of Litton Industries, a major defense contractor. During the year preceding Mr. Morris's departure from Washington, Litton jumped from 36th to 14th among the nation's defense contractors as the amount of Litton's contracts grew from \$180 million to \$456 million.

Three months after Mr. Morris joined Litton, news broke of a giant \$1.4 billion Defense Department contract for Litton to build nine Landing Helicopter Assault ships. A few months later Mr. Morris joined Dart Industries. Soon afterward Litton received another major defense contract: \$1.8 billion to build 30 DD-963 antisubmarine destroyers.

When suspicion was voiced on Capitol Hill. guess who the United States Comptroller General, Elmer B. Staats, asked to investigate the two Litton contracts? Mr. Morris. He was named Assistant Comptroller General for Management Systems.

Construction of the ships, with huge cost overruns, is far behind schedule. Now President Carter has named Mr. Morris to be the Department of Health, Education and Welfare's first inspector general, a position that was created by Congress last year. Mr. Morris's primary task is to eliminate waste and abuse in H.E.W.'s myriad programs.

Recently a large Chicago bank organization recruited two of the Treasury Department's highest officials: the Comptroller of the Currency, James E. Smith, and the Under Secretary for Monetary Affairs, Edwin H. Yeo 3d. Treasury, each had a major role in regulating bank policy.

Mr. Smith, who left the Government a few months ago, is executive vice president of the First Chicago Corporation, which owns the First National Bank of Chicago. Mr. Yeo, who left Washington with the Ford Administration, has become an executive vice president of the bank. Before assuming their policymaking Government posts, Mr. Smith was a lobbyist for the American Bankers Association and Mr. Yeo was vice president of the Pittsburgh National Bank.

In the early stages of formulating the Carter rules, there appeared to be hope that something significant might be done, Mr. Lipshutz, the White House counsel, suggested that the Administration might seek a court injunction to prevent a Government official from accepting a higher paying industry position that violated the conflict-of-interest law. However, when President Carter's plan was issued, no punitive action was spelled out.

President Carter's plan also avoids the question of Government-wide enforcement. According to the Administration, there can be no universal remedy because the many Federal agencies oversee too many private groups. Thus it would be virtually impossible for a Government servant to avoid a conflict of interest when he joins the private sector-any business he joins would undoubtedly have been regulated by his agency.

So the President plans to leave it to each agency to work out its own standards. This has never worked before, and there is no reason to believe it will now. For example, while Mr. Budge was negotiating for his mutual fund job, the S.E.C. had strict administrative fules of its own, in addition to the Federal

The S.E.C.'s Rule 5B says: "No employee shall undertake to act on behalf of the Commission in any capacity in a matter that, to his knowledge, affects even indirectly any person outside the Government with whom he is discussing or entertaining any proposal for future employment, except pursuant to the direction of the Commission, his division director or other office head, or his regional administrator.'

If punishment under Section 208 is deemed too harsh, at least do not let the exiting public servant accept his lucrative conflict-of-interest position. Of course a man of Mr. Boyd's caliber should not be precluded from using his transportation expertise in private employment. But many high-paying jobs await any retiring Cabinet officer, so he should not have been allowed to negotiatemuch less accept—the presidency of a company that had just received \$25.2 million of Government largesse from the agency he

A valid distinction must be made between middle and lower level Government employees and those at the highest rung of Federal service. At the highest level a decision awarding a contract, for example, is final. What a Cabinet officer decides is done. Persons working at a lower level, however, are subject to having their decisions overruled by superiors. This does not condone impropriety by underlings, but there are some safeguards against their decisions becoming agency policy.

It is important to bear in mind that the American taxpayers are bankrolling public officials as they negotiate with private industry for high-paying jobs. It is often difficult to tell which side they are on. "What you expect," Ralph Nader asks, "when these people use the Government to make themselves more employable at high salaries in the private sector? It's on-the-job train-

ing.

The real reason for ending the "revolving door" flow of executives was spelled out clear ly in a 1960 report by the New York City Bar Association: "The risk is not bribery through the device of job offers. The risk is that of sapping governmental policy, espe-cially regulatory policy, through the nagging and persistent conflicting interests of the Government official who has his eye cocked toward subsequent private employment. To turn the matter around, the greatest public risks arising from post-employment conduct may well occur during the period of Government employment, through the dampening of aggressive administration of Government policies."

Little has been done so far to stem the flow of high officials between the Government and industry. Maybe the Carter Administration can make the transition from symbolic gestures to vigorous enforcement.

OIL COMPANY PROFITS INDICATE PLENTY OF MONEY FOR EXPLORATION

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, the oil companies and their supporters have been crying for deregulation on the grounds that only by hiking prices can afford new exploration. The March 21 issue of Business Week reveals that there may not be much truth to the argument of "hardship" among the oil companies. Indeed, most companies appear to have done astonishingly well in the fourth quarter of 1976 and for the full year as well. For example, Exxon should be able to do a lot of exploring with its \$2.6 billion profits. Since many Members have expressed concern, would like to share the Business Week chart with my colleagues:

[Dollar amounts in millions; changes in percentl

Company Amerada HessAmerican Petrofina		Chg. from 1975	12 mo., 1976	Chg from 1975
American Petrofina	\$47.3	100		15/3
American Petrofina		23	e150 C	19
Apco Oil	10.2	* 11	\$152.6	13
Apco oli	5. 9	NM	45. 5 13. 0	NN
Ashland Oil (3)	43. 3	6	138.5	12
Ashland Oil (3)Atlantic Richfield	124.9	9	575. 2	6
Belco Petroleum	10.8	60	31.4	48
Charter	2.7	NM	17.6	79
Cities Service	59.6	28	217.0	58
Clark Oil & Refining		-89	9, 4	80
Coastal States Gas	14.3	23	58.4	
Commonwealth Oil Refining	-29.1	NM	-36.9	NN
Continental Oil	96.9	24	470.0	42
rown Central Petroleum	3.4	107	12, 1	120
arth Resources (4)	2.5	20	13.0	20
astern Gas & Fuel Associ-		X/10		2
ates	17.8	5	65.7	13
xxon	680.0		2, 640, 0	
etty Oil	71.0	9	258.5	1
Gulf Oil	218.0	28	816.0	17
louston Oil & Minerals	12.4	137	38. 4	124
(err-McGee	35. 2	10	134.1	2
ouisiana Land & Explora-				DEST.
tion	24.3	17	95.7	10
Марсо	18.7	15	56.1	14
Marathon Oil	59.2	41	195.8	53
Mesa Petroleum	11.1	105	30.7	60
Aurphy Oil	13.0	30	48.9	22
latomas	16.6	79	57.1	57
Occidental Petroleum	72.4	293	185. 4	6
Pennzoil	53.7	108	148.0	39
Petrolane (3)	9.8	0	32.0	10
hillips Petroleum	126.0	21	412.0	20
Quaker State Oil Refining	7.4	11	25.7	-11
Reserve Oil & Gas	3.5	-16	15.1	-11
hell Oil	140.0	6	706.0	37
tandard Oil (Indiana)	168. 9	-5	893.0	13
tandard Oil (Ohio)	40.7	21	136.9	8
tandard Oil Co. of				December 1
California	268. 0	29	880.0	14
un	85.4	43	356. 2	62
esoro Petroleum	-1.1	NM	22.9	-30
exaco	230. 5	4	869.7	5
exas Oil & Gas (4)	13.9	30	51.4	31
Inion Oil Co. of California.	80.8	18	268. 8	15
Inited Refining	1.4	30	2.7	-52
Vitco Chemical	5.3		23. 1	66

INTRODUCTION OF PRESIDENT CARTER'S SBA NATURAL DISASTER BILL.

(Mr. SMITH of Iowa asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SMITH of Iowa. Mr. Speaker, on March 23, President Carter requested legislative action to assist those hurt by the impact of the 1976-77 drought. The President, as part of this program, has requested legislation to provide temporary authority for the Small Business Administration to make additional low interest loans to facilitate water conservation practices and emergency actions to mitigate the impacts of the 1976-77 drought.

Today, I am introducing this legislation by request. The Subcommittee on SBA and SBIC Authority and General Small Business Problems, which I am privileged to chair, will commence hearings at 10 a.m. on Wednesday, April 6, 1977 in room B-363 of the Rayburn Building. The subcommittee will be considering the President's proposal and natural disaster bills introduced by Congressmen Meeds, Trible, Howard, Marks, Byron, John Burton, and Johnson of Colorado.

Basically, the President has proposed that SBA be authorized to make low interest—5 percent—loans with a maximum term of 30 years to small businesses injured by the drought. The loans would be of two types:

First. Economic injury—to remedy the effects of actual or prospective substantial economic injury from drought.

Second. Short-term water projects—to improve water conservation practices, or to rehabilitate, replace, or augment water supply facilities adversely affected by drought.

Under the Small Business Act, SBA currently operates loan programs which might be used for these purposes.

Under section 7(b) (2), the SBA makes loans to small businesses located in an area affected by a disaster if the concern has suffered substantial economic injury as a result of the disaster. Loans under the President's proposal would be similar to those economic injury loans currently being made by SBA except: First, under the President's program, the interest rate would be 5 percent instead of 6% percent—the cost of money to the Federal Government; and second, and, under the President's proposal, SBA would be authorized to declare the area a drought impact area and commence making loans without the need for any declaration by anyone else instead of there being the necessity of a disaster declaration in order for the current economic injury program to be applicable.

Under section 7(a) of the Small Business Act, which is SBA's regular business loan program, the SBA makes loans to small businesses with these loans being used for virtually any legitimate business purpose, and this would probably include water conservation and augmentation projects. The basic differences be-

tween the existing program and the one proposed by the President is that under the existing loan program, interest would be at the rate of 6% percent as compared to 5 percent under the President's, and the maximum term of the loan would be 10 to 20 years as compared to 30 years under the President's proposal.

Also, I should point out the matter of funding. The drought assistance program by the President would include an appropriation of \$50 million solely for these purposes. SBA's existing economic injury loan program is one of a number of nonphysical disaster loan programs which is funded at \$80 million and the entire regular business loan program for direct and immediate participation loans is funded at \$195 million.

The Presidentially requested bill also contains a provision which would declare that actions taken pursuant to the act shall not be deemed to be major Federal actions significantly affecting the quality of the human environment for purposes of the National Environmental Policy Act of 1969.

I have been advised that under NEPA, major Federal actions significantly affecting the environment require the preparation and review of an environmental impact statement. It is the administration's intent that well drilling et cetera, not be deemed actions on which such statements need be filed as this would unduly delay carrying out the program.

I also include for printing in the Record a statement of the Small Business

Administration on drought assistance:
The President's March 23 message to Congress outlined the severe effect of the prolonged drought which poses a serious threat to the livelihood of countless farmers, ranchers and businessmen. Certainly, SBA intends to do everything possible to assist small business concerns in drought disaster areas.

The Small Business Administration's Emergency Drought Disaster Loan Program is to be established as part of a coordinated, multi-agency Presidential initiative to facilitate water conservation practices and to provide immediate relief from the impact of the 1976–77 drought.

The program will provide emergency drought assistance loans at a 5 percent rate for a period of up to 30 years to assist small business concerns to overcome the impact of actual or prospective economic injury suffered as a result of drought. Eligibility requires an actual or expected decrease in business activity of at least 20 percent below normal levels.

Small Business concerns affected by currently-designated drought disaster areas covering some 26 states will become eligible for emergency drought assistance. In addition, any areas to be designated by the President, the Secretary of Agriculture or the Administrator of the Small Business Administration will also become eligible for emergency drought assistance.

Emergency loan applications may not be accepted after September 30, 1977. Funds for drought disaster assistance under the Act must be committed before October 1, 1977. Project measures authorized under this bill must be completed by November 30, 1977, unless due to special circumstances the Administrator makes an exception.

An additional \$50 million appropriation is being requested to fund this new program.

HEARING SCHEDULE ON ALASKA LANDS LEGISLATION

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to in-

clude extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, on March 22, I inserted in the RECORD for the information of Members the schedule of hearings which our Subcommittee on General Oversight and Alaska Lands will be holding in the contiguous 48 States regarding H.R. 39 and other bills designating Alaska lands to be included in the National Conservation Systems. At that time, I also stated that we would be visiting southeast Alaska during the early days of July, to become familiar with the areas in that part of the State. and to hold hearings as well.

Today, I am inserting the schedule of times and locations for the hearings in southeast Alaska. They are as follows:

Tuesday, July 5-Bicentennial Building, Sitka, Alaska, 9:30 a.m.

Thursday, July 7—National Guard Armory, Junea, Alaska, 9:30 a.m. Saturday, July 9—High school, Ketchikan, Alaska, 9:30 a.m.

Mr. Speaker, the subcommittee will be devoting much of August to additional field trips, hearings, and meetings with local residents in the rest of the State of Alaska, so that we may become familiar with all the various areas dealt with by H.R. 39. I expect to have the remainder of our schedule ready in the near future, and will insert it into the RECORD when it is complete.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders

heretofore entered, was granted to:
Mr. Bolling, for 20 minutes, today, and to revise and extend his remarks

and include extraneous matter.

Mr. KEMP, for 10 minutes, today, and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. MARRIOTT) to revise and extend their remarks and include extraneous material:)

Mr. Young of Alaska, for 10 minutes,

today.

Mr. WHALEN, for 10 minutes, today. Mr. Sarasin, for 10 minutes, today.

Mr. HAMMERSCHMIDT, for 5 minutes, today

Mr. Evans of Delaware, for 5 minutes. today.

Mr. SEBELIUS, for 15 minutes, today.

Mrs. Heckler, for 5 minutes, today. Mr. Anderson of Illinois, for 15 min-

utes, today.

(The following Members (at the request of Mr. RAHALL) to revise and extend their remarks and include extraneous material:)

Mr. Annunzio, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today. Mr. Koch, for 5 minutes, today.

Mr. WAGGONNER, for 10 minutes, today. Mr. Le Fante, for 10 minutes, today.

Mr. BRADEMAS, for 5 minutes, today. Mr. UDALL, for 5 minutes, today.

Mr. NEAL, for 5 minutes, today.

Mr. Tsongas, for 10 minutes, April 6, 1977.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted

Mr. PRICE, and to include extraneous

Mr. CLEVELAND to include extraneous matter in his remarks on the bill H.R. 3199.

Mr. Don H. CLAUSEN, and to include extraneous matter, on H.R. 3199 in the Committee of the Whole today.

Mr. McKinney to follow the remarks of Mr. Don H. CLAUSEN on the bill H.R.

Mr. HAMMERSCHMIDT, to revise and extend his remarks following the remarks Mr. Anderson of California.

(The following Members (at the request of Mr. MARRIOTT), and to include extraneous matter:)

Mrs. Pettis. Mr. Winn.

Mr. DERWINSKI in three instances.

Mr. FISH.

Mr. WHALEN.

Mr. LOTT.

Mr. CRANE. Mr. GRASSLEY.

Mr. STEERS

Mr. SAWYER.

Mr. McClory in two instances.

Mr. STEIGER.

Mr. PURSELL.

Mr. HILLIS. Mr. O'BRIEN.

Mr. GILMAN in two instances.

Mr. HAMMERSCHMIDT.

Mr. SNYDER.

Mr. ABDNOR.

Mr. KEMP in three instances.

(The following Members (at the request of Mr. RAHALL), and to include extraneous matter:)

Mr. JENRETTE in five instances.

Mr. Nolan in two instances.

Mr. KILDEE in two instances.

Mr. TEAGUE in 12 instances.

Mr. CORNWELL.

Mr. CARNEY.

Mr. AKAKA.

Mr. BINGHAM in five instances.

Mr. Breckingidge in 10 instances.

Mr. McDonald in five instances.

Mr. EDWARDS of California

Mr. Gonzalez in three instances.

Mr. Anderson of California in three instances.

Mr. EILBERG in two instances.

Mr. Charles H. Wilson of California.

Mr. LEHMAN.

Mr. MOAKLEY.

Mr. SIMON.

Mr. FRASER.

Mr. DRINAN.

Mr. Jones of Tennessee.

Mr. Pattison of New York.

Mr. MURPHY of New York in two instances.

Mr. BEARD of Rhode Island.

Mr. JACOBS.

Mr. Corman in five instances.

Mr. Jones of North Carolina.

Mr. RANGEL.

Mrs. Spellman.

Mr. Applegate in two instances.

Mrs SCHROEDER

Mr. GAMMAGE.

Mr. FORD of Michigan.

Mr. MILLER of California.

Mr. PATTEN.

Mr. TRAXLER.

Mr. VANIK in three instances.

Mr. HAWKINS.

Mr. LEVITAS.

Mr. PEPPER in two instances.

Mr. AuCoin.

Mr. Dodd.

Mr. ROYBAL.

Mr. BOWEN

Mr. KOSTMAYER.

Mr. NEAL.

Mr. FITHIAN.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 266. To amend Public Law 92-314 to authorize appropriations to the Energy Re-search and Development Administration for financial assistance to limit radiation exposure from uranium mill tailings used for construction, and for other purposes, to the committee on Interior and Insular Affairs and Interstate and Foreign Commerce.

ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 3365. An act to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institu-

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 925. An act to provide temporary authorities to the Secretary of the Interior to facilitate emergency actions to mitigate the impacts of the 1976-77 drought; and

S. 1025. An act to amend the Securities Exchange Act of 1934 to increase the amount authorized to be appropriated for the Securities and Exchange Commission for fiscal year

BILL PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 4800. An act to extend the Emergency Unemployment Compensation Act of 1974, and for other purposes.

ADJOURNMENT

Mr. RAHALL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 5 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, April 6, 1977, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1186. A letter from the Director, Selective Service System, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1187. A letter from the Assistant Secretary of State for Congressional Relations, transmitting reports on political contributions made by Ambassadors-designate James F. Leonard and Donald F. McHenry and their families, pursuant to section 6 of Public Law 93-126; to the Committee on International Relations.

1188. A letter from the Administrator, Agency for International Development, Department of State, transmitting the first report on the famine prevention and freedom from hunger program, pursuant to section 300 of the Foreign Assistance Act of 1961, as amended (89 Stat. 866); to the Committee on International Relations.

1189. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

1190. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to regulate activities involving recombinant deoxyribonucleic acid; to the Committee on Interstate and Foreign Commerce.

1191. A letter from the Administrator, Federal Energy Administration, transmitting a report on construction of refineries by independent refiners and small refiners, pursuant to section 123(b) of Public Law 94–385; to the Committee on Interstate and Foreign Commerce.

1192. A letter from the Secretary, Interstate Commerce Commission, transmitting notice of the Commission's request for an extension in Investigation and Suspension Docket No. 9139, "Transit Charges, Lumber and Forest Products, Nationwide," pursuant to section 15(8) (a) of the Interstate Commerce Act, as amended (90 Stat. 37); to the Committee on Interstate and Foreign Commerce.

1193. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to amend title 28, United States Code, to provide in civil cases for juries of six persons, to amend the Jury Selection and Service Act of 1968, as amended, with respect to the selection and qualification of jurors, and to extend the coverage of the Federal Employees Compensation Act to all jurors in U.S. district courts; to the Committee on the Judiciary.

1194. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to provide for the defense of judges and judicial officers sued in their official capacities; to the Committee on the Judiciary.

1195. A letter from the Acting Administrator, American Revolution Bicentennial Administration, transmitting the fourth report of the American Revolution Bicentennial Board, covering the period June-December 1976, pursuant to section 10(1) of Public Law 93-179; to the Committee on Post Office and Civil Service.

1196. A letter from the Acting Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on Skagway, Alaska, requested by resolutions of the Senate and House Committees on Public Works adopted January 22, 1968, and July 10, 1968, respectively; to the Committee on Public Works and Transportation.

1197. A letter from the Acting Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on Bolinas Beach, Calif., requested by a resolution of the House Committee on Public Works adopted October 19, 1967; to the Committee on Public Works and Transportation

1198. A letter from the Acting Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on the Russian River, Calif., requested by a resolution of the House Committee on Public Works adopted July 1, 1968; to the Committee on Public Works and Transportation.

1199. A letter from the Acting Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on the Walpio River, Kohala-Hamakua Coast, Island of Hawaii, Hawaii, authorized by section 209 of the River and Harbor Act of 1962; to the Committee on Public Works and Transportation.

1200. A letter from the Comptroller General of the United States, transmitting a report on the status of the Navy's FFG-7 class guided missile frigate shipbuilding program (PSAD-77-42, March 28, 1977); jointly, to the committees on Government Operations, and Armed Services.

1201. A letter from the Comptroller General of the United States, transmiting a report on the status of the Army's Copperhead and the Navy's 5-inch and 8-inch guided projectile programs (PSAD-77-26, April 1, 1977); jointly, to the Committees on Government Operations, and Armed Services.

1202. A letter from the Comptroller General of the United States, transmitting a report on the status and problems in constructing the National Visitor Center (PSAD-77-93, April 4, 1977); jointly, to the Committees on Government Operations, and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUB-LIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DINGELL: Committee on Interstate and Foreign Commerce. H.R. 130. A bill to provide for the protection of franchised distributors and retailers of motor fuel; to encourage conservation by requiring that information regarding the octane rating of automotive gasoline be disclosed to consumers; and to prevent deterioration of competition in gasoline marketing; with amendment (Report No. 95-161). Ordered

to be printed.

Mr. MURPHY of Illinois: Committee on Rules. House Resolution 473. Resolution providing for the consideration of H.R. 5262. A bill to provide for increased participation by the United States in the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Asian Development Bank and the Asian Development Fund, and for other purposes (Rept. No. 95-162). Referred to the House

Mr. ULLMAN: Committee on Ways and Means. H.R. 4007. A bill to amend the Internal Revenue Code of 1954 to designate the home of a State legislator for income tax purposes, and for other purposes; with amendment (Rept. No. 95-163). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 3340. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses allocable to the use of any portion of a dwelling unit in the trade or business of providing day care services whether or not such portion is exclusively used in such trade or business; with amendment (Rept. No. 95–164). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Public Works and Transportation. H.R. 2210. A bill to name a certain Federal building in Grand Rapids, Mich., the Gerald R. Ford Building (Rept. No. 95–165). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER (for himself and

Mr. Nolan):

H.R. 6008. A bill to amend section 306(a) of the Consolidated Farm and Rural Development Act to prescribe criteria for determining the amount of grants made under such section, to prescribe the priority of applicants for loans and grants under such section, and for other purposes; to the Committee on Agriculture.

By Mr. ALLEN (for himself Mr. Pat-Terson of California, Mr. Moakley, Mr. Jones of North Carolina, Mr. Mottl, Mr. Harkin, Mr. John L. Burton, Mr. Reuss, Mr. Scheuer, Mr. Nix, Mr. Beard of Rhode Island, Mr. Blanchard, Mrs. Chisholm, Mr. Carter, Mr. Ford of Tennessee, Mr. Neal, Mr. Mazzoli, Mr. Vento, Mr. Baullo, Mr. Conyers, Mr. Harris, Mr. Charles Wilson of Texas, Mr. Gore, Mr. Quillen, and Mr. Jones of Tennessee):

H.R. 6009. A bill to reform electric energy ratemaking, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDERSON of California (for himself and Mr. SNYDER):

H.R. 6010. A bill to amend title XIII of the Federal Aviation Act of 1958 to expand the types of risks which the Secretary of Transportation may insure or reinsure, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. APPLEGATE:
H.R. 6011. A bill to amend title 38, United
States Code, to provide that the recipient
of a veteran's pension or dependency and indemnity compensation will not have the
amount of such pension or compensation reduced because of cost-of-living increases in
social security benefits; to the Committee

on Veterans' Affairs.

H.R. 6012. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 6013. A bill to amend the Internal Revenue Code of 1954 to eliminate the changes made by the Tax Reform Act of 1976 in the exclusion from gross income of sick pay; to the Committee on Ways and Means.

By Mr. BEARD of Rhode Island:
H.R. 6014. A bill to establish an emergency human nutrition food reserve which shall be available to help meet emergency food conditions in any area of the United States or any foreign country which suffers a severe loss of its food supply as the result of a natural disaster; jointly to the Committees an Agriculture, and International Relations.

By Mr. BYRON:

H.R. 6015. A bill to amend the Railroad Retirement Act of 1974 with respect to benefits payable to certain individuals who on December 31, 1974, had at least 10 years of railroad service and also were fully insured under the Social Security Act; to the Committee on Interstate and Foreign Commerce.

By Mr. CRANE:

H.R. 6016. A bill to provide that any increase in rates of pay for Members of Con-gress may take effect only if, in the last completed fiscal year, expenditures of the United States did not exceed receipts of the United States; to the Committee on Post Office and Civil Service.

By Mr. CRANE (for himself, Mr. Young of Florida, Mr. Lott, Mr. Marriott, Mr. Rudd, Mr. Symms, and Mr. Bad-

HAM)

H.R. 6017. A bill to amend the National Labor Relations Act to provide for a freedom of choice in labor relations for full-time and part-time secondary and college students by exempting them from compulsory union membership, and for other purposes; to the Committee on Education and Labor.

By Mr. CRANE (for himself, Mr. Young of Florida, Mr. Mann, Mr. Chappell, Mr. Marriott, Mr. Rudd, and Mr.

BADHAM)

H.R. 6018. A bill to preserve and protect the free choice of individual employees to form, join, or assist labor organizations, or to refrain from such activities; to the Committee on Education and Labor.

By Mr. CRANE (for himself, Mr. Young of Florida, Mr. LOTT, Mr. MANN, Mr. CHAPPELL, Mr. MARRIOTT, Mr. RUDD, Mr. Symms, and Mr. Badham):

H.R. 6019. A bill to protect the freedom of choice of Federal employees in employeemanagement relations; to the Committee on Post Office and Civil Service.

By Mr. DERWINSKI:

H.R. 6020. A bill to amend the Internal Revenue Code of 1954 to exempt nonprofit volunteer firefighting or rescue organizations from the Federal excise taxes on gasoline, diesel fuel, and certain other articles and services; to the Committee on Ways and Means.

By Mr. FASCELL (for himself, Mr. Buchanan, Mr. Murphy of New York, and Mr. WHALEN):

H.R. 6021. A bill granting the consent of Congress to retired members of the uniformed services, members of reserve components of the Armed Forces, and members of the Public Health Service Reserve Corps to accept employment with foreign governments; to the Committee on International Relations. By Mr. FISH:

H.R. 6022. A bill to amend the Immigration and Nationality Act, to facilitate the admission of aliens for temporary employment; to the Committee on the Judiciary

H.R. 6023. A bill to amend title 5, United States Code, to provide civilian employees of the National Guard certain rights of members of the competitive service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. GOODLING: H.R. 6024. A bill to authorize the transfer of one of the Gettysburg Address manuscripts from the custody of the Library of Congress to the custody of the Secretary of the Interior; to the Committee on House Administration

By Mr. HUGHES:

H.R. 6025. A bill to insure adequate domestic supplies of natural gas by encouraging production, creating one pricing system for natural gas, eliminating wasteful uses of natural gas, providing for equitable allocation of natural gas during periods of shortage, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LEGGETT (for himself and Mr. FORSYTHE):

H.R. 6026. A bill to authorize appropriations for fiscal years 1978, 1979, and 1980 to carry out the Commercial Fisheries Research and Development Act of 1964; to the Committee on Merchant Marine and Fish-

H.R. 6027. A bill to authorize appropriations for fiscal years 1978, 1979, and 1980 to carry out the Atlantic Tunas Convention Act of 1975; to the Committee on Merchant Marine and Fisheries.

By Mr. LENT:

H.R. 6028. A bill to provide for the recycling of used oil, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, Ways and Means, Government Operations, and Science and Technology.

By Mr. LOTT:

H.R. 6029. A bill to assist the construction and operation of burn facilities; to the Committee on Interstate and Foreign Commerce.

By Mr. LUJAN:

H.R. 6030. A bill to amend the Atomic Energy Community Act of 1955, as amended, to authorize the Administrator of the Energy Research and Development Administration to make assistance payments to the Los Alamos School Board and the County of Los Alamos. N. Mex., after June 30, 1976, in the case of the schools and after June 30, 1977 in the case of the county; to the Committee on Interior and Insular Affairs.

By Mr. McFALL (for himself and Mr.

SISK):

H.R. 6031. A bill to amend the Internal Revenue Code of 1954 to exempt from treatment as an industrial development bond certain bond issues the proceeds of which are used for facilities for the furnishing of water and hydroelectric energy, or either; to the Committee on Ways and Means,

By Mr. MICHEL (for himself, Mr. ABD-NOR, Mr. BEARD of Tennessee, Mr. Burgener, Mr. Broomfield, Mr. CLEVELAND. Mr. COLLINS of Texas. Mr. DERWINSKI, Mr. DORNAN, Mr. ED-WARDS Of Oklahoma, Mr. Frey, Mr. KEMP, Mr. KINDNESS, Mr. MILFORD, Mr. MITCHELL of New York, Mr. John T. MYERS, Mr. ROBINSON, Mr. TREEN, Mr. WHITEHURST, Mr. CHARLES WILSON' of California, and Mr. WINN):

H.R. 6032. A bill to provide for the personal safety of those persons engaged in furthering the foreign intelligence operations of the United States; to the Committee on the Judiciary

> By Mr. MURPHY of New York (for himself, Mr. GUDGER, Mr. EDWARDS of Oklahoma, Mr. TRIBLE, Mr. PURSELL, Mr. Baucus, Mr. NEAL, Mr. HEFTEL Mr. Ammerman, Mr. Erlenborn, and Mr. Patterson of California):

H.R. 6033. A bill to provide for the designation of the libraries of accredited law schools as depository libraries of Government publications; to the Committee on House Administration.

By Mr. MURPHY of New York (for him-

self. Mr. OBERSTAR, and Ms. MIKUL-SKI)

H.R. 6034. A bill to provide for the regulation of common carriers by water in the foreign commerce of the United States operating through ports in contiguous nations, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. MURTHA for himself, Mr. DENT, Mr. ERTEL, Mr. GOODLING, and Mr.

SLACK): H.R. 6035. A bill to amend the Child Abuse Prevention and Treatment Act to prohibit the sexual exploitation of children and the transportation and dissemination of photographs or films depicting such exploitation; to the Committee on Education and By Mr. NOLAN:

H.R 6036 A bill to provide emergency price and income protection for farmers for the 1977 crops, to assure consumers an abundance of food and fiber at reasonable prices, and for other purposes; to the Committee on Agriculture.

By Mr. PICKLE:

H.R. 6037. A bill to amend the Internal Revenue Code of 1954 to provide that the adjusted gross income limitation will apply to all taxpayers eligible for the credit for the elderly and increase the amount of such limitation; to the Committee on Ways and Means.

By Mr. PRICE:

H.R. 6038. A bill to amend title 10, United States Code, to provide more efficient dental care for the personnel of the Army and Air Force, and for other purposes; to the Committee on Armed Services.

By Mr. QUILLEN: H.R. 6039. A bill to amend the Federal Food, Drug, and Cosmetic Act to broaden the discretion of the Secretary of Health, Education, and Welfare respecting certain food additives found to induce cancer in animals; to the Committee on Interstate and Foreign Commerce.

By Mr. QUILLEN (for himself and Mr. SYMMS):

H.R. 6040. A bill to amend the Internal Revenue Code of 1954 to exempt farmers from the highway use tax on heavy trucks used for farm purposes; to the Committee on Ways and Means.

By Mr. REUSS:

H.R. 6041. A bill to amend the Internal Revenue Code of 1954 to provide an election under which State and local governments may issue taxable obligations and receive a Federal subsidy of 40 percent of the interest yield on such obligations; to the Committee on Ways and Means.

By Mr. ROE:

H.R. 6042. A bill to establish a Department of Senior Citizens Affairs, and for other purposes; to the Committee on Government Operations.

By Mr. ROSTENKOWSKI (for himself, Mr. Martin, Mr. Holland, Mr. Ichord, Mr. Ruppe, and Mr. WEAVER):

H.R. 6043. A bill to amend title XVIII of the Social Security Act to provide payment for rural health clinic services; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. SARASIN:

H.R. 6044. A bill to provide a guarantee of part-time employment for disadvantaged youth from low-income families who pursue their education; to the Committee on Education and Labor.

By Mr. SATTERFIELD (for himself

and Mr. ROBERTS): H.R. 6045. A bill to deny veterans' benefits to individuals whose discharge from active service under dishonorable conditions is later administratively upgraded to discharge under conditions other than dishonorable; to the Committee on Veterans' Affairs.

By Mr. SCHULZE:

H.R. 6046. A bill to provide a \$100 bonus to each Vietnam-era veteran and an addi-tional \$400 bonus to each Vietnam-era combat veteran; to the Committee on Veterans'

By Mr. SMITH of Iowa (by request): H.R. 6047. A bill to provide temporary authority to the Administrator of the Small Business Administration to facilitate water conservation practices and emergency actions to mitigate the impacts of the 1976-77 drought; to the Committee on Small Busi-

By Mr. ULLMAN:

H.R. 6048. A bill to amend title III of the Bankhead-Jones Farm Tenant Act, as amended, to increase the amount of any loan for which funds may be appropriated without prior approval of such loan by congressional committees; to the Committee on

Agriculture.

H.R. 6049. A bill to amend Public Law 566, Watershed Protection and Flood Prevention Act. as amended, to raise the limitation of any single loan or advancement for watershed works of improvement; to the Committee on Agriculture.

H.R. 6050. A bill to provide for the conveyance to the city of Redmond, Oreg., of the reversionary interest of the United States in certain lands: to the Committee on Public

Works and Transportation.

By Mr. BADILLO (for himself, Mr. CONYERS, Mr. DELLUMS, Mr. DRINAN, Mr. HAWKINS, Mr. STARK, Mr. BEDELL, Mr. Brown of California, Mr. Carr, Mrs. Chisholm, Mr. Fauntroy, Mr. MITCHELL of Maryland, Mr. RANGEL, and Mr. ROYBAL):

H.R. 6051. A bill to prevent abuses of power by the intelligence agencies of the Federal Government, to limit the jurisdictions of the Federal Bureau of Investigation and the Central Intelligence Agency, to regulate dis-semination of information by intelligence agencies, to amend the Freedom of Information Act to promote greater public access to the operation of intelligence agencies, to punish deception of Congress or the public by officials of intelligence agencies, to establish procedures for assuring compliance with the foregoing measures, and for other purposes; jointly to the Committees on the Judiciary, Banking, Finance and Urban Affairs, Armed Services, and Government Operations. By Mr. BEARD of Tennessee:

H.R. 6052. A bill to reform the Food Stamp Act of 1964 by redirecting resources to those with the greatest need, by making program administration more effective, by making more realistic eligibility requirements, and by tightening accountability, and for other purposes; to the Committee on Agriculture.

H.R. 6053. A bill to provide for the establishment and enforcement of security and accountability procedures necessary to protect weapons and munitions of the Department of Defense against theft and loss, and for other purposes; to the Committee on Armed Service.

H.R. 6054. A bill to amend the Occupational Safety and Health Act of 1970 to provide that any employer who successfully contests a citation or penalty shall be awarded a reasonable attorney's fee and other reasonable litigation costs; to the Committee on Education and Labor.

H.R. 6055. A bill to amend the Occupational Safety and Health Act of 1970, and for other purposes; to the Committee on

Education and Labor.

H.R. 6056. A bill to amend title 18 of the United States Code to increase certain penalties for gun control offenses and to allow the United States to obtain appellate review of certain sentences relating to gun control offenses; to the Committee on the Judiciary.

H.R. 6057. A bill to amend title 18, United States Code, to provide criminal penalties for unauthorized disclosure of classified information, and for other purposes; to the

Committee on the Judiciary.

H.R. 6058. A bill to establish a procedure under which the Congress may disapprove rules or regulations adopted by the executive branch which are contrary to law or inconsistent with congressional intent or which exceed the mandate of the statutes which they are designed to implement; to the Committee on the Judiciary.

H.R. 6059. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit the amount of employment taxes paid by an employer to certain new employees; to the Committee on Ways and Means.

H.R. 6060. A bill to provide that Federal

expenditures shall not exceed Federal revenues, except in time of war or grave national emergency declared by the Congress, and to provide for systematic reduction of the public debt; to the Committee on Ways and Means.

By Mr. BROYHILL:

H.R. 6061. A bill to amend the Federal Trade Commission Act to authorize the appropriation of funds for the administration of such act during fiscal years 1978 and 1979: to the Committee on Interstate and Foreign Commerce

By Mr. COTTER:

H.R. 6062. A bill to provide for the review of selected Government programs, and to require new authorizations of budget authority for such programs following such review, as an experiment designed to permit the study and evaluation of the sunset review process; to provide on a permanent basis for the sunset review of tax expenditures; and for other purposes; to the Committee on Rules. By Mr. DANIELSON:

H.R. 6063. A bill to amend the General Revision of Copyright Law, and for other purposes; to the Committee on the Judiciary.

By Mr. DUNCAN of Tennessee:

H.R. 6064. A bill to amend the Internal Revenue Code of 1954 to define integrated auxiliaries of churches which are exempt from certain filing requirements; to the Committee on Ways and Means.

H.R. 6065. A bill to amend the Internal Revenue Code of 1954 to provide that an unmarried individual who maintains a household shall be considered a head of a household, without regard to whether the individual has a dependent who is a member of the household: to the Committee on Ways and Means.

By Mr. FLORIO:

H.R. 6066. A bill to repeal section 3402(q) of the Internal Revenue Code of 1954 which requires, for income tax purposes, amounts be withheld from certain gambling winnings; to the Committee on Ways and Means.

By Mr. FORSYTHE:

H.R. 6067. A bill to require that buildings financed with Federal funds utilize the best practicable measures for the conservation of energy and the use of solar energy systems; to the Committee on Public Works and Transportation.

H.R. 6068. A bill to amend the Social Security Act to provide for inclusion of the services of licensed (registered) nurses under medicare and medicaid; jointly to the Committees on Ways and Means, and Interstate

and Foreign Commerce.

H.R. 6069. A bill to amend title XVIII of the Social Security Act to include as a home health service, nutritional counseling provided by or under the supervision of a registered dietitian; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6070. A bill to amend title XVIII of the Social Security Act to provide for the coverage of certain psychologists' services under the supplementary medical insurance benefits program established by part B of such title; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6071. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for regular physical examinations; jointly, to the Committees on Ways and Means, and Interstate and Foreign Com-

H.R. 6072. A bill to amend titles II and XVIII of the Social Security Act to include qualified drugs, requiring a physician's pre-scription or certification and approved by a Formulary Committee, among the items and services covered under the hospital insurance program; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. GILMAN:

H.R. 6073. A bill to amend title 39, United States Code, to impose civil penalties against persons who fail to comply with orders of the U.S. Postal Service prohibiting the use of the mails to conduct lotteries or to obtain money or property through false representations. and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HAMMERSCHMIDT:

H.R. 6074. A bill to amend title 38 of the United States Code to deny veterans' benefits to certain individuals whose discharges from service during the Vietnam era under less than honorable conditions are administratively upgraded under temporarily revised standards to discharge under honorable conditions; to the Committee on Veterans' Affairs

By Mr. HAWKINS (for himself, Mr. BONIOR, Mr. BRODHEAD, Mr. BRADE-MAS, Mr. CARR, Mr. COHEN, Mr. CORN-WELL, Mrs. FENWICK, Mr. FORD of Michigan, Mr. HEFTEL, Mr. Mr. MEEDS, Mr. MILLER of California, Mr. NEAL, Mr. NEDZI, Mr. NOLAN, Mr.

RODINO, and Mr. TRAXLER): H.R. 6075. A bill to amend title VII of the Civil Rights Act of 1964 to prohibit sex discrimination on the basis of pregnancy; to the Committee on Education and Labor.

By Mr. JENRETTE:

H.R. 6076. A bill to amend the Internal Revenue Code of 1954 to require each employed individual to file a separate income tax return regardless of marital status: to impose one tax schedule for all taxpayers; to lower the rate of taxation on estates and trusts; and for other purposes; to the Committee on Ways and Means.

By Mr. KEMP:
H.R. 6077. A bill to amend the Internal
Revenue Code of 1954 to permit the deduction as medical expenses of the full cost of permanent improvements to property made for medical care purposes; to the Committee on Ways and Means.

By Mr. KEMP (for himself, Mr. Moon-HEAD of Pennsylvania, Mr. Cough-LIN, Mr. HALL, and Mr. HAMILTON):

H.R. 6078. A bill to exempt sales by small producers of certain natural gas from regu-lation of the Federal Power Commission and from the requirement of certificates of public convenience and necessity of section 7(c) of the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Ba-DILLO, Mr. BAUCUS, Mr. BEDELL, Mr. BROWN of California, Mr. BURGENER, Mr. Cohen, Mr. Coughlin, Mr. Dicks, Mr. Duncan of Tennessee, Mr. Eb-wards of Oklahoma, Mr. Evans of Georgia, Mr. Frenzel, Mr. Gold-WATER, Mr. HUGHES, Mr. KOSTMAYER, Mr. KREBS, Mr. LLOYD of California, Mr. McHugh, Mr. Maguire, Mr. Mar-LENEE, Mr. MURTHA, Mr. NEAL, Mr. PATTISON of New York, and Mr. PRESSLER):

H.R. 6079. A bill to establish restrictions on the disclosure of certain financial, toll, and credit records, and for other records; jointly, to the Committees on Banking, Finance and Urban Affairs, and the Judiciary.

> By Mr. KOCH (for himself, Mr. GILMAN, Mr. GOLDWATER, Mr. NOLAN, Mr. Patterson of California, Mr. Sawyer, Mr. Steers, Mr. Vento, Mr. WAXMAN, Mr. WEISS, Mr. WHITLEY, Mr. CHARLES WILSON of Texas, Mr. CHARLES H. WILSON of California, Mr. WIRTH, and Mr. WOLFF):

H.R. 6080. A bill to establish restrictions on the disclosure of certain financial, toll, and credit records, and for other purposes;

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jointly, to the Committees on Banking, Finance and Urban Affairs, and the Judiciary.

By Mr. LE FANTE (for himself, Mr. BADILLO, Mr. BLOUIN, Mr. BUCHANAN, Mr. PHILLIP BURTON, Ms. CHISHOLM, Mrs. COLLINS of Illinois, Mr. CORRADA. Mr. Derwinski, Mr. Edwards of Oklahoma, Mr. Frenzel, Mr. Gilman, Mr. GOODLING, Mr. HEFTEL, and Mr. HOWARD):

H.R. 6081. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a credit for certain expenses paid by him in connection with his education or training, or the education or training of his spouse or any of his dependents, at an institution of higher education or a vocational school; to the Committee on Ways and Means.

By Mr. Le FANTE (for himself, Mr. Kildee, Ms. Mikulski, Mr. Moakley, Mr. Mottl, Mr. Murphy of Pennsylvania, Mr. Michael O. Myers, Mr. NOLAN, Mr. RAHALL, Mr. SCHEUER, Ms. SPELLMAN, and Mr. VENTO):

H.R. 6082. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a credit for certain expenses paid by him in connection with his education or training, or the education or training of his spouse or any of his dependents, at an institution of higher education or a vocational school; to the Committee on Ways and Means.

By Mr. LEVITAS: H.R. 6083. A bill to establish an Office for Consumer Protection in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes; jointly, to the Committees on Rules, and Interstate and Foreign Commerce.

By Mr. McCLOSKEY (for himself, Mr. ASHLEY, Mr. BADILLO, Mr. BONIOR, Mr. CEDERBERG, Mr. D'AMOURS, Mr. DINGELL, Mr. EDWARDS of California, Mr. ERTEL, Mr. KOSTMAYER, Mr. KIL-DEE, Mr. KREBS, Mr. LAGOMARSINO, Mr. LEGGETT, Mr. MURTHA, Mr. PA-NETTA, and Mr. SAWYER):

H.R. 6084. A bill to provide assistance to States for the preservation of natural game fish streams; to the Committee on Merchant Marine and Fisheries.

By Mr. MAHON (for himself, Mr. CEDERBERG, and Mrs. Boggs)

H.R. 6085. A bill to make the film Hirshhorn Museum and Soulpture Garden produced by the Information Agency, available for use within the United States; to the Committee on International Relations.

H.R. 6086. A bill to amend Public Law 94-98 to authorize the Smithsonian Institution to construct museum support facilities; to the Committee on Public Works and Transportation.

By Ms. MIKULSKI: H.R. 6087. A bill to amend the Energy Supply and Environmental Coordination Act of 1974 to provide for a national energy audit, and for other purposes; jointly, to the Committees on Interstate and Foreign Com-merce, and Interior and Insular Affairs.

By Mr. MOTTL:

H.R. 6088. A bill to amend the Elementary and Secondary Education Act of 1965 to require State educational agencies to establish basic standards of educational proficiency applicable to secondary school students; to the Committee on Education and Labor.

By Mr. MURPHY of New York: H.R. 6089. A bill to amend the Shipping Act, 1916, in order to facilitate intermodal transportation, and for other purposes; jointly, to the Committee on Interstate and Foreign Commerce, Merchant Marine and Fisheries, and Public Works and Transpor-

By Mr. NEDZI:

H.R. 6090. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for State and local utility taxes; to the Committee on Ways and Means.

By Mr. PATTEN:

H.R. 6091. A bill to amend title 5, United States Code, to improve the basic workweek of firefighting personnel of executive agencies, and for other purposes; to the Committee on Post Office and Civil Service

By Mr. RAILSBACK:

H.R. 6092. A bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974, and for other purposes; to the Committee on Education and Labor.

By Mr. ROYBAL: H.R. 6093. A bill to amend the Immigration and Nationality Act, and for other purposes; jointly, to the Committees on the Judiciary, and Ways and Means.

By Mr. RYAN:

H.R. 6094. A bill to reorganize and consolidate the dam-building responsibilities of the Federal Government, and to establish an Office of Dam Safety and Construction in the Department of the Interior, and for other purposes; jointly, to the Committees on Public Works and Transportation, Interior and Insular Affairs, and Agriculture.

By Mr. SAWYER:

H.R. 6095. A bill to amend the Federal Railroad Safety Act of 1970 to direct the Secretary of Transportation to issue regulations requiring that the locomotive and rear car of all passenger, freight, and commuter trains have bulletproof glass and equipment capable of providing controlled temperatures; to the Committee on Interstate and Foreign Commerce.

By Mr. SEBELIUS:

H.R. 6096. A bill to permit the States to consolidate and reorganize certain food programs administered by the Department of Agriculture for the benefit of needy persons; jointly, to the Commission on Agriculture,

and Education and Labor.

By Mr. STANGELAND (for himself,
Mr. Frenzel, and Mr. Walker):

H.R. 6097. A bill to provide that salary increases for Members of Congress recommended under the Federal Salary Act of 1967 shall take effect only after approval by the Congress, to repeal the provisions of the Legislative Reorganization Act of 1946 allowing automatic cost-of-living adjustments in such salaries, and for other purposes; to the Committee on Post Office and Civil Service

By Mr. UDALL (for himself and Mr. KASTENMEIER):

H.R. 6098. A bill to establish a commission to study the laws and policies of the United States and major industries for their effect on competition, and for other purposes; to the Committee on the Judiciary.

By Mr. WAGGONNER: H.R. 6099. A bill to amend the Renegotiation Act of 1951 to provide for the suspension of such act pending the study thereof by an independent commission; to the Committee on Banking, Finance and Urban

By Mr. HAGEDORN:

H.R. 6100. A bill to amend the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

> By Mr. WOLFF (for himself and Mr. LEACH)

H.R. 6101. A bill to amend title 38, United States Code, to provide counseling for cer-monthly educational assistance payments to veterans and dependents; to revise the criteria for nonaccredited courses; provide alternative financial and educational assistance to peace-time post-Korean veterans affected by the expiration of their delimiting period; to provide for a conditional extension of the delimiting period for certain Vietnam era veterans; to provide for the development of additional educa-tional, employment, and adjustment assistance programs for veterans; to provide for the correction and preclusion of, and protection against, abuses and misuse of vet-

erans benefits; and to otherwise enhance and improve the effectiveness, integrity, and utilization of veterans readjustment assistance programs; to the Committee on Veterans' Affairs.

By Mr. ADDABBO: H.J. Res. 379. Joint resolution requesting the President to commemorate the 20th anniversary of the date of the enactment of the Small Business Act and the establishment of the Small Business Administration; to the Committee on Post Office and Civil Service.

By Mr. APPLEGATE:

H.J. Res. 380. Joint resolution to establish the Patriots' Pledge; to the Committee on Post Office and Civil Service.

By Mr. BEARD of Tennessee:

H.J. Res. 381, Joint resolution proposing an amendment to the Constitution of the United States with respect to the assignment of public school students; to the Committee on the Judiciary.

By Mr. WHITTEN:

H.J. Res. 382. Joint resolution providing for the designation of the first week in May of each year as Be Kind to Animals Week; to the Committee on Post Office and Civil Service

By Mr. DERWINSKI (for himself, Mr. HYDE, Mr. ICHORD, Mr. MONTGOMERY, Mr. Stratton, Mr. Treen, Mr. White-HURST, Mr. WINN, and Mr. WYDLER):

H. Con. Res. 188. Concurrent resolution commending the executive branch for the assistance it is providing to the beleaguered Government of Zaire; to the Committee on International Relations.

By Mr. MURPHY of New York:

H. Con. Res. 189. Concurrent resolution honoring Saint Elizabeth Seton: to the Committee on Post Office and Civil Service.

By Mr. RODINO:

H. Con. Res. 190. Concurrent resolution to provide for the printing of the brochure entitled "How Our Laws Are Made"; to the Committee on House Administration.

By Mr. HUGHES:

H. Res. 474. Resolution to amend the Rules of the House aof Representatives to require committee approval of certain travel proposals, and for other purposes; to the Committee on Rules.

By Mr. SCHEUER (for himself, Mr. ANNUNZIO, Mr. ASHLEY, Mr. BEN-JAMIN, Mr. BEVILL, Mr. BLOUIN, Mr. BONKER, Mr. CAVANAUGH, Mr. CRANE, Mr. D'AMOURS, Mr. DAVIS, Mr. EDGAR, Mr. EDWARDS of Oklahoma, Mr. Eng-LISH, Mr. Evans of Georgia, Mr. FITHIAN, Mr. FORD of Michigan, Mr. FUQUA, Mr. GUYER, Mr. HARRIS, Mr. HIGHTOWER, Mr. HOWARD, Mr. HUB-BARD, and Mr. HUGHES) :

H. Res. 475. Resolution to establish a Select Committee on Population; to the Committee

on Rules.

By Mr. SCHEUER (for himself, Mr. ICHORD, Mr. JOHNSON of California, Ms. LLOYD of Tennessee, Mr. Mc-CLORY, Mr. MANN, Mr. MARKEY, Mr. NEDZI, MS. OAKAR, Mr. PERKINS, MS. PETTIS, Mr. PICKLE, Mr. PURSELL, Mr. REUSS, Mr. SANTINI, Mr. SIKES, Mr. SIMON, Mr. SKELTON, Mr. STARK, Mr. STOKES, Mr. VAN DEERLIN, Mr. WALGREN, Mr. WALKER, Mr. WOLFF, and Mr. WYDLER):

H. Res. 476. Resolution to establish a Select Committee on Population; to the Commitee on Population; to the Committee on Rules

By Mr. SCHEUER (for himself, Mr. YATES. Mr. YATRON, and MAHON):

H. Res. 477. Resolution to establish a Select Committee on Population; to the Committee on Rules.

By Mrs. SMITH of Nebraska:

H. Res. 478. Resolution expressing the sense of the House of Representatives that the effect on our society of the level of violence depicted on television requires more consideration and study; to the Committee on Interstate and Foreign Commerce.

By Mr. STEIGER (for himself, Mr. Marlenee, Mr. Quayle, Mr. Edwards of Alabama, Mr. Vander Jagt, Mr. Thornton, Mr. Preyer, Mr. Meeds, Mr. Railsback, Mr. Marriott, Mr. Michel, Mr. Flowers, Mr. Oberstan, Mr. Long of Louisiana, Mr. Glaimo, Mr. Pursell, and Mr. Stangeland):

H. Res. 479. Resolution to require that the Congressional Record contain a verbatim account of remarks actually delivered on the floor, and for other purposes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions wre introduced and severally referred as follows:

By Mr. EVANS of Colorado:

H.R. 6102. A bill to provide for conveyance of certain lands in Lake County, Colo., to Robert D. Elder; to the Committee on Interior and Insular Affairs.

By Mr. FORSYTHE:

H.R. 6103. A bill for the relief of Harold N. Holt; to the Committee on the Judiciary.

By Mr. HANLEY:

H.R. 6104. A bill for the relief of Gerald Levine; to the Committee on the Judiciary. By Mr. HORTON:

H.R. 6105. A bill for the relief of Dr. Ching W. Tang; to the Committee on the Judiciary.

By Mr. NOLAN:

H.R. 6106. A bill for the relief of Gordon Beck; to the Committee on the Judiciary. By Mr. PATTERSON of California:

H.R. 6107. A bill for the relief of Lehi L. Pitchforth, Jr.; to the Committee on the Judiciary.

By Mr. SARASIN:

H.R. 6108. A bill for the relief of Alberto Garcia; to the Committee on the Judiciary. By Mr. STANGELAND:

H.R. 6109. A bill for the relief of Virginia J. Mariano; to the Committee on the Judiciary. By Mr. MADIGAN:

H. Res. 480. Resolution to refer the bill (H.R. 5164) for the relief of J. L. Simmons Co., Inc., to the Chief Commissioner of the

Court of Claims; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

78. By the SPEAKER: Memorial of the Legislature of the State of North Dakota, relative to requiring Federal agencies to enhance lands under their control; to the Committee on Agriculture.

79. Also, memorial of the Legislature of the State of Hawaii, relative to expansion of the Federal Comprehensive Employment and Training Act; to the Committee on Education and Labor.

80. Also, memorial of the Legislature of

the State of Idaho, relative to the proposed construction of a highway through the Burgdorf Hot Springs area in Idaho; to the Committee on Interior and Insular Affairs.

81. Also, memorial of the Senate of the Commonwealth of Puerto Rico, relative to the 60th anniversary of the granting of American citizenship to the people of Puerto Rico; to the Committee on Interior and Insular Affairs.

82. Also, memorial of the Legislature of the State of North Dakota, requesting that Congress propose an amendment to the Constitution of the United States relative to the right to life; to the Committee on the Judiciary.

83. Also, memorial of the Legislature of the State of Hawaii, relative to extension of the Federal supplemental unemployment benefits program; to the Committee on Ways and Means.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

74. By the SPEAKER: Petition of the Student Government Association, Broward Community College North Campus, Pompano Beach, Fla., relative to federally insured student loans; to the Committee on Education and Labor.

75. Also, petition of Gerard J. Bouley, mayor. Woonsocket, R.I., relative to providing Federal funds for low-cost spaying and neutering clinics, to the Committee on Interstate and Foreign Commerce.

76. Also, petition of the Overseas Federation of Teachers, (AFL-CIO), relative to the General Accounting Office report on rates charged certain patients in overseas medical facilities; jointly, to the Committee on Government Operations, and Armed Services.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 5262

By Mr. HARKIN:

Title V is amended to add the following new subsection:

"(b) In addition, the United States Government, in connection with its voice and vote, in the institutions listed in subsection (a) is authorized and directed to vote against any loan, any extension of financial assistance or any technical assistance to any country which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhumane or degrading treatment or punishment, prolonged detention without charges, or other flagrant denial of the right to life, liberty, and the security of the person, and including providing refuge to individuals committing acts of international terrorism such as hijacking of an aircraft, unless such assistance is directed specifically to programs which serve the basic human needs of such country.

Title V is amended by striking subsection

(e).

By Mr. MOORE:

Page 7, immediately after line 22, insert the following:

"TITLE VIII-PALM OIL LOANS

SEC. 801. The United States representatives to the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), the Internamerican Development Bank (IADB), the Asian Development Bank (ADB), the Asian Development Fund (ADF), and the African Development Fund (AFDF) shall oppose and vote against any loans or other financial assistance for establishing or expanding production of palm oil."

Redesignate the succeeding Section accordingly.

SENATE-Tuesday, April 5, 1977

(Legislative day of Monday, February 21, 1977)

The Senate met at 4 p.m., on the expiration of the recess, and was called to order by Hon. Edward Zorinsky, a Senator from the State of Nebraska.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Hear first the words of the 51st Psalm, the 17th verse:

The sacrifices of God are a broken spirit: a broken and a contrite heart, O God, Thou wilt not despise.—Psalms 51: 17.

Let us pray.

Almighty God, whose love redeems all men who trust in the Saviour, may our daily prayer this Holy Week open our minds and hearts to the meaning of the cross. Thou has revealed Thy highest truth in suffering and sacrifice, in self-giving rather than self-getting. Remind us that the way to the highest life is the way of death and resurrection—dying to sin, rising in righteousness. As we make our pilgrimage to the cross show us that the way to sacrifice is the way to fulfillment, and the way of selfless service is the pathway to Thy kingdom.

In the name of Him who transformed a cross of shame into a symbol of victory. Amen.

APPOINTMENT OF ACTING PRES-IDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following etter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 5, 1977.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. Ebwasen

on official duties, I appoint Hon. EDWARD ZORINSKY, a Senator from the State of Nebraska, to perform the duties of the Chair during my absence.

James O. Eastland, President pro tempore.

Mr. ZORINSKY thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of yesterday, Monday, April 4, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, there are some nominations on the calendar which are cleared for action. I ask unanimous consent that the Senate go into executive session to consider nominations under Federal Highway Administration, Department of Defense, U.S. Air Force, and nominations placed on the Secretary's desk in the Air Force, Army, Navy, and Marine Corps.

Mr. BAKER. Mr. President, I only say to the majority leader that my calendar shows that all of these nominations for Federal Highway Administration, Department of Defense, and the Air Force,

are cleared on our side.

I can also clear the three nominations of the Department of HUD if the majority leader wishes to do that at this time.

Mr. ROBERT C. BYRD. I appreciate that. I do not think I will proceed with those nominations at the moment, in the Department of HUD.

Mr. BAKER. I thank the majority

leader

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations will be stated.

FEDERAL HIGHWAY ADMINISTRATION

The second assistant legislative clerk read the nomination of William Meredith Cox, of Kentucky, to be Administrator of the Federal Highway Administration.

The ACTING PRESIDENT pro tempore. Without objection, the nomination

is considered and confirmed.

DEPARTMENT OF DEFENSE

The second assistant legislative clerk read the nomination of John C. Stetson, of Illinois, to be Secretary of the Air Force.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, NAVY, AND MARINE CORPS

U.S. AIR FORCE

The second assistant legislative clerk proceeded to read sundry nominations in the U.S. Air Force.

Mr. ROBERT C. BYRD. Mr. President,

I ask unanimous consent that the nominations under U.S. Air Force and under the category of Nominations Placed on the Secretary's Desk in the Air Force, Army, Navy, and Marine Corps be considered and confirmed en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(All nominations confirmed today are printed at the conclusion of Senate proceedings.)

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR COMMITTEE ON RULES AND ADMINISTRATION TO HAVE UNTIL APRIL 18 TO FILE REPORT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that notwithstanding the order of January 4, and the extension on March 31, that the Committee on Rules and Administration be given until April 18, to file its report on Senate Resolution 5, to amend the Standing Rules of the Senate—relative to cloture, the Journal, rulings on quorum, and reading of amendments and conference reports. The committee voted today to report the resolution, but to accommodate all parties concerned the report cannot be conveniently ready until April 18.

The ACTING PRESIDENT pro tem-

pore. Is there objection?

Mr. BAKER. There is no objection, Mr.

President

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time. The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

PRESIDENT ANWAR SADAT

Mr. BAKER. Mr. President, it is with a great deal of pleasure that I note the presence in Washington of President Anwar Sadat of Egypt. On the two occasions in the past when I have had the opportunity to visit Egypt, the President and Mrs. Sadat were generous and gracious hosts; and I would hope that his visit here proves to be as enjoyable and constructive as were mine and the many of my colleagues who have also traveled to Egypt.

As you know, Mr. President, President Sadat, among others, has emerged as a truly moderate leader of significant stature, not only in the Middle East, but in the world at large. In a world badly in need of moderate, deliberate leadership, the President's voice is a welcome one.

More now than ever before, it is an important commodity in the Middle East; and I welcome President Carter's initiative to invite all the leaders, Prime Minister Rabin, President Sadat, King Hussein, Crown Prince Fahd, and President Assad, in whose ability and willingness to reconcile their differences lies the key to progress toward peaceful and productive interrelationships in the Middle East.

We should note, Mr. President, that President Sadat's position in the vanguard of moderation has not been an easy one, either domestically or among the other Arab States; but through his leadership, in an area of the world once dominated by rancor and violence, the position of moderation has become a

respectable one.

I would conclude by saying that whatever encouragement we can give, whatever assistance we can provide to insure that the influence of all these leaders prevails before the opportunities for peace are lost should be forthcoming. Moreover, we should remember that it will only be through their leadership that the quality of the peace, when peace comes, will be such that the legtimate aspirations of all the parties are recognized and eventually realized.

FORD-MITRE REPORT

Mr. BAKER. Mr. President, the report of the Nuclear Energy Study Group, which was sponsored by the Ford Foundation and administered by the MITRE Corp. was released recently. Preceding, as it does, the submission of the administration's energy proposal, there are a number of points in the report worth noting.

The Ford-MITRE report concludes that, under normal operation, nuclear power is considerably more desirable on the basis of both health and environmental considerations than the burning of coal to produce electricity. It further concluded that nuclear power was somewhat cheaper than coal and that the problem of disposal of radioactive waste can be satisfactorily solved. With these three conclusions, the Ford-MITRE report has swept away the most serious objections of those opposed to nuclear power.

On other points, I find fault with the study. The report overstates the close relationship between recycling of plutonium and the danger of proliferation of nuclear weapons. While it is technically possible to use the plutonium recovered from spent fuel to make a weapon, this is not the easiest approach. In fact, none of the six nations that are now known to possess nuclear weapons obtained plutonium from the reprocessing of commercial fuel.

The plutonium recovered from power reactors contains a mixture of isotopes which make it difficult to use in weapons production. It is much easier to develop nuclear weapons through the use of en-

richment technology, without commercial reprocessing; and ERDA is currently studying ideas and techniques that would make it even more difficult to fashion weapons from reprocessed plutonium.

The conclusion of the Ford-MITRE report that the reprocessing option should not be pursued is based upon two assumptions. First, the reprocessing of plutonium in the United States would represent a major increase in the danger of nuclear proliferation. Second, that previous estimates of our uranium reserves are much too low. Mr. President, I believe both assumptions are subject to serious challenge, and we should consider the options carefully.

In fact, Mr. President, by forgoing the reprocessing option and thus putting additional strain on the limited supply of uranium, we may well achieve what we hope to prevent: the proliferation of reprocessing facilities in nations who would otherwise be dependent on the United States as a reliable supplier of enriched uranium.

Considering that prospect, and in view of the seriousness of our energy problem, I urge my colleagues to carefully consider the consequences before we cross reprocessing off our list of energy options.

SENATE CODE ON OFFICIAL CONDUCT

Mr. BAKER. Mr. President, I notice the presence of the distinguished Senator from South Carolina (Mr. Thurmond) in the Chamber, and I would like to take this opportunity to extend to the Senator my sincere gratitude and appreciation for resolving a quandary that has plagued my staff during the recent consideration of the Senate Code on Official Conduct.

You see, Mr. President, I, too, have a member of my staff who is engaged to a lobbyist; and you can imagine the consternation experienced in my office when we discovered that under the ethics code that member of my staff would be prohibited from accepting her engagement ring.

At one point, we thought we had the problem resolved when it was pointed out that she had already received the ring and that the resolution was not yet in effect. The mood of optimism did not last long, however, because, as we all know, if there is one piece of legislation with which compliance with the spirit as well as the letter is important, it is in the legislation of the morality of the Senate

With that in mind, I again determined that I should inform this member of my staff that she would be required to give it and/or him up. And I should say, parenthetically, Mr. President, that there were those who advised the latter, believing that the gentleman in question had proposed to the lady in question only as a pretense to gain frequent access to my office and the members of my staff.

Needless to say, the young lady reacted to this suggestion with somewhat more fervor than one accustomed to her usual reserved manner would have thought possible. But then I had another thought, Mr. President, and I thought perhaps I had arrived at an acceptable compromise with this impatient young couple.

I told them that if they would agree not to endanger the ethics of my Senate office by plunging recklessly ahead with this engagement ring and matrimony business, I would, ostensibly for other reasons, sunset this particular piece of legislation some 2 or 3 years hence—at which point they could proceed with their plans. I thought that was a most reasonable compromise, and although somewhat reluctantly, they did agree to it.

You can imagine my despair, Mr. President, when I was forced to return to my office on Friday morning and report that I had been no more successful in convincing the Senate of the necessity to sunset the ethics code than Galileo had been when he made the equally radical pronouncement that the Earth was not the center of our universe. Unlike Galileo, at least I have not been placed under house arrest for being right; but I digress, Mr. President.

Once again, gloom and despair had beset the Baker Senate staff; and it appeared there was no possibility of avoiding the impasse. But lo and behold, one very alert staff member, doing a little light reading in the Record of Thursday, the 31st of March, noticed that the good Senator from South Carolina had with imagination and foresight already dealt with the problem. He had amended the ethics code to allow for just such a situation; and I and my staff, and particularly the young lady saved from the calamity of allegations of dishonorable and unethical conduct, are deeply in his debt.

Mr. President, although these remarks are somewhat humorous, naturally, they are at least half serious.

The Senator from South Carolina contributed magnificently to the deliberations on the ad hoc committee and did a diligent and effective job on the floor in managing for our side the passage of that difficult piece of legislation.

Mr. THURMOND. I thank the able Senator from Tennessee for his kind remarks.

Mr. BAKER. I thank the Senator. They are most heartfelt and sincere.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I have no other request for time under the standing order and I have no further requirement for it.

I yield back the remainder of my time under the standing order.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may retrieve 5 minutes of my time that I yielded back.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SUPPLEMENTAL HOUSING AUTHOR-IZATION ACT OF 1977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the action of the Senate yesterday in passing S. 1070, as amended, be vitiated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House on H.R.

3843.

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate the message from the House on H.R. 3843. The bill will be stated by title.

The legislative clerk read as follows: A bill (H.R. 3843) to authorize additional funds for housing assistance for lower income Americans in fiscal year 1977, to extend the Federal riot reinsurance and crime insurance programs, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill be considered as having been read the first and second times, and that the Senate proceed to its immediate consideration.

Mr. ALLEN. Reserving the right to object, will the distinguished majority leader tell us what the bill is about?

Mr. ROBERT C. BYRD. Yes. The Senate yesterday passed a companion measure, S. 1070. It would be my purpose, once the House bill is before the Senate, to strike all after the enacting clause and insert the language of the Senate bill of yesterday, after vitiating the action.

Mr. ALLEN. What does the bill have reference to?

Mr. ROBERT C. BYRD. It is the housing assistance bill.

Mr. ALLEN. I have no objection.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill be considered as having been read twice, that the Senate proceed to its immediate consideration, that all after the enacting clause be stricken, and that the text of S. 1970, as amended by the Senate on yesterday, be substituted in lieu thereof, with the amendment of the Senator from New York (Mr. JAVITS) adding section 106, to read as follows:

SEC. 106. Sec. 221(d)(4) of the National Housing Act is amended by deleting the words "other than a mortgagor referred to in subsection (d)(3) of this section," from the first sentence of the section.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill, as amended, be considered as having proceeded to the third reading, passed, and the motion to reconsider laid on the table.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of Senate amendments to H.R. 3843, and that S. 1070 be indefinitely postponed.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE JOINT RESOLUTION 44— SENATE PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. Baker and myself I send to the desk a joint resolution to authorize the printing and binding of an edition of Senate Procedure and providing the same shall be subject to copyright by the author.

The ACTING PRESIDENT pro tempore. The joint resolution will be stated

by title.

The legislative clerk read as follows:
A joint resolution to authorize the printing and binding of an edition of Senate Procedure and providing the same shall be subject to copyright by the author.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the joint resolution be considered as having been read the first and second time and placed on third reading and passed, and a motion to reconsider laid on the table.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to its immediate consideration, and, without objection, the joint resolution will be considered to have been read the second time at length, and, without objection, a motion to reconsider will be laid on the table.

The joint resolution (S.J. Res. 44) was ordered to be engrossed for a third reading, was read the third time, and passed. The joint resolution reads as follows:

S. J. Res. 44

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That there shall be printed and bound for the use of the Senate one thousand five hundred copies of a revised edition of Senate Procedure, to be prepared by Floyd M. Riddick, Parliamentarian Emeritus of the United States Senate, to be printed for distribution to the Members of the Senate.

Sec. 2. That notwithstanding any provision of the copyright laws and regulations with respect to publications in the public domain, such revised edition of Senate Procedure shall be subject to copyright by the author

thereof.

HOUSE CONCURRENT RESOLUTION 186—RECESS OF THE SENATE AND ADJOURNMENT OF THE HOUSE

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a concurrent resolution (H. Con. Res. 186) and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate House Concurrent Resolution 186, which

will be stated.

The legislative clerk read as follows: Resolved by the House of Representatives (the Senate concurring). That when the House adjourns on Wednesday, April 6, 1977, it stand adjourned until 12 o'clock meridian on Monday, April 18, 1977, and that when the Senate recesses on Thursday, April 7, 1977, it stand in recess until 12 o'clock meridian on Monday, April 18, 1977.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the concurrent resolution.

The ACTING PRESIDENT pro tem-

pore. Is there objection?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 186) was agreed to.

SENATE RESOLUTION 136—RESOLU-TION RELATING TO COMMON CAUSE AGAINST BAILAR, ET AL.

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished Senator from

Montana (Mr. METCALF).

Mr. METCALF. Mr. President, yesterday I went to the U.S. district court to listen to a hearing in a three-judge court on the status of Common Cause against Ballar. During that hearing—which recessed at 12:30 p.m.—the counsel for the subpensed Senate employees. Mr. Cornelius B. Kennedy, agreed to provide for the court's inspection additional material sought by the plaintiff in this lawsuit.

I returned to my office and prepared the necessary Senate resolution, to authorize the production of such material. My Record statement of yesterday describes the need for a new resolution, and the nature of the material to be produced.

I wanted to have every Member of the Senate informed as to the additional material that Mr. Kennedy had agreed to supply to the court, subject to the consent of the Senate in this resolution. He agreed to supply the material in camera, sealed, for the court's inspection only at this time. Nevertheless, I want Senators to understand that every Senate administrative assistant acting in that capacity from 1973 through 1975 will have to make additional sworn statements in connection with its production.

In order to comply with the agreement that Mr. Kennedy made, I ask unanimous consent at this time that Senate Resolution 136 be agreed to.

Mr. ALLEN. Reserving the right to

Mr. METCALF. I so move.

Mr. ALLEN. Mr. President, I object. The ACTING PRESIDENT pro tempore. Does the Senator from Montana yield?

Mr. METCALF. I yield to the distinguished Senator from Alabama.

Mr. ALLEN. With the majority leader's permission, I would like to ask unanimous consent that we might have 15 minutes for a colloquy on this subject. It is a very important subject.

Mr. ROBERT C. BYRD. Mr. President, it is a subject that merits additional time. I certainly have no objection. I would ask that the time be equally divided between Mr. Allen and Mr. Metcalf.

Mr. METCALF. That is perfectly ac-

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I yield myself such time as I may require.

The ACTING PRESIDENT pro tempore. The clerk will report the resolution.

The legislative clerk read as follows: A resolution (S. Res. 136) relating to Common Cause against Ballar, et al.

The ACTING PRESIDENT pro tempore. The Senator from Alabama.

Mr. ALLEN. Mr. President, I yield myself such time as I may require.

Mr. President, first, I commend the distinguished Senator from Montana on a number of matters: first, on his introduction on yesterday of this resolution and his request that the matter be held over for 24 hours to give all Senators an opportunity to read the resolution and to study its implications on the performance of official duties by Senators. I wish to commend him also on the hard work he has done as chairman of the ad hoc committee working with the attorneys for the Senate in defense of the right of Senators to communicate with their constituents.

I commend the Senator further for the second paragraph of his resolution, wherein he states that:

The dissemination of information by a Senator to his constituency concerning legislation proposed or enacted by the Congress, the administration of such legislation by the executive branch, and the review of such matters by the courts is a part of the official business of a Senator under the Constitution of the United States.

I agree entirely with that recital in the resolution.

The substitute to which the distinguished Senator has alluded is a substitute by Common Cause in effect against the Senate itself, seeking to deprive the Members of the Senate of the privilege of using the frank in order to communicate with their constituents. There in the Democratic Conference, as I understood it, Mr. Kennedy, our distinguished attorney, was given one set of instructions, and we do not know what has been agreed to now.

I know in the Senator's statement of yesterday some of the material involved in the stipulation agreed to by Mr. Kennedy, subject to the consent of the Senate, is to be provided to the court in 2 weeks.

But no information here is given as to what information is to be furnished and, in all fairness, I think it might be advisable, since this is a matter of such great importance, not just to Senators but to all the people of the United States, to have the opportunity to be apprised by their duly elected representatives of what is going on here in Washington.

So I feel before this resolution giving the attorney carte blanche is adopted, that the matter ought to be referred to the Rules Committee and then have Mr. Kennedy come before the Rules Committee and state specifically what information is to be furnished and, possibly, the resolution might be slightly revised.

I have no objection to the thrust of what the Senator is seeking to do, but I do feel the attorney needs some sort of guidance as to the wishes of the Senate, and not to just turn him loose to act contrary to the instructions that were given him, as this Senator understands it, in the Democratic conference of some weeks

I understand that same attitude was taken by the other side of the aisle. He was given certain instructions, and it looks like now he is possibly departing from them.

I would like to see what agreement he made. We want to defend the right of the people to be informed; that is what we

are fighting for here, the right of the people to know.

It looks to me as if that right is sought to be destroyed in this suit, and I feel the Rules Committee, to which the resolution should be referred, should have the opportunity to see just what is going on before it gives its assent to the divulging of this information.

Mr. METCALF. I thank the Senator from Alabama. The Senator from Montana has insisted on the rights the Senator from Alabama has described. We prepared a detailed report on these rights, in the Ad Hoc Committee on Legislative Immunity, which was printed as a Senate Document on March 28.

Mr. ALLEN. Yes.

Mr. METCALF. Nevertheless, Mr. Kennedy, our counsel, made a commitment yesterday to the court. It was not a commitment that was agreed to either in our conference or by any member of the ad hoc committee, but it was a commitment, and I felt that, in fairness to him, in fairness to the court and in fairness to the Senate, I should submit this resolution. At the same time I did not ask for unanimous consent for its immediate consideration yesterday.

Mr. ALLEN. I think the Senator is

exactly right.

Mr. METCALF. I tried to describe just exactly what the issue is and advised the Senate I was going to call this resolu-

tion up today.

I certainly would like to appear before the Rules Committee and testify. just as I would like to have Mr. Kennedy testify, and I think some other members of the ad hoc committee feel the same way.

Obviously, if the resolution goes to the Rules Committee, we cannot meet the 2-week deadline agreed to by Mr. Kennedy for some of the material involved.

I am not committed to that deadline, the Senator from Alabama is not committed to the 2-week deadline, and certainly we can go back to the court, after a hearing in the Rules Committee, and explain the parliamentary situation.

Mr. ALLEN. I do not take issue with one single thing the distinguished Senator has done. I think he has acted entirely properly and forthrightly, and I say again I appreciate his asking that this resolution be held over because it could easily have been passed on yesterday if the distinguished Senator-

Mr. METCALF. I was the only Sena-

tor on the floor.

Mr. ALLEN. That was indeed a highminded approach to this problem. I think this matter might possibly be resolved before the Rules Committee.

I think it might be well for a representative of Common Cause to be there and to testify, and if the attorney is there possibly an agreement could be reached before the committee as to what he wanted and what could be furnished.

But I think it is most important that the Members of the Senate, for the sake of their constituents, preserve the right of Senators to communicate with their constituents because I believe the people have a right to know, and I know that is exactly the attitude of the Senator from

Mr. METCALF. There is no more basic responsibility under the Constitution of the United States than that we communicate with our constituents.

Mr. ALLEN. Yes.

I commend the Senator for what he has done, and I respectfully request that he agree and that unanimous consent be obtained that the resolution go to the Rules Committee.

Mr. METCALF. As I understand it, the Senator from Alabama objects to my taking that matter up immediately.

Mr. ALLEN. I do not object, because if I objected the matter would come over under the rule, which we do not want. I think it ought to go to the Rules Committee for serious consideration.

So I request the distinguished Senator allow me then to request that the resolution be referred to the Rules Committee.

The ACTING PRESIDENT pro tempore. It there objection? The Chair hears none, and it is so ordered.

Mr. ALLEN. I thank the distinguished Senator for his fairminded attitude.

Mr. METCALF. I thank the distinguished Senator.

NOMINATION OF PETER F. FLAH-ERTY TO BE DEPUTY ATTORNEY GENERAL-EXECUTIVE SESSION

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now go into executive session to consider the nomination of Peter F. Flaherty, to be Deputy Attorney General. The clerk will report.

The second assistant legislative clerk read the nomination of Peter F. Flaherty, of Pennsylvania, to be Deputy At-

torney General.

The ACTING PRESIDENT pro tempore. Time for debate on this nomination is limited to 2 hours to be equally divided and controlled by the Senator from Mississippi (Mr. Eastland) and the Senator from South Carolina (Mr. THURMOND).

Who yields time?

Mr. EASTLAND. Mr. President, I yield myself 3 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Mississippi.

Mr. EASTLAND. Mr. President, I rise in support of the nomination of Peter F. Flaherty to be Deputy Attorney General of the United States.

Last week, the Committee on the Judiciary voted, with only one "no" vote, to report this nomination favorably to the Senate. This vote followed 2 days of thorough hearings on the nomination during which some two dozen witnesses were heard.

The determination of the committee was reached upon the basis of the record established during these hearings. The testimony and documents received during the hearings dealt extensively with the professional and personal qualifications of the nominee, highlighting his performance as a public servant, first as an assistant district attorney and later as mayor of Pittsburgh. The record clearly establishes that Mr. Flaherty is extremely well qualified to be Deputy Attorney General.

The nominee, an honor graduate of

the Notre Dame University Law School, has had a fine career as an attorney. Following 5 years of private practice, he served as assistant district attorney for Allegheny County, Pa. He later served for 4 years as a councilman in Pittsburgh and was first elected mayor of that city in 1970. He is currently serving his second term in that office, having been reelected in 1973 after winning the primary nominations of both the Democratic and Republican parties.

The record well indicates Mr. Flaherty's competence as an attorney and trial lawyer. His tenure as mayor was distingiushed by his administrative ability in managing one of this country's major cities. It was marked by his effective battle against waste and inefficiency in city government. In contrast to the financial problems that have plagued other cities, Mr. Flaherty has been able to keep Pittsburgh in top financial shape without increases in taxes.

More important, Mr. President, is the evidence that these administrative skills are matched by Mr. Flaherty's skill in balancing fairly and compassionately the human rights and interests of the many ethnic and racial elements of his city.

Despite Mr. Flaherty's fine private and public record, some opposition has been voiced to his nomination for this particular post. There has been no serious question as to the nominee's ethical or professional credentials.

Rather the few critics of this nomination indicate that their reservations are based upon Mr. Flaherty's lack of total commitment to the busing of children for the purpose of achieving racial balance in the public schools and upon their perception that as mayor he failed to fully implement policies of minority employment in his city.

Mayor Flaherty was accused of openly advocating the defiance of an order to desegregate the Pittsburgh schools. This order was issued by the State Human Rights Commission to the Pittsburgh Board of Education. Whether the commission had the authorty to issue and enforce such an order is still being litigated in the Pennsylvania courts.

Mayor Flaherty appeared before the Pittsburgh Board of Education not to advocate disobedience to the order, but rather to express his support for plans which did not involve massive busing of students to achieve racial balance. He stated at that time:

There was no question in the meeting as to whether or not we were going to comply. We know we have to comply with the Human Relations order on school desegregation. The matter is, what plan or plans should be accepted.

Mr. President, Mayor Flaherty proposed lawful alternative plans involving magnet schools which would keep the emphasis on the neighborhood school and not involve massive busing of stu-

Marianna Olson, member of the national board of directors and vice president of the Pittsburgh Chapter of Americans for Democratic Action, testified that the ADA board members had carefully reviewed Mayor Flaherty's statement before the Pittsburgh Board of Education and found it did not advocate disobedience of the law.

Specifically in regard to the issue of busing, Mr. Flaherty indicated that he has:

always believed in and supported the neighborhood school concept. I do believe that in order to achieve school desegregation we have to be creative. I have favored the magnet school as one alternative. . . I believe that at times busing does get counterproductive. . . I have expressed those concerns for massive forced busing.

Mr. Flaherty further noted:

In the City of Pittsburgh, which is 22 percent black, we are a city of over 29 different ethnic groups. While I have concerns about massive forced busing, I still recognize that the law on busing and on school desegregation is still evolving.

Perhaps most significant of the nominee's thoughts regarding this evolution of the law, Mr. President, was stated as:

I will obey the law and enforce the law regardless of what office I hold.

Mr. President, these few selections from the nominee's testimony indicate that he is a fair and reasonable man. The law regarding busing is evolving. The Committee on the Judiciary has on numerous occasions heard the pros and cons on the issue of massive busing, and highly respected experts have differed as to the best means to achieve full integration of our country's schools.

Questions were also raised concerning the area of minority hiring. These were fully answered by Mr. Strassburger, a deputy city solicitor of Pittsburgh and a professor of law at the University of Pittsburgh in the field of local government law.

He pointed out that Mr. Flaherty had always demonstrated an attitude of fairness toward all groups, and a special concern for rights of minorities. Any criticism of Mr. Flaherty is unfounded.

In fact, State statutes require the hiring by the city of Pittsburgh of the person scoring at the top of a civil service test. Mr. Flaherty tried to get as many minority personnel as possible into the uniformed services of the city. This testimony was reinforced by Mr. English, a member of the Pittsburgh Civil Service Commission. The U.S. district court, in fact, found that the city had undertaken an intensive recruitment campaign to encourage minorities to apply for positions as police officers. This resulted in a ratio of 27.5 percent minority group applicants-an excellent record in this regard.

But, because of practices in previous administrations, the court imposed a quota on police hiring. The city's law department advised that the chances of overturning that decision on appeal were good. However, Mayor Flaherty's response was not to appeal and to implement the directive of the court to meet the needs of the city in minority hiring. Further strides were made in this area in hiring of firefighters.

A charge was also made that Mayor Flaherty blocked the opening of a school being converted from a junior high school to a middle school. It was alleged that the school would have promoted school desegregation in Pittsburgh.

The answer to this is that the plan-

ning commission is an independent commission. The mayor appoints the members, and some are carryovers from previous terms. Mayor Flaherty did not meet with the commission, or with any commissioner, at any time on the Herron Hill School matter.

The commission approved many schools during Mayor Flaherty's administration, including one which would combine two schools, one black, one white. Others were also approved which had a racial mix.

The commission disapproved the Herron Hill School. Mayor Flaherty stated that his understanding was that the commission disapproved of the expansion of the school program because its study showed that the area was declining in population, and, especially important, in school population. The commission felt it would be a mistake to provide a large school where the population was declining. That, after all, is the function of planning commissions.

A letter from one of my esteemed colleagues on the committee has been circulated in opposition to this nomination. In addition to the matters which I have just addressed, the point was made that, as mayor, Mr. Flaherty was unwilling to meet with all groups, particularly minority groups. Mr. Flaherty stated that he had met with all groups, including women's groups and black groups. In addition Mayor Flaherty stated that he had met a number of times with the Reverend McIlvane, the witness who testified of this matter. The fact that there might have been times Reverend McIlvane wanted to meet and found it impossible is not surprising to me, or, I am sure, to anyone in this Chamber.

I believe a completed version of a quotation from the testimony, which has been circulated, would be enlightening

I do not expect to meet with a mayor or a governor every week. But there were times we wanted to meet with him and we found it impossible to do so. When a tension situation arose, he was willing to meet with civil rights groups. I think we could have headed off some of those tensions if there had been more frequent meetings with the mayor.

May I say that newspaper stories, and particularly editorials, which espouse a particular opinion, are not sufficient to rebut the evidence contained in the record. The opposition to Mayor Flaherty seems to be based to a great extent upon such articles. In fact, they simply wrongly characterize Mr. Flaherty's actions, based upon that newpaper's point of view at that time.

Mr. President, during the hearings the nominee expressed his awareness of the sensitivity of the position to which he has been nominated. He stated:

The Department of Justice should be ultimately and paramountly the representative of the people, the protector of their individual rights and liberties.

The Department of Justice should be a source of inspiration and hope for the people in their legal system.

From my perspective, both by listening to the man during hearings and examination of other testimony, I do not

believe that he will be one to shrink from doing his duty on this issue. Not only will he uphold the law of this land, but I believe that he will take the initiative to see that all possible means are explored to achieve the full enjoyment of rights of all Americans.

Mr. President, I strongly urge my colleagues to vote, without further delay, to confirm Mr. Flaherty as Deputy Attorney General of the United States.

The ACTING PRESIDENT pro tem-

pore. Who yields time?

Mr. METZENBAUM addressed the Chair.

The ACTING PRESIDENT pro tempore. Does the Senator from Mississippi yield time to the Senator from Ohio?

Mr. EASTLAND. I think his side should yield to him. How much time does the Senator want.

Mr. METZENBAUM. I do not have any time.

Mr. EASTLAND, I say, how much time does the Senator want?

Mr. METZENBAUM. Twenty minutes. Mr. EASTLAND. Who is to handle the time on the other side?

The ACTING PRESIDENT pro tempore. The time is under the control of the Senator from Mississippi and the Senator from South Carolina.

Mr. EASTLAND. I yield the Senator 20 minutes

Mr. METZENBAUM. Mr. President, I ask unanimous consent for the privilege of the floor for two of my staff assistants, Mary Jane Due and James Bildner.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, at this time I ask for a rollcall in connection with this nomination.

The ACTING PRESIDENT pro tempore. Is there a sufficient second?

There is not a sufficient second at this time.

The yeas and nays were not ordered.

Mr. METZENBAUM. Mr. President, I rise today to express opposition to the confirmation of Peter Flaherty to the position of Deputy Attorney General of the United States, the second highest position in the Justice Department. Quite frankly, I do so with great reluctance.

During 5½ hours of testimony before the Judiciary Committee, I had an opportunity to question and examine Mr. Flaherty, and his record, at some length. While I found him to be a man of esteemed character and an able attorney, some of his actions as mayor of Pittsburgh raise serious questions concerning his confirmation.

Specifically, three areas of the mayor's record disturb me-first, Mr. Flaherty, as mayor, displayed an unwillingness to meet with women's, religious, and minority groups-second, the mayor's hiring practices were so discriminatory that minority and civil rights groups needed to resort to Federal district court to get an order to force him to hire more women and minorities on the police force-and finally, the most serious objection of mine concerns statements made by the mayor advocating defiance of the law. While I expect that Mr. Flaherty will be confirmed by this body, Mr. President, I feel it important that my colleagues understand the nature of my concerns. Mr. President, testimony has been presented to the Judiciary Committee which indicated that Mr. Flaherty has been unwilling to meet with women, religious, human relations organizations, and minority groups during his tenure as mayor. It seems that on more than a few occasions, the mayor was unavailable to meet with those who sought to discuss community problems with him. Reverend McIlvane, a Catholic pastor representing the Pittsburgh area religious and race council, testified that his group—

... never had a formal meeting with the mayor . . . there were times we wanted to meet with him and found it impossible to do so . . .

Reverend McIlvane was not alone in his criticism. The president of the Pittsburgh Chapter of the NAACP and a representative of women's groups in Pittsburgh echoed this same sentiment.

The Attorney General, Griffin Bell, in his confirmation hearings before the Judiciary Committee, indicated that he would actively seek to make the Department of Justice an open one—accessible to all people. Mr. Flaherty's actions suggest an indifference to this kind of commitment and an insensitivity to the special needs of minority groups.

Even stronger evidence of the mayor's inability to work with minority groups can be found in the hiring practices of the police force between 1970 and 1975. During this period of 5 years, no blacks or females were hired on the police force, and yet 25 white males were hired-despite the mayor's awareness of the need to balance the police force. This hiring record was finally challenged in the district court by the State attorney general, the Fraternal Order of Police, the NAACP, and the National Organization of Women. And in that case the court ordered the mayor to add more women and blacks to the police force, which he promptly thereafter did.

Members of the Senate, that is not the issue. The issue is not a question of busing. The issue is not a question of integrated schools. The issue is whether or not Mr. Flaherty, up for confirmation to the second highest position in the Department of Justice, in acting as mayor urged the defiance of the law.

Mr. President, these actions disturb me very much—but by themselves, they would not necessarily lead me to vote against Mr. Flaherty. There is, however, evidence of conduct by the mayor which simply cannot be condoned.

No principle is more basic to our system of government than the idea that no person—government official or private citizen—may defy the law. Yet, evidence adduced during the course of the Judiciary Committee hearings satisfied me that Mr. Flaherty took a contrary position. There will be those who might attempt to confuse this issue with that of busing and integrated schools.

Let me briefly review the facts. In 1972, the State Commission on Human Relations ordered the Pittsburgh School Board to develop a comprehensive plan to integrate the schools. The order did not mention busing. Following this order,

Mr. Flaherty, at his own request, inserted himself into the matter. Never before had the mayor of Pittsburgh appeared before the school board. But Mr. Flaherty asked for time to appear. On that occasion, he urged the board, according to newspaper reports, to "defy State orders which would require forced busing to improve racial balance" though no specific plan—busing or otherwise—had as yet been formalized. In his talk to the board, the mayor told them that:

This order cannot be enforced. Don't believe that it can be enforced when the community is against it... You cannot be forced to carry out that which cannot be carried out.

Mr. President, this kind of statement implies that the test of a law is whether a specific community is for or against it—and implies a right in every public official to make his own evaluation of the community's attitudes before complying with a law. Such a posture is completely inconsistent with the role of a public official, and especially one who is being considered for the No. 2 law enforcement position in the Justice Department.

Mr. Flaherty did not take this position on only one occasion. He did so on more than one occasion. Five days after his first appearance before the school board, he appeared at a public meeting, and at that time he urged the school board to defy the integration now plans ordered by the State Human Relations Commission. At that time he told the board members:

You are not under a clear-cut mandate from the courts to bus.

He was correct on two counts: There was no mandate to bus. It was only an order of the Human Relations Commission to develop a plan to integrate the schools; and second, there had been no court order. But it was a legal commission order.

In response to the mayor's actions, an editorial appeared in the Pittsburgh Post-Gazette which stated that:

Mayor Flaherty has as much right as any other citizen to speak out in the school busing controversy. But it is most unbecoming for him or any responsible citizen to advocate defiance of law.

The Post-Gazette editorial went on to distinguish Mr. Flaherty's positions from those of another public official in Pittsburgh who expressed the same opposition as Mr. Flaherty, but who advocated a lawful means of proceeding. Even the editorial used the word "busing," but as of that time there still was no order for busing, and I do not know if there is as of this moment.

The editorial stated that:

We aren't sure how the problem is to be solved, but it's fairly clear that it won't be solved in an atmosphere of turmoil and civil disobedience. On the contrary, it will only get worse

Mr. Flaherty did not attempt to ameliorate this situation, nor did he attempt to clarify whether he was advocating defiance of the law—though repeated newspaper stories continued to use the same language.

Mr. Flaherty suggested at the hearing

that he never did advocate defiance of the law. Two newspaper stories reported it that way. One newspaper editorial and a telegram received by some of us from the lady who was president of the school board at that time interpreted that as being exactly his position. I have in my hand a copy of that telegram, in which Mrs. Gladys B. McNairy states:

I was President of the Pittsburgh Public School Board November 1972, when Mayor Pete Flaherty demanded that we defy the order of the Pennsylvania Human Relations Commission to submit a comprehensive plan for school desegregation after several years of vacillation.

She goes on to say:

It troubles me to have an official second in command to the Attorney General in office that demands compliance to the laws of our country.

If in fact he did not advocate defiance of the law, as he now claims, the very least he should have done—as the mayor of the city—would have been to clarify his public posture. That he did not do.

That he did not do; and, to the best of my knowledge, the first time that he indicated that he had not advocated defiance of the law was when he appeared before the Committee on the Judiciary which raised this issue.

Mr. President, I am not talking about a simple mistake or an oversight by Mr. Flaherty. Every American, whether a public official or not, has an obligation to abide by the law. No American, regardless of his position or his views, has the right to advocate defiance of the law.

For these reasons, Mr. President, I intend to vote against the confirmation of Mr. Flaherty. It is my sincere hope that my vote of protest against his confirmation will make Mr. Flaherty sensitive to some of the concerns that have been expressed during his confirmation hearings and alert him to his responsibility to advocate conformity with the law—whether or not he personally agrees with it.

The PRESIDING OFFICER. Who

Mr. HATCH, Mr. President, I yield 10 minutes to the distinguished Senator from Massachusetts.

Mr. BROOKE. Mr. President, I thank the distinguished Senator from Utah for yielding time.

Mr. President, last week, for the second time in less than 3 months, I found it necessary to put a hold on a presidential nomination to the Department of Justice. As with the nomination of Griffin Bell, my reason for holding up the nomination of Peter Flaherty was not based on opposition to his confirmation. Rather, it was because once again I believed that the Senate was being asked to vote on an important nomination without having had an opportunity to study the record of the nominee.

I was first informed last-Wednesday evening that there would be a vote on the Flaherty nomination within a day or two. I immediately inquired whether the Senate Judiciary Committee had issued a report on the nomination. To my astonishment I was told that there would be no committee report. I then asked whether there was a published

transcript of the hearing record. The answer was yes, but the transcript was

not yet available.

Mr. President, I had hoped that after the debate on the confirmation of Griffin Bell, the Senate would take its constitutional responsibility of "advice and consent" more seriously. But, regrettably, it appears that this is not so. For once again there has been an attempt to rush a controversial nomination through the Senate without proper procedural safeguards.

We cannot allow such senatorial complacency. When there are questions raised about a nominee, there should be a committee report. How else can Sena-tors who are not on the committee conducting the hearings make a reasoned decision on the nomination. Reports give us the thrust and spirit of the hearings. Reports deal with the questions that were asked of the nominee. And reports can indicate the weight the committee gave to the evidence which was presented to it. Not to have a report on such a nomination is a disservice to the country, to the nominee and to the

In the future, we must demand a report. And we must demand that every Senator have an opportunity to read and study that report, and all other available material on the nomination. To do less is to fail to meet our con-

stitutional duties.

Having read the transcript of the Judiciary Committee hearings over the weekend, I have serious reservations about the civil rights record of Peter Flaherty when he was mayor of Pittsburgh. Sadly, at a time when the city of Pittsburgh needed progressive leadership on the issue of school desegregation, Mr. Flaherty provided none. Instead he vielded to the temptation of resorting to antibusing rhetoric. It is an illustrative example of the failure of our leaders to lead.

However, the critical issue before the Senate Judiciary Committee was not whether Peter Flaherty was for or against busing to achieve desegregation. Rather it was whether Peter Flaherty defied or advocated defiance of a lawful order to desegregate the Pittsburgh

school system.

Let us review the record on this issue. In 1967 the Pennsylvania Supreme Court held that the State Human Relations Commission had the authority to require schools in the State of Pennsylvania to desegregate.

In June of 1971, the Commission, after a year of trying to secure by reconciliation and persuasion a desegregation plan for Pittsburgh, issued an order that the Pittsburgh schools be desegregated within a 3-year period. The Pittsburgh Board of Education appealed this order to the Commonwealth Court of Pennsylvania.

While the court was considering this appeal, Mayor Flaherty appeared on May 16, 1972 at a public hearing before the Pittsburgh Board of Education. He urged rejection of "any school reorganization plan which would involve forced busing or the disruption of neighborhood schools."

Several months later, on August 17,

1972, the Commonwealth Court of Pennsylvania affirmed the order of the commission to desegregate the Pittsburgh schools. The school board did not appeal.

On November 15, 1972, Mayor Fla-herty, for the second time, testified at a school board hearing urging the rejec-

tion of any busing plan.

The testimony before the Senate Committee on the Judiciary regarding these events is not conclusive. On the one hand, we have respected leaders of the national and Pittsburgh NAACP stating that Mr. Flaherty, at these public hearings, urged defiance of the Human Relations Commission order to desegregate the Pittsburgh school system. Several stories appearing in the Pittsburgh press at that time support that view.

On the other hand, we have other respected members of the Pittsburgh community, including several black leaders and representatives of the Americans for Democratic Action, asserting that while Mr. Flaherty opposed busing, he never advocated defiance of the law. Indeed they maintain that he suggested alternative ways to desegre-

gate the schools.

Mr. Flaherty himself testified before the Committee on the Judiciary that he did not defy or advocate defiance of the law. And in a communication with me this morning, he stated that the press reports of his appearances before the Pittsburgh school board were inaccurate. He maintains that at those hearings, he did not urge defiance of the order to desegregate, but instead urged that the school board reject any proposed plan which would include forced busing.

After studying the record, it is not clear what the facts are. The record is, at best, murky. There are numerous examples of conflicting testimony. And, like the Griffin Bell hearings, key witnesses

were not called to testify.

Examining the hearing transcript underscores why it is so imperative that the committee prepare detailed reports on controversial nominations.

But we have no report. And we must now cast a vote without the benefit of the assistance such a report would give.

In my judgment, the available evidence does not support a sufficient case against the confirmation of Peter Flaherty. This does not mean that a good case cannot be made against his confirmation. However, as I have stated many times in the past, absent a clear demonstration of incompetence or lack of integrity, I believe that the President has a right to nominate those individuals who reflect his political, legal and philosophical views, even though I may personally disagree with those views. So, while I have serious doubts about the Flaherty nomination, I must, in this instance, give him and the President the benefit of these doubts.

I am also hopeful that the confirmation process has made Mr. Flaherty more sensitive to the issues which have been raised and that, as Deputy Attorney General, he will vigorously enforce the

Nation's civil rights laws.

Therefore, Mr. President, with reservations. I shall vote for the confirmation of Peter Flaherty to be Deputy Attorney

Mr. President, in conclusion, I commend the distinguished Senator from Ohio (Mr. METZENBAUM), who has taken the leadership in bringing this matter to the attention of the U.S. Senate. I think he has performed a great service to the Senate and to the American peo-

I am not a member of the Committee on the Judiciary, but I am a lawyer by training and I have served in my State as its attorney general. I try to be as objective as I possibly can in all cases. I put a hold, as I said, on this nomination because I wanted to read the Senate Judiciary report. There being no report, I was left with the next best evidence. That next best evidence happened to be the transcript.

That transcript was replete with omissions and inconsistencies. And it was apparent from reading the transcript that key witnesses were not called, witnesses who may have given us more enlightenment and more evidence which would have helped us make this difficult de-

Mr. President, the failure to compile more of an evidentiary record gives me nothing to base my opinion on other than what I have had before me. And in good conscience, I cannot vote against the confirmation of Peter Flaherty, though I disagree philosophically with him, though I disagree with the statements he made, and though I would have much preferred that the President appoint someone who had exercised moral and progressive leadership on the issue of school desegregation at a time when his own city of Pittsburgh was experiencing very troubling times.

Having said all that, Mr. President, I must conclude that I personally do not find sufficient evidence to vote against his confirmation. Therefore, I must reluctantly vote to confirm Peter Flaherty, with a prayer-yes, I say with a prayerthat he will see the wisdom of following the law of the United States of America as that law is written, regardless of his philosophical views; that he will do what is right and protect the civil rights and the civil liberties of all Americans.

Mr. MATHIAS. Will the Senator yield? The PRESIDING OFFICER (Mr. MAT-SUNAGA). The time of the Senator has

expired.

Mr. BROOKE, I ask for 2 more minutes to yield to the Senator from Maryland.

Mr. HATCH, I yield 2 more minutes. The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. MATHIAS. I thank the Senator from Massachusetts for the very careful analysis he has given to the Senate of his views on this nomination.

I say, first of all, that I think the Sen-

ator from Massachusetts has proven once again his own objectivity, his own very finely tuned sense of the processes of Government and politics in this country, his own very accurate scale of justice in coming, as he has, to this conclusion.

I am sure it would have been very easy for him to have read the most inflammatory headlines and have reached a judgment other than that judgment that he has just announced to the Senate. I am sure he could have done that and would not have had to apologize to anyone for having reached that conclusion. But, having weighed the evidence in the scales, he comes down on the side that a case has not been made which is sufficient to cause him to oppose this nomination.

I must say, Mr. President, that, as so often in the past, I find myself in agreement with the Senator from Massachusetts. If we were to take the worst construction of that episode in Pittsburgh, and a worst construction would be, to me, that the mayor of a great city had urged defiance of a lawful order of a legally constituted authority on any subject—busing or anything else; it would not matter what the subject was; the fact that he had urged defiance of a lawful order—then I do not think we could condone it.

Mr. Flaherty's testimony, however, is that that is not what he intended to do and opinions differ on this. But even, again, if it were true, we are not electing a President of the United States on this vote. We are not confirming the Attorney General of the United States. We are talking about confirmation of a Deputy Attorney General.

The President and the Attorney General are going to set the policy in the

Department of Justice.

I think, once again, they should be reminded that it is their policy that the country will look to and that we have to have confidence in the fact that their policy will be just.

I am sure that was in the mind of the Senator from Massachusetts in reaching this conclusion, that the responsible officials of this Government setting the policy for the whole Government are the President and the Attorney General.

During the confirmation hearings in the Judiciary Committee, I raised a number of questions with Mr. Flaherty, questions such as electronic surveillance without warrants in national security cases, questions of problems of juvenile delinquency, questions of the operation of the Law Enforcement Assistance Administration—the LEAA.

I think in all of these areas the record ought to be stronger than it is. But I will say this, at the conclusion of those hearings I had a personal conversation with Mr. Flaherty which I would like to put on record now in which he gave me assurance of his desire to strengthen that record, to reinforce that record by his

experience in the department.

I have to take those assurances at face value. I say to the Senator from Massachusetts, I say for the record and, therefore, to Mr. Flaherty, that we are taking those assurances at face value. We are going to put confidence in him, we are going to expect him to perform on those promises, and if he does I think the position that the Senator from Massachusetts has taken this afternoon will be proven to be the right decision.

I thank the Senator for yielding.

Mr. BROOKE. Mr. President, I say to my distinguished colleague from Maryland that I hope Mr. Flaherty will live

up to the assurances he gave to the distinguished Senator from Maryland.

I thank my colleague for, as usual, his very in depth and very wise statement. I am very grateful for what he has said in giving me further assurance that the decision I had personally arrived at is the right decision.

I thank my colleague.

Mr. METZENBAUM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient

The yeas and nays were ordered.

Mr. BIDEN. Mr. President, will the Senator yield me 10 minutes?

Mr. HATCH. I yield 10 minutes to the distinguished Senator from Delaware.

Mr. BIDEN. Mr. President, I rise today to urge this body to confirm Peter Flaherty to be Deputy Attorney General of the United States and, unlike my distinguished colleagues from both Massachusetts and Maryland, I do not do it at all reluctantly, I do it enthusiastically.

I have known Pete Flaherty for some time, Mr. President, and I feel that President Carter has made an excellent choice.

Pete Flaherty is tough, he is honest, he is a superb administrator, in addition to being a fine lawyer—he is an exceptionally fine lawyer.

Quite frankly, Mr. President, I was somewhat disappointed by the comments and the letter I received from one of my colleagues in which he expressed his strong opposition to Mr. Flaherty.

In that letter, the distinguished Senator from Ohio accepts, in my opinion, almost without reservations, the charges made by Mr. Flaherty's opponents at the Judiciary Committee's hearing on the nomination and I think tends to ignore Mr. Flaherty's sworn testimony in response to these charges.

Mr. President, I would like to set the record straight on this matter, or at least set it in the framework I think it is in.

The letter expresses three areas of concern about Mayor Flaherty's past record:

First. His unwillingness to meet with women's, religious and minority groups; Second. The need to obtain a Federal Court order to force him to hire men and women on the public force; and,

Third. Statements he made advocating defiance of the laws of the land.

I will now quote from the letter:

Testimony before the Judiciary Committee raised doubts about Mr. Flaherty's willingness to meet with all groups during his tenure as Mayor. On more than a few occasions, the Mayor was unavailable to meet with women and minority groups. When asked by the Committee whether he had even been able to meet with the Mayor, Rev. McIlvane, a Catholic pastor representing the Pittsburgh area religion and Race Council, responded:

"We never had a formal meeting with the Mayor. I do not expect to meet with the Mayor or governor every week, but there were times we wanted to meet with him and we found it impossible to do so . . ."

This sentiment was enhanced by the President of the Pittsburgh chapter of the

NAACP and a spokeswoman for women in Pittsburgh.

Mr. President, I must take sharp issue with this. First of all, we all know that being mayor of a big city is one of the most difficult and time-consuming jobs in the country. There is absolutely no possibility of satisfying even a small number of the requests for meetings with the mayor.

In reference to the comment that this sentiment was echoed by the president of the Pittsburgh chapter of the NAACP, I would like to make an important clarification for the record, by reading Mayor Flaherty's response to this charge during the hearing. Mr. Flaherty said:

Mr. Flaherty. I have had many meetings with the—as a matter of fact, the previous President of the NAACP—I know that the present Pittsburgh president is against me and just went into office in January. His name is Harvey Adams.

The preceding president, who was President of the NAACP for three or four years in the City of Pittsburgh was Leon Howard. I met with him many times. As a matter of fact, he has sent this committee a Mailgram supporting my nomination for this post; I received a copy of this letter. I hope you have received that communication. To answer your question more directly: yes, I met with Leon Howard many, many times while he was President of the NAACP. I met with many other black leaders as well. Being mayor of the city, I have met with black leaders many times during the course of my mayoralty.

Mr. President, in response to the charges by Rev. McIlvane and a women's group I would like to read from the testimony, Mayor Flaherty's response:

Mr. Flaherty. I have met with Reverend McIlvane a number of times, Senator. I do not recall how many. I have met with the NOW organization when they have requested meetings, which has not been often; I would have to say that. But I remember Reverend McIlvane making that statement to you yesterday. I have met with Reverend McIlvane on a number of occasions on different matters that came up in the city.

ters that came up in the city.
Senator METZENBAUM. Informal meetings in your office? That is, it was not just a formal—

Mr. Flaherty. Informal meetings; also, he was a model cities commissioner. I met with him on model cities business as well.

I know he was active in the model cities movement. I am not sure that he was a commissioner. I believe he was.

Mr. President, in response to the issue of hiring practices of the public force between 1970 and 1975, I would also like to read the questions and answers on this subject from the testimony.

When I took office in 1970, there was a list already published that had been administered through the preceding administration. As my previous safety director, John Bingler, testified yesterday, he hired the first 25 officers; they were all white. We had no other choice. That was the list that was handed to us that we inherited from the preceding administration.

At that point in time, I met with John Bingler and I said that we have to come up with a new test, one that will remove cultural bias from the city. I hired the most professional psychological testing group I could find in the City of Pittsburgh to devise a test to remove cultural bias. They did. They devised such a test to remove cultural bias.

We worked on it, I would say, at least a year

The Civil Service Commission worked on with this testing group so that police officers, men, women, minorities, would all have an equal chance at the test. In addition to that, we began a recruiting drive in the black community. We published ads in the black newspaper. We had ads over the predominantly black radio station.

Now, Mr. President, to the serious charge that Mayor Flaherty made advocating defiances of the law in regard to school desegregation order by the Pennsylvania Human Relations Commission. I would like to say this. In building this case, Senator METZENBAUM has relied on a news account of Mr. Flaherty's appearance before the Pittsburgh school board and a newspaper editorial, and has totally ignored Mayor Flaherty's sworn testimony on this issue.

Before I go further, I would like to point out I doubt whether there is a Senator in this room who would be willing to rely on the editorial judgment of the newspapers in his city in order to determine an accurate characterization of what he said. If that were the case, I know in my city I would be in serious, serious shape. But, thank God, that is not

the case.

Mr. President, I would like again to read the questions and answers from the testimony, at least some of the questions and answers, on this subject.

Senator METZENBAUM. Mayor, unquestionably, I am sure you recognize that the most serious charge made against you yesterday has to do with the fact that you are to be the second highest official in the Department of Justice.

A newspaper story reports that "Mayor Peter Flaherty last night urged the Pittsburgh Board of Public Education to defy orders which would require forced school busing to improve racial balance.'

Your quote apparently-and I ask you if it is a correct quote-"this order cannot be enforced. Don't believe that it can be enforced when the community is against it. You cannot be forced to carry out that which cannot be carried out."

Now, at that point, there really had been no busing order. All there had been was an

order to develop a plan to integrate the schools. But whether there had or there had not really is quite immaterial to the question of whether or not-at least to me in this hearing-you advocated defiance of a legal order of a state body.

I think that is very relevant.

Mr. FLAHERTY. I did not advocate defiance, and I have heard the word here. I believe that such words are really an editorial assessment of my views in opposition to busing at the meeting that I attended.

As I understand the Human Relations order, it was an order by an administrative agency that the City of Pittsburgh, within a certain time frame, come up with a plan for school desegregation. When I appeared at the meeting, the question before the city school board was not whether they should comply or not comply with the order. The question was only how are we going to comply with the order of school desegregation.

There were a number of plans being discussed. They followed basically two patterns. One was the plan or plans for massive busing across town. The second group of plans was for alternate plans, plans that would provide for magnet schools or other measures.

I testified that I thought busing would be counterproductive. I did not support the plan or plans which favored the massive busing, which favored disbanding the neighbor-

hood school concept. I favored that we look into other alternatives and suggested that other alternatives be explored. I never used the word "defy."

There was no question in the meeting as to whether or not we were going to comply. We know we have to comply with the Human Relations order on school desegregation. The matter is, what plan or plans should be accepted.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. BIDEN. Will the Senator yield 5 additional minutes or can I seek 5 minutes from the majority, since we have not used that time, since I happen to be in the majority?

Mr. THURMOND. On behalf of the Senator from Mississippi I yield 5 minutes on his time. We are short on our

Mr. BIDEN. I thank the Senator very much. I appreciate his yielding.

The PRESIDING OFFICER. The Senator from Delaware is recognized for an additional 5 minutes.

Mr. BIDEN. I am still quoting:

Senator METZENBAUM. Mayor, I have difficulty in following what you are saying because there is no public evidence that you were advocating a solution other than bus-ing. As a matter of fact, there is an editorial which reads as follows:

"Mayor Flaherty has as much right as any other citizen to speak out in the school busing controversy, but it is most unbecoming for him or any responsible citizen to advocate defiance of law. That attitude is responsible for much of the social unrest that has torn this country in recent years." I skip a

"We are not sure how the problem is to be solved, but it is fairly clear that it won't be solved in an atmosphere of turmoil and civil disobedience. On the contrary, it will only get worse. The best course to a solution of this agonizing problem is the orderly path of litigation either to enforce the laws or, if they are too onerous, to change them; but not to make a mockery of them."

Then it goes on to say, "While a short-term solution to the integration problem

continues to be divisive and elusive, it seems to us that County Commissioner Thomas J. Forster, who is also against compulsory busing to achieve integration, is on the right

track to a long-term solution.'

I am having difficulty because you are saving that the NAACP could have as many meetings as they wanted; they say they never could have meetings. You are saying that you did not urge defiance of the law; the newspaper quotes it and then writes an editorial and compares you to another person, who is also against busing, but takes a different approach.

There were other articles in the paper which say, "Pete renews attack as busing" it goes on.

The concern I have is that it is the responsibility of the Department of Justice to enforce the law of the land as interpreted by the courts and legislated by Congress

It concerns me as to whether or not there is evidence in your background that indicates that when it would be politically expedient to do so or perhaps a matter of conviction and conscience, that you were pre-pared to stand before a crowd and urge either defiance or, if that be the inappropriate word to use, use your own languagewhich I do not understand you to disavow as being a direct quote of yours as contained in the story and as I read it to you before. That does concern me.

Mr. FLAHERTY. Senator, I can only say that I did oppose busing. There is no way that I could go before the school board as mayor of the City of Pittsburgh and that not be a story.

The character of my opposition may be charged as defiant, but I assure you that I at no time would urge anyone to defy the whether I agreed or disagreed whether I was in public office or out of public office. My record shows that I obey the law and that I enforce the laws equally.

I can assure you that I would not urge anyone to defy the law of the land.

Mr. President, I ask unanimous consent at this point to have printed in the RECORD the prepared statement dated Tuesday, May 16, 1972, a statement by Mayor Pete Flaherty, at a public hearing, Pittsburgh Board of Education.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY MAYOR PETE FLAHERTY

Three years ago before I entered the Mayor's Office I made it clear at that time that I was opposed to the use of forced busing. Six months ago I met with the Student editors from the Pittsburgh High Schools and advised them of my position. In recent weeks I have met with Mrs. McNairy and Dr. Kishkunas to express my views to them personally, and, on May 3, 1972, I wrote to each of you in order to express formally my conviction that any plan for forced busing would cause large numbers of parents to remove their children from the public schools or to leave the City of Pittsburgh. My letter also pointed out that the additional costs of a forced busing plan would come at a time when the people simply cannot afford further increases in their already excessive tax burden. For these reasons I urged you to reject any reorganization plan involving forced busing or the disruption of neighborhood schools

I realize full-well that the solution is not an easy one. But, despite the difficulties it to me that it would be unrealistic and short-sighted to take steps which would be counterproductive. Reorganization plans which would drive more people out of the City and out of the public school process are in the best interests of education. The end result of such action would be more

division rather than less.

The people of this City have made it clear that they want their neighborhood schools preserved and that they do not want to be forced to bus their children out of their neighborhoods. In many cases they have selected their homes and their neighborhoods because of the accessibility of schools. They and their children should not be penalized by having their own rights infringed upon. which parents have for their children and the natural concern of parents for the safety and well-being of their children cannot be overcome by any social reform, however appealing it may be philosophically. We govern with the consent of the governed and not in spite of them.

As we try to find acceptable solutions to the problems facing us, you should, I believe, continue to advance your primary purpose of providing education by rehabilitating and upgrading the neighborhood schools and by giving serious thought to the development of other magnet schools such as East Hills.

My task and yours should be to work for the continued viability of the City of Pittsburgh and to encourage people to remain To achieve these goals, it is essential that the City maintain a favorable educa-tional and tax climate. For these reasons, I urge you to reject any school reorganization plan which would involve forced busing or the disruption of neighborhood schools.

Mr. BIDEN. I will not read this statement in its entirety but only one paragraph:

As we try to find acceptable solutions to the problems facing us, you should, I believe, continue to advance your primary purpose of providing education by rehabilitating and upgrading the neighborhood schools and by giving serious thought to the development of other magnet schools such as East Hills.

Mr. President, in summary, I believe that Mayor Flaherty's record is an excellent one. And I respect the very strong feelings of the Senator from Ohio when he considers busing a civil rights matter—which I do not—and that he feels very, very strongly about Mr. Flaherty's not taking other action which he may have taken.

To the best of my knowledge, however, there is no evidence in the record, there is no evidence I heard in the portion of the hearings I attended, nor in the record which I reviewed, which comes up with a transcript or a quote that Mayor Flaherty in fact suggested that the law be defied.

I would further like to point out that I think that it is a very dangerous precedent for us to sit here and allow to go unresponded the comments by our colleagues that editorially characterize the activities or actions of a nominee or, for that matter, any one of us.

Quite frankly, I have a particular concern about this. I feel that if, in fact, the majority of our colleagues felt that, based on a record which only quotes an editorial and quotes unsubstantiated comments from members who testified before the committee who, in turn, relied upon editorial comment to back up their point, if we accept that as a basis to reject a man, I feel a bit in jeopardy, quite frankly. For example, in my particular case, in the city of Wilmington, Del., I think that I have a civil rights record of which I can be proud.

That is where I come from; that is the movement I come out of. I represented that spectrum as a defense lawyer. That is the civil rights area, and I am sure that before it is all over the newspaper—if the Senator will yield me 1 more minute—I am sure I would not like to rely on the characterizations of my opponents, and the editorial board of our major newspaper characteristically has been in that posture, to characterize how I articulated my objection to a very, very controversial social issue.

So, in conclusion, Mr. President, I urge all my colleagues to support Mayor Flaherty in his bid to become the No. 2 man in the Justice Department and to look at the entire record, look at his entire statement, his responses, and also his overall record as mayor of a large city.

I thank the Senator very much, and I thank him for yielding time.

Mr. THURMOND. Mr. President, I yield myself such time as I may require. The PRESIDING OFFICER (Mr. MATSUNAGA). The Senator from South Carolina is recognized.

Mr. THURMOND. I thank the Chair. Mr. President, I rise in support of the nomination of Peter F. Flaherty to the post of Deputy Attorney General.

Peter Flaherty was born June 24, 1924. He graduated from Allegheny High School in Pittsburgh, Pa., in 1941. Fol-

lowing graduation, he enlisted in the Air Force. During World War II he served as a navigator on a B-29 bomber in the South Pacific. While in service, he was awarded the Air Medal and two Bronze Battle Stars. Peter Flaherty was discharged from the service with the rank of captain in 1946. After his military service, he studied for 2 years at Carlow College in Pittsburgh before entering the Notre Dame Law School. An honor graduate of the Notre Dame Law School, he later was awarded a master's degree in public administration from the University of Pittsburgh in 1968. After graduation from the University of Notre Dame Law School in 1951, Peter Flaherty entered the private practice of law in Pittsburgh. He served later as an assistant district attorney in Allegheny County and prosecuted hundreds of cases. He has a solid background of broad experience in various facets of criminal justice. In 1966, Mr. Flaherty was elected to a 4-year term on the Pittsburgh city council. He was elected mayor of Pittsburgh in 1969. When he ran for a second term, he was nominated by both the Democratic and Republican Parties in the primary election. He is a board member of the U.S. Conference of Mayors-National League of Cities and is a former president of the Pennsylvania League of Cities. He has given most freely of his time in civic matters. Peter Flaherty has served as a member of the board of trustees, University of Pittsburgh, Duquesne University, Carnegie-Mellon University, and has assumed a leadership role in many civic organizations.

I have carefully reviewed the record of Peter F. Flaherty as a mayor, lawyer, and man. In addition to my own review, I have had the benefit of the views of his critics and supporters. In my opinion, Peter Flaherty will be an able Deputy Attorney General of the United States.

In the words of a Pittsburgh newspaper, Peter Francis Flaherty is "the most controversial, most enigmatic, most unpredictable, most independent, most hardheaded, most mysterious, most tightfisted, and most beloved mayor" in Pittsburgh's history.

A distinguished American had this to say of Peter Flaherty:

In Pittsburgh, a Democratic Councilman, Peter F. Flaherty, ran for Mayor in 1969 on a platform of introducing greater efficiency into city government, and he was elected. Almost at the start, he tried to eliminate feather-bedding in city jobs, and municipal employees went on strike. After two weeks, they came back to work, somewhat chastened. Even in that heavily-unionized city, he made it clear that it was the administration, not the unions—or, for that matter, business interests—that ran the government. During his four-year term, Flaherty trimmed the city payroll by 25 percent, mostly through attrition, and was able to replace deficit financing with balanced budgets, and even small surpluses.

Fred Gualtieri, speaking on behalf of the Boilermakers Union Local 154 of Pittsburgh, Pa., in a mailgram to me said:

I would like to support the confirmation of Peter Flaherty for Deputy Attorney General of the United States. It goes without saying that Peter Flaherty is sincere, honest, reliable, straightforward and has tremendous administrative ability. The perfect man has never been found, but Pete Flaherty comes closer to filling that bill than anyone else who has ever been appointed to that office. Washington's gain will be Pittsburgh's loss, but not all loss because the entire country will gain with Peter Flaherty in office as Deputy Attorney General of the United States.

Mayor Stanley M. Makowski of the city of Buffalo, N.Y., in a letter said:

Let me emphasize that I believe that Mayor Peter F. Flaherty is especially well-qualified to serve as Deputy Attorney General in President Carter's new administration. As someone who has worked with him at United States Conference of Mayors functions, I am pleased to declare that I have learned a great deal from this talented and skillful leader. It has also been an honor for me to have Mayor Flaherty visit Buffalo on several occasions. I want to stress that Pete Flaherty is a man of solid integrity who is deeply committed to the principles enumerated in our Constitution. I feel assured that the administration of justice will be entrusted to this fair and compassionate man.

I received mail not only from Pittsburgh, but many other areas of our country in support of Mayor Flaherty.

Mayor Flaherty seems to have broad support among all segments of the population, and in his hearing before the Committee on the Judiciary a statement was given by Samuel L. Evans, president of the American Foundation for Negro Affairs, accompanied by Andrew W. Swift. Mr. Evans said this:

Mr. Chairman, my name is Samuel L. Evans. I am President and National Chairman of the American Foundation for Negro Affairs. I am Chairman of the Family of Leaders in Pennsylvania, representing some 150 black leaders.

We are glad to come here today to speak on behalf of Mayor Flaherty.

Now, over on page 134 of the transcript, the statement continues, and I quote:

We give our unqualified endorsement to Mayor Flaherty because of his ability and strength to stand alone for his ideas, even against tremendous odds. We ask the committee to give Mayor Flaherty of Pittsburgh its unanimous vote for confirmation for U.S. Deputy Attorney General. We assure you that you will have the support of a large segment of Americans who voted for President Carter and who look to his leadership for the full implement of his program.

Mr. President, I could go on and quote many others on this nomination, but I will not take the time to do so.

I just want to say, in closing, in an era when many large cities have fallen into difficult financial straits, Pittsburgh, under the leadership of Peter Flaherty, has operated within the budget. This man has certainly demonstrated that he is a leader, a capable and determined administrator, and astute lawyer. I am convinced that Peter F. Flaherty will be a capable Deputy Attorney General. I believe he will do a good job for our country. Thus, I am happy to support his nomination.

Mr. President, I now yield to Senator HATCH such time as he requires.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. HATCH. I thank the Senator. I surely admire the statement made by the Senator from Massachusetts and I

admire him for his fair and, I think, considered stance in this matter.

I also appreciate the comments of Senator Mathias and, of course, Senator Eastland, Senator Thurmond, and Senator Biden.

Mr. President, I would like to speak in support of Peter Flaherty to be the Deputy Attorney General of the United States. I was born and raised in Pittsburgh and practiced law in Pittsburgh before moving to Utah. I have known Peter Flaherty for approximately 15 years.

As mayor of Pittsburgh for some 8 years he has had an excellent record for an incorruptible administration. The city he has managed has one of the lowest crime rates and one of the highest fiscal ratings in the Nation. As mayor, Pete Flaherty has brought blacks and minorities into the mainstream of government. The affirmative action plan in Pittsburgh has been cited as one of the finest in the United States.

Let me cite to you some of the testimony at his hearing where the Judiciary Committee approved him by a vote of 10 to 1, Mrs. Marianne Olsen a member of the National Board of the Americans for Democratic Action, and vice president of the Pittsburgh chapter, urged confirmation of Pete Flaherty in these words:

Pete Flaherty has pursued an active program of minority hiring and promotion in the city of Pittsburgh. Minority Groups formerly under-represented have moved into positions of influence. I cannot help but feel that this view is shared by the black community in Pittsburgh since Pete Flaherty always made strong showings in his elec tions, particularly in wards populated primarily by minorities. The Pittsburgh Chapter of Americans for Democratic Action was asked to take a stand in support of the NAACP's position. However, the Board of Di-rectors voted overwhelmingly not to support the NAACP in this matter. Some local attorneys who sit as ADA board members carefully reviewed Mayor Flaherty's statement before the Pittsburgh School Board and found that he did not advocate disobedience of the law. Instead they feel his statement proposed lawful alternatives for racial integration, such as management schools, which have worked successfully in Pittsburgh.

Other testimony recited that-

Mayor Flaherty deserves highest credit for his management of a city which Fortune Magazine recently called one of only two cities in the Northeast which is in excellent fiscal health.

Another witness stated:

He is a tough-thinking administrator who cuts to the heart of issues and is strong enough to withstand the pressures of special interest groups, no matter from what segment of the community they come. He has been willing to incur the wrath of groups—even his own police department—to do what he considered necessary and correct for the overall good.

Witnesses commended Pete Flaherty's administrative abilities saying that he has not bent under pressure when dealing with severe and taxing problems. He is a highly respected administrator.

Again on Pete Flaherty's civil rights record, I refer to testimony from Eugene Strassburger, a member of the Legal Committee of the American Civil Liber-

ties Union of Pittsburgh and of the Civil Rights Committee of the Pennsylvania Bar Association, a law professor, a man whom I know and whose family I know, an excellent person, a person who certainly would not testify in favor of Mayor Flaherty had he thought that Mayor Flaherty had a bad civil rights record. Mr. Strassburger stated that he has had a great deal of contact with Mayor Flaherty and found Pete Flaherty to be devoted to minority rights.

May I quote several statements made before the committee by Mr. Strassburger:

In all of his dealings with me, Mayor Flaherty has always exhibited an attitude of fairness toward all groups, as well as a special concern for the rights of minorities.

Let me give you several examples. First, there is the area of minority hiring. The city of Pittsburgh is governed by Pennsylvania civil service statutes that require the hiring of the individual scoring at the top of a civil service test. The Mayor's sworn duty is to uphold the law. Mayor Flaherty, through the Civil Service Commission he appointed, attempted to get as many minority personnel into the uniformed services of the city as possible. The United States District Court specifically found: We find that the Civil Service Commission in 1975 undertook an intensive recruitment campaign to encourage blacks and women to apply for a position as police officer. This was not only a highly commendable effort but it resulted in a ratio of 27.5 percent minority group applicants. This exceeds the ratio of blacks in the general population."

Finally, the charge has been made that the City Human Relations Commission has stagnated under Mayor Flaherty's leadership. That simply is not in accord with the facts

as I know them.

As an example, in 1973 I had the honor of representing the commission in the Supreme Court of the United States, and we were successful in requiring the Pittsburgh Press to end its sex-segregated want-ad columns. More than a dozen civil rights organizations and women's groups joined with us as amici curiae. This case set a precedent which was followed throughout the country. I think that the record clearly shows Mayor Flaherty's concern for minorities.

At the hearings we also heard from a black member of the Pittsburgh Civil Commission. Let me quote a new lines from his lengthy statement:

My name is Ed English. I am self-employed and also a member of a three-man Civil Service Commission for the City of Pittsburgh. Incidentally, I am a life member of the NAACP.

From my lowly position as a member of the Civil Service Commission for Pittsburgh, I think that the choice of Mayor Flaherty for Deputy Attorney General could not have been a better one. He is a man of integrity and honesty and will be a tremendous asset to that department. The Justice Department will gain, and Pittsburgh will lose a very good administrator.

Being a Civil Service Commissioner, I was pretty close to the action. I cannot single out a single discriminatory act in the city's hiring policies that came to that commission;

and, believe me, I was watching.

We have the first two black Directors of Departments; the first black Assistant Superintendent of Police; the first black Superintendent of a Bureau, the Bureau of Automative Equipment; the first black Deputy Fire Chief; the first black magistrate—when he accepted a higher-paying position outside city employment, he was replaced by a black; the first woman Director of Parks and Rec-

reation; the first woman Deputy Planning Director; the first woman Police Inspector; the first woman Assistant Executive Secretary to the Mayor; the first woman Consumer Advocate to be appointed is a woman; the first black woman Criminal Justice Planner.

A woman was Controller of the Model Cities Agency until she resigned in the fall of 1974 at her request because of pregnancy. The first woman as Chief Clerk to supervise the Municipal Court System was another; when she was promoted, she was replaced by a woman.

We had the first woman to be appointed Chief Clerk in the Departments of Supplies, Fire and Parks and Recreation. We had the first nine black women police officers and the first nine white women police officers. We had the first black woman Firefighter.

Mr. Flaherty himself testified under oath before the Judiciary Committee that he did not violate or defy the order of the Human Relations Commission. The word defy was never used by the mayor and appeared to be only a newspaper's characterization of the mayor's stated opposition to forced student busing. Mayor Flaherty advised the committee that the question before the school board was not whether they would desegregate the schools, but how. The school board meeting at which he testified in March 1972 was to discuss plans for desegregation and it is clear from the record that Mayor Flaherty did not urge disobedience, but in fact proposed lawful alternative plans.

As of this date, litigation is still pending before the Pennsylvania Supreme Court on the validity of the Human Relations Commission and its orders in school desegregation. It is also questionable whether there ever has been a final order by the Pennsylvania Human Relations Commission, because of the matter still pending on appeal before the Pennsylvania Supreme Court.

Finally, may I point out that although the incoming president of the Pittsburgh Chapter of the NAACP who just took office in January of this year opposed the Flaherty nomination, the past president of the NAACP in Pittsburgh, who served for several years while Pete Flaherty was mayor, indicated his support of Pete Flaherty as Deputy Attorney General and urged the Senate to approve Pete Flaherty.

I consider Pete Flaherty to be a talented and capable individual and suitably qualified to serve our Nation well as Deputy Attorney General, and I urge colleagues to confirm the nomination of Pete Flaherty for that position.

I might also add that Pete Flaherty is an excellent family man, he is a man of integrity, honesty, and decency, just the type of person we should have for Deputy Attorney General.

I cannot conceive of anything improper that Pete Flaherty would do as Deputy Attorney General. In fact, to the contrary. I would think he would be one of the fairest men in Government. He has been known as a worker, he is a worker, and he is a decent man.

So again I urge colleagues to confirm his nomination and I shall certainly vote for confirmation.

I thank the Chair.

Mr. METZENBAUM. Mr. President, on

behalf of Senator Eastland, I yield myself 8 minutes.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 8 min-

Mr. METZENBAUM. Mr. President, let us stipulate that Mr. Flaherty is a fine family man, he is a very decent human being, he is probably an able lawyer, and he did a good job as mayor of the city of Pittsburgh.

The major issue facing the Senate today, the one that I raise and consider to be the most relevant, has to do with the question of whether or not he did or did not advocate defiance of the law.

The distinguished Senator from Delaware made much of the fact that neither one would pay any attention to, nor any Member of the Senate wish to be judged on the basis of, editorials written in local newspapers. But that is not what the evidence is. The editorial had to do only with editorial comment, and the newspaper reports, which did not come from one newspaper but came from two separate newspapers in the city of Pittsburgh, both indicated without any equivocation that the mayor advocated defiance of the law.

Mr. HATCH. Mr. President, will the Senator yield for a question?

Mr. METZENBAUM. I will yield on the Senator's time, but not on mine.

Mr. HATCH. That will be fine.

Is it not true that, at least I heard while I was in the hearings of the Committee on the Judiciary, Mayor Flaherty denied that he defied the law or even indicated that he would defy the law, and is it not also true that a member of the Americans for Democratic Action came in and said that they reviewed the record and there was no evidence whatsoever that he had defied the law or urged defiance of the law? Is that not true?

Mr. METZENBAUM. Let me say that certainly Mayor Flaherty indicated that he did not urge defiance of the law before our committee, and there was some communication from the ADA, and the Senator from Utah is more familiar with the ADA communication than I am—but I did hear Mayor Flaherty's testimony.

Mr. HATCH. That is true, but I think the point that was made by the Senator from Delaware (Mr. BIDEN) was that he would hate to be judged by any newspaper report, because sometimes they are right and sometimes they are wrong. It was not just an editorial but newspaper reporting, especially when the man himself came in and said that he did not urge defiance of the law, did not participate in that way, and independent witnesses who examined the record confirmed it. And that is where I think the distinguished Senator from Ohio, who is my friend and for whom I have deep respect and regard, is wrong.

Mr. METZENBAUM. I will address myself further to that point.

I had one advantage over the other members of the committee in having been present at the hearings. Although Senator Harch was present at the hearing much of the time, I did have that advantage over the Senator from Delaware, and I would like to say to him

that there was more evidence than hearing the newspaper reports.

Mr. HATCH. But I think all the Senators, whether they were there or not, have read the record, and the record was somewhat deficient.

Mr. METZENBAUM. That is correct. Mr. President, may I return to my own time? I assume that the time for the inquiry was not deducted from my time, but from that allotted to Senator Thurmonn

The PRESIDING OFFICER. The Senator is correct.

Mr. METZENBAUM. It is not only what someone thinks he said, because what Mr. Flaherty was saying was interpreted by all those present as indicating defiance of the law. And certainly no less a person than the president of the school board sent a telegram indicating:

I was president of the Pittsburgh Public School Board November 1972 when Mayor Peter Flaherty demanded that we defy the order of the Pennsylvania Human Relations Commission to submit a comprehensive plan for school desegregation after several years of vaciliation.

She was there when the mayor appeared before them and did just that.

Maybe the mayor did not understand just what he was doing, but whether he did or did not, it is not always a question of what you or I do or say, it is a question of what people think we are doing or saying.

Mr. HATCH. Will the Senator yield further?

Mr. METZENBAUM, At the conclusion of my remarks, if I may, so I do not lose my train of thought.

Mr. HATCH. Fine.

Mr. METZENBAUM. I will be very happy to yield at the conclusion of my remarks.

The facts are that when you put together the witnesses who testified before us, and there were many of them, and when you put together the newspaper articles and reports, and when you put together with them the telegram from the lady who was chairman of the school board, and the mayor knew of all of these prominent stories indicating he was urging defiance, and yet in no instance did he ever say he was not urging defiance-let me read you that which he actually did say. The Senator from Delaware read one paragraph of his statement, but he failed to continue reading, because if he had, he would have read the last line, which said:

For these reasons, I urge you to reject any school reorganization plan which would involve forced busing or the disruption of neighborhood schools.

That is really what the issue is all about. There was no order for forced busing. All there was was an order to develop a plan to integrate the schools, and he was urging them to reject any plan that did not conform with what he felt should be the procedure.

The mayor also appeared before us, as read by the distinguished Senator from Delaware, and said that he was always willing to meet with all groups. The only trouble is that when all the groups appeared before our committee, as the

Senator well knows, he heard them use this kind of language:

Shortly after his election as Mayor for his first term, Mr. Flaherty met with the National Organization for Women and other groups at the request of these groups for the purpose of discussing the staffing of the police and other city departments. He never again met with these groups. He has refused every subsequent request by these groups for a meeting. He has initiated no meeting. Typicall, he does not reply to letters.

The fact is that whether he came before us and said he was willing to meet with groups or not, those who came before us testified he was unwilling to do so. The matter of the Catholic pastor from the Commission on Religion and Race, the spokesman for the NAACP, and the ladies from the NOW organization all bear that out.

When he said that there were 25 who were hired from the civil service list, and that was his only choice, that was not actually his only choice as to a matter of hiring blacks and women. The fact is he could have asked for another civil service list.

I think the real question still comes back to the basic one, and I understand full well the distinguished Senator from Maryland and the distinguished Senator from Massachusetts having concern with that which is in the Record, because you get a much more meaningful reaction when you are able to hear the witnesses, test their credibility, understand that which they are saying, and accept it as being credible and believable or not.

The question is whether Mayor Flaherty advocates defiance of the law. My opinion is that Mayor Flaherty will be confirmed here this afternoon by an overwhelming majority, because of a number of considerations, but I hope that this debate will serve to alert him to the concerns and sensitivity of many people in this country to the matter of complying with the law and advocating compliance with the law, to the need to bring blacks and women and other groups in under an open door policy. and to his own failure to hire blacks and women until he was ordered to do so by a Federal court order.

I am not going to keep Mayor Flaherty from being confirmed, but I hope I will make a better Deputy Attorney General out of him than he might otherwise have been. And I must say to the distinguished Senator from Maryland, who said, "It is not as if we were confirming an Attorney General or a President or a Vice President," that the Deputy Attorney General has full responsibility over all criminal actions, according to Attorney General Griffin Bell.

I think the position is significant. I think it is important, and I hope that Pete Flaherty will understand the need to be cognizant of his total responsibilities under the law.

Mr. THURMOND. Mr. President, I yield 2 minutes to the distinguished Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized for 2 minutes.

Mr. HATCH. Mr. President, I have deep respect for the Senator from Ohio (Mr. Metzenbaum), as I have indicated here today, but I do not think he has answered my questions.

The Senator has admitted that Pete Flaherty is a man of decency, honor,

and integrity, and so forth.

Mr. METZENBAUM. That is correct;

I agree to all that.

Mr. HATCH. The Senator agrees that he is. He came in and said he did not urge defiance of the law, although editorials and articles from the newspapers indicated that he had. If the choice were mine, I would tend to give him the benefit of the doubt.

In response to one question the Senator asked him, whether he would obey the laws of the land as Deputy Attorney General, here was his response:

Yes, Senator, I would enforce and obey the laws of the land, regardless of whether I had a personal view that would be different.

He made that clear—again, he is a man of decency, integrity, and honor.

I think we cannot ignore some of the most important testimony that was given. The Americans for Democratic Action did not want to support Peter Flaherty, but they had to come in themselves, after examining the record, and admit—

Mr. METZENBAUM. Mr. President, will the Senator yield?

Mr. HATCH. Yes.

Mr. METZENBAUM. Did a spokesman for Americans for Democratic Action appear before the committee?

Mr. HATCH. Yes; Marianne Olsen, a member of the national board.

Mr. METZENBAUM. I thought it was a letter.

Mr. HATCH. I understood she had appeared. Well, I am quoting from her letter, then

Mr. METZENBAUM. I know nothing at all about the lady, or her background, or what her relationship has been.

Mr. HATCH. This is a part of the record. What she says is that—

Pete Flaherty has pursued an active program of minority hiring and promotion in the city of Pittsburgh. Minority Groups formerly under-represented have moved into positions of influence. I cannot help but feel that this view is shared by the black community in Pittsburgh.

She goes on to say:

Some local attorneys who sit as ADA board members carefully reviewed Mayor Flaherty's statement before the Pittsburgh School Board and found that he did not advocate disobedience of the law.

I agree with the Senator from Ohio that he is a man of integrity, decency, and honor, a good family man, the type of man who would ordinarily make a good Assistant Attorney General. I think I would give him the benefit of the doubt on the questions the Senator raises.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HATCH. One more minute.

Mr. THURMOND. I yield the Senator 1 additional minute.

Mr. HATCH. I can appreciate the Senator's desire to put him on notice that he should advocate, and I agree with the position that he should advocate, as Deputy Attorney General, equal rights for all people, whether they be black, Spanish-American people, Latins, whatever or whoever they are. I agree that that is a noble aim on the Senator's part; but I would prefer and personally advocate that he deserves the benefit of the doubt.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. THURMOND. How much time does the Senator desire?

Mr. HUMPHREY. A couple of minutes would be very helpful.

Mr. THURMOND. I yield 2 minutes to the Senator.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 2 minutes.

Mr. HUMPHREY. Mr. President, I know Pete Flaherty for many years. Mr. Flaherty is a former mayor of Pittsburgh and is a longtime friend of mine. I have known him not only as a personal friend, but also as a public official.

I disagree with his stand on school desegregation, and he knows that. I expressed my concern about it at the time

of his action.

It should be noted-and it has been made clear in the record-that, as the mayor of the city of Pittsburgh, he did a great deal to bring minority representation into all of the city administrationthe police department, the public works department, and many other departments of Government. I do not have at my desk the material relating to Mr. Flaherty, but I can vouch for him as a public official and a lawyer and his sincerity in terms of civil rights. He is a remarkable, talented, gifted man, and he will make an excellent officer in the Department of Justice. He has qualities of fairness and decency about him that I think are much needed by our Govern-

I rise at this time, in these 2 minutes, to express my support for him even though one of my closest friends in this body is in opposition. I respect the Senator from Ohio deeply, but I have known Pete Flaherty since the 1960's. I have known him well, have campaigned with him, and I have worked with him. I have known him as mayor and have worked with him as mayor of the city of Pittsburgh. When I say "worked with him," I mean I have helped him on certain projects. I believe he is one of the outstanding citizens of our country.

Mr. JAVITS. Mr. President, will the Senator yield me 2 minutes?

Mr. THURMOND. I yield 2 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 2

Mr. JAVITS. Mr. President. I intend to vote for Peter Flaherty to be Deputy Attorney General in spite of some reservations

A question has been raised about whether Mr. Flaherty advocated defiance of an order of the Pennsylvania Human Relations Commission requiring desegregation of the Pittsburgh school system. Mr. Flaherty emphatically denied that he ever advocated defiance of an

order but just urged that busing not be included in any plan developed by the Pittsburgh school board. Newspaper stories indicated that Mr. Flaherty urged defiance of the order but witnesses called before the committee came down on both sides of the question. In short there is no clear record that Mr. Flaherty ever advocated defiance of the order of the State human relations commission.

I am concerned about Mr. Flaherty's attitude on school desegregation but that is not enough of a reason to oppose the President's nominee if he does not lack competence or integrity.

My office has been in contact with Mr. Flaherty and in addition to denying that he ever advocated defiance of any desegregation order he made several other statements relating to his conduct if confirmed as Deputy Attorney General.

confirmed as Deputy Attorney General.
First, in response to questions, Mr.
Flaherty stated that in cases where the
Justice Department intervened as amicus
curiae in school desegregation suits
which called for busing as a remedy for
unconstitutional segregation, he would
abide by the decision made by the Assistant Attorney General for Civil Rights
as to the Department's position and
would not attempt to use his office to
press his individual views on busing.

Second, in response to questions, Mr. Flaherty stated that in suits instituted by the Department of Justice to stop unconstitutional school segregation, even if the Department asked for a remedy which included busing, he would abide by the decision of the Assistant Attorney General for Civil Rights and would not use his position to press his views which are generally opposed to busing.

Finally, Mr. Flaherty stated that he would at all times vigorously enforce the law in all areas, including school desegregation, regardless of his personal views.

I expect that Mr. Flaherty will live up to these commitments and I hope that his actions will be monitored by the Senate

ADDITIONAL STATEMENTS SUBMITTED ON FLAHERTY NOMINATION

Mr. PROXMIRE. Mr. President, there is much in Mayor Flaherty's career as mayor which I warmly applaud. He has been a powerful and rare example of the political as well as economic wisdom of holding down spending. He has fought and beaten the spenders over and over again.

Mayor Flaherty also deserves cheers for his rugged independence, his insistence on being his own man. At one time or another he has alienated most of the powerful political and financial groups in Pittsburgh by telling them they cannot have their way, and insisting that the broad public interest and the broad taxpayer interest must be served.

But Mr. President, for this job—as No. 2 man in the Justice Department, Mayor Flaherty's background leaves more than a little to be desired.

His experience and background is not impressive. He did practice law for 5 years. He did serve as an assistant district attorney for a few years.

And, of course, he has been mayor of Pittsburgh since 1970. That is pretty thin background in a country that has scores of men and women who have served as State attorneys general, or who have won distinction over many years as brilliant practicing lawyers or who have achieved renown on the bench, or in the Justice Department itself.

Whenever a lawyer is nominated for any job in this Government that requires—not legal experience—but a particular kind of expertise—the approval is overwhelming in the Senate simply because they have been brilliant and successful lawyers. This has been true of each of the last three appointees as head of the Department of Housing and Urban Affairs, and the result has been a dismal failure of this Nation's housing and urban programs.

Any one of those three HUD Secretaries might have been far better qualified for the spot Mr. Fiaherty has been

nominated for than he is.

Mr. President, I am also concerned about Mayor Flaherty's insensitivity to minority rights, especially in a Department of Justice headed by Attorney General Bell whose zeal for equal justice for blacks is hard to discover without a microscope.

For blacks in this country—the Department of Justice should be an agency they can count on to go to fight and fight hard for the kind of justice the black man will only get with a struggle.

Neither Bell nor Flaherty's record indicate they will make that kind of fight.
And finally I join other Senators who are concerned with Mayor Flaherty's attitude toward obedience to the law.

Mayor Flaherty is reliably reported to have urged the school board in Pittsburgh to "defy State orders which would require forced busing to improve racial balance."

Mr. President, I happen to agree with Mayor Flaherty on busing. I have con-

sistently opposed it.

But I cannot vote to confirm for the
No. 2 job in the Justice Department a
mayor who has advocated legal disobe-

dience.

No citizen should ever voice such counsel in this democracy, where he has recourse to change an unjust law, and above all—above all—Mr. President, the No. 2 man in the Department of Justice of the United States should not be on record as having counseled against obeying the laws in this country.

I will vote against the nomination.

Mr. BAYH. Mr. President, I rise to voice my support of Peter Flaherty for the Office of Deputy Attorney General. I have listened carefully to the arguments presented by my colleagues who are prepared to oppose this nomination. Frankly, they voice some of the similar concerns which have crossed my mind during the hearings and during the period in which I have considered this nomination. I do not mean to make light of these considerations, nor to doubt the sincerity behind them. However, on reviewing the record and in determining the role Mr. Flaherty will be asked to fill by Attorney General Bell. It is my considered opinion he is well qualified to serve as Deputy Attorney General.

The matter which concerned me the most has been discussed earlier by those who oppose the nomination, thus, I will not dwell at length on this matter. The charges of lack of sensitivity on human rights and civil rights were foremost in my deliberations. I was particularly concerned about those charges which were leveled at Mayor Flaherty relative to his statements on the Pittsburgh school busing controversy.

could not support Mr. Flaherty if I felt that he had urged his constituents to ignore a court order. I could not support Mr. Flaherty if I felt he was insensitive in the area of civil rights. Needless to say, there is significant divergence of opinion in the record on both of these matters. I have studied the record carefully and believe that the assessment of the Pittsburgh Chapter of Americans for Democratic Action properly summarizes what I believe to be the facts in this matter. I ask unanimous consent to place a statement of Marian Olson which expresses the opinion of the Pittsburgh Chapter of Americans for Democratic Action in the RECORD.

The PRESIDING OFFICER. Without

objection, it is so ordered.
(See exhibit 1.)

Mr. BAYH. It is inconceivable to me that had Mayor Flaherty been guilty of these charges in this important area, that he would have received the support of an organization which so closely scrutinizes such matters throughout the country.

I think it is fair to say that Mayor Flaherty has significantly improved the participation of minority citizens in city government during his term as mayor. There are those who feel that more should have been done, but it is only fair to say that much progress has been made.

Perhaps most significantly of all, I feel that those who in all good conscience oppose the nomination have not addressed themselves to the primary responsibility which Mayor Flaherty will be asked to perform. It is clear from reviewing the testimony of the Attorney General that Flaherty's primary role will be that of an administrative officer. There can be little doubt that Mayor Flaherty has proven he is a good administrator. One might fairly suggest that Flaherty's record in certain areas is not as strong as one would like. Perhaps, he should have done a little more of "this" and a little less of "that." Perhaps he should have spoken out a little more vigorously "here" and been quiet "there." But Peter Flaherty ran a tight ship in Pittsburgh. He administered and managed the affairs of that city in a distinguished fashion. I think he has the qualifications to administer the Justice Department in that same fashion. Therefore, I intend to vote for the nominee.

EXHIBIT 1

STATEMENT OF MARIANNE OLSON
Mr. Chairman and members of the committee. Thank you for allowing me to appear before you today. I come here to urge you to confirm Pete Flaherty as Deputy Attorney General.

By way of introduction, let me state that I have long been concerned with the need for a government which is responsive to the needs of its citizens and I have had a lifelong devotion to the principles of human rights and civil rights.

I am a member of the National Board of Directors and Vice President of the Pittsburgh Chapter of Americans for Democratic Action. I am the former State Chairperson of the New Democratic Coalition of Pennsylvania and presently serve on the National Executive Board of the New Democratic Coalition. I have associated myself with these and similar groups because they give high priority to the goals and ideals which I share.

Honesty and integrity constitute the foundation from which all good government must start. Unfortunately in our community in recent years there have been a series of indictments and convictions of state and local officials of both political parties for various unlawful acts in the course of their official responsibilities. These indictments have confirmed many of the worst suspicions of members of the public of the way government was being operated. In the midst of this, the administration of the City of Pittsburgh stood as the one branch of government which was absolutely above reproach. Mayor Flaherty's administration would not bend the law or tolerate any bending of the law or favoritism in the enforcement laws of our city. Even those who politically opposed Mayor Flaherty can not deny that his reputation for honesty was totally unassailable. At a time in our country when locally and nationally elected officials, rather than enforcing the laws, appeared to be breaking them, Pete Flaherty's example was badly needed to retain confidence in government. This reputation for incorruptability bodes well for a man entering one of the highest law enforcement posts in the nation.

Since Mayor Flaherty's nomination there have been charges that he has a poor record on human rights issues. I have never observed the abrogation of the rights of any individuals or groups by Mayor Flaherty or his administration. I think his record denies this charge. Many elected officials mouth platitudes about their concern for minorities, but we find that rather, they speak much and do little. Pete Flaherty has quietly pursued an active program of minority hiring and promotion in the City of Pittsburgh. Groups formerly underrepresented have moved to positions of influence and power in city government.

I cannot help but feel that this view is shared by many members of the black community in Pittsburgh since the Mayor made a strong showing in wards populated primarily by minorities in his re-election against a strongly-funded candidate of the Democratic organization in 1973. The Pittsburgh Chapter of Americans for Democratic Action was asked to take a stand in support of the NAACP's position; and the Board of Directors voted overwhelmingly not to support the NAACP in this matter.

Some local attorneys who sit as ADA Board Members carefully reviewed Mayor Flaherty's statement before the Pittsburgh Board of Education and found it did not advocate disobedience of the law in their opinion. Instead, they feel his statement proposed lawful alternatives for racial integration such as magnet schools which have worked successfully in Pittsburgh. The decision of the Human Relations Commission to which Mayor Flaherty addressed himself was not a final decision and it is still being appealed in the Pennsylvania courts.

At a time when we decry the plight of large cities everywhere, and we call them inoperable and unmanageable, the City of Pitsburgh stands out as a good place to live; a city with a low crime rate, services which truly serve the people, and taxes which do not drive the average person to despair. Mayor Flaherty deserves highest credit for his management of a city which Fortune Magazine recently called one of only two

cities in the Northeast which is in excellent fiscal health.

He is a tough-thinking administrator who cuts to the heart of issues and is strong enough to withstand the pressures of special interest groups no matter from what segment of the community they come. He has been willing to incur the wrath of groups, even his own police department, to do what he considered necessary and correct for the overall good. He has not bent under pressure when dealing with severe and taxing problems. He is a highly respected administrator.

Because of his fairness to individuals and groups, his great integrity and his proven abilities as an administrator, I am sure he will serve our country well in the position to which President Carter has nominated him. I urge you to confirm Pete Flaherty as Deputy Attorney General of the United States.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a statement by Mr. Bentsen in support of Mayor Flaherty for the post of Deputy Attorney General be printed in the Record prior to the vote on the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT OF SENATOR LLOYD BENTSEN

I consider it a privilege to give my full and unequivocal support to the nomination of Mayor Pete Flaherty of Pittsburgh for the post of Deputy Attorney General.

I have known Mayor Flaherty for some time. My observations, and those of others who know him, attest to his unique blend of abilities and high qualifications for the post to which he has been appointed.

The position of Deputy Attorney General is special in that it requires exceptional honesty, a proven background in the law and the administrative ability to direct a large department.

Mayor Flaherty possesses these attributes. He has served as a lawyer and prosecutor, acquiring legal experience that is essential for his new post. As Mayor, he has been in court himself as plaintiff, often in consumer-oriented cases, and his legal background enabled him to actively participate in the direction of litigation. Equally important, there is no substitute for the administrative talents he has demonstrated during his highly regarded tenure as the chief executive of a major urban center.

The nominee before us has served his constituents well, winning support from all elements of the electorate, and governing with the competence and fairness that has led such a broad cross-section of respected witnesses to testify in his favor. He is responsible for a well-run city administration, one that was characterized by integrity of the highest order.

In the time I have known Pete Flaherty, I have found him consistent in his support of fair enforcement of the laws and obedience to them. He is strong in his belief that government should represent and interact with all citizens. He is willing to make the tough decisions, and he calls them as he sees them. No group has been excluded, none preferred. He is unyielding in his pursuit of the just and right decision, and he is sound in his judgments.

I join with the many citizens who believe that Mayor Flaherty will make an excellent Deputy Attorney General. I believe that the Senate will be justified in its confirmation of him. He will serve in the Justice Department with distinction, and I commend and support his nomination.

(This concludes additional statements submitted on the Flaherty nomination.)

Mr. THURMOND. Mr. President, if there is no objection, I thought we might

yield back the time on both sides. I yield back the time on my side, and I yield back the time on Senator Eastland's side, if there is no objection.

The PRESIDING OFFICER. All time

has been yielded back.

The question is: Will the Senate advise and consent to the nomination of Peter F. Flaherty, of Pennsylvania, to be Deputy Attorney General?

On this question the yeas and nays have been ordered, and the clerk will

call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the
Senator from Alaska (Mr. GRAVEL), the
Senator from Mississippi (Mr. STENNIS),
and the Senator from Colorado (Mr.
HASKELL) are necessarily absent.

I also announce that the Senators from South Dakota (Mr. McGovern and Mr. Abourezk) are absent on official business.

I also announce that the Senator from Texas (Mr. Bentsen) is absent due to illness in the family.

I further announce that, if present and voting, the Senator from Texas (Mr. BENTSEN) would vote "yea."

Mr. STEVENS. I announce that the Senator from Arizona (Mr. Goldwater), the Senator from Kansas (Mr. Pearson), and the Senator from Wyoming (Mr. Wallop) are necessarily absent.

The result was announced—yeas 87, nays 4, as follows:

[Rollcall Vote No. 99 Leg.] YEAS—87

Allen	Garn	Metcalf
Anderson	Glenn	Morgan
Baker	Griffin	Muskie
Bartlett	Hansen	Neison
Bayh	Hart	Nunn
Bellmon	Hatch	Packwood
Biden	Hatfield	Pell
Brooke	Hathaway	Percy
Bumpers	Hayakawa	Randolph
Burdick *	Heinz	Ribicoff
Byrd,	Helms	Roth
Harry F., Jr.	Hollings	Sarbanes
Byrd, Robert C	. Huddleston	Sasser
Cannon	Humphrey	Schmitt
Case	Inouye	Schweiker
Chafee	Jackson	Scott
Chiles	Javits	Sparkman
Church	Johnston	Stafford
Clark	Kennedy	Stevens
Cranston	Laxalt	Stevenson
Culver	Leahy	Stone
Curtis	Long	Talmadge
Danforth	Lugar	Thurmond
DeConcini	Magnuson	Tower
Dole	Mathias	Weicker
Domenici	Matsunaga	Williams
Durkin	McClellan	Young
Eagleton	McClure	Zorinsky
Eastland	McIntyre	
Ford	Melcher	
	NAYS-4	

Metzenbaum Proxmire Movnihan

NOT VOTING-

Abourezk Haskell
Bentsen McGovern
Goldwater Pearson
Gravel Stennis

Wallop

Riegle

So the nomination was confirmed.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Presi-

dent be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER (Mr. DE CONCINI). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, Mr. Bentsen is away from the Senate to-day due to illness in the family. If he had been present on the vote on the confirmation of Mr. Flaherty, he would have voted to confirm Mr. Flaherty.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without

objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, with no resolutions coming over under the rule.

The PRESIDING OFFICER. Without

objection, it is so ordered.

PRIVILEGE OF THE FLOOR— H.R. 1828

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that Roger Lamaster of my staff and Jim King of the staff of Senator Ford be granted privilege of the floor during consideration of H.R. 1828.

The PRESIDING OFFICER. Without

objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes today.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE RECEIVED DURING RECESS

ENROLLED BILLS SIGNED

A message from the House of Representatives received on April 5, 1977, during the recess under authority of the order of April 4, 1977, stated that the Speaker had signed the following enrolled bills:

H.R. 4800. An act to extend the Emergency Unemployment Compensation Act of 1974, and for other purposes.

S. 925. An act to provide temporary authorities to the Secretary of the Interior to facilitate emergency actions to mitigate the impacts of the 1976-77 drought.

S. 1025. An act to amend the Securities Exchange Act of 1934 to increase the amount authorized to be appropriated for the Securities and Exchange Commission for fiscal year 1977.

The enrolled bills were subsequently signed by the President pro tempore.

MESSAGE FROM THE HOUSE

At 4:09 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its clerks, announced that the House has agreed to the concurrent resolution (H. Con. Res. 186) providing for an adjournment of the House from April 6 to April 18, 1977, and a recess of the Senate from April 7 to April 18, 1977, in which it requests the concurrence of the Senate.

The message also announced that the House has passed the following bills in which it requests the concurrence of the

Senate:

H.R. 1680. An act to relieve taxpayers from liability with respect to certain underpayments of estimated tax, underwithholding, and interest on underpayments of tax attributable to the application to 1976 of the sick pay and other provisions of the Tax Reform Act of 1976;

H.R. 3695. An act to amend title 38 of the United States Code in order to revise and improve the program of making grants to the States for the construction, remodeling, or renovation of State home facilities for furnishing hospital, domiciliary, and nursing home care for eligible veterans, and for other purposes;

H.R. 5027. An act to amend title 38 of the United States Code to clarify the requirement that medical services be provided by the Veterans' Administration in certain

cases;

H.R. 5029. An act to amend title 38 of the United States Code in order to authorize contracts with the Republic of the Philippines for the provision of hospital care and medical services for Commonwealth Army veterans and new Philippine Scouts for service-connected disabilities; to authorize the continued maintenance of a Veterans' Administration office in the Republic of the Philippines; and for other purposes; and

H.R. 5502. An act to authorize supplemental appropriations during fiscal year 1977 for military construction and for operation and maintenance of family housing, and for other

purposes.

COMMUNICATIONS FROM EXECU-TIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated:

EC-1065. A letter from the Chairman of the District of Columbia Law Revision Commission transmitting, pursuant to law, the Second Annual Report of the District of Columbia Law Review Commission (with an accompanying report); to the Committee on Governmental Affairs.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions which were referred as indicated:

POM-123. Senate Concurrent Resolution No. 4043 adopted by the Legislative Assembly of the State of North Dakota requesting the Congress of the United States to adopt an amendment to the U.S. Constitution for ratification by the States which will guarantee the right of the unborn human to life throughout its intrauterine development subordinate only to saving the life of the mother, and will guarantee that no human life shall be denied protection of law or deprived of life on account of age, sickness, or condition of dependency; to the Committee on the Judiciary:

"SENATE CONCURRENT RESOLUTION No. 4043

"Whereas, 77 percent of those voting in the November 7, 1972, general election in North Dakota rejected abortion as an alternative to solving the problems of maternal and

prenatal and natal health; and

"Whereas, the United States Supreme Court on January 22, 1973, nullified the over-whelming decision of the North Dakota electorate to protect unborn human life by interpreting the United States Constitution in a way which allows the destruction of unborn human life to preserve the well-being of the pregnant woman; and

"Whereas, the sweeping judgment of the United States Supreme Court in the Texas and Georgia abortion cases is a flagrant rejection of the unborn child's right to life through the full nine-month gestation pe-

riod; and

"Whereas, human life in the womb is entitled to the protection of the laws which may not be abridged by act of any court or legislature or by any judicial interpretation of the Constitution of the United States;

Now, therefore, be it resolved by the Senate of the State of North Dakota, the House of Representatives concurring therein:

"That the Congress of the United States is hereby urged and requested to adopt a constitutional amendment that will guarantee the explicit protection of all unborn human life throughout its intrauterine development subordinate only to saving the life of the mother, and will guarantee that no human life shall be denied protection of law or deprived of life on account of age, sickness, or condition of dependency, and that Congress and the several states shall have power to enforce this article by appropriate legislation; and

"Be it further resolved, that copies of this resolution be forwarded by the Secretary of State to the North Dakota Congressional Delegation, the Secretary of the United States Senate, the Clerk of the United States House of Representatives, and the President of the United States."

POM-124. Senate No. 1271 adopted by the Legislature of the State of New Jersey to provide for the application by the State of New Jersey to the Congress of the United States for the calling of a convention for proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary:

"SENATE, No. 1271

"Be it enacted by the Senate and General Assembly of the State of New Jersey:

"1. The State of New Jersey hereby applies to the Congress of the United States of America under Article V of the United States Constitution to call a convention for proposing an amendment to the United States Constitution to do the following:

"a. With respect to the right to life guaranteed in the United States Constitution, provide that every human being subject to the jurisdiction of the United States or any state shall be deemed from the moment of fertilization to be a person and entitled to the right to life.

"b. Provide that Congress and the several states shall have concurrent powers to enforce such an amendment by appropriate legislation.

'The purpose of the Constitutional Con-

vention shall be to only consider the above and no other business.

"2. Copies of this act shall be sent to the legislatures of all the states, to the Clerk of the United States House of Representatives and to the Secretary of the Senate in Washington, D.C., requesting the several states to also pass an identical application to the United States Congress so as to meet the Constitutional requirements for application for such a convention by two-thirds of the states.

"3. This act shall take effect immediately. POM-125. Resolution No. 244 adopted by the county legislature of Suffolk County, N.Y., opposing the implementation of a proposal by the Corps of Engineers to designate an open water disposal site for dredged material in Western Long Island Sound.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STENNIS, from the Committee on Armed Services:

A special report entitled "Report on the Activities of the Committee on Armed Services, U.S. Senate, 94th Congress, 1st and 2d Sessions" (Rept. No. 95-85).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Commerce, Science, and Transportation:

Michael Pertschuk, of the District of Columbia, to be a Federal Trade Commissioner for the unexpired term of 7 years from September 26, 1970; and

Michael Pertschuk, of the District of Columbia, to be a Federal Trade Commissioner for the term of 7 years from September 26, 1977.

Joan Buckler Claybrook, of Maryland, to be Administrator of the National Highway Traffic Safety Administration.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. MAGNUSON. Mr. President, as in executive session, I also report favorably sundry nominations in the Coast Guard which have previously appeared in the Congressional Record and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators:

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of March 29, 1977, at the end of the Senate proceedings.)

By Mr. SPARKMAN, from the Committee

on Foreign Relations:

Donald F. McHenry, of Illinois, to be Deputy Representative of the United States of America in the Security Council of the United Nations, with the rank of Ambassador.

Richard N. Cooper, of Connecticut, to be Under Secretary of State for Economic Affairs.

Charles William Maynes, Jr., of New York, to be an Assistant Secretary of State.

Barbara M. Watson, of New York, to be Administrator, Bureau of Security and Consular Affairs, Department of State. James F. Leonard, Jr., of New York, to be the Deputy Representative of the United States of America to the United Nations, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H.R. 1680. An act to relieve taxpayers from liability with respect to certain underpayments of estimated tax, underwithholding, and interest on underpayments of tax attributable to the application to 1976 of the sick pay and other provisions of the Tax Reform Act of 1976; to the Committee on Pinance.

H.R. 3695. An act to amend title 38 of the United States Code in order to revise and improve the program of making grants to the States for the construction, remodeling, or renovation of State home facilities for furnishing hospital, domiciliary, and nursing home care for eligible veterans, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 5027. An act to amend title 38 of the United States Code to clarify the requirement that medical services be provided by the Veterans' Administration in certain cases; to the Committee on Veterans' Affelice.

H.R. 5029. An act to amend title 38 of the United States Code in order to authorize contracts with the Republic of the Philippines for the provision of hospital care and medical services for Commonwealth Army veterans and new Philippine Scouts for service-connected disabilities; to authorize the continued maintenance of a Veterans' Administration office in the Republic of the Philippines; and for other purposes; to the Committee on Veterans' Affairs.

H.R. 5502. An act to authorize supplemental appropriations during fiscal year 1977 for military construction and for operation and maintenance of family housing, and for other purposes; to the Committee on Armed Services.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that today, April 5, 1977, he presented to the President of the United States the following enrolled bills:

S. 925. An act to provide temporary authorities to the Secretary of the Interior to facilitate emergency actions to mitigate the impacts of the 1976-77 drought.

S. 1025. An act to amend the Securities Exchange Act of 1934 to increase the amount authorized to be appropriated for the Securities and Exchange Commission for fiscal year 1977.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and refered as indicated.

By Mr. MATHIAS: S. 1226. A bill for the relief of Patience Sabiti Mwine; to the Committee on the Judiciary. By Mr. McCLELLAN (for himself, Mr. Bumpers, Mr. Muskie, Mr. Spark-man, and Mr. Allen):

S. 1227. A bill to amend the Internal Revenue Code of 1954 to exempt certain corporations from the provisions requiring the accrual method of accounting for corporations engaged in farming; to the Committee on Finance.

By Mr. BROOKE (for himself, Mr. Javits, Mr. Bayh, Mr. Case, Mr. Gravel, Mr. Humphrey, Mr. Schweiker, and Mr. Williams):
S. 1228. A bill to amend the Small Busi-

S. 1228. A bill to amend the Small Business Act to expand assistance under such act to small business concerns owned by socially and economically disadvantaged persons to provide statutory standards for contracting and subcontracting by the United States with respect to such concerns, and to create a Committee on Federal Assistance to Minority Enterprise, and for other purposes; to the Select Committee on Small Business.

By Mr. NELSON (for himself and Mr. HATHAWAY):

S. 1229. A bill to amend the Internal Revenue Code of 1954; to the Committee on

By Mr. BAKER (for himself and Mr. Sasser):

S. 1230. A bill to authorize financial assistance to States for major highway repairs; to the Committee on Environment and Public Works.

By Mr. BAYH (for himself and Mr.

MATHIAS):
S. 1231. A bill to raise the limitation on appropriations for the U.S. Commission on Civil Rights; to the Committee on the Judiciary.

By Mr. BAYH: S. 1232. A bill to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 801 et. seq.) to extend for 2 fiscal years the appropriation authorizations for the administration and enforcement of that act; to the Committee on the

Judiciary.

By Mr. HART (for himself and Mr. ABOUREZK):

S. 1233. A bill to provide emergency price and income protection for farmers for the 1977 crops, to assure consumers an abundance of food and fiber at reasonable prices, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. NELSON:

S. 1234. A bill to amend the Wild and Scenic Rivers Act; to the Committee on Energy and Natural Resources.

By Mr. SPARKMAN (by request): S. 1235. A bill to further amend the Peace Corps Act; to the Committee on Foreign

By Mr. KENNEDY (for himself, Mr. THURMOND, Mr. CLARK, and Mr. LEAHY):

S. 1236. A bill to amend the Internal Revenue Code of 1954 to disallow the tax deduction for first-class air travel in excess of the coach class fare for such travel and for other purposes; to the Committee on Finance.

By Mr. CULVER (for himself and Mr. WALLOP):

S. 1237. A bill to extend the authorizations for appropriations for the San Francisco Bay and Great Dismal Swamp National Wildlife Refuges, and the Tinicum National Environmental Center; to the Committee on Environment and Public Works.

By Mr. McINTYRE (for himself and Mr. Bayh):

S. 1238. A bill to provide for legal assistance to members of the Armed Forces and their dependents, and for other purposes; to the Committee on Armed Services.

By Mr. RIEGLE: S. 1239. A bill to amend the Tariff Schedules of the United States to increase from \$100 to \$250 the value of articles which may be imported duty-free by or for the account of any person arriving in the United States who is a returning resident of the United States; to the Committee on Finance.

By Mr. DOLE (for himself and Mr. BELLMON):

S. 1240. A bill to extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning June 1, 1978; to the Committee on Agriculture, Nutrition, and Foresty.

By Mr. HATHAWAY (for himself and Mr. Muskie):

S. 1241. A bill to increase the subsistence payments for students at State maritime academies or colleges; to the Committee on Commerce, Science, and Transportation.

By Mr. ROBERT C. BYRD:

S.J. Res. 44. A joint resolution to authorize the printing and binding of an edition of Senate procedure and providing the same shall be subject to copyright by the author; considered and passed.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. McCLELLAN (for himself, Mr. Bumpers, Mr. Muskie, Mr. Sparkman, and Mr. Allen):

S. 1227. A bill to amend the Internal Revenue Code of 1954 to exempt certain corporations from the provisions requiring the accrual method of accounting for corporations engaged in farming; to the Committee on Finance.

Mr. McCLELLAN. Mr. President, I am introducing a bill which is designed to correct an inequity created under section 207 of the Tax Reform Act of 1976 (Public Law 94-455) with respect to corporations engaged in farming. This measure is identical to one introduced in the House of Representatives on March 9 by Congressman Hammerschmidt with four cosponsors. Senators Bumpers, Muskie, Sparkman, and Allen have joined as cosponsors of the Senate bill.

Section 207 provided a new section 447 of the Internal Revenue Code which, in general, requires agricultural corporations to use the accrual method of accounting. Exceptions were provided from this treatment for some small corporations, corporations in which 50 percent of the stock was owned by members of the same family, or corporations for which gross receipts were \$1 million or less. These exceptions were intended to allow local family-controlled agricultural businesses to continue using the cash method of accounting.

Section 447, however, contains some serious inequities. For example, I am advised that one of the largest grain companies in the Nation, if it so chooses, could elect to use the cash method of accounting. On the other hand, some locally owned family corporations are now required for the first time to follow the new accrual rule which adversely affects their competitive position.

Mr. President, I recognize that the provisions adopted in the Tax Reform Act were intended to prevent farming operations being used as tax shelters. However, I am concerned that the remedy may have, in some instances, created an even greater harm than the abuse it was designed to curb through its adverse impact on competition, especially in the broiler industry.

Therefore, I am introducing legislation to remedy this problem. The measure would permit corporations in which 65 percent of the outstanding stock was owned by two families to continue to use the cash method of accounting. In addition, the bill would also permit a corporation in which 50 percent of the outstanding shares are owned by three families and the balance of those shares, and substantially all of the remaining shares, are owned by employees of such corporation to continue to use the cash accounting method.

I hope that this bill will serve as an appropriate study vehicle and that the Senate Finance Committee can hold hearings on it as soon as possible so that appropriate relief can be provided for this inequity.

By Mr. BROOKE (for himself, Mr. Javits, Mr. Bayh, Mr. Case, Mr. Gravel, Mr. Humphrey, Mr. Schweiker, and Mr. Williams):

S. 1228. A bill to amend the Small Business Act to expand assistance under such act to small business concerns owned by socially and economically disadvantaged persons to provide statutory standards for contracting and subcontracting by the United States with respect to such concerns, and to create a Committee on Federal Assistance to Minority Enterprise, and for other purposes; to the Select Committee on Small Business.

Mr. BROOKE. Mr. President, it gives me great pleasure to reintroduce with my colleagues. Senator Javits and Senators Bayh, Case, Gravel, Humphrey, Schweiker, and Williams the Equal Opportunity Enterprise Act of 1977. In the year since this bill has been introduced, more and more attention has been focused on the needs, the potential, and the difficulties which minority businesses in this country face. Today blacks and other minorities own less than 3 percent of the aggregate business community. Of these businesses 94 percent are single proprietorships, 84 percent have annual receipts of just \$13,000 and fewer than 20 percent have any paid employees. Two-thirds are concentrated in servicerelated industries.

The difficulties which minority businesses face cannot be overstated. And yet, we must not forget that there are also viable and strong minority businesses which have the capability to produce, to bid competitively, and to participate fairly and equitably in the Federal contracting process.

These two sectors of the minority community present compelling issues for our attention. They also call for very different responses.

On the one hand, we have to strengthen technical assistance, management training and support services which are given by the Federal Government. In this manner, minority businesses which are small, thinly capitalized and underproductive can be moved more firmly toward a dynamic and competitive posture. On the other hand, viable minority businesses must have an opportunity to participate more fully in Federal contract-

ing. Indeed, for many of these minority businesses the Federal contracting dollar represents the most ready and accessible market.

Year after year minority businesses, no matter how competent, qualified, or competitive are restricted to less than 1 percent of the Federal contract dollar. The causes of this disparity are varied. But this situation cannot continue to exist. Affirmative, consistent and remedial action on behalf of the minority business sector by the Congress is long overdue.

And I believe that our bill will focus Federal efforts in this regard beginning the process of developing an even stronger minority business sector.

This bill makes an important organizational change within the Small Business Administration. Without doubt, the SBA is the most important Federal agency to small business persons. Also without doubt, its fragmented efforts on behalf of minority small business reflect the inherent difficulties in the total Federal effort to increase business opportunities for minorities. We have many intra-agency initiatives spread out over the entire SBA, just as we have many competing offices spread throughout the Federal system. This bill would insure continuing SBA commitment to improve minority business opportunity by giving legislative stature to the Associate Administrator for Minority Small Business Procurement Assistance of the Small Business Administration. Heretofore, this office has existed at the behest of Executive Order No. 11625. Its efforts to enhance opportunities for minorities have been blunted, in part, because of this lack of legislative authority. Here and now, the Federal Government must acits ongoing responsibility for increasing minority business expertise, capital, and opportunity. Its efforts in this regard, however admirable in the past, will be bolstered by the increased consolidation and coordination of these most important programs to minority business.

This comprehensive and realistic bill if enacted will enable many who have suffered political, social, and economic hindrance in their efforts to participate more fully in our Nation's business sector to move closer to the goal of economic parity. I believe that the right to work and to profit is a right which should be shared by all Americans. Yet today, clearly some Americans still do not share in proportion to their numbers, hopes, and aspirations. Economics continue to play a central role in our society, not only in our financial institutions and financial dealings, but also in social and political decisionmaking. Minorities will continue to be disadvantaged unless and until they achieve parity. For these reasons, the efforts of minorities and, indeed, all socially and economically disadvantaged Americans to develop expertise, capital, and market will redound not only to their benefit but to the benefit of all Americans. And these efforts should be actively supported by all of us. Mr. GRAVEL. Mr. President,

Mr. GRAVEL. Mr. President, I am happy to be cosponsoring today the Equal Opportunity Enterprise Act of 1977, a bill which will provide opportunities to become self-sufficient to qualified and willing minority contractors who have been excluded from the Federal contracting market.

In Alaska, this story is one which has been the dominant strain far too long. Alaskan contractors who are both capable and willing are still not receiving contracts with the Federal Government. Instead, contracts are let to businesses outside my State, neither contributing to the full employment of Alaskans, since many of these contractors bring their work force with them, nor providing the opportunities for small Alaskan businessmen to fully participate in providing badly needed services, thereby establishing their own legitimacy as self-sufficient entities.

Because of the difficulties Alaskan businessmen have experienced in contracting with the Federal Government, I sponsored a conference on Federal contracting on February 16 and 17 in Anchorage, Alaska.

The purpose of the conference was to bring representatives of minority-owned businesses, including the Alaska Native Corporations, established pursuant to the passage of the Alaska Native Claims Settlement Act, together with Federal contracting officials in an attempt to help the businessmen and corporations better understand Federal contracting procedures and also to identify and find positive solutions to existing contracting problems.

The 2 days of meetings focused on problems relating to the securing of surety bonding, which is presently required of all contractors on jobs in excess of \$2,000; problems in the implementation of the SBA 8(a) minority contractors set-aside program; differences in contracting procedures among the various Federal agencies; and special provisions for Native businesses.

Several recommendations resulted from this conference:

 Revise federal procurement procedures to include the following:

(a) Make it mandatory that all federal agencies establish minority business enterprise programs to lend assistance to minority businesses, disseminate contract information, and provide technical assistance to minority businesses.

(b) Make it mandatory that all direct federal contracting and federally assisted contracting include minority set-aside provisions to possibly include percentage set-asides

(c) Make all federal procurement regulations standard and uniform for all agencies, including Department of Defense agencies.

2. Specifically review and revise the Miller Act along the following lines:

(a) Amend the Miller Act to eliminate requirements of federal agencies to require bonding for procurements placed by the Small Business Administration under Section 8(a) of the Small Business Act.

(b) Further amend the Miller Act to raise the level from \$2,000 to \$100,000 in bonding requirements for direct federal contracts awarded through the competitive process.

3. Review Indian Self Determination Act and the Buy Indian Act to clarify which agencies are subject to these two pieces of legislation. One interpretation is that these two pieces of legislation currently apply only to the Department of Interior. The recommendation of the conference participants is

that these two acts should apply to all federal agencies.

4. Congress should review the Small Business Administration's budget and staffing to provide adequate staffing for all regional offices to carry out their responsibilities in supporting the Small Business enterprise program.

5. Congress should include in each major contracting agency's budget a specific line item amount allowing the agency to develop a minority business enterprise program to include staffing to carry out the minority business enterprise contracting program and to provide technical assistance to the minority contractors.

 Develop federal legislation that would provide incentives to state and local governments as well as private contractors who are willing to initiate their own minority busi-

ness enterprise program.

7. Through executive order, require all federal agencies to develop a more aggressive program to inform and include minorities in the bidding process. This would include such things as using minority media, contacting minority business enterprise associations or minority contracting associations for potential bidders and removing the requirements that minority bidders be dropped from the bidding list if they fail to respond after being notified of two bids.

8. Develop a more aggressive mechanism for minority business enterprise input into the development of contracting-related leg-

islation and federal regulations.

While some of these recommendations are clearly out of the legislative arena, I feel that they are important considerations to be dealt with in determining which direction minority business assistance will take.

The Equal Opportunity Enterprise Act specifically addresses itself to several of these recommendations. It would delete the bonding requirements under the 8(a) set-aside program; set standards for Federal contracting with small and minority businesses; provide that minority firms be equitably served by the SBA; and specifically define Alaska Natives as a minority group eligible to receive set-aside contracts under the Small Business Act.

I commend my colleagues, Senator Javits and Senator Brooke, for striving to rectify the problems in the vague and inconsistent Federal policy regarding minority business enterprise. I am hopeful that this legislation will receive the support of my Senate colleagues and strongly urge Congress to act favorably and expeditiously on this legislation.

By Mr. NELSON (for himself and Mr. HATHAWAY):

S. 1229. A bill to amend the Internal Revenue Code of 1964; to the Committee on Finance.

Mr. NELSON. Mr. President, a bill that I am introducing today would correct an oversight in the Tax Reform Act of 1976. The present law has the effect of hindering the legislative intent for the National Institute for Occupational Safety and Health—NIOSH—to identify workers who may have been occupationally exposed to harmful substances.

The Senate approved an amendment to correct this oversight at the close of the last session of Congress. However, there was not time for the matter to be considered by the House of Representa-

tives.

WHAT THE BILL DOES

The bill would give NIOSH the authority to obtain from the Internal Revenue Service—IRS—addresses, based on the last date of filing income tax forms, of persons previously employed in occupations exposing them to known or suspected carcinogens. NIOSH would obtain no other data except addresses. There is no cost to the bill.

Prior to the enactment of the Tax Reform Act, NIOSH was able to obtain such information from the IRS, facilitating a notification program that began

about 3 years ago.

To date, NIOSH has obtained the addresses of 31,000 exposed workers, and has referred 4,081 for appropriate medical treatment.

The major purposes of the program are: First, to notify workers previously employed in plants where they may have been exposed to known carcinogens or other hazardous agents; second, to allow NIOSH to gather data to determine the morbidity and mortality of workers exposed to substances suspected of being hazardous; and third, to facilitate the followup of the Nation's 125,000 underground coal miners for whom periodic chest X-rays are mandated.

The ability to trace coal miners, who today are younger and more mobile than in previous years, is costly and involves a private concern, which constitutes a greater invasion of privacy. Very accurate addresses are obtainable from the Social Security Administration—SSA—but the delay in response by SSA is 4 to 9 months compared with about 6

weeks for IRS.

The Tax Reform Act contains specific provisions preventing access—with exceptions—to IRS record information, a laudable protection of private records. However, in drafting limited exceptions to the act, Congress inadvertently failed to recognize the needs of the NIOSH identification program, an important program designed to protect human health.

There is no dispute over the need for the correcting bill. The chairman of the House Ways and Means Committee, Mr. Ullman, in a colloquy with Mr. Steiger of Wisconsin, on September 16, 1976, the day the House of Representatives approved the tax reform conference report, agreed that the matter was an oversight that should be corrected. See page 30815. Congressional Record, September 16, 1976.

It is my hope that the bill again will be quickly approved so that NIOSH may continue its program. A companion bill has been introduced by Mr. Steiger in the House of Representatives (H.R.

It should be recognized that this program is only a small step in protecting occupationally exposed workers, since it does not insure that all workers who have been exposed to hazardous agents are notified. We have reason to believe that hundreds of thousands of workers similarly exposed to known carcinogens are not being notified.

Nor does it deal with the more difficult problem of controlling and preventing exposure of workers to hazardous substances. The Occupational Safety and Health Act was enacted for this purpose. At its inception in 1971, the Occupational Safety and Health Administration—OSHA—adopted a table of threshold exposure limits for 500 families of chemicals. Some of the thresholds may, in fact, be unsafe. Since 1971, OSHA has established standards for only 17 hazardous substances. Of these, one standard—for MOCA—has been overturned on procedural issues; another, for asbestos, is considered by some scientists to be unsafe.

Delays in promulgating safety standards are attributed to: First, the lack of an accepted definition for carcinogen—OSHA accepts only human evidence from epidemiologic studies, not animal or laboratory data, in establishing carcinogenicity; and second, a requirement that stringent economic impact statements be filed with the Labor Department.

It is our understanding that the OSHA Advisory Council is considering changing the basis on which it determines that a substance is carcinogenic, to allow the use of animal and laboratory data. In addition, according to Labor Secretary Marshall at his confirmation hearings, consideration is being given to requiring less stringent economic impact statements, and to other matters that will speed the establishment of safety standards.

The Environmental Protection Agency also is involved in undertaking "an integrated assessment of population exposure to environmental carcinogens," according to former EPA Administrator, Russell E. Train, as quoted in Science magazine, February 4, 1977.

The entire Federal effort, with respect to cancer research and safety protection, is now under scrutiny by the Congress. Concerns have been raised over the need to improve not only the biomedical research effort, but also the coordination of all Federal and private sector activities relating to cancer research and protection.

I ask unanimous consent that the text of the bill, a description of the problem by NIOSH, the statement by Mr. Train, a summary list of projects currently active under an agreement between NIOSH and the National Cancer Institute—NCI—an excerpt from a summary of proposed OSHA regulations on worker exposure to carcinogens, and an excerpt from the transcript of Senate confirmation hearings on Dr. F. Ray Marshall, Secretary of Labor, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6103(m) is amended by striking the period at the end of paragraph (2) and inserting in lieu thereof a comma and the word "and"

and adding the following new paragraph:

"(3) upon written request, to disclose the mailing address of taxpayers to officers and employees of the National Institute for Occupational Safety and Health solely for the purposes of conducting health and safety studies of worker populations and the re-

ferral of sick and injured workers for medical care and treatment."

IMPACT OF TAX BILL ON NIOSH AGREEMENT WITH IRS

Problem: The Tax Reform Bill, H.R. 10612, as passed by Congress on September 16 would restrict the National Institute for Occupational Safety and Health (NIOSH) from access to IRS data for the purpose of occupational health exposure surveys.

While the Social Security Administration, Railroad Retirement Board, Department of Labor and several others are allowed limited access to certain data, NIOSH is not. With the present language of the tax bill, IRS feels that it would be illegal for IRS to continue to furnish NIOSH access to taxpayer address data, as it now does for morbidity surveys.

Explanation of Present Operation and the Need for Access to IRS Data: The National Institute for Occupational Safety and Health has had an agreement with the IRS that allowed NIOSH access to taxpayer address data (Taxpayer Address Program) maintained on all persons filing tax returns in the United States. In conducting retrospective mortality studies of worker populations, NIOSH, on a routine basis, submitted to the IRS the social security numbers and names of all members of a given study population to obtain last date of filing and the address from the most recently filed tax return. This enabled NIOSH, by the use of the last known address to subsequently locate the individual and confirm his vital status with a post office follow-up card. It is imperative that the vital status of each person in a NIOSH study population be identified as of a given cut-off date; otherwise, it is impossible to state that the individual is or is not deceased. If he is deceased and NIOSH does not know it, then the final results of the NIOSH study will be biased by the absence of the knowledge of that particular cause of death. The IRS address data enables NIOSH to discontinue other less fruitful, more expensive and timeconsuming methods for locating a given individual. Currently, it costs NIOSH less than \$.50 to locate a given study member through the IRS. Without the benefit of the taxpayer address information, this cost will skyrocket to a minimum of \$20 per person simply because we will have to rely on alternative and less productive mechanisms of follow-up. The size of these study populations may range anywhere from 200 to 8,000 members; most average around 2,000 workers.

Why Amendment to Tax Bill is needed: NIOSH is currently conducting approximately 60 morbidity, mortality, and surveillance studies that involve follow-up of worker populations to determine whether the workers are still alive and what their health status is. These studies include approximately 120,000 workers—a small proportion of the total workforce.

If access to IRS data were eliminated, it coulde cost NIOSH as much as \$2.5 million to obtain this information, as opposed to approximately \$60,000 using IRS data.

Furthermore, NIOSH is now placing workers that have been located through the Taxpayer Address Program and who are at high risk of developing cancer or other chronic diseases from previous occupational exposures into medical care systems where the subsequent development of such disease possibly can be prevented or successfully treated.

For example, workers who were employed at an asbestos plant in Tyler, Texas, which was investigated by NIOSH, are now eligible for care at East Texas Chest Hospital. Baltimore workers that NIOSH determined to be exposed to benzidine are now under care at Johns Hopkins University Hospital. NIOSH plans to use IRS data during the next fiscal year to follow-up coal miners who have been examined under the 1969 Coal Mine Health and Safety Act to notify them of the date of their next X-ray examination.

In the last 3 years, some 31,000 workers have been notified by NIOSH that they were occupationally exposed; and 4,081 have been referred for medical treatment.

NIOSH gives the National Cancer Institute names of such exposed workers. NCI contracts with medical care providers (hospitals) to provide treatment to injured workers so located.

[From Science, Feb. 4, 1977] ENVIRONMENTAL CANCER

(By Russell E. Train, Administrator, U.S. Environmental Protection Agency)

Last year the National Cancer Institute published an atlas of cancer mortality in the United States based on an analysis of death certificates for the period 1950 to 1969.* The atlas contains maps of the United States with each county color-coded to show the mortality rate for different types of cancer. From these maps it is quickly apparent that there are large variations in cancer death rates. Although part of the variation may be genetic, much of it is thought to be due to variations in exposure to environmental carcinogens-some natural, such as sunlight or molds; some due to personal habits, such as cigarette smoking; and some due to carcino-gens in air, water, and diet. Recently, for example, increased bladder cancer rates were found in certain counties where chemical industries were concentrated. If estimates are correct that 60 percent or more of all human cancers are due to environmental agents, then about 500,000 cases per year may be involved. The benefit to human health that would accrue from controlling the carcinogens responsible for even a fraction of those cases is obvious.

To determine whether known or possible carcinogens are in the environment of populations with high cancer mortality, the resources of governments, industry, and academia should be applied through a variety of approaches. The U.S. Environmental Protection Agency (EPA) is committed to undertake an integrated assessment of population exposure to environmental carcinogens. The objective of the program is to detect the carcinogens that EPA is responsible for assessing and controlling. A new part of EPA's program will first focus on carefully selected types of cancer and certain well-characterized counties where the mortality rate for those cancers is either significantly higher or lower than the U.S. average rate. Samples of air, water, and food will be analyzed for specific chemicals that are hypothesized to account for local differences in cancer rates. Differences in the results of these analyses between the high-rate and low-rate counties plus leads developed from case-control studies in the high-rate areas may also suggest new candidates for animal carcinogenicity tests. If the approach is successful, it will be used in additional areas and with other types of

It is hoped that these studies will yield insights into the problem of low-level, chronic exposure to carcinogens. In addition, they may provide an approach for systematic studies of the role of environmental chemicals in causing illnesses other than cancer. Chemicals in the environment have been implicated as causes of diseases other than cancer which, like cancer, may be irreversible, delayed in onset for many years after exposure, and caused by low levels of chemicals that produce no acute distress. Such chemicals include mutagens, teratogens, and some

agents that damage the central nervous system.

To provide a scientific basis for the regulation of hazardous environmental chemicals, EPA needs the assistance of a larger segment of the scientific community. Skills of many types of specialists and the close cooperation of all engaged in related endeavors are required. Expertise and data bases in other institutions, combined with EPA's environmental monitoring capability, will constitute potent tools for seeking agents whose control would prevent the development of cancer and other diseases in many persons.—

NCI-NIOSH INTERAGENCY AGREEMENT: LIST OF PROJECTS ACTIVE AS OF JANUARY 1977

> FISCAL YEAR 1976 Title

11116	Amount
1. Retrospective mortality study of miners exposed to amphi-	Amount
bole mineral2. Mortality of pesticide formula-	\$150,000
3. Development of sampling and	470, 000
analytical methods of car- cinogens	300,000
A THE PERSON NAMED IN COLUMN	920,000
FISCAL YEAR 1977	
4. Occupational cancer surveil-	*
lance	321, 800
Kepone registry Industrial hygiene and morbidity study of talc and other fibrous minerals.	91, 800
other fibrous minerals 7. Mortality, medical and industrial hygiene study of vinyli-	191,600
dene chloride workers	182, 100
diene rubber workers 9. Mortality and industrial hy-	205, 100
giene study of PCB 10. Industrial hygiene study of azo	254, 000
dve workers	26, 100
11. Mortality and industrial hy- giene study of trichloro-	TLA anacessa
ethylene (TCE)	84, 700
ethylene (PCE)13. Mortality, medical and indus-	210, 800
trial hygiene study of chlorinated hydrocarbons	109,900
 Study of beryllium workers Mortality and industrial hygiene study of nitrosamines/ 	223, 800
cutting oils 16. Mortality and reproductive ef-	240, 500
fects of chloroprene 17. Mortality, medical and indus- trial hygiene study of the	157, 300
painting trades 18. Mortality and industrial hy- giene study of printing	209, 900
trades	10,300
19. Mortality and industrial hygiene study of phosphate	
workers	138, 900
methods21. Inhalation study of short as-	187, 100
bestos fibers22. Perform subtrachial testing of	47, 900
copper and lead smelter	20, 200
23. Determine the effects of com-	

bined exposures to smelter

24. Evaluation personal protective

dusts and SO,

equipment

105,000

39,000

OSHA Regulations on Worker Exposure to Carcinogens.

III. SUMMARY OF PROPOSED REGULATORY POLICY

OSHA has drafted for review by its National Advisory Committee for Occupational Safety and Health, a proposed set of regulations to identify, classify, and regulate potential carcinogens in American workplaces. The proposal incorporates several policy considerations derived from OSHA's experience to date in applying its regulatory obligations to the issue of carcinogens. These policy considerations include:

1. That the term "carcinogen," although perhaps difficult to define precisely as a matter of science, must be defined for purposes

of regulatory activity.

That a toxic material confirmed as a carcinogen in animal tests must be treated, as a policy matter, as posing a carcinogenic risk to man.

3. That there is presently no means to determine a "safe" exposure level to a carcinogen; hence, for regulatory purposes, it will be assumed that no safe level exists.

4. That in regulating employee exposure to a carcinogen, OSHA will set the permissible

exposure limit as low as feasible.

That where suitable substitutes for a carcinogen are found to be less hazardous to the worker, no occupational exposure to

the carcinogen will be permitted.

The proposal would permit any interested party to submit information from human or animal studies to establish the carcinogenicity of a toxic material. OSHA would then be required, within a specified brief period, to classify the toxic material as to its carcinogenicity based on the criteria set forth. The degree of conclusiveness of such data will permit classification of the substance as a "confirmed" (Category I Toxic Material) or a "suspect" (Category II Toxic Material) carcinogen, or neither (Category III Toxic Material) where further data is needed. Classification of a "confirmed" or "suspect" carcinogen would be followed immediately by specific regulatory action as provided in this proposal.

EXCERPT FROM TRANSCRIPT OF SENATE CON-FIRMATION HEARINGS ON DR. F. RAY MAR-SHALL, SECRETARY OF LABOR

QUESTION

Senator Orrin G. Hatch (Utah). With regard to occupational safety and health-I am moving a little fast here-what is your position on the continued preparation of economic impact analyses in the development and promulgation of new or revised occupational safety and health standards?

ANSWER

My inclination without studying it more is to say we probably ought not to have it. This is a very technical and difficult area and the state of the art is very rudimentary and you can get great delays in enforcing the laws with those requirements attached to them.

> By Mr. BAKER (for himself and Mr. SASSER):

S. 1230. A bill to authorize financial assistance to States for major highway repairs; to the Committee on Environment and Public Works.

Mr. BAKER. Mr. President, the severity of this past winter has caused extensive damage to roads in many Eastern and Midwestern States. The extent and seriousness of this damage places it beyond the capacity of individual States to repair within a reasonable time.

In my own State of Tennessee, it is estimated that 15 counties have suffered

almost \$30 million of damage to public facilities as a result of last winter's weather. The major element of this estimate is damage done to county roads.

A quick survey conducted by the Tennessee Department of Transportation revealed that \$55 million will be needed to repair deteriorating portions of the State road system. While some of these repairs would have been necessary under any circumstances, there is little doubt that this winter greatly accelerated the breakup.

Tennessee is not the only State with this problem. A private research organization, the road information program, estimates that 21 States have been similarly affected.

Because of the severity of the problem facing these States, Senator SASSER and I are introducing a bill which will provide some Federal funds to assist States in making the most necessary repairs.

My bill authorizes \$400 million out of the highway trust fund to be administered by the Secretary of Transportation. The Secretary is required to estimate the cost of damage to Federal-aid roads caused by the unusually severe winter weather. He is then authorized to provide financial assistance to States which can show that damage has resulted from the extraordinary weather conditions. He is to distribute funds among eligible States based on the relation of their damage to total damage in all eligible States.

Mr. President, I feel some sort of Federal assistance is necessary to help States cope with what amounts to an emergency situation. I am certain that the level of funds authorized will not do the complete job, but it should alleviate the most pressing needs.

In addition, the funding level is such that it can be provided from revenues expected to accrue to the highway trust fund.

I hope that early consideration and action on my proposal will prevent unnecessary disruption of highway transportation

> By Mr. BAYH (for himself and Mr. Mathias):

S. 1231. A bill to raise the limitation on appropriations for the U.S. Commission on Civil Rights; to the Committee on the Judiciary.

CIVIL RIGHTS COMMISSION AUTHORIZATION ACT OF 1977

Mr. BAYH. Mr. President, today I take great pleasure in introducing the U.S. Civil Rights Commission Authorization Act of 1977, to provide funding for the Commission's operations in fiscal year 1978.

Mr. President, before I describe the contents of this bill. I would like to take an opportunity to express my admiration for the Commission and my appreciation for its scholarly support that this Senator and, in fact, the whole Congress has received over the years since the Commission was founded. It has been tireless in its efforts to expose discrimination and, where found, to offer the Congress and the President its learned opinions on how to redress these evils.

Over the years more than 60 percent of the Commission's recommendations have resulted in legislation—a 20-year record that is hard to match. Examples easily come to mind. For instance, in the last Congress, the Commission's work on voting rights was especially important. Its publication, "The Voting Rights Act-Ten Years After," was recognized as the definitive work on the subject. I relied heavily on it during the extended consideration of that bill on the floor and earlier in drawing up my proposals for the extension and expansion of the act. However, this is not the only area where the Commission showed its expertise.

Their studies of the Federal enforcement effort of the Civil Rights Acts, the status of the Bilingual-Bicultural Education Act, the investigation of discrimination in housing, employment, and education, affirmative action projects, and the recent school desegregation study are just some of the undertakings that show the vast range of the Commission's interest and responsibility. We are debted to the Commission for its ability to gather and dispassionately evaluate vast quantities of controversial information and report their findings to the Congress and the Federal Government so we can assure all Americans their constitutional rights.

For all this work, we, the American people, pay surprisingly little. In fiscal 1977, the total budget for the Commission was \$9,450,000. For the next fiscal year, 1978, the requested budget is only \$10,-540,000, an increase of only \$1,090,000. While, in my opinion, this is an extremely reasonable request, the figure is deceptive to the point of really overstating the increase called for; \$628,000 of the budget increase is occasioned by passage of other laws-\$300,000 is for the authorized Federal pay increase, and \$328,-000 is for the age discrimination study, Public Law 94-135. Thus, the real increase amounts only to \$462,000 over the last fiscal year. For this price we get a budget which embraces nine continuing or soon to be completed projects ranging from studies of affirmative action to research on civil rights policy and nine new projects concerning subjects such as discrimination in the military to consultations-hearings-on domestic vio-

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1231

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Civil Rights Commission Authorization Act of 1977."

SEC. 2. Section 106 of the Civil Rights Act of 1957 (42 U.S.C. 1975e), as amended is further amended to read as follows:

"Sec. 106. For the purposes of carrying out this Act, there is hereby authorized to be appropriated for the fiscal year ending September 30, 1978, the sum of \$10,540,000 and such additional amounts as may be necessary for increases in salary, pay, retirement, and

other employee benefits authorized by law which arise subsequent to the date of the enactment of the Civil Rights Commission Authorization Act of 1977."

By Mr. BAYH:

S. 1232. A bill to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 801 et seq.) to extend for 2 fiscal years the appropriation authorizations for the administration and enforcement of that act: to the Committee on the Judiciary.

DEA EXTENSION-AN OPPORTUNITY FOR MANDAT-ING RATIONAL DRUG CONTROL POLICY

Mr. BAYH. Mr. President, today I am pleased to introduce by request, President Carter's proposal to extend the Drug Enforcement Administration for 2 years. The President has called for sound drug prevention and control policies. In his February message to the United Nations Commission on Narcotic Drugs he stressed that while we must curb traffic "we must combine deep compassion for the victim of addiction with a vigorous attempt to eliminate the world supply of illicit drugs through international cooperation. Toward that end, I am making the curtailment of drug abuse a high priority in my administration."

I was especially pleased by the President's sensitivity to the special impact on

our young people, he said that:

Much of this abuse occurs with young people and with this increased drug use comes the attendant family disruption and the sapping of strength from our youth.

President Carter concluded by indicating that he has designated his White House staff, under the guidance and direction of his very able assistant Dr. Peter Bourne, with whom my subcommittee staff has worked for years on drug control policy matters, to give this problem "special attention" and that he intends to take a "personal interest in this pro-

This special interest and desire to establish a rational drug abuse prevention and control policy was set in motion by the President's March 14, 1977, memorandum to relevant officials activating the White House Office of Drug Abuse Policy.

I ask unanimous consent that the text of the President's memorandum be printed at this point in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

OFFICE OF DRUG ABUSE POLICY

The President's Memorandum for the Heads of Certain Departments and Agencies. March 14, 1977:

Memorandum for: Secretary of State Secretary of Treasury Secretary of Defense Attorney General Secretary of Labor

Secretary of Health, Education, and Welfare

Secretary of Transportation U.S. Representative to the United Nations Director of the Office of Management and Budget

Director of Central Intelligence

Administrator of Veterans' Affairs Subject:

Activation of the Office of Drug Abuse Policy (ODAP) and Revitalization of the Strategy Council.

Drug abuse continues to drain our human resources, especially from our youth, with no end in sight. I am determined that we make every effort to reverse this trend, and therefore, effective with the date of issuance of this memorandum do hereby establish the recently enacted Office of Drug Abuse Policy (ODAP). I look forward to early confirmation of the nominations which I have sent to the Senate of Peter G. Bourne and Lee I. Dogoloff for the positions of Director and Deputy Director respectively.

The Office of Drug Abuse Policy shall be responsible for carrying out the Congressional mandate specified in the law. In addition, and to the maximum extent permitted by law, the Director of ODAP is hereby directed to fulfill the following respon-

sibilities.

Recommend government-wide improvements in the organization and management of Federal drug abuse prevention and control functions, and recommend a plan to implement the recommended changes;

Study and recommend changes in the resource and program priorities among all agencies concerned with drug abuse pre-

vention and control:

Assume the lead role in studying and proposing changes in the organization and management of Federal drug abuse prevention and control functions, as part of my promise to reorganize and strengthen

the government operations; and Provide policy direction and coordination among the law enforcement, international and treatment/prevention programs to assure a cohesive and effective strategy that both responds to immediate issues and provides a framework for longer term

resolution of problems.

In addition, I am abolishing the Cabinetlevel committees concerned with international narcotics control, drug abuse prevention, and drug law enforcement created by previous Administrations, and am directing that the Strategy Council, created by the Drug Abuse Office and Treatment Act of 1972, be revitalized and serve as the government-wide advisory committee for this problem area. Also, I am adding the Secretary of the Treasury and the Director of the Office of Management and Budget as fully participating members of the Council. The Director of the Office of Drug Abuse Policy shall serve as Executive Director of the Council.

The Council shall be supported by Working Groups for supply control and demand reduction, and be composed of personnel from each of the concerned agencies.

I am confident that you will provide your full support to ODAP and the Strategy Council in the performance of their tasks. JIMMY CARTER.

Mr. BAYH. I am confident Dr. Bourne will work closely with the Attorney General in order to effectuate long overdue sensible drug control policies. Mr. Bell has already established a special task force to study ways in which to improve the Department's drug control effort. The bill I introduce today extends DEA for a sufficient period so as to facilitate policy decisions emanating from these

Last summer we heard impressive and alarming testimony about our Nation's inability to focus our drug law enforcement apparatus' and our criminal justice resources on even "kingpin" profiteers. While I am especially concerned that the constutional rights of criminal defendants are fully secured, I am likewise concerned that within such a framework our citizens are fully protected. We must reallocate our resources and sharpen our prosecutorial tools and strengthen our criminal justice system so that it deters, disrupts, and detains these crim-

A sound drug enforcement policy must reflect the reality that all drugs are not equally dangerous, and all drug use is not equally destructive. The Domestic Council White Paper on Drug Abuse stresses this theme when it concludes that enforcement efforts should therefore concentrate on drugs which have a high addiction potential, and treatment programs should be given priority to those individuals using high-risk drugs, and to compulsive users of any drugs.

Our priorities in drug law enforcement must reflect reasoned judgments based on the facts. The fact is that nationally, arrests for marihuana violations have escalated from 188,682 in 1970 to 450,000 in 1974. This is not nearly as dramatic as the 1,000-percent increase between 1965-70 from 18,815 to 188,682, but it is rather astonishing that this 4year increase is more than 12 times the total marihuana arrests just 10 years

The fact is that the number of marihuana arrests as a percentage of all drug arrests has increased substantially. In 1970 these arrests amounted to 45.4 percent of total drug arrests. During the 1970-73 period 1,127,389 of the total 2,-063,900 drug arrests were for marihuana. And in 1974, the most recent year for which records are available, 70 percent of all drug arrests were for marihuana.

Available studies and research to date have found that the majority of those arrested are otherwise law-abiding young people in possession of small amounts of marihuana. In fact, a President commission found that the vast majority of users are essentially indistinguishable from their nonuser peers by any criteria other than its use

In 1969 and 1970 the subcommittee considered the adequacy of penalties for marihuana with the result that the new Controlled Substances Act provided that simple possession or distribution of a small amount of marihuana for no remuneration were both designated misdemeanors, not felonies, punishable by up to 1 year in jail and/or up to a \$5,000 fine. It was the view of many Members that the sanctions should be further reduced. Some suggested that the sanction be eliminated for such conduct.

In order to permit a thorough assessment of these issues the subcommittee recommended the creation of a Presidential commission. The Congress agreed and provided for the establishment of the Commission on Marihuana and Drug Abuse in part F of the Controlled Substances Act.

This body, known as the Shafer Commission, after its distinguished chairman, conducted an indepth study of the issues and concluded that marihuana was not dangerous enough to the user or to the

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general public for its private possession and use to remain a criminal offense.

In the last several years a growing list of States, organizations, and individuals have endorsed and adopted approaches comparable to the Shafer Commission recommendations.

Rather than ignore the law on marihuana or prosecute possession cases selectively as some would suggest, I believe that: We must recognize that the \$600 million invested annually to prosecute marihuana cases can be used in a manner more consistent with the protection of property and safety of the taxpayers who must sustain our severely overburdened criminal justice agencies; we must recognize that public interest is not served by arresting annually 500,000, mostly young people, for simple possession of small amounts of marihuana and thereby assuring that they are inhibited for life-in their education and careers by the unrelenting stigma of a criminal record; and we must recognize that the public is not going to get the highest return on their tax dollars in the national effort to curb drug traffic and drug-related crime when 7 in 10 drug arrests are for predominantly simple marihuana possession. We must reject such counterproductive drug law enforcement policy.

The subcommittee conducted the first congressional legislative hearing on the question of decriminalization of marihuana in May 1975. Our exhaustive three volume publication entitled "Marihuana Decriminalization" graphically documents the need for such a change. Then Attorney General Levi indicated to the subcommittee that the policy would be reassessed. Last summer we held hearings on the Ford drug message and the repressive OMB-DEA bill, S. 3411 and again the former administration ducked its responsibilities. I think that the pertinent exchange between myself and Mr. Bensinger, then head of DEA would be instructive and I ask unanimous consent that it be printed at this point in the RECORD:

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Senator Bayh. The President's white paper and his May address to Congress recommend focus on major traffickers that you are stressing you need help. If you accept this policy, what is going to be the policy pursued relative to marihuana?

Mr. Bensinger. The policy that our agency, and I, personnally, have directed with respect to marihuana is that it is not our principal or secondary or tertiary drug abuse priority or responsibility.

The marihuana arrests that DEA have made have decreased substantially for all classes, from 1 through 4. And the class 4 marihuana arrests have decreased 1,400 cases.

The principal efforts of our agency are directed against heroin, barbituates, and amphetamines and cocaine. We will certainly investigate and refer for prosecution cases involving marihuana as a controlled substance. But it is not a priority, Senator, and has not been emphasized in our investigative and enforcement regional deployment of resources.

Senator Bayh. What about the possibility of decriminalizing the simple possession of this drug?

Mr. Bensinger. I don't think we have

enough knowledge, medically, on marihuana, Senator. This question has been asked repeatedly of me and of our agency. It has a THC content that varies, whether it is domestic marihuana of 1 percent, to the Mexican variety of 3 to 5 percent, to some grown in Jamaica of 5 to 8 percent. It has produced studies and individual instances which have caused a slowness in reaction, a danger to one's health, some responses that have not been in No. 1, public safety of the individual, and No. 2, of the community.

I think personally until we get real definitive information from HEW, from the research organizations, certainly within our own agency, that this will not be a harmful commodity to use personally, or if used, it will not have an implication on the community, that we should say to the public we really don't have enough information, but let's legalize it anyway.

Senator Bayh. That isn't what I said, I said decriminalize it. It sounds to me that the physiological reactions you describe could be applied to alcohol as well as marihuana.

I don't want to put the good housekeeping seal of approval on it. We don't know as much as we should. But when you look at State and local cases, we are talking about three-quarters of the cases being marihuana related, which means we have misplaced priorities.

It seems, as long as we have the statutory criminal sanction, that there will be some officials who, looking for a headline, will expend time and effort to do a job in an area that doesn't have the kind of priority you are directing your testimony to, today.

Mr. Bensinger. Senator, the percentage of marihuana arrests is the smallest of any of the type of drugs that we have responsibility for enforcing the laws on.

The State and local jurisdictions have made, I would say in a year about 350,000. The Drug Enforcement Administration in terms of canabis, through 1975, we decreased the cases significantly since then, and they are less than 2,000 in terms of total arrests and are diminishing.

So the Federal effort is 90 percent on the other types of controlled substances.

Senator Bayh. Don't you think we should address our attention to a change in the Federal criminal statutes, which would provide a model for those jurisdictions that now pursue marihuana cases instead of heroin cases?

Mr. Bensinger. I think the Federal Government has a responsibility for standard setting in all fields of criminal justice, sentencing, bail, the method by which hearings are held.

So I agree with that in principle. I think we do not have sufficient evidence and information from the medical authorities to say that there couldn't be damage to individuals and to the community of marihuana was continued to be made available. That is my personal view, Senator. I think it's a period of time in this country where certain States have taken the option of removing felony sanctions, and that is certainly within their prerogative. I think we would like to have more information at the Federal level on that commodity.

on that commodity.
Senator Bayn. Do you think we will ever get enough information so that it won't be a political hot potato?

Mr. Bensinger. I think we certainly will. I think the kind of attention you have addressed on this issue will be helpful.

Senator Bayh. I don't think we will ever get enough information so it won't be a political hot potato. I think, however, we better stand up and face the realities of limited resources and place a priority on these kingpins that you and I want to put in jail forever.

With someone involved in peddling large amounts of heroin, I have no compunction about putting that person away for life. If we are going to do that, it seems to me we must summon up all of the prosecutorial and law enforcement resources we can, and direct them at those people. As long as we have the statutory temptation in other areas, I fear we are not going to do as good a job there as we could.

Mr. BAYH. Mr. President, fortunately, I believe that such misplacea drug control policy has finally been rejected. Initially, I was quite pleased by then Attorney General-designate Griffin Bell's response to my inquiry regarding such policy during the confirmation hearings. I ask unanimous consent that the text of that January 11, 1977, exchange be printed at this point in the Record.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Senator BAYH. A moment ago you mentioned that you were thinking about taking DEA out of its present status and bringing it under the Justice Department.

Judge Bell. Bringing it into the FBI. Senator Bayh. Yes, the FBI. One of the things that has been apparent and I think sad is that some people have on occasion yielded to the temptation to try to politicize the confrontation against drugs.

We are all against drugs. The question is how we solve them.

When we look at the studies that we conducted in our committee, we found out that last year about two-thirds of all the arrests and convictions in the area of narcotics were for people who possessed small amounts of marijuana.

I would like to ask you if you feel that in light of the fact that we are going to have limited law enforcement resources and also considering State and local and Federal relationship in the area of criminal law enforcement, does it not make more sense in DEA and throughout Government that we focus our efforts on the major traffickers and the major conspiracy cases, the drugs of high abuse potential, that that is really where we ought to put the emphasis?

Judge Bell. The Federal emphasis. Senator Bayh. The Federal emphasis. Judge Bell. Exactly. Exactly.

We have got to get away from the idea of making statistics. We have got to find out what it is we want to do and do it. It would be the major trafficers that we would be after.

Mr. BAYH. Mr. President, I cannot agree more. The Federal drug agencies must get out of the business of generating headlines and statistics on lower level traffickers and addicts and focus their efforts on major traffickers of high-risk drugs. I am optimistic that any substantive Carter administration legislation reject the Nixon-Ford shotgun approach which reflected no priorities regarding particular drugs or levels of traffic, not to mention its provisions which repealed the cornerstone of our criminal justice system, the presumption of innocence.

The measure I introduce today provides a timely opportunity to make permanent national drug control policies. To, in part, accomplish this objective I will recommend that the Judiciary Committee include a title that will provide for the decriminalization of marihuana. I cannot think of a more appropriate vehicle to accomplish this purpose than this measure to extend the very agency responsible for the implementation of

Federal drug control investigations and policy

I will recommend an approach similar to that undertaken by the State of Oregon which abolished criminal penalties for simple possession and substituted a civil fine up to \$100 for possession and nonprofit transfers of up to 1 ounce of marihuana. Criminal penalties for the sale of the drug for profit would remain intact. This approach maintains a policy of discouragement toward marihuana use while recognizing the current inappropriate use of law enforcement resources and the destructive impact of potentially 30 million criminal records for such common conduct.

I concur wholeheartedly with Dr. Bourne when he testified 2 weeks ago stressing that the criminal penalties for marihuana use do more damage to people than does the drug itself, but that the Carter administration position is to discourage the abuse of all drugs, including alcohol and tobacco, as a national policy. Coupled with the cost effectiveness of this policy, refocused last week by the LEAA-funded Peat, Marwick, Mitchell & Co. study released by the Governors' conference which found that States that have decriminalized marihuana possession have shown a "substantial" savings of tax dollars, there really are no other sound or humane Federal responses available.

Additionally, I intend to recommend that all Federal jurisdiction in the drug control area be limited to major cases involving major traffickers.

The fact of the matter is that if the American public knew that more dollars are spent each year to prosecute marihuana cases than the Federal Government expends on its combined drug law enforcement and drug treatment program with the results I have outlined, I would speculate that rather than the near deadlock of opinion reflected in the most recent Harris poll-January 26, 1976—on decriminalization showing 43 percent in favor and 45 percent opposed a clear majority would support my approach. Concentrating our Federal drug enforcement resources on high-level heroin and dangerous drug traffickers is sound policy, but will call for a shift in the standards for measuring success. We in Congress should deemphasize the number of arrests as a criterion of success. And as the Assistant Attorney General for the Criminal Division concluded in his July 22, 1976, speech before the fifth Controlled Substances Conference in Minneapolis, Minn.:

No statistical striving or seizure syndromes can or will substitute for the quality, prosecution of those cases which place behind bars for extended jail sentences individuals responsible for the plan of illegal drugs into American communities. Such a strategy applies limited public resources more judiciously and simultaneously reflects sensible priorities.

Since the passage of the Comprehensive Drug Abuse Prevention and Control Act-Public Law 91-513-in 1970, our subcommittee to investigate juvenile delinquency, which developed this measure, has monitored its implementation and sought to assure that the Federal agencies responsible for its enforcement acted

appropriately to curb the illegal importation, manufacture, and distribution of controlled drugs.

Mr. President, I ask unanimous consent that a list of the subcommittee's relevant publications be printed at this point in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

> SUBCOMMITTEE PUBLICATIONS DRUG HEARINGS AND REPORTS

Poppy Politics, Cultivation, Use, Abuse and Control of Opium, Volume I and II, March 4, 5, and 26, 1975.

The Global Connection: Heroin Entrepreneurs, Narcotic Sentencing and Seizure Act of 1976, Volume I and Supplement, July 28 and August 5, 1976.

IRS: Taxing the Heroin Barons, Volume II

July 28 and August 5, 1976.
Drugs in Institutions, The Abuse and Misof Controlled Drugs in Institutions: Volume I-Interstate Placement and Traffic in Children and Their Drugging, July 31 and August 18, 1975; Volume II-The Improper Drugging of Mentally Ill and Mentally Handicapped Persons, July 31 and August 18, 1975. Volume III-Formerly Institutionalized Persons and Physicians; Mental Health, Mental-Handicapped and Criminal, Juvenile Justice Systems, July 31 and August 18, 1975.

Marijuana Decriminalization: S. which amends certain provisions of the Controlled Substances Act relating to marijuana Volume I and Supplement I and II, May 14,

1975.

Drug Abuse: The Pharmacist, March 28,

Psychotropic Substances Act of 1973, February 25, 1974.

Proper and Improper Use of Drugs by Athletes, June and July 1973.

Methaqualone (Quaalude, Sopor) Traffic, Abuse and Regulation, March and April 1973. Methadone use and abuse—1972-November 1972, February and April 1973. -1972-73.

Diet Pill (Amphetamines) Traffic, Abuse and Regulation, February 1972.

Amphetamine Legislation 1971, July 1971. Barbiturate Abuse-1971-72.

Part 21: Drug Abuse in the Armed Forces,

March, August, and October 1970.

The Narcotic Rehabilitation Act of 1966 and LSD and Marihuana Use on College Campuses, January, May, June and July 1966

Report, Methadone Diversion Control Act of 1973, June 1973.

Report, Barbiturate Abuse in the United States, December 1972.

Report, Drug Abuse in the Military, December 1971.

Mr. BAYH. The 1970 act also established a comprehensive scheme for the regulation and control of dangerous drugs manufactured for legitimate purposes. It was to more specifically address this facet of the 1970 act-the Controlled Substances Act and the Controlled Substances Transport and Export Act-that the constitutional cornerstone became the commerce clause rather than the taxing authority. In any case, regarding illegal traffic in natural opiates-heroin, morphine-whether under the tax authority approach or the commerce clause it is difficult to hypothesize a case with no interstate aspect.

Regarding the dimension and abuse of domestic legally manufactured controlled substances we have made considerable progress in the last several years. We have obtained a drastic, but necessary, 95-percent reduction in domestic amphetamine production. We have secured more appropriate control over our production and distribution of other drugs with high abuse potential, including the barbiturates and methaqualone. And to prevent illegal traffic and abuse of methadone we have obtained stricter controls over its storage and distribution. In short, these and similar important steps have effectively helped to reduce illicit traffic and clandestine manufacture of controlled drugs.

I was particularly pleased that at my request the Judiciary Committee adopted language in the 1974 report on S. 3355. introduced by myself and our distinguished former colleague (Marlow Cook) extending DEA for 3 years, which reflected concern about what is commonly called the nonopiate or polydrug abuse epidemic. On page 3 of that report (Senate Report No. 93-925) in the initial paragraph under DEA Objectives the pertinent language is found:

The Committee's desire is that the Drug Enforcement Administration aim its manpower at responding to the poly-drug epidemic by further penetration of illicit traffic in narcotics and nonnarcotic drugs and by increasing regulatory activity at all levels. These efforts should complement other high priority Federal programs of drug abuse prevention, treatment and rehabilitation.

But there is still substantial room for progress. DEA has indicated that it will, this year, finally increase its compliance and regulatory support program. This is an absolutely necessary component of a rational drug control policy.

Our efforts aimed at curbing illegal traffic in illegal drugs have not experienced the same degree of success.

The subject of extensive hearings by the subcommittee last year on the effectiveness of the Nation's drug control laws-the opium poppy-is not of domestic origin, but its byproducts, or at least one of them-heroin-is certainly familiar to every American.

Indeed, we are all too familiar with the devastating effects of heroin on the individual addict, their families, and society at large. We know that heroin abuse has destructive physiological consequences, debilitating the health of the abuser and impairing an addict's ability to lead a normal productive life. The social consequences are equally devastating. In order to support a habit, the addict is driven to engage in criminal activities which threaten the safety and well-being of all our citizens. The costs in human and economic terms are enormous:

Billions of dollars are expended each year to protect our citizens from drugrelated crime:

Billions of dollars of merchandise are stolen each year to support heroin

Billions of dollars are invested annually in drug prevention, treatment, and rehabilitation programs;

Many innocent people are physically assaulted and even killed in the course of drug-related crime; and

Hundreds of thousands of otherwise productive lives are lost to the destructive and often endless cycle of heroin

We have learned—and through the course of our recent hearings are still learing—from bitter experience that there are no simple solutions to the epidemic of narcotic addiction nor to the ever-escalating levels of illegal narcotic traffic. There are no panaceas—no magic wands.

In fact, opium control presents especially difficult and compex considerations. The plant which spawns heroin to which our citizens succumb likewise issues drugs to ease the misery of the terminal cancer patient and, ironically, provides us with the antagonist medication necessary to treat those suffering acute narcotic overdose. There is little doubt that the opium poppy is a double-edged sword, life threatening and life saving

We have made some progress in curbing narcotic traffic and addiction, but we must be forever vigilant that rhetoric about "the light at the end of the tunnel" or "turning the corner" on any problem not delude us into believing that we have actually accomplished our objectives.

One thing that we established through our hearings last year was that the White House was less than candid with Congress and the American people regarding their assessment of the importance of the Turkish ban on the cultivation of opium poppies in the effort to curb heroin traffic and addiction.

Former Presidential assistants with special responsibilities in the area of drug control and abuse told the subcommittee that in October 1971 shortly after the Turkish Government announced the ban, that the plan was ill-conceived.

Dr. Jerome Jaffe, former Director of the White House Special Action Office testified that he never believed that a ban on the growth of opium poppies would be effective in stopping the spread of heroin in the United States.

Mr. Walter Minnick, former White House Staff Assistant to the President for Domestic Affairs and Staff Coordinator for the Cabinet Committee on International Narcotics Control, told the subcommittee, quite candidly, that:

The Congress and the American people were led to believe that the ban was an indispensable part of getting on top of heroin addiction.

Throughout 1972 the White House produced release after release, heralding the Turkish ban as a major breakthrough in the fight against heroin addiction and as clear evidence that the battle was well on its way to being won. This "hoopla" about the ban stepped up markedly during the fall of that year.

Apparently the Nixon administration was more concerned in 1972 with the reelection campaign than they were about controlling poppy production and solving the heroin problem.

The record developed to date by the subcommittee leaves little doubt that the Nixon administration not only created a misimpression about the ban and the policy of eradication, but that it had little time, if any, to heed the caution and advice of medical experts and others who warned that such policies could have long-term damaging ramifications including possible shortages and the emer-

gence of a strong viable Mexican connection along our southwestern border.

Even prior to former President Nixon's message to the Congress in June 1971, which set out the dual objectives of a ban on poppies and the development of synthetic alternatives to opiates, agencies experts in a confidential memorandum had alerted the White House to these likely ramifications.

Testimony presented to the subcommittee, however, revealed that White House advisers including Mr. John Ehrlichman, reportedly had decided that the poppy ban was "good politics" in that it would provide a high-profile, simple, ostensible answer to the crime problem with which heroin addiction and traffic are so intimately associated.

Even in late 1972 and 1973 when the prospect of an opiate shortage was rapidly becoming a reality, the White House ignored warnings by the medical community and others that White House "poppy politics" was responsible for the shortage as well as the failure to effectively focus on heroin traffic.

In a very short period of time Mexico had become the primary supplier of heroin to the United States, and although the Turkey ban did cause a shortage of heroin it was, as General Accounting Office investigators told the subcommittee, limited to major cities in the East and "a temporary thing at best."

The heroin problem now is worse than it was before the ban.

The American people are sick and tired of being sold a bill of goods.

As a Member of Congress who has, likewise, relied on less than candid representations at the highest levels of the executive branch in recent years, I know we were sold a bill of goods in this instance.

We are interested in developing a full and complete understanding of these issues so that sound national policies in the area can be substituted for past mistakes.

As late as February 21, 1974, President Nixon concluded his drug abuse in America message to the Congress by saying in part:

Drug abuse is a problem that we are solving in America. We have already turned the corner on heroin.

Soon though even White House officials, as they announced that all the indicators of heroin abuse were up again, were cautioning others about claiming victory in the war against the poppy and heroin. In fact, on March 5, 1975, Dr. Robert Dupont then Director of the White House Special Action Office on Drug Abuse Prevention, told the subcommittee that "we can no longer talk about having turned the corner on heroin anywhere."

Similar discouraging observations were contained in the recently released National Institute on Drug Abuse publication "Heroin Indicators Trend Report." Director Dupont reiterated the mistake that was made in interpreting what proved to be a regional temporary downtrend in usage in 1973 as a turning point in the national antidrug fight and revealed that the evidence is now clear that

since 1973 the heroin use problem in the United States has deteriorated.

Maps provided for the subcommittee use in December 1974 by GAO graphically illustrate the source of what Dr. Dupont termed the deteriorating heroin problem: Mexico

Mexico has become a significant supplier of the heroin reaching U.S. markets for illicit distribution. DEA statistics show that in the year ending June 30, 1972, 8 percent of the heroin seized in the United States was Mexican. By June 30, 1973, the amount of seized heroin from Mexico had more than quadrupled and accounted for 37.2 percent of all heroin seized in the United States. In March of 1975 DEA informed the subcommittee that 65 percent of the heroin reaching the United States comes from Mexican poppies.

By last fall Mexico had taken over as the dominant or nearly exclusive source for illegal heroin throughout the Nation, overshadowing Europe, the Near East, and Southeast Asia. According to a special October 19, 1975, DEA report to the subcommittee during the first months of 1975, 90 percent of 305 heroin samples confiscated in 13 major cities by the DEA were Mexican processed.

The special DEA report confirms the view that the route that brought Frenchprocessed Turkish heroin has been effectively blocked. Less than 2 percent of the confiscated heroin analyzed between January and June 1975, came from Europe or the Near East. In 1972, 44 percent of the sample came from those areas. During the period. Turkey halted the growing of the opium poppy from which heroin is made. Earlier last year. Turkey resumed cultivation. Let us hope that the use of the poppy-straw process of harvesting the opium will effectively prevent resurrection of the infamous "French Connection".

Thus I am extremely concerned that all necessary steps be taken to prevent the diversion and traffic in Turkish opium that has formerly contributed so heavily to the destruction of so many thousands of lives and was so intimately linked to the ever-escalating levels of violent crime.

The Turkish Government claims that it will prevent the new opium crop from getting into criminal channels. The resort to the poppy straw method of processing will help to assure the desired objective, but much more is necessary. To date slightly more than 300 agents are reportedly available to monitor 50,000 acres of poppies being cultivated in small plots. The jeeps necessary to reach remote areas as I understand it have not yet arrived. To get the job done will require a dedicated and committed effort by the Turkish Government.

Whether the Turkish Government fails to hold to their commitments or not, we are again confronted with a horrendous heroin trafficking problem.

The increasing flow of Mexican heroin toward the major cities of the Northeast and the drying up of the European supply are the most startling aspects of the first half of 1975 DEA figures. A survey completed early in 1972, showed that the furthest penetration of Mexican-proc-

essed heroin eastward was an irregular line running from Detroit to the Florida Panhandle. The GAO maps supplied to the subcommittee also illustrate the significant Mexican heroin market during the same period.

For instance, in Boston 100 percent of all confiscated samples came from Mexico in 1975 and none from Europe. In 1974, 50 percent of the Boston samples had come from Mexico and 17 percent from Europe.

In New York City, 83 percent of the samples were Mexican-processed in the first half of 1975 compared with 10 percent from Europe. In 1974, 21 percent of the samples were Mexican and 67 percent were European.

For Philadelphia, 83 percent of the samples were Mexican in 1975 and none were from Europe in 1975. In 1974, 50 percent of the samples were Mexican and 17 percent were from Europe.

The new figures show that Mexicanprocessed heroin has even established itself for the first time in the Pacific Northwest, replacing heroin from Southeast Asia.

The already entrenched position of Mexican-processed heroin in the Middle West and the Southwest was further confirmed by the new figures. For instance, Detroit samples were 93 percent Mexican in 1974 and 94 percent in 1975, while Chicago remained at 100 percent Mexican for both years.

However, in 1972, Detroit samples showed 58 percent of the heroin was processed in Europe and 30 percent in Mexico. For Chicago 44 percent in 1972 was European and 33 percent was Mexican

The Midwest, and the Chicago area in particular, has become the main line of distribution for the Mexican brown heroin. The DEA deputy regional director in Chicago relates that "we are up to our ears in Mexican heroin." It estimated that between 3.8 and 7.5 tons of heroin arrive in this principal U.S. marketplace for Mexican brown.

Since the subcommittee's extensive hearings on "poppy politics" in March 1975, I have been encouraged by the work of the Domestic Council Drug Abuse Task Force. In the fall of 1974 and early 1975 the subcommittee staff had detected signs of enlightenment regarding Federal drug enforcement policy in the approach of several individuals, including the chairman of the White House Opium Policy Task Force, who in turn became the director of the working group that developed the "White Paper on Drug Abuse." At our March 1975 hearings we were pleased to learn that this important project was well underway and that they intended to give special attention to the lack of Federal drug law enforcement coordination.

The widely publicized "tug of war" between DEA or its predecessor BNDD and the Bureau of Customs regarding jurisdiction on narcotics investigation has been at best a grave disappointment. I am confident that my colleague, Senator Nunn, and others on the Senate Government Operations Committee are dedicated to assuring that the proper governmental structure is devised to assure

integrity and streamlined narcotics law enforcement.

The Government Operations Committee interim report, "Federal Narcotics Enforcement," raises important issues regarding the respective DEA-Customs roles. It concludes that reorganization plan No. 2 of 1973, which created DEA "caused a break in the jurisdictional authority of this Government to combat drug smuggling." This less than satisfactory result followed after the approval of plan No. 2. The interim report leaves the impression that Congress had little or nothing to do with the approval of the reorganization plan No. 2, and that its role was "sharply limited," because if after 60 days from the date of submission of the plan, Congress had done nothing, the plan would be implemented.

My recollection was that another lengthy discussion and debate accompanied the consideration of reorganization plan No. 2—the vehicle that created DEA and a review of the record supported this view

A Senate Government Operations Committee Report entitled "Reorganization Plan No. 2 of 1973, Establishing a Drug Enforcement Administration in the Department of Justice" documents the extensive review given the proposed plan No. 2. It reveals that "nearly 3 months before the President submitted reorganization plan No. 2, this committee's Subcommittee on Reorganization, Research, and International Organizations began an investigation of Federal drug law enforcement" and that they con-ducted "more than 100 staff interviews of current and former law enforcement officials and prosecutors at the Federal, State, and local levels, of other present and past Government officials, including former Cabinet officers and White House aides, and of drug abuse prevention and treatment specialists."

A central aspect of this inquiry was the "uncontrolled bitter feuding and the actual sabotaging of each other's investigation" by BNDD and Customs. The report notes that "by mid-March representatives of the Nixon administration informed * * * the * * * members of the subcommittee that the President would soon submit a reorganization plan to bring the primary drug enforcement efforts together in a single agency in the Justice Department."

According to the report, testimony was taken regarding plan No. 2 in Washington from Mr. Kleindienst, Attorney General; Roy Ash, Director of Office of Management and Budget; John Ingersoll, Director of BNDD; Vernon Acree, Commissioner of Customs; Miles J. Ambrose, Director of ODALE and Special Consultant to the President for Drug Abuse Law Enforcement. When coupled with field hearings held around the country on plan No. 2 "a total of 158 witnesses were heard in 11 hearings."

The report on plan No. 2 reveals that the Government Operations Committee found that there was a strong need for the new superagency and it endorsed the reorganization plan and cited, among several, the following advantage expected to be derived from the reorganization:

First. It will put an end to the inter-

agency rivalries that have undermined Federal drug law enforcement, especially the rivalry between BNDD and the Customs Bureau.

It is interesting to note that the actual plan No. 2 submitted by the President to the Congress (H. Doc. No. 93-69, March 28, 1973) stressed the need to strengthen our narcotics law enforcement effort at our borders. It proposed in fact, in order to reduce the possibility that narcotics will escape detection at ports of entry because of divided responsibility, and to enhance the effectiveness of the DEA that all functions vested in the Justice Department respecting the inspection of persons or the documents of persons be transferred to Treasury to augment the effort of the Bureau of Customs at our borders.

According to the 1973 committee report, the hearings on plan No. 2 "did not dwell on the BNDD-Customs dispute because the chairman and members felt that no legislative purpose would have been served inasmuch as the plan acknowledged and remedied the problem by uniting the rival agencies." Apparently because President Nixon proposed the transfer of Immigration and Naturalization Service inspectors to Customs to accomplish the renewed focus at the border—thus possibly jeopardizing the rights and benefits of the inspectors—Customs lost out.

The new agency-DEA-would absorb virtually all of the Customs Service's drug enforcement functions except at the border and ports of entry. It would appear that no attention was given to beefing up Customs in a manner consistent with the rights of the Immigration and Naturalization inspectors, for example providing Customs with 1,000 additional positions. Consistent with such an approach former Assistant Secretary of the Treasury, Mr. Eugene Rossides in a memorandum he submitted for my review. April 2, 1974, recommended the return of anti-drug smuggling responsibilities, including related intelligence collection, to Customs. The Government Operations Committee should give serious consideration to this recommendation.

Thus the reorganization plan No. 2 apparently did not resolve the "tug of war" between DEA and Customs. The Domestic Council in the white paper, however, has called for a settlement of the jurisdictional disputes between DEA and Customs. At the subcommittee hearing last week, both Administrator Bensinger and Commissioner Acree expressed strong support for the December 1, 1975, memorandum of understanding between their two agencies.

I was impressed by the sincerity of these two persons at our hearing last summer, but in light of the failure of a similar prior agreement to resolve jurisdictional problems, I urge the President to clearly delineate a White House level monitoring system to assure that our drug law enforcement agencies get on with their mandates namely to curb the flow of heroin and other dangerous drugs into this country.

into this country.

Whatever agency or agencies are eventually assigned the drug law enforcement responsibilities it is my subcommittee's

mandate to assure that the Controlled Substances Act and the Controlled Substances Import and Export Act, that were drafted by the subcommittee after extensive hearings in 1969 and enacted in 1970. provide the Nation's drug law enforcement officers and our criminal justice system with the most effective constitutionally sound tools to help take the profit out of heroin and other illegal dangerous drug traffic.

I agreed with President Ford when he stressed in his April 27, 1976, message that "drug abuse constitutes a clear and present threat to the health and future of our Nation" that we must "refocus and revitalize the Federal effort," especially with regard to those who accumulate substantial wealth through such tainted trade.

This was not the first time, since 1968 that the administration has expressed support for congressional effort to curb drug traffic. Earlier proposals lacked focus and did not reflect the judicious use of limited public resources. Thus, although I was encouraged by some remarks, I would be less than candid if I did not admit that earlier rhetoric and indifference about these important issues only reaffirms former Attorney General Mitchell's enjoinder that it was more important to watch what is done than what is said. You do not help take the easy profits out of drug traffic with tough talk and hollow promises.

Through our 1975 hearings on opinion policy and those last summer on legislation introduced by President Ford the subcommittee attempted to develop a better understanding of the ramifications of the public policy developed by the Nixon administration to curb heroin traffic and abuse. I am optimistic that the current administration has learned from their mistakes.

I believe that firm and certain punishment must be the response to drug traffickers

Although there seems to be a bandwagon syndrome regarding the application of mandatory minimum penalties to all crimes, I agree with Prof. James Vorenberg-

That the rush to mandatory minimum sentences distracts attention from a general restructuring of sentencing laws as well as from the futility of efforts to run our criminal justice system "on the cheap."

But I concur with the distinguished executive director of the American Civil Liberties Union, Mr. Aryeh Neier, that:

Some people who have committed very serious crimes of violence should be given incapacitating sentences to protect everyone

The 1970 act eliminated most mandatory sentences. As the former President said in his June 17, 1971, drug abuse message to Congress:

The act contains credible and proper penalties against violators of the drug law. Several punishments are invoked against the drug pushers and peddlers while more lenient and flexible sanctions are provided for the users.

The President continued:

These new penalties allow judges more discretion, which we feel will restore credi-

bility to the drug control laws and eliminate some of the difficulties prosecutors and judges have had in the past arising out of minimum mandatory penalties for all viola-

The only provision of the 1970 act providing minimum mandatory sentences is the continuing criminal enterprise provision, section 408, which was intended to serve as a strong deterrent and to keep those found guilty of such violations out of circulation

It provides that persons engaged in continuing criminal enterprises involving violations of the bill, from which substantial profits are derived, shall, upon conviction, be sentenced to not less than 10 years in prison, and may be imprisoned up to life, with a fine of up to \$100,000, plus forfeiture of all profits obtained in that enterprise. A second conviction under this section will lead to a mandatory sentence of not less than 20 years and up to life imprisonment, a fine up to \$200,000, and forfeiture of all such profits.

Except when continuing criminal enterprises serve as the basis for an indictment, manufacture, sale, or other distribution of controlled drugs will carry penalties which vary, depending upon the danger of the drugs involved. If the drugs are narcotic drugs listed in schedules I or II, which have the highest probability of creating severe physical as well as psychological dependence, the penalties which may be imposed are up to 15 years imprisonment and a fine of up to \$25,000 for a first offense. If the drug involves nonnarcotic substances listed in schedules I or II, or any substance-whether or not a narcotic-included in schedule III, the penalties for a first offense are up to 5 years imprisonment, plus a fine of not more than \$15 .-000. If the drug is a schedule IV substance, the penalty is up to 3 years imprisonment and a fine of \$10,000, and if a schedule V substance is involved, the penalty is up to 1 year imprisonment, plus a fine of not more than \$5,000.

Where a violation of the bill involves distribution to a person below the age of 21 by a person who is 18 or more years of age, the penalty authorized is twice the penalty otherwise authorized for a first offense, with substantially increased penalties for second and subsequent violations.

President Ford's legislation would require mandatory minimum sentences for all persons convicted of trafficking in heroin and similar narcotic drugs. It called for a 3-year mandatory sentence for the first offense, and at least 6 years for any subsequent offenses or selling illegal drugs to a minor, subject in each instance to exceptions.

This approach did not focus on the financier, importer, or organized criminal leaders who control drug traffic-it did not focus on these kingpins. What we need is meaningful sentencing for major traffickers. The problem with past Federal policy and focus was clearly presented to the subcommittee last week by Hon. Sheldon B. Vance, senior adviser to Secretary of State for International

Narcotics Matters, when he told the subcommittee that-

While we can point with some satisfaction to our efforts toward improving the effectiveness of international narcotics control over the past several years, our own efforts to deal with traffickers has acquired a reputation of leniency. Minimal sentences, liberal parole and prosecutorial bargaining with cooperating defendants have caused some foreign officials to criticize the United States judicial system, often referring to it as a "revolving door." Specific complaints have been registered, primarily from Latin Ameri-can countries, about low bail, release on personal cognizance, plea bargaining, lenient sentences, and early parolling of traffickers apprehended following close collaboration with foreign law enforcement officials.

Ambassador Vance cited an especially illustrative case. He explained that-

It concerned two individuals arrested in November 1972 in New York subsequent to their delivery from Singapore of 2.5 kilos of No. 4 heroin to Special Agents of the Drug Enforcement Administration. The exhibit was delivered as a free sample toward a 23 kilo delivery scheduled for the future. They were tried without a jury in the Southern District of New York and in March 1973 were given sentences of 15 years for each of two counts, to run consecutively. On June 26, 1974, the judge reduced their sentences pursuant to their motions, making them eligible for parole.

On August 30, 1974, one of them filed an application for parole. His application was heard on October 16, 1974. An Institutional Review Hearing was held in March 1976 and parole was granted. He was delivered to the U.S. Immigration and Naturalization Service Authorities on July 15, 1976 for deportation. On July 17, 1976, upon his arrival in Singa-

pore, he was arrested by officers of the Singa-pore Central Narcotics Bureau. On July 20, 1976, the Assistant Director, Central Narcotics Bureau requested the High Court Magistrate to order his detention for the remainder of his U.S. prison sentence.

Ambassador Vance commented that-These developments have caused the Singapore authorities seriously to question the commitment and sincerity of the United States in its efforts against the international trafficking of narcotics."

And that-

Such cases and other indicators clearly show a soft and imprecise handling of narcotics offenders. This inhibits our ability to obtain cooperation from foreign governments

We need to restore credibility to the sentencing process to assure that the "kingpins" are disrupted. I endorse the Domestic Council White Paper recommendation regarding sentencing of drug traffickers to require "minimum mandatory sentences for persons convicted of high-level trafficking in narcotics and dangerous drugs." I took particular note of the task force recommendation that President Ford's proposal be expanded to include high-level traffickers of barbiturates and amphetamines.

The most effective way to curb the flow of illicit drugs is to immobilize substantial trafficking networks through the prosecution and conviction of their leaders. I concur in the White Paper recommendation that:

Federal law enforcement efforts should focus on the development of major conspiracy cases against the leaders of highlevel trafficking networks, and should move away from "street-level" activities.

In calendar year 1974, DEA special agents in the United States spent 28 percent of their time in pursuit of class I violators, or those at the high level of traffic; 19 percent investigating class II's; 45 percent of their time on class III's; and 8 percent of their time on IV's. Even fewer of the arrests made were class I or II violators.

According to DEA Administrator Bensinger, however, the trend has improved. He told the subcommittee that class I, major, heroin violator arrests have increased by 106 percent in the 9-month period ending March 31, 1976, and class IV street-level arrests have decreased significantly.

These are encouraging signs but only time will determine whether DEA has finally focused its limited resources on the class I violators. The New York Drug legislation was recently amended to reflect this priority. The so-called Rockefeller shotgun approach clogged the courts but failed to sharpen the system's focus on major traffickers. To help assure this long-term objective the subcommittee is considering provisions that would restrict Federal drug control jurisdiction and authority to major interstate and international cases.

In 1973, the subcommittee desired to significantly strengthen the hand of our law enforcement officials in dealing with one of the most dangerous types of criminals in our society-major dealers who are the purveyors of heroin to our young people. This concern was reflected in the public menace amendment to S. 800, introduced by Senators Bayn and Tal-MADGE. This amendment was aimed at the backbone of heroin trade and distribution in this country, not addicts who are supporting a habit, for whom current laws are adequate, but the highlevel traffickers who hook others. The Senate passed this amendment on April 3, 1973. It was not favorably reported from the House Judiciary Committee before the close of the 93d Congress. Similar provisions were included in S. 1880 the Violent Crime and Repeat Offender Control Act of 1975, which I introduced

There is no criminal element in this country which is more dangerous and despicable than those who are the purveyors of heroin to our young people. My approach is not aimed at addicts who are already hooked and who are trying to support their habits. For such people laws already on the books and adequate treatment—together with the capture and imprisonment of big time dealers—offer the best hope. My target is those who have hooked others and not themselves.

The Bureau of Alcohol, Tobacco and Firearms similiarly should focus their limited resources away from "the street" and periodic nickel and dime raids and toward "the suites." Such a joint focus by ATF and DEA at our Mexican border would help disrupt the very significant links between illicit traffic in drugs and firearms so well documented in the subcommittee volumes on firearms control

and recently highlighted by our colleague Senator LLOYD BENTSEN.

Last year Ford's bill neither distinguished as to amount or purity of the drug involved, it would even mandate a 3-year jail term for one who illegally transfers a portion of a methadone maintenance patient's average 100 milligram dosage. Although we have not received an assessment from the Bureau of Prisons as to the impact of the President's proposal, we can rest assured that multimillions of nonexistent dollars would be required for new prisons. This shotgun-nonspecific approach should be rejected.

While, I believe present statutes are adequate for addicts, the subcommittee is considering an amendment to the 1970 act to include an "attempt" section punishable by up to 5 years imprisonment, that would apply to nonaddict traffickers; such provision may provide the necessary impetus for such nonaddicts to cooperate in the prosecution of major trafficking cases.

A sound drug enforcement policy must reflect the reality that all drugs are not equally dangerous, and all drug use is not equally destructive. The Domestic Council White Paper on Drug Abuse stresses this theme when it concludes that enforcement efforts should therefore concentrate on drugs which have a high addiction potential, and treatment programs should be given priority to those individuals using high-risk drugs, and to compulsive users of any drugs.

Another serious problem with current Federal law and practice that is likely to be addressed during the consideration of the measure I introduce today is so-called bail reform. Last year I agreed with President Ford's concern about bail jumpers. He emphasized the President's concern about bail jumpers. He emphasized in the April 22, 1976, message one aspect of the problem when he stated:

These offenders simply fiee to their homelands upon posting bail. Then, they serve as walking advertisements for international traffickers attempting to recruit other couriers.

Yet, title II of the DEA legislation, S. 3411, would enable judges to deny bail to almost anyone arrested for a drug offense if otherwise suspected, such as nonresident aliens. Thus, the nearly 7 million aliens admitted last year under nonimmigrant status whether foreign government officers, temporary visitors for business, or pleasure, and a myriad of other bases for admission become suspect under S. 3411.

Rather than resort to preventive detention which would reverse the basic tenet of our criminal justice system—the presumption of innocence—what we lack today is a realistic application of bail within the confines of the constitutional protection of the eighth amendment. We need full and expeditious implementation of the Speedy Trial Act to assure that justice is not only fair but swift and certain.

Incidentally, I recently reviewed the status of the 540 Americans in Mexican jails, mostly on drug offenses, with an

eye to numerous allegations of torture and police brutality and general outrage at the fact that these Americans were "languishing" in foreign jails. The impact and significance of our cherished presumption of innocence was unmistakably clear when juxtaposed to the plight of these persons. The reliance in Mexico on the Napoleonic Code's "guilty until proven innocent" had assured that some innocent persons could be held as long as a year and that many would not be able to prepare an adequate defense. It is ironic that the Ford White House recommended a similar denial of basic rights for suspected citizens and nonresident aliens.

Aside from constitutional and humanitarian objections, preventive detention has failed to accomplish its goals in the District of Columbia. The 1972 Vera Institute-Georgetown University Law Center Study as well as testimony before the subcommittee last week supported this conclusion. Earl Rauh, the chief assistant U.S. attorney, testified that of the more than 30,000 felony cases handled by the District of Columbia criminal justice system the preventive detention procedure has been used only 70 times in the last 5 years. Even on practical grounds such a track record hardly bespeaks adoption of this approach on a national basis.

I will carefully consider for incorporation in the drug legislation, however, provisions that mandate the denial of bail when necessary to prevent the flight of major drug traffickers. These provisions could include specific judicial guidelines.

An additional reform under consideration concerns major narcotics traffickers who jump bail.

To help remedy this growing problem we may amend the Federal law to make the penalty for bail jumping equal to that of the underlying substantive offense.

These are the type of realistic changes we need to more effectively combat those who accumulate incredible profits from the misery of hundreds of thousands.

A primary premise of sensible legislation is that the Federal Government must act more decisively to attempt to take the easy profits out of major drug trafficking. I support provisions that would require the forfeiture of the proceeds used or intended to be used in illegal narcotic or dangerous drug transactions.

These forfeiture provisions should apply to subsequent profits or value generated by the investment of the tainted proceeds. We must disrupt major narcotic distribution lines and attempt to provide a greater degree of deterrence and risk for these kingpins.

As policymakers we must place the nature and extent of heroin traffic in perspective. As Assistant Secretary of the Treasury David Macdonald told the subcommittee last summer, it is important to recognize that what we are talking about "is big business. In terms of dollars, it is one of the largest industries in the United States and exceeds the

gross sales of many multinational corporations."

The Treasury Department estimates that the retail value of heroin sold in the United States each year is in the neighborhood of \$7 billion. In my view this is a conservative estimate. Others speculate that the domestic heroin market sales are in excess of \$10 billion annually. In 1972, the entire domestic prescription drug industry accounted for \$5.4 billion in sales, or significantly less than the domestic heroin industry, which incidentally pales by comparison with our legitimate domestic narcotic market. The drug industry employed 143,985 persons in the United States and in the latest year for which data are available paid a total of nearly a billion dollars in taxes. The outlaw drug industry paid negligible taxes, if any.

What does it mean when one says that high level drug dealing is very profitable? According to analysis of the distribution hierarchy gross profits are considerable at every level. At the higher levels of the distribution systems, however, the operating costs-basically wages and stock finance costs-are claimed to be a larger percentage of the value added than at lower levels. So-called average profits in this market would be considered astronomical in most markets with which I am familiar. The rate of return on investment is approximately as follows: 300 percent for the importer; 100 percent for the kilo connection; 145 percent for the connection-or ounce man; 114 percent for the weight dealer: 124 percent for the street dealer; and 50 percent for the juggler or the seller from whom the average street addict buys heroin.

According to Sterling Johnson, Jr., special narcotics prosecutor for New York City, an active seller at a level comparable to the street dealer-one-eighth ounce of diluted heroin selling for an average price of \$55-can clear \$500 to \$1,000 profit a day. A key dealer in the Baltimore, Md., area was recently sent to prison for a 15-year term. As the No. 2 person in Baltimore heroin trade he was clearing \$140,000 a week in 1973. Kilo importers in Harlem are reportedly clearing \$150,000 a week and their distributors a paltry \$50,000 a week. It is estimated that these dealers take home more than \$4 million every week in this one community. These figures are all "before taxes" for little revenue is collected from this multibillion-dollar-ayear business.

Obviously these illicit activities generate large flows of money both domestically and internationally. Secretary Macdonald reported to the subcommittee that "hundreds of millions of dollars, usually in the form of currency, are moved out of the United States annually to pay foreign producers and processors for their services." He went on to say that "within the United States, drugs are also a cash-and-carry business." In a recent case a major trafficker was arrested with \$1 million in cash in his possession.

I believe that as a basic theme of our drug law strategy we should attack drug smugglers and traffickers through the currency and profits generated by their illegal activity.

High-level traffickers, who may be insulated from the illegal merchandise and consequently cannot readily be convicted for drug violations are often vulnerable to financially oriented investigations. As Secretary Macdonald pointed out last summer such an approach "could have greater impact than by concentrating solely on the drug transactions themselves." In this connection the United States-Swiss Mutual Assistance Treaty in Criminal Matters, recently ratified by the Senate should help to expedite the exchange of information relative to the international aspects of this dirty, tainted trade. By carefully monitoring the vast flow of currency and monetary instruments important information is developed with respect to narcotics trafficking

To help facilitate the prosecution of major trafficker couriers, serious consideration should be given to clarify the time frame for violations relating to traffickers' proceeds and by granting additional authority to search persons suspected of smuggling tainted drug proceeds in excess of \$5,000 out of the country. This could include fines that are far more than those under present law which any major traffickers could assume as a cost of doing business.

I have been concerned that DEA reliance on techniques in which their agents and informants use Federal moneys to purchase illegal narcotics of information may be far too costly and even counterproductive. There is some evidence that these practices, known as PE—purchase of evidence—and PI—purchase of information—may actually expand the narcotic trade.

These practices should also be carefully assessed.

To even the casual student of the activities of those who control the flow of heroin and other dangerous drugs in the United States one thing is strikingly clear: they take in exorbitant profits and pay no income tax.

I was especially pleased that President Ford stressed, in his drug message, the need to reestablish the Internal Revenue Service tax enforcement program aimed at high-level drug traffickers.

The IRS program aimed specifically at major drug traffickers was announced by the former President in June 1971, and the Congress then voted emergency funds for this vital and worthwhile initiative. Though a recent review of the impact of this program by the Domestic Council Drug Abuse Task Force characterized it as "extremely successful," all is not well with this special attempt to tax narcotics merchants. In fact, since 1973, after an impressive 18-month track record, the current IRS Commissioner downgraded and eventually deemphasized-some would assert dismantled—the program.

It appears that the Internal Revenue Service is in the processes of reconsidering the viability of the NTTP. Whether this apparent reassessment was voluntary or not should be left to the speculators; but, coincidentally, the day before our first hearing on the President's drug message, July 27, 1976, the Administrator of DEA and the Commissioner of the

Internal Revenue signed a memorandum of understanding regarding the Presidential directive to reestablish a tax enforcement program aimed at high level drug trafficking.

The ostensible objectives of the new agreement as well as the development and track record of the NTTP should be a top priority for the new Commissioner and for ODAP.

In addition to provisions which will assist the detection of couriers smuggling tainted proceeds out of the country, we should assess amendments to facilitate the detection and prosecution of narcotics smugglers who use seagoing vessels, including private yachts and pleasure boats. This so-called deep-six connection has developed into an integral conduit for major narcotics smugglers and distributors.

The Commissioner of Customs, Mr. Vernon Acree, explained this growing problem to the subcommittee, in part as follows:

The high speed and fuel carrying capabilities of today's small boats permits them to travel distances which were not envisioned when the vessel reporting requirements were enacted in 1930. Thus, a small boat can journev from our eastern coast to larger vessels hovering off-shore outside the 12 mile Customs waters, or to the Bahamas or other nearby foreign islands for the purpose of picking up narcotics. They may then return to the U.S., pull into a small cove or marina and unload the drugs. Some of these boats will then call Customs to report their arrival, while others will ignore this requirement. In either case, the present reporting requirements are virtually useless since any contraband will have been removed before Customs officers arrive to inspect the vessel.

This problem has become particularly acute in States including Florida where private yachts and pleasure vessels, with easy access to nearby foreign islands, the high seas and the United States' inland waterways, complicate detection. Further magnifying the problem is the fact that hard evidence has been developed establishing that foreign flag vessels are moving multi-ton loads of marihuana and smaller portions of hashish to positions on the high seas adjacent to the United States eastern and gulf coasts. At a position usually between 40 and 60 miles offshore, the mother ship-or hovering is met, under cover of darkness, by small vessels that take on a portion of the load for introduction into the United States. The mother ship then moves to the next rendezvous point where similar discharges are made. When the mother ship is empty it returns to its country of origin without ever having entered U.S. waters.

To respond more effectively to these special distribution channels and to address the fact that many vessels consistently ignore current law changes in the relevant reporting requirements should be considered.

As I mentioned earlier we are concerned that the reorganization plan No. 2 processed by the Government Operations Committee in 973, though not without merit, has resulted in the under utilization or misdirection of intelligence gathering and dissemination, especially at our borders and most importantly our Southwestern border. The full utilization of

Customs intelligence and investigative resources is a necessary step in bringing Federal narcotics enforcement effectiveness to its highest possible level. It should be recalled that narcotics traffic is a giant, incredibly profitable industry. Even if it were taxed comparable to the level of our domestic prescription drug industry-it would owe the American taxpayers at least \$1 billion or every American citizen \$5 each year. Thus these merchants of death-by the most conservative and cautious assessment-would owe more in taxes than the combined Federal drug abuse law enforcement and Federal drug abuse prevention budgets.

There is little doubt that the drug law enforcement task at hand is substantial. Thus, it is even more essential than ever to focus resources at our borders where high purity narcotics are traded in volume. It is with this focus that we can most effectively disrupt key distribution networks.

Another unfortunate aspect of reorganization plan No. 2 is that though the Government Operations Committee cited the benefit of a single focal point for coordinating Federal drug enforcement with that of State and local authorities, the plan as approved did not contain stipulations to prevent Federal inter-ference with State and local drug law enforcement activities.

As I indicated, in the discussion of Federal drug control jurisdiction, we will consider restricting Federal enforcement agencies statutorily to interstate and international major trafficking cases. While we are concerned that Federal efforts do not erode local initiative and accountability, we believe that the Federal Government should expand its programs of assistance to State and local drug enforcement officials. The controlled substance units and diversion investigation units should be expanded to assist State and local investigation and prosecution of major diversion and trafficking

In fact, I will recommend that DEA be authorized to make grants to State and local governments for these purposes. Now that the programs are fully operational both the management and funding of these efforts should be the responsibility of DEA not LEAA.

The measure I introduce today will provide appropriate time to develop the full Carter administration drug prevention and control program and the vehicle to help set the stage for its development.

During the 6 years as chairman of the Juvenile Delinquency Subcommittee, I especially appreciate the enthusiastic support of the Senate leadership for my efforts and invite my colleagues to assist us in the enactment of a sensible statutory response to high risk drugs and to major drug traffickers. It is about time and it is clear that the taxpayers of this country demand and reserve no less:

Mr. President, I ask unanimous consent that the bill and accompanying letter be printed in the RECORD at this point.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 1232

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 709(a) of Part F of title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970, as amended (21 U.S.C. 904(a)) is amended by inserting in lieu thereof:

(a) There are authorized to be appropriated \$182,000,000 for the fiscal year ending September 30, 1978, together with such additional amounts as may be necessary in each year for increases in salary, pay, retirement, and other employee benefits authorized by law, and for other nondiscretionary costs which arise subsequent to the date of enactment of this Act, and such sums as may be necessary for the fiscal year ending September 30, 1979.".

OFFICE OF THE ATTORNEY GENERAL, Washington, D.C., April 1, 1977.

The VICE PRESIDENT, U.S. Senate, Washington, D.C.

DEAR MR. VICE PRESIDENT: There is transmitted herewith a legislative proposal which amends section 709 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 940) to provide appropriations authorization to the Attorney General for fiscal years 1978 and 1979 to carry out the administration and enforcement of the Act.

At present section 709 of the Act as amended by P.L. 93-481 provides no appropriations authority beyond fiscal year 1977.

The proposed legislation would amend section 709 to authorize appropriations for the expenses of carrying out the functions of the Attorney General under the act in the amount of \$182,000,000 for the fiscal year ending September 30, 1978, together with such additional amounts as may be necessary in each year for nondiscretionary costs which arise such as increases in salary, pay, retirement, and other employee benefits authorized by law, and such sums as may be necessary for the fiscal year ending September 30, 1979.

We urge the earliest consideration for the legislation in order to provide the authority to continue domestic drug enforcement programs at all levels.

The Office of Management and Budget has advised the submission of this legislation is consistent with the program of the President.

Sincerely,

GRIFFIN BELL. Attorney General.

By Mr. HART (for himself and Mr. ABOUREZK):

S. 1233. A bill to provide emergency price and income protection for farmers for the 1977 crops, to assure consumers an abundance of food and fiber at reasonable prices, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

EMERGENCY FOOD AND AGRICULTURE ACT OF 1977

Mr. HART. Mr. President, today, I am introducing for myself and my colleague, Senator Abourezk, an emergency farm bill which responds to one of the greatest needs of our Nation's agricultural producers: Equity in the form of parity prices for their products. Over the last few months, I have visited with a good many farmers, and I have found their situation to be desperate. Emergency congressional action is needed-and justified if this Nation is to maintain its position as the world's leading exporter of food and the primary source of hope for the world's hungry people. The agri-

cultural producers of this great country must receive fair prices for their commodities if they are to stay in business and continue to produce an abundance of food.

Learning to live with an abundance of food has been one of the thorniest problems of the last three decades. A whole range of public policies has been proposed, tried, and abandoned. Yet the troubles continue. It seems as though the only common thread throughout the past has been that at the end of each passing year, there are fewer people still willing and able to care for the land and produce our food.

This past year has provided a classic example of the farmers' plight. A blistering drought, a blizzard with recordbreaking winds, and unusually bitter cold have taken a huge toll on crops and livestock. They still face the summer storms. What survives can be harvested and sold for a loss.

Mr. President, I admit that this is a rather gloomy picture, but it fairly well mirrors what a good many farmers in my State have gone through before and will probably face again. I recognize that we cannot do anything to help with the weather problems, but we can at least provide some help in relation to the prices those individuals will receive for their commodities.

This is not "special interest" legislation. When the agricultural sector of our economy is shortchanged, the impacts are felt throughout this country.

When farmers do not make enough money, small town business people soon find themselves in hard times. Employment opportunities in rural areas disappear, and young people have to move to urban areas to find jobs, thus creating more pressure on our sorely taxed public service systems. The many industries that supply farmers are also affected. Decreased demand for their goods leads to cutbacks in their production and job losses for their employees. So in the long run, every sector of our economy is negatively affected, including consumers. The consuming public will in all likelihood be trading cheap food in the short run for shortages of food and high prices in the long run.

By denying our agricultural producers fair prices for their commodities, we reinforce the trend toward covering our prime lands with asphalt and concrete. If a person cannot make a living off the land, then he has no choice but to sell it to the highest bidder.

When farmers are short of money, critical conservation programs are also slowed or terminated. Producers have no incentive to invest labor and money in land they may lose. Conservation programs are essential to this Nation if we are to maintain our productive lands and to have them available to meet the nutrition needs of our children. We cannot afford policies which discourage adequate care of the land.

Mr. President, I sense the spread of a feeling among the residents in the rural areas that they are going to be the sacrificial lambs on the economic altar. They fear they will be called upon to continue to produce and sell their goods at a loss, because they represent such a small por-

tion of the population. Every time commodity prices increase, the harbingers of doom cry "inflation, inflation." I submit that if current trends of low commodity prices and increasing costs continue, those cries will change to "depression, depression." The effects of continuing to let our agricultural sector be shortchanged cannot be isolated out in the country

Agriculture is one of the primary components of our Nation's economic base. If we allow it to fall into disrepair and crumble, then all else built on that base stands a very good chance of following.

Mr. President, the time has come to squarely face this issue of low commodity prices and act positively to make agricultural producers and all the people of rural America full partners in our Nation's progress.

Mr. President, I ask unanimous consent that a section-by-section analysis of the bill and the bill itself be printed

in the RECORD at this point.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 1233

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Food and Agriculture Act of 1977"

TITLE I—PAYMENT AND LIMITATION FOR WHEAT, FEED GRAINS, AND UP-LAND COTTON

SEC. 101. Section 101 (1) of the Agricultural Act of 1970, as amended, is amended by striking out "\$20,000" and inserting in lieu thereof "\$30,000".

TITLE II-DATRY DAIRY PRICE SUPPORT

SEC. 201. Section 201 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new subsection as follows:

(d) Notwithstanding the foregoing provisions of this section, effective for period beginning with the date of enactment of this subsection and ending on March 31, 1978, the support price of milk shall be established at no less than 90 per centum of the parity price therefor, on the date of enactment, and the support price shall be adjusted thereafter by the Secretary at the beginning of each quarter, beginning with the second quarter of the calendar year 1977, to reflect any estimated change during the immediately preceding quarter in the index of prices paid by farmers for production items, interest, taxes, and wage rates. Such support prices shall be announced by the Secretary not later than thirty days prior to the beginning of each quarter.".

PRODUCER HANDLERS

SEC. 202. Section 206 of the Agricultural Act of 1970, as amended, is amended by in-serting after "Agriculture and Consumer Protection Act of 1973" the following: "and the Emergency Food and Agriculture Act of 1977".

TITLE III-WOOL PROGRAM

SEC. 301. The National Wool Act of 1954, as amended, is amended by adding at the

end thereof a new section as follows:
"Sec. 711. Notwithstanding any other provision of this Act, in 1977 wool and mohair shall be supported at not less than 100 per centum of the parity price therefor.".

TITLE IV-WHEAT PROGRAM

LOAN RATE AND TARGET PRICE

SEC. 401. Effective for the 1977 crop, section 107 of the Agricultural Act of 1949, as it appears in section 401 of the Agricultural Act of 1970, as amended by the Agriculture and Consumer Protection Act of 1973, is amended to read as follows:

'SEC. 107. Notwithstanding any other provision of law-

"(a) Loans and purchases on each crop of wheat shall be made available at no less than 90 per centum of the established price.

(b) If a set-aside program is in effect for any crop of wheat under section 379b(c) of the Agricultural Adjustment Act of 1938, as amended, payments, loans, and purchases shall be made available on such crop only to producers who comply with the provisions of such program.

(c) Payments shall be made for each crop of wheat to the producers on each farm in an amount determined by multiplying (i) the amount by which the higher of-

"(1) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

(2) the loan level determined under sub-

section (a) for such crop

is less than the established price per bushel, times in each case (ii) the allotment for the farm for such crop, times (iii) the projected vield established for the farm with such adjustments as the Secretary determines necessary to provide a fair and equitable yield. established price per bushel for the crop of wheat is determined to be \$4.98. If the Secretary determines that the producers are prevented from planting any portion of the farm acreage al-lotment to wheat or other nonconserv-ing crop because of drought, flood, or other disaster or condition beyond the control of the producer, the rate of payment on such portion shall be the larger of (A) the foregoing rate, or (B) one-third of the established price. If the Secretary determines that, because of such a disaster or condition, the total quantity of wheat (or of cotton, corn, grain sorghums, or barley planted in lieu of wheat) which the producers are able to harvest on any farm is less than the projected yield of wheat (or of cotton, corn, grain sorghums, or barley planted in lieu of wheat) for the farm, the rate of payment for the deficiency in production below 100 per centum shall be the larger of (A) the fore-going rate, or (B) one-third of the established price. The Secretary shall provide for the sharing of payments made under this subsection for any farm among the producers on the farm on a fair and equitable basis.".

TITLE V-FEED GRAIN PROGRAM

LOAN RATE AND TARGET PRICE

SEC. 501. (a) Effective only with respect to the 1977 crop of feed grains, section 501 of the Agricultural Act of 1970, as amended by the Agriculture and Consumer Protection Act of 1973, is amended by-

(1) amending section 105 (a) (1) of the Agricultural Act of 1949, as it appears there-

in, to read as follows:

"(a) (1) The Secretary shall make available to producers loans and purchases on the 1977 crop of corn at not less than 90 per centum of the established price."; and

(2) amending section 105(b)(1) of the Agricultural Act of 1949, as it appears there-

in, to read as follows:
"(b) (1) In addition, the Secretary shall make available to producers payments for the 1977 crop of corn, grain sorghums, and, if designated by the Secretary, barley, computed by multiplying (i) the payment rate, times (ii) the allotment for the farm for such crop, times (iii) the yield established for the farm for the preceding crop with such adjustments as the Secretary determines necessary to provide a fair and equitable yield. The payment rate for corn shall be the amount by which the higher of—

"(A) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(B) the loan level determined under sub-

section (a) for such crop

is less than the established price per bushel. The established price per bushel for the 1977 crop of corn is determined to be \$3.42. The payment rate for grain sorghums and, if designated by the Secretary, barley, shall be such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn. If the Secretary determines that the producers on a farm are prevented from planting any portion of the farm acreage allotment to feed grains or other nonconserving crop, because of drought, flood, or other natural disaster or condition beyond the control of the producer, the rate of payment on such portion shall be the larger of (A) the foregoing rate, or (B) one-third of the established price. If the Secretary determines that, because of such a disaster or condition, the total quantity of feed grains (or of wheat, or cotton planted in lieu of the allotted crop) which the producers are able to harvest on any farm is less than the yield of feed grains (or of wheat, or cotton planted in lieu of the allotted crop) established for the farm, the rate of payment for the deficiency in production below 100 per centum shall be the larger of (A) the foregoing rate, or (B) one-third of the established price.".

TITLE VI-UPLAND COTTON PROGRAM COTTON PRODUCTION INCENTIVES; LOAN RATE AND TARGET PRICE

SEC. 601. Effective only for the 1977 crop of upland cotton, paragraphs (1) and (2) of section 103(e) of the Agricultural Act 1949 as they appear in section 602 of the Agricultural Act of 1970, as amended by the Agriculture and Consumer Protection Act of 1973, are amended to read as follows:

The Secretary shall upon presentation of warehouse receipts reflecting accrued storage charges of not more than 60 days make available for the 1977 crop of upland cotton to cooperators nonrecourse loans for a term of 10 months from the first day of the month in which the loan is made at such level as will reflect for Middling one-inch upland cotton (micronaire 3.5 through 4.9) at average locations in the United States not less than 90 per centum of the established price. Notwithstanding the foregoing, if the carryover of upland cotton as of the beginning of the marketing year for the 1977 crop exceeds 7.2 million bales, producers on any farm harvesting cotton of such crop from an acreage in excess of the base acreage allotment for such farm shall be entitled to loans and purchases only on an amount of the cotton of such crop produced on such farm determined by multiplying the yield used in computing payments for such farm by the base acreage allotment for

"(2) Payments shall be made for each crop of cotton to the producers on each farm at a rate equal to the amount by which the higher of-

"(A) the average market price received by farmers for upland cotton during the calendar year which includes the first five months of the marketing year for such crop, as de-

termined by the Secretary, or "(B) the loan level determined under paragraph (1) for such crop is less than the established price per pound. The established price per pound for the 1977 crop of cotton is determined to be 82.84 cents. If the Secretary determines that the producers on a farm are prevented from planting any portion of the allotment to cotton because of drought, flood, or other natural disaster, or condition beyond the control of the producer. the rate of payment for such portion shall be the larger of (A) the foregoing rate, or (B) one-third of the established price. If the Secretary determines that, because of such a disaster or condition, the total quantity of cotton which the producers are able to harvest on any farm is less than the average yield established for the farm, the rate of payment for the deficiency in production below 100 per centum shall be the larger of (A) the foregoing rate, or (B) one-third of the established price. The payment rate with respect to any producer who (i) is on a small farm (that is, a farm on which the base acreage allotment is ten acres or less, or on which the yield used in making payments times the farm base acreage allotment is five thousand pounds or less, and for which the base acreage allotment has not been reduced under section 350(f)), (ii) resides on such farm, and (iii) derives his principal income from cotton produced on such farm, shall be increased by 30 per centum; but, notwithstanding paragraph (3), such increase shall be made only with respect to his share of cotton actually harvested on such farm within the quantity specified in paragraph (3).".

TITLE VII-SOYBEAN PROGRAM

LOAN RATE AND TARGET PRICE

SEC. 701. Effective for the 1977 crop of soy beans, title I of the Agricultural Act of 1949 is amended by adding at the end thereof a new section as follows:

"SEC. 108. Notwithstanding any other pro-

vision of law-

"(a) Loans and purchases on each crop of soybeans shall be made available at not less than 90 per centum of the established

"(b) Payments shall be made for each crop of soybeans to the producers on each farm in an amount determined by multiplying (i) the amount by which the higher of-

(1) the national weighted average market price received by farmers during the first five months of the marketing year for such crop,

as determined by the Secretary, or "(2) the loan level determined under sub-

section (a) for such crop

is less than the established price. The established price for the 1977 soybean crop is determined to be \$7.54 per bushel. If the Secretary determines that the producers on a farm are prevented from planting any portion of the farm acreage to soybeans because of drought, flood, or other natural disaster or condition beyond the control of the producer, the rate of payment on such portion shall be the larger of (A) the foregoing rate, or (B) one-third of the established price. If the Secretary determines that, because of such a disaster or condition, the total quantity of soybeans which the producers are able to harvest is less than the yield of soybeans established for the farm, the rate of payment for the deficiency in production below 100 per centum shall be the larger of (A) the foregoing rate, or (B) one-third of the established price.".

TITLE VIII-RICE PROGRAM

PAYMENTS AND LOANS

SEC. 801. Effective for the 1977 crop of rice, paragraphs (1) and (2) of section 101(g) of the Agricultural Act of 1949 are amended to read as follows:

The established price for the purpose of making payments on rice under this sub-section shall be \$13.60 per hundredweight for the 1977 crop of rice.

"(2) The Secretary shall make available, to cooperators in the several States of the United States, loans and purchases on the 1977 crop of rice at a rate equal to \$12.24 per hundredweight.".

TITLE IX-DRY EDIBLE BEANS

SEC. 901. Effective for the 1977 crop of dry edible beans, title I of the Agricultural Act of 1949 (as amended by section 701 of this Act) is further amended by adding at the end thereof a new section as follows:

PEACE CORPS ACT AMENDMENTS

vision of law-

(a) Loans and purchases on each crop of dry edible beans shall be made available at not less than 90 per centum of the established price.

Payments shall be made for each crop of dry edible beans to the producers on each farm in an amount determined by

multiplying (i) the amount by which the higher of-

(1) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

(2) the loan level determined under sub-

section (a) for such crop.
is less than the established price. The established price for the 1977 crop of dry edible beans is determined to be \$26.40 per hundredweight. If the Secretary determines that the producers on the farm are prevented from planting any portion of the farm acreage to dry edible beans because of drought, flood, or other natural disaster or condition beyond the control of the producer, the rate of payment on such portion shall be the larger of (A) the foregoing rate, or (B) one-third of the established price. If the Secretary determines that, because of such a disaster or condition, the total quantity of dry edible beans which the producers are able to harvest is less than the yield of dry edible beans established for the farm, the rate of payment for the deficiency in production below 100 per centum shall be the larger of (A) the foregoing rate, or (B) one-third of the established price.".

EMERGENCY FOOD AND AGRICULTURE ACT of 1977

AN ANALYSIS

The "Emergency Food and Agriculture Act of 1977" is a one-year bill providing for setting the established price (target price) and loan rates for the 1977 wheat, feed grain, cotton, soybean, rice and dry edible bean crops. The purpose of the bill is to increase the established price (target price) and loan levels above those which otherwise would be in effect for the 1977 crop under the provisions of "Agriculture and Consumer Protection Act of 1973

Other provisions of the Emergency Bill

include:

Raising the payment limitations for applicable crops;

Raising the minimum price support of milk to 90 percent of parity and provides for mandatory quarterly adjustments;

Extending the Wool Act for 1977 and sets the support price for wool and mohair at not less than 100 percent of parity;

Extending the provisions of the program to include soybeans and dry edible beans;

Amending the disaster payment provisions of the program to make producers eligible for payments for losses on any amount of their production:

EXPLANATION OF PROVISIONS

TITLE I-PAYMENT LIMITATIONS

Sec. 101. Increases the payment limitation for wheat, feed grains and cotton from \$20,000 to \$30,000. This increase is adjusted in relation to the substantial increases in the costs of production, including machinery, fuel, labor, fertilizer and interest rates.

TITLE II-DAIRY PRICE SUPPORT

Sec. 201. Increases the support level for milk from 80 to 90 percent of parity. The bill also mandates the Secretary to adjust the support level on a quarterly basis. Currently the Secretary may adjust the rate if he deems it necessary; this provision requires him to do so on a quarterly basis.

Sec. 202. Extends the legal status of producer handlers for the period of the bill.

TITLE III-WOOL PROGRAM

LOAN RATE AND TARGET PRICE

Sec. 301. Establishes the support price for wool and mohair at 100 percent of parity.

TITLE IV-WHEAT PROGRAM

LOAN RATE AND TARGET PRICE

Sec. 401. Sets the minimum loan rate at 90 percent of the established price.

Sets the established price for the 1977 wheat crop at \$4.98 per bushel.

With the established price set at \$4.98 per bushel, the effective loan rate would be \$4.48. The established price of \$4.98 is the parity

price for wheat as of February 15, 1977. The prevented planting provisions are retained and the disaster payment formula is amended to provide for payment on the amount of loss suffered which is less than the allotment times the projected yield.

TITLE V-FEED GRAIN PROGRAM

LOAN RATE AND TARGET PRICE

SEC. 501. Sets the minimum loan rate at 90 percent of the established price.

Sets the 1977 established price for corn at

\$3.42 per bushel.

The payment rate provisions for grain sorghum and barley in relation to corn are the same as in the current law.

The prevented planting and disaster payment provisions are the same as for wheat.

TITLE VI-UPLAND COTTON

LOAN RATE AND TARGET PRICE

SEC. 601. Sets the loan rate for cotton at 90 percent of the established price per pound.

Sets the 1977 established price for cotton at 82.84 cents per pound.

The prevented planting and disaster payment provisions are the same as for wheat.

TITLE VII-SOYBEAN PROGRAM

LOAN RATE AND TARGET PRICE

SEC. 701. Provides that there shall be established for soybeans an established price (target price) and loan rate for the 1977

Sets the loan rate at 90 percent of the es-

tablished price.

Sets the 1977 established price for soybeans at \$7.54 per bushel.

The prevented planting and disaster payment provisions are similar to those for wheat and feed grains.

TITLE VIII—RICE PROGRAM PAYMENTS AND LOANS

SEC. 801. Sets the loan rate for the 1977 crop of rice at \$12.24 per hundredweight. Sets the 1977 established price for rice at

\$13.60 per hundredweight.

TITLE IX-DRY EDIBLE BEANS

SEC. 901. Provides that there shall be established for dry edible beans an established price (target price) and loan rate for the 1977 crop.

Sets the loan rate at 90 percent of the

established price.
Sets the 1977 established price for dry edible beans at \$26.40 per hundredweight.

The prevented planting and disaster payment' provisions are similar to those for wheat and feed grains.

By Mr. NELSON:

S. 1234. A bill to amend the Wild and Scenic Rivers Act; to the Committee on Energy and Natural Resources.

WILD AND SCENIC RIVERS ACT AMENDMENTS

Mr. NELSON. Mr. President, this legislation that amends the Wild and Scenic Rivers Act is a very straightforward proposal. It does two things: First, raises the authorization for land acquisition from its current ceiling of \$11,768,550 to \$21,768,550, an increase of \$10 million, and second, exempts the Upper St. Croix River from the 50-percent limitation on the use of condemnation authority. Both provisions are necessary, in my judgment, if the Upper St. Croix and Nemekagon Rivers are to have the perpetual Federal protection envisioned by the Congress when the Wild and Scenic Rivers Act became law.

The St. Croix, like many other segments of the National Park Service that are in the acquisition stage, is currenty suffering from the effects of inflation. Land values along prime recreational and scenic rivers all across this Nation have skyrocketed in the past few years. Land acquisition for the protection of the St. Croix, as outlined in its master plan, has been halted—the Park Service has run out of authorization. The job has not been completed, the intent of the Congress remains unmet. The Park Service estimates another \$10 million in land acquisition authority is needed to complete the task. It is my understanding that both the Park Service and the Interior Department support this additional request for funding.

The second problem facing the St. Croix is also a serious one that needs quick attention. The St. Croix and Nemekagon River project is somewhat unique. It encompasses 200 river-miles. Almost 45 of those miles, almost one-fourth of the total is owned by the Northern State Power Co.—NSP. The 1968 legislation adding the St. Croix to the national effort is based on the presumption that the company will donate a substantial portion of these lands.

We have made good progress in acquiring land and getting the program started before the authorization ceiling was reached. Over 77 miles of river have been acquired. The Park Service has yet to acquire another 28.2 miles of private lands. In addition, almost 36 miles in publicly held land remains to be brought into St. Croix program.

The problem presented by the large donation is a significant one for the river. Because of the donation of NSP land, the Park Service is now within 2,000 acres of reaching the 50-percent limitation. Once this ceiling is reached, and it will be reached as soon as the power company donates another parcel of land, the Park Service will be statutorily prohibited from acquiring any other land for the project by using the power of eminent domain, by condeming land.

In the condemnation authority is denied, the Interior Department along the Upper St. Croix, the protection of the river, the intent and purposes of the Wild and Scenic Rivers Act may never be met on one of the most outstanding River segments anywhere in the country. The St. Croix deserves the full protection of the law.

By Mr. SPARKMAN (by request): S. 1235. A bill to further amend the Peace Corps Act; to the Committee on Foreign Relations. PEACE CORPS ACT AMENDMENTS

Mr. SPARKMAN. Mr. President, by request, I introduce for appropriate reference a bill to amend further the Peace Corps Act.

It has been requested by the Director of the Peace Corps and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the Record, together with the letter from the Director of the Peace Corps to the President of the Senate dated March 25, 1977, and the sectionby-section analysis of the bill.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1235

Be it enacted by the Senate and House of Representatives of the United States in Congress assembled, That so much of Section 3(b) of the Peace Corps Act (22 U.S.C. § 2502 (b)) as precedes the first proviso thereof is amended to read as follows:

"There are authorized to be appropriated for fiscal year 1978 and for fiscal year 1979 such sums as may be necessary to carry out the purposes of this Act:"

SEC. 2. Section 3(c) of the Peace Corps Act (22 U.S.C. § 2502(c)) is amended to read as follows:

"(c) In addition to the amounts authorized for fiscal years 1978 and 1979, there are authorized to be appropriated for fiscal years 1978 and 1979 such sums as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law.".

Washington, D.C., March 25, 1977. Hon. Walter F. Mondale, President of the Senate,

Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for your consideration is draft legislation which will enable the Peace Corps to continue to work on behalf of world peace and understanding in fiscal years 1978 and 1979. Also enclosed is a section-by-section analysis of the legisla-

The legislation will authorize appropriations for the Peace Corps of such sums as may be necessary for fiscal years 1978 and

It will also authorize the appropriation of such sums as may be necessary for fiscal years 1978 and 1979 for increases in salary, pay, retirement or other employee benefits which may be authorized by law.

The Office of Management and Budget has advised that there is no objection to the submission of this draft legislation to the Congress, and its enactment would be in accord with the program of the President.

Sincerely, Sam Brown.

PEACE CORPS ACT AMENDMENTS: SECTION-BY-SECTION ANALYSIS

Section 1 of the bill amends Section 3(b) of the Peace Corps Act (22 U.S.C. § 2502(b)) to authorize the appropriation of such sums as may be necessary for fiscal years 1978 and 1979 to carry out the purposes of the Peace Corps Act.

Section 2 of the bill authorizes the appropriation of such sums as may be necessary

for fiscal years 1978 and 1979 for increases in salary, pay, retirement, or other employee benefits authorized by law. This authorization is identical to that provided for fiscal year 1977.

> By Mr. KENNEDY (for himself, Mr. Thurmond, Mr. Clark, and Mr. Leahy):

S. 1236. A bill to amend the Internal Revenue Code of 1954 to disallow the tax deduction for first class air travel in excess of the coach class fare for such travel and for other purposes; to the Committee on Finance.

DISALLOWANCE OF FIRST-CLASS AIR TRAVEL AS A BUSINESS EXPENSE DEDUCTION

Mr. KENNEDY. Mr. President, on behalf of the Senator from South Carolina (Mr. Thurmond), the Senator from Iowa (Mr. Clark), the Senator from Vermont (Mr. Leahy), and myself, I send to the desk for appropriate reference a bill to eliminate the tax deduction for first class air fare.

The details of the proposal are outlined in a brief joint statement made today by the four of us, including a fact sheet on the issue. I ask unanimous consent that our joint statement, and the text of the bill may be printed in the RECORD.

There being no objection, the statement and bill were ordered to be printed in the RECORD, as follows:

JOINT STATEMENT OF SENATORS KENNEDY, THURMOND, CLARK, AND LEAHY INTRODUC-ING LEGISLATION TO ELIMINATE THE TAX DEDUCTION FOR FIRST CLASS AIR FARE

We are joining together today in introducing legislation to amend the Internal Revenue Code to eliminate the business expense tax deduction for first class air fare.

Over the years, the business deduction for travel and entertainment expenses has been a continuing source of controversy in the tax laws. In effect, with the marginal corporate tax rate at 48%, a corporation receives a 48 cents tax subsidy for every dollar of deductible business expenses that qualify as a tax deduction. For individual taxpayers, the subsidy may be even higher, since the marginal tax rate runs as high as 70%.

The bill disallows the difference between first class air fare and coach class air fare as a business tax deduction. The deduction for coach fare is a legitimate business expense and would continue to be allowed.

In addition, the bill also prohibits the use of appropriated funds for first class air travel by members of Congress and Federal officers and employees. We feel it is entirely proper that Federal officials should adhere to the same standards applicable to the private sector.

The revenue gain from the bill will be substantial. Based on CAB estimates of first class business travel by U.S. citizens, both internationally and domestically, the bill will produce new revenues of approximately \$400 million a year. As the recent Senate and House debates over the Third Budget Resolution have demonstrated, the achievement of significant revenue-raising tax reforms in the future may well be the key to success by Congress in balancing the budget while maintaining vital Federal programs.

But the principal justification for this legislation is the need for greater equity in our tax laws. The large annual tax subsidy for first class air travel is unjustified, and it should be ended.

Attached is a more detailed analysis of the legislation.

DENIAL OF TAX DEDUCTION FOR FIRST CLASS AIR TRAVEL

PURFOSE

Disallow as a deductible business expense the excess of commercial first class air travel fare over coach fare; coach fare would remain deductible.

Prohibit the use of appropriated funds for first class air travel by Members of Congress and Federal officers and employees.

REVENUE EFFECT

Based on CAB estimates of first class air travel, the amendment will produce a revenue gain of approximately \$400 million a year.

EXPLANATION

- 1. The Internal Revenue Code allows a tax deduction for "ordinary and necessary" business expenses. Over the years, the deduction has been abused in some cases as a subsidy for "expense account living." Travel and entertainment expenses have been a particular and continuing source of controversy, confusion, and injustice in this aspect of the tax law.
- 2. The amendment deals with only a small part of the issue—first class versus coach class commercial air travel. It does not affect travel by rail, ship or private aircraft and it does not affect meals, hotels, entertainment, etc., all of which raise separate and more difficult issues.
- 3. With a corporate tax rate of 48%, each dollar of deductible expenses saves the corporation 48 cents in tax. In the case of first class travel, the Treasury (and therefore the average taxpayer) pays half the cost of the first class ticket. For high bracket individuals, the saving is even greater—the Treasury may pay up to 70 cents of each dollar of expenses.
- 4. It is a legitimate business decision to travel by air instead of by car or train or bus or ship. But once the decision is made to travel by air, the business objective is achieved by travelling in coach class. The executive travels on the same flight, and arrives at the same time and in the same place. This is all that is required to implement the valid business decision, and it is all that should be allowed as a deductible business expense. The additional cost of first class travel is primarily a luxury item and should not be deductible.
- 5. There are many precedents for the legislation. The Internal Revenue Code and Regulations contain detailed rules limiting deductions for foreign travel and for luxury items like yachts, hunting lodges, gifts and entertainment. These areas of existing law denying business deductions are far more complex than the present proposal. In addition, in the Tax Reform Act of 1976, Congress enacted specific limits on the deduction for foreign conventions.
- 6. Since the bill is likely to increase the demand for coach class seats, the airline industry will meet the demand and the traveling public will benefit. A first class seat now takes up the space of one and one half coach seats. As airlines modify their cabin space, the total number of available seats per plane will increase, thereby relieving the crowded conditions and waiting lists that coach passengers now endure during peak travel periods, and producing a more rational allocation of space throughout the entire airplane.
- 7. The bill may well lead to lower air fares. In California and Texas, intrastate airlines have been offering all-coach service for several years at fares that often average fifty percent less than CAB-regulated interstate airlines. The all-coach configuration is a significant element in the success that intrastate airlines have had with low cost air transportation. To the extent the bill facilitates this development, citizens will benefit as both taxpayers and travelers.

8. Thus, the legislation is justified on

grounds of both tax equity and airline efficiency. The large annual Treasury subsidy for first class air travel should be ended.

S. 1236

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DISALLOWANCE OF FIRST-CLASS AIR TRAVEL AS A BUSINESS EXPENSE TAX DEDUCTION

Sec. 1. In General.—Section 162 of the Internal Revenue Code of 1954 (relating to trade or business expenses) is amended—

(a) by redesignating subsection (h) as subsection (i): and

(b) by inserting immediately after subsection (g) the following new subsection:

"(h) First Class Air Travel Expenses.—Notwithstanding the provisions of this section or section 212 (relating to expenses for production of income), no deduction shall be allowed for any expense paid or incurred for the transportation of any person by commercial aircraft in excess of an amount which is equal to the lowest priced, generally available, unrestricted fare, tariff, or ticket for such person on the same aircraft to the same destination at the same time of day and at the same time of year, as determined by the Secretary or his delegate."

SEC. 2. DISALLOWANCE OF TRAVEL BY SUPER-SONIC COMMERCIAL AIRCRAFT AS A BUSINESS EXPENSE TAX DEDUCTION.—Notwithstanding the provisions of section 162 (relating to trade or business expenses) or section (relating to expenses for production of income) of the Internal Revenue Code of 1954, no deduction shall be allowed for any expense paid or incurred for the transportation of any person by supersonic commercial aircraft in excess of an amount which is equal to the retail price of the lowest priced, generally available, unrestricted fare, tariff, or ticket for the transportation of such person by nonsupersonic commercial aircraft to the same destination at the same approximate time of day and at the same time of year, as determined by the Secretary or his delegate.

SEC. 3. DISALLOWANCE OF FIRST CLASS TRAVEL BY OFFICERS AND EMPLOYEES OF THE UNITED STATES TRAVELING ON APPROPRIATED FUNDS.-No funds appropriated by any Act of Congress may be obligated for the transportation of officers and employees of the United States by commercial aircraft in excess of an amount which is equal to the lowest priced, generally available, unrestricted fare, tariff, or ticket for such person on the same aircraft to the same destination at the same time of day and at the same time of year, as determined by the Secretary or his delegate. If there is no such fare ticket, the preceding sentence shall be applied in accord with regulations of the Secretary.

Sec. 4. Effective Date.—The amendments made by this Act shall apply with respect to transportation that begins after December 31.1977.

By Mr. CULVER (for himself and Mr. Wallop):

S. 1237. A bill to extend the authorizations for appropriations for the San Francisco Bay and Great Dismal Swamp National Wildlife Refuges, and the Tinicum National Environmental Center; to the Committee on Environment and Public Works.

Mr. CULVER. Mr. President, today I am introducing legislation to extend the authorization for appropriations for three national wildlife refuges. These refuges include the Tinicum National Environmental Center in Pennsylvania, the San Francisco Bay Refuge in Cali-

fornia, and the Great Dismal Swamp Refuge in Virginia. Funding for each of these areas expires at the end of fiscal year 1977.

The National Wildlife Refuge System, which consists of over 32 million acres, is administered by the U.S. Fish and Wildlife Service and is the Federal Government's most comprehensive program for conserving fish and wildlife. While the primary purpose of many refuges throughout the country is to provide breeding and wintering habitat for migratory waterfowl, these three wildlife refuges also provide unique wildlife-oriented educational and recreational opportunities for residents of metropolitan areas.

The Tinicum Marsh National Environmental Center, located near the Philadelphia National Airport, is an unlikely location for a wildlife refuge. It provides, however, habitat for over 119 species of waterfowl, over 170 species of land birds, and many varieties of mammals including the white-tailed deer and mink. Additional work still needs to be done to complete land acquisition and the development of public use and access facilities to accommodate the over 40,000 visitors who come to the center annually. The legislation I am introducing will authorize an additional \$8,850,000 to carry out this necessary work.

The San Francisco Bay National Wildlife Refuge, which was established in 1972, is another fine example of an urban refuge which provides essential feeding and wintering area for waterfowl and shorebirds. Several endangered species, including the California Least Tern and the California Clapper Rail, are found within the refuge. More than 4.5 million people live within an hour's drive of San Francisco Bay, and it is estimated that over 1 million people will visit this refuge annually once all work is completed.

The authorization of \$9 million for land acquisition and \$11.3 million for the development, operation, and maintenance of this refuge is available for fiscal years 1972 through 1977. Because of the delays resulting from surveys, appraisals, title evidence, and litigation, acquisition of the necessary lands for the refuge will not be completed before the beginning of fiscal year 1978. Development activities will begin following land acquisition. For these reasons, it is necessary to provide that the authorization of funds for the San Francisco National Wildlife Refuge be extended, and this bill would make these \$20.3 million avail-

able through fiscal year 1980.

The Great Dismal Swamp represents an unusual geological phenomenon of a complex environment of water, plant, and wildlife. Many migratory songbirds, waterfowl, and resident wildlife, including the endangered Red Cockaded Woodpecker, utilize this refuge. This area is rich with local and national historical significance, and part of the swamp was declared a national landmark in 1972. The Great Dismal Swamp National Wildlife Refuge is just one aspect of a comprehensive plan to protect this unique area.

The authorization of appropriations for the Great Dismal Swamp must be ex-

tended and increased if the U.S. Fish and Wildlife Service is to complete the acquisition and development of the refuge. The original act makes no provisions for appropriations after June 30, 1977, and limits appropriations to the cost estimates contained in a 1976 report. In that study, it was estimated that \$16.2 million would be needed to acquire 58,-360 acres for the refuge. Considering projected land cost increases during the acquisition period, it now appears unlikely that acquisition can be completed for less than \$20 million, and another \$5.5 million will be needed to develop and manage the refuge. Accordingly, this legislation amends Public Law 93-402 to authorize continued appropriations of a total amount not to exceed \$20 million for land acquisition and \$5.5 million for development of the Great Dismal Swamp National Wildlife Refuge through fiscal year 1980.

Funding for a fourth refuge, the Seal Beach National Wildlife Refuge located on the Seal Beach Naval Weapons Station in California, will also expire this fiscal year. However, the administration has indicated that reauthorization is not necessary at this time until the area has been transferred from the Navy to the U.S. Fish and Wildlife Service in the

future.

Mr. President, this legislation will assure the continued development and operation of three important and unique national wildlife refuges. The Subcommittee on Resource Protection will conduct a hearing on this bill on April 7, 1977, and as chairman of the subcommittee, I am hopeful we will be able to move quickly with our consideration of this measure. I ask unanimous consent that the text of this legislation be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as

follows:

S. 1237

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the Act of June 30, 1972 (86 Stat. 399), establishing the San Francisco Bay National Wildlife Refuge is amended to read as follows:

"SEC. 5. For the period beginning July 1, 1972, and ending September 30, 1980, there are authorized to be appropriated \$9,000,000 for the acquisition of lands and waters and interests therein as authorized by section 4 of this Act, and \$11,300,000 for carrying out other provisions of this Act."

SEC. 2. Section 4 of the Act of August 30, 1974 (88 Stat. 801) establishing the Great Dismal Swamp National Wildlife Refuge is

amended to read as follows:

"Sec. 4. For the period beginning July 1, 1974 and ending September 30, 1980, there are authorized to be appropriated \$20,000,000 for the acquisition of lands and waters and interests therein as authorized under section 3 of this Act, and \$5,000,000 for other purposes."

SEC. 3. Section 7 of the Act of June 30, 1972 (86 Stat. 391), establishing the Tinicum National Environmental Center, as amended by the Act of October 18, 1976 (90 Stat. 2528),

is amended to read as follows:

"SEC. 7. For the period beginning July 1, 1972 and ending September 30, 1980, there are authorized to be appropriated \$11,100,000 to carry out the purposes of this Act.".

By Mr. McINTYRE (for himself and Mr. Bayh):

S. 1238. A bill to provide for legal assistance to members of the Armed Forces and their dependents, and for other purposes; to the Committee on Armed Services

Mr. McINTYRE. Mr. President, I send to the desk for appropriate reference a bill to ensure that our armed forces personnel have access to legal assistance in connection with their personal non-military legal affairs.

The Congresswoman from Colorado, Mrs. Schroeder, a member of the House Armed Services Committee, intends to introduce this bill in the House.

I do not propose to set up a massive legal assistance program not already in existence. Indeed, in 1943, the War Department and the Department of the Navy established such a legal assistance program to aid the large number of servicemen and women. That program was and is based on the fact that adequate civilian legal services are generally not available to military personnel when they are stationed overseas, deployed at serving at remote installations, which occurs solely by virtue of the fact that a military career requires them to make frequent changes in location. Today that may prohibit service personnel from establishing the residency requirements necessary for eligibility for free legal services or from merely establishing a continuing client relationship with a local attorney.

Perhaps one example will suffice to demonstrate the difficult position in which military personnel—especially those in the lower pay grades—may find themselves because of their military status.

An Army enlisted man, abruptly transferred hundreds of miles away to a new duty station, finds that his former landlord arbitrarily refuses to return a \$100 deposit on the apartment he and his wife rented, even though the rental agreement would seem to require a refund. Few local lawyers would be able to spend time on such a small claim, particularly for an absentee client. Must the GI lose his money?

Without a military-sponsored legal assistance program, that may be this serviceman's only option.

In addition to providing help to the serviceman in trouble, it has been the policy of the military departments, through the legal assistance program, to make personnel aware of their legal rights and obligations and to provide a means whereby these problems can be resolved, if possible, before they reach the crisis stage.

As I mentioned before, legal assistance relating to personal matters has been available to service personnel since 1943. In the ensuing thirty-four years the legal assistance program has been continued by military lawyers pursuant to regulations issued by each military department. As recently as 1970, under directives by Secretary of Defense Laird, the traditional legal assistance program was expanded under a pilot program to include in-court representation for military per-

sonnel. At the end of the three-year pilot program—in 19 States—this expanded program was established permanently as part of the traditional legal assistance program.

But at no time in the long history of the legal assistance program has this service been the statutory responsibility of military lawyers.

Thus, as the war in Vietnam was phased out and the resources available to the military departments were reduced, the legal assistance program became the object of budget cuts. This trend continues today.

This deemphasis on the legal assistance program by the services has been the understandable result of the increasing legal problems faced by the military departments and the statutory requirements placed on military lawyers. Such requirements as representing service personnel in all special and general courtsmartial, as well as prosecuting, adjudicating, reviewing, and appealing those cases, investigating and adjudicating all manner of claims, reviewing and assisting in the awarding and administration of Government contracts, representing service members before administrative boards, and advising commanders on a whole range of new and extremely technical laws, including the National Environmental Policy Act and the Freedom of Information and Privacy Acts, have imposed an ever-increasing demand for legal services on an ever-decreasing number of military lawyers working with fewer funds. The increased demand for legal services in areas where military lawyers are required by statute to provide services has led to cuts in those legal services which the military departments provide at their discretion—thus the cuts in the legal assistance program.

Unfortunately, these cuts come at a time when the needs of service personnel have hardly decreased. Despite the attention given to pay scales under the policy of comparability of civilian and military pay, the scandal of double dipping by military retirees, and the general, but erroneous impression that serving in the military in the age of the All Volunteer Force is near to Nirvana—the fact is that the military men and women-especially those in the lower grades-still earn what is a modest living. Moreover, they must still endure the hardships of frequent changes of station, deployment at sea, and service at overseas or remote installations. The attitude that servicemen and women are getting an easy ride under the All Volunteer Force, while the pay is still modest and the hardships many, is, I believe, one of the reasons the notion of unionization in the military is so popular today. I, for one, find that notion undesirable and feel that if it were implemented, would be detrimental to national security. Nevertheless, I can sympathize with the attitude of the servicemen and women, especially those serving in the lower-paid grades, that unionization may be the only way to prevent the erosion of such essential benefits as the legal assistance program.

The purpose and need for the legislation is simply to provide statutory recognition and authorization for the military legal assistance programs. Until such legislation is adopted, the legal assistance program is operated solely under Department of Defense and military service directives, and frequently under local command prerogatives. As a result, the military services are unable to request specific budgetary authorizations and must continually use legal assistance as the excess legal service to be provided only after the statutorily required services relating to military discipline and other matters are performed.

The bill recognizes that the military services must have flexibility to increase their effort in one area and decrease it in other areas where the needs of the service and the Nation demand. The legislation will not alter this concept, but will insure that legal assistance will be duly considered along with other statu-

tory responsibilities.

I have not attempted to outline specifics of the program as it now operates nor how this bill would affect the program. However, I ask unanimous consent to have printed in the RECORD some questions about the bill, and the answers to those questions as well as a section-bysection analysis, will provide my colleagues with further details.

There being no objection, the material was ordered to be printed in the RECORD,

as follows:

SECTION-BY-SECTION ANALYSIS

Section 2 is designed to insure the continuation and permanency of the providing of legal services to servicemen and their dependents and is expressed in terms of an entitlement to such legal services. This is subject to such regulations as the Secretary concerned may prescribe. By utilizing the term "entitlement," the fulfillment of this entitlement is left to the Secretary of the Department concerned-i.e. by utilizing military attorneys, by utilizing contracted services of civilian attorneys, by utilizing civilian attorneys who are civil service employees, etc. The choice of the method of fulfilling this statutory entitlement is left to the Secretary.

Section 3 clearly places upon the Judge Advocates General the responsibility for the creation and operation of the legal assistance programs. The reference to 10 U.S.C. 801 is necessary so as to include the Coast Guard. The Coast Guard has no "Judge Advocate General" and the only place in the law where the term "Judge Advocate General" is made applicable to the Coast Guard is in the definitional section of the UCMJ wherein it is stated that the term "Judge Advocate General" shall include the General Counsel of the Department in which the Coast Guard is operating. The language "or his designee" is also necessary in order that the General Counsel of the Department of Transportation can delegate to the Chief Counsel of the Coast Guard the responsibility for the creation and operation of the legal assistance program for the Coast Guard.

Section 4 is designed specifically to indicate that this legislation is not authority for the expansion of the legal assistance program to include representation in court to those presently able to pay legal fees—i.e. to continue the present expanded legal assistance program to the military indigent, but not provide any requirement or authority for expan-sion to others than the military indigent. If the client can afford legal fees without undue hardship or if the case is one in which the attorney can recover a reasonable fee out of the judgment, then the legal assistance program, insofar as presentation in court is concerned, may not be expanded under the authority of this legislation.

QUESTIONS AND ANSWERS

1. Q. Who will be entitled to legal services under this bill?

A. "Armed Forces personnel and their dependents" are defined elsewhere in Title 10 of the United States Code to include active duty personnel and their dependents and certain retired personnel and their dependents. Except as limited by Section 4, it is the intent of the bill to provide legal services to these personnel and others as prescribed in the regulations of each military department authorizing legal assistance. Copies of the respective service regulations are attached. As with other military benefits, legal assistance has been made available to all grades and ranks, but the overwhelming share of legal services are provided to low and middle income service members who, like their civilian counterparts, are least able to afford the services of an attorney. A survey of Army legal assistance indicates that grades E-1 through E-5 provided 64.7% of clients served during calendar year 1975; E-6 through E-9 provided 21.2%; WO through O-3, 9.5%; O-4 through O-6, 4.5%; and O-7 through O-10,

2. Q. Who may provide legal services to service personnel and their dependents?

Active duty military lawyers, civil service attorneys employed by the military departments, and reserve military lawyers are authorized to provide legal assistance under the regulations of the military departments authorizing legal assistance. The bill presumes that the same regulations will apply after its enactment.

3. Q. Will the delivery of legal services to Armed Forces personnel at the level con-templated by this bill be detrimental to

members of the local bar?

During the five years that the American Bar Association has worked with representatives of the military services in observing legal assistance programs in operation and in visiting with numerous civilian bar leaders and practitioners, the Committee has found no evidence of any abuse of the civil process or injury to the civilian bar at any location where these programs have been established. On the contrary, the A.B.A. has found an expanded awareness of legal rights and needs in each community. Where the local bar association has encouraged and participated in these programs, there has developed a professional rapport between the military and civilian bar members, and bethe military services and the local judiciary and law enforcement authorities in a manner which has ultimately resulted in the improvement of legal services and the protection of the rights of individual service members. It has also released the local civilian bar from responsibilities for representation and defense of a number of lowincome servicemen and women. Initial con-cerns by members of state and local bar associations relating to the quality of legal representation, the danger of "harassment" actions, and the loss of revenue-producing clients, have been proven unfounded. On the contrary, where the state and local bar associations have worked with the military lawyer community, the legal assistance program has produced a higher quality representation, has reduced the areas of confrontation between military and local authorities, has increased the level and quality of civilian bar legal services, and has by pre ventive law achieved many of the objectives of the law by self-discipline.

4. Q. What legal services are included in "personal legal affairs" in Section 2 of this

A. "Personal legal affairs" in intended to mean only those types of cases authorized by the regulations governing the provision

of legal assistance issued by the military departments. Those regulations include assistance in and/or preparation of wills, powers of attorney, tax matters, domestic relations matters, consumer protection matters, landlord-tenant matters, and others. The regulations do not allow (some in fact prohibit) nor does the bill contemplate, providing legal services for the purpose of assisting a service member in any commercial endeavor, for the purpose of instituting a class action which might be a fairly attractive feegenerating case for a civilian attorney) or for the purpose of suing the Federal government (legal assistance officers are prohibited by 18 U.S.C. 205 and implementing regulations from instituting such suits against the United States)

5. Q. Will this bill require the additional expenditure of public funds (including per-

A. No. The bill does not (and is not intended to) mandate a specific level of legal assistance programs of any kind; rather, the bill merely recognizes and protects by statute a long-standing practice of the services, leaving the implementation to the best judgment of the military departments. The only cost factor is an indeterminate but perhaps identifiable continuing cost of maintaining the present program with no new costs. As a practical matter, the bill closes off the possibility of the total discontinuance of the existing practice of providing legal assistance to service members, an option which is currently available to the military departments.

If the military departments at some future

time should decide to seek funding for expansion of the in-court program throughout the United States, additional costs are some-

what difficult to estimate.

By Mr. DOLE (for himself and Mr. BELLMON):

S. 1240. A bill to extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning June 1, 1978; to the Committee on Agriculture, Nutrition, and Forestry.

WHEAT REFERENDUM

Mr. DOLE. Mr. President, the USDA has requested comments on holding a wheat referendum for the 1978 wheat crop because of the expiration of the 1973 Agriculture and Consumer Protection Act. I am introducing this bill to postpone the referendum in order to allow time for the Congress to pass a new farm bill.

By Mr. HATHAWAY (for himself and Mr. Muskie):

S. 1241. A bill to increase the subsistence payments for students at State maritime academies or colleges; to the Committee on Commerce, Science, and Transportation.

AMENDMENTS TO THE MARITIME ACADEMY ACT

Mr. HATHAWAY. Mr. President, on behalf of myself and Senator Muskie, I am introducing an amendment to the Maritime Academy Act which would increase the individual cadet subsidy for State maritime school students from \$600 to \$1,200 per year.

The cadet subsidy, which is an allowance provided to these students to help defray the cost of uniforms, textbooks, and other expenses, was originally authorized in 1958. It has stayed at the 1958 authorized rate of \$600 per year, or \$50 per month. The subsidy is paid by the

Maritime Administration on a monthly pro rata basis and credited to the students' school accounts to cover these expenses. Each subsidy is indivisible, is uniform in amount based upon attendance records, and is not transferable from one student to another by regulation of MA. Further, this increase in the individual subsidy, while providing assistance to those students eligible for it, will not affect the number of students actually receiving the subsidy. The number of cadet subsidy allowances is set by MA, and has been the same since 1972, when a ceiling of 673 was put on the number of subscribers available to each freshman class. This number was derived from the pre-Vietnam war manpower levels. The question of manpower ceilings is a separate issue from that of increasing the amount of the subsidy itself, and is not affected by this amendment.

The increase in the cadet subsidy is a just reflection of the increase in costs which have occured since 1958, and is justified on the basis of inflation alone. In addition, this increase would give the maritime students eligible for the subsidy parity with Naval ROTC students who are contract students in the ROTC program. These Naval Reserve students originally received a \$600 per year subsistence allowance, which was increased to \$1,200, or \$100 per month, several years ago. It is time that the maritime students received an equal increase.

The House Ad Hoc Committee on Maritime Education and Training recommended an increase in the cadet subsidy from \$600 to \$1,200 during the 93d Congress, after a review of the various education and training programs at the State, Federal, and industry-sponsored schools. The House subsequently adopted such an increase as an amendment to the 1976 MarAd authorization bill, but it was not retained in conference. On the Senate side, a modified increase was adopted last spring on the 1977 authorization bill, but again was deleted in conference. In each instance, the reason given was a pending report, first from the ad hoc committee, which recommended the increase, and then from the General Accounting Office. That report is still pending from GAO, though it does not appear that it will directly address the question of the increase in the cadet subsidy itself.

It is time to recognize the fact that this is a question of simple equity to the student in this situation and enact a permanent increase in the authorization for the cadet subsidy. By insuring that adequate financial support is available to these State students, the quality of the education and of the students able to attend State maritime institutions will be enhanced, with the long-term benefit of upgrading the quality of our merchant marine.

Mr. President, at this time I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1241

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6(a) of the Maritime Academy Act of 1958 (46 U.S.C. 1385(a)) is amended by striking out "\$600" and inserting in lieu thereof "\$1,200".

ADDITIONAL COSPONSORS

S. 11

At the request of Mr. McClellan, the Senator from Oregon (Mr. Hatfield) was added as a cosponsor of S. 11, to provide for the appointment of additional district court judges.

S. 87

At the request of Mr. Bumpers, the Senator from New York (Mr. Moynihan) was added as a cosponsor of S. 87, to amend title II of the Social Security Act.

S. 143

At the request of Mr. Talmadge, the Senator from Hawaii (Mr. Matsunaga) was added as a cosponsor of S. 143, to strengthen the capability of the Government to punish fraudulent activities under the medicare and medicaid programs.

5. 196

At the request of Mr. Burdick, the Senator from Kentucky (Mr. Huddleston) was added as a cosponsor of S. 196, to amend the Internal Revenue Code of 1954.

S. 242

At the request of Mr. Church, the Senator from Wyoming (Mr. Wallop) was added as a cosponsor of S. 242, relating to comparative productive potential of irrigable lands in determining nonexcess acreages under Federal reclamation law.

S. 247

At the request of Mr. Baker (for Mr. Goldwater), the Senator from Wisconsin (Mr. Nelson) was added as a cosponsor of S. 247, to provide recognition to the Women's Air Forces Service Pilots.

8. 274

At the request of Mr. Thurmond, the Senator from Kentucky (Mr. Ford) was added as a cosponsor of S. 274, to prohibit unionization of the military services.

S. 297

At his own request, the Senator from Indiana (Mr. Bayh) was added as a cosponsor of S. 297, a bill relating to imported meat and meat products.

S. 514

At the request of Mr. RIBICOFF, the Senator from North Dakota (Mr. Young) was added as a cosponsor of S. 514, to amend title XVIII of the Social Security Act.

S. 571

At the request of Mr. Mathias, the Senator from Minnesota (Mr. Humphrey) was added as a cosponsor of S. 571, to amend title VIII of the Civil Rights Act of 1968.

s. 777

At the request of Mr. Allen, the Senator from Alabama (Mr. Sparkman) was added as a cosponsor of S. 777, a bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, so as to provide certain benefits to law enforcembent officers not employed by the United States.

8. 904

At the request of Mr. Kennedy, the Senator from Georgia (Mr. Nunn) was added as cosponsor of S. 904, a bill to provide for the efficient and regular distribution of current information on Federal domestic assistance programs.

S. 972

At the request of Mr. Nelson, the Senator from Alaska (Mr. Gravel) was added as a cosponsor of S. 972, a bill to authorize the Small Business Administration to make grants to support the development and operation of small business development centers in order to provide small business with management development, technical information, product planning and development, and domestic and international market development.

S. 975

At the request of Mr. WILLIAMS, the Senator from New York (Mr. Moynihan) was added as a cosponsor of S. 975, to improve the administration of the National Park System.

S. 995

At the request of Mr. WILLIAMS, the Senator from Minnesota (Mr. Humphrey) was added as a cosponsor of S. 995, to amend title VII of the Civil Rights Act of 1964.

S. 1008

At the request of Mr. RIEGLE, the Senator from Louisiana (Mr. Johnston) was added as a cosponsor of S. 1008, a bill to amend section 107 of the Energy Reorganization Act of 1974 to delegate power to State legislatures to veto Energy Research and Development Administration site selection for radioactive waste storage.

S. 1011

At the request of Mr. Roth, the Senator from Arizona (Mr. Goldwater) and the Senator from Oregon (Mr. Hatfield) were added as cosponsors of S. 1011, to amend title 18, United States Code, to prohibit the sexual exploitation of children and the transportation in interstate or foreign commerce of photographs or films depicting such exploitation.

S. 1015

At the request of Mr. Nelson, the Senator from Indiana (Mr. Bayh) and the Senator from Vermont (Mr. Leahy) were added as cosponsors of S. 1015, relating to regulation of detergents in the Great Lakes region.

S. 1021

At the request of Mr. Bayh, the Senator from Maryland (Mr. Mathias) was added as a cosponsor of S. 1021, to extend the Juvenile Justice and Delinquency Prevention Act of 1974.

S. 1040

At the request of Mr. Roth, the Senator from Arizona (Mr. Goldwater) and the Senator from Oregon (Mr. Hatfield) were added as cosponsors of S. 1040, to amend the Child Abuse Prevention and Treatment Act to prohibit the sexual exploitation of children and the transportation and dissemination of photographs or films depicting such exploitation.

S. 1046

At the request of Mr. Schweiker the Senator from Missouri (Mr. Danforth) was added as a cosponsor of S. 1046, a bill to amend the Federal Food, Drug and Cosmetic Act to authorize an evaluation of the risks and benefits of certain food additives and to permit the marketing of saccharin until such an evaluation can be made of it.

S. 1120

At the request of Mr. Humphrey, the Senator from North Dakota (Mr. Burdick) was added as a cosponsor of S. 1120, to support spinal cord injury centers.

S. 1122

At the request of Mr. Thurmond, the Senator from Oklahoma (Mr. Bartlett) was added as a cosponsor of S. 1122, to amend the Occupational Safety and Health Act.

S. 1124

At the request of Mr. Kennedy, the Senator from Minnesota (Mr. Humphrey), the Senator from South Dakota (Mr. Abourezk), the Senator from Ohio (Mr. Metzenbaum), the Senator from Maryland (Mr. Sarbanes), the Senator from South Dakota (Mr. McGovern), and the Senator from Arizona (Mr. De-Concini) were added as cosponsors of S. 1124, a bill to amend the Foreign Assistance Act of 1961 to provide relief, rehabilitation, and reconstruction assistance to the people who have been victimized by the recent earthquake in Romania.

S. 1126

At the request of Mr. Roth, the Senator from Texas (Mr. Tower) was added as a cosponsor of S. 1126, a bill to amend and strengthen the Equal Educational Opportunity Act of 1974.

S. 1140

At the request of Mr. Hart, the Senator from Alaska (Mr. Gravel) was added as a cosponsor of S. 1140, the Federal Aid in Nongame Fish and Wildlife Conservation Act of 1977.

S. 1206

At the request of Mr. Nelson, the Senator from South Dakota (Mr. McGovern) was added as a cosponsor of S. 1206, a bill to provide temporary authority to the Administrator of the Small Business Administration to facilitate water conservation practices and emergency actions to mitigate the impacts of the 1976-77 drought.

AMENDMENT NO. 40

At the request of Mr. McClellan, the Senator from Oregon (Mr. Hatfield) was added as a cosponsor of amendment No. 40, intended to be proposed to S. 11, to provide for the appointment of additional district court judges.

SENATE RESOLUTION 49

At the request of Mr. Pell, the Senator from Pennsylvania (Mr. Heinz) and the Senator from Iowa (Mr. Clark) were added as cosponsors to Senate Resolution 49, a resolution expressing the sense of the Senate that the U.S. Government should seek the agreement of other governments to a proposed treaty requiring the preparation of an international en-

vironmental impact statement for any major project, action, or continuing activity which may be reasonably expected to have a significant adverse effect on the physical environment or environmental interests of another nation or a global commons area.

SENATE RESOLUTION 114

At the request of Mr. Anderson, the Senator from New Hampshire (Mr. McIntyre), the Senator from Massachusetts (Mr. Brooke), and the Senator from Delaware (Mr. Biden) were added as cosponsors of Senate Resolution 114, a resolution requesting the Committee on Commerce, Science and Transportation to make a full and complete investigation of the telecommunications policies of the Federal Government.

SENATE RESOLUTION 118

At the request of Mr. Pell, the Senator from Idaho, Mr. Church was added as a cosponsor to Senate Resolution 118, a resolution expressing the sense of the Senate that the President should review the foreign assistance program of the United States with a view toward providing such assistance through multilateral organizations and private international organizations.

SENATE CONCURRENT RESOLU-TION 18—SUBMISSION OF A CON-CURRENT RESOLUTION HONOR-ING SAINT ELIZABETH ANN SETON

(Referred to the Committee on Governmental Affairs.)

Mr. EAGLETON submitted the following concurrent resolution:

S. CON. RES. 18

Resolved by the Senate (the House of Representatives concurring), That, it is the sense of the Congress that the United States Postal Service should issue during calendar year 1977, a special commemorative postage stamp in honor of Saint Elizabeth Ann Seton in such denomination and design as the Postal Service shall determine.

Mr. EAGLETON. Mr. President, today I join Congressman John Murphy of New York in submitting a concurrent resolution calling for the issuance of a special commemorative postage stamp in honor of Saint Elizabeth Ant Seton.

Saint Efizabeth Ann Seton was a model educator and religious pioneer, as well as a symbol of ecumenical spirit and unity. Canonized by Pope Paul IV on September 4, 1975, Elizabeth Ann Seton become the first native-born American elevated to sainthood. Her deep involvement with problems of the poor and disadvantaged of all faiths has enshrined the name of Saint Elizabeth Ann Seton as one of America's great women.

Elizabeth Seton lived during the most critical periods of our country's history. Born 2 years before the American Revolution, Elizabeth experienced the 6-year occupation by British troops of New York City as a child, and attended George Washington's first inaugural. She was born into a socially prominent American family, but at an early age began social work in New York City,

sharing her wordly goods with the city's needy.

Elizabeth's own life was an example of perseverance over personal losses and struggles. Elizabeth's husband, William, lost both his business and health in the financial collapse of the shipping business. A widow with five children, she left her safe and familiar life to join the Catholic faith and open her first school in Baltimore. This act alienated old friends of the Protestant faiths, and Mrs. Seton began her new life as a totally independent woman in the world. She not only cared for her own family, but the needs of the community and churches, as well.

Elizabeth Seton died at the age of 46. During her lifetime she saw the fulfillment of many of her dreams. By 1817, she had sent students of her academy to New York and Philadelphia to staff orphanages, as well as establishing the foundations for the Sisters of Charity. She is perhaps best known as the mother of the Catholic school system in the United States. Sisters of Charity continues to serve communities throughout the Western Hemisphere in areas of education, health, and social services. Where human compassion is needed, the followers of Saint Seton are there, serving in hospitals, schools, and day-care centers.

It is only fitting, that we honor this American woman, whose life was dedicated to women's education and service to the poor throughout the world. Mother Seton overcame personal hardship to meet the human needs for education, health, and welfare. The example of Elizabeth Ann Seton speaks directly today to the American woman of courageous spirit seeking new roles and rights. Her dedication to the spiritual needs of this country deserves to be honored by the issuance of a special commemorative stamp.

AMENDMENTS SUBMITTED FOR PRINTING

FOOD AND AGRICULTURE ACT OF 1977—S. 275

AMENDMENT NO. 183

(Ordered to be printed and referred to the Committee on Agriculture, Nutrition, and Forestry)

tion, and Forestry.)

Mr. CULVER. Mr. President, the Committee on Agriculture, Nutrition and Forestry has been working for several months on a proposal to revise and extend much of our basic farm and food legislation. In January, as a starting point for discussion and hearings, Senator Talmadge introduced S. 275, the Food and Agriculture Act of 1977. For the past month the committee has been holding hearings on S. 275, receiving testimony from almost 200 witnesses representing nearly as many organizations and interests. The thought and effort that the committee has put into this legislation deserves commendation. and I am confident of the committee's continued dedication as the process goes forward.

One of the primary objectives of this process, and one of the chief responsibilities of the Congress in formulating a national agricultural policy, is to insure that the various elements of our policy and programs do not conflict with each other.

Toward this end Senator Clark and I are introducing today an amendment to the Food and Agriculture Act of 1977 aimed at minimizing a conflict in the goals of American farm policy that has persisted for over 40 years. This amendment eliminates from eligibility for Government payments under the basic wheat, feed grain, and upland cotton programs large corporations, trusts, and other economic bodies whose primary business lies outside of farming and which are controlled by nonfarm interests.

The Congress has repeatedly expressed its commitment to the preservation of the family farm as the basic unit of agricultural production in this country. The family farm, in turn, has lived up to this trust by remaining the most efficient, most productive unit of agricultural production in the world. The basic agricultural programs, which include deficiency payments in years when farm prices are low, nonrecourse loans to assist farmers in marketing their commodity in an orderly and profitable manner, and disaster payments in the event of natural disasters, are designed to temper what would otherwise be steep and sometimes devastating declines in farm income.

By enabling farmers to continue farming through the ups and downs of the supply and demand cycles, our commodity programs have helped insure ample supplies of food at reasonable prices through most of the past 4 decades. By helping farmers to stay on the land, these programs have also helped sustain our rural communities and ward off greater rural-to-urban migration. Even so, the rate of migration has often exceeded that which urban centers could absorb; and many farmers, children of farmers, and other farm workers have found themselves without land or a job. The social costs of these massive dislocations have never been pinpointed, but it is certain that we are still paying for them.

Some argue that banks and large corporations can produce food more cheaply than individual farmers. The fact is that banks and large corporations are not more efficient than family farms. On this the evidence is clear. What banks and large corporations can do is to sustain operating losses longer than a family farmer who is dependent upon farming for his livelihood. Banks and corporations offset those losses through higher prices for their nonfarm products, tax writeoffs that must be made up by other taxpayers, and eventually the sale of farm land at prices inflated at least in part by their own speculation. In addition, what were once family farms are consolidated, rural areas are depopulated, and social costs continue to mount.

Several States have recognized this threat and taken steps to bar corporate ownership of farms within their boundaries. Others are considering similar action at this time. Meanwhile the Federal Government continues to encourage corporate investment in agriculture by offering the same income support payments that are provided to individual farmers. Mr. President, this situation is totally incompatible with the aims and objectives of the basic commodity programs and with the objectives of many other State and Federal programs for both urban and rural dwellers, taxpayers, and consumers. The amendment that Senator CLARK and I are proposing today represents a major step toward eliminating that incompatibility and toward securing the place of the family farm in American agriculture.

For myself and Senator Clark, I ask unanimous consent that the amendment be printed in the Record following his

statement.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. CLARK. Mr. President, Senator Culver and I are today submitting an amendment to the Food and Agriculture Act of 1977 to eliminate from eligibility for direct payments under the basic wheat, feed grain and upland cotton programs large corporations, trusts, and other firms which are controlled by nonfarm interests, or whose primary business lies outside of farming.

The purpose of this legislation is clear. It is to make farming less attractive for nonfarm corporations in an attempt to prevent nonfarm groups from being lured into purchase of farmland by the rapid increases in land prices we have seen

over the past several years.

The so-called "Ag Land Trust" proposal is an example of the threat we see and want to reduce by this amendment: Last fall, we began to hear of plans for an agricultural land investment trust. Continental Illinois National Bank & Trust Co. of Chicago and Merill, Lynch, Pierce, Fenner, and Smith subsequently announced plans to form a \$50 million trust to invest in working farms.

The farms were to be the best farmland in the Nation. They were to be purchased with employee pension funds and profit-sharing funds, at least some of which would have been exempt from income taxes.

In Iowa, there are a number of legal restrictions on corporate farming. But the Ag Land Trust employed a legal mechanism that is not technically a corporation, but is basically a trust-a mechanism commonly used for estates and, therefore, permitted under Iowa statutes. The Ag Land concept appears to be legal under Iowa law and it appears to qualify for tax exempt treatment under Federal tax law. There appears to be no effective legal restraint to prevent massive amounts of pension fund and profit-sharing fund capital, and other corporate capital, from competing di-rectly with family farmers for the land and agricultural markets they need. The purpose of this amendment is to reduce that threat.

The amendment would not eliminate the problem entirely, but it would make farmland purchases far less attractive to nonfarmers by denying them access to the basic Government programs. The basic right of individuals to sell their property to whomever they please would not be changed. But the amendment would recognize that the basic structure of American agriculture rests on the family farm—the individual and his family who choose to make farming a way of life and the small towns and communities they have built all across America to support this way of life.

Family farms are every bit as efficient as corporate farms when it comes to producing crops and livestock. But they cannot match the profitability of an organization that needs no income to live on because it can afford to wait and realize profits in land appreciation-especially if the organization is sufficiently large to bid up the prices of land through repeated, huge investments. There is a real and continuing threat that some of the nonfarm fund sources in the United States can do this. The Ag Land Trust proposal demonstrates that rapid increases in land prices have a real attraction for such investments.

The reason land is an attractive investment is easy to see. In January 1977, USDA announced that their surveys showed that average values for farmland in Ohio, Indiana, Illinois, and Missouri increased more over the past 12 months than for any other year since USDA began surveying land costs and keeping records in 1912. Iowa land values increased by 28 percent. For the five major corn belt States, land values went up 33 percent. In Illinois, land values went up by an astonishing 41 percent.

With land price increases like these year after year, it is no wonder that non-farm capital is interested in buying farm land. Having capital flow into farming is basically a good thing. But too much of even a good thing can be a problem, and

this is no exception.

Furthermore, such movements can be self-fueling and they can mushroom very rapidly. The entry of major pension and profit sharing funds into competition for farmland could force the land price spiral upward. These funds are huge, often involving many millions of dollars. Because they are so large, they have an impact of their own—an additional pressure on land prices that helps generate the price increase they seek. This large investment could lead to faster price increases which lead, in turn, to more nonfarm investment in farmland and thus to more price increases.

The small farmer could be caught in the middle. He needs the land for his own operation-perhaps to add to an already functioning but borderline farm. He lacks the tax advantages available to employee pension funds and must go to the local bank for the capital he needs. And, he must depend on his crops not only to pay off the land, but for a living for his family. It is difficult for such farmers, and for me, to see how investment trusts such as the Ag Land Trust can do other than harm small farmers. It is difficult to see how nonagricultural, speculative tax-sheltered capital can be a positive thing when it competes directly with local family farmers for land.

In addition, the impact of local communities could be very negative. Trusts have no children in local schools, nor any need for a local hospital or a local church. Trusts might be expected to support roads and airports so their access to land and markets would be good-but could they be counted on to support local bond issues for other community services? I think not. History is not reassur-

ing on this question.

According to press reports since the hearings held in the House Agriculture Committee last February, the corporations that proposed the Ag Land Trust have withdrawn that proposal. They had not anticipated the public outcry against it, and they are unwilling to face the storm of criticism they were receiving. But withdrawal of this proposal does not mean the end of such threats. It merely means that we have additional time in which to consider the most appropriate ways and means of developing protections we need to deal with the problem. As long as farmland is appreciating in value as rapidly as it has been, the threat will continue.

Our measure offers a logical approach to the problem. Corporate ownership of farmland would not be prohibited by this measure, nor would any other form of ownership now legal under existing statutes. But these forms of ownership would be less attractive to nonfarm groups. What this amendment would do is focus our farm programs somewhat more specifically on our family farms, and away from nonfarm operations. Farms controlled by nonfarmers could still produce, but they could not take advantage of key Government programs.

Nor would this amendment be designed to prevent large farms. A sole proprietor or even a farming corporation would be permitted access to Government programs as long as both are controlled by individuals engaged primarily in farming. It would, however, deny Government payment programs to farms operated by corporations which are controlled primarily by nonfarmers.

We do not consider this amendment to be a drastic step, but we do feel that it is important and that it represents the best interests of family farmers. The Ag Land Trust proposal impressed on us all the potential for nonfarm competition with family farmers. We expect that there will be a number of proposals concerning alternative ways to provide family farmers with the protection they need. We will want to consider all these proposals very carefully and choose that which is most effective and least disruptive. These ideas we present here are not set in stone, but provide a beginning point for further discussions on this very important issue.

AMENDMENT No. 183

On page 1, line 7, insert "(a)" after "Sec.

On page 1, after line 10, add the follow-

(b) Such section 101 is further amended by adding at the end thereof the following: "(5) No payment authorized to be made under the programs provided for in titles IV, V, and VI of this Act may be made to any person except-

(A) a sole proprietorship farming opera-

tion:

"(B) a corporation or other entity engaged in a farming operation if such corporation or other entity is controlled individuals engaged primarily in farming;

"(C) an electing small business corporation as defined in section 1371(b) of the Internal Revenue Code of 1954 engaged in a farming operation;

"(D) a trust or similar arrangement which involves the production of wheat, grains, or cotton and which was established on or after January 1, 1978, by one or more persons who would have been eligible for payments under the program provided for under title IV, V, or VI of this Act, as appropriate, had such persons been engaged a farming operation themselves on the land with which such trust or similar arrangement is concerned;

"(E) a trust or similar arrangement which involves the production of wheat, feed grains, or cotton and which was established by any person prior to January 1,

1978; and

"(F) an organization described in section 501(c)(3) of the Internal Revenue Code of 1954: and

"(G) a partnership in which each partner would, if engaged in a farming operation on his own, be eligible for payments under one of the subparagraphs (A) through (F)

of this paragraph.

"(6) No payment authorized to be made under titles IV, V, or VI of this Act may be made to any individual or other entity if the commodity with respect to which such payment is proposed to be made is produced on land owned or controlled by another person or entity which, if engaged in farming on its own, would not be eligible for such payment under paragraph (5) of this section.".

NOTICES OF HEARINGS

SUBCOMMITTEE ON LABOR

Mr. WILLIAMS. Mr. President, on behalf of the Subcommittee on Labor of the Committee on Human Resources, I wish to announce hearings on S. 995, a bill to amend title VII of the Civil Rights Act of 1964 to prohibit sex discrimination on the basis of pregnancy. The hearings will commerce at 9:30 a.m. on Tuesday, April 26, 1977, and Wednesday, April 27, 1977, and will be held on both days in room 4232, Dirksen Office Build-

Persons wishing to testify should contact Maria Landolfo of the Labor Subcommittee staff at 224-3674.

SUBCOMMITTEE ON GOVERNMENT EFFICIENCY-CORRECTION

Mr. EAGLETON. Mr. President, in announcing hearings by the Subcommittee on Government Efficiency of the Government Affairs Committee in the April 1, 1977, Congressional Record, an error was inadvertently made. The hearings will be held April 11, 21, and 22 in room 6226, Dirksen Senate Office Building on the General Accounting Office report on weaknesses in the financial controls of the national flood insurance program.

ADDITIONAL STATEMENTS

SUPPLEMENTAL APPROPRIATIONS FOR HIGHER EDUCATION ASSIST-ANCE

Mr. BAYH. Mr. President, on April 1, the Senate approved a \$32 billion supplemental appropriations bill for fiscal year 1977. Most of this money is necessary to fund programs which were authorized too late in the last Congress for

inclusion in the regular fiscal year 1977 appropriations bills. A large group of programs which fall in this category are those which were authorized by the Higher Education Act Amendments of 1976. The supplemental appropriations bill, as approved by the Senate, includes \$3,212,518,000 for higher education during the 1977-78 academic year. This represents an increase of \$6 million over that approved by the House of Representatives.

The vast majority, \$2.9 billion, of the moneys for higher education are to extend the various programs for student assistance. The basic educational opportunity grants, BEOG, are funded at \$1,-903,900,000. Grants under this program will range from \$200 to \$1,400 and will be awarded to some 1.975,000 students.

For the supplemental educational opportunity grants, SEOG, the Senate has added \$20 million to the \$240,093,000 approved by the House for a total appropriation of \$260,093,000. The Senate increase in this program is expected to provide for an additional 38,000 grants.

The Senate has decreased the appropriations for the work-study program to \$390 million from the House figure of \$430 million. However, the Senate has added language stipulating that the \$30 million remaining in this program from

1976 be carried over to 1977.

The national direct student loans program, NDSL, was increased by the Senate to \$321.8 million, a \$21 million increase over the House. While there was no budget request for this money, the Senate Appropriations Committee felt that this program which provides loans at 3-percent interest to disadvantaged students, needed additional funding. The Senate figure would provide for 868,000 loans at an average of \$690 per student. The House increased the funds for the

State scholarship incentive grants, SSIG, by \$16 million over the budget request and the Senate maintained that increase. The total appropriation of \$60 million for SSIG will allow for the continuation of 147,800 students from previous years and provide for an additional

42,000 grants.

Both the Senate and the House provided for an increase of \$14.6 million over the budget request for the Trio programs, making the total appropriations of \$85 million. The additional \$14.6 million would provide increases above the budget of \$2 million for Talent Search, \$2.7 million for Upward Bound, \$4 million for special services for disadvantaged students and \$1 million for education opportunity centers.

In the area of institutional assistance the Senate increased funding for programs in cooperative education by \$3 million over the House figure. The bill also provides for the continuation of the veterans cost of instruction program at its current level. Assistance under this program is currently directed to 1,270 institutions and helps about 1 million

veterans.

During the consideration of the fiscal 1977 supplemental appropriations relating to higher education assistance, I have been contacted by colleges and universities in Indiana and by numerous students receiving assistance under the programs authorized by the Higher Education Act amendments. All of these communications have highlighted the increasing cost of a college education. Figures have been presented to me showing that the average total cost of attending a 4-year independent institution in 1976–77 is about \$4,500 per year. Inflationary pressures can be expected to push that cost even higher in the 1977–78 academic year.

The spiraling cost of a college education graphically demonstrates the necessity of continuing our student assistance programs. Students from low-income families have a continuing and increasing need for this assistance and as the costs of higher education rise, more and more middle-income families are finding it impossible to afford to send their children on to college without loans or other forms of student assistance.

The funding levels for these programs which are provided in the Senate bill continued many of these programs at least at their current level and provide for increases in several. I am hopeful that the Senate increases will be maintained in conference. Enactment of this supplemental appropriations bill will permit institutions of higher education to make plans for the best possible use of the limited resources available.

However, the Senate will have an opportunity to look at these programs again during the next few months in the context of the fiscal year 1978 budget, which will cover the 1978-79 academic year. During the course of that consideration, we will be able to reconsider the funding levels for all programs of student and institutional assistance. There will be consideration given to raising the maximum grant in BEOG from the current level of \$1,400 to \$1,600. Large increases for SEOG, SSIG, and work-study have been recommended by many educational groups and those proposals will be studied carefully by the Subcommittee on Labor/ HEW appropriations. I am hopeful that we can find a way to fund these vital assistance programs at a level which will provide the necessary assistance to the increasing numbers of students with a demonstrated need for financial assistance in order to continue their education.

A NEED TO REOPEN THE FEDERAL COURTHOUSE

Mr. MATHIAS. Mr. President, on January 10, 1977, Senator Brooke and I introduced S. 35, the Civil Rights Improvements Act of 1977. More recently Congressman Parren Mitchell introduced H.R. 4514, the House counterpart to S. 35.

The Civil Rights Improvements Act of 1977 is primarily designed to offset a series of recent Supreme Court decisions substantially curtailing access to the Federal courts, especially for those most in need of judicial relief.

In recent weeks the press has featured a number of articles and editorials high-lighting the need for legislation to reopen the Federal courthouse. In order to inform my colleagues of the growing support for such legislation, I ask unani-

mous consent that the following editorials from the Washington Post and the St. Louis Post Dispatch, as well as a recent article by Anthony Lewis in the New York Times, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the St. Louis Post-Dispatch, Mar. 25, 1977]

ACCESS TO JUSTICE

After complaints from many sources, including prominent legal scholars, that the Supreme Court under Chief Justice Burger has been allowing the steady erosion of constitutional rights and systematically closing the federal courts to rights litigants, Senator Charles Mathias of Maryland has moved to provide a legislative remedy. In showing the need for his measure, Senator Mathias cited no less an authority than Justice Brennan of the Supreme Court, who wrote recently that under "the banner of vague, undefined notions of equity, comity and federalism the Court has condoned both isolated and systematic violations of civil liberties."

As Justice Brennan noted, those who are denied judicial protection of their rights under the court's new approach are most often "the poor, the underprivileged, the deprived minorities." To remedy the situation, Senator Mathias, along with another Republican, Senator Edward Brooke of Massachusetts, has introduced a bill to amend the Civil Rights Act of 1871. The measure would facilitate the vindication of rights in the federal courts by: (1) making states, municipalities and other political units liable for the acts of subordinates in violating rights, (2) providing for limited exception to prosecutorial immunity from suits for unconstitutional acts, (3) restricting the requirement that state judicial remedies be exhausted.

These are only some of the provisions by which Senator Mathias would offset court decisions which have narrowed the protection of the Bill of Rights. Other critics of the court have suggested additional remedies. The Mathias-Brooke bill, however, represents a start in restoring the rightful role of federal courts as guardians of rights.

[From the Washington Post, Apr. 4, 1977] "STRICT CONSTRUCTION" REVISITED

Not too many years ago, the Supreme Court was accused, often and loudly, of failing to follow the Constitution and writing into law the Justices' own notions of what the law should be. What was needed, the critics—such as former President Nixon—said, was a group of "strict constructionists" who would just follow the Constitution and the laws as they were written. Well, the strict constructionists are now a majority of the Court, and it seems clear to us that they are busy rewriting some law themselves.

We are referring to a series of decisions over the past few years in which the Court steadily limited the access of citizens to federal judges. Using their own views of what such concepts as "federalism" and "comity between courts" should mean, a five-man majority has told lower federal judges that they can no longer hear certain kinds of cases that they once heard and decided routinely. In the process, the Court has changed the Civil Rights Act of 1871 drastically. It has replaced what were once standard interpretations of that act with new ones that fit the philosophical views of a majority of its current members.

That act was passed by Congress to open the doors of federal courts to citizens who claimed their federal rights were being vio-

lated by state or local governments or officials. It was a major change in American law, brought about by a congressional belief that the federal rights of citizens needed more protection than state courts would give them. For years, the Supreme Court told federal judges to abstain-temporarily-from hearing these cases in order to give state courts a chance to decide them properly. Now, it is telling federal judges to abstainpermanently—as long as the state courts will consider them. The new rule has been applied so far to criminal and contempt cases, but the language in a recent decision suggests that an extension of it across the board is not far away.

This is not a battle between courts, as a majority of the Justices sometimes makes it sound. Nor is it just a continuation of what the Court is doing in other areas—steadily reducing the scope and influence of federal courts. It is a question of where individual citizens are to look for protection of the rights the federal government says are theirs. And it concerns the judicial rewriting of the law that provided the underpinning for many of the major civil cases of our time.

It is conceivable that the Court's majority is right, although we doubt it, in thinking the time has come to remove the double layer of protection—in both state and federal courts—that individual rights have had for a hundred years. But if so basic a change is to be made, it ought to be made by Congress, certainly not by a Court of "strict constructionists" who are basing the change on their own notions of what the law ought to be. Indeed, Congress ought to pass the legislation that has already been introduced to put the interpretation of that 1871 statute back where it was before the present Court's majority got its hands on it.

[From the New York Times, Mar. 31, 1977]
THE DOORS OF JUSTICE: II

(By Anthony Lewis)

Washington, March 30.—For more than 100 years a Federal statute has allowed anyone deprived of constitutional rights "under color of" state authority to sue in the Federal courts. The act was originally passed by Congress in 1871, and it remains one of our basic civil rights laws.

Or so it does in theory. As it reads in the United States Code, the statute gives the same strong promise it always has of Federal protection for Federal rights. But in fact, the present Supreme Court has gone a long way toward making the promise a mockery.

In case after case in recent years, the Burger Court has found reasons for denying injured Americans any rights in the Federal courts. The reasons have often sounded technical: that the complaining parties lacked legal standing, for example, or that the particular official defendant could not be sued. But the cumulative result is a fundamental change in the law—and in the rights of citizens.

The human impact of what the Court is doing can be seen in a case decided one year ago, Paul v. Davis. In December, 1972, the police in Louisville, Ky., distributed to local businesses a flier with "mug shots" of "active shoplifters." One of those pictured was Edward Charles Davis 3d. He had once been arrested on a shoplifting charge but not convicted. The charge was dismissed.

Mr. Davis brought a Federal suit under the 1871 act. He showed that the flier had hurt his reputation, and he claimed that it was unconstitutional to put such a label on him without some fair procedure first—and certainly wrong in the teeth of the fact that the charge against him had washed out. He won in the lower court.

The Supreme Court threw out Mr. Davis's suit. Justice William Rehnquist, writing for a majority of five, said there was no consti-

tutional right to fair procedure for protection of "reputation alone." A person could make such a claim under the 1871 statute, he said, only if state law had defined it as a right. Mr. Davis was left with no remedy at

The latest example of closing the doors to the Federal courts came just last week. Two adjudged debtors, were threatened men, with jail for civil contempt under a New York law for not appearing at a hearing on their debt. In a Federal suit, they said New York's procedure was unfair. A three-judge District Court agreed with them. But Justice Rehnquist again joined by four other Justices, said the Federal court should never have heard the case at all: It should have "abstained" because the law could have been challenged in the state debt proceedings.

That decision was based on a highly technical doctrine, "abstention." Yet it showed the broad effects of what the Court is actu-

ally doing.

The rule used to be that Federal courts abstained from decision only temporarily, in cases where state law had to be clarified first by state courts. Then the Burger Court said they should abstain permanently when the Federal issue was already before the state courts in a criminal case. Now, in the New York case. Federal courts have been told to keep hands off a Federal issue if it can be raised in a state civil contempt case-and, the Court may well say, in any civil proceed-

The result is to carve out a huge area in which Federal courts are barred from deciding Federal constitutional issues. In a dissent in the New York case. Justice William J. Brennan Jr., said persuasively that the majority's "ultimate goal" was to "strip all meaningful content" from the Civil Rights Act of 1871.

I think it is usually wrong to cry havoc over Supreme Court decisions. There are swings of the judicial pendulum, and they have to be accepted. But the course of decision in these cases has passed the point of quiet acceptance.

Justice Rehnquist, chief spokesman in the cases closing the Federal courts to constitutional claims, believes strongly that in the American system much should be left to state courts. That is a reasonably philosophical view but it happens to conflict with the specific action of Congress, in allowing constitutional suits in the Federal courts.

"It is abundantly clear," an 8-to-1 majority of the Supreme Court said in 1961, "that one reason the [1871] legislation was passed was to afford a Federal right in Federal courts because, by reason of prejudice, passion, neglect, intolerance or otherwise, state laws might not be enforced and the claims of citizens to the enjoyment of [constitutional] rights . . . might be denied."

The Supreme Court has usually refrained from changing its interpretation of statbecause Congress can change them if it wishes. To reinterpret a 100-year-old statute out of existence is underhanded, and especially so when done by Justices who say they want to pay more respect to legislatures. Fortunately, Congress has ample power to undo the harm. It can reopen the closed doors. A bill introduced by Republican Senators Charles McC. Mathias and Edward Brooke, S. 35, would correct the Burger Court's negative readings of the 1871 act and provide a Federal remedy once again for violations of the Constitution. It is time to tell the Court that the statute means what it

IT IS TIME OUR BUSINESS COM-MUNITY LOOKED AT THE FACTS

Mr. HUMPHREY. Mr. President, although 4 months have passed since the Presidential election, a sizable number

of the Nation's commercial and industrial leaders are still wringing their hands. watching the cobwebs mount on their checkbooks, and wondering what effect the administration of Jimmy Carter will have on the business climate.

It is reported that business leaders continue to show a lack of confidence in the Nation's near-term economic future. This, in turn, means that the commitment of financial resources necessary to create desperately needed new jobs through financing new plants and facilities is being made at a rate which is far from adequate. For example, capital formation efforts in terms of new stock issues and loans by commercial banks to establish new business, expand existing operations, and purchase new tools, is far less than it can be or should be.

My remarks today are intended to reassure our business friends that the new administration and the Congress are not to be feared, but to be relied upon, as hishas shown so often, to restore healthy economic growth with business doing very well.

I find the lack of confidence on the part of business incredible for a num-

ber of reasons.

First of all, there cannot be anyone in the Nation over the age of 10 who is unaware that President Carter himself is a successful, hard driving businessman in his own right. Furthermore, he has consistently assured the Nation's business community throughout his long campaign and during the following months, that it would be involved and its needs responded to in his administration's fiscal policies and programs. Nothing he has said or done can, in any way, be construed to contradict this stated position.

Further proof of his awareness of the contributions that can be made by American business are exemplified in his selection of W. Michael Blumenthal, former chairman of the Bendix Corp., to be Secretary of the Treasury, and Bert Lance, former Atlanta banker, to head the Office of Management and Budget. These are highly successful businessmen sensitive to the needs of the business community and representative of its basic economic philosophy.

But beyond this, our hand wringing, white knuckled businessmen ought to take a look back down the history of the past 17 years and refresh their memories as to how business fared under Democratic and Republican administrations. If they do, I assure you, Mr. President, that their confidence will return.

Let us take the prime rate as one example. During the years of the Kennedy and Johnson administrations, the prime rate ranged from 41/2 to 61/2 percent. But the prime rate skyrocketed to 12 percent during 1974 when it changed more than 35 times.

During the Kennedy and Johnson administrations, corporate profits climbed steadily, from \$49.7 billion in 1960 to \$87.6 billion in 1968. Thereafter they declined and did not return to the 1968 level until 4 years after Richard Nixon took office.

An even worse pattern exists for consumer prices. During the Kennedy and Johnson administrations, the Consumer Price Index never rose by more than 5 points from one year to the next, and during most of this time, the index did not raise more than 2 points year to year. However, during the Nixon-Ford years, the CPI rose by more than 5 points year to year and soared by 14.6 points in 1974 and 13.5 points the following year.

Unemployment declined throughout the Kennedy-Johnson years to a low of 3.6 percent in 1968. Needless to say, the unemployment level was nearly three times this rate in 1975.

Perhaps the most telling performance distinguishing Democratic and Republican administrations since 1949 can be found in a brief article in a recent issue of Parade magazine which is carried in many of the Nation's Sunday newspapers.

The article capsulized a story written by David Sargent of the United Business Service. It showed the Dow Jones industrial averages for each year following a presidential election, from 1949 to 1973

The data is astounding. In all, the Dow Jones industrial averages for 7 years are given. Three of those years occurred during Democratic administrations, and 4 occurred during Republican administrations. The comparison shows the market is down in each of the 4 Republican years, remarkably so in 1969 and 1973 when President Nixon was in office. On the other hand, the figures reveal a healthy market during the 3 Democratic years.

Mr. President, I ask unanimous consent that the Parade magazine article be printed in the RECORD. I hope it will persuade our hesitant business friends that they have nothing to fear from a Democratic President. In fact, their cooperation, they may find that, despite their instincts, Democrats are so good for business that they might just have to vote next time to keep them

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ENJOY THE RIDE

What effect will President Jimmy Carter's economics have on the stock market? Many people would like to have the answer to that

Believing that history frequently repeats itself, David Sargent of the United Business Service went back to the records. He measured the Dow Jones industrial averages in the first full year following each Presidential election since the end of World War II.

Here's what Sargent came up with:

		Dow
Year	President and Party	Jones
1949	Truman, D	+12.9
1953	Eisenhower, R.	-3.8
1957	Eisenhower, R	-12.8
1961	Kennedy, D	+18.7
1965	Johnson, D	+10.9
1969	Nixon, R.	-15.2
1973	Nixon, R	-16.6

Concludes Sargent, "If history holds any lessons for us, just hold on to your hats and enjoy the ride in 1977."

PASSAGE OF THE HARP SEAL CONCURRENT RESOLUTION

Mr. PACKWOOD. Mr. President, I am pleased the Senate adopted the concurrent resolution last Thursday offered by

Senator Matsunaga, myself, and others, urging the Canadian Government to reassess its policy allowing the newborn harp seal hunt. Harp seals face slaughter on the icefield nurseries of the eastern Canadian shoreline, and to protect against their potential extinction we must make the effort to persuade Canada to reassess its present policy which allows the killing to continue.

In 1976, 169,000 baby harp seals were killed in 1 month. This was 42,000 more than allowed by the Canadian Govern-

ment's own kill limit.

This year the allowable kill limit has been increased to 170,000, contrary to a 1972 recommendation by a special Canadian Advisory Committee on Seals and Sealing that the commercial hunt be phased out over a 5-year period. Rather than heed this recommendation, the Canadian Department of Fisheries increased the quota, enabling sealers to eliminate up to 90 percent of the baby harp seal population.

At this rate of slaughter, it is no surprise that the harp seal population is only 1.2 million compared to an estimated population of 12 million at the

turn of the century.

The Department of Fisheries claims the annual hunt is necessary to protect the oceanic ecosystem and to decrease competition with man's fisheries. These claims are incorrect on two grounds. First, harp seals eat far more noncommercial than commercial fish and, therefore, do not pose a threat to the Atlantic fishery. Second, it is actually overfishing in the North Atlantic by large foreign fishing fleets which has caused depletion of the fish stocks and, not extensive predation by the seal herds.

In fact, seals help balance the oceanic ecosystem by returning the fish they eat to the ocean as excrement, which serves as food for marine plankton that then becomes food for fish. In this way, seals are an integral part of the marine fishery and should not be killed without knowledge of what the effect will be.

Unfortunately, the Canadian Department of Fisheries obtained no information in 1977 on the seal population and, therefore, the effects of this year's slaughter on the seal herds cannot be

determined.

The Canadian Government continues to condone the inhumane killing of the baby harp seals despite growing international concern and protest, and in contradiction to recommendations by its own special committee that the killing be curtailed.

The harp seal herds are being threatened by these kills. We must continue to express our objection to the Canadian Government on this policy. In light of these facts, I am glad the Senate took the initiative and quickly adopted the newborn seal resolution. Hopefully, the Canadian Government will heed our request.

HEW DEVELOPING PLAN TO IMMU-NIZE 20 MILLION YOUTHS

Mr. BAYH. Mr. President, I pleased to notice an article in this morning's Washington Post stating that the Department of Health, Education,

and Welfare is developing plans for a program to provide immunization against childhood diseases such as measles, rubella, polio, mumps, diphtheria, and pertussis for 20 million children age 14 and under.

The 20 million children who are currently unprotected from one or more of the childhood diseases include 13 million children at or slightly above the poverty level and another 7 million children in the higher-income levels. These 20 million children represent more than one-third of all children in this country

under the age of 15.

Information discussed at the conference on immunization being run by the Department of Health, Education, and Welfare indicate that the number of cases of measles this year may well be double the 40,000 cases reported in 1976. Already in my own State of Indiana, the State board of health has reported 1,356 cases of measles in the first 8 weeks of 1977 as compared with 241 cases during this same period in 1976. This is the worst measles epidemic in 10 years for the

Unfortunately the well-publicized problems with the swine flu immunization program may have discouraged parents from having their children immunized against such cripplers and killers as polio, diphtheria, and measles. We will need to undertake a massive educational program to insure that all children are immunized and thus spared the tragedy these diseases can bring.

During the last Congress, I and a number of my colleagues, including Senator BUMPERS and the chairman of the Subcommittee on Labor/HEW Appropriations, Senator Magnuson, worked to provide funding for the immunization program against childhood diseases. Although the House did not include any money for this purpose in the version of the fiscal year 1977 appropriations bill for HEW, the Senate conferees were successful in retaining \$13 million of the \$14 million approved in the Senate for this vital program.

In the fiscal year 1977 supplemental bill currently in conference, the House transferred an additional \$3 million from the swine flu account to the Center for Disease Control's childhood disease immunization program and I was successful in offering an amendment at the Senate subcommittee markup to transfer an additional \$1 million. This brings the total funding for this program in fiscal year 1977 to \$17 million-just \$500,000 short of the fully authorized level.

As is evident in this morning's article from the Post, there is a critical need to expand the program of immunization against childhood diseases, and it is especially gratifying to have the strong support of the administration for this purpose. I ask unanimous consent that the article from the Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HEW DEVELOPING PLAN TO IMMUNIZE 20 MILLION YOUTHS (By Victor Cohn)

A new federal program to immunize 20 million children aged 14 and under against

seven serious infectious diseases will be announced Wednesday by Health, Education and Welfare Secretary Joseph A. Califano, Jr.

The aim will be to combat a rapid increase in cases of measles caused by a sharp lag in immunizations and prevent such an increase in cases of polio, diphtheria, rubella (German measles), whooping cough, tetanus and mumps.

Another goal, said an informed health official who declined to be named, will be jack up public interest in immunizations, which has suffered, fairly or unfairly, because of what happened in swine flu."

Speakers at a National Immunization Conference at the National Institutes of Health yesterday repeatedly stressed the need for a new national effort to vaccinate the unprotected and restore public credibility in vaccinations.

Attending the conference, which concludes Wednesday, are scientists, doctors, government health experts, insurance and drug firm officials and representatives of consumer. PTA and Catholic women's groups.

Four of five conference committees that have been working for several months on the subject called for a long-range national immunization policy to be developed by a new National Immunization Commission or immunization Policy Council that would report to the HEW Secretary and Congress.

HEW officials yesterday were still completing final details of their new vaccination program, Dr. James Dickson III, acting assistant secretary for health, told the con-

The object, other health officials said in interviews, will be to reach two primary groups—some 13 million children at or above the poverty level and 7 million in higher income groups. The needy children are those in families now eligible or that will be declared eligible for federal aid programs.

Together, the 20 million youngsters lack one or more essential shots and represent more than a third of the 52 million children

in this country under age 15.

Implementing a planned \$6 million program announced Feb. 21 as part of President Carter's fiscal 1978 budget request, HEW will first seek to immunize at least 3 million of the 13 million needy children by July 1, 1978. officials said. Congress is expected to add a possible \$4 million to increase this group.

These children will be immunized in large part by state and local health departments at public health clinics. Local citizens' groups will be asked to help get youngsters to the

clinics.

But there also will be a strong effort, officials added, to reach better-off families, partly by educating parents, children and doctors on the need for more vaccinations and partly by providing doctors free vaccine so they would charge their patients only for administering the shots.

These diseases-measles, German measles (unrelated despite the similar name) and diphtheria-are on the increase this year, "and all unnecessarily because we can vac-cinate for them," said Dr. Saul Krugman, noted vaccine developer and chairman of two

conference working groups.
"Children are dying," he told the NIH
conferees. "In New York City last month two unimmunized children died of diph-

He showed slides of brain-damaged, retarded, cerebral-palsied and blind children born to mothers never protected against rubella and said, "This is what we shall return to if we do not improve immunization."

The 1976 total of slightly fewer than 40,000 measles cases will "probably" double this year, he estimated. Doctors report that 1 child per 1,000 measles victims develops en-cephalitis or brain inflammation and 1 per 1,000 dies of encephalitis or pneumonia.

The vaccine conference working groups largely agreed that vaccine efforts have been hindered by lack of continued financial sup- Health and Physical Education which he report for vaccine research and development, lack of a federal policy to protect vaccine makers from damage suits in cases where vaccines do harm through no fault of the manufacturer and lack of public understanding that vaccines may sometimes do harm as well as good.

DR. EDWIN BANCROFT HENDERSON

Mr. BROOKE. Mr. President, just over a month ago one of the Washington area's most distinguished citizens, Dr. Edwin Bancroft Henderson, passed away. He was 93.

Dr. Henderson was a marvelously talented man. A writer, an educator, an activist, and an athlete, he was a man respected and admired by many. He was the first black physical education teacher in this city, rising later in life to become the director of the District's Department of Health and Physical Education. He was a tireless supporter of, and crusader for, equal rights, campaigning vigorously to break down the restrictions of the American Athletic Union-AAUwhich prevented interracial competition and serving for many years as president of the NAACP's Virginia branch. And in 1974 Dr. Henderson was inducted into the Black Sports Hall of Fame along with men like Willie Mays, Henry Aaron, and Muhammed Ali.

I was very privileged to know Dr. Henderson. He was a mentor and an inspiration. I will miss him, as I know countless other men and women will miss him. But while we mourn his passing, we can rejoice in the knowledge that his life was as full and as vigorous as a man could hope for.

To his sister, Mrs. Annie Briggs; his two sons, Dr. James H. M. Henderson and Dr. Edwin M. Henderson: his four grandchildren; and his two great grandchildren I extend deepest sympathies. That God be with them to comfort them in their loss is my constant prayer.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the very moving eulogy delivered at Dr. Henderson's funeral as well as an excellent article that appeared in the Washington Post of February 5.

There being no objection, the material was ordered to be printed in the RECORD. as follows:

PORTRAIT OF A "GRAND OLD MAN"-PIONEER EDUCATOR, CIVIL RIGHTS LEADER, AND PRO-

For 93 years, Edwin Bancroft Henderson was a man of distinction and character, of achievement and inspiration, of personal courage and skill.

A life-long advocate of equal rights for Negroes, he wrote over 2,000 letters to the editors of Washington, D.C. and Alabama newspapers, often receiving heated replies from those who did not agree with his views against segregation. Before the struggle for equality of colored people became popular, Dr. Henderson was its champion. He was president of the Virginia Branch of the NAACP for many years and program chair-man of the Fairfax County Council of Human Relations.

In 1904, he was the first Negro teacher of physical education in Washington, D.C. in the country. He introduced basketball to Washington Negro youths at the YMCA and later became Director of the Department of mained until his retirement in 1954. At this time he received the prized honor of being made Fellow of the American Association for Health, Physical Education and Recreation.

Realizing the power of sports in furthering interracial respect and understanding. Dr. Henderson campaigned to break down the restrictions of the American Athletic Union (AAU) which prevented interracial competition. In 1910, the restrictions were dropped.

In 1939 he wrote "The Negro in Sports," the first book to deal comprehensively with Negro athletes. In 1968, he collaborated with editors of Sports magazine on "The Black Athlete—Emergence and Arrival," a publication of the International Library of Negro Life in History. His latest contribution appeared in the Black American Reference Book sponsored by the Phelps-Stokes Fund entitled "The Black American in Sports.

Dr. Henderson was married in 1910 to Mary Ellen Meriwether. Their marriage of 65 years was happy and fruitful. When she passed on February 4th, just a year ago, he lost his zest for living. One year later on February 3rd, he joined her. Ned and Nell are again together.

Left to mourn Ned and Nell, but with loving memories of their beautiful lives, are his two sons, Dr. James H. M. Henderson and Dr. Edwin M. Henderson; four grandchildren, Edith Ellen Wimbish, Dena Rosalice Solomon, James F. Henderson and Edwin Bancroft Henderson II; and two great-grandchildren, James F. Henderson and Alice Laverne Wimbish. Also surviving is a sister, Mrs. Anne H. Briggs of Falls Church.

[From the Washington Post, Feb. 5, 1977] EDWIN HENDERSON, EDUCATOR, 93, DIES

(By Jean R. Hailey)

Dr. Edwin Bancroft Henderson, 93, a noted educator and civil rights leader in the Washa ington area for many years, died of cancer Thursday in Tuskegee, Ala.

The first black instructor of physical education in this country, he had been director of health and physical education for black schools in Washington from 1926 until he retired in 1954, the year that the Supreme Court ended school segregation.

Dr. Henderson, with his wife, the late Mary Ellen (Nellie) Henderson, also an educator and civic leader, had helped organize the NAACP chapter in Fairfax County. He went on to become president of the Virginia chapter of the NAACP.

They had lived in Falls Church from 1910 until 1965, when they moved to Tuskegee to live with a son, Dr. James H. M. Henderson, director of the Carver Research Foundation at Tuskegee Institute.

Mrs. Henderson died at the Wisconsin Avenue Nursing Home here on Feb. 4, 1976.

Dr. Henderson was never a star basketball, football or baseball player, but he was credited with doing as much for black athletes and athletics as many of the major black figures in the sports world.

In 1974, along with such notables as Willie Mays, Hank Aaron, Wilt Chamberlain, Muhammed Ali and others, he was inducted into the National Black Sports Hall of Fame.

At that time, he was reminded that Black Sports magazine had cited him in 1972 as one of the foremost black Americans of all time. Before the struggle for black equality became commonplace, Dr. Henderson was its champion."

"I never consciously did anything to be first. I just happened to be on the spot and lived in those days when few people were doing the things I was doing," he said then, adding:

"But sports was my vehicle. I always claimed sports ranked with music and the theater as a medium for recognition of the colored people, as we termed ourselves in my day. I think the most encouraging thing, liv-

ing down here in Alaahma, is to see how the black athlete has been integrated in the South."

Born in Southwest Washington, Dr. Henderson liked to recall that he had grown up with the late Al Jolson as a playmate. He graduated from Dunbar High School and was first in his class at Miner Teachers College.

He became the first black instructor of physical education in the country in 1904. At the time, there was no formal physical education in black schools. Instead, physical culture was taught one day a week by a white instructor.

For three summers, while school was not in session, Dr. Henderson studied physical education at Harvard University. He played a comparatively new sport—basketball—there.
When he got back to Washington, he or-

ganized the 12th Street YMCA team. They played teams here and in Baltimore. Philadelphia and New York, and claimed the national basketball championship in 1909 and 1910

Dr. Henderson also organized the first black high school and college track meets in the country.

In addition, he led a strong campaign to break the color line in the Amateur Athletic Union, which lowered the bar in 1910.

Besides teaching, serving as a track, foot-ball and baseball official, writing for sports publications and reporting as a "stringer" Washington newspapers on athletic events in the black community, Dr. Henderson earned a bachelor's degree from Howard University and a master's degree from Co-lumbia University.

As head of the department of health, physical education and safety for black schools here, he instituted a number of innovations.

One was a highly successful program to reduce chronic truancy in the elementary schools by setting up classroom teams in football and basketball.

The teams were formed in each fifth- and sixth-grade classroom, and every boy was ei-ther a player or a substitute. The teams represented their rooms and grade level rather than their schools.

The boys were able to participate in sports that had until then been limited to varsity competitions and many of them established a new feeling of belonging to their class and their school.

During his tenure with the District school system. Dr. Henderson received numerous

In 1943, he was appointed to the National Council on Physical Fitness and the subcommittee on colleges and schools of the National Committee on Physical Fitness.

He was the first black man to receive a National Honor Fellowship in the American Association for Health, Physical Education and Recreation. Just before his retirement, he was presented the annual Howard University Alumni Achievement Award.

In 1973, he was named honorary president the North American Society for Sports History. In 1939, he had published a book, The Negro in Sports."

Dr. Henderson's civil rights activities ran concurrently with his education work and continued after he retired from his school

He was a prolific writer of pamphlets and "letters to the editor" protesting all forms of bias.

In the 1950s, he twice served as president of the Virginia chapter of the NAACP. He also served for many years on the board of directors of the D.C. branch of the NAACP. The Fairfax County branch of the NAACP, of which he had been a charter member, and the D.C. branch both had paid him special honors.

In 1960, he and his wife received a testimonial from the Fairfax County Council on Human Relations. He had been program chairman of the council and also a director of the Virginia Council on Human Relations. For many years, Dr. Henderson and his wife had maintained a summer home at Highland Beach on Chesapeake Bay near Annapolis, where they were active in civic affairs.

In addition to Dr. James Henderson, he is survived by another son, Dr. Edwin M. Henderson, who is a dentist in Washington; a sister, Annie Briggs, of Falls Church; five grandchildren, and two great-grandchildren.

RURAL HOUSING ACT OF 1977

Mr. GRAVEL. Mr. President, I am pleased to join several of my colleagues as a cosponsor of S. 1150, the Rural Housing Act of 1977. Senator Humphrey has again demonstrated great leadership and initiative in authoring a comprehensive bill designed to extend and expand the authorities of the Farmers Home Administration.

Several weeks ago, I received a letter from Mr. Robert Loescher of Juneau, acting president of the Association of Alaska Housing Authorities, which outlined the Federal program assistance needs of the housing authorities. Four needs were identified in regard to the Farmers Home Administration:

First. Section 506 of the 1949 Housing Act, as amended, provides funds for research into rural housing. The present legislation contains authority for \$1,-000,000 annually, but no funds have ever been appropriated. The housing authorities suggest that \$10,000,000 be made available for rural housing research.

Second. The present recommendation for water and sewer grants under the Rural Development Act is for the maximum authorized in the law. If the massive need for water and sewer facilities is to be dealt with in a realistic manner, then the present \$300 million limit must be raised to \$1 billion. The housing authorities propose that the Rural Development Act be amended to do this over a 3-year period, that is \$500 million the first year, \$750 million in the second year and \$1 billion in the third year. In addition, the present restriction on the grant of 50 percent of development cost should be changed so that the grant is a flat 75 percent of cost as is the present EPA grant program.

Third. Section 525(a) technical assistance program was enacted as part of the 1974 Housing and Community Development Act and has not been implemented to date. This provision would fund public and private nonprofit technical assistance to aid in the production of housing for low income families in rural areas. This is especially critical for rural areas where the institutional framework for housing delivery is weak and nonprofit/ public activity takes on added importance. Additionally, section 525(b) establishes a predevelopment loan fund for housing related activities. As with the 525(a) program, these resources are needed to enable public agencies and nonprofits to operate effectively. In many cases public and nonprofit groups are the only possibilities for serving the housing needs of rural areas. The Alaskan housing authorities support funding and implementation of these sections.

Fourth. Alaska is one of only eight

States without a Farmers Home Administration State office. The housing authorities urged the creation of such an office for Alaska.

Mr. President, I am pleased to note that Senator Humphrey's bill is designed to meet the needs in the areas of housing research and water and sewer grants. On the issue of technical assistance, I would urge that Secretary Bergland take a close look at the potential of the section 525 programs. Finally, I have formally requested that Secretary Bergland consider a Farmers Home Administration State office in Alaska. I ask unanimous concent that my letter to the Secretary be printed in the Record.

I hope that the Banking, Housing and Urban Affairs Committee will act expeditiously on this important legislation.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE, Washington, D.C., March 15, 1977. Hon. Bob Bergland, Secretary,

Department of Agriculture, Washington, D.C.

DEAR BOB: This letter is to request your consideration for a Farmers Home Administration State office located in Anchorage, Alaska.

The Farmers Home Administration has had a significant impact on housing in rural Alaska. The various programs such as the Section 515 Rural Rental Housing Program, the Section 502 Basic Homeownership Program and Section 504 Housing Rehabilitation Program work well in Alaska. However, programs are presently controlled in terms of funding, processing, level of staff available and public exposure to programs by an office in Portland, Oregon. Location of a State office in Anchorage would bring decision making, technical assistance, and program exposure closer to the citizens of Alaska.

The market for Farmers Home programs in Alaska is growing rapidly. The 1975 activity for Alaska was 139 loans/grants for a total commitment of \$5,553,000. In 1976, Farmers Home approved 268 loans/grants for a total commitment of \$16,503,600. Alaska's allocation for the 1977 fiscal year stands at \$19,950,000.

The housing needs of Alaska are truly unique. Rural Alaskans are caught in a curious paradox: they have, perhaps, the greatest need for safe and secure housing among any rural Americans, yet it is an almost impossible task to design a government program to deliver housing to the bush areas of Alaska. Recent programs designed by the Department of Housing and Urban Development and the Alaska State Housing Authority were implemented without a true understanding of the needs of rural residents and have resulted in litigation over the inadequacies of the homes.

The Department of Housing and Urban Development recently funded a study of the housing requirements for Alaskan Native people (HUD Contract H 2319) conducted by the consulting firm of Naramore, Bain, Brady and Johanson of Seattle, Washington. In a chapter concerning government programs, the following conclusions were reached with regard to the Farmers Home

Administration Programs:
FMHA Programs such as 515 and 502 are more suitable for rural areas in that FmHA makes direct loans so applicants need not rely on an undeveloped home mortgage market to receive aid. In addition, FmHA has dealt with land title problems by accepting leasehold interests in lieu of title In addi-

tion to maximum income limits for eligibility, FmHA requirements for loan payback results in an effective minimum income estimated to be \$12,000 per year (nearly twice the average rural Alaskan income). While this is a problem, it is more often a lack of knowledge about the program that has limited demand for it. For fiscal years 1969–1975, only 722,502 loans were made in Alaska, with 589 of those market rate loans and 36 units of 515 rental housing. While it is intended that FmHA take on a greater share of responsibility for non-metropolitan housing, its programs must be more widely understood, and Alaska must get more personal attention. (emphasis added).

In light of these conclusions, I urge you to give serious consideration to the establishment of a Farmers Home Administration State office in Anchorage.

With warm regards. Sincerely,

icerely,

MIKE GRAVEL.

COMMUNITY DROUGHT RELIEF ACT OF 1977

Mr. BURDICK. Mr. President, on March 23, the President unveiled his emergency drought relief package. The President has outlined in this package, entitled the Community Drought Relief Act of 1977, an \$800 million plan of action to be implemented by seven Federal agencies.

A substantial portion of the \$800 million has been directed to the Economic Development Administration in the Department of Commerce. It is this section of the proposal over which the Committee on Environmental and Public Works has primary legislative jurisdiction. Accordingly, the committee through its Subcommittee on Regional and Community Development held a hearing this morning to consider this part of the overall package.

Briefly, the EDA role in dealing with the drought, as proposed by the President, can be summarized as follows: providing grants and loans to communities with population over 10,000 which can demonstrate severe drought impact. The committee has not endorsed this proposal; however, we hope to consider it in the near future. Also, that other Senators might be able to study this bill, I am introducing it by request of the President. Accordingly, Mr. President, I ask unanimous consent that the bill, a section-bysection analysis prepared by the White House, and the March 23 White House press release concerning this proposal be printed in the RECORD. Also, I ask unanimous consent that the administration testimony delivered by Assistant Secretary of Commerce for Economic Development Robert Hall this morning for the Subcommittee on Regional and Community Development, which I chair, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. —
A bill to provide temporary authorities to the Secretary of Commerce to facilitate emergency actions to mitigate the impacts of the 1976-77 drought and promote water conservation

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, that this Act be cited as the "Community Emergency Drought Relief Act of 1977".

SEC. 101. (a) Upon the application of any State, political subdivision of a State, Indian tribe, or public or private non-profit organization, the Secretary of Commerce is authorized to make grants and loans to applicants in drought impacted areas for projects that implement short term actions to augment community water supplies where there are severe problems due to water shortages. Such assistance may be for the improvement, expansion or construction of water supplies, and purchase and transportation of which in the opinion of the Secretary of Commerce will make a substantial contribution to the relief of an existing or threatened drought condition in a designated area.

- (b) The Secretary of Commerce may designate any area in the United States as an emergency drought impact area if he or she finds that a major and continuing adverse drought condition exists and is expected to continue, and such condition is causing significant hardships on the affected areas.
- (c) Eligible applicants shall be those states or political subdivisions of states with a population of 10,000 or more, Indian tribes, or public or private non-profit organizations within areas designated pursuant to subsection (b) of this section.
- (d) Projects assisted under this Act shall only those with respect to which assurances can be given to the satisfaction of the Secretary of Commerce that the work can be completed by November 30, 1977 or within such extended time as the Secretary may approve in exceptional circumstances

Sec. 102 Grants hereunder shall be in an amount not to exceed 50 per centum of allowable project costs. Loans shall be for a term not to exceed 40 years at a per annum interest rate of 5 per centum and shall be on such terms and conditions as the Secretary of Commerce shall determine. In determining the amount of a grant assistance for any project, the Secretary of Commerce may take into consideration such factors as are established by regulation and are consistent with the purposes of this Act.

SEC. 103. In extending assistance under this Act the Secretary shall take into con-sideration the relative needs of applicant areas for the projects for which assistance is requested, and the appropriateness of the project for relieving the conditions intended to be alleviated by this Act.

SEC. 104. The Secretary of Commerce shall have such powers and authorities under this Act as are vested in the Secretary by Sections 701 and 708 of the Public Works and Economic Development Act of 1965, amended, with respect to that Act.

Sec. 105. The National Environmental Protection Act of 1969, as amended, shall be implemented to the fullest extent consistent with but subject to the time constraints imposed by this Act, and the Secretary of Commerce when making the final determination regarding an application for assistance hereunder shall give consideration to the environmental consequences determined within that period.

Sec. 106. There is hereby authorized to be appropriated for the fiscal year ending September 30, 1977, \$225,000,000 of which sum \$150,000,000 is to be for the loan program including administration and \$75,000,000 of which is to be used for the grant program herein, including administration thereof, and such additional amounts for the fiscal year ending September 30, 1978, as may be reasonably needed for administrative expenses in monitoring and closing out the program authorized by the Act.

SECTION-BY-SECTION ANALYSIS OF DOC PRO-POSED DROUGHT RELIEF BILL

To be cited as "Community Emergency Drought Relief Act of 1977"

SEC. 101. (a) Secretary of Commerce may make grants and loans to States, political subdivisions of States, Indian tribes, or public or private non-profit organizations for projects, in designated areas, which augment community water supplies and-where there are severe problems due to water shortages.

SEC. 101. (b) The Secretary may designate drought impact areas after a finding of major and continuing adverse drought condi-tions which conditions cause significant hardships.

SEC. 101. (c) Eligible applicants shall be those States or political subdivisions of States with a population in excess of 10,000 Indian tribes, or public or private non-profit organizations within areas designated under Section 101(b) above.

Sec. 101. (d) Applicants are to provide assurances that projects can be completed by November 30, 1977 or within the time extended by the Secretary because of exceptional circumstances.

SEC. 102. Grant assistance is to be for a maximum of 50 percent of project costs, with loan assistance at 5 percent per annum for not more than 40 years. Such assistance shall be on factors established by regulations.

SEC. 103. In providing assistance the Secretary shall consider the relative needs of projects, and the appropriateness of the project.

SEC. 104. Provides the Secretary with the authorities provided in Sections 701 and 708 of the Public Works and Economic Development Act, as amended, which in general deal with post-approved grant and loan administration

SEC. 105. Requires that the National Environmental Protection Act be fully implemented consistent with the time constraints

SEC. 106. Provides authorization of appropriation for \$225,000,000 for the fiscal year ending September 30, 1977, of which sum \$150,000,000 is for the loan program, and \$75,000,000 for the grant program, both inclusive of administrative costs.

THE WHITE HOUSE PRESS RELEASE To the Congress of the United States:

Over the past two years, many of the Western and Plains states of our nation have been victims of a prolonged, severe drought. The effects of the drought have built up over many months, and they will take a long time to correct. Even long periods of rain would not wholly relieve the problem now.

The human and economic costs of the drought have been high. It has jeopardized municipal water supplies, damaged crops and pastureland and depleted livestock numbers. The drought has inflicted financial hardship on countless farmers, ranchers, businessmen and others, and it continues to pose a serious threat to their livelihood.

The Federal government has already made available almost a billion dollars in drought assistance through loan's and cost-sharing programs. Although we do not have enough money to meet every requirement or indemnify every loss, we can provide additional help in certain areas. I am recommending a variety of assistance programs which will be applied in each area depending on how severely the drought has affected the people of that region.

In addition, we can encourage water conservation through several existing govern-ment programs. In many cases, water conservation is our only hope for immediate relief. As a nation, we must begin to conserve our water supplies, and government-at all levels-must lead the way.

The measures I propose will allocate benefits fairly, will mitigate some of the worst effects of the drought, and will support individuals and communities in their efforts to conserve water. Some of these proposals will require modification of existing programs or additional funding. Others will require totally new legislation. All of these will be temporary authorities; they are designed to with short-term problems, and they will expire on September 30, 1977.

Specifically, I propose the following legislative actions:

New temporary authority to allow the Economic Development Administration and the Farmers Home Administration to provide \$150 million in grants and \$300 million in low interest (5%) loans to communities for emergency water system improvements which can be completed quickly and which are essential to protect public health and safety.

Establishment of a new Small Business Administration drought assistance loan program to provide \$50 million in low interest (5%) loans to small businesses in major drought designated areas.

Establishment of a new Farmers Home Administration drought assistance loan program in which prospective losses can be included. This program will provide \$100 million in 5% loans to farmers and ranchers in major drought designated areas.

New legislation to authorize the Secretary of the Interior to provide \$100 million in low interest (5%) loans to purchasers of water. (Endorsement of the water bank objectives of 8-925)

Supplemental funds totalling \$14 million for the Southwestern Power Administration to ensure adequate energy supplies.

Supplemental funds in the amount of \$30 million to the Bureau of Reclamation to provide assistance to irrigators on Federal Reclamation projects.

Transfer to the Department of Agriculture from the Federal Disaster Assistance Administration authority to administer and fund the Emergency Livestock Feed Program.

Supplemental funds to the Agricultural Stabilization and Conservation Service in the amount of \$100 million to provide for costsharing of emergency soil conservation prac-

In addition, I have directed the following administrative measures:

The Secretaries of Agriculture and Interior will make available additional Federal lands for grazing and issue emergency permits as appropriate.

The Secretary of Agriculture will take administrative steps to ensure that trained firefighters and essential equipment are available to meet the increased danger of forest and

When added to the supplemental appropriation of \$200 million for disaster assistance, these new legislative proposals will provide almost \$1 billion in additional drought assistance and bring to almost \$2 billion the assistance provided by the Federal govern-

I believe the legislative proposals and administrative actions outlined above offer the best possibility of providing immediate assistance to meet the needs of some of our fellow Americans in this period of crisis. I urge immediate consideration of the legislative proposals and their timely adoption. If we are to be of real help to the people afflicted, time is of the essence.

JIMMY CARTER.

THE WHITE House, March 23, 1977.

TOTAL FEDERAL DROUGHT ASSISTANCE, FISCAL YEAR 1977

[In millions of dollars]

Program	Agency	Loans	Grants	Total	104	Program	Agency	Loans	Grants	Total
A. Assistance under existing programs: 1 Emergency loans to farmers— actual loss (5 percent interest).	Farmers Home Administration.			600		Loans and grants to communi- ties of less than 10,000 popu- lation for water supply assist-	Farmers Home Administration.	150	.75	225
Crop loss disaster payments	Agricultural Stabilization and Conservation Service.		297	297	40	ance—5 percent. Emergency loans to farmers—5	do	+ 100		4 100
Crop insurance indemnity pay- ments.	Federal Crop Insurance Corp.		55	55	70	percent prospective losses. Cost-sharing for soil conserva-			100	100
Emergency livestock guaranteed loans. Special feed assistance for live-	Farmers Home Adminis- tration. Federal Disaster Assistance	1/5	77	175 77	36	tion practices. "Water bank" loans—5 percent. Emergency loans to small busi-	Small Business Adminis-	100 50		100 50
stock. ² Total, existing programs	Administration.	775	429	1, 204	1011	nesses—5 percent. Purchase of emergency power supplies.	ministration.			14
B. Assistance under comprehensive			M. C. III			Emergency irrigation measures	Department of the Interior	30		30
drought assistance proposal pro-					F. L.	Total, proposed programs		594	250	844
gram initiatives: 3 Loans and grants to communities of over 10,000 population for water supply assistance— 5 percent.	Economic Development Administration.	150	75	225	200	Grand total		1, 369	679	2, 048

1 Federal agencies are also taking actions—no cost estimate available.
2 A supplemental appropriation of \$200,000,000 for disaster relief has been approved by Congress, as requested by the President. A portion of this will be used for drought assistance.

Proposal has a fiscal year 1977 impact of about \$270,000,000, and a total cost to the Government including the subsidy cost over the life of the loans of about \$550,000,000.
 Estimated, no actual limit.

DEPARTMENT OF COMMERCE STATEMENT BY ROBERT T. HALL, ASSISTANT SECRETARY FOR ECONOMIC DEVELOPMENT

Mr. Chairman and Members of the Subcommittee.

I appreciate the opportunity you afford me to testify on a proposed bill, Community Emergency Drought Relief Act of 1977, submitted to the President of the Senate by the Secretary of Commerce, Juanita M. Kreps. This bill would provide temporary authority to the Department to mitigate the impacts of the 1976-77 drought and to promote water conservation.

The proposed bill was submitted in accord with the President's message of March 23, 1977, which contained emergency proposals for dealing with the drought situa-tion. The proposals are for a total of over \$800 million to be implemented by seven Federal agencies. This, when added to the \$1.2 billion being provided under existing programs for disaster assistance, would bring Federal drought assistance to over \$2 billion. Under the proposed bill the Department of Commerce would be authorized to receive \$225,000,000, of which sum \$150,000,000 applies to a loan program and \$75,000,000 for a grant program, both being for this fiscal year. Immediate consideration of the various Presidential proposals is urged, given the need to quickly respond to the pressing needs of many communities and affected individuals.

The President's funding requests take into consideration the overall budgetary require-ments and the need to address the differing problems of drought areas. Mr. Chairman, the earnest efforts of this subcommittee to alleviate the drought problem are reflected in your convening this hearing on short notice. Your prompt action on this measure is to be commended.

The President noted in his message that "over the past two years, many of the west-ern and plains states of our nation have been victims of a prolonged, severe drought. The effects of the drought have built up over many months, and they will take a long time to correct. Even long periods of rain would not wholly relieve the problem now." How-ever, some immediate actions are possible and required.

The Department's proposed bill was developed recognizing that several Federal agencies and Departments have complementary roles in the effort to mitigate the probwhich have arisen. We submit that EDA's role should be in providing grants and loans to communities with a population of over 10,000 that demonstrate severe prob-lems, such as a threat to the health and safety of its inhabitants or significant economic dislocation.

These projects would implement shortterm actions to augment community water supplies where there are severe problems due to water shortages. Typically these projects would be for improvement, expansion or construction of water supplies, or purchase and transportation of water, or for water conservation.

Given the need for quick action, projects would be those which applicants can certify to the Department that work would be com-pleted by November 30, 1977. In exceptional circumstances this deadline could be extended

In view of the drought urgency, the shortterm implementation of the projects, and the proposed requirement that funds must be obligated before September 30, 1977, this Department is committed to speedy processing of properly prepared applications for assistance. To this end we will utilize our Regional Offices and other field staff to promptly process the applications. Determinations to approve or disapprove a proposed project will be made within approximately two weeks after receipt of a completed application.

In the case of grants, the Federal share would not exceed 50 percent of the allowable costs. The amount of grant assistance will be determined on a project by project basis, taking into consideration the potential revenue producing ability of each project and the availability of net revenues from the project for debt amortization. Loans would be for a maximum of 40 years at a per annum interest rate of 5 percent.

An essential feature of this program is that it will provide for communities with a population over 10,000, assistance comparable to that being provided by the Farmers Home Administration for drought impact projects in smaller communities.

Applicants eligible under this program will be in areas designated by the Secretary found to have a major and continuing adverse drought condition and which is expected to continue, and when such condition is also found to cause significant hardships on the affected area. Such designations will take into consideration the designations by other Federal agencies administering other programs of drought assistance.

EDA recognizes the urgency and the need for assistance to communities severely impacted by the drought, and therefore strongly recommends early consideration of the pro-

Gentlemen, this ends my prepared state-ment. I would be pleased to answer any questions the Members of this Subcommittee wish to pose.

TRIBUTE TO DR. MARTIN LUTHER KING, JR.

Mr. BAYH. Mr. President, yesterday marked the ninth anniversary of the assassination of a truly great American. It was on April 4, 1968, in Memphis, Tenn., that Dr. Martin Luther King, Jr. was assassinated, and America lost a man who fought for equality for all its people in his native country, America.

It is only fitting and proper that the Congress, the Nation, and the world pay tribute to this messenger of God. His message was a very basic and simple one. But somehow many of our fellow citizens failed to comprehend the substantive value of his preachings. The hatemongers and the racist try to denigrate his name and make a mockery of his cause. But try as they may, they shall never succeed. For all freedom loving Americans recognize the magnitude of his cause as well as the profound impact that his accomplishments had in changing the course of American history.

As one travels throughout the south, one cannot help but to be impressed by the high degree of integration that has taken place there. Indeed Dr. King's dream of white child and black child walking arm and arm across the red clays of Georgia, is no longer a dream, but a reality. When one observes the high percentage of blacks who turned out to vote in the last election and when one mingles with elected officials and black staff members in the halls of Congress one begins to realize the greatness of this man's accomplishment.

Contrary to the false rhetoric of his critics, King taught us that we can use the avenue of peaceful arbitration by which to work out our differences. He made us confront our weaknesses, and thusly, by confronting them, helped us all to "overcome".

The murderer of Dr. King removed the man from our presence, but he can never be removed from our memories. For the works of Dr. King are much greater than the impact of one sick assassin's bullet. His accomplishments are forever enshrined in the hearts and minds of all Americans. And for years, decades, and centuries, Dr. Martin Luther King, Jr. will be remembered as a man who struggled to make his innermost dreams a reality, and in doing so, made our country a great democracy and truly a place of equal opportunity for her citizens.

INTERSTATE HORSERACING ACT OF 1977

Mr. HUDDLESTON. Mr. President, I am very pleased to join the distinguished chairman of the Committee on Commerce, Senator Magnuson, as a cosponsor of S. 1185, the Interstate Horseracing Act of 1977. I have done so because of my firm conviction that unless we prevent, by enacting S. 1185, the spread of interstate off-track betting we will soon see the death of the horse racing and breeding industries as we know them today.

The Commonwealth of Kentucky, as you well know, is synonymous around the world with horses and the horse industry. Kentucky is not just noted for thoroughbreds either, although those lovely and spirited animals represent an industry with a valuation of more than \$1 billion in my State alone. We also have a multimillion dollar standardbred industry in the State and a rapidly growing quarter horse industry, in addition to which we have always had a large number of people who are just pleasure riders.

In addition to the direct contribution of the horse industry to the economy of

our State:

Through direct pari-mutuel taxes which amounted to more than \$10 million last year;

Through track and occupational licenses, which amounted to another halfmillion dollars last year;

Through admissions taxes, et cetera, which contributed well over \$400,000;

Through sales taxes on some \$75 million worth of horses which were auctioned in the State last year;

Through property taxes on approximately \$40 million worth of land devoted to raising horses; and

Through payroll taxes on the thousands of people who work on these farms and at these racetracks.

In addition to all these direct contributions to the economy of the Commonwealth of Kentucky, the horse industry is of inestimable value to the State as the principal attraction of our large and thriving tourist industry. All the taxes derived from these vital industries go toward education, toward health programs, toward the delivery of all the services associated with the operation of Kentucky's State Government.

I should point out that this vast investment, this vast economic contribution is only a portion of the economic impact of the racing and breeding industries of the United States. Kentucky's total direct parimutuel revenue, some \$11 million last year, represents only 2 percent of the nearly \$582 million which the 30 racing States received in similar revenue during the same period. Kentucky's 15,500 people who are licensed to make their living in the racing indusrepresent only a fraction of the 200,000 people who are in the National Association of State Racing Commissioners' file of persons licensed to make their living in the pari-mutuel racing industry. This employment figure is for the racing portion of the industry only, and does not include the people employed in the breeding and other associated industries.

There is virtual unanimity among experts in the horse industry on the subject of what will happen if interstate off-track betting is allowed to develop to its logical conclusion.

Teletheaters and OTB parlors will replace racetracks. As a result, racetracks will close, so the number of horses and people necessary to put on the show will plummet. When the need for horses declines, the need for breeding farms declines, as does the need for people to man the farms. As the number of tracks and farms declines, the need for people to make saddles declines, as does the need for people to grow oats, the need for people to transport horses, et cetera.

There is also agreement among the experts of the horse industry that, if interstate off-track betting is allowed to reach its logical extreme, there could be racing at two, or maybe three, tracks in the country, with a 99½ percent reduction in the number of horses and people necessary to conduct racing at those tracks, and a concomitant reduction in the number of horses and people in the breeding industry.

Can we afford to permit a 99½ percent reduction of a \$14 billion industry? Can we afford to jeopardize the ability of 186,000 people who are licensed to make their living through the racing industry—most of them unskilled—to make that living?

Finally, can we afford to jeopardize more than \$580 million a year which the 30 racing States receive in parimutuel revenue each year? I think not and I therefore urge my colleagues to join me in supporting this most important legislation.

THE GREAT SOCIETY WAS NOT A BIG FAILURE

Mr. BAYH. Mr. President, for the past 7 to 8 years it has become quite fashionable for critics of the Great Society to attack the programs that were born out of the efforts of the Johnson adminis-tration and the Congress. These critics were quick to point out the shortcomings and weaknesses in these programs. The truth in the matter is that the Great Society was not an overwhelming failure. To the contrary many good programs aided a substantial number of American citizens in their quest for economic and social equity. I think it is only appropriate that we stop for a moment and reassess some of the positive gains of the Great Society. For that reason I am asking to have an article written by Sar A. Levitan and Robert Taggart entered in the RECORD. The title of the article is "The Great Society Was Not a Great Big Failure." It appeared in the Sunday Sun on March 13, 1977. The article is based on their recent book "The Promise of Greatness.'

I submit this article with the firm belief that our social programs of the 1960's grew out of a commitment on the part of sincere and dedicated Americans to help the destitute and the poor share in the American dream. It is my hope that such commitments are about to be recognized by the 95th Congress. And hopefully this article will serve as a stimulus for all to begin to recognize the need for the same commitment and spirit in the years to come.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Baltimore Sunday Sun, Mar. 13, 1977]

THE GREAT SOCIETY WAS NOT A GREAT BIG FAILURE

(By Sar A. Levitan and Robert Taggart)

The Great Society dramatically accelerated governmental efforts to improve the well-being of all citizens, to equalize opportunity for minorities and the disadvantaged, and to reform the social, economic, and legal foundations of inequality and deprivation. Today, the belief is widely held that these efforts falled.

The conventional wisdom is that the Great Society exaggerated the capacity of government to change conditions and "threw money at problems" recklessly, overextending the heavy hand of government, pushing the nation too far, too fast, leaving a legacy of inflation, alienation, racial tension and other lingering ills. These criticisms, believed to be based on careful analysis of the evidence, are founded on ideology and are contrary to fact.

The expansion of income support has been one of the main targets of the critics. The tripling of caseloads under Aid to Families with Dependent Children between 1965 and 1972 alarmed many concerned citizens who became apprehensive that the welfare state would drive us all to the poor house. In retrospect, however, the process was neither incomprehensible nor inimical.

AFDC benefits were raised substantially to provide most recipients a standard of living approaching the poverty threshold. With liberalized eligibility rules and more attractive benefits, most low-income, female-headed families were brought in under the welfare umbrella by the early 1970's. Once the universe of need had been saturated, the momentum of growth slowed despite the massive recession.

The welfare explosion did have side effects. No doubt, some recipients chose welfare over work as benefits rose above potential earnings. But welfare also freed mothers from low-paid drudgery to take better care of their children. Moreover, the difficulties of placing even the most employable and motivated recipients in jobs paying wages that would permit them to escape poverty is indicative of the limited options available to the majority of clients. As benefits stabilized in the 1970's, the increase in real wages promised to reduce the attractiveness of welfare to unskilled workers.

The income support system, including Social Security, veterans' programs, unemployment insurance, workers' compensation, public assistance for the aged, blind and disabled, AFDC and cash programs such as food stamps, is incredibly complex. Yet "messiness" is inevitable where multiple needs prevail and where goals clash.

Concentrating aid on families headed by females makes the most efficient use of welfare dollars, since these families have the most severe needs and fewest options. Reducing welfare payments as earnings increase may discourage work, but it also tends to keep down costs. Cash and in-kind benefits may be too high in some areas and too

low in others, but on the average they are close to poverty levels and geographic difare declining. Most families re ceiving benefits from a large number of programs have severe or special needs.

The Great Society did more than provide cash. One of its main accomplishments was to alleviate a primary concern of the aged and the poor—health care. Medicare and Medicaid have generally fulfilled President Johnson's promise of assuring the "availability of and accessibility to the best health care for all Americans regardless of age,

geography or economic status."

Medicare experienced early difficulties in striving for a balance between assuring adequate services and avoiding over-utilization. with perhaps too much emphasis on the first goal. But measures have since been enacted to control costs and hospital stays. Medicaid's rapid and unexpected growth blamed on over-utilization and inefficiency. In fact, the major factor was the medical care deficit among the poor. By the early 1970's the momentum had already subsided as the eligible population was reached and measures were taken to discourage overutilization and waste. Medicare and Medicaid contributed to the rapid inflation of health care prices in the late 1960's but also led to an expansion of services including a reallocation to those most in need.

The Great Society also took significant steps to better shelter the poor. Participants in low income housing programs benefit from higher quality housing at a lower cost than they could hope to secure in the marketplace. Publicly-assisted units have helped to suburbanize low income minority families and have increased the stability and long-term economic status of some families. Building specifically for the needy has reduced market prices by boosting the supply of low-rent and low-cost housing, providing immediate benefits rather than waiting for the trickle down of increase production for unsubsidized

The Great Society put a high priority on education, ranging from Head Start for disadvantage pre-school children, to remedial manpower training programs for adults. The limited and very early evaluations of Head Start indicated that statistically significant improvements in achievement were washed out later when students returned to an "unenriched" environment. But evaluations of continued aid during early schooling suggested that the gains could be sustained, and even more optimistically, that early education efforts improved with experience.

Studies of elementary and secondary education programs were not encouraging but more recent findings suggest notable successes. Again, this may reflect the fact that the programs have improved. Federal aid for higher education can stand on its demonstrated merits. Persons from low income and minority families are attending and graduating from college in increasing numbers as a result of federal aid. The sheepskin is still the best guaranteed for exit from poverty.

Evidence suggests that participants in remedial manpower programs improved their earnings. Further, the value of projected future earnings exceeded the average cost of the programs. Society's investment in human resources has been a profitable venture.

One of the primary aims of the Great Society was finally to reform the socioeconomic system to assure equality of op-portunity for minorities and the poor. There were notable advances on the civil rights front. Black registration and voting increased, with a visible payoff in office holding. Equal employment opportunity efforts had little direct effect in the 1960's, but the screws were tightened considerably in the 1970's. De jure school segregation was largely eliminated. Fair housing machinery provided legal backing for some victims of discrimina-

tion, though little leverage to overcome longstanding patterns of de facto housing segregation.

While attention focused on racial issues, there were other areas of advancement. At the beginning of the 1960's, persons dependent governmental aid were subject whim and caprice of government bureaucracies. Anti-poverty legal efforts established the principles of due process and equal protection under social welfare programs. Commonly based organizations gave the poor and minorities a greater voice. Anti-poverty community action agencies stepped on firmly entrenched toes, generating antagonism but also providing competition to established institutions spurring them to improve services to the poor.

It is ironic that in the economically troubled 1970's the successes of the 1960's were quickly forgotten and even condemned. The Johnson administration placed highest priority on achieving rapid growth and low unemployment. It succeeded, and prices rose slowly (at least by more recent standards). The Nixon and Ford administrations acted on the premise that added joblessness was necessary to combat inflation and to provide a foundation for balanced growth. Unemployment rose precipitously and growth declined, but

prices continued to rise rapidly.

Common sense would suggest that something was being done right in the 1960's which was not being done in the 1970's, and prudence would caution against accepting the claims of recent policy-makers anxious to pass the buck for their own dismal record. Common sense would also question the effectiveness of the strategy of combatting inflation by increasing unemployment. The Great Society demonstrated that a tight labor market could be achieved and maintained for many years. The nation has paid dearly for continuing to ignore this lesson.

The social welfare efforts begun in the 1960's were based on the belief that the future can be molded by our energies and resources, that our nation is not condemned to passive acceptance of inequality, poverty, hunger, urban blight, high unemployment and other ills. This faith has been challenged and blunted by the criticism of the 1970's.

Clearly not all the social programs of the past decade were successful. Any social transformation has its costs and the social efforts of the past decade were no exception. There is little evidence that the infusion of additional funds has improved much the quality of education in ghetto areas, and housing segregation was worsened. The economic and social progress for blacks was accompanied by increased dependency and family instability

On the whole, however, a sober re-evaluation of the record suggests that the Great Society initiatives achieved their fundamental aims and improved our nation. Too frequently we forget how far we have come from the days of legally sanctioned racism, laissezfaire acceptance of poverty, and highly unequal educational opportunities. Likewise, we have come to accept high unemployment as a fact of life, frequently forgetting the seven fat years that preceded the current lean ones. As we enter our third century, there is a need for the positivism, commitment and compassion that were, and still remain, indispensable in the quest for a better society.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Thomas E. Lydon, Jr., of South Carolina, to be U.S. attorney for the district

of South Carolina for the term of 4 years. vice Mark W. Buyck, Jr., resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Tuesday, April 12, 1977, any representations or objections they may wish to present concerning the above nomination with a further statement whether it is their intention to appear at any hearing which may be scheduled.

THE CYSTIC FIBROSIS FOUNDA-TION: MRS. DORIS TULCIN

Mr. RIBICOFF. Mr. President, this week various groups will be presenting comments on the health proposals in the administration's budget for fiscal year 1978. One of these statements will come from the Cystic Fibrosis Foundation.

Cystic fibrosis is a disease unknown to most of us. It might have been unknown to me but for a close family friend. I have known Doris Tulcin since she was a child. In 1953, her daughter was born with cystic fibrosis. Doris has been fighting the

disease ever since.

Cystic fibrosis is a mysterious disease. It attacks the lungs and the digestive system. It is incurable, and it is the largest hereditary killer of children in this country. An estimated 10 million Americans carry this gene without knowing it. The disease's cause is unknown, and its result terrible.

A child with cystic fibrosis takes approximately 60 pills a day. He spends at least 1 hour a day in painful therapy. He eats a special diet and sleeps with a special vaporizer. And he does all this not to get better-but just to stay alive.

The burden on the family is immense. The average annual direct health care costs exceed \$5,000 per child. And the psychological cost is even greater. The disease scars the entire family.

The Cystic Fibrosis Foundation was founded in 1955 by a group of parents. Today Doris Tulcin is its president. For 20 years she spent 1 day a week in a clinic working with patients. Today the foundation runs 121 of these clinics. Now Doris Tulcin's time is spent raising funds with which the foundation supports research on childhood lung diseases and educating people.

This year the Cystic Fibrosis Foundation has begun-under contract with the National Institutes of Health-a stateof-the-art study of cystic fibrosis. This congressionally mandated study will tell us where we are and where we should go. It will help direct future research, treatment, and education efforts.

This kind of study is important, because cystic fibrosis does not fall neatly under the purview of any one Institute. Research efforts are spread over five Institutes. And the Institute of Maternal and Child Health sponsors services to the children and their families.

There has been some progress. When the foundation was started a cystic fibrosis child rarely lived beyond age 3. Today Doris Tulcin's daughter is 23, happily married, and working. More than one-half of the 2,000 children who will be born with cystic fibrosis in 1977

will live past 18. But there is still a long way to go. There is no cure and no controlling drug. Until these are found, Doris Tulcin will keep fighting.

NATIONAL COMMISSION ON NEIGHBORHOODS

Mr. PERCY. Mr. President, I am very pleased that the Senate on Monday, passed the Supplemental Housing Authorization Act containing title II, the National Neighborhood Policy Act. The act provides for the establishment of a National Commission on Neighborhoods to assess existing policies, laws and programs on the Federal level that affect neighborhoods and to make recommendations at the end of a year for encouraging the preservation of our urban neighborhoods.

Such an assessment is urgently needed. The alarming decline of our great urban centers, underlined so emphatically by the New York City crisis, has pointed up the value of an examination of Federal activities that have aggravated and compounded the problems of the cities. We have finally awakened to the fact that our neighborhoods are important national resources, the heartbeat of our cities and the unique depositories of the varied cultural and economic traditions our urban centers have inherited. Certainly my own city of Chicago is one of the outstanding examples of a city rich with neighborhood culture and identity, and home to a number of active neighborhood groups that have contributed so much to its life. I spent my entire childhood in Rogers Park and have a deep attachment to it as I do for Woodlawn where I lived during my years at the University of Chicago.

Mr. President, for 2 years in a row I have cosponsored the National Neighborhood Policy Act and I am delighted that that it is finally on its way to meeting the serious responsibility with which it is charged. I look forward to helping the Commission in any way I can and anticipate that its report to the Congress will set the tone for urban-related legislation in the remainder of the dec-

ade of the 1970's.

RESOLUTIONS ADOPTED BY STATE OF GEORGIA LEGISLATURE

Mr. TALMADGE. Mr. President, the Georgia General Assembly and the State senate, while in session in Atlanta, adopted two resolutions which, for myself and my colleague, Senator Nunn, I bring to the attention of the Senate, and ask unanimous consent that they be printed in the Record.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

SENATE RESOLUTION 192

Whereas, the Congress of the United States in its wisdom has enacted legislation, cited as the Rail Passenger Act of 1970, to provide intercity rail passenger service as a vital part of a balanced transportation system, and to require improvement in rail passenger service, so as to help to end congestion on our highways and to provide the traveler in America, to the maximum extent possible,

with the freedom to choose the mode of travel best suited to his needs; and

Whereas, the growth and progress of this State has always been and is profoundly influenced by transportation; and

Whereas, the establishment of rail passenger service between major cities of the coasal area of Georgia and Macon, Atlanta, Chattanooga, Nashville, Chicago, and the principal intermediate cities would reinstate the service of the Savannah-Atlanta "Nancy Hanks", would serve the public need, safety and convenience and, in light of the present unfavorable energy situation, would readily be welcomed by the citizens of this State; and

Whereas, the proposed intercity route corridor through the State of Georgia from Atlanta to Macon and thence turning eastward toward the Georgia-South Carolina boundary into Savannah and the developing coastal area of Georgia would provide certain specific advantages over other routes through Georgia from a revenue producing potential,

viz:

. Population;

2. Increasing tourist industry;

- Commerce and industry on or near the route corridor;
- Permanent military bases on or near the route corridor; and

5. Supporting South Carolina counties including Hilton Head Island.

Now, therefore, be it resolved by the Senate That this Body hereby endorses the above described rail passenger service to improve our transportation system; be it further

Resolved That the Secretary of the Senate is hereby authorized and directed to transmit an appropriate copy of this Resolution to the Honorable United States Senators and Congressmen of involved Congressional districts, the Governor of Georgia, the Georgia Department of Transportation, the recently appointed United States Secretary of Transportation, the Coastal Area Planning and Development Commission, the Board of Directors of the AMTRAK Corporation and the President of AMTRAK.

SENATE RESOLUTION 20

Relative to the Apalachicola-Chattahoochee-Flint waterway; and for other purposes.

Whereas, a 100 foot wide by a 9 foot deep shipping channel was authorized by Congress for the Apalachicola-Chattahoochee-Flint waterway by the Rivers and Harbor Act of 1945; and

Whereas, said channel was proposed to extend from Bainbridge and Columbus, Georgia, to the Gulf of Mexico; and

Whereas, pursuant to said authorization, the U.S. Corps of Engineers has spent approximately \$310 million on permanent navigational improvements on the waterway; and

Whereas, at the present time, a minimal amount of dredging is required to maintain the authorized channel depth and width from Columbus and Bainbridge, Georgia, to the Florida line; and

the Florida line; and
Whereas, despite extensive dredging from
the Florida line to the intercoastal waterway
the Corps of Engineers has been able to
maintain the authorized channel depth only
67 percent of the time over the past 10
years; and

Whereas, the State of Georgia, relying upon the utilization of the deep channel, has invested more than \$5 million in port facilities in the Columbus and Bainbridge areas; and

Whereas, a number of industries have evidenced a keen interest in locating future plant sites on the waterway if the full potential of the shipping channel may be realized; and

Whereas, some of these interested industries have abandoned plans to locate upon the waterway due to the adverse shipping conditions which presently exist in the Apalachicola River; and

Whereas, the Corps of Engineers, after giving due consideration to ecological interests, recommends the construction of a dam upon the Apalachicola River which would maintain the required shipping channel depth; and

Whereas, opposition has been voiced to the construction of said dam because of potential adverse effects upon the seafood industry in Apalachicola Bay; and

Whereas, expert analysis and study of the proposed dam reveals that no measurable adverse effects will be felt upon Apalachi-

cola Bay; and

Whereas, experts have conservatively estimated that full-time maintenance of the authorized channel depths would add approximately \$7 million to the annual income of farmers in the Alabama-Georgia-Florida area; and

Whereas, it is the belief of this body that the erection of the proposed dam on the Apalachicola River would immeasurably enhance the economic and industrial growth of southwest Georgia, southeast Alabama and northern Florida; now, therefore, be it

Resolved, by the General Assembly of Georgia that this body does hereby urgently request that the U.S. Corps of Engineers proceed to implement their plans to erect on the Apalachicola River the much needed dam which will greatly improve the commercial utilization of the Apalachicola-Chattahoochee-Flint rivers; be it further

Resolved That the Secretary of the Senate is hereby authorized and directed to transmit an appropriate copy of this Resolution to the Southeastern District Office of the U.S. Corps of Engineers and to each and every member of the Georgia Congressional

Delegation.

THE ABORTION ISSUE

Mr. BARTLETT. Mr. President, I believe my colleagues would be interested in the attached article from the March 18 Tulsa Tribune, written by Mr. Jenkin Lloyd Jones. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the Record,

as follows:

THE ABORTION ISSUE (By Jenkin Lloyd Jones)

Abortion, a word rarely printed in family newspapers a quarter century ago, has now

become a national campaign issue.

The Democratic platform calls "undesirable" any attempt to overrule the Supreme Court decision declaring a non-person any fetus in gestation under 90 days. The Republican platform supports "efforts of those who seek enactment of a constitutional amendment to restore protection of the right to life of unborn children."

This being an emotional issue there is considerable mutual name-calling. Pro-abortionists are described as advocates of legalized murder, while the antis are damned for being mossback mentalities who would deny a woman the right to control her body.

This gets us nowhere.

Nevertheless, there is a fundamental issue here and it involves the way we look at human beings. Is genus homo merely an animal of a special sort, or is there a mystique concerning man which, in his own mind, at least, he need not share with other animals? This is an honest question, and there are honest people on atther state.

there are honest people on either side.

If you embrace the man-is-just-another-animal position, abortion takes on all kinds

of logic

The world's population is now rising by about a million every five days. If this increase is not slowed involuntarily by pestilence and famine it can be slowed voluntarily by wars, abortion or birth control.

No one likes pestilence or famine.

Wars, although they have had much holy sanction in the past, are a messy and wasteful method of population control.

They put at greatest hazard the most competent (the feeble-minded and congenitally-deformed are rarely enlisted) and therefore form a sort of reverse system of natural selection. They involve human agony and much destruction of the fruits of human genius and labor.

Birth control is both inexpensive and unrelated to the taking of life. Its opponents have offered no alternatives to runaway birthrates except abstinence from sex—an impractical solution since healthy human beings tend to crawl over bundling boards.

There remains abortion, a solution of last resort if birth control has been ignored or has failed.

The dangers to the mother, built into the furtive old "abortion mills", are almost entirely averted under hospital conditions. And there are two other interesting arguments.

One is that young, unmarried pregnant girls are too immature to make good mothers, Even with adoption in mind, there is cruelty and, perhaps, long-term mental trauma in forcing them to go full-term with shame and scandal.

Another is that adult women who are most likely to suffer unwanted pregnancies are generally irresponsible or of a low order of mentality, since, wherever abortion is legal, birth control is also legal.

Thus, abortion is seen as a means of reducing the number of children who are genetically deprived, and also of saving such children, if they are allowed to be born, from the neglect or even abuse of reluctant mothers.

The unwanted child begins life under a very dark cloud. Recent psychological studies indicate that he is most likely, himself, to become an abusive parent.

Having said all this, there remains the mystique of man.

Here we move away from pragmatics, which are mostly on the abortion-advocate's side, and on to more ephemeral grounds. Should we look at the human fetus as we look at unborn sheep, out of the skins of which we make caracul coats?

Medical testimony claims that within the time limits set by the U.S. Supreme Court no real human consciousness would have yet developed. But is the human fetus, in any stage of its development, a fit object to be lightheartedly consigned to the medical garbage can?

I once visited old Dr. Albert Schweitzer at his dilapidated hospital on the banks of the Oogoowee River in Gabon, and his whole philosophy centered around what he called "respect for life."

It is disrespect for life that has brought us murder, rising like a tidal bore, and mindless terrorism in which the innocent are gunned down in pursuit of some fuzzy ideal.

When we stop the heart-beat of a defenseless and unoffending human organism that was begun for no other purpose than the satisfaction of lust do we do something to ourselves?

Perhaps to the woman who can walk away from the abortion clinic without a backward look the answer is no. But what of the woman who wonders in the dark quiet of the midnight what he or she would have been like?

Such are the scary dynamics of the world's population problem that the pro-abortionists will undoubtedly win. But if this is part of the Brave New World some of us are going to have to be dragged into it.

FISHERIES VIOLATIONS BY SOVIET VESSELS

Mr. PELL. Mr. President, over the past several days the Coast Guard has issued reports of violations to three Soviet fishing vessels operating in our 200-mile fishing zone. One of these vessels was fishing outside of the permitted windows established for foreign fishing; another was fishing for a prohibited stock; and the third, a patrol vessel, was carrying out unauthorized fishery support operations.

In each case, the Department of State acted to prevent the seizure of the vessels. Apparently, several considerations were involved in the Department's decision, including—it seems to me—the currently delicate state of our bilateral relations with the Soviet Union as a result of what happened during Secretary of State Vance's recent trip to Moscow.

I understand, however, that failure to seize the vessel does not necessarily mean that they will get off scot free. Fines ranging from \$25,000 to several hundreds of thousands of dollars could be imposed under the law. The Soviet violations, all of which occurred off our Atlantic coast, are of serious concern to American fishermen, as the Soviet's actions call into question whether the protection which American fishermen expected under the law will, in fact, be provided.

Decisive action must be taken now to deter further violations by the Soviet fishing fleet. I urge the administration to impose stiff fines on the three recent Soviet violators in order to demonstrate that the United State is determined to carry out the purposes of the Fisheries Management and Conservation Act. Furthermore, a warning should be issued that further flagrant violations will result in seizures of Soviet vessels.

THE NEED FOR AN ENERGY POLICY COUNCIL

Mr. PERCY. Mr. President, the Committee on Governmental Affairs heard testimony on March 29 from Mr. Arnold A. Saltzman. Mr. Saltzman is the chairman of the Advisory Committee on National Growth Policy Processes, and the chairman of the Seagrave Corp. He testified on S. 826, the President's energy reorganization proposal and on S. 591, my own bill on the same subject.

Mr. Saltzman's cogent and farsighted testimony strongly supported the concept of an Energy Policy Council to coordinate our many national objectives and to make vital long-range policy recommendations. I ask unanimous consent that an extract from his excellent testimony be printed in the Record.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

EXTRACT FROM THE TESTIMONY OF MR. ARNOLD A. SALTZMAN

Congress must restructure its own house—rearrange its committee assignments, decide on the proper pathways to receive the President's periodic messages that require action, and how it should respond. In short, Congress needs to restructure and coordinate its

activities reflecting changes in the Executive branch. If reports reach Congress when they reach the President, time will be afforded the Congress to assign responsibilities and study its own response.

The people, also, need to know the Department's plans, goals, objectives and problems that impinge on various areas of their lives, so there can be an early airing of the issues and a public debate before Congress or the President need to act. It would be useful to the President and the Congress to have available an early reading of the public temperature. I believe that public policy cannot rise above the level that the public understands and will tolerate—even demand. They should receive information, plans and objectives as soon as reports are available and they should be consulted as plans and goals are being formulated.

Likewise, in my view, no head of a Department, no matter how wise and capable, should be given the job of trying to see that we have an adequate supply of energy and also be required to judge whether that objective does not inappropriately diminish the social, environmental, cultural, economic, and international needs of the nation.

This impels me to support solutions contained in S-591, namely, the creation of an Energy Policy Council in addition to the Department of Energy, This Energy Policy Council, as outlined in the proposed bill, has a vital role and looks toward intermediate and long-range objectives, not only in regard to energy, but also how they relate to all the other aspects of our nation's existence and the lives of its people. It also has a major role in trying to coordinate policy, with specific procedures for doing so.

It has a better likelihood of coordinating information—much of which already exists—but which is dispersed in various branches of the government. The information needs to be so gathered and stored that it reflects geographic and sectoral factors. It is not sufficient to look at the country as a whole. We need to know how actions taken or policies projected affect states, regions and particular industries. This will probably require an information "model". It is not only a matter of gathering information but of interpreting the information and giving proper recognition to various aspects of our economic and social lives as matters relating to energy encroach upon them.

In our report to the Congress and the President delivered at year-end 1976, I had recommended the creation of a National Growth and Development Commission. This Commission, which would have neither legislative nor executive authority, would a small non-political government agency of "wise men" to look ahead, isolate major problems, lay out alternative solutions for each problem, such as energy, and the cost of each possible solution in economic and social terms. It would inform the President. the Congress, and the public simultaneprovoking ously-thus national ness of issues, act as an early warning system and counteract the "fire-fighter" syndrome-and would require response some form from the President and the Con-It would also be responsive to the President and the Congress, thereby averting some of the problems of President Roosevelt's ill-fated (although effective) NRPB. Such a body, if brought into being, would be looking at any and all of the major problems that could complicate the future of our nation, and therefore, would not be limited only to energy.

If I did not have, or could not have, a National Growth and Development Commission (which was unanimously recommended by the twenty outstanding Americans who comprised my Committee), I

would happily accept Senator Percy's Energy Policy Council. However, I would do so including suggestions referred to above.

In looking at the concept of the Energy Council-or for that matter the pro posed Bill S-826-we are looking not merely at energy per se or even at energy and the conservation of it. When we talk of national goals, objectives, priorities and the future, we are talking about planning. Our nation has lost opportunities because of concern and aversion to that concept-or even the word.

The word planning connotes for some a small group of technocrats, insulated from criticism, who will achieve centralized power and impose a rigid program on an unwilling electorate, while destroying all private-sec tor freedom and market mechanisms in the process. Obviously, no one who cares about American liberties could possibly relish such an outcome. Fortunately, there is nothing in the nature of planning that requires such an undemocratic process.

I propose that we plan "American style". must be a "planning nation" but not a

"planned nation".

Dangers may be kept to a minimum, if the process is open from start to finish, . . . if there is adequate provision for public debate, . . . if all recommendations receive orderly consideration by democratically accountable institutions of government, . if there is adequate provision for monitoring and response by the public. This need not be a complicated process. Americans can resolve that any process we create will be compatible with freedom, and will preserve, to the greatest extent possible, the widely dispersed initiative and creativity we value so

But we would do well to proceed with a certain humility. There are still gaps in technical capacity. To mention only one problem, an analysis will be gravely deficient if it neglects significant variables that will affect the anticipated outcome; yet that is precisely what will happen until our capacity to deal analytically with the social and psychological factors that loom so large in the movements of events is advanced.

All of this strongly suggests that an "Energy Policy Council" or a National Growth and Development Commission be enacted together with S-826. If created, such a body should be led by "generalists", not merely experts in producing or conserving energy.

I would like to close with one last thought. For six years I have been working with members of the Congress aiming at institutional changes to provide clearer foresight and improved coordination to the Federal Government's policy-making. Since February of 1974, on a path cleared by Senators Mansfield and Scottand susbequently endorsed by virtually all the other members of the Senate-I studied the economic policy-making structure and capability of our Government. I found that our lack of appropriate institutional mechanisms in both branches government provides a history of opportunities missed for our nation to become much healthier than it is today.

Because we face and have recently experienced a small taste of crisis, our elected officials and most of the American people realize difficult decisions can no longer be postponed. This means sacrificing some portion of our present comfort, our present luxury to be wasteful, our preference to be unrestricted, in order to insure that we and our children can live in reasonable freedom from fear in the future and with restored prosperity. It is this type of hard choice that democracies shun. Only those with the courage to make those choices will survive in their present form. If we fail to act now, the next time we are called upon to make a choice, our nation will be in worse shape and the choices will be more onerous.

The American people still have in their consciousness the legend of a land of infinite size and riches where "every man could be This has been the American Dream. Today's reality demands that we conserve. husband our resources, define more sharply our objectives at home, use our strength more selectively abroad with heightened reliance on economic solutions. Crossing the psychological divide between the dream and the reality is our nation's most difficult obstacle. The President and the Congress must lead the way across this psychological barrier. The American people are ready to fol-

THE GENOCIDE CONVENTION AND HUMAN RIGHTS

Mr. PROXMIRE. Mr. President, well over a quarter century has passed since the Genocide Convention has been in force among signatory nations. And still the United States, a nation ostensibly committeed to human rights, has failed to ratify the treaty.

This Nation was founded upon the principle that every individual has the right to life, liberty, and the pursuit of happiness. In ratifying the Genocide Convention, we simply recognize that this is an international right.

Indeed, the treaty must be the foundation upon which further standards of international morality are built. It is unquestionable that future additions to a code of conduct will be needed. On a planet that every day becomes more crowded and complex, man's behavior towards his fellows must be guided by ever higher standards. The treaty on genocide is a small but necessary step to establishing those standards.

Mr. President, once again I would urge that we ratify the United Nations Convention on the Prevention and Punishment of the Crime of Genocide. A nation founded on the highest principles of human rights cannot waiver any longer in its support of the most basic of such rights—the right to life itself.

PROBLEM BANKS OR PROBLEM NEWS MEDIA?

Mr. HANSEN. Mr. President, David Rockefeller, chairman of the Chase Manhattan Bank, recently spoke out on the news media reporting of alleged "problem banks" that left the impression that the banking system was in a shaky condition.

David Rockefeller answered these charges and warned his business associates that businessmen were going to have to speak out more forcefully in defense of the free enterprise system.

He said in a speech to the Economic Club of New York, that the mass media had not presented fully and fairly the condition and performance of American business.

Mr. President, as a member of the minority party, I am well aware of the problems of bringing our "loyal opposition" views to the attention of the

I am also well aware of the limited readership of the Congressional Record but I hope that some of my colleagues might benefit from the remarks of David Rockefeller and ask unanimous consent

that his speech be printed in the RECORD. There being no objection, the speech was ordered to be printed in the RECORD. as follows:

PROBLEMS, PERSPECTIVES AND RESPONSIBILITIES

It is a personal pleasure for me to be here this evening and to have the privilege of addressing this distinguished group. For years, the Economic Club of New York has erved as a barometer of national business thought and a catalyst to spirited economic discussion.

I might say that my last appearance before this redoubtable gathering was in 1961. reported to the club at that time on what I thought the future held for "Gold, the dollar, and the free world." Evidently, I was so far off in my predictions—it's taken the club 16 years to get up the nerve to invite me back! But no matter what your motive, I'm delighted to be here tonight.

This evening, I'd like to discuss with you a deep concern that I have: First, as a banker: second, as a member of the business community; and more broadly, as a private citizen who firmly believes that, in spite of intermittent difficulties, our competitive enterprise system is healthy and serving our

citizenry well.

The essence of my concern is a feeling that our mass media, in particular, have not presented fully-and fairly-the condition and performance of American business. I fear that this could lead to a serious misconception of our free enterprise system by the pubwith the system's credibility and public's confidence hanging in the balance.

As Tom Murphy of General Motors recently put it, "The clock is running on free enterprise . . . and it is later than we think." At least part of the blame for this, as Tom said and I agree, "lies in our own business community and perhaps our own organizations." "Speaking out" for what we, as business people, believe in is no longer an alter-. . but an obligation of each of us. Our critics are active already in the "marketplace for ideas," and if we fail to join them in debate-their beliefs will prevail.

That is not to say that "speaking out" is a simple task. Most of us are far more skillful in selling products than in marketing ideas. Then too, we are frequently constrained in what we can say-for competitive, legal or customer confidence reasons. Indeed, are some issues on which prudent business policy dictates that we say nothing at all. Yet I am convinced that our abstinence

from comment too often deprives the public of the perspective it needs to accurately as sess complex business-oriented issues. And I believe the time is now for each of us, as concerned business people, to begin to "speak out" for our system and the institutions which compose it. This evening, I'd like to do just that by examining two banking-related issues with which you are all probably familiar.

One is the subject of the so-called "prob-You will recall that last year at lem banks." about this time, America's newspaper headlines and nightly T.V. news shows were dominated by a spate of dramatic stories about banks allegedly in trouble—all over the country. Understandably, these stories shook the confidence of the American public.

More recently, the subject of banking problems has reappeared in the press in the form of bank lending to foreign borrowers. And as before-if not yet as dramatically-this story too has made its way to the front page, in an

increasingly foreboding tone.

To gain some perspective on these issues, let's look back briefly to the "problem bank" story of January 1976. It began with an article emblazoned across the front page of the Sunday Washington Post, which centered on the Chase and Citibank. Basically, the story concerned a then 18-month-old report of the Comptroller of the Currency-obtained

through unnamed sources-which allegedly labeled both institutions as "problem banks' due primarily to classified loans. Reaction from the banks, the Comptroller and the chairman of the Federal Reserve Board was immediate and unified in its denunciation of the newspaper article. Nonetheless, the damage was done, and the media across the country joined in on what appeared to be a blockbuster story.

In the ensuing days and weeks, rare was the American newspaper which didn't report its very own "problem list." Two days after the Post's revelations, The New York Times rushed to print with a one-year-old Federal Reserve Board list of 35 "problem" bank holding companies. Some days later, an FDIC list of 300 "problem banks" was revealed

Television anchormen warned of the quote-"impending erosion of confidence in the banking system." Newspaper editorials screamed for bankers to—quote—"start telling the truth about their operations." And on Wall Street, where the gallows humor always runs high, local bars introduced a new recession cocktail—banking on the rocks!

For several months, this "open season" on

the banking system continued unabated. To the casual newspaper reader and TV viewerand I should add the foreign financial markets-these stories could not help but indicate that the banking system was clearly in a shaky condition. To many, in fact, it probably appeared that the press had uncovered a scandal in financial terms which was the equivalent of Watergate in political terms.

In the next several minutes, I'd like to "revisit" this issue to put it into the kind of perspective which I feel was largely overlooked in the original reports.

I asked our staff to analyze a number of the largest banks reported to be on various problem lists-19 in all-including the original two reported to be on the Comptroller's list and the remainder from the reported Federal Reserve Board list. All were analyzed on the basis of their annual reports for 1975-the same year each was reported to be on a "problem list." And here, in summary form, is what we found about these 19 so-called "problem banks:"

Their assets totaled approximately \$180 totaled approximately \$800 million. During the year, they paid out in dividends approximately \$320 million to literally hundreds of thousands of shareholders across this country and abroad. These shareholders had invested more than \$7 billion in equity in the institutions. The banks' municipal securities totaled another \$7 billion. And they gainfully employed approximately 150,000 women-who earned salaries totaling approximately \$2 billion.

These figures, I think you would agree, are

not unimpressive.

And what of loan losses-the primary concern of media doom-sayers? Loan losses for these 19 banks in 1975 totaled almost \$1 billion. A huge number indeed. But again to in perspective—there are two things other even larger numbers, which must be taken into account, if we are to truly understand the loan loss figure. One is the reserve for possible loan losses, which totaled \$1.05 billion for the 19 banks in 1975. Moreover, total loans for these banks aggregated approximately \$105 billion-more than 100 times their loan losses. Put another way-in this admittedly difficult year for bankingtotal losses of these so-called "problem banks" were less than 1% of the aggregate of "problem their loan portfolios.

In all fairness, I should note that one bank on the list did slide moderately into the red. another broke even for the year, and yet another did not post a dividend. Indeed, the problems of the recession had an adverse impact on my own bank's earnings as well. However, far from revealing a group of "Problem Banks"-these numbers, if properly understood, point to a group of vital and dynamic institutions-and to a buoyant banking and economic system. And the real news-at least to me-is the ability of that system to absorb such a high level of loan losses while still recording solid earnings and building a strong capital base.

Shortly after the "problem stories, Washington Post publisher Katharine Graham addressed the Conference Board and called on the business community to demand coverage that—as she put it—"is accurate, fair, and grounded in real under-standing of events. Business credibility," she "adds up to focusing on honesty, perspective, and performance."

I agree completely with Mrs. Graham. It is precisely this need for fairness and perspective which came up so wanting in the media's treatment of the "problem bank" stories. For example:

I question the fairness of headlining yearold data-taken out of context-across the front page of leading newspapers-as though it presented an accurate and current picture of the condition of the banking system.

As to perspective, I think the "problem banks" episode is an example of the media's failure to provide the public with all the information it needs to intelligently assess an issue. For example:

When banks chose to stay with their borrowers during the recession rather than set off a long chain of foreclosures and bankruptcies-not to mention job losses-that would have plunged the country into a major depression-few journalists offered this perspective. When banks were caught between the Scylla of congressional demands for credit allocation to socially-responsible borrowers . . . and the Charybdis of political cries for conservative lending policies-the media offered scant perspective. Even today, with the banking system well on the road to full recovery from as severe and deep a recession as we have had in 40 years—there is little, if any, perspective from the Cassandra commentators who told us about the "problem banks.'

Let me make clear here that I am not downplaying the problems that the banking experienced during the recession. Banks did, indeed, have problems. In some areas, in all candor, we are still digging out of those problems. But suffering a bad case of flu is a lot different than having an incurable disease. The essential point is that risktaking is the very essence of our free enterprise system. Those of you in this audience who invest in products that may never reach market or search for natural resources that may never be found-know what risk-taking is all about. A bank that takes no risks is of little value to society. But a bank that is willing to take legitimate risks in lending to individuals, small businesses, and giant corporations alike-ensures the growth and development of our free market economy which—by definition—creates aditional jobs for the American people.

Lest I be misunderstood-let me state unequivocally that I am a strong advocate of the right of freedom of the press in a democracy. But I also advocate a philosophical position that any freedom carries with it an inseparable sense of responsibility. The media, it seems to me, if they are to serve the citizenry responsibly, must therefore seek to: Sharpen the comprehensiveness of their treatment; strengthen their capacity to follow up events; and enhance their abilito help the public understand what one event means in relation to another. This challenge-to a higher standard of journalistic performance—leads me directly to the latest wave of "problem banking" stories concerning the foreign lending of banks.

Three years ago, you will recall, the media raised the specter of imminent disaster for the international banking system due to the huge surpluses of the oil-exporting countries. The more extreme voices in the Fourth Estate predicted the system's collapse under the enormous recycling burden.

There were a number of us at that time lone voices in the crowd I'm afraid-who argued that the private market could bridge the financing gap for some time, but that over the longer-run, greater assistance would be needed from public sources—as well as strenuous efforts by deficit countries to reduce the need for financing. When the predicted petrodollar catastrophe failed to materialize, the media literally dropped the subject. In other words, as far as the press was concerned, "good news" in this case was 'no news"

Recently however, the issue of recycling the surpluses of the oil producers has reemerged. A number of journalists and congressmen have voiced concern over the extent to which the private international banking system was committed to loans to less-developed countries.

A careful reading of these reports sug-gests two separate lines of concern. The first is the claim that the large volume of foreign lending by U.S. banks has resulted in the denial of credit to borrowers in the U.S. and thus delayed the U.S. economic recovery. The second is the allegation that banks have made large numbers of unsound foreign loans with the expectation that the Federal Government will bail them out when foreign debtors run into payment difficulties.

On the first concern, the lending officers of the Chase and the other major New York banks will, I'm sure, find a certain ironic amusement in the charge that they have denied credit to would-be U.S. borrowers. The fact is, with a 15% decline over two years in loans from major U.S. banks to commerce and industry, bank competition for business in recent months has been particularly fierce. Indeed, the search for mestic borrowers has become so thorough that your once-friendly banker has become downright compassionate! So the suggestion that foreign lending has led to the denial of credit to domestic borrowers and thereby held back our economic recovery-is flatly untrue. I believe all of you in this room, our customers, will attest to that fact.

The second concern—that banks have dangerously overextended themselves in making foreign loans to chronic debtor countries, particularly the lesser-developed countries-requires a more extended response. For the reality of the role of the private banking system in helping to finance LDC deficits is far more complex than the alarming headlines or glib statements would have us believe.

Let me begin by stating unequivocally that the Chase, and I suspect, other major international banks expect to be actively engaged in the business of prudent foreign lending for the foreseeable future. By and large, Chase's major lending emphasis is on shortterm commercial loans to finance trade and private business, as well as project loans that are self-liquidating through the generation of exports. New loans to governments for straight balance of payments purposes will still be taken up by banks, but I believe lenders will be increasingly selective and cautious in adding such credits to their portfolios. Certainly that is our posture at Chase. If there is any serious question as to the ability of a loan to be adequately serviced, whether for balance of payments or other reasons, that loan is simply not extended.

In this regard, it often is forgotten that the great bulk of overseas loans by American banks-about 70% of our total at Chase-is to industrial countries. Moreover, among LDCs, the greatest volume of credit has been the World Bank calls extended to what "high- or medium-income" nations—countries like Mexico and Brazil. Comparatively

little bank lending has flowed into so-called low-income countries—India, Pakistan and many African nations. For example:

There is no denying the fact that bank loans to LDCs as a group have expanded significantly since the oil price increase in the winter of 1973-74. All told, the exposure of U.S. and other foreign banks to these countries has risen from \$39 billion to \$77 billion in little more than three years. But the capacity to service debt also has been increasing, albeit at a slower rate. Over the past three years the exports of the LDCs have advanced by nearly 65%—not a bad performance, considering the state of the world economy.

It is this need to increase exports and gain foreign exchange that lies at the heart of the LDCs' ability to meet debt obligations—rather than in their inability to generate funds in local currency for debt repayment. Again, this distinction is important. The normal remedy for LDCs in trouble is not default. Nor does it generally mean even debt moratorium. More usually, it involves a refunding or rescheduling of debt. Obviously, banks prefer not to reschedule, but even when they must, such action neither impairs bank capital nor decreases bank earnings. Again, this critical point seems largely to have been overlooked in the current dialogue.

Clearly, some LDCs have performed better than others, and each has to be judged on its own merits. Bank debt to a number of these countries has been expanding at a rate that should not—and cannot—be sustained.

that should not—and cannot—be sustained. This does not mean that loans to these countries at present are excessive; nor that banks need bailing out. It does mean, however, that bank lending will need to slow down, and that public policies must be directed at correcting the problems that give rise to such lending—most particularly, the persistent deficits in the balance of payments of many nations, both industrial and lesser-developed. It is on these public policies, in my judgment, that the attention of the press and the Congress should be focused.

and the Congress should be focused.

Unfortunately, the world has not yet undertaken the tough adjustments that are required to bring its structure of international payments into better balance. As I mentioned, the deficit countries—particularly the LDCs—need to expand their exports. They can only do this as the economies of the industrial nations grow and prosper.

Meanwhile, many of the LDCs cannot escape difficult action to reduce their own deficits, even though this involves the painful process of slowing economic growth. Inflation must be brought under better control, over-valued exchange rates eliminated, and a more positive policy adopted toward foreign private investment. Internally agricultural sections need to be given greater encouragement, even at the expense of higher costs for urban areas. Because it takes time for the effects of policy changes to be felt, an LDC that boldly undertakes reforms is likely to need international financial support.

So an adequate supply of public international credit—credit that could be conditioned on the adoption of government policies promoting efficient adjustment—becomes a key prerequisite. This is particularly true now that bank lending will likely slow down.

While action for this could take many forms, one appropriate solution to the present deficiency in public credit might have the following four characteristics:

First, enlargement of existing public credit lines or guarantees.

Second, increase public credit flows to each of the major classes of borrowing nations.

Third, extension of these credits subject to rigorous conditions that assure domestic policies which promote efficient adjustment.

And fourth, a substantial part of the funding should be obtained from the OPEC nations themselves.

Time does not permit me to thoroughly ex-

amine these proposals, and I present them here in their broadest outline.

Suffice it to say that we cannot hope to solve these problems if our attention as diverted to spare stories and apocalyptic warnings. I assure you that banks like mine have a clear understanding of their role with respect to foreign lending. And we also understand our obligation to clearly interpret this role to the public.

By the same token, your responsibility—as concerned businessmen and businesswomen—is to "speak out" loudly and lucidly for your own companies and industries; and to challenge the media to report on your activities in a fairminded, accurate, and comprehensive manner. It is this kind of reporting—of which I believe our free press is uniquely capable—that will most genuinely serve the public interest.

ADMINISTRATIVE LAW JUDGE'S OPINION ON ALASKA NATURAL GAS TRANSPORTATION SYSTEM

Mr. STEVENSON. Mr. President, last year the Congress made the decision to remove the certification process for an Alaska natural gas transportation system from the traditional forum before the Federal Power Commission. Under the Alaska Natural Gas Transportation Act, the FPC still has an important role, but does not make the final choice of systems to move Alaskan gas. After the FPC makes an initial decision, the President addresses the issue, receiving advice from Federal agencies, State and local officials, and the Council on Environmental Quality. By September 1, 1977, his choice will be sent to the Congress for approval.

As the principal sponsor of this law, I am following its implemenation with great interest. Because we are given a relatively brief time under the act to review the President's choice, I would urge my colleagues to follow the decisionmaking process at each step in order to be prepared and informed when the Senate is called upon to ratify or disapprove the President's choice.

The FPC administrative law judge issued his opinion, finding for the Arctic Gas project on all points—environment, efficiency, cost, geotechnical feasibility, deliverability, and other relevant issues. Currently, the FPC is reviewing that opinion and other material. The President will receive the FPC's decision by May 1.

Naturally, Arctic Gas' competitors, El Paso and Alcan, are attacking the decision. The losers also argue that congressional enactment of the Alaska Natural Gas Transportation Act makes the administrative law judge's opinion irrelevant. As author of the legislation in the Senate, I must disagree with that argument. By passage of the act, the Congress clearly provided that the FPC and the administrative law judge alone would not make the decision on transportation of Alaskan gas. Congress insisted that other affected agencies, as well as the President and the legislative branch, have a role in the decisionmaking process. But, we did not by passage of the act intend for no weight or no consideration to be given to the findings of the administrative law judge who heard all the evidence on the competing gas transportation systems.

Proper decisionmaking can be carried out only after thorough examination of facts and evidence. It would be a tragic misallocation of resources and effort if each decisionmaking level involved in the act did not at least begin its deliberation by reviewing and carefully weighing the FPC administrative law judge's opinion.

Consider how the opinion was derived. This 430 page opinion culminates 20 months of hearings on the record and conducted under oath. Environmentalists, the States, the competing applicants. and others presented their cases with expert testimony and evidence at these hearings. Witnesses were subject to cross-examination. My colleagues should note, the evidence produced from these hearings is the only evidence they will receive which was developed under oath and with the benefit of challenging crossexamination. Two hundred and fiftythree volumes of transcript were produced, along with approximately 1,000 exhibits-many of which run into the thousands of pages themselves. The judge also took an "official view" trip to examine first hand each applicant's route and existing facilities.

Given this type of factual development, I would urge my colleagues, and others who will be involved in the decision on an Alaskan gas transportation system to consider carefully the administrative law judge's opinion.

The opinion is, of course, not the end of this question, but it should not be ignored. That opinion and the evidence it is based upon provide a unique and rich source of information, since it is the independently informed conclusion of the experienced judge who heard all the evidence and saw all the witnesses.

JUSTICE DEPARTMENT REASON-ING SUPPORTS RIEGLE-GRIFFIN AMENDMENTS TO ASSURE COM-PETITION IN THE AUTOMOBILE AFTERMARKET

Mr. RIEGLE. Mr. President, the Mobile Source Emission Control Amendments of 1977 (S. 919), which I have introduced with my colleague, Senator Griffin, amends the Clean Air Act to establish a sound schedule for automobile pollution reduction. While this bill seeks to provide auto emission standards which are workable yet environmentally sound, it also addresses other aspects of the Clean Air Act which affect different segments of the automotive industry; namely, the aftermarket parts industry.

Under the Clean Air Act of 1970, vehicle manufacturers are mandated to warrant for 5 years or 50,000 miles, under both a production warranty and a performance warranty, that the emission control system installed by that manufacturer will remain effective for that length of time.

The production warrant is already effective. The performance warranty, which is conditioned upon the proper maintenance and operation of the vehicle by the owner, is mandated to become effective only when the Administrator of

the Environmental Protection Agency determines that adequate testing facilities are available. It is this performance warranty that poses a very serious threat to the existence of the independent automotive aftermarket as well as to the consumer.

Since the owner of a new automobile is not going to jeopardize his position with respect to the performance warranty, he will go to the franchised dealer of the vehicle manufacturer for warranty work as well as for routine service and repair. This reaction to the auto warranty will thus effectively shut out the independent aftermarket service and parts industry presently serving the automobile owner. The consumer no longer will have the freedom of choice to use the parts and services he wishes. The law will create a monopoly for the vehicle manufacturers and their franchised dealers.

At this point, I ask unanimous consent to have printed in the RECORD the news release which was issued by the Department of Justice upon issuing their report on the anticompetitive effects of expanded automobile warranties.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF JUSTICE NEWS RELEASE

The Department of Justice today urged the Environmental Protection Agency (EPA) to consider carefully the possible economic costs of proposed regulations to implement the vehicle emission control production warranty.

The Department's views were contained in comments filed with EPA today on that agency's proposed rulemaking procedure for

the warranty program.

Under the Clean Air Act, motor vehicle manufacturers must give purchasers a warranty guaranteeing that the vehicle has been designed and built to satisfy federal air pollutant emission standards for its useful life. The useful life of a motor vehicle has been defined as five years or 50,000 miles, whichever comes first.

Despite the presence of these warranties since the 1972 model year, EPA has determined that they are not an effective device to combat pollution. As a result, EPA intends to develop more detailed regulations to make

the warranty effective.

Deputy Assistant Attorney General Jonathan C. Rose of the Antitrust Division ex-pressed concern that increased regulation, unless properly focused, could lead to increased consumer costs and other anticompetitive results beyond those necessary to attain the desired environmental goals.

He noted that the Department comments

made the following points:

The EPA warranty program could not be made an effective pollution control device unless it were greatly expanded.

obtain an effective warranty, EPA might find it necessary to broaden its scope to cover virtually any mechanical defect in the automobile related to emissions.

The costs of such an expanded warranty to consumers would be enormous.

The warranty would become, in effect, a full service contract, and the price of a new vehicle would increase dramatically.

Mr. Rose pointed out that an expanded comprehensive service warranty would significantly impede the ability of independent service stations and garages to compete with the service departments of dealers franchised

by the national automobile manufacturers. Thus, he said, concentration in the automobile aftermarket-auto repair, service and parts dealers-could increase substantially, and the advantage of free competition could be lost.

As a solution, the Department recommends in its comments that EPA list the emission control devices that would be covered by the warranty and that only those devices that would not have been included in the vehicle if the Clean Air Act had not been passed would be on the list.

The Department also urged EPA to continue its efforts to develop an effective method of testing emissions so that a mandatory emission inspection program could be

implemented.

According to the Department, a narrow production warranty and a mandatory inspection program could achieve the national goals set out in the Clean Air Act, while minimizing the program's social costs, including its anticompetitive impact.

Mr. RIEGLE. Mr. President, in order to give Members more complete information on the position taken by the Department of Justice, I am including excerpts from the full statement that the Department made to the Environmental Protection Agency opposing the expansion of the automobile warranty program as an efficient method for the reduction of automobile pollution:

COMMENTS OF THE U.S. DEPARTMENT OF JUSTICE

On November 16, 1976, the Environmental Protection Agency (EPA) in an Advance Notice of Proposed Rulemaking announced its intention to consider regulations to implement more effectively the coverage of Section 207(a) of the Clean Air Act. This rulemaking proceeding will attempt to clarify coverage of the emission control production warranty. The Department of Justice submits these comments to assist the Agency in its consideration of the potential social and economic costs that such regulation could have, including the impact on competition in the automotive aftermarket.

THE INTEREST AND POSITION OF THE DEPART-MENT OF JUSTICE

A. The Interest of the Department of Jus--The Department of Justice appears before federal agencies to advocate regulatory policies that will advance competition, efficiency, and consumer welfare. Our role, however, is not to advocate that these national objectives are paramount, but to ensure that they are given appropriate weight by agencies in carrying out their differing statutory missions. This we try to do by assisting the agency in evaluating the impact of its proaction on competition and in finding the least or less anticompetitive alternatives to achieve regulatory goals as defined by Congress.

"Congress has clearly determined that cleaner, healthier air is desirable. As with many national policies, however, the particular method chosen to reach this goal may have side effects that are unnecessarily harmful to competition. Our desire to avoid such results was plainly enunciated during Congressional hearings in 1974 by Bruce B. Wilthen-Deputy Assistant Attorney General, Antitrust Division: "We seek to encourage procedures which would limit-or if possible eliminate—potential anticompetitive fallout from the drive toward cleaner air."

B. The Position of the Department of

Justice-

The following discussion will analyze why the present production warranty has not been an effective antipollution device subsequent to vehicle purchase, and why there will be serious cost-efficiency problems if the EPA attempts to expand the production warranty to compensate for the inability of the Agency to implement the performance warranty. We will show that the present emission control production warranty cannot effectively achieve the environmental objectives of the entire warranty program for two reasons: First, the current production warranty focuses on only one contributing factor in emission control, namely the pollution control devices.

Second, there do not seem to be sufficient incentives present to encourage consumers to use the warranty. We will also show that substantially broadening the scope of the production warranty via the adoption of comprehensive coverage under Options 2 or 3 is not a viable solution to the current problems. Rather, such action would, in effect, transform the 207(a) warranty into a performance warranty. By doing so, the economic costs of the warranty program would be sub-stantially increased, including possibly the social cost of an adverse impact on competition

THE COST-EFFECTIVENESS OF A WARRANTY PROGRAM

While we share the EPA's concern that the emission control production warranty has not effectively achieved the ends originally intended of it we are not convinced that expanding the warranty-in effect, transforming it into a performance guarantee will lead to an improvement in its cost effectiveness. The potential costs of extending the present production warranty to control emissions subsequent to vehicle purchase will, in all probability, far outweigh the potential benefits.

The report goes on to say:

As a means to effect emission control beond the initial construction of a vehicle, the warranty is unsatisfactory. The mere presence of the production warranty does not by itself encourage proper maintenance if the vehicle continues to operate despite the functional soundness of the emission con-

In sum, the current emission control production warranty fails to effectively achieve environmental objectives insofar as it concentrates on only one contributing factor in emission performance, pollution control devices. In addition, as appears to be the case by virtue of these hearings, it may not even succeed in this respect if incentives are lacking to use the warranty and/or if failures in pollution control devices are not detectable.

Mr. President, it should be clear that the consumer should not be forced to pay the additional costs and business should not have to suffer the anticompetitive effects of a warranty program which will not be effective in cleaning up the air.

The Justice Department report concludes by saying:

In addition to the direct costs to the consumer of such a performance guarantee, the social costs associated with the competitive disadvantage that potentially could be imposed on a sizable class of vehicle service businesses is a particular concern of the Department of Justice. This would come about if the warranty is honored only by manufacturer-affiliated dealers. Then. vehicle owners can be expected to take their vehicles exclusively to dealers for all emission related repairs and service. Independent garages and service stations that may be equally skilled in making such repairs would be placed at a disadvantage relative to dealers. Without a comprehensive warranty nondealers would succeed or fail depending upon their ability to compete in the marketplace next to dealers; however, the presence of the warranty would make it next to impossible for non-dealers to attract customers emission related repairs, regardless of their price and their quality of work. If an environmentally effective production warranty must cover essentially all engine repairs and service, then the warranty would have vere implications for the long run viability of independent garages and service stations Indeed, it could effect a significant increase in concentration in the service industry to the point where a substantial adverse impact on the price of service and repair could be expected. In any event, the impact on concentration would be directly related to the comprehensiveness of the warranty.

A warranty program is clearly mandated by the Clean Air Act, and the EPA must implement that program. It is not possible to eliminate all the costs, including all the anticompetitive effects, of such a program. It is possible, however, to minimize those costs and still attain the environmental goals of the Clean Air Act.

This is precisely what the Riegle-Griffin amendment would accomplish should it be enacted. It will allow this Nation to attain our clean air goals without excessive economic impact. Our legislation will provide a workable and balanced program for cleaning up our environment by setting a stringent schedule for pollution reduction and by implementing a rational and effective warranty program to back up our clean air goals.

The Riegle-Griffin amendment would guarantee consumers the right of choice over automotive parts and service for their motor vehicles and prevent a monopoly in the sale of aftermarket parts and service. This would be accomplished by amending the Clean Air Act of 1970 to provide that the manufacturers' performance warranty for the motor vehicle emission system be reduced to 18 months or 18,000 miles, whichever occurs first.

Extensive hearings on this subject were held by the House Select Committee on Small Business in 1974. After carefully reviewing provisions of the Clean Air Act, the committee found the performance warranty to be unnecessary, anticompetitive, and anticonsumer. All 19 members of the Small Business Committee unanimously recommended in the committee report of December 18, 1974, that the performance warranty be reduced from the statutory 5 years or 50,000 miles.

This is a complex issue which merits some explanation lest it be misinterpreted as a reduction in requirements placed on vehicle manufacturers to produce nonpolluting vehicles, or be considered as not in the best interest of the car owning public. Warranty provisions in S. 919 will in no way reduce clean air standards.

Under the Clean Air Act of 1970, vehicle manufacturers are mandated to warrant for 5 years or 50,000 miles, under both a production warranty and a performance warranty, that the emission control system installed by that manu-

facturer will remain effective for at least that length of time.

The production warranty is already in effect. The performance warranty, which is conditioned upon the proper maintenance and operation of the vehicle by the owner, is mandated to become effective once the Administrator of the Environmental Protection Agency determines that adequate testing facilities are available. It is this performance warranty that poses a very serious threat to the existency of the independent automotive aftermarket, and strong anticonsumer problems.

It is important to note that the Clean Air Act contains sufficient protection under its design requirements and production warranties to maintain air quality, as the manufacturer would still be required to test and certify his engine in accordance with EPA test standards on emissions and durability prior to sale.

The production warranty requirements force the vehicle manufacturer to warrant that the emission control system is designed, built, and equipped in a manner that will enable it to comply with emission regulations which exist at the time the vehicle was first sold, and that it is free from defects in materials and workmanship that would cause the system to fail to conform with applicable regulations for its useful life, which is defined in the act as 5 years or 50,000 miles, whichever occurs first.

The performance warranty will only go into effect when EPA develops a quick, reliable test for precisely measuring emissions. This is likely to be somewhat in the future. Under this performance warranty, the vehicle manufacturer is then liable for the repair, at his cost, of every vehicle on the road that fails an emission inspection, so long as the vehicle owner has complied with the maintenance and operation instructions mandated by the vehicle manufacturer. These maintenance and operation instructions are the critical points insofar as the independent automotive aftermarket and the consumer are concerned.

The owner is not going to jeopardize his position with respect to that warranty, and will go to the franchised dealer of the vehicle manufacturer not only for warranty work, but also for nonwarranty work performed at the same time. This effectively will shut off the independent aftermarket from their customers. The consumer no longer will have the freedom of choice to use the parts and services he wishes, and the law will create a monopoly for the vehicle manufacturers and their franchised dealers.

The Small Business Subcommittee found that since the cost of the performance warranty has been built into the price of the vehicle:

It is also questionable that the consumer will ever truly benefit from the performance warranty as it now stands, because the vehicle manufacturer can reap windfall profits from this warranty, for every voided warranty results in an unearned profit of approximately \$300. Thus, the vehicle manufacturer has a strong financial incentive to void these warranties, which might in part

account for the present burdensome and restrictive care and maintenance instructions which contain innumerable opportunities for avoiding liability. These same escape clauses will exist in a warranty of any length, the longer the warranty, the greater the cost, which thereby provides a stronger incentive to escape liability. Every time a warranty is voided, it is the consumer, and only the consumer who loses. The consumer not only forfeits the money paid to the manufacturer at the time of purchase, he also pays again to have the work performed.

Thus the subcommittee found the performance warranty to be anticompetitive, anticonsumer and unnecessary to the protection of clean air. It should be noted that neither of the legislative committees that developed the Clean Air Act of 1970 had the opportunity to hold hearings on the warranty provisions of the act which might have highlighted the monopolistic and anticonsumer aspects of the law.

The vehicle manufacturers maintenance instructions, which will be required to be followed to prevent voiding the warranty, will have a major impact on the car-owning public. The vehicle owner is obligated under these circumstances to have stipulated parts replaced or serviced at the vehicle manufacturers' designated intervals, at his or her own expense. Should the vehicle fail to comply with an applicable emission standard under the performance warranty, it is not the obligation of the vehicle manufacturer to repair the emission control system until the vehicle owner has proven that the described maintenance in his owners' manual has been performed at the established time, and that the work was done with acceptable parts to the manufacturer, and by a qualified service outlet.

Of course, the antitrust laws prevent vehicle manufacturers from requiring that only their parts be used to replace those they know will wear out prior to the expiration of the 5-year, 50,000-mile warranty, or that the servicing of these parts be performed only by a franchised dealer. Consequently, because of the potential liability the vehicle manufacturer would face when the quick "tailpipe" test of EPA is approved, they must protect themselves by conditioning the validity of warranties on "recommended use of original equipment manufactur--OEM-parts or their equivalent" and the use of franchised dealers or a 'qualified service outlet." The manufacturers' owners manual instructions create a strong psychological restraint on the consumer to force him to return his vehicle to the franchised dealer for all work for 5 years or 50,000 miles, through fear of voiding his warranty.

This forcing of the consuming public to return their vehicles to a franchised dealer for all parts and service for 5 years or 50,000 miles to insure that the warranty is not invalidated will occur when the performance warranty is triggered by EPA. According to the subcommittee report—

The Subcommittee is of the opinion that there are serious anti-consumer aspects to both the proposed certification program (by

EPA) and the 5 year, 50,000 mile warranty requirements of the Clean Air Act.

The restrictive maintenance instructions will cause many cautious car owners to have all servicing-whether related to the warranty or not-performed by their franchised dealer, which is a serious inconvenience as well as a serious threat to the independent automotive aftermarket. Those who continue to use their neighborhood service or garage outlets will undoubtedly void their warranties, which they have already paid for when the car was originally purchased, thereby being forced to pay again to have that system repaired at additional expense should the system ever fail an emissions inspection in the future.

The consumer cannot afford to risk a dispute with the vehicle manufacturer over the use of parts and services which might later be claimed to be improper. Therefore, the consumer is forced to go to dealers for all his work during the life

of the warranty, regardless.

The warranty provisions of our amendment will have no adverse effects on air quality. This legislation, if enacted, will relieve the automotive aftermarket industry from the possibility of a monopolistic takeover by the vehicle manufacturers and will retain the rights of the auto owner to have a choice over the parts and services used to maintain his vehicle.

The Small Business Committee received testimony from representatives of vehicle manufacturers, repair garages, service stations, EPA, the Federal Trade Commission, and the Antitrust Division of the Department of Justice. All their testimony and the documentation compiled convinced the House Small Business Committee that the performance warranty of the Clean Air Act serves little meaningful purpose.

At this point I ask unanimous consent to have printed in the RECORD the recommendations of the House Small Business Committee which may be found on page 33 of the House Report 93-1628.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHAPTER IV. RECOMMENDATIONS

On the basis of the testimony, evidence and findings, the subcommittee recommends that:

A. The Environmental Protection Agency

Pursue all administrative remedies minimize the anticompetitive effects of the warranty provisions of the Clean Air Act Amendments of 1970;

2. Require the vehicle manufacturers to insert clear and conspicuous affirmative statements in their care and maintenance instructions and their emission control system warranties which would advise the vehicle owner that he or she may use nonoriginal equipment manufacturers' parts for the repair and maintenance of the car; and that nonfranchised service outlets may service that vehicle:

3. Work with appropriate governmental agencies in developing affirmative language for inclusion in these care and maintenance instructions, which clearly advise the carowner that he or she may use nonoriginal equipment manufacturers' parts and nonfranchised service outlets without necessarily jeopardizing the validity of the emission performance warranty.

4. Determine, by testing on an individual basis, that a specific part actually increases emissions, before it decertifies or refuses to certify the part under its proposed voluntary certification program and develop due process procedures for appeal from an agency determination:

5. Expedite the development of a quick and reliable test for measuring emissions, which would thereby enable the agency to insure that in use vehicles were conforming to the applicable standards through periodic motor vehicle inspections which would insure the maintenance of existing emission level stand-

ards;
6. Issue an economic impact statement prior to the implementation of all new regulations, including the certification program, purpose of demonstrating that no competitive disadvantages are placed upon small businesses; and

7. Review all existing and proposed policies and regulations to determine if they are consistent with this Nation's antitrust poli-

B. The Federal Trade Commission and the Department of Justice-

1. Examine the vehicle manufacturers care and maintenance instructions and emission control system warranties to determine if

they are consistent with this Nation's antitrust policies.

C. The above agencies and department advise the committee by June 1, 1975, of the actions they have taken to implement these recommendations.

D. The appropriate legislative committees of Congress consider amending the Clean Air Act by reducing the length of the 5year/50,000-mile performance warranty to a period comparable to that presently established by the competitive forces operative in the open marketplace, such as for 12 months or 12,000 miles, whichever occurs first.

ACCURACY IN MEDIA CORRECTS NEW YORK TIMES ON PANAMA CANAL

Mr. HELMS. Mr. President, there is a great deal of misinformation going around about the role of the United States in creating and developing the Panama Canal. There appears to be an organized effort to convince the American people that there was something shameful and dishonorable about our actions, which we have to remedy today by surrendering our rights, property, and sovereignty in the Canal Zone.

Typical of such deliberate misinformation is the recent statement in a New York Times editorial which said, in reference to the canal:

We stole it and removed the incriminating evidence from the history books.

Nothing could be further from the truth, as the unbiased work of many distinguished historians can attest. The New York Times has no right to make such a demagogic assertion if it wishes to maintain itself as a respectable purvevor of journalism.

Mr. Reed Irvine, chairman of Accuracy in Media, Inc., has taken the Times to task in a letter published on its editorial page today. Mr. Irvine patiently recounts the basic international structure that supported our role in creating the canal, and effectively rebuts the absurd contention of the Times. Mr. Irvine is to be congratulated for once again forcing the media to correct its inaccuracies, particularly when such inaccuracies can have a pernicious effect on public opinion and public policy.

Mr. President, I ask unanimous consent that Mr. Irvine's letter from the New York Times of April 5, 1977, be printed in the RECORD at the conclusion

of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PANAMA HAS REAPED HUGE BENEFITS FROM THE CANAL

TO THE EDITOR:

In discussing the Panama Canal, a recent Times editorial said: "We stole it and removed the incriminating evidence from the history books."

The Panama Canal was built by the U.S. at a cost of \$375 million. It obviously was not stolen. Perhaps your editorial writer meant to say that the 10-mile-wide strip of territory through which the canal was built was stolen. But that too is false.

From whom was it stolen? Panama? Colombia? Individual landowners?

The U.S. paid Panama \$10 million for the rights to the zone. We paid nearly \$5 million to individual landowners for title to their property in the zone. We paid \$25 million to Colombia in satisfaction of its claims. In addition, we paid \$40 million to the French canal company for its concession and equipment. Some theft!

The U.S. has been charged with having helped Panama gain its independence from Coiombia. If true, would that be theft? Panama had legitimate claims to independence. Panama had revolted and won its complete independence as early as 1840. It was induced to join the Confederation of New Granada subsequently. The constitution provided that Panama would retain its sovereignty and right to secede. This right was taken away when a new constitution was proclaimed in 1885. Panama contended that was still a sovereign state temporarily under another government under duress.

Panama's declaration of independence in 1903 charged that Colombia had treated the isthmus as a colony, milking it of revenue and not building a single bridge, a single road, a single college or any public build-

If it is alleged that the U.S. imposed the Hay-Bunau-Varilla treaty on against the will of the people, you have to believe that the people of Panama were not eager to have the canal built through their territory. Without the canal, the isthmus would have been relegated to the status of permanent backwater. There was a real possibility that the canal would go to Nicaragua. bill passed both houses of Congress in 1902 providing for the construction of the canal through Nicaragua if the necessary right could not be obtained for the isthmian canal. Was it robbery to insist on terms that provided for the security of the huge investment the U.S. proposed to make? alternative was to carry out the requirements of the Spooner Act and arrange to build the canal through Nicaragua. would have cost the Panamanians dearly, and they knew it.

Panama has reaped huge benefits from the canal. Payments by the Canal Company to Panamanian citizens are around \$100 million a year. Panama has also received about \$300 million in aid from the U.S. in the past 22 years. All this has helped to give it one of 54.5% of the voting age population particithe highest per capita incomes in Latin America.

REED INVINE. Chairman, Accuracy in Media, Inc. WASHINGTON, March 29, 1977.

SECRETARY OF STATE PAUL GUZZI OF MASSACHUSETTS ENDORSES PRESIDENT CARTER'S ELECTION REFORM PROPOSALS

Mr. KENNEDY. Mr. President, at the end of last week I received a most welcome letter from the secretary of state of the Commonwealth of Massachusetts, the Honorable Paul Guzzi, strongly endorsing the recent election reform proposals made by President Carter and Vice President MONDALE

In his letter, Secretary Guzzi gives his strong support to the Carter administration's proposals for election day registration, public financing of congressional elections, and direct popular election of the President.

In his comments, Secretary Guzzi deals at length with the cornerstone of the Carter administration's reform package, the proposal for election day registration. Under this proposal, voters would be entitled to register at the polls on election day and then vote. Mr. Guzzi calls this proposal one of the most effective ways to encourage voter participation. He also argues persuasively that two of the problems sometimes mentioned in connection with election day registration—the possibility of fraud and the question of long lines at the pollscan be effectively avoided by State and local jurisdictions.

In addition, Secretary Guzzi notes that the voter registration proposal contains important provisions for Federal financial assistance to State and local governments to help defray the cost of election day registration and to upgrade their procedures for voter registration and election administration. Under the bill, for example, Massachusetts would qualify for a total of \$1.5 million in Federal funds for such activities.

Mr. President, I believe that Secretary Guzzi's thoughtful letter will be of interest to all of us concerned with election and reform and improving voter participation in the Nation, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE COMMONWEALTH OF MASSACHUSETTS. Boston, Mass., March 28, 1977.

Hon. EDWARD M. KENNEDY, Russell Office Building, Washington, D.C.

DEAR SENATOR KENNEDY: As State Secretary and Chief Elections Officer of the Commonwealth, I am pleased to endorse President Carter's proposals for election reform.

In Massachusetts and throughout the nation, voter participation has been too low for too long. In this state alone, some 1.3 million eligible citizens are not registered to vote. And throughout the country, only pated in the 1976 Presidential election. These are discouraging figures.

I believe that our present system of voter registration contributes heavily to this problem. In order to register, citizens must often fulfill confusing residency requirements and must be familiar with local laws which differ from place to place. These laws were designed to eliminate fraud; to protect the electoral process from those who would take advantage of loosely designed requirements. Unfortunately, in our mobile society, that kind of closed voter registration can also function as a deterrent to participatory democracy; it can discourage citizens from taking the time to register. The President has addressed that problem in his proposal.

The main thrust of President Carter's proposal is election day registration. I have supported election day registration for several years because I believe it is one of the most effective ways to encourage participation.

Critics have argued that this reform will lead to election fraud. I think they are wrong. Under the President's plan, perpetrators of fraud would face heavy fines and jail sentences. Moreover, in Minnesota, Wisconsin and other states which have already adapted similar systems, there have been no reports of increased voter fraud. Critics have also argued that election day registration will lead to long lines at the polls. But if we increase pre-election day registration through registration drives and provide good administrative procedures at the polls, these long not occur. The President understands this and his proposal speaks to these needs.

Under the Carter plan, states would receive a financial incentive to use innovative techniques for pre-election registration. Under this plan, Massachusetts could receive 1.5 million dollars in federal assistance. The specifics are as follows:

The first \$500,000 would be automatically awarded when the federal legislation becomes

The second \$500,000 would be awarded on the basis of voter outreach proposals. Fortunately, we already possess the basic administrative system for such innovative outreach. Every city and town in Massachusetts conducts an annual street by street canvass which serves, among other functions, to update the current list of voters. This system could be adapted for the purposes of voter outreach. It could be used to identify and then register those citizens who are not on voting lists but would like to be. If this is done, it is possible that the Federal Government would pay for some of these costs; this would save thousands of dollars for the Commonwealth.

Finally, we would receive a third \$500,000 if election day registration were extended to state and local elections.

The President's proposal suggests two other changes that I have long supported. The President is proposing that public financing of political campaigns be extended to congressional campaigns. I applaud the President and the leaders of Congress for their support of this concept. I have long been an advocate of public financing on both a national and state level. I am proud to say that Massachusetts has long been a leader in this field. Our own public financing laws check off one or two dollars on their state income tax forms to be used to finance statewide elections in 1978. I believe it's time to extend this same concept to members of Congress.

And finally, the President has asked for a constitutional amendment that would abolish the electoral college. The electoral college has long flaunted the tenets of democracy. This country must have the opportunity to vote directly for their president; the people's voice must be heard and counted and it must be a direct voice.

I am encouraged and excited by the President's proposal, and I am hopeful that Congress will see fit to quickly adopt these reforms. If it does, then we in Massachusetts will have a long awaited chance to take a giant step towards a full participatory process

Sincerely.

PAUL GUZZI, Secretary of the Commonwealth.

CONSUMERS' MARK OF EXCEL-LENCE: ESTHER PETERSON

Mr. PERCY. Mr. President, from the standpoint of American consumers, we have recently witnessed a series of excellent appointments by President Carter. It is especialy exhilarating to see such highly qualified talent—as represented by Michael Pertschuk, Carol Foreman, Joan Claybrook, and others-being brought into the executive branch.

The caliber of these nominations is particularly remarkable. I am delighted to see that so much previous experience is being applied in the best possible way. In nominating Esther Peterson to be his Consumer Advisor, President Carter has called upon one of the most qualified consumer voices in this country.

Through her personal conviction, integrity and good judgment, Esther Peterson has become a consumer advocate respected by manufacturers and retailers alike. When she has an idea. people listen. She has pioneered many of the innovations, now common on the grocery shelves, that help shoppers discriminate among supermarket goods. Such consumer aids as unit-pricing, open-dating of perishables, and nutrition and ingredient labeling of brand foods are products of Mrs. Peterson's firm belief that, "If you don't explain things and let consumers know, you can't complain when consumers yell about profit pictures they don't understand."

Esther Peterson began working for the Consumers League for Fair Labor Standards when she first finished with her formal education. Since then, she has served as Assistant Labor Secretary under Presidents Kennedy and Johnson, and as White House Consumer Advisor for President Johnson. Recently, she chaired the National Consumers League, the country's oldest consumer organization, and became renown in the Washington metropolitan area as consumer advisor to Giant Food's president Joseph Danzansky. In this latter capacity, her picture and signature have become synonymous with Giant Food's commitment to serve the consumer.

It is a privilege to have Mrs. Peterson's 70 years of experience about to become active again in the Federal Government-working to create a better understanding between business and the consumer. I wish to congratulate her upon this appointment. It is a position at which she has already, once, served us well. And, assuredly, the new assignment will permit her to responsibly help lead the dialog and debate toward creation,

finally, of an effective, independent Agency for Consumer Advocacy, for which we in the Congress have struggled, and to which President Carter has pledged his personal commitment and active support.

DEATH OF COLORADO SUGAR BEET CROP

Mr. HART. Mr. President, there was a very interesting article printed in the Washington Post this week. It gave an in-depth look at the impact of low sugar prices on farmers and their community in western Colorado.

A number of key issues that I have been speaking about for some time are touched on in the article. Low sugar prices which reflect the virtually unrestricted importation of foreign sugar into this country, are hurting our domestic sugar industry. Such low prices result in the loss of employment opportunities in a rural area with the concomitant decrease in economic activity and ultimately force farmers to sell their land for nonagricultural purposes.

Mr. President, I ask unanimous consent that the text of the article entitled, "Death of a Colorado Sugar Beet Crop," be printed in the Record.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DEATH OF A COLORADO SUGAR BEET CROP (By William Nye Curry)

Delta, Colo.—This is Jim Shea—business-like and a farmer, recipient of the Colorado sugar beet grower award for 1976. Each acre of one 33-acre beet tract on his farm produced an astounding 10,065 pounds of sugar. But last week, when he would normally have been planting his beets for this year, he was, instead, tending his dairy cows and worrying with his son Kelly over which cows in which lot were pregnant.

For despite his achievement of last year, Jim Shea will plant no sugar beets this year. Nor will the 153 other sugar beet farmers in this fertile western Colorado valley, because the Holly sugar beet processing plant here has been closed. The plant shut down in February, a victim of low sugar prices that could not offset the rising costs of energy and environmental protection and of the inefficiencies of small-scale technology.

It was one of four beet processing plants in Colorado closed this year, and people seeking to restrict low-priced sugar imports say it is a hint of things to come unless import quotas are imposed.

Caught in a net of uncertainty over the future are the sugar beet farmers who have lost a traditional, dependable and valuable cash crop; the 250 permanent and seasonal Holly employees who shared a \$1 million payroll, and the small and beginning farmers here who worked seasonal jobs at Holly to keep their farms going.

No one seems to know how these losses will be made up.

"We're in a helluva mess," said Keith M. Bond, president of the Western Colorado Beet Growers Association. The beets once accounted for only 6 per cent of farm cropland here but for 18 per cent of crop sales. "Nothing can compare, nothing can come close. Oh, it's going to hurt. It's really going to hurt," he said.

One-third of the 450 acres that Bond farms with his father was in beets, and last year accounted for \$100,000—"half the income on this farm."

The closest other beet processing plant is 250 miles away, too far for the beets to be shipped economically.

"If we can't get the [Holly] beet factory back," said farmer Chris Van Riper, "I'm just going to look at the whole thing and decide if I want to stay with it [farming]." His 299-acre farm turned a \$16,000 profit last year, and Van Riper said that without sugar beets he will probably just break even this year.

Even with currently depressed sugar prices, many of the farmers here, blessed with good soil, a variety of crops and three rivers to irrigate their land, managed to break even last year on sugar. In addition, millions of dollars in specialized beet farming equipment now stands useless, some of it, like Van Riper's beet topper, not yet paid for.

Thus the beet growers made a study of taking over the 57-year-old Holly plant and running it as a cooperative so they could still plant sugar beets. A lack of time and an abundance of unknowns prevented that, however, and last week while Keith Bond mourned the loss, his father leveled a 60-acre beet site for corn.

The stony mesas that break up this valley on the western slope of the Rocky Mountains gleamed behind the older Bond to the north, and the clear afternoon sky was painted randomly with smoke plumes as distant farmers burned the past year's growth from their irrigation ditches.

The county extension office estimates that most of the 10,500 former beet acres in Mesa, Delta and Montrose counties will go into corn because local cattlemen need more corn or feed than the area has been producing, and that helps prices. But the new corn acreage is expected to produce a million-bushel excess that will drive corn prices down, spreading the impact of Holly's closing to nonbeet farmers.

"Until we operate for a year, it's hard to tell what the impact will be," said Shea, who will probably put his usual 200 acres of sugar beets in corn, barley and other small grains. He does know, however, what the beet crop has meant in the past: "It's been the one that paid our bills."

Like in 1975, when beet prices were still high despite a slip from 1974's record prices. That year, Shea said, he took in \$680 an acre on his 200 acres of beets—a total of \$136,-000—and the profits offset heavy losses in his cattle feeding. Last year the receipts dropped to a little over \$500 an acre, he said, and the \$102.500 total "didn't start to pay the bills."

Shea said his two-year-old, 250-head dairy cow operation is not yet offsetting the beet loss. But, he said, "fortunately we have another way to go. Whether we make any money. . . ."

Less fortunate, said the 45-year-old Shea, are the young and small farmers who, like himself 15 years ago, worked seasonally at Holly to make needed money their farms do not yet provide. Men like Walter Distel, up on Ash Mesa in adjoining Montrose County.

He farms 200 acres, 20 of it his own and the rest rented. Corn, beans, barley for Coors beer—these are his crops. No beets. Yet he finds himself whirling at double speed around the vortex of the sunken Holly plant. He's lost his \$5.40-an-hour, October-to-February laboratory job at Holly and faces reduced farm income because of the new acreage going to corn.

"When we started farming 11 years ago, we started completely on our own with Farmers Home Administration. We borrowed just enough to get through the summer and we lived off that [his Holly job] in the winter," Distel said.

Everything that the farm earned went back into it, into repairs, new equipment, machinery.

This past year, the farm cleared almost \$1,800; the job at Holly returned \$5,200. "We

are going to pay some income tax this year, but most of it will be on the money I made at the factory," said Distel, "and that money will be hard to replace in any other operation or job."

There were 200 seasonal employees at Holly, many of them farmers like Distel. The jobs fit them well: the October plant opening followed their harvests, and the February closing preceded their planting. For the 50 year-round employees, some will be transferred to jobs at other Holly plants, others will take their chances on the local Delta job market, and others say they do not know what will happen.

what will happen.
Charles A. Marshall, 61, is one of those.
He has worked for Holly Sugar for 28 years,
the past three in Delta. He is staying on to
phase out the Delta plant for now, but after
that "I don't know what Holly will offer
me"

But for now, behind his desk in the glassdoored office labeled Agricultural Manager, Marshall delivers the official autopsy on the Delta plant's demise.

The biggest reason, he says, is low sugar prices, prices reflecting the virtually unrestricted imports of foreign sugar into the United States. Then there's the natural gas used at the plant, with expensive fuel oil as a substitute when gas is not available. And a conversion to coal would be expensive since environmental regulations would restrict the discharge of pollutants.

Then there was the size of the plant—1,700 tons of beets a day. The plant where Marshall worked before processed 4,000 tons a day with virtually the same number of workers. "But this [Delta plant] would pay its way if the price of sugar were justifiably so," Marnhall said. A year ago, finished sugar sold for 18 cents a pound, now it is 15.7 cents and Marshall estimated it would have to go back up to 18 cents just to cover costs.

It is these gaps between production costs and selling prices that have led the U.S. international Trade Commission to declare imported cane sugar a threat to the U.S. sugar industry and to recommend a reduction in imports from 4.5 million tons a year to something less than 4.4 million tons. The Carter administration is now formulating a sugar policy.

Imported sugar now sells for about 12 cents a pound raw, and refining costs from 3½ to 5 cents a pound, according to the U.S. Agriculture Department.

That means a finished product of 15 to 17 cents a pound—far below the peak of about 45 cents a pound, wholesale, reached in late 1974. The windfall profits that found their way to the sugar beet farmers here (they got two-thirds of Holly's wholesale price) went mostly to new equipment, repairs and farming improvements.

The true impact of the Holly closing will come this fall, when the seasonal workers look for replacement jobs or go on unemployment and when the beet growers miss their traditional initial payment from Holly and tote up instead the results of a season with different crops.

Closely watched will be the farmers raising 1,500 acres of sunflower seeds for processing into oil, which may prove to be the most promising replacement for beets, according to Gerry R. Marby, the extension agent for marketing who worked on a study of alternate crops.

He said it will take four to five years for the market to work itself out. Yet there is an optimism, a sense that these valley people can pull themselves through. "It's going to be felt," said Walter Distel, "but I think it'll come out all right."

With a nearby coal mining boom and an influx of escaping urbanites creating pressures for new housing, many farmers may find that after the beets and the corn, the barley and the sunflower seeds they will have one other cash crop—their land.

SENATOR THURMOND AND THE SENATE CODE OF ETHICS—A JOB WELL DONE

Mr. HELMS. Mr. President, I do not know whether the people of South Carolina are fully aware of the splendid work done by their distinguished senior Senator (Mr. Thurmond) in connection with the Senate Code of Ethics, adopted by this body last week.

I watched Senator Thurmond with admiration throughout the 2 weeks as he worked on the Senate floor to assure approval of this legislation. Prior to that, he had spent countless hours in committee sessions, preparing the legislation. It was a thankless job, but one that needed doing—and Strom Thurmond, as always, was willing to tackle the difficult, time-consuming task.

For my part, Mr. President, I had felt that full disclosure by all Senators probably would have been sufficient to begin the task of rebuilding public confidence and respect insofar as the Senate is concerned. Before adoption of the Senate Code of Ethics, the automatic pay raise question was, and probably still is, very much on the minds of the people.

Senator Thurmond voted against that pay raise, in the only test vote permitted in the Senate. So did I. But it was allowed to go into effect nonetheless, because the Senate voted to table, by a four-vote margin, a resolution disapproving the pay raise. Senator Thurmond and I were cosponsors of that resolution.

As for the Senate Code of Ethics, its real test will come in the conduct of Senators. It will be useful and constructive, if Senators live up to its standards. The activities of all Senators and their staffs will be monitored carefully as a result of this Code of Ethics.

In my judgment, the Senate has passed a fair and reasonable ethics code. Much of the credit for its passage is due to the distinguished Senator from South Carolina (Mr. Thurmond), who worked long and hard to see that the Senate got an ethics code that the people of this country can have confidence in.

The minority on the ad hoc committee which drew up Senate Resolution 110 knew what kind of man they wanted to lead them when they elected Senator Thurmond their ranking member. This man of unimpeachable character was fighting to restore the integrity and good name of the Senate. The Code of Ethics can do much to enhance the image that the Senate presents to the American people—to the extent that Senators adhere to its standards.

I commend Senator Thurmond for his efforts, and thank him for his diligent leadership in securing approval of the Senate's new ethics code.

MEAT AND DAIRY IMPORT INSPEC-TION ACT OF 1977

Mr. BAYH. Mr. President, today I asked our distinguished colleague from Oregon (Senator Packwood) to add my name as a cosponsor of S. 297, the Meat and Dairy Import Inspection and Labeling Act of 1977. This legislation will benefit both the American farmer and

the American consumer. I praise Senator Packwood for his leadership in this effort.

Over the past 15 years, meat imports have more than doubled. In 1974, the United States imported 1.3 billion dollars worth of meat and dairy products. While this is not a large percentage of our total consumption, we must not ignore any portion of our food in assuring its wholesomeness.

Imported products should be subject to the same testing as domestic meat and dairy foods. The Meat and Dairy Inspection Act is necessary to raise the health standards of imports to the level now applied to our own products. Currently, only about 10 percent of imported dairy products are U.S. Government inspected. The result has been horrible instances of contamination and dangerously low levels of quality in the uninspected food Americans may be eating. During hearings on this measure, Caroll Tucker Foreman, now Assistant Secretary of Agriculture for Food and Consumer Service, testified to instances of imported cheese that was rotten, moldy, and contained insect fragments and dangerous bacteria. Some imported powdered milk contained "dead rodents and rodent filth." These were discovered in the small portion of dairy products which is inspected.

The quality of American farm products is assured by the U.S. Government. American farmers go to considerable expense to keep their animals healthy and make sure that our meat and dairy products are of the highest quality. They should not be forced to compete in the marketplace with foreign products which enjoy an unfair advantage, as they do under current laws. It is only fair to American consumers and farmers alike that imported meat and dairy products meet standards of wholesomeness similar to those of domestic products. We must not penalize American farmers for producing superior products.

This bill would require the Secretaries of Agriculture and Health, Education, and Welfare to certify that imports meet minimum standards and would provide checks to insure that they are being met. These provisions will assure that American consumers are not buying impure products without their knowledge.

Since no inspection system can be perfect, the labeling provisions are most important. All foreign meat and dairy items would have to be labeled as imported. This will give the consumer aclear choice between domestic and imported products. It will benefit the farmer and consumer because I am convinced that, given the choice, American consumers will favor domestic products. We often hear the suggestion, "Buy American." Now the consumer will have the information to make that choice.

I hasten to point out, as its chief sponsor Senator Packwood has, that this bill should not be interpreted as a "backdoor" method of restricting trade. This bill would not be a proper method for cutting imports. Rather, it will deny foreign products a present unfair advantage over domestic products.

I urge the Senate to act speedily in passing the Meat and Dairy Import Inspection and Labeling Act of 1977. This bill will enhance the American consumers' faith in the food they buy and will begin to restore fairness of competition between American and foreign agricultural products.

PROPOSAL FOR DISPOSITION OF ALASKA'S NATIONAL INTEREST LANDS

Mr. STEVENS. Mr. President, for the past 5 months, I have been involved in a series of meetings and discussions with other Members of the Alaska congressional delegation and the Governor of Alaska regarding an issue of great importance to our State, the consideration of National Interest Lands in Alaska. Under section 17(d)(2) of the Alaska Native Claims Settlement Act, the Secretary of the Interior was authorized to withdraw no more than 80 million acres of vacant, unreserved, unappropriated public lands in Alaska for study as potential additions to the National Parks, Wildlife Refuge, Forest, and Wild and Scenic Rivers Systems. This acreage has been under review by the Department of the Interior for the past 5 years and will continue to be studied by appropriate agencies, such as the Bureau of Mines and U.S. Geological Survey, to inventory resource values prior to the final congressional decision.

The final disposition of these lands is of great importance to all Alaskans. Consequently, the Alaska delegation and Governor Hammond have been involved in a number of meetings with Alaskans and Alaskan interest groups on this important issue. The statements of the interest groups which we met with in February have previously been published in the Congressional Record. These statements reflected the general consensus of Alaskans that there is a need to protect significant National Interest Lands which are under true pressure, but that the majority of lands withdrawn for consideration should be made available for diversified uses.

Following our meeting with these interest groups, Governor Hammond, Congressman Young, and I reached a consensus which we feel reflects the opinion of a broad majority of Alaskans. This consensus, which we are presently reducing to legislative form for introduction in Congress by myself, is expressed in a summary proposal which we announced on March 26 and March 27 in Anchorage and Fairbanks on public television. While this proposal is subject to revision, the basic concepts will be reflected in the draft bill to be introduced later this month. Consequently, I would like to submit the text of the proposal for the consideration of my colleagues.

Mr. President, I ask unanimous consent that this be printed in the RECORD.

There being no objection, the proposal was ordered to be printed in the RECORD, as follows:

SUMMARY OF TENTATIVE d-2 POSITION (Presented by Governor Jay Hammond, Senator Ted Stevens, and Congressman Don

ANCHORAGE, MARCH 26, 1977. FAIRBANKS, MARCH 27, 1977.

This briefing paper outlines the details of the tentative d-2 position as presented by Governor Hammond, Senator Stevens, and Congressman Young at press conferences held in Anchorage on March 26, 1977 and in Fairbanks on March 27, 1977. This position represents the consensus the three principals arrived at following a series of meetings held over the past three months. Major components of the proposed position are:

Core areas-"Core areas" would be established by the proposal, to be designated "National Parks for the Future," National Wildlife Refuges for the Future," "National Forests for the Future," and "National Wildlife Refuges for the Future." The core areas will become units of the National Park, Refuge, Forest and Wild and Scenic Rivers Systems, in the year 2000. During the interim period, these units will be managed by the National Park Service, U.S. Fish and Wildlife Service, and U.S. Forest Service as designated by Congress, Basically, the core areas are the areas recommended as additions to the national systems in Alaska by former Secretary of Interior Stewart Udall to former President Johnson in the late 1960's.

Management of these units until the year 2000 will follow the laws generally applica-ble to parks, refuges, forest, and wild rivers, as appropriate, but specific diversified uses which might not be allowed under traditional management could be permitted upon a recommendation by the Alaska Land Classification Commission (see below) and approval of the Secretary of Interior or Secretary of Agriculture, in the case of forests the future. These uses could include mineral development, agricultural development, hunting, and recreation, but are not limited to these four.

2. Buffer zones-The proposal provides for the establishment of approximately 55 million acres of other d-2 lands to be designed. nated as the Alaska National Lands System. These lands will generally conform to the d-2 recommendations submitted by former Secretary of Interior Rogers Morton 1973.

The Alaska National Lands will be open

to diversified uses under the direction of the Alaska Land Commission. Management of specific units will be carried by existing line agencies (such as the National Park Service, Forest Service, Fish and Wildlife Service, Forest Service, Fish and Whithle Service) as designated by Congress. The Alaska Land Commission will have the power to close an area within a unit of the Alaska National Lands to a particular use if it finds that such use is incompatible with a management plan it develops for that unit. However, it should be emphasized that the intent of the establishment of the Alaska National Land System is to allow diversified uses on d-2 buffer lands.

3. Cooperative Management-Under the proposal the State of Alaska and private landowners may participate in cooperative management of their lands with federal d-2 lands by voluntarily dedicating their acreage to cooperative management. The United States would match such lands on acre by acre basis from the lands designated as Alaska National Lands.

The management of these lands will be under the direction of the Alaska Land Classification Commission, but actual management of the lands will be carried out by the actual landowner. Although the land-owner must comply with use classifications directed by the Commission, nothing would prevent the landowner from withdrawing dedicated lands from the cooperative man-

agement system. In effect, the Classification Commission will function similarly to an Alaskan planning and zoning commission for lands under its jurisdiction.

There is incentive for the State of Alaska and private landowners to dedicate lands to cooperative management. The matching of acreage by the federal government will give the State of Alaska a greater say in overall management of Alaska land and provide it with influence concerning management that it would not otherwise have. Private landowners will be granted an exemption from state and local real property taxation and assessments so long as such lands dedicated to cooperative management are not developed or leased to third parties. Under this system, state and private landowners retain the ultimate decision on the use of their lands through voluntary dedication, but are encouraged to submit appropriate lands to cooperative management through the incentives described below.

4. The Alaska Land Classification Commission-An eight member commission will be established to direct management of lands designated under this proposal. Four of the commissioners shall be appointed by the President and four by the Governor Each commissioner shall serve on a full time basis. Commission shall be directed by a federal co-chairman and state co-chairman to be designated by the President and Gov-

ernor, respectively.

The Commission's major duty shall be to oversee and direct specific management on the core areas, buffer zones, and lands dedicated to cooperative management by the State of Alaska and private landowners. As stated previously, the Commission shall serve as a policymaking body with specific management to be carried out by existing line agencies of the federal government, the State of Alaska or by the private landowners. The Governor and the Secretaries of Interior and Agriculture, in the case of forests, shall retain an ultimate veto over Commission decisions made concerning state and federal lands, respectively.

5. Lower 48 Trust Fund-to make the establishment of a cooperative system upon which diversified uses are allowed more attractive to other members of Congress, a trust fund is proposed for the purchase of private lands in the Lower '48 which have or will be designated as units of the national parks, national wildlife refuge or wild and scenic river systems. All proceeds derived from federal leases, contracts, rights-of-way, easements and other federal interests on d-2 lands, along with 50% of the State of Alaska's share of revenue derived from the Mineral Leasing Act of 1920 shall be paid into this trust fund.

From these funds, Congress may authorize the purchase of such private lands in the Lower '48 which otherwise would not be purchased. There is a tremendous backlog of private land dedicated as parks, refuges, and scenic rivers but money is not likely to be appropriated by Congress for purchase in the near future. This trust fund, then, provides a means to purchase these lands and gives other members of Congress a reason to establish a system that would allow diversified uses on federal d-2 lands in Alaska

6. Specific Uses—The following treatments of specific uses are included in the proposal: A. Wildlife Management—Taking of fish and game will be regulated by the State of

Alaska in accordance with applicable state laws.

B. Agricultural development shall be permitted in buffer areas, and agricultural rights shall be allocated under a long-term leasing system to be established by the Alaska Land Commission.

C. Public access across d-2 lands shall be guaranteed by law. Location and mode of such access shall be determined by the Commission which is authorized to use the power

of eminent domain to acquire land needed for access in accordance with their planning process. The guarantee of public access is an important legal distinction and differs from the discretionary authority which is normally vested in the Secretary of Interior or Agriculture under traditional management sys-

D. State Selections-Existing state selections, selected lands under tentative approval, and lands patented to the state, shall not be affected by this proposal. The state may make selections within units of the Alaska National Lands (buffer areas) subject to a conditional conveyance which requires the State of Alaska to manage these lands under the direction of the Alaska Land Commission

E. Wilderness Review-The Commission shall by the year 2000 make recommendations to Congress on lands within the core area that it feels are suitable for inclusion in the National Wilderness Preservation System. Criteria and procedure for study of areas and recommendations shall conform to guidelines established in the Wilderness Act of 1964. The Commission is also authorized, but not required, to make recommendations for wilderness designation respecting federal lands contained within the Alaska National Lands Systems.

7. Reaffirmation of State Selection Rightsthe d-2 proposal requires the Secretary of Interior to make all federal lands in Alaska not designated as d-2 lands under this Act or reserved for a particular federal purpose available to the State of Alaska for selection within 30 days following enactment of d-2 legislation. This provision guarantees that the State will be allowed to complete the selection of its entitlement under the Alaska Statement Act by 1984. Approximately 35 million acres remain to be selected by the State

It should be emphasized that the details outlined in this paper are only tentative. Governor Hammond, Senator Stevens, and Congressman Young seek continued suggestions and comments from the people of the State of Alaska. The congressional decision d-2 lands must be made by December, 1978. Prior to that time changes in this proposal can be made, and it is presented as a proposal which the three elected officials hope that all Alaskans can support.

NEWS RELEASE

Anchorage, Alaska.—Alaska Governor Jay Hammond, Senator Ted Stevens (R-Alaska). and Congressman Don Young (R-Alaska) today unveiled a proposal that encourages joint federal-state management of lands and would establish an Alaska Land Commission of federal and state representatives to set management policy for some 80 million acres of land currently withdrawn under Section 17 (d) (2) of the Alaska Native Claims Settlement Act.

"Our purpose today is to show Alaskans the proposal drafted from the ideas they have given us over the last four months, and to get any additional comments before we finish drafting this for consideration by Congress, Senator Stevens said.

The proposal would establish what Senator Stevens called "core areas and buffer zones," with 25 million acres withdrawn as core areas and 55 million acres surrounding those withdrawn as buffer zones.

"In the core areas, lands would be manged as National Parks for the Future, Wildlife Refuges for the Future, National Forests for the Future, and Wild Rivers for the Future," Senator Stevens said. "In addition, appropriate federal agencies would also manage the buffer zones.'

Congressman Young pointed out that the proposal would establish an Alaska Land Classification Commission composed of four members appointed by the President and four members appointed by the Governor. Under the proposal, one federal appointee must be an Alaskan native.

This proposal promotes cooperation in federal and state management," Congressman Young said. "Within core areas, the Commission could allow diversified uses with approval of the Secretary of the Interior or Secretary of Agriculture, and in buffer zones the Commission could classify lands for diversified uses if necessary.

Governor Hammond said the proposal encourages federal-state cooperative management of federal and state lands, and would provide incentive for private landowners to participate also.

"Under this proposal, the State of Alaska or private owners could voluntarily dedicate lands for cooperative management, and the federal government would match them acre for acre. Private owners of undeveloped lands dedicated in this fashion would receive an exemption from state and local property taxes as long as their lands were managed under the Commission's guidelines," Gover-nor Hammond said. "All landowners would have an incentive to commit lands to cooperative management, for without such commitment, neighboring landowners could go their own way to the possible detriment of adjoining lands or the possible exclusion of uses beneficial to the area as a whole."

The proposal is the product of a concensus, and its drafters say it is a means of getting a unified Alaskan stance on the d-2 lands which can be presented to Congress as Alaska's proposal. Comments on the proposal should be sent directly to Senator Stevens or Congressman Young in Washington, or Governor Hammond in Juneau.

MAP SUMMARY Approximate Acreage

(Millions)	
National parks for the future:	
Aniakchak	. 18
Cape Krusenstern	
Kobuk Sand Dunes	
Katmai (Additions)	
Gates of the Arctic	3.55
McKinley (Additions)	
Wrangell-St. Elias	4.90
National park subtotal	10.45

National wildlife refuges for the future:	
Alaska Coastal	. 13
Yukon Delta	3. 6
Innoko	. 60
Kaiyuh	. 19
Kanuti	. 4
Koyukuk	1.5
Selawik	. 73
Shishmaref	. 76
National wildlife refuge subtotal	8.0

2.59

2.13

20

National Forests for the Future:

Porcupine .

Yukon Flats.

Chugach (Additions)	1.00
National forest subtotal Alaska National Lands:	5.72
Gates of the Arctic	3. 55
Katmai	1.56
Mt. McKinley	
Wrangell-St. Elias	8.74
Lake Clark	3.49
Charley River	1.39
Yukon River	. 54
Innoko	1.24
Shishmaref-Imuruk	1.84
Cape Newenham	. 24
Noatak	11.87
Chandalar	8. 27
Yukon Delta	1.50
Andreafsky	3.50
Chugach-Copper River	1.77
Porcupine	3.40

Alaska National Lands Subtotal 54.86 Wild and Scenic Rivers for the Future:

Lice	nds)				
Char	ley	River	(Included	in	Alaska
Nat	tion	al Lar	nds)		

Wild and Scenic River Subtotal . 20

Totals: Core areas (including National	
Parks for the Future, National	
Wildlife Refuges for the Future.	
National Forests for the Future	
and Wild and Scenic Rivers for	
the Future)	24.44
Alaska National Lands	
	79. 30

Acreage comparison [Millions of acres]

	FSLUPC	Udall	Interior	Hammond, Stevens & Young
National Park Service	19.75	64.3	32.26	10.45
Fish and Wildlife Service	18.82	46.4	31.59	8.07
Forest Service	4.75		18.80	5.72
Wild and Scenic Rivers	. 69	4.0	. 82	.20
Subtotal	44.01	114.7	83.47	24.44
Alaska National Lands	46.70			54.86
Total	90.71	114.7*	83.47	79.30

*Figure does not include 32.1 million acres of existing Federal withdrawals identified for inclusion into the National Wilderness Preservation System.

SECRETARY OF AGRICULTURE BOB BERGLAND

Mr. ANDERSON. Mr. President, during the past 2 weeks I have argued strenuously that the Carter administration's recommended support prices on corn and wheat are inadequate. My opposition to the administration's proposals on these commodities will continue.

But it would be unfair and shortsighted if those of us who disagree with parts of the administration's program were to overlook the important accomplishments to date of Secretary Bob Bergland.

Bob Bergland is a rarity among recent Secretaries of Agriculture. He offers farmers a sensitive and a powerful voice.

It is Bob Bergland who speaks force-fully in the farmer's behalf when deci-sions are made at the White House. When we or our constituent family farmers disagree with an administration decision we know that the farmers had an eloquent and tireless advocate speaking on their behalf.

I believe that all of my colleagues will benefit by reading a recent article by Mr. Goody Solomon which appeared in the April 4, 1977 Washington Star. Here is an assessment of Secretary Bergland's first months. It speaks of a new spirit in USDA and it depicts a leader who combines a sophisticated understanding of complex problems with a willingness to pursue commonsense solutions.

Mr. President, I ask unanimous consent that this article be printed in the

There being no objection, the article was ordered to be printed in the RECORD. as follows:

HOW BOB BERGLAND IS CHANGING USDA (By Goody Solomon)

When Earl Butz resided in Room 200A of the U.S. Department of Agriculture, some farmers' representatives, consumers and the press claimed they often found the secre-tary's door closed. Bob Bergland seems to have flung them open. He's met more than once with almost every special interest the department touches.

They usually come away feeling optimistic. Bergland charms them. He's also been open to their causes—too open perhaps in the eyes of some observers.

Bergland is showing himself to be a com-promiser. In presenting his recommendations on farm legislation to the Senate Agriculture Committee, he said, "This program represents a middle ground in the administration (and) I will fight for it . . . (although) I wouldn't recommend it as a private citizen (with a farm in Minnesota.)"

In many ways—his personal style, his rhetoric, his sub-Cabinet selections and the programs slated to get attention by his administration—Bergland appears to have turned USDA in a new direction. To see the difference, look back at the Butz posture:

Butz dogmatically insisted that government keep hands off food supplies and prices.

While he kept price supports "ridiculously low," to use the word of a farm organization representative, Butz also dismantled the county and district farmer committee through which price support funds were distributed, thus weakening the whole system.

Laissez-faire to Butz meant no formal reserve system and no regulation of exports. Nor would he undertake international cooperation on grain reserves.

Richard L. Feltner, assistant secretary for marketing and consumer services under Butz, summed up the philosophy of that administration. "I firmly believe," he said, "that what's good for General Motors is good for the country."

What resulted from that approach was

Butz ended most crop quotas and acreage allotments, and agriculture moved to fullscale production, something the experts generally applaud. Meanwhile, though, he set loan rates so low on grains that many farmers didn't enter the program and are now left holding excess supplies. Not only does this add to farmers' rising operating costs but also there is no mechanism for handling the

For, if farmers take out commodity loans, they do so in order to withhold grain from the market in hopes that prices will rise. They get a government-fixed price per bushel, which is below the market price. The grain serves as collateral and the farmer obtains cash for current operating purposes. If market prices don't rise as anticipated, the farmer repays his loan with the stored grain,

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which the government can save for times of adverse weather and short supplies or can use for export through the Food for Peace

program.

Inasmuch as farmers didn't enter the loan program while they had bumper crops in wheat and rice during 1975 and 1976, they are holding the largest surplus of wheat in 13 years and the biggest of rice in history.

Enter Bergland, who often talks in favor of free market competition but would interfere in order to balance inequities and prevent wide swings in farm and consumer prices. "To worship at the alter of the free marketplace," he has said, "is nonsense."

On March 23 Bergland gave the Senate Agriculture Committee his proposals for renewing the farm legislation which is expiring this fall. Although the secretary angered wheat farmers who had hoped for higher price supports than Bergland offered, his package did contain redeeming features for them and other agricultural interests.

As for Bergland's specifics:

Congress should increase target prices for basic commodities and establish a formula whereby target prices increase as costs of production rise. The main purpose of target prices is to get a floor to farm income. If market prices fall below target prices, the government pays the difference to the farmer.

Congress should continue the secretary's discretionary power on loan rates but grant it for more than one year. Bergland would then up the loan rates on corn (now at \$1.50 per bushel) to \$2, while keeping wheat at \$2.25 per bushel, so that more surplus wheat might be used for animal feed.

Tie loan rates to target prices.

Set up a mechanism for handling grain reserves as follows: Instead of the current one-year authority for commodity loans, the secretary would have the power to extend loans for three years with extensions when necessary. As an incentive for farmers to keep wheat and rice off the market when prices were between 140 percent and 175 percent of the loan rate, Uncle Sam would foot the farmers' storage fees. With prices below 140 percent of the loan rate, a farmer could not sell his grain and repay the loan without penalty. When prices reached 175 percent of the loan level, the point at which the grains should be released for sale, all loans would be called.

Eliminate acrease allotments which no longer reflect existing production patterns. The effect, said Bergland, would be to give farmers flexibilty in planting barley one year,

wheat the next and so on.

Finally, Bergland thinks the U.S. cannot possibly feed the world's hungry people but does have a responsibility to help out. "We will continue in negotiations with other nations to establish some sort of an international food security system," he said. Meanwhile, he requested an extension of the Food for Peace Program, with some modifications that would increase the money and the quantity of food available for emergency aid to poor countries.

Other major points of difference between Butz and Bergland:

Bergland views agriculture policies as closely tied to those on energy, housing, transportation, labor as well as diplomacy, therefore has already attended several meetings of the Domestic Policy Council from which Butz often absented himself.

The current secretary has started revamping the advisory committees serving the department. Among other things, he has named two consumer representatives to the Expert Panel on Nitrites and Nitrosamines and has abolished 11 advisory committees not required by law.

"They amounted to representatives of agribusiness recommending policies that quite often were accepted by Butz and Hardin," said a staffer in Bergland's office. He also said

"the committees were chosen for that purpose . . . Continental Grain was represented on a lot of them . . or a housewife on a committee would be the wife of a Republican leader." Instead of advisory committees, Bergland prefers public hearings on proposed regulations.

Cabinet officers traditionally and necessarily choose like-minded assistants and Bergland is no exception. But he's getting high marks from a wide range of observers for the caliber of his selections, including his choice of Carol Foreman, the former executive director of Consumer Federation of America who was sworn in March 25 as assistant secretary for food and nutrition.

Who are these people and what issues are absorbing their immediate attention?

John White, deputy secretary, was Texas commissioner of agriculture for 26 years. He's been called the "best of the state agriculture commissioners" and his administrative abilities are expected to compensate for Bergland's weakness there.

The economic brains at USDA belong to Howard Hjort. During the Johnson era, Hjort was first staff economist of USDA, then special assistant to the undersecretary and finally head of the department of planning analysis. In 1972 Hjort joined the consulting firm of the undersecretary for whom he had worked, John Schnittker.

Some credit Hjort with masterminding Bergland's recommendations on pending farm legislation set.

In characterizing the difference between himself and his predecessor Don Paarlberg, Hjort said, 'Don is more oriented to a free-market framework. I decided a long time ago that the preconditions for a free market don't exist anywhere in the world and that belief has been strengthened in time. We have to compete in a world market where countries have administered prices."

As director of agriculture economics, Hjort's top priority is to "make a careful assessment of what would happen both to the demand for and supply of commodities if the U.S. price were to be plus or minus 20

percent of what it actually is."

Dale Hathaway, slater to become assistant secretary for international affairs, will come to USDA directly from the International Food Policy Research Institute, of which he was director since its founding in 1975. That group looked into the wide ranging food problems of developing countries. At USDA, Hathaway will continue in that quest.

Alex Mercuri, an assistant secretary for rural development, will set his sights first on devising regulations that would permit the department to implement rural development legislation of 1972 that the Republicans neglected. USDA will be examining ways of putting local and community resources to better use and of bringing in commercial capital.

Mercuri's background suits his job. He was vice president for regional and community affairs at the University of New Mexico and before that was president of a technical and vocational school in the rural mountains of New Mexico.

Similarly, Rupert Cutler, assistant secretary for conservation, research and education, has a solid background in natural resources management and environmental action, most recently as professor of resource development and extension specialist at Michigan State University. Before that he was assistant executive director of the Wilderness Society here and earlier had worked for the Virginia Wildlife Federation.

Carol Foreman has one of the pressure jobs in the department. She is in charge of the highly criticized food stamp and other feeding programs, which together absorb \$9 billion of the \$14 billion USDA budget.

Bergland's proposals for strengthening the food stamp program and cleaning up its

abuse will be given to the House Tuesday and the Senate Thursday. While details have not yet been worked up, the most favored option reportedly includes these provisions:

Eliminate the purchase requirement. (A bill to that effect has been introduced by Sens. Robert Dole, R-Kan., and George Mc-

Govern, D-S.D.)

Establish income eligibility by using a standard deduction covering family expenses instead of the current itemized deductions which require that applicants submit lengthy and complicated documentation. As a consequence, recipients at the highest income level would have been reduced and that in turn would help keep the total food stamp budget in tow.

A big question regarding Foreman's position is to what extent she could or should act as the consumer advocate in the department. Although she admits that her presence will help keep a focus on public needs, she doesn't think that consumer advocacy

should be her job.

A proposal getting serious consideration at the department would create an office of citizen participation. Apparently Bergland is intrigued with the notion that individual farmers, who have a hard time getting their two cents into department policies, would be helped as much as other citizens.

In any event, Robert Meyer, a California farmer who will be assistant secretary for marketing, plans to work directly with farmers. "Instead of mandating solutions from Washington," he said, "when something comes up that requires a solution from the department I will go first to the producers. The most common sense comes from farmers. . . Then everything is a compromise. After (a decision is made) I will explain it to the farmers."

TESTIMONY ON ENERGY CONSER-VATION BY GOV. JAY ROCKE-FELLER OF WEST VIRGINIA

Mr. PERCY. Mr. President, on Tuesday, March 22 the Senate Governmental Affairs Committee heard valuable testimony from three Governors: Julian Carroll of Kentucky, Richard Lamm of Colorado, and Jay Rockefeller of West Virginia. During the course of that hearing these three fine public servants emphasized the need for conservation in our energy policy. Governor Rockefeller demonstrated an insight into our need for conservation, and I would like to share that insight with my Senate colleagues today.

During this past winter's natural gas crisis, the State of West Virginia experienced severe shortages and was forced to close down large parts of its school system for periods of time. In response to a question, it was revealed that the Governor's office did some computer programing, and discovered that if each residence in the State of West Virginia had turned down its thermostat by just 1 degree, there would have been sufficient supplies of natural gas to keep every school, residence, and factory in West Virginia open even if the cold temperatures had continued.

Mr. President, I think Governor Rockefeller's unique and striking observation clearly shows the potential for conservation in this Nation. The people of West Virginia could have kept their children in school by lowering their thermostats just 1 degree. Instead, because of that 1 degree, many schools were closed. And this situation was not unique to West Virginia.

I believe the necessary path has been laid out before us. We must work hard to develop new sources of energy, but we must also begin to make substantive efforts to conserve energy. That is why Senator HUMPHREY and I have founded the Alliance to Save Energy with the help of many of our colleagues and the administration.

Ultimately, though, responsibility for conservation lies with individual Americans. That was really the crux of Governor Rockefeller's testimony. So that his thoughts may receive the attention they deserve, I ask unanimous consent that Governor Rockefeller's testimony be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF GOV. JAY ROCKEFELLER

Mr. Chairman, Honorable Committee members, I am appearing today, with my fellow colleagues as the Governor of one of our nation's major coal producing States to present to this Committee our recommendations with regard to the organization of federal energy conservation programs within the Department of Energy.

As has been stated by the President, energy conservation must play a prominent role a national energy policy. The nation's Governors have long recognized the importance of energy conservation and through the NGC have adopted strong policy recommendations calling for the development of specific energy conservation program initiatives. (I am submitting for the record the

relevant policy positions.)

As our policy position states, energy con-servation is the primary short-range solution to meeting our national energy needs, An effective national conservation program will provide us with the time necessary to plan more responsibly for the use of our nation's coal and other energy resources. It will lessen the degree of adverse impacts on those States, like West Virginia, Kentucky and Colorado, which will in the coming years be called upon to increase the development of their resources.

The manner in which conservation programs are structured within the Department of Energy will determine how successful our national effort will be.

The President wisely recognized this fact, and the proposed Department of Energy Act stipulates that one of the assistant secretaries be designated an Assistant Secretary for Energy Conservation. The Governors applaud and endorse this proposal. We recommend further that this proposed conservation division of the Department of Energy be comprehensive and include research, development and demonstration functions, and that such a division be provided with sufficient resources to maintain effective coordination with the States.

The bill and accompanying fact sheets are vague on how the conservation division will be organized. The allocation of functions to specific divisions is left to the discretion of the Secretary. In large part, therefore, whether the Department of Energy will have a comprehensive and integrated conservation unit depends on the administrative de-

sires of the Secretary.

In so far as the Governors are concerned, the primary requirement for a satisfactory energy conservation division is that it integrate research, development and demonstration programs related to energy conserva-tion and energy efficiency at the end use level. The Administration's fact sheet on the bill notes that "Conservation R & D for

too long was an afterthought, with FEA-ERDA fragmentation impeding progress. The organization of a new Department of Energy must end this fragmentation by bringing all conservation R & D together in a strong and responsive conservation division. Without this integration, the department's conservation efforts will be weakened and the conservation division will be reduced to a public information function dealing only with "curtailment"-type options for saving energy.

Another important consideration is that the conservation division must have direct and effective communication with the policy formulation functions within the Department of Energy, so that energy conservation options, programs, and technology are fully considered along with supply-related factors

in formulating major policy directions.

As I am sure members of this Committee have noted, several existing energy conserva tion programs will not be fully consolidated within the Department of Energy under the Administration's proposal. Though we have no major quarrel with these decisions, we wish to stress the importance of insuring strong coordination between the conservation division of the Department of Energy and the other agencies involved in the conservation area, such as CSA and HUD.

The second point I mentioned is also crucial. However satisfactory the internal organization of the Department of Energy and its conservation functions, there will not be an effective nationwide energy conservation program without effective coordination with, and participation by, the States. Given the differences existing among the States in terms of geographical, economic, institutional, and climatic conditions, only the States have the experience, outreach capacity and necessary data to implement many critical elements of an effective energy con-servation program. The States are also in a better position to coordinate the various federal, state, and local energy conservation programs going on within their jurisdiction.

Congress recognized the need to provide authority and resources to the States to implement a national energy conservation effort when it passed the Energy Policy and Conservation Act in December 1975 and the Energy Conservation and Production Act in August 1976. These two acts authorized a variety of programs, dividing the responsibility for implementation between the fedand state governments according to which was more suited, and capable, to carry out each specific measure.

The problems that have been identified with respect to the implementation of these programs can largely be attributed to inadequate state participation in formulating

the overall program goals and objectives. Mandatory program elements were specified that were inappropriate to some States, or which in any case save little energy. The limitations on state control over localities were not sufficient recognized. Deadlines were in some cases unrealistic. Guidelines were often vague or unduly restrictive. Technical assistance has not been made sufficiently available. Funding has been too little, too late, and subject to too many administrative controls. Dividing EPCA funding by the energy savings goal indicates that the act seeks to "buy conservation energy at a price of ten cents per barrel of oil equivalent. Clearly this is not realistic.

The solution to many of these problems is to involve the States much earlier and more actively in the process of designing new enconservation programs. They can best identify the technical and institutional problems of various approaches as applied to their areas, and they are in the best position sure that localized problems and needs are addressed. In addition, the States can provide a valuable communication link to the public. The alternative is to risk that a program may not be operable or suitable for many States, thereby weakening its effectiveness and wasting resources

To insure this needed state participation in energy conservation program development and to improve implementation, the conservation division of the Department of Energy should include a Federal-State Programs Office with the ability and resources to insure the necessary liaison. If the Department of Energy is to have regional offices the Federal State Programs Office should staff them with people who have the skills, resources, and direct line authorities needed to effectvely facilitate efficient implementation of ongoing federal-state programs as well as to channel proposals for new programs and major modifications to specialized staff in Washington, Without the strength to truly assist the States and provide them with quicker, more accessible responses and de-cisions than they could otherwise get, re-gional offices become one more layer of bureaucracy which must be fought through or gone around to accomplish program obiectives.

In summary, what NGC supports is a strong, comprehensive conservation division within the Department of Energy with an effective mechanism for insuring state participation at each stage of the development and implementation of energy conservation policy and programs. In recognition of diversity of the States and of their jurisdiction over key elements of an effective energy conservation program, Congress should insure that the organization, staffing, and funding of the Department of Energy be such as to maximize the capacity of the States to assume a vital role in the long-term implementation of programs to save energy.

THE MERAMEC DAM

Mr. DANFORTH. Mr. President, the following editorial appeared in the Southeast Missourian, Cape Girardeau, Mo. The Missourian is the largest newspaper in southeast Missouri, and I think their editorial is indicative of the increasing public controversy over the wisdom of the construction of the Meramec Dam.

I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SENATOR DANFORTH'S ARGUMENTS

It depends on who you talk to whether proponents or opponents of the Meramec Dam near Sullivan came out ahead at a hearing held on Saturday.

than 2,000 people, according to The Associated Press, were present for the public meeting, called by the Corps of Engineers.

Sullivan, it should be observed, was a most convenient place to hold the session, since it is the heart of the area where the dam would be located and where proponents, principally for economic reasons, favor the damming of the Meramec.

But the Meramec River is an attraction that extends beyond the borders of a narrow region. It is a free-flowing stream that belongs to all Missourians and not just those nearby. It is a statewide resource, and that why the controversy has assumed statewide proportions.

It is for this very reason that we consider Rep. Bill D. Burlison's postal poll on the issue completely invalid. He ignored that his constituency in all 19 counties of the 10th Missouri District has a stake in the Meramec. His poll disregarded their feelings and was taken only in Iron, St. Francois and Jefferson

Counties. It was an invalid sampling of opinion.

Nevertheless, although he left out most of the people in his district in arriving at his decision, Rep. Burlison says he will argue in Congress in favor of the Meramec Dam.

He offers no support other than this threecounty opinion to back his position.

We prefer the documented, reasoned stand of Sen. John C. Danforth, who has assembled highly persuasive evidence in support of his steadfast opposition to the dam. These reasons, some just made available, are contained in his current newsletter and were

presented Saturday.
Sen. Danforth said he has very serious questions about the case being made for con-

struction of the dam.

"In order to save 11,800 acres below the dam, 12,600 acres must be flooded above it." That seems to us a pretty cogent argument in itself against construction.

But that is not all. "In its 1977 budget justification," he continued, "the Corps of Engineers assigned 45 per cent, or \$51.8 million, of the \$124 million project cost to flood control. This amount amounts to a federally subsidized primary flood control bonanza of \$4,390 per acre for those property owners near the dam." (See why those in and near Sullivan like the idea?)

Second, Sen. Danforth said, is the fact that the corps has assigned 11 per cent, or \$12.7 million, of the total project cost to water supply. "Water from a reservoir is simply not needed in the upper Meramec Basin, by the corps' own admission in its environmen-

tal statement."

So there we have a definite contradiction in amount proposed for water supply expenditure and justification of need. Yet Rep. Burlison, in justifying the dam set forth the "assurance of an abundant water supply for Jefferson County" as one of his reasons. It simply—no pun intended—doesn't hold water.

Sen. Danforth pointed out that the Ozarks and Ozark streams are assets in limited supply. "They enhance the quality of life."

ply. "They enhance the quality of life."

If the dam is not built, 50 miles of beautiful canoeing and fishing streams near St.

Louis will be saved, dozens of caves and six natural springs, will remain unharmed, and 12,600 acres of productive wildlife habitat and agricultural and recreational land will be preserved. In addition, 86 archeological sites will be protected from inundation and almost \$100 million in taxpayers' money will be saved.

We think the arguments are persuasive. The dam should not be built.

NANCY HANKS

Mr. PERCY. Mr. President, the National Endowment for the Arts has played a major role in molding this Nation's cultural character. It has provided encouragement and support for the arts, in all of its expressions, throughout America. The mentor of the Endowment has been its chairman, Nancy Hanks.

One of my first experiences with Ms. Hanks occurred in the late 1950's. At that time, she was serving as staff coordinator with Henry Kissinger for the Rockefeller Brothers Fund working on a panel report. The project resulted in an outstanding contribution to American political thought entitled: "Prospects for America."

Later, while serving as the ranking minority member on the Subcommittee on Interior Appropriations, I again had an opportunity to work with Ms. Hanks in her new position as the Chairman of the Arts Endowment. She demonstrated her total dedication to enriching the quality of life in America by strengthening the foundation of support for the arts and the humanities.

Recently, the Christian Science Monitor carried an excellent article written by William Marlin on Chairman Hanks' role of seeking and successfully receiving increased annual levels of Federal funding for the Endowment. Mr. Marlin's introductory paragraph says a great deal about Chairman Hanks' endeavors and the encouragement that she has received not only from the executive branch of Government, but also from Congress. Through the years the members who have worked with her on appropriations for the Endowment recognize her achievements in making this stunning record possible. I have always felt that a society could be judged not so much by its material wealth but more aptly by its cultural life:

"We're really in the encouraging business, the human business," says chairman Nancy Hanks of the National Endowment for the Arts, the agency some observers consider one of the brightest uses of federal money to be found

With relatively small appropriations and a lot of persuasion, this agency has been able to attract on average at least three nonfederal dollars for every tax dollar it gives out in grants. (Christian Science Monitor)

Mr. President, I ask unanimous consent that Mr. Marlin's article appearing in the March 24, 1977, edition of the Christian Science Monitor on funds for the arts be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW NANCY HANKS WINS FEDERAL MONEY FOR THE ARTS

(By William Marlin)

"'We're really in the encouraging business, the human business,' says chairman Nancy Hanks of the National Endowment for the Arts, the agency some observers consider one of the brightest uses of federal money to be found.

"With relatively small appropriations and a lot of persuasion, this agency has been able to attract on average at least three nonfederal dollars for every tax dollar it gives out in grants."

Washington.—Someone was saying the other day on Capitol Hill that it's a good thing every federal agency doesn't have a Nancy Hanks. Why? Nancy Hanks, chairman of the National Endowment for the Arts (NEA) since 1969 (her second four-year term ends in October), has a way with presidents, senators, and congressmen; they keep increasing her budget.

She also has a way with people across the country. She has helped nurture a growing grass-roots constituency for culture, which keeps calling for those budget increases.

NEA is considered by some observers to be one of the best-run brightest uses of federal money to be found. The grants-making agency was set up in 1965 with a \$2.5 million approriation. When Miss Hanks became its head, it was operating on a slender \$8 million. (Its sister agency, the National Endowment for the Humanities, set up at the same time, was in the same boat.)

Yet by the time of Miss Hanks' reappointment, in 1973, the NEA appropriation had increased to more than \$60 million. For the

current fiscal year, it's at \$85 million, and, since recent hearings on the Hill went smoothly, the 95th Congress is expected this summer to come through with something close to the agency's \$114.5 million request for fiscal 1978.

SUCCESSFUL STAYING POWER

There aren't many other agency chiefs who have been around Washington for eight years, or who have been able to justify jumps in funding proportionate to NEA's. Miss Hanks' success is heightened by the fact that many politicians who used to think of the arts as a frill no longer do.

One congressman comments, "I'm no expert on the arts, but I've learned something from that woman. I guess we all have. Maybe the biggest thing I've learned is that the arts are a big thing. It's not just museums and theaters. The arts take in all of the many things that occur because of people getting together, whether to attend a play or to develop an idea for sprucing up a street.

"You take that urban conservation program, which the NEA got going last year. I think they awarded around \$490,000 in matching grants, with over three dozen cities and towns involved, to fix up older commercial and residential properties for new uses. Why, the people back in my district were hopping to get the help, and hopping locally to get the help to match the grant.

"The last thing the NEA needs now—and remember, it was meant to be an agency—is a partisan political paperweight flattening the fervor and sparkle of such innovative programs, or, as bad, some platitudinous lightweight who would turn it into a tea party for museum trustees."

DEMAND OUTSTRIPS FUNDING

Helpful as the growth in NEA appropriations has been, however, it hasn't kept pace with the growth in popular demand for the kinds of seed-money assistance this Johnny Appleseed agency sows. Public commitment to the arts appears to be growing, too.

A Harris poll shows that 64 percent of adults would be willing to give \$5 a year in support of the arts, that 47 percent would give \$25 a year, and 36 percent would give \$50.

In recent years such cultural institutions as museums and theaters have experienced increased attendance, but this hasn't even begun to buck inflationary costs. In fiscal 1976, the NEA reviewed almost 19,000 grant applications requesting over \$240 million—more than twice its current appropriation request. It was able to award only 4,400 grants.

Though the agency's full-time staff has grown from a couple of dozen eight years ago to 130 today, at least a couple dozen more are needed if careful scrutiny of applications and congenial consultation with applicants are to continue. The staff-level has been at 130 for three years, while its workload has increased by 50 percent.

load has increased by 50 percent.

Of course, the NEA doesn't subsidize just anyone who wants to recite, write, compose, paint, or draw. It gives fellowships to talented individuals, whose projects can be expected to develop their own insights and skills, while leavening the communities they touch. It also gives matching grants to local government agencies and nonprofit organizations for projects to improve neighborhoods.

NEA programs include architecture and environmental arts, dance, education, folk arts, visual arts, literature, museums, public media, and theater. Each is headed by people who are generally considered excellent in their fields.

One important role of the NEA, through its matching grants, has been proving that federal funds, however limited, can inspire the private sector to pitch in, and can help local groups pry loose support from their governors, legislatures, mayors, and councilmen.

BUSINESS OF ENCOURAGEMENT

The NEA is also in the revenue sharing business. Ten years ago, only a dozen states had official arts agencies. Now all of them, plus the District of Columbia and the four U.S. territories, have such agencies. At least 20 percent of the NEA program budget now is being shared with those local agencies. Last year, the states got block grants of \$205,000; next year, if full funding passes Congress, they will get \$237,000.

"With comparatively little cash, and a whole lot of persuasion, we've been able to respond to the creative, expressive impulses of everyday Americans," says Miss Hanks. "If you take an average, we've also been able to attract three to five nonfederal dollars for every dollar that we've put into projects. You know, what we're really in is the encouraging business, the human business."

The namesake and distant relative of Abraham Lincoln's mother once futilely tried ballet, clarinet, and piano herself. "I just ballet, clarinet, and piano herself. "I just couldn't learn," she says, "but mother kept hoping." Now Miss Hanks has opened up opportunities for others, and the NEA has increased public awareness of the importance of the arts.

'The arts can be described in many ways, she says, "but I think we have gone beyond the old idea of them as being rare gems in a rough of reality. They really involve making the rough richer-learning to do ordinary things creatively, and not just creative things occasionally."

The Florida-born, Texas-raised Miss Hanks, the only Republican incumbent on President Carter's inaugural committee, says she has been too busy to think about what she will do at the end of the current term. It is rumored, however, that many Washington Democrats wouldn't mind keeping her for a third term.

Whoever heads NEA after October, certain standards beyond personality will have to be kept if the agency is to remain approachable, efficiently managed, and effective.

Increased visibility can make any agency vulnerable to the three cardinal rules of bureaucracy: when in doubt mumble; when in charge ponder; when in trouble delegate, as Charles Boren, president of NATAPROBU (National Association of Professional Bureaucrats), has described them. But so far the NEA has not succumbed. Right now it is about the only place in Washington that you can still phone without getting a recorded message, or somebody who sounds like one. A major challenge ahead will be who sounds to keep it that way.

ASSESSING, PUBLICIZING

Another challenge will be to step up assessment of grants already given and to publicize the enhancing effect they are having on community life.

"Cultural and economic activities ricochet off of each other all the time," Miss Hanks emphasizes: "It's like a ballet dancer having to be a very good athlete. Grace and strength become each other. You put one of the touring dance companies that we sponsor on a downtown square, and, I'll tell you, the shopkeepers won't be tapping their feet to just the music."

Still another challenge ahead is to broaden the NEA's so-called challenege grant program, in which a grant is given only if recipient can raise the lion's share of the money somewhere else. This program would receive a \$12 million supplemental appropriation for this year. \$18 million in fiscal 1978. and another \$20 million in 1979. It would build on the agency's ongoing treasury fund method, which has been setting aside \$7.5 million of the annual program budget to match contributions to cultural organiza-tion and institutions from such private sources as corporations, foundations, and individual donors. The challenge grants would

range from \$10,000 to \$500,000 and require a nonfederal match of at least 3-to-1. They would be given on a one-time basis and could be used for up to three years.

GENERATING CAPITAL

"If we assume full funding, says Miss Hanks, "we expect to generate at least \$150 million in new nonfederal funds at the end of three years, and another \$207 million in repeated contributions. Our experience from carefully crafting and testing this program over the last $2\frac{1}{2}$ years indicates that there is an average repeat rate on contributions of 75 percent.

That may be called building financial momentum, but it is also building com-munity confidence. Closing down or curtailing cultural institutions when people need them most is demoralizing. These aren't frills, because in every city I know of where employment is down, public participation in cultural activities is up. Very up. Another important side benefit of the challenge grant program-and we're excited about this-is that it requires potential recipients to take a hard look at their financing, programs, and methods of management, instead of engaging in piecemeal planning on a day-to-day

Late this summer, there will be a messenger waiting outside of Chairman Hanks' office, which overlooks Kennedy Center and the Potomac River, to take the budget request for fiscal 1979 over to the Office of Management and Budget, where the whole funding process will begin again. Looking back at the NEA record for generating nongovernment funds for the arts, even congressional pennypinchers might concede it would be a good thing if every federal agency did have a Nancy Hanks.

EDUCATION AND SCHOLARSHIP PROGRAM

Mr. STEVENS. Mr. President, every year the education and scholarship program of the Americanism and Children and Youth Division of the American Legion publishes an excellent booklet entitled "Need a Lift?" The portion of the booklet which I think is of particular value to our Nation's graduating high school seniors deals with sources of career information. It is my belief that students are more likely to continue their education if they are informed about the various careers available to them.

This helpful publication is available for 50 cents from the American Legion, National Emblem Sales, P.O. Box 1055, Indianapolis, Ind. 46206.

Mr. President, I ask unanimous consent to have printed in the RECORD the list of sources of career information from the American Legion pamphlet entitled "Need a Lift?"

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Sources of Career Information

The National Association of Trade and Technical Schools, 2021 L Street, N.W., Washington, DC 20036, has available free upon request, an updated Directory of over 400 accredited trade and technical school members and the courses being offered. Schools listed geographically with a subject cross-reference.

The National Home Study Council, 1601-18th Street, N.W., Washington, DC 20009, will mail, upon request, a directory of accredited proprietary correspondence schools and the subjects offered by the schools. The Association of Independent Colleges

and Schools has many member schools who offer general work or service, and funded scholarships to eligible students-subject to the controls of the Association. Some member schools also offer work-study programs. For a list of the approximately 500 AICS schools and for further information, please write to the Guidance Department, Associa-tion of Independent Colleges and Schools, 1730 M Street, N.W., Washington, DC 20036. State private school associations have been

established in most states to provide information concerning schools, details of course offerings, schedules, tuition and fee payments. For further information and address of your state association, contact your school counselor.

Accounting, Administration, Economics & Statistics: U.S. Department of Agriculture, Economic Management & Support Center, Personnel Division, Room 1459-S, 14th & Independence Ave., S.W., Washington, D.C. 20250.

Accounting: Amer. Inst. of Certified Public Acc'ts., Attn: Miss Maria Salvemini, 1211 Avenue of the Americas, New York, N.Y. 10036.

Accounting: Assoc. of Independent Colleges & Schools, 1730 M Street, N.W., Washington, D.C. 20036.

Accounting: National Recruitment Coordinator, Internal Revenue Service, U.S. Dept. of the Treasury, 1111 Constitution Avenue, N.W., Washington, D.C. 20224.

Accounts Receivable Clerk: Hospital Financial Management Assoc., 666 North Lake Shore Drive, Chicago, Illinois 60611.

Admitting Officer: Hospital Financial Management Assoc., 666 North Lake Shore Drive, Chicago, Illinois 60611.

Advertising: American Association of Advertising Agencies, 200 Park Avenue, New York, N.Y. 10017.

Advertising & Communications, Fashion Institute of Technology, 227 West 27 Street, New York, New York 10001.

Advertising Design: Fashion Institute of Technology, 227 West 27 Street, New York, New York 10001.

Aerospace Engineering: American Institute of Aeronautics and Astronautics, Director of Students Programs, 1290 Avenue of the Americas, New York, New York 10019. Aeronautical Technology: Academy of

Aeronautics, LaGuardia Airport Station, Flushing, New York 11371.

Agriculture: Office of Personnel, U.S. Dept. of Agriculture, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Agricultural Engineering, American Society Agric. Eng., Box 410, St. Joseph, Mich. 49085

Agricultural Management: Farmers Home Administration, U.S. Department of Agriculture, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Agricultural Marketing Service: U.S. Department of Agriculture, Personnel Division, Room 1726 S, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Agricultural Research Service: U.S. Department of Agriculture, Personnel Division, Room 560, Center Building 1, Hyattsville, Maryland.

Agricultural Stabilization & Conservation Service: U.S. Department of Agriculture, Personnel Division, Room 4752 S, 14th & Independence Avenue, S.W., Washington, D.C.

Agronomy: The American Society of Agronomy, Inc., 677 South Segoe Road, Madison, Wisconsin 53711.

Air Conditioning and Refrigeration Service and Repair: Education Dynamics Institute, 2635 North Decatur Boulevard, Las Nevas, Nevada 89108.

Air Conditioning, Refrigeration and Heating, Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey Air Transport Rating: Braniff Education Systems, Inc., P.O. Box 45174, Dallas, Texas 75245.

American Red Cross: American Nat'l. Red Cross, Office of Personnel, 17th & D Street, Washington, D.C. 20006.

Appliance Service Technician, Association of Home Appliance Manufacturers, 20 North Wacker Drive, Chicago, Illinois 60606.

Appliance Service Technician, Practical Schools, 1650 Babbitt, Anaheim, California 92805.

Apprenticeship: Bureau of Apprenticeship and Training, U.S. Department of Labor, Main Labor Building, 14th and Constitution, Washington, D.C. 20210.

Architects: The American Institute of Architects, Public Relations Dept., 1735 New York Ave., N.W., Washington, D.C. 20006.

Astronomy: American Astronomical Society, 211 FitzRandolph Road, Princeton, New Jersey 08540.

Audiology: American Speech and Hearing Association, 9030 Old Georgetown Road, Washington, D.C. 20014.

Audit Clerk: Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Auto Mechanics: Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange,

New Jersey 07052.

Automotive Business Retail: Public Relations Staff, 1-101, General Motors Corpora-

tion, Detroit, Michigan 48202. Automotive Engineering: Land, Air, Sea and Space, The Society of Automotive Engineers, Inc., 400 Commonwealth Drive, War-

rendale, Pennsylvania 15086.

Avionics: Academy of Aeronautics, La-Guardia Airport Station, Flushing, New York

11371.

Bacteriology and Microbiology: American Society for Microbiology, 1913 I Street, N.W., Washington, D.C. 20006.

Baking Industry: American Bakers Assotion, 1700 Pennsylvania Avenue, N.W., Washington, D.C. 20006.

Banking, The American Bankers Associaciation, 1120 Connecticut Avenue, N.W., Washington, D.C. 20036.

Washington, D.C. 20036.

Barber: National Association of Barber
Schools, Inc., 338 Washington Avenue, Hunt-

ington, West Virginia 25701.

Barber, National Barber Career Center, 3839
White Plains Road, Bronx, New York 10467.

Body and Fender Repair: Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Bookkeeper: Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Boys' Clubs: Recruitment & Placement Service, Boys' Clubs of America, 771 First Avenue, New York, N.Y. 10017.

Business: National Business Career Center, 3839 White Plains Road, Bronx, New York 10467.

Business and Administration: American Assembly of Collegiate Schools of Business, 760 Office Parkway, Suite 50, St. Louis, Missouri 63141.

Business Office Manager: Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Lake Shore Drive, Chicago, Illinois 60611.

Business Schools: Assoc. of Independent
Colleges & Schools, 1730 M Street, N.W.,
Washington, D.C. 20036.

Camp Fire Girls: Camp Fire Girls, Inc., 1740 Broadway, New York, N.Y. 10019. Cartography: American Congress on Sur-

Cartography: American Congress on Surveying and Mapping, 210 Little Falls Street, Falls Church, Virginia 22046.

Chamber of Commerce Management, American Chamber of Commerce Executives, 1133 15th St., N.W., Suite 620, Washington, D.C. 20005.

Chemistry: American Chemical Society, Educational Activities Department, 1155 Sixteenth Street, N.W., Washington, D.C. 20036. Chemistry: Community Relations, The B.F. Goodrich Company, 500 South Main Street, Akron, Ohio 44318.

Chiropractic: Foundation for Chiropractic Education and Research 2300 Grand Avenue, Des Moines, Iowa 50312.

Chiropractic: International Chiropractors Association Education Commission, 741 Brady Street, Davenport, Iowa 52808.

Clerical: Assoc. of Independent Colleges & Schools, 1730 M Street, N.W., Washington, D.C. 20036.

Clergy: National Council of the Churches of Christ in U.S.A., Professional Church Leadership, 475 Riverside Drive, Room 770, New York, N.Y. 10027.

Serra International: Catholic Priestly and Religious Vocations, 22 W. Monroe Street, Chicago, Illinois 60603.

Synagogue Council of America: 432 Park Ave., South, New York, N.Y. 10016.

Club Management: Club Managers Assn. of America, 5530 Wisconsin Avenue, Suite 705, Washington, D.C. 20015.

Coal Industry: Education Division, National Coal Association, Coal Building, 1130 17th St., N.W., Washington, D.C. 20036.

Community Organization: United Way of America, 801 North Fairfax Street, Alexandria, Virginia 22314.

Computer Programming: American Federation of Information Processing Societies, Inc., Headquarters, 210 Summit Avenue, Montvale, New Jersey 07645.

Computer Programming: Empire Technical Schools, Inc., 576 Central Avenue, East Orange, New Jersey 07018.

Computer Programming and Technology: Control Data Institute, Corporate Headquarters, 8100 34th Avenue South, Box O, Minneapolis, Minnesota 55440.

Construction Opportunities: Associated General Contractors of America, Education and Research Division, 1957 E Street, N.W., Washington, D.C. 20006.

Court Reporting: Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Crime and Delinquency: National Council on Crime and Delinquency, Continental Plaza, 411 Hackensack Avenue, Hackensack, New Jersey 07601

New Jersey 07601.

Crop Science: Crop Science Society of America, Inc., 677 South Segoe Road, Madison Wisconsin 53711

Customer Engineering for Electric Type-writers: Empire Technical Schools, Inc., 576 Central Avenue, East Orange, New Jersey 07018.

Dairy and Food Industries: Purdue University, Food Sciences Institute, 104 Smith Hall, Lafayette, Indiana 47907.

Data Processing: American Federation of Information Processing Societies, Inc., 210 Summit Avenue, Montvale, New Jersey 07645. Dental Assistants: American Dental As-

sistants Assn., 211 East Chicago Avenue, Suite 1230, Chicago, Illinois 60611. Dental Hygiene: American Dental Hygien-

ists' Assn., 211 East Chicago Ave., Suite 1616, Chicago, Illinois 60611. Dental Laboratory Technology: National

Association of Dental Laboratories, 3801 Mt.
Vernon Avenue, Alexandria, Va. 22305.

Dentistry: Division of Career Guidance.

Dentistry: Division of Career Guidance, Council on Dental Education, American Dental Association, 211 East Chicago Avenue, Chicago, Illinois 60611.

Dentistry: American Association of Dental Schools, 1625 Massachusetts Ave., N.W., Washington, D.C. 20036.

Diesel: Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Dietetics: The American Dietetic Association, 430 N. Michigan Ave., Chicago, Illinois 60611.

Display and Exhibit Design: Fashion Institute of Technology, 227 West 27 Street, New York, New York 10001.

Draftsman: Public Relations Staff, 1-101,

General Motors Corporation, Detroit, Michigan 48202.

Draftsman: Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Driving Occupations: American Trucking Associations, Inc., Educational Services, 1616 P Street, N.W., Washington, D.C. 20036.

Drycleaning and Laundry: The Registrar, International Fabricare Institute, P.O. Box 940, Joliet, Illinois 60434.

Electronic Data Processing: American Federation of Information Processing Societies, Inc., 210 Summit Avenue, Montvale, New Jersey 07645.

Electronic Data Processing Management: Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Electronics: Bell & Howell Schools, Administrative Offices, 209 West Jackson Boulevard, Chicago, Illinois 60641.

Electronics: Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Electronics: United Electronics Institute, Administrative Offices, 3947 Park Drive, Louisville, Kentucky 40216.

Engineering (Consulting): American Consulting Engineers Council, 1155 Fifteenth Street, N.W., Washington, D.C. 20005.
Engineering: Engineers' Council for Pro-

Engineering: Engineers' Council for Professional Development—Guidance, 345 East Forty-Seventh Street, New York, New York 10017.

Engineering: National Society of Professional Engineers, 2029 K Street, N.W., Washington, D.C. 20006.

Engineering: Public Relations Staff, 1-101, General Motors Corporation, Detroit, Michigan 48202.

English: Occupational Outlook Service, U.S. Department of Labor, 441 G Street N.W., Room 2734, Washington, D.C. 20009.

Fashion Buying & Merchandising: Fashion Institute of Technology, 227 West 27 Street, New York, New York 10001.

Fashion Design: Fashion Institute of Technology, 227 West 27 Street, New York, New York 10001.

Fashion Illustration: Fashion Institute of Technology, 227 West 27 Street, New York, New York 10001.

Fashion Photography: Fashion Institute of Technology, 227 West 27 Street, New York, New York 10001.

F.B.I.: Federal Bureau of Investigation, Department of Justice, Washington, D.C. 20535.

Federal Civil Service Careers: Job Information Center, Washington Area Office, U.S. Civil Service Commission, Washington, D.C. 20415.

Fine Arts: Fashion Institute of Technology, 227 West 27 Street, New York, New York 10001.

Fire Protection Engineering: Society of Fire Protection Engineers, 60 Batterymarch Street, Boston, Massachusetts 02110.

Flight Engineer: Braniff Education Systems, Inc., P.O. Box 45174, Dallas, Texas 75245.

Food and Nutrition Service: Food and Nutrition Service, U.S. Department of Agriculture, Employment and Employee Relations Branch, Room 711 GHI, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Food Chain Retailing: National Assn. of Food Chains, 1725 Eye Street, N.W., Washington, D.C. 20006.

Food Inspection: Animal & Plant Health Inspection Service, U.S. Department of Agriculture, Personnel Division, Room 3434 South, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Food Service Careers: Natl. Institute for the Foodservice Industry, 120 S. Riverside Plaza, Chicago, Illinois 80603.

Food Service Management: Educational Institute of the Hotel and Motel Association, Stephen S. Nisbet Building, 1407 South Harrison Road, Michigan State University, East Lansing, Michigan 48823.

Food Technology: Institute of Food Technologists, Scholarship Center, 221 North La-Salle Street, Chicago, Illinois 60601.

Foreign Agricultural Service: U.S. Department of Agriculture, Personnel Division, Room 5627-S, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Foreign Languages: Occupational Outlook Service, U.S. Department of Labor, 441 G Street N.W., Room 2734, Washington, D.C. Service,

20212.

Foreign Service: Department of State, Board of Examiners, Washington, D.C. 20520. Forester: Society of American Foresters,

Wild Acres, 5400 Grosvenor Lane, Bethesda, Maryland 20014.

Forest Products: Wood Industry Careers Program, National Forest Products Assoc., 1619 Massachusetts Ave., N.W., Washington,

Forest Service: U.S. Department of Agriculture, Personnel Division, Room 910 RPE. 14th & Independence Avenue, S.W., Wash-

ington, D.C. 20250.

Funeral Service: National Assn. leges of Mortuary Science, Inc., 229 Park Avenue South, New York, New York 10003. Geography: The Association of American Geographers, 1710 Sixteenth Street, N.W.,

Washington, D.C. 20009. Geological Sciences: American Geologi-5205 Leesburg Pike, Falls Institute,

Church, Virginia 22041.

Geophysics: American Geophysical Union, 1909 K Street, N.W., Lower Level, Washington. D.C. 20006.

Geophysics: Society of Exploration Geophysicists, P.O. Box 3098, Tulsa, Oklahoma 74101.

Girl Scouting: Girl Scouts of the U.S.A. Human Resources Department, 830 Third Avenue, New York, New York 10022.

Hair Styling & Beauty Culture: National Beauty Career Center, 3839 White Plains Road, Bronx, New York 10467.

Health Fields: National Health Council, Inc., 1740 Broadway, New York, New York

Home Economics: American Home Economics Association, 2010 Massachusetts Avenue, N.W., Washington, D.C. 20036.

Hospital Accountant: Hospital Financial

Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Hospital Administration, American College of Hospital Adm. 666 North Lake Shore

Drive, Chicago, Illinois 60611. Hospital Admitting Clerk: Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Hospital Controller: Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Hospital Financial Management: Hospi-

tal Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois

Hotel and Motel Administration: Educational Institute of the Hotel and Motel Association, Stephen S. Nisber Building, 1407 South Harrison Road, Michigan State University, East Lansing, Michigan 48823.

Illuminating Engineering: Illuminating Engineering Society, 345 East 47th Street,

New York, N.Y. 10017.

Insurance Clerk: Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Interior Design: Fashion Institute Technology, 227 West 27 Street, New York,

New York 10001.

Jewelry Design: Fashion Institute Technology, 227 West 27 Street, New York, New York 10001.

Journalism: The Society of Professional

Journalists, Sigma Delta Chi, 35 East Wacker Drive, Chicago, Illinois 60601.

Journalism: The Newspaper Fund, P.O. Box 300, Princeton, New Jersey 08540.

Junior Accounting: Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Landscape Architect: The American Society of Landscape Architects, 1750 Old Meadow Road, McLean, Virginia 22101. (Send label or self-addressed envelope)

Law: American Bar Association, Information Services, 1155 East 60th Street, Chicago,

Illinois 60637.

Law: National Recruitment Coordinator, Internal Revenue Service, U.S. Dept. of the Treasury, 1111 Constitution Avenue, N.W., Washington, D.C. 20224.

Law Enforcement: National Recruitment Coordinator, Internal Revenue Service, U.S. Department of the Treasury, 1111 Constitution Avenue, N.W., Washington, D.C. 20224.

Law Enforcement: Law Enforcement Assistance Administration, U.S. Department of Justice, Washington, D.C. 20531.

Law Librarian: American Association of Law Libraries, Secretary, 53 West Jackson Boulevard, Chicago, Illinois 60604

Librarian: American Library Association, Office for Library Personnel Resources, 50

East Huron Street, Chicago, Illinois 60611. Life & Health Insurance: Institute of Life Insurance, Education Services, 277 Park Avenue, New York, N.Y. 10017.

Loss Prevention/Security: Empire Technical Schools, Inc., 576 Central Avenue, East Orange, New Jersey 07018.

Management: Assoc. of Independent Colleges & Schools, 1730 M. Street, N.W., Washington, D.C. 20036.

Management Engineering Technology: Fashion Institute of Technology, 227 27th Street, New York, New York 10001.

Manufacturing Chemists Association, Education Activities Committee, 1825 Connecticut Avenue, N.W., Washington, D.C. 20009.

Marketing: Sales & Marketing Executive Int.'l, Career Education Division, 380 Lexington Avenue, New York, N.Y. 10017.

Material Handling: The Material Handling Institute, Inc., 1326 Freeport Road, Pittsburgh, Pennsylvania 15238.

Mathematics: Occupational Outlook Service, U.S. Department of Labor, 441 G Street N.W., Room 2734, Washington, D.C. 20010. Mathematics Teacher: National Council of

Teachers of Mathematics, 1906 Association Drive, Reston, Virginia 22091.

Medical Laboratory: Certified Laboratory Assistant, Medical Laboratory Technician, Medical Technologist, Histologic Technician, Cytotechnologist, Nuclear Medicine Technologist, Specialist in Blood Banking, Specialist in Chemistry, Specialist in Hematology, Specialist in Microbiology, ASCP Commission for Medical Laboratory Personnel, ASCP Board of Registry, P.O. Box 4872, Chicago, Illinois 60680.

Medical Record Administrator: American Med. Record Association, 875 N. Michigan Ave., Suit 1850, Chicago, Illinois 60611.

Medical Record Technician: American Med. Record Association, 875 N. Michigan Ave., Suite 1850, Chicago, Illinois 60611.

Medical Record Transcriptionist: can Medical Record Association, 875 N. Michigan Ave., Suite 1850, Chicago, Illinois 60611.

Medical Secretary/Transcription: Empire Technical Schools, Inc., 576 Central Avenue, East Orange, New Jersey 07018.

Medicine: American Medical Association: Careers, 535 N. Dearborn Street, Chicago, Illinois 60610.

Metallurgy: American Society for Metals, Metals Park, Ohio 44073.

Mortgage Banking: Mortgage Bankers Association of America, 1125 Fifteenth Street, N.W., Washington, D.C. 20005.

Music: Music Educators National Confer-

ence, 1902 Association Drive, Reston, Virginia

Music Therapy: National Association for Music Therapy, Inc., P.O. Box 610, Lawrence, Kansas 66044

National Park Service: Department of the Interior, Career Employment, National Park Service, Washington, D.C. 20240.

Naval Architecture and Marine Engineering: The Society of Naval Architects and Marine Engineers, 74 Trinity Place, New York, N.Y. 10006.

Newspaper-Journalism: American News paper Publishers Assn. Foundation, Dulles International Airport, P.O. Box 17407, Washington, D.C. 20041.

Nurse Anesthetist: American Association of Nurse Anesthetists, 111 E. Wacker Drive, Suite 929, Chicago, Illinois 60601.

Nursing—Practical: National Association for Practical Nurse Education and Service, Inc., 122 East 42nd Street, New York, New York 10017.

Nursing: National League for Nursing, Inc. Columbus Circle, New York, New York 10019.

Nursing-Professional: American Nurses Association, 2420 Pershing Road, Kansas City, Missouri 64108.

Occupational Therapy: American Occupational Therapy Assn., Inc., 6000 Executive Boulevard, Suite 200, Rockville, Maryland 20852

Oceanography: Marine Technology Society, 1730 M Street NW., Washington, D.C. 20036. Optometric Assistant/Technician: American Optometric Association, Paraoptometric Program, 7000 Chippewa, St. Louis, Missouri

63119. Optometry: American Optometric Ass'n., Career Guidance, 7000 Chippewa St., St. Louis, Mo. 63119.

Osteopathic Medicine: American Osteopathic Ass'n., Office of Education, 221 E. Ohio St., Chicago, Ill. 60611.

Paleontology: The Paleontological Society, Attn.: Dr. Walter C. Sweet, Department of Geology, Ohio State University, Columbus, Ohio 43210.

Paper Industry: American Paper Institute. 260 Madison Avenue, New York, New York 10016

Park Police: Department of the Interior. National Park Service, National Capital Parks, 1100 Ohio Drive SW., Washington, D.C. 20242.

Pathologist: Intersociety Committee on Pathology Information, 9650 Rockville Pike, Bethesda, Maryland 20014. Pattern Making Technology: Fashion In-

stitute of Technology, 227 West 27 Street, New York, New York 10001. Payroll Clerk: Hospital Financial Manage-

ment Association, 666 North Lake Shore Drive, Chicago, Illinois 60611. Petroleum Engineering: Society of Petroleum Engineers of Aime, 6200 North Central

Expressway, Dallas, Texas 75206 Pharmacology: American Society for Pharmacology and Experimental Therapeutics, Inc., 9650 Rockville Pike, Bethesda, Mary-

land 20014. Pharmacy: American Association of Colleges of Pharmacy, Office of Student Affairs, 4630 Montgomery Avenue, Suite 201, Be-

thesda, Maryland 20014. Physical Therapist: American Physical Therapy Association, 1156 15th Street, N.W., Washington, DC. 20005

Physical Therapist's Assistant: Physical Therapy Association, 1156 15th Street, N.W., Washington, D.C. 20005.

Physics: American Institute of Physics, 335 East 45th Street, New York, New York

Plant Quarantine & Pest Control: Animal & Plant Health Inspection Service, U.S. Department of Agriculture, Personnel Division, Room 3434 S, 14th & Independence Avenue, SW., Washington, DC. 20250

Physiology: The American Physiological

9650 Rockville Pike Bethesda Society. Maryland 20014

Podiatry: American Podiatry Ass'n., 20 Chevy Chase Circle, NW., Washington, DC. 20015

Power System Engineering: University of Illinois, 112 Engineering Hall, Urbana, Illinois 61801

Printing Industry: Education Council, Graphic Arts, Inc., 4615 Forbes Ave., Pittsburgh, Pa. 15213

Process Measurement & Control: Process Measurement & Control Section (SAMA), 370 Lexington Avenue, New York, New York 10017

Professional Chefs and Cooks: The Culinary Institute of America, North Road,

Hyde Park, NY. 12538 Property and Liability Insurance: Insurance Information Institute, 110 William Street, New York, New York 10038

Psychiatry: American Psychiatric Associa-tion, Joint Information Service, 1700 18th Street, NW., Washington, DC. 20009

Psychology: American Psychological Ass'n., 1200 17th St., NW., Washington, DC.

Public Accounting: National Society of Public Accountants, 1717 Pennsylvania Ave-nue, NW., Washington, DC., 20006

Public Health: Parklawn Personnel Office, Parklawn Building, 5600 Fishers Lane, Room 4-35, Rockville, Maryland 20852

Public Relations: Public Relations Society of America, Career Information Service, 845

Third Ave., New York, N.Y. 10022.
Radio: National Assn. of Broadcasters, 1771 N Street, N.W., Washington, D.C. 20036. Real Estate Principles and Practices: Education Dynamics Institute, 2635 North Deca-

tur Boulevard, Las Vegas, Nevada 89108. Recreation: National Recreation & Park Association, 1601 N. Kent Street, Arlington, Virginia 22209.

Reservations/Ticketing: Braniff Education Systems, P.O. Box 45174, Dallas, Texas 75245. Respiratory Therapy: American Associa-tion for Respiratory Therapy, 7411 Hines Place, Dallas, Texas 75245.

Rubber Industry: Community Relations, The B.F. Goodrich Company, 500 South Main

Street, Akron, Ohio 44318. Rural Electrification: Rural Electrification Administration, U.S. Department of Agriculture, Personnel Division, Room 4072 S, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Safety Professional: American Society of Safety Engineers, 850 Busse Highway, Park

Ridge, Illinois 60068.

Sales and Marketing: Sales and Marketing, Executives-International, Career Education Division, 380 Lexington Avenue, New York, N.Y. 10017.

Science: Scientific Manpower Commission. 1776 Massachusetts Avenue, N.W., Washington, D.C. 20036.

Science: Occupational Outlook Service, U.S. Dept. of Labor, 441 G St., N.W., Room

2734, Washington, D.C. 20212.

Science Teaching: Nat'l. Science Teachers Ass'n., 1742 Connecticut Avenue, N.W., Washington, D.C. 20009.

Scientist: Public Relations Staff, 1-101, General Motors Corporation, Detroit, Michigan 48202.

Secretarial: Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Secretary: Assoc. of Independent Colleges & Schools, 1730 M Street, N.W., Washington, D.C. 20036.

Social Science: Occupational Outlook Serv ice, U.S. Department of Labor, 441 G Street, N.W., Room 2734, Washington, D.C. 20212.

Shorthand Reporting: National Shorthand Reporters Ass'n., 2361 South Jefferson Davis Highway, Arlington, Virginia 22202.

Social Security Administration, College Relations Officer, Employment Branch, 6401

Security Boulevard, Baltimore, Maryland 21235.

Social Work: National Association of Social Workers, Social Work Career Information Service, 1425 H Street, N.W., Suite 600, Washington, D.C. 20005.

Soil Science: Soil Science of America, Inc., 677 South Segoe Road, Madison, Wisconsin 53711

Soil Conservation: Soil Conservation Service, U.S. Department of Agriculture, Personnel Division, Room 6219 S, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Speech Communication: Speech Communication Association, 5205 Leesburg Pike, Falls Church Virginia 22041.

Speech Pathology, American Speech and Hearing Association, 9030 Old Georgetown Road, Washington, D.C. 20014.

Statistics: American Statistical Assn., Suite 640, 806-15th St., N.W., Washington, D.C. 20005.

Surveying: American Congress on Surveying and Mapping, 210 Little Falls Street, Falls Church, Virginia 22046.

Systems Analyst: Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Teaching Blind Children: Association for Education of the Visually Handicapped, 919 Walnut Street, 4th Floor, Philadelphia, Pennsylvania 19107.

Teaching Retarded Students: Nat'l. Assn. for Retarded Citizens, 2709 Avenue E East, P.O. Box 6109, Arlington, Texas 76011.

Television: National Assn. of Broadcasters,, 1771 N Street, N.W., Washington, D.C. 20036. Textile & Apparel Marketing, Fashion In-

stitute of Technology, 227 West 27 Street, New York, New York 10001

Textile Design: Fashion Institute of Technology, 227 West 27 Street, New York, New York 10001

Textile Technology: Fashion Institute of Technology, 227 West 27 Street, New York, New York 10001.

Tool and Die: Natl. Tool, Die & Precision Machining Machining Association, 9300 Livingston Road, Washington, D.C. 20022.

Traffic Management: Academy of Advanced Traffic, Inc., One World Trade Center. Room 5457, New York, New York 10048.

Travel Agent:: Braniff Education Systems, Inc., P.O. Box 45174, Dallas, Texas 75245.

Treasury Enforcement Agent: National Recruitment Coordinator, Internal Revenue Service, U.S. Department of the Treasury, 1111 Constitution Avenue, N.W. Washington, D.C. 20224.

Truck and Bus Mechanics: American Trucking Associations, Inc., Educational Services, 1616 P Street, N.W., Washington, D.C. 20036.

Trucking: American Trucking Associations, Inc., Educational Services, Supervisor Education Section, 1616 P Street, N.W. Washington, D.C. 20036.

Trucking Industry: American Trucking Associations, Inc., Educational Services, 1616 P Street, N.W., Washington D.C., 20036.

Undergraduate Research Training: U.S. Energy Research and Development Administration, Oak Ridge Associated Universities, P.O. Box 117, Oak Ridge, Tennessee 37830.

United States Air Force Academy: Director of Admissions Liaison, USAF Academy, Colorado 80840.

U.S. Air Force ROTC: Air Force ROTC. Advisory Service, Maxwell AFB, Alabama 36112.

U.S. Air Force Careers: Educational Opportunities, Air Force Opportunities, Box A, Randolph AFB, Texas 78148.

U.S. Air Force Community College (CCAF): Air Force Opportunities, Box A, Randolph AFB, Texas 78148.

U.S. Air Force Nurse: Air Force Opportunities, Box A, Randolph AFB, Texas 78148.

U.S. Department of the Army: Commander, Army Recruiting Command, Attn.: USARCASP-D, Ft. Sheridan, Illinois 60037.

U.S. Army ROTC: DCSROTC, U.S. Army

Training & Doctrine Command, Fort Monroe, Virginia 23651.

U.S. Army Woman's Army Corps: Com-mander, Attn.: USARCASP-D, Ft. Sheridan, Illinois 60037.

United States Coast Guard Officer: United States Coast Guard Academy, Director of Admissions, New London, Connecticut 06320.

United States Marine Corps Officer: Headquarters, Marine Corps (Code MMRE-3). Washington, D.C. 20380.

United States Merchant Marine Officer: Admissions Officer, U.S.M.M. Academy, Kings Point, N.Y. 11024.

United States Military Academy: Director of Admissions, United States Military Academy, West Point, N.Y. 10996.

United States Navy Officer: Commander Navy Recruiting Command, Department of the Navy, 4015 Wilson Boulevard, Arlington, Virginia 22203, NROTC (Code 314), Navy Nurse (Code 315), Officer Candidate School (Code 312), Enlisted Programs (Code 33).

Veterans Administration; Personnel Office of any VA Hospital or Regional Office, or Veterans Administration, Office of Personnel (054), Washington, D.C. 20420.

Veterinarian: American Veterinary Medical Association, 930 North Meacham Road, Schaumburg, Illinois 60196.

Veterinarian: Animal & Plant Health Inspection Service, U.S. Department of Agriculture, Personnel Division, Room 3434 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Vocational Rehabilitation Counseling: National Rehabilitation Counseling Association, 1522 K Street, N.W., Suite 1110, Washington, D.C. 20005.

Watch Repairing: American Watchmakers Institute, Box 11011, Cincinnati, Ohio 45211

Welding: American Welding Society, 2501 N.W. 7th St., Miami, Florida 33125.
Welding: Hobart School of Welding Tech-

nology, Troy, Ohio 45373.

X-ray Technology: American Society of Radiologic Technologists, 500 North Michigan Ave., Chicago, Ill. 60611.

Youth Services: Boy Scouts of America, Professional Recruiting, North Brunswick, New Jersey 08902.

THE JOURNEY OF THE ETHICS TRAIN

Mr. DOLE. Mr. President, the Senate adopted a new ethics resolution last week with the eager expectation that our action would be greeted by a mighty wave of public adulation. Indeed, assome of us said during the debate, the anticipation of public acclaim was the primary if not the sole motivation for the imposition of a set of ethical rules that will surely come back to haunt this great body many times in the future. But, already, some thoughtful observers are examining our product with a critical eye. The applause that supporters of this resolution so anxiously courted is slow to come. I ask unanimous consent that the first portion of David Broder's Sunday column in the Washington Post of April 3, entitled "The Ethics Train Went a Little Too Far," and Alice Widener's column in the Indianapolis Star of April 2, entitled "Limiting the Income of a Senator," be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 3, 1977] THE ETHICS TRAIN WENT A LITTLE TOO FAR (By David S. Broder)

That halo floating over the Capitol this morning is no optical illusion. It is visible

evidence of the improvement in the moral climate of Congress that was achieved when the Senate joined the House in passing a

tough new code of ethics.

There's a lot that's useful in the twin codes, including much stronger disclosure requirements on the personal and official finances of our lawmakers and their top aides. Commendably, the incumbents limited their use of some of the perquisites of office—like free mailings to their constituents—that have given them such an advantage over their challengers.

But it seems almost an iron law that when Congress gets on The Streetcar Named Reform, it gets so giddy that it forgets to get off at its original destination and then is shocked to find itself in a strange neighbor-

hood.

We saw that a couple years ago, when the lawmakers boarded the Campaign Finance Reform Train, determined to stop the extortion of political money that surfaced in Watergate. By the time they woke up on that trip, they found themselves with a law that made it impossible for a congressional candidate to put the name of his party's presidential nominee on his own campaign buttons.

That same wretched excess mars the new ethics codes, as witness the following mind-

boggling debate:

Sen. Henry Bellmon (R-Okla.): "We do not allow a member of the Senate to be a physician under this bill. He cannot practice medicine."

Sen. Strom Thurmond (R-S.C.): "That

is correct."

Bellmon: "Could a member be a nurse?"
Thurmond: "I think probably, if he wanted to go out and do a lower type work, that is—"
Bellmon: "What is so evil about being a

physician and so nice about being a nurse?

I cannot understand this."

Thurmond: "Because a physician has a higher degree of skill; there is a doctorpatient relationship there that you do not have with a nurse. You are in a different world when you are a doctor than when you are a nurse, so to speak, although they work together."

Somehow unconvinced by this ingenious explanation, Bellmon offered an amendment that would have removed the ban on any senator's providing "professional services" as an engineer, real estate or insurance agent, attorney, physician, architect, consultant or functionary "of a similar character."

But he lost on a 53-23 vote. And so, having

But he lost on a 53-23 vote. And so, having started out to safeguard its purity, the Senate somehow concluded by making it impossible for an obstetrician in its ranks to

deliver a baby for pay.

You have to ask yourself how supposedly sensible people can wander so far from their original objective. The Good Lord has had a heck of a time enforcing the few "thou shalt nots," He found necessary. And Sen. Gaylord Nelson (D-Wis.), the principal sponsor of the Senate ethics code, is the last man who would ever be accused of suffering from a messianic complex.

What overwhelmed Nelson's good judgment—as it overwhelmed the judgment of his House counterpart, Rep. David Obey (D-Wis.), another admirable man—was the panic in the ranks of congressional members at the public outcry over their allowing themselves a well-justified pay increase.

Whenever things got tight in the House and Senate debates, there was always someone waving a poll and arguing that, whether a particular prohibition made sense or not, the public demanded it. The ethics debate was the worst example of the abandonment of good judgment to the appeasement of public opinion I've witnessed since—well, since the same moral fervor mixed with fear seized Congress after Watergate and pro-

duced the campaign finance "reforms" of 1974.

As has been said before, Lord protect us from protectors. And, Lord, protect them from themselves.

[From the Indianapolis Star, Apr. 2, 1977] Limiting the Income of a Senator

(By Alice Widener)

New York.—If United States senators permit an artificial limit to be put on their private earnings—that is, on income not derived from government pay—then they will have agreed to the socialization of the U.S. Senate. If this be approved, can full socialization of the American people and the demise of free enterprise be far behind?

In an emotional tizzy over alleged corruption in Congress, the senators are putting government-earned income and privately earned income into the same package in a

kind of apples-oranges affair.

On March 22, the Senate voted 62-to-35 to keep a section of the new "ethics" package allegedly reducing the possibility of conflict of interest by putting an \$8,625 limit on any senator's outside earned income. This section implies that all senators are equal with none more equal than others and none to be rewarded more than any other for superiority in brains, courage, integrity, articulateness, experience and judgment.

Let us say Senator A is a relative newcomer to Capitol Hill, well known in his home state but in the "who?" department on the nationwide circuit. The top fee he can command is \$500 per lecture and he has time to give five speeches per year. He can earn \$2,500 from lecture fees and—says the new ethics proposal—that is perfectly just, proper, hon-

est, clean and pure.

On the other hand, let us say Senator B is a longtime, highly experienced, eloquent and delightful individual of strong convictions with which people may agree or disagree. Senator B also has time only for five lectures but on the nationwide circuit the demand for his appearances is so great that he can command a lecture fee of \$3,000 and can earn \$15,000 a year. At an arbitrarily imposed ethical limit of \$8,625 annual outside earnings, Senator B would be guilty of \$6,375 unethical, obscene and unjust income.

What nonsense! What radic-chic, egali-Socialistic and even Communistic bunk! Worse still, the nonsensical, arbitrary limit set on a senator's private earnings is degrading to our entire concept of freedom. On this absurd theory of what is ethical-a theory based mainly on envy and the kind of evangelical morality springing mostly from the desire of mediocre people to level the gifted downward-it would be unethical for Joe Namath to add to his football income by praising panty hose, and unethical for the incomparably great Pearl Bailey to add to her singing-acting income by patting roasters and fryers on various plump parts of their anatomies.

"I will vote for the bill (New Ethics Code Limiting Senators' Outside Income) because the majority leader (Democrat Tip O'Neill) asked me to," says newcomer Senator Daniel Patrick Moynihan of New York, one of the most brilliant speakers in our nation who earned \$150,000 last year through lectures, that is, who earned \$141,375 of filthy, immoral lucre informing Americans about the hypocritical shenanigans at the United Nations, the cheating in welfare, the degradation of crime-syndicated pornography, etc.

I've never had any sympathy with the envious complainers who object to a baseball player's signing a million dollar contract or who protest that a gifted poet makes a pittance while a porno peddler makes a huge fortune. Some people get ulcers brooding about "injustice" of all this. Me, I don't expect justice, I just love my work whatever

it does or doesn't pay. But then, of course, I belong to a lucky happy breed.

Meantime, dear readers, if the United States senators permit themselves to be socialized and equalized, you soon will be too.

(This concludes additional statements submitted today.)

ORDER FOR RECESS UNTIL 12.30 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12:30 p.m. tomorrow.

The PRESIDING OFFICER. Without

objection, it is so ordered.

ORDER FOR RECOGNITION OF SEN-ATOR JAVITS AND SENATOR BARTLETT TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after Mr. Biden is recognized under the order previously entered, Mr. Javirs and then Mr. Barlett be recognized each for not to exceed 15 minutes prior to proceeding with the consideration of H.R. 1828, the sick pay exclusion bill.

The PRESIDING OFFICER. Without

objection, it is so ordered.

AUTHORIZATION FOR ALL COMMITTEES TO MEET TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 12:30 p.m.

After the two leaders or their designees have been recognized under the standing order, Mr. Biden, Mr. Javirs, and Mr. Bartlett will be recognized each for not to exceed 15 minutes, after which, under the order previously entered, the Senate will proceed to the consideration of H.R. 1828, the sick pay exclusion bill. Whether or not there will be any rollcall votes in connection therewith I am unable to state at this point. There may be other matters cleared for action by tomorrow. It is conceivable that one or more conference reports could be called up, they being privileged matters, and votes could occur

EXTENSIONS OF REMARKS

RECESS UNTIL 12:30 P.M. TOMORROW

Mr. ROBERT C. BYRD. If there be no further business to come before the Senate at this time, Mr. President, I move, in accordance with the previous order, that the Senate stand in recess until 12:30 p.m. tomorrow.

The motion was agreed to; and at 6:30 p.m. the Senate recessed until tomorrow, Wednesday, April 6, 1977, at 12:30 p.m.

NOMINATIONS

Executive nominations received by the Senate April 5, 1977:

THE JUDICIARY

William M. Hoeveler, of Florida, to be U.S. district judge for the southern district of Florida vice Peter T. Fay, elevated.

CIVIL SERVICE COMMISSION

Alan K. Campbell, of Texas, to be a Civil Service Commissioner for the remainder of the term expiring March 1, 1979, vice Robert E. Hampton, resigned.

IN THE AIR FORCE

The following officer to be placed on the Retired List in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be general

Gen. Russell E. Dougherty, xx-xx-xxxx FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be general

Lt. Gen. Lew Allen, Jr. XXX-XXXXX FR (major general, Regular Air Force), U.S. Air Force.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 5, 1977:

DEPARTMENT OF JUSTICE

Peter F. Flaherty, of Pennsylvania, to be Deputy Attorney General.

FEDERAL HIGHWAY ADMINISTRATION

William Meredith Cox, of Kentucky, to be Administrator of the Federal Highway Administration.

DEPARTMENT OF DEFENSE

John C. Stetson, of Illinois, to be Secretary of the Air Force.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE AIR FORCE

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapter 837, title 10, United States Code:

To be major general

Brig. Gen. James D. Isaacks, Jr., xxx-xx-xx... FV, Air Force Reserve.

Brig. Gen. Stephen T. Keefe, Jr., xxx-xx-xx... xxx-...FV, Air Force Reserve.

Brig. Gen. Roy M. Marshall, xxx-xx-xxxx
FV, Air Force Reserve.
Brig. Gen. Sidney S. Novaresi, xxx-xx-xxxx

FV, Air Force Reserve.

Brig. Gen. Ted W. Sorensen, xxx-xx-xxxx

Brig. Gen. Ted W. Sorensen, xxx-xx-xxx FV, Air Force Reserve.

To be brigadier general

Col. Richard D. Anderegg, xxx-xx-xxxx FV, Air Force Reserve.

Col. Donald H. Balch, xxx-xx-xxxx FV, Air Force Reserve.

Col. Milton J. Eberle, xxx-xx-xxxx FV, Air Force Reserve.

Col. Sloan R. Gill, xxx-xx-xxxx FV, Air Force Reserve.

Col. Thomas J. Gregory, xxx-xxxx FV, Air Force Reserve.

Col. Frank E. Humpert, xxx-xx-xxx FV, Air Force Reserve.

Col. Lewis E. Jones, xxx-xx-xxxx FV, Air Force Reserve.

Col. Samuel K. Lessey, Jr., xxx-xxxx FV, Air Force Reserve.

Col. Martin M. Ostrow, xxx-xx-xxxx FV, Air Force Reserve.

Col. Albin H. Schweers, xxx-xx-xxxx FV, Air

Force Reserve.

Col. Joseph L. Shosid, xxx-xx-xxxx FV, Air

Force Reserve.

Col. Robert E. Van Housen, xx-x-xxx

FV, Air Force Reserve.

IN THE AIR FORCE

Air Force nominations beginning Robert J. Aldrich, Jr., to be lieutenant colonel, and ending John J. O'Malley, to lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record on March 18, 1977.

IN THE ARMY

Army nominations beginning Gary W. Milner, to be second lieutenant, and ending Donald S. Zona, to be second lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on March 18, 1977.

IN THE NAVY

Navy nominations beginning Rex T. Aaron, to be lieutenant, and ending Susan B. Zysk, to be lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on March 18, 1977.

IN THE MARINE CORPS

Marine Corps nominations beginning Burleigh H. Bagnall, to be second lieutenant, and ending Adrian C. McElwee, to be second lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on March 18, 1977.

EXTENSIONS OF REMARKS

WHY BREIRA? PART I

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. McDONALD. Mr. Speaker, I wish to call to your attention an article on one of the support groups operating in the U.S. on behalf of the terrorist Palestine Liberation Organization. The article has been published in Commentary, a magazine with whose conclusions I have often found disagreement, but which has a high reputation for accuracy and fairness.

"Why Breira," by Joseph Shattan, confirms many of the points I previously made in documenting Breira as a support group for the PLO terrorists, developed and coordinated from the Institute for Policy Studies.

Mr. Shattan has made the very significant point that Breira's leaders liken the organization to the "antiwar" activists who worked so hard for the Communist victories in Vietnam, Cambodia and Laos. For Breira, the Vietcong are the PLO. Part I appears today, part II will appear tomorrow.

The article follows:

WHY BREIRA?
(By Joseph Shattan)

(Note.—Joseph Shattan, who has recently received his doctorate at the Fletcher School of Law and Diplomacy, has written in Commentary and elsewhere on Middle Eastern affairs and modern European history.)

Ever since the end of the Yom Kippur War in October 1973, pressure has mounted around the world for a final settlement of the Middle East conflict; scenarios and counter-scenarios have been proposed, the merits of step-by-step diplomacy have been weighed against the merits of an overall settlement achieved at once and among each of the parties, and in this country an agonizing debate has gone on over the proper role of the United States with regard to the contending sides, and especially with regard to Israel. In the midst of all this, as might be expected, much talk has taken place inside the American Jewish community about relations between that community and the Israeli government and people—what they have been, what they might be, what they ought to be.

Of late, much of this talk has focused on a new and controversial Jewish group called Breira, which advertises itself as offering "a 'choice' for shared responsibility between Israel and the Diaspora." On the one hand, the emergence of Breira (the word in Hebrew means "alternative") has been hailed by the New York *Times* and the Washington

Post as a major political development, augering a new willingness on the part of American Jews to criticize the state of Israel. On the other hand, some American Jewish or ganizations have reacted to Breira with suspicion and hostility, and one group, Americans for A Safe 'srael, has published a well-documented pamphlet, written by Rael Jean Isaac, which challenges Breira's legitimacy and charges that "the majority who join [it] are unaware of the purposes of the minority who shape the path of the organization."* Mrs. Isaac's arguments merit serious consideration, but first it is necessary to know something of Breira's history.

Breira was founded in the immediate aftermath of the Yom Kippur War. It offered to serve as the vehicle, within the Jewish community, for an open and critical discussion of all matters of concern to American Jews, especially their relation to Israel. Its initial statement of purpose, issued in December 1973, declared: "Nothing is more important for the continued vitality of Jewish life than extensive discussion within the Jewish community about the State [of Israel], its problems, its policies, its relationship to us and our hopes for it." At the time of its founding Breira was made up of young veterans of the 60's Jewish counter-culture (grouped mainly around Response magazine) and a number of Reform and Conservative rabbis concerned

^{*&}quot;Breira: Counsel for Judaism," by Rael Jean Isaac, Americans For a Safe Israel, 30 pp., \$1.00.

with asserting the spiritual and cultural parity of Jewish life in the Diaspora with that in Israel.

Breira first came to the wider attention of American Jewry on November 4, 1974, when it issued a flyer opposing the mass "Rally Against Terror" held to protest Yasir Arafat's appearance before the United Nations. This demonstration, in Breira's view, was counterproductive, and "only reinforced Jewish anxiety and Israeli isolation." Since the Arab League had designated the PLO as the sole representative of the Palestinian people, "coming to terms with the future role of the PLO in negotiations with Israel" had become a "necessity," and Breira called on the Israeli government to declare its willingness to negotiate with "the full range of Palestinian leadership." (Interestingly, most of the members of Breira's Advisory Committee refused to endorse this statement.)

Until the middle of 1975, Breira voiced its criticism of Israeli policy within the confines of the Jewish community, where it had to build a base of support in order to become a viable organization. While the results of Breira's "membership drive" were not spectacular, neither were they insignificant. its initial core of members Breira was able to add a considerable number of rabbis who had been active in the civil-rights and antiwar movements of the 1960's, among them Eugene Borowitz, Balfour Brickner, Joachim Prinz, Arnold Jacob Wolf (who is now Breira's chairman), and quite a few campus Hillel rabbis. Although all were "Zionists," some of these rabbis were not altogether out of sympathy with Al Fatah, even as they had not been totally unsympathetic to the Viet-

Although Breira's statement of purpose had placed a considerable range of issues on the organization's agenda, and had cited the need for "extensive discussion and debate within the Jewish community" about these issues, it soon became evident, first, that the one subject that held Breira's interest was in the fate of the Palestinians in the Middle East and, second, that little prior discussion was taking place even on what Breira's own position was to be on that subject. In July 1975, Robert Loeb, Breira's executive director, testified before Senator McGovern's Subcommittee on Near Eastern Affairs and called upon Israel to negotiate directly with the PLO "on all future relationships between their two states [sic]." Statement after statement was issued by Loeb, in Breira's name, criticizing Israeli policy, especially on the West Bank, Mark Bruzonsky, a columnist for inter-Change, Breira's monthly review, wrote in Newsday (August 27, 1976) that the United States ought to "impose its leverage" on Israel and even "coerce" it, if necessary, into negotiating with PLO and establishing a Palestinian state on the West Bank and in

Gaza. Arthur Waskow, of the Institute for Policy Studies in Washington and a member of Breira's executive committee, held seminars under Breira's auspices for members of Congress "to open," as he put it, "new perspectives they hadn't considered" with regard to a resolution of the Palestinian question.

In the spring of 1976 Breira circulated a statement expressing solidarity with the "peace forces" in Israel actively opposed to Gush Emunim, an Israeli political-religious group which calls for the annexation of occupied West Bank territories. The statement was endorsed by many Jewish intellectuals not associated with Breira, and it was the understanding of some of them, at least, that the Statement would in no way be linked to Breira. When the statement, entitled "It is Time to Say No to Gush Emunim," appeared in the Jerusalem Post, it did indeed make no mention of Breira. Loeb, however, simultaneously issued a press release in which Breira openly took responsibility for the statement, and on the strength of this the New York Times published an editorial lauding Breira and noting that it was "picking up wide suppointelllectuals. wide support among influential Jewish . . overcoming as well the misapprehension of many Jewish Americans that criticism of Israeli policies would be seen as a rejection of Israel."

With an editorial endorsement from the Times, Breira suddenly became an organization of national prominence. To the roster of names on its various committees were added those of Village Voice radicals like Paul Cowan and Vivian Gornick and, more significantly, those of distinguished American Jewish intellectuals like Irving Howe, Arthur A. Cohen, and Nathan Glazer. When a series of private meetings was held last November between PLO representatives and number of American Jews among them Breira's Arthur Waskow, it was Waskow who published a piece on the New York Times Op-Ed page about it. So well established had Breira become that at the end of February of this year it was able to hold its first national conference, featuring as speakers a number of well-known political

analysts and religious figures.

If Breira has attracted the attention and support of many rabbis, liberal intellectuals, and Jewish students and professors, it has also become the object of a good deal of concern within the organized Jewish com-munity. Much of that concern, articulated in detail in Rael Jean Isaac's study of Breira,2 is grounded in the prehistory of the group and of those running it. Robert Loeb, for example, the executive director, came to Breira from a group called CONAME (Committee on New Alternatives in the Middle East), where he had been in charge of field activities; and John Ruskay, who along with Loeb has worked on a full-time basis for Breira from the beginning (he is now its secretary), had served on CONAME's steering committee. At least one other prominent member of Breira had been affiliated with something called MERIP (Middle East Research and Information Project), and both CONAME and MERIP appear to have had close links with the Institute for Policy Studies in Washington, a radical think-tank and organizing center founded in 1963 by Marcus Raskin and Richard Barnet. All of these organizations, Mrs. Isaac goes on to

show, have had a history of hostility to Israel.

Lavishly funded by grants from various foundations, the Institute for Policy Studies supports a number of staff members all of whom are engaged in specific "projects." For some time, Arthur Waskow, a senior fellow at the Institute and now (as noted) a member of Breira's executive committee, once headed a project on "The Crisis of American Jewry" (which resulted in the publication of a book, The Bush is Burning!, containing organizational guidelines and descriptions of the various radical Jewish groups with which Waskow was then involved) and he currently runs an IPS project investigating the triangular relationship among the U.S. government, the Israeli government, and the organized Jewish community inside the United States." Waskow's own views regarding this "interaction" are hardly positive. In an article for Response magazine in 1971, he argued that the "Zionism" of established Jewish organizations "is no devotion to the dream of Zion, but a snivelly admiration for Dayan, for jet-planes, for the Johnson or Nixon or Agnew who will deliver them." In Jewish community to shift 'its moral, political, and financial support" to dissident Israeli groups such as Siach (the Israeli New Left). Berira's "project of concern" bears a striking similarity to Waskow's current proj-

According to Mrs. Isaac, the Institute for Policy Studies has a number of anti-Israel activists on its paid staff. Joe Stork, a member of the "collective" that produces MERIP Reports, is one such staff member. MERIP, which was founded in 1971, identifies openly with the PLO, and distributes its literature, its posters, and even its flags. When terrorists gunned down Israeli athletes at the 1972 Munich Olympics, MERIP issued a flyer reading, "Munich and similar actions cannot create or substitute for a mass revolutionary movement, but we should comprehend the achievement of the Munich action. It has provided a boost in morale among Palestinians in the camps. . . . It is regret-table when people are killed, Israeli or Palestinian or Lebanese or Syrian, but at the very least we should know where to put the blame." (On Israel.)

In 1974, MERIP Reports printed "Zionism and American Jews," a speech given by MERIP's Sharon Rose to the 1973 convention of Arab-American University Graduates, a group described by the Anti-Defamation League of B'nai B'rith as "the key PLO 'connection' in the United States." Sharon Rose addressed herself to the question, "How did Zionism move from a tiny force to being accepted by most Americans as the equivalent of Judaism and what are the perceptible cracks in the political hegemony of the Zionist movement and what forces are likely to widen them?" An earlier essay by Miss Rose, included in Waskow's book, The Bush Is Burning!, called for a "bi-national, democratic secular state, encompassing the entire area of the original Mandate"—which of course is exactly the PLO euphemism for the dissolution of the state of Israel-to carry out the necessary "revolution" in the Middle

In 1971, at the Institute for Policy Studies, Mrs. Isaac reports, MERIP conducted a discussion on 'How American Radicals See the Resistance Dilemma"; its proceedings were subsequently published in 1972 in the PLO's Journal of Palestine Studies. At the conclusion of the discussion, Barry Rubin, a member of the MERIP, "collective," called for a specifically Jewish anti-Zionist organization. "I think it would be good to have Jews campaigning actively for Palestinian needs," he said. "It immediately breaks up the myth combining Judaism and Zionism. In that case it's something that probably Jews can be much more effective in doing."

¹ In an article for Sh'ma magazine, Rabbi Balfour Brickner described the "intense personal conflict" he had felt during the Jordanian civil war in 1970, when a Jewish friend" phoned from Washington and asked him to take the lead in collecting Jewish names to protest possible United States intervention. "The issue might have been simple for the ordinary American Jew, Rabbi Brickner wrote, "but not for those who, despite their love of Israel, had long and loudly protested their country's intervention into the Vietnamese civil war. Was the Jordanian situation any different?" After prolonged soul-searching, Rabbi Brickner decided that it was different. "When I called my friend back he seemed to understand but, in talking, he threw me into a turmoil a second time, asking how I would feel if Hussein overwhelmed the guerrillas. Ouch." sein overwhelmed the guerrillas. Rabbi Brickner did not explain why the prospect of the PLO's defeat threw him into such a turmoil.

²Mrs. Isaac's own sympathies, to judge from other of her published writings, would appear to tend toward the position of the Land of Israel movement, but her pamphlet on Breira is free of any overt bias and is scrupulous in its respect for evidence and in its use of documenation. Mrs. Isaac is also the author of a useful and well-argued book, Israel Divided: Ideological Politics in the Jewish State; see my review in the September 1976 COMMENTARY.

After August 1974, Rubin's name no longer appeared in *MERIP Reports*, but in September 1975, when the first issue of the Breira newsletter *interChange* came out, Barry Rubin was listed as associate editor for international affairs. *InterChange* identified him as a doctoral candidate at Georgetown University but neglected to cite either his association with MERIP or with the violently anti-Israel Maoist *Guardian*.

Coname, the other organization in the background of Breira, was established in 1970. Its sponsors included such recent supporters and activists of the New Left as Marcus Raskin, Richard Barnet, Barbara Bick, and Arthur Waskow, all from the Institute for Policy Studies, as well as I. F. Stone, William Kunstler, Staughton Lynd, and Howard Zinn. Peter Weiss, chairman of the Institute's Board of Trustees (and vice president of the Samuel Rubin Foundation, one of the Institute's-and now Breira's-main financial supporters), was a member of CONAME's steering committee along with other New Left notables like Paul Jacobs, Noam Chomand Irene Gendzier (among others). Unlike MERIP, CONAME did not call for the destruction of Israel—though it sponsored speaking tours for such Israelis as Arie Bober and Israel Shahak, who did. Rather, CONAME, argued that a Palestinian state must be established alongside Israel and that the PLO must be recognized by the United States and brought to Geneva.

On October 25, 1973 nineteen Arab-American or pro-Arab groups, among them CO-NAME, sent a telegram to members of the House and Senate urging "absolutely no arms and advisers to Israel." In December 1973, "in response to various requests from those wishing to become more active in the struggle against Zionism," the Middle East Coordinating Committee, a well-known pro-Arab group, issued a "partial list of groups and organizations in the New York area who are actively working on behalf of justice in the Middle East." CONAME was on the list. Time magazine (June 23, 1975) listed CONAME among the "some 20 organizations" that were "carrying the Arabs' message."

Breira, Mrs. Isaac proceeds to show, is lineally descended from CONAME. Loeb and Ruskay came directly out of CONAME into Breira; indeed, they seem to have helped set up Breira while they were still working for CONAME. (When, in April 1976, CONAME merged with the Fellowship of Reconciliation. Alan Solomonow, CONAME's executive director, cited Briera as an organization continuing CONAME's work.) Presumably, they felt, like Barry Rubin, that a specifically Jewish organization actively campaigning on behalf of "Palestinian needs" would be more effective than a non-Jewish one. CONAME and Breira shared an identical position on the PLO and the need for a Palestinian state, but Breira was carefully designed to make its appeal to the Jewish community rather than to the "peace community."

Loeb and Ruskay did not build Breira by themselves; Arthur Waskow, in a 1976 Response symposium, revealed that he had "helped to build" Breira—and Mrs. Isaac demonstrates that "the old Waskow circle" consisting of veterans of many of his organizations, "provided a wealth of recruits" to Breira. Waskow was also discreetly involved with MERIP, sharing a Washington postoffice box with that organization. In all his complex involvements with MERIP, CO-NAME, and Breira, Waskow has of course continued to be funded by the Institute for Policy Studies which, in addition to its indirect sponsorship of MERIP and CONAME, has undertaken to introduce PLO representatives into the mainstream of American life.

If individuals such as Loeb, Ruskay, and Waskow were marginal elements in Breira, it could be argued that their views and past activities are not a matter of serious concern. Unfortunately, Mrs. Isaac maintains, they are

among its central figures, and it is they, rather than any of the rabbis and intellectuals listed on the organization's masthead, who make its policy. A certain deception is thus being practiced, Mrs. Isaac concludes. Loeb, Ruskay, Waskow, and Rubin claim to be "Zionists" and sail under the colors of an organization that professes love for Israel, vet all of them have been identified with markedly anti-Israel organizations in the past, and none has repudiated that connection. In October 1973, while Israel's survival literally hung in the balance, their "concern" for Israel was such that they opposed emergency military aid. Since then, Mrs. Isaac asserts, they have built Breira into a front group, enlisting the good names and reputations of well-meaning rabbis and liberal Jewish intellectuals, but all the while working to advance the interests of the Palestine Liberation Organization.

A TIME TO REVIEW FOOD LAWS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. DERWINSKI. Mr. Speaker, if my mail has been any indication of public opinion, the FDA ban on saccharin generated more critical mail than any other subject in recent years.

An editorial commentary, appearing in the Chicago Daily News of March 18, is equally critical of this decision. I wish to insert it at this time for the Members' attention:

A TIME TO REVIEW FOOD LAWS

Public outrage over the probable ban on saccharin may finally force Congress into a long-needed review of the federal Food and Drug Administration and the laws under which it operates. Something is plainly wrong when an agency set up to protect the public overprotects to the point of creating a new hazard to health.

Saccharin, the only noncaloric, artificial sweetener on the market, has served a significant purpose for about 80 years. It helps diabetics who cannot tolerate sugar, and it helps dieters in a land afflicted by obesity. If it vanishes and there is no substitute for sugar, where are these people—and they number in the millions—to turn?

Proof that saccharin was a danger to health would of course justify a ban. But there is no proof that any human being has developed cancer by using saccharin. The test on which the ban rests involved feeding rats huge doses of saccharin—far more than a human dieter could possibly consume. Sure enough, a few rats developed tumors. Under the so-called Delaney Amendment to the Food and Drug Act, saccharin had to go.

The Delaney Amendment, passed in 1958, allows no leeway. It provides that "no food additive shall be deemed to be safe . . . if it is found . . to induce cancer in man or animal." But the problem is that many useful substances, if taken in sufficient quantity, may induce cancer, and almost any food or drink, consumed in massive amounts, may cause death. In recent days, two cases have come to light of death caused by drinking too much water. If the Delaney Amendment applied to harmful effects other than cancer, there would be nothing left to eat or drink, not even water.

The bizarre tests conducted by the FDA have led to other bans, such as the one still in force against cyclamates, another artificial sweetener regarded by most experts as harmless. And who now remembers the

great "cranberry scare" of 1959? The finding of minute traces of weedkiller in a few cranberries destroyed a whole crop.

Congress should take a fresh look at the Delaney Amendment, and consider modifying its absolute language. If the FDA determines that a food product or additive is risky, that should of course be made known. But when the risk is as small as it is with saccharin, the consumer should at least be left with some freedom of choice. On the evidence so far, substituting saccharin for sugar is no riskler than getting out of bed in the morning. Or should that, too, be banned?

LEGISLATION TO PROTECT VICTIMS OF RAILROAD VANDALISM

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. SAWYER. Mr. Speaker, following recent hearings by a House Judiciary Subcommittee on the subject of railroad vandalism, I have become alarmed over the number of ruthless attacks on railroad employees. Reports detail literally thousands of incidents in which bullets are shot and rocks are thrown at trains each year causing death and injury to railroad employees.

Past history indicates there is very little that can be done through establishment of new criminal offenses. In the great majority of the cases of vandalism, juveniles are involved. This type of "criminal" is often not subject to prosecution under the present criminal system. Furthermore, this type of crime is difficult to document with sufficient evidence.

In order to provide protection for rail-road employees against this vicious type of vandalism, I feel a strong need for minimum protection measures. Bullet proof glass in the locomotive and rear car of all trains will help to reduce the seriousness of attacks. Yet, it is important that bullet-proof glass be coupled with installation of air conditioning, to insure that windows remain closed and employees out of danger.

The tragedies that document the need for new legislation are numerous. A 27-year-old fireman was killed in Chicago during 1976 when someone threw a half empty beer bottle at the window of the locomotive cab where he was riding. The impact of the bottle shattered the window causing glass to strike him in the head and neck, severing his carotid artery. He died 3 hours after entering the hospital. In another incident, an employee is now paralyzed from the neck down following a sniper shot in which he was hit.

The total number of incidents reported during 1976 was 23,722 acts of vandalism, including 9,954 stonings of trains and 737 shootings of trains. Many other incidents undoubtedly went unreported.

No act of Congress or any law enforcement official could have prevented these incidents from happening. The railroad employees could have been protected with bulletproof glass in the locomotive and caboose, but without air conditioning, the windows will be open for cooling and the benefit of the protection will have been lost.

This subject has been thoroughly investigated and studied including a 1972 study by the Federal Railroad Administration. The results are always the same. They show this type of vandalism to be unmotivated and difficult to prevent. But unless we start to offer minimum protection for the victims of these senseless attacks, the problem will continue to grow out of control.

I am introducing legislation to amend the Federal Railroad Safety Act of 1970 to require the Secretary of Transportation to issue regulations requiring that the locomotive and rear car of all passenger, freight, and commuter trains have bulletproof glass and equipment capable of providing controlled temperatures.

I feel this is a commonsense solution to a very serious problem, and I welcome the support of my colleagues.

IMPACT AID COMPENSATES REAL NEEDS

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. STEERS. Mr. Speaker, I was pleased to note in this morning's "Letters to the Editor" in the Washington Post that the associate superintendent of schools, Dr. Paul A. Henry, in my district of Montgomery County, Md., demonstrated a serious fault in logic made by the U.S. Office of Education in its attempts to get rid of impact aid.

The letter speaks eloquently and suc-

cintly for itself:

"A NATIONAL INEQUITY" ON SCHOOL COMPENSATION

As the Carter administration and the Congress come to grips with the fiscal year 1978 budget provisions for federal aid to education, I hope they do not fall prey to the illogical reasoning publicly set forth by the U.S. Office of Education acting deputy commissioner before the HEW Subcommittee of the House Appropriations Committee at a hearing on March 22. In commenting upon provisions for the impact aid program, the spokesperson stated "... we do not propose to compensate school districts under Section 3(b) in 1978. Most of these children live on private property in the community and their parents pay local property taxes which support the school system. . . ." (emphasis supplied.).

The basic fault in this logic is the fact that residential property constitutes only about 50 per cent of total assessed valuation for real estate tax purposes. The remainder is made up of commercial property. The testimony above, if followed to its logical conclusion, would exempt all such commercial and industrial property from real estate taxes, as is the case with federal property.

taxes, as is the case with federal property. In making a \$300 million payment "in lieu of taxes" to the District of Columbia, I believe the precedent is established for similar payments to other local jurisdictions which "house" federal commercial installations serving all of the citizens of this country. To illustrate, the exemption of over \$312 million for such federal property in Montgomery County means that taxpayers must pay a higher local tax burden.

It is high time that an age of reason prevails through the enactment of legislation that would wipe out this national inequity. The time for congressional action is now!

PAUL A. HENRY,
Associate Superintendent for Business and Financial Services, Montgomery County Public Schools.
Rockville

DANGERS OF HATCH ACT REVISIONS

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. LOTT. Mr. Speaker, please permit me to call to the attention of my colleagues an editorial which recently appeared in the Daily Herald, a newspaper serving the Mississippi Gulf Coast. I think that the comments contained therein on the Hatch Act are well worth considering and are very timely, in view of developments now occurring in the House Post Office and Civil Service Committee, on which I serve.

The article follows:

DANGERS OF HATCH ACT REVISIONS

The Carter Administration's proposal to liberalize the Hatch Act, unveiled last week by Vice President Walter F. Mondale in a package of proposals to Congress, probably means that the revisions have a better-than-average chance of being enacted into law. We hope not.

Last year, you will recall, the Congress voted to repeal the Hatch Act altogether, freeing 2.8 million or more federal workers to engage in any political activity of their choosing. They would have been permitted to run for any office or manage any political campaign.

Then-President Gerald R. Ford had the courage—and it took an extra measure of that in an election year—to veto the re-

pealing legislation.

In his veto message, Mr. Ford commented that "The fundamental objection to this bill is that politicizing the civil service is intolerable." We couldn't agree more whole-heartedly. We think the same reasoning that so soundly supported Mr. Ford's veto then is still sound now.

Under the Hatch Act, federal employes may participate in politics by voting, attending rallies and conventions and contributing to candidates. It is an assurance to citizens that their affairs are conducted with an eye to the public interest instead of to partisan interests. It is also a protection to the federal employes.

Liberalizing the Hatch Act would be opening the door for a return to the spoils system. The Act was passed in 1939 to prevent the party in power—it was the Democrats then—from using hundreds of thousands of government employes to run its political structure and campaigns at public

Where the Hatch Act restrictions removed or substantially eased, we believe the prediction of one of its supporters would come to pass and "Whatever political activity is permitted to federal employes will quickly become that which is required of them."

That turn of events might be considered fortunate by the political party in power, drooling over the added muscle represented by that army of votes, but it can hardly be considered in the best interest of the country.

Think for a moment what the Committee to Reelect the President could have done were the whole of the federal bureaucracy at its disposal. That thought should send shivers down your spine.

We hope this Congress takes a different attitude than its predecessor and doesn't tamper with the Hatch Act. It has served this country well for nearly four decades and tampering with it is more likely to provide a grave disservice than it is to effect any improvements.

COMMEMORATIVE STAMP HONOR-ING ST. ELIZABETH SETON

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. MURPHY of New York. Mr. Speaker, today I am introducing a resolution requiring the U.S. Postal Service to issue a special commemorative stamp in honor of St. Elizabeth Ann Seton, the first native-born American to be canonized and proclaimed a saint by Pope Paul VI.

On September 14, 1975, Elizabeth Seton was canonized in St. Peter's Basilica, Rome, a great religious and historic occasion in which every American can take pride. In honor of the canonization, Congress overwhelmingly passed a joint resolution declaring September 14, 1975, as "National St. Elizabeth Seton Day."

It is appropriate that we recognize this historic event of Mother Seton's canonzation by issuing a postage stamp in her honor. I am happy to report that my friend and colleague, the Honorable Thomas Eagleton, today is introducing an identical resolution in the Senate to do this.

Born on Staten Island, N.Y., in 1774, Elizabeth Seton was married and widowed at a young age and by 1803, she settled with her five young children in Emmitsburg, Md., where she founded the Sisters of Charity of St. Joseph, the first religious order for women in the United Sisters of Charity of St. Joseph, the first American Catholic parish school. She was responsible for the establishment of many of the first orphanages in America as well as many badly needed hospital facilities. During her lifetime she was deeply involved in the problems of the poor and disadvantaged of all faiths. Her schools, hospitals, and welfare institutions were open to everyone in need, regardless of race, nationality, or creed. Her name will be remembered as the founder of over 20 community-based Sisters of Charity orders in America. Today, over 10,000 women trace the origins of their respective religious foundations to the Sisters of Charity of St. Joseph. The courage and spirit by which she

The courage and spirit by which she lived served as an inspiration to many in her lifetime. She was a symbol of hope for the future and this hope is still reflected in the lives and works of her followers. Elizabeth Seton has done much to strengthen the religious and moral fiber of this country and her contributions in religion and education place her among the most outstanding women in American history.

Let us once again pay our tribute to

the achievements of this remarkable woman.

EMERGENCY FOOD AND AGRICUL-TURE ACT OF 1977

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. NOLAN. Mr. Speaker, America's farmers are in deep economic trouble. Net farm income has dropped substantially over the last 3 years and declining market prices have resulted in an increased debt load for farmers during a period when they are being confronted by spiraling production costs. Anyone willing to take an honest look at the farmer's cost of production will realize that current target prices and loan rates. as well as those recently proposed by the Carter administration, are at spectacularly low levels.

In the Midwest, Plains States and the West, unprecedented drought and low farm prices have severely reduced farm income. As Minnesota Gov. Rudy Perpich has pointed out.

The truth is thousands of Minnesota and Upper Midwest farmers and ranchers are in serious trouble. The truth is if we do not provide some meaningful help and credit, thousands of these farmers will be declaring financial bankruptcy in 1977.

In recent testimony before the House Agriculture Committee, farmers and ranchers have confirmed the Governor's dire assessment.

The situation is reminiscent of the 1929-33 Depression years when President Herbert Hoover insisted on conducting Government as usual while the crisis mounted. Just a farm depression preceded the economic collapse of the 1930's, a similar prospect appears to be in the making today.

Because of the drought and low farm prices, normal sources of credit have begun to dry up for hard-pressed farmers and rural businesses. Some farmers will not be able to get the operating loans to finance their spring planting. If economic conditions do not improve during the summer, the income flow in rural America could come to an abrupt halt

by harvest.

These are crisis times for agriculture. The Carter administration nevertheless has told farmers that they will be the shock absorbers for an inflationary economy. Farmers find that they are expected to toe the line while other sectors of the economy receive cost-of-living wage and price hikes. Without an increase in price supports, farmers will have no way to pay for their rapidly rising input costs. The Carter administration's farm proposal may very well bankrupt rural America.

During the 1976 campaign, Mr. Carter promised America's farmers that he would raise support levels to meet cost of production. President Carter has yet to fill that pledge.

If the administration does not assure farmers simple justice by raising price supports to equitable levels, and if current market conditions and the drought continue, then I believe rural America will be on the verge of an economic collapse. Worsening economic conditions and an unresponsive Carter administration may cost the Democrats 60 to 70 seats in rural districts in the 1978 elec-

It is time for President Carter to shake loose from his Hoover-like lethargy and to pursue a better farm policy with the vigor of Franklin D. Roosevelt.

Congress must wake up as well. The agriculture committees of the House and Senate are now drafting a new farm bill which will not become effective until the 1978 crop year. Our farmers cannot wait that long. They need a price for their 1977 crops.

Neither agricultural producers nor consumers can afford another year of depressed farm income because it may spawn an economic depression.

Current farm prices illustrate the problem. The overall parity average on February 15 of this year was 69 percent. Wheat prices were at 49 percent of parity; rice at 50 percent, corn at 68 percent, grain sorghum at 62 percent, and milk at 72 percent. Only soybeans and cotton at 93 percent and 78 percent, respectively, were doing any better.

The bill which I am introducing today. the Emergency Food and Agriculture Act of 1977, will provide economically strapped farmers with some hope of a reasonable price for this year's produc-

This bill establishes the target price for wheat, feed grains and cotton at 100 percent of parity. The loan rate is calculated at 90 percent of the established price. The bill also provides that soybeans and dry edible beans be included in the price support, prevented planting and disaster payment provisions.

Under the provisions of this emergency bill the 1977 loan rates would be: wheat, \$4.48 per bushel; corn, \$3.08 per bushel; soybeans, \$6.79 per bushel; cotton, 74.56 cents per pound; rice, \$12.24 per hundredweight; and dry edible beans, \$23.76 per hundredweight.

Critics of higher prices for agriculture will oppose parity prices and 90-percent loans on the grounds that such levels of support will price U.S. commodities out of the export market. This criticism overlooks an obvious question. Are we going to further impoverish domestic agriculture in order to maintain an uncertain export market?

The current domestic support level for U.S. wheat is lower than that of all other major wheat exporting countries-and still the export market for our wheat has not materialized. Clearly, there are other factors to consider than price alone. At whatever level the United States supports its export commodities, other countries always have the option of subsidizing their exports in order to gain a competitive edge.

Instead of trying to dominate world

markets by seeking short-term price advantages which gouge American farmers and lead to economic instability injurious to consumers, and which disrupt normal patterns of trade as well, the United States should work for a more integrated trade policy, for international commodity agreements, and for supply and price stability in agricultural commodities.

I would like to stress the fact that the support price levels in my emergency bill are based on the parity price formula. Utilizing a percentage of parity to base support levels provides for a more realistic and accurate cost of production than the so-called cost-of-production formulas which are contained in other proposals before Congress. The reason for this greater accuracy is that the parity formula adjusts monthly and is more inclusive than any cost-of-production formulas presented thus far.

I remind you that the first cost of production study took the Department of Agriculture 2 years to complete, and more importantly, according to many producers is not an accurate reflection of their actual costs.

Other provisions in the emergency bill include raising the minimum price support of milk to 90 percent of parity, with mandatory quarterly adjustments; extending the Wool Act for 1977 and establishing the support price for wool and mohair at not less than 100 percent of

The disaster payment provisions have been amended to make producers eligible for payments for losses sustained on any amount of their production. Currently, producers must lose at least one-third of their crop before they are eligible. A loss of 15 percent, 20 percent, or 30 percent is devastating with today's high production

Also included in the bill are provisions which would restrict payments to \$30,-000 per farm, and even that amount appears to be an insufficient return as production costs continue to rise.

The bill I am introducing today does not address all of the problems that must be considered in a comprehensive and coordinated national food and farm policy. I hope that Congress will adopt such a policy this year in order to provide stability for farmers, consumers and our international customers.

The proposal which I have introduced is an emergency measure. It will buy time for both Congress and the producers. It will not solve our problems but it will help many producers continue operating for another year while Congress debates a new long-range farm bill.

Mr. Speaker, I cannot overemphasize the critical nature of the situation in rural America. Farmers, particularly young farmers, are being forced out of business. Main street economies are suffering because the farmers and ranchers who purchase the goods and help create jobs do not have an income to spend.

In conclusion, I would like to suggest that the time is long overdue for this country to reorder its spending priorities. The budget outlays for 1978 call for multi-billion-dollar appropriations for the military, and comparatively little for agricultural commodity programs.

While we spend billions for the construction and maintenance of weapons systems that never seem to be sufficient and which quickly become obsolete, we do not see fit to capitalize a decent commodity loan program which will not be a loss to the Government.

If we do not begin to provide more support for our productive resources instead of lavishly bankrolling military waste, we will further impoverish rural America and the Nation as a whole.

SPECIAL DISCHARGE REVIEW PROGRAM

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. HILLIS. Mr. Speaker, I am joining today with Congressman Hammer-SCHMIDT in cosponsoring a measure which would deny veterans' benefits to those veterans whose discharges will be upgraded solely on the basis of the administration's special discharge review program for Vietnam-era veterans which was implemented today. I understand President Carter's motives to bind the divisions which were caused by the Vietnam war. I also understand why President Carter may wish to help clear the record of Vietnam-era veterans in order to help them gain employment. However, I take strong objection to the giving of veterans' benefits to those veterans who were originally discharged from the military under less than honorable conditions.

It is a mockery to all of our veterans who served honorably, to give veterans with less than honorable discharges the full range of veterans' benefits. The administration's action of compassion does not seem to apply to the veteran who served his country in one of the most difficult times during our history. If we are to show compassion, why not place emphasis on those who came to the aid of the United States, instead of those who fled it?

I strongly urge all Members of Congress to closely review the administration's proposal to upgrade the discharges of Vietnam-era veterans, keeping in mind the thousands of Americans who never returned home alive, and the thousands more who were permanently scarred by combat. We all know that every major veterans' organization has denounced President Carter's earlier pardon of those who broke the Selective Service laws. It is my sincere hope that these organizations will say that enough is enough, and bring political pressure on Congress, in order that the bill introduced today by Congressman HAMMER-SCHMIDT be passed and sent to the President.

President Carter must understand that this time he has gone too far—that this time, the American people are going to say "No."

REMARKS BY MR. ROSS MILLER OF NORTHROP CORP. AT THE 31ST DISTRICT BUSINESS OPPORTU-NITIES CONFERENCE

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. CHARLES H. WILSON of California. Mr. Speaker it is my pleasure to place in the RECORD today the remarks given at the 31st Congressional District Business Opportunities Conference. I have cosponsored this conference with local chambers of commerce for the past 5 years.

Mr. Ross Miller, vice president for the communications and electronics group at Northrop Corp., told 750 small businessmen and women from my district and surrounding districts the best ways they can improve their markets with the Federal Government. Mr. Miller's background and experience with the Northrop Corp. enabled him to give new insight into the complicated process of selling to the Federal Government and defense contractors.

This conference which, according to Mr. Melvin B. Harris, Federal civilian agency coordinator for the U.S. Department of Commerce, is the largest of the 28 conferences held nationwide, is a valuable tool to both small business and the Government. Small businessmen and women save countless hours by cutting through bureaucratic redtape and the Government is able to get the quality products they need at the best possible prices

Mr. Miller understands the importance of this mutual exchange and how the defense industry, Northrop in particular, insists on commitments to price, schedule, and quality.

He also showed a film of the finished F-5 aircraft and the prototype of the F-18 aircraft being built by Northrop explaining that—

One of the difficulties of being a subcontractor or supplier is that you rarely have an opportunity to see the end product, to get a firsthand view of what has become of the parts and services you have provided.

Mr. Ross Miller most definitely contributed to the overall success of this conference and I am pleased to share his remarks with my colleagues in the Congress:

REMARKS BY MR. ROSS MILLER

Thank you, Congressman Wilson.

I commend you for your efforts to bring together in a meeting such as this the representatives of government, of large industry, the small business community and minority businesses. We have in this country remarkable opportunities and many formidable challenges. No one sector can handle them

It is not a question of the public sector or the private sector. It is the responsibility of both sectors, and everyone within them, working together. And that is what you have done here today in this conference.

I think you have done even more than that, however, in a way that is perhaps not readily apparent on the surface. But I think it is fundamental and I would like to discuss

it with you here today.

As representatives of small businesses you ladies and gentlemen bring to the process of government procurement, and especially defense procurement, a characteristic that often seems to be sorely lacking—that is the characteristic of private enterprise, competing through the exercise of independent management, imagination, initiative and the willingness to take prudent risks as business men and women to allow the quality and reliability of your goods and services to be measured in the marketplace.

That way of doing business is particularly American and it's the way that the American economy which, with all its flaws has produced more things for more people than any other economic system in history—it is the way in which that system was built and has

thrived.

We need more of it in the defense industry. We need more competition among private companies in defense procurement. The opportunities for creative, well managed companies are certainly available and those companies should be willing to take the proper business risks that go with those opportunities, and not leave the risks to the government and the taxpayers.

National security has come to be recognized everywhere—in this country and abroad—as an essential part of a country's well being and something that must be maintained into the foreseeable future.

Therefore, it must be planned for a long term basis, in concert with a country's long term objectives for social progress and economic stability. They are three equally essential elements to the long term goals of any country.

They cannot be achieved at the expense of one another. They must be in harmony with each other. An efficiently run defense program contributes to the social and economic objectives of a country. Only inefficiency detracts from these efforts.

There is considerable public discussion about the various weapons systems and force mixes that our own armed forces should employ within the constraints of the defense budget. But there is no great difference of opinion—about 5 percent from one extreme to the other—about the level of the overall defense budget.

In other words, there is a prevailing awareness among Republicans and Democrats, Hawks and Doves, of the long term need for defense, and there is an acknowledged consensus about the approximate size of the defense budget. This means that the overall defense budget is reasonably predictable.

As a result, an analysis of the defense industry as a whole today should show it to be one of the most stable sectors of our economy. Unfortunately, however, the significance of this fundamental change and the accompanying responsibilities to improve efficiency have been overlooked.

The bad procurement habits and the industry's tradition of crisis management have persisted. And they still exist today. They need not, and should not, be allowed to continue. What is needed now is for the defense industry to meet the responsibility that goes with that stability. In this environment, defense production can be made more efficient.

With this stability of the defense environ-

ment today, the defense industry must be held accountable. Individual companies must be held to their commitments. There is no longer any excuse for failing to invest in modern plant and equipment, just as any other industry does. With stability and predictable budgets, there is the opportunity for long range planning by both the users and the manufacturers—the kind of plan-ning that avoids overruns, schedule delays, and eliminates the kind of technical surprises that have become so costly and so common. That same free competitive environment that has worked so well to achieve the social and economic standards that we enjoy today can contribute to meeting our defense requirements. This requires strong leadership in government and in industry. It can, and must, be done.

And you can help us do that.

We in the defense industry appreciate the entrepreneurial nature of small business and the initiative that drives new businesses try-

ing to get started.

Most of the aerospace industry, these \$1 billion plus corporations, started that way. Most of them, in fact, still bear the names of their founders: Boeing, McDonnell Dou-glas, Lockheed, Grumman, Fairchild—and, of course, our own company-Northrop. When this company was founded by Jack Northrop in 1939 it had six employees. Jack was president and head of engineering and research. That certainly would have qualified us as a small business, if anyone at that time was paying any attention to the needs of small

We have been successful. Last year our sales passed the \$1 billion mark. We have a business backlog of \$2½ billion and there are more than 24,000 men and women now working for Northrop, most of them in Southern

California.

We could not have succeeded, however, without the help and the individual efforts and achievements of our subcontractors and suppliers all over the country. Among them are 8,000 small and minority businesses, such as yours.

A great majority of those are here in the Southern California area and, in fact, our sales provide over 65,000 jobs in the Southern California area alone.

Our commitment to small businesses and minority businesses is very real. Shortly after the first of the year, we began cutting metal on the first major piece of flying hardware for the Navy's new F-18 strike fighter, which we are building together with McDonnell Douglas. The first metal cutting on any new fighter project is a major event for any aircraft company.

That first piece of hardware, a center fuselage bulkhead, was cut by a small business contractor, the Purkey Company, Inc., of North Hollywood.

The Purkey Company is just one of thousands of subcontractors that will be working on this large scale program that will be in production here perhaps into the next century.

Our people that you will be talking to here today are able to provide some technical assistance or management guidance to help you to understand the needs of the defense industry to become a supplier to Northrop or any other defense contractor in the country.

They will also insist on commitments to price, schedule and quality.

Northrop's business has been built on meeting our commitments and we feel that that is an essential element for our subcontractors as well. That is one of the basic strengths that the private sector, large companies as well as small, can bring to defense

procurement—the discipline gained by competition in the marketplace.

I would like to give you an example of how it can work. About 20 years ago we thought that we could bring a better idea to our customers, and particularly our customers for tactical aircraft. We thought we could use technology in a different way, to simplify, to give better performance, with the lower cost and higher reliability.

We invested our own funds in this idea, did our own research, our own engineering, long before there was even a published requirement or set of specifications laid down for an aircraft like the one we envisioned.

That was in the mid-1950's. In December last year at our Aircraft Division in Hawthorne, just a few minutes from here, we delivered the 3000th aircraft in that series, known as the F-5 fighter and T-38 super-sonic trainers. Congressman Wilson was there, and perhaps some of you, our suppliers, were there, too.

That aircraft, the F-5, that began before there was ever a widely perceived need for it, is now in service or on order for 25 countries. It is providing far better performance than the aircraft it replaced, it is setting reliability standards beyond those demanded by the U.S. Air Force, and even today, with improvements in avionics and weaponry, that increase its performance even more, it is one-half to one-third the price of any other contemporary U.S. fighter.
Equally important, every aircraft in that

series of 3000 airplanes built by Northrup and our team of 4000 F-5 suppliers in 45 states was delivered on time, within the contract price, and met or exceeded all per-

formance guarantees.

The Navy's new F-18, which I mentioned a moment ago, was designed the same way.

We worked for nearly eight years and invested our own funds to do the analysis, the engineering, wind tunnel testing, that allowed the Navy to select the F-18 with confidence, and program it to replace two different types of aircraft now in service.

The F-18 will have greater performance than both those two aircraft and greater

reliability than either of them.

We are proud of those airplanes, and those of you who are working with us on them can be proud, too.

Thank you very much.

ELIMINATION OF THE SICK PAY EXCLUSION CHANGES MADE BY THE TAX REFORM ACT OF 1976

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. APPLEGATE. Mr. Speaker, yesterday the House passed legislation which I feel was one of the most equitable measures before the Congress this year. The legislation dealt with the sick pay exclusion, which was drastically modified by the Tax Reform Act of 1976. As we all know, due to the retroactive nature of the modification, hundreds of thousands of taxpayers are left unprepared for higher tax bills. If the Senate acts expeditiously, this tax burden will be removed from the shoulders of many of these taxpayers.

However, I feel we need to go farther than the scope of yesterday's legislation. In this respect, I have introduced a bill to repeal the changes for sick pay exclusion made by the Tax Reform Act of 1976 and revert to the prior law.

The need for the reversion should be apparent to all. When one is disabled by sickness or injury, he needs all the assistance he can get. The sick pay exclusion is designed to achieve this effect. Furthermore, during a time when we are considering additional tax breaks and benefits, I find it totally inconsistent to limit the application of the sick pay exclusion in the manner of the Tax Reform Act of 1976.

I encourage my colleagues to review and reconsider the changes, keeping in mind the reliance placed upon the sick pay exclusion provisions by many taxpayers. With this in mind, I hope we can work toward genuine tax relief for those in need.

> OUR CONSTITUENTS ARE WATCHING US

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. CARNEY. Mr. Speaker, recently I received some "feedback" from my constituents in the form of a letter from Mrs. Donna D. Cooper of Youngstown, Ohio.

Mrs. Cooper wrote following her visit to the House of Representatives on February 21, 1977. During the session, she saw something that offended her deeply. I think she has a good point.

I am inserting her letter in the RECORD at this time for the information and consideration of my colleagues. The letter

> Youngstown, Ohio, March 25, 1977.

Representative CHARLES J. CARNEY,

Longworth Building, Washington, D.C.

follows:

DEAR MR. CARNEY: My husband and I received passes to the House Gallery on Feb. 21, from your secretary. We were pleased by the warm welcome we received in your office.

As we listened to the reading of Washton's Farewell Address, we were careful to be respectful and follow all the rules written on our passes. But I was quite offended by the sight of two Representatives with their feet up on their chairs in front of them! And this in full view of a very disapproving public gallery. There was a troop of Boy Scouts there also.

I tried to find out who they were so I could write to them personally. All I could discover is that they were Democrats. So I complain to you. This may seem of little importance relation to all our country's problems,

and I hesitated to write.

But I thought again that I would write and register my displeasure of such an un-dignified posture in my House of Representatives. It certainly gives the impression that Congressmen do not give a damn what the real people of this country feel or think.

Sincerely but indignantly,

Mrs. DONNA D. COOPER.

HANOI HAS FOOLED US AGAIN ON PARIS REUNION

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 5, 1977

Mr. DERWINSKI. Mr. Speaker, John P. Roche, who is a distinguished scholar. former Kennedy administration officer. in addition to being a highly respected columnist, devotes his column of April 1, appearing in the Washington Star, to the subject of the negotiations with the Communist government in Hanoi.

This article is an especially penetrating critique on this phase of the Carter administration's foreign policy. I direct the attention of the Members to the article which follows:

HANOI HAS FOOLED US AGAIN ON PARIS REUNION

(By John P. Roche)

The Carter claque is busy denouncing "hardened cynics" who lack adequate spiritual insight to appreciate their leader. The seems, has been born again, and issues which could not be solved by sinful Machiavellians can now be mastered by Good Will.

I'll admit that the cult of sincerity unnerves me a bit, and for some 40 years at poker I have always cut the deck; but one does not have to be a "hardened cynic" to reject the notion that all conflicts are soluble in sincerity. All that is required is a reasonable knowledge of history.

As a case in point, let us examine the

missionary expedition to Hanoi by Leonard

Woodcock and others.

Now Woodcock is an able man with a long background of labor negotiations. He did not make it to the top of the United Auto Workers by blissfully assuming that Ford, General Motors and Chrysler were dedicated to the Sermon on the Mount.

If an industry negotiator had said to him, "Len, you know our dedication to Good Faith." President Woodcock would have collapsed in laughter. Over the years the UAW has made book on the industry-they

know its track record.

However, the behavior of the Woodcock mission to Hanoi resembled a visitation by the Salvation Army to the Mafia. Somebody oohed and ashed at how nice the children were, the implication in general was that Pham Van Dong & Co. were most generous and forgiving even to admit the group, and as a good-will offering a new installment of caskets was produced.

Woodcock came back beaming, met a beaming President, and a communique announced that we would shortly meet the Vietnamese in Paris to work out "normal-

ization" of relations.

All hands rejoiced at the atmosphere of Good Faith: Hanoi's Communists had been

born again.

Woodcock ever had sponsored a farce like this in his trade union role, he would have been out on his duff in 10 seconds flat. Of course, he did have a bit of a problemthe President had pretty clearly indicated before the delegation's departure what it should recommend.

But even then Woodcock didn't have to

lay it on with a shovel.

To put it differently, I have no objection to the normalization of state-to-state relations with Cuba, Vietnam, Uganda or the Chinese People's Republic. However, I see

no reason to kiss their feet to obtain this dubious honor.

Specifically, the Hanoi regime is run by as brilliant a crew of cynical, ideological thugs as the modern world has seen.

In 1961 Pham Van Dong told the late Bernard Fall that the Americans were going to be defeated in Indochina because the American people would not stand for a long twilight war, that in fact the war would be lost in the United States. Hanoi launched a spectacular political warfare offensive featuring a dummy outfit called the National Liberation Front, later transformed into the dummy government-in-exile of dummy country, a separate Communist South Vietnam.

Speaking as a clinician, I am prepared to say the operation was superbly mounted, worthy of the great German Communist agitprop artist of the 1930s, Willi Munzenberg. Pham never got mad at the United States; a worldly sophisticate as was Chou En-lai, Pham looked on the exercise as a chess game.

Indeed, once he genially told one of President Johnson's peripatetic peace emissaries that if the Americans departed, the Communists would strew their path with roses and let them choose the music for retreat.

Hanoi's employment of negotiations as a weapons system was equally professional.

have triumphantly announced As they from the housetops, the Paris "peace" agreement of 1973 was considered a ruse. It provided time for them to reload for the final assault-and for the Americans to psychologically disengage.

By the way, this was hardly novel. They used the 1962 Geneva accord on Laos in

the same fashion.

These are the characters who are now going to be understanding enough to let negotiate with them in good faith! And in Paris, of all places.

Maybe Amy Carter, or whoever is running our foreign policy this month, has no sense of symbolism, but accepting negotiations in Paris with Pham and his merry men is comparable historically to inviting Japanese Prime Minister Fukuda to a conciliatory session aboard the battleship Missouri.

Paris is where Hanoi cleaned us out! Pham and his "hardened cynics" must be chuckling tonight-I want to weep.

CONGRESSIONAL RECORD REFORM

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 5, 1977

Mr. STEIGER. Mr. Speaker. I am today reintroducing my legislation to make the Congressional Record an accurate reflection of what takes place on the floor of the House of Representatives. The addition of today's cosponsors brings the number of Members actively supporting the measure to 145, exactly a third of the House.

I am especially pleased that there has been such broad-based support for my resolution-70 Democrats and 75 Republicans have joined as cosponsors. All eight members of the Minnesota delegation are cosponsors.

The resolution specifically requires that a distinguishable symbol, such as bullets, brackets, or stars, precede and succeed any statement not actually delivered on the House floor. Senator Bos PACKWOOD has identical legislation in his body.

Insertion of extraneous materials and any unspoken remarks, into the body of the RECORD without distinguishing them as such is a deliberate distortion of our proceedings. With an estimated 70 percent of what appears in the RECORD daily simply inserted into it, it is little wonder the public is skeptical of Congress.

With the advent of broadcast sessions. there is a compelling need to make the CONGRESSIONAL RECORD reflect our proceedings accurately. When our constituents can see what was truly said in the course of debate, they will know the statement they see in the RECORD was merely placed there and had no role in

The increasing cost of the RECORD and its importance as a source in establishing legislative history are two more reasons why we should undertake this reform of the RECORD and bring it back to its legal definition as "a substantially verbatim report of proceedings." I hope more of my colleagues will join in supporting this proposal.

"CHRISTOPHER COLUMBUS MARCH" BY PROF. CHARLES T. GABRIELE

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 5, 1977

SPELLMAN. Mr. Mrs. Speaker, Charles T. Gabriele, a resident of my district, a noted composer, and a professor of business management at the University of Maryland, has received many honors for his musical composition, "Christopher Columbus March."

Professor Gabriele composed march as a tribute to the Italian explorer who discovered America. It was premiered on July 3, 1976, in the national "Happy Birthday U.S.A." Bicentennial Parade and was named the official Columbus Day march by both the U.S. Bicentennial Commission and the Italian Cultural Society of Washington.

At my request, Secretary of the Navy William Middendorf included the march in the official Bicentennial celebration of Columbus Day. I was privileged to attend the celebration that day at Christopher Columbus Circle here in Washington when Secretary Middendorf conducted the Navy Marching Band in a stirring rendition of Professor Gabriele's composition.

On January 14, 1977, "Christopher Columbus March" was played as the nuclear submarine U.S.S. Baltimore was christened.

Professor Gabriele has enjoyed many ovations and awards, including a bronze plaque from the Paca Italian American Club, a beautiful engraved silver dish from Secretary Middendorf, and a personal message from President Ford. The house of delegates of the State of Maryland, Prince Georges County, and the city of Bowie also joined in with expressions of recognition and commendation. I am sure my colleagues in the Congress join me in extending congratulations to Professor Gabriele on his musical and patriotic achievement.

RESTORATION OF CIVIL SERVICE RETIREMENT ANNUITIES FOR CERTAIN WIDOWS AND WIDOW-

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. LEHMAN. Mr. Speaker, on January 6 I introduced H.R. 486, which will reinstate civil service retirement survivor annuities for certain widows and widowers whose remarriages occurred before July 18, 1966.

Prior to the enactment of Public Law 89-504, approved July 18, 1966, the annuity of a surviving spouse automatically terminated upon remarriage regardless of the spouse's age at the time of remarriage. Public Law 89-504, as amended by Public Law 91-93-October 20, 1969modified the survivor annuity provisions to permit continued payments of annuities to survivors who remarried after attaining age 60 before July 18, 1966. This law also provided that in the event of a remarriage by a surviving spouse prior to reaching age 60, the annuity would terminate, but would be restored upon dissolution of the remarriage. Again, this applied only to those persons who had remarried before the law's enactment

It is unfair that the widows or widowers affected by this bill, approximately 3,500, should be denied the payment of annuities because of the effective date of Public Law 91-93. The number of beneficiaries is continually decreasing, inasmuch as most of these widows and widowers are quite elderly. In addition, because of their advanced age, they find it extremely difficult to obtain gainful employment to offset the loss of income as a result of the termination of an annuity. The new spouse of a surviving annuitant over 60 will very likely be retired or approaching retirement with reduced income. He or she would be equally unable to provide for a new dependent.

Time is of the essence as death claims more and more individuals who would benefit from the enactment of this legislation. We must adopt this bill before it is too late to help the still surviving widows and widowers who cannot receive their annuities because of an arbitrary date.

The text of my bill is as follows: H.R. 486

A bill to provide for the reinstatement of civil service retirement survivor annuities for certain widows and widowers whose remarriages occurred before July 18, 1966. and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That (a) upon application to the Civil Service Commission, the annuity of-

(1) a surviving spouse of an employee which was terminated under the provisions of section 8341 (b) or (d) of title 5, United States Code, or of any prior applicable law, because of the remarriage of such spouse before July 18, 1966, and

(2) a surviving spouse of a Member who died before January 8, 1971, which was ter-minated under any such provision, because of the remarriage of such spouse.

shall be restored in accordance with the provisions of subsection (b) of this section.

(b) (1) In the case of a remarriage occurring after the surviving spouse became sixty years of age, the annuity shall be restored to such spouse under subsection (a) of this section only if any lump sum paid on termination of the annuity is returned to the Civil Service Retirement and Disability Fund. If such amount is paid, the annuity shall be so restored commencing on the effective date of this section at the rate which would have been in effect if the annuity had not been terminated.

(2) In the case of a remarriage occurring before the surviving spouse became sixty years of age, the annuity shall be restored to such spouse under subsection (a) of this section only if-

(A) such spouse elects to receive this annuity instead of a survivor benefit to which the spouse may be entitled under subchapter III of chapter 83 of such title 5 or under another retirement system for Government employees by reason of the marriage; and

(B) any lump sum paid on termination of the annuity is returned to such fund. If the requirements of the preceding sentence are satisfied, such annuity shall be so restored commencing on the effective date of

this section or on the first day of the month following the date the remarriage is dissolved by death, annulment, or divorce, whichever date is later, at the rate which was in effect when the annuity was terminated.

SEC. 2. Section 8341(g) of title 5, United States Code, is amended by striking out "after July 18, 1966,".

Sec. 3. The foregoing provisions of this Act shall take effect on-

(1) the first day of the month following the date of the enactment of this Act, or (2) October 1, 1977,

whichever date is later.

WOMEN IN DEVELOPMENT

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 5, 1977

Mr. WINN. Mr. Speaker, we in Congress have long recognized the importance to U.S. foreign assistance as a conduit for the export of fundamental American values. By aiding other nations to develop, we intend to encourage them toward a greater acceptance of democwider distribution of and racv a resources.

Our American perception of the desirable does not always mesh with the most immediate needs of recipient nations which may have very different cultural backgrounds from ours. At times our eagerness to help other countries blinds us to the traditional patterns that exist

in developing societies. We do not see that our aid may at times disrupt and inhibit the good aspects of a developing nation's cultural structure as well as its more negative factors.

We have not fully understood, for example, how our aid programs have affected women in developing societies. In Africa, where 60 to 80 percent of the field work in agriculture is performed by women, our agricultural assistance programs have focused almost entirely on men. We have been indifferent to the social fabric of that continent in failing to recognize that it is often the women who sustain the family. By mehcanizing field labor and training only men in the uses of machinery, we not only deprive women of work but, in some cases, we may deprive their families of food.

Naturally, I am not advocating the export of American feminism. However, I am concerned that our assistance programs do not take into full consideration the vital economic and social role that women very frequently play in developing countries. I would like to see a fuller integration of women into U.S. foreign assistance projects.

For that reason, I have contacted MICHAEL HARRINGTON, chairman of the Subcommittee on International Development, of which I am ranking minority member, of the Committee on Internation Relations regarding the possible need for hearings on women in development.

PHILADELPHIA'S BUDGET FOR FIS-CAL YEAR 1977-78: NO DEFICIT, NO TAX INCREASE

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. EILBERG. Mr. Speaker, this is a time when all Americans are concerned about the economic viability of local units of government, and particularly so about the fiscal plight of the Nation's major cities. So it is welcome news when any city, large or small, can come up with a balanced budget-and that is precisely the kind of news that Mayor Frank L. Rizzo has given to the people of Phila-

In his annual message to the city council, the mayor has presented a budget for fiscal year 1977-78 that not only will contain no deficit, but which Mayor Rizzo has assured Philadelphians can be accomplished without any request for a tax increase.

Because of the continuing concern about the affairs of our cities, Mr. Speaker, I am pleased to place in the RECORD the full text of Mayor Rizzo's budget message:

MAYOR RIZZO'S BUDGET MESSAGE

Mr. President, Members of City Council. I am pleased to present to you today the Operating Budget of the City of Philadelphia for the next fiscal year.

I am especially pleased to offer this good

news: the budget is balanced, in fact and

figures.

There will be no deficit in 1978, and, more importantly, there is no request for a tax increase. I am especially happy to bring you this message because some of our critics said it could not be done.

These are the prophets of doom who make their way through life with a dark cloud over their heads, predicting dire consequences for Philadelphia and its citizens.

These are the second-guessers, the Monday-morning-quarterbacks, who accent the negative and continually draw false comparisons between us and New York City.

Perhaps we have put them to rest for another year. Despair is the order of the day in many of our major urban areas, but Philadelphia's message today is one of hope.

First, I want to point out that at the end of the current fiscal year on June 30, we will have a deficit of \$26.4 million.

I assure you that although \$26.4 million is a substantial sum of money, we have addressed this problem in the '77-'78 budget.

I am happy to report that the 1977-78 total General Fund Operating Budget will be \$932,547,000. Estimated revenues are \$959,-000,000. You will note that the difference between these figures is the approximate amount of the current deficit.

The amount of the '78 overall Operating Budget containing all funds is \$1,338,700,000 with estimated revenues of \$1,359,400,000.

Generally, this proposed budget will continue program and staffing levels at those in effect at the end of January, 1977.

effect at the end of January, 1977.

Monies also are provided to fund non-uniformed personnel contracts calling for a 7-percent increase this July 1, as well as a cost of living adjustment.

This budget will also provide for the hiring of 250 policemen to positions which were previously authorized but unfunded. I am confident that adjustments will be made to accomplish this need.

I say this because of the recent fine record of the Philadelphia Police Department which shows that violent crimes decreased by 19.7 percent in our city last year. This was the largest decrease in the nation.

In addition, our Police Department in 1976 had a clearance-by-arrest rate of 31 percent—the highest in the nation.

And our Fire Department continues to lead the nation in fire prevention. I am proud of both of our uniformed services for the protection they give to all the citizens of Philadelphia.

This proposed budget contains provisions to make Philadelphia's Pension Fund—already one of the soundest in the nation—financially stronger. In short, we will recognize today's liabilities today. We will not pass them on to future generations.

This proposed budget provides an increase of \$11.6 million over last year for day care facilities, foster home care and child care in local agencies and state sponsored institutions. This represents an increase of 30 percent over 1977.

Beginning this July, there also will be an additional \$2.5 million over normal 1977 funding for street repairs.

The full cost of services to youth has been provided in fiscal 1978, despite the fact that federal funds previously available for the program have been discontinued.

Full funding has been provided for the initiation of family medical care services at three District Health Centers in South Philadelphia and West Philadelphia. This program will ensure the availability of necessary public services previously provided at

PGH.

Health care facilities for prisoners will be expanded from an infirmary operation to a comprehensive program providing treatment of addictive diseases, as well as regular medical care.

The City of Philadelphia Nursing Home,

formerly Landis Hospital, will become operative in fiscal 1978. This facility will meet a critical community need by providing more than 500 beds for skilled nursing home care.

This new budget also calls for increased enrollment equivalent to 250 full-time students at Community College.

In addition, some \$500,000 has been added to the Library appropriation. This will permit the purchase of about 66,000 new books.

Although this is a basic budget, it is not without innovation. One of the unique programs I will submit to Council for your approval will be aimed at reducing our need to make short-term loans.

Under this program, property owners would be able to pay their taxes a year in advance as a loan. We would then pay tax-free interest to these participants.

Although the interest rate has not yet been determined, such a pre-payment of taxes would allow a property owner in the 30 percent tax bracket to receive interest equal to the amount he would get from a taxable investment paying 8½ percent interest.

The principal priority of this administration is to ensure jobs for all who seek work, Jobs are the life-blood of our economy.

While it is no secret that we have been losing jobs in Philadelphia, I would like to explain a little-known fact about this prob-

Since 1969, we have suffered the loss of 30,000 federal jobs in our city. These losses have triggered the phasing-out of an additional 66,000 jobs in industries related to the federal installations. Thus, 82 percent of our total job losses since 1969 are linked to federal labor cutbacks in our city.

Meanwhile, we are continuing to work diligently with the Carter Administration to create new job opportunities here.

The 1978 Capital Budget alone will generate some 5,000 jobs in the construction field, and 1,300 jobs in the design field.

Our Planning Commission technicians estimate that these will generate an additional 16,000 jobs.

Some of these proposed projects are Passyunk Avenue Bridge, our housing program, Gas Works improvements, commuter-operating facilities, the Northeast and Southwest Sewage Treatment Plants, reconstruction of old sewers, and the Commuter Connection.

Permit me once again to set the record straight on the Commuter Connection.

We have signed a contract with the Federal Government to implement the tunnel

Despite what some critics say, these federal monies are budgeted for the tunnel. If the opponents of the tunnel report otherwise, they are misleading the public, either through design or ignorance.

The Commuter-Connection project will stimulate our economy and provide critically-needed employment for our citizens.

We have haggled enough over this issue: it's about time we put the first shovel into the ground.

In conclusion, let me thank the people of our city who were extremely cooperative during the recent gas crisis. Without their indulgence, we could not have weathered the emergency.

I would also like to thank Council President Schwartz and all the members of City Council for their sympathetic response to the needs of our citizens.

I would like to commend the members of my Administration and all City employees, in general, for their dedication, devotion and service to Philadelphia.

Together, we shall make Philadelphia a better place for all our people.

Thank you.

THE REAL ESTATE TAX BURDEN ON THE ELDERLY

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. PEPPER. Mr. Speaker, the problems of the elderly in America are vast and so many times unrecognized by the people who are dedicated to helping them.

The 75 percent of our elderly who own their own homes, are generally a forgotten people. Because they have their own homes in which to live, too many of us think their problems are minimal. The facts are quite to the contrary.

Those who are on fixed incomes, and those persons are the majority, are bearing the heaviest burden of the inflation which is an economic hardship on all of

Even though there have been modest increases in social security benefits, the costs of maintaining a home have soared many times more.

Fuel costs have increased by 25 percent. Utility costs have likewise increased, but the heaviest burden these elderly homeowners must bear is skyrocketing real estate taxes.

Mr. Speaker, I would like to commend to my colleagues the reading of Bill Gold's "The District Line", which appeared in the Washington Post on March 28. Mr. Gold cites a poignant case of a married couple in their seventies, on a fixed income, who are having difficulty paying the real estate taxes on their home because its value jumped from the family's \$12,000 purchasing price to today's inflated value of \$80,000:

THE DISTRICT LINE (By Bill Gold)

REAL ESTATE TAX BURDEN HITS ELDERLY

Last week, a letter from a Washington woman started some wheels turning in my head. The wheels have been turning ever since, but without result.

"With governmental changes bringing floods of new people into Washington to look for housing at frequent intervals," she wrote, "the real estate market here is horribly inflated and gets steadily worse. Our assessment has just been increased 38 per cent.

"The burden of these ghastly increases falls hardest on people who are old and are living on fixed incomes. Usually on small fixed incomes. People like us. We just barely get by when the status quo is maintained. When one of our fixed costs goes up, we are in trouble.

"Our real estate taxes in D.C. are based on what other houses have sold for recently, not on what we paid, or could afford to pay. We are being taxed on the basis of somebody else's income, somebody else's lifestyle, somebody else's ability to pay.

"When we bought our house, we paid \$12,000 for it. We will now be taxed on an \$80,000 valuation.

"We will have to pay a tax based upon the assumption that we can afford to live in an \$80,000 house, or could afford to go out and buy an \$80,000 house in today's market. The truth is that we are 70 years old, no longer

employed or capable of earning a living, and forced to live on a very small income.

"When our taxes are increased, we have no choice except to reduce or eliminate some other expenditure, whether it is for food, clothing, heat or something else.

"When our tax assessment goes up, we must also pay more for our homeowner's insurance. They won't sell us homeowner's insurance unless we insure for the assessed value.

"I was told by the D.C. government that if we were 20 years old and had an income of less than \$7,000, we could get tax relief, but they can't do anything for people who are 70 years old but have an income of \$7,200 a year. There is something very wrong in this situation '

When the wheels first began to turn, I told myself that the situation was probably not quite as bad as my correspondent had painted it. After all, her Social Security checks had risen as her taxes had risen, hadn't they?

It didn't take me long to realize that this was a specious argument. Inflated food costs eat up Social Security increases. There is usually precious little left to take care of life's necessities. It's just not in the cards for a 6 per cent rise in Social Security payments to cover a 38 per cent rise in "rent" paid in the form of real estate taxes.

So the wheels turned a little more, and I said to myself: "If her house is really worth \$80,000, she can sell it, invest the \$80,000 in something safe, and move into an apartment.'

But again the wheels stopped abruptly. I realized that if she sells the house she'll have to pay a commission of about \$5,000. If she doesn't buy another house, she'll have to pay a huge income tax. She'll have to uproot herself and move to a new neighborhood, which will probably make it necessary to find a new doctor, new pharmacist, new church, new friends, new everything. She'll have to get rid of some of her furniture and part of her lifetime collection of possessions because they won't fit into an apartment.

What 70-year-old person would view such an upheaval with enthusiasm? Why can't elderly people be permitted to live out their lives in peace? Why can't an affluent society shield them against the impact of economic forces with which they can't cope?

I am glad to note from a story in yesterday's Metro section that public officials are aware of the need for answers to these questions. But they are nowhere near a consensus on how much the tax burden on the elderly should be eased, the formulas under which this might be achieved, or how to replace the tax revenue that would be lost by giving the elderly some relief on their real estate taxes. We have a long way to go on a problem that should have been solved yesterday.

ANNUAL FINANCIAL REPORT ON TAXES PAID OF FORMER CON-GRESSMAN PETER PEYSER

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 5, 1977

Mr. FISH. Mr. Speaker, at the request of our former colleague and friend from New York, Mr. Peter Peyser, I am enclosing a statement on his 1976 taxes.

As in the past for the years I served in the Congress, I filed my total earnings which in 1976 totaled \$53,874, approximately \$7,000 less than in 1975.

Due to a substantial unreimbursed loss by theft, my taxes were reduced. However, I did pay Federal, State, and local taxes totalling \$16,260 in 1976. The bulk of my earnings over my congressional pay, comes from my life insurance renewals on the business I sold prior to my becoming a Member of Congress.

ONE HUNDRED AND TWELVE GRAD-UATE FIREFIGHTER TRAINING PROGRAM IN PHILADELPHIA

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. EILBERG. Mr. Speaker, I am proud of the fact that 112 new firefighters are being graduated by the Philadelphia Fire Department and are scheduled to take up their public service duties in fire stations throughout the city of Philadelphia.

I am particularly proud of the fact that, when Fire Commissioner Joseph R. Rizzo presents diplomas to this fine graduating class, 39 of the recipients will be men from northeast Philadelphia. which I am privileged to serve in the **U.S.** Congress

Also participating in the ceremonywhich marks the completion of training in the 148th fire class to be held in the city-will be Deputy Fire Commissioners Harry T. Kite and Joseph B. Mc-Kenna

Mr. Speaker, because these men have dedicated themselves to serving the people of Philadelphia in an important area of public safety, I am honored to place on the RECORD the names of the 112 new firefighters:

LIST OF FIREFIGHTER GRADUATES

Thirty-nine from Northeast Philadelphia, including James F. Antonio, 10032 Ferndale; James H. Bonner, 528 Benner; Edward T. Brennan, 8739 Marsden; Charles D. Buzine, 8524 Torresdale; Philip A. Cameron, III, 2921 Glenview; John J. Comitale, Jr., 4743 Meridian; Charles J. Crowther, 2931 Hale; Francis J. Cusack, 13451 Philmont; Peter Demtshuk, 4215 Benner; David M. Derr, 7715 Cottage; Michael C. Flanagan, 2146 Friendship; David K. Fleming, 9961 Lackland; Robert F. Fromhold, Jr., 8034 Leon; Francis J. Gallagher, Jr., 6339 Bingham, and John Grillone, 3855 Fairdale.

Also, John J. Haughney, 6126 Newtown; Paul D. Horton, 12752 Hollins; James E. Huckel, 6421 Edmund; Robert G. Johnston, 8210 Elberon Ave.; Kenneth Jordan, 4427 Unruh; John C. Keenan, 9263 Angus; Frederic W. Kozachyn, 7625 Leonard; Thomas G. Leonard, 6100 Bustleton; Allen R. Lyerla, 3517 Sheffield; Frank E. McGuigan, 4427 Aberdale Rd., John P. Melniczek, 1634 "B" Robbins; Robert L. Nathan, Jr., 11904 Millbrook; Gerald L. Peters, 5807 Charles; George M. Petrakis, 12122 Barbary; and Stanley J. Raszewski, 4362 Deerpath.

Other Northeast Philadelphians are Carl M. Schmied, 7918 Craig; Kenneth J. Schnitzer, 4716 Sheffield; David C. Scott, 6355 Marsden; Gary M. Simoes, 4755 Ashville; Robert J. Smith, 8030 Ditman St.; Robert W. Snyder, 11769 Dimarco; Dennis M. Vockeroth, 508 Bennard; Martin A. Walsh, 6020 Tabor; and Lawrence P. Wrenn, 6631 Walker.

Thirteen from Southwest Philadelphia, in-

cluding Howard R. Arnold, 5225 Cedar; Joseph W. Crisanti, 7345 Buist; Harvey N Davis, 5131 Hazel; Anthony O. Harris, 4945 Larchwood; Richard F. Harty, 7020 Saybrook; William E. Henderson, 5654 Beaumont; Harold R. Lacy, III, 1126 S. 60th; Francis G. Nolan, 2605 Daggett, Dennis M. O'Neill, 6633 Woodland; Joseph M. Ruggieri, 6111 Grays; Thomas B. Rush, 5543 Addison; Eric Tingle, 5836 Ellsworth; and David T. Witulski, 7321 Boreal.

Ten from Frankford-Kensington-Richmond, including Thomas J. Crouse, 2334 E. Firth; William F. Curran, 3169 Tulip; Stephen T. D'Angelo, 887 Marcella; Michael F. Dolbow, Jr., 3174 Memphis; William V. Emery, 2345 E. Somerset: John P. Fox. 2928 Cedar: Thomas Somerset; John P. Fox, 2928 Cedar; J. Helverson, 2133 Shallcross; Dennis S. Leibert, 4149 Markland; Michael P. McCusker, Bennington; and Charles M. West 3412 "E".

Ten from Mt. Airy-Oak Lane, including Michael W. Board, 810 E. Sharpnack; Henry Dolberry, 7858 Provident; Quentin Fuller, Jr., 129 E. Upsal; Gregory W. Holmes, 811 E. Upsal; Robert F. Jackson, 6719 N. Gratz; Ronald King, 7234 Pittville; Gerald V. Poole, 1428 67th; Lemuel H. Quinton, 6508 Gratz; William C. Smalls, 7817 Woolston, and Ronald J. Sprouls, 6411 N. Fairhill.

Nine from South Philadelphia including Calvert S. Briddell, 1132 S. 23rd; Anthony R. Drames, 2019 S. Dorrance; Michael A. Erace, 641 Mountain; John A. Giacchino, 1731 S. 16th; Joseph D. McCue, 354 Roseberry; Michael S. McGuire, 2014 S. 21st; Theodore J. McNulty, 2011 S. 24th; John J. Redmond, 359 Dufor; and Eugene R. Vecere, 2436 Ritner.

Eight from Germantown including Frederick R. Fields, Jr., 7207 Briar: John G. Firn, 844 E. Stafford: Donald C. Johnakin, 42 E. Pastorius: Alfred L. Milbourne, 6201 Crittenden; James H. Nero, Jr., 6317 Carnation; Harry M. Salmond, 259 E. Penn; Preston S. White, 7136 Limekiln; and Harry R. Woodards, Jr., 7243 N. 21st.
Seven from West Philadelphia including

Samuel M. Armstead, 5700 Race; William C. Edmonds, 438 N. Holly; John H. Pelzer, Jr., 300 N. Busti; William M. Scruggs, 3854 Cambridge; Wendell B. Miles, 4627 Spruce; Kevin Fann, 543 N. Wanamaker; and Hiawatha Williams, 4807 Walnut.

Six from North Philadelphia including Jerome C. Ball, 1605 W. Thompson; Fred J. Duncan, Jr., 1112 W. Wyoming; John E. Ling, 405 W. Wingohocking; Joseph J. Quinn, 4009 N. Reese; Robert Schell, 3220 W. Huntingdon and John Scott, 2554 N. 12th.

Five from Logan-Olney including James J. Kerrigan, 4921 "B"; William J. Knight, Jr., 5150 "D"; Edward A. Mahoney, Jr., 5239 Marwood; Berle J. Taylor, 6257 N. 15th, and Thomas E. Wiley, Jr., 1727 Rosyln.

Three from Overbrook including Robert C. Bianchi, 926 Marlyn; John T. Hawthorne, Jr., 1351 Pennington and Stanley T. Ratay, 1300 Kimberly.

Two from East Falls are Martin F. Corcoran, 3313 Cresson and Norman E. Harrell, 3211 N. Sprangler.

JEFF TECH

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. APPLEGATE. Mr. Speaker, I am proud to present an outstanding group of people who are true champions.

The 1976-77 Jeff Tech Basketball Team won the Ohio Technical College Athletic Association State Championship—OTCAA—this past season and had an overall record of 18-6. The team also had the best regular session record of all schools in the association.

In the past 3 years, Jeff Tech's record has been 18-0, 1974-75; 19-3, 1975-76; and 18-6, 1976-77. The team has lost only four games to tech schools in the past 3 years.

Their outstanding Coach, Dennis Vince, has been coaching basketball for the past 6 years at Jeff Tech. This year, Coach Vince was assisted by Greg Antinone, a former player at Jeff Tech.

This year's roster consisted of: John Paulowski, Paul Mayhew, Keith Murtland, Jeff Hilt, Craig Anderson, Terry Paboucek, Robert Beresford, Tom Zimmerman, Ken Green, and Don Kozdras.

These fine young men brought to their games the desire and strong will to win every game they played. This is the key ingredient to success in sports and in later life. Mr. Speaker, I am confident each of them will carry over the lessons they learned on the court to their career pursuits.

I offer my sincerest congratulations to them and their Coach, Dennis Vince on an outstanding season.

COAL OR URANIUM

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 5, 1977

Mr. TEAGUE. Mr. Speaker, I would like to bring to the attention of my colleagues an editorial from the Washington Post which outlines the necessity and the hazards involved in the development of both the fossil and the nuclear supply options for electrical power generation. It also points out the kinds of questions that must be asked as the President and the Congress construct an energy policy.

The issue of national energy policy which includes energy research and development and energy supply and demand, make it clear that there will be no simple solutions. Tradeoffs must be made and a balance must be struck among the many options open to us. America is blessed with plentiful, although not endless, energy resources, among them, coal and uranium. Certainly, these two will be the mainstay for energy production over the next 25 years, but here, too, there are choices and balances that must be made.

The editorial follows:

COAL OR URANIUM

To generate increased amounts of electricity, this country now has only two choices. It can either burn more coal or build more uranium-fueled nuclear reactors. Sometime in the next century other technologies will emerge-perhaps solar or geothermal generators. But for the next 30 years or so, this country must expect to depend on the sources that we already have. As Americans work their way toward a coherent national energy policy, it's necessary to weigh these two fuels, coal and uranium, against each other. What are the respective risks to health, safety and the natural environment-

Coal, on present evidence, is more dangerous than the present generation of nu-

clear reactors running on enriched uranium. Coal is also likely to be a bit more expensive than nuclear power in most parts of the country. The evidence is admirably summarized in the report published last week by a distinguished committee brought together by the Mitre Corporation with a grant from the Ford Foundation. The Mitre report argues that there is no reason for the United States to proceed in this century to build the plutonium breeder reactor. But uranium and the present commercial reactors are an altogether different story from plutonium and the breeder-and far less hazardous. Fuel policy is, above all, a weighing of hazards.

Coal smoke contains poisons that, inhaled over the years, can kill people. That truth is widely known, yet there seems to be a tento discount it because people have been living with it for a long time. How many lives would it cost to carry out a massive increase in coal-fired power generation? Estimates vary, just as estimates of nuclear dangers vary. But they do not vary so much that a comparison is impossible. The Mitre committee concludes that "new coal-fueled power plants meeting new source standards will probably exact a considerably higher cost in life and health than new nuclear plants."

Large increases in coal consumption throughout the country would also probably affect the weather. Burning coal (or anything else) produces carbon dioxide, and there are already indications that humanity is burning fossil fuel fast enough to tip the natural balances in the atmosphere. The impact on the climate cannot be predicted accuratelyand that's another reason for caution.

But certainly the list of imponderables also includes the chances of serious nuclear accidents. Mankind's experience with reactors has been very brief, and any calculation of danger has to be based on extrapolation rather than experience. Precisely because the uncertainties are very great, in coal as well as in nuclear generation, the Mitre committee wisely counsels using both. Nuclear energy will not be indispensable to this country for many decades, it argues. But a cautious and steady expansion of the reactor system would offer a valuable kind of insurance against unexpectedly severe consequences of greatly increased coal use.

There is one crucial point that the Mitre report does not directly address: How much electric power will the country need? Most of the power companies currently expect demand to rise about 5.5 per cent a year. That would mean more than trebling the country's generating capacity by the end of the century-requiring a truly awesome expansion of both coal and nuclear power. The conventional view is that any great reduction below that rate would jeopardize the nation's economic growth. But that's not necessarily true, if conservation is carried out with careful thought and preparation. The public issue is not just how to balance coal against nuclear power. First of all, it's deciding how much of either the country wants-with all of the risks and penalties that will inevitably accompany either. That's a question for President Carter and Congress, to be answered in the energy policy that they must hammer out this year.

IOWANS REJECT BIG GOVERNMENT

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 5, 1977

Mr. GRASSLEY. Mr. Speaker, the residents of the Third District of Iowa have sent a clear message to Congress. that the Federal Government should reduce its interference in their lives, and reduce its expenditures. That message comes through in the results of my latest public opinion poll. I would like to share those results with my colleagues and hope that they will consider the views of these wise Americans in casting votes this session.

RESULTS OF 1977 GRASSLEY QUESTIONNAIRE

(Answers in percent)

1. Do you support the "Public Service Jobs Bill," under which the Federal government would provide a taxpayer-financed job for anyone who can't find work in private business? Yes, 27; No. 73.

2. Should Federal tax dollars be used to finance Congressional campaigns? Yes, 15;

No. 85.

3. Do you believe rules and regulations of Federal departments and regulatory agencies should be submitted to Congress for review and/or revision before taking effect? Yes, 93; No. 7.

4. Should the United States reduce the number of its troops stationed overseas?

Yes, 37; No, 63.

5. Should tighter controls be placed upon

foreign trips by Congressmen? Yes, 96; No. 4. 6. Should the United States expand diplomatic and commercial relations with Cuba and Communist China? Yes, 59; No. 41.

7. Should food stamps be limited to people at or below the poverty level? (Currently \$5,500 for a non-farm family of four.) Yes, 90: No. 10.

CANAL ZONE AND PANAMA CANAL: STRATEGIC ANALYSIS BY HANSON W. BALDWIN

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 5, 1977

Mr. MURPHY of New York. Mr. Speaker, as one who has studied interoceanic canal policies and problems for many years, I have found the public response to forthright and objective discussions of this highly complicated subject most gratifying. Of special interest to Members of the Congres working in this field has been the high quality of certain writers now making their contributions toward bringing about a more realistic understanding of the questions involved.

Among such authors is Hanson W. Baldwin, a brilliant military historian, distinguished strategist, and former military elitor of the New York Times. whose extensive writings are in the libraries of the Nation and have won wide respect.

A recent contribution by him is a series of two articles in a New England newspaper. In the first, he stresses the Panama Canal as vital to U.S. interests in the strategic Caribbean-Gulf of Mexico, with full U.S. sovereignty over the Canal Zone and Canal as fundamental. In the second, after outlining some of the points in the current treaty negotitions and threats of violence, he makes this very pertinent point:

... if we refuse to defend highly important or vital interests merely to avoid the blackmail threat of violence, we are finished before the crisis erupts.

Mr. Speaker, to make the two informative articles by Mr. Baldwin readily available to the Congress and more widely known throughout the Nation, I quote them as parts of my remarks:

[From the Waterbury Sunday Republican, Feb. 6, 1977]

Panama Canal Vital to U.S. Interests

(By Hanson W. Baldwin)

Hanson W. Baldwin, a resident of Roxbury, is the retired military editor of The New York Times. He has prepared a two-part series for The Sunday Republican on the need for the United States to retain control of the Panama Canal.

The future of what should be America's "Mare Nostrum"—the Caribbean Sea-Gulf of Mexico—will be profoundly affected by one of the first crucial foreign policy decisions of the Carter Administration.

That issue is the Panama Canal—its security and control, and its sovereignty.

Not since Fidel Castro took over Cuba and established a Russian-supported and Russian-armed Communist bastion within 60 miles of our shores has there been any foreign policy issue so close to home and so important to basic American political and strategic positions as the current and long-continuing negotiations with the Republic of Panama about a new Canal treaty.

The terms of such a treaty will have significance that will extend far beyond the operation of the canal, the status of the narrow strip of land around it—the Canal Zone (until now considered U.S. sovereign territory), or its effects upon Panama itself or other Latin-American nations. The ultimate stakes could well be control of a vital sea area—all of that vast, island-dotted watery space to our south across which most of the main north-south, east-west air and sea trade routes of the Western Hemisphere flow

Not since the Monroe Doctrine was first enunciated 150 years ago has there been such a major threat to its validity as there is today. Ever since Castro came to power, the Doctrine has been more honored in the breach than in the observance. Soviet MIGs flying from Cuban fields, Soviet submarines calling at Russian-built Cuban bases, Cuban troops armed with Russian weapons transported by Russian planes to African Angola, and Russian-trained Cuban guerrillas, infiltrators, agents provocateurs, and "training" and "aid" missions in various Latin-American countries, including Panama, Guyana, Jamaica and Puerto Rico are all signs of a spreading infection.

The area that Alfred Thayer Mahan and all succeeding generations of strategists have considered in the vital interest of the United States to control is now often laced by the vapor trails of Russian jets or the unseen passage of Soviet submarines.

IMPORTANT FOR TRADE

There is no doubt about it; the Monroe Doctrine today is in considerable peril.

The Caribbean Sea-Gulf of Mexico is an area of tremendous geographical and economic, and hence of strategic, importance to the United States. Across its waters, or through its skies flows a very sizable portion of the lifeblood of U.S. industry and commerce—coffee and manganese from Brazil, bananas and tropical fruits from Central America and the islands; copper from Peru and Chile; bauxite from Jamaica and Surinam; oil from Venezuela.

Some 13 major global trade routes funnel through the Canal. About 16.8 per cent of U.S. trade passes through the Canal and it has been estimated that of all cargoes tran-

siting Panama in ships of all flags, some 70 per cent is bound to or from U.S. ports.

The Canal-Caribbean-Gulf area provides access by sea and air to our vital Gulf Coast ports and the increasingly important off-shore oil and gas fields in the Gulf, to the mighty Mississippi, jugular vein of the nation, and to the "soft underbelly"—the very soft underbelly—of the United States.

The present-day military importance of the Canal is too often dismissed. Two principal criticisms of its alleged lack of utility are made: It could, it is said, be instantly destroyed in a nuclear war, and its locks are not wide enough to accommodate "modern" vessels.

Both statements are false, irrelevant or over-simplified. In a nuclear war, the Canal and for that matter, many other areas in the United States and overseas would simply have no relevance, either as targets or as positive military assets. But the Canal does have major and continued importance in non-nuclear conflicts or confrontations, which are, by far, the most likely contingencies of tomorrow.

During the Cuban missile crisis, Marines and supplies from the West Coast were ferried through the Canal to the Caribbean; if they had had to pass around Cape Horn they would never have arrived in time to influence the outcome. During the Vietnam War, one-third of all sea-borne cargoes bound for Vietnam transited the Canal, after loading at Gulf or Atlantic ports.

ADEQUATE FOR NAVY

Today, with our Navy greatly reduced in numbers, we face the same situation we did before World War II—a one-ocean fleet with two-ocean responsibilities.

Contrary to impression, every vessel of the United States Navy except our 13 first-line aircraft carriers, can transit the Canal, including all our missile-firing and attack submrines, all our anti-submarine and escort forces, our amphibious vessels and our support and supply craft—a factor of great importance when a crisis is brewing.

There has long been, moreover a oncestarted, but still dormant plan to build, within the present zone a third set of locks (or a sea-level Canal), wider than the 110-foot width of the present locks and possibly of greater depth, which would accommodate, at some future time, when and if traffic needs demand it, not only the world's largest naval vessels, but some of the huge ore carriers and supertankers.

Contrary, therefore, to popular impression, the Canal does have continuing and far-reaching importance to the United States. And the new Panama Canal Treaty, at least in the terms in which it is being discussed, would be bound to have major political, strategic and psychological effects upon the entire Caribbean Sea-Gulf of Mexico area and upon our relations with Latin America.

This is because, for the first time since the Panama Canal was built in the early part of this century by U.S. engineers and with U.S. money and the Canal Zone was bought outright with taxes provided by U.S. citizens, we proposed to transfer sovereignity over the Canal and the Zone to Panama in the biggest "give-away" in our histroy.

The basic treaty—the Isthmian Canal Convention of 1903—explicitly ceded a 10 mile strip of territory across the isthmus from the new Republic of Panama to the United States, "in perpetuity." The treaty provided that in the Zone, the United States would exercise "all the rights, power and authority . . . which it would possess and exercise it it were the sovereign of the territory . . . to the entire exclusion of the exercise by

the Republic of Panama of any such sovereign rights, power or authority." This fundamental provision, which ceded

full sovereignty over the Canal and the Canal Zone to the United States (an interpretation which has been twice supported by the U.S. Supreme Court and was, initially fully accepted by Panama) still stands, although other provisions of the original treaty have been revised or modified many times, always at the expense of the American taxpayer and for the benefit, not of the United States—but of Panama.

[From the Waterbury Sunday Republican, Feb. 20, 1977]

DECISION ON CANAL'S FUTURE AT HAND (By Hanson W. Baldwin)

We have now reached, because of the "waffing" of past administrations and long continued concessions, a point-of-no-return, when we must put up or shut up.

In 1974 Henry Kissinger unwisely signed a "statement of principles" to govern negotiations for a new Panama Canal zone treaty. Kissinger agreed that the concept of perpetuity should be eliminated and, in effect, that the new treaty should end—after a fixed but undecided period of time (the year 2000 is generally mentioned)—U.S. sovereignty and control over the Canal and the Zone.

Ever since, negotiations with Panama have been conducted—despite strong and strengthening protests in Congress and among many sections of U.S. public opinion—within the framework of these limitations.

After a virtual hiatus most of last year because of the presidential campaign and the interjection of the Canal issue into it, the negotiations are to resume momentarily under the auspices of a new administration. Our protagonist, however, is still the same radical demagogic dictator, who has ruled Panama's 1.5 million people for the past eight years.

Omar Torrijos seized power in a coup and has retained it by armed force (the support of the Panamanian National Guard, the only military-police power in the country) by the bland promises of pie-in-the-skyultimate sovereignty over the Canal and the Zone. He has not hesitated to rule roughshod; he has exiled some dissident business men, completely controls a fully press and he has outlawed all political opposition. His government has become a kind of neo-Marxist dictatorship, not only in its do-mestic policies, but in its close and cordial relationships with Castro and Moscow. Only one party-Torrijos' "Peoples Party"-is permitted; there are numerous known communists among its leaders.

Torrijos has staked his political future on taking over the Canal and he may well have unleased forces he cannot control. His bargaining style continues in the Latin political tradition of making Uncle Sam a whipping boy; it is a mixture of open threat and nationalistic bluster. But what he considers his aces in the hole are the prediction—indeed the promise—that unless a treaty ceding ultimate sovereignty to Panama is concluded this year, the United States will face armed confrontation (i.e. rioting mobs, terrorist and sabotage activity, guerrilla war, even a kind of low-key Panamanian "Vietnam"); and we shall also face the united condemnation of all the Latin American nations.

Both threats are, in my view, overdrawn—particularly the latter. But the question still remains:

Is it more important to avoid confrontation and condemnation than it is to retain control of the Canal, a security asset of tremendous importance in its own right but of even greater significance to the future of that vital area—the Caribbean Sea-Gulf of Mexico? DISASTROUS CONSEQUENCES

The psychological and political consequences of the abandonment of sovereignty by the United States in the Zone-in the face of repeated threats by a minor dictator openly backed by Castro and Russian communism-to our naval base at Guantanamo Bay, Cuba, to other U.S. base rights overseas to our strategic position in the Caribbean could be disastrous. The questions that would inevitably be asked are:

Is the United States a paper tiger?

Where, after Vietnam and Angola and now, Panama, would we draw the line, if

not at our own back door?

It is certainly true that rioting mobs tomorrow, as in the past, are an ever present possibility in Panama; Latin volatility and Communist provocateurs, aided by trained Cuban infiltrators, insure that. Sabotage and terrorism, if supported by Cuba and/or Russia, could become serious; some bombing incidents involving the automobiles of Zone residents who oppose the transfer of sovereignty have already occurred. But serious sabotage of the Canal itself, even if it could be accomplished, would be an irrational act. For Panama, it would kill the goose that laid the golden egg.

A large-scale guerrila war, another Viet-nam, is highly unlikely. We want no more Vietnams, but surely Panama does not want a Central American Vietnam either, and the great majority of Panamanians are not the dedicated and disciplined fanatics that we faced in the jungles of Southeast Asia.

In any case, if we are to avoid confronta-tion all over the world by concession and retreat, if we refuse to defend highly important or vital interests merely to avoid the blackmail threat of violence we are finished before the crisis erupts.

RISK IS NECESSARY

As to Latin-America, we must risk its wrath. But it will be far from unanimousmatter what some Latin American spokesmen say, pro forma, for public consumption. Fundamentally the nations of Latin-America and the Southern Hemisphere have always respected strength. Many of them are highly dependent on the water-way, and some of them, quite satisfied with the low rates and efficiency of American operation of the Canal, mistrust the probable instability and uncertainty of Panamanian rule.

There is, too, very considerable uneasiness about Communist influence in Panama and the close ties Torrijos has established with Castro. The memories of Angola and the fears of Russian imperialism within the

Western Hemisphere are vivid.

During last Fall's political campaign, both President Ford and Jimmy Carter avoided the real issue in the Panama negotiations which is the question of U.S. sovereignty and the security of our "soft underbelly." Neither of them referred to the major problem of the Canal issue-the strategic importance of the Caribbean, and both of them said they would maintain "control" of the Canal.

The exact words of now President Carter,

which are today most germane, were:
"I would never give up complete control or practical control of the Panama Canal Zone. But I would continue to negotiate with the Panamanians.'

In other words have your cake and eat too. Give up sovereignty, perhaps, but maintain security and control. It's a nice

trick, if you can do it.

We lost our great airfield in Libya and our entire military investment there after a change of regime. We were denied over-flight or refueling bases during the last Mid-East war, even by our allies. After the Cyprus crisis both Turkey and Greece either limited U.S. operations at our bases in those countries or closed them down.

Sovereignty means control. Control without sovereignty is double-speak.

HUMAN RIGHTS ON CAPITOL HILL

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 5, 1977

Mrs. SCHROEDER. Mr. Speaker, the April 9 issue of the New Republic has an excellent essay twitting the Justice Department for its opposition to human rights on Capitol Hill. The article fol-

HUMAN RIGHTS ON CAPITOL HILL

The Carter administration is willing to risk the wrath of Moscow to protest human rights violations 10,000 miles away, but it shows signs of losing its moral sensitivity, its guts, or both, when wrongs are perpetrated within an Inauguration Day's walk of the White House. No foreign country can claim that mistreatment of its citizens is solely its own business, the President told the United Nations. But the same rule apparently does not apply to the U.S. Congress. In a case, now before the Federal Circuit Court of Appeals, in fact, the administration is helpnig Congress preserve its right to mistreat its own employees.

Things obviously aren't as bad on Capitol Hill as they are in Russia or Brazil: by American standards they are merely disgraceful. Congress has passed civil rights laws for the rest of the country to live by, but has specifically exempted itself. Other employers, public and private, are forbidden to discriminate on the basis of race, creed, sex or national origin, but members of Congress are free to be as bigoted or sexist, arbitrary or abusive as they please. Many of them please very much. They demand that employees walk their dogs fetch their groceries, drive their wives to California, babysit their kids and sleep with them, and the employees have no recourse except to quit their jobs. It is more of an option than Dred Scott had, but not much.

Women bear much of the worst of it. They are regularly relegated to positions beneath their skills, paid less than men doing the same work and denied opportunities for advancement. The 1976 survey of the Capitol Hill Womens Political Caucus indicated that of 644 highest-paid congressional staff jobs, only 6.2 percent were held by women, down from 7.4 three years before. In addition to professional discrimination, women on the Hill seem to suffer sexual pressures and indignities beyond the norms of American society There is probably something tribal in this. Constituents may think of congressmen as village elders, but the congressmen see themselves, puffy and paunchy though they may be, as hunter-warriors, entitled to whatever they want when they want it. John Young and Wayne Hays got caught using public money and positions of power to buy and extort their sexual satisfaction. Plenty of others keep up the tradition.

The abuses occur because congressmen and senators view themselves, inside the sovereignty of Congress, as a co-equal branch of government, as individually sovereign and co-equal, too—answerable only to their constituents at election time and not to each other, the public at large, other branches of government or, least of all, the people who work for them. Each member is 1/535th King of the Hill, Royal Highness of his own little office and staff. It is a small domain within which to wield absolute power, but it is enough to corrupt some people absolutely.

The system changes only under pressure, and slowly, and with little enthusiasm from within. After the Hays-Elizabeth Ray affair, equal rights proponents in the House created a voluntary fair employment practices procedure to give recourse to employees who felt they had been mistreated. In a year, however, only 104 of the House's 435 members have signed themselves up to participate in the program. The House leadership has given it no support whatever, and it was ignored by the Obey commission which recommended changes to improve the House's ethical climate. Not even a voluntary plan exists in the

With Congress lacking any effective grievance procedure, it was inevitable that some wronged soul would sue, and someone did: Mrs. Shirley Davis, former deputy administrative assistant to Rep. Otto Passman, Davis had received a letter from Passman relieving her of her duties because (said the Congress man), "I concluded that it was essential that the understudy to my administrative assistant be a man." Even though Passman had thereby provided Mrs. Davis with the proverbial smoking gun, a US District Court dismissed her suit. She appealed, however, and won a ringing decision on January 3 from the Fifth Circuit Court of Appeals in New Orleans, defending her right to bring action against a congressman for violation of her constitutional right to equal protection, whatever special arrangements for itself Congress may have written into its own statutes. Now the case has been remanded to the District Court. Passman has petitioned for a rehearing.

If the decision stands, congressional employee activists believe it may provide the basis for legal assaults on many forms of Capitol Hill personnel abuse, not merely racial or sexual discrimination. Congress the other hand, sees it as a major infringement on its constitutional prerogatives. On the day after President Carter's inauguration. House Speaker Thomas P. O'Neill and Republican leader John Rhodes wrote a letter to Attorney General Griffin Bell urgently requesting that he intervene in the Rhodes subsequently disassociated himself from the letter, but Rep. John Stack of West Virginia weighed in with another letter in his capacity as chairman of the subcommittee that passes on the Justice Department's budget.

Instead of lining up with Davis on the side of human rights, or letting Congress stew in its own, self-spiced legal juices, the Justice Department entered as a friend of the court, arguing Tip O'Neill's and Passman's case that the Constitution allows members of Congress to violate the constitutional rights of its employees. The Fifth Amendment accords all citizens equal protection under the law, but the Justice Department brief says, in effect, that it's unenforceable on Capitol Hill. According to Justice, the Constitution's "Speech or Debate" clause not only protects a legislator from being "questioned in any other place" about his lawmaking activities, but also means "a Congressman should not have to answer in court for his reasons to hire or fire an aide." upshot of the brief is that congressional employees have no rights that members of Congress are bound to respect. It's a familiar enough argument: a modern version of the Dred Scott decision upholding slavery. Jimmy Carter may be sending letters to Andrei Sakharov off in Russia, but closer to home his attorney general is lighting candles to Simon Legree.—MORTON KONDRACKE.

AFFIRMATIVE ACTION

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. CRANE. Mr. Speaker, since its inception, the so-called affirmative action program has been a source of tremendous controversy from not one but two points of view. On the one hand, we have those who contend that "affirmative action"-which, in fact, is a quota system-discriminates on the basis of race no less certainly than did legally mandated segregation a decade or more ago. But no less significantly, there are, on the other hand, those who have argued that "affirmative action" does not produce the intended results and may in the long run be counterproductive.

A few years ago, the Defunis case in the State of Washington focused attention on the arguments of the legalists. Marco Defunis Jr., a white student with excellent grades, had applied to the University of Washington School of Law but was rejected even though 39 black students with lower grades were accepted. But before the Supreme Court could decide the issue once and for all. Defunis had gotten into law school on the strength of a lower court ruling and had graduated, permitting the Court to evade the basic issue of reverse discriminating on the grounds that the point was moot. Now, however, it appears the Court will have to face it. The California State Supreme Court has ruled that the University of California of Davis was guilty of reverse discrimination when it denied a white student, Allen Bakke, admission to medical school at the same time it accepted minority group members who allegedly were less qualified.

But the legalist position is not the only one being proven through the passage of time. The realists, those who have been saying that affirmative action is not only ineffective but counterproductive, have long argued that it is no easier to legislate merit than morality. To lower standards or inflate grades, they have said, does not make a person any more capable in terms of performance, just better qualified on paper and that at the expense of someone who had shown better aptitude in the first place. Moreover, improving paper qualifications is not only illusory in the long run but is ultimately patronizing. To the minority group member it says-you are being given what society does not think you can earn.

The fact that this argument has not been frequently articulated by members of minority groups should not be taken as an indication that it lacks support but rather as a reflection upon our historical experience. Not surprisingly, the most appropriate struggle for equality of opportunity can be, and often is, confused with a politically inspired "egalitarianism" of a different sort, making it difficult for blacks who feel affirmative action is patronizing to come out and condemn it. Therefore, it is not just com-

mendable but significant when a columnist, who is himself black, tells his readers that, not only is there another side of the story but that there are black intellectuals telling it and backing it up with statistics.

In case my colleagues have not had the opportunity to see William Rasp-berry's column that appeared in the March 25 issue of the Washington Post, I ask unanimous consent that it be inserted in the RECORD at this time. Also, I would hope that my colleagues would pay particular attention to the last five paragraphs where Mr. Raspberry reports on what one of those black scholars has recommended as an alternative to affirmative action—the stripping away of legislation which appears on the surface to be of general benefit, but in actuality benefits only one special interest group at the expense of blacks and other minorities. As with "affirmative action" itself, such legislation is not what it seems.

A Negative View on Affirmative Action (By William Raspberry)

Walter Williams was different. You'll have to give him that. The other speakers at Howard University's affirmative-action forum were, with varying degrees of eloquence, espousing the predictable. But Walter Williams was saying he wasn't sure affirmative action was such a good idea after all.

While he was at it, this young black economics professor from Temple University proceeded to knock a whole host of government programs dear to minorities and liberals: the Davis-Bacon Act, the Wagner Act, the minimum-wage laws. But most emphatically, he knocked affirmative action.

Speaking of special-admissions programs, for instance, he noted that few people of any race or class are able to succeed at such schools as UCLA (where he earned his master's and doctoral degrees), MIT, Harvard or Swarthmore, which take only the top 10 or 15 per cent of high school graduates.

"Failure to take this into account, and considering only the relative absence of blacks on a given college campus, can produce disastrous consequences if blacks are shoved into the situation," he said. The bad consequences he cited include high attrition rates, reinforcement of feelings of inferiority, deterioration of academic standards and the introduction of differential standards and courses for blacks and whites.

Like UCLA's Thomas Sowell, another black conservative of whom Williams is a disciple, he also says that special-admissions and other affirmative-action programs serve to lower the market value of the achievements of competent blacks. That's because of the assumption that any major gains on the part of blacks would have resulted not from competence and drive but from special breaks.

He freely acknowledges that racial discrimination, both present and historic, has given a competitive edge to whites. But he doesn't think that arbitrary awards of "merit" are an effective means of redress.

"The hard fact of life is that it takes many years for any individual to develop the set of skills and aptitudes that will make him a successful college student or professional school candidate. There is no known way to bring a student who is already college age, with an SAT score of 300, up to the level of a student with an SAT score of 500 in the space of a year or two." He would focus on pre-college education, although the results would not be particularly dramatic for several years.

But the results of affirmative-action pro-

grams haven't been very dramatic, either, said Williams.

Again drawing on Sowell's work, he cited an American Council on Education survey of 50,000 academics that showed blacks constituted 2.1 per cent of college faculties in 1968-69, women 19.1 per cent. Then came the affirmative-action push

Then came the affirmative-action push that had blacks and Jews calling each other names, that sent university deans scurrying back and forth between campus and HEW's Office for Civil Rights, that produced all manner of predictions of disaster.

And, says Williams, it produced little else. By 1972-73, the percentage of blacks on college faculties was up from 2.1 to 2.9 per cent; women from 19.1 to 20 per cent. Nor, he said, could much more have been expected, since "if colleges and universities hired every black Ph.D. in the United States, active or retired, living or dead, there would be less than three black faculty members per college."

Williams suggested that minority and liberal lawyers (the conference was sponsored by Howard's law school) undertake a different focus: an examination of the legal structure—"rules of the game"—that frequently works to the disadvantage of minorities.

For example, he demanded, should minority advocates support Davis-Bacon (the 1931 law requiring that workers on federal construction projects be paid the prevailing union wage), when the result is to discourage non-union contractors from bidding on federal jobs—to the obvious disadvantage of minorities and younger workers who are excluded from unions?

Should liberals favor union-security or closed shop arrangements, when the result is either to exclude minorities (who often are excluded from unions) or to prevent them from selling their labor at lower-than-union rates?

Should they favor minimum-wage laws when the predictable result is unemployment for marginal workers—notably black youths? "While the federal government specifies that minimum price at which a labor transaction can be made, it does not require that the transaction itself be made," Williams pointed out.

A member of his generally hostile audience suggested that Williams might with equal validity advocate the return of slavery as a total cure for black unemployment.

Nearly all the other speakers at the twoday conference would take philosophical exception to Williams' views. But, interestingly enough, most of them wound up hardly less gloomy in terms of what they realistically expect affirmative-action programs to produce.

THOUSANDS OF CUBANS LEAD ANGOLA ATTACK ON ANTI-MARXISTS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. McDONALD. Mr. Speaker, while the United Nations and others wring their hands over whether or not every black Rhodesian is voting or not, thousands of blacks continue to be slaughtered in Angola by Cuban Communist mercenaries without any of the so-called liberal establishment raising an eyebrow. Stranger still, how some of these same liberals are so concerned over normalizing relations with Castro's Cuba are so unconcerned with his aggressions against Africans. Whatever their motives, the

Cuban-sponsored slaughter goes on as recently reported in the Daily Telegraph of London of March 31, 1977. The article follows:

THOUSANDS OF CUBANS LEAD ANGOLA ATTACK ON ANTI-MARXISTS

(By Ray Kennedy)

JOHANNESBURG. Thousands of Cuban troops in southern Angola have launched an offensive against forces of the pro-Western and pro-South African UNITA movement operating from the country's thick bush.

The Cubans are spearheading a drive to smash UNITA once and for all after their Marxist MPLA allies failed to do the job and because they fear South African forces are poised to launch an offensive into Angola mainly to retake the site of the important Calueque dam.

For the past two weeks South African troops on their own side of the border in the South West African Bantustan of Ovamboland have heard nightly artillery fire as the Communist forces in southern Angola have shelled positions and villages occupied by UNITA and its sympathizers.

Hundreds of black Angolans, many wounded, are now streaming across the border into Ovamboland. They risk their lives in no-go area on the South West African side of the border in which South African troops have orders to shoot anything that moves.

The MPLA (Popular Movement for the Liberation of Angola) and their Cuban allies strongly believe that South Africa is preparing to advance into Angola again to retake the Calueque dam which is an integral part of the multi-million pound Cunene hydroelectric scheme.

The Ruacana works is completely at the mercy of whoever controls Calueque. Work there has been at a standstill since South African troops pulled out of Angola last March.

HIT AND RUN

Cuban MPLA dominance of the area is being severely hindered by the hit-and-run tactics of Jonas Savimbi's UNITA movement fighting from the bush. UNITA has almost total sympathy from the local Kwanyama tribe.

Late last year MPLA units, aided by units of the South West African People's Organisation (SWAPO) launched an offensive against UNITA and thousands of Kwanyama refugees fied into Ovamboland.

SWAPO claims that UNITA troops are being trained in Ovamboland itself but this was denied yesterday by Mr. Jannie de Wet, Commissioner General for the Indigenous Peoples' of South West Africa.

He said in Windhoek: "Any suggestion now or in the past that UNITA has been operating from Ovambo is untrue. UNITA is interested in Angola only and operate from the Angolan bush"

Rumours persist tha UNITA units are being trained in the western area of the Ovambo homeland, where guerrilla activity is known to be intense.

PLEA FOR AID

In Oshakati, capital of the Ovambo Bantusta, the Chief Minister, Pastor Cornelius Ndjoba, appealed yesterday for international aid for the refugees. He said his homeland had already absorbed more than 10,000 of them since civil war in Angola erupted two years ago.

He said that according to refugee reports more than 1,000 men, women and children had been killed in southern Angola in the last two days. The refugees claimed whole villages had been razed by artillery, rocket and mortar fire.

Mr. de Wet said: "Independence, such as that in Angola, means nothing. The irony is that these people are fleeing to South-West Africa which has in the past been branded as a threat to world peace."

COLUMNIST JOE YOUNG PREDICTS DISASTER FOR FEDERAL EM-PLOYEES IF BILL TO REVISE HATCH ACT IS ENACTED INTO LAW

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. DERWINSKI. Mr. Speaker, Joe Young, the highly respected and veteran columnist of the Washington Star, reaffirmed his strong opposition to the bill to revise the Hatch Act which would permit Federal employees to freely engage in partisan politics.

He feels that-

This bill if enacted into law would be a disaster for Federal career employees and the merit system . . . Revision of the Hatch Act would politicize the Federal career service, regardless of the provisions in the bill that would protect employees from coercion who did not want to engage in politics.

I think Mr. Young's observations are right on target as to what would happen if the Hatch Act is revised as proposed, and I commend his article for the Members careful reading:

[From the Washington Star, Apr. 3, 1977]

FEDERAL COLUMN

(By Joseph Young)

Undoubtedly the most important bill involving federal employes this year is the one that would revise the Hatch Act to permit government workers to engage actively in partisan politics.

We felt very strongly last year that this bill if enacted into law would be a disaster for federal career employees and the merit system. We still feel this way.

system. We still feel this way.

Last year the Democratic Congress approved the bill but it was vetoed by President Ford.

This year the situation has changed. President Carter has endorsed the legislation, asking that some "sensitive" jobs be excluded.

There is some hope that growing public sentiment against such legislation could cause Congress to water it down considerably or even junk it.

Do government employes favor getting the right to participate actively in partisan politics?

Nearby area congressmen say their poll of federal employe constituents shows a large majority of them opposed to changing the Hatch Act.

However, the Federal and postal employe unions contend otherwise.

For example, Patrick J. Nilan, legislative director of the American Postal Workers Union, says a poll of his members shows that 95 percent of them want the Hatch Act liberalized so that they can get involved in politics.

We do not question the figures cited by Nilan, who is one of the ablest legislative lobbyists in town and a man of integrity. But postal workers operate in a different milieu than federal employes and have less to fear and more to gain than federal careeer employes under a political activist system.

The Postal Service is a quasi-independent

government corporation that bargains directly with the powerful postal unions on a pattern similar to that in the private sector. The federal career service is almost entirely different.

Revision of the Hatch Act would politicize the federal career service, regardless of the provisions in the bill that would protect from coercion from their bosses those employes who did not want to engage in politics.

Promotions and even job retention would depend on an employe's political activities, particularly in the middle and upper grade jobs. Conversely, when new political administrations took over, such employes almost invariably would get the ax. What kind of career system is this?

If one is still unconvinced, he has only to read the story the other day by The Star's White House reporter, Fred Barnes, in which he interviewed Jim King, the White House's personnel director.

King, who seems to be a human weighing machine, said he knew something was fishy when he picked up a copy of the "plum book" containing political patronage jobs, and recalled that it felt much lighter than previous plum books. He remembered from his days as a Democratic campaign worker in 1960 that the plum book then was much heavier.

King suspects that many of the political patronage jobs—about 1,200 of them—were converted into civil service jobs during the Nixon and Ford administrations.

King implied that the Carter administration would like to return these jobs to polit-

ical patronage status.

The point is that whatever went on in the Nixon and Ford administrations and what the Carter administration wants to do about it now would be child's play compared to the system that would be established if the Hatch Act is overhauled.

There would be massive manipulations of federal career jobs in promotions, appointments, assignments, transfers and reductions-in-force. And few really good jobs would be safe when a new political administration came in to power. If new administrations now are suspicious of the career employes they are inheriting, think of how it would be if the career service becomes politicized.

APARTHEID AND THE CHURCH

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. RANGEL. Mr. Speaker, the social and political repression being exercised by the apartheid government of South Africa is now reaching into the sovereign domain of the church. To our own Nation, which holds its religious freedom in cherished reverence, this new act of oppression is indicative of the precarious hold the South African regime has on the reins of power.

The Catholic Church has long defied the officially sanctioned system of racial segregation. Children in Catholic schools are educated together. They have moved to desegregate hospitals, orphanages, and similar institutions. Their program of equality and brotherhood among men has now placed serious political problems on the Dutch Reformed Church, whose leader is the brother of Prime Minister John Vorster.

I feel my colleagues will find an excellent and informative article following by Roy Wilkins executive secretary of the NAACP, describing this very problem. It follows:

THE CATHOLIC STAND

(By Roy Wilkins)

The Catholic Church in its relationship to its communicants should cause the South African government to pause, momentarily, in carrying out the edict (issued by the government) that Catholics should attend schools separately, by race.

Both sides appear to have gone too far to turn back gracefully. The South African government has issued an order to the Catholic Church to cease its defiance of apartheid by educating Catholic children together, regardless of race. The church has issued a statement denouncing the nation's "social and political system of oppression." It coupled this denunciation by saying that it would assign black priests to officiate at white services. The church's membership is 80 per cent black and 80 per cent of the clergy is white.

The Roman Catholic bishops' statement also demanded an investigation of "seemingly beatings and unjustifiable shootings (of blacks) during disturbances and coldblooded torture of detained persons.'

"No temporary suppression by violence, only a sharing of citizenship, can give hope of any safety for children, black or white, now growing up in the republic and prevent the horrors of civil war in the future," the statement said

Eighteen young men have been shot while "escaping" from jail. A Johannesburg lawyer "The police have lost all their credibility in their escape-and-suicide stories.'

"Declaration of Commitment" the church pledged to continue and intensify its campaign against racial separation. statement was preceded by a single paragraph which declared, "the Catholic Church in South Africa was lagging behind in witness to the Gospel in matters of social justice."

The move to desegregate would affect 40 orphanages, 65 hospitals, 150 dispensaries, 170 hostels and more than 70 similar institutions. The Catholic Church will offer equal pay for equal work and in other areas make 'strenuous efforts" to bring about social justice.

Prime Minister Vorster in a television in-terview said that "in certain senses" the racial situation was worsening. Also on the political angle, the latest move of Catholics is viewed as putting the Dutch Reformed Church, the leader, in an awkward position, since a brother of Prime Minister John Vorster heads up the church.

In the light of the hardening of both positions no one can predict what the outcome will be. It is difficult to imagine the Catholic Church, in this day, forcing a war upon a country. They believe that they have been remiss in bringing about brotherhood. They hold to that faith. Mark you the words, "lagging behind," to be a witness for my Lord in a nation where there is much to be done. We don't know what the church saw. There

is only so much to be explained in multisyllable words. What one feels deep in his heart are his true feelings. Perhaps Roman Catholic leadership has had all it can take, whether the victims be black or white.

On the other hand, one has a political state composed of people who have come up from nothing to be somebody among the nations of the world. They like the sunshine, too, even if they trampled the human right of black people to get where they are.

Physically, for a whole people it will take much to get out from under what the Afri-kaaners have put the black South Africans through. Psychologically, it will take much more time. We shall see what we shall see. STRICTLY SATIRE

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. JACOBS. Mr. Speaker, as is plain from the following, David Rohn is a writer of renown:

[From the Indianapolis News, Mar. 28, 1977] I WILL PAY! TELL ME WHERE THE STUFF IS (By David Rohn)

After failing to find any saccharin on the shelves of his local supermarket, Wilbur O'Beese went up to the store manager and inquired, "Say, Sid, do you have any artificial sweetener?"

Sid turned white, cast his eyes about nervously, coughed twice and started talk-ing about the weather. As he discussed the evening forecast he scribbled on a slip of paper, which he nervously handed to O'Beese.

Puzzled, O'Beese waited until he left the store and then opened up the note, which read, "Re sweet stuff. Come to back door at midnight, Code word 'rats.' Destroy this note.

At midnight O'Beese went to the back door of the supermarket and knocked. He heard a voice on the other side of the door say, "Code

"Rats," O'Beese replied. The door opened and Sid quickly ushered him inside.

"Did you notice anyone following you?" Sid asked.

"No," replied O'Beese, "I didn't see a soul." "Well, you can't be too careful," Sid said. "I saw a guy snooping around here the other day who I'm sure was a U.S. Food and Drug Administration agent. Those guys stand out like sore thumbs—they always fasten their shoulder harness when they get in their car. I've also got this feeling that the phone is

Sid ushered O'Beese into a plush office and said in hushed tones, "About the saccharin, I've made a hit. I don't want to go into details about it, but it's good stuff from south of the border. I tested it myself and don't see any signs that it has been adulterated." He walked over to a wall safe and extracted

a plain brown envelope. Inside the envelope were small, individually wrapped plastic bags containing a white substance.

Sid cut one of the bags open with a pocket knife, put a few grains of the substance on the end of the knife and carefully passed it to O'Beese. He tasted it, nodded his head affirmatively and asked, "How much?"

You understand," Sid said, "that I'm only selling this stuff to a few of my favorite customers, and only as a favor at that. I'm asking \$100 an ounce. Now that may sound like a lot, but I've heard it's going as high as \$500 an ounce on the street, and most of what you find is diluted or comes from the

Orient where the quality is suspect.
"In fact, I've heard of some unscrupulous dealers passing bags of flour off as saccharin."

"That's awfully steep," said O'Beese, "but let's face it, I don't have much choice. It took me months of agony to get over the cycla-mate ban, and I just can't go through it

"Listen," remarked Sid in a whisper, "I've also got about a dozen cases of diet cola." "Jeepers," exclaimed O'Beese, "where did you get that?"

"According to my connection," said Sid, "some guys in the backwoods of West Virginia are brewing it. I'll admit it's not as good as the commercial stuff used to be, but I haven't gone blind drinking it."

"You don't happen to have any Red Dye Number 2, do you?" asked O'Beese. "Listen," said Sid, "there are a few things

I will fool around with, but not that stuff. I know a guy that got put in the slammer for 25 years for getting involved with Number 2. I understand even the mob is steering clear of that."

"What about black gold?' asked O'Beese. "Well," replied Sid, "I had some last week, but it was decafe and I have a feeling it was used grounds. One of my connections told me it is rumored there is going to be a shipment of the real stuff arriving in New York from Marseilles next week and he's trying to get his hands on some."

NATURE'S WONDERS ABOUND IN BIG THICKET AREA OF TEXAS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. PICKLE. Mr. Speaker, I know that the Members of this body have heard CHARLIE WILSON, BOB ECKHARDT, and me speak about the glories of the Big Thicket Area of Texas many times.

To those of you who may have not heard us and other Members of the Texas delegation, I am enclosing an informative article which appeared in the New York Times, April 4, 1977, about the Big Thicket:

THE BIG THICKET OF TEXAS IS A CRITICAL YEAR AWAY FROM PRESERVATION

(By John M. Crewdson)

Kountze, Tex., March 27.—There is a place not far from here where the ecology of the Southwest meets and mingles with that of the Southeast, where cactus and yucca plants native to the arid sands of New Mexico and western Texas flourish practically side by side with ferns and orchids more at home in the Florida Everglades.

It is a place where roadrunners and woodthrushes pass each other by, where a thou-sand species of plants and trees proclaim a splendid diversity of color and where, some say, panthers scream at night and an extremely rare bird, the ivory-billed woodpecker, has cached his nest.

The place is called the Big Thicket, and it is rich not only in biology but also in history and legend, oil and timber. It is these last two resources that, until recently, seemed to threaten the others with extinc-

For nearly 13 years, local conservationists intent on protecting what they call the "biological crossroads" of America have battled to save this territory from the lumber and petroleum interests, and they are now tantalizingly nearer to achieving their

FUNDS ALLOTTED FOR PRESERVE

Last month the House appropriated the final \$37 million increment of the authorized total of \$63.8 million in Federal funds needed to complete the purchase of the land that will eventually become the Big Thicket National Preserve.

But only about \$12 million of the \$37 million was earmarked for expenditure in the current fiscal year. Last week a Senate committee reduced the total appropriation to the lower figure, on the ground that the National Park Service could spend no more than that before next October.

Unless the full Senate restores the remaining \$25 million before its expected vote on the appropriation within the next few days, the conflict will have to be resolved by a time-consuming House-Senate conference, and the potential delay causes some of the Big Thicket's supporters to be uneasy. "If they do get it through, and if the Na-

tional Park Service is able to acquire all of this land within the next year, then maybe we're home free," said Maxine Johnson, a university librarian who is a leader of the Big Thicket Advisory Committee, one of the groups that have lobbied hardest for the creation of the preserve.

But I think within the next year, we still have a critical period," she added. The reason for her concern, and the concern of those allied with her, is that the Federal Government now owns only about 19,000 of the 84 550 acres that it is authorized to purchase altogether.

The rest is in private hands, and, although the Park Service can force a sale, there is no way to prevent landowners from selling off the timber rights before the Federal acquisition is completed in 1980.

LUMBER COMPANY APOLOGIZED

Clearcutting on the tracts designated for purchase has been discouraged so far, according to one Congressional aide, through "public pressure and outrage."

The pressure is so intense that one lumber company recently apologized after it unwittingly purchased and cut down some trees on private land destined to become part of preserve.

Asked whether any such lumbering had continued since then, Edward C. Fritz, a Dallas lawyer who has been active in the effort to save the Big Thicket, replied, "I think we got it stopped. We got our fingers crossed."

Mr. Fritz seems to know each tree and shrub in the thicket on a first name basis. One recent morning he led an expedition into an area of the preserve known as the Jack Gore Baygall, a name derived, in part, from the varieties of sweet bay and gallberry holly found there.

On the road from Kountze it was possible see many of the things that the Big Thicket Association, sponsor of the trip, has

been struggling to preserve.

There was a so-called "pine plantation" of the sort that make up a third of the 12 million acres of forest land in east Texas, a vast tract of tall, straight trees of great commercial value.

"If anybody says there are no jungles in North America, you could offer this as a pretty good case," remarked Peter Gunter, one of the expeditioneers, as he looked around at the rattan, witch hazel, holly, orchids, magnolia and pepper bushes interspersed with stands of pine, maple, oak, palm and alder.

The Big Thicket is a treatherous place. It is dotted with pools of oozing slime and guarded by swarms of angry black bees, by alligators, ferocious wild pigs and all four species of poisonous snakes found in this country, not to mention a nude hermit who, legend has it, carries a loaded pistol in each

The Park Service, nevertheless, plans to open the area to campers later this year.

Although the conservationists are pleased

with the Federal plan to acquire many areas of the Thicket, there is still concern over the effect that oil drilling and clearcutting outside the preserve's perimeter may have on the ecology inside.

To the extent that such practices will contribute to erosion and a lowering of the water table, they say, the various life forms that rely on high moisture levels will be threatened. There are also fears of commercial development, designed to cater to the halfmillion tourists that the Park Service expects to visit Big Thicket each year.

AREA BELIEVED TOO SMALL

Richard Evans, a former head of the Sierra Club chapter here, and other conservationists

believe the area is one-tenth the size necessary to prevent ecological damage. But any substantial enlargement does not seem politically possible in Hardin County, where, it is estimated, two-thirds of the jobs are linked to the forest products industry.

Ironically, the best case for any expansion may rest on the frail wings of a male ivorybilled woodpecker that was reported to have been seen near the preserve a few weeks ago.

According to the National Audubon Society, the last definitive sighting of the ivorybilled woodpecker was many years ago.

Mr. Gunter, who was on the expedition, said that an effort was under way to photograph the bird and follow it to its nesting place. If the effort is successful, he said, an appeal might be made to Congress for funds to include the nesting area within the preserve.

E. F. SCHUMACHER URGES "THINK SMALT!

HON. EDWARD W. PATTISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. PATTISON of New York. Mr. Speaker, several weeks ago Dr. E. F. Schumacher, British economist and author of "Small Is Beautiful: Economics as if People Mattered," spoke to Members of Congress. His presentation was the third in a series of "Dialogues on America's Future," and I am pleased to insert a transcript of his presentation into the RECORD today. I hope that all of my colleagues will read his words and explore his ideas

The full text of his remarks follows: DR. E. F. SCHUMACHER SPEAKS TO CONGRESS

Good afternoon and thank you for inviting me to come and talk with you. I am particularly pleased to have an opportunity to speak with Members of Congress because I have had a most interesting visit in this country during the last six weeks, and I bring news about what some of your constituents are doing.

For many years now, I have been thinking about technology. In the 50's, the Prime Minister of India asked me to go there and tell him what was happening in rural India. At one point, I wondered what technology would be proper for rural India. The technology that is appropriate for Pittsburgh presupposes a complex infrastructure, and it is not an appropriate technology for India.

So I wondered, What would be appropriate for India? They needed something better than the low level technology which they had, but easier to maintain than the technologies in the modern, wealthy West. They needed an intermediate technology. But there was not much offered. Intermediate technology was still undeveloped.

We did studies, subject by subject, asking questions. Before this time, we had never questioned technology because it was such a formative agent in our lives. To say about a technology that it may have overshot the mark was an obscene remark to make, and many people thought we were crazy to be talking about an intermediate technology.

Since that time, I have come to believe that small countries must use intermediate technology if they are to have a chance at self-help. Otherwise, they will be kept in a position of medieval serfdom to the wealthy,

technology exporting nations. Third world countries depend on rich countries for their technology. If the rich try to solve their problems with nuclear energy, small countries figure they have to

solve their energy problems the same way. But the costs are great; the technology is dangerous.

Yet there remains a power problem. We need a source of power. Why not use miniturbines? They have been neglected, forgotten. We need some electricity, but we don't need as much as we think we do. Therefore, we need to think on a different scale. As soon as you think on a different scale, you find lots of possibilities.

In the United States today, people are corried about water. We know how to build desalination process plants. But the expense is great. Why not solve the problem with little things, in small ways. Use small pipes to transfer water, collect rain water. use less water

If you burn cow dung and get methane gas from it, you get a power source from something that was otherwise harmful. The technology we choose depends on the scale we begin with.

My work was originally designed for the third world, and people in the western, de-veloped countries often dismissed our findings as inappropriate for them. But finally the criticism has stopped, and now I hear, "What about the overdeveloped countries? Help us." There is increasing interest in technological reorganization especially Switzerland, Sweden, Holland, and North America.

POLITICAL INTEREST GROWS

On my trip this year, governors and political leaders have come to talk with me. They realize that patterns of settlements must now be changed. The problem of poverty cannot be solved without reorganization.
There are second generation welfare people now, and welfare will not solve the problem of poverty.

The Canadians are worried, too, Everything and everybody is concentrated in a small population belt between Montreal and Toronto. All of the rest of the country is dying. Flourishing towns are dying because there are no jobs. The average age of a farmer there is 56 years. And there are fewer of them with more and more land. For every fifteen young people who stay in the farming areas, 85 go to the cities for work

So Canada is becoming interested in alternative technologies. There can be fullness of life when there is fullness in productivity. A Canadian baker needs wheat, but today when a few farmers control the wheat belt hundreds of miles away, the local, small bakery cannot stay in business.

How did technology get away from the farmers? The manufacturers of farm machinery are now talking about a 200 hp tractor with air conditioned cab which will cost \$80,000 in 1980. Who needs it? Not the small farmer, But the manufacturers don't care about the small farmer. They say the small farmer is dying anyway. And so technology continues to move away from the people, and that is what makes all the problems so difficult to solve. Farming is available only to the rich today.

Appropriate technology is good for the poor and the rich. Development is international, and a network of information is coming into being. The National Center for Appropriate Technology (NCAT) has recently been es-tablished in Butte, Montana, and it will seek to get these ideas circulated.

Two and a half years ago when I came to the United States, people were interested in my ideas, but there wasn't much activity. During this trip, I have been overwhelmed Local organizations have been overwhelmed, too. People are doing things and all strata of our society are involved—not just the counterculture. People believe that we must do something different from the past. They don't know what, but they are trying new things all over the place.

QUESTONS AND ANSWERS

Q. Do you advocate decentralization growth policies and is there an optimum size for a city?

A. We must decentralize. People can't afford to live in cities anymore. They say, I could exist in a small town, but I can't exist here. NCAT is assembling technology so people can set up operations in small areas and in ghettos of cities. The question of urbanization is insufficiently treated. The point is the pattern of urbanization. We need the city, but we also need the countryside. We need flourishing cities, but not massive metropolises.

Q. Will the settlements that you advocate come about without political action, and are the dominate corporations interested in your ideas?

A. I notice an unease with managers of corporations because they don't know what to do. They see the environmental problem, the energy problem, the labor problem, the problem of poverty, and the hostility of the public toward them, and they are very uneasy. And there is so little active imagination in industry because market forces don't encourage imagination.

The brick industry is the most concentrated industry in England; however, there is no sense of the future in the industry. I told them that they should design minibrickworks all over England, and they were appalled. They said, Progress means to make things bigger. Then I pointed out that it is costing them as much to transport bricks as it takes to make them, and that market forces would suggest that mini-brickworks would be a good idea, but they did not agree with me. Market forces are negative unless foresight is part of the planning process.

The government is not needed in this movement except to give it a fair hearing, and show some encouragement. Groups are already working and I don't think it should be bureaucratized now. Channelling public funds in that direction would help.

Q. How do you see the educational system

supporting or impeding your ideas?

A. In the 60's, as we did away with country schools, we said: Let's build bigger schools. Since then our curriculum has gotten away from reality.

We need to develop personalities in schools, not just brains. We need to bring work back into schools, and teach children to use their hands. We are brain and hand. Let the children build some of the buildings, grow some of the food for the cafeteria. In return, they would develop a sense of self-reliance, a knowledge that they could do something to sustain themselves and their environment.

Q. What do you hope to accomplish with your meeting with President Carter? A. I haven't a clue. I go into such things

A. I haven't a clue. I go into such things without any expectations. My task is not to force myself or my ideas. I will probably relate some sense about my visit to this country. There is an amazing groundswell here, a readiness for voluntary effort. People want to serve.

The best thing you could do would be to use public funds to fund voluntary efforts, particularly on welfare time. Governments are good at collecting money. Voluntary groups are not good at collecting. Governments, however, are lousy at distributing money, and voluntary groups are pretty good at that.

Q. Do we abandon our cities?

A. No. But we must get jobs for people in cities. Take a look at the whole district; look at it as though it were an island. What do the people do there? If it is an island, they can't go to the next city and get a job. They have to find meaningful work there. We need local bakeries, local builders, local services. We need to rebuild using the materials that

are already there. We must regenerate, not abandon.

Q. What nations are the closest to practicing your ideas, besides China?

A. Japan, perhaps, and maybe Taiwan. The Swiss make most of the things they need, and are relatively self-sufficient. If a nation's business is on a human scale, the nation's business will be successful and efficient.

Red China is very impressive if you look at its history since 1911. For the first time, all of the people are clothed, housed and fed. The people are told not to buy anything that they can't make themselves. Then they figure, somebody has to be able to make this thing which I need but don't know how to make. I can probably make it myself. And so the individual is challenged and everybody is enlivened. Everybody is working; nobody has exaggerated expectations; nobody is rich; but everybody has enough.

Q. Should imported items, even bread that comes from miles away, cost more than locally made products? Should we erect tariff walls?

A. No. The baker left the small bakery because his technology was outdated. We need to put our brains to work updating the old and simple technologies that are efficient and inexpensive.

Q. Do you really believe that smaller units are more efficient than larger ones?

A. Definitely, because they are. Large, centralized units rely on cheap and plentiful fossil fuels, and this situation is not possible in our future. There are three bakeries in England, and only one now realizes that their transport is too expensive and that their whole way of doing things is outdated. They are decentralizing and forming smaller bakeries all over the country.

If the corporations decide to take the lead in this area and decentralize on their own, fine and good. If they don't, the consumers will have to pay, and I don't have to tell you that the consumer is getting mad. In many areas of this country, they are beginning to develop new technologies on their own.

Q. For a long time the industrial world has been making investments in the developing world. What have we been doing and what is the result? And what should be done in the future?

A. Well, my own experience can answer this question. The first time I encountered a small country was in 1955 in Burma. There was a food surplus then, and the population was growing, but was under control. The people also had good housing. Then they caught the development bug when somebody suggested that they needed more money and a higher standard of living. We began to transfer technology to the underdeveloped world, and a mess became inevitable.

It is the duty of the rich to help the poor, I believe, but I saw that the rich were ruining the poor. And that led me to the question of appropriate technology.

Technology transfer is to take something to a country that only the rich can receive, and so it is immediately discredited. Our foreign aid program has essentially been a strategy of collecting from the poor in rich countries and giving to the rich in poor countries. The peasant in India cannot receive the technology we send over there. Only the rich merchant in Bombay can receive it. Essentially, foreign aid should be about poverty, not about development.

If we refocus our sense of technology, then, and begin with new dimensions of scale, we have a chance to survive. If we don't, I am afraid we're going to be in trouble.

CIVIL ENERGY FROM LASER FU-SION: A GROWING REALITY

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. PURSELL. Mr. Speaker, today, I am inserting my fifth installment regarding laser fusion. The importance of maintaining an atmosphere of scientific freedom is critical to our Nation's future development. We must insure that all areas are explored in the development of our energy sources. Laser fusion is one of those energy sources which we must not allow to fall by the wayside. Following is excerpts from an article by Arthur Fisher from the December 1976, issue of Popular Science, which discusses the potentials of laser fusion as an energy source:

ENERGY FROM LASER FUSION (By Arthur Fisher)

Through a glass panel, I looked into the largest empty room I'd ever seen—a blank white cube more than 50 feet high. One wall was cut away; beyond it stretched an even larger room that vanished into the distance like a banquet hall for an army.

This unique structure, sitting on the grounds of the Lawrence Livermore Laboratory among sun-drenched vineyards about 50 miles from San Francisco, is the house of Shiva, a multi-armed monster that will be, when completed in 1977, the world's largest,

most powerful laser.

Not too long ago, people thought of a laser as a jumble of oddments sitting on someone's tabletop. The contrast is a powerful reminder of how far and fast we've come in the search for the holy grail of energy sources: controlled thermonuclear fusion. For \$25 million Shiva is the latest tool in an accelerating program to explore the feasibility of lasertriggered fusion to power us in the future.

INERTIAL CONFINEMENT

"Laser fusion," however, is the wrong title for this story. The kind of fusion I'm going to describe, the kind that is causing intense excitement among growing numbers of energy specialists, is properly called inertial confinement fusion. (The other and far older branch of fusion research is magnetic confinement fusion, of which more later.) Inertial confinement fusion includes not only fusion induced by lasers, but also by electron beams and ion beams. In each case, a small fuel pellet would be "ignited" to yield a thermonuclear microexplosion. It is a field as explosive as its goal, fast-growing, and peopied with scientists whose enthusiasm sometimes borders on the manic. It deals with ever-larger, more complex, more powerful machines, with names like Cyclops, Hydra, Python, Aurora, Shiva, Nova, Gamble . . . even, half-facetiously, Madness.

One index of the surging interest in the field is money; the amount our government is willing to commit to this research is rising steeply. From about 1970 through 1974, a total of approximately \$110 million was spent. But operating and construction budgets go from about \$62 million in 1975 to \$105 million in 1977.

To learn what was happening in this sometimes bizarre, often perplexing world of what I'll call laser fusion for short, I crisscrossed the country talking to scientists at a variety of institutions. To list the labs I visited is to hint at the scope of the research program.

First the laboratories operated for the U.S. Energy Research and Development Administration (ERDA), which directs the program: Lawrence Livermore Laboratory (LLL), Livermore, Calif.; Los Alamos Scientific Laboratory (LASL), Los Alamos, N.M.; and Sandia Laboratories (SLA), Albuquerque, N.M. The three ERDA labs together have about 1100 people working on laser fusion, and the bulk of ERDA's total program budget is spent there.

Then, the Naval Research Laboratory (NRL), Washington, D.C.; KMS Fusion, Inc. (KMS), Ann Arbor, Mich.; the Laboratory for Laser Energetics at the University of Rochester (LLE), N.Y.; and, of course, ERDA head-quarters itself in and near Washington, D.C.

The statement I heard most often at these labs, after I had been cautioned about the difficulties that lie ahead, was, "If we win, we win big." To understand why, it's necessary to trace the evolution of some fusion

concepts.

Thermonuclear fusion, the process that powers the sun and stars, consists of making big ones out of little ones: fusing together the nuclei of lighter elements into heavier ones. Along the way, some of the mass of the original nuclear particles "disappears"; it is transformed into energy. And because the energy released equals the mass lost times the square of the velocity of light (the famous equation of Albert Einstein, E=mc2), enormous energies result from tiny quantities of nuclear fuel-far more than from a chemical reaction. In the stars, many light elements may be fusing, but the basic reaction, the one that theorists believe started the vast thermonuclear furnace we call the sun, fuses nuclei of the lightest elementhydrogen.

It turns out that the best candidates for controlled fusion are heavy isotopes of hydrogen—deuterium (D) and tritium (T). Like the simple hydrogen atom, each has one proton and one orbiting electron, but deuterium's nucleus has one neutron bound to the proton; tritium's nucleus has two neu-

When a deuterium and a tritium ion fuse, the result is a helium nucleus containing two protons and two neutrons, and a free neutron. Both are spat out at enormous speeds, with the neutron bearing about 80 percent of the energy release, in the form of its motion; some X-rays are also emitted. The high-speed particles can be harnessed to generate power.

INCREDIBLE ABUNDANCE

The energy potential of this simple reaction is hard to believe: deuterium is abundant in the world's oceans, and the yield from the amount of deuterium in just a gallon of sea water—a minuscule 1/8 gram—is about equal to that from 300 gallons of gasoline. Indeed, the energy potential of fusion is about eight times greater than that for nuclear fission (the splitting of heavy elements such as uranium into lighter ments) for equal weights of fuel, because more mass is converted to energy in the fusion reaction. Moreover, there is far more deuterium in the world than uranium, about five billion billion kilograms, and it is inexpensive to extract from sea water. One calculation by LASL scientists sets the energy potential from the world's deuterium at about three million times that of uranium. As for tritium, it can be freely "bred" by interacting neutrons with lithium. (Eventually, fusion reactors could run on a deuteriumdeuterium fuel mixture. But a D-D reaction is harder to start and releases only a quarter as much energy.)

Thus the extraordinary lure of a controlled fusion reaction: a virtually unlimited source of energy, relatively free from pollution and undesirable environmental impacts. (Triti-

um is radioactive, but much less so and less dangerous than the products of fission plants, and has a short half-life—about 12 years). Also, a fusion reactor could not "run away" to produce a catastrophic accident of the kind some critics maintain is an inherent danger of the fission reactor.

Controlled hydrogen fusion, then, sounds like a near-perfect solution to mankind's worsening energy bind. The only problem is that no one has yet been able to achieve it. The hitch: To force the hydrogen fuel to fuse, scientists must create temperature and pressure conditions tantamount to hell on earth. The reason: the deuterium and tritium nuclei are ions, each with a positive charge, so they repel one another electrostatically.

To overcome this repulsion, a temperature of about 100 million degrees is needed—a temperature at which matter becomes a swirling cloud of charged particles called a plasma. Furthermore, this plasma must now be held together long enough, and at a high enough density, for a significant portion of the hydrogen nuclei to interact.

Such temperatures and pressures exist at the core of stars, and in the hydrogen bomb. For more than 25 years scientists have been trying to devise a way to recreate them on earth and somehow contain them so that a controlled fusion reaction could be harnessed usefully.

The first, and still viable, part of the effort was via the magnetic confinement route. By building a magnetic "bottle," physicists all over the world hoped, they could constrain a hot plasma with magnetic fields, so it would never touch the walls of a chamber. But the effort proved to be, in the words of some experimenters, "like trying to wrap Jello in rubber bands." (See "Fusion power," PS, August "74.) There have been important advances recently, and the magnetic people are still optimistic.

CONTROLLED FISSION

In the meantime, another idea began to perk in the scientific community, quietly at first, then with increasing insistence. This was to use inertia—the reluctance of matter to change its velocity with the application of a force—to confine the plasma. If you could zap hydorgen fuel hard and fast enough so that it didn't have time to get away from the reaction site before it started to fuse. The hydrogen bomb works in just this way, with the burst of energy needed to "ignite" the hydrogen fuel coming from a nuclear fission device—an atomic bomb. But how could the uncontrolled, lethal power of the H-bomb be scaled down and controlled in a usable way?

Sitting in a conference room at LLL, John Nuckolls, an expert in the theory of fusion told me a tale of true scientific serendipity:

"When I came to Livermore, people were talking about taking hydrogen bombs and putting them in holes in the ground and exploding them to make power-one of the early ideas of the Plowshare program, around After doing some calculations, looking at the size of the hole, and how hard it was to make the H bomb cheap enough, the idea entered my mind to go off in a different direction and try to scale down the size of the thermonuclear explosion. In '58 and '59 I worked on two questions: How small can you make a thermonuclear explosion? And what kind of source would you need to initiate it? I started running some computer calculations and by 1960 I was down to milligram size explosions, which is what people are talking about now for power plants. I also worked out the characteristics a power source had to have. Later that year, 1960, the laser was invented by Maiman. It didn't take long for people who knew what I had been doing to look at the laser and

then point out to me that this was just what I wanted for a power source. And when I put the properties of the laser in my fusion calculations, they fit."

The scientists involved with Nuckolls in

The scientists involved with Nuckolls in developing this idea included Stirling Colgate, Ray Kidder, and Edward Teller. They and their colleagues determined that if a laser of sufficient power were ever developed, it might ignite a deuterium fuel pellet. By the late 1960s', further calculations showed that lasers within the realm of possibility could ignite a deuterium-tritium mixture, provided that a fuel pellet could be crushed by the laser beam to 10,000 times normal liquid density.

A SMALL COMPANY MADE IT BIG

Finding a perfectly formed microballoon, spherical and with symmetrical, uniform walls, is a job that far surpasses looking for a needle in a haystack, as I found when I tried to pick one up with a camel's hair in the laser target fabrication lab at Los Alamos. Gene Farnum of LASL told me the spheres were so light—a gallon of them weighs only a pound—that if disturbed they may float suspended in the air for weeks. One of the chief maxims of the lab, he said, was "no hard breathing."

was "no hard breathing."

With such D-T filled microballoons, at least two labs, KMS and LLL, have reached an important milestone in the laser fusion program. After a laser shot, they have detected the kind of neutrons that are generated in a genuine fusion "burn" thermonuclear neutrons. Almost everyone now acknowledges that KMS got results first, an extraordinary accomplishment for a small company that had no backing from the government (it now has a contract with ERDA).

Pellet implosion and thermonuclear neutrons are the first two milestones in ERDA's well-planned route to laser fusion. Dr. C. Martin Stickley, Director of ERDA's Division of Laser Fusion, ticked off the rest of the schedule recently in Washington:

Significant fusion burn . . . 1977-1978. This means about one percent of the fuel in the target is undergoing a fusion reaction, enough to analyze with confidence. Shiva should produce significant burn.

Scientific breakeven . . . 1981–1982. The thermonuclear energy from the burn equals the energy delivered to the target (not to the laser). Says Dr. Stickley: "We will need hundreds of trillions of watts on target, attainable with the 100-kilojoule gas laser being built at Los Alamos, or perhaps, in 1983, with Nova, a proposed upgrade of Shiva that might double the number of arms and increase the power five- to ten-fold."

Net energy gain . . mid 1980's. "This is the all-important point: more total energy yield from the burn than is required to drive the laser system. It will require a few hundred more trillions of watts and a new laser—laser X—or fast energy source such as electron or ion beams."

Operating test system . . . late 1980's. "That assumes all our discoveries including Laser X can be engineered into a high-pulse-rate pellet burning system with all the control and conversion equipment . . ."

pellet burning system with all the control and conversion equipment . . ."

Demonstration power plant . . . late 1990's. I asked Dr. Stickley how confident he was about ever really reaching that last, tantalizing milestone. "People's general criticism of fusion," he answered, "is that it hasn't worked . . . we haven't done it. One of the reasons for my enthusiasm for the laserfusion program is that I believe we have the concepts in hand to show that it can work."

Nevertheless, the engineering problems in designing a workable inertial confinement fusion power plant are formidable, and formidable, and ERDA experts believe laser fusion will contribute nothing to the U.S. electricity supply before the end of this century.

Similar problems also attend electron beam and ion-beam fusion, the other inertial confinement schemes ERDA is investigating. (Some people are using the collective term "charged-particle fusion.")

THE PRACTICAL OUTLOOK

As exciting as these new concepts are for charged-particle fusion—e-beams, ion beams. and heavy ion beams-it would be unreasonable to anticipate a working power plant from any of these sources earlier than that pegged for a laser fusion plant-around the end of this century.

There are prospects, though, for getting some positive use out of the high-energy neutrons from laser fusion devices long before they reach the milestone of net energy gain. For example, KMS chairman Dr. Russell D. O'Neal told me: "We've been working under contract with the Texas Gas Transmis sion Corp. to produce hydrogen from water by using thermonuclear neutrons from laser fusion. Then we'd make methane-the main constituent of natural gas-from the hydrogen. We hope to be making a real contribution to the energy problem by the mid-1980's

And at the University of Rochester's Laboratory for Laser Energetics, Dr. Moshe Lubin has pulled together funds from ERDA, N.Y. State, G.E., Exxon, and utility companies to build a 24-beam glass laser called Omega X. As a "useful intermediary result," he told me, "we envision a laser fusion breeder . we should know if it works within the next five years." Spent nuclear fuel rods would simply be inserted in a laser fusion target chamber, and would capture the thermonuclear neutrons produced. Uranium-238 or thorium-232 could thus be bred into the fissionable materials plutonium-239 or uranium-233. The rods would be reusable many times

"You wouldn't need to worry about energy gain," says Lubin. "You could even consume energy. As long as the end product gives you a lot more energy when you put it a light-water reactor. We envision, no too long from now, a laser fusion breeder next to lightwater reactor complexes."

FOR FURTHER READING

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POSTAL SERVICE DELIVERY DAYS

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. MOAKLEY. Mr. Speaker, it has been brought to my attention that the Commission on Postal Service may submit a recommendation that postal delivery days be reduced from 6 to 5. I wish to register now my strong opposition to such a proposal.

I would reject such a reduction in the first place, because the American people deserve quality postal service. I remember that in hearings in my State, citizens were asking for increased postal services and deliveries rather than reductions. My constituents would be outraged by a cutback of the magnitude suggested by the Commission and personally, I would agree with them. We need 6-day delivery service

But I would oppose a reduction proposal for another, equally important reason-unemployment. A reduction in services by one-sixth would necessitate a massive reduction in the postal workforce. At this point in our economic history, the last thing we need to do is to put more people out of work. Ironically enough, Secretary of Labor Marshall suggested that the Postal Service would be a prime spot to place additional workers to provide improve services to the public. How can the Commission justify an opposite conclusion?

Gentlemen, we need 6-day postal delivery service not only for purposes of convenience and efficiency, but also for its employment capacity. I urge the Commission on Postal Service to consider carefully the multiple and crucial implications of a reduction in delivery days. I am sure such consideration would result in a reevaluation of the real worth

of this proposal.

IS GUN CONTROL REALLY RELEVANT?

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 5, 1977

Mr. TRAXLER. Mr. Speaker, proponents of gun control have claimed that the mere presence of a handgun in an establishment is likely to cause injury or death. According to authoritative studies, this line of reasoning is faulty.

In an impressive analysis of various studies conducted on gun control, Don B. Kates, a professor at the Saint Louis University School of Law, states that:

Violence can be eliminated or reduced only by sweeping changes in the institutions and social and economic relationships, the ideologies and mores, which produce a violenceinclined people. Gun Control efforts are fundamentally obstructive because they divert attention from this arduous task by promising a simple, mechanical solution at the cost only of an easily villified group, gun owners.

I would like to share with my colleagues Professor Kates' excellent analysis which appeared in the March-April 1977 edition of Criminal Law Bulletin:

REFLECTIONS ON THE RELEVANCY OF GUN CONTROL

(By Don B. Kates, Jr.*)

To many, handgun prohibition prohibition provides a simple, and obvious, partial solu-tion to our society's remarkable capacity for producing violent people. Unfortunately, this cannot be validated by crime studies, either in Great Britain or in this country.

Seven American jurisidictions have, for over twenty-five years, required a permit to purchase or posses a handgun, or both.1 Five different criminological studies have compared the per capita homicide and violent crime rates of these jurisdictions to those for states that allow handguns. The conclusion of each study (based on FBI Uniform Crime Reports for the years 1959, 1966, 1968, 1970, and 1972-1974) is that, taken together, the handgun-prohibiting jurisdictions have consistently higher homicide and violence rates.2

Stated without further elaboration, these results might seem subject to the objection that the handgun-prohibiting jurisdictions may simply be much more crime-prone. But even accepting this hypothesis, the conclusion remains that the violence-reducing effect of handgun prohibition has not been significant enough to overcome these demo-graphic differences. In fact, however, these higher homicide and violence rates cannot be attributed to demographic differences. The handgun-prohibiting jurisdictions, taken together, are not markedly different in the demographic characteristics associated with high crime from the handgun-allowing states. Although four of the handgun-prohibiting jurisdictions are comparatively rural, unurbanized, and unindustrialized, in general, however, all of the handgun-prohibiting states exhibit substantially higher homicide and violence rates than their demographically similar neighbors or other demographically similar states.

The most massive, extensive, and sophisticated study ever done of the potential of gun control for reducing violence was carried out under federal funding at the University of Wisconsin in 1974-1975. This computerized analysis took into account every demographic variable that was found to have any statistically significant impact upon a comparison of states with differing gun laws. With demographic bias thus absolutely nullified, the Wisconsin report found: "|T|he conclusion is, inevitably, that gun control laws have no individual or collective effect in reducing the rates of violent crime." 3

In addition, this study went beyond previous ones to examine not only the effectiveness of extant handgun prohibitions, but their underlying theory, i.e., that the availability of handguns promotes homicide or violence. Comparing rates of handgun ownership to homicide and violence rates nationally, the Wisconsin study found no correlation. In other words, homicide and violence rates do not increase as rates of handgun ownership increase, nor do they decrease as rates of handgun ownership decrease.

The Wisconsin findings also refute the "adjacent state" explanation that has greeted previous studies showing handgun-prohibiting states with higher homicide rates. This explanation postulated that state handgun prohibitions were not reducing homicide because those desiring pistols could buy them in adjacent states. But if there is no correlation between rates of handgun ownership and rates of violence or homicide, then the number of people who have pistols or how they acquire them becomes irrelevant.

Moreover, the adjacent state argument has always been inconsistent with the stated purposes of handgun prohibition. Sophisticated proponents of prohibition have never argued that assassins, revolutionaries, terrorists, persons involved in organized crime, or even individual habitual criminals can be disarmed. Rather, they argue that greatly reducing the rate of handgun ownership in the general population will greatly reduce homicide, since most murders are committed by ordinarily law-abiding citizens in the heat of a sudden rage. But in the jurisdic-

Footnotes at end of article.

tions—particularly New York—that have handgun prohibitions, rates of ownership in the law-abiding populace have been radically reduced. Most law-abiding New Yorkers do not risk federal and state felony charges by buying across state lines or on the black market. If the drastic reduction of handgun ownership rates in New York for over sixty-five years has not been accompanied by a similar reduction in homicide—and no correlation is anywhere observed between high levels of handgun ownership and of homicide—then handgun prohibition would seem to be irrelevant, if not downright counterproductive.

Handguns predominate in American violence not because the handgun is necessarily the only or the most effective weapon, but because our culture perceives it as such. There is much criminological evidence that, in the absence of firearms, the enraged householder would prove just as deadly with any of the other lethal instruments our environment abounds in-although at least one study concludes that Americans are much deadlier with handguns than with knives.4 Americans may perform less well with knives because of purely cultural factors, particularly a hesitation to rely upon a weapon that our culture does not view as a preeminent weapon or one which adequately guarantees safety to the user. No such hesitation appears to afflict the violent in cultures where the knife in hand-to-hand combat is still regarded as the ultimate weapon. Mexican and Puerto Rican handgun prohibitions are very strict and are augmented by a level of poverty that makes handguns virtually unavailable to vast portions of the population. Nevertheless, Puerto Rico (the only American region that also prohibits rifles and shotguns) had a murder rate second only to Georgia in 1974. And the Mexican knife-homicide rate was more than three times the American rate for all homicides in the last year in which figures are available

More important, effective handgun prohibition probably would force those desiring weapons to turn not to knives, but to long guns-which are far more deadly than either knives or handguns. How much more is suggested by comparing the most common long gun to the most uncommonly powerful handgun: A 12-gauge shotgun fires a slug which is more than twice the diameter and three times the weight of that of a .357 magnum-or nine pellets each comparable to a .25 handgun bullet. The common 30-30 or 30-06 hunting rifles fire bullets weighing approximately the same as a .357, but at two to three times the velocity. At these velocities, a rifle bullet not only penetrates flesh and bone, but it also creates waves of hydrostatic shock which crush vital organs far removed from its path. Unless a rifle destroys the body by tumbling end-over-end, it is far more likely to travel through, endangering others at a substantial distance away. Eighty-five percent of those shot by San Francisco's Zebra killers, as well as public figures like Governor George Wallace, Senator John Stennis, and Premiers Tojo and Hendrik Verwoerd, recovered from multiple handgun wounds in the head or chest, wounds which, undoubtedly, would have been fatal if they had been inflicted with even a sawed-off long gun.5

The only disadvantage of the long gun to prospective criminals is its lesser concealability. This may be important to the armed robber and the assassin, but it is generally conceded that these types will be least affected by handgun prohibition. To the extent that they are affected, they will probably cut down long guns to conveniently concealable size. thereby increasing the danger to their victims.

As to homicide, concealability is largely irrelevant. Most homicides are committed in a momentary rage by law-abiding citizens who are normally not carrying a concealed weapon. For their purposes, the long gun in an adjacent bedroom or nearby automobile is fully as accessible as the similarly situated (but far more deadly) handgun. This goes a long way toward explaining why American handgun-prohibiting jurisdictions (which drive those desiring weapons to long guns) consistently have higher homicide rates. In Britain, where far more "crimes of passion" are committed with long guns than in this country, the recovery rate from shooting is much lower."

The only in-depth study of British gun control concludes, incidentally, that it has had no ascertainable effect upon violence. Done by a high-ranking British police officer for Cambridge University in 1970-1971, this study notes that Great Britain was very peaceful before prohibition was adopted in 1920, although until then it had literally no laws curtailing the ownership or carrying of firearms; that honest citizens have obeyed the prohibition only because England is so safe that firearms are not deemed necessary for self-defense; and that British criminals have retained, illegally at least, the same number of firearms they possessed in 1920.7 It appears that violent crime is comparatively rare because the highly civilized, homogenous, closely knit British society imposes cultural restraints against violence (upon even its criminals) better than we do. CONCLUSION

Gun control is irrelevant to the real determinant of violence, which is not the availability of firearms but the inclination toward use of weapons at all in interpersonal relations. Contrast the phenomenally high Mexican homicide rate with very unsophisticated weapons to the phenomenally low homicide rate in Switzerland where every man of military age owns a fully automatic rifle. (Such weapons, which are forbidden in this country, are widely available also in Denmark, Israel, and Finland, all countries with very low homicide rates.)

Violence can be eliminated or reduced only by sweeping changes in the institutions and social and economic relationships, the ideologies and mores, which produce a violence-inclined people. Gun control efforts are fundamentally obstructive because they divert attention from this arduous task by promising a simple, mechanical solution at the cost only of an easily villified group, gun owners. Americans must choose either to experiment with painful and difficult institutional change or to accept and live with the inevitability of continued violence.

FOOTNOTES

*LL.B., Yale 1966. Associate Professor of Law, St. Louis University.

¹ Hawaii, Massachusetts, Michigan, Missouri, New York, North Carolina, and Puerto Rico. Puerto Rico requires a permit to possess long guns as well.

²My own study of the latest available (1974) figures is still in draft form, although a popularized version appeared in December 1976 issue of Guns and Ammo magazine. The other five studies are: Wisconsin Legislative Reference Library Report, Research Bull. No. 130, The Regulation of Firearms by the States (1960); Krug. "The Relationship Between Firearms Licensing Laws and Crime Rates," 113 Cong. Rec. 20060 (1967); Snyder, "Crime Rises Under Rigid Gun Control," 117 Am. Riffeman 54 (1969); Dyer, Guns, Crime and the Law (unpublished manuscript, 1975); Snyder, "Statistical Analyses Show Handgun Control Laws Don't Stop Homicide," Point Blank (July 1975).

Blank (July 1975).

This study is published as Murray,

"Handguns, Gun Control Laws and Firearm Violence," 23 Soc. Prob. 81 (Oct. 1975). 4 California and Pennsylvania homicide

studies have led some criminologists to conclude that removal of all firearms from American households would not noticably decrease the number of domestic or acquaintance quarrels which end in death. Narloch, Criminal Homicide in California 55 (California Bureau of Criminal Statistics 1960): Wolfgang, Patterns of Criminal Homicide 81-82 (1958). This is disputed by Professor Zimring in "Is Gun Control Likely to Reduce Violent Killings?," 35 U. Chi. L. Rev. (1968). The methodology of Professor Zimring's Chicago study is, in turn, rejected in the Cambridge University study, Greenwood, Firearms Controls: A Study of Armed Crime and Firearms Control in England and Wales (1972) and Benenson, "A Controlled Look at Gun Control," 14 N.Y.L.F. 718 (1968).

⁵ Zimring, note 4 supra, at 728. ⁸ Zimring, "The Medium is the Message: Firearms Caliber as a Determinant of Death from Assault," 1 J. Leg. Studies 97, 113, n.

27 (1972).

[†] Published as Greenwood, Firearms Control: A Study of Armed Crime in England and Wales (1972).

TRIBUTE TO THE REVEREND MON-SIGNOR JOHN M. COSTELLO, J.C.D., A MAN OF GOD

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. BIAGGI. Mr. Speaker, as a man of faith, I believe that on March 11, 1977, a creation of God was with his Maker, a child of God was with his Father, a servant of the Lord was with his Master. For, Msgr. John M. Costello, a man of God, had gone home.

It was, I am sure, a joyous day for him. The Catholic liturgy teaches us that the passing on of God's faithful is cause for much celebration. Rejoice! A victory has been achieved. Man has overcome the temporal. His work is done and his final reward is at hand. It is in like manner to the resurrection of the Lord, Jesus Christ. And how very special it must be when one of God's ministry reaches his goal of everlasting life.

A native New Yorker, Monsignor Costello was born in the heart of New York City, the borough of Manhattan, in November of 1916. He received his primary education at Our Lady of Good Counsel School, and went on to Cathedral Prep, which is regarded in the Archdiocese of New York as a high school where young men are prepared for the very exacting and yet so special discipline and privilege of studying for the priesthood. Young John continued on his formal path to the calling of God's vocation at St. Joseph's Seminary at Dunwoodie, Yonkers, N.Y. The culmination of study and holy preparation was his ordination as an apostle of Christ and prince of the church on June 2, 1928. But his work was only to

Significantly, he was first to become a doctor of Canon Law after 2 years of study at Catholic University. It was then 1930, and he was assigned to the Church of the Annunciation in Manhattan. For, John Costello, a very learned man, was to serve as a model to the flock in the important work of the parish priest. In 1939, his talents on behalf of the Lord were to lead him to appointment as pro-synodal judge of the Archdiocesan Tribunal. His personal attributes and abilities supported him in elevation to the rank of Papal Chamberlain in 1950, and to the position of Domestic Prelate in 1952. Ultimately, in his work at the Tribunal, he reached a pinnacle of expertise in God's work as officialis.

Nineteen hundred and fifty-six witnessed his position as pastor of St. Augustine Church in Ossining, N.Y. It is truly a momentous occasion when a leader in God's service assumes the awesome responsibility of directing part of His province and providing the way to the salvation of souls, which was John Costello's sacred reason d'etre. Monsignor Costello reached still another designation as a church spokesman when assuming the duties in 1957 as synodal examiner. And very happily and meaningfully for all who knew and loved him there, Monsignor Costello was to become in 1963 the pastor of St. Brendan's Church, which is so near and dear to me. in the Bronx, N.Y. His leadership, his example, and his loving care will surely be missed within the church ranks and among all his friends and admirers in the community surrounding East 206th Street. To his brothers and sisters, the Reverend Monsignor Francis M. Costello, pastor of the Epiphany Church, Manhattan, N.Y., Thomas F. Costello, Mary E. and Julia M. Costello, we extend our warmest wishes that they, who were part of his life and shared his example, will be more bountifully blessed by their brother's intercession, and enjoy happiness, prosperity, and spiritual welfare as their brother would have

Despite the nature of one's religious beliefs and mode of expression, we recognize and respect the importance of our religious institutions as a spiritual framework, teaching the reason and showing a way of living, for so many of our people. Their leaders provide the counsel, the guidance, and example which is essential to many lives daily. We have the choice as a free people to take their lessons and make it part of our existence. We should have a faith in what we are and where we are going as people and a nation.

We are paying tribute today to a man who helped people be better people. We are saluting a leader who enabled people to live out days of their lives as best they could. In that form, they were true to themselves, a credit to their community, and an important contributing factor to the success of God's service and His work here on Earth.

At the funeral mass for Monsignor Costello in St. Brendan's Church on March 15, Msgr. George Kelly, director of the Institute for advanced Studies in Catholic Doctrine at St. John's University, delivered a very meaningful sermon. He deeply touched all who were in attendance that day with his realization

of what the loss of his dear friend, and brother servant of God, meant to him personally, to the church he also served, and to those left behind. We were privileged to hear of the work of the church and its talented leaders. We are given insight into how the concept of death affects men, and conversely, the tremendous power and meaning of prayer. We can observe Monsignor Costello as the very human, yet holy and learned man that he was, and witness his influence in the church and among men.

I would like to share that homily with you now. It is a fitting comment on the magnitude of the man we honor today and his work:

HOMILY GIVEN BY THE REVEREND MONSIGNOR GEORGE A. KELLY

"Feed the Flock of God which has been entrusted to you, watching over it, not grudgingly but with good will as God wishes—becoming the model for the flock. And when the chief Shepherd appears you will receive the crown of glory that never tarnishes." (1 Peter 5:2; 4)

The news that Monsignor John M. Costello was dying without warning, and then his sudden death, evoked a rash of sentiments in me and others which form a suitable subject of meditation here at his final resting place this side of the glory he hopefully now enjoys.

The first feeling was the sense of loss—the loss of a brother, the loss of a friend.

On second thought came the realization that the angel of death has already passed over the generation which once was our parents' and now has begun to spread his wings at least over the older of their children, sometimes even over the younger ones, a certain reminder that our bodies are becoming increasingly corruptible (1 Cor. 15-53), coming nearer and nearer to the certain day and hour which is predetermined for us, but unknown by us.

Then, I saw in my memory's eye Msgr. Costello as the priest he was, only as priest (nothing else was imaginable), what he meant to the church, what the church meant to him, what it meant to people that he was a priest, what it means for anyone to be a priest.

Losing a friend and a brother, with whom you are friendly, is an incalculable human Msgr. Costello's dying made me think of other priest friends he and I have lost. sometimes together, in the past quarter of a century. Morgan O'Brien, Conrad McCoy, Arthur Edward Murphy, John P. Monaghan John J. Moylan, Joseph P. A. O'Brien, Gerald Cahill—the list is limitless. I ask: Who thinks of them? Who prays for them? They had no wife to cry over them, to remember the anniversary masses, nor children to put flowers on their graves. But then I console myself. If I remember, others must too. Who are likely to remember priest friends? The people who will recount to their children's children the story of the priest who changed the course of their life. Msgr. Costello will be remembered many times over, just for that. As one lady on a long line at his bier the other night said: "It was a privilege to know The lives of his close friends have been emptied somewhat by his death but are still richer than life would have been had he not crossed their path. Memories lessons we learned from our friends. Especially if fond memories prompt us to pray regularly for departed friends. If we are reminded to pray for some priest we knew but may have few people left behind—a Hugh Gilmartin, a John Leo Dolan, a James L. Riordan, perhaps a Daniel Sullivan who died only last week with less than five minutes noticethen this mass of resurrection has benefits far beyond what we normally assign to it.

More than that is here a symbol of our own approaching death present in his dying now. Most of us belong to his generation. Though a torchbearer at Father Costello's first mass and separated in age by thirteen years, my hair is no less white than his. My time, our time is drawing near. The Second Vatican Council took note of the fact how man "rebels against death". Man dreads the breaking up of his body. He dreads the thought of forever ceasing to be. But by instinct he senses within himself the seed of his own eternity. It is not possible to have seen Msgr. Costello five minutes before his massive brain hemorrhage—the clear mind, the jaunty step. The agile tongue—and believe that his spirit died because the veins and arteries were no longer capable of containing that spirit. Indeed the more our bodies weaken each day, the more we long for life eternal. And our faith tells us that this is precisely what John Costello possesses now. Christ promised him and all his faithful sons just such a resurrection. Which is why believers are told: Cleave to God through union with his Son Jesus Christ. Indeed the Second Vatican Council has declared that the very dignity of man "rests above all on the fact that he is called to communion with God."

May the second lesson of this mass be a rekindling of our faith in that final resurrection which belongs to all of Christ's faithful servants.

But it is Msgr. Costello the priest that merits our preeminent attention. Here was a priest in the classic tradition. He held a place in the ranks of those priests who have made the church in America the envy of the Christian world. No less a person than Pope Pius XII in commenting of the flowering of the faith in the United States and looking for causes-on the 150th anniversary of the establishment of the American hierarchy—pointed his finger to the first cause, to American priests who "by their active collaboration in the sacred ministry sowed the precious seed which ripened to abundant harvest of virtues.' Michael Costello was at the heart of that tradition when it was in full bloom.

Thank God we have priests like him.
Thank God, too, that they have earned the affection of American Catholics.

Thank God it is still our instinct after ordination—an instinct, not a rule prescribed by authority, not a doctrine set out in a book—an instinct, mind you which blooms self-sown from the soil of Christian plety to crowd around the newly ordained, to kiss his hands while holy oil still glistens there, to seek his blessing before those hands are soiled by earthy use.

Every priest at his ordination lies down stretched out at full length, not unlike the extended body of your beloved pastor here. At that moment yields his body, mind, emotions and powers to Christ, to be Christ's instument, as if he had no life or will of his own. And when he does rise from the cold floor of the cathedral to face his bishop, he finds his hands tied together in the bishop's a token that henceforth he is captive of Jesus Christ, his faithful servant, his salt of the earth, his light of the world. John Costello was a priest long before the Second Vatican Council specified him as "a co-worker of the episcopal order." But from June 2, 1928 onward, a principle of that recent council was his very own, viz, "Faithfulness to Christ cannot be separated from faithfulness to his Church." Others may divide their loyalties in strange ways. But John Mitchael Costello-never.

Msgr. Costello's unique opportunities to serve well or to be an unfaithful priest were many. When he was sent to the Catholic University of America for advanced study he became a doctor of canon law. When he returned in 1930 and was told to be a

curate at Annunciation Parish in Manhattan, he was a good curate. When after Archbishop Spellman's arrival in New York he was made a judge and then chief judge of the matrimonial curia, he became what one man called "one of the finest legal minds in the American Catholic system of juris-prudence." A man with the unique knowledge and ability to know how and when the law of the church bound, and when that law loosed. Few men have had the opportunity to leave behind as pastor the memory of a renewed and refurbished St. Augustine's parish in Ossining and a veritable contemporary temple of worship here at St. Brendan's. Even during later years he continued the specialized interests of his younger days. He read the documents of Vatican II. He took seriously the admonition of the Sacred Synod which "Directs the attention of pastors of souls to their very grave obligation to do all in their power" to see that the faithful, especially the young, "who are the hope of the Church" received sound Catholic education. He was quite particular about the text and teachers of religious education.

He also was one of the few pastors who remembered that when Pope John XXIII announced on January 25, 1959 there would be a new ecumenical council, his first reason for the convocation was the hope that this would "lead happily to the desired and awaited bringing-up-to-date of the Code of Canon Law." One of the few pastors, too, who followed the legislation which ensued from each of the sixteen council documents, this explains why at the time of his death he was pursuing their application to certain aspects of parochial affairs in the United States.

Some of his other accomplishments—like his scholarly interest in English literature—will forever be hidden underneath the routine character of the many things he did often and well, deeds which because of their doing explains why the church is more universal than the local community here at St. Brandan's or at St. Augustine's. The parish priest is almost exclusively a living document. His history mostly dies with him. The only archive in which his full story is recorded is the infinite mind of God, who sees and remembers eternally, even when all others have forgotten. The real work of any good parish priest will be known only on the last day.

There is an effort which began outside the church and now unfortunately has taken root inside of the church to remove the priest from his pedestal. Not long ago a cultivated Irishman wrote that the church—

"Made of the newly ordained priest a veritable caricature of Jesus . . .

"The fresh faced, narrow-minded, fundamentally fearful, newly ordained priest was an object of wonder and near worship, clean with supernatural cleanliness, and a fleshly revelation of God for the faithful, while remaining for himself a mine of indescriminate desires and carefully covered-over ignorances."

This recent judgment comes with ill-grace from one who has already abandoned his priesthood with finality and does not describe John Michael Costello nor most of the priests who year after year said their first Masses in parishes like Our Lady of Good Counsel. These men were well aware that they were earthen vessels, weak and foolish instruments of a wise and confounding Lord. They know just the same that their priesthood, like Christ's was "Holy, innocent, undefiled, separated from sinners, higher than the Heavens (Hebrews 7:26)." To injure that priesthood was to injure Christ himself. Without that priesthood they understood Christ's work remained undone.

We have been brought together here as friends through the priesthood of John CXXIII—665-Part 9 Michael Costello. May he live in our memory and the associations continue. Let us leave him in the hands of God, praying only that the faults of his earthly life may speedily and mercifully be forgiven him; that we for whom the memories of our priesthood are intertwined with the recollection of his friendship and his kinship, may be true to the Catholic faith in which he died, to be worthy when our time comes of that vision in which he now lives.

The day after John Costello died Msgr. Francis Costello went to his brother's room in the rectory and found open on the pastor's desk a letterhead reading: Annunciation Rectory, Eighty-eight Convent Avenue, New York City. The notations, written in his hand said:

"Retreat note-1936" and read as follows:

"God is my Creator.
I am his creature.
I belong to him entirely.
He owns me.
I must do as he commands.
He has commanded me.

In common with all men I owe him certain duties.

As a priest, I freely undertook a more im-

portant office.
The salvation of souls.
I will do my best."

This truly was a priest of Jesus Christ.

HORSE CENSUS BILL

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. BRECKINRIDGE. Mr. Speaker, I am honored to present before the Congress of the United States a bill to authorize the Secretary of Agriculture to conduct an enumeration of horses starting in 1978 and in every fifth year beginning after 1978.

As a Representative of the Sixth District of Kentucky, I am proud of the contribution horses make to the Commonwealth of Kentucky. Our State is one of the 6 leading States in horse population, containing over 20,000 thoroughbreds on more than 400 thoroughbred farms valued at over half a billion dollars.

Accordingly, I wish to focus on the importance of conducting a national horse enumeration. Accurate data about horses are of national importance, because of the dimensions of the horse industry in the United States. Currently, the American Horse Council estimates that:

First, combined investment and annual expenditures of the horse industry amount to more than \$13 billion;

Second, horse owners spend nearly \$7 billion annually on feed, equipment, drugs, services, and related items;

Third, total Federal, State, and local revenues from racing and related industries approach \$1 billion annually;

Fourth, there are approximately 3.2 million horse owners in the United States; a majority represent middle- and low-income families who own horses for recreational purposes. There are over 200,000 breeders of registered horses; and

Fifth, more than 320,000 boys and girls are engaged in 4-H horse projects.

Mr. Speaker, an industry as large and important as the horse industry requires reliable basic and current raw data in order to function properly, the linchpin to which must be an accurate inventory of the horse population. Responsible financial planning in the industries that supply goods and services to horse owners is greatly complicated by the lack of information.

A dependable horse enumeration is, also, particularly important to the successful combating of disease. An epidemic like Venezuelan equine encephalomyelitis could reduce the horse population overnight. A more precise knowledge of the number and location of horses is essential to the conduct of adequate health research, vaccination, and control planning.

The present way of conducting a horse enumeration is cumbersome, incomplete and inaccurate. The Bureau of the Census will conduct an agricultural census in 1978 which will include a count of horses but only on farms. No inventory will be taken of the countless numbers of animals used as pleasure, racing, or other types of equine pursuits. In 1969, for example, the Bureau of the Census mailed out over 13 million forms to elicit information from 4.1 million persons. By the time the information was assembled it was obsolete and of little value. Moreover, such procedures unnecessarily antagonize farmers, who were required to answer up to 750 questions or face criminal penalties.

The Statistical Reporting Service in the U.S. Department of Agriculture, which now conducts crop and livestock surveys, excluding equines, has a superior capability for obtaining necessary agricultural information in a way that would yield more accurate results and cause less wear and tear on our farmers. The Reporting Service has well-trained personnel, accustomed to working cooperatively with the States, who would utilize sampling methods involving interviews with a relatively small number of farmers. In 1973, for example, the Statistical Reporting Service designed a pilot project to collect national statistics to provide estimates of equine population by breed and primary use. Unfortunately, no funds were made available for even this pilot project.

Despite the lack of adequate funding for a national equine enumeration, the State of Kentucky, in cooperation with the Kentucky Horse Council, the Kentucky Department of Agriculture and the Louisville Office of the U.S. Department of Agriculture's Statistical Reporting Service, appropriated money by the general assembly to conduct a survey of Kentucky equines. Heretofore, information on the Kentucky horse industry had been obtained utilizing either limited information or opinions of industry leaders.

The Kentucky project is designed to provide information on the total number of horses in the State, the number of horses by breed and use, the location of horses by region, the number of horse operations by type-farm, nonfarm, boarding stable, and so forth-the number of acres associated with the Kentucky horse industry and the number of horse owners. A questionnaire is currently being developed and will be mailed this summer. This is the type of information that is needed on a national level.

Mr. Speaker, I am proud that the State of Kentucky has taken the lead in cooperating with the USDA's Statistical Reporting Service to produce a Federal-State-local horse enumeration. We must now broaden this approach to a national level. The Kentucky Horse Council informs me that the Commonwealth's general assembly allocated over \$56,000 for the horse sampling. The USDA's Statistical Reporting Service, in designing their 1973 proposed "national equine statistical program." estimated that for the first 3 years of the sampling over \$1 million would be needed annually to produce an accurate horse enumeration.

Mr. Speaker, my legislation calls upon Secretary of Agriculture, Bob Bergland, to utilize the Statistical Reporting Service's fine offices to conduct a national equine enumeration in 1978 and every 5th year thereafter. The data collected in each enumeration should be published in the public domain and the Secretary. may, if he so desires, utilize the sampling method of statistical reporting.

The pilot project in the Commonwealth of Kentucky can serve as a useful guide on a successfully run project in this area. In addition, my bill would appropriate \$3 million for the fiscal year ending on September 30, 1978, and \$600,-000 for each fiscal year ending after such date in order to adequately accomplish the national goal of conducting a successful, informative national horse enu-

I urge the support of all interested citizens and Members in promoting the purposes and provisions incorporated in this piece of legislation.

H.R. 5935 follows:

H.R. 5935

A bill to direct the Secretary of Agriculture to take an enumeration of horses in 1978 and every five years thereafter

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of Agriculture, through the Statistical Reporting Service of the Department of Agriculture, shall, in 1978 and in every fifth year beginning after 1978, take an enumeration of horses in the United States

(b) The data collected in each enumera-tion taken under this Act shall relate to the year immediately preceding the year in which such enumeration is taken.

(c) The Secretary shall publish the data collected in each enumeration taken under this Act.

(d) The Secretary shall, if he or she considers it feasible, authorize the use of the statistical method known as "sampling"

taking an enumeration under this Act.

(e) As used in this Act, the term "United States" means the several States and the

District of Columbia.

SEC. 2. There are authorized to be appropriated to carry out the provisions of the first section of this Act \$3,000,000 for the fiscal year ending on September 30, 1978, and \$600,000 for each fiscal year ending after such date. Funds appropriated under this Act shall remain available until expended.

TRIBUTE TO J. EMMETT BALLARD

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 5, 1977

Mr. JONES of Tennessee. Mr. Speaker, would like to take this opportunity today to honor Mr. J. Emmett Ballard, a Jackson, Tenn., attorney, who has recently passed away.

For decades Emmett Ballard served his State and his community with dedication and determination. In 1951, he was named "Man of the Year" by a civic group for his efforts in bringing public housing to Jackson, and he was the first to receive the Lane College Black Heri-

Emmett Ballard was a man of understanding, patience, and gentle spirit, and he will be sorely missed by all who knew and respected him.

I would like to insert the following two articles that appeared in the Jackson Sun newspaper on March 24, 1977:

TRIBUTE TO J. EMMETT BALLARD

J. Emmett Ballard, longtime Jackson attorney, civic, industrial and community leader, died late Tuesday at Jackson Specialty Hospital after a long illness.

He had been practicing law here for about 42 years, and for most of that time he was

Jackson's only black lawyer.

66-year-old attorney, decades of community service, sought to cap his career by being elected city judge in November 1976—a race he lost to Jack Woodall. If he had won the campaign, he would have become the first black elected to city office.

A native of Madison County, Mr. Ballard was a graduate of Lane College and received his law degree from LaSalle University.

After word of his death spread through the community early today, several members of the Jackson Bar Association, of which Mr. Ballard was a member, commented on his life.

Former district attorney David P. Murray. who said he regarded Mr. Ballard most highly as a person and fellow attorney, called Mr. Ballard "a fine, Christian gentleman, outstanding member of the bar association and fine civic leader and church workeraround good citizen."

'He was fair and his word was his bond.' said City Judge Jack Woodall. "I never dealt with a more pleasant person. And as my opponent in the city judge's race, he was fair and honest in his campaign."

"We've lost a good member of the bar," said Atty. H. T. Etheridge. "He was a topnotch lawyer and well thought of by every-

Mr. Ballard served on boards and commissions under every governor from Frank Clement to Ray Blanton, and every Jackson mayor from A. B. Foust to Bob Conger. He was the first to call a meeting in Jackson in interest of public housing.

He was secretary to the Madison County Election Commission, a charter member and twice chairman of the Tennessee Human Development Commission. He served on the Tennessee Manpower Commission and the Manpower Control Commission.

Mr. Ballard was chairman of the Head Start Advisory Committee, chairman of the board for Opportunities Industrialization Center (OIC) and served on the Jackson Industrial Development Commission and the Health and Education Facilities Commission.

He was a delegate to the Democratic Na-

tional Convention in Chicago in 1968, and was an honorary colonel on the staff of the late Gov. Buford Ellington.

He was also a longtime member of Mother Liberty CME Church. He was a steward and member of the church's board of trustees.

In 1951, Mr. Ballard was named "Man of the Year" by a civic group for his efforts in bringing public housing to Jackson, and he was the first to receive the Lane College Black Heritage Award.

His survivors include his widow, the former Magnolia Pharr of Jackson; a daughter, Marion Hodge, a counselor in the city elementary schools; and a son, Franklin Ballard, a counselor at North Side Junior High and a member of the Madison County Court.

Funeral arrangements for Mr. Ballard are incomplete. Ford Funeral Home is in charge.

J. EMMETT BALLARD

After 66 years, J. Emmett Ballard-husband, father, church leader, lawyer, and civil rights leader--has departed his beloved city.

As a black lawyer, he could have moved to greater financial gain elsewhere. But he stayed because he saw his own special rewards here, because of his heartfelt dedication to Jackson's future.

He was a man who deeply felt the inequi-ties and wrongs about him. These he sought to end not by storm but by steady determination and gentle persuasion. If some men can be likened to mountains, J. Emmett Ballard was a quiet stream with a subtle but unrelenting force capable of great

For decades Jackson's single lawyer of his race, he recognized his special role in a community that had its share of walls erected by racial prejudice. While those in other cities sought to obliterate their own walls through explosive force, Ballard patiently scraped, tapped and chipped.

After 40-plus years the barriers were still there, but at least he could see over them and sought to test them during his last months of life. In his try for city judge last November, race distinctly was not an issue. If anything, age and frail health edged him out of his single but impressive bid for public office.

Yet he served his city well as organizer and leader of numerous community projects. That influence went beyond Jackson's borders, to the state level where he served on a variety of boards and commissions. His of accomplishments is long. Foremost of all his achievements were his understanding of others' attitudes and his patience, which were a model for all people.

Jackson has lost a valuable citizen. For-

tunately, his gentle spirit lingers.

A TRIBUTE TO GEORGE GORDON

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 5, 1977

Mr. MILLER of California. Speaker, on Thursday evening, April 14, the many friends of George R. Gordon will gather together to pay tribute to him as he retires from the Contra Costa County Community College Governing Board. The tribute, in which I join, is well deserved.

If any one person can be credited with brought quality community having based higher education to our area, it is George Gordon.

When George first took office in Jan-

uary 1949 as president of the original college board, our community college system consisted of a few surplus quonset huts in a field serving several hundred returning GI's. Twenty-eight years later, our Contra Costa colleges can boast of three magnificent campuses, a faculty comparable to that of any community college in California, and 34,000 full-time and part-time students.

The colleges send out several thousand well-prepared students to 4-year institutions each year. Thousands of Contra Costans have learned skilled trades and have entered technical professions through the community college system. Thousands of others are part-time students who have the opportunity to experience learning for the simple unmitigated joy of it. Our colleges are also a basic community resource, adding to the cultural life of our country.

All of this has been accomplished under the enlightened leadership and firm guidance of George Gordon. In his 28 years of uninterrupted service, seven times elected president of the board, George Gordon—unflappable, untiring, unequaled—has earned the everlasting respect and gratitude of his fellow Contra Costans.

INDIANA WINNER OF VFW VOICE OF DEMOCRACY SCHOLARSHIP PRO-GRAM

HON. DAVID L. CORNWELL

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. CORNWELL. Mr. Speaker, on March 8, I had an opportunity to meet an exceptional young man from my district in Indiana. Monty Kris Woolsey was in Washington to be honored by the Veterans of Foreign Wars for winning the 1976-77 VFW Voice of America Scholarship Program in Indiana. Monty is a senior at the Jasper High School in Jasper, Ind., Dubois County. He plans to attend Wabash College, and thereafter study law. Besides being a member of the National Honor Society and Who's Who in American Music Students, Monty is an excellent debator having cocaptained his debate team and winning the Bicentennial Youths Debate. I am sure, Mr. Speaker, that you and my fellow colleagues will find Monty Kris Woolsey's winning address most stimulating and most rewarding in knowing that this is the way the younger citizens of my district regard their Government and their country. I have nothing but the greatest pride in this upstanding young gentleman.

The address follows:

ADDRESS BY MONTY KRIS WOOLSEY, INDIANA WINNER OF 1976-77 VFW VOICE OF DEMOC-RACY SCHOLARSHIP PROGRAM

I must have eaten too much pumpkin pie before retiring this past Thanksgiving night. Or, maybe it was the thoughts about that first Thanksgiving and what it has meant to us Americans that affected my sleep that night. For, as I slept, a nightmare overcame me. I was living in a country called Russia, then in Czechoslovakia, and Germany. I was living in Socialistic Countries where every major aspect of my life was controlled by the Government. Where I ate, where I slept, where I went, what I could say, what I could do, what I wrote, what job I had, who I met, who I could talk to, who I could marry ... Everything was decided for me. The right to exercise my free will was gone.

The feeling caused by this nightmare was horrifying. It tormented my mind and it gnawed at my insides. My head was spinning, I was tossing and turning trying to escape. Then suddenly I sprang up in bed. I was wide awake. My pillow was damp from perspiration, and—could it be? Yes, tears! I had actually wept.

I walked to the window and stared out into the sky. As I looked at the moon and the stars, the anguish caused by the nightmare began to fade and I began to smile. Although it was dark, I realized that I was in America, not Russia, or Czechoslovakia, or Germany. America, the land of the free and the home of the brave. The land ruled by democracy. And as I stared at the stars a while longer, I realized that in America we have opportunities. We have a chance to succeed. Our lives are not controlled by the Government. We have a will of our own. We have the right to do what we please. We have freedom of speech and the right to belong to the religion of our choice.

I understood what America must have meant to those Pilgrims who celebrated that first Thanksgiving. It meant for them much the same as it did later for Francis Scott Key who wrote our "Star Spangled Banner", as it did for Henry Carey who wrote, "America", as it did for Kathy Bates who wrote "America the Beautiful".

America is an abstract word that symbolizes a very unique environment. The environment of Democracy, freedom, love, free will, nationalism, the opportunity to do as we please, an environment of togetherness and pride. Pride because we want and we love the democratic society that our forefathers fought so strongly for. Pride because we know what joy and happiness living in a democratic society can bring us. We know

we know what joy and happiness living in a democratic society can bring us. We know that we can go to our friends' houses. We can go to the show. We can choose our vocation, set goals and try to accomplish them, then later achieve them. Our lives are not stinted by Socialism. No, we are enhanced with the ability to grow and to prosper.

Our thanks and our source for this immense opportunity is the word and the place called "America."

Being content with my new understanding of the word "America", I went back to my bed and I soon fell into a deep and peaceful sleep.

THE AMENDMENT TO THE SICK PAY EXCLUSION ACT OF 1976

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. DODD. Mr. Speaker, yesterday the House gave its approval to legislation which I believe is of vital importance to millions of retired and disabled persons throughout the country.

The bill, H.R. 1828 will eliminate a provision of the Tax Reform Act of 1976 which excludes most disability payments from the category of tax-free income for 1976. If not amended, this portion of the Tax Reform Act of 1976 would have re-

sulted in great hardship for those who can least afford to pay additional taxes: disabled retirees living on fixed incomes.

Prior to the passage of the Tax Reform Act of 1976, disabled retirees could exclude up to \$100 weekly in disability compensation when computing their Federal tax liability. The Tax Reform Act eliminated this exclusion clause retroactively to January 1, 1976, except for lower income disabled retirees who are under the age of 65 and permanently and totally disabled. If we had not voted in the House to amend this law, those people who receive disability payments and budgeted and planned during 1976 under the assumption that they would be able to deduct this income from their tax returns would have been faced with an unplanned-for expense on April 15. In many cases, increased fuel bills have already drained the savings accounts of many people on fixed incomes. It would have been unfair to saddle these people with an additional tax burden in times of economic uncertainty.

Under H.R. 1828, the provisions of the Tax Reform Act of 1976 will be delayed for 1 year and will go into effect for taxable years beginning after December 31, 1976. This legislation will provide taxpayers with the option of waiving the delay and filing this year using the new disability income exclusion or a new annuity income exclusion system.

As one gentleman from my home State

of Connecticut writes:

I was disabled as of August 5th, 1975 and not able to work. I am still disabled. I became sixty-five on July 14, 1976, and retired on a company pension on August 1 of last year. I will be hard-pressed to pay the federal tax on the \$100.00 per week that I received as disability leave pay from January 1 until August 1 of 1976.

The House has met its duty to enact legislation which answers to the needs of the people by passing H.R. 1828. I am sure that the passage of this bill by the House will come as most welcome news to many Americans.

AG-LAND FUND-1

HON. DANIEL K. AKAKA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. AKAKA. Mr. Speaker, I would like to take this opportunity to note my approval of the decision of the Continental Illinois National Bank & Trust Co. of Chicago, and Merrill-Lynch, Inc., to withdraw their proposed Ag-Land Fund-1. I believe that the sponsors of this proposal accurately reacted to public opinion on this issue.

I voiced my disapproval of this plan during subcommittee hearings, for I believed that the fund did not deserve taxexempt status. Since it is an active, rather than a passive trust, it did not qualify for the special tax status.

The trust, furthermore, would have had a substantial advantage over other investors who have their land and income taxed. Land prices which already are high would have gone even higher. Young people who were interested in becoming farmers would not be able to afford the price of land itself. Moreover, they would not easily find land to rent since the corporation controlling the land would consider these young people as poor credit risks.

Trusts such as Ag-Land Fund-1 benefit those who run the trusts and not the American farmer. We should be alert to such proposals which diminish the im-

portance of the family farm.

MARGARET MEAD: AMERICAN FAM-ILIES IN THE FUTURE

HON. PAUL SIMON

OF HAINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. SIMON. Mr. Speaker, in mid-February over 70 of our colleagues were fortunate enough to hear Dr. Margaret Mead speak about the future of the family. Our dinner meeting was sponsored by the Congressional Clearinghouse on the Future as part of the ongoing series of "Dialogs on America's Future."

It is my pleasure, Mr. Speaker, to insert Dr. Mead's comments to us that night into the RECORD. Her presentation was stimulating and provocative, and I am pleased to share this transcript with my colleagues. The text of her comments

follows:

THE FUTURE OF THE FAMILY

Thank you for inviting me to be with you tonight. I have been asked to talk with you about the future of the family and I am happy to do so because I believe that no society can develop without the family. Therefore, if we use the family as a touchstone to look at what is happening in the society as a whole, we can get a pretty good idea about what is going on. Today some nine million households are fatherless; some one million girls are runaways; and three million teenagers have no one who will be responsible for them. We call this last group "door-step children."

America's families are in trouble. There can

be no mistake about it.

People are willing to spend thousands of dollars to imprison juvenile delinquents, but are not willing to spend that money for the children in families, through school cost, community center costs, etc. Why do we keep supporting institutions which turn juveniles into criminals?

It implies that there is a hatred of children in our society. We invented juvenile delinquent courts because the older court system looked so harsh to us. We invented juvenile delinquency detention homes because our prisons were such horrible institutions. We invented the junior high school because our high schools were too large and got to be violent and hostile places. And we invented suburbs for our children because we were afraid to keep them in our cities.

Today when a child is abused in a family,

we take the child away from the family instead of trying to help the family cope with their anxieties and frustrations. Children are a part of society, not separate from it. And we need to think about their future.

If our prisons are horrible, let's fix them. If the high schools are bad, let's make them smaller and more humane. If our cities are unlivable, let's make them habitable again. In short, let's look at the whole system.

Three years ago, Vice President, then Senator. Mondale held hearings on the family and children, and his consultants suggested that we have family impact statements attached to all legislation which might affect the family. Unfortunately, impact statements have been wrecked by the industrialization of research, and the agencies which should be writing the impact statements are not writing them. Instead, they are hiring consultants to write the statements for them.

But if you could write good impact statements about the family, it would be a good idea. When the Department of Housing and Urban Development decided to build housing for the elderly, they would have to ask the question, "Will it be possible for these people to be human again if we build these

buildings?

The Internal Revenue Service has provisions that make it undesirable for college age children to marry, and so many of our young people are living in what have come to be known as "arrangements". If they get married, they can't be counted as dependents anymore, and so their parents accept the "arrangement" idea.

One out of three marriages ends in divorce in America, one of the highest percentages in the entire world. And so we can see that families are in trouble, and we need to help them because there is no other way that we know where we can turn babies into human

beings except in the family.

QUESTIONS AND ANSWERS

Q. It seems to me that history rewards individualism. Isn't there a contradiction between this historical experience and your belief that the family is a touchstone?

A. No, because all individuals had families. People in the United States lived, not as individuals, but as pioneering couples. There were whole networks of families. The concept that we all came from a bunch of individualists is mythology. If you want exploration, you send out men alone because they will always come back. If you want colonization, you send out men and women

together. They will stay.

Q. What kind of questions would be asked in an impact statement on day care?

A. Will it permit women who need to work to work? Will it provide for the care of children? Will it provide for the residential care of all children? Will it provide local care in case of emergencies? What happens to children in day care facilities which have no continuity?

The only justification for day care is the fatherless household. Nine million households are fatherless in this country. That is over times the number of people who founded this country. And there is no way you are going to get those nine million men to go back to their families and start providing for them.

Q. In the developing world, the extended family still exists. Yet in our country welfare has taken over as a form of caring for family members. Why has this situation developed here? Why did the extended family

A. Because nobody liked it. For half a million years people lived with their relatives whether they liked each other or not. But as soon as they got the idea that they could leave, they left, from the villages to the cities. Of course, the extended family had advantages. But we need a new form. We need elected families where we can choose to live with the relatives and friends we like, and skip those we don't like. We need to build new towns where people can elect to live together because they want to be together.

Q. What is the family unit we are trying to preserve?

A. Men and women living together to bring up children. In the 50's we made people get of people married and we were suspicious who didn't get married or said they didn't want to get married. That is changed now. But the family is still needed to bring up children. Every human society has had families. There have been great varieties in the ways in which families have been organized within the community. We need to plan our housing so that people can live in communities so that we can care for each other.

Q. What impact will the ERA have on

families?

A. One of the difficulties about the ERA for me is that I wonder how many jobs men will take away from women when they pass the ERA. We have to pass it, of course, but I don't like to have to pass it. We have tried to legislate human rights and you can't do it. We have taken the civil rights positions and applied them to all groups old, the young, women. There is a difference between men and women that can't be legislated. For one thing, as far as we know, men cannot bear children. Some of them try to, but as far as we know, they can't.

Q. If tomorrow you were elected to Con-

gress, what would you do?

A. I would tell the people that Members of Congress are intelligent people, because the people of this country don't know that. They have no idea of what goes on in committees. They don't know that Members of Congress went to high school and college and law school and studied politics. They don't know how hard Members of Congress work. So I'd let them know that Congressmen and women are bright, educated people.

Then I would try to develop some cross

communication. Committees fragment life. I would try to work within the Congress to

change that fragmentation.

Q. How can we encourage caring in our society?

A. People become caring individuals when they have something to care for. If you want adults to be caring, see that they have children to care for and be responsible for, and set up communities where people can for each other, where single people will have a place to live that is related to children.

There can be no caring society without

children in it.

Q. Is there more caring in adversity than in prosperity?

A. We don't know how bad affluence is for people, but we suspect it's pretty bad. It's true that in hard times people tend to be more optimistic. But if people are too miserable, too poor, too hungry, their capacity to care goes down. And if they are too rich, their capacity to care goes down, too. For the last 15 years, Americans have been fending off food, and so it is hard for us to imagine people starving.

Q. How much time should be devoted to

children?

A. Between 18 and 20 years. And people shouldn't have children if they are not willing to spend that time raising them. We don't have to spend our whole lives parenting now, just a sector of our lives. Most men in our world spend their whole lives working to support a family, but today parenthood is part of an adult life, not all of it.

Q. Members of Congress have to do something about those in our society who are the "put-outs"—the elderly and the battered children, as two examples. What can

we do?

A. Deal with a large enough unit in planning, such as housing, that you can make some impact on the problem. We need small scale housing where young people live near older people. We need to redesign cities. suburbs, new towns so that they will be more humane. There is no solution except to redesign our communities. Desperation is produced by situations. Congress can change the situations.

Q. How can we combat juvenile delin-

A. Juvenile delinquency is not combatible. That is not the question we should be asking. We need to look at what kind of society

we need to build so that we won't have juvenile delinquency. What do we build to produce the kind of people we want to have in our society? If we just patch up the old sys-

tem, we won't solve the problems.

Q. Is there anything beyond housing?

A. Yes. Adequate pay. We can't reform society overnight. We need to reintroduce responsibilities for our children. We need to get them out of school if they don't want to be there and let them go back when they do. In the meantime, we need to give them reasonable jobs. Today, many of our schools are like prisons. And we need places for kids to run away to.

Q. What is the impact of television on the

family?

A. Well, television is bad for children because it doesn't require any participation. We are producing a group of passive children. But without television there would be no hope of reorganizing the world, because you can use television to look at interrelationships. We can look at television and see how others on the same planet live. Television will not go away and so we had better learn how to use it.

Q. It seems to me that new towns and communities would only confuse children more, rather than give them a sense of security. What do you think about that?

A. If children live in a large enough community (about 10,000) with enough family and friends around, they can cope with differences. We need to create communities that have sufficient stability so that children can be protected against the vicissitudes in particular families. Unless we set up frameworks for families to be protected, there is no use working on anything else.

Q. How can we maintain a high degree of

integration in large communities?

A. As we move from metropolis to megalopolis, let's not make the megalopolis look like the metropolis. We can make small communities within large ones and within that one build neighborhoods. We can divide cities up into manageable areas so that our families will be able to survive. And we must insure the survival of our troubled families if we are to survive as a country.

BICENTENNIAL IMPRESSIONS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 5, 1977

Mr. GILMAN. Mr. Speaker, while our Bicentennial Year is now secure in the annals of our Nation's celebrated past, the spirit of America's 200th birthday continues to guide and encourage us as we face a full agenda of difficult issues to be dealt with during our Nation's third century.

I recently received a thoughtful essay written by Gerry Mirabile, a high school student in my district. Forwarded by his history teacher at the Spring Valley Senior High School, James Robbins, this succinct paper alerts us to the "natural and unspoiled wilderness lands" that have been painstakingly preserved even as the bounty of our technological and scientific knowledge has increased manyfold.

I would like to share with my colleagues, the following essay focusing on that part of our heritage which evokes from all Americans "a strong feeling of nationalism and pride in our good land":

My BICENTENNIAL IMPRESSIONS (By Gerry Mirabile)

On the surface of it, one would think that the Bicentennial year just ended, with its many special events and productions geared toward celebrating the two hundredth birthday of these United States, would be enough to instill some sort of nationalism

in nearly every American. Not so.

After a goodly number of years having been spent in the study of the history of these United States, and having had the historical impressions of numerous authors implanted in my head, I, not having any particular liking for history, was contented with my acquired knowledge up to this point, with no aspirations to expand on that knowledge. Yet, as the Bicentennial year dawned, I felt I should be ready to consider the impressions of others concerning this event, as well as develop my own impressions, and then to interpret what relevancy, if any, they had to my own life as an American citizen.

The most outstanding and, in my opinion, inequitable facet of the entire event was the lucrative end. An inexplicably massive number of people were grossly mislead into pur-chasing a number of nice but rather useless bicentennial "mementos", after having been laden with many erroneous ideas concerning the true meaning of the commemoration namely, pride in what this country has accomplished and stood for during its first two hundred years of freedom. Such was the case with a large percentage of the populous who fell easy prey to many unscrupulous people ready to exploit them at every turn. As it were, however, the monetary aspect proved the exception, not the rule, in a celebration which was characterized by a sense of unity previously surfacing in our nation only in times of turmoil.

One aspect of the total event, resultant of the large amount of technological and scientific knowledge acquired during the past two hundred years, was the large variety of special exhibits initiated to highlight many the recent advances made in various fields of research, many of which I myself had the opportunity to attend. It was this display of nationwide achievement, this show of diverse people meshing to become one cohesive unit, dedicated to the betterment of mankind, which afforded me some semblance of pride and nationalism. But still this did not merit my total allegiance to our nation during its two hundredth birthday. There had to be

The ever-present commercial segment of the celebration, more akin to the monetary than to the commemorative portion, nonetheless provided the people with a sense of jovial celebration. The mere cooperation needed to make all the planned dedications, ceremonies, and parades a reality was an awesome display of interest in the birthday of America. For my part, I noted this con-cern, and felt proud of the Americans who had put so much of themselves into the celebration. Yet I found it somewhat disheartening that so many had found their own superficial form of national pride from these events alone, when there was more.

During the July fourth weekend, I had the opportunity to tour Maine, Vermont, and New Hampshire, an unspoiled segment of our country which, although not totally representative of much of the country, is by no means peculiar in its natural beauty and unspoiled wilderness. It was upon observing this natural scene that I acquired a strong feeling of nationalism and pride in our good land. I called to mind the effort our people and legislators have made to preserve the same nature from which we all stem and on which we all must depend for our livelihood, and I, for my inspiration. I had at last found what relevancy the efforts of these people to endure all of two hundred

years, had in my life. For in the words of Ralph Waldo Emerson, "So much of nature as he is ignorant of, so much of his own mind does he not yet possess." This pres-ervation and endurance of natural beauty in these past two hundred years has helped me to find myself, and has given me some good reasons to be proud of our great nation.

THE CREATION OF AN OFFICE OF CONSUMER PROTECTION

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 5, 1977

Mr. LEVITAS. Mr. Speaker, I have today reintroduced legislation to establish an Office of Consumer Protection as an arm of the U.S. Congress. This bill would not create a new executive agency or another layer of bureaucracy. It would enhance the quality of protection which the American consumer would receive from the Federal vantage point.

In spite of the fact that efforts by the Federal Government to protect the interests of consumers date back at least as far as 1906 with the Pure Food and Drug Act, and in spite of the fact that the Congress has enacted numerous laws and established agencies, such as the FTC, the FDA, and the Consumer Product Safety Commission, designed to protect consumers, consumer protection in the Federal domain remains inadequate. Part of the problem is that these existing consumer agencies are falling down on the job they were created to do: Protect consumers. Far too often the regulatory bodies designed to protect the consumer have come to operate most effectively to protect business and industry instead.

Most people in this country believe that there is a need for better consumer representation in the Government, but average consumers, which most of us are, are usually not well organized and lack the money and expertise to have more than a marginal and intermittent effect on the decisionmaking done by the regulatory bodies and other Government agencies when it comes to consumer protection.

The current argument in Congress is not about the need for better consumer representation and protection, but the argument centers on the means which should be used to accomplish the goal; whether a new executive agency should be created or whether the numerous consumer protection agencies and laws which exist now should be strengthened and those laws vigorously enforced.

The existing regulatory agencies were created to provide consumer protection. If they are not doing their job, then the proper remedy is either to fire the laggards who are not doing the job or to provide more diligent, effective oversight by Congress to make them do that job. The solution is certainly not the creation of another executive agency.

It is duplicative and wasteful to create another new agency in the executive branch to advocate consumer protection to other agencies in that self-same exexecutive branch, agencies which are supposed to be watching out for consumer interests in the first place.

The primary responsibility of protecting the consumer lies within the authority of the existing executive and independent agencies. The FDA, FTC, Consumer Product Safety Commission, FPC, CAB, and many others, are all consumer protection agencies. But if they do not perform properly—and many do not—then it is a responsibility of the Congress to see that they do. This can be done and should be done as an ongoing part of our oversight jurisdiction.

Accordingly I think it is far wiser to create an Office of Consumer Protection which serves as an arm of the Congress, patterned after the General Accounting Office, which has maintained an excellent record for reliable, effective work. My proposal is for an office which would extend and regularize the traditional oversight we exercise in the Congress into the area of consumer protection in the same manner in which the GAO keeps watch on other Government activities.

Because the office I propose would be affiliated with the elected branch of the Federal Government, it would be inherently responsive to the public, unlike an agency which is part of the executive branch. Why should we think that another executive agency will do any better job than the other executive agencies already in existence? Why compound the problem instead of solve it?

There is very serious danger which exists in the creation of a new executive agency labeled "Consumer Protection." The obvious danger is that such a modestly funded agency would never be able to handle the hundreds of thousands of consumer grievances which would pour into it. The public is being sold a bill of goods when the claim is made that the proposed new executive Consumer Protection Agency will handle and solve their consumer complaints. It cannot. It will not. It is, therefore, a hoax on the American public and is being misrepresented in order to get public support for the creation of this new executive agency that has an entirely different purpose. When these unanswered consumer complaints pile up into a huge unresolved backlog, the American public will realize it has been had and deceived with false promises. The public's cynicism of a lying government will be rekindled.

In the end, the proposed new executive agency would itself be a "consumer fraud" perpetrated against a public who had been led to believe that a mechanism had been created to take care of their complaints, bringing a new, improved brand of consumer protection. In fact, the proposed executive agency is not designed to solve consumer complaints received from the public. It is not designed to add any new consumer protection at all. Let me repeat that: The proposed executive branch consumer agency is not intended or designed to create any new consumer protection at all. Indeed, the greatest consumer fraud which may be abroad in the land is the proposal to create a new consumer protection agency in the executive branch.

The Congressional Office of Consumer Protection would make congressional oversight of consumer protection responsibilities in the Federal Government an effective effort and prod the existing executive and independent consumer agencies to do their jobs. There would be no creation of an additional, cumbersome, ineffective agency just as-unresponsive as the so-called consumer protection agencies which now exist.

There is a very real need for consumer protection, and I have consistently voted for and supported consumer interests as vigorously as possible. The people in my district and across America want and need-and deserve-effective, meaningful consumer protection, but they are equally clear about not wanting another brand new executive agency. We need less Government-not more Government. At a time when we have a President who wants to make Government smaller and restrict the number of agencies, it is inconsistent to advocate the establishment of a brand new agency. At a time when we have a President who wants to eliminate the overlap and duplication of functions in various agencies, it seems bizarre to advocate a new, executive agency whose real function is not to provide one iota of new consumer protection but whose purpose is to get existing agencies to do what they are already supposed to do.

The legislation I propose would permit us to have effective consumer protection through effective oversight by the Congress, whose Members are elected by and responsible to the public. The Office of Consumer Protection will represent the rights of consumers and give them a long-needed advocate in the Federal establishment, an advocate who will have the authority to go to the agency involved, investigate the problem, and have it perform the task it was set up to do. What is needed is better consumer protection and not another new agency in the executive bureaucracy. My proposal for the Congressional Office of Consumer Protection consists of the following

(a) The establishment of the Office of Consumer Protection as an office of the Congress.

(b) The powers and duties of the Director, appointed by Congress.

(c) The functions of the Office in perform-

ing its responsibility of consumer protection.

(d) The procedure to be followed in han-

dling consumer complaints.

(e) How the consumer will be represented, authority for the Office to intervene as a party in a proceeding to represent consumer

interests.

(f) Authority for the Office to inform con-

sumers of its existence.

(g) Authority for the Office to encourage the development of testing procedures to be used in investigating products and services to consumers.

(h) The authority to investigate and gather information on consumer fraud.

My bill is comprehensive, thorough, and will fill the gaping hole in consumer protection. I earnestly seek your support for this much-needed measure.

ADDITIONAL FEDERAL JUDGESHIP

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. NEAL. Mr. Speaker, on January 24, I introduced legislation to provide an additional Federal judgeship for the middle district of North Carolina. Certainly such action needs to be taken to provide relief for our overworked judges and court officers, but even more importantly, to provide the kind of justice our forefathers envisioned. I firmly believe that swift justice is not only basic to our system of jurisprudence, but is also a deterrent to crime.

At this time I would like to enter into the Record my statement for the Subcommittee on Monopolies and Commercial law, which in recent weeks has been considering the omnibus judgeships bill:

STATEMENT OF HON. STEPHEN L. NEAL

Mr. Chairman, I appreciate the opportunity to present briefly my views on the need for additional federal judgeships in the United States Courts.

I have no intimate knowledge of situations which exist in states other than North Carolina, but every iota of information I have been furnished by officers of the court, including the president of the North Carolina Bar Association, indicates that one additional judgeship is imperative in two of

North Carolina's three districts.

Mr. Chairman, I believe a part of the erosion of confidence in our system of justice over the past decade has resulted because our court dockets were so crowded. Litigants must wait interminably for their cases to be resolved. Witnesses, jurors, attorneys, defendants, plaintiffs are kept under obligation for unreasonable periods of time, often at considerable expense and trouble to themselves. Seemingly hurried trial procedures often leave litigants and the public with a feeling that due consideration has not been given, if due process not denied. In a great many instances, I am sure, legitimate complaints are not pursued because citizens feel

it simply is not worth the trouble.

I sympathize with overworked federal judges and other officers of the court, but I believe additional judges are needed not for the convenience of the courts, but for the public interest. After all, the courts control the calendar. The citizen before the bar, the witness, the juror, must patiently wait until the case is called.

Mr. Chairman, earlier in the 95th Congress I introduced a bill to provide for the appointment of one additional district judge for the Middle District of North Carolina. In preparing that bill, I studied the ten-year caseload in the U.S. District Court for the Middle District (Fiscal years 1968-1977). I found the following:

Total civil and criminal case filings increased from 502 in 1968 to 1030 in 1977.

Total criminal and civil cases pending rose from 206 in 1968 to 825 in 1977.

Weighted case filings per judgeship increased from 194 annually in 1968 to 567 annually in 1977. (U.S. average, all districts, was 265 in 1968 and 466 in 1977). All 1977 figures assume continued historical percentages of increase beyond December, 1976.

At the same time, the Clerk of Court of the Middle District provided a narrative summary of the need for an additional judgeship in the Middle District. That summary follows:

"U.S. DISTRICT COURT, MIDDLE DISTRICT OF NORTH CAROLINA

"Need for a third judgeship

"Increase in Case Filings: In the last half of the 1960's, the total case filings (other than bankruptcy) were about 500-600 per year. In the 1970's there has been a steady increase in filings (see attached chart) and an increase in the complexity and time-consuming nature of civil litigation, particularly in cases involving civil rights, the environment, consumer protection, class actions, review of administrative agency decisions, labor disputes, and stockholder suits. Prior to October, 1970, there were two active judges and one senior judge serving this district. Since then, two judges have carried a case load which has been doubled.

"Pending Case Load: As of December 1, 1976, there were 733 pending civil cases and 53 pending criminal cases for a total of 786. Fifty-one civil cases were ready for trial. Counsel estimates of trial time totaled over 163 days, That works out to approximately eight judge months on the basis of 20 trial days per month. A pending case load of 786 cases represents an intolerable delay in the

handling of civil litigation.

"Terminations: The two judges serving the Middle District have worked to the limits of their abilities, sacrificing vacations legitimately due them. The significant rise in the number of pending cases understandably parallels the increase in total filings; whereas, terminations are steady at maximum per judge production. Case terminations per judge prove their industry.

Cases terminated per judge

"Fiscal year 1974:	
MDNC	38
U.S. average	34
"Fiscal year 1975:	
MDNC	39
U.S. average	37
"Fiscal year 1976:	
MDNC	39
II S average	28

"Congressional Action: In the Speedy Trial Act of 1974, Congress has fixed strict time limitations within which criminal cases must be handled from indictments through trials. and thereby imposed added burdens upon all courts. When and if the new comprehensive criminal code becomes law, the judiciary will face an enormous burden in construing every provision of it, increasing the time and energy required to dispose of criminal cases. During the last several years, there has been a trend toward increasing courts' responsibilities by legislation increasing their jurisdiction; but Congress has not provided the judges necessary to keep up with the court's work in this district.

"In the final months of the last (94th) Congress, an amendment was added, in the Senate Judiciary Committee, to the Omnibus Judgeship bill (which had been pending since provide a roving judge for the Middle and Western Districts of North Carolina. A full judgeship had been included in the original bill for EDNC. The roving judge-ship idea was not supported by members of judiciary or Congressmen from Middle and Western Districts. Both Senators and interested Congressmen attempted unsuccessfully to get the bill amended to provide a full judgeship for the Middle District of North Carolina. The bill did not become law. The 1976 quadrennial survey of judicial needs clearly established the need for a third judgeship in the Middle District. A recommendation to that effect was approved by the Judicial Conference of the United States. The Judicial Conference recommendation for

the creation of 106 new judgeships, including a full judgeship for MDNC, is expected to go to the next Congress early in January 1977

"A roving judgeship to serve the Middle and Western Districts will not satisfy the needs in either district."

Mr. Chairman, this summary was transmitted to me from Roy G. Hall, Jr., of the law firm of Hall, Booker, Scales and Cleland in Winston-Salem, North Carolina. I believe certain portions of his letter are appropriate and I quote verbatim:

"One of the best arguments which come to mind to answer opponents (of an additional judgeship) is that in 1962, when Judge Preyer became the second full-time judge for this district, we then had two full-time judges and a very active retired judge (Johnson J. Hayes) who would come down out of Wilkes County to try jury cases at the drop of a hat. Now, 14 years later, with a case load which has more than doubled, we have only two judges.

"Furthermore, what I fear is that this situation effectively deters ordinary people from invoking federal jurisdiction and leaves our federal courts to the wealthy and in-

fluential litigants and law firms."

Mr. Chairman, I expect that such testimony could be gathered in most of the U.S. Court districts of the nation. Wherever and whenever such conditions exists, I believe they ought to be alleviated. For that reason, I support the addition of federal district court judgeship wherever such need is shown.

REVEREND LIGHTFOOT MARKS 25TH ANNIVERSARY AT SHILOH BAPTIST CHURCH

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 5, 1977

Mr. McCLORY. Mr. Speaker, an event of great interest in my 13th Congressional District in Illinois will occur Saturday, April 23, when my good friend, Rev. Jonathan N. Lightfoot, will be honored for his 25 years of service as pastor of the Shiloh Baptist Church in Waukegan.

Mr. Speaker, Rev. Jonathan Lightfoot has been far more than a spiritual leader in the Waukegan community. He has also been a constant supporter of worthy community, civic, and educational endeavors, Reverend Lightfoot's involvement in the spiritual and public affairs of the Waukegan area is recognized by all of us who know him.

The present Shiloh Baptist Church, built under Reverend Lightfoot's pastorate, is an architectual gem as a place of worship. It accommodates the large and growing congregation which he has

served for a quarter century.

Mr. Speaker, last year I had the opportunity to encourage Mrs. Betty Ford, our former First Lady, to visit Shiloh Baptist Church; to meet Reverend Lightfoot, his wife, Robbie, and members of the congregation; and to hear Shiloh's outstanding choir and several spirituals sung by Mary Lacey, an outstanding gospel singer from Waukegan.

Mrs. Ford was greatly impressed by the Shiloh service and by the church members. In my experience, it was the first time a First Lady had visited Waukegan under such circumstances. Photographs of her joy at being there and of the warmth with which she was received were carried by the media throughout the Nation.

Mr. Speaker, it is with great pride that I call to the attention of my colleagues this occasion marking the completion

of 25 years of devoted service.

Mr. Speaker, I shall be joining with many others on Saturday, April 23, at the Waukegan Sheraton Inn to pay tribute to one whose life exemplifies the word he preaches. At that time, I will present a copy of these remarks and extend to Jonathan and Robbie Lightfoot every good wish for continued good health, happiness, and many more fruitful years ahead.

THE ACTUARY'S ROLE IN PENSION AND HEALTH AND WELFARE PLANS

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 5, 1977

Mr. KOSTMAYER. Mr. Speaker, at the request of a fellow Pennsylvanian who works in the employee retirement field, I am today inserting an article by Nathan S. Kolbes concerning the role of the actuary in pension and health and welfare plans.

Mr. Kolbes is an expert in this field, and since actuaries have become quite important in the field of employee benefits, I commend this article to my colleagues:

THE ACTUARY'S ROLE IN PENSION AND HEALTH AND WELFARE PLANS

The Employee Retirement Income Security Act of 1974 (ERISA) significantly broadened the Actuary's position as advisor to the Board of Trustees of multiple employer jointly managed Pension Plans. ERISA imposes on the Actuary duties and responsibilities beyond the normal client-employee relationship with the Trustees who retain him.

The Actuary is now retained by the Trustees on behalf of the Plan participants. This relationship places the Actuary in a position of greater independence than just projecting actuarial assumptions. The Actuary. now with a legally certified right to act independently, has substantially increased responsibility for the propriety of his actions. The Actuary for a jointly managed Pension Plan can provide technical assistance during collective bargaining but should not be part of the collective bargaining process or he might allow management or legal Trustees to unduly influence him. The actuarial assumptions and methods should not be subject to negotiation.

Under ERISA, only "Enrolled Actuaries" can perform actuarial valuations and certify results. An "Enrolled Actuary" is an Actuary who has achieved actuarial competence qualified by experience, education, and examination and who was enrolled by the Federal Joint Board for the Enrollment of Actuaries established under ERISA. The Actuary is the Plan's architect. He provides both the actuarial and related consulting services to the Board of Trustees. The consulting Ac-

tuary will adopt procedures in establishing benefit levels and funding practices depending on whether the foundation (is a thriving industry or trade or one that is likely to decline). The Actuary must be aware of provisions in the collective bargaining agreement or in any other agreement (to make certain that all groups covered by the Plan will be treated consistently, i.e.—to insure that the different groups do not financially select against the Plan because of different conditions governing payment of employer contributions). Also, the Plan and Trust Agreement must reserve to the Trustees a right to require additional bargaining units to meet certain actuarial criteria before they enter the Plan so that accumulated Plan as sets will not be dilluted by the addition of groups with age, sex and service characteristics which generate high cost.

The Actuary's judgements and recommendations are based on periodic actuarial studies using the Administrator's records. His judgements and recommendations are only as good as the Administrator's records are adequate. If past service information is not available, actuarial liabilities will have to be approximated. Since the resulting financial errors can be substantial, the Actuary generally will make conservative estimates to

avoid underestimating liabilities.

The Actuary's judgement as to benefit levels, amortization periods, investment earnings assumptions, expense levels, etc. demand that he continually monitor the experience of the Plan. Where feasible, he should also monitor the experience for related or similar industries. On the basis of this monitoring, he should consistently update his actuarial assumptions. The concept of monitoring opens a subject which we believe is important in the maintenance of employee benefit plans. I will expand on this later.

When a Plan is initiated or revised, a team of professionals should be involved; e.g.-Attorneys, Accountants, Administrators, Actuaries and Consultants. The role of the Actuary is not exclusive. However, the Actuary is often deeply involved with virtually all aspects of the Plan design and is always exclusively involved with actuarial computations. It is important for the Actuary to carefully review with the Plan Administrator and other consultants the necessary employee data and records. The general concepts involved in Plan design are as follows:

1. Assisting Trustees in the establishment

of objectives.

2. Defining Plan Provisions:

Who is covered?

When can an employee retire? Normal? Early? or Deferred?

What pension credits will be allowed? What vesting provisions are desired?

Will there be a Disability pension? What amount? When payable?

Will death benefits be paid before retirement? After retirement? What amounts?

Will there be reciprocal agreements? 3. Choosing the actuarial method-Cost Method.

Once a Plan's goals and objectives have been specified and a mechanism for paying the pension obligations to the Plan participants established, it is incumbent upon the Plan sponsors to find out if the various alternatives are realistic. A strategy must be formulated that strikes a prudent balance between the risk and the rate of return on current assets in addition to anticipated contributions. The question then becomes, how does one know the best strategy?

Modeling, using computer simulation, represents the best school for examining alternative strategies. It is necessary to project assets, liabilities, benefits and contributions. A review of historic asset growth must be combined with projected worse cause asset

growth situations. Funding levels must be analyzed to determine the level of coverage of existing Plan members. Finally, the effect of varying interest rates, termination rates, salary levels, etc. should be decided. The result is the measuring of how well the actuarial assumptions are working. A planning model has the option of keeping all elements constant with no variation of actuarial assumptions, or a combination of real world statistics with varying or nonactuarial as-sumptions. What we have done is to create a Game Plan which must now be carried out via the establishment of an investment strategy that meets the Plan's objectives.

Once a Game Plan is instituted, it is paramount that the portfolios be audited and performance assessed on a regular basis. The Pension Benefit Guaranty Corporation's position is that "The importance of the performance of investment advisors or Trustees who manage assets mandates periodic review of investment performance.' In order to avoid liability, a Fiduciary must not only act prudently in selecting an investment advisor, but must act prudently and in the best interest of the Plan in maintaining a proper review of the investment performance. The same holds true for evaluating the performance of Trustees that manage retirement plan assets. Periodic evaluation can use varying standards for measuring performance. Plan performance must be measured by the results that were initially sought

in the Plan "objectives".

To properly audit a Plan's portfolio, asset data should be collected from the Plan's Trustees, custodian or portfolio managers and divided into six categories:

1. Common Stocks (List these).

2. Preferred Stocks.

3. Convertible Bonds. 4. Long-Term Bonds.

5. Short-Term Investments.

6. Other assets.

Information should be gathered quarterly so that the six categories above act as THE reconcilable components of a Fund's portfolio On start up, the components of the portfolio will have to be reconciled manually until a purified data base is created and a mechanism provided that will record every transaction including brokerage commissions and extra charges. Once this system is set up and functioning properly, the components can then be broken out as to their percentage contribution to overall performance. By structuring data captured in this fashion, implicit controls exist that will insure:

1. That purchases and sales are executed

accurately and promptly.

2. That securities are traded within the day's high/low range. 3. The correctness of commission cost.

stocks, transfer tax, accrued interest, etc. 4. That there is not excessive trading

(churning).

5. That proceeds from the sale of securities, dividends, interest, etc. are received when due and made immediately available for reinvestment.

Any descrepancies in these areas recognizable and therefore correctable. Unfortunately, there are discrepancies that are not as recognizable. If the investment function does not have a formal long range investment strategy, or guidelines are not adequately provided, the risk of deviating from the Plan's goals and objectives is very A careful monitoring of the distribution of assets within and throughout the portfolio requires constant review to keep investment strategy on track. The main tradeoff involved in an investment strategy is between long range expected return and short-term volatility. If equity investments do not grow at least as fast as the rate assumed by the Actuary, the Plan's sponsors may be called upon to make additional contributions.

The prudent investment manager must

arrive at what would be a suitable degree of risk for the particular Plan before a portfolio can be constructed to meet its needs. This is arrived at by intimate knowledge of such factors as a Plan's need for liquidity and its desired rate of return, because the character and objectives of each Plan determine the appropriate amount of risk. Volatility should be measured in the shortterm in the form of variation from the market, utilizing various market indicators such as Standard & Poors 500, and in the longterm employing the statistical technique of linear regression to depict the relationship between the equity portfolio of the Plan and the market.

The concept of simulation being employed in setting up a Plan's goals and objectives, creating a set of guidelines for meaningful reporting and analyzation and establishment global criteria for risk taking, suggest that investments be monitored or measured. The effectiveness of the Actuary to his client would be greatly enhanced if these concepts were introduced into the field of Employee Benefit Systems under the terms and con-

strictions of ERISA.

I hope that this brief over-view of the Actuary's role has been of some value to you. Perhaps, I can best end n saying, "Welcome to ERISA". I can best end my thoughts by

WGMS RADIO EDITORIAL COM-MENDS PRESIDENT CARTER'S STANCE ON HUMAN RIGHTS

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. ROUSSELOT. Mr. Speaker, Mr. Speaker, President Carter's widely publicized statements about human rights have received much criticism. Ironically, the strongest objections have been raised by Soviet party boss Leonid Brezhnev who has interpreted Mr. Carter's remarks as open support for Soviet dissidents. Under the U.S. policy of détente, it is only natural that Mr. Brezhney would assume that the people of America have begun to overlook the fact that the Soviet Government stifles political dissenters. It is about time that the shapers of America's foreign policy take a stance to express unwavering disapproval of the abusive, severe, and unjust treatment of those individuals who are not willing to conform to Communist totalitarianism. If President Carter means to take a tough stand for individual human rights, I hope he will receive the support and not the criticism of the free nations. One citizen who has spoken out in praise of President Carter's position is Jerry R. Lyman, senior vice president and general manager of WGMS Radio in Washington. WGMS is an RKO Radio station which has a policy to present editorials in the public interest. I believe that the opinions of Jerry Lyman deserve the attention of my colleagues in the House of Representatives and am, therefore, submitting the text of the broadcast which was heard by Washington, D.C., listeners on March 9:

HUMAN RIGHTS

(By Jerry R. Lyman)

President Carter's recent support of human rights in the Soviet Union has created quite a stir among politicians, world leaders, and the media. Although it's difficult to understand, the main thrust of much of this criticism is by those who fear the result of this human rights crusade by the President will be the destruction of detente, or a cooling of relations between the Soviets and the United States.

If this be the case, then let it happen. This country has been buffaloed too long by the one-sided benefits of detente. During this period, the Russian build-up of arms, their increased involvement in Africa, and their maintenance of totalitarian control over Eastern Europe has continued as we backed off to meet their demands.

If President Carter's support of human rights for those imprisoned in the Soviet Union has awakened this Nation once more to the world horror known as Soviet Communism, then we hope it continues. For the past two years, Alexander Solzhenitsyn has travelled this country trying to convince the American people of the realities of Soviet oppression—not just of the Jews, but of all the Soviet people. But only a few people took interest in what he had to say.

interest in what he had to say.

The recent deal by NBC with the Soviets for the 1980 Olympics was appalling—another play into the hands of the dollar-desperate Russians. The three networks should have told the Soviets to set up their own worldwide TV system, make them sweat for a few months, and then offered a take-it-or-leave it proposition.

The point is, this country continues to make agreements and economic deals that strengthen the Russians while doing little to solve so-called cold war problems. The Russians through their ever-present KGB agents continue to make inroads in all the unstable areas of the world, while certain elements in this country continue to criticize counteracting CIA activities and call for more defense cuts.

So, Mr. Carter, if your outspoken criticism of the Soviet treatment of dissidents is a preamble to a tougher stance toward Russian world communism, then keep it up. It's refreshing to see us on the attack for once.

INTRODUCTION OF THE WORLD FOOD RESERVE ACT OF 1977

HON. EDWARD P. BEARD

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. BEARD of Rhode Island. Mr. Speaker, I am introducing today, the World Food Reserve Act of 1977, a bill designed to establish a reserve of balanced food supplements that will serve as a kind of "insurance policy" against the event of severe drought or other natural disaster that could threaten the food supply and the health of people in this country or abroad.

This bill would authorize the Secretary of Agriculture to enter into agreements with foreign countries that normally buy grain from us. These countries could assure themselves of a supply of food in case of natural disaster and at the same time, avoid disruption of normal trade in commodities.

This bill provides for the reserve to be immune from American embargoes on exports of grain. At the same time, the reserve will not be maintained at the expense of the American consumer. The

Secretary is empowered by this legislation to insure that grain prices will not be affected. The World Food Reserve deserves the consideration of this body.

CONGRESSMAN JENRETTE ADVO-CATES MAINTENANCE OF U.S. LEADERSHIP ON NUCLEAR WASTE MANAGEMENT TECHNOLOGY

HON. JOHN W. JENRETTE, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1977

Mr. JENRETTE. Mr. Speaker, we have been reading in the papers recently of President Carter's proposed address to the Nation on April 20 regarding a national energy policy. Included within the context of the new policy will be a closer look at nuclear energy, particularly as it relates to the Carter administration's concern for controlling nuclear proliferation.

Last Thursday, March 31, I sent a proposal to Mr. Carter advocating the maintenance of U.S. leadership in the technology needed for radioactive waste management. Part of my recommendation urges the President to undertake an evaluation of sites in the United States and selected foreign nations as international nuclear fuel cycle facilities. Since six bills are now pending in the House and the Senate to promote this concept, I felt it would be in the interest of the Members to read the full text of my letter to the President.

I urge my colleagues when reading this proposal to keep in mind the need for flexibility in exploring the nuclear option. Whichever direction we choose to take regarding our commitment to nuclear energy, it is imperative that American technology on safeguarding nuclear wastes be permitted to maintain high standards for waste management on a worldwide basis.

House of Representatives, Washington, D.C., March 31, 1977. Hon. Jimmy Carter.

The White House, Washington, D.C.

DEAR MR. PRESIDENT: Recent news reports have indicated that your energy policy will include an expanding role for nuclear power reactors in meeting near-term U.S. energy demands. With the heavy reliance that the State of South Carolina has on nuclear energy between now and the end of the century, I am happy to see this support for nuclear power as an integral part of our national energy policy.

I also understand that, as a deterrent to nuclear proliferation in the world, you are giving serious consideration to an indefinite delay in commercial nuclear fuel reprocessing. Certainly anything that you believe will further non-proliferation goals will have my full support. What I would like to recommend, however, is that the "delay" period be utilized to the maximum extent possible to maintain U.S. leadership in technology needed to manage radioactive wastes and safeguard plutonium.

wastes and safeguard plutonium.

The Savannah River laboratory in South Carolina has been a leader in the development of waste management and safeguards technology for over 20 years as a part of the U.S. weapons program. In addition, as you know, the Barnwell Nuclear Fuel Reprocessing Plant stands half completed adja-

cent to the Savannah River reservation. What I would like to propose is that the Executive Branch initiate an evaluation of how the Savannah River and Barnwell Facilities and the technology base now existing in South Carolina might be utilized on a research and evaluation basis during any delay period to maintain U.S. leadership in waste management and nuclear safeguards. As part of such a program, I would envision three basic aspects.

First, the Executive Branch could initiate an evaluation of sites in U.S. and selected foreign nations which might serve as international centers to enrich uranium, store spent reactor fuel and eventually reprocess. Congress has urged such an evaluation in six Senate and House bills, with a combined sponsorship of nine Senators and twenty House Members. I would also guess that allies such as Japan, France, West Germany and others would readily participate in such an evaluation.

Second, the Executive Branch would continue research and development programs on technology to solidify liquid radioactive wastes and convert liquid plutonium to solid form suitable for storage under maximum safeguard conditions for future uses. Even if the U.S. decides not to reprocess, the U.S. should have the above technologies developed for possible transfer to ensure that wastes and plutonium are handled safely on a worldwide basis.

Third, in the context of an international site evaluation, examine closely how U.S. facilities might be used to further international enrichment, waste management and safeguards programs. The International Atomic Energy Agency (IAEA) is in favor of evaluating the possible use of Barnwell in this regard. Just this month, David Fischer. External Affairs Director of the IAEA, stated at an international nuclear conference: "There is a lot to be said for the idea of multinational fuel cycle centers from the viewpoint of safety, economics, safeguards and physical security. However, no such cenwill be built unless a major industrial country participates—the investment is just too great." He further added: "If the U.S. is willing to approve the use of Allied-General Nuclear Services' Barnwell, South Carolina plant for international purposes, so much the better." Savannah River and the adjacent Barnwell site have the benefits of isolation from populated centers, the best cadre of technical talent in the nation, excellent highway, water and rail transportation access and managements very receptive to assisting you in every way possible achieve meaningful non-proliferation goals. The sites also should be given serious consideration as future large expansions are made in U.S. capabilities to store spent fuel and enrich uranium. These assets stand ready to serve as the cornerstone for a meaningful research and development effort.

I hope you will find these recommendations constructive as your non-proliferation and energy policies evolve. I would welcome the opportunity to discuss these ideas with you further.

With best wishes, I am Sincerely yours,

JOHN W. JENRETTE, Jr., Member of Congress.

JUDGE FRED LUCERO

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. EDWARDS of California. Mr. Speaker, on May 27, Judge Fred Lucero

will be honored by his many friends and admirers in Santa Clara County. This is a very special event because Fred Lucero is a new judge; he is a good judge; and he is the first judge of Mexican American descent to serve on a superior court bench in northern California.

It is incredible to remember that California, with its rich Spanish and Mexican heritage, did not have a single superior court judge of latino heritage until 1959 when then Gov. Pat Brown took the first step in a southern California court. We had to wait until the next Governor Brown, Jerry, to see the first superior court judge of Mexican American descent in northern California.

It is delightful to see that Fred Lucero is now Judge Fred Lucero. Because he is a fine and honorable person. Because he is eminently qualified for this position of public trust. Because his appointment shows us that things are finally changing in our country—sometimes not as quickly or as steadily as we would hope—but changing nevertheless.

PRICE-ANDERSON ACT RULED UNCONSTITUTIONAL

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. BINGHAM. Mr. Speaker, the temptation to rise and say "I told you so" is indeed, a difficult one to suppress: The first court challenge raised against the Price-Anderson Act has declared that its limitations on liability violates both the equal protection and the due process clauses of the fifth amendment. The conclusion of the district court for the western district of North Carolina is that the act's limitations on liability "are unconstitutional and unenforceable."

I am submitting excerpts from the North Carolina court's decision for the RECORD:

[In the District Court of the United States for the Western District of North Carolina, Charlotte Division C-C-73-139]

MEMORANDUM OF DECISION

(Before James B. McMillan, District Judge.)

Norman B. Smith, Smith, Patterson, Follin & Curtis, 816 Southeastern Building, Greensboro, North Carolina 27401; George S. Daly, Jr., Casey and Daley, 700 Law Building, Charlotte, North Carolina 28202; William B. Shultz and Alan B. Morrison, Suite 700, 2000 "P" Street, N.W., Washington, D.C.,

counsel for plaintiffs.

Douglas M. Martin, Assistant United States Attorney, Charlotte, North Carolina 28231; Joseph Di Stefano, Office of the General Counsel, Atomic Energy Commission, Washington, D.C. 20545; Peter L. Strauss, General Counsel, and Stephen F. Ellperin, Assistant General Counsel, United States Nuclear Regulatory Commission, Washington, D.C. 20555; Joseph B. Knotts, Jr. and J. Michael McGarry, III, Conner & Knotts, Suite 1050, 1747 Pennsylvania Avenue, N.W., Washington, D.C. 20006; Clarence W. Walker, Kennedy, Covington, Lobdell & Hickman, 330 NCNB Plaza, Charlotte, North Carolina 28280; and William L. Porter, Duke Power Company, Post Office Box 2178, Charlotte, North Carolina, counsel for defendants.

PRELIMINARY STATEMENT

Plaintiffs brought this action to obtain a declaration of the unconstitutionality of those portions of the Price-Anderson Act, 42 U.S.C. § 2210(c) and § 2210(e), which place a limitation of \$560,000,000 on the maximum amount of liability of a power company or a contractor for damages resulting from a nuclear accident involving an atomic power plant.

Damages and injunctive relief are not sought.

Defendants in their pleadings denied the merits of the claims of the plaintiffs and asserted that the plaintiffs lack standing and that the claims are not ripe for decision.

On the 21st day of May, 1975, at a hearing on the motion to dismiss, it appeared that full dress consideration was desired on the issues of standing and ripeness. Time was allotted, therefore, to develop evidence, and a hearing, four days in length, was conducted on September 27, 29 and 30 and October 1, 1976, on these subjects. Briefs were subsequently filed and the case is ready for decision.

THE PLAINTIFFS

Plaintiffs are a group of people with a common interest in protecting themselves, and other present day citizens and their children, against what they see as the deterioration and destruction of their property and the world they live in....

* * * THE PRICE-ANDERSON ACT

The Price-Anderson Act was adopted in 1957. In pertinent part, 42 U.S.C. § 2210(e), it provides:

(e) Aggregate liability for a single nuclear incident. The aggregate liability for a single nuclear incident of persons indemnified, including the reasonable costs of investigating and settling claims and defending suits for damage, shall not exceed (1) the sum of \$500,000,000 together with the amount of financial protection required of the licensee or contractor or (2) if the amount of financial protection required of the licensee exceeds \$60,000,000, such aggregate liability shall not exceed the sum of \$560,000,000 or the amount of financial protection required of the licensee, whichever amount is greater: Provided, That in the event of a nuclear incident involving damages in excess of that amount of aggregate liability, the Congress will thoroughly review the particular incident and will take whatever action is deemed necessary and appropriate to protect the public from the consequences of a disaster

of such magnitude..."

In other words, \$560,000,000 is the maximum amount that all persons injured could recover for injury, death or property damage in the event that a domestic nuclear

power plant got out of control.

The Act authorizes the Commission to pay the first \$500,000,000 incurred in investigating and settling claims and defending suits from such an accident, but allows the Commission to require that the power companies themselves provide indemnity for at least the first \$60,000,000. The Commission is authorized to require that this indemnity by the power companies be increased as the Commission may decide up to an amount of \$500,000,000. Some such increase in power company shares in this indemnity have been required, but the \$560,000,000 overall limit remains

Detailed provisions are made for handling claims. One provision of particular interest is § 2210(0), which says that if, upon petition and showing, a cognizant United States district court determines that a particular incident has produced losses that exceed the \$560,000,000 limit of liability: (1) payments going beyond 15% of that limit (\$84,000,000) may not be made without court approval; (2) payments above 15% must be under a

plan of distribution or found to be not prejudicial to the subsequent adoption of such a plan; (3) claims for later discovered and future injuries must be provided for; and (4) all further distribution must be determined by the district judge.

Plaintiffs have shown that the Price-Anderson Act has been an indispensable element—a "but for" cause—of the construction of atomic power plants and their threatened operation, and that without the Price-Anderson Act, either there would be no nuclear plants or there would be insurance or other security to cover their threatened losses; they are entitled to challenge the Price-Anderson Act on its merits.

THE PRICE-ANDERSON ACT IS UNCONSTITUTIONAL

The Price-Anderson Act limits the total liability for a single nuclear incident, including defense costs, to \$560,000,000; establishes a claim handling procedure which contemplates that the entire problem of adjusting claims will be dumped in the lap of a cognizant United States District Judge if it looks as though losses may exceed the liability limits; payments beyond 15% of the limit (\$84,000,000) may not be made without court approval; such payments above \$84,-000,000 must be made pursuant to a "plan of distribution" (or found by a court not to interfere with a future plan); claims for later and future injuries must be provided for and decided by the judge; some such claims may not mature for several decades, and in the meantime uncertainties will cloud settlement of fully matured claims.

For a number of reasons, the Price-Anderson Act violates the Equal Protection and Due Process provisions of the Fifth Amendment to the United States Constitution.

DUE PROCESS

The Act violates the Due Process Clause because it allows the destruction of the property or the lives of those affected by nuclear catastrophe without reasonable certainty that the victims will be justly compensated. Considerations that lead to this conclusion include the following:

1. The amount of recovery is not rationally related to the potential losses. Abundant evidence in the record shows that although major catastrophe in any particular place is not certain and may not be extremely likely, nevertheless, in the territory where these plants are located, damage to life and property for this and future generations could well be many, many times the limit

which the law places on liability.

2. The Act tends to encourage irresponsibility in matters of safety and environmental protection rather than to encourage responsibility on the part of builders and owners. This is contrary to the purpose of the Atomic Energy Act, which declares the policy of the United States to encourage "widespread participation in the development and utilization of atomic energy for peaceful purposes to the maximum extent consistent with the common defense and security and with the health and safety of the public." 42 U.S.C. § 2013(d). (Emphasis added.) It is true that power companies have other incentives to build carefully, because a core melt down or other major disruption of a nuclear steam generator would be a devastating blow to the treasuries of even the largest power companies such as Duke. Nevertheless, when a low ceiling is placed on accountability to the public, the tendency of such low ceiling is to diminish rather than to heighten steps necessary to protect the public and the environment.

3. There is no quid pro quo. The defendants contend that the limitation of liability is justified by an exchange of burdens and benefits, and that although there may be a limit on recovery, this is compensated for by certainty of recovery, prompt release of funds, extension of [some] short statutes

of limitation, and elimination of some theoretical defenses. They cite as authority workmen's compensation acts (New York Central Railroad v. White, 243 U.S. 188 (1917)); longshoremen's acts (Crowell v. Benson, 285 U.S. 22 (1932)); the Warsaw Convention (limiting liability for death in international air traffic) (Indemnity Insurance Company of North America v. Pan American Airways, 58 F. Supp. 338 (S.D.N.Y. 1944)), and others. These authorities do not support the Price-Anderson Act. The reasons, among others, are these:

(a) Those who operate nuclear reactors give up nothing of consequence when they waive defenses of negligence, contributory negligence, assumption of risk and governmental or charitable immunity. Assumption of risk and contributory negligence to not citizen from recovery for damage bar a caused by trespassing radioactivity. Power companies don't have governmental or char-itable immunity. Under the law of North Carolina, for example (and I understand it to be essentially like that of other states), people who handle highly explosive or dangerous substances are liable to others for damages caused thereby, even in the absence of traditional negligence. The principle goes back to the British case of Rylands v. Fletcher, L.R. 3 H.L. 330 (1868), which held the owner of the dam liable to downstream landowners whose property was damaged when the dam burst

The courts of North Carolina have adopted the principle of Rylands v. Fletcher and hold those who engage in ultrahazardous activities to a standard of strict liability. North Carolina law has been used to impose llability without proof of any negligence on those engaged in rock blasting. Guilford Realty v. Blyth, 260 N.C. 69, 131 S.E. 2d 900 (1963); on those engaged in quarying rock, Paris v. Carolina Portable Aggregates, Inc., 271 N.C. 471, 157 S.E. 2d 131 (1967); and on those who fly airplanes at supersonic speeds causing sonic booms, Nelms v. Laird, 442 F. 2d 1163 (4th Cir. 1971), rev'd. on other grounds, Laird v. Nelms, 406 U.S. 797 (1972).

The courts of North Carolina have not yet had the chance to apply the rule of strict liability to nuclear power plants. However, the considerations that have led to the application of strict liability are all present in the generation of nuclear energy. It is an intrinsically ultra-hazardous activity, and, when done near large population centers, it is "impossible to predict with certainty the extent or severity of the consequences." Trull v. Carolina-Virginia Well Company, 264 N.C. 687, 691, 142 S.E. 2d 622, 624 (1965).

The philosophy behind the imposition of strict liability is that "[t]he law casts the risk of the venture on the person who introduces peril into the community. Blasting operations are dangerous and should pay their own way." Trull v. Carolina-Virginia Well Co., 264 N.C. at 691. This allocation of risk is applicable to the generation of nuclear energy as it is to blasting.

The doctrine of strict liability for abnormally dangerous conditions and activities is discussed in Prosser, The Law of Torts (4th Ed. 1971), at pp. 505-516. In that section Prosser concludes:

"Although rockets already have made their appearance in the field of strict liability, the first case raising the question as to the use of nuclear energy has yet to reach the courts. When it does, it may be predicted with a good deal of confidence that this is an area in which no court will, at last, refuse to recognize and apply the principle of strict liability found in the cases which follow Rylands v. Fletcher." (Emphasis aded.) Id. at 516.

Thus, in case of nuclear catastrophe, giving up the requirement that plaintiffs prove negligence is giving up nothing of substantial value.

(b) An airline passenger or a shipper of

freight does in theory have an option; he can stay home or travel or ship by other means; there is some basis to justify the limitation on liability when he puts his own body or his property aboard the conveyance. By contrast, the neighbor of a nuclear power plant, or the person caught by chance in the contaminated area, has no option at all.

(c) Prompt release of funds without prolonged litigation is not afforded. The promotes uncertainty rather than certainty and delay rather than promptness in the settlement of claims. Once settlements pass a total of \$84,000,000 (15% of the ceiling), payments stop and the whole problem is referred to a nearby district judge. Thereafter, claims can not be settled on their own merits, but must be settled in terms of a "proportion" of the available funds. These settlements have to be partial or contingent for times that may extend into decades in order to comply with the Act's provision for reserves for late developing claims or lately discovered damage. Since later generations may be involved in such claims, the one thing certain about this procedure is uncertainty.

(d) Unlike claims under workmen's compensation and the Warsaw Convention, the amounts of the potential small recoveries allowed by the Price-Anderson Act are not even certain; since the maximum total liability does not vary with the number of people injured, the recoveries must be simply proportions of the fund, bearing more relationship to the number of people injured than to the severity of the injury of the

individual

(e) The Warsaw Convention was a treaty rather than an Act of Congress; treaties with other nations don't follow the same rules as lawsuits or ordinary Acts of Congress. Moreover, plaintiffs point out that the United States in 1965 denounced the Warsaw Convention and resumed endorsement of it a year later only after agreement was reached sharply increasing liability to United States passengers to \$75,000 instead of the \$8,500 which had theretofore obtained.

(f) The omnibus nature of the coverage (providing payments for injuries caused by even financially irresponsible wrong-doers) is not a redeeming feature; omnibus coverage could be provided under a fair plan just as

well as under this unfair plan.

(g) Waiver of [some] short statutes of limitations affects only the time when the potential remedy can be asserted by suit and does not affect the fairness of the underlying right. Many statutes of limitations, see, for example, North Carolina General Statutes § 1-15(b), already provide for tolling of rights of action where damage is hidden or not discovered until later.

(h) A further problem with Price-Anderson is that the limit is absolute and applies to nuclear catastrophe even though it may be the result of wilfull conduct or gross

negligence.

(i) It was argued orally that in the event of a nuclear catastrophe, somebody by executive action or Congress by special Act under the 1975 proviso to § 2210(e) might make some "relief" immediately available. Mr. Micawber would like that idea. It may well be so, and I hope it would be. However, the fact that a future Congress might be more generous than past Congresses have been wise would still leave the Price-Anderson Act short of providing the "reasonable, certain and adequate provision for obtaining compensation" which due process of law requires. Regional Rail Reorganization Act Cases, 419 U.S. 109, 124-25; Cherokee National v. Southern Kansas Railroad Company, 135 U.S. 641, 659 (1890).

EQUAL PROTECTION

The Act violates the equal protection provision that is included within the Due Process Clause of the Fifth Amendment because it provides for what Congress deemed to be

a benefit to the whole society (the encouragement of the generation of nuclear power), but places the cost of that benefit on an arbitrarily chosen segment of society, those injured by nuclear catastrophe. This conclusion is reached by considering the reasons that lead to the holding that the Act violates the Due Process Clause, plus the following:

1. The statute irrationally places the risk of major nuclear accident upon people who happen to live in the areas which may be touched by radioactive debris. No necessity is suggested for using such geographical happenstance as the basis for allocating the bur-

den of loss.

 The Act irrationally and unreasonably places a greater burden upon people damaged by nuclear accident than upon people damaged by other types of accidents, such as motor vehicle or electrical accidents, involving power companies.

3. The Act unreasonably and irrationally relieves the owners of power plants of financial responsibility for nuclear accidents and places that loss upon the people injured by such accidents who are by definition least

able to stand such losses.

4. The limitation is unnecessary to serve any legitimate public purpose. Other arrangements rationally related to the interests asserted could easily be devised. For example, a liability pool could be established, requiring either contributions in advance, or liability for assessment on a unit basis or otherwise, of all power companies building or operating nuclear generators. This would effectively place the responsibility upon the group most directly profiting from any im-provement in the costs or usefulness of electric power-the power company stockholders and the customers themselves. Another rational alternative would be to make such accidents a national loss and to pay those damaged out of the federal treasury. This would spread the loss among those who benefitted indirectly by having the nation's power supply increased as well as among those who presumably benefitted directly.

No federal case in point on the equal protection issue has been cited. Perhaps Congress has never before (without compensating factors absent here) passed a law placing

the . .

CONCLUSION

Plaintiffs are threatened with certain injury of relatively minor nature, and with reasonable likelihood of major and perhaps catastrophic injury, without assurance of adequate compensation if that should occur. But for the limitation of the Price-Anderson Act, the nuclear power plants would not be being built and those threats would not exist. Plaintiffs are actively pursuing the case. They have a live stake in the controversy and are sufficiently aroused that their position has been well and adequately pre-sented. A live case or controversy exists; they have standing; the issue is ripe for decision and there is no need to wait until a reactor accident occurs before deciding the case. The time to put on the roof is before it starts raining. The question of the constitutionality of the Price-Anderson Act should be decided now.

Injunctive relief is not sought and is not contemplated; at the time this action was filed one federal district judge had no authority without the concurrence of one of two other judges to issue an injunction based upon the unconstitutionality of an Act of Congress.

The question is, however, whether or not to declare the constitutional rights of the

parties.

Granting declaratory relief in this case is not likely to interrupt the operation of the statutory scheme before the parties can seek to have the Supreme Court finally adjudicate the issue. Kennedy v. Mendoza-Martinez, 372

U.S. 144, 154-55 (1963). A direct appeal lies should the parties choose that route. 28

U.S.C. § 1252.

This court like other courts has a duty to "faithfully and impartially discharge and perform all the duties incumbent upon [a] United States District Judge . . . agreeable to the Constitution and laws of the United States" The Constitution is the "supreme law of the land." Only by forthright recognition of rights reserved to the people by the Constitution and laws can those rights be made real to the people whom government officials are chosen to serve.

I therefore hold and declare that the provisions of 42 U.S.C. § 2210(e) and any other provisions necessary to implement the \$560,000,000 limitation of liability are unconstitutional and unenforceable insofar as they apply to nuclear incidents occurring inside

the United States.

Counsel may tender any further order or judgment appropriate under the foregoing memorandum of decision.

This 31 day of March, 1977.

JAMES B. McMillan,

U.S. District Judge.

THERE SHOULD BE ONLY ONE STANDARD IN WEIGHING OP-PRESSION, REGARDLESS OF RACE OR NATIONALITY: THE U.N. AND O.A.U. APPARENTLY HAVE TWO STANDARDS

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. KOCH. Mr. Speaker, recently I came across two articles in the Washington Post describing atrocities perpetrated by Uganda's Idi Amin. Normally disclosures such as these would be plastered across the front page, but, because mass murders and brutalities are commonplace in Uganda under Amin's Nazisstyle rule, they were burried in the front section. The atrocities, however, are nonetheless heinous, and the decent people of the world have a duty to voice their outrage over them. Amin would like nothing better than to have the international press let him out of the limelight, by limiting their coverage to his weekly basketball games and tea parties. Like all repressive dictators, Amin is more secure if his evil purposes can be worked in relative secrecy.

While much of the world was expressing dismay over the reign of terror in Uganda, some voices were heard to ask, "Why single out Idi Amin." All violations of human rights should be condemned. Moreover, just because we know there are other offenders in the world, it is not right to sit back and say nothing about systematic violations that are thrust into the public view. It is true that there is a great deal of torture in other countries, but that increases our obligation to condemn it wherever we find it, and it happens that Uganda is the

worst offender right now.

Just as the decent people of the world have an obligation to speak out against violations of human rights wherever they occur, those that remain silent out of indifference or self-interest should also be censured. I am disgusted by the hypocritical silence of the United Nations and the Organization of African Unity in face of Amin's flagrant and bloody repression of his own countrymen. I fully support the condemnations by these two

organizations of the racist regimes in South Africa and Rhodesia, but for them meanwhile to voice no criticism of the mass torture and executions taking place

in Uganda is unconscionable.

Apparently there are two standards of human rights at the U.N. and the O.A.U.—one for white oppression and a different one for black oppression. For me there is only one standard, regardless of the race or nationality of the oppressor or the oppressed.

The Post articles I referred to follow: FORMER AIDE SAYS AMIN ORDERED DEATHS HIMSELF

(By Roger Mann)

NAIROBI, March 27.—A high-ranking Ugandan army officer who held senior posts in President Idi Amin's government until he fied to Kenya earlier this month says that "Amin personally gave the order that all Lango and Acholi soldiers should be killed."

The officer, who refused to be identified, is one of the most important Ugandans to have left the country in recent weeks. He said that the orders were circulated throughout the country to army commanders via military radio a few days after the death of Anglican Archbishop Janani Luwum and two Cabinet ministers last month. He said he also was given the orders directly by one of President Amin's secretaries.

The officer escaped from Uganda earlier this month after he had been forewarned that his name was on a death list. "They were hunting Christians not because we made mistakes but just for the sake of killing Christians," he said.

The officer, who has served with President Amin in the army since 1960 before independence, said that when Amin, a Moslem, took over in 1971 less than 5 per cent of the army was Moslem. The figure is now probably over 20 per cent, he said.

"That 20 per cent is terrorizing the other 80 per cent whose morale is very low," the officer said. About 15 per cent of Uganda's people are Moslem, while 50 per cent are Christian and the rest Animist.

He blamed the current wave of Christian killings on jealousy. "Christians are better educated than Moslems and by virtue of their education and ability they have been holding positions of responsibility." he said.

Most of the Moslems, he said, are found in the dread State Research Bureau, which is the army's intelligence unit and is reportedly responsible for most of the killings in Uganda. There are very few Ugandan Christians in State Research, which is made up predominantly of members of Amin's own Kakwa and related West Nile tribes and mercenaries from the Sudan, Zaire, Rwanda and Burundi.

The main function of State Research is "to insure the security of the president, not the country. Its members have full powers to kill people who are suspected of being uninterested in the government," the officer

Other Moslems are now commanding officers. Some of these, including the vice president, Gen. Mustafa Adrisi, are reportedly illiterate, although Uganda once had the highest standard of education in East Africa. Amin himself is believed to have left school after the fourth grade.

The officer believes he was on State Research's death list because he was a Christian in a high position.

The main targets are the Lango and Acholi in the army. The officer was unable to give precise figures and said he saw only 40 bodies himself but from reports he is convinced that "very many," perhaps 1,000 Lango, Acholi and other Christian soldiers have been killed since Anglican Archbishop Luwum died six weeks ago.

"It is not a new thing to see dead bodies along the roadside in Uganda," he said. When Amin seized power from Milton Obote in 1971, Lango and Acholi comprised about half of the country's 10,000-man army. Most of them were suspected of being loyal to Obote, a Lango, and many of them were killed in

1971 and 1972.

When the recent wave of killings began last month just after the death of Archbishop Luwum, only the 3d Infantry Battalion had significant numbers of Lango and Acholi. The officer said "they were merely shot or butchered like cows."

WEEKEND OF TERROR (By David Martin)

LUSAKA, ZAMBIA, March 28.—Lira's residents awoke on Saturday Feb. 5 to find that one small but ominous change had taken place in the town overnight.

A squad of officers from the State Research Bureau, led by a short, balding Nubian former taxi-driver named Mahammod,

had arrived during the night.

The State Research Bureau, which has its headquarters in Uganda's capital city, Kampala, is the most dreaded of President Idi Amin's four identified killer squads.

The bureau, which has Soviet and Palestinian advisers, comes under Amin's direct control. Its members are Kakwa (from Amin's own West Nile tribe), southern Sudanese and Nubians. They have been directly responsible for the murders of thousands of Ugandans. By 8 a.m. most of the town knew that a State Research Bureau unit had arrived in their familiar Toyota cars with UVS license plates. Within minutes the first "disappearance" occurred.

Although Lira has been sealed off since then, one man—who cannot be identified now because of the probability of reprisals against relatives and friends still in Uganda—has escaped with a full account of what occurred in the next 48 hours.

The first man to "disappear" on Feb. 5, this man says, was Omara Obua, managing director of the local bus company. He was arrested at his home. At 9 a.m. a local businessman, Otim Obuni, was arrested at his shop.

Next the secret policemen went to the shop of Wacha Olwol, the refuge said. When they did not find him they went to his house five miles outside town, broke in, stole money from the safe and tortured his mother, who is in her 60s, until she disclosed that her son was in Kampala.

Before midday they were back in Lira, where they arrested two married women.

One of the women was dragged onto the pavement outside her shop on the main street.

"Some were clubbing her with rifle butts. Others stepped on her and some kicked her. The beating lasted between five and seven minutes, and she was screaming all the time," the refugee said.

"Omara and Otim were so badly beaten that I didn't believe they would live. Otim could hardly sit, and his face was covered with blood."

The two women were thrown into the rear of one of the two State Research vehicles and driven away, he added. Four days later their mutilated bodies were found five miles south of Lira on the road to Kampala. They had been beaten to death.

At 3 p.m. that same Saturday, Y. A. Engur, a former Cabinet minister in the Amin gov-

EXTENSIONS OF REMARKS

ernment who had been released three weeks earlier after 18 months in prison without trial, was arrested at his home.

"He was sitting under a tree in his garden playing with his children when the squad arrived," the witness said. "They pointed guns at the children and ordered them to put their hands up. Then they dragged their father away."

By now the streets of Lira were deserted. The arrests continued the next day. The first to go, at 10 a.m., was another businessman, Rashid Eton, of the Public Safety Unit, another of the known killer squads.

A State Research officer tricked him into coming out of his house, where he was having breakfast, the witness said. Six other officers lay in wait outside. He was thrown to the ground, beaten unconscious, his hands were tied behind his back and he was pushed into the rear of a Land Rover, where the seven men sat on him.

Two more businessmen, George Atyam and his brother Wacha, followed, the refugee said. Next to go were two headmasters, John Okuja of St. Katherine's Girls' School and a man named Omwomy from Comboni Secondary College. They were also beaten.

At 4 p.m. the witness decided that things were becoming too difficult and went into

hiding.

"In 1971, when they were slaughtering Acholi and Lango in thousands, they had never beaten publicly on the streets like this," he said. In that year three of his brothers had been killed and another had fied into exile.

He contacted a Kakwa friend thinking that the friend might be able to offer him the most secure hiding place. The man warned him to get out of town fast, saying that the killings would continue for some time.

The man said that he had seen a list containing the names of 47 Lango who were to be eliminated. The witness' name was on the list. It was signed by Amin and addressed to Col. Francis Itabuka, head of the State Research Bureau.

The witness went into hiding immediately. On Monday he learned that the State Research Bureau had broadened its hunt to the village of Lango district and he decided to try to escape into exile.

Lira was surrounded by roadblocks manned by military police (another killer unit) and State Research officers, but he managed to slip through the bush to Kampala and finally made his way out to Kenya.

He is the only person known to have escaped from Lira. The town is still sealed off.

None of the people arrested in those first 48 hours has been heard of, the refugee said. All are presumed to have been killed, along with hundreds more who were subsequently arrested.

DELTA STATE WOMEN NATIONAL CHAMPIONS

HON. DAVID R. BOWEN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. BOWEN. Mr. Speaker, I would like to bring to the attention of my colleagues the outstanding accomplishments this year of the women's basketball team at Delta State University in my hometown of Cleveland, Miss. Recently, at the Association of Intercollegiate Athletics for Women tournament in Minneapolis, the Delta State team coached by Margaret Wade won

its third consecutive national championship by sweeping to four straight victories.

All of us in Mississippi are very proud of Coach Wade and this fine group of young women athletes, and I am particularly so, since not only is the university located in my hometown, but three of the five starters are constituents of mine, graduates of high schools in our own Second Congressional District of Mississippi. In fact, 5 of the 12 players on the Delta State team are from the Second District.

Members of Delta State's national championship team include Lusia Harris, who also was a member of the silver medal U.S. Olympic team last summer in Montreal, Cornelia Ward, Melissa Ward, Ramona Von Boeckman, Debbie Brock, Wanda Hairston, Lauri Anne Harper, Jill Rhodes, Janie Evans, Jackie Caston, Tish Fahey, and Lynn Adubato. Coach Wade, who is recognized as one of America's great basketball coaches, is ably assisted by Jimmy Butler and has the full support of the university administration, including Dr. Kent Wyatt, president, and Horace McCool, athletic director.

The Lady Statesmen, as the team is called, have the enthusiastic backing, not only of the student body at Delta State, but also of the citizens of Cleveland and the entire Mississippi Delta area. Nearly 1,000 supporters of the team made the long trip to Minnesota for this year's tournament, where they were rewarded with victories over the University of Minnesota, Southern Connecticut, the University of Tennessee. and finally, for the championship, Louisiana State University. The victory over LSU concluded a 32 to 3 season, and brought the three-times national champions' mark to 93 to 4 during the three championship seasons. In fact, during Coach Wade's 4-year tenure at the helm, Delta State has an amazing 109 to 6 record, unequaled by any other women's team in the Nation during this span. By winning three consecutive national titles. Delta State tied another

The Lady Statesmen drew sellout crowds to many of their home games this season at Sillers Coliseum on the Delta State campus, and in their appearance at Madison Square Garden in New York, drew over 12,000 for their game with Immaculata, a record for a women's basketball game in the United States. They were the first Mississippi team to play in Madison Square Garden, and win, defeating Immaculata this year and Queens College last year.

Not only is the team a winner on the court, but its members have compiled outstanding academic records in their classrooms. They have brought a great deal of favorable publicity and national attention to the university, the State of Mississippi, and themselves.

I am pleased and privileged to have this opportunity to offer this public salute to them and wish the individual team members, the coaches, and the entire school the very best of luck in the future. WOMEN'S CRUSADE FOR COMMON SENSE ECONOMICS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. KEMP. Mr. Speaker, I would like to bring to the attention of my colleagues today an outstanding organization called the "Women's Crusade for a Common Sense Economy."

This organization is dedicated to the proposition that America needs a strong and free economy in the interest of all Americans and that the American economy—once the marvel of the world—is being choked by Government deficits, high taxes and excessive Government regulations.

These leading women-Women's Crusade for a Common Sense Economy, National Organizing Committee: Chairman, Mrs. Harriett M. Wieder, Mayor, Huntington Beach, Calif.; Mrs. Lorraine L. Blair, founding president, Women's Finance Forum of America, Chicago, Ill,; Mrs. Helen K. Copley, chairman and chief executive officer, The Copley Press, Inc., La Jolla, Calif.; Miss Patricia M. Howe, partner, L. F. Rothschild & Co., San Francisco, Calif.; Mrs. Mary G. Roebling, chairman, The National State Bank, Trenton, N.J.; Mrs. Clara Shirpser, former Democratic national committeewoman, San Francisco, Calif .; Mrs. Leone Baxter Whitaker, president, Whitaker & Baxter International, San Francisco, Calif.—want to reverse this trend by marshalling the efforts of women across the United States who are in favor of halting the Government's excessive encroachment on our free economy. I believe that this is a most admirable goal and I hope all will take the time to read the statement of principles which recently appeared in the San Diego Union, a Copley newspaper of which its outstanding executive officer, Helen Copley, is a cochairman of this 'Crusade.'

[From the San Diego Union, Nov. 10, 1976] THE GREAT AMERICAN WOMAN-POWER POLL

Labor leader Samuel Gompers said it best:
"When the economy is in trouble we are
ALL in trouble."

Today the Economy is in Trouble. And Nobody Knows It Better Than Women—Women in the Home, Business, Professions, Arts, Education, Public Service.

WOMEN ARE MOBILIZING

Today the Women's Crusade for Common Sense Economy invites you to add your voice to those of a million thoughtful women mobilizing:

To help strengthen the foundation of the Nation.

To protect the family paycheck. To secure our children's future.

WHAT WORRIES WOMEN?

Thoughtful women today are concerned about the excesses that undermine the soundness and sap the strength of the Nation's and the family's economy. They are concerned about:

Runaway budgets—local, state and federal—for the average family pays the huge

The failure of Government to work as

hard at the job of living within its income as every citizen must.

Explosively expanding public payrolls. Increasing encroachment of Government into private lives.

The Promise-More, Borrow-More, Spend-More political mania. Thinking women see this cannot go on forever, and are sick of politicians who pretend it can.

JOBS-AND FAMILY SECURITY

The economic stability of the family

concerns women today. They see:
Unhealthy discouragement of business enterprise-the main source of jobs, taxes and all public services in America.

Proliferating boards and bureaus-local, state and federal—assuming new powers, delaying new growth and restricting expansion desperately needed to head off unemployment.

The ideological attack on our dynamic enterprise system, assaulting its founda-tions rather than correcting its faults—the same mistake that today imperils Britain in its slide toward economic ruin.

Red tape, paper work and over-control of industry, little and big, hindering productivity and limiting new jobs.

WHAT IS OUR NATION'S FUTURE? OUR CHILDREN'S?

To women determined to inspire high vision among America's youth, to build and strengthen our foundations for the future, the trend is frightening.

CALL TO ACTION

The American system has produced the greatest human advances, security and opportunity for more millions at home and abroad than any other system the world has seen. Yet today it desperately needs support, repair and sustenance if it is to endure. Responsible women across the country are rallying to lend their names, their energy, their time and money in a simple plan to help in this task—the Women's Crusade for a Common Sense Economy.

The Women's Crusade is non-political and nonpartisan. It will support no candidate, and no political Parties. All contributions are fully tax-deductible.

HOW WILL THE CRUSADE WORK?

- 1. The Women's Viewpoint, a continuing survey of women's thinking, will seek directives from women themselves on economic matters, and disseminate them broadly. It is believed that women at home, in business, in public office, education, the arts and professions have more common sense knowledge about balancing budgets and other economic basics than generally credited. Backed by the moral muscle and vocal tools of a million women, the Crusade viewpoints will have a profound impact on the Nation's decisionmakers.
- 2. A National Speakers Bureau will open wider platforms to articulate women whose paramount economic concern is their Nation's and their children's future.
- 3. A Women's Economic Conference Series will invite foremost thinkers in public affairs, education, labor, economics, industry and other fields both to share their views and hear women's ideas on what is functioning, what isn't, what needs change, improvement, support, new thinking.
- 4. Supporting Action, endorsement and concerted effort will be sought vigorously from all manner of groups, organizations and public leaders.

WHAT CAN WOMEN DO?

Women who want to see the same common sense rules their homes and businesses live by applied to Government will:

Speak out to family, friends-and from every rostrum.

State their views to decision-makers, boards and bureaus.

Write their legislators urging plain common sense in economic matters.

Participate in the Crusade Economic Conferences.

Secure endorsement from women's and other organizations.

Circulate Crusade petitions, to add names to the "Committee of One Million."

Send in their own ideas to publicize and advance the Crusade objectives.

WHAT IS WOMAN-POWER?

Why will the Crusade plan work? Well, frankly, there are more women than anybody else.

Women have more votes more money and sufficiently persuasive voices to dent the toughest tribunal-when they care to use

With the force and strength of a million women behind them, the conclusions reached in the Crusade will not be ignored.

Women's views, voices and actions in behalf of ALL America can affect decisively the road America travels. And the Women's Crusade plans just that!

MESSAGE TO WOMEN

Whether business woman, homemaker or both whether Democrat, Republican or Independent-if you believe thoughtful women should have a chance to show what women can do for our country's and our children's future, please help establish the crusade di-rective from women themselves. Please mark and send in the Woman-Power Poll today! WOMEN'S CRUSADE FOR A COMMON SENSE ECON-

OMY-NATIONAL ORGANIZING COMMITTEE

Chairman: Mrs. Harriett M. Wieder, Mayor,

Huntington Beach, California.

Mrs. Lorraine L. Blair, Founding President, Women's Finance Forum of America. Chicago, Illinois.

Mrs. Helen K. Copley, Chairman and Chief Executive Officer, The Copley Press, Inc., La Jolla, California.

Miss Patricia M. Howe, Partner, L. F. Rothschild & Co., San Francisco, California.

Mrs. Mary G. Roebling, Chairman, The National State Bank, Trenton, New Jersey.

Mrs. Clara Shirpser, Former Democratic National Committeewoman, San Francisco, California.

Mrs. Leone Baxter Whitaker, President, Whitaker & Baxter International, San Francisco, California.

Women's Crusade for a Common Sense Economy, P.O. Box 38360, San Francisco, California 94120.

IS HOPE A CRIME?

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. O'BRIEN. Mr. Speaker, the issue of Laetrile is a controversial one, unfortunately, because of the ban imposed by the Food and Drug Administration against interstate transportation of that substance. The subject is discussed in a thoughtful editorial, "Is Hope a Crime," appearing in the April issue of the Medical Tribune, which I recommend to my colleagues for their consideration. The editorial follows:

In 1975, a U.S. District Court in Oklahoma ruled for a plaintiff against the FDA holding that Laetrile was harmless and was "not necessarily void of effectiveness." The court's finding went on to say that this may be limited to the hope that the patient may derive some benefit from it "but if the drug relieves his mind of pain, then it is effective.

Judge Luther Bohanon, of the U.S. District Court in Oklahoma City, recently ordered the FDA to come up with proof that Laetrile should be subject to their regulations, commenting that regardless of the controversial nature of the substance, "depriving a terminally ill cancer patient of a substance he finds therapeutic, whether such benefit is physical or psychological, creates a very real risk that irreparable injury might be sustained." It is to be regretted that once again our courts have to "lecture" our health agency on what should be fundamental humanity.

On Dec. 24, 1975, MEDICAL TRIBUNE noted editorially, "Considering the multifaceted character of malignancies, it would be rash "Considering the multifaceted to conclude that no single individual may benefit either from a biochemical or psychic mechanism of a drug in which a patient deeply believes." In the same editorial we noted that "No government agency prohibits people from exposing themselves to known, proven carcinogens. On the contrary, the U.S. government not only does not restrict the sale of such carcinogens as cigarettes but actually subsidizes the growth of tobacco."

CRIMINALIZED PATIENTS

A recent report, most sensitively written by Bill Richards of the Washington Post (Feb. 14, 1977), described some of the patients who are being turned into criminals by the FDA's regulations!

Pray," said the elderly woman as she tucked several vials of the banned supposed anti-cancer drug Laetrile into her handbag for an illegal trip across the border. "Pray that God will stay with us until we get across.

"The woman, a cancer patient whose doctor told her recently she has less than a year to live, climbed into a car with two other elderly women and headed back toward the U.S. Customs station at the California bor-der."

Bill Richard's report went on to point out that "Custom officials said they usually can spot those who have been to the Laetrile

'You can tell when a person is dying of cancer,' said the station's acting chief in-spector, John Young. He recalled that one man came through crying and carrying an emaciated little girl in his arms.

'We knew right away he was taking his daughter home from the clinic, but he said he didn't have any Laetrile with him,' Young said. 'If I decided he was smuggling, I guess I'd have to search him. But you use your own discretion sometimes.

"'Our job is to enforce the law, and the law says they can't bring Laetrile in,' said Young. 'We take it away, but we try to treat these people with all the dignity they de-serve. After all, it's not like we were dealing with heroin smugglers."

SOMETHING VERY WRONG

Right you are, John Young, and we can thank heavens we have John Youngs in America. But there is something wrong when we convert cancer victims into cancer criminals.

There is something very wrong when dying patients have to seek hope in other coun-

There is something wrong when our laws making a drug claimed to have anti-cancer effects "the second biggest smuggling prob-lem after narcotics," and when an FDA spokesman acknowledges that Laetrile "has a higher make-up than heroin." There is something wrong when an FDA

regulation crates a new criminal drug market in which cancer sufferers are victimized. U.S. government regulations against Laetrile are based upon the fact that its efficacy has not been demonstrated in controlled studies. The American Cancer Society and others have called Laetrile "a criminal hoax." On the other hand, there are now thousands of Americans organized into 400 chapters of a committee for Freedom of Choice in Cancer Therapy who believe to the contrary. There are apparently thousands of cancer victims who, knowing clearly the decision of the Food and Drug Administration, believe they have the right to get Laetrile or any other substance to treat their malignancy.

We do not know whether there are or are not individuals who may have benefitted from Laetrile. The claim that Laetrile is a delusion and a dangerous one should be examined in the light of other illusions: that cigarette smoking is a machismo gesture—we do not prohibit cigarettes; that offering an alcoholics beverage (sometimes even to alcoholics) is a gesture of true hospitality—we do not prohibit alcohol; that cosmetic preparations can restore the bloom of youth—we do not prohibit either their sale or advertising; that prepared foods will confer familial happiness—we do not censor those messages.

All the above are illusions and all have potential for harm. They are certainly not comparable to the crying need for even the illusion of hope in a patient dying of can-

ONEROUS LAWS

Virtually a day does not pass when we do not see some of the dangerous side effects and inconsistencies, too often heart-rending ones, of our present Food and Drug Laws our FDA regulations and thoughtfulness efforts in their enforcement. It is high time that something be done. We have laws on our books that leading American scientists as well as cancer sufferers find onerous, unfair and painful. As Maurice B. Visscher succinctly put it in his letter to Science ten long years ago, "That was not the intent of Congress." If we can tolerate and encourage the sale of cigarettes with its watereddown, almost misleading warning, if we can tolerate the constant proliferation and sale of new alcoholic beverages without either warning or listing of content, then it would seem to us that the time has come to change the laws so that if individuals wish to take substances which are by far safer than these commonly abused agents, that they may do so with the clear warning on a label that "This substance has not been found to be effective by the FDA."

We repealed prohibition when a law made criminals out of scores of millions of Americans. There is more reason to repeal laws and regulations which make criminals out of cancer victims and convert hopes into crimes.

OPEN LETTER TO THE PRESIDENT

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. SNYDER. Mr. Speaker, recently I received a copy of an open letter to President Carter, a letter written by Mr. Ed Wimmer, Jr., a constituent and longtime friend of mine. I would like to share it with you now for two reasons. First, I think the sentiments voiced by

Mr. Wimmer mirror the feelings of many Americans—a growing number of citizens concerned about the rights and independence of the "little man," the small business, and the individual in general.

Second, I would like this letter to serve as something of a memorial to the writer's father, the late Ed Wimmer, Sr., who for so many years served as a dedicated spokesman for the small businessman. There could not be a tribute any more fitting than the continuation of his life's work, through his son.

Mr. Wimmer's letter follows:

FORWARD AMERICA, INC., Covington, Ky., March 1, 1977.

Hon. James Earl Carter, President of the United States,

Washington, D.C.

My Dear Mr. President: This letter would have come to you from Ed Wimmer, as President and Founder (1932) of Forward America, Inc., had he not died suddenly a few days before you were elected to the Presidency. Had he lived, he would have reached out to you as a farmer, small businessman, an experienced scientist, and now our President; to let the people know you care about the plight of the Independent businessman.

For every Independent businessman and small farmer that goes under, so goes our American free enterprise system, and so will our form of government. We must protect the right of the Independent to survive. Their future will determine the destiny of America.

An all-out effort by a non-partisan President and Congress, working together with the American people, will return this country to the free enterprise, representative government concepts of Thomas Jefferson, as set forth in the Declaration of Independence. The Constitution, and the Bill of Rights. We cannot afford to compromise on this critical issue if we want to reopen the closing gates of opportunity. If we fail to meet this challenge now, Mr. President, the opportunity will not come again.

We must turn away from the dependence theory gripping the nation; turn away from the tides of monopoly-socialism. There are those who say it is too late. It is not too late, and we believe you can become the "Engineer" who can get us back on the right track. . . There were great men in our past who literally made a new country, a country dedicated to a strong middle class society. Our great Republic cries out for great statesmen who are not afraid of freedom's foes, for the man who pretends to be freedom's friend but fears freedom's foes, is, in my opinion, no man's friend.

It is the intent of Forward America, Inc., to continue to fight for Independence With Independents. There is no room in a Republic for monster business, monster labor or monster government.

The results of a recent survey in Sylvia Porter's column showed a cross-section of the nation's brightest teenagers believing in free enterprise but fearing big business and big government. We must reassure the American people that a total decentralization program will begin and once again restore faith, honesty, initiative and self-pride in our market place. . . The Bible offers the principles of life, the Constitution provides a way of life free of monopoly control. Our prayers are with you and the First Lady and this beloved Country. The opinions of our members will be sent you on a regular basis.

Very truly,
ED WIMMER, Jr., President.

TERRORISM: CHRISTIAN SCIENCE MONITOR OVERVIEW, PART II

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. McDONALD. Mr. Speaker, here is the second part of the excellent article on international terrorism by Christian Science Monitor correspondent David Anable. The article reviews training centers for terrorists maintained by the Soviet Union and its satellites and surrogates. The role of Libya's Colonel Qaddafi in financing a wide variety of leftist and nationalist terrorist groups is also reviewed. The Libyan dictator has been on increasing good terms with the Soviet Union particularly with the outbreak of the Lebanese civil war last year. Libya is particularly close to the Rejectionist Front faction of the Palestinian terrorist movement, and is reported to be supporting subversion against a number of more moderate Arab governments whose overthrow is desired by the Soviets

Libya's dealings with "Carlos," the Soviet trained Ilich Ramirez Sanchez, who was in contact with Cuban intelligence agents in Paris when his "cover" was first blown, is illustrative of the fact that the principal terrorist groups operate with the supportive resources of governments who are the enemies of western civilization. I commend the article to my colleagues:

[From the Christian Science Monitor, Mar. 15, 1977]

TERRORISM: HOW A HANDFUL OF RADICAL STATES KEEPS IT IN BUSINESS

(By David Anable)

A few miles along the coast from Libya's capital, Tripoli, a modest "hotel" looks out over the blue Mediterranean. It and other Libyan villas like it have seen a curious variety of nonpaying "guests."

Arch-terrorist Ilich Ramírez Sánchez, bet-

Arch-terrorist Ilich Ramirez Sanchez, better known as Carlos Martinez or just plain "Carlos," has stretched out there luxuriously with his Palestinian friends. He probably is there right now. The five members of the Japanese Red Army (JRA) who attacked the American Consulate in Kuala Lumpur, Malaysia, in 1975 later did their jerky calisthenics on one of the villa's roofs—together with five JRA colleagues they had forced the Japanese Government to release.

West German anarchist Hans Joachim Klein, after treatment in a Libyan hospital for wounds received in December, 1975, during the Carlos-led kidnapping of the OPEC (Organization of Petroleum Exporting Countries) oil ministers from Vienna, convalesced along the same sunny coastline. Wilfred Base, another of Carlos's associates, knew it well before he was killed by Israeli commandos rescuing hostages he had helped hijack to Uganda.

The Abu Ali Iyad training camp spreads over several square miles of central Iraq. Equipped with its own small arms factory, the camp is filled with Palestinians and others puffing and panting through various stages of guerrilla and terrorist training under the expert guidance of al-Fatah defector Abu Nidal.

During the past six months terrorists have

fanned out from there to attack targets in more moderate Arab states such as Jordan and Syria. They call their Iraqi-backed group "Black June"—in memory of Syria's massive thrust into Lebanon during that month last year.

Libya, Iraq, and a handful of other radical states fuel the flames of terrorism. They are the sanctuaries and supply bases, the training grounds and arsenals, the bankers and morale boosters of the terrorist cause. Without them the task of transnational terrorists such as Carlos would be far more difficult and dangerous.

SOVIETS IN BACKGROUND

But by far the largest of the world's "subversive centers," says Brian Crosier, director of the London-based Institute for the Study of Conflict, is the Soviet Union. The Russians, however, prefer to keep well in the background. They have no desire to have their carefully cultivated image of respectability tarnished by an association with terrorism. They are well aware, too, that they have a huge potential problem of their own with dissident nationalists.

In Mr. Crosier's analysis, outlined before the now-defunct Senate subcommittee on international security, there are two streams

of Soviet subversion.

The first is through the training and indoctrination of orthodox Communists from around the world. They are processed, says Mr. Crosier, through the Lenin Institute in Moscow, where they are given, among other things, courses in guerrilla warfare, sabotage,

explosives, and sharpshooting.

The second stream draws on national liberationists from the developing world. These are processed through the Patrice Lumumba Friendhip University in Moscow, where students from around the globe are enrolled in a wide variety of straightforward academic studies. But the tall monolith of a building is also the recruiting ground for potential guerrillas and terrorists who are extracted and trained in Tashkent and other parts of the Soviet Union.

For instance, in 1975 Dutch police arrested four armed Syrians shortly before they could attempt to carry out their plan to kidnap Russian Jews aboard a train traveling from Moscow through the Netherlands. Under questioning the four, thought to have been Lumumba University students, admitted they had been trained in weaponry, explosives, and propaganda at a small town near

Moscow.

Carlos himself, son of a wealthy, life-long Venezuelan Communist, attended Patrice Lumumba. His later expulsion from the university in 1970 is assumed by many Western officials to have been merely a cover for his subsequent activities. Carlos's background and the connection of the Soviet Secret service, the KGB, with terrorism are detailed in a new book by Colin Smith entitled "Carlos, Portrait of a Terrorist" (Holt, Rinehart & Winston).

EAST GERMAN CAMP

As a rule of thumb, Western security services assume that the KGB works through and controls the secret services of most of its

East European allies.

It is inconceivable, for instance, that the KGB would know nothing of Bulgaria's role in training guerrillas and terrorists of the Turkish People's Liberation Army, not to mention the dispatching of arms to them across the Black Sea. The East Germans run a sabotage training camp near Finsterwalde and are reported to have aided West German anarchists and other terrorists with funds and documents.

Again, it is difficult to believe that the KGB was unaware of the arms deal between the provisional Irish Republican Army (IRA), an American arms dealer, and the big Czech manufacturer Omnipol. This was uncovered in 1971 when four tons of weapons were seized by the Dutch police at Schipol Airport.

It is equally hard to believe that the Czechs, and hence the KGB, were altogether ignorant of the plans of the two Palestinians who in 1973 boarded a train in Czechoslovakia, kidnapped Russian Jewish émigrés aboard on arrival in Austria, and thereby succeeded in forcing the Austrian Government to close the emigration center for Russian Jews at Schonau Castle.

The KGB also is considered in the West to have been in complete control of Cuba's secret service, the Dirección General de Inteligencia or DGI, since the late 1960s. After Carlos narrowly and violently escaped arrest by French security agents in 1975, killing two of them and an informer, the French promptly expelled three Cuban diplomats. The three were accused of being members of the Cuban DGI. Top French officials dropped heavy hints about the well-known KGB-DGI connection.

Meanwhile, the number of radical countries ready to risk their own images by opening their doors to international terrorists has been declining. Algeria, for example, has pulled back noticeably in recent years.

RADICAL NATIONS

Left in the terrorist business are a hard core of radical states, nearly all of which have close ties with Moscow. Among them: North Korea, Cuba, Iraq, Somalia, South Yemen, and Libya. (Following Egyptian President Anwar al-Sadat's ouster of his country's Soviet advisers, Libya's anti-Arab-establishment Col. Muammur al-Qaddafi has gone out of his way to woo the Russians in spite of his personal anti-communism. Libya has become a huge arsenal of Soviet weaponry, from tanks and missiles to jet fighters and even warships.)

North Korea has long been a meeting place and training center for thousands of guerrillas, liberationists, and terrorists from Japan, the Middle East, and Europe. Some of its diplomats overseas, besides engaging in narcotics smuggling (for which they have been expelled from Scandinavia and elsewhere), are thought to have helped coordinate the activities of terrorists in Europe through an agent in East Germany.

Cuba has been a well-worn guerrilla-terrorist training ground for years. Carlos is among those who gained proficiency with guns and sabotage through Cuban courses. About 300 Palestinians even now are reported to be training there.

And Cuban instructors have long been active in the Mideast camps of the Popular Front for the Liberation of Palestine (PFLP), an extreme group which rejects compromise with Israel. Carlos is associated with this group.

South Yemen once was a favorite base of Waddieh Haddad, the PFLP's operations chief and Carlos's immediate boss. The Japanese Red Army raiders both of the Shell Oil refinery in Singapore and of the Japanese Embassy in Kuwait together sought refuge in South Yemen's sprawling port of Aden. So did the five members of the Baader-Meinhof gang, including weapons specialist Rolf Pohle, freed by West Germany in exchange for the life of kidnapped West Berlin politician Peter Lorenz. The PFLP's South Yemen training camp numbers among its many graduates the Japanese Red Army membèrs who seized the French Embassy in The Hague in 1974.

African countries such as Somalia and Uganda also play a role. Somalia where roughly 1,500 Cubans reportedly act as military advisers in this hitherto heavily Sovietinfluenced country, was Waddieh Haddad's base during the PFLP's spectacular hijacking of Air France flight 139 to Entebbe, Uganda, in June-July 1976.

HIJACKERS WELCOME

In Uganda, several hundred Palestinians reportedly fly that country's Russian MIG tets and act as bodyguards for President Idi Amin. As for Field Marshal Amin, he wel-

comed personally the hijackers of the Air France jumbo jet and allowed the hijackers to be reinforced by a local contingent of Palestinians plus Carlos's Ecuadorian pal Antonio Dages Bouvier. And it was apparently Uganda that supplied three Palestinian terrorists with heat-seeking SA-7, or Strela, missiles with which to attack an El Al airliner landing at neighboring Kenya's Nairobi airport last year; the men were arrested before they could fire.

Libya, however, with its huge oil revenues and its massive stockpiles of Soviet weaponry, remains the traditional haven, armorer, and bank-roller of the international terrorists. Over the years Colonel Qaddaf's Muslim and nationalist fanaticism has prompted him to aid a multitude of dissident and rebel groups. Among those profiting are groups in Eritrea, Syria, Somalia, South Yemin, Chad, Morocco, Tunisia, Thailand, the Philippines, Panama, Sardinia, and Corsica.

Libyan aid to the "Black September" organization, which carried out the Munich massacre of Israeli athletes at the 1972 Olympic games, is reported by Western sources to have totaled many millions of dollars. And some intelligence sources claim that Carlos was rewarded with between \$1 million and \$2 million by Colonel Qaddafi for kidnapping the OPEC ministers. The wounded Hans Joachim Klein is said to have reaped a further \$100,000.

Libya's backing for the provisional IRA came dramatically to light in 1973 with the Irish Navy's capture of the Cypriot coaster Claudia. The ship's holds were stuffed with arms obtained from the Libyans through a West German arms smuggler by Joe Cahill, Belfast boss of the "provos." Cahill, who was arrested on board, is the man to whom the New York-based Irish Northern Aid Committee has dispatched hundreds of thousands of dollars raised in the United States. INAC is being sued by the U.S. Government for violations of the Foreign Agents Registration Act.

Libya is considered almost certainly the source of Soviet rocket-launchers that the IRA provos have used against police and military outposts in North Ireland. It was the source, too, for the pair of Strela missiles found, fortunately before they could be used against air traffic, in the possession of Palestinians arrested in 1973 near Rome Airport. Three of the terrorists were later flown back to a warm reception in Tripoli.

One of the most dedicated "rejectionists" (rejecting compromise with Israel), Libya has used terrorism both to undermine more moderate Arab governments and to try to

wreck peace moves.

It was a Libyan-sponsored group that killed 32 people in a bloody attack on Rome Airport in December, 1973. Members of the group questioned later in Kuwait said that the original aim had been to disrupt Arab-Israeli peace talks due to start that month by assassinating U.S. Secretary of State Henry A. Kissinger on his arrival in Beirut. When this was thwarted, the terrorists, supplied with weapons shipped through a Libyan diplomatic pouch and acting on the orders of a Libyan diplomat, switched their assault to Rome.

A more bizarre affair concerned Colonel Qaddafi's reported order in 1973 (when Libya and Egypt theoretically were federated) to an Egyptian submarine commander to torpedo Britain's liner Queen Elizabeth II as it cruised toward Israel filled with Jews celebrating Israel's 25th anniversary. Egyptian President Sadat is said to have promptly countermanded that order.

Although Libya remains perhaps the most overt sanctuary for terrorists, there are signs that Colonel Qaddafi is becoming concerned about his image. Recently he persuaded Chad's rebels (whom he has supported) to let long-captive anthropologist Francoise Claus-

tre and her husband return to France, and he has been trying to mediate in the Philippines' Muslim insurrection (which he had earlier backed).

BACK-DOOR WARFARE

Meanwhile, Iraq (another vigorous "rejectionist") has taken a more active role on the terrorist scene. "Black June" terrorists operating out of Iraq appear to be responsible for a string of recent incidents: the attempted assassination of Syrian Foreign Minister Abdel Khaddam last December in Damascus; the attack on Amman's Intercontinental Hotel a month earlier; assaults on Syrian embassies in Rome and Islamabad in October; and the attack on Damascus' Semiramis Hotel in September.

It appears that Iraq is using "Black June" terrorists for a form of surrogate, back-door warfare against more moderate Arab states. The "Black September" organization started in much the same way, initially concentrating its fury against Jordan, which had routed the Palestinian guerrillas in September, 1970, and later broadening its scope internationally, with Libyan support. At the same time, Iraq now seems to have become one of the main bases for the extreme PFLP and its terrorist master-planner Waddieh Haddad as well as for Palestinian "rejectionists" fleeing Syrian-controlled Lebanon.

A curious sidelight in Iraq's role emerged in New York a couple of months ago. Agents of the U.S. Treasury's Alcohol, Tobacco, and Firearms (ATF) division discovered the purchase through a Greek middleman of 200 fully automatic submachine guns by the Iraqi mission to the United Nations. These "Mac-10s" are small, compact, 45-caliber weapons described by weapons experts as "ideal for terrorists."

When discovered, half of the order had been delivered to the Iraqi mission. But only 70 of the 100 weapons were handed over to ATF agents last Dec. 11. Some informed sources suspect that the 30 missing Mac-10s had been smuggled out of the country in the Iraqi diplomatic pouch. Since then, Iraqi mission diplomat Alaeddin M. al-Tayyar quietly has been declared unwelcome and recalled home.

Perhaps as the world settles into some new and more stable post-colonial, post-cold-war framework, the bitter rage of would-be terrorists will ebb. Meanwhile, the effort to strengthen national defenses, to build more effective international agreements, and to shift world public opinion against terrorism faces formidable obstacles—not least the overt more subtle opposition of a handful of states.

A CHRONOLOGY 1970

September—Mideast: Popular Front for the Liberation of Palestine (PFLP) tries to hijack five airliners in one week: An attempt on El Al is foiled; Pan Am plane is flown to Cairo and blown up; Swissair, TWA, BOAC jets hijacked to Dawson's Field, Jordan, and

September—Jordan: Army crushes Palestinian guerrillas.

1972

May—Three members of Japanese Red Army (JRA) kill 25 at Lod Airport.

September—Munich: 11 Israeli athletes are killed when Black September Organization (BSO) attacks Olympic quarters. Weapons allegedly brought in by Libyan diplomatic pouch.

October—Munich: Lufthansa airliner hijacked, forcing release of three BSO survivors of Olympic attack; terrorists all flown to Libva.

1973

March—Khartoum: BSO seizes Saudi Embassy, executes a Belgian and two U.S. diplomats. Terrorists later reported moved to Libya.

July—Amsterdam: JRA and four Palestinians hijack Japan Air Lines 747 to Libya, where it is blown up.

August—Athens: Two Arabs attack passengers, killing three, wounding 55.

September—Rome: Police arrest five Palestinians with Libyan-supplied SA-7 missiles near airport; three are later flown to Libya. September—Austria: Two Palestinians kid-

September—Austria: Two Palestinians kidnap three Russian Jews, forcing Austrians to close Schonau Transit Camp; the Palestinians are later flown to Libya.

October-Mideast: Arab-Israeli war.

December—Rome: Libyan-sponsored group attacks U.S. and German planes, killing 32 people.

December—London: PFLP (probably Carlos) nearly kills Joseph E. Sieff, leading British Zionist.

1974

January—Singapore: Two Japanese plus two PFLP attack Shell refinery, seize hostages.

February—Kuwait: Five PFLP storm Japanese Embassy, seize hostages; Singapore and Kuwait terrorists flown to South Yemen.

July-Paris: JRA courier arrested with forged documents.

September—The Hague: Three JRA (with PFLP aid) seize French Embassy; all three, plus courier, flown to Syria.

September—Paris: PFLP (probably Carlos) kills two, wounds 34, with hand grenade outside Le Drugstore.

1975

January—Paris: PFLP carries out two attacks on aircraft at Orly Airport; first group escapes, second seizes hostages and is flown to Iraq.

February—West Berlin: Politician Peter Lorenz is kidnapped; five West German terrorists flown to South Yemen in exchange for his release.

April—Stockholm: Six West Germans attack their embassy, which is blown up when demands denied.

June—Paris: Carlos escapes French agents, killing two, three Cuban diplomats expelled.

August—Kuala Lumpur: Five JRA trained in PFLP camps in Lebanon attack U.S. Consulate, force Japan to release five other JRA; all 10 flown to Libya.

September—The Netherlands: Four Syrians planning to kidnap Russian Jews are arrested; they had trained in Soviet Union. December—Vienna: Carlos, PFLP gang kid-

nap OPEC ministers and end up in Libya.

January—Nairobi: Three PFLP arrested with SA-7 missiles apparently from Libya via Uganda.

June—Lebanon: Major Syrian interven-

June—Entebbe: Air Force jumbo jet hijacked to Uganda by PFLP group; refuels in Libya; July 4 Israelis rescue hostages, killing seven terrorists.

August—Istanbul: Two PFLP trained in Libya attack airport lounge, four are killed, including aide to Senator Javits.

September—Belgrade: Carlos visits Yugoslavia en route to Iraq and back to Libya.

September—Damascus: Semiramis Hotel attacked by "Black June" group trained in and backed by Iraq.

October—Rome and Islamabad: Syrian embassies attacked by Iraqi-backed "Black June."

November—Amman: Intercontinental Hotel atacked by "Black June."

December—Damascus: Attempted assassination of Syrian Foreign Minister by "Black June."

1977

January—Paris: Abu Daoud, accused of planning 1972 Munich Olympic massacre, arrested, then allowed to fly to Algeria.

INTRODUCTION OF COMPREHENSIVE IMMIGRATION LEGISLATION

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. ROYBAL. Mr. Speaker, I have today introduced a comprehensive immigration bill that is designed to eliminate many of the existing inequities in the Immigration and Nationality Act.

The bill represents an expression of my longstanding and deep concern over the problems and inequities that have arisen and been exacerbated through our piecemeal amendment to what is admittedly a complex area of law. My bill seeks to deal with the problems by solutions that recognize the competing real world interests such as family ties and community relationships, and yet at the same time, the bill seeks to prevent these problems from arising again.

Specifically, my bill provides that most undocumented aliens in the country before January 1, 1977, will be able to adjust their status to become permanent residents by making an application for adjustment within 1 year of the passage of the bill. The only people who will not be entitled to take advantage of this procedure are certain specified groups presently excludable under the Immigration and Nationality Act.

An undocumented alien who makes application for an adjustment of his status will be granted written authorization by the Attorney General to accept or continue employment while his application is pending. Any adjustment of status made pursuant to this one-time program will not have an effect on the numerical limitations contained within the Immi-

gration and Nationality Act.

In order to insure that the problem of the undocumented alien does not recur, my bill provides that every applicant for a social security card would have to sign an affidavit swearing that he is a citizen, lawful permanent resident, permanent resident under color of law, or authorized to work in this country. A false statement in the affidavit would subject the signer to a possible fine and/or jail sentence.

To insure that undocumented aliens do not get social security cards, the thumbprint of every applicant would be kept in an index. Before a social security card is issued, the applicant's thumbprint would be checked to determine if he had previously been excluded from the country as an illegal alien.

Only persons and organizations expressly authorized by law, such as the Internal Revenue Service, could request a social security number from an individual.

My bill also makes four changes that will bring equity and fairness to the the Immigration and Nationality Act. First, the bill would raise the immigration ceiling for the Western Hemisphere to 170,000, the same as is now enjoyed by the Eastern Hemisphere. At the same time, the bill would abolish the 20,000 per-country limitation now imposed on Western Hemisphere countries.

Second, my bill would allow a person applying to become a naturalized citizen to take the citizenship test in the language in which he is most fluent, rather than in English, as is now required.

Third, the bill provides that an individual who is serving in the Armed Forces or who has been honorably discharged from the service can become a naturalized citizen without having to meet the residency requirements or pass the examination on American history.

Fourth, my bill provides that an alien would have to be granted a hearing and be found deportable before being given the option of a voluntary departure. This will insure that aliens legally in the country are not deported. If an undocumented alien worked in this country, the Attorney General has the responsibility to collect any wages due the alien, pay any outstanding Federal, State, or local income taxes and FICA taxes, and then give the alien any money remaining.

Finally, my bill provides for the establishment of a 4-year Presidential Commission on United States-Mexico Immigration Policy. This commission will conduct studies, develop recommendations, and report to Congress concerning immigration between the United States and Mexico and its effects on domestic and international features.

international affairs.

Mr. Speaker, there has not been an overall reappraisal of our immigration policy in the past decade. During that time, numerous inequities and ambiguities have crept into the law. The passage of my bill would correct the most serious of these inequities and at the same time insure that similar problems do not recur.

Following is a section-by-section anal-

ysis of my bill:

SECTION-BY-SECTION ANALYSIS, ROYBAL COMPREHENSIVE IMMIGRATION BILL

TITLE I

Title I provides that undocumented aliens in the country before January 1, 1977 would be eligible to become permanent resdents if application for adjustment of status is made within one year of the enactment of the bill.

The bill would continue to exclude from amnesty certain groups of individuals: for example, those convicted of certain crimes, such as illicit possession or sale of hard drugs; persons who have advocated a form of politics which would seek to overthrow our form of government or all forms of law; persons with certain mental disabilities; prostitutes; and polygamists.

These people are now excluded from admission to the United States by specific provisions of the Immigration and Nationality Act. However, there are some other categories of people who will be able to qualify for amnesty, even though they are currently excludable from admission. These include persons who would normally need labor certification; persons who might become public charges; and persons who have previously sought to enter, or have entered the United States by seeming fraud or without appropriate documents.

Title I further provides that an undocumented alien who makes application for an adjustment of his status will be granted written authorization by the Attorney General to accept or continue employment pending a decision on his application.

Finally, the title provides that an adjustment of status will not have an effect on any numerical limitation in the Immigration and Nationality Act.

TITLE II

Title II of the bill provides for the equalization of hemispheric immigration quotas by increasing the Western Hemisphere ceiling to 170,000 from its current 120,000. Another provision in the bill would abolish the 20,000 per-country limitation imposed upon Western Hemisphere countries.

TITLE III

Title III provides that a person applying to become a naturalized citizen would be allowed to take the citizenship test in the language in which he or she is most fluent. The present law provides that the test must be taken in English.

TITLE IV

Title IV provides that an alien would have to be granted a hearing and found deportable before being given the option of a voluntary departure.

Under current law, when an undocumented alien is arrested, he may opt to depart voluntarily rather than having a hearing and being deported. However, there are many individuals who are not aware of their rights, and who, therefore, depart voluntarily when, in fact, they are not even deportable. By requiring hearings for these individuals, this

bill would ensure due process.

If the undocumented alien has worked in this country, the Attorney General is charged with the responsibility of collecting and paying any wages due the alien. However, the Attorney General must pay any Federal, State or local income taxes or FICA taxes owed by the alien from the proceeds before turning the remainder over to the alien.

TITLE V

Title V provides that an individual who has served in the United States armed forces, and who, if now separated from the service, has been honorably discharged, can become a naturalized citizen without having either to meet the residency requirements or to pass the examination on American history.

TITLE VI

Title VI provides that each applicant for a Social Security card would have to sign an affidavit swearing to his citizenship, lawful permanent resident, permanent residence under color of law, or authorization to work.

If the applicant knowingly makes a false statement in his affidavit, he will be subject to a maximum fine of \$2,000 or 5 years in iall or both.

Also, the thumbprint of each applicant for a Social Security card will be taken. This thumbprint is to be checked against others kept in an index to ensure that a person has not previously been excluded from the country as an undocumented alien. This is to ensure that a person who is excluded cannot get back into the United States.

Further, the bill provides that Social Security numbers can only be requested by those individuals and organizations that have express legal authority to do so. This provision will allow government agencies such as IRS and employers to use the number, but will not allow it to be used generally as an identifier.

Finally, Title VI specifies that these social security provisions will only apply to people requesting Social Security numbers after the date of enactment of the bill.

TITLE VII

Title VII provides for the establishment of a 4-year Presidential Commission on United States-Mexico Immigration Policy, whose purpose will be to conduct studies, develop recommendations, and report to Congress concerning immigration between the United States and Mexico and its effects on domestic and international affairs.

On the United States side, the Commission

members would include cabinet-level officials and distinguished citizens from the community who are involved in the fields of immigration, labor, business, education, health and international relations.

The Chairman of the Commission would be empowered to invite appropriate officials of the Mexican government to participate in the meetings and hearings. These representatives would be appointed to the Commission by the President of Mexico.

Specific concerns to be addressed by the

Commission would include:

 prevailing and projected demographic, technological, and economic trends affecting immigration between the United States and Mexico;

(2) the interrelationships between United States-Mexico immigration and existing and contemplated government programs in the United States:

(3) the effects of United States immigration and trade policies and practices on re-

lations with Mexico;

(4) the effectiveness of the operation of the immigration laws of the United States, with emphasis on the adequacy of such laws from the standpoint of fairness to aliens seeking admission into the United States and from the standpoint of the impact of such laws on social and economic conditions in this country; and

(5) present and projected unemployment in the United States, by occupations, industries, and geographic areas and how it is

affected by immigration.

PROTECTING THE CONSUMER AGAINST FALSE MAIL-ORDER REPRESENTATIONS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. GILMAN. Mr. Speaker, today I am introducing legislation imposing civil penalties upon persons who fall to comply with orders of the U.S. Postal Service prohibiting the use of the mails to conduct lotteries or to obtain money or property through false representations.

The intent of this legislation is to protect unsuspecting, unknown consumers from unscrupulous promoters of products and services who engage in misrepresentation and the fraudulent use of the mails.

Under the false representation section of Public Law 91-375 (39 U.S.C. 3005), the Postal Service, upon satisfactory evidence that an individual is engaged in a scheme to obtain money or property through the mail by means of false representations, may issue a mail-stop order directing the postmaster of the promoter's post office to return the mail, appropriately marked as a violation of the statute, to the unsuspecting sender. The returned mail usually contains the sender's remittance. Before a mail-stop order is issued, the promoter is afforded an opportunity to discontinue the advertisements containing the alleged misrepresentations, and if a complaint is issued against the promoter, to appear with an attorney in accordance with the Administrative Procedure Act (5 U.S.C. 551) and the rules governing false representation (39 CFR 952) before an administrative law judge to challenge the complaint. If the mail-stop order is issued, the promoter may seek relief in an appropriate Federal district court.

In an effort to protect the consumer from misrepresentation by unscrupulous promoters, my proposal extends section 3005 by providing that if the promoter fails to comply with a Postal Service order and continues to engage in proscribed conduct or fails to maintain certain records, then the violator would be subject to a civil penalty of not more than \$10,000 for each violation. In the event the Postal Service determines that its orders are subject to a civil penalty, the Service would be authorized to notify the Attorney General of the United States who would be authorized to bring an action in an appropriate Federal district court for the imposition of a civil penalty. The Service could also order the unscrupulous promoter to: First, provide the victimized consumer with a statement summarizing the findings of fact contained in the postal order, and second. offer to return the money or property to the consumer upon written request within 30 days after receipt of the statement.

The promoter could also be ordered to return the money or property to the consumer within 21 days after receipt of a timely request. The violator of this proposal could be directed by the Postal Service to provide the Service with a list of names and addresses of victimized consumers, including those who have requested the return of their money or property, and for whom the money or property has been returned.

Mr. Speaker, this measure is not a mail fraud statute with criminal sanctions; that would require proof beyond a reasonable doubt, that the promoter intended to defraud the consumer. Rather. this proposal is a civil statute directed against those who use the mails to obtain money or property through false representations of their goods or services. Proof of scienter or intent to defraud is not a prerequisite to the issuance of a mail-stop order. Lynch v. Blout, 330 F Supp. 689 (D.C.N.Y., 1970), affirmed, 404 U.S. 1007 (1972). In order to obtain an administrative determination that false representations in the advertisement exist, the Postal Service must, however, obtain satisfactory evidence to warrant the issuance of the mail-stop order, and that order is subject to a review by the courts. Speaking for a three-judge court in Lynch, Judge Medina stated that the courts will not uphold mail-stop orders 'whenever a person has restored to a little exaggeration or mere puffing. The false statement must be material and it must be substanital to warrant the imposition of this drastic remedy," (330 F. Supp. at 693).

Mr. Speaker, in testimony on my bill, H.R. 10463, the Consumer Fraud Act before the Subcommittee on Consumer Protection and Finance. I pointed out that "economic crimes require stiff economic penalties.' Similarly, if the consumer is to be protected from unscrupulous con-artists who use the mails to misrepresent their goods and services, then we should provide the Postal Service with the tools to insure that their

administrative orders will not be disregarded, and that those who continue to violate the false representations section should be subject to civil penalties.

This measure is intended to arrest the deceptive work-at-home-in-your-spare-time and other get-rich-quick schemes, the false health claims and the weight reduction schemes, the phoney invention evaluators and the chain letter writers. This proposal sharpens the tools of the Postal Service in their war against the unscrupulous promoters who prey on the miseries and fantasies of unsuspecting consumers for whom the doctrine of caveat emptor—let the buyer beware—is an insufficient shield against those who use the mails to misrepresent their advertised goods or services.

Mr. Speaker, at this point in the Record I include the provisions of this bill in full and in the interest of protecting consumers against false mail order representations, I urge my colleagues to support this legislation:

HR. 6073

A bill to amend title 39, United States Code, to impose civil penalties against persons who fail to comply with orders of the United States Postal Service prohibiting the use of the mails to conduct lotteries or to obtain money or property through false representations, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3005 of title 39, United States Code, is amended by redesignating subsection (d) as subsection (f) and by inserting immediately after subsection (c) the following new subsections:

"(d)(1) Any person who fails to comply with any order of the Postal Service under subsection (a) of this section, and any person who continues to engage in conduct or who resumes engaging in conduct which the Postal Service has determined to be subject to subsection (a) of this section, shall be subject to a civil penalty of not more than \$10,000 for such violation.

"(2) Any person who falls to maintain such records as may be necessary to comply with the requirements of this section for a period of 18 months after the last date upon which such person receives any money or property as a result of any conduct subject to subsection (a) of this section shall be subject to a civil penalty of not more than \$10,000 for each violation.

"(e) (1) Whenever the Postal Service determines that any person is subject to a civil penalty under subsection (d) of this section, the Postal Service shall notify the Attorney General of the United States and certify any relevant facts to the Attorney General. Upon receiving any such notice and certification, the Attorney General shall bring an action in an appropriate United States district court for the imposition of such civil penalty.

"(2) Any determination made by the Postal Service under paragraph (1) of this section, or any action brought by the Attorney General under paragraph (1) of this subsection, shall not bar the Postal Service from issuing additional orders against the person involved in order to carry out the provisions of this section."

SEC. 2. Section 3005(a) of title 39, United States Code, is amended—

 in paragraph (2) thereof, by striking out the period at the end thereof and inserting in lieu thereof a semicolon; and

(2) by adding at the end thereof the following new paragraphs:

"(3) contains a summary of the findings of fact upon which the order is based and directs the person to provide to each person from whom money or property was received as a result of conduct subject to this subsection, not later than 30 days after the issuance of such order, a written statement which contains (A) a copy of the summary of the findings of fact contained in such order; and (B) an offer to return such money or property upon written request made no later than 30 days after the receipt of such statement:

"(4) directs the person to return money or property which is the subject of any timely request made under paragraph (3) of this subsection no later than 21 days after the

receipt of such request;

"(5) directs the person to provide to the Postal Service, upon request, a list of the names and addresses of all persons from whom money or property was received as a result of conduct subject to this subsection;

"(6) directs the person to provide to the Postal Service, upon request, a list of the names and addresses of persons who have made timely requests for the return of money or property under paragraph (3) of this subsection, and a statement which indicates the persons to whom money or property has been returned in accordance with paragraph (4) of this subsection."

PROF. C. LOWELL HARRISS ON THE NEED FOR TAX REFORM AND CAPITAL FORMATION IN THE IN-TEREST OF AMERICAN FREEDOM AND PROSPERITY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. KEMP. Mr. Speaker, Prof. C. Lowell Harriss of Columbia University is one of America's most distinguished economists. Recently he wrote an article for the Journal of the Institute for Socioeconomic Studies which discusses the reasons why America faces a serious capital investment shortage, what this means in terms of freedom, economic growth, and prosperity, and what policies are necessary to assure that an adequate amount of capital will be produced to create new jobs and increase productivity:

TAX REFORM, CAPITAL, AND HUMAN PROGRESS

"No, Lord Keynes. In the long run, we are not all dead."

Keynes' quip about the inevitability of death has often been cited as a rationalization for a short-short-run focus in public policy and neglect of the future. Yet, in the most humanly meaningful sense, life goes on. Our history testifies to human desire to look beyond individual mortality. Many of us try to make for a better life in the years remaining to us and for our children and grandchildren.

Capital accumulation offers a means of improving the way we work and live. By going without something in the near future, we can raise the level of living permanently. A family saving \$1,000 and investing it at 6 percent adds \$5 a month to its income. If the \$1,000 finances an addition to business facilities which produce, say, 10 percent net after allowing for maintenance and replacement, the economy will have \$100 a year more of goods and services year after year.

"Tax reform," if the concept is to embrace progress for the millions—if "reform" is to mean improvement on a broad scale—should

AT ISSUE: "CAPITAL SHORTAGES"

(1) reduce impediments to achieving what for many is a deeply felt desire, building their own captal and (2) also lessen the obstacles to building the production facilities which make higher living standards possible.

Congress has built anti-capital elements into the tax system. In part this stems from the delusion that capital and labor are rivals. In fact, they support each other. All of us who work need productive tools (often now \$30,000 to \$40,000 worth per person) to realize the potential of our abilities and to justify the pay we expect.

CAPITAL AS A "HUMAN THING"

Tax revision can benefit from recognizing that capital (or, if you will, property) is a part of our life as human beings. Moreover, the capital which bears directly on personal life involves more than the human capital deriving from education and training. Beyond this, the quality of life depends upon the tangible, physical capital serving us, directly and indirectly.

Discussions of capital "needs" and "shortages" use numbers which involve unfathomable magnitudes. A study by the New York Stock Exchange estimates that from 1974 to 1985 the economy will need \$4,700 billion. Available "savings", however, will only total around \$4,000 billion. A weekly shortfall of more than \$1 billion is predicted. The figures may seem remote and beyond comprehension, but they involve the way men and women and children will actually be living. More, as against fewer, billions of dollars are needed to add to productive capacity (housing included).

Those opposing tax reforms which would relax burdens on capital sometimes seem to think only big corporations are involved. Not only populist politicians and representatives of labor unions, but also some highly schooled participants in tax reform discussions are misled. They imply that the benefits of a higher tax credit for new machinery or a cut in the 48 percent corporate tax rate or recognition of inflation in computing depreciation deductions, would benefit only huge, impersonal entities—giant corporations.

In fact, if big companies-and small onesare to provide good jobs, capital must be available. How will a growing labor force find work at wage rates which are expected almost as a "right?" Assume that workers count on \$4 an hour (on the low side these days); the fringes which the employer must pay will add over rather than under \$1 an hour. For his or her output to be worth such pay, a worker must frequently have capital to work with equal to twice the annual wage expense—the figures vary considerably. With the full backup of capital, more than \$20,000 of invest-ment will typically be needed for a relatively new and unskilled worker getting \$8,000 a year and costing the employer \$10,000. The \$15,000 a year job, found increasingly over the economy, will probably require at least \$30,000 of capital, perhaps much more.

If earnings are to rise from time to time, more than the worker's improving skill must contribute; there must be additions of capital. Employers cannot afford to hire workers, or to keep them on the payroll, unless productivity justifies; and more and better capital facilities lie at the heart of rising productivity. Taxes that impede corporate capital formation strike at employment.

Gross investment—not only net additions, but also funds from depreciation of old capital used for replacement—when related to additions to the labor force (and adjusting for inflation) has been almost 30 percent less per worker since 1970 than in the 1950's. It is down about 18 percent from the 1960's. What is the consequence? Slower growth in productivity. In recent years (ignoring shortrun cyclical change), annual increases in worker productivity have been sadly below the 2.7 percent average of 1950 to 1970.

Severe strains in capital markets became evident by 1973. Interest rates over 12 percent testified to exceptional pressures in financial markets; bottlenecks and shortages in various industries indicated that productive capacity could not meet demand. Increasingly, the existing "capital shortage," plus prospects of shortages ahead, were cited as a reason for capital-conscious tax reform. Several studies attempted to look ahead. Different methodologies have been used. Assumptions have varied. So have conclusions—about the capital "needed" and the savings available to meet them.

Difficult questions arose in making estimates. What will be the actual growth of the labor force, especially of women? What capacity do firms actually have now, and how will they seek to expand and modernize? To what extent will shifting population add to needs for capital in some areas, while leaving that in other places partially unutilized? How costly will be the governmentally imposed needs for environmental and health-safety purposes? How much will governmental budget deficits draw upon available savings? What needs grow out of the energy situation? Uncertainties in the projections are real and large.

The findings seem to me to support the conclusion that, as the ordinary person would think of "shortage," we can expect capital shortage in the years ahead. Tax changes which favor saving and capital formation as against consumption, will, in my opinion, be in the long-run interest of most Americans.

Some economists, however, disparage the assertions that "shortage" in a meaningful sense lies ahead. Indeed, the underutilization of production capacity due to the recession may protect against strains through 1977, perhaps into 1978. Supplying productive facilities for a growing labor force may be "easy" for a time, but can then become a different matter.

Most of the estimates extend through the 1970's only. Policy discussions involving capital should look beyond half a decade. To be sure, no one should blithely claim competence to attach dollar numbers to what to expect 10 and 15 years in the future. But one fact is clear to me: the American people will expect a level of living which requires capital in increasingly large amounts per person. Heavy taxes on profitable enterprises and successful families hamper the supplying of the capital.

Looking somewhat farther head—but fewer years than those since World War II—the obligations already promised in the Social Security programs will present strains we can yet sense only vaguely. Each member of the active work force may be paying for about 40 percent of the benefit provided to support Social Security retirees—a heavy burden. Increased capital facilities will enhance productivity and thus to some extent ease this burden upon the active workers.

Valid criticism can be made of the "laundry list" approach of reckoning capital needs—adding estimates of capital needs for: various industries, regions, reducing dependence on foreign sources of energy, legally imposed outlays (notably for environmental and health-safety requirements), housing, state-local and Federal government projects, and so on.

Nothing sacrosanct attaches to either the physical items envisaged in such lists of needs or to the presumed timing, e.g., 1979 as against 1982. But if the schedules are not met more or less as assumed, adverse consequences will plague us. Undiscovered gas, or wells without pipeline connections, cannot suddenly be brought into service when winter cold validates capital-need projections that have been ignored.

Market forces, we are told, will convert any prospective shortage into higher prices. Supply and demand will balance at some price. True. But the issue of concern should be the results. The rate of betterment of living standards will be higher or lower depending upon capital formation. For example, lower supplies of new saving will lead to higher interest rates—perhaps 10 instead of 8 percent for long-term bonds. Some potential business and housing projects will not be undertaken. Or if the capital available per worker sags, employers will be forced to slow the rate of increase in pay. They will delay the expansion in employment until new workers are willing to accept (lower) pay appropriate to the (smaller) capital available.

But markets have an inescapable deficiency as guides to "proper" capital formation. Children cannot now express the very real desires they will have in the 1980's. Young people starting their working lives will then need capital facilities which can be available only if their parents and others provide in advance. The market system cannot reflect now desires which will come into being later on. People quite young, and some unborn, will want goods and services-and good jobswhich cannot be supplied without capital investment in advance. Often the leadtimes are long. Parents, of course, try to make some provision for their children by accumulating capital. But by the time children are, say, age 22, how many parents can supply them with capital for much more than education? We know that a growing population will need capital, but those with the needs are not able to reflect them (and certainly not provide for them) in years when provisions must be

AN "OFFICIAL" ESTIMATE

The Bureau of Economic Analysis of the U.S. Department of Commerce has published the results of detailed analysis of the outlook through 1980. The Bureau calls attention to many uncertainties of its methods and deficiencies of the underlying data. It concludes that nonresidential fixed investment must exceed the historical rate (as a percentage of Gross National Product) if we are to meet goals for full employment levels of output, goals for pollution abatement and decreasing dependence on foreign sources of petroleum, and increasing productivity. The difference is considerably over one percent of GNP (the precise figure depending upon details of comparison). This amount may not seem large. But it is more than one-tenth of the longerterm percentage of GNP devoted to gross business investment-a considerable difference. The extra quotient is due largely to environmental and special energy goals. The study did not undertake to look 10 and 15 vears ahead.

DIFFERENCE BETWEEN PRODUCTIVITY OF CAPITAL AND REWARDS TO THE SAVER

Another approach utilizes the concept of the "wedge" between what new investment capital produces and what the person supplying it can expect to receive. Much new equipment yields 25 to 30 percent before tax, sometimes more. The actual returns differ, and our data are far from complete and satisfactory. In any case, however, new productive facilities used in business (ignoring the large amounts required for environmental and other governmentally dictated purposes) typically produce yields which to most of us would seem surprisingly high. But government "gets there first" and takes in Federal and state taxes around half of the yield financed by equity capital.

After tax on the company, the amount remaining for suppliers of capital (debt and equity capital being grouped together for this purpose) will be materially less than what the capital adds to national output. The government "take" can be thought of as a "wedge." The saver will look at what he can get. To the extent that saving and investment are responsive to prospective rewards, the drain for taxes will lead us to curtail the funds available for business investment. Taxes prevent the productivity of capital from exerting the influence appropriate to

its true potential for bettering levels of

TECHNOLOGICAL PROGRESS: ADVANCE OF KNOWLEDGE

New capital facilities are often the means by which technological progress gets translated into actual benefits for mankind. Scientific advance in the broadest sense plays a vital role in economic progress. The fruits of technological success become usefully available, not when they are proved in the laboratory, but only when new equipment operates. Improvements in fabrication, marketing, communications, and servicing frequently rest upon capital goods which embody new invention.

Both cost reduction and quality improvement depend upon research and technological advance—and then capital investment. So too, in part, will the economy's effectiveness in international competition. Investment in new facilities plays a crucial role in productivity improvement. This, in turn, stands high on the list of means of raising

living standards.

Savings allocated for paying for new capital goods can bring advantages which are greater than the addition of more equipment. The new things tend to be the most advanced types, the best quality. We enjoy a "technological dividend," better instruments of production and new and better goods and services which we use as consumers.

WHO BENEFITS FROM EXPANSION OF ECONOMY'S CAPITAL BASE?

Enlargements of the economy's capital base benefits everyone. But trying to decide who benefits most can be more diverting than fruitful. The reality is this: the benefits do spread widely—in increased employee productivity, more housing, new products services, energy sources, environmental improvement, stronger competitive position in world markets, and so on. Compared with the benefits obtainable from income redistribution through government finance-sharing this year's pie—the longer-run fruits of capital expansion rank high indeed.

Saving and investment permit the produc-tion of more and better real goods and services with less burdensome effort. As consumers, all of us depend on the economy's capital base. Whether one looks at changes in living standards over centuries or merely the last decade, one must be struck by improvements beyond count and measure. These rest heavily upon increases in capital. Payments to producers—wages, interest and profit—go up. The family which has added to its savings account or bought some shares of stock en-

joys higher income.

Who, however, gets most of the increase of money incomes? Human beings in their capacities as workers-"labor"-rather than as suppliers of capital! From 1960 to 1975, compensation of employees rose \$65 billion. Aftertax profits went up \$47 billion and net in-

terest by \$7 billion.
As industrial facilities are improved and enlarged, the suppliers of capital get a modest fraction of the fruits. Additions to the production base raise the real income of laborers (broadly defined) much more than the incomes of those who supply the capital. (How little "trickles up" to shareholders!) For example, how do wages rates per hour plus fringes compare with those of the past? From 1947 to 1975, private nonagricultural hourly earnings (after adjusting for inflation) rose 70 percent. Fringes, I expect increased relatively more. Over longer periods, the real income of workers has multiplied.

What about the real returns to capital, per dollar per year? Adjusting for inflation, neither (1) interest rates nor (2) dividend rates plus reinvested earnings seem to have risen appreciably over time. With proper adjustment for inflation, after-tax profits per dollar invested at risk are probably significantly less than in the 1950's and 1960's.

TAX REFORM WHICH LOOKS TO THE FUTURE

The next stage of tax reform could benefit from taking account, openly and explicitly, of rising expectations. The performance of U.S. economy does reinforce hope for continuing improvement. The productive system has made possible impressive advances in living standards. The private economy generates most of the taxpaying capacity which enables governments to pay their em-ployees and to make transfer payments. The rate of advance will depend significantly on capital formation.

Our tax structure has anti-capital elements-e.g., double (two-tier) taxation of dividends, steep graduation of personal in-come and estate-gift rates. To some extent they reflect the "in the long run we are all bias of the 1930's-and also the argument, then so influential, that saving by curtailing consumer demand was an obstacle to employment. Funds saved would be idle because of a lack of investment projects. Are we not now smart enough—and sufficiently selfish—to start lifting the incubus of anticapital taxation?

No solid basis exists for deciding which balance between consumption and capital formation is "best" for the economy. lions of people as individuals make decisions on the basis of their own situations—the sacrifice of consumption now to save for a better house or education, for retirement or security. The incentives facing each of us

influence our actions.

Today, I believe, the "greatest good for the greatest number" as a goal calls for a tax system with greater concern for capital for-mation. Whatever the reasons behind decisions in enacting and administering American tax laws, the forces which have produced present system have not given heavy weighting to concern about saving.2 But two features are relatively favorable: the treatment of pension systems and interest accruals on life insurance reserves. Neither owes its origin to any announced desire to encourage capital formation.

Personal and corporation savings must be made out of after-tax income. Then, any income from the resulting investments is again subject to tax before it can be used for consumption or more capital formation. Discrimination against saving as compared with

consumption results.

At the margin, corporation earnings are generally taxed at 48 percent, plus state taxes; then dividends (over \$100) received by individual shareholders are taxed at personal rates. Capital gains from the reinvestment of taxed profits are taxed again when realized. And in measuring capital gains, no allowance is made for inflation. Per dollar of revenue, estate and gift taxes and levies on capital gains bear heavily upon private

Recent pressure for tax "reform" by means that would in fact reduce capital formation alleges that costs of government would then distributed more "equitably." Baffling complexities arise in trying to agree on fairness in taxation. A larger consideration seems to me to override many details: expansion of the capital base brings the broadest of benefits, extending, of course, to those at the low end of the income scale.

Opponents of tax revision which would have a "pro capital" goal sometimes draw

1 The failure to recognize inflation in computing depreciation and capital gains is a anti-capital development. So is lack of indexation to keep the personal in-come tax from becoming steeper in real terms—thus impeding personal saving.

2 Local property taxes, except as they apply values, reduce the net benefits from buildings, machinery, and business inventory. Some communities impose property tax rates high enough to impede their ability to attract funds for new investment in buildings and machinery.

upon class-war, worker-vs.-employer rhetoric. The fact that big businesses would face fewer tax obstacles is held against the proposals. The biggest corporations are the largest suppliers to consumers, the largest of employers, and so on. Whatever the comprehension and motives of persons dredging up antibusiness rancor and suspicion, tax policy should rest upon an accurate understanding of the role of capital.

The tax system can be modified to reduce

the obstacles to saving and to provide new incentives for doing so. A pro-saving, proinvestment tax revision might take any of several forms. No one pattern is clearly best. Efforts to predict the full results of specific tax changes present many difficulties. can wisely be done will depend heavily upon the control of Federal expenditures. Re-straining the increase in governmental spending deserves high priority; the funds going into "collective consumption" or used in governmental transfer payments for personal consumption do not remain available for private capital formation.

CONCLUDING COMMENT

An oppressive legacy of popular misunder-standing hangs over us. Anti-business attitudes create obstacles to the acceptance of tax changes which would aid the productive system that can serve us and our children ever more effectively. Not a few persons, some self-designated as "intellectuals," show more ignorance than understanding of economic reality. Disdain or envy or dislike of private "saving to get ahead" probably lurks behind or slightly beneath some of the articulation of "tax reform" proposals. Yet the human goals which we all seek can be approached more rapidly and surely with the aid of nonhuman instruments of production-capital.

DR. MARC J. MUSSER CONTRIBUTED GREATLY TO THE AMERICAN MEDICAL SCENE

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 5, 1977

Mr. HAMMERSCHMIDT. Mr. Speaker. on Friday morning, a distinguished American was laid to rest, with military honors, at Arlington National Cemetery.

He will be missed, greatly, but all of us who knew him—and of his great achievements in the medical field-will find great comfort in knowing that the world is, indeed, a better place for his having been here; particularly the world of many who served in World War II. the world of the American veteran, and the world of the medical profession to which he brought enormous credit.

I speak, of course, of the late Dr. Marc J. Musser.

During the Second World War, he served, with great distinction, as an officer in the Army Medical Corps, from which he was discharged as a colonel.

That service included his command of the 135th Medical Group, accepted as probably the largest, most important, medical command in the effort against Japan—moving from that assignment to serve the last 3 years of his duty, as a medical commander there in the Southwest Pacific area.

For that service, he was awarded the Legion of Merit before moving to postwar service, first with the Reserves, and later, with the National Guard—in Wisconsin, and in Texas.

Meanwhile, he turned his attention from serving as the wartime combat soldier to the postwar veteran.

Joining the Veterans' Administration as the chief of staff at the VA's Hospital in Houston, he moved upward, steadily, within the VA, and achieved the position of Deputy Chief Medical Director, before resigning to become executive director of the North Carolina regional medical program with appointments to the academic staff at Duke University, Bowman Gray School of Medicine, and the University of North Carolina.

He was, however, recalled to service with the Veterans' Administration as its Chief Medical Director.

There would, of course, be no way to ascertain how many lives of our combat men, and of our veterans, may have been saved; how many wounds healed; nor how many illnesses cured under the guiding command of Dr. Marc J. Musser.

Nor, would there be a way of ascertaining how many medical school students may have been inspired to continue to pursue their profession, with the greater inspiration and encouragement that he was able to impart.

In turn, there is no way of knowing how many Americans are alive, and healthy, today, as a consequence of those things which he helped to contribute to medical research and education.

But, this we can know: His contributions to our people were unselfish and considerable.

OUTLOOK FOR SACCHARIN SUBSTITUTES

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. PEPPER. Mr. Speaker, at the time the Food and Drug Administration announced its intention to ban saccharin, I spoke out against this action as "precipitous, unfounded and a violation of freedom of choice." As chairman of the House Select Committee on Aging, I stated that the elderly would be hard hit by the action, particularly those who suffer from diabetes and other chronic illnesses which require use of a sugar substitute

Should FDA proceed in the next few days with the publication of its proposed ban, we should realize that the 10 million diabetics in the Nation, as well as the many others who use a noncaloric sweetener for health reasons face the prospect of going a long period of time without a legally sanctioned sweetener.

Unfortunately, much publicity has recently been given to many so-called substitutes for saccharin, with the implication that they are already available or will be shortly, when in fact no other calorie-free sweetener is available now or is likely to be for some time.

Sweeteners such as fructose and the polyols—mannitol, sorbitol, and xylitol—

have been mentioned in press reports as available now but all of these sweeteners contain calories and, in some cases, contain as many calories as natural sugar. This of course means such sweeteners are of little use to diabetics or others who must control their carbohydrate intake.

Another sweetener which has been frequently mentioned is NEO-DHCneohesperidine dihydrochalcone-which is derived from citrus rinds, such as grapefruit and Seville oranges. While I believe the long-term prospects for this sweetener are hopeful and would provide an additional beneficial use for the citrus of which my own State of Florida is justifiably proud, it may be several years before this substance can be cleared by the FDA for use in dietary foods, beverages, and so on. Though NEO-DHC may have a future as a flavorant for toothpaste. mouthwash, and chewing gum its role in the diet is still unclear.

German scientists are currently conducting tests on acetosulfam, another product which may take 3 to 5 years of additional testing before it can be approved. Similarly, the Associated Press reported in a dispatch from Washington on April 1 that Dr. Robert Henkin of Georgetown University has developed an extract from a West Indian berry that may have a future in sweetening foods by altering the taste perceptions. The AP story warned the substance may have to go through lengthy FDA examination because FDA regards it as a drug instead of a food additive.

However, a predecessor extract from the West African berries was abandonded last year by a firm which spent \$5 million.

What are some of the other sweetener substitutes? Aspartame, composed of two naturally occurring amino acids, was actually cleared for marketing in 1974 and then withdrawn because of belatedly discovered health effects. That product is still being reviewed and a decision by FDA could be a year away or more. Cyclamates which were banned in 1969 have not been readmitted to the U.S. market, although some western countries continue to permit their use.

I emphasize, Mr. Speaker, that in this country no legally-approved or acceptable substitute for saccharin exists today and that the development and testing of such a substitute will require long periods of time and great expense. Thus, if the FDA proposal goes into effect the immediate impact on the American public will be enormous and particularly so where the elderly, the diabetic, and the chronically ill are concerned.

Mr. Speaker, I would like to submit for the Record an article from Newsweek magazine of April 4, 1977, which describes the problem inherent in finding a new non-caloric sweetener:

[From Newsweek Magazine, Apr. 4, 1977] HUNTING A SAFE SWEETENER

Few government actions have soured the American people quite as much as the decision to ban saccharin. Congress has been deluged with mail. The Food and Drug Administration, which imposed the ban, has received more phone calls than on any other issue in its history. Amid the bitter reaction, scientists have stepped up research on a new sugar substitute.

Last week, the tangled issue was tossed in the lap of Congress. Testifying before a House subcommittee, manufacturers, legislators and physicians wrangled over the true significance of the Canadian studies responsible for the ban. Fed huge amounts of saccharin—a standard procedure for such experiments—thirteen out of 200 rats developed bladder cancer. Under the 1958 Delaney clause, no substance known to induce cancer in man or animals can be used as a food additive. The ban takes effect in about three months' time.

Chunky Rep. Barbara Mikulski, a Maryland Democrat who claimed to have lost 47 pounds on a diet supplemented by low-calorie sodas, ridiculed the huge dose of saccharin given to the rats—equivalent to human consumption of 800 cans of diet soda per day for a lifetime. "People would die of gas before they would die of cancer," she gibed. One manufacturer of an artificial sweetener called the ban "ludicrous." According to Robert Kellen, a lobbyist for diet products, the ban would leave 10 million diabetics without a sugar-free sweetener.

Diabetics aren't the only patients who use saccharin. C. Joseph Stetler of the Pharmaceutical Manufacturers Association pointed out that 619 separate medications, ranging from antibiotics to antacids, now contain the sweetener. And some, he said, could not be reformulated with sugar since it serves as a natural incubator for bacteria.

QUESTIONS

Perhaps the most objective testimony came from a panel of five physicians. They doubted neither the validity of the Canadian experiments nor the FDA's contention that their results could be projected into four cases of bladder cancer among every 10,000 Americans who drink just one 12-ounce can of diet soda per day. But they did question whether the risks of the sweetener really outwelgh its medical benefits. "The potential of dying from obesity and its complications is as serious as the potential of dying from bladder cancer that may be caused by the use of saccharin," said Dr. Kurt J. Isselbacher of the Harvard Medical School. "Actually, cancer of the bladder is one of the more treatable kinds of cancer."

The doctors' prescriptions for dealing with saccharin ranged from restricting its sale to diabetics and overweight patients to allowing it on the open market with a warning label, like that on cigarette packages. The physicians also proposed that a federally funded panel of experts analyze all data on saccharin's safety. The testimony did little to remove the confusion surrounding the subject. And with no more hearings scheduled, it was unlikely that Congress would resolve the controversy before the ban takes effect this summer.

SEARCHES

One compelling reason why Congress eventually might make the ban less than absolute is the fact that new sweeteners are hard to find. Most sugar substitutes, including saccharin, have been discovered by accident, because experts know too little about the mechanism of taste. "The chemical structures of all known sweetening agents are so diverse that it's almost impossible to predict that a chemical structure is going to produce sweetness," says Edward M. Acton, a chemist at Stanford Research Institute.

Acton himself has worked on SRI oxime V, which is synthesized from petrochemicals and is 450 times as sweet as sugar. But testing and development of the clean-tasting no-calorie compound could take up to ten years. Scientists at the Dynapol Co. in Palo Alto, Calif., are looking even further into the future. They hope to develop nonabsorbable sweeteners that pass completely unaltered through the body, leaving behind nothing more than a sweet message on the tongue.

Some new sugar substitutes have already undergone intermittent public taste testing. Five years ago, the Miralin Co. introduced a derivative of a West African berry that, when consumed before a meal, gave sour foods a sweet taste. But the FDA, rejecting the company's plea that it was not strictly a food additive, forced the Miralin compound off the market. Abbott Laboratories is now running a high-pressure campaign for the reinstatement of cyclamates, which were banned in 1969. Abbott's argument: the cyclamates that produced cancers in laboratory rats were tainted with saccharin. Yet another product is xylitol. Extracted from birch trees, it is sold in some European countries as a sweetener for diabetics. Its appeal is limited, however, because it contains just as many calories as natural sugar.

Even the two most promising alternatives to saccharin are more than a year from commercial production, largely because of the work involved in confirming their absolute safety. One of these, aspartame, is a compound of two substances found naturally in many foods; it tastes exactly like sugar, is 180 times sweeter and leaves no aftertaste. The other compound, known as Neo-DHC, is, ironically, derived from naringin, the main bitter component of citrus-fruit rinds. Neo-DHC can be produced most easily from grapefruit and Seville oranges.

RESOLUTION

Aspartame was actually cleared for marketing in 1974, but was withdrawn when a scientist objected that the compound could produce brain lesions. Moreover, questions were raised about the accuracy of the testing procedures used by G.D. Searle & Co., which developed aspartame. Those problems now seem likely to be resolved—but not for at least eighteen months. Animal studies suggest that Neo-DHC, which was developed by Robert M. Horowitz and Bruno Gentili of the Department of Agriculture, is extraordinarily safe. Two companies are preparing to petition for its use in toothpaste, mouthwash and chewing gum. Its major disadvantage is a strong aftertaste, which makes it hard to use in diet drinks.

One major reason saccharin can't be replaced sooner is simply commercial. It costs millions of dollars to develop a new product, and the relative safety of the substitute is not established until the final testing phase. It's an expensive—and long-term—investment gamble. Thus, unless Congress unexpectedly agrees to alter the Delaney clause, dieters and diabetics are likely to face a prolonged period of life without sweetness.

SWEET AND SOUR

HON. BOB GAMMAGE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. GAMMAGE. Mr. Speaker, it has recently come to my attention that the sugar industry is in need of relief because of rapidly falling sugar prices. Moreover, I believe the sugar producer's argument—that lowering import quotas for sugar will not help the sugar growers and will damage the sugar producers—is

Rather than arbitrarily lowering the sugar import quota, which may result in an adverse economic impact on sugar growers, refiners, and skyrocketing prices to consumers; I suggest the Secretary of Agriculture consider other alternatives—possibly the institution of a nonrecourse loan/target price system similar to that used in other agricultural programs.

Mr. Speaker, I call to the attention of my colleagues, the Houston Post editorial of March 15, 1977, recognizing the need for immediate relief for the sugar industry:

SWEET AND SOUR

A federal agency's decision that imported sugar is hurting U.S. sugar farmers could prove a bitter spoonful for American consumers, depending on what the Carter administration decides to do about it. The International Trade Commission (ITC) found earlier this month that increased amounts of raw sugar being shipped here for processing were depressing the market prices below the production costs of domestic sugar cane and sugar beets. The ITC is expected to recommend remedies in a few days.

The President will have the final say.

Whatever it does, the administration faces a no-win situation. If it decides to take no to aid U.S. sugar growers isn't likely-they will be angry. If it curbs imports or raises tariffs on raw sugar, thus increasing prices, consumers will be irked and U.S. sugar processors and their foreign suppliers will be unhappy. Tightening up on the sugar quota could also provoke retaliation other nations. The government could pay subsidies in the form of price supports or crop loans similar to those made on other farm commodities, but some producers don't like this approach because such subsidies are highly visible targets for criticism. Furthermore, the payments could increase the federal deficit. Any help the administration may decide to give U.S. sugar farmers will have to be paid for by the public, either as consumers

Agriculture Secretary Bob Bergland is reportedly considering a combination of import quotas and price supports to put a 13- to 14-cent-a-pound floor under sugar, which is now selling for about 11 cents. The U.S. Cane Sugar Refiners' Association, which opposes forcing up sugar prices by restricting quotas or raising tariffs, says an increase of 3 cents a pound could cost U.S. consumers more than \$1 billion a year in higher prices for sugar and products containing sugar.

A group composed of five of these refiners

is urging the ITC to reverse its findings that imports hurt U.S. sugar growers. The refiners, who buy substantial amounts of foreign raw sugar, have a vested interest in keeping the status quo, of course. But they advance a cogent argument that raising sugar prices could work to the disadvantage of American sugar growers by making corn syrup sweeteners (fructose) more competitive with sugar. This sugar substitute quickly captured 10 per cent of the market when sugar prices shot to record highs of more than 60 cents a pound in 1974. Though the sharp drop in raw sugar prices during the past two years has inhibited the growth of fructose production, sugar industry sources say it could eventually supply 25 to 50 per cent of the sweetener demand, particularly for food processing and other industrial uses which

account for 70 per cent of the market. There has been talk of reviving the old Sugar Act or enacting a similar law, but this seems to have only minority support in the industry. For four decades before it expired in 1974, the Sugar Act lent stability to the business by providing price floors but no ceilings, leading critics to charge—with justification—that it protected the industry at

the expense of the consumer.

Any way you spoon it, the sugar problem is a sensitive pocketbook issue. But if U.S. sugar producers are to be helped, it would be cheaper to give that aid in the form of temporary price supports or loans rather than tinker with the quota or tariff structure. Sugar producing and consuming nations will meet in Geneva next month to try to work out a new international sugar agreement that could significantly alter our policy on this troubled commodity. The result could

be a greater stability in the market and a stronger position for the American sugar producer. We should avoid any interim action that could sour this possibility. Besides, it's time the American consumer got a break.

LEGISLATION TO PROHIBIT DIS-CRIMINATION ON THE BASIS OF PREGNANCY

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. HAWKINS. Mr. Speaker, on March 15 I, along with 92 cosponsors, introduced H.R. 5055, a bill to amend title VII of the Civil Rights Act of 1964 to make clear that employment-related discrimination based on pregnancy, childbirth, and related conditions is discrimination based on sex and therefore

banned by title VII.

I am reintroducing that bill today with 17 additional cosponsors, with one change. A new section has been added to provide simply that employers who are now discriminating in regard to pregnancy-related disabilities will not be able, if this bill is enacted, to decrease, or cause to be decreased, the benefits or compensation provided to their employees generally in order to come into compliance. The Equal Pay Act has a similar provision, and the courts have generally interpreted title VII to the same effectthat is, that an employer who has been discriminating may not create equality by harming other employees; rather, the employer must raise the discriminatees to the position of the other employees. I regard this rule as a basic premise of what constitutes nondiscrimination; the reason for including this provision here, which merely restates existing law, is simply that employers have been explicitly stating that one result of a bill such as this would be a loss of benefits or compensation to other employees, and I and my cosponsors decided on reflection that it is wise to make clear that this cannot

H.R. 5055 does not really add anything to title VII as I and, I believe, most of my colleagues in Congress when title VII was enacted in 1964 and amended in 1972, understood the prohibition against sex discrimination in employment. For, it seems only commonsense, that since only women can become pregnant, discrimination against pregnant people is necessarily discrimination against women, and that forbidding discrimination based on sex therefore clearly forbids discrimination based on pregnancy. Indeed, six Federal courts of appeal, 18 Federal district courts, the Equal Employment Opportunity Commission, fair employment practices agencies of many States, and the highest courts of five States have so held.

But the U.S. Supreme Court, in General Electric Corp. against Gilbert and IUE, decided otherwise this last December. To understand the need for H.R. 5055, some history and discussion of the GE litigation is helpful.

In 1973, the Supreme Court, in Geduldig against Aiello, held that California could constitutionally deny disability benefits funded by State taxes to women unable to work because of disability due to a normal pregnancy. In a footnote not really pertinent to the constitutional decision, the six-member majority stated:

This case is a far cry from cases * * * involving discrimination based upon gender as such. The California insurance program does not exclude anyone from benefit eligibility because of gender but merely removes one physical condition—pregnancy—from the list of compensable disabilities. * * * The program divides potential recipients into two groups—pregnant women and non-pregnant persons. While the first group is exclusively female, the second includes members of both sexes.

This view—that a classification which harms only women and does so on the basis of a factor inextricably linked to gender is not discrimination against women just because not all women are affected—is contrary to any sensible approach to what constitutes discrimination. For, as Mr. Justice Stephens noted in his dissent in Gilbert—

It is the capacity to become pregnant which primarily distinguishes the female from the male, so that a rule which treats pregnancy as unique by definition . . . discriminates on account of sex.

But Geduldig was in any event based squarely on constitutional law, not title VII. And all the courts of appeals which after Geduldig considered the issue under title VII held that Congress in passing that statute clearly intended to forbid discrimination based on pregnancy, even if the Constitution did not prohibit such discrimination. As those courts noted, and as the Supreme Court in Gilbert agreed, Congress obviously in passing statutes may forbid actions which are perfectly constitutional, and thereby make such actions illegal. And the EEOC, the agency entrusted primarily with enforcing title VII, has long had guidelines which interpret title VII to prohibit pregnancy discrimination.

In Gilbert, however, the Supreme Court, faced with the question whether an employer may consistently with title VII, provide employees with disability pay for absences due to any medical cause other than pregnancy or child-birth, including all illnesses peculiar to man, that this Congress must have intended title VII to have only the same reach, as regards what constitutes discrimination based on sex as the Court held applied under the Constitution.

This was an extraordinary assumption to entertain. The equal protection clause, construed in Geduldig, does not use the word "discriminate" anyway, so there was no reason at all for the Court to believe that we intended by using that word in subsection 703(a)(1) of title VII to limit the reach of title VII to actions which would violate the equal protection clause if done by a State. And, more astonishing, we enacted title VII, including the sex discrimination provision, fully 9 years before the Supreme Court informed us that it did not view discrimination based on pregnancy as discrimination based on sex as a constitutional matter. We could not possibly have intended to incorporate constitutional concepts not yet announced, and I for one certainly did not contemplate the limited approach taken by the Court in Geduldig.

Therefore, H.R. 5055 is designed to make clear that whatever may be true as a constitutional matter, this Congress does regard discrimination based on pregnancy as discrimination based on sex, and, in particular, that employers, labor unions, and others covered by title VII must treat pregnant women as they treat other employees similar in their ability, or inability, to work. This means, for example, that if an employer permits other employees to continue working unless their doctors regard them as physically unable to work, it may not force pregnant women off the job, as many employers have done in the past, while they are perfectly able to perform their jobs. It means that employers and labor unions which permit other employees to retain seniority while on leaves of absence or while disabled may not deprive women of seniority if they are absent for a limited period due to pregnancy, as some employers do. It means that an employer who provides a certain number of sick days a year for each employee to use when unable to work may not forbid women to use their sick days when unable to work due to pregnancy or childbirth. And it means that an employer who provides disability insurance to other employees unable to work may not single out pregnancy-related disabilities for exclusion from the disability plan.

It is also important to understand what this bill would not do. Like title VII generally, it merely requires that employers not discriminate. Thus, an employer who does not now provide disability benefits to his employees will not have to provide such benefits to women disabled due to pregnancy or childbirth. Rather, this bill would simply require employers to treat disability due to pregnancy, childbirth, or a related medical non-work-related disability, by providing leave and benefits for the same period, on the same terms, and at the same employment rate applicable to other employees.

Nor does the bill require that employers pay pregnant women disability benefits, or provide leave, simply because they are pregnant, or because they prefer to stay home after childbirth for an extended period. Rather, it recognizes that for most of the time a woman is pregnant she is, in most cases, able to continue working, and should be allowed to do so. It also recognizes that pregnancy and childbirth does cause some period during which a woman is medically unable to work. For 95 percent of women, that period is 6 weeks or less. It is only during this period, unless there are complications which cause the woman to be disabled longer, for which disability benefits or leave are required on the same basis applicable to other employees with temporary disabilities.

I believe enactment of this bill is necessary if the prohibition against sex discrimination in title VII is to be meaningful. For discrimination against pregnant women is one of the chief ways in which women's careers have been impeded and women employees treated like secondclass employees. For example, prior to the enactment of title VII of the Civil Rights Act of 1964, most employers discharged a woman as soon as she became obviously pregnant. When the new mother returned to work after her baby was born, she began again as a new employee. Whether she went back to work for her former employer, or whether she found a new employer, she started at the bottom of the seniority ladder. Usually she lost not only seniority but also all previously earned pension credit. This loss of seniority had a lifetime impact on her pay and benefits, for these often were negotiated on the basis of continuous service, and also an impact upon her ability to obtain more responsible positions. And, the loss of service credit toward a pension similarly had a lifetime impact; she had to work more years before she could retire, and when she finally could retire, she had a substantially smaller pension benefit than others with the same number of years of service. Of course, for a woman who had more than one child, she began again as a new employee without seniority status and without pension credits after the birth of each child, with multiplied harmful effects on her pay, position, and pensions. Since a large proportion of women are likely to become pregnant in their working careers, such pregnancy discrimination accounts in large part for the fact that women were-and are-in lower paying and less responsible jobs.

Similarly, the refusal to pay pregnant women disability benefits or sick leave available to other temporarily disabled employees has effects which go far beyond the simple loss of income for a period of time. First, the loss of income itself can have devastating effects: 25 million women workers or 70 percent of the women who work do so because they are single, divorced or widowed, or because their husbands earn under \$7,000 per year; and 1 in 10 babies is born to a single, divorced, or widowed mother.

Thus, if disability benefits are not paid. the loss of a mother's salary, even temporarily, can make it difficult for many families to provide their children proper nutrition and health care, and may result in forcing some families onto welfare because of the loss of income. Further, some mothers, unable to afford the loss of income, may be discouraged from carrying their pregnancy to term. And, some women may be forced to seek lower paying or less responsible jobs which do provide benefits for time lost due to pregnancy-related disability, because they cannot take the risk of going without income should they become pregnant. Finally, disability, sick leave, and other leave programs are basically designed to allay fears that workers will be left without income during critical periods: they thus assure that employees are productive, committed workers when they are well and do not try to come to work and endanger their heatlh-and therefore their productivity—when they are not well. If women disabled due to pregnancy do not have this assurance. they perceive the message quite readilythat the employer is not concerned about their well-being and does not regard them as valued, career employees.

Indeed, while one of the arguments made opposing pregnancy disability coverage is that women do not return after childbirth, that argument is in fact circular: It is little wonder if some women who are forced to leave several months before they are disabled and not provided disability benefits available to other similarly situated employees are not interested in returning to an employer who has treated them in this way. In fact, statistics show that over onehalf of women who take pregnancy leave even under discriminatory conditions do return: but they also show that in companies which have begun paying pregnancy disability benefits on the same terms available to other employees return rates have risen dramatically—by more than 50 percent. These companies have reported that as a result of the increased return rate, paying disability benefits for pregnancy-related disabilities is entirely cost-effective, since the savings in training costs for new employees more than covers the cost of providing benefits.

The main argument raised against prohibiting pregnancy-related discrimination is that it will be costly. But eradicating invidious discrimination by definition costs money: It is cheaper to pay all black workers less than all white workers, or all women less than all men. The fact that it would cost employers money did not prevent Congress from enacting the Equal Pay Act or title VII, and it should not prevent this Congress from making clear that title VII prohibits this form of sex discrimination as

Further, the cost figures which employers groups have been promoting are vastly inflated and, indeed, based on assumptions which themselves involve stereotypes based on sex. For example, the \$1.5 billion figure introduced by GE in the Gilbert litigation assumed that women would be absent due to pregnancy an average of 30 weeks, even though the undisputed evidence in the same case was that 95 percent of women would be disabled only an average of 6 weeks. As one judge presented with similar calculations observed, the assumption that women will claim benefits for a period much longer than their actual disability is equivalent to "assigning the tendency to malinger as a sex-related characteristic. If, as defendant suggests, the employer can make as much or more money on disability than at work be true, then the fault lies with the particular insurance plan and not with the female sex." \$1.5 billion figure also ignored the fact that women are paid on the average less than men, and calculated the benefits at the male rate of pay. And, it does not take account of the fact that at least 14 States, including such large States as New York, New Jersey, and California, now require as a matter of State law that employers provide disability benefits for pregnancy-related disabilities, so that the cost of providing coverage in those States is not fairly counted as a cost of any Federal legislation on the question. Finally, such calculations do not include

workers off the job, for example, costs employers money in lost productivity and training; and if the lost income is not replaced by employers directly, it may have to be replaced indirectly by unemployment or welfare benefits.

Our best figures at present suggest that the direct national cost of covering all women who work for companies with disability plans for pregnancy-related disabilities not now covered is about \$150 million; this figure includes women working in States where such coverage is mandated by State law and does not take account of the monetary benefits of providing such coverage, so that it is probably rather high. We will be trying through hearings to get updated cost figures, to aid my colleagues in the deliberations on this bill, but I am convinced that the net cost, if any, will prove rather minimal in comparison to the increase in equity and justice to women which is the goal of this bill.

In sum, this legislation is necessary to assure that the goal set by title VII in 1964-equality of women in the work place-becomes a reality. I am hopeful that this House will move swiftly to enact this bill into law so that the harmful effects of the Gilbert decision will be short-lived.

LEGISLATIVE NEWSLETTER

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. PATTEN. Mr. Speaker, I mail a legislative newsletter to my constituents twice a year to keep them informed of some of my legislative work and goals.

I feel that it is important to do this. for constituents have the right to know what we are doing as their representa-

My first newsletter this year, follows, and it was approved by both majority and minority counsel in the House Post Office and Civil Service Committee before it went to press.

The newsletter follows:

ECONOMIC STIMULUS PROGRAM WILL HELP RECOVERY

In his moving farewell address to Congress in January, President Ford said, "the State of the Union is good, but we must go on making it better and better . . . " As I listened to his last speech to Congress in the House Chamber, I felt that he was a sincere, honest and dedicated Chief Executive who did his best after inheriting serious economic and political problems. Most Members of Congress respected and liked President Ford.

Eight days later, Jimmy Carter became 39th President of the United States and in his brief but impressive inaugural address not only called for a "new national spirit of unity and trust," but expressed the conviction that most Americans wanted to hear: 'I believe America can be better. We can be even stronger than ever before.

Those words of optimism and hope were implemented by the new President when he sent his Economic Stimulus Program to Con-gress soon after his inauguration. No realist can claim that it will create and convert recession to recovery overnight. It will, how-ever, contribute to the recovery the Nation has been hoping for during the past several

HIGHLIGHTS OF THE ECONOMIC PROGRAM

President Carter's plan for strengthening the economy consists of a variety of important programs which will help people in several vital areas and I was happy to vote The main provisions call for: acceleration of local public works projects; continuation of revenue sharing; cession aid for areas of high unemployment maintain basic services; expansion of public service jobs; employment and training assistance; special payments to those who receive certain retirement benefits; a tax rebate; and others.

The President deserves credit for the vigorous and active leadership he has shown in attacking the recession and by expressing deep interest in human rights everywhere. Other legislative action on the Carter agenda includes such areas as consumer advocacy, election reform, hospital cost control, an anti-inflation program, and the vital field of

energy. He has made a good start. The 95th Congress has also made an impressive beginning. Even before the new President was inaugurated, the House was working on four priorities recommended by the Democratic leadership: an Economic Stimulus Program; ethics reform; government reorganization; and an energy program. A recent Harris survey disclosed that by a margin of 59-29 percent, the majority of Americans expect the new Congress to compile a positive legislative record. They will not be disappointed.

NEW PUBLIC WORKS BILL SHOULD HELP 15TH DISTRICT COMMUNITIES

In late December, the Economic Development Administration (EDA) announced almost \$100 million in Federal construction grants to N.J. to help stimulate the stagnant economy. It was disturbing to me that except for a \$330,000 award to Monmouth Junction, Middlesex County and its communities failed to receive any of the grants, despite a 9.3 percent unemployment rate and over 30,-000 jobless. It was obvious that the Public Works Employment Act needed improvement so I co-sponsored a better bill which should increase the chances of Middlesex and Union counties getting more grants to help the thousands of persons looking for work. The bill I helped sponsor is a considerable improvement over the previous legislation (doubling the funds nationaly to \$4 billion, eliminating 30 percent of the funds for areas with lower numbers of unemployed, etc.). Before mid-April, President Carter will probably sign a bill which is in a House-Senate conference. It will be a real help in combating the recession.

BILLS COSPONSORED IN NEW CONGRESS

The new Congress (1977-78) is determined to achieve a proud and responsive legislative record in areas ranging from strengthening the economy to improving health and educa-With the support of the Carter Administration, there is strong confidence that these legislative plans and hopes will be accomplished. Some of the bills I've helped sponsor so far, would:

Extend Federal Emergency Unemployment Compensation benefits for an additional 65

Authorize a career education program for elementary and secondary schools. Improve the Federal Water Pollution Con-

trol Act in the battle against pollution.
Expand the Public Works Employment Act

and help our jobless and communities with 100% Federal construction grants. Create a U.S. Dept. of Energy and consoli-

date most energy functions.

Provide grants to states for compensating persons injured by criminals.

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an offset for the extent to which practic-

ing pregnancy discrimination is itself

costly-forcing productive, experienced

Aid the elderly in a package of bills from banning age discrimination in employment to liberalizing the Social Security earnings test.

Make certain that increases in Social Security benefits would not reduce veterans' bene-

fits

Require U.S. agencies to undergo periodic reviews to determine if they're necessary.

Provide mandatory minimum prison sentences for persons illegally distributing certain narcotic drugs.

Include eligible drugs requiring a doctor's prescription or certification among the items and services covered by Medicare.

Establish a Law Enforcement Officers Bill of Rights.

Include a tax credit up to 25% of the cost of conservation improvements on homes.

Provide protection against catastrophic illness through the Catastrophic Health Insurance and Medical Assistance Reform Act.

ance and Medical Assistance Reform Act.
Create a national climate program to deal
with climatic variation.

This is only a partial list of the legislation I've helped sponsor. Constituents can be sure that these—and other—measures will be actively supported by me and that committee chairmen, House leaders, and Members, will be urged to back these proposals.

FREE KING TUT PAMPHLET AVAILABLE

Those interested in receiving a free 48-page color pamphlet with instructions on how to order the King Tutankhamen display reproductions illustrated in a brochure, should write to: Metropolitan Museum of Art, 25 Gracie Station, New York, New York, 10028. New York City's exhibition of the famous king will start in Dec. 1978, but the lovely brochure will still thrill those who may not be able to view the exhibition.

ORDER FREE CONSUMER INFORMATION CATALOG

In August, 1977, a limited supply of Consumer Information Catalogs will be made available by my Washington, D.C. office. Those interested in a free copy should write to: 2332 Rayburn House Office Building, 20515. Because of inflation, it's important that we get the most out of our spending dollar. The catalog can help you in your daily buying decisions, ranging from food to home appliances.

U.S. Funds May Finance Alcohol Research Center at Rutgers

One of the Appropriations subcommittees on which I serve: Labor-Health, Education and Welfare (HEW), took important action in late February that will provide Federal funds for establishing 6 Alcohol Research Centers throughout the country. Hopefully, one of them will be located at Rutgers University in New Brunswick. The full Appropriations Committee and the House also approved the funding. Although Rutgers presently has an Alcohol Studies Center which coordinates national programs to fight alcoholism, a research center there would enable it to greatly increase its research activities.

Alcoholism is a serious health problem which not only harms the health of millions of Americans, but also costs billions of dollars every year because of medical expenses and lost worktime. The main goal of the Alcohol Research Centers at the 6 facilities would be to conduct detailed research into causes of alcoholism and ways to reduce the severe—and sometimes tragic—impact it has on so many Americans. New and better methods must be found to not only effectively treat alcohol abuse, but, ideally, help prevent it. The centers should bring these goals closer to realization and through my efforts, the Labor-HEW Subcommittee included the funding.

"AGENTS OF INFLUENCE" AND THE COUNCIL ON HEMISPHERIC AF-FAIRS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. McDONALD. Mr. Speaker, one of the newer groups active in churning out attacks on Latin American countries resisting Cuban-instigated terrorism is the Council on Hemispheric Affairs— COHA—the creation of Laurence R. Birns.

Birns, a professor of Latin American studies at the New School for Social Research, was an associate of Chilean Marxist-Leninist Orlando Letelier, killed by a bomb last September. Since then, Letelier has been exposed as having received covert Soviet funding channeled through Beatrice Allende, the wife of a top Cuban intelligence officer, to use for his organizing activities in this country. Letelier was in direct contact with Soviet and East German officials both in this country and overseas. Letelier appears to have been a highly effective "agent of influence" responsive to the U.S.S.R.'s desires and operating in U.S. academic and Government circles.

COHA made its formal debut at a Washington, D.C., press conference on June 15, 1976. At that time Birns stated COHA would engage in "education, information, and research activities." Birns made it plain that COHA's output would be directed to what he determined were "interested parties" in the media, Government, and other institutions. Later the mercurial Birns described COHA's purpose as "to manipulate the sophisticated political and academic commua statement indicative not so nities." much of candor as of Birns' arrogance and deep contempt for his targets.

At the initial press conference, Birns outlined COHA's three main areas of work: opposition to the confirmations and activities of certain State Department officials; the removal of "disk" tax incentives from new investments made by U.S. corporations in all Latin American countries which have "massively violated the human rights of their populations" meaning those countries who have declared states of emergency or martial law to cope with revolutionary terrorist threats; and to "cut off from U.S. support" the "vast majority of nations that make up the Organization of American States."

Birns has been circulating smear attacks against U.S. public figures who oppose the Havana/Moscow export of subversion and terrorism in Latin America and the Caribbean. Birns' latest target for smears has been Hon. James D. Theberge, U.S. Ambassador to Nicaragua, a distinguished scholar and expert on Soviet activity in Latin America. False and defamatory statements that Birns provided to Associated Press reporter Ary Moleson were distributed as "news" over the Spanish language service on March 5.

Ambassador Theberge sent a letter to AP executive Marvin Arrowsmith to defend himself against Moleson's use of irresponsible sources such as Mr. L. Birns of the so-called Council on Hemispheric Affairs in New York. Ambassador Theberge noted that Birns was well-known for his emotional outbursts and character assassinations of U.S. Government officials and others with whom he happens to disagree.

The Ambassador further pointed out the "disinformation" value Birns' smears have had for anti-U.S. Forces when spread through Latin America via

"responsible" media outlets:

While few pay much attention to Mr. Moleson's stories in the United States, it is regrettable, and should be of concern to you. that he regularly misinforms your Latin American readers by citing this particular reckless and ill-informed source. Irresponsible stories may titilate some readers, and they may be easy to write since they seem to be based on press handouts, but they seriously jeopardize the well-deserved reputation of the Associated Press for objective, balanced, reliable and informed reporting.

One of COHA's first actions was to send National Lawyers Guild-NLGactivist Sandford Katz, who had made his speciality in representing Black Panther Party and Black Liberation Army terrorists, to Argentina to look for Castroite film maker Raymundo Glazer. The NLG is a section of the Soviet controlled International Association of Democratic Lawyers-IADL-which coordinates legal defense and propaganda support for Soviet-approved revolutionaries. Katz gave a lengthy account of his Argentinian trip to the militant Trotskyite Spartacist League whose Partisan Defense Committee was the subject of my report on August 3, 1976, page 25383.

COHA's pro-Marxist-Leninist stance was evident from its initial press conference where Birns supported the Marxist Allende Government of Chile, Cuba, the pro-Castro dictatorship in Panama, the left-leaning Governments of Mexico and Venezuela while attacking Brazil and the countries who are the targets of the JCR united terrorist command: Argentina, Bolivia, Chile and Uruguay.

Birns made it plain that as i'ar as his organization was concerned supporting "human rights" means that the United States should promote economic assistance and diplomatic relations with totalitarian Marxist-Leninist regimes where even the most basic human rights to own property, run a business, own lands, or emigrate are nonexistent: but to break economic, diplomatic, and strategic ties to friendly countries where some political and press rights are restricted but where the people enjoy freedoms unknown in Communist lands.

COHA was to concentrate on economic manipulation, an area of particular interest to the late Orlando Letelier who prior to his becoming Allende's Ambassador to the United States worked for 10 years as an economist at the Inter-American Development Bank.

Director Birns stated that COHA expected to obtain "special foundation grants" with which to fund "public sector researchers" in Washington, D.C.,

who would concentrate on "the shifting political standards of the Eximbank, the Inter-American Development Bank, OPIC, the World Bank and other agencies. However, the economic information obtained by the COHA researchers would remain private unless specifically requested by "legislative committees" or the media

COHA has an office in New York at 30 Fifth Avenue, New York, N.Y. 10011 [212/982-4249 and 673-5470] and at 110 Maryland Avenue, NE., Washington, D.C. 20002 [202/547-0030] where a related organization, the Washington Office on Latin America (WOLA), has its offices.

COHA and Mr. Birns have also developed close ties with segments of the United Auto Workers bureaucracy in Washington. In a January 12, 1977, press statement, Birns attacked the appointment of Terence Todman as Assistant Secretary of State for Inter-American Affairs. Birns attacked Todman's appointment as "wrong because Todman is an established old-line cold warrior," in other words Birns expects Mr. Todman to work against increasing Soviet/Cuban subversion in Latin American and the Caribbean. Birns then went on to promote "the United Auto Workers' Esteban Torres" who would carry out what Birns and COHA see as the "required housecleaning" or purge of "cold-warriors."

Esteban E. Torres, assistant director of the UAW International Affairs Department, participated in the founding press conference of COHA. In his statement he pledged that "we of organized labor" would cooperate with COHA in attacking countries where the trade unions have been "purged" and union leaders jailed. Mr. Torres did not make any exceptions for countries where the trade unions were or had been dominated by the Communists who perverted the trade unions for their own totalitarian purposes.

COHA's principal and effective tactic is media manipulation via the cultivation contacts in the press and in Government. The newsletter, Latin America, published in London, had a perceptive article on the "Human Rights Lobby in the USA" last October in which both COHA and the WOLA operations were discussed. The article stated:

About 20 members of Congress are now consistently outspoken on the issue of human rights. Senators Edward Kennedy, Jacob [sicl Abourezk and George McGovern are promi nent in this field in the upper house, while representatives Michael Harrington, Thomas [sic] Koch, Toby Moffet, Donald Fraser and Ronald Dellums are all active in the lower chamber. These men are all supported by young staff assistants who are often more radical and more committed to human rights issues than the legislators themselves. They are often people who have been radicalized by their experience in the Peace Corps, the civil rights movement or in Vietnam. They have played an important part in organizing the congressional hearings on the activities of the CIA and multinational companies, and on human rights violations in Latin

These hearings are not so important for their impact on legislation as for their impact on public opinion, and as a means of extracting classified information from a secretive bureaucracy. * * *

At this point it may be worthwhile to examine the public record of Professor Birns activities and those of his trustees.

Laurence Richard "Larry" Birns, dob July 22, 1929, is a graduate of Columbia University and received a Ph. D. from Oxford. His teaching posts include serv ing as a lecturer at the London School of Economics noted for its radical Marxist orientation. Birns has been a Ford Foundation Latin American scholar and in 1973, prior to Allende's downfall, Birns was stationed in Santiago as the Senior Economic Affairs Officer of the United Nations Economic Commission for Latin America-ECLA. Birns has been associated with the New School for Social Research since 1965, and currently is a professor of Latin American studies. Birns' recent courses have included "Latin America, the United States and the Inter-American Crisis: Brazil, Chile, Cuba, and Mexico and the Dynamics of Development" and in "Futuristics," "Ten of the Most Perplexing Personal, Domestic and International Dilemmas for our Time." It is noted that Margaret Boe Birns also teaches at the New School: in 1971 she was a member of the National Council of the National Emergency Civil Liberties Committee-NECLC-a Communist Party, U.S.A. front which took a leadership role in efforts to subvert the U.S. Armed Forces during the Vietnam period and which now is taking a similar role in the attacks on the U.S. intelligence community.

Birns' activities as a propagandist date back at least to 1963 when he was editor of the Campus Voice. Birns circulated through the elite left academic, business and social circles of New York, numbering among his contacts William Meyers, president of the Fund for New Priorities in America, whose wife, Ruth Meyers, is an identified CPUSA member and a leader of Women Strike for Peace-WSPwhich works closely with the Sovietdirected World Peace Council. Birns was a participant in the Fund for New Priorities in America's "Congressional Conference on Cuba" held in Washington in April 1972. Both William Meyers and Ernest Chanes, a member of COHA's board of trustees, serve as leaders of CPUSA's National Emergency Civil Liberties Committee.

In July and August 1972, the former ECLA senior officer in Chile wrote two articles published by the "anti-imperialist" pro-Vietcong Clergy and Laity Concerned—CALC. Entitled "Chile: The Frying Pan Awaits the Fire" and "Chile: The Path Ahead," Birns praised the Marxist Popular Unity regime for its confiscation of privately owned businesses and hailed the oncoming Chilean revolution, by which he may have meant the "auto-coup" planned by the Unidad Popular Marxists.

With the overthrow of Allende in September 1973, Birns' activities became frenetic. As editor of International Documentation-North American—IDOC-NA—a publication organizing support for Castroites and other Marxist revolutionaries in Latin America. Birns participated in the Fund for New Priorities in America's February 28, 1972, "Congressional Conference on Chile" at which a

variety of speakers denounced the United States for not having aided the UP revolutionaries in Chile.

In his role as partisan advocate for Marxist revolutionaries in Latin America, Birns during 1974 was a speaker at a Trotskyite forum at Columbia University sponsored by the U.S. Committee for Justice to Latin American Political Prisoners—USLA—the guerrilla support arm of the Socialist Workers Party—SWP—which is the U.S. section of the terrorist Fourth International. Birns appeared in September 1974 as a witness before the House Committee on Foreign Affairs in hearings on the "U.S. and Chile During the Allende Years. 1970–73."

the Allende Years, 1970-73."

More recently Birns has been associated with a number of Castroite and Old Left groups concerned with Latin America including the North American Congress on Latin America-NACLA; the National Coordinating Committee in Solidarity with Latin America-NCCSCa CPUSA front whose director. Susan Borenstein, a veteran of both the DuBois Clubs of America and the Venceremos Brigade who was in Washington to meet with Letelier on the day of his murder; the Solidarity Committee with the Argentine People-SCAP-which is closely tied with the Movimiento Antimperialista por el Socialismo en Argentina-MASA-which was discussed in more detail in my report on March 30, 1977, page 9727.

Birns was a participant in the 1976 third session of the International Commission of Inquiry Into the Crimes of the Military Junta in Chile, a creation of the Soviet's World Peace Council. The Commission was headed by Hans Goran Franck who previously headed up the WPC's "Commission of Inquiry Into U.S. War Crimes in Vietnam." Recent press stories have revealed that Orlando Letelier used his covert funding to pay for the travel expenses of American public figures to the Mexico City meetings. Birns began to organize COHA shortly after the Mexican meetings.

COHA's board of trustees includes: Senator James Abourezk.

Richard Barnet, codirector, Institute for Policy Studies—IPS—a Marxistoriented think-tank seeking to bring down the system through the system and which has never disregarded the role of violence in what it euphemizes as social change. IPS staff include members and leaders of revolutionary Marxist-Leninist and terrorist organizations ranging from Weathermen through the Trotskyite Fourth International, the Zimbabwe African People's Union, and the Puerto Rican Socialist Party.

Barnet from 1961 to 1963 was Deputy Director for Political Research of the U.S. Arms Control and Disarmament Agency. In 1969 Barnet traveled to Vietnam where according to Hanoi Radio he told the Vietnamese that:

The message we would bring back with us is the message that the Vietnamese will continue to fight against the aggressors, the same aggressors that we will continue to fight in our own country * * *.

In 1971 Barnet was a sponsor/endorser of the People's Peace Treaty de-

veloped by the Vietnamese Communists. And Barnet was active with the Lawyers Committee on American Policy Towards Vietnam, founded by the Stalinoid leaders of the National Emergency Civil Liberties Committee, a CPUSA front.

Barnet, a member of the elite Council on Foreign Relations, has been a leader of Business Executives Move for Peace in Vietnam—BEM—now renamed Business Executives Move for New National Priorities.

In November 1975, Barnet participated in two anti-intelligence conferences, in Ann Arbor, Mich., the "Teach-In on Techno-Tyranny," and the so-called Conference on Controlling the Intelligence Agencies sponsored by the Center for National Security Studies, a project of the Fund for Peace which is staffed to a considerable extent by current and former IPS fellows and trustees. Cosponsors of the CNSS conference included Lillian Hellman's Committee for Public Justice, the Institute for Policy Studies, American Civil Liberties Union, Americans for Democratic Action, Common Cause, and the United Automobile Workers of America.

Barnet was a signer of a New York Times ad on September 23, 1973, by the Chile Emergency Committee in support of the Allende regime. He has been associated with the CPUSA's national coordinating committee in solidarity with Chile—NCCSC—and with the local D.C. Chile Solidarity Committee, which is affiliated with the NCCSC.

Barnet is a member of the board of advisers of the Fund for Peace's disarmament propaganda project called In the Public Interest, as well as of the Center for National Security Studies. Barnet was a founding COHA trustee; however, it is noted that his name was withdrawn in mid-February after Letelier's activities had become an emberrassment.

Ernest Chanes, president of the Consolidated Water Conditioning Corp., 360 West 11th Street, New York, N.Y., is a long-time active leader of CPUSA's National Emergency Civil Liberties Committee—NECLC. Chanes' more recent activities include organizing the April 1972 "Congressional Conference on U.S.-Cuban Relations" for the Fund for New Priorities in America—FNPA—headed by William Meyers, also active in NECLC.

Chanes is a member of Business Executives Move for New National Priorities. Along with a number of well-known CPUSA members and supporters of CPUSA fronts and causes, Chanes sponsored an ad in the New York Times on September 23, 1973, by the Chile Emergency Committee, a precursor to the National Coordinating Center in Solidarity with Chile, a CPUSA front. Chanes also sponsored the "Expo-Cuba" celebration of the Cuban 26th of July organized by the Venceremos Brigade, a coalition of CPUSA youth activists and Castroites

In 1974 Chanes was an active sponsor of the Puerto Rican Decolonization Committee, now the Puerto Rican Solidarity Committee, a support group for the Castroite Communist Puerto Rican Socialist Party, which has maintained an office in

Havana since the early 1960's. Chanes is a sponsor for the Center for Cuban Studies, a Castroite propaganda mill headed by Sandra Levinson, a member of the NECLC national council.

In May 1975, Chanes sponsored a conference by CPUSA's National Alliance Against Racist and Political Repression-NAARPR-attacking Senate bill 1, the Criminal Code Revision which in its original draft contained provisions which would have strengthened internal security protections. During 1975 and 1976, Chanes has been a sponsor of CPUSA's National Coordinating Center in Solidarity with Chile: of the "Hard Times Conference" organized by the Weather Underground's Prairie Fire Organizing Committee-PFOC; and of the July 4 Coalition, developed by the Castroite Puerto Rican Socialist Party and the PFOC

Judith Loeb Chiara, associated with the Physicians Forum and the ad hoc Emergency Committee to Save Chilean Health Workers.

William Dyal, president, Inter-American Foundation, a U.S. Government corporation established in 1969 "to support social change—in Latin America and the Caribbean," was as participant in the Fund for New Priorities in America's 1972 Congressional Conference on U.S.-Cuba Relations.

Richard Rees Fagen, a consultant to the Linowitz Commission of which COHA's Kalman H. Silvert was a member: a member of the Institute for Policy Studies Transnational Institute's Ad Hoc Working Group on Latin America set up under Orlando Letelier's supervision; and professor of political science at Stanford University. The IPS/TNI Ad Hoc Working Group on Latin America was a coalition effort of Castroite revolutionaries and liberal academics who were working during 1976 on production of the second Linowitz Commission report. The report supports many foreign policy goals of the Cubans and Soviet Union including U.S. abandonment of the Panama Canal and institution of a policy of nonintervention by any means-political, economic, or military-against Communist aggression. See my report of March 8, 1977, for additional detail.

Fagen is a past president of the American Political Science Association and of the Latin American Studies Association.

Fagen traveled to Cuba in July 1969. with a group of U.S. revolutionaries, mostly members of the Weatherman faction of SDS, to meet with North Vietnamese Communists and Vietcong officials. With Fagen on that trip were Robert "Bo" Burlingham, indicted with other Weatherman leaders in a bomb conspiracy plot, a former Ramparts editor and since 1974 an editor of the radical journal, Working Papers for a New Society, cosponsored by IPS and its offshoot, the Cambridge Policy Studies Institute: Sandra Levinson, a strident Castroite now active with a Cuban propaganda outlet in New York City called the Center for Cuban Studies; James Petras who combines support of Castro with his Trotskyism; and Saul Landau, active in support of the Cuban Communists since the 1960's, an IPS fellow, and with Orlando Letelier codirector of IPS's Transnational Institute.

Fagen was a recipient of Ford Foundation grants in 1967-68, 1969, and 1972-73 during which period he lived in Chile as a "consultant" under the Marxist Allende regime.

In 1967 Fagen was a founding sponsor of the U.S. Committee for Justice to Latin American Political Prisoners-USLA-a front of the Trotskyite Communist Socialist Workers Party, the U.S. section of the Fourth International which has organized the training of Latin American Trotskyites as terrorists by the Cubans since 1962. USLA's function is to provide support to arrested members of revolutionary groups. Fagen has retained his Trotskyite contacts, serving as a USLA "honorary" executive board member in 1974 and in July 1976 signed a letter protesting the Peruvian Government's expulsion of the Trotskyite terrrorist Hugo Blanco, a leader of the Fourth International.

Fagen has been active in the agitation against the non-Communist government of Chile which deposed Allende in 1973. He was a sponsor of the second Chile Solidarity Conference in 1975 organized by the Communist Party, U.S.A., controlled National Coordinating Center in Solidarity with Chile and in which many Castroites are also active

In July 1975 and again in 1976, Fagen was a sponsor of the Venceremos Brigade's yearly celebration of the Cuban Communist July 26 holiday, and in 1975 signed a letter inviting Melba Hernandez, a Cuban Communist leader active in the World Peace Council's terrorist support programs, to speak at the New York City rally. Fagen is a sponsor of the Cuba Resource Center, a propaganda mill which works closely with the Venceremos Brigade and the Center for Cuban Studies.

Fagen is a supporter of the North American Congress on Latin America-NACLA-established from the SDS Radical Education Project and characterized frankly by the SDS leadership as the intelligence-gathering arm of the revolutionary left. NACLA staffers have very close ties to the Cuban regime, and CIA turncoat Philip Agee credited NACLA along with members of the Cuban Communist Party with having aided him in producing his book. Said Fagen of NACLA "long before the Establishment press and Congress took note, NACLA understood what was happening in Chile and why.'

Frances Farenthold, president, Wells College.

Manuel Fierro, president, National Congress of Hispanic Americans formed in 1975

Congressman Donald Fraser.

Patrick E. Gorman, chairman of the board, Amalgamated Meatcutters and Butcher Workmen of North America (AFL-CIO), a union dominated by identified Communist Party, U.S.A. activists including Abe Feinglass, a union vice-president and key organizer in gaining union support for the CPUSA's NCCSC and local NCCSC affiliates.

Gorman in 1971 was a sponsor of the People's Peace Treaty in support of the Vietcong and sponsored assorted demonstrations held by the CPUSA-influenced People's Coalition for Peace and Justice—PCPJ—and predecessors. He is

a sponsor of CPUSA's National Committee to Re-Open the Rosenberg Case and in 1975 sponsored the retirement Tribute to Ernest DeMaio, a CPUSA member and vice-president of the United Electrical Workers who now is a United Nations representative of the Soviet Union's international trade union front, the World Federation of Trade Unions.

Under Feinglass's prompting, Gorman is a member of the NCCSC's Chicago Citizens Committee to Save Lives in Chile and has sponsored various NCCSC activities.

Robert G. Lewis, secretary, National Farmers Union and active with that organization for over 15 years. Lewis attended COHA's founding press conference and stated he saw as a principal problem in Latin America land ownership and land redistribution. The National Farmers Union was formed from an amalgamation of the old Communist controlled Iowa Farmers Union and the Farmers Educational and Cooperative Union.

Saul H. Mendlovitz, president, Institute for Worl³ Order, formerly called the World Law Fund. Mendlovitz is associated with Richard Barnet and Richard Falk, both of whom worked with Mendlovitz in the Lawyers Committee on American Policy Toward Vietnam, set up by CPUSA's National Emergency Civil Liberties Committee—NECLC.

Barnet and Falk are both affiliated with the Institute for World Order, as is Richard Fernandez, former director of the "anti-imperialist" Clergy and Laity Concerned, who with Falk spoke in support of the terrorist Palestine Liberation Organization at a February conference organized by IPS and the American Friends Service Committee.

Mendlovitz' credits include serving as chairman of Rutgers University Law School and as professor of international

Nicholas Nyary, president of the Fund for Peace, attended meetings of the Soviet-dominated World Peace Council at which a campaign for Western disarmament in the face of increasing Soviet arms development was coordinated. Nyary is reportedly an associate of William Myers of the Fund for New Priorities in America, and is also a member of the American Committee on U.S.-Soviet Relations, a supporter of détente with the U.S.S.R. which has opposed the Jackson amendment tying U.S.-Soviet trade to human rights issues. Orlando Letelier was active in the Center for International Policy-CIP-another Fund for Peace project in Washington.

Thomas Quigley, U.S. Catholic Conference, Office of International Justice and Peace. Quigley has been highly active in anti anti-Communist Latin American activities including participating in the Fund for New Priorities in America's April 1972 "Congressional Conference on U.S.-Cuba Relations" as a representative of the National Council of Churches Division for Latin America; participating in a meeting on Argentina sponsored by the Trotskyite Socialist Workers Party's U.S. Committee for Justice to Latin American Political Prisoners—USLA—in 1973; sponsoring the CPUSA's NCCSC

second national conference on Chile in February 1975, et cetera.

Abe Rosenstein.

Rabbi Morton Rosenthal, Anti-Defamation League.

Kalman H. Silvert, a Ford Foundation Program Advisor and professor of politics at New York University who died in 1976 after COHA's founding. Silvert was highly active as a member of the Linowitz Commission and was instrumental in obtaining funding for it and for a number of young leftist academics who were his proteges. Silvert was associated with the Fund for New Priorities in America and participated in FNPA's 1972 Congressional Conference on U.S.-Cuba Relations as a representative of the Ford Foundation and as director of New York University's Ibero-American Institute.

Ben Stephansky, an expert on international labor matters and from 1961–64 Ambassador to Bolivia. Stephansky is currently associated with the Ford Foundation. In 1972, at the Fund for New Priorities in America's Congressional Conference on U.S.-Cuba Relations, Stephansky was critical of the U.S. position of isolating Castro.

Rev. William Wipfler, National Council of Churches, Director, Latin American Division. A participant in the Fund for New Priorities in America's February 1974 Congressional Conference on Chile; a sponsor/signer of the advertisement in the New York Times on September 23, 1973 by the Chile Emergency Committee, a precursor to the National Coordinating Center in Solidarity with Chile; and a sponsor of NCCSC activities. Wipfler has just returned from a trip to Cuba with high praise for the progress of the Cuban people under communism

Leonard Woodcock, president, United Auto Workers. In October 1973, Woodcock sent an appeal to the Chilean Military Government asking for the release of Chilean Communist Party leader Luis Corvalan—now living in Moscow. Woodcock is also a member of the Committee for Public Justice, headed by admitted former CPUSA activist and apologist for the Stalinist purge trials Lillian Hellman. The CPJ is working with the ACLU and related groups for the crippling and destruction of the FBI and other internal security agencies.

In February, 1977, Birns added to the COHA board of trustees Chauncey Alexander, executive director, National Association of Social Workers; Leonel J. Castillo, Controller, City of Houston; Joseph Eldridge, Washington Office on Latin America; Terry Herndon, executive director, National Education Association; Frank Mankiewicz, Peace Corps director for Latin America under the Johnson administration and Cuba traveler; John Plank, University of Connecticut and formerly with the Department of State and Brookings Institution; and Frieda Silvert, widow of Kalman Silvert.

COHA's counsel is Leon I. Jacobson of New York. The COHA executive committee includes Birns, Chanes, Fierro, Quigley, Rosenthal and Woodcock.

COHA provides an interesting study in interlocking relationships between overt old and new left organizations and allegedly responsible projects funded and at least nominally directed by the large foundations. As legislators we must be aware of special interest groups and subtle "lobbying" pressures from groups like COHA. And in that the ultimate special interest served appears to be totalitarian Marxism-Leninism, and in that Orlando Letelier was deeply involved in the formation of COHA, such networks of influence may be a prudent subject for congressional investigation.

OAHE MUST BE FUNDED

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. ABDNOR. Mr. Speaker, the trust of the people of South Dakota in the Federal Government stands in jeopardy if the Congress allows President Carter's hasty and ill-conceived determination to cancel the Oahe Irrigation is allowed to stand. Today, I am joining the Governor of South Dakota, Congressman Pressler, Senator McGovern and a bipartisan delegation from South Dakota in statements before the Appropriations subcommittees on Public Works of both the House and the Senate, supporting the funding of both the Oahe and Pollock-Herreid Irrigation units.

My statement is as follows:

STATEMENT OF THE HONORABLE JAMES ABDINOR OF SOUTH DAKOTA IN SUPPORT OF FUNDING FOR THE OAHE AND POLLOCK-HERREID IRRIGATION UNITS

Mr. Chairman and members of the Subcommittee, I appreciate the opportunity to appear before you today in support of fiscal year 1978 funding for the Oahe and Pollock-Herreid irrigation units. It is unfortunate that your deliberations have been clouded by the President's hasty and ill-conceived recommendations which will, if upheld by Congress, result in the foreclosure of opportunities for needed water resource development throughout the nation. South Dakotans share the deep sense of betrayal the President's actions have caused among those who recognize the importance of the wise and productive development of our water resources, and I know that includes the members of this committee.

Water resource development is not a partisan issue, nor is it a subject we can afford to put off as we have done with our energy problems. It is not with any partisan intent, therefore, that I come before you in support of the recommendations of President Ford, rather than those of President Carter. The Ford Budget provides \$16.96 million for the Oahe Unit. The Carter proposal is for termination of the project, with no funds requested for further study or any other purpose and without so much as an acknowledgment of the commitment of the Federal government to our state.

It is incomprehensible to me that President Carter can recommend billions for temporary public works jobs and at the same time choose to ignore the recurring problems of drought, underemployment, and outmigration that will be addressed through sound water resource development projects. Such projects will not only provide direct construction jobs at a cost comparable to those in the President's public works pro-

posal but they will also continue to provide new job opportunities and abundant new wealth once they are completed. Under the circumstances, the President would have been far more consistent to have recommended that the full capabilities of the Bureau of Reclamation (\$21.46 million for the Oahe Unit; \$500,000 for the Pollock-Herreid Unit) be funded in the coming fiscal year.

Although our lack of action in dealing with our energy problems might be termed a national disgrace, it will seem pale by comparison to the inevitable result if we do not come to grips with the nation's water development needs. The President's recommendation that 30 major water development projects receive no further funding flies in the face of the urgent needs they were authorized to meet. Taken on merit alone, the President's recommendations must be rejected; but considering the way they have been handled by the Administration, they become insulting.

For example, the Department of the Interior could not tell us two days ahead of time who would be on the "review team" which would come to South Dakota to take public testimony on the Oahe Unit. I detailed other outrageous aspects of the "review" process in my statement to the review panel on March 21, and I would like to furnish a copy of that statement for the committee's Whatever value might be ascribed to the President's recommendations is devastated by the lack of integrity of the process by which they were determined. Clearly, the President and his advisors have failed to appreciate the importance of water development, the historical commitments regarding projects such as the Oane Unit, and-most importantly-the requisites of the future if the needs of our citizens are to be met.

Having made these general points, let me turn to the specific controversial surrounding the Oahe Unit. It is evident from the difficulty members of Congress have had in obtaining information from the White House that the President had no particular criteria whatsoever upon which he based his judgment to terminate certain projects. Almost as an afterthought, however, three broad "screening" criteria were announced as the basis on which all water projects would be weighed for possible termination. These criteria are safety considerations, benefit/cost ratio, and environmental effects.

There are no valid safety questions which might justify termination of the Oahe Unit, but the safety of the James River—both in terms of quality and quantity—will be enhanced as a source of municipal water supply.

The Oahe Unit has been found to be economically feasible in every benefit/cost analysis ever performed using nationally recognized and Congressionally mandated procedures. The overall benefit/cost ratio (which considers spinoff benefits other than those realized directly) for the Oahe Unit has been calculated at 3 to 1. The Oahe Unit is justified in its own right; but even if it were not, to argue that it should be stopped is to fail to recognize the debt owed South Dakota by the federal government. We are deserving of federal assistance in developing our state's water resources and the Oahe and Pollock-Herreid Units are but a portion of the development to which we are entitled.

The third criterion, and the most nebulous of all, used in the "screening" process is "environmental impacts." The Interior Department's March 10th announcement which stated, "a project must have no significant environmental impacts," is indicative of the self-serving, prejudgmental nature of the "review." In my view the whole purpose of water resource development is to significantly alter the environment for the benefit of mankind. The Oahe and Pollock-Herreid Units will certainly do so.

It would make more sense to forego projects which "pass" the test of no significant beneficial environmental impact than those which "fail" it. If every human endeavor had been subjected to such a "screening criterion," we'd still be living in caves and being served up as lunch for our animal friends. Obviously there are environmental absolutes which must not be infringed upon. No one questions that, but neither can one accept the President's recommendations in view of the arbitrary and haphazard way environmental factors have been applied.

mental factors have been applied.

There are a number of other environmental issues of which I am sure the President has no personal knowledge but which are of concern to those who will be affected by the Oahe Unit. Included among these are the irrigability of the soil, the future of the James River, and wildlife habitat losses and mitigation.

As far as irrigability of the soil is concerned, I would point out that the Oahe Unit was the first federally authorized project to have artificial drainage included as part of the original project cost. Detractors cling to early and outmoded soil survey data which indicated that irrigation could be difficult in the project area, but exhaustive more current and more pertinent studies have been undertaken by the Bureau of Reclamation. It is clear from these studies that the project area can support sustained irrigation, and I would like to provide for the hearing file the statement Dr. Larry Fine the Plant Science Department of South Dakota State University presented to the review panel. Based on his own research experience, Dr. Fine concurs with the Bureau's conclusion that the land is irrigable.

Dr. Fine also discusses the quality of the return flows from his irrigation research plots and goes so far as to say that he and his associates have drunk them in preference to other available water supplies. The Bureau's studies have indicated that at times the quality of the James River will be degraded somewhat over its present condition by construction of the Oahe Unit. At other times, however, the quality will be improved. Both the quality and quantity of the water flow in the James will be stabilized.

If arbitrary water quality standards are to be used to justify terminating the project, are we also going to close down the water systems of the 60% of South Dakota communities which fall to meet those standards? Of course we are not, but these communities will never be able to improve their water systems if such improvements must pass the criteria the President proposes to apply to water developments. Furthermore, an expanded economic base—such as the Oahe Unit will provide—is the very thing many of these communities need to make water system improvements feasible.

Under current conditions the problem of water quality is often moot, however, since records show that the stretches of the James in the project area are dry about 40% of the time and flow less than 30 cfs about 75% of the time. The stabilized flow of the Oahe Unit can provide will be a benefit more than offsetting any unalterable degradation in water quality. If this were not so, the City of Huron, which takes its water from the James, would not be strongly supporting the project and looking to it as the solution to the City's precarious water supply problem.

Although the flow of the James will be stabilized by irrigation return flows and supplemental water releases, the flooding potential will also be increased somewhat. Obviously, a river which has some water in it when flood scale precipitation occurs will top its banks more quickly and severely than if it were dry. For this reason the authorized plan calls for channelization. There are several alternatives and combinations of alternatives by which to deal with this problem,

however, and it is my belief they will result in not only preservation but enhancement of the aesthetic and productive character of the James.

Wildlife specialists have pointed out the costs of channelization as far as fisheries and wildlife are concerned, and these factors will be taken into account as the project proceeds. The U.S. Fish and Wildlife Service also recently released their "Revised Wildlife Plan," which details their suggestions for the wildlife habitat mitigation and enhancement aspects of the project. The public reaction to the revised plan has been overwhelmingly negative due to the large acreage (39,940 acres) which would be removed from private ownership, particularly in certain counties such as Day (12,185 acres), Beadle (6,205 acres), Clark (5,183 acres), and Brown (4,550 acres), for example.

There are those who believe that the U.S. Fish and Wildlife officials timed the release of this document to coincide with these hearings and to foment opposition to the Oahe Unit. The August 3, 1976, letter I received from then Assistant Secretary of Interior for Fish and Wildlife Parks Nathaniel Reed leads me to believe, however, that the Fish and Wildlife Service simply hopes to have the Bureau of Reclamation acquire property they intend to gain control of anyway.

Specifically, Assistant Secretary Reed wrote that they plan to gain control of about 330,-000 acres (110,000 in fee title and 220,000 by easement) in South Dakota in the next 10 to 15 years. I am uncertain whether or not the nearly 40,000 acres they have suggested be acquired in conjunction with the Oahe Unit is in addition to or a part of the 110,000 acres they intend to acquire anyway, but it is clear that the proposed Oahe mittgation features are the small end of the problem.

Officials of the Bureau of Reclamation should not be made "point men," through the Oahe mitigation features, for the U.S. Fish and Wildlife Service in acquiring wetlands. In view of the expansive plans of the U.S. Fish and Wildlife Service for South Dakota, acquisition of habitat lands for the Oahe Unit should be kept to the bare minimum required to mitigate identified losses. This would immediately reduce by 8,461 acres (which represents the net gain in natural wetland acres under the Revised Plan) the amount of habitat lands to be acquired for the project. Certainly, all wildlife habitat lands should be acquired from willing sellers, with the concurrence of the county commissioners.

Condemnation should not be used at all in acquiring wildlife acres, and it should be used as sparingly as absolutely possible in acquiring property for necessary project features. It has been argued that an unduly large percentage of the parcels of land thus far acquired have been taken through condemnation proceedings, but it has also been pointed out that these represent a small percentage of the total acreage acquired. It has also been suggested that organized opposition has actively encouraged those who have been asked to settle as a willing seller to resist doing so.

Be that as it may, I am familiar with condemnation proceedings through my own losses to the Interstate Highway; and I am of the opinion that there must be a better and less expensive means of protecting the rights of private property owners and at the same time allowing the acquisition of property needed for projects in the public interest. In this regard I would like to furnish for the hearing file a copy of a report done by the Library of Congress, at my request on "Alternatives to Traditional Court Proceedings for the Valuation of Land in Federal Condemnation." It speaks favorably of the potential of a system of arbitration.

Perhaps the most pertinent of all criticisms of the Oahe Unit has been the notion that

"the people don't want it." In my view a very well organized campaign has been waged to convince South Dakotans that they don't want the project. Still, surveys—including two boxholder questionnaires of my own show support in the range of 70 to 85%

The problem is, of course, determining who should have a voice in deciding the future of the project. The Oahe Conservancy Sub-District Board will appear before you today and undoubtedly express the majority position that fiscal year 1978 funding should be held in abeyance while they review the project. As far as the Board is concerned, however, the majority represents a minority of the people in the Sub-District. I understand they do represent the larger portion of the taxable property which supports the Sub-District, but the American way is one-man/ one-vote not one-dollar/one-vote. Also, it should be pointed out that the new majority on the Board did not run on platforms pledged to terminating the Oahe Unit but, rather, pledged to questioning its imperfections. As recently as March 21st the Board requested and received neutral time to appear before the Oahe Review Panel.

The Oahe Sub-District Board is not the most direct representative of the prospective irrigators themselves. The elected officials closest to the irrigators are the Spink and West-Brown Irrigation District Boards, both of which strongly support the project. It has been argued that the farmers don't want the project, but it is evident that those who will be irrigating do. It is beyond belief that once the water becomes available there will not be enough farmers who want to make use of it. It has also been said that it is those in the towns who want the project, but why should farmers who will not be affected have any more to say about the project than townspeople who may experience a marked improvement in business once the project is in operation? Anyone who will be adversely affected deserves every consideration, and I will do my utmost to see that he gets it.

On the other hand, extremely strong positions of support have been adopted by numerous associations and organizations throughout the state. I'd like to furnish for the hearing file an editorial from the March 17, 1977, edition of the Aberdeen American News, which expresses the broad support of the press throughout the state. Perhaps most impressively of all, the South Dakota Legislature, in an unusual show of bipartisan unity enacted into state law a policy in support of continued funding of the Oahe Unit. In the entire Legislature two votes were cast against the bill. Finally, Governor Kneip, Congressman Pressler, and I appear before you today to continue the tradition of bipartisan unity observed by every major official elected in our state since 1944. Senator McGovern stands with us on the other side of the Hill; but, frankly, the best I can say of our junior Senator, Senator Abourezk, who has announced he will not seek re-election, is that he is not against us.

Senator Abourezk is primarily concerned with supporting the position of the Sub-District Board, apparently without regard to what their position might be. He has said that South Dakota should not be penalized through the loss of federal assistance simply because South Dakotans have the courage to review the merits of the Oahe Unit. I certainly agree with his position in that respect, and I intend to be among the first to support any changes the Sub-District Board may recwhich will improve the project without jeopardizing its completion. I sincerely believe, however, that the Senator has underestimated the threat to funding for the Oahe Unit and the implications of the President's "criteria" for potential additional water resource developments in our state.

It must be noted that the President simply

It must be noted that the President simply proposes to terminate the Oahe Unit and the 29 other projects on his current "hit list." The period of "review" for these projects ends on April 15, 1977, and he proposes no alternative water developments to replace them. The President intends to save the Treasury the full cost of all of these 30 projects; and, although I do firmly support the goal of fiscal responsibility, I do not believe all South Dakotans fully appreciate the fact that the President contemplates no further federally sponsored water resource development in our state.

For example, many have suggested that funding for the Oahe Unit could be better spent at this time on the various rural and municipal pipelines proposed and so badly needed throughout South Dakota. I will do everything in my power to see these pipelines built; but in my judgment not only will Oahe funding not be diverted to these pipelines but if the President's criteria are applied to them, they will never be built at all. South Dakotans are also entitled to know the implications of the President's criteria as far as the Pollock-Herreid Unit, the Belle Fourche Project re-authorization, the lower-James proposal, urgent bank stabilization, and additional hydropower facilities are concerned. Indeed, the Oahe Unit's delivery system is the most efficient means of transporting water into eastern South Dakota. If it is not feasible, obviously no other delivery system is either, and eastern South Dakota will be

left high and dry.

While the President is explaining these ramifications of terminating the Oahe Unit, perhaps he would also justify why our downstream neighbors are enjoying the benfits of flood control and navigation at the expense of over 1 million acres in North and South Dakota. It would also be instructive to know why Nebraska should get more of our hydropower than we do and why Minnesota gets more than North and South Dakota combined (35.4% for Minnesota FY 1976 versus 11.6% each for North and South Dakota). Perhaps the President can justify, too, the higher rates which will be required for the hydropower if authorized irrigation is foregone in the Missouri River Basin.

But all of that assumes that the President's recommendations will be allowed to stand. I believe Congress will reject the President's proposed budget cuts for the most part, and I am hopeful that the Oahe Unit will be among those projects receiving the full funding requested in the Ford budget. President Carter undoubtedly would have had better success if he had attempted to pick off the projects he chooses to terminate one at a time. South Dakota is a small state by population, and we do not have the political clout to force our will upon the President or the Congress.

We do have the irrevocable moral commitment of the Federal government, however, to provide water resource development assistance to our state in fulfillment of the promise made to us when we agreed to the inundation of one-half million acres of our precious land resources. South Dakota does not yet have a single acre irrigated out of the Missouri River mainstem pursuant to the commitment made to us in the Flood Control Act of 1944. We do have two authorized projects—the Oahe and Pollock-Herreid Units—which only await funding.

I urge that you recommend to the House that \$16.96 million be appropriated for the Oahe unit and \$500,000 for the Pollock-Herreid Unit. Please do not betray our trust.

Thank you.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meeting as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare such information daily for printing in the Extensions of Remarks section of the Congressional Record.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Wednesday, April 6, 1977, may be found in the Daily Digest section of today's Record.

The schedule follows:

MEETINGS SCHEDULED APRIL 7

8:00 a.m.

Energy and Natural Resources Subcommittee on Public Lands and Resources

To resume consideration of S. 7, to establish in the Department of Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations.

3110 Dirksen Building

9:00 a.m.

Agriculture, Nutrition and Forestry
To hold hearings to receive testimony
on the administration's proposals relative to the food stamp program.

Foreign Relations 322 Russell Building

Subcommittee on Foreign Economic Policy
To resume, in closed session, oversight
hearings on major international economic issues facing the United States.
S-116, Capitol

9:30 a.m.

Banking, Housing, and Urban Affairs
To hold a hearing on the nomination of
Chester Crawford McGuire, of California, to be an Assistant Secretary of
Housing and Urban Development.
5302 Dirksen Building

Commerce, Science and Transportation

Aviation Subcommittee

To continue hearings on bills proposing regulatory reform in the air transportation industry, including S. 292 and S. 689.

5110 Dirksen Building

Environment and Public Works Subcommittee on Resource Protection

To hold hearings on proposed fiscal year 1978 authorizations for national wild-life refuges at San Francisco Bay, Calif., Great Dismal Swamp, Va., and Tinicum National Environmental Center, Pa.

4200 Dirksen Building

Human Resources Subcommittee on Child and Human De-

To continue hearings on the proposed extension of the Child Abuse and Prevention Treatment Act (Public Law 93-247).

4232 Dirksen Building

10:00 a.m.

Appropriations Labor-HEW Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for the Department of HEW, to receive testimony on research programs for and to aid families of, deceased children suffering from sudden infant death. S-128, Capitol

Appropriations Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for military construction programs, on funds for NATO and classified programs.

S-146, Capitol

Armed Services

Subcommittee on Research and Development

To resume closed hearings on proposed military procurement authorizations for fiscal year 1978 for weapons pro-

224 Russell Building

Commerce, Science, and Transportation Merchant Marine and Tourism Subcommittee

To hold hearings on S. 1019, to authorize funds for fiscal years 1978 and 1979 for certain maritime programs.

235 Russell Building

Energy and Natural Resources

Subcommittee on Energy Production and Supply

To continue hearings on S. 977, to conserve gas and oil by fostering increased utilization of coal in electric generating facilities and in major industrial installations.

3110 Dirksen Building

Select Intelligence

To hold a closed hearing on proposed fiscal year 1978 authorizations for Government intelligence activities.

S-407, Capitol

Special Aging

To continue hearings on the impact on older Americans of rising energy costs. 1224 Dirksen Building

10:30 a.m.

*Banking, Housing, and Urban Affairs

To hold oversight hearings on the 1977 budget of the Federal Reserve System. 5302 Dirksen Building

Commerce, Science, and Transportation To hold a business meeting.

235 Russell Building

Foreign Relations

Subcommittee on Foreign Assistance

To mark up proposed legislation authorizing funds for fiscal year 1978 for bi-lateral development assistance.

6202 Dirksen Building

1:00 p.m.

Foreign Relations

Subcommittee on Near Eastern and South Asian Affairs

To meet in closed session to receive a briefing from Central Intelligence Agency officials on the situation in Lebanon.

S-116, Capitol

2:00 p.m.

Armed Services

Subcommittee on Research and Development

To resume closed hearings on proposed military procurement authorizations for fiscal year 1978 for weapons programs.

224 Russell Building Commerce, Science, and Transportation

To hold hearings on the nomination of Dr. Frank Press, of Massachusetts, to be Director or enc.
Technology Policy.
5110 Dirksen Building

Commerce, Science, and Transportation Surface Transportation Subcommittee To hold hearings on S. 562, the proposed

Union Station Improvement Act 235 Russell Building

APRIL 8

9:00 a.m. Governmental Affairs

To continue hearings on S. 826, to establish a Department of Energy in the Federal Government to direct a coordinated national energy policy.

APRIL 11

10:00 a.m.

Governmental Affairs

Subcommittee on Governmental Efficiency To receive testimony on a GAO study alleging inaccurate financial records of the Federal flood insurance program. 6226 Dirksen Building

APRIL 18

10:00 a.m.

Appropriations HUD-Independent Agencies Subcommittee To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development and Independent Agencies, to hear public witnesses.

1318 Dirksen Building

Banking, Housing, and Urban Affairs

To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15. 5302 Dirksen Building

Environment and Public Works Water Resources Subcommittee

To resume hearings on national water policy in view of current drought situations.

4200 Dirksen Building

To hold hearings on S. 825, to foster competition and consumer protection policies in the development of product standards.

2228 Dirksen Building

APRIL 19

9:30 a.m.

Appropriations Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and Related Agencies, to hear public wit-

nesses.

1114 Dirksen Building

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Aviation Administration. 1224 Dirksen Building Commerce, Science, and Technology

Science, Technology, and Space Subcommittee

To hold hearings on S. 126, to establish an Earthquake Hazards Reduction Program.

5110 Dirksen Building

Energy and Natural Resources

To resume hearings on S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.

3110 Dirksen Building

Environment and Public Works
To resume hearings on the proposed replacement of Lock and Dam 26, Alton, 111.

4200 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To continue hearings on proposed hous-ing and community development legislation with a view to reporting final recommendations thereon to the Budget Committee by May 15. 5302 Dirksen Building

Consumer Subcommittee

To hold oversight hearings on activities of the Consumer Product Safety Commission.

235 Russell Building

Governmental Affairs

*Subcommittee on Reports, Accounting and Management

To hold hearings to review the process by which accounting and auditing practices and procedures, promulgated or approved by the Federal Govern-ment, are established.

6202 Dirksen Building

Judiciary To continue hearings on S. 825, to foster competition and consumer protection policies in the development of product standards.

2228 Dirksen Building

3:00 p.m.

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development, to hear public witnesses.

1318 Dirksen Building

APRIL 20

9:30 a.m.

Environment and Public Works Water Resources Subcommittee

To continue hearings on the proposed replacement of Lock and Dam 26, Al-

4200 Dirksen Building

10:00 a.m.

Appropriations Interior Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies, to hear public witnesses.

Banking, Housing, and Urban Affairs

To continue hearings on proposed housing and community development legislation with a view to reporting its final recommendations there to the Budget Committee by May 15.

5302 Dirksen Building Commerce, Science, and Technology Consumer Subcommittee

To continue oversight hearings on activities of the Consumer Product Safety Commission.

235 Russell Building

Governmental Affairs

Subcommittee on Governmental Efficiency To receive testimony on a GAO study alleging inaccurate financial records of the Federal flood insurance program.
6226 Dirksen Building

Judiciary

To continue hearings on S. 825, to foster competition and consumer protection policies in the development of product standards.

2228 Dirksen Building

Select Small Business

To hold hearings on S. 872, to authorize the Small Business Administration to make grants to support the development and operation of small business development centers.
424 Russell Building

APRIL 21

9:00 a.m. Judiciary

Subcommittee on Juvenile Delinquency

To hold hearings on S. 1021 and S. 1218, to amend and extend, through fiscal year 1980, programs under the Juvenile Justice and Delinquency Prevention Act.

2228 Dirksen Building

10:00 a.m.

Appropriations

Interior Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies, to hear public witnesses.
1114 Dirksen Building

Banking, Housing, and Urban Affairs To continue hearings on proposed hous-ing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15. 5302 Dirksen Building

Commerce, Science, and Technology Consumer Subcommittee

To continue oversight hearings on activities of the Consumer Product Safety Commission.

5110 Dirksen Building

Energy and Natural Resources Subcommittee on Parks and Recreation

To hold hearings on S. 568, to designate certain lands in Oregon for inclusion in the National Wilderness Preservation System.

Room to be announced

Environment and Public Works Subcommittee on Resource Protection

To hold hearings on proposed legislation authorizing funds to the States to extend the Endangered Species Act through 1980.

4200 Dirksen Building

Governmental Affairs

Subcommittee on Governmental Efficiency To receive testimony on a GAO study alleging inaccurate financial records of the Federal flood insurance program. 6226 Dirksen Building

Governmental Affairs

Subcommittee on Reports, Accounting and Management

To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Gov-ernment are established.

3302 Dirksen Building

APRIL 22

10:00 a.m.

Banking, Housing, and Urban Affairs

To continue hearings on proposed hous-ing and community development legislation with a view to reporting its final recommendations thereon to Budget Committee by May 15.

5302 Dirksen Building

APRIL 25

9:30 a.m.

Appropriations Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Forest Service.

1114 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs Consumer Affairs Subcommittee

To hold hearings on S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.

5302 Dirksen Building Commerce, Science, and Transportation Merchant Marine and Tourism Subcom-

mittee

To hold hearings on proposed budget estimates for fiscal year 1978 for the Coast Guard.

5110 Dirksen Building

Energy and Natural Resources

To resume hearings on S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.

3110 Dirksen Building

Environment and Public Works

Subcommittee on Water Resources To hold hearings on proposed legislation to authorize funds for fiscal year 1978

for river basin projects. 4200 Dirksen Building

Judiciary

To resume hearings on S. 825, to foster competition and consumer protection policies in the development of product standards.

2228 Dirksen Building

APRIL 26

9:30 a.m.

Select Small Business To hold hearings on problems of small

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business as they relate to product liability.

1202 Dirksen Building

Select Small Business

To resume hearings on S. 972, to authorize the Small Business Administration to make grants to support the development and operation of small busi-ness development centers.

424 Russell Building

10:00 a.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.

1224 Dirksen Building Banking, Housing, and Urban Affairs Consumer Affairs Subcommittee

To continue hearings on S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.

5302 Dirksen Building

Commerce, Science, and Transportation Merchant Marine and Tourism Subcom-

To hold hearings to receive testimony in connection with delays and conges-tion occurring at U.S. airports-ofentry.

235 Russell Building

Environment and Public Works Subcommittee on Water Resources

To hold hearings on projects which may be included in proposed Water Resources Development Act amendments

4200 Dirksen Building

2:00 p.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.

1224 Dirksen Building

APRIL 27

10:00 a.m.

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.

1224 Dirksen Building

Banking, Housing, and Urban Affairs Consumer Affairs Subcommittee

To continue hearings on S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.

5302 Dirksen Building

Commerce, Science, and Technology Consumer Subcommittee

To hold hearings on S. 403, the proposed National Product Liability Insurance Act.

5110 Dirksen Building

APRIL 28

10:00 a.m.

Appropriations

Transportation Subcommittee

To continue hearings on proposed budg-et estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.

1224 Dirksen Building Commerce, Science, and Technology

Consumer Subcommittee

To continue hearings on S. 403, the proposed National Product Liability Insurance Act.

5110 Dirksen Building Environmental and Public Works

Nuclear Regulation Subcommittee

To resume hearings on proposed fiscal

year 1978 authorizations for the Nuclear Regulatory Commission. 4200 Dirksen Building

APRIL 29

10:00 a.m.

Commerce, Science, and Transportation Consumer Subcommittee

To continue hearings on S. 403, the proposed National Product Liability In-

5110 Dirksen Building

Energy and Natural Resources

Subcommittee on Parks and Recreation To hold hearings on S. 1125, authorizing the establishment of the Eleanor Roosevelt National Historic Site in Hyde Park, N.Y.

3110 Dirksen Building

MAY 3

9:00 a.m.

Veterans' Affairs

Subcommittee on Housing, Insurance, and Cemeteries

To hold hearings on S. 718, to provide veterans with certain cost information on conversion of government supervised insurance to individual life insurance policies.

Until: 12 noon 6202 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs To hold oversight hearings on U.S. monetary policy.

5302 Dirksen Building

Commerce, Science, and Technology Consumer Subcommittee

To hold hearings on proposed legisla-tion amending the Federal Trade Commission Act.

235 Russell Building

MAY 4

10:00 a.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Highway Administration

1224 Dirksen Building

Banking, Housing, and Urban Affairs
To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.

5302 Dirksen Building Commerce, Science, and Transportation

Consumer Subcommittee

To continue hearings on proposed legis-lation amending the Federal Trade Commission Act.

235 Russell Building

MAY 5

9:00 a.m.

Veterans' Affairs

Subcommittee on Housing, Insurance, and

To continue hearings on S. 718, to provide veterans with certain cost information on conversion of government supervised insurance to individual life insurance policies.

6202 Dirksen Building Until: 12 noon

10:00 a.m.

Banking, Housing, and Urban Affairs To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

Commerce, Science, and Transportation

Consumer Subcommittee

To hold hearings on S. 957, designed to promote methods by which controversies involving consumers may be resolved.

5110 Dirksen Building

MAY 6

10:00 a.m.

Banking, Housing, and Urban Affairs To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations to the Budget Committee on May 15. 5302 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation Communications Subcommittee

hold oversight hearings broadcasting industry, including network licensing, advertising, violence on TV, etc.

235 Russell Building

MAY 10

9:30 a.m.

Commerce, Science, and Transportation Communications Subcommittee

To continue oversight hearings on the broadcasting industry, including net-work licensing, advertising, violence on TV, etc.

235 Russell Building

10:00 a.m.

Appropriations Transportation Subcommittee

To resume hearings on proposed budget estimate for fiscal year 1978 for the Railroad Administration Federal (Northeast Corridor)

1224 Dirksen Building Banking, Housing, and Urban Affairs To resume oversight hearings on U.S. monetary policy.

5302 Dirksen Building

Governmental Affairs

*Subcommittee on Reports, Accounting and Management

To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal gov-ernment, are established.

6202 Dirksen Building

MAY 11

9:30 a.m.

Commerce, Science, and Transportation Communications Subcommittee

To continue oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.

235 Russell Building

MAY 12

10:00 a.m.

Governmental Affairs *Subcommittee on Reports, Accounting and Management

To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.

6202 Dirksen Building

MAY 18

10:00 a.m.

Appropriations Transportation Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.

1224 Dirksen Building

2:00 p.m.

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.

1224 Dirksen Building

MAY 24

10:00 a.m.

Governmental Affairs

*Subcommittee on Reports, Accounting and Management

To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.

6202 Dirksen Building

MAY 26

. 10:00 a.m.

Governmental Affairs

*Subcommittee on Reports, Accounting and Management

To continue hearings to review the processes by which acounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.

6202 Dirksen Building

JUNE 13

9:30 a.m.

Commerce, Science, and Transportation Communications Subcommittee

To hold oversight hearings on the cable TV system.

235 Russell Building

JUNE 14

9:30 a.m.

Commerce, Science, and Transportation Communications Subcommittee

To continue oversight hearings on the cable TV system.

235 Russell Building

JUNE 15

9:30 a.m. Commerce, Science, and Transportation Communications Subcommittee

To continue oversight hearings on the cable TV system.

235 Russell Building

CANCELLATIONS APRIL 6

10:00 a.m.

Governmental Affairs

Subcommittee on Energy, Nuclear Prolif-eration, and Federal Services

continue hearings on S. strengthen U.S. policies on nuclear nonproliferation, and to reorganize certain nuclear export functions

3302 Dirksen Building

APRIL 8

8:00 a.m.

Energy and Natural Resources
Subcommittee on Public Lands and Resources

To continue consideration of S. 7, to establish in the Department of Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations.

3110 Dirksen Building

SENATE-Wednesday, April 6, 1977

(Legislative day of Monday, February 21, 1977)

The Senate met at 12:30 p.m., on the expiration of the recess, and was called to order by Hon. DONALD W. RIEGLE, JR., a Senator from the State of Michigan.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following

Almighty God, our Creator and Redeemer, prepare our hearts for the Day of Resurrection, that we may keep it for what it is: the pivotal point of all history.

Deliver us from the tyranny of desk pads, appointment calendars, and telephones lest we miss the glory and wonder of Easter. Lead us in sacred memory through the Gethsemane of decision to the agony of the cross with its apparent defeat, to the dawn of the third day and the victory over sin and death. Rescue us from all that is sordid, ugly, and sinful in our lives that as newborn men with new life for new days we may make known the beauty, goodness, and truth of Thy salvation.

We pray in the name of Him who is the Resurrection and the Life. Amen.

APPOINTMENT OF ACTING PRESI-DENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

> U.S. SENATE, PRESIDENT PRO TEMPORE, Washington, D.C., April 6, 1977.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. DONALD W. RIEGLE, Jr., a Senator from the State of Michigan, to perform the duties of the Chair during my absence.

> JAMES O. EASTLAND. President pro tempore.

Mr. RIEGLE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of yesterday, Tuesday, April 5, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I believe consent has already been given for all committees to meet during the session of the Senate today

The ACTING PRESIDENT pro tempore. That is correct.

COMMITTEE MEETINGS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that committees may meet during the session of the Senate tomorrow.

Mr. BAKER. Mr. President, there is

no objection. The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, there are certain nominations that are cleared on the Executive Calendar, I ask unanimous consent that the Senate proceed to executive session to consider nominations beginning under "New Re-

Mr. BAKER. Mr. President, will the majority leader yield?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. There is no objection to confirming the nomination on the Executive Calendar following "New Report," Federal Trade Commission.

Does the majority leader intend to seek the confirmation of the remaining items for National Highway Traffic Safety Administration and the Department of State?

Mr. ROBERT C. BYRD. Yes; all nomi-

nations following "New Report."
Mr. BAKER. I would advise the majority leader that all of those nominations have been cleared on this side and there is no objection.

Mr. ROBERT C. BYRD. I thank the

minority leader.

FEDERAL TRADE COMMISSION

The second assistant legislative clerk read the nomination of Michael Pertschuk, of the District of Columbia, to be a Federal Trade Commissioner for the unexpired term of 7 years from September 26, 1970, and for a term of 7 years from September 26, 1977.

Mr. ROBERT C. BYRD. Mr. President, I call attention to the fact that with respect to Calendar Order No. 125, message No. 224, Michael Pertschuk, of the District of Columbia, the Executive Calendar does not so state, but the nomination is for the 7-year term commencing September 26, 1977, in addition to the unexpired term of 7 years from September 26.

The ACTING PRESIDENT pro tempore. Without objection, the nomination, as corrected, is confirmed.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

The second assistant legislative clerk read the nomination of Joan Buckler Claybrook, of Maryland, to be Administrator of the National Highway Traffic Safety Administration.

The ACTING PRESIDENT pro tempore. The nomination is confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the remaining nominations in the Department of State, be confirmed en bloc with the understanding that the nominations under the Department of Housing and Urban Development will remain on the calendar.

DEPARTMENT OF STATE

The second assistant legislative clerk read the nominations of Richard N. Cooper, of Connecticut, to be Under Secretary of State for Economic Affairs; Charles William Maynes, Jr., of New York, to be an Assistant Secretary of State; Barbara M. Watson, of New York, to be Administrator, Bureau of Security and Consular Affairs, Department of State; James F. Leonard, Jr., of New York, to be the Deputy Representative of the United States of America to the

United Nations, with the rank and status of Ambassador Extraordinary and Plenipotentiary; and Donald F. McHenry, of Illinois, to be Deputy Representative of the United States of America in the Security Council of the United Nations. with the rank of Ambassador.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en

bloc.

COAST GUARD NOMINATIONS PLACED ON THE SECRETARY'S DESK

The second legislative clerk proceeded to read nominations in the Coast Guard placed on the Secretary's desk.

Mr. ROBERT C. BYRD. Mr. President. I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. ROBERT C. BYRD. Very well. That takes us through page 2 of the calendar?

The ACTING PRESIDENT pro tempore. That is correct.

ORDER OF BUSINESS

Mr. TALMADGE. Mr. President, will the distinguished majority leader yield? Mr. ROBERT C. BYRD. Yes.

Mr. TALMADGE. I just handed in six nominations of appointments to the Department of Agriculture for assistant secretaries and two members of the board of directors of the Commodity Credit Corporation. They came from the committee unanimously. Senator Dole, the ranking minority member, has approved their being considered today.

The Department has been short handed of assistant secretaries, and I hope they can be confirmed at this time.

Mr. BAKER. Mr. President, if the Senator will yield, I am sure there will be no problem with that in view of the fact that Senator Dole has agreed to their confirmation, but I wonder if the majority leader would indulge me for just a few minutes while I go through my regular procedure to make sure there are no other objections?

Mr. TALMADGE. That is certainly

agreeable to me.

Mr. ROBERT C. BYRD. Very well.

As soon as the distinguished minority leader can get clearance for the nominations alluded to by Mr. TALMADGE the Senate will return to those.

I ask that the President be immediately notified of the confirmation of the nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DEPARTMENT OF AGRICULTURE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate consider the various requests that were made by Mr. TALMADGE and, which, I now understand in talking with the minority leader, have been cleared on the minority side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The second assistant legislative clerk

read the nominations reported earlier today of Howard W. Hjort, of the District of Columbia, to be a member of the Board of Directors of the Commodity Credit Corporation:

Alex P. Mercure, of New Mexico, to be an Assistant Secretary of Agriculture;

Dale Ernest Hathaway, of the District of Columbia, to be an Assistant Secretary of Agriculture:

Dale Ernest Hathaway, of the District of Columbia, to be a member of the Board of Directors of the Commodity Credit Corporation:

Malcolm Rupert Cutler, of Michigan, to be an Assistant Secretary of Agri-

culture:

Malcolm Rupert Cutler, of Michigan, to be a member of the Board of Directors of the Commodity Credit Corporation (new position)

Robert Haldeman Meyer, of California, to be an Assistant Secretary of Agriculture, vice Richard L. Feltner, resigned;

Robert Haldeman Meyer, of California. to be a member of the Board of Directors of the Commodity Credit Corporation, vice Richard L. Feltner, resigned; and

John C. White, of Texas, to be a member of the Board of Directors of the Commodity Credit Corporation, vice John A. Knebel, resigned.

Mr. BAKER. We have no objection.

Mr. President, before going any further, how many nominations are there? I understood there were six?

The ACTING PRESIDENT pro tempore. I am told by the clerk that in at least three instances there are two appointments for the same individuals.

Mr. BAKER. I thank the Chair. I did not mean to create a problem, but only to satisfy the literal nature of the request for clearance that I had made for six people.

The ACTING PRESIDENT pro tempore. The Chair appreciates the question.

Mr. ROBERT C. BYRD. Mr. President. I ask unanimous consent that the nominations be considered and confirmed en

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

DEPARTMENT OF JUSTICE

Mr. ROBERT C. BYRD, Mr. President. I send to the desk a nomination that has been reported from the Committee on the Judiciary, reported by Mr. Thur-MOND, as a matter of fact, and it is for the appointment of Mr. Thomas E. Lydon, Jr., of South Carolina, to be U.S. attorney for the district of South Carolina for the term of 4 years, vice Mark W. Buyck, Jr., resigned, I ask unanimous consent that the Senate proceed with its consideration.

The second assistant legislative clerk read the nomination of Thomas E. Lydon, Jr., of South Carolina, to be U.S. attorney for the district of South Carolina for the term of 4 years, vice Mark W. Buyck, Jr., resigned, reported earlier

Mr. BAKER. Mr. President, the nomination is cleared on this side.

The ACTING PRESIDENT pro tempore. Is there objection? Hearing none, then the nomination is confirmed.

Mr. HOLLINGS. Mr. President, I thank my colleagues on the Judiciary Committee and the membership of the Senate for moving with all deliberate speed in confirming the nomination of Mr. Thomas E. Lydon, Jr., as U.S. attorney for South Carolina.

Mr. Lydon's confirmation today puts a firm and experienced hand at the helm of Federal prosecution in my State and reinstills a sense of permanence to the position. It also removes any possibility of delay in fully staffing up the office of U.S. attorney there. And it places the Federal judicial system in South Carolina on firm and solid footing for the future.

I would be remiss if I did not also thank the Attorney General, Mr. Bell, and President Carter for very quickly responding to the South Carolina delegation when it proposed Mr. Lydon's name for nomination. The Justice Department and the White House expedited the matter promptly, and this has helped the Senate immeasurably in its deliberations.

We have performed a great service for South Carolina today in confirming Tom Lydon as U.S. attorney. He has distinguished himself in the legal profession in my State, he is dedicated to bettering his community and the conditions of its citizens' lives, and he has a devotion to our system of government and a determination to make its judicial system work equally for all.

He has the experience to back up his convictions, and I am certain he will put a stamp of professionalism on his office Mr. Lydon has served both as a municipal judge and as a prosecutor for the city of Columbia, the capital of South Carolina. He also has instructed college classes in criminal justice and was a guest lecturer at the University of South Carolina Law School in its prosecution clinical program.

I am sure Mr. Lydon will bring a keen insight into the judicial system and its performance along with a determination to uphold the highest standards of service to his State and his country as he assumes office. I congratulate him on attaining this high position of service, and I know that I speak for my colleagues on the South Carolina delegation when I wish him every successs in the future.

Mr. ROBERT C. BYRD. Mr. President. I ask that the President be immediately notified of the confirmation of the nominations

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD, Mr. President. I ask unanimous consent that the Senate return to the consideration of legislative business

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SALT

Mr. ROBERT C. BYRD. Mr. President. I was pleased today to read in various press accounts that Mr. Brezhnev has perhaps reconsidered his apparent recalcitrant stand of last week with respect to strategic arms limitations and that

there is the possibility of progress in future talks.

I was not one of those who viewed the first Moscow talks and the lack of positive results there with any wringing of hands or great dismay, and I do not know of any Member of this body or the other body for that matter who viewed the results of those talks as anything to be discouraged about.

I think it was something that most of us who have any recollection whatsoever of the history of dealing with the Russians would have expected. I felt the visit of Mr. Vance was an initial probe to open up the talks between the new Carter administration and Mr. Brezhnev. I did not have the slightest feeling nor did I labor under the slightest illusion that the Soviets would embrace the agreements in an affirmative way during that visit. I expected them to say no. The proposals were complex. They required time for study by the Soviets. And I think that the Soviets acted in a way that was not only to have been expected but also in a way that was quite normal for them-if we but remember past talks with the Soviets in connection with arms agreements

We have begun. It will be a long, painful, tenuous, trying, exacting, and demanding process. We must go forward, and I believe that Mr. Brezhnev's statement indicates that we can go forward. His comments yesterday indicate that such an arms agreement may

All negotiations of this kind must begin with hard bargaining, and quick acceptance by either side is not to be anticipated.

The only thing that surprised me was the surprise on the part of some people, apparently some of whom were within the party that went to Moscow, that the Soviets did not immediately accept the proposals. This to me was the only surprise.

I think the U.S. position was sound and, as the Soviets examine it more carefully, I feel that they will realize that the basis is there for a meaningful ac-

A reasonable arms limit, not only a reasonable pact that will deal with arms control but even more important, a pact that will deal with meaningful arms reduction—is something that the world hopes for, and as public opinion around the world crystalizes more upon the contents of the proposals, I believe that the Soviets will find themselves in a weakened position if they continue to be unresponsive to what indeed is a legitimate, reasonable, sound, and fair proposal for arms reduction.

I again commend the President. commend Secretary Vance. And I hope that they will continue to look forward with faith in the ultimate outcome. It is not to be expected that rewards will be reaped overnight, within a few days. within a few weeks, or even perhaps within a few months. But, as I have stated repeatedly, the Soviet Union needs an arms agreement that is in its own security interests as much as we need an arms agreement that is in our own security interests. The Soviet Union cannot more afford to bleed its economy in a spiraling arms race than we can afford to bleed our own. I believe, further, that if there is no arms agreement then the United States will have no choice but to develop and deploy additional weapons. We do not want to do that. We do not want to have to budget our funds for additional weapons. But if there is no choice I have no doubt that the American people will back up the President and American technology will prevail.

So, I see in Mr. Brezhnev's statement a return to reason. I see an indication that the leader of the Soviet Union is indeed willing to take a further look a deeper look, and I see an indication that the Soviets have been taking such a deeper look already. I also see the indication, and I saw it when Mr. Gromyko recently held quite a lengthy press conference for the first time, that the Soviets felt that world opinion was not with them, that world opinion recognized that the American proposals were reasonable proposals, and that in the interest of world peace both of these countries should sit down, talk, and negotiate as reasonable men ought to do in the interest of lowering the risk of nuclear war. So this is a hopeful sign.

Again, I reiterate that when we look at the past experience of dealing with the Soviets we should have learned a lesson that they are hard bargainers, they are tough, and they will say "No" today and "Yes" months from today. We should have learned that lesson and we should not feel that the result of the talks was a rejection of the American proposals. Those same proposals can be presented again and again, and there may be room for modification of those proposals. But let us see what the Soviets are going to propose. We know this can be hard bargaining by both sides, and I have every confidence that the President can be just as firm as Mr. Brezhnev can be firm. I have every reason to believe that the American people can be just as firm as the Soviets leaders can be firm. As long as we think we are right-and I think we were right-I see no reason to go with hat in hand, or with wringing of hands, saying that we made "miscalculations." I know of no

within such a short time. Mr. HELMS. Mr. President, will the Senator yield?

"miscalculations" at Moscow except the

miscalculations that the Soviets were indeed going to immediately grab up

either proposal advanced by Mr. Vance, embrace it to their hearts and say "Yes,"

Mr. ROBERT C. BYRD. I yield.

Mr. HELMS. Did the Senator anticipate that the Soviets would enter into any agreement on the first round of negotiations?

Mr. ROBERT C. BYRD. Not at all. I would have been utterly surprisedpleasantly, of course-if they had.

Mr. HELMS. They just do not operate that way, do they?

Mr. ROBERT C. BYRD. They never have operated in that way.

Mr. HELMS. That is right.

Mr. ROBERT C. BYRD. It is just not in their makeup. They are tough bargainers. They are international poker players. And, of course, if they think they are dealing with an adversary who will buckle, knuckle under, fall back and fall back, and wring hands, they will

push him to the wall.

Mr. HELMS. If the Senator will yield further, I have had to part company with some of my friends who have suggested that President Carter's stand on human rights had an adverse effect on the recent SALT talks. I do not think it had one thing to do with the so-called breakdown of negotiations, because the Soviets, as the Senator has said, just do not negotiate that way.

Furthermore, as to his human rights stand, I commend the President, and I support him. If we have reached the stage in this country that we cannot forthrightly stand for human rights, then we have our priorities wrong, in

my judgment.

Of course, it is essential that we not fall prey to Communist propaganda in other parts of the world, such as Latin America. Communist terrorists in a number of Latin American countries are engaged in violence and destruction, including bomb throwing, murder, and general mayhem. And when these Communist terrorists are arrested, the Communist propagandists around the world raise the absurd claim that these are "political prisoners." These Communist terrorists are in no way "political prisoners." They are criminals.

So in his stand on behalf of human rights, and I strongly support the President in this, I trust that Mr. Carter will carefully examine all evidence when questions arise about human rights. In fact, I hope that Mr. Carter will visit such non-Communist countries as Argentina, Chile, Uruguay, Brazil, and others and compare them with Cuba and other Communist countries. I believe such a trip would supply a needed perspective to the human rights discus-

sion.

As for the Communists of the Soviet Union, I am not concerned that President Carter's human rights stand has been an irritant to the Soviets. I commend the President, and support him.

Mr. ROBERT C. BYRD. I agree with the Senator. There is no question but that an outspoken statement of human rights policy can be an irritant, and I am not suggesting that this method, that method, or some other is the method one always ought to pursue. But the Soviets have never hesitated to criticize the United States concerning our own internal matters. And like the Senator from North Carolina, I believe, on the basis, certainly, of my own commonsense, but more important than that, on the basis of the views of the experts, as I have read such opinions in the newspapers, that while the President's outspokenness on human rights was an irritant, it was not the gravamen of the temporary-I will use the word "temporary" as my own-"rejection," and I will use that term also as my own, by the Soviets of the SALT proposals put forth by Secretary of State Vance.

I thank the distinguished Senator.

Mr. HELMS. I thank the able Senator from West Virginia.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee is recognized.

Mr. BAKER. Mr. President, I think it is a good thing that the majority leader has brought these matters to our attention today. I shall not add much to the colloguy, but just a little.

to the colloquy, but just a little.

I approve, I believe, of almost everything the majority leader said. I am aware, as is the majority leader, that not only do we speak to our colleagues from this floor, and to the press; but we speak also to foreign countries, particularly to the Soviet Union, where I understand there is an American Institute that takes particular interest in these matters. There may even be a file in Moscow with the majority leader's name on it, and one with my name on it. So perhaps I will add just a little to the file.

Before Secretary Vance went to Moscow, I stood at this place and wished him well. I assured the Soviets that on the matter of obtaining satisfactory resolution of the arms buildup, the establishing of a strategic arms limitation, and the signing of a successful SALT II agreement, Republicans and Democrats were virtually united to a man and to a woman in support of the American proposals.

I think we will still get a SALT II agreement. I do not think anything has happened that will preclude that possibility; and certainly believe it would be a worldwide tragedy if we do not get an

agreement between now and October. I also rather suspect that our friends the Russians may be tempted to do a little testing between now and October, when SALT I expires. I would caution them against that tactic. I would caution them that even though some of us may disagree with the bargaining strategy, or even the formulation of the bargaining techniques, we are together in support of the proposals.

It has unfortunately been the policy of the Soviet Union from time to time to test other Presidents of the United States. I recall as far back as the administration of President Eisenhower that, in retrospect, there appeared to be a testing of the new President. Certainly that testing occurred with President Kennedy in Cuba; and certainly with President Nixon and President Ford, to the degree that there has developed a pattern of testing our American Presidents in the early, formative stages of their administrations.

I urge the Soviet Union to understand that we engage in free political discussion, critique, criticism, even sometimes opposition to foreign policy positions; but that we are united in the importance of preserving this country's foreign policy in the face of challenge.

I reiterate, nothing has happened that should prevent successful negotiation of SALT II. If we do not succeed in such a negotiation, I am going to blame the Russians, because I think the factors are still there—the fundamental imperatives are still present—that led us to the inescapable conclusion that there should be an agreement.

Mr. President, I reserve all of my options to agree or disagree with the formulation of the foreign policy techniques of this administration, and I will probably do some of both, agree and disagree; but I urge the Soviets and the

American Institute of Moscow, in that thickening file that may have our names on it, to reflect on the fact that, on the matter of testing new Presidents, majority and minority are undivided.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader for his saying, in essence, that when it comes to the testing of an American President on an issue involving the national security of this country, there are no Democrats and no Republicans; there are just Americans.

I am not saying this just because President Carter happens to be a President belonging to the Democratic Party. He is the President of all the people. The distinguished minority leader will remember that when we went through all the difficulties and pain and suffering of Vietnam and Cambodia, it was my amendment on this floor that reassured the President of the United States that he had not only the authority but the responsibility to act to protect American serviceman during the Cambodian bombing.

I do not intend to renew the memories of those painful years, or to in any way get into all of the mistakes that may or may not have been made, but when it came to backing up the President and backing up our servicemen, I was not just a Democrat; I was an American.

The position the distinguished minority leader is taking, I think, is the right one. There are 215 million Americans who want an agreement; but they want an agreement that is in the security interests of this country, and I am sure the Soviets want an agreement that is that in the security interests of their country. It is not inconceivable, by any means, that such an agreement can be reached which will be in the security interests of both countries, and which will lower the risk of nuclear war for the world.

That is our hope and prayer and our determination, whether we be Democrats or Republicans. The Senator from Tennessee has spoken well, and I commend him for his fine statement.

Mr. BAKER. I thank the majority leader. We stand as one on the proposition of supporting our President in the face of external challenge.

Mr. President, I yield my remaining time under the standing order to the distinguished senior Senator from Alaska.

JAYCEES INTERNATIONAL CONFERENCE AT ANCHORAGE, ALASKA

Mr. STEVENS. Mr. President, many of us in Congress have served as members of junior chambers of commerce. I am pleased to note that the Jaycees International Conference this year will be hosted by the Anchorage Junior of Commerce, known as the Old Sourdough Jaycees in Anchorage, Alaska.

I have hopes that this conference, which focuses on the problems of man and his environment, particularly in regard to international cooperation in the development of the Outer Continental Shelf and high-seas fisheries, will bring together world leaders who are members of the international Jaycees, who will focus their attention on many of these problems, and give those of us who are

involved in formulating the policies of our country some guidance in the formulation of policies which they support.

lation of policies which they support.

I call up a resolution which I have at the desk.

The ACTING PRESIDENT pro tempore. The resolution will be stated.

The assistant legislative clerk read as follows:

A resolution (S. Res. 137) commending the Jaycees International Conference hosted by the "Old Sourdough Jaycees" of Anchorage, Alaska

Mr. STEVENS. Mr. President, I ask for the immediate consideration of the resolution.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I will not object, this resolution has been cleared with the majority side. It is a commendable resolution, and I congratulate the assistant minority leader for calling it up.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

Whereas, the Jaycees have a long standing record of community involvement and leadership around the world;

Whereas, this is the third Jaycees International Conference to be held in the United States and the first to be held in Alaska;

Whereas, the Jaycees International Conference addresses the problems of "man and his environment" focusing on international cooperation in the development of the outer-continental shelf and high-seas fisheries;

Resolved, that the U.S. Senate commends the "Old Sourdough Jaycees" of Anchorage, Alaska, the U.S. Jaycees, and the Jaycee International for bringing together Jaycee leaders around the world who have contributed to the betterment of mankind.

SEC. 2. The Secretary of the Senate is hereby directed to transmit a copy of this resolution to the "old Sourdoughs" of Anchorage, Alaska.

ORDER OF BUSINESS

The PRESIDING OFFICER (Mr. LEAHY). Under the previous order, the Senator from Delaware (Mr. BIDEN) is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, I want to apologize to the distinguished Senator from Delaware for the delay which has been occasioned by my remarks.

Mr. BIDEN. No apology is necessary. I found the remarks of the majority leader quite instructive and reassuring.

THE WILMINGTON BUSING CASE: INJUSTICE IN THE NAME OF JUS-TICE

Mr. BIDEN. Mr. President, for the past 6 years, the people of my State have been struggling with one of the most fundamental questions which the whole Nation must ultimately confront. What are the parameters of the 14th amendment of the Constitution which guarantees to all Americans, regardless of race, "equal protection of the laws?" Since 1971 when the basic school desegregation case for Delaware, Evans against Buchanan, was reopened, Delaware has

faced the prospect of a Federal court order requiring busing of 60 percent of its schoolchildren.

Throughout my career as a lawyer and as a Government official, I have been an outspoken proponent of the "equal protection" mandates of the 14th amendment and of the other civil rights and liberties guaranteed by the Constitution.

I have never doubted for a moment the wisdom and necessity of the Supreme Court's Brown decision nor have I doubted that the 14th amendment outlaws racial discrimination in public education or in any other governmental activity

However, I have always opposed court ordered busing to achieve racial balance in public schools. I am opposed to busing both because it is an unproved and unworkable social policy and because it frustrates rather than furthers the ultimate goal of "equal educational opportunities."

At the heart of my opposition is my firm belief that busing is unfair. In the name of a higher principle—equal justice—busing can result in a terrible injustice. I will summarize for you today the essential facts and law in the Wilmington case which provide a compelling example of that injustice.

My concern about busing is not parochial. I believe that the apparent irrationality of some Federal court school desegregation orders is beginning to have a fundamental effect upon the fabric of our legal system. In Boston, Louisville, and Detroit, many otherwise law-abiding families took to the streets because they believed busing to be irrational and arbitrary.

Hopefully, if the busing case happens to go through in my State, we will not have that upheaval, but, nonetheless, it cannot be ignored as having occurred.

Federal courts have mechanically applied the equal protection clause as if it were some religious imperative handed down from the heavens. The courts are not some priestly sect interpreting sacred text. The words of our Constitution are the conventional wisdom, the consensus of our society. When these words permit manifest injustice in the name of achieving justice, that consensus begins to erode. The Wilmington case, as it stands now, contributes to the erosion of that consensus. It is, I submit, a case of manifest injustice in the name of justice.

I would like to begin my presentation of the Wilmington case with a summary of the basic facts of the litigation. I ask unanimous consent that the summary of those facts, as summarized in the most recent brief of the Wilmington defendants, be printed at this point in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE CASE

This action was commenced in July, 1971, by the filing of a petition by a group of individuals purporting to represent a class of persons comprising all black students attending the public schools within the City of Wilmington, Delaware School District. In substance, the petition charged the defendant, Delaware State Board of Education, with denying the class which the petitioners purported to represent of the equal protection

of the laws in violation of the Equal Protection Clause of the Fourteenth Amendment of the United States Constitution. No statutory claims were asserted or considered by the trial court.

The petition sought to invoke the continuing jurisdiction of the District Court under the caption of Evans v. Buchanan, a case which had begun in 1956 on the complaint of black students of a rural school district in southern Delaware. Subsequent to the initial complaint in 1956, additional plaintiffs intervened from other districts in southern Delaware and that case proceeded as a class action affecting the entire State.

The 1956 litigation culminated in 1961 when a statewide plan of desegregation was approved by the District Court. Evans v. Buchanan, 195 F. Supp. 321 (D. Del. 1961). That plan provided for the immediate admission on a racially non-discriminatory basis of all Negro children desiring to attend formerly white schools. The plan also addressed the longer range problem of totally dismantling the dual system of public education in Delaware, which had earlier been described as a "maze" of overlapping school district boundaries. Steiner v. Simmons, Del. Supr., 111 A. 2d 574, 580 (1955). The longer range aspect of the Court approved plan provided for the elimination of the dual systems and the establishment of thirty unitary districts.

Except for a dispute about the attendance areas in one rural New Castle County School District in 1962, Evans v. Buchanan, 207 F. Supp. 820 (D. Del. 1962), the case was dormant from July 1961 when the District Court approved the plan for total integration throughout the State (including retention of the Wilmington School District's historic boundaries) until July, 1971 when the instant petition was filed.

The Wilmington School District was permitted to intervene as a party plaintiff on September 19, 1972, basically to advocate the position of the purported class. A three-judge court was convened on the ground that a state statute was under challenge. In December, 1973, and January 1974, trial was held before the three-judge court. This proceeding has been generally referred to by the parties and by the court as the "liability" hearing."

After briefing and argument, the District Court held that the vestiges of the dual system of education within the Wilmington School District mandated by law in Delaware prior to 1954 had never been totally eliminated. Evans v. Buchanan, 379 F. Supp. 1218 (D. Del. 1974). The court found no interdistrict violation but nevertheless ordered the State Board of Education to submit two remedial desegregation plans—one limited to the boundaries of the Wilmington School District and the other incorporating other areas of New Castle County in addition to Wilmington.

Shortly thereafter, the United States Supreme Court issued its ruling in Milliken v. Bradley. 418 U. S. 717 (1974) holding in essence that a constitutional violation limited to a single public school district could not constitute the basis for an equitable remedy incorporating multiple school districts. The District Court thereafter postponed the submission of plans by the defendant, pending further order of the court. The court also

The defendant, State Board of Education, designated the entire record subsequent to the filing of the petition in July 1971 in this proceeding as the record for this appeal, said record being filed on December 20, 1976. References to page numbers of the transcript of the liability hearing shall be denoted as follows in this brief: "Tr. L. 1018". References to exhibits marked at the liability hearing will be to the exhibit numbers given by the Court, thus: "DX-28" or "PX-177C". Reference to the transcript of the remedy hearing, thus: "Tr. R. 208".

reversed a previous ruling and ordered that any public school district in New Castle County which had not been a party to the action would have the right to intervene pursuant to Federal Rule 24. All suburban districts in the County did intervene with the exception of the countywide vocational district.

Following further briefing and argument, the District Court issued another opinion and order, Evans v. Buchanan, 393 F. Supp. 428 (D. Del. 1975), again directing the defendant to submit alternative intradistrict and interdistrict desegregation plans and enjoining the enforcement of the Educational Advancement Act of 1968, 14 Del. C. § 1004 (c) (2) and § 1004(c) (4). An appeal from this interlocutory judgment was taken to the United States Supreme Court, which summarily affirmed that judgment. Buchanan v. Evans, 423 U.S. 963 (1975).

Thereafter, the three-judge court held further hearings (the "remedy" hearings) concerning the alternative desegregation plans which had been submitted in response to its prior order. These hearings were held in .October, November, and December, 1975. The court then issued a further opinion, Evans v. Buchanan, 416 F. Supp. 328 (1976) and entered its final judgment on June 15, 1976. In essence, the remedy imposed provided that eleven of the twelve local school districts in New Castle County would be collapsed into a single super-district covering more than 250 square miles of urban, suburban, and rural territory and enrolling more than 60% of the public school students in the entire State of Delaware. The political entities which had previously governed public education in this area were to be dissolved and with them their individualized programs of administration, finance and curriculum. In addition, the trial court ordered that pupil assignment within the new, mammoth district would conform to a fixed racial quota within each grade in each school building. This judicial reorganization is to become effective no later than September 1, 1977, with full compliance with the racial quotas to be achieved in all grades no later than September 1, 1978.

A notice of appeal was filed by the defenddant on June 30, 1976, to this Court. On July 22, 1976, appeal was also taken directly to the Supreme Court in view of the fact that the remedy had been imposed by a three-judge court. On September 8, 1976, this Court granted the defendant's motion for leave to extend time to file the record until the jurisdictional issue was resolved in the Supreme Court and to stay consideration of the appeal in this Court until that time. On November 29, 1976, the Supreme Court dismissed the appeal for lack of jurisdiction. State Board of Education v. Evans, 45 U.S.L.W. 3394. This defendant promptly moved this Court to lift the stay previously granted and to permit this appeal to proceed in accordance with the Federal Rules of Appellate Procedure. This Court granted said motion on December 20, 1976.

STATEMENT OF FACTS

Delaware, the nation's second smallest State, has long displayed an intense desire on the part of its citizens to retain local control over its political institutions. That desire has been particularly evident in the retention of small public school districts which permit maximum parental involvement, contact and control, 416 F. Supp. at 336. At one time, in the nineteenth century, the Delaware educational system was com prised of approximately 425 "educational republics." 256 F. 2d 688 at 693. In general, each district contained a single school house serving those pupils residing within a radius of two miles from that building. Pursuant to an 1829 statute, the number of districts was reduced to 195. Further reductions took place over the years, particularly in rural, southern Delaware, where the ineconomies and educa-

tional inefficiencies of the tiny units were most pronounced. Larger, more efficient educational units appeared in New Castle County, particularly north of the Chesa-peake and Delaware Canal, and many of the present school districts in the County have historic antecedents and trace their origins to the nineteenth century or early twentieth

century. 393 F. Supp. 428, 433.

Historically, the City of Wilmington School District has been the largest, wealthiest, and by far the most independent educational entity in the State of Delaware. In 1852, nine United School Districts within the City of Wilmington were brought together under the governance of a newly incorporated board of education designated Board of Public Education in Wilmington' 10 Del. Laws 644. That body has controlled public education in the City of Wilmington ever since. In 1905, the boundaries of the Wilmington School District were defined by statute to be coterminous with the political boundaries of the City of Wilmington. 23 Del. Laws 92. This explicit statutory designation in 1905 confirmed the geographic identity of the Wilmington School District and the City of Wilmington which had existed for the preceding fifty years. This geographic designation has been explicitly carried forward in every amendment to the Delaware school laws. 32 Del. Laws 163 (1921); 37 Del. Laws 202 (1931); Del. Laws 172 (1965); 56 Del. Laws 292 (1968)

Prior to 1954, the Delaware Constitution mandated a dual system of public education. Desegregation began in northern Delaware, however, even prior to 1954, pursuant to the landmark decision in Belton v Gebhart Del. Ch., 87 A. 2d 862 (1952); aff'd. Gebhart v. Belton, Del. Supr., 91 A. 2d 137 (1952). Following the affirmance by the United States Supreme Court of the Gebhart decision, sub nom. Brown v. Board of Education, 347 U.S. 483 (1954) ("Brown I"), desegregation proceeded promptly in northern New Castle County. The Wilmington School District was permitted by the State Board of Education to begin desegregation prior to the Supreme Court's implementation decision, Brown v. Board of Education, 349 U.S. 294 ("Brown II").

The prompt, voluntary and substantial affirmative action taken in New Castle County was not matched in rural, southern Delaware and eventually led to the initiation of the Evans v. Buchanan litigation urging compliance in lower Delaware. In 1958, this Court acknowledged the prompt compliance representative of New Castle County. Evans Buchanan, 256 F. 2d 688, 690 (3rd Cir. 1958). In fact, this prompt and voluntary move toward compliance had been acknowledged three years earlier by the United States Supreme Court in Brown II. 349 U.S. at 299. In again dealing with the problem of compliance in lower Delaware in 1960, this Court stated in Evans v. Ennis, 281 F. 2d 385 (3rd Cir. 1960):

"In short, integration in the State of Dela-ware, which has already integrated many of its schools, particularly in the Wilmington metropolitan area, should not be viewed, gauged or judged by the more restrictive standards reasonably applicable to communities which have not advanced as far upon the road toward full integration as Dela-

ware." 281 F. 2d at 393.

Pursuant to the mandate of this Court in Evans v. Ennis, supra, the District Court approved a two-step plan which resulted in the integration of public schools in all of Dela-Evans v. Buchanan, 195 F. Supp. 321 (D. Del. 1961). The first step provided for the immediate admission on a racially nondiscriminatory basis of all Negro children desiring to attend formerly white schools. The second stage provided for the full integration of school facilities throughout the State and was to be accomplished by a new school code which eliminated the small and overlapping dual school districts and established thirty

unitary districts. Significantly, the plan, approved by the court below in 1961, retained the Wilmington School District, the largest, wealthiest, and most educationally advanced in the State, as geographically coterminous with the boundaries of the City of Wilmington, as it had been for more than 100 years.

The legislature, however, failed to pass the school code which had been proposed by the State Board of Education and approved by the District Court. Therefore, the State Board of Education undertook affirmative administrative action to eliminate the vestiges of the remaining dual systems within the State of Delaware. This vigorous action was so successful that the last remnants of the dual system were eliminated in June, 1967, three years in advance of the deadline which had been established by the court. This affirmative action by the State Board was so successful that Delaware earned the commendation of the Department of Health, Education, and Welfare as being the first Southern or Border State to completely eradicate the dual system (Tr. L. 2606). See 393 F. Supp. at 451.

Even after the dual system had been eradicated, there still remained many small and educationally inefficient school districts, primarily in southern Delaware. Therefore, the State Board again sought legislation which would achieve school district consolidation. In so doing, as the court below recognized (393 F. Supp. at 439), the emphasis was on the small, weak, and ineffective school districts in southern Delaware.

The proposal that was ultimately enacted into law as the Educational Advancement Act of 1968 was developed over a period of time with extensive input from educators, legislators, and parents. Public and educa-tional input was received from all parts of the state. A significant concern expressed throughout Delaware was the intense natural desire to retain local control over public education. This desire was rationally based upon a fear of educational structures that were too large and impersonal to responsibly handle the needs of individual children.

Educational Advancement Act. 56 Del. Laws 292, 14 Del. C. § 1001, et seq., passed by the legislature in 1968. The Act was intended "to provide the framework for an effective and orderly reorganization of the existing school districts of the State through the retention of certain existing school districts and the combination of other existing school districts". 14. Del. C. § 1001. Pursuant to the Act, the State Board of Education was subjected to an explicit timetable to develop a plan conforming to specific criteria, to submit the plan to local boards of education and to receive and pass on their objections to the

The legislative criteria contained in 14 Del. § 1004 are the legislative provisions significant in this action. 14 Del. C. § 1004(c) (2) provided that each proposed school district should have an enrollment of at least 1,900 and not more than 12,000. This size limitation, so much a part of the tradition of Delaware education, effectively excluded three school districts in New Castle County from consolidation with contiguous districts by the State Board of Education: Wilmington, Newark, and Alfred I. DuPont.

14 Del. C. § 1004(c)(4) carried over the statutory language pertaining to the Wil-mington boundaries, which had existed since by providing that the Wilmington School District would be the City of Wilmington with the territory within its limits. This language, which was surplusage so far as the possible consolidation of Wilmington was concerned because of the size limitations, was inserted because of the drafters' concern that the failure to include this language from existent Delaware statutes might create a problem under the Delaware Constitution which would necessitate a twothirds vote of the legislature. Because of the opposition to consolidation which existed in southern Delaware, there was considerable

doubt that a two-thirds vote could be achieved. None of the southern Delaware school districts is involved in the present case.

Because of this strong opposition in southern Delaware to consolidation of small districts, the vote on the legislation was indeed close, with the critical amendment passing by a single vote. The Act passed because it received its substantial political support from Wilmington and New Castle County and received the affirmative vote of every Wilmington representative, both black and white. A black Wilmington representative was among the sponsors of this beneficent legislation.

Wilmington and New Castle County, dur-ing the years following World War II, experienced the rapid demographic change and growth that has been universal in metropolitan areas in this country during that period. Rapid suburban growth, white emigration from the City and a significant immigration of black population into the City have resulted in the City being relatively black compared to the suburbs. These demographic changes have been reflected (and in fact magnified) in the racial composition of the schools. Between 1954 and 1973, the Wilmington School District experienced an increase in black enrollment from 3,572 to 12,141. At the same time, the white student enrollment decreased from 9,303 to 3,556 (PX-6). Thus, during this period, the percentage of black enrollment in the Wilmington School District had increased from 28% to 83%. It is essentially this fact of which the plaintiffs and intervening plaintiff complain, a set of demographic changes in no way attributable to actions by any of the defendants in this case.

Mr. BIDEN. This brief was filed in the U.S. Court of Appeals for the Third Circuit, where the Wilmington case is now on appeal. I attended the oral argument before the third circuit in Philadelphia on March 30. The summary of the basic issues in contest which follows is derived in large part from my review of the briefs of all the parties, my attendance at the oral argument, and the lengthy debates I have had with Justice Department officials about the case in the course of the confirmation hearings of the Assistant Attorney General for the Civil Rights Division and the Solicitor General. Incidentally, it was these two men's views on the busing questions which led me to oppose their nominations although I felt them otherwise well qualified.

Every school desegregation case requires a Federal court to conduct two basic inquiries. First, the court must determine whether there has been a violation of the equal protection clause of the 14th amendment. Has there been racial discrimination in providing public educational opportunities? Assuming the court determines that there was such a violation, the court must then determine the scope of the remedy necessary to place the injured parties in the same situation they would have been in had the violation not occurred. Even after 6 years of litigation, neither of these fundamental questions has been resolved.

The question of constitutional violation in the Wilmington school case and many other such cases was reopened last summer when the Supreme Court decided the case of Washington v. Davis, 426 U.S. 229 (1976). The Supreme Court decided in that case, that while the "equal protection" clause prohibits intentional discrimination by Government officials, it does not, as some courts have

assumed, create liability in Government officials for unintended racial consequences. In other words, school officials are not responsible for the outmigration of whites from urban areas thus creating ghetto schools.

Furthermore, the Supreme Court stated:

[We] have not held that a law, neutral on its face and serving ends otherwise within the power of government to pursue, is invalid under the equal protection clause simply because it may affect a greater proportion of one race than of another.

However, the basic premise of the purported constitutional violation in the Wilmington case is a State statute enacted in 1968. The district court concluded that the effect of that statute's exclusion of the Wilmington school district from State school board reorganizational authority was discriminatory since that district is predominantly black. However, the court explicitly found that there was no discriminatory motive or purpose.

It is important that my colleagues, hopefully, when reading this record understand what I am about to read from the court's decision:

We cannot conclude, as plaintiff's contend, that the provisions excluding the Wilmington District from school reorganization were purposefully racially discriminatory. To be sure, all legislators in Delaware in 1968 knew that Wilmington had a large black population, and most legislators may have known that the Wilmington School District was predominantly black. On the other hand, the focus of the legislators' concern in developing the consolidation provisions of the Educational Advancement Act was on small, weak, ineffective school districts, and while the effectiveness of schooling in Wilmington at this time has been disputed, it is clear that Wilmington had larger staffs and better programs than many Delaware school districts. Moreover, Wilmington had historically been treated distinctively in Delaware education, and there is evidence that its representatives were unwilling to forego certain aspects of this special treatment. No language in the provisions at issue makes any reference to race, nor evidently, did the legislative debates over the Act contain any reference to race. Finally, all Wilmington legislators, black and white, voted for the Educational Advancement Act. In short, the record does not demonstrate that a significant purpose of the Educational Advancement Act was to foster or perpetuate dis-crimination through school reorganization. (Emphasis added)

A more explicit violation of the Supreme Court's holding in the Washington against Davis case is hard to imagine. However, the plaintiffs and the Department of Justice in its amicus curiae brief insist that the district court's language is consistent with the Washington case.

The essence of that argument is that the 1968 statute must be read in light of the history of a dual system in Delaware. Although the statute had no explicit purpose, according to the Department of Justice, it was intended to keep Wilmington separate and thereby perpetuate the discrimination of Delaware's separate but equal system by isolating blacks in Wilmington. The argument further assumes that the State legislature had a continuing responsibility to remedy the past dual system which the 1968 act did not fulfill.

Parenthetically, that past dual system

to which I refer and to which the Department of Justice referred is the pre-1954—14 years earlier—statute that existed in Delaware.

At the heart of this argument is the assertion that there was a historic arrangement between suburban districts and Wilmington to perpetuate a dual system and, therefore, that the 1968 act is evidence of a continuing violation. Delaware was clearly a so-called de jure system. There did exist pre-1954 and subsequent to that, an obligation upon the State of Delaware to remedy this violation of the 14th amendment. However, Delaware promptly dismantled its dual system within a year of the Brown decision; had done all that need be done, in my opinion. Indeed, the Supreme Court commended Delaware in 1955 for the speed with which is complied with the year old mandate of the Brown de-

The plaintiffs point specifically to the fact that for a 1-year period, the 1954–55 school year, 191—hear me, 191—black students in the suburbs attended black schools in Wilmington. We are not talking about tens of thousands or thousands or even hundreds of children. One hundred and ninety-one black children were unfairly and wrongly not permitted to attend schools within the district in which they resided.

These 191 black students consisted of one-half of 1 percent of the students in the county at the time. The plaintiffs insist that this indiscretion, which affected a tiny fraction of the student population, served as the basis for a busing order affecting 60 percent of the students in the State two decades later. That, I submit, is injustice in the name of justice.

The second predicate for a constitutional violation in Wilmington is alleged housing discrimination. No one who has lived in Delaware, or anywhere in this country, can deny that there has been housing discrimination. And quite frankly, I believe it still exists across this Nation.

However, the amount of intentional unconstitutional housing discrimination was engaged in by private, nongovernmental parties:

The housing violations which the Court actually found to support this sweeping conclusion were as follows:

(1) The 1936 FHA Mortgage Underwriting Manual advocated racially and economically homogeneous neighborhoods. 393 F.Supp. at 434. No finding as to the cause and effect of this federal manual was made by the court below, other than to cite a 1971 speech by ex-President Nixon. Obviously, no attempt was made to attribute this manual to the defendant State Board of Education.

(2) Private racial discrimination in the sale and rental of housing was tolerated by the real estate industry and not terminated by State officials. 393 F.Supp. at 434. Of course, this undocumented conclusion by the trial court overlooks the fact that until the decision in Jones v. Mayer, 392 U.S. 409 (1968), private discrimination in such matters was not unlawful. The real estate agents, as legal agents for their clients, were obligated to honor their client's legal wishes. The record is undisputed that since 1968 and the passage of the Delaware Fair Housing Law, 6 Del. C. § 4601, there has been no discrimination in private real estate transactions.

(3) Deeds containing racially restrictive covenants were recorded in the County Recorder of Deeds office until 1973. 393 F.Supp. at 434. There is not a scintilla of evidence any such deed was recorded subsequent to 1948. The only evidence cited by the trial Court in support of its undocumented conclusion was the affirmative effort taken by the New Castle County Attorney in 1973 to insure that all recorded deeds would be physically reviewed and not recorded if any such language were found. Furthermore, the record was uncontradicted that no racially restrictive covenant was given force in the State of Delaware subsequent to 1948 and all private and public officials involved with real estate were explicitly aware that such covenants were without legal force.

The Delaware Real Estate Commission in 1959 republished in a pamphlet a Code Ethics of the National Association of Real Estate Boards, a private organization, which can be read to advocate that real estate agents should not attempt "block-busting" but should promote racial ho-"blockmogeneity, 393 F.Supp. at 434. This admonition of the private real estate group was subsequently deleted from the publication of the Delaware Real Estate Commission, which issues licenses to realtors in Delaware (TR. L. 511). Needless to say, the trial Court did not even attempt to make a finding concerning the specific effects of this admonition nor attribute it to the defendant State

(5) In 1965, a private board of realtors in Wilmington published a multi list which designated "open" listings where the owner was willing to sell to a minority buyer. 393 F.Supp. at 435. Such listings, in use nationwide prior to 1968, merely reflected the legal fact in the real estate industry that it was not illegal for private persons—

Although, in my opinion, absolutely outrageous, but not illegal—
to discriminate in the sale of their real estate. That situation was changed, of course,

by the decision in Jones v. Mayer, supra.

(6) The public housing authorities which have existed in New Castle County have built almost all of what public housing has been built within the City of Wilmington. 393 F.Supp. at 435. The Court does not attempt to determine a specific cause and effect in this regard, does not attempt to attribute it to the defendant school authority but does at least recognize that there are legitimate economic realities which exist in New Castle County as in most other metropolitan areas which have resulted in public housing being concentrated in the urban area. The decision in Arlington Heights, supra, establishes the lack of constitutional violations involved in such activity.

Mr. President, is it possible to ask for an additional 5 minutes?

Mr. ROBERT C. BYRD. Mr. President, I understand that Mr. Javits does not want the time allotted to him under the order. I ask unanimous consent that the distinguished Senator from Delaware may use such time as he may desire from the 15 minutes that was ordered for Mr. Javits.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIDEN. I thank the majority leader.

When I was New Castle councilman, I dealt with the issue of public housing. I fought hard and I fought long to put public housing projects in the suburban communities. It should be. That should happen. But it was not an attempt on the part of Government agencies to specifically exclude blacks from the county.

Mr. President, I agree with the Court

of Appeals for the Fourth Circuit which stated that, although housing discrimination, private or governmental, is deplorable, "* * * a school case, like a vehicle, can carry only a limited amount of baggage." The Supreme Court stated it more forcefully in the Charlotte busing case in 1971:

Our objective in dealing with the issues presented by these cases is to see that the school authorities exclude no pupil of a racial minority from any school, directly or indirectly, on account of race; it does not and cannot embrace all the problems of racial prejudice even when those problems contribute to disproportionate racial concentrations in some schools.

To hold Wilmington school officials responsible for the acts of private realtors is unjust and, to my mind, inconsistent with the Supreme Court's holding in the Charlotte case. It is one more example of injustice in the name of justice.

I have summarized the allegations of constitutional violation in the Wilmington case. Furthermore, the one colorable allegation involving 191 students over 20 years ago is simply not a "substantial" interdistrict violation, an essential prerequisite to an interdistrict remedy such as the massive urban-suburban busing ordered by the district court in Wilmington, which, I reemphasize, will bus 6 out of 10 children in the State of Wilmington.

This leads me to the second major controversy in the Wilmington case—and all school desegregation cases—the scope of the remedy. In summary, the district court in this case has ordered the State board of education to adopt a busing plan involving approximately 60 percent of our students, so as to achieve a 10- to 35-percent quota of blacks in each school in the Wilmington metropolitan area—which is essentially our State.

Mr. President, the rule which the courts apply in fashioning school desegregation remedies is to place the injured party or class in the same position they would have been in had the injury not occurred. I believe that there has been no substantial injury that deserves a remedy. Assume, for the sake of argument, that the court finds such an injury, that 191 student transfers 20 years ago or the fortuitous effect of the 1968 statute, constitute violations in either of these instances. There is absolutely no reason to believe that either of those acts, had they not occurred, would have resulted in a 10- to 35-percent presence of blacks in the schools of metropolitan Wilmington.

At the heart of the Wilmington case is the problem of residential racial separation. Blacks cannot afford to live in Wilmington school suburbs.

That is unfortunate, and would be resolved by economic policy, by housing patterns, and by attempts in this body and in other State legislatures to rectify that situation.

So we end up having predominantly black schools in Wilmington and predominantly white schools in the suburbs. This is a nationwide condition that must be addressed, but not by busing. It has little if anything to do with Government action in Wilmington or in most other urban centers. It has absolutely nothing to do with the acts of school officials in

Wilmington. It cannot be cured by a massive busing order in Wilmington or any other city.

It cannot be cured, furthermore, and I am confident it cannot be, by any busing order that envisions elimination of those school districts.

Furthermore, I am confident that the progress we have made in race relations in Delaware will be jeopardized and that equal educational opportunities will be undermined by such an order.

And I come from the other side of the fence on this, Mr. President. I was a criminal defense lawyer, a public defender, representing dissident groups within the community. I have been in my legal practice the black man's lawyer. My civil rights record, my activities, all that I have done since I have been in this body, are consistent with the position that is that blacks are given the short end of the stick in our society and we have an obligation to remedy that.

But it seems to me that all the work we are doing to better relations between black and whites in this country, and in my community, will force a setback and not a move forward by this ill-conceived policy.

Last week, I introduced legislation which will stop the Wilmington busing order and all similar orders, were to pass. In brief summary, it takes the following two principles from the Supreme Court decisions in Washington against Davis and the Charlottee case and enacts them into statutory law. It essentially says:

Busing cannot be ordered:

based solely upon evidence of discriminatory effect, or

(2) private discrimination beyond the control of school officials.

Remember the Supreme Court's quote:
Any vehicle can only carry so much bag-

The schools are having enough trouble teaching children how to read and write, let alone solving the social problems created by agencies and/or individuals beyond their control.

I believe that my legislation will correct the injustice of the Wilmington case and other cases where the pursuit of the goals of the 14th amendment have led to irrational and arbitrary results. I have struggled throughout my Senate career to fashion legislation that can achieve that goal without doing violence to the "equal protection" goals of the 14th amendment. I am satisfied that this legislation will do just that. In the end, it will strengthen the 14th amendment because it will again make the "equal protection" clause a practical reality. It will restore credibility and rationality to that basic goal of our society by regenerating the public consensus necessary to implement the "equal protection" clause and the rest of the Bill of Rights.

I thank my colleagues for listening. I particularly thank the majority leader for extending my time. I appreciate the indulgence of the Chair.

(There was a disturbance in the galleries.)

Mr. ROBERT C. BYRD. Mr. President, I ask that there be order in the galleries.

The PRESIDING OFFICER. The ma-

jority leader is correct. The Chair would remind the galleries that they are guests of the Senate. They are there under the same instructions as Senators are, to maintain order and decorum at all times during the sessions of the Senate.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senator from Oklahoma (Mr. Bartlett) is recognized for not to exceed 15 minutes.

THE ADMINISTRATION'S COMPRE-HENSIVE ENERGY PROGRAM

Mr. BARTLETT. Mr. President, the Congress and the American people are presently awaiting with great expectations the unveiling of the administration's comprehensive energy program. Although the program will not be formally presented for 2 weeks, we have received some indication of the directions to be taken from statements of the President and members of his Cabinet and by various bills already introduced in Congress and supported by the administration. Among these developments are a statement by the President to the effect that his forthcoming program will be strongly reliant on mandatory conservation, a statement by Dr. Schlesinger that the development of breeder reactors will be delayed for some time to come, the introduction of the Surface Mining Control and Reclamation Act, the Outer Continental Shelf Lands Act amendments, and the Coal Utilization Act.

I regret to say that these already publicized positions and measures, constituting a large portion of the ultimate Carter administration energy package, fall far short of realistic hopes and expectations for a rational, workable energy policy for the United States.

In fact, the program I see taking form is not just a failure, but a farce, one in which the Federal Government will continue to suppress energy development—as it has done for the last several years, force consumers to restrain energy consumption, and somehow hope that America will conserve itself into energy abundance. Such a program to "accentuate the negative" may appease those who want cheap energy while it lasts, or the radical environmentalists who prefer no energy, but it continues to ignore the legitimate energy needs of our Nation, its economic growth, its military strength, and the basic energy demands of its people for jobs and a good standard of living.

An area of particular disappointment which I would like to address today concerns coal, one of America's four primary energy resources for now and the remainder of the century. Administration policies now being formulated and legislation which has been offered, presumably in concert with the administration's forthcoming "Energy Program," will deny the coal industry the integral role it might otherwise play in solving our energy problems.

Two conflicting measures before the Senate will have a disastrous, crippling effect on this vital part of our energy industry. One is S. 977, the "Coal Utilization Bill" which mandates conversion

from oil and natural gas to coal for electrical generation and industrial boilers. This measure is designed to promote the use of coal in place of other basic energy resources—and I certainly support the conversion of natural gas from boilers to coal—however, it is destined for failure, because of other aspects of the discordant energy program that is developing.

While S. 977 promotes coal utilization, another measure before the Senate works in exactly the opposite direction, discouraging coal production. S. 7, erroneously termed the surface mining bill, is instead a ban-surface mining bill, an anticoal production bill. The measure has gone far beyond reasonable regulation of coal mining and reclamation to effectively prevent the strip mining of coal, in favor of the more expensive and less productive deep mining of this resource.

These two measures, working in totally opposite directions, are representative of the overall energy effort as it now stands before the Congress and the administration. We have known for some time that only full production of the four basic energy resources available to us in quantity can supply America with the energy it needs for the rest of the century.

And yet, our policies with regard to the four resources—oil, gas, coal, and nuclear energy, continue to discourage rather than stimulate increased development of these resources.

In the days ahead I intend to comment in detail on the policies being formulated regarding these resources, and how these policies together form a blueprint for energy disaster in this country.

If we review very briefly the 4-year period that has just passed, virtually every action taken by Congress on energy has reduced the capability of our energy industry to produce domestic energy.

The incentives have been removed and replaced with negative incentives. The price has been rolled back to reduce the natural incentive of the marketplace to invest in more and more drilling, to produce more and more oil and gas.

So it is very important that Congress look at the existing parts of the administration's energy program and assess them; and I believe Congress will come to the conclusion that, with the positions taken by the administration and the measures supported by the administration, we are not going to be able to realize the potential coal production we could otherwise, with no action; that we will not be able to have the nuclear energy that we desperately need, that we otherwise would have with existing programs permitted to continue, particu-larly in the breeder reactor area; that with the Outer Continental Shelf bill, if it passes as it is now submitted to Congress, we will not have sufficient drilling in the Outer Continental Shelf and development of those resources to fill the need we have for more domestic oil and

However, this is just a part of the total Carter package. We are not sure what the missing links are as yet, but we will see yery soon.

Regardless of what is in the part that has not been announced, I do not see how we can have a workable energy program

that is going to provide the needs of this Nation. Congress must look very closely at what is presented to it, so that we will develop a workable energy program that will resolve our problems, reduce our dependency on OPEC nations, provide the power for jobs—more and better jobs for this Nation—strengthen our economy, and assure us that our national defenses are strong.

It used to be that we would limit our imports of oil to 10 percent of our production for national security reasons. Today we are bringing in 50 percent of production by imports. This shows a foolish dependency on foreign sources of oil that we know are not reliable in all conditions.

So I tell my colleagues that I will continue analyzing the various aspects of the administration energy program as time goes on and as more parts of it are made known to all of us. But I think it is vital that Members of the Senate pay very close attention to all facets, so that we can develop a sensible program that will do the job for every American.

LOCAL PUBLIC WORKS CAPITAL DE-VELOPMENT AND INVESTMENT AUTHORIZATIONS

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. RANDOLPH, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 11.

The PRESIDING OFFICER (Mr. Harry F. Byrd, Jr.) laid before the Senate a message from the House of Representatives announcing its insistence upon its amendment to the amendment of the Senate to the bill (H.R. 11) to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. RANDOLPH, I move that the Senate disagree to the further amendment of the House to H.R. 11 and agree to the request of the House for a conference, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Randolph, Mr. Muskie, Mr. Burdick, Mr. Bentsen, Mr. Anderson, Mr. Moynihan, Mr. Stafford, Mr. McClure, Mr. Domenici, and Mr. Chaffe conferees on the part of the Senate.

POSTPONEMENT OF EFFECTIVE DATE OF CHANGES IN THE SICK PAY EXCLUSION

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 1828, which will be stated by title.

The assistant legislative clerk read as

A bill (H.R. 1828) relating to the effective date for the changes made by the Tax Reform Act of 1976 to the exclusion for sick pay.

Mr. LONG. Mr. President, as I believe Senators know, this bill, the counterpart of which has been sponsored on this side by the Senator from Kansas (Mr. Dole) and others, provides that the provisions relating to sick pay would not be effective for the calendar year 1976.

There has been a great deal of discussion about that. I am sure Senators have received a great deal of mail about it. I have.

Mr. President, H.R. 1828 generally postpones for 1 year the effective date of the sick pay revisions made by the Tax Reform Act of 1976.

Last year the Congress made extensive changes in the taxation of sick pay. In general, the Tax Reform Act repealed the sick pay provisions and substituted a more restricted, disabilty income exclusion. Several other major changes in this provision were made by the 1976 act. These changes include: The exclusion is availabe only to taxpayers who are permanently and totally disabled; the exclusion is phased out for adjusted gross incomes of more than \$15,000; and, under certain circumstances if a taxpayer wishes to recover tax-free the amount of any contributions he or she made to an annuity program, the taxpayer must make an irrevocable election not to claim sick pay exclusion for that year and any subsequent year.

The Tax Reform Act of 1976 which required almost 2 years of legislative work did not become law until October 4, 1976, but the sick pay revisions were applicable back to January 1, 1976. By October 4, 1976, many people had received amounts which were excludable as sick pay under the old law, but not under the new law. Many of these taxpayers did not fully realize that they were affected by the changes until they started to prepare their tax forms and instructions this year, and had to come up with extra money to pay the increased tax liabilities.

This bill relieves taxpayers of these unanticipated tax increases by generally postponing for 1 year the effective date of the sick pay revisions. Under this bill, the sick pay provisions generally begin to apply in 1977—that is, for taxable years beginning after December 31, 1976.

The bill also contains a number of technical provisions designed to protect people who made certain elections under the 1976 act's sick pay revisions. These people will be given the opportunity to revoke those elections and make new elections beginning in 1977 or at a later date.

Also, for some people the Tax Reform Act rules reduce current or future tax liability. For those relatively few people who prefer the 1976 act rules, the bill permits them to stay on those rules for 1976. Under this bill, taxpayers are permitted to choose whether they want 1976 as their last year under the old rules or their first year under the new rules.

This bill is estimated to cause a onetime \$327 million reduction in receipts, all in fiscal year 1977. The third concurrent budget resolution, as agreed to by the Congress, provides sufficient room for this revenue reduction.

Mr. President, I believe the relief provided by this bill is fair and reasonable. The Finance Committee unanimously recommended that this measure be passed by approving identical language on the tax stimulus bill.

I know of no objection to this amendment. I am informed that at least one or

two amendments will be offered, and I can agree to at least one of them. I believe the Senator from Connecticut has an amendment he wishes to offer.

UP AMENDMENT NO. 148

Mr. RIBICOFF. Mr. President, I send an amendment to the desk on behalf of myself, Mr. Bartlett, and Mr. Matsunaga.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. Ribicoff), for himself, Mr. Bartlett, and Mr. Matsunaga, proposes an unprinted amendment numbered 148:

At the end of the bill, add the following:
Sec. EFFECTIVE DATE FOR CHANGES IN
TREATMENT OF INCOME EARNED
ABROAD BY UNITED STATES CITIZENS LIVING OR RESIDING ABROAD
Subsection (d) of section 1011 of the Tax

Subsection (d) of section 1011 of the Tax Reform Act of 1976 is amended by striking out "December 31, 1975" and inserting in lieu thereof "December 31, 1976".

Mr. RIBICOFF. Mr. President, my amendment delays for 1 year the effective date of the provision in the Tax Reform Act of 1976 which substantially changed the tax treatment of income earned abroad by U.S. citizens.

Prior to the 1976 act, U.S. citizens could exclude up to \$20,000—and in some cases \$25,000—of income earned abroad during a period in which they were overseas for 17 out of 18 months or during a period they were bona fide residents of a foeign country. The 1976 act generally reduced this exclusion to \$15,000 per year-although a \$20,000 per-year exclusion was retained for employees of charitable organizations. In addition, the act made three substantial modifications in the computation of the exclusion: It disallowed any foreign tax credit for taxes paid to foreign governments on excluded income; it taxed any additional income of these individuals at the higher rate brackets which would have applied had the excluded income been subject to tax; and it required that income eligible for the exclusion not be received outside of the country where earned.

Although the Tax Reform Act of 1976 was not enacted until October 4, 1976, these changes in the earned income exclusion applied to all income earned in 1976 for calendar year taxpayers. This retroactive effective date has caused considerable hardship for many individuals who could not have known for most of 1976 that they would be subject to substantially higher taxes for that year. The amendment recognizes that the hardship resulting to these individuals is substantialy greater than the small amount of revenue involved-approximately \$38 million. Thus, the amendment delays the effective date of this provision until taxable years beginning in 1977.

This matter was brought before the Committee on Finance at the same time as the exclusion for sick pay, and I believe it was voted on unanimously by the entire committee. I appreciate the willingness of the manager of the bill to accept this amendment.

Mr. MATSUNAGA. Mr. President, will the Senator yield?

Mr. RIBICOFF. I am pleased to yield

to the distinguished cosponsor of this amendment.

Mr. MATSUNAGA. Mr. President, I suport the Ribicoff-Matsunaga-Bartlett amendment which would delay from December 1, 1976 to December 31, 1977, the effective date of the provision in the 1976 Tax Reform Act which changes the tax treatment of income earned abroad by U.S. citizens.

This is an appropriate time for the consideration of this amendment; the same reasons which lead the House to enact H.R. 1828 also support the adoption of the present amendment. As with the changes in sick pay exclusion, the 1976 Tax Reform Act changed retroactively the tax treatment of Americans living and working abroad. Although the act became law in October of 1976, its provisions were made applicable back to January 1, 1976.

Taxpayers rightfully deserve the opportunity to plan and to prepare for the payment of added taxes imposed by the change. However, because of the late passage of the 1976 act and its retroactive application, many U.S. citizens abroad did not anticipate the tax increase. Many did not realize the changes had been made, until they examined the tax forms and were preparing to file their tax returns for this year.

The new provision caught these taxpayers unprepared. They had not made quarterly declarations and withholdings to satisfy the new law. Many would incur, in addition to the tax, interest and penalty because of the 1976 act's retroactive application.

These U.S. citizens abroad are honest taxpayers; they wish to comply fully with U.S. tax laws. Nonetheless, a retroactive change which materially increases their tax liability for a year already passed, cannot help but rankle their sense of fair treatment.

I do not wish to argue the merits of the changes in the tax treatment of income earned abroad today. I only wish to direct your attention to the inequity that results from the retroactive application of that change. I urge the Senate to adopt this amendment to correct this inequity. As amended, the bill, H.R. 1828, would restore fairness of our tax system to two groups of taxpayers—those who received sick leave compensation and those who worked abroad.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield.

Mr. CURTIS. I thank the distinguished Senator from Connecticut.

Mr. President, I support wholeheartedly this amendment as well as the provision in reference to sick pay. I think both are meritorious as to content.

In addition, I believe that Congress should always refrain from retroactive taxation unless there are some very unusual circumstances.

The tax load of all our people is so heavy that we owe it to them to let them know ahead of time what their burdens will be, so they can make proper arrangements, and we should not place on them an undue hardship by reason of retroactivity.

I commend the Senator for offering this amendment, I shall support it.

Mr. RIBICOFF. I would just make one

comment. In November 12 Senators went abroad under a Senate resolution. We met with American residents abroad. We said that:

Here are 12 Senators who would like to hear the thoughts of Americans living abroad.

We had two meetings in Iran, attended by some 300 people, and I never heard such universal outrage. These were not people in business or earning a lot of money; these were Americans with ordi-

nary jobs.

As the distinguished Senator from Nebraska said, they were having withholding taken out of their wages, and suddenly they were confronted with a big tax bite, and they did not have the money to pay for it. They were not talking about what would happen in 1977 with respect to retroactivity.

I see the distinguished Senator from Michigan is on the floor. While not a single one of those people was a Connecticut constituent, I think all of us felt their cause so deeply we said we would fight for them when we got back to the

Senate.

Mr. GRIFFIN. Mr. President, will the Senator from Connecticut yield for a brief comment?

Mr. RIBICOFF. I would be pleased to vield.

Mr. GRIFFIN. I want to associate myself with the remarks of the distinguished Senator from Connecticut, who was the chairman of the delegation which made that trip into the Middle East last November, and I am glad to indicate he reports exactly correctly.

At his suggestion, which I thought was a very good one, our group had a meeting with Americans living abroad in various

countries in which we traveled.

The one universal, uniform complaint we heard was this particular provision which was made retroactive insofar as the taxation of income of Americans living abroad was concerned.

I support this amendment of the Senator from Connecticut. It does give relief insofar as retroactivity is concerned.

I also hope, however, that the Committee on Finance perhaps would spend a little more time on the policy questions involved as to whether or not we want it to take effect at the end of the year or whether it needs some further modification.

I think there is some serious question as to whether we are actually helping or hurting the employment of Americans and what the impact, the serious question of what the impact, would be on U.S. business that is operating abroad.

I think some of those questions, perhaps-and I say this not as a member of the Committee on Finance-need a closer and more comprehensive study.

Mr. RIBICOFF. I thank my distinguished colleague.

I yield to my cosponsor, Senator Bart-LETT of Oklahoma.

Mr. BARTLETT. I thank the Senator from Connecticut for yielding. I express to him and to the floor manager my appreciation of their sponsorship and acceptance of this amendment.

One of the reasons why I voted against the Tax Reform Act last year was the provision in the law that changed the tax treatment of Americans working

abroad. Because of those changes I introduced a bill on the 20th of January 1977, to substantially return that treatment to what it was before the 1976 law. addressing the policy question that was mentioned by the Senator from Michigan. I later offered another bill to remove the retroactive provisions which the amendment of the Senator from Connecticut now addresses.

I will give you the experience of just one company, since I understand the Treasury Department has said this provision will only amount to revenue gains of only \$40 million. One company in Oklahoma. Halliburton, which is an oilfield service company that serves the drilling of wells, production of oil and gas all over the world, has estimated that the increased employee costs to them for 1976 will be \$9 million.

Halliburton is not a huge company. You can see that for the operations of many companies and for many individuals in foreign lands that this amounts

to a very severe blow.

Certainly, as the Senator stated, surprising them with a tax change which they were not expecting was a severe financial blow, but also I think it really hurt their pride. I think most of the Americans overseas feel they are ambassadors for the United States, very good ones in most cases.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. BARTLETT. They do a lot for this country that we are not aware of.

Yes, I yield.

Mr. CURTIS. I commend the Senator on his remarks. This goes far beyond the employees there. The companies for whom they work must compete with industrial companies from all over the world. If we do not continue this tax treatment, fewer American companies will have employees abroad, and all of these employees abroad are creating jobs for people back home because the parent company is sending things, manufacturing things, and it opens up the avenues of trade and banking for more goods

So, in addition to the fact that this matter we are correcting today is unfair to the employees, it is also a very uneconomic thing from the standpoint of

our general economy.

Mr. BARTLETT. The Senator is certainly right because the management of Halliburton informed me very early, before the Tax Reform Act passed, that they would not be competitive in certain areas because of the anticipated increases in salary payments they would have to make, and that they would be replacing Americans with foreign nationals in some positions. So it would affect the "ambassadors" and the goodwill citizens of our country who do a great job for the United States all over the world.

I will say this to the Senator from Connecticut and also to the floor manager of the bill. I hope that the Committee on Finance will look very carefully at the questions of fairness and policy involved in this matter, as was stated by the Senator from Michigan. After this amendment does become law it will provide enough time to make a sensible study of whether it is really in the best interests of this Nation to tax the earnings of people. Americans, working in foreign areas as we now do.

But I do thank the Senator from Connecticut very much for his leadership in this area. I think it is a very important amendment to be passed.

Mr. DOLE. Mr. President, I support-in fact will be glad to join in cosponsoring-the amendment of the distinguished

Senator from Connecticut.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the distinguished Senator from Kansas, the Senator from Michigan, the Senator from Nebraska, and the Senator from Utah (Mr. HATCH) be listed as cosponsors.

The PRESIDING OFFICER. Without

objection, it is so ordered.

Mr. DOLE. I do not want to take any time. I just wanted to ask the distinguished chairman of our committee if the House will agree to this amendment and any other amendments so that we can have this bill passed today? We have a time problem. I strongly support the amendment. I wonder if the Senator has any information about whether the House will accept these amendments.

Mr. LONG. I am led to believe that while the House may not be unanimously in favor of the amendment as we were on the Committee on Finance, the House, I think, will be favorable to it. I believe there is good reason for optimism that the House will accept the amendment.

This amendment, plus anything else we are going to do on this bill, should be done in about the next hour because f am told the House may adjourn within the next 2 hours, so we want to be sure we get it there before they go out.

Mr. DOLE. I appreciate that comment because I understand they may adjourn by 3:30 and, of course, we are faced with an April 15 deadline, and many of these people who are directly involved in the sick pay exclusion and also the amend-ment of Senator Ribicoff need to know immediately. I certainly support the amendment.

Mr. CURTIS. Let us vote on the amendment.

Mr. LONG. I also favor the amendment. I hope the House will agree to it, and I am confident it will.

Mr. BUMPERS. Mr. President, will the Senator yield me 60 seconds? I would like to say, first of all, I know the amendment is going to be accepted, and even if we are going to have a rollcall vote on it I think I probably would support it. But I would like to say that I was on a trip to the Middle East with the distinguished Senator from Connecticut in November, and every place we went we tried to meet with as many Americans as we could.

This was the first thing we were always hit with. They were terribly disenchanted because we were taking this exemption away from them.

I would like to say that I have some reservations about repealing this. I guess I was one of the people in the Senate who would admit he knew it was in the bill at the time the bill was passed. I did know it was in there. One of the reasons why I had reservations about it was because defense contractors used this in employing people. They reminded them that they make \$25,000 in Iran, and that is \$25,000 of tax-free money, no

deductions, and that is the equivalent of anywhere from—well, for example, when I was making \$44.4 thousand as a U.S. Senator, my take-home pay was about \$25,000 a year, and that is what

it is comparable to.

So if you look at it from that basis it means we are, in effect, subsidizing defense contractors who do indeed send literally thousands of people all over the world. Their argument is that this is the only way they can compete with the Germans, the French, and the British and other arms manufacturers who sell in the international market.

I personally do not think it is a good argument, but I do recognize many of those people, who signed fairly long-term contracts on the assumption they were going to receive a certain amount of money, and it would not be taxable, probably should not be penalized by the legislation we passed last year. But I wanted to express my reservations about

Mr. LONG. Mr. President, of course, the amendment applies only to the year 1976. This deals with something that is on a bill that we enacted in October 1976. While it is true that some of the best advised taxpayers know what the House Ways and Means Committee is talking about, know what the House of Representatives has passed, and know what bills come from the House of Representatives and the Senate, the average taxpayer does not know about anything of that sort of thing until it becomes law. and this is how the average accountant does business. So they are not in position to advise on those things until it becomes law

In that respect, they have as good point as do the people involving sick pay, to say they did not know about all this and it took place in a bill passed in October. For 10 months of the year the law was favorable to them and, if we are going to do this to them, we at least should not do it retroactive; it should be prospective. So they can make the argument, and I think at least on that basis, even if we do not fully agree with their argument we can justify a vote to say that the effective date would be January 1, 1977, rather than January 1, 1976.

Mr. RIBICOFF. That is correct.

Mr. CURTIS. Vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.
Mr. STONE and Mr. CURTIS ad-

Mr. STONE and Mr. CURTIS addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida is recognized.

UP AMENDMENT NO. 149

Mr. STONE. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows: The Senator from Florida (Mr. Stone), for himself, Mr. Huddleston, Mr. Ford, Mr. Packwood, and Mr. Williams proposes an unprinted amendment numbered 149.

Mr. STONE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

- At the end of the bill add the following new section:

SEC. . WITHHOLDING TAX ON CERTAIN GAM-BLING WINNINGS.

(a) IN GENERAL.—Subparagraph (C) of section 3402(q)(3) of the Internal Revenue Code of 1954 (relating to sweepstakes, wagering pools, and other lotteries) is amended to read as follows:

"(C) Sweepstakes magazing and the control of the control of

"(C) Sweepstakes, wagering pools, certain parimutuel pools, jai alai, and lotteries.—Proceeds of more than \$1,000 from—

"(i) a wager placed in a sweepstakes, wagering pool, or lottery (other than a wager described in subparagraph (B)), or

"(ii) a wagering transaction in a parimutuel pool with respect to horse races, dog races, or jai alai if the amount of such proceeds is at least 300 times as large as the amount wagered.".

(b) EFFECTIVE DATE.—The amendments made by this section apply to payments made after April 30, 1977.

Mr. STONE. Mr. President, this amendment was originally to be offered by Senator Huddleston, along with Senator Ford. Senator Packwood and myself had asked to be cosponsors. Unfortunately, Senators Huddleston and Ford had to go to Kentucky today because of the disastrous floods in the eastern portion of their State.

The amendment I am offering modifies the withholding requirement enacted in the 1976 Tax Reform Act on proceeds of wagers placed in parimutuel pools with respect to horse races, dog races, and jai alai. It provides for a withholding tax of 20 percent on proceeds of a wagering transaction if the proceeds are \$1,000 or more and are at least 300 times as large as the amount of the wager. The present law imposes a 20-percent withholding on wagering proceeds of \$1,000 or more regardless of odds.

Mr. President, this amendment will make the withholding provision conform to what many of us, and also the Commissioner of the Internal Revenue Service, thought we were enacting in the tax bill last year. The law as it now stands is unworkable. Dr. Larry Woodworth, Assistant Secretary of the Treasury for Tax Policy, recognizes the problem. In recent testimony before the Ways and Means Committee, he stated that:

We realize that the new withholding requirement creates problems, and we would support legislation to reduce these.

My amendment is explained in more detail in the written statements of Senator Huddleston and Senator Ford and I shall ask unanimous consent for these statements to be made a part of the Record.

I should also mention that the House Ways and Means Committee has reported a bill, H.R. 4090, which corrects the law along the same lines as my amendment, but imposes only a 10-percent, rather than a 20-percent, tax on proceeds subject to withholding. This bill is now awaiting floor action in the House.

Mr. President, it is my understanding that the Internal Revenue Service and the Treasury Department have no objections to this amendment as offered.

The State of Florida receives in direct tax revenue more than \$25 million annually from pari-mutuel racing. My concern about the withholding on gambling winnings imposed by the Tax Reform Act of 1976 is that it will have an adverse affect on the revenue received by Florida as well as approximately \$690 million in revenue received by the 32 other States which benefit from parimutuel racing. The amendment I offer today will minimize the amount of revenue which will be lost by Florida and other States as a result of Federal withholding tax.

Florida also ranks third in production of thoroughbred foals, having produced 18,392 foals in the decade from 1965-74 and I can proudly state that we produced 10.6 percent of the stakes winners in the country, an inordinate percentage considering the number of foals produced. It is illustrative of the size and scope of the horse industry in my State that more than 92,000 acres are devoted to raising thoroughbreds alone, and those lands have an estimated valuation of \$46 million. Stud fees for stallions standing in the State amounted to \$7,-237,000 last year, public auctions grossed in excess of \$11 million, and it is esti-mated that the thoroughbred broodmare population is worth an additional \$40 million.

That, Mr. President, encompasses the thoroughbred breeding industry alone, and we are also graced with large and viable, standardbred, quarter horse, and pleasure horse industries. Additionally, there are thousands of employees at our racetracks and farms, who pay income taxes and sales taxes.

I think it can safely be said that the horse breeding industry is a large and productive part of the economy in the State of Florida.

Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the distinguished Senator from Kentucky (Mr. Huddleston).

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR HUDDLESTON

The amendment I am proposing modifies the rules established by the Tax Reform Act of 1976 in regard to the withholding of income tax on winnings from wagers placed in parimutuel pools with respect to horse races, dog races, or jai alai.

Before the 1976 Act, withholding on race-track winnings was not required, although payouts of \$600 or more to winners of daily doubles, exactas, and similar wagering pools were reportable on information returns. The Internal Revenue Service enforced this requirement only where the odds were 300 to one or higher. To deal with some underreporting of gambling winnings on income tax returns, the 1976 Act supplemented the information reporting requirement with a provision for withholding 20 percent of net winnings of more than \$1,000 from sweepstakes, wagering pools, and lotteries.

During the conference on the 1976 Act, many people, including the Commissioner of Internal Revenue, as well as Members of Congress and their staffs, understood that, as to parimutuel pools with respect to horse races, dog races, and jai alai, winnings over \$1,000 would be subject to withholding only if the odds were at least 300 to one. However, the law as enacted did not include any odds requirement. The Internal Revenue Service has concluded that it is generally not productive to enforce reporting of winnings based on low odds.

This amendment provides that withholding in the case, of those kinds of parimutuel pools, will be required on winnings of more than \$1,000, but only if the amount of the

winnings is at least 300 times the amount of the bet.

It is my intent by this amendment that aggregation will not apply to parimutuel pools for horse races, dog races, and jai alai. Under the amendment, withholding should only be required if the proceeds are \$1,000 or more and only then if the proceeds are at least 300 times as great as the amount of the wager with each wager considered separately. It is my understanding that it is impractical to enforce any aggregation rules with respect to parimutuel wagering.

The changes made by this amendment will apply to proceeds paid after April 30, 1977.

The revenue impact of these changes are estimated by the Joint Committee on Internal Revenue Taxation to be within the Third Concurrent Budget Resolution.

The amendment is designed to meet minimum needs at this time and is not an endorsement per se of the concept of withholding on parimutuel winnings. The distinguished Commission on the Review of the National Policy Toward Gambling concluded

in its first report last year that

. . . the withholding measure will increase the advantage to illegal operators, generate minimal revenues to the Government, and unnecessarily increase administrative burden to the legal gambling businesses. . . If, upon reexamination, Congress finds the proposed withholding tax to be destructive of existing legal gambling industries, the Commission recommends that these withholding provisions be repealed."

In light of these findings, I believe that it would be appropriate if the Internal Revenue Service, the Department of the Treasury and the Department of Commerce would cooperate with all segments of the parimutuel industry in determining the ultimate productivity of withholding.

The study should determine:

(A) The effect of withholding on the "churn" of parimutuel dollars to determine whether withholding these winnings produces enough net federal revenue to offset the loss of revenue to the states;

(B) If winnings of less than \$1,000 are not ultimately offset by losses, with the end result that the IRS and the industry will subject themselves to considerable additional administrative expense without comensurate benefits in the form of government revenue;

(C) Whether the confusion engendered by the adoption of different parameters for reporting of parimutuel winnings and withholding from them will not be counterproductive both for the industry and for the federal government.

(D) If the revenue to be derived from such withholding in reality is consistent with the

IRS estimates of said revenue: and

(E) Finally, and most importantly, if the addition of withholding on the parimutuel industry drives the bettors from the sources of wagering into the hands of illegal bookmakers who do not withhold.

Along with passage of this amendment, it is essential that they study these potential areas of counterproductivity and report back to Congress within a reasonable time after

date of enactment.

The racing and breeding industries have contributed significantly not only to the tourist industries and quality of life in the 33 States which have parimutuel racing, but have made significant financial contributions as well. In the four decades since accurate records have been kept, the various States which conduct parimutuel wagering have received in excess of \$11.25 billion in direct parimutuel revenue, in addition to which they have received untold billions of dollars in additional, less obvious, revenues from sources such as property taxes, payroll taxes, sales taxes on admissions, concessions, farm equipment, on the sale of horses, and even on breeding fees for, in most states, horses are the one breed of livestock which do not fall under agricultural exemptions from sales tax on breeding fees.

There are more than 230,000 people in this country today who are licensed to make their living at the racetracks, and they must be supported by more than 100,000 additional workers directly employed in the breeding and raising of these horses to race.

These are mainly unskilled people, who might find it difficult to find employment in more specialized fields. Also, there are thousands of others in supportive industries which provide feed, equipment, housing and informational services to support the racing and breeding of horses in the United States.

In my State of Kentucky alone, Mr. President, the thoroughbred industry is estimated to be worth \$1 billion, and the annual sales taxes on thoroughbred stud fees alone annually amounts to more than \$1.5 million. Our own direct parimutuel revenue is estimated to have been \$12.5 million in relatively "painless" and "cheap" revenue, revenue which would have to be made up somewhere else if it were not for the racing industry.

I urge the Senate to pass this amendment, which merely makes the law into what we thought the law would be when we passed the 1976 Act.

Mr. STONE. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the distinguished Senator from Kentucky (Mr.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR FORD

This amendment is quite simple. It re quires the withholding of 20 percent of the winnings at race tracks when the odds are at least 300 to 1 and when the winnings exceed \$1,000.

The present provision may be workable, but it certainly is impractical. It involves the aggregation of tickets which is extremely difficult, if possible, to implement.

The House Ways and Means Committee has reported a bill that would incorporate a change in the withholding requirements. There is a moratorium on attempting to implement this existing provision until Congress has had an opportunity to correct it.

The problem is not nearly as simple as it might appear. All of us support the principle that all income should be reported and proper taxes be paid. However, anyone who has been to the track will tell you very quickly that all winnings on one race do not mean a day's winnings.

Furthermore, the administration should not be so burdensome or inconvenient to drive people to illegal avenues of gambling. We should not create any incentives for individuals to use bookies nor patronize organized crime activities. The national commission on gaming recommended against any withholding, primarily for this reason.

Any withholding is a problem, and if too much is withheld, it is apparently more attractive to place bets outside the law than within the framework of race tracks and off-

track betting parlors.

I believe that this amendment is a reasonable approach. It is a workable approach and I believe that it could be administered without major inconvenience.

I do want to point out, however, that it will result in the loss of some revenue to States because of the churning effect. It will reduce the amount of the wager pools as the racing day nears an end.

The merit of withholding is that it will improve the reporting of winnings on Federal income tax returns. Thus, it will increase the Federal taxes collected on winnings at race tracks.

What all of us must recognize is that the economic value of an industry is at stake. Without the bettors, race tracks cannot continue. Without tracks the farms and all the agri-businesses related thereto cannot continue. And without this industry, there is a loss of over a half-million jobs. It is very important that all of us recognize that the question is not simply withholding at the tracks. It is an industry with which we are dealing and we could very easily cost the treasury more than we gain. I believe that this amendment recognizes that fact and I urge its adoption.

This amendment simply accomplishes what many of us thought the interpretation of the Tax Reform Act of 1976 to be. That interpretation was also shared by the In-

ternal Revenue Service.

I urge the adoption of the amendment.

Mr. STONE. Mr. President, briefly this amendment carries into effect what all of the people involved in last year's tax reform bill thought we were passing and with the approval and consent of the Commissioner of Internal Revenue and his staff.

May I also say, in advance, to the distinguished Senator from Kansas (Mr. Dole), who raised the question about House committee approval to the previous amendment, that this amendment is acceptable to the House of Representatives as well, I am informed, so that it will not slow down the basic bill with which the Senator from Florida is in the

strongest support.

What this amendment does is simply make it clear that withholding of winning wagers at the paramutual plants will take place when the winning wager is \$1,000 or more, and the return is 300 times the amount of the initial wager, or more. That is what we thought we were passing. Because of something that got caught between the bait and the dock it came out simply \$1,000. In the way the proposal to administer it was made, the Internal Revenue Service itself finds it very difficult, if not impossible, to administer under those terms. I think that all the parties in interest to this feel that it will be in the interest of minimizing the bite on State revenues and yet giving a reasonable way to administer this from the Internal Revenue Service point of view.

Mr. LONG. I thank the Senator.

Mr. President, during the conference on the Tax Reform Act of 1976 many people, including the Commissioner of Internal Revenue, as well as Members of Congress and their staffs, had understood that as to parimutuel pools with respect to horse races, dog races, and jai alai, winnings over \$1,000 would be subjected to withholdings only if the odds were 300 to 1 or more. However, as the law was enacted it did not include these odds requirements. Unfortunately, we could not correct this oversight in conference because the language was exactly the same in both the House bill and the Senate bill and there was nothing in conference that gave us the power to correct it. The conference report would have been subject to a point of order if we had corrected that oversight at that

So we assured Senators who were concerned about this matter that we would try to correct it at the earliest opportunity. We tried to correct the problem by passing a bill to meet this situation, and we did pass such a bill and sent it to the House of Representatives the last

night of the last session of Congress. Unfortunately, the House of Representatives adjourned before they had oppor-

tunity to consider it.

So this measure that the Senator is offering would at least seek to get this situation straightened out before the Kentucky Derby occurs, and that is very important to Senators from Kentucky who are necessarily absent because they are in that State looking at the plight of their people who suffered from the recent floods.

Mr. STONE. That is right, from the

flood damage.

Mr. LONG. And they have asked that this matter be considered and that they be recorded as being very much in favor of it, and I believe they have cosponsored this amendment.

Mr. STONE. That is correct.

Mr. LONG. So I am happy to support the Senator's amendment, which will make the statutory language conform to what we understood we were enacting in the Tax Reform Act of 1976. I hope very much the House of Representatives will agree to it. My understanding is that this is acceptable to the House side and I hope very much it works out that way.

Mr. STONE. I thank the distinguished

Senator from Florida.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 150

Mr. CURTIS. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The

amendment will be stated.

The legislative clerk read as follows: The Senator from Nebraska (Mr. Curtis) proposes unprinted amendment No. 150.

Mr. CURTIS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following new section:

SEC. —. STATE LEGISLATORS' TRAVEL EXPENSES AWAY FROM HOME.

Subsections (a) and (d) of section 604 of the Tax Reform Act of 1976 are each amended by striking out "January 1, 1976," and inserting in lieu thereof "January 1, 1977,". Subsection (c) of such section is amended by inserting "beginning before January 1, 1976," after "any taxable year".

Mr. CURTIS. Mr. President, we have a situation here where State legislators, without the passage of this amendment, are going to be unable to deduct their away-from-home expenses for the taxable year 1976.

I understand the distinguished chairman is favorable to this amendment and the House of Representatives is willing to accept it. The Committee on Finance has

already approved it.

The Internal Revenue Code provides that the place of residence of a Member of Congress within the congressional district which he represents is considered his tax home. Prior to the Tax Reform Act of 1976, no rule similar to the special rules for ascertaining the place of residence for a Member of Congress ap-

plied in the case of a State legislator. As a result, the tax home of a State legislator was determined in accordance with the general rules applicable to other taxpayers. Depending upon the facts and circumstances, the State capital may be a legislator's tax home under those general rules.

The Tax Reform Act of 1976 provided an election for the tax treatment of State legislators for taxable years beginning before January 1, 1976. Under this election, a State legislator may, for any such taxable year, treat his place of residence within his legislative district as his tax home for purposes of computing the deduction for living expenses. If this election is made, the legislator is treated as having expended for living expenses an amount equal to the sum of the daily amount of per diem generally allowed to employees of the U.S. Government for traveling away from home, multiplied by the number of days during that year that the State legislature was in session, including any day in which the legislature was in recess for a period of four or less consecutive days.

The provisions which allow a State legislator to treat his place of residence within his legislative district as his tax home for purposes of computing the deduction for living expenses only apply to taxable years beginning on or before December 31, 1975. This provision should be extended for a 1-year period during which time the problem can be given further consideration and a permanent

rule can be developed.

Mr. President, I ask unanimous consent that the comment in the Finance Committee report on H.R. 3477 relating to this legislative pay beginning on page 92 and extending over to page 94 be printed in the Record.

There being no objection, the comment was ordered to be printed in the RECORD,

as follows:

 LEGISLATORS TRAVEL EXPENSES AWAY FROM HOME (SEC. 407 OF THE BILL AND SEC. 162 OF THE CODE)

Present law

Under present law, an individual is allowed a deduction for traveling expenses (including amounts expended for meals and lodging) while away from home in the pursuit of a trade or business (sec. 162(a)). These expenses are deductible only if they are reasonable and necessary in the taxpayer's business and directly attributable to it. "Lavish or extravagant" expenses are not allowable deductions. In addition, no deductions are allowed for personal, living, and family expenses except as expressly allowed under the code (sec. 262).

Generally, under section 262, expenses and losses attributable to dwelling unit which is occupied by a taxpayer as his personal residence are not deductible. However, deductions for interest, certain taxes, and casualty losses attributable to a personal residence are expressly allowed under other provisions of the tax laws (secs. 163, 164, and

165).

A taxpayer's "home" for purposes of the deduction of traveling expenses generally means his principal place of business or employment. Where a taxpayer has more than one trade or business, or a single trade or business which requires him to spend a substantial amount of time at two or more localities, his "home" is held to be his principal place of business is determined on an objective basis taking into account the facts and circumstances in each case. The more im-

portant factors to be considered in determining the taxpayer's principal place of business (or tax home) are: (1) the total time ordinarily spent by the taxpayer at each of his business posts, (2) the degree of business activity at each location, (3) the amount of income derived from each location, and (4) other significant contacts of the taxpayer at each location. No one factor is determinative.

In 1952, a provision was adopted with re-spect to the living expenses paid or incurred by a Member of Congress (including a Delegate or Resident Commissioner). Under these rules, the place of residence of a Member of Congress within the congressional district which he represents in Congress is considered his tax home. However, amounts expended by the Member within each taxable year for living expenses are not deductible in excess of \$3,000. Therefore, a Member of Congress (who does not commute on a daily basis from his congressional district) can deduct no more than \$3,000 of his expenses of living in the Washington, D.C. area. Prior to the Tax Reform Act of 1976, no rule similar to the special rules for ascertaining the place of residence for a Member of Congress applied in the case of a State legislator. As a result, the tax home of a State legislator was determined in accordance with the general rule described above.

The Tax Reform Act of 1976 provided an election for the tax treatment of State legislators for taxable years beginning before January 1, 1976. Under this election, a State legislator may, for any such taxable year, treat his place of residence within his legislative district as his tax home for purposes of computing the deduction for living expenses. If this election is made, the legislator is treated as having expended for living expenses an amount equal to the sum of the daily amount of per diem generally allowed to employees of the U.S. government for traveling away from home, multiplied by the number of days during that year that the State legislature was in session, including any day in which the legislature was in recess for a period of four or less consecutive days. In addition, if the State legislature was in recess for more than four consecutive days, a State legislator may count each day in which his physical presence was formally recorded at a meeting of a committee of the State legislature. For this purpose, the rate of per diem to be used is to be the rate that was in effect during the period for which the deduction was claimed. In addition, the total amount of deductions allowable pursuant to this election is not to exceed the amount already claimed under a Federal income tax return filed by a State legislator before May 21, 1976. For this purpose, amounts shall be considered claimed under a return even though the taxpayer treated his living expenses as an offset against any reimbursement of per diem he received from the State legislature and, therefore, did not actually set forth these expenses as a deduction on his income tax return. The election is to be made at such time and in such manner as provided under Treasury regulations.

These limitations apply only with respect to living expenses incurred in connection with the trade or business of being a legislator. The 1976 Act did not impose a limitation on living expenses incurred by a legislator in connection with a trade or business other than that of being a legislator. As to other trade or businesses, the ordinary and necessary test of prior law will continue to

apply.

Reasons for change

The provisions which allow a State legislator to treat his place of residence within his legislative district as his tax home for purposes of computing the deduction for living expenses only apply to taxable years beginning on or before December 31, 1975. The committee believes this provision should be extended for a one-year period during which

time the problem can be given further consideration and a permanent rule can be developed.

Explanation of provision

The committee amendment extends the provision adopted by the Tax Reform Act of 1976 for one year, or to taxable years beginning before January 1, 1977.

Effective date

This amendment would apply to taxable years beginning before January 1, 1977.

Revenue effect

This provision will result in a revenue reduction of \$3 million for fiscal year 1977.

Mr. CURTIS. Mr. President, I asked the distinguished chairman of the Committee on Finance if he concurs in what I have said as to the acceptance of this amendment.

Mr. LONG. Mr. President, this measure was unanimously agreed to in the Committee on Finance. It is a part of the tax reduction and simplification bill which we will call up immediately after the recess. I am informed that it is strongly supported in the House of Representatives and the chances are very good the House of Representatives will accept the amendment if it is agreed to in the Senate.

Mr. CURTIS. Mr. President, I ask for a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CURTIS. I thank my distinguished chairman.

UP AMENDMENT NO. 151

Mr. LONG. Mr. President, I believe the Senator from Colorado (Mr. HASKELL) wanted to offer this amendment. I send it to the desk and ask that it be reported.

The PRESIDING OFFICER (Mr. ANDERSON). The amendment will be stated

The legislative clerk read as follows:

The Senator from Louisiana (Mr. Lone), for the Senator from Colorado (Mr. Has-Kell), proposes an unprinted amendment numbered 151:

At the end of the bill add the following new sections:

SEC. 3. UNDERPAYMENTS OF ESTIMATED TAX.

The amendment is as follows:

At the end of the bill add the following new sections:

SEC. 3. UNDERPAYMENTS OF ESTIMATED TAX.

No addition to the tax shall be made under section 6654 or 6655 of the Internal Revenue Code of 1954 (relating to failure to pay estimated income tax) for any period before April 16, 1977 (March 16, 1977, in the case of a taxpayer subject to section 6655), with respect to any underpayment, to the extent that such underpayment was created or increased by any provision of the Tax Reform Act of 1976

SEC. 4. UNDERWITHHOLDING.

No person shall be liable in respect of any failure to deduct and withhold under section 8402 of the Internal Revenue Code of 1954 (relating to income tax collected at source) on remuneration paid before January 1, 1977, to the extent that the duty to deduct and withhold was created or increased by any provision of the Tax Reform Act of 1976.

SEC. 5. INTEREST ON UNDERPAYMENTS OF TAX.

No interest shall be payable for any period before April 16, 1977 (March 16, 1977, in the case of a corporation), on any underpayment of a tax imposed by the Internal Revenue Code of 1954, to the extent that such

underpayment was created or increased by any provision of the Tax Reform Act of 1976.

Mr. LONG. Mr. President, it is my understanding that the Senator from Colorado (Mr. HASKELL) wanted to offer this amendment, and I therefore offer it on his behalf.

This amendment is identical to the language of H.R. 1680, which has been sent to us by the House of Representatives, and would simply provide that with regard to certain errors that might be made in the tax returns this year, of which there will be many because of the complexities of the tax reform law last year, the interest and penalties be waived.

The administration very much wants this particular group of provisions enacted before April 15, to help with the preparation and processing of returns. I offer it on behalf of the Senator from Colorado

Mr. HASKELL. Mr. President, I thank the Senator from Louisiana very much indeed. This is merely an amendment to correct an inequity which we in the Senate perpetrated on people who are subject to estimated tax statements, and also employers who are liable for failure to withhold income tax from employees.

We adopted several amendments last year in the Tax Reform Act, and the statute requires automatic increase of withholding. Our bill was passed late in the year, but it was retroactive to January 1. Therefore, people obviously could not foresee that they would have to withhold commencing January 1, but they become liable to a penalty, and it is clearly inequitable. This particular amendment would give relief just for the year 1976.

I understand that this is satisfactory to the chairman of the committee, or I do not think he would have offered it on my behalf. I move that the amendment be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado.

The amendment was agreed to.

Mr. HASKELL. I thank the Senator from Louisiana.

UP AMENDMENT NO. 152

Mr. BELLMON. Mr. President, I have an amendment at the desk, and ask that it be reported.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Oklahoma (Mr. Bell-MON) offers an unprinted amendment numbered 152:

At the end thereof, insert the following new section:

Mr. BELLMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end thereof, insert the following new section:

Sec. . Elimination of Retroactive Increases in Taxes by the Tax Reform Act of 1976

(a) Any provision of the Tax Reform Act of 1976, as amended by section 1 of this Act, or any provision of any amendment made by the Tax Reform Act of 1976 which increases the liability for tax of any person

under the Internal Revenue Code of 1954 for any taxable year beginning before January 1, 1977, shall not take effect with respect to any such taxable year.

(b) The Secretary of the Treasury or his delegate shall, as soon as is practical but not later than 30 days after the date of the enactment of this Act, submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate—

 a list of all provisions of and amendments made by the Tax Reform Act of 1976 with respect to which subsection (a) applies;

(2) a draft of any technical and conforming changes in the Tax Reform Act of 1976 and the Internal Revenue Code of 1954 which are necessary to carry out the provisions of subsection (a).

Mr. BELLMON. Mr. President, when the Tax Reform Act of 1976 was passed, that bill included many provisions that were retroactive on American taxpayers. I doubt that any Member of the Senate realized what an enormous impact that bill was going to have retroactively on taxpayers who were at the time operating under the provisions of law, who had no idea, no advance notion that the laws would be changed, who had made no preparation for the retroactive provisions of the law, and in fact there was no way they could make provision for them.

The result is that we have many taxpayers who are seriously injured by retroactive provisions of that bill.

I understand that amendments have already been adopted today to H.R. 1828 to take care of State legislators, foreign earnings, and sick pay, which would indicate that the committee now recognizes that those retroactive provisions were inequitable. What I am trying to do is take care of the rest of the inequities in the bill. That is the purpose of this amendment.

Mr. LONG. Mr. President, if this amendment were agreed to the House would not accept it, and if it got to the President's desk the President would veto the bill. I think that would be very unfortunate. I am sure the Senator from Oklahoma favors most of what we have here, and I hope he would be willing to buy, from my argument, that it is better to do as much good as you can at one time, and settle for that, than to find you have overshot the target and achieved nothing.

What the Senator would like to do should be considered in detail on a bill with regard to which we do not have the time limitation that we have now. If we take even 2 hours in passing this bill, we might as well forget about it, because the House will have gone home for the Easter recess, and by the time they come back in people will have had to comply with the law as it existed at the time. So it is urgent that we hold off on amendments of this sort and consider them on some other measure.

The Senator may want to offer his amendment on the President's tax reduction and simplification bill, which will be the pending business immediately after we get back. That would be better than offering it on this bill, because the amendment can only, at this point, impede the progress of a bill which I believe the Senator agrees is meritorious, which would not become law if we put the amendment on it at this point, or

even if we merely take a substantial amount of time debating it here in the Senate today.

Would the Senator be willing to withhold his amendment at this time and consider offering it on some later measure, for example, the tax simplification and reduction bill we will have before us immediately after we get back?

Mr. BELLMON. Mr. President, I certainly have no desire to delay the passage of H.R. 1828, nor to bring about its defeat or get it vetoed. On the other hand, I believe it is not equitable to take care of some of the unjust retroactive provisions that are presently in the law without at least some indication that we are going to take care of the rest of them in a timely fashion and in an appropriate manner.

I frankly am not all that enamoured with the President's tax simplification and reduction bill; I may want to vote against that when it gets to the floor.

Mr. LONG. Mr. President, some of the 1976 act amendments help the taxpayers. Some of them provide very substantial tax reductions, such as the provision for the retirement income of elderly people and the extension of the tax cuts that were in that bill. This would, in many respects, on balance be a good thing for the taxpayers, in that it would result in a lot more tax reductions than increases.

But we did have certain situations where some taxpayers were getting by with paying little or nothing, although they had, in terms of economic matters. made very heavy gains. We were seeking to stop that kind of legal tax avoidance, that no one in the Senate really approved of. I think the majority of the business people would tell us, for example, that if we can find anyone who is paying less than 2 percent or even less than 5 percent on the economic income that person made in that year, we ought to find a way to tax him, because other people in the same business may not be engaging in the same form of tax avoidance or tax shelters that those people are using, and it results in people who are not trying to avoid a reasonable share of taxes having to pay a lot more than they otherwise should have paid.

I regret that I cannot accept the Senator's amendment, but I hope that he understands my problem as the manager of the bill. We have here a bill that would be beneficial to a million working people, that does help to remove inequities as far as it goes, but if it goes beyond that point, we are just going to kill a good bill which everyone agrees should become

I hope the Senator will not insist on this amendment. I hope he will consider offering his amendment, or offering some phase of it, in connection with the bigger bill which will be before us when we return.

Mr. BELLMON. Mr. President, the point for my amendment is not that some tax changes in the law should not be made. I would agree that the Tax Reform Act of 1976 probably did make some needed reforms and corrected some injustices. The point is they were done retroactively and we were well into the tax year when taxpayers thought they were following the law, and were in fact

following the law, and then the law was changed retroactively. It is like changing the rules after the game has already been played in order to determine a different winner. That is the point of my amendment. If the changes are needed, fine. Make them prospectively and not retroactively.

The bill before us does change part of those injustices, and corrects them. I was simply trying to go ahead and finish the job to change the rest of them. I cannot see how it would hurt the bill. I think it would make it a more desirable bill.

Mr. LONG. There were a great deal more retroactive provisions in that tax bill last year than the Senator from Louisiana wanted to have in the bill.

I should explain that one of the difficulties of the advice of the Budget Committee was that this was not a good idea, to pass retroactive tax increases. But Mr. Kennedy, with the support of people like Stanley Surrey, Joe Pechman, and others, made a strong argument and decided there was a lot of precedent for that sort of thing had been done before, where many of us in the Congress had voted for provisions in the law which included things of that sort. Of course their precedents were well taken.

Looking at the situation in which we find ourselves, I know if this amendment is agreed to it will kill this bill. Therefore, I am compelled to resist it. I am sorry I cannot support the amendment of the Senator. I hope he understands.

Mr. BELLMON. Will the Senator yield for a question?

Mr. LONG. Yes.

Mr. BELLMON. I do not want to try to nail down the Senator. If he does not like the amendment on this bill, does this mean that the amendment might be acceptable on a later bill?

Mr. LONG. I would not object to the Senator offering it and letting the Senate work its will with regard to the amendment. If he wants to offer it on the next big bill to come up, offer it. Otherwise, there will be other revenue bills. We have one that has just come from the House, I am happy to say, which gives us something upon which we can act. We will be bringing other revenue bills out shortly behind this one.

Mr. BELLMON. The Senator does agree in principle that the retroactive features of the 1976 bill were inequitable?

Mr. LONG. No, not all of them. There were some that I would have liked to not have retroactive. I will admit there are some that I did not want to have apply at all. Some I voted against which were retroactive. There are undoubtedly some in that category.

Mr. BELLMON. But the Senator can assure the Senator from Oklahoma that there will be an opportunity to bring forth these amendments in a timely manner and get them voted upon soon after the recess?

Mr. LONG. Yes, there definitely will be, immediately after the recess.

Mr. BELLMON. Mr. President, on the basis of those assurances and realizing the time constraints under which the Senate and House are working at the present time, I will withdraw the amendment and offer it later.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. HARRY F. BYRD, JR. Mr. President, I wish to express my support for H.R. 1828 and urge the Senate to enact this legislation. It postpones for 1 year the effective dates of changes in the sick pay exclusion. I think it is a just and fair proposal. If this legislation is not passed, it will work a considerable hardship on a great many Americans. The sick pay provisions of the 1976 Tax Reform Act were retroactive in nature. The 1976 tax legislation was not passed by the Congress until October 1976, yet the sick pay exclusion provisions were made effective January 1, 1976.

I think the bill now before the Senate is a fair and proper proposal. I commend the Senator from Kansas (Mr. Dole) for taking the leadership in the Senate on this matter.

I also commend the Congressman from the State of Virginia, Congressman ROBERT W. DANIEL of the Fourth District, for the effective and able work which he did in the House of Representatives in bringing this legislation to the attention of the House and helping to guide it through the House.

This is additional evidence that Congressman Daniel is doing a splendid job in representing the people of Southside and Tidewater Virginia. Congressman Daniel's district includes two large cities, the City of Portsmouth and the city of Chesapeake, in Tidewater, and at the other end of the district the city of Petersburg. Between those cities lie some 15 or 18 counties which Congressman Daniel represents. These counties are well represented by Congressman Daniel.

As this bill comes before the Senate today for consideration and, hopefully, for passage, I, therefore, want to recognize the effective and hard work done by Congressman Daniel in the House of Representatives on this measure as well as expressing my support for H.R. 1828.

Mr. DOLE. Mr. President, I appreciate the comments of the distinguished Senator from Virginia, particularly those with reference to Congressman Daniel. I can say that this Senator has been in contact with Congressman Daniel as recently as this morning. He has been of great assistance on the House side. He introduced the bill there early in January. He has been doing a very fine job of securing passage in the House. Without his efforts, I feel that we would not have received favorable action by the House as soon as we did.

BACKGROUND OF THE SICK PAY EXCLUSION

Mr. President, the Tax Reform Act of 1976, Public Law 94-455, was signed into law on October 4, 1976. Before passage of that act, certain payments of up to \$100 per week.—\$5,200 per year—were excludable from income if given to a tax-payer because of sickness, injury, or disability. This "sick pay" forms a major part of the income of many disabled retirees and is part of many wage continuation plans.

Section 505 of the Tax Reform Act addressed the tax status of this sick pay. That section provided that only persons who are permanently and totally disabled and under age 65 may receive sick pay

tax free. The odious feature of this change in the tax law was that the effective date of the section was made January 1, 1976. Tax liability was created retroactively for 9 months.

EFFECT OF NEW LAW

Hundreds of thousands of older Americans were adversely affected by this retroactive change in tax treatment. Taxpayers had accepted and used this money for 9 months with the Government's assurance of its tax-free status. Nothing was withheld, nor were projections made of any liability on this sick pay. Then, with no warning, and no opportunity to plan, hundreds of thousands of dollars in additional taxes were imposed on the sick and retired workers. Many of these people did not even know of the new law and their new taxes until their tax forms came in the mail.

RESPONSE OF THE TAXPAYERS

Since December, when I announced that I would introduce legislation to delay the effective date of section 505. thousands of citizens have contacted me. These are not people living off of Government largesse. All of the people had worked hard and been taxpavers for years or they would not be entitled to sick pay. They are willing to continue to pay their fair share of taxes. What they object to is the unfair imposition of large additional tax burdens retroactively. Often these citizens live on small fixed incomes that inflation is shrinking and they do not have the flexibility to come up with large sums quickly.

LEGISLATIVE ANSWERS

My bill, S. 4, and its companion legislation, H.R. 318, introduced by Representative Bob Daniel of Virginia, were the first attempts to address this problem created by the Tax Reform Act. Both were introduced at the start of this session in January. During these past 3 months, many Congressmen, including myself, have worked to secure passage of these bills. The third concurrent budget resolution contains language including the resultant revenue loss in the final budget figures. The Senate Finance Committee, under the chairmanship of Senator Long, included a version of S. 4 in another piece of legislation, H.R. 3477, not yet considered by the Senate.

The bill before us today, H.R. 1828, is patterned after the legislation that Representative Daniel and I first introduced. I gladly support its passage since the same result is achieved by both bills.

EFFECT OF THE LEGISLATION

Basically, the bill retains, for 1976 tax purposes, the tax status of sick pay as it was in 1975 and before. Persons who were eligible for the sick pay exclusion in 1975 will also qualify for 1976 if this bill passes. The age limit will be 70 and not 65. The income limitation of \$15,000 in the Tax Reform Act will not apply to 1976 taxes. Persons will not have to prove that they are permanently and totally disabled to qualify for the sick pay exclusion.

One additional feature is aimed at a specific problem caused by the change. Because many annuitants could not pay the extra taxes they owed, some elected to draw on their tax-free retirement contribution to reduce their tax liability.

This bill would make that election revocable. These taxpayers could have the choice of which tax treatment they prefer for their 1976 taxes.

NEED FOR QUICK ACTION

Thousands of taxpayers have delayed filing tax returns in the hope that Congress would act soon enough. While I had hoped for earlier passage, the Senate's rapid consideration 2 days after final action by the House is to be commended.

I would also like to mention the 37 Senators who cosponsored S. 4, and later will ask unanimous consent that their names be printed in the RECORD.

Some people have urged that more substantive alterations be made to the Tax Reform Act either by restoring the old law completely or "grandfathering" in people who claimed the sick pay exclusion in prior years. Whatever the merits of those proposals to be considered later, adoption of the legislation before us will correct the most immediate and unjust aspects of the new law.

While the Treasury Department has continuously opposed this legislation in the past, I hope that President Carter will consider the untenable position the affected taxpayers find themselves in. If he responds to the anguish and uncertainty that these people have been in since last October, I am certain that he will quickly sign this legislation.

The injustice created by the Tax Reform Act grows worse each day as April 15 nears. Affirmative action today by the Senate is imperative if the legislation is to become law before that date. The manifest unfairness of this retroactive law compels adoption of H.R. 1828. Therefore, I ask for the vote of each Member of the Senate in support of this legislation.

Mr. President, I ask unanimous consent that the names of the cosponsors be printed in the RECORD at this point.

There being no objection, the list of cosponsors was ordered to be printed in the Record, as follows:

COSPONSORS OF S. 4

Senator Ribicoff, Senator McClure, Senator Brooke, Senator Randolph, Senator Scott, Senator Williams, Senator Eagleton, Senator Thurmond, Senator Haskell, Senator Allen, Senator Domenici, Senator Bayh, Senator Humphrey, Senator Chiles, Senator Hollings, Senator Sarbanes, Senator Hansen, Senator Laxalt, Senator Morgan, Senator Burdick, Senator Durkin, Senator Hathaway, Senator Schmitt, Senator Pell, Senator Hatfield, Senator Huddleston, Senator McGovern, Senator Senator Johnston, Senator Helms, Roth, Senator Stone, Senator Griffin, Senator Cranston, Senator Abourezk, Senator Percy, Senator Biden, and Senator Metzenbaum.

Mr. McCLURE. Mr. President, I strongly support this bill to correct an unfair provision of the Tax Reform Act of 1976. The unexpected and sudden elimination of the exclusion of sick pay as a taxable item posed a heavy tax burden on those who can least afford it. The Tax Reform Act retroactively increased the tax liability of many citizens, particularly those who are retired and on fixed incomes. These people must plan their long-term tax obligations very carefully. They are suffering very greatly

from the high rate of inflation caused by runaway Government spending and even without this inequitable provision, the cost of Government is the fastest growing item in the family budget. A retroactive increase in tax liability is grossly unfair to these people and destroys their careful plans to meet their financial responsibilities.

That is why I urge the Senate to act swiftly to postpone for 1 year, the effective date of the elimination of the sick pay exclusion and provide at least in this small area, the needed relief to those citizens currently being victimized.

Mr. PERCY. Mr. President, I rise in support of H.R. 1828, which will postpone for I year until January 1, 1977, the effective date of changes of the provisions relating to sick pay of the Tax Reform Act of 1976. Under H.R. 1828, the provisions will apply to taxable years beginning after December 31, 1976. I am a cosponsor of S. 4, introduced by my distinguished colleague from Kansas (Mr. Dole), which is the Senate companion measure.

The Tax Reform Act, which was not enacted into law until October 1976, did a great disservice to persons on disability and sick pay by making the effective date of these changes retroactive. These people were given no advance warning of the changes and therefore, were left unprepared for the additional tax burden imposed by the Tax Reform Act. Those who are unable to work because of sickness or disability should be given the opportunity to plan ahead, and I am pleased that Congress is taking action to correct this insensitive and unfair oversight.

I am also pleased that we are dealing with this problem separately instead of as part of the Tax Simplification and Reduction Act, not scheduled for action until after the April 15 tax return filing deadline. Hopefully those who are eligible for the sick pay exclusion have waited to file their returns in anticipation of this legislation. I urge the Internal Revenue Service to make every effort to assist those persons who have filed their returns to file amended tax forms so that a further injustice will not occur by forcing disabled and sick persons to overpay their tax liabilities. I strongly urge my colleagues to vote for enactment of this vital piece of legislation, the importance of which to the average working American has been brought out by elected representatives of the UAW region 4 meeting in Washington this week under the leadership of Robert Johnston.

SICK PAY CHANGES NEEDED

Mr. ROTH. Mr. President, I strongly support the legislation we are considering today and I urge the Senate to act quickly and pass this bill. The legislation, which is identical to a bill I have sponsored with Senator Dole and others, would delay for 1 year the effective date of the sick pay tax changes made last year by the Tax Reform Act.

Before the enactment of the Tax Reform Act, workers could exclude from income tax purposes up to \$100 a week, or \$5,200 a year, received in disability or sick pay. The tax reform bill repealed the sick pay exclusion for people receiving temporary sick or disability pay and

allowed only those people who are medically certified as being permanently and totally disabled to use the sick pay exclusion.

But even for those still eligible to receive the exclusion benefit, the exclusion was phased out for those with adjusted gross income, including disability income, in excess of \$15,000.

I opposed these changes in the sick pay exclusion when they were enacted in October last year. I was particularly opposed to the provision which made these changes retroactive to January 1, 1976.

This retroactive date change meant that the people who, in good faith, counted on using this tax exclusion suddenly found that they could not use it. In most cases, taxpayers did not realize what changes were made until they examined the tax forms and instructions this year.

These people, about 1.5 million sick and disabled taxpayers, suddenly discovered that they owe the Federal Government as much as \$500, \$600, or \$1,000 in additional taxes.

I believe this is grossly unfair, and the very least we can do is to postpone these unanticipated tax increases for at least 1 year. Final tax forms must be filed in less than 2 weeks, and I urge the Senate to act on this legislation.

Mr. DOMENICI. Mr. President, I would like to take just a few minutes to speak on behalf of the legislation before us which would defer the effective date of the sick pay exclusion restriction.

I had hoped that this legislation, which was introduced the first day of this Congress, could have been voted upon before this late date, for many taxpayers have already filed their 1976 returns. Those who have filed their income tax forms will now have to submit a revised return, should this legislation be enacted today.

Mr. President, as you know, there was not a vote on this specific provision last year in the Senate when we were considering the Tax Reform Act. The former law stated that an employee who was either off the job an extended period or who retired on disability could exclude up to \$100 per week or \$5,200 per year in sick pay benefits from his or her Federal income tax bill until reaching the age of 70. The Tax Reform Act lowered the age limit to 65, and more importantly, eliminated the exclusion entirely for those employees who were not totally and permanently disabled.

One amendment was offered, however, which would have permitted individuals who had previously retired and were disabled Federal employees to be excluded from the new law. I voted with a majority of my colleagues in the affirmative, but even that modest attempt to modify the sick pay exclusion was dropped when the bill was referred to the joint conference committee assigned to work out the differences between the House and Senate versions of the Tax Reform Act.

I plan to support the enactment date postponement for two reasons: It is a violation of public trust to pass significant legislation which is retroactive, which disregards the taxpayers' need for a major financial adjustment; and second, a postponement would enable the Congress to seriously study a repeal of this provision altogether.

This legislation should be passed to rectify an injustice to many thousands of Americans, and I urge my colleagues' support as well.

Mr. MATHIAS. Mr. President, I am pleased that the Senate is considering H.R. 1828, a bill which would delay the effective date of the sick pay exclusion under the Tax Reform Act of 1976 for 1 year.

This provision of the Tax Reform Act sharply curtailed the use of certain tax provisions by sick and disabled individuals. Formerly, any person who had retired on disability could exclude from taxable income up to \$100 a week. Similarly, if an individual was sick and received pay under a wage-continuation plan during his or her illness, the same \$100 a week exclusion applied. Under the new law, only those individuals under the age of 65, retired on disability and permanently and totally disabled can exclude up to \$100 a week—or \$5,-200 a year—from their taxable income.

My primary objection to this section of the tax bill is that the new law applies to taxable year 1976, even though the bill was not enacted until October 1976. As a result many disabled individuals may be liable for taxes they had not expected to pay for 1976. Many individuals—retired and living on fixed incomes-had expected to use the sick pay exclusion when filing their tax return for 1976. As you may know, in the opening days of the Congress I introduced a bill. S. 62, which would alleviate this dilemma and enable these people to use this tax exclusion for taxable year 1976. I am pleased that the Congress is taking action on the concept embodied in my

Of the hundreds of people who have called or written me about this section of the Tax Reform Act, the majority did not argue with the revisions made by Congress, but rather were outraged and bewildered that so little time was given in which to comply with this new law.

I think it imperative that we act quickly to change the effective date of this provision. By doing this, we would prove that Congress can be responsive to the needs of citizens, can admit a mistake through oversight, and is willing to correct it.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read the third time.

The bill was read the third time.

Mr. CURTIS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.
The PRESIDING OFFICER. Is all time

yielded back? Mr. LONG. Mr. President, I yield back

the remainder of my time.

Mr. DOLE. Mr. President, I yield back

the remainder of my time.
The PRESIDING OFFICER. All time

has been yielded back.

The bill, having been read the third

time, the question is, shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from New Hampshire (Mr. Durkin), the Senator from Mississippi (Mr. Eastland), the Senator from Kentucky (Mr. Ford), the Senator from Kentucky (Mr. Huddleston), the Senator from Michigan (Mr. Riegle), and the Senator from Mississippi (Mr. Stennis) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. Abourezk), the Senator from Indiana (Mr. Bayh), the Senator from Alaska (Mr. Gravel), the Senator from Washington (Mr. Jackson), the Senator from South Dakota (Mr. McGovern), and the Senator from Alabama (Mr. Sparkman) are absent on official business.

I also announce that the Senator from Texas (Mr. Bentsen) is absent due to illness in the family.

I further announce that, if present and voting, the Senator from Washington (Mr. Jackson), the Senator from New Hampshire (Mr. Durkin), the Senator from Texas (Mr. Bentson), and the Senator from Michigan (Mr. Riegle) would each vote "yea."

Mr. STEVENS. I announce that the Senator from New Jersey (Mr. Case), the Senator from Arizona (Mr. Goldwater), the Senator from Nevada (Mr. Laxalt), the Senator from Kansas (Mr. Pearson), the Senator from Virginia (Mr. Scott), the Senator from Vermont (Mr. Stafford), and the Senator from Wyoming (Mr. Wallop) are necessarily absent.

I further announce that, if present and voting, the Senator from New Jersey (Mr. Case) and the Senator from Nevada (Mr. Laxalt) would each vote "yea."

The result was announced—yeas 80, nays 0, as follows:

[Rollcall Vote No. 100 Leg.] YEAS—80

Metzenbaum

Griffin

Allen

Morgan Moynihan Anderson Hansen Hart Bartlett Haskell Muskie Bellmon Nelson Hatfield Biden Nunn Brooke Hathaway Hayakawa Packwood Bumpers Pell Heinz Burdick Percy Helms Byrd, Proxmire Harry F., Jr. Byrd, Robert C. Hollings Randolph Humphrey Ribicoff Inouye Javits Cannon Roth Chafee Sarbanes Chiles Johnston Sasset Church Kennedy Schmitt Clark Leahy Schweiker Cranston Long Stevens Culver Lugar Stevenson Curtis Danforth Talmadge Mathias DeConcini Matsunaga Thurmond Dole McClellan Tower Domenici McClure Weicker McIntyre Williams Eagleton Garn Melcher Young Zorinsky Metcalf Glenn

NAYS-0

NOT VOTING-2

Abourezk Goldwater Riegle Bavh Gravel Scott Huddleston Jackson Sparkman Stafford Case Durkin Stennis Laxalt Eastland McGovern Wallop Ford Pearson

So the bill (H.R. 1828), as amended, was passed.

UP AMENDMENT NO. 153

Mr. HARRY F. BYRD, JR. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER (Mr. Morgan). The amendment will be stated.
The legislative clerk read as follows:

The Senator from Virginia (Mr. HARRY F. BYRD, Jr.) proposes an unprinted amendment numbered 153 to the title of the bill:

Amend the title so as to read: "An act relating to the effective date for changes made by the Tax Reform Act of 1976 to the exclusion for sick pay and for other purposes."

Mr. HARRY F. BYRD, JR. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Virginia.

The amendment was agreed to.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the bill—H.R. 1828—be printed with the amendments of the Senate numbered, and that in the engrossment of the amendments of the Senate to the bill the Secretary of the Senate be authorized to make all necessary technical and clerical changes and corrections, including corrections in section, subsection, and so forth, designations, and cross references thereto.

The PRESIDING OFFICER. Without

objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I move to reconsider the vote by which the bill (H.R. 1828) was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, with no resolutions coming over under the rule.

The PRESIDING OFFICER. Without

objection, it is so ordered.

ASSISTANCE TO VICTIMS OF RECENT EARTHQUAKES IN ROMANIA

Mr. HUMPHREY. Mr. President, there is a bill at the desk from the House, H.R. 5717, which has been cleared on the part of both the majority and the minority, and I ask for its immediate consideration.

The PRESIDING OFFICER laid before the Senate H.R. 5717, an act to provide for relief and renabilitation assistance to the victims of the recent earthquakes in Romania, which was read twice by its title.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its

consideration.

Mr. HUMPHREY. Mr. President, this is authorization legislation. It is required. The Senate has appropriated money for this relief activity, but the House, because of the failure to have authorization legislation, did not agree.

Therefore, we are making a 180-degree turn, coming back and getting the authorizing legislation, which has now been passed by the House, and I ask the Senate to pass it.

Mr. KENNEDY. Mr. President, I want to add my voice in strong support of this effort to respond to the emergency humanitarian needs of the earthquake victims in Romania

As I noted in my remarks to the Senate on Friday, during our consideration of my amendment to provide a supplemental appropriation for this authorization, this bill is an effort to give a significant indication of the concern of the American people for the victims of the tragic earthquake which struck Romania last March 4.

Although the \$20 million to be authorized, and later appropriated, by this bill is not yet fully broken down by specific projects, the administration has, in concert with the Romanian Government, identified a number of specific areas of humanitarian need deserving

of U.S. support.

The first is in the medical field. The earthquake damaged nine important hospitals in Bucharest alone, plus many other medical facilities and clinics outside of the city. Critically important medical equipment—much of it originally from the United States—has been destroyed. A sizable portion of the funds authorized by this bill will go for this humanitarian purpose.

A second area, outlined in a letter to me from the Deputy Secretary of State, relates to technical services and commodities required for the clearance of damaged buildings and the rehabilitation and reconstruction of housing, schools, and other community facilities.

Finally, Mr. President, I am hopeful that after the Congress acts in support of this bill and a subsequent appropriations bill, that the executive branch will fully consider other kinds of assistance to Romania which may be appropriate to help its people overcome the human and social and economic hardships produced by the earthquake.

I urge the passage of this important bill expressing the humanitarian concern of the American people for the earthquake victims in Romania.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill

The bill (H.R. 5717) was ordered to a third reading, was read the third time, and passed.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. RIBICOFF. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States vere communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States

submitting sundry nominations which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

APPROVAL OF BILL

A message from the President of the United States announced that on April 6, 1977, he approved and signed the following bill:

S. 626, An Act to reestablish the period within which the President may transmit to the Congress plans for the reorganization of agencies of the executive branch of the Government, and for other purposes.

AGENCY FOR CONSUMER ADVOCA-CY—MESSAGE FROM THE PRES-IDENT—PM 64

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States: To the Congress of the United States:

The task of helping consumers understand and shape the powers of their government has become more difficult, and more important, through the years. As the Federal Government has grown, individual citizens have found it harder to learn how and where and when to go to influence the many government decisions which make a difference in their lives. As the technology of our society has become more complex, Congress and the President have delegated more responsibility to regulatory technicians, whose activities affect consumers profoundly but are difficult for average citizens to study, influence, and understand.

For several years there has been a movement in Congress and among the people to create a strong voice in government to speak up for the consumer. Today I am recommending measures which will expand and accelerate that movement.

The first of these measures is the creation of an Agency for Consumer Advocacy, which will bring to fruition eight years of bipartisan effort in the Congress.

This Agency will be a small, effective group; its purpose will be to plead the consumer's case within the government. It will not require major additions to the government's size or operations; in significant part, it can be established by drawing together resources now scattered throughout the government. It will not be another regulatory agency. Its purpose is to improve the way rules, regulations, and decisions are made and carried out, rather than issuing new rules itself. It will help the Congress and help me search out programs which are inefficient or have outlived their purpose, and will help us correct inequities in programs and procedures which are supposed to protect consumers.

The Agency will aid in the fight against inflation by monitoring governmental actions that unnecessarily raise costs for consumers. Many government activities affect prices: The government establishes rates, standards and incentives for private businesses to follow, and it is itself a major purchaser of goods and services. In all these areas, the Agency will use its

powers of intervention and of information collection, analysis and dissemination to keep costs down.

By establishing the Agency, the Congress can give new meaning to the phrase "in the interest of consumers" found throughout the United States Code and the Code of Federal Regulations.

The basic format of the Agency for Consumer Advocacy has been refined and perfected in eight years of debate by Congress. I support that framework. In particular, I believe that the following principles should be reflected in a bill principles agency.

creating the Agency:

First, most government consumer functions should be consolidated in the Agency. The Office of Management and Budget has begun a comprehensive review to help me identify those units that should be transferred to the Agency. This review will also determine how remaining functions in the individual agencies can be strengthened. Of course, I still expect that all Federal agencies will be responsive to the consumer's concerns.

Second, the Administrator of the Agency, like the heads of other executive agencies, should be appointed by the President and serve at his pleasure. The Agency should be subject to the normal executive budget and legislative clearance procedures. Accountability within the executive branch is necessary to ensure that the Agency will be as vigorous and effective as the people expect. It will not undermine the independence of the Agency's representational role.

Third, the Agency should be empowered to intervene or otherwise participate in proceedings before federal agencies, when necessary to assure adequate representation or consumer interests, and in judicial proceedings involving Agency action. The Agency, at its discretion, should be represented by its own lawyers. I will instruct the Administrator to establish responsible priorities for

consumer advocacy.

Fourth, the Agency should have its own information-gathering authority, including, under appropriate safeguards, access to information held by other government agencies and private concerns. However, small businesses should be exempt from the Agency's direct information-gathering authority. Additional safeguards should be included to assure that needless burdens are not imposed on businesses or other government agencies.

The Agency for Consumer Advocacy is mainly designed for participation in very large administrative proceedings; it is only one of a number of steps which will better protect the consumer. Members of my Administration, in the months ahead, will comment to the Congress on a variety of these steps. There are three of them I would like to mention now; they are measures which the Congress has been considering, and which I believe would complement the ACA.

The first is legislation to help consumer groups represent themselves in agency and judicial proceedings. I support Congressional efforts to assist citizen groups to participate in the proceedings of federal agencies, where their participation may lead to a more balanced decision. I also recommend that Congress enact legislation that would give

the federal courts more discretion to reimburse litigation costs for plaintiffs who win cases of public importance involving the government.

Second, I support legislation which will give citizens broader standing to initiate suits against the government, in appropriate cases. The government has too often routinely invoked the "standing" defense when it is challenged in court. The Department of Justice will work with my Special Assistant for Consumer Affairs, Esther Peterson, and with the Congress toward legislation to reform this practice.

Third, I support the effort to enable consumers to sue as a class to enforce their rights. Recent court decisions have greatly restricted their ability to do so. I want to expand the opportunities for responsible class actions, starting with violations of consumers' rights. The Department of Justice and Mrs. Peterson will work with the Congress to develop

suitable legislation.

These measures—and the others which members of my Administration will discuss in the months ahead—will enhance the consumer's influence within the government without creating another unwieldly bureaucracy. I believe they will increase confidence in government by demonstrating that government is considering the people's needs in a sensitive and responsive way.

JIMMY CARTER. THE WHITE HOUSE, April 6, 1977.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the message received today from the President of the United States, relative to helping consumers, be jointly referred to the Committees on Banking, Housing, and Urban Affairs; Commerce, Science, and Transportation; Governmental Affairs; and Judiciary.

The PRESIDING OFFICER. Without

objection, it is so ordered.

MESSAGE FROM THE HOUSE

At 12:36 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its clerks, announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 3199. An act to amend the Federal Water Pollution Control Act to provide for additional authorizations, and for other purposes:

H.R. 5294. An act to amend the Consumer Credit Protection Act to prohibit abusive practices by debt collectors; and

H.R. 5717. An act to provide for relief and rehabilitation assistance to the victims of the recent earthquakes in Romania.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 11) to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976, with an amendment; that the House insists upon its amendment and requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Johnson of California, Mr. Boberts, Mr. Roe. Mr. Anderson of California, Mr. Breaux, Mr. Nowak, Mr. Edgar, Mr. Harsha, Mr. Don H. Clausen, and Mr. Hammer-

SCHMIDT were appointed managers of the conference on the part of the House.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3365) to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions, and for other purposes; and that the House recedes from its disagreement to the amendment of the Senate to the title.

ENROLLED BILL SIGNED

The message further announced that the Speaker has signed the enrolled bill (H.R. 3365) to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. RIEGLE).

COMMUNICATIONS FROM EXECU-TIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated:

EC-1066. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Summary: The Long-Term Fiscal Outlook for New York City" (PAD-77-1A, April 4, 1977) (with an accompanying report).

EC-1067. A letter from the Comptroller

EC-1067. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "The Long-Term Fiscal Outlook for New York City" (PAD-77-1, April 4, 1977) (with an

accompanying report).

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that two communications from the Comptroller General of the United States relative to New York City finances be referred jointly to the Committees on Governmental Affairs and Banking, Housing, and Urban Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

EC-1068. A letter from the Assistant Secretary of Defense transmitting, pursuant to law, notice of the intent to obligate \$7,985,899 of funds available in the DOD Stock Fund for war reserve inventory for the Army (with an accompanying report); to the Committee on Appropriations.

EC-1069. A letter from Comptroller General of the United States transmitting, pursuant to law, a report entitled "Assessment of New York City's Performance and Prospects Under its 3-Year Emergency Financial Plan" (with an accompanying report); to the Committee on Banking, Housing, and Urban Affairs.

EC-1070. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "New York City's Efforts to Improve its Accounting Systems" (with an accompanying report); to the Committee on Banking, Housing, and Urban Affairs.

EC-1071. A letter from the Secretary of Commerce transmitting, pursuant to law, a report on the implementation of section 809 of the Merchant Marine Act, 1936, as amended, concerning United States-flag commercial vessels (with an accompanying report); to the Committee on Commerce, Science, and Transportation.

EC-1072. A letter from the Secretary of Transportation transmitting, pursuant to law, the Fifth Semi-Annual Report concerning the effectiveness of the Civil Aviation Security Program for the period July 1-December 31, 1976 (with an accompanying report); to the Committee on Commerce, and Transportation.

EC-1073. A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, a report relating to construction of refineries by independent refiners and small refiners (with an accompanying report); to the Committee on Energy and Natural Resources.

EC-1074. A secret communication from the Acting Comptroller General of the United States transmitting, pursuant to law, a report of the status of the Stinger Surface-To-Air Missile program and the status of the CAPTOR Ocean Warfare Mining System (PSAD-77-20 and PSAD-77-44, March 15, 1977) (with accompanying reports): to the Committee on Governmental Affairs.

EC-1075. A letter from the Chairman of the District of Columbia Law Revision Commission transmitting, pursuant to law, the second annual report of the District of Columbia Law Review Commission (with an accompanying report); to the Committee on Governmental Affairs.

EC-1076. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "The Status and Problems in Constructing the National Visitor Center" (with an accompanying report); to the Committee on Governmental Affairs.

EC-1077. A letter from the Deputy sistant Secretary of Defense transmitting, pursuant to law, a report on a new system of records entitled "Library Authorized Patron File", in accordance with the Privacy Act (with an accompanying report); to the Committee on Governmental Affairs.

EC-1078. A letter from the Secretary of Health, Education, and Welfare transmitting a draft of proposed legislation to regulate activities involving recombinant deoxyribonucleic acid (with accompanying papers); to the Committee on Human Resources.

EC-1079. A letter from the Secretary of Labor transmitting a draft of proposed legislation to provide employment and training opportunities for youth (with accompanying papers); to the Committee on Human Resources

EC-1080. A letter from the Director of the Selective Service System transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC-1081. A letter from the Director of the Administrative Office of the U.S. Courts transmitting a draft of proposed legislation to provide for the defense of judges and judicial officers sued in their official capacities (with accompanying papers); to the Committee on the Judiciary.

EC-1082. A letter from the Director of the Administrative Office of the U.S. Courts transmitting a draft of proposed legislation to amend section 1332(a)(1) of title 28, United States Code, relating to the jurisdiction of the U.S. district courts in suits be-tween citizens of different states (with accompanying papers); to the Committee on the Judiciary

EC-1083. A letter from the Acting Deputy Attorney General transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during the calendar year 1976 (with an accompanying reto the Committee on the Judiciary.

EC-1084. A letter from the Commissioner of the U.S. Department of Justice Immigration and Naturalization Service transmitting, pursuant to law, copies of orders suspending deportation (with an accom-panying report); to the Committee on the

EC-1085. A letter from the Commissioner

of the U.S. Department of Justice Immigration and Naturalization Service transmitting, pursuant to law, a copy of the order suspending deportation in the case of Sun Hung Moy (with an accompanying report); to the Committee on the Judiciary.

EC-1086. A letter from the Director of the Administrative Office of the U.S. Courts transmitting a draft of proposed legislation to amend title 28, United States Code, to provide in civil cases for juries of six persons, to amend the Jury Selection and Service Act of 1968, as amended, with respect to the selection and qualification of jurors, and to extend the coverage of the Federal Employees Compensation Act to all jurors in U.S. district courts (with accompanying papers); to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. EASTLAND, from the Committee

on the Judiciary:
A report entitled "Report of the Committee on the Judiciary, United States Senate, made by its Subcommittee on National Penitentiaries" (Rept. No. 95-86).

Without amendment:

662. A bill to provide for holding terms of the District Court of the United States for the Eastern Division of the Northern District of Mississippi in Corinth, Mississippi (Rept. No. 95-87).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Commttee on the Judiciary:

Thomas E. Lydon, Jr., of South Carolina, to be U.S. attorney for the District of South Carolina.

Howard W. Hjort, of the District of Columbia, to be a member of the Board of Directors of the Commodity Credit Corporation.

John C. White, of Texas, to be a member of the Board of Directors of the Commodity Credit Corporation.

Alex P. Mercure, of New Mexico, to be an Assistant Secretary of Agriculture.

Robert Haldeman Meyer, of California, to be an Assistant Secretary of Agriculture.

Robert Haldeman Meyer, of California, to be a member of the Board of Directors of the Commodity Credit Corporation.

Dale Ernest Hathaway, of the District of Columbia, to be an Assistant Secretary of Agriculture.

Dale Ernest Hathaway, of the District of Columbia, to be a member of the Board of Directors of the Commodity Credit Corpora-

Malcolm Rupert Cutler, of Michigan, to

be an Assistant Secretary of Agriculture. Malcolm Rupert Cutler, of Michigan, to be a member of the Board of Directors of the Commodity Credit Corporation.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

Harold Marvin Williams, of California, to be a member of the Securities and Exchange Commission for the remainder of the term expiring June 5, 1977, vice Roderick M. Hills, resigning.

Harold Marvin Williams, of California, to be a member of the Securities and Exchange Commission for the term expiring June 5, 1982 (reappointment).

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H.R. 3199. An act to amend the Federal Water Pollution Control Act to provide for additional authorizations, and for other purposes; to the Committee on Environment and Public Works.

H.R. 5294. An act to amend the Consumer Credit Protection Act to prohibit abusive practices by debt collectors; to the Committee on Banking, Housing, and Urban Affairs,

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated.

By Mr. NELSON (for himself, Mr. JAVITS, Mr. WILLIAMS, Mr. CRANSTON, Mr. HUMPHREY, Mr. JACKSON, Mr. KENNEDY, Mr. RANDOLPH, and Mr. STAFFORD):

S. 1242. A bill to provide employment and training opportunities for youth; to the Committee on Human Resources.

By Mr. CHURCH (for himself, Mr. DOMENICI, and Mr. WILLIAMS)

S. 1243. A bill to amend title II of the Social Security Act to revise the provisions relating to automatic cost-of-living increases in benefits, and for other purposes; to the Committee on Finance.

By Mr. BIDEN:

S. 1244. A bill to limit the period of authorization of new budget authority provided in appropriations Act, to require analysis, appraisal and evaluation of existing programs for which continued new budget authority is proposed to be authorized by committees of the Congress, and for other purposes; to the Committee on Rules and Administration.

By Mr. GRIFFIN:

S. 1245. A bill to improve the criminal justice system by eliminating and improving overcrowded and unsafe conditions in State, county, and local prisons through the provision of grants to assist in the construction, acquisition and renovation of such facilities: to the Committee on the Judiciary.

By Mr. PROXMIRE:

S. 1246. A bill to amend the Housing and Community Development Act of 1974 to provide a more equitable allocation of funds, to authorize a fuller range of community development activities, to establish an urban development action grant program for severely distressed cities; to amend section 312 of the Housing Act of 1964, as amended; to amend section 701 of the Housing Act of 1954, as amended; and for other purposes; to the Committee on Banking, Housing, and Ubran Affairs.

By Mr. BUMPERS: S. 1247. A bill for the relief of Kurt Perwolf, his wife Hilda Perwolf, and his son Christian Perwolf; to the Committee on the

> By Mr. METCALF (for himself and Mr. Jackson):

S. 1248. A bill to provide for the exploration for and development of federally owned minerals, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr MATHIAS:

S. 1249. A bill to amend title 5. United

States Code, to provide for grade retention benefits for certain Federal employees whose positions are reduced in grade, and for other purposes: to the Committee on Governmental Affairs.

By Mr. MAGNUSON (by request):

S. 1250. A bill to authorize appropriations for the Coast Guard for fiscal years 1978 and 1979 and for other purposes; to the Committee on Commerce, Science, and Transporta-

By Mr. HUMPHREY:

S. 1251. A bill to establish a universal food service program for children; to the Committee on Agriculture, Nutrition, and Forestry

By Mr. HUMPHREY (for himself and Mr. Tower) :

S. 1252. A bill to transfer the functions of the Passport Office to a new agency of the Department of State to be known as the United States Passport Service, to establish a Passport Service Fund to finance the operations of the United States Passport Service, and for other purposes; to the Committee on Foreign Relations.

By Mr. McCLURE (by request):

S. 1253 A bill to establish a National Dam Safety Program; to the Committee on Environment and Public Works.

By Mr. McCLURE:

S. 1254. A bill to establish a National Dam Safety Program; to the Committee on Environment and Public Works.

By Mr. BROOKE:

S. 1255. A bill to provide for reconstruction assistance for the victims of the recent earthquakes in Italy, and for other purposes; to the Committee on Foreign Relations.

By Mr. MATHIAS:

- S. 1256. A bill to eliminate the complete immunity from criminal, civil, and administrative jurisdiction currently given to all foreign diplomats and their staffs and to establish the Vienna Convention on Diplomatic Relations as the basis for diplomatic privileges and immunities in the United States;
- S. 1257. A bill to require that members of the diplomatic community accredited to or resident in the United States shall, as a prerequisite to owning or operating a motor vehicle in the United States, satisfy the appropriate issuing authority that any claims for personal injury or property loss resulting from such operation will be satisfied by an insurer and are enforceable by a direct action against such insurer; to the Committee on Foreign Relations.

By Mr. MAGNUSON (for himself, Mr. ALLEN, Mr. CHURCH, Mr. DANFORTH,

and Mr. THURMOND) :

S. 1258. A bill to provide for the designation of the libraries of accredited law schools as depository libraries of Government publications; to the Committee on Rules and Administration.

By Mr. BROOKE (for himself, Mr. KEN-NEDY, and Mr. HASKELL):

S. 1259. A bill to amend the Small Business Act to authorize loans under such Act to small business concerns adversely affected by temporary local economic and/or weather conditions and to permit deferral of repay ment; to the Select Committee on Small Business.

By Mr. HART (for himself, Mr. Ken-NEDY, Mr. BROOKE, and Mr. HAT-FIELD) :

S. 1260. A bill to amend section 5701 of the Internal Revenue Code of 1954 to establish a Health Protection Tax; to the Committee on Finance.

By Mr. DECONCINI:

S. 1261. A bill to provide for the current capital treatment of certain estimated losses experienced in connection with the loss of savings through fraud and mismanagement of an uninsured thrift institution; Committee on Finance.

By Mr. RIBICOFF (for himself, Mr. PERCY, Mr. JAVITS, Mr. MAGNUSON, Mr. CRANSTON, Mr. METCALF, Mr. Mathias, Mr. Jackson, and Mr. Met-ZENBAUM):

S. 1262. A bill to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes; to the Committee on Governmental Affairs.

By Mr. HATHAWAY (for himself and Mr. MUSKIE):

S. 1263. A bill to amend the Fishery Conservation and Management Act of 1976 in order to expedite the filling of a vacancy on a Regional Fishery Management Council which occurs prior to the expiration of a term; to the Committee on Commerce, Science and Transportation:

By Mr. CHILES (for himself and Mr.

ROTH)

S. 1264. A bill to provide policies, methods, and criteria for the acquisition of property and services by executive agencies; to the Committee on Governmental Affairs.

By Mr. PERCY: S. 1265. A bill to amend chapter 21 of title 44, United States Code, to include new provisions relating to the acceptance and use of transferred to the custody of Administrator of General Services; to the Committee on Governmental Affairs

S. 1266. A bill to establish a fund for activating authorized agencies, and for other purposes; to the Committee on Governmen-

tal Affairs.

S. 1267. A bill to amend sections 3303a and 1503 of title 44, United States Code, to require mandatory application of the General Records Schedules to all Federal agencies and to resolve conflicts between authorizations for disposal and to provide for the disposal of Federal Register documents; to the Committee on Governmental Affairs.

By Mr. PERCY (for himself and Mr.

RIBICOFF)

S. 1268. A bill to increase the compensation of the Chairman and the members of the Board of Governors of the Federal Reserve System and of the Director and Deputy Director of the Office of Management and Budget; to the Committee on Governmental Af-

By Mr. SCHMITT:

S.J. Res. 45. Joint resolution to establish a National Energy Policy as a framework for legislative action by the Congress of the United States; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. NELSON (for himself, Mr. JAVITS, Mr. WILLIAMS, Mr. CRANSTON, Mr. HUMPHREY, Mr. JACKSON, Mr. KENNEDY. RANDOLPH, and Mr. STAFFORD):

S. 1242. A bill to provide employment and training opportunities for youth; to the Committee on Human Resources. YOUTH EMPLOYMENT AND TRAINING ACT OF

1977

Mr. NELSON. Mr. President, on behalf of myself and Senators Javits, Williams, CRANSTON, HUMPHREY, JACKSON, KEN-NEDY, RANDOLPH, and STAFFORD, I am introducing the administration's proposed "Youth Employment and Training Act of 1977." The draft legislation was transmitted to Congress today by Secretary of Labor Ray Marshall.

There is no greater economic problem facing the Nation today than the problem of youth unemployment. Teenagers face rates of unemployment twice as high as other members of the labor force. Over 3 million young persons age 16 to 24 are unemployed. I congratulate the administration for taking this beginning toward a comprehensive national employment and training program to provide America's young people with useful work and training opportunities with the goal of enhancing their job prospects and opportunities for useful careers throughout their lives.

The legislation which I am introducing for the administration would add to the Comprehensive Employment and Training Act a new title VIII on youth employment and training, with an authorization to appropriate such sums as may be necessary for such title. The proposed new title contains three parts: Part A-National Young Adult Conservation Corps; part B-Youth Community Conservation and Improvement Projects; and part C-Comprehensive Youth Employment and Training Programs.

Part A of the new title VIII would create a national Young Adult Conservation Corps designed to provide youths from ages 16 to 22 with opportunities to perform useful work in the Nation's parks and forests. The Secretary of Labor would administer the corps through interagency agreements with the Secretaries of the Interior and Agriculture, who would be responsible for the management of the centers on public lands and waters under their respective jurisdictions. In addition, projects would be carried out on non-Federal public lands or waters, pursuant to agreements with appropriate State and local agen-

Part B of the new title VIII authorizes youth community conservation and improvement projects. Under this part, the Secretary of Labor would provide funds to employ youths from age 16 to 22 on community improvement projects, to perform work which would not otherwise be carried out, including the rehabilitation or improvement of public facilities, neighborhood improvements-including basic repairs to low-income housing-and conservation, maintenance, or restoration of natural resources on non-Federal public lands. Such projects would be carried out by State and local governments and public or private nonprofit agencies submitting project applications to prime sponsors under the Comprehensive Employment and Training Act. In allocating funds under part B, the Secretary of Labor would take into consideration the severity of unemployment among eligible youths residing in the areas to be served, but no State would receive less than one-half of 1 percent of the funds available for this part.

Part C of the proposed new title VIII would authorize funds for a broad variety of employment and training programs designed to enhance the job prospects and career opportunities of young persons, with emphasis on youths age

In addition to useful work experience opportunities in community betterment activities, part C would support appropriate training and services such as outreach, counseling, occupational information, institutional and on-the-job training, and transportation assistance. Under the proposed legislation, half of the funds would be allocated among prime sponsors on a formula based 75 percent upon relative unemployment and 25 percent upon the relative number of lowincome persons. The remaining half of the funds would be made available in the discretion of the Secretary of Labor; however, all except 25 percent of that half must be made available to CETA prime sponsors, with the remaining positions available for other public or private nonprofit agencies.

While the National Young Adult Conservation Corps under part A and Community Improvement Projects under part B would be open to both disadvantaged and nondisadvantaged youths, eligible participants for comprehensive employment and training programs under part C must be persons who are not members of families whose family incomes exceed 70 percent of the Bureau of Labor Statistics lower living standard budget.

In each part of the proposed new title VIII, the Secretary could permit youths starting at age 14 and up to age 24 to participate in programs under the pro-

posed legislation. On April 20, 21, and 22, the Subcommittee on Employment, Poverty, and Migratory Labor, of which I am chairman. will hold hearings on the administration's youth employment legislation which I am introducing today as well as the House-passed bill (H.R. 2992) extending the authorization for the Comprehensive Employment and Training Act through fiscal year 1978.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD following my remarks.

I also ask unanimous consent that there be printed in the RECORD Secretary of Labor Ray Marshall's letter transmitting the legislation, as well as the detailed "Statement and Explanation of the Youth Employment and Training Act of 1977," which accompanied the Secretary's letter.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1242

Be it enacted by the Senate and House of Representatives of the United States America in Congress assembled, That this Act may be cited as the "Youth Employment and Training Act of 1977".

SEC. 2. The Comprehensive Employment Training Act of 1973 is amended by adding at the end thereof the following new title:

"TITLE VIII-YOUTH EMPLOYMENT AND TRAINING

> "PART A-NATIONAL YOUNG ADULT CONSERVATION CORPS

"STATEMENT OF PURPOSE

"Sec. 801. It is the purpose of this part to establish a National Young Adult Conservation Corps to provide employment and other benefits to youth who would not otherwise be currently productively employed, through a period of service during which they engage in useful conservation work and aid in completing other projects of public nature on Federal and non-Federal public lands and waters.

'NATIONAL YOUNG ADULT CONSERVATION CORPS

"Sec. 802. To carry out the purposes of this part, there is hereby established a National Young Adult Conservation Corps to carry out projects on Federal or non-Federal public lands or waters. The Secretary shall administer this part through interagency agreements with the Secretaries of the Interior and Agriculture. Pursuant to such interagency agreements, the Secretaries of the Interior and Agriculture shall have responsibility for the management of each Corps center, including determination of Corps members' work assignments, selection, training, discipline, and termination, and shall responsible for an effective program at each center.

"SELECTION OF ENROLLEES

'SEC. 803. (a) Enrollees of the Corps shall be selected by the Secretaries of the Interior and Agriculture only from candidates referred by the Secetary.

"(b) To qualify as an enrollee of the Corps an individual, at the time of selec-

"(1)(A) shall have attained age 16 but not attained age 22; provided, that individuals who have attained age 16 but not age 19, and have left school, shall, to qualify as enrollees, give adequate assurances that they did not leave school for the purpose of participating in programs financed under this part: or

"(B) may be, notwithstanding the above and under such regulations as the Secretary may prescribe, persons who have attained 14, but not age 16, or individuals who have attained age 22 but not age 24; and

'(2) shall be citizens or lawfully admitted permanent residents of the United States or lawfully admitted parolees and refugees;

- (3) shall be physically and mentally capable, as determined by the Secretary, of carrying out the work of the Corps for the estimated duration of the individual's enrollment.
- "(c) Preference for membership in the Corps shall be given to those eligible under this part who reside in areas determined by the Secretary under section 204(c) to have a rate of unemployment equal to or in excess of 6.5 percent.
- "(d) The Secretary shall make arrangements for obtaining referral of candidates for the Corps from the public employment service, prime sponsors under title I, the Secretaries of Interior and Agriculture, and such other agencies and organizations as the Secretary may deem appropriate.
- "(e)(1) No individual may be enrolled in the Corps for a total period of more than 12 months, with such maximum period consisting of either one continuous 12-month period, or three or less periods which total 12 months; provided, that an individual who attains the maximum permissible enrollment age may continue in the Corps up to the 12month limit provided in this subsection only as long as the individual's enrollment is continuous after having attained the maximum age.
- "(2) No individual shall be enrolled in the Corps if solely for purposes of membership for the normal period between school

"ACTIVITIES OF THE CORPS

"SEC. 804. (a) Consistent with each interagency agreement, the Secretary of the Interior or Agriculture, as appropriate, in consultation with the Secretary shall determine the location of each residential and nonresidential camp site. The Corps shall perform work on projects, programs, and in areas, including but not limited to:

"(1) tree nursery operations, planting, pruning, thinning, and other silvicultural

measures:

"(2) erosion control and flood damage: "(3) wildlife habitat improvements and preservation;

(4) range management improvements:

"(5) drought damage measures; "(6) recreation development, rehabilitation, and maintenance;

"(7) fish habitat and culture measures; "(8) forest insect and disease prevention

control: "(9) road and trail maintenance and improvements;

"(10) general sanitation, cleanup, and maintenance: and

(11) natural disasters damage measures. To the maximum extent practicable, appropriate projects shall-

"(1) be highly labor intensive;
"(2) be projects for which work plans could be readily developed; (3) be able to be initiated promptly;

"(4) provide work experience to participants in skill areas required for the accomplishment of productive work on the project;

"(5) if a residential project, be located in areas where existing residential facilities for the Corps members are available; and

"(6) be similar to activities of persons employed in seasonal and part-time ployed in agencies such as the National Park Service, U.S. Fish and Wildlife Service, Bureau of Reclamation, Bureau of Land Management, Bureau of Indian Affairs, and the Forest Service.

"(c) (1) The Secretaries of the Interior and Agriculture, pursuant to agreements with the Secretary, may provide for such transportation, lodging, subsistence, medical treatment, and other services, supplies, equipment, and facilities as they may deem appropriate to carry out the purposes of this

part;
"(2) Whenever economically feasible, existing but unoccupied or underutilized Federal, State and local government facilities, and equipment of all types, including military facilities and equipment, shall be utilized for the purposes of the Corps work camps, where appropriate, with the approval of the Federal agency, State or local government involved.

"CONDITIONS APPLICABLE TO CORPS ENROLLEES

"SEC. 805. (a) Members of the Corps shall not be deemed Federal employees except for purposes of chapter 171 of title 28, chapter 81 of title 5, and title II of the Social Security Act (42 U.S.C. 401, et seq.);

"(b) The Secretary shall, in consultation with the Secretaries of Agriculture and Interior, establish standards for

- "(1) rates of pay which shall be at least at the rate set forth in section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended:
- "(2) reasonable hours and conditions of employment, and
- "(3) safe and healthful working and living conditions.
- "(c) To minimize transportation costs, Corps members shall be assigned to projects as near to their homes as practicable.

"AGREEMENTS WITH AGENCIES AND ORGANIZATIONS

"SEC. 806. Consistent with interagency agreements with the Secretary, the Secretaries of the Interior and Agriculture may make grants or enter into other agreements, after consultation with the governor, with any State agency, or after consultation with appropriate State and local officials, with any public agency or organization or any private nonprofit agency or organization (which has been in existence for at least five years) for the conduct of any project under this part on Federal or non-Federal public lands or waters.

"PART B-YOUTH COMMUNITY CONSERVATION AND IMPROVEMENT PROJECTS

"STATEMENT OF PURPOSE

"SEC. 811. It is the purpose of this part to establish a program of community conservation and improvement projects to provide employment, work experience, skill training, and opportunities for community service to eligible youths, for a period not to exceed 12 months, supplementary to, but not replacing opportunities available under title I of this Act.

"DEFINITIONS

SEC. 812. As used in this part, the term-"(1) 'eligible applicant' means any prime sponsor designated under section 102 of the

Act and Indian tribes, bands, and groups qualified under section 302(c)(1) of this Act.

"(2) 'project applicant' shall have the same meaning as in section 701(a)(15) of this Act.

"(3) (A) 'eligible youth' means any un-employed individual who at the time of employment, has attained the age 16 but not age 22;

"(B) notwithstanding paragraph (A), under such regulations as the Secretary may prescribe, persons who have attained age 14, but not age 16, and persons who have attained age 22 but not age 24 may be 'eligible vouth'.

"(4) 'community improvment projects' means projects which provide work which would not otherwise be carried out, including, but not limited to, the rehabilitation or improvement of public facilities; neighborhood improvements, including basic repairs to low-income housing; and conservation, maintenance, or restoration of natural resources on publicly held lands other than Federal lands.

"ALLOCATION OF FUNDS

"SEC. 813. (a) In allocating funds appropriated under this part, the Secretary shall take into consideration the severity of unemployment among eligible youths residing in the areas served by each eligible applicant: Provided, however, that not less than one-half of 1 per centum of all amounts appropriated to carry out this part shall be granted under this part for programs within any one State, except that in the case of Guam, the Virgin Islands, American Samoa, the Northern Marianas, and the Trust Territory of the Pacific Islands, not less than one-half of 1 per centum in the aggregate shall be granted for such projects in all five of these jurisdictions.

"COMMUNITY CONSERVATION AND IMPROVEMENT YOUTH EMPLOYMENT PROGRAM

"SEC. 814. The Secretary is authorized, in accordance with the provisions of this part, to enter into agreements with eligible applicants to pay the costs of community im-provement projects to be carried out by project applicants using exclusively eligible youth and appropriate supervisory personnel.

"PROJECT APPLICANT APPLICATIONS

"SEC. 815. (a) Project applicants shall submit applications for funding of projects under this part to the appropriate eligible applicant.

(b) In accordance with regulations prescribed by the Secretary each project appli-

cation shall-

"(1) provide a description of the work to be accomplished by the project, the jobs to be filled, and the approximate duration for which the eligible youth would be assigned to such jobs.

"(2) provide a description of job training and development opportunities that will be made available to participating eligible youth, as well as a description of plans to coordinate the training and work experience with school related programs including the awarding of academic credit in accord with regulations prescribed by the Secretary;

'(3) describe the wages or salaries to be paid persons employed in jobs assisted under

- "(4) set forth assurances that there will be an adequate number of supervisory personnel on the project and that the supervisory personnel are adequately trained in skills needed to carry out the project and can instruct participating eligible youths in skills needed to carry out the project;
- "(5) set forth assurances that any income generated by the project will be applied to-ward the cost of the project;
- "(6) set forth assurances for acquiring, including by reasonable payment or rental,

ment as necessary;

"(7) set forth assurances that, to the maximum extent feasible, projects carried out under this part shall be labor intensive;

"(8) describe the method of recruiting eligible youth, including a description of how such recruitment is coordinated with plans under other parts of this title and with arrangements required by section 105 of this Act, and also including arrangements with school systems and the public employment service, including its school cooperative programs; and

"(9) set forth such other assurances, arrangements, and conditions as the Secretary deems appropriate to carry out the purposes of this part.

"PROPOSED AGREEMENTS

"SEC. 816. (a) Each eligible applicant desiring funds under this part shall submit a proposed agreement to the Secretary

(b) The proposed agreement shall contain project applications approved by eligible applicant, and other information and assurances as prescribed by the Secretary to carry out the purposes of this part.

"(c) (1) In order for a project application submitted by a project applicant to be submitted to the Secretary by the eligible appli-cant, copies of such application shall have been submitted at the time of such application to the prime sponsor's planning council established under section 104, or a like organization as determined by the Secretary, for the purpose of affording such council an opportunity to submit comments and recommendations with respect to that application to the eligible applicant. No member of a prime sponsor's planning council, or like organization, shall cast a vote on any matter in connection with a project in which that member (or any organization with which that member is associated) has a direct

"(2) Consistent with procedures established by the eligible applicants in accordance with regulations which the Secretary shall prescribe, the eligible applicant shall not disapprove a project application submitted by a project applicant unless it has first considered any comments and recommendations made by the prime sponsor's planning council, or like organization, and unless it has provided such applicant and the planning council, or like organization, with a written statement of its reasons for such disapproval.

"AGREEMENTS

"SEC. 817. (a) The Secretary of Labor may approve or deny the project applications included in each proposed agreement on an individual basis,

"(b) No funds shall be made available to the eligible applicant except pursuant to an agreement entered into between the Secretary and the eligible applicant which provides assurances satisfactory to the Secretary that

"(1) the standards set forth in part D will be satisfied;

"(2) projects will be conducted in such manner as to permit the eligible youth employed in the project who are in school to coordinate the job with classroom instruction and, to the extent feasible, to permit such eligible youths to receive credit from the appropriate educational agency or school involved: and

"(3) meet such other assurances, arrangements, and conditions as the Secretary deems appropriate to carry out the purposes of this

"WORK LIMITATION

"SEC. 818. No eligible youth shall be employed more than 12 months in work financed under this part, except as prescribed by the Secretary.

such space supplies, materials, and equip- "PART C-COMPREHENSIVE YOUTH EMPLOY-MENT AND TRAINING PROGRAMS

"STATEMENT OF PURPOSE

"Sec. 831. It is the purpose of this part to establish comprehensive programs, supplementary to but not replacing programs and activities available under title I of this Act, to enhance the job prospects and career opportunities of young persons, including employment, community service opportunities, and such training and supportive services as are necessary to enable participants to secure suitable and appropriate unsubsidized employment in the public and private sectors of the economy. To the maximum extent feasible, training and employment opportunities afforded under this part shall be interrelated and mutually reinforcing so as to achieve the goal of enhancing the job prospects and career opportunities of persons served under this part.

"PROGRAMS AUTHORIZED

"SEC. 832. The Secretary is authorized to provide, subject to such terms and conditions as he deems appropriate, financial assistance to enable eligible applicants (as defined in section 834) to provide employment opportunities and appropriate training and supportive services for eligible participants including but not limited to:

"(a) useful work experience opportunities in a wide range of community betterment activities such as the rehabilitation of public properties, assistance in the weatherization of homes occupied by low-income families, demonstrations of energy-conserving measures including solar energy techniques (especially those utilizing materials and supplies available without cost), park establishment and upgrading, neighborhood revitalization, conservation and improvement, and related activities;

"(b) meaningful and productive employment and work experience in fields such as education, health care, neighborhood transportation services, crime prevention and control, environmental quality control, preservation of historic sites, and maintenance

of visitor facilities; and
"(c) appropriate training and services to
support the objectives of this part, including but not limited to:

(1) outreach, assessment, and orientation:

"(2) counseling;

"(3) activities promoting education to work transition;

"(4) provision of occupational, educational and training information;

"(5) services to youth to help them obtain and retain employment;
"(6) literary and English as a second

language:

"(7) attainment of certificates of high school equivalency;

"(8) job sampling, including vocational exploration in the public and private sector; "(9) institutional and on-the-job train-

ing;
"(10) transportation assistance; and "(11) other necessary supportive services. "ALLOCATION OF FUNDS

833. (a) Fifty percent of the funds available for this part in any fiscal year shall be allocated as follows for the purpose of carrying out programs authorized under section 832:

"(1) 75 percent of the amount allocated under this subsection shall be allocated on the basis of the relative number of unemployed persons within the State as compared to such numbers in all States; and

"(2) 25 percent of the amount allocated under this subsection shall be allocated on the basis of the relative number of persons in families with an annual income below the low-income level within the State compared to such total numbers in all States.

(3) In determining allocations under this

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subsection, the Secretary shall use what he or she determines to be the most recent and

best available data.

"(b) The sum allocated to each State shall be allocated by the Secretary among areas within the State, as determined by the Secretary among areas within the State, as determined by the Secretary, on an equitable basis based upon the factors set forth in subsection (a).

(c) The Secretary is authorized to make such reallocations as he or she deems appropriate of any amount of any allocation under subsections (a) and (b) to the extent that the Secretary determines that an eligible applicant will not be able to use such amount within a reasonable period of time. Any such amount may be reallocated only if the Secretary has provided 30 days advance notice of the proposed reallocation to the eligible applicant for such area and to the Governor of the State of the proposed reallocation, during which period he may submit comments to the Secretary. After considering any comments submitted during such period of time, the Secretary shall notify the Governor and affected eligible applications of any decision to reallocate funds, and shall publish any such decision in the Federal Register. Priority shall be given in reallocating such funds to other areas within the same State.

"(d) The remaining fifty percent of the funds available for this part shall be available for innovative and experimental programs authorized under section 838.

"ELIGIBLE APPLICANTS

"SEC. 834. Eligible applicants under this part are prime sponsors, as defined in section 102 of this Act, and Indian tribes, bands, and groups qualified under section 302(c) (1) of this Act.

"ELIGIBLE PARTICIPANTS

"Sec. 835. (a) Eligible participants in programs authorized under this part shall be limited to persons who—

"(1) are unemployed;

"(2) at the time of entrance into a program authorized by this part, have attained the age 16 but not age 22, provided that, pursuant to such regulations as the Secretary may prescribe, persons who have attained age 14, but not age 16, and persons who have attained age 22 but not age 24 may be eli-

gible participants; and

"(3) are not members of households which have current gross family income, adjusted to an annualized basis (exclusive of unemployment compensation and other public payments which the individual will be disqualified from receiving by reason of assistance under this part) at a rate exceeding 70 per centum of the lower living standard income level; provided that activities of the type authorized under sections 832(c) (2), (3), (4), (5), (8) and (11) may be provided to persons meeting the requirements of paragraph 2 of this subsection who would not otherwise be eligible under this part.

"(b) For purposes of this section, the term 'lower living standard income level' means that income level (adjusted for regional and metropolitan and urban and rural differences and family size) determined annually by the Secretary based upon the most recent 'lower living standard budget' issued by the Bureau of Labor Statistics of the Department of

Labor.

"(c) To the maximum extent feasible, programs under this part shall be targeted on participants who are out-of-school, out-of-work, and experiencing severe handicaps in obtaining employment, including but not limited to those who lack credentials, such as a high school diploma, and those who require substantial basic and remedial skill development.

"CONDITIONS FOR RECEIPT OF FINANCIAL ASSISTANCE

"Sec. 836. The Secretary shall not provide financial assistance to an eligible applicant for programs authorized under section 832 unless such eligible applicant provides assurances that the standards set forth in part D will be met and:

"(1) includes in its comprehensive manpower plan submitted pursuant to section
105 or section 302(c)(1) of this Act (or for
fiscal year 1977, as an amendment thereto),
a description of the program to be provided
to eligible participants, together with a
description of the relationship and coordination of services provided to eligible participants under this part of similar services
offered by local educational agencies, postsecondary institutions, the public employment service, other youth programs, community-based organizations, businesses, and
labor organizations consistent with the requirements of sections 105 and 106 of this
Act:

"(2) provides assurances, satisfactory to the Secretary, that in the implementation of programs under this part, there will be coordination, as appropriate with local educational agencies, post-secondary institutions, other youth programs, community-based organizations, businesses, labor organizations, other job training programs, the apprenticeship system, and with respect to the referral of prospective youth participants to the program, the public employment service system;

"(3) provides assurances satisfactory to the Secretary, that to the maximum extent feasible, programs or components of programs conducted under this part will be linked, where appropriate, to comprehensive work and training programs conducted by prime sponsors under title I of this Act;

"(4) provides assurances satisfactory to the Secretary that allowances will be paid in accordance with the provisions of section 111(a) of this Act and such regulations as the Secretary may prescribe for this part; and

"(5) provides such other information and assurances as the Secretary may deem appropriate to carry out the purposes of this Act.

"FEDERAL ADMINISTRATION

"SEC. 837. The provisions of sections 108, 109, and 110 of this Act shall apply to all programs and activities authorized under section 832.

"INNOVATIVE AND EXPERIMENTAL PROGRAMS

"Sec. 838. (a) There are authorized to be established innovative and experimental programs to test new approaches for dealing with the unemployment problems of youth. In establishing such programs, the Secretary shall consult, as appropriate, with the Secretaries of Commerce, Health, Education, and Welfare, Housing and Urban Development and with the Director of ACTION. Such programs shall include, where appropriate, cooperative arrangements with educational agencies to provide special programs and services for eligible participants enrolled in secondary schools, including job experience, counseling and guidance prior to the completion of secondary school and making available occupational, educational and training information through State-wide career information systems.

"(b) Three-fourths of the funds available under section 833(d) to carry out this section shall be provided to eligible applicants on the basis of applications submitted to the Secretary. The Secretary shall review and approve such applications, on the basis of criteria which he or she shall establish, which shall include but not be limited to:

"(1) standards of local need, as evidenced by the severity of unemployment problems among low-income youth participants in the area to be served;

"(2) demonstrated effectiveness in dealing with the unemployment problems of youth, as indicated by the past performance record of the eligible applicant; and

"(3) the quality of the program proposal, as determined by the Secretary in accord with such standards as the Secretary shall establish.

"(c) The remaining one-fourth of the funds available under section 833(d) to carry out this section shall be used at the Secretary's discretion to carry out innovative and experimental programs for eligible participants, for the purposes of preparing them for, enhancing their prospects for, or securing their employment in jobs through which they may be reasonably expected to advance to productive working lives.

"ACADEMIC CREDIT

"Sec. 839. In the Administration of this part, appropriate efforts shall be made to encourage the granting by the educational agency or school involved of academic credit to eligible participants who are in school.

"PART D-GENERAL PROVISIONS

"Sec. 851. Pursuant to such regulations as the Secretary deems appropriate, all activities funded under this title shall meet the following standards:

"(a) The activities-

"(1) will result in an increase in employment opportunities over those opportunities which would otherwise be available, "(2) will not result in the displacement

"(2) will not result in the displacement of currently employed workers (including partial displacement such as reduction in the hours of non-overtime work or wages or employment benefits),

"(f) Members of the target population to be served by the program shall be consulted with and their views taken into con-

sideration.

"(g) Where a labor organization represents employees who are engaged in similar work in the same area to that proposed to be performed under the program for which an application is being developed for submission under this title, such organization shall be notified and shall be afforded a reasonable period of time prior to the submission of the application in which to make comments to the applicant and to the Secretary.

"(h) The provisions of section 605(b) of

this Act shall apply.

"(1) Activities funded under this title shall meet such other standards as the Secretary may deem appropriate to carry out the purposes of this Act.

"(j) Rates of pay under parts B and C shall be no lower than the highest of—

"(1) the minimum wage under section 6(a) (1) of the Fair Labor Standards Act of 1938:

"(2) the State or local minimum wage for the most nearly comparable employment; or

"(3) the prevailing rates of pay for persons employed in similar occupations by the same employer: Provided, however, that in the case of projects to which the provisions of the Davis-Bacon Act (or of any Federal law containing labor standards in accordance with the Davis-Bacon Act) otherwise apply, the Secretary is authorized, for projects financed under parts B and C of this title of under \$5,000, to prescribe rates of pay for youth participants which are not less than the applicable minimum wage but not more than the wage rate of the entering apprentice in the most nearly comparable apprenticable trade, and to prescribe the appropriate ratio of journeymen to such participating youths.

"EDUCATION CREDIT

"SEC. 852. The Secretary in carrying out the purposes of this title, shall work with the Department of Health, Education, and Welfare to make suitable arrangements whereby academic credit may be awarded by educational institutions and agencies for competencies derived from work experience obtained through programs established under this title.

"EVALUATION

"SEC. 853. Programs provided under this title shall be subject to continuing performance evaluation pursuant to the provisions of section 313(a) of this Act.

TRAINING AND TECHNICAL ASSISTANCE

Sec. 854. Training and technical assistance may be provided to eligible applicants conducting programs and activities under parts B and C of this title in accordance with the provisions of section 315 of this Act. Technical assistance to be provided by the Secretary shall emphasize the development and exchange of viable and proven program models and program information to assist eligible applicants in the design and modification of local program initiatives.

AUTHORIZATION OF APPROPRIATIONS

SEC. 3. (a) There are authorized to be appropriated such sums as may be necessary for the fiscal year ending September 30, 1977, and for the fiscal year ending September 30, 1978 to carry out the provisions of title VIII the Comprehensive Employment and Training Act of 1973 (as amended by this

(b) Funds necessary to carry out their responsibilities under part A shall be made available to the Secretaries of the Interior and Agriculture in accord with interagency agreements between the Secretaries of the Interior and Agriculture and the Secretary.

RELATION TO OTHER PROVISIONS OF LAW

SEC. 4. The provisions of title VII of the Comprehensive Employment and Training Act of 1973, as amended, shall apply to pro grams under this Act, except that, to the extent that such provisions are inconsistent with the provisions of this Act, the provisions of this Act shall prevail.

EFFECTIVE DATE

· SEC. 5. The provisions of this Act shall become effective upon enactment.

> U.S. DEPARTMENT OF LABOR, Washington, D.C.

Hon. WALTER F. MONDALE, President of the Senate, Washington, D.C. Hon. THOMAS P. O'NEILL, Jr. Speaker of the House, Washington, D.C.

DEAR MR. PRESIDENT and MR. SPEAKER: We are transmitting herewith a draft bill to provide employment and training oppor-

tunities for youth.

As set forth more fully in the accompanying explantory materials, the "Youth Employment and Training Act of 1977" would amend the Comprehensive Employment and Training Act of 1973, as amended (CETA) by adding a new title VIII.

This proposed bill would implement the program for dealing with youth unemploy-ment problems which the President outlined in his message of March 9, 1977. The bill contains three new programs for dealing with

youth unemployment.

1. The bill would establish a National Young Adult Conservation Corps. The Corps, administered by the Secretary of Labor through agreements with the Secretaries of Interior and Agriculture, would engage youth aged 16 to 21 (and 14, 15, 22, and 23 years old at the Secretary's option) in conservation programs and in the maintenance and improvement of public lands and waters.

2. The bill would establish a program of community conservation and improvement projects to provide employment, service op-portunities, work experience, and skill training for youth. The projects, funded through CETA prime sponsors and qualified Indian tribes, would include neighborhood and community improvement activities, and conservation and restoration of natural resources on non-Federal public lands.

3. The bill also would establish Compre hensive Youth Employment and Training Programs. These programs would be targeted on low-income, unemployed youth. It would provide useful work experience opportunities in community betterment activities, productive employment in fields such as education and a wide range of service opportunities, training, and supportive services to aid youth in finding and retaining employment. The programs would be run through CETA prime sponsors and qualified Indian tribes. This part would also authorize innovative and experimental programs to test new approaches to the unemployment problem of Youth.

The President has requested \$1.5 billion to be spent over an 18-month period for these youth unemployment programs.

We urge your prompt and favorable consideration of this important measure.

The Office of Management and Budget advises that there is no objection to the submission of this draft legislation and that its enactment would be in accord with the program of the President.

Sincerely,

RAY MARSHALL Secretary of Labor.

STATEMENT AND EXPLANATION OF THE YOUTH EMPLOYMENT AND TRAINING ACT OF 1977

A substantial proportion of the young population continues to be plagued by persistent unemployment which may have longterm adverse consequences. Latest available figures indicate that there are about 3.4 million unemployed jobseekers among those aged 16-24. In percentage terms, there is an 18.5 percent unemployment rate among youth aged 16-19, and a 12.0 percent rate among those aged 20-24. For minority youth, however, the rate of unemployment is presently 37.2 percent. Even more significant these figures are little different from corresponding figures for the same age groups a year ago. The problem is not only severe in magnitude, but chronic in duration.

To date, progress in meeting the employment problems of young people has not been satisfactory. In many cases, young workers lack marketable job skills; in too many cases, their training and education have not fitted

them for jobs which are available.

In response to the problems of youth unemployment, the President proposed new initiatives for serving youth in his economic recovery package sent to Congress on January 31 of this year. Details of three new initiatives to serve youth were elaborated upon in a March 9, 1977, Presidential message to the Congress. In the latter message, the President stated that the new programs initially would be conducted under the existing authority of Title III of the Comprehensive Employment and Training Act (CETA), but that he would submit to the Congress a legislative proposal for a new title to be added to CETA, embodying the new initiatives. The Youth Employment and Training Act of 1977 represents a fulfillment of the President's commitment.

The proposed legislation would respond to the needs of unemployed youth by authorizing three new programs under a new title

VIII of CETA:

NATIONAL YOUNG ADULT CONSERVATION CORPS

Part A of the new title authorizes creation of a National Young Adult Conservation Corps. The Corps would consist of young Americans aged 16 through 21 (and persons aged 14, 15, 22, and 23 pursuant to regulations issued by the Secretary) in conservation projects and in the maintenance and improvement of public parks, forests and recreation areas. The Department of Labor intends to spend a total of \$350 million over the next 18 months for 35,000 positions under this program.

The program would be administered by the Department of Labor through agreements with the Agriculture and Interior Departments. It would be open to unemployed young persons, provided they meet the age criteria. However, individuals would be given preference for employment if they live in areas (as defined in title II of CETA) having unemployment rates of 6.5 percent or higher.

Corps members would be enrolled for a total period of not more than 12 months.

They would receive at least the Federal minimum wage.

Corps members would work on projects such as tree nursery operations, drought and flood damage control, recreation development, and cleanup and maintenance of public lands.

To the maximum extent feasible, projects would be labor intensive and those which could be initiated promptly. Candidates for the Corps would be re-

ferred by the public employment service, CETA prime sponsors and other appropriate organizations including the Departments of Agriculture and Interior.

State agencies, any public agency or organization, or any private non-profit agency or organization (which has been in existence for at least five years) would be able to operate a Corps project.

Corps members would be provided transportation, lodging, subsistence, and other services, where appropriate.

YOUTH COMMUNITY CONSERVATION AND IM-PROVEMENT PROJECTS

Part B authorizes a program of Youth Community Conservation and Improvement Projects. Under this program, young people aged 16 through 21 (and persons aged 14, 15, 22, and 23 pursuant to regulations issued by Secretary) would be employed in projects of local benefit, such as improving neighborhoods and communities and maintaining and restoring natural resources on publicly owned land. Projects would be concentrated where the need was greatest, but they would be open to unemployed youth. Over the next 18 months, the Department of Labor intends to spend a total of \$250 million for 30,000 jobs under this program.

Projects would be developed by project applicants (State and local governments and agencies, local educational agencies, community-based organizations and others) and reviewed and approved by eligible applicants as is done under title VI. Approved projects then are forwarded to the Secretary of Labor.

Funds would be available for supplies and equipment necessary to carry out the projects.

In funding projects, consideration would be given to the severity of unemployment among youths living in the areas to be served. The programs will be open to unemployed

persons, provided they meet the age criteria. COMPREHENSIVE YOUTH EMPLOYMENT AND TRAINING PROGRAMS

Part C authorizes Comprehensive Youth Employment and Training Programs, aimed at youths in low-income families, aged 16 through 21, (and persons aged 14, 15, 22, and 23 pursuant to regulations issued by the Secretary) who are unemployed. The program would be administered primarily by CETA prime sponsors, with a portion of the funds authorized being reserved for testing innovative demonstration projects. A total of \$900 million would be spent for 138,000 slots under this program.

Programs would be designed to enhance the job prospects and career opportunities of young persons; to achieve this, training and employment received would be interrelated and mutually reinforcing.

These programs would supplement programs and activities for youth now carried out by prime sponsors under title I.

Half of the funds would be allocated to the 466 prime sponsors under the CETA system to provide meaningful employment and work experience in fields such as community betterment, education and health care, and appropriate training to enhance the job prospects of participants. Eligible applicants (prime sponsors and Indian tribes) would be allocated funds based on their relative shares of unemployed persons and persons in families below the low-income level.

The other half of the funds would be available to the Secretary of Labor to encourage innovative and experimental programs. Three-quarters of this money would be available to eligible applicants on the basis of their applications to the Secretary. These applications would be judged by standards of local need, program quality, and the prime sponsor's record. The Secretary would use the rest of the money to develop and test innovative projects.

While programs under Part C are directed at unemployed, low-income youth, other youth would be able to participate in certain activities and services provided under this

To the maximum extent feasible, programs

would be linked to title I programs.

4. In addition Part D consists of general provisions that apply to parts A, B, and C. Part D sets forth labor standards that have to be met for an activity to receive funding under this title. Labor standards with respect to wages affect only parts B and C (part A has a separate provision in that part)

Part D also provides for coordination between the Secretary of Labor and the Secretary of HEW to provide academic credit.

JAVITS. Mr. President, I am pleased to join Senator Nelson and my other distinguished colleagues in introducing today the Youth Employment and Training Act of 1977. This bill represents the product of weeks of consultations between the administration and various Senators and, as one of those Senators, in addition to being the joint author, with Senator HUMPHREY, of the Comprehensive Youth Employment Act. S. 170, which is one of the Senate bills upon which the bill we introduce today is based, I believe that the bill is an example of what can be achieved when the administration and the Congress work together in a spirit of cooperation.

In January and February no less than seven youth employment bills were introduced in the Senate. These included S. 1, introduced by Senator Mathias; S. 20, introduced by Senators Cranston and KENNEDY; S. 306, introduced by Senators Stafford, Randolph and others; S. 494, introduced by Senator Jackson; S. 503, introduced by Senators McClure, DOMENICI, BELLMON and myself; S. 680, introduced by Senator Schweiker; and S. 170, to which I have already made reference.

Some of these bills utilized the Comprehensive Employment and Training Act manpower delivery system and some did not; some were targeted on the disadvantaged, some aimed at youths 16-21,

others at youths 16-24.

The point is, Mr. President, that although all these bills were intended to deal with the employment problems youth experience in the labor marketand there is no doubt that youth unemployment is a social and economic disaster for our country-each was characterized by a somewhat unique approach. The bills that have been introduced represent the Senate's best thinking currently on how to deal with the endemic structural problem of youth unemployment. I have maintained from the beginning that to remedy effectively so complex and disparate a problem as youth unemployment, we needed to have the maximum cross-fertilization of ideas, so that ultimately we could be able to formulate a truly comprehensive piece of legislation.

But we very easily could have had a legislative race here in the Senate to see whose bill would cross the finish line first and pick up all the available budget authority. As I emphasized on February 22, that would be no way to legislate, to leave that race to those who might find an opportune moment to press their particular approach.

The fact is, Mr. President, that we did not have such a race, because Senators were willing to put the national interest above the partisan or personal interest, and work together with the administration in developing the comprehensive measure I join my colleagues in introducing today.

I commend the President and his able Labor Secretary, Ray Marshall. It is well known that their original plan was to ask for \$1.5 billion in the economic stimulus appropriations bill to start up several national programs in fiscal year 1977 under title III of the Comprehensive Employment and Training Act. They did not contemplate seeking additional legislation in the form of a new, CETA youth

The administration soon realized. however, that with all these bills having been introduced, plus the House also beginning to move, plus the public works bill containing a youth employment title approaching Senate consideration and likely to pass, it would be necessary to reconsider the original plan to rely upon title III authority.

It was at that point that Secretary Marshall joined the chairman and ranking minority members of the Public Works and Human Resources Committees in organizing a staff task force whose mission it was to initiate a series of consultations between the administration and Congress for the purpose of formulating the comprehensive legislation, which has reached fruition today. The staffs are to be commended for their hard work and dedication in helping to develop this bill.

On the whole, I am pleased with the intent and programmatic content contemplated in this legislation. More specifically, I believe the Young Adult Conservation Corps provided for in part A represents a significant addition to our ability to provide manpower services and employment opportunities to rural youth and others, in diverse work experience programs. I agree with Senator Jackson and others, such as Representative MEEDS, that youths stand to gain much from the kind of experiences that can be afforded them in conservation corps

Likewise, I am pleased that Senator STAFFORD'S innovative concept of a youth improvement community program. which I believe represents the breaking of new ground in our manpower system, has been included in the administration's bill. Senator STAFFORD rightly deserves much credit for the development of this legislation, and his unique contribution should be given the place it warrants in our national employment pol-

Finally, it is gratifying to see that the community service program. which is a basic component of the Humphrey-Javits bill, has been adopted as the administration's own proposal.

Although I am generally pleased with and am able to endorse the bill we now introduce, I cannot say I am satisfied with it in every detail. Therefore, I wish

to make it clear that as ranking minority member of the Employment Subcommittee and of the full Human Resources Committee, I reserve the right to move amendments in committee to correct certain inadequacies I perceive in the legislation

One of the more serious defects is the absence of any recognition of the great need to establish employment and training programs for in-school youth. As currently drafted, the bill targets programs on out-of-school youth, thus appearing to neglect the needs of in-school youth, and possibly even inducing many of them to leave school. I believe that unless we begin to prepare youth for the job market while they are still in schoolthrough such programs as cooperative education with business, vocational exploration guided by experienced counselors and other programs that expose students to the world of work-we cannot hope to correct the problem of youth unemployment.

As Willard Wirtz has emphasized, we must begin to improve the entire process of youth transition from school to work, by strengthening the linkages between education and employment through programs designed to familiarize youths with the labor markets they are about to enter. We cannot continue to isolate the classroom from the workplace; to treat these as essentially two separate and distinct "time traps." This bill makes no mention of these needs, so Senator HUMPHREY and I am today introducing amendments to improve linkages and generally to make employment and training programs available to in-school vouth.

We propose that 15 percent of the prime sponsor's formula-determined allocation be set aside and earmarked for the development, operation and administration, in cooperation with local education agencies, of employment and training programs for in-school youth. Use of these funds would be conditional upon a prior agreement between the CETA prime sponsor and the local education agency describing the details of the programs to be offered. In this connection, another of our amendments would establish education-work committees in prime sponsor areas, to advise on the in-school programs that are administered jointly by prime sponsors and local education agencies.

Second, Mr. President, we are dissatisfied with the fact that this bill overlooks the need to initiate national, State and local programs of occupational counseling, career guidance and labor market information. The bill seems to focus' solely upon the more immediate employment problems of youth. Hence, it proposes to give jobs to youths, in national and State and local parks, in community conservation and in community service. But the bill provides little more. We have learned, on the contrary, that we cannot merely provide dead end jobs for unemployed youth; we must remove the competitive disadvantages that now characterize their experiences in the labor market. We need to improve youths' longrun employability, so that one day they can move to permanent, unsubsidized full-time employment. The

lack of such a longrun view is a fundamental defect of this bill, and it is revealed by the failure to include provisions that would encourage the collection, dissemination and utilization of occupational information at the State and local levels

For this reason, Senator HUMPHREY and I propose an amendment to insure that the National Occupational Information Coordinating Committee, which was created under section 161, (b) (1) of the Vocational Education Act Amendments of 1976, receives the wherewithal it requires to expand its efforts to facilitate cooperative arrangements at the State level, between educational authorities, State Manpower Services Councils and CETA administrators. I believe that our entire employment and training effort on behalf of young people may well depend on the degree to which we can establish collaborative processes among manpower and education authorities, in such areas as occupational counseling and eareer guidance. And our success in achieving this goal may depend, in turn, on our ability to initiate collaboration at the national level between the Employment and Training Administration and the Office of Education.

Third, Mr. President, we offer an amendment to raise the formula-determined portion of the appropriation for the Community Service Employment Program, from 50 percent to 75 percent. In conjunction with this. Senator HUMPHREY and I propose that the components of the distribution formula be changed from aggregate State unemployment and number of low-income persons to relative youth unemployment and number of youths in low-income families. In my opinion, the components of the formula in the bill do not afford us adequate targetability on the disadvantaged youth of our country.

Finally, Mr. President, Senator Humphrey and I believe that \$2.5 billion should be authorized to be appropriated in fiscal year 1978 for youth employment programs under this bill. This is the amount the full Human Resources Committee agreed to when the members accepted my amendment to the committee's fiscal year 1978 budget report. Furthermore, we believe that parts A, B and C of the bill ought to receive the same earmarked share each was designated to receive in the President's original message, to wit: 23, 17, and 60 percent, respectively.

In conclusion, Mr. President, I wish to reiterate my support for the overall thrust of this bill. In general, I am pleased with the amalgam we have been able to develop in consultation with the administration. As is the case with most such amalgams, however, it does not contain everything that should be in-cluded. This is why we have proposed amendments which I believe deserve consideration and which I intend to move in committee. But I did not wish to obstruct the extraordinary progress which I saw occurring in the development of this bill by insisting that the bill as introduced contain all of the provisions I thought important. Now the bill can go forward through the legislative process and, hopefully, be enacted by Congress without delay. As the ranking minority member of the Employment Subcommittee, I shall do all I can, and I know our distinguished chairman, the Senator from Wisconsin, Senator Nelson, and Senator Williams, our chairman, will do likewise, to move the Youth Employment and Training Act of 1977 to swift consideration.

Mr. President, I ask unanimous consent to have printed in the RECORD the amendments proposed by Senator Humphrey and me.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 184

In section 2, section 832 is amended by striking out ", subject to such terms and conditions as he deems appropriate," in the matter preceding (a).

In section 2, section 833(a) of such Act is

amended to read as follows:

"'(a) Seventy-five percent of the funds available for this part in any fiscal year shall be allocated as follows for the purpose of carrying out programs authorized under section 832:

"'(1) 50 percent of the amount allocated under this subsection shall be allocated on the basis of the relative number of unemployed youth within the State as compared to such numbers in all States;

"'(2) 50 percent of the amount allocated under this subsection shall be allocated on the basis of the relative number of youth in families with an annual income below the low-income level within the State compared to such total numbers in all States;

"'(3) In determining allocations under this subsection, the Secretary shall use what he determines to be the most recent and best available data."

In section 2, section 833(c) is redesignated

as 833(d).

In section 2, section 833 is further amended by adding after subsection (b) the following new subsection:

"'(c) Of the funds allocated to each prime sponsor under this section, no less than fifteen per centum shall be utilized for programs, carried out under the joint administration of the prime sponsor and a local education agency, subsequent to an agreement between the prime sponsor and a local education agency which describes in detail the employment opportunities and appropriate training and supportive services which shall be provided to eligible participants, as they are defined in section 835(a), who are enrolled or who agree to enroll in a full-time program leading to a secondary school degree as a junior or technical college degree."

In section 2, section 833 is amended by redesignating subsection (d) to subsection (e) and by striking out "fifty" and inserting in lieu thereof "twenty-five".

In section 2, section 835(c) is further amended to read as follows:

"'(c) To the maximum extent feasible, programs under this part shall be targeted on participants who are most in need.".

In section 2, section 836 is amended by inserting "(a)" after the section designation, by striking out the word "and" at the end of clause (4), by redesignating clause (5) as clause (8) and by inserting immediately after clause (4) the following:

"'(5) establishes an Education-Work Committee of the planning council of such sponsor established under section 104, in accordance with subsection (b) of this sec-

tion;
"'(6) provides that not less than 15 percent of the funds available under section
832 shall be used to provide employment
opportunities and the appropriate training
and supportive services for in-school youth

who are eligible participants under section 835 to be administered by a local educational agency within the jurisdiction of the prime sponsor providing part-time employment opportunities with public and private employers in action learning positions for youths enrolled in or reentering a full-time educational program in a secondary school;

"'(7) provides for a Work Experience Inschool Youth program (hereinafter in this section referred to as the "In-school program") in accordance with the provisions of subsection (c) of this section; and"

In section 2, section 836 is further amended by adding at the end thereof the

following new subsections:

(b) Each such committee shall be convened by the prime sponsor, and shall be composed of members who are representaof: (A) the prime sponsor; local educational agency or agencies; (C) local business and industry; (D) local labor organizations; and (E) the local United States Employment Service office or offices. representative of the prime sponsor shall serve as the chairman of the committee. The prime sponsor shall provide such professional, technical, and clerical staff as is necessary to serve the committee. The committee shall advise in the development of the terms and conditions of the contracts between the prime sponsor and the local educational agency or agencies under section 832 of this title. The committee shall prepare a local career development plan which includes a general plan of the programs to be carried out under this title, and make recommendations for coordinating such activities with other related activities which are carried out by organizations represented in the committee. Any final decision with respect to recommendations submitted by the committee shall be made by the prime sponsor.

"(c) No in-school program shall be entered into unless an agreement has been made between the prime sponsor and the local educational agency. Each such agree-

ment shall—

"'(1) set forth a description of jobs to be performed by participating youths;

"'(2) describe wages or salaries to be paid by participating employers to participating

youths;
"(3) set forth assurances that participating youths will be provided meaningful work experience, which shall improve their ability to make career decisions and which shall provide them with basic work skills needed for regular employment not subsidized under this in-school program;

"'(4) be administered under contracts with the prime sponsor by a local educational agency or local educational agencies within the jurisdiction of the prime sponsor, and that such contracts have been reviewed and approved by the full membership of the Education-Work Committees established in paragraph (8) of this subsection;

"'(5) set forth assurances that job information, counseling, guidance and placement services shall be made available to participating youths and that funds provided under an in-school program shall be available to, and utilized by, the local educational agency or agencies to the extent necessary to pay the cost of school-based counselors to carry out the provisions of this in-school program;

"(6) describe arrangements for reimbursing employers for necessary costs of training participating youths for jobs provided

under this in-school program;

"'(7) set forth assurances that jobs provided under this in-school program shall be certified by the participating local educational agencies as relevant to the educational and career goals of the participating youths;

"'(8) set forth assurances that youths will not be placed in jobs in which wages are based primarily on commissions, in jobs for

which training may be more effectively or economically conducted under other Federal or State programs, or in jobs in shortage occupations where such shortage is caused by poor working conditions;

"'(9) set forth assurances that the activities and services agreed to under this inschool program will be administered by or the supervision of the applicant, identifying any agency or institution designated to carry out such activities or services;

"'(10) set forth assurances that the eliapplicant will advise participating youths of the availability of other training and manpower resources provided under this Act, and other resources available in the local community to assist such youths in obtaining employment;

"'(11) set forth assurances that participating youths will be adequately supervised

by participating employers;

(12) set forth assurances that no person with responsibilities in the operation of the program will discriminate with respect to participant or applicant for participation in such program because of race, creed, color, national origin, sex, political affiliations, or beliefs and that participants in the program will not be employed on the construction, operation, or maintenance of so much of any facility as is used or to be used for sectarian instruction or as a place for religious worship;

(13) set forth assurances that jobs provided by participating employers under this in-school program are in addition to jobs that would be provided by the employer in the absence of programs assisted under this

in-school program;

"'(14) set forth assurances that youth participants in work experience for in-school youth programs shall be chosen, to the maximum extent possible, from among youths who are in low-income families and who need work to remain in school; and selected by the appropriate local educational agency, based on the certification for each participating youth by the school-based guidance counselor that the work experience pro-vided is an appropriate component of the overall educational program of the youth;

"'(15) set forth such other assurances, arrangements, and conditions consistent with the provisions of this in-school program, as the Secretary deems necessary in accordance with such regulations as the

Secretary shall prescribe.

In section 2, section 838 (c) is amended by striking out the word "shall" and by inserting in lieu thereof the following: "shall first be used by the Secretary to transfer an amount, not less than \$3,000,000 and not more than \$5,000,000 in any fiscal year, to the National Occupational mation Coordinating Committee established pursuant to section 161(b) of the Vocational Education Act of 1963, for the purposes described in subsection (d) of this section, and then shall".

In section 2, section 838 is further amended by adding at the end thereof the

following:

"(d) (1) In addition to the responsibilities assigned to the National Occupational Information Coordinating Committee under section 161 of the Vocational Education Act, the Committee shall-

"(A) encourage and assist local areas to adopt methods of translating national aggregate occupational outlook data into local

"(B) assist in the development of State occupational information systems, to be used in the maintenance of local computerized job banks and job vacancy reports, and accessible via computer terminals located in school district offices;

"(C) in cooperation with State and local correctional agencies, programs of counseling and employment services for youth in

correctional institutions:

"(D) programs of computer on-line terminals and other facilities to utilize and implement occupational and career outlook information and projections supplied by State employment service offices and to improve the match of youth career desires with available and anticipated labor demand:

"(E) in cooperation with State and local educational agencies, programs to bring employment and career counseling to presec-

ondary youths; and

"(F) programs designed to encourage public and private employers to list all available job opportunities for youths with the appropriate eligible applicant conductoccupational information and career counseling programs and to encourage cooperation and contact between such eligible applicants and employers.

(2) All funds available to the National Occupational Information Coordinating Committee under this section and under section 161 of the Vocational Education Act, may be used by the Committee, to carry out any of its functions and responsibilities au-

thorized by law.".

Section 3 (a) is amended to read as follows:

"(a) There are authorized to be appropriated \$1,000,000,000 for the period ending September 30, 1977 and \$2,500,000,000 for the period ending September 30, 1978, to carry out the provisions of this Act. Programs authorized under Part A shall receive 23 per centum of the total appropriation; programs authorized under part B shall receive 17 per centum of the total appropriation; and programs authorized under C shall receive 60 per centum of the total appropriation."

Mr. STAFFORD. Mr. President, I commend the administration for its commitment to early action on legislation designed to address the critical unemployment problems facing our Nation's young

Today the President submitted to the Congress a comprehensive youth employment bill, as he promised in his message of March 9. The bill, which I am cosponsoring, is being introduced in the Senate by my colleague and the chairman of the Manpower Subcommittee of the Committee on Human Resources, Senator Nelson.

I am particularly pleased that the President's bill carries forward the concept and purpose of the youth community improvement program that I introduced earlier this year, along with Senator RANDOLPH. It is my view that this program, part B of the administration bill, is valuable because its emphasis is on the creation of jobs for young people.

However, I am concerned over some changes suggested by the administration to the original legislation I had introduced. My concern is not triggered by pride of authorship, but rather by the fear that, unless clarified, the language in the administration bill may result in a complete loss of separate identity for this program. I am concerned that the youth community improvement concept may be doomed at the outset because of the Government's unwillingness or ina-

bility to break new ground.

I am concerned that, in an effort to "regularize" the total legislative package to fit under the broad roof of the Comprehensive Employment Training Act of 1973, the administration has lost sight of the innovative characteristics of the youth community improvement program.

Perhaps I am too sensitive to some of

the changes the administration has made in the legislation I originally introduced. I have been assured by the administration that we share a common goal-to provide jobs for young Americans between the ages of 16 and 19. If our problem is merely one of working out the exact legislative language to achieve that goal, I know we shall succeed, and I pledge my full efforts to that end.

In short, I welcome this legislation in the spirit of cooperation, and with the understanding that the legislative process ahead of us provides the arena for refining our goals and narrowing what-

ever differences are real.

Unlike youth programs of the past where actual work is secondary, jobs are the primary objective of the community improvement program. In past efforts, funds were not adequate for needed supplies and the projects, by necessity, be-came make work. This bill assures adequate funding for materials. In many programs, there was no proper supervision. This bill provides supervision and skill development as necessary for the proper completion of the project. The program is designed to foster good, sound jobs which merit the respect of the youth holding them and the community for which they are performed.

Under the President's bill, as under my proposal, work is to be performed on projects that serve and benefit the community and which would not otherwise be carried out. Maximum flexibility is given each community needs at the same

time they produce jobs.

This emphasizes another major concept of this program-active local participation. The program encourages broad community participation which is vital in the development of good projects. Any private or public nonprofit group, including private citizens' voluntary groups, can participate and submit applications. I believe this is an important part of the process. The program is youth employment and extends beyond the traditional manpower training efforts. The community or neighborhood improvements cut across a wide spectrum of community affairs and interests, and community groups are encouraged to bring forward programs.

Mr. President, many people have given of their time and effort in the development of the entire package as well as the community improvement program included as part B. I note the valuable, constructive efforts of the administration. Also, many individuals and intergroup associations concerned about the serious unemployment confronting our young people have been closely involved in its evolution.

Mr. CRANSTON. Mr. President, I am pleased to join with Senator Nelson and other members of the Committee on Human Resources in introducing S. 1242, the "Youth Employment and Training Act of 1977." This bill. which would add a new title VIII to the Comprehensive Employment and Training Act of 1973, as amended, represents the administration's proposal to provide job and job training opportunities for young people through fiscal year 1978.

Mr. President, I am cosponsoring this legislation because I believe very strongly that we need a major effort to deal with the problem of youth in the labor market, and I am encouraged by the administration's commitment to this task. About one-half of the unemployed persons in this country are young people between the ages of 16 to 24. The problem is not one which is restricted to times of economic hardships—it is with us even in good times. This proposal represents a good basis for moving in the direction of attempting to meet the employment needs of our Nation's young people.

On January 10, I introduced S. 20, the proposed "Youth Initiatives Act of 1977" with Senator Kennedy. My bill is designed to stimulate the creation of employment opportunities for youth in the public and private sectors through the establishment of a National Youth Service program and an Opportunities in Private Enterprise program. Through these initiatives young people would be provided with meaningful work experience, an appropriate income, and opportunities to develop a better knowledge of their career interests and aptitudes, further their education and training, and develop their employment skills for entrance into the labor market.

Mr. President, I intend to be deeply involved in the consideration of this legislation in the Subcommittee on Employment, Poverty, and Migratory Labor on which I serve under the chairmanship of the bill's principal sponsor, Senator Nelson. I will be submitting a number of amendments to the legislation introduced today in order to blend into the bill certain critical elements of S. 20, such as emphasis on economically disadvantaged youth, adequate discretionary flexibility at the State and local levels to develop and carry out innovative and effective job and job training efforts, a larger role for State government, community and youth involvement in the planning of programs, strong education and counseling components, and a major veterans emphasis.

Mr. President, I congratulate the administration for the deep concern reflected in this legislation. I pledge to President Carter and Senator Nelson, the chairman of the Subcommittee on Employment, Poverty, and Migratory Labor, my full cooperation and assistance as we work to refine this legislation and report it to the Senate. I know we will be working expeditously so that a meaningful program can be put in place as soon as possible.

Mr. WILLIAMS. Mr. President, I am pleased to join with my colleagues, the Senator from Wisconsin (Mr. Nelson) and the Senator from New York (Mr. Javits), to introduce the Carter administration's youth employment and training legislation.

This initiative is among the major concerns that face us in these difficult economic times. Unemployment among young Americans has become intolerable, not only for jobless youth, but for a nation that looks to them to provide the dedication and the strength upon which our future will be built.

The recession, which struck hard in upwards of 20 million families at one

time or another over the past 3 years, has denied the opportunities and drained the hopes of our future work force. It is impossible to gage how many youth have lost an essential educational opportunity or apprenticeship because they or their families were economically disabled during a critical stage in their lives

We know what the statistics tell us. There are 3.4 million young Americans between 16 and 24 years of age who are anxious to work, but cannot find a job. Last month, the teenage unemployment rate was 18.8 percent on the whole, but far worse in identifiable segments of the teenage labor force; the official rate for black teenagers, for example, was an astounding 40.1 percent.

While total unemployment has declined from nearly 9 percent to 7.3 percent over the past 2 years, teenagers did not share in the improvement. Their unemployment rate remained close to the high levels reached early in 1975 at the depths of the recession. And the plight of youth in the 20 to 24 age bracket is only slightly more optimistic.

We have evidence, therefore, that the prospects of young people for meaningful and rewarding employment are not likely to improve automatically as the economy recovers. Special efforts are required to help them gain a basic knowledge of the work force, acquire marketable skills, develop a sense of accomplishment that translates into a stable commitment to their jobs, and acquire the special facility for making the difficult transition

from the classroom to the workplace.

This legislation, devised with a sense of urgency, is a major step toward giving young Americans the opportunities for which they yearn.

Mr. President, this bill is the culmination of an admirable cooperative effort between the administration and the Congress. A great deal of thought and consultation has already been invested in its provisions, and they will receive more in the Committee on Human Resources, which I chair.

The basic outline of the legislation was laid by the administration in February, when President Carter requested \$1.5 billion for youth employment and training activities under the general authorities contained in title III of the Comprehensive Employment and Training Act.

Those funds have been approved by the House of Representatives, and are now pending before the Senate in H.R. 4876, the Economic Stimulus Appropriations Act.

The administration, using those funds and existing authorities, could well have gone ahead with its initiatives without further legislation. It is a tribute to the President that he has been willing to develop a partnership with the Congress in a project of this magnitude. I am pleased to have been a participant in these efforts.

My colleagues will be grateful as well, I know, for the special contributions of the Senator from Vermont (Mr. Stafford) and the Senator from Washington (Mr. Jackson). The bill that we have developed incorporates programs they devised for addressing youth unemployment.

The first part of the bill establishes a National Young Adult Conservation Corps along the lines of legislation proposed by the Senator from Washington. It would provide year-round employment in national parks and forests for youth, particularly those who lives in areas where unemployment rates exceed 6.5 percent.

The second part draws upon the initiative of the Senator from Vermont, establishing a Youth Community Conservation and Improvement Projects program. It would provide jobs in projects of local benefit, such as improving neighborhood and communities and maintaining and restoring natural resources on publicly owned land. Unemployed youth in high unemployment areas would be given a preference for these jobs.

The third part of the bill establishes a new Federal-State-local partnership in the attack on youth unemployment. It establishes new statutory foundations for comprehensive youth employment and training programs, with half of the authorized funds to be distributed to State and local prime sponsors for programs especially suited to their communities, and the other half to be administered by the Secretary of Labor to encourage and develop innovative and experimental programs for helping disadvantaged youth discover and pursue the avenues to fulfilling jobs and fuller lives.

With the initiatives that this legislation proposes, we can build into the permanent fabric of national policy a concerted effort to help youth equip themselves to assume command of their destiny.

In the days ahead, the Senator from Wisconsin, as chairman of the Subcommittee on Employment, Poverty, and Migratory Labor, and the Senator from New York, as the ranking member of the subcommittee, will forge the legislation that our committee will recommend to the Senate.

In addition to their own innovative ideas, they will be able to draw upon other suggestions that have been advanced by the distinguished Senator from Minnesota (Mr. Humphrey), the Senator from California (Mr. Cranston), the Senator from Maryland (Mr. Mathias), and others who have introduced youth employment legislation.

What we can do in the next few weeks, however, should not be regarded as final, immutable, or complete. This bill constitutes only a start. Its authorization for no more than 18 months makes it clear that we must revisit and constantly monitor the progress that can be made in the near future.

The innovative and experimental approaches that result from this legislation undoubtedly will suggest new directions for the future and for long-term policy. We should anticipate, therefore, that the Congress will be called upon again next year to address these urgent problems.

It is my hope that we will sustain the intensity of interest and commitment underlying this bill until we achieve a permanent national policy on youth employment that is comprehensive and complete.

By Mr. CHURCH (for himself, Mr. DOMENICI, and Mr. WILLIAMS):

S. 1243. A bill to amend title II of the Social Security Act to revise the provisions relating to automatic cost-of-living increases in benefits, and for other purposes; to the Committee on Finance.

SOCIAL SECURITY COST-OF-LIVING IMPROVE-

MENT ACT

Mr. CHURCH. Mr. President, on behalf of myself and Senators Domenici and WILLIAMS, I introduce for appropriate reference the Social Security Cost-of-Living Improvement Act.

During the past 4 years-from February 1973 to February 1977-prices rose

by 37.7 percent.

All Americans have felt the impact in one form or another and wherever they in the supermarket, the doctor's office, the department store, at the gas

station, and elsewhere.

Older Americans have also been adversely affected, and perhaps harder hit than other age groups. First, most elderly persons live on limited incomes. In 1975, the median income of older Americans living alone or with nonrelatives was \$3,311 a year. One-half of the families with an aged head had incomes below \$8.057.

Millions of elderly persons simply do not have the sufficient margin between income and outgo to absorb major price jumps in fuel, electricity, or other every-

day necessities.

Quite often, they are faced with difficult, if not impossible, choices. Do they buy food for the table or necessary prescriptions to maintain their health? And frequently both needs suffer, and some-

times irreparably. Second, some of the sharpest increases in prices have occurred in areas where the elderly's greatest expenditures are concentrated: Housing, food, medical care, and transportation. In each case the increase for these particular items has exceeded the inflationary rate for the overall Consumer Price Index.

Housing, food, medical care, and transportation typically account for more than \$4 out of every \$5 in the elderly's

limited budgets.

It was my privilege to sponsor legislation in 1972 which led to the establishment of a cost-of-living adjustment mechanism to protect Social Security beneficiaries from rising prices.

This represented an historic first step in safeguarding older Americans from

inflation.

But other actions are clearly needed if the elderly are to have fuller protection

from rising prices.

The Social Security Cost-of-Living Improvement Act would be an important first step to strengthen the automatic escalator provision. It would perfect the cost-of-living adjustment mechanism in two important areas.

First, it would provide two cost-of-living adjustments, provided the consumer price index increased by at least 3 percent semiannually from one benefit period to another. Social security beneficiaries now receive only one cost-ofliving adjustment a year-in Julywhether the inflationary rate is 3 or 13 percent.

The Social Security Cost-of-Living

Improvement Act would permit adjustments to be made in April and October, provided the annual inflationary rate exceeded 6 percent.

Civil Service annuitants now receive two cost-of-living adjustments a year. We can certainly do the same for social security beneficiaries during periods of accelerated inflation.

This change would also allow social security benefits to be kept more current

with rising prices.

Second, this bill would direct the Secretary of Labor, in consultation with the Secretary of Health, Education, and Welfare, to develop a special consumer price index for the elderly-one which would reflect more precisely the impact of inflation upon them.

Individual items comprising the overall Consumer Price Index do not, of course, rise at a uniform rate. They vary markedly in many cases. Home heating fuel oil, for example, increased by 120.1 percent during the past 4 years, or more than three times the level of the Consumer Price Index.

A special index could give appropriate weight to these increases as they affect older Americans.

This measure would also provide greater protection for other elderly per-

Supplemental security income recipients would benefit, because the SSI escalator provision is pegged to the social security cost-of-living adjustment mechanism.

In addition, railroad retirement an-nuitants and their families would also be helped by these changes.

Inflation is the elderly's No. 1 enemy. As prices go up, their purchasing power goes down.

Older Americans have told the Committee on Aging about their daily battles against the cost of living. We have heard firsthand about their personal experiences at hearings throughout the Na-

Many older Americans-particularly the low- and moderate-income elderlynow find themselves in desperate situations. The Government's recent poverty figures make this abundantly clear. More than 200,000 persons 65 or older were added to the poverty rolls during the past year, reversing a longstanding downward trend.

Precipitous price rises have also shaken the economic security of those who retired on what was considered a comfortable income a few years ago. Now they must oftentimes stand by helplessly, watching their purchasing power being whittled away by a never ending price spiral.

Older Americans want and deserve further protection from inflation.

The Social Security Cost-of-Living Improvement Act can provide essential

Mr. President, I ask unanimous consent that the text of this bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1243

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That this Act may be cited as the "Social Security Costof-Living Improvement Act of 1977'

SEC. 2. (a) Section 215 (i) (1) of the Social

Security Act is amended-

(1) in subparagraph (A), by striking out "(i)" and all that follows and inserting in lieu thereof the following: "(i) the threemonth period ending on March 31, 1977, (ii) the three-month period ending on November 30 of 1977 or any succeeding year, (iii) the three-month period ending on May 31 of 1978 or any succeeding year, or (iv) any other quarter (which, for purposes of this subsection, means a three-month period ending on May 31, August 31, November 30, or the last day of February) in which occurs the effective month of a general benefit increase under this title;"; and

(2) in subparagraph (B)—
(A) by striking out "subparagraph (A)
(i)" and inserting in lieu thereof "subparagraph (A) (other than clause (iii) thereof)": and

(B) by striking out "calendar quarter" and inserting in lieu thereof "quarter"; and

(3) in subparagraph (C), by striking out "calendar quarter" and inserting in lieu thereof "quarter".

(b) Section 215(i)(2) of such Act is amended-

in subparagraph (A)(i), by striking "the base quarter (as defined in paragraph (1)(A)(i))" and inserting in thereof "a base quarter (as defined in para-graph (1) (A) (ii) or (iii))";

(2) in the first sentence of subparagraph

(A) (ii) -

(A) by striking out "that the base quarter" and inserting in lieu thereof "that a base

quarter";

- (B) by striking out "effective with the month of June of such year as provided in subparagraph (B)" and inserting in lieu thereof "effective (in the case such quarter is the quarter which ends on May 31 of such year) with the month of September of such as provided in subparagraph (B) and effective (in the case such quarter is the quarter which ends on November 30 of such year) with the month of March of the next year as provided in subparagraph (B)";
- (3) in subparagraph (B)— (A) by striking out "quarter shall" and inserting in lieu thereof "quarter shall (i) in case such cost-of-living computation quarter the quarter which ends on May 31 of the calendar year,";

(B) by striking out "May" each place it appears and inserting in lieu thereof "August"; and

(C) by inserting, immediately before the period at the end thereof, the following: ", and (ii) in case such cost-of-living computation quarter is the quarter which ends on November 30, apply in the case of monthly benefits under this title for months after February of the calendar year immediately succeeding the calendar year in which occurred such cost-of-living computation quarter, and in the case of lump-sum death payments with respect to deaths occurring after such February

(c) Subsection (a) of section 230 of such Act is amended to read as follows:

"(a) If the Secretary institutes pursuant to section 215(i) one or more benefit increases which become effective in any calendar year, he shall after October 1 and not later than November 1 of such year determine and publish in the Federal Register the contribution and benefit base determined under subsection (b) which shall be effective with respect to remuneration paid after such year and taxable years beginning after such year."

(d) Section 203(f)(8)(A) of such Act is

amended to read as follows:

"(A) If the Secretary institutes pursuant to section 215(i) one or more benefit increases which become effective in any calendar year, he shall after October 1 and not later than November 1 of such year determine and publish in the Federal Register a new exempt amount which shall be effective (unless such new exempt amount is prevented from becoming effective by subparagraph (C) of this paragraph) with respect to any individual's taxable year which ends after such calendar year."

(e) Section 1839(c) (1), (2), (3), and (4) of the Social Security Act are each amended by striking out "July 1" wherever it appears therein and inserting in lieu thereof

(f) The amendments made by subsections (a) and (b) shall be effective only with respect to determinations under section 215(i) of the Social Security Act as to whether a base is a cost-of-living quarter, in the case of the base quarters as defined in such section (as modified by such amendments) which end after the date of enactment of this Act. The amendment made by subsection (c) shall be effective only with respect to adjustments of the contribution and benefit base, under section 230 of the Social Security Act, which become effective in the case of calendar years after 1977. The amendment made by subsection (d) shall be effective only with respect to adjustments in exempt amounts, under section 203(f)(8) of the Social Security Act, which become effective in the case of taxable years anding after December 31, 1977. The amendments made by subsection (c) shall be effective in the case of determinations, made under section 1839(c) of the Social Security Act, made after the date of enactment of this Act.

(g) The Secretary of Labor, in consultation with the Secretary of Health, Education, and Welfare, shall immediately undertake to develop a special Consumer Price Index for the elderly. Not later than thirty days after the date of enactment of this Act, the Secretary of Labor and the Secretary of Health, Education, and Welfare shall each submit to the Congress a report of the action that they have jointly and severally taken toward the development of such an index, together with an estimate of the date that the development of such an index will be completed and such

index put into effect.

Mr. WILLIAMS. Mr. President, I wish to join my colleague, the Senator from Idaho (Mr. Church) in proposing the Social Security Cost-of-Living Improvement Act. As former chairman of the Senate Committee on Aging, I have dealt with the special hardships of this sadly neglected group of Americans who have the least power and ability to resist inflation. The extraordinary high number of elderly poor, which is now over 5 million, represents a tragedy unworthy of this great Nation. Therefore, I give my strongest support for this legislation to alleviate the impoverished conditions for these deserving people.

Senior citizens have been hard hit by the continuing inflation, throughout our Nation. However, I must emphasize that the national economic picture has caused special hardships for many of New Jersey's elderly. It is estimated that the aged population in New Jersey is over 800,000, of which nearly 90 percent rely on social security payments. These low-income elderly are confronted with a higher rate of inflation than the average Consumer Price Index family during the present inflationary period, because they spend a larger proportion of their budgets on essentials-housing, food, fuel, and health care-which have experienced higher rates of inflation for all other items in the Consumer Price Index by 29 to 43 percent.

We must also consider that such factors as stable living patterns limited mobility, and more frequent health problems combine with high inflation to make it difficult for the aged to shop around and substitute lower cost goods or services for their present expenditures.

Rapid increases, accompanied by inadequate compensation for losses in real income, have placed serious constraints on the bugets of the aged. Moreover, it is impossible to determine what kinds of individual tradeoffs senior citizens have been forced to make in their budgets among medical care, housing, food, and

fuel-all necessities of life.

The legislation being introduced today is designed to improve the automatic escalator law enacted in 1972. First, it would authorize cost-of-living adjustments up to twice a year whenever the Consumer Price Index exceeds 3 percent in a base period. The current annual social security payment adjustments seem patently insufficient and unfair. Consider that increases in social security benefits for inflation are at least 4 months behind the cost-of-living increases, and can be as much as 16 months later. In sharp contrast to this are many private and public pension plans, such the Civil Service retirement plan, which has provisions for biannual adjustments.

Second, the bill would authorize the Secretary of Health, Education, and Welfare to develop a special consumer price index for the elderly. The need for a separate consumer price index for the elderly is evident from the Survey of Con-sumer Expenditures published by the Bureau of Labor Statistics in 1960-61. It found that the aged spend more of their income on groceries, shelter, household goods, and health care. Since an updated consumer expenditure study completed in 1974 revealed similar consumption characteristics distinct from the general population, a more accurate index of their expenses can be both simply and reliably determined.

Mr. President, I urge quick adoption of this measure which will relieve two problems in current social security benefits. We must maintain purchasing power for the elderly in an inflationary economy. We must also make our laws reflect reality by taking into account the extraordinarily high rate of inflation

burdening older Americans.

By Mr. BIDEN:

S. 1244. A bill to limit the period of authorization of new budget authority provided in appropriation acts, to require analysis, appraisal, and evaluation of existing programs for which continued new budget authority is proposed to be authorized by committees of the Congress, and for other purposes; to the Committee on Rules and Administration.

Mr. BIDEN. Mr. President, the great challenge of this session of Congress is the effort to bring the growth of Federal spending under control. Many of us are presently concerned with the slowness of our economic recovery and our persistent almost chronically high unemployment. We must continue to seek solutions to our economic problems. At the same time, however, we must never lose sight of our long-range goal to restore fiscal responsibility and stability in the management of Federal affairs. We must accept the fact that, to some degree, it has been our failure to follow sound fiscal policies that has led to some of our present problems. Therefore, as a first step toward meeting this budgetary challenge, I am introducing today a bill entitled "The Federal Spending Control Act of 1977."

It is not just the size of our Federal budget that is staggering, but even more the rate at which it is increasing. We cannot long continue such growth rates in expenditures. Just to illustrate the severity of the problem, it was not until 1962 that Federal spending exceeded \$100 billion. Just 9 years later, in 1971, spending had doubled to exceed the \$200 billion level, and after only 6 more years. it has almost doubled again, to exceed \$400 billion.

Most studies of Federal fiscal policy testify to this high growth rate. In a recent study the Congressional Budget Office points out that, in the past 20 Federal spending has increased from \$77 billion in 1957 to an estimated \$413 billion in 1977. This is more than a fivefold increase in 20 years. It represents an average annual growth in the rate of spending of 8.8 percent.

These figures include the costs of inflation-some of it caused by unwise Federal fiscal policy. However, even if you take out the effect of inflation, Federal spending in those 20 years has

doubled

The same study by the Congressional Budget Office estimates the cost over the next 5 years of just continuing the present level of Federal programs that are now in operation-no new programs. It estimates that to do this, spending would go from \$413 billion in the 1977 fiscal year to about \$450 billion in 1978. By the end of 5 years, 1982, it could go to \$585 billion

Of course, such future estimates are subject to a wide margin of error. But they show the continuing upward trend. It is one thing, as a theoretical budget exercise, to assume the continuation of everything the Federal Government does today for the next 5 years, but as a practical matter, we must stop assuming

such things.

What we must do is to begin reviewing existing programs to determine whether they are still effective, and whether they are worth the money that we are putting in them. We must eliminate the wasteful ones. One thing that we have all observed is that once a Federal program gets started, it is very difficult to stop it, or even change its emphasis, regardless of its performance in the past. It is time for us to require, on a regular and continuing basis, that both the administrators of these programs and we legislators who adopt the programs examine their operations with care and detail.

The bill that I am introducing today would seek to control Federal spending through such a periodic scrutiny of existing programs. Early in the last session of Congress, I introduced a spending control bill that had a similar purpose. Other bills were introduced also and hearings held, which produced much useful information about the need for such legislation. Last year, a spending control bill was reported by the Government Operations and Rules and Administration Committees, and placed on the Senate calendar for action. Unfortunately, in the rush of business at the close of the session, it was not possible to get the bill passed. I hope we can start early this year and get spending control legislation on the books.

While this bill has the same general purpose as the spending control bill I introduced in the last sesson of Congress, it has been expanded and modified in several important respects. I believe these changes make it a better, and more far-

reaching piece of legislation.

A periodic review of existing spending programs is essential to sound fiscal management and this bill will provide that. But what about the new spending programs that are being added each year? If we are worried now about eliminating existing programs that are duplicative or wasteful, we should also be worried about how many additional duplicative and wasteful programs we may be adding each year. Do we really want to wait 4 years for a review to tell us that a new program overlaps some existing program? Other budget control proposals focus primarily on weeding out old programs. This bill focuses also on not adopting such programs in the first place. Before it adopts a new spending program Congress should ask itself such questions as: Will this new spending proposal really achieve a clear, identifiable goal that could not better be reached through an existing program? Will there be overlapping and duplication of effort? Is there a better way to achieve our goal? Do we really need the program at all? All of these questions should be asked and answered in any committee report that proposes a new spending program. For this reason my bill would require that whenever a committee reports authorizing legislation for a new spending program, its report must set forth: The relationship of the new program to existing programs with the same general purpose; whether there will be conflict, overlap, or duplcation of effort with existing programs; how the new program will mesh with existing ones; what alternatives were considered; and what would be the consequences of not adopting the new spending program. This is an essential addition to the sunset concept which will keep up from embarking on some costly experiments, only to "sunset" them 4 years later.

This proposed legislation also requires that a committee report on any authorization for spending identify the objectives and purposes of the new program and the problems or needs it is intended to meet. This should help to overcome problem in program review that has been identified by many, including the General Accounting Office. Descriptions of purposes and objectives have often been so poorly stated in the past that the objectives could not be identified with sufficient clarity to review accomplishments. To further aid in clarifying intent, this bill would require that a conference report state the objectives of the

program as developed in conference so that modifications or compromises on program content reached in conference will be clear.

Another significant feature of the bill is to require that every authorization to spend money contain a ceiling on the spending. Congress should not authorize a spending program if it cannot set forth in the law what it will cost. Yet it is not unheard of for spending bills to contain a statement to the effect that there is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this bill. One purpose of an authorization process is to allow the committee that has program expertise to determine that need for a program and set a maximum price tag on it. I do not believe a committee should recommend a program if it cannot put a price tag on it. Recommending a spending program without a price ceiling defeats the purpose of the authorization process. What is more, inclusion of a spending ceiling has the salutary effect of requiring the authorizing committee to review the program sooner than 4 years if the costs escalate out of control.

Finally this bill includes a number of provisions intended to meet concerns expressed about the bills that were considered last year. The bill contains a provision for phasing out programs, where desirable, so that there need not be suffering and hardship that might be caused by abrupt termination. There is a provision for the Senate and House of Representatives to waive the 4-year limit. This may be necessary where the 4-year period is clearly impractical due to the long time period required to achieve measurable results or where the mere threat of program termination as frequently as every 4 years might raise serious concerns about the stability of basic national commitments. However, even in waiver cases the authorization must be for a stated number of years and there must be a special program of over-

sight set up.

Finally, the bill provides a period of 1 year after enactment for each committee to report its proposals to the Senate for implementing this bill. After all the reports are in, the Senate can judge whether further uniform rules or standards are needed to make this legislation work. Legislation of this kind, while essential, is so far reaching and so different from our past practices that it is impossible to anticipate all the problems. The sensible way to proceed is to get the basic spending control program on the books and then take the time to work out effective procedures to implement it.

While this bill has the same purpose as the one I introduced last year, it has been modified to take account of testimony received last year. I believe, therefore, that it is a better bill. I hope that the Congress will move to consider it

promptly.

For 2 years now, Congress has used the new congressional budget process to hold off any new massive Federal spending programs. That is a good record. But the day may come when we need new things for our country—new initiatives in defense, in health, in housing. Where will

the money come from? One answer has to be from the termination of existing programs that no longer do the job.

* We have told the American people that we will work toward a balanced budget. But the unanswered question is: How are we going to do it? Again, one answer has to be through trimming our existing budget programs that no longer are cost effective and have lost their justification.

This was the purpose of my spending control legislation introduced in 1975. and also of the bill I am introducing today. Federal spending programs would be automatically terminated at the end of 4 years. Before they could be renewed, the congressional committees responsible for them would have to review them and determine whether they are still needed, and whether they have achieved their goals. This review would not just look at how much more a program would cost next year. It would examine the program from the ground up. The purpose would not be to find out how much more should be spent on the program. It would be to decide whether anything should be spent on it. Only after such a study could the committee propose to the Congress that a spending program be continued. And Congress would still have to pass judgment on each program.

These two elements—automatic termination and review of cost effectiveness—were central to the spending control bill that I introduced last year. These are still, in my judgment, the essential elements of a budget control program.

Mr. President, I hope that spending control legislation can be made a first order of business for this Congress. It has been quite a while since I introduced my original legislation. The concept has been well received in many quarters for a long time. In this connection, I request unanimous consent that an article appearing in the December 15, 1975, issue of U.S. News & World Report entitled "A Four-Year Hitch" be printed in the Record.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A Four-Year Hitch (By Howard Flieger)

Everybody is deploring the high cost and wastefulness of government these days. Small wonder. It is popular politics. Any measure of public opinion you use will tell you that the majority of people are sick and tired of a system that seems to tax, spend and grow almost out of control.

In many ways, the situation recalls Mark Twain's observation on the weather: Everybody talks about it, but nobody does anything. Still, that isn't entirely accurate. Now and then an idea comes along for keeping government in bounds—an idea so practical in its application that it is all but overlooked in the oratory about fiscal responsibility.

Although it is not likely to produce any big headlines, such a proposal is before Congress now. If enacted, it just might stop in its tracks the topsy-like growth of federal operations.

What it would do is limit to four years the automatic financial life of any Government program authorized by Congress.

In other words, those in charge of the bureaucracy would have to convince Congress every four years that they were performing a worthwhile service and doing so efficiently.

If they couldn't prove their case, they'd be out of business-automatically.

This particular proposal—it is similar to othershas been offered by Sen. Joseph R. Biden, Jr. (Dem.) of Delaware. It is cosponsored by Mike Mansfield of Montana, the Democratic Leader, and by Senators Paul Laxalt (Rep.), of Nevada and Patrick J. Leahy (Dem.), of Vermont. It goes to the heart of the problem of Big Government.

Political scientists and students of the federal system have been increasingly concerned over the fact that, once a Government program is set in motion, it tends to go on and on under its own momentum. Rarely does anyone look back to see if the situation that created it still exists, or if those in charge are doing the job they should be doing. Sometimes an agency's annual budget is reduced a bit, but almost never does one pass out of existence. For the most part, they grow.

One of the reasons is that Congress passes legislation to create this program or that, then leaves it up to a department to see that the thing is carried out. The bureaucracy has never been noted for cutting down on the number of people and dollars it thinks it has to have to do any given job.

Thus, the Government has become by far the largest employer in the country, and a good part of the growth of its payroll is prob-

ably due to inertia.

Furthermore, the amount of tax money it spends has gone up at a rate that is truly alarming. It took 175 years for the federal budget to reach 100 billion dollars annually. Then, in the next nine years, it doubled. Now it exceeds 350 billion. At the present rate, it will top 400 billion by 1977.

Says Senator Biden:

"One thing that we have all observed is that once a federal program gets started, it is very difficult to stop it or even change its emphasis, regardless of its performance in the past. It is time for us to require on a regular and continuing basis that both the administrators of those programs and we legislators who adopt the programs examine their operations with care and detail."

The bill would do that by limiting to four years the spending authorization for any program. Positive action by Congress would

be needed to keep it going.

Four years seems just about right—long enough for a program to prove its worth and short enough to kill boondoggles before

they get out of hand.

The plan is not a cure-all. It could hardly be expected to shrink the Government back to its size of a few year sago. But it might stunt its future growth. That alone would be a welcome change.

Mr. BIDEN. Mr. President, this bill is not a cure-all. But it does add one essential building block to our fiscal controls. I am convinced that a spending control process such as this will greatly enhance the soundness of the budget and will slow its growth. In this way, 'the budget will become a much more effective instrument.

Mr. President, I ask unanimous consent that the text of the bill, "The Federal Spending Control Act of 1977," be printed in full in the RECORD at this

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1244

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Spending Control Act of 1977".

DEFINITIONS

SEC. 2. (a) For the purposes of this Act—
(1) The term "budget authority" means

budget authority (as defined in section 3 (a) (2) of the Congressional Budget Act of 1974) which is provided in appropriation Acts

(2) The term "authorization" means an Act authorizing new budget authority to be provided in appropriation Acts.

(3) The term "program" means any activities or purposes for which there is a separate

authorization of new budget authority.
(4) The term "appropriation Act" means an Act referred to in section 105 of title 1, United States Code.

BILLS AND RESOLUTIONS SUBJECT TO POINT OF ORDER

SEC. 3. It shall not be in order in either the Senate or the House of Representatives to consider-

any bill or resolution which authorizes the enactment of new budget authority for any fiscal year beginning six years after the effective date of this Act, until the com-mittee which has jurisdiction has submitted the report thereon required by section 5

(2) any bill or resolution which authorizes the enactment of new budget authority for a period of more than four fiscal years, except as provided in section 4: or

(3) any bill or resolution which authorizes the enactment of an unlimited amount of new budget authority for any purpose or

WAIVER IN THE SENATE OF TIME LIMIT ON AUTHORIZATIONS

SEC. 4. (a) If any committee of the Senate determines that an authorization of new budget authority for a period of more than four fiscal years is necessary to accomplish the purposes for which the authorization is made, it may report a bill or resolution containing an authorization for such longer period. At the same time or later, it shall report a resolution to the Senate providing for a waiver of the four-fiscal-year limit contained in section 3(2) and stating the reasons why such a waiver is necessary. The resolution shall be referred to the Committee on Rules and Administration and to the Committee on Appropriations.

(b) Each committee shall report the resolution to the Senate within 10 days after the resolution is referred to it (not counting any day on which the Senate is not in session) beginning with the day following the day on which it is so referred, accompanied that committee's recommendations and reasons for such recommendations with respect to the resolution. If either committee does not report the resolution within such 10-day period, it shall automatically be discharged from further consideration of the resolution and the resolution shall be placed

(c) During the consideration of any such resolution, debate shall be limited to one hour, to be equally divided between, and controlled by, the majority leader and minority leader or their designees, and the time on any debatable motion or appeal shall be limited to twenty minutes, to be equally divided between, and controlled by the mover and the manager of the resolution. In the event the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from the time under their control on the passage of such resolution, allot additional time to any Senator during the consideration of such debatable motion or appeal. No amendment to the resolution is in

(d) If, after both committees have reported (or been discharged from further consideration of) the resolution, the Senate agrees to the resolution by a yea-and-nay vote, then section 3(2) shall not apply with respect to the bill or resolution to which the resolution so agreed to applies.

(e) Whenever any bill or resolution is reported by a committee under the provisions of subsection (a), the report accompanying such bill or resolution shall contain a schedule of oversight hearings by the committee to determine progress being made toward the intended objectives of the program for which the authorization is being made.

ANALYSIS, APPRAISAL, AND EVALUATION OF EXISTING PROGRAMS

SEC. 5. (a) No committee of the Senate or the House of Representatives shall report legislation authorizing continued new budget authority for an existing program for which an authorization of budget authority has pre viously been enacted until it has conducted an analysis, appraisal, and evaluation of the existing program for which continued new budget authority is proposed to be author-ized. If the authorization of new budget authority for any program is enacted for periods of less than four fiscal years, the analysis, appraisal, and evaluation of that program required by this section need only be conducted prior to reporting legislation that would ex-tend the authorization of new budget authority for the fifth fiscal year commencing after the effective date of this Act and each four years thereafter.

(b) The results of such analysis, appraisal, and evaluation shall be included in the committee report on the authorizing legislation.

(c) Whenever a committee of the Senate or the House of Representatives is conducting an analysis, appraisal, and evaluation of a program, the head of the department or agency of the Government which administers the program, or any part thereof, shall submit to the committee, upon its request, his analysis, appraisal, and evaluation of the program.

(d) The committees of the Senate and the House of Representatives having jurisdiction may conduct jointly the analysis, appraisal, and evaluation required by this section and

may conduct joint hearings.

(e) The report of a committee on its analysis, appraisal, and evaluation shall be sufficiently complete to permit a determination to whether a program should be terminated, modified, or continued without change, and may include the following mat-

(1) an identification of the objectives intended for the program and the problem or need which the program was intended to

(2) whether the program objectives are

still relevant; (3) whether the program has adhered to the original and intended purpose;

(4) whether the program has made any substantial progress toward meeting the objectives originally intended;

(5) the impact of the program on the economy;

(6) the feasibility of alternative programs and methods, including tax expenditures, for meeting the objectives of the program under consideration and their cost effective-

(7) the relation of all other Government and private programs dealing with the objectives of the program under consideration, including tax expenditure programs;

(8) an examination of proposed legislation pending in either House seeking to achieve the same or related objectives; and

(9) whether the program should be extended and the further benefits that may be achieved thereby, including:

(A) an identification of the objectives in-

tended for the program and the problem or the need that the program is intended to

(B) an assessment of the consequences of eliminating the program, of consolidating it with another program, or of funding it at a lower level; and

(C) an analysis of the services and performance estimated to be achieved if the

law has been due to a rejection of a proposed program were continued, including an estimate of when, and the conditions under the program will have fulfilled the which objectives for which it was established.

(f) For the purpose of making the analysis, appraisal, and evaluation required by this section, a committee may combine related programs and may issue one report on all such combined programs.

AUTHORIZATIONS FOR NEW PROGRAMS

SEC. 6. Whenever any committee of the Senate or the House of Representatives reports legislation authorizing new budget authority for a program for which there has previously been no authorization, it shall include the following information in its report accompanying such legislation:

(1) an indentification of the objectives and purposes of the new program and the problems or needs that the new program is

intended to address;

(2) a description of other programs which seek to accomplish the same general pur-

pose or purposes;
(3) whether this program will conflict with, overlap or duplicate any existing programs:

(4) how this new program will operate with existing programs to promote the common objective or objectives of all similar programs;

(5) the consequences of failing to achieve

the purposes of the new program;
(6) what other alternatives, including tax expenditures and private resources, were considered as alternatives and why they were not recommended;

(7) what changes were considered in existing programs to coordinate them with the new program and the reasons for changing or not changing existing programs; and

(8) a projection of the anticipated needs and accmoplishments of the program, including an estimate of when, and the conditions under which, the program will have fulfilled the objectives for which it was established.

CONFERENCE REPORTS ON AUTHORIZATION BILLS

Sec. 7. The joint explanatory statement accompanying a conference report on any bill or resolution authorizing new budget authority for any program in connection with which an analysis, appraisal, and evaluation has been conducted under section 5 shall include an analysis of the services and performance estimated to be achieved, including an analysis of the objectives intended for the program and the problems or needs which the program is intended to address, based on the bill or resolution as recommended in such conference report.

PHASE OUT OF EXISTING PROGRAMS

SEC. 8. (a) In the event that a continued authorization for an existing program has been adopted by either the Senate or House of Representatives, but has not become law by the time the existing authorization expires (unless the failure to become authorization by the other House), then there is hereby authorized to be appropriated for such program-

(1) for the first fiscal year following the expiration of the previous authorization, 80 per cent of the amount authorized to be appropriated for the previous fiscal year;

(2) for the second fiscal year following such expiration, 60 percent of the amount authorized to be appropriated under para-

graph (1).
(b) If at any time following the expiration of a previous authorization for a program a new authorization for the program is provided by law, then such new authorization shall replace the authorization provided in subsection (a).

If at any time a program for which an authorization has previously been made is repealed, or the Congress otherwise indicates affirmatively its intent that an authorization for such program not continue, then the provisions of subsection (a) shall not apply.

DETERMINATION OF CERTAIN EXISTING AUTHORIZATIONS

SEC. 9. Except as provided in section 10, it shall not be in order in either the Senate or the House of Representatives to consider bill or resolution making appropriations for a fiscal year which begins five years after the effective date of this Act if such appropriation is made pursuant to a law, in effect on the effective date of this Act, authorizing new budget authority for a period of more than four fiscal years or for an unspecified number of fiscal years.

WAIVER IN THE SENATE OF SECTION 9

SEC. 10. (a) If any committee of the Senate determines that section 9 should not be effective with regard to a law authorizing budget authority for a program within its jurisdiction, it shall report a resolution to the Senate providing for a waiver of Section 9. The resolution shall state the authorization or authorizations of budget authority to which section 9 shall not apply, the reasons why the waiver is necessary, and the fiscal years for which the waiver shall apply. The resolution shall be referred to the Committee on Rules and Administration and to the Committee on Appropriations.

(b) Each committee shall report the resolution to the Senate within 10 days after the resolution is referred to it (not counting any day on which the Senate is not in session) beginning with the day following the day on which it is so referred, accompanied by that committee's recommendations and reasons for such recommendations with respect to the resolution. If either committee does not report the resolution within such 10-day period, it shall automatically be discharged from further consideration of the resolution and the resolution shall be placed on the calendar.

(c) During the consideration of any such resolution, debate shall be limited to ten hours, to be equally divided between, and controlled by, the majority leader and minority leader or their designees, and the time on any debatable motion or appeal shall be limited to twenty minutes, to be equally divided between, and controlled by the mover and the manager of the resolution. In the event the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from the time under their control on the passage of such resolution, allot additional time to any Senator during the consideration of such debatable motion or appeal. No amendment to the resolution is in order.

(d) If, after both committees have reported (or been discharged from further consideration of) the resolution, the Senate agrees to the resolution by a yea-and-nay vote, then section 9 shall not apply with respect to the bill or resolution to which the resolution so agreed to applies.

(e) Whichever any bill or resolution is reported by a committee under the provisions of subsection (a), the report accompanying such bill or resolution shall contain a schedule of oversight hearings by the committee to determine progress being made toward the intended objectives of the program.

REPORTS BY SENATE COMMITTEES ON PROPOSED IMPLEMENTATION

Sec. 11. Not later than one year following the effective date of this Act, each commit-tee of the Senate shall file with the Senate a report indicating the schedule, procedure, and content of the analysis, appraisal, and evaluation that it intends to use to implement this Act. Such reports shall be referred

to the Committee on Rules and Administration which shall hold such hearings as it may deem necessary. Following its review of such reports, the Committee on Rules and Administration may report to the Senate changes in the rules of the Senate to provide uniform standards for the implementation of this Act and its requirements for the analvsis, appraisal, and evaluation of programs. ASSISTANCE TO SENATE AND HOUSE COMMITTEES

SEC. 12. (a) At the request of any committee of the Senate or the House of Representatives, the Comptroller General of the United States shall furnish to such committee information, analyses, and reports to assist it in carrying out its duties under this Act

(b) Consistent with the discharge by the Congressional Budget Office of its duties and functions under the Congressional Budget Act of 1974, the Director of the Congressional Budget Office shall, at the request of any committee of the Senate or the House of Representatives, furnish to such committee information and analyses to assist it in carrying out its duties under this Act.

(c) Consistent with the discharge by the Office of Technology Assessment of its duties and functions under the Technology Assessment Act of 1972, the Director of the Office Technology Assessment shall, at the request of any committee of the Senate or the House of Representatives, furnish to such committee information, analyses, and reports to assist it in carrying out its duties under this Act.

(d) At the request of any committee of the Senate or House of Representatives, the Director of the Congressional Research Service shall furnish to such committee information, analyses, and reports to assist it in carrying out its duties under this Act.

STUDY OF ZERO-BASE BUDGETING

SEC. 13. The Director of the Office of Management and Budget shall conduct a study the feasibility and advisability of establishing a zero-base budgeting system for the departments and agencies of the executive branch and furnishing zero-based budget information to the Congress. Such study shall consider the relationship between any such system of zero-base budgeting and the provisions of this Act. The Director shall submit a report of the results of this study, together with his recommendations, to the Congress not later than December 31, 1978.

EFFECTIVE DATE

SEC. 14. This Act shall take effect on the first day of the first regular session of the Congress which begins after the date of the enactment of this Act.

EXERCISE OF RULEMAKING POWER

Sec. 15. This section and sections 3, 4, 5, 6, 7, 9, 10 and 11 of this Act are enacted by the Congress-

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply; and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

By Mr. GRIFFIN:

S. 1245. A bill to improve the criminal justice system by eliminating and improving overcrowded and unsafe conditions in State, county, and local prisons through the provision of grants to assist in the construction, acquisition, and renovation of such facilities; to the Committee on the Judiciary.

PRISONS: WEAK LINK IN THE CRIMINAL JUSTICE SYSTEM

Mr. GRIFFIN: Mr. President, the lack of available prison space has disrupted our criminal justice system at every level.

To help redress this problem to some degree, I am today introducing the Corrections Construction and Program Development Act of 1977. The purpose of this act is to provide Federal assistance to State and local governments for the construction, acquisition, and renovation of correctional facilities and for the development and improvement of correctional programs and practices within such facilities.

Key provisions of my bill would:

Authorize the Law Enforcement Assistance Administration—LEAA—to award a supplemental grant to any State that has submitted an approved application for funding under the existing corrections assistance title of the Crime Control Act.

Require that the application be consistent with modern concepts, including utilization of advanced prison design and personnel practices, provision for narcotic and alcoholism treatment within correctional facilities, and emphasis on community-based facilities and programs.

Authorize \$150 million for fiscal year 1978 and \$350 million for fiscal year 1979. Funds would be allocated to the States on the basis of their population, but unused funds may be available for real-location. States must put up at least 25 percent matching funds.

Require that at least 75 percent of the funds received by a State be used for construction, acquisition, or renovation of correctional facilities. The remainder is to be used to set up or improve correctional programs and practices within the facilities.

Mr. President, a recent Gallup poll indicates that Americans view crime as their community's top problem. Many of our citizens live in constant fear of assaults, murders, robberies, rapes, and other violent crimes.

Unfortunately, there is ample reason for this fear. From 1969 to 1974, the crime index maintained by the FBI increased 38 percent. Through 1975, the rate continued to increase by more than 10 percent.

Even those fortunate enough to have escaped the personal tragedy of a murder, a mugging, or a rape are victims in a certain sense: The cost of crime is staggering, and it must be borne by all of us.

One of the most disheartening aspects of the problem is juvenile crime. Since 1960, juvenile arrests for murder, rape, and aggravated assault have increased 254 percent. Juvenile crime is now found in rural areas and the suburbs. But in the cities, it has reached epidemic proportions.

In Detroit, for example, youth gangs terrorized the city all last summer. While the police desperately tried to bring the city under control a stranded motorist was accosted by a van full of youths who beat and shot him, and left him

lying for dead boasting, "Tell the mayor we own the city."

No one should be surprised that the American people have demanded a halt to this kind of senseless violence and rhetoric. And no one should be surprised that the elected representatives of the people have responded. That response has taken many forms.

According to a recent Wall Street Journal article, 35 States have passed new death-penalty laws following the 1972 Supreme Court decision. Twelve States have replaced discretionary sentencing with fixed term, mandatory sentences for certain crimes. Many States are taking a new, hard look at their juvenile justice system to see if it adequately deals with today's outbreak of violence among youth. Some States are showing dramatic changes in their approach to probation. Finally, many judges are sentencing more offenders-and for longer terms. Tougher parole standards are keeping offenders in jail longer.

As a result of this tough stand by the States the crime rate began slowing in 1975. From an 18-percent crime increase in 1974, the rate of increase dropped to 10 percent in 1975. This decline continued in dramatic fashion through 1976, according to recently announced FBI statistics. The preliminary uniform crime report figures show that serious crime reported in the United States during 1976 showed no increase over 1975.

Unfortunately, solving one problem often creates another. In this case, a very serious problem of prison over-crowding has resulted from the crack-down on crime, and it threatens to dampen the prospects of future success in coping with the problem.

Our perceptions do not always coincide with reality. Many people believe that judges send criminals back to the streets about as fast as the police apprehend them—making the court a regular revolving door. The fact is that law enforcement agencies are apprehending criminals and judges are sentencing them. That is why the Nation's prison propulation grew in 1975 by 11 percent to a total of 249,716. It is surely in excess of 250,000 today.

This trend is not likely to continue—because there is a lack of prison space. While there is a limit to the number of prisoners who can be incarcerated, unfortunately, there seems to be no upper limit to the number of people who can commit crimes. Without more prison space, new criminals will not be sent to prison unless old criminals are let out. If there is a revolving door in the criminal justice system, it is located at the prison gates.

In the State of Michigan the prison population is growing every day. In fact, the prison commitment rate is rising faster than the overall crime rate.

The present capacity of Michigan's prisons is 10,490. The present population of Michigan prisons is 12,700. And it is estimated that the prison population will rise to 13,500 by August of this year. That will be 2,000 more prisoners than can be properly housed, even after completion of a new facility presently under construction.

At Jackson prison, the world's largest, 5,700 residents are crammed in wall to wall. Bunk beds have been placed in the corridors to help house hundreds of prisoners who should be in other facilities that, unfortunately, do not exist.

Michigan officials recognize that they must deal with this situation and have proposed a bond issue to raise \$439 million for new prison construction.

If approved by the voters, this will permit the construction of facilities to house 2,000 prisoners already in the system, will improve existing facilities, and will provide space for 1,500 additional prisoners expected if new mandatory sentencing is enacted. A bond proposal, of course, is just that—a proposal—and there is no guarantee that the State's citizens are willing to shoulder this added financial burden by approving it.

As a stopgap measure, Governor Milliken has just asked the legislature for a 32-percent increase in the corrections budget for emergency housing. Even this action will put a great strain on the State's resources.

Michigan is not alone in this dilemma. For example, it was reported last fall that Maryland needs 4,000 new prison beds at a cost of \$130 million. That State has gone so far as to consider the use of a mothballed ship to house new inmates, and like Detroit, has looked at converting an abandoned warehouse into a prison.

Across the Nation, prison populations are increasing at a record pace. number of prisoners today will pale in comparison to the 350,000 total expected by 1985. In 1975, every State but one, experienced a prison population gain. California, the only State which avoided an increase, did so by resorting to the drastic step of paroling over 10,000 male inmates—twice the usual number to gain needed prison space. By the way, those who might suggest that the increased use of parole would provide an inexpensive solution to the prison space crisis should be aware that this group of California parolees are being returned to prison due to new felony convictions at a 50- to 70-percent higher rate than for other parolees.

Prisons are expensive. Some projections place the total cost of the needed additional space over the next 8 years at \$3 billion. And this says nothing of the old and dilapidated facilities that must be replaced. In the United States as a whole, there are an estimated 25,000 prison cells which were built over 50 years ago.

There is a national interest to be served—as well as a State interest—in making more prison space available. Prisons play a vital role in reducing crime, and while fighting crime is properly considered a State and local interest, crime itself is a national problem. The Federal Government has long recognized that the financial and technical resources at its command are vitally needed by State and local authorities if they are to cope with today's serious crime.

The Law Enforcement Assistance Administration—LEAA—was created in 1968 to bring Federal resources to the States, and LEAA is presently providing some very limited assistance to the States for correctional facilities construction.

LEAA, however, has not emphasized corrections

Since 1968 LEAA has spent nearly 50 percent of its funds on police activities, about 15 percent on courts, and the remainder-less than 40 percent-on correctional facilities and programs, with heavy emphasis on the latter. Translated into actual dollars, the States are receiving very little Federal aid for prison construction from LEAA. For example, of the \$1.5 billion spent on all corrections programs by LEAA since 1968, it is estimated that States have received only about 10 percent of that, or \$150 million, for construction and renovation of mainly city, county, and regional jails.

We are going to have to do better than this. If we give the States money to catch criminals, we should help build

places to put them.

I am well aware, Mr. President that there are many critics in our Nation who. while in agreement that crime must be reduced, believe that prisons and jails have little or no part to play in reducing crime. Indeed, there are some who would argue that the present conditions in our correctional facilities actually produce

While I strongly believe that adequate correctional facilities are an integral part of a modern criminal justice system. I can sympathize with those who see today's prisons as breeding grounds for crime. But among the factors contributing to this situation are the overcrowded and antiquated facilities now being utilized. Another factor is the lack of alternatives to the traditional prison concepts of cells and steel bars. That is why my bill will give States flexibility to remodel and construct a variety of new correctional facilities, including half-way houses, work-release centers, and community-based facilities for both adults and juveniles which are less expensive than traditional pris-

No one argues that criminals should not be caught. However, it would make little sense if the apprehension of criminals was just a futile gesture. If a judge cannot send criminals to prison for lack of space, he must send them back onto the streets. This does much more than frustrate judges. It angers law-abiding citizens and law enforcement officials, breeds cynicism among everyone-including criminals-and makes a mockery of the old saying that "crime doesn't pay."

ons and reflect modern penal concepts.

A recent article in the Washington Star by James Q. Wilson, professor of government at Harvard University, notes that our response to increasing crime rates "has not been rational." He points out that a lack of prison space has caused most States to end up with overcrowded prisons filled with only the most serious of offenders—a potentially lethal mix-and one which makes any hope of rehabilitation nearly hopeless. The only way to keep the lid on things has been to reduce the amount of time these dangerous criminals serve by granting them early parole.

Wilson went on to say that-

Increasing the capacity of our prison system is consistent with, if not mandated by, a variety of policy goals . . .

Chief among these is sentencing policy.

Lack of available prison space can pervade and disrupt the entire criminal justice system at every level. To prosecutors, plea bargaining practices and dismissal of charges become desirable alternatives to forcing expensive and time-consuming trials which result in a convicted criminal being placed on probation. Judges who find, as one Maryland jurist has stated, that "it's easier to get reservations at a luxury hotel than to book a man into a prison," have little choice in some cases but to grant probation or give a reduced sentence.

Prison officials and probation authorities, faced with no room for incoming prisoners, must make liberal parole grants the standard procedure. Even at the street level, police decisions are based on perceptions of a suspected criminal's likely handling as he pro-ceeds through the criminal justice system.

In some instances, as in Michigan, lack of available prison space may persuade State legislators that laws establishing mandatory minimum sentences should not be enacted. Thus, even the legislative process is affected. It is not surprising, therefore, that a recent study done in Massachusetts indicates a shortage of prison capacity in that State "is the critical variable affecting the ability of the system to lower crime rates * *

Mr. President, our States have begun, with the full support of their citizens, a war on crime. The Congress has lent its support to this effort in the past, but it is now clear that more must be done. The war on crime has been escalated to the point where State and local resources are taxed to the breaking point, particularly with regard to the construction of correctional facilities. It is time that the States receive some help. My bill goes a long way toward providing that help.

I ask unanimous consent that the text of my bill and several articles relevant to this subject be printed in the RECORD following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1245

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be cited as the "Corrections Construction and Program Development Act of 1977"

TITLE I-FINDINGS AND DECLARATION OF PURPOSE

DECLARATIONS AND PURPOSE

Sec. 101. (a) The Congress hereby finds

(1) Overcrowded conditions in State, counand local prisons and jails have reached crisis proportions;

Understaffed and overcrowded prison and jail facilities are unable to provide proper security and safety for both prisons and staff:

(3) Existing rehabilitation, legal, recreation, medical, and other program services provided by prisons, jails, and other correctional institutions and facilities are inadequate to meet the needs of accused or convicted of-

(4) State and local governments do not have the financial resources needed to respond to the increasing need of the correctional system for appropriated institutional and non-institutional facilities and

services for accused and convicted criminal offenders; and

(5) These conditions constitute a growing threat to the national welfare requiring im-mediate action by the Federal Government to assist State and local governments.

(b) Congress finds further that the continued development of community-based correctional facilities and programs is essential to the development of an enlightened and progressive correctional system.

SEC. 102. It is, therefore, the purpose of this Act to provide additional resources to States and local governments for the con-struction, acquisition, and renovation of correctional institutions and facilities and for the development and improvement of correctional programs and practices within such institutions and facilities.

DEFINITIONS

SEC. 103. As used in this Act-

(a) "Construction" means the erection, acquisition, expansion, or repair (but not including minor remodeling or minor repairs) of new or existing buildings or other physical facilities, and the acquisition or installation of initial equipment therefor.

The term "correctional institution or facility" means any place for the confinement or rehabilitation of juvenile offenders or individuals charged with or convicted of

criminal offenses.

TITLE II-SUPPLEMENTAL GRANT PRO-GRAM UNDER PART E OF CRIME CON-TROL ACT

SEC. 201. The Law Enforcement Assistance Administration (Administration) established under Title I, Section 101, of the Omnibus Crime Control and Safe Streets Act of 1968 (Crime Control Act) is authorized, pursuant to the terms of this Act, to award a supplemental grant to any State, through the State planning agency established pursuant to the Crime Control Act, that submits an approved application for funding under Part

Section 452 of such Act. SEC. 202. (a) Any State desiring to receive a supplemental grant under this Act for any fiscal year shall submit an application in such form and on such date as established by the Administration. The application submitted must be consistent with the purpose of this Act, the State's approved applica-tion for Part E Crime Control Act funding, and any additional terms and conditions established by the Administration consistent with the conditions for funding established in Part E, Section 453 of such Act.

(b) At least 75 per centum of the funds allocated under this title to a State for any fiscal year must be used for the construction, acquisition, and renovation of correctional institutions and facilities, the balance to be used for the improvement of correctional programs and practices within such institutions and facilities.

SEC. 203. (a) The funds appropriated each fiscal year to make grants under this title shall be allocated by the Administration among the States according to their respective populations for supplemental grants to State planning agencies. Any grant of funds available under this title may be up to 75 per centum of the cost of the program or project for which such grant is made.

(b) If the Administration determines, on the basis of information available to it during any fiscal year, that a portion of the funds allocated to a State for that fiscal year for supplemental grants to the State planning agency of the State will not be required by the State, or that the State will be unable to qualify to receive any portion of the funds under the requirements of this title, that portion shall be available for reallocation to participating States in the discretion of the Administration.

SEC. 204. There are authorized to be appropriated for the purpose of carrying out this title not to exceed \$150,000,000 for the fiscal year ending on September 30, 1978, and

\$350,000,000 for the fiscal year ending on September 30, 1979. Funds appropriated for any fiscal year may remain available until expended.

[From the Detroit News, Mar. 3, 1977]

JACKSON A "JUNGLE"—OVERCROWDING SHOWS

NEED FOR MORE PRISON CAPACITY

It is not true that the inmates run Jackson State Prison. After all, as Warden Charles Egeler says, "We have the guns."

But it is true that Jackson is a barred jungle—a monstrosity, a crime school. Prisoners are mugged for their scrip, stabbed, homosexually assaulted and gang-raped.

Prisoners escaping felonious assault have a deep psychological problem: fear. They are at the mercy of the prison population, fearful of their safety and subject to intense pressure.

Even worse, nothing can be done about it immediately. Jackson State Prison is dreadfully overcrowded.

Its inmate population stood Tuesday at 5,693—693 over capacity and about 2,693 more than is healthy.

The docket-clearing crash program in Detroit's Recorder's Court is expected to produce about 800 more convicts this year. The state has no safe place to put them—safe for society and safe for themselves.

With just 120 officers, the jail must rely on cooperation of the "residents," as prison signs euphemistically refer to the prisoners.

This means that the prisoners, in a sense, do run the jail. Traffic in dope and crime is unstoppable.

Again as Warden Egeler says, "It would take one officer for each prisoner" to do anything about it.

That cost would be impossibly prohibitive. But state citizens must realize that more jails are needed. People must be willing to pay the price to increase jail capacity.

We have urged the Legislature to convert the J. L. Hudson warehouse in Detroit to a Detroit State Prison. We have urged the voters to support a \$439 million bonding issue in 1978 for new maximum security

People can't have it both ways: a toughening attitude on crime to protect society and no place to put felons.

Paul Rosenbaum, chairman of the House Judiciary Committee, doesn't exaggerate when he says Jackson is "a time bomb."

A riot in 1952, in which 11 guards were taken hostage, resulted in the death of one convict and the wounding of four others in gunfire. Damage reached \$2.5 million.

A visitor to Jackson State Prison becomes convinced that it could happen again.

A prison psychiatric ward is so dingy, so squalid, that it makes a dog kennel look like a more desirable place for humans to live. Some prison cells, as tiny as six feet by eight feet exude gloom

Psychologists have documented the aggressions of overcrowded rats in a cage.

Jackson State Prison is not just grim. It is inhuman. The people of Michigan should not tolerate that,

[From the Detroit Free Press, Feb. 14, 1977]

The State prison system will be the next to feel the pressure as Recorder's Court brings its docket under control. As the court's wheels turn faster there will be a rapid flow of convicted prisoners into the corrections system.

The prisons already are overcrowded, with 12,700 inmates. (About 40 percent were sentenced in Wayne County, most of them in Recorder's Court.) The prison population has been rising rapidly, and immediate steps must be taken to avoid further dangerous prison congestion of the kind that already exists.

The only major all-new prison to be added to the system in recent years is the recently

opened Muskegon Correctional Facility, with 600 beds. The old Ionia state hospital has been converted into Riverside Correctional Facility, and a new prison at Ypsilanti is to be completed next year. But these will not suffice if the number of prisoners continues to grow at the present rate.

There is every reason to believe the state will need thousands of new places in prison during the next few years. A law mandating two-year prison sentences for persons committing crimes while in the possession of a gun, as well as prospective changes in other sentencing laws, seems certain to contribute to that result.

If we are serious about tougher criminal laws, we must get serious about additional prisons. Yet so far there has been much more rhetoric than willingness to pay the bills.

The Legislature must, immediately move toward more prison construction, adaptation and renovation. The fastest approach would be through general appropriations. But it seems likely that we also will need a substantial state bond issue for prisons.

The Legislature also must begin to move toward a sensible long-term plan to improve the workings of the whole criminal justice system. We hope this will become evident to the House Judiciary Committee, chaired by Rep. Paul Rosenbaum, D-Battle Creek, when it visits Recorder's Court on Feb. 28. That court has many lessons to teach us.

By Mr. PROXMIRE:

S. 1246. A bill to amend the Housing and Community Development Act of 1974 to provide a more equitable allocation of funds, to authorize a fuller range of community development activities, to establish an urban development action grant program for severely distressed cities; to amend section 312 of the Housing Act of 1964, as amended; to amend section 701 of the Housing Act of 1954, as amended; and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Mr. PROXMIRE. Mr. President, I am introducing today the Community Development Amendments of 1977, the administration's proposals for reauthorizing the community development program administered by the Department of Housing and Urban Development. The program, enacted in 1974 as title I of the Housing and Community Development Act, has been popular with communities throughout the country, providing them with block grants for renewing and developing housing and community facilities.

The bill would provide for a 3-year reauthorization with increased funding, a significant change in the method by which funds are allocated among communities, and several new program initiatives. The Secretary of HUD is to be congratulated for making these major new proposals. In particular, the proposed optional formula which directs community development funds to older communities which have the greatest development needs is likely to gain widespread support.

In introducing this bill I have some reservations. I am concerned about the proposal for urban action grants and the proposal to include economic development as a specific eligible activity. Nor am I entirely satisfied with the funding proposals for smaller cities. I believe these proposals may require additional clarification and refinement, particularly if Federal assistance is to be targeted to

benefit low and moderate income persons and to eliminate slums and blight, which are major objectives of the block grant program.

The Committee on Banking, Housing, and Urban Affairs held oversight hearings on the program last summer, and began to consider reauthorizing proposals last month. Additional hearings are scheduled later this month, at which time the Secretary of HUD will present new testimony regarding the administration's proposals. I anticipate that the committee will mark up the legislation in early May, and recommend reauthorization of the community development program along the lines proposed in the bill I have introduced today.

By Mr. METCALF (for himself and Mr. Jackson):

S. 1248. A bill to provide for the exploration for and development of federally owned minerals, and for other purposes; to the Committee on Energy and Natural Resources.

FEDERAL LAND MINING ACT OF 1977

Mr. METCALF. Mr. President, revision of the mining law of 1872, which governs development of so-called hardrock minerals on Federal lands has been urged by many people for many years. Despite this urging, there has been almost no action by either the Senate or the House of Representatives. During the last 4 years, there have been a few days of hearings, but no bill has even been marked up.

Now, however, it appears that the time is ripe for action. Chairman UDALL of the House Interior Committee has indicated that he will give mining law reform a high priority. Secretary of the Interior Andrus has publicly agreed. I have long held this view.

What is the reason for concern about the mining law of 1872?

Mining often involves the destruction of other resources to some extent. In many cases, timber must be removed, wildlife habitat must be disturbed, natural waterways must be changed, overburden must be set aside, wastes must be disposed of, roads must be pushed through undisturbed areas, water must be diverted and may become contaminated, and holes must be drilled. These and other activities are essential to obtain minerals needed by the economy.

Sacrifice of some resources to realize others is not limited to mining. It is characteristic of any intensive use. However, the mining law of 1872 fails to have internal controls for weighing the value of these sacrifices. It contains no general requirement for consideration of the other resource values of the lands involved.

The result has been a continuing battle among miners, prospectors, other user groups, administrators, legislators, and the general public. Attempts are made to resolve these incompatible conflicts often simply by barring mineral or nonmineral activity from specific areas. There are also, as a result, a host of special laws, or laws for special situations, governing mining in different types of Federal areas—some national parks, national recreational areas, power site reserves, wilderness areas, and others. It is increasingly apparent that the United

States must develop its domestic mineral resources. Public land mineral development must take place within the context of the wide variety of demands being made on Federal lands. This requires accommodations among conflicting uses. It is, and will continue to be, impossible to make everybody happy all the time.

We need to be sure that our policies and procedures assure that this development is as compatible as possible with other uses and values of these lands. How

can we achieve this goal?

There is a critical need for comprehensive land use planning. Most people are willing to compromise and allow "undesirable" uses such as mining. However, they do not see the tradeoffs in the case-by-case decisionmaking process. Comprehensive planning displays the alternatives.

Environmental protection must be built in all plans and actions. We must not permit any degradation that can be avoided and we must minimize all un-

avoidable degradation.

This is the critical weakness of the 1872 mining law. It puts the land use decision entirely in the hands of the miner. He decides that mineral development is the best use of public lands regardless of other values, with no rehabilitation, and no evaluation of alternatives.

We must modify the basic principle of the 1872 mining law that mineral development is always the highest use of land. Existence of minerals in a given tract of land does not necessarily mean that mineral development is the best use.

In sum, we must seek to balance mineral development with other resource values and other potential land uses. For years, the scales have been tipped in favor of the mineral developer.

I believe that the general public will accept the balance principle, with one exception. This is, when in doubt, err on the side of the environment. Deferred development almost always can take place in the future, but environmental damage may be difficult if not impossible to repair.

The mineral developer wants:

First, opportunity to secure public resources; second, continuity in terms of conditions; third, security in tenure; fourth, compensation if use is terminated; fifth, reasonable prices; and sixth, minimum controls.

I believe that the public and the Congress can support these principles but

only within the framework of:

First. The established principles of multiple-use management, sustained resource yield, and environmental protection:

Second. Comprehensive land use planning:

Third. Public participation and intergovernmental coordination in development and implementation of public land management plans and programs;

Fourth. Full consideration of nonconsumptive uses; and

Fifth. Receipt of fair market value for public resources.

Under our Constitution the Congress has a special responsibility for the Federal lands. Congress must establish policies and standards to assure that mineral resource development on Federal lands is consistent with the basic policy that the Federal lands are vital national resource reserves held in trust by the Federal Government for all the people.

Mr. President, I feel certain that Congress can establish laws that will permit compatible mineral development in a manner that is practical, fair, and just. At stake is the management of the public lands in the public interest, which includes a sound, vigorous mining indus-

In order to begin this process, I am introducing today the Federal Land Mining Act of 1977. It is designed to achieve the objective I have outlined. The bill would establish a complete new legal system for prospecting for and developing "hardrock" minerals on both public-domain and acquired lands. I believe it will meet the needs of both the Government and the industry; provide for congressional control of policies and programs with executive flexibility for day-to-day administration; encourage mineral prospecting and development with sound planning and adequate environmental controls; and harmonize mineral development on Federal lands with other congressionally authorized conservation and land management programs.

I intend to ask the Carter administration to submit its views on S. 1248 by June 15. I hope to receive the views of other interested parties by that time also.

The Subcommittee on Public Lands and Resources will hold public hearings on the bill shortly after that date.

I ask unanimous consent that the text of the bill together with a brief summary of the manner in which it treats many of the most significant policy issues involved be printed in the Record.

There being no objection, the material was ordered to be printed in the RECORD,

as follows:

S. 1248

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

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TITLE I—SHORT TITLE, POLICY, DEFINITIONS

SHORT TITLE

SEC. 101. This Act may be cited as the "Federal Land Mining Act of 1977".

DECLARATION OF POLICY

SEC. 102. The Congress declares that it is the policy of the United States that—

(a) to the extent consistent with statutory objectives and congressional policies governing federally owned lands, the mineral resources of such lands be systematically inventoried for possible utilization as national needs require;

(b) to the extent consistent with statutory objectives and congressional policies governing federally owned lands, economic deposits of minerals in such lands be made available to the national economy in furtherance of the Mining and Minerals Policy Act of 1970

(84 Stat. 1876; 30 U.S.C. 21a);
(c) the prospecting for and exploration and development of federally owned mineral deposits be managed in a manner that will protect, to the fullest extent possible, the quality of scientific, scenic, historical, ecological, environmental, air, atmospheric, water resource, and archeological values, and the quality of life in communities impacted by such mineral activities; and that will avoid mineral development where adverse effects on such values and life would result in unacceptable irremediable losses:

(d) to the fullest feasible extent, the traditional role of the small miner in the development of American mineral deposits be

preserved;

 (e) except in circumstances which make it not feasible, private enterprise be utilized for the prospecting for and exploration and development of federally owned mineral deposits;

(f) the Congress reserve to itself decisions concerning the inventory and utilization of mineral deposits in lands in the National Wilderness Preservation System and in other systems where mineral development is barred by statute; and the Secretary of the Interior be granted the authority and responsibility for the inventory and utilization of other federally owned mineral deposits, subject to the provisions of applicable law;

(g) federally owned mineral deposits be managed in a manner as to avoid monopolies and to promote competition in the discovery, extraction, and distribution of minerals;

(h) unless otherwise provided by statute, federally owned mineral deposits be disposed of at their fair market value; and where the United States finances prospecting or exploration, it be reimbursed by the developers of mineral deposits benefiting from such prospecting and exploration to the extent that the Federal expenditures added to the value of the deposits; and

(i) the prospecting for and exploration and development of federally owned mineral deposits be managed in a manner that will protect life and property and will result in efficient and economical prospecting, exploration, and development operations and efficient, economical, and full utilization of

such deposits.

DEFINITIONS

Sec. 103. As used in this Act-

(a) the word "Secretary" means the Secretary of the Interior unless the context indicates otherwise:

(b) the term "mineral deposits" means all occurrences of minerals owned by the United States other than those which are subject to disposal under the Mineral Leasing Act of

1920, as amended and supplemented (41 Stat. 437; 30 U.S.C. 181 et seq.); the Act of June 8, 1926 (44 Stat. 710); and the Acquired Lands Leasing Act of 1947, as amended (61 Stat. 913; 30 U.S.C. 351 et seq.);
(c) the term "Federal lands" means all fed-

erally owned lands in the fifty States except those held for the benefit of Indians, Aleuts,

and Eskimos;

(d) the term "closed Federal lands" means Federal lands in the National Wilderness Preservation System and other Federal lands, mineral development of which the Congress has prohibited or may hereafter prohibit;

(e) the term "open Federal lands" means all Federal lands other than closed Federal

lands:

- (f) the term "agency lands" means Federal lands which are administered by the head of a department or agency other than the Secretary;
- (g) the term "workable mineral deposits" means mineral deposits, the characteristics of which the Secretary determines, through geological inference, testing, or other means of determination, are sufficiently known to justify efforts for their economic develop-
- (h) the term "potential mineral deposits" means mineral deposits which the Secretary has technical reasons for believing exist in possibly economic concentrations which existing information does not permit him to conclude that efforts to develop them are justified:

(i) the term "hidden mineral deposits" means mineral deposits, the location and characteristics of which are unknown to the

Secretary:

(j) the word "prospecting" means the utilization of methods and techniques in the search for hidden mineral deposits, prospecting ceasing with respect to any mineral deposit with its identification as a potential mineral deposit;

(k) the word "exploration" means the utilization of methods and techniques for the determination of the characteristics of a potential mineral deposit, exploration ceasing with respect to any mineral deposit with its identification as a workable mineral deposit;

the word "development" means the (1) activities necessary to convert a workable mineral deposit into a mine producing minerals for commercial, industrial, and domestic use;

the term "surface estate" means (m) interests in lands other than interests in

mineral deposits therein;

(n) the term "small miner" means an individual citizen while personally engaged in prospecting for hidden mineral deposits an independent entrepreneur or 28 2 member of an association of individual citizens all of whom personally engage in such prospecting or as an owner of a corporation

wholly owned by such individuals;

- the term "privilege of possession" means the right of a prospector under this Act to continue prospecting operations on an area of Federal lands so long as he complies with the terms of this Act and regulations issued thereunder and pursues his prospecting with diligence as defined by the Secretary in his regulations and the lands remain open to prospecting under the terms of this Act:
- (p) the term "right of possession" means an exclusive privilege of possession as against other prospectors based on priority and unbroken continuance of prospecting operations:
- (q) the word "department" means a unit of the executive branch of the Federal Government which is headed by a member of the President's Cabinet and the "agency" means a unit of the Federal Government which is not under the jurisdiction of a head of a department;

- (r) the word "rental" means compensation to a landowner for the use of the surface estate of his lands:
- (s) the word "royalty" means compensation to a landlord representing his share of the value of minerals produced during a production year or other period of time from a mineral deposit he owns, such royalty being calculated as a percentage of value or a fixed amount:
- (t) the word "bonus" means compensation to a landlord representing the present value of his share of the value of his mineral deposit which will not be paid to him in the form of royalties; and

(u) the term "Mining Law of 1872" means the Act of May 10, 1872, as amended and supplemented (17 Stat. 91; Revised Statutes 2319 et seq.; 30 U.S.C. 22 et seq.).

TITLE II-GENERAL PROVISIONS

INVENTORIES AND SURVEYS

SEC. 201. (a) The Secretary shall prepare, and maintain on a continuing basis, an inventory of hidden, potential, and workable federally owned mineral deposits. The inventory shall be kept current to reflect changes in inventory data and economic, social, and environmental conditions relating to mineral deposits. The inventory shall based on the best data available to the with appropriate utilization geological inference, statistical probabilities, other acceptable estimating techniques, and data secured from surveys authorized by subsection (b) of this section.

(b) Within two years after the date of approval of this Act and every ten years thereafter, the Secretary shall submit to the President of the Senate and to the Speaker of the House of Representatives a ten-year program for mineral surveys of the Federal lands. The program shall show separately plans for mineral surveys of lands in each of the following systems: National Wilderness Preservation System, National Wild and Scenic Rivers System, National System of Trails, National Wildlife Refuge System, National Forest System, and National Park System. The program for other Federal lands shall be shown separately by the department or agency which administers the lands. The plan for each System, department, and agency shall take into consideration the statutory goals and objectives of each System, department, and agency; shall include only those techniques and procedures which will not be inconsistent with those goals and objectives; shall take into consideration inventory information that will be available from private activities and other sources; and shall reply to the fullest extent the Secretary deems feasible on the private mineral industry for survey operations. Except for the mineral surveys authorized on the date of approval of this Act for lands in the National Wilderness Preservation System, the Secretary shall initiate no surveys pursuant this section without prior authorization by Act of the Congress.

PLANNING

SEC. 202. (a) The Secretary shall, with public involvement and consistent with the policies, objectives, terms, and conditions of this Act, develop, maintain, and, when appropriate, revise plans for authorizing under the terms of this Act prospecting for and exploration and development of federally owned mineral deposits. In the development and revision of such plans, the Secretary shall, to the fullest extent he finds practical, comply with the principle and utilize the techniques and procedures specified in section 202 of the Federal Land Policy and Management Act of 1976 (90 Stat. 2743, 2747; 43 U.S.C. 1712).

(b) Where the Secretary has authority under this Act to implement plans prepared pursuant to this section, the plans shall include an implementation schedule. Where provisions of statutes prevent implementation, the Secretary shall submit a report to the President of the Senate and the Speaker of the House of Representatives with such recommendations for legislation as he deems appropriate.

APPLICABLE LANDS

Sec. 203. (a) The provisions of this Act which authorize the Secretary to dispose of federally owned mineral deposits shall apply to all such deposits except those in (i) lands in the National Wilderness Preservation System, (ii) lands for which appropriations under the Mining Law of 1872 were prohibited by Act of the Congress prior to the date of approval of this Act and any other lands acquired to be administered with such lands, and (iii) lands which may hereafter be excluded from the provisions of this Act of the

(b) The provisions of section 401(b) this Act relating to claimants under the Mining Law of 1872 who had only pedis possessio as of January 1, 1977, shall not apply to lands in the National Wilderness Preservation

CLASSIFICATION OF MINERAL DEPOSITS

SEC. 204. Where there is a bona fide question whether a mineral deposit is subject to disposal under the terms of this Act or under the terms of some other Act of the Congress. the Secretary shall establish by regulation which Act shall apply. In the absence of a determination by regulation with respect to such a deposit discovered by an authorized permittee or lessee or a small miner who would be entitled to a lease if the mineral deposit were clearly subject to this Act, the Secretary shall authorize such permittee, lessee, or small miner to develop the deposit under the terms of the Act under which the discovery was made unless equitable or contractual considerations require him to make some other arrangements.

COORDINATION

SEC. 205. (a) The Secretary may authorize prospecting, exploration, and development of agency lands only with the consent of, and subject to the terms and conditions specified by, the head of the department or agency which administers the lands. Such head shall not withhold his consent nor shall he specify any terms and conditions unless he finds that such actions are necessary to enable him to manage the agency lands in accordance with statutory guidelines, standards, and criteria governing the administration of the lands.

(b) When the Secretary authorizes prospecting, exploration, and development of federally owned mineral deposits in lands, the surface estate of which does not belong to the United States, the Secretary shall provide, to the extent he finds feasible, for the protection and rehabilitation of the surface owners' interests in the lands to the same extent as he would have if the surface estate were owned by the United States and for compensation by the mineral operator for losses and damages suffered by the surface owners as a result of mineral operations. In the exercise of his responsibilities under this subsection, the Secretary may require the mineral operator to resolve any differences with the surface owner concerning compensation for losses and damages by negotiation or, failing there, by litigation in a court of competent jurisdiction.

(c) Operators authorized under the terms of this Act to prospect for, explore, or develop mineral deposits shall comply with State standards for public health and safety, environmental protection and rehabilitation, and conduct of prospecting, exploration, and development activities if those standards are more stringent than applicable Federal standards.

(d) The Secretary shall not authorize mineral operations pursuant to this Act which would be inconsistent with State or local zoning or land use regulations except when he finds that authorization would be in the public interest and consistent with the policies of this Act.

APPEAL PROCEDURES

SEC. 206. The Secretary shall establish by regulation procedures for prompt review and decision by him, or by another official in the Office of the Secretary appointed by the President by and with the advice and consent of the Senate, of appeals from decisions of officers to whom he delegates authority to take actions under the provisions of this Act. The procedures shall include, but not be limited to, provisions for accelerated review of appeals where delays could result in or continue significant financial, property, or environmental losses or in danger to public health and safety.

RULES AND REGULATIONS

SEC. 207. The Secretary shall promulgate rules and regulations to carry out the provisions of this Act. The promulgation of such rules and regulations shall be governed by the provisions of chapter 5 of title 5 of the United States Code without regard to paragraph 2 of subsection (a) of section 553. Prior to the promulgation of such rules and regulations, the Secretary or his delegate may issue leases or make sales of mineral deposits under this Act under any existing rules and regulations relating to mineral leasing and sales of mineral materials in Federal lands to the extent practical and subject to the terms and conditions of this Act.

ENFORCEMENT OF RULES AND REGULATIONS

Sec. 208. (a) Any person who knowingly and willfully violates any regulation issued by the Secretary pursuant to this Act shall be fined no more than \$10,000 or imprisoned no more than twelve months or both. Any person who fails to comply with such regulations for a period of fifteen days or more after receiving notice from the Secretary to correct such failure shall be liable for a civil penalty of not more than \$1,000 for each day of continuance of such failure after said fifteen days. Any person charged with the violation of such regulations may be tried and sentenced by any United States magistrate designated for that purpose by the court by which he was appointed, in the same manner and subject to the same conditions as provided for in section 3401 of title 18 of the United States Code.

(b) In the event of noncompliance with any rule or regulation of the Secretary issued pursuant to this Act or with any term or condition of a lease or other contract, the Secretary may suspend or terminate any rights granted by contracts under this Act after due notice to the holder of the contract and appropriate administrative proceedings pursuant to section 554 of title 5 of the United States Code. If the Secretary determines that an immediate temporary suspension of activities is necessary to protect the public health and safety or the vironment, he may abate such activities prior to an administrative proceeding. Prior to commencing any proceeding to suspend or terminate a contract, the Secretary shall give written notice to the holder of the contract of the grounds for such action and shall give him at least fifteen days in which to correct the noncompliance.

(c) At the request of the Secretary, the Attorney General may institute a civil action in any United States district court for an injunction or other appropriate order to prevent any person from utilizing Federal lands and mineral deposits in violation of regulations issued by the Secretary under this Act.

(d) The Secretary may require a bond or other surety to enforce any of the requirements of this Act or regulations issued under it.

(e) The use, occupancy, or development of Federal lands and Federal mineral de-

posits contrary to any regulation issued by the Secretary pursuant to this Act or contrary to any order issued pursuant to any such regulation is unlawful and prohibited.

DELEGATIONS OF AUTHORITY

SEC. 209. (a) Subject to such terms and conditions he finds necessary to assure compliance with the provisions of this Act, the Secretary may delegate to the head of the Federal department or agency which administers lands subject to prospecting, exploration, and development under the terms of this Act, such inspection, enforcement, and environmental protection and rehabilitation functions with respect to mineral activities on the lands he administers as the Secretary determines can be effectively performed by such head.

(b) The Secretary may delegate his authority to make sales and donations under section 302 of this Act to the heads of departments and agencies with respect to mineral deposits in lands under their administration.

(c) Nothing in this section shall be construed as diminishing any authority of the Secretary to delegate authority to take actions under this Act to his subordinates in the Department of the Interior.

FAIR MARKET VALUE

SEC. 210. (a) The Secretary may authorize use of Federal lands and dispose of federally owned mineral deposits under this Act only at their fair market value. Except for disposal to third parties, fair market value shall not include value added to mineral deposits by authorized mineral prospectors, explorers, and developers.

(b) Compensation for fair market value may, in the discretion of the Secretary, take the form of cash rentals, royalties, and bonuses; or contributions of land developments or improvements of value to Federal land management programs; or a share of physical production where the minerals produced are needed by departments and agencies for their authorized programs; or any combination of such payments or contributions.

ENVIRONMENTAL AND CONSERVATION PROCEDURES

SEC. 211. (a) The Secretary shall by regulation establish standards and procedures for achieving the policies and objectives of this Act with respect to (i) the protection and rehabilitation of the environment and natural resources, (ii) the protection of life and property, and (iii) achievement of efficient and economical operations and utilization of Federal mineral deposits.

(b) The Secretary shall include in regulations issued pursuant to subsection (a) of this section (i) criteria for determination when prospecting, exploration, and development plans and environmental protection and rehabilitation plans will be required in order to facilitate achievement of the policies and objectives of this Act and (ii) standards for the preparation and revision of such plans.

(c) The Secretary will design the regulations required by subsection (a) of this section to achieve the following specific objectives, among such others, which he may find consistent with this Act: (1) to return mined areas, to the extent, and as soon as, feasible, to their approximate original contour or to a contour similarly appropriate considering the surrounding topography and possible future uses of the area; (ii) to avoid to the fullest extent feasible the deposition of overburden and spoil material on the undisturbed or natural surface within or adjacent to the mined area; (iii) to the extent feasible, to conduct rehabilitation operations concurrently with mining operations; (iv) to maintain stability of soil conditions and to manage water in order to prevent landslides, soil erosion, and water pollution; (v)

to control drainage of acid, mineralized, and toxic substances; (vi) to revegetate disturbed areas, as soon as feasible, with the native types of vegetation or appropriately similar types; and (vii) to control subsidence and other possible adverse impacts of mining activities.

RESTRAINT OF TRADE

Sec. 212. The Secretary, in consultation with the Attorney General of the United States, shall by regulation establish standards, criteria, methods, and procedures for preventing and terminating acquisitions of federally owned mineral deposits which could lead to the restraint of trade in the production and distribution of minerals. The Secretary may utilize any methods and procedures permissible under due process to en-force standards and criteria established by regulation, including, but not limited to, limitations on the acreage or volume of holdings of Federal mineral deposits, due diligence performance requirements, and contract provisions for sharing operations with other mineral producers or for allocation of production to industrial users. The Attorney General shall, at such times he deems ap-propriate to insure the enforcement of this section and the antitrust laws of the United States, audit the operations of the Secretary under this Act and advise the Secretary of any changes in standards, criteria, methods, procedures, and practices the Attorney General may find appropriate with respect to his responsibilities under this section.

SUSPENSIONS AND WAIVERS

Sec. 213. (a) For the purpose of achieving optimum recovery of minerals or in the interest of conservation of natural resources or protection of the environment, the Secretary may temporarily suspend operations or production or both on any mineral operation authorized by this Act. Suspension proceedings shall be subject to the procedures prescribed in subsection (b) of section 208 of this Act. The Secretary shall make such adjustments in the terms and conditions of the contract governing the suspended operation as he deems appropriate to compensate the mineral operator for any losses sustained by virtue of the suspension.

(b) The Secretary may suspend, waive, or reduce rentals or royalties in contracts issued pursuant to this Act wherever in his judgment it is necessary to do so in order to promote mineral development or wherever mineral operations cannot be successfully conducted under the terms and conditions of such contracts: Provided, That the duration of the waivers and the amounts of the reductions are consistent with the policies of this Act for fair market value return to the United States.

UNITIZATION

Sec. 214. Leases issued under this Act may, in the interest of conservation of natural resources or protection of the environment, be made subject, by the Secretary or with his approval, to unitized exploration, development, and production under regulations issued by the Secretary. Such regulations shall include, but not be limited, to, provisions insuring that any unitization orders by the Secretary shall not deprive any lessee of the opportunity to secure the benefits of any rights granted by his lease.

MULTIPLE LEASES

SEC. 215. The issuance of a lease under this Act for a particular mineral deposit shall not preclude issuance of leases covering other mineral deposits in the same lands, where the Secretary considers that they are separately mineable or extractable and the operations with respect to such minerals will not unreasonably interfere with the lessee who has prior rights.

ASSOCIATED OR RELATED MINERAL DEPOSITS Sec. 216. In leases issued pursuant to this Act, the Secretary may allow or, where economically feasible in his judgment, require the lessee to extract and dispose of all associated and related minerals under the terms of this Act, if they are not subject to a lease issued to a different lessee.

TITLE III—DISPOSAL OF MINERAL DEPOSITS

SMALL MINERS

SEC. 301. (a) To encourage prospecting for hidden mineral deposits by small miners, the Secretary shall establish by regulation standards and criteria for—

(1) designation of areas of open Federal lands which contain geological evidence favorable to the existence of hidden mineral deposits and which can be made subject to prospecting by small miners under the terms of this Act and regulations of the Secretary without significant impairment of statutory objectives for management of Federal lands in such areas:

(2) termination of designations made pursuant to paragraph (1) of this subsection;

(3) determination whether a workable mineral deposit of not more than one hundred and sixty acres can be developed into a profitable producing mine;

(4) determination of the value added to a workable mineral deposit by the prospecting activities of a small miner who discovered the deposit under the provisions of this

section; and

- (5) the types and classes of mineral deposits which are subject to exploration and development leases pursuant to this section. In addition to other mineral deposits which the Secretary may identify in his regulations, he will identify the following as not being subject to exploration and development unthis section: (i) deposits of relatively low unit-value minerals, including, but not limited to, sand, stone, gravel, and rock; (ii) deposits of highly disseminated minerals and other low concentrations of minerals which require disturbance of relatively large areas for recovery of relatively small quantities of minerals; and (iii) deposits in the beds of streams and other bodies of water.
- (b) The Secretary by regulation shall establish a registry of small miners. The Secretary shall issue a certificate of registry to individuals who file for registry under such regulations and who state that they qualify as small miners under this Act and the regu lations issued thereunder. The registration shall be for such period as the Secretary by regulation shall specify but not less than five years. The Secretary shall send to each registered small miner at his address of record with the registry copies of rules and regulations applicable to mineral operations regulations applicable of Secretary may rethe payment of a registration which shall not exceed the fair share of direct costs of registration and services thereunder. Failure to pay fees shall not be a basis for refusal to register a small miner but may be a basis for refusal to send him copies of rules and regulations. Upon conviction in a court of competent jurisdiction of knowingly and willfully concealing the fact that was not a small miner under the terms of this Act, a registered individual shall be subject to forfeiture of all interests secured under this Act in addition to the penalties of law governing false statements to officers of the United States.
- (c) The Secretary shall by regulation establish the terms and conditions for prospecting pursuant to the authority of this section. Such terms and conditions shall be consistent with the provisions of this Act and shall be designed to further its goals and objectives.
- (d) The Secretary shall designate smallminer prospecting areas under this section to the fullest extent he finds feasible under the standards and criteria of this Act and shall terminate such designations whenever

he finds that continuance would be inconsistent with this Act.

(e) Registry under this section shall authorize a small miner to enter upon Federal lands designated under this section and to engage in prospecting operations thereupon. No permit shall be required for such prospecting; neither shall disclosure be required as to the specific location of the prospecting operations. Notwithstanding the second sentence of this subsection and for the purpose of furthering communication between prospectors and officers responsible for administering Federal lands, the Secretary may require prospectors (i) to give notice to appropriate Federal officers of entry in their general area of jurisdiction for the purpose of prospecting and (ii) to disclose the equipment and methods they will use in prospecting; and for the purpose of assisting pros-pectors in protecting their privilege of possession, the Secretary may authorize prospectors to identify the boundaries of their prospecting areas on the ground and in the records of appropriate offices. Disputes between and among prospectors as to who has the right of possession of a particular tract of Federal lands shall be decided by agreement among the parties in issue or by judgment of a non-Federal court of competent

(f) Discovery of a potential mineral deposit by a prospector under this section shall entitle the discoverer to an exploration lease under subsection (c) of section 303 of this act.

(g) Discovery of a workable mineral deposit by a prospector under this section or a holder of an exploration lease earned under the terms of this section shall entitle the prospector or holder to a development lease or leases under subsection (d) of section 303 of this Act, each of such leases not to exceed one hundred and sixty acres of leased lands: Provided. That the deposits covered by any lease issued, in the judgment of the Secretary based on technical and economic analyses, can be separately developed into a profitable mine. Deposits which do not qualify for a lease under the proviso of this subsection may be leased or sold by the Secretary under other provisions of this Act, and if he does so within twenty years after their discovery by a prospector under this section, the discoverer or his successors in interest shall be entitled to a share of the Federal revenues from such deposit to the extent of the value added to the deposit by the discoverer through his prospecting and exploration operations.

QUANTITY SALES AND FREE USE

SEC. 302. (a) Whenever the Secretary finds that it is feasible and economical to dispose of minerals in a workable mineral deposit in predetermined quantities, he may sell such minerals for removal in a fixed period of time and under such terms and conditions as are stated in his notice of sale. Such minerals shall be sold competitively except in situations, specified by the Secretary in his regulations, where values are so low or competitive procedures.

(b) Notwithstanding the provisions of section 210 of this Act, the Secretary may permit (i) departments and agencies and State and local governments for use in connection with authorized governmental activities and (ii) individuals engaging in the hobby collection of minerals or other forms of outdoor recreation to remove minerals subject to the provisions of this Act without charge or for amounts less than fair market value.

MINERAL LEASES

Sec. 303. (a) The Secretary may dispose of any minerals in mineral deposits subject to the provisions of this Act by means of prospecting leases, exploration leases, and development leases.

(b) Prospecting leases may be issued to authorize the search for hidden mineral deposits. Such leases shall recite the terms and conditions, including but not limited to the evidence of mineralization, which will entitle the lessees to exploration leases or development leases. Prospecting leases shall authorize only prospecting operations on the lands, subject to the terms and conditions of the leases, and shall require the payment of annual rentals. Lessees may mine and remove only so much ore and other material from the lands as is needed to evaluate the prospect. Prospecting leases shall be issued for such term of years as the Secretary determines is adequate for prospecting the lands on a diligent basis but for no more than twenty-five years.

(c) Exploration leases may be issued to authorize the testing of potential mineral deposits to determine whether they are workable mineral deposits. Such leases shall recite the terms and conditions, including but not limited to, the evidence of mineral values which will entitle lessees to development leases. Exploration leases shall authorize the operations necessary to evaluate adequately whether the leased deposits can be developed into profitable mines. Such leases shall authorize the mining and removal of ore or other material from the lands in sufficient amounts to test the characteristics of the ore and its susceptibility to economical mineral processing. Such leases shall require the payment of annual rentals and, when the amount of ore removed is substantial, may require royalty payments also. Exploration leases shall be issued for such period of years as the Secretary determines is adequate for exploration of the leased deposits but for no more than fifteen years.

(d) Development leases may be issued to authorize commercial production from workable mineral deposits. Development leases shall be issued for a sufficient period of time to permit the lessee, operating with due diligence, to develop the mine and to dispose of the minerals in the deposits. Such leases shall include a right of renewal or extension for reasonable periods of time where economic conditions, changes in technology, or other factors other than lack of due diligence prevent exhaustion of the deposit prior to the termination of the leases. Development leases shall require the payment of annual rentals

and royalties.

(e) When the Secretary finds that, in connection with any mineral deposit, he can determine in advance the terms and conditions he would include in explanation leases or development leases or both, he may issue prospecting leases with detailed exploration provisions or detailed exploration and development provisions and he may issue exploration leases with detailed development provisions.

(f) Except where lessees earn under the terms of this section or under section 301 of this Act rights to exploration or development leases or both, leases shall be issued only to the highest qualified bidder at a competitive sale. The Secretary shall specify in his notices of sale the basis on which he will determine the highest qualified bidder. He may specify any basis which in his judgment would best achieve the policies and objectives of this Act, including, but not limited to, encouragement of mineral production and receipt of fair market value for federally owned minerals. Bases for competition which the Secretary may adopt include, but are not limited to, amounts of rentals, royalties, or bonuses; amounts or schedules of investments; amounts or schedules of production; or provisions for environmental rehabilitation; or any combination of acceptable bases.

TERMS AND CONDITIONS OF CONTRACTS

Sec. 304. (a) All leases, permits, and other contracts issued pursuant to this Act shall be subject to such terms and conditions as the Secretary determines are needed to carry out the provisions of this Act.

(b) The terms and conditions required by subsection (a) of this section shall include, but not be limited to, terms and conditions requiring holders of contracts, in addition to compliance with other requirements specified by the Secretary, to—

(1) comply with applicable air and water quality standards established by or pursuant to applicable Federal and State law;

(2) comply with State standards for public health and safety; environmental protection and rehabilitation; and siting, construction, operation, and maintenance of facilities and workings, if such standards are more stringent than applicable Federal standards;

(3) permit inspection of contract areas by representatives of the Secretary for the purpose of checking compliance with applicable regulations and terms and conditions; and
(4) disclose to the Secretary (for Govern-

ment use and, to the extent and in a manner that would not injure the interests of the holder and would benefit the United States in the management of its lands and natural resources, for publication) geologic, mineral, and other subsurface information collected or developed by the holder in the course of his operations pursuant to the contract

(c) The terms and conditions required by subsection (a) of this section shall grant holders of contracts the following rights:

(1) as applicable, the rights specified in sections 301, 302, and 303 of this Act;

(2) the right to use so much of the surface of the contract area as may be reasonably required for the actual extraction and removal of minerals subject to the contract and, if the Secretary, or the head of the department or agency which administers the lands, determines that they are available for those purposes, the right to use nearby Federal lands upon payment of fair market rentals and subject to such terms and conditions as the Secretary and such head may prescribe;

(3) subject to the approval of the issuing officer, the right to assign the contract, as to all or part of the lands covered by the contract and as to either a divided or un-divided interest, to any person qualified to hold such a contract. The assigned interest shall be subject to all the terms and conditions of the original contract and to any existing approved plans of operation, protection, and rehabilitation;

(4) with the approval of the Secretary and upon the payment of fair market value, the right to drill for, produce, and use so much water subject to Federal ownership, appropriation, or utilization in lands in the contract area as may be needed in connection with activities under the contract: Provided, That the production and use of such water would not adversely affect the existing rights of other water users, would not have a significant adverse effect on the environment, and would otherwise be consistent with the provisions of this Act and applicable State water law:

(5) the right to surrender a contract, in whole or in part, subject to compliance with such terms and conditions the Secretary deems appropriate under the provisions of this Act; and

(6) a preferred right to purchase, at their

fair market value and subject to such terms and conditions as the Secretary may specify under applicable law, so much of the lands in the contract area as the Secretary determines can and should be sold under such applicable law.

TITLE IV—PENDING MINING CLAIMS; DISPOSITION OF REVENUES

PENDING MINING CLAIMS

SEC. 401. (a) The provisions of this Act shall be subject to valid rights under the Mining Law of 1872 existing as of the date of approval of this Act. Holders of mining claims under the Mining Law of 1872 for which a discovery of valuable minerals required by the law and the rulings thereunder has been exposed to view as of the date of approval of this Act shall be permitted to continue in their possession and utilization of their claims as if the Mining Law of 1872 had not been repealed so long as their claims remain valid under the provisions of that law and the rulings thereunder. Such claimants may secure patents for their claims only if, within three years after the date of approval of this Act, they apply for such a patent or for a development lease for the mineral deposits in the lands under section 303 of this Act. If a claimant elects to obtain a development lease in lieu of his rights under the Mining Law of 1872, the Secretary shall offer the claimant a development lease containing such terms and conditions the Secretary deems equitable in the circumstances. If the claimant finds that the offered terms and conditions are not acceptable, the Secretary shall consider his election as an application for patent. If the Secretary rejects an application for patent filed pursuant to this subsection on the grounds that the claim is not valid under the Mining Law of 1872, he shall consider the application for patent as an application under subsection (b) of this section.

(b) Holders of mining claims under the Mining Law of 1872 who, on January 1, 1977, had only pedis possessio under that law may continue in possession of their claims for a period of three years after the date of approval of this Act: Provided. That the lands remain open to mining, the claimants give notice to the Secretary within one year after the date of approval of this Act that they intend to continue such possession, and that they continue prospecting operations with due diligence and in compliance with regulations issued under the Federal Land Policy and Management Act of 1976 (90 Stat. 2743; 43 U.S.C. 1701 et seq.) or other applicable law. Within three years after the date of approval of this Act, the Secretary shall, upon application therefor, offer to such claimants a prospecting, exploration, or development lease under section 303 of this Act if he finds, under regulations establishing standards and criteria therefor, that the claimant and his predecessors in interest had sufficient investment in the claim to warrant such an offer on the basis of equity. The Secretary shall take into account the same equitable considerations in determining the terms and conditions of the leases.

DISPOSITION OF REVENUES

SEC. 402. (a) Fifty per centum of all money received, except as provided in subsection (b) of this section and except money paid to third parties pursuant to subsection (g) of section 304 of this Act, and 50 per centum of the cash value of all services, products, and installations received from sales, bonuses, royalties, and rentals of lands and mineral deposits under the provisions of this Act, shall be paid by the Secretary of the Treasury as soon as practicable after March 31 and September 30 of each year to the State within the boundaries of which the lands or deposits are or were located, to be used by such State and its subdivisions as the legislature of the State may direct giving priority to those subdivisions of the State socially and economically impacted by development of minerals leased or sold under this Act for (i) planning, (ii) construction and maintenance of public facilities, and (iii) provision of public service. All other money received under the provisions of this Act, with the exceptions stated in the first sentence of this subsection, shall be deposited in the Treasury as "miscellaneous re-

(b) When lands or mineral deposits leased sold under this Act involve acquired or other lands, a portion of the receipts from which are required by Act of the Congress to be paid to the counties within the bound-aries of which the lands or deposits are or located, the amount to be paid from such lands or deposits to the State in which the counties are located shall be the difference between the amount it would otherwise be entitled to under subsection (a) of this section and the amount to be paid to the

(c) (1) The Secretary is authorized to make loans to the States and their subdivisions in order to relieve social or economic impacts occasioned by the development of minerals leased or sold in the States under this Act. Such loans shall be confined to the uses specified in subsection (a) of this section, shall bear interest at the rate not to exceed the prevailing rate for State bonds at the time of the loan and shall be for such amounts and durations as the Secretary shall determine, except that the Secretary shall limit the amount of such loans to the anticipated revenues to be received by the recipients of said loans pursuant to subsections (a) and (b) of this section for any prospective tenyear period. Such loans shall be repaid by the loan recipients from revenues to be derived from said subsections (a) and (b) at such times and in such amounts as the Secretary determines.

(2) The Secretary, after consultation with the Governors of the affected States, shall allocate such loans among the States in a fair and equitable manner, giving priority to those States and subdivisions suffering the most severe impacts.

(3) Loans under this subsection shall be subject to such terms and conditions as the Secretary determines necessary to assure that the purposes of this subsection will be achieved.

TITLE V-EFFECT ON EXISTING LAW

REPEALS AND REVISIONS

SEC. 501. Subject to valid existing rights and obligations and the terms of this Act:

(a) The following statutes and parts of statutes are repealed as of the date of approval of this Act:

Act of—	Chapter	Section	Statutes at large	30 United States Code	Act of—	Chapter	Section	Statutes at large	30 United States Code
ev. Stat. 2319				22.	Aug. 24, 1921	84 Public Law 85–736		42: 186	28.
lev. Stat. 2320 pr. 26, 1882	106	2	22:49	23. 24. 25	Aug. 23, 1958 Sept. 2, 1958 June 21, 1949	Public Law 85-876	1, 2	72: 1701 63: 215	28-1, 28-2. 28b-28e.
lev. Stat. 2322 lev. Stat. 2323				26. 27.	Rev. Stat. 2325 Jan. 22, 1880	9	1	21:61	29. 29.
ev. Stat. 2324 eb. 11, 187 5 an. 22 . 1880	41		18: 315 21: 61	28. 28.	Rev. Stat. 2326 Apr. 26, 1882 Mar. 3, 1881	106	1	22:49	30. 31. 32

Act of-	Chapter		Section	Statutes at large	30 United States Code	Act of-	Chapter	Section	Statutes at large	30 United States Code
Rev. Stat. 2328. Rev. Stat. 2327. Apr. 28, 1904. Rev. Stat. 2329. Rev. Stat. 2339. Rev. Stat. 2331. Mar. 3, 1891. Rev. Stat. 2330. Rev. Stat. 2332. Rev. Stat. 2332. Rev. Stat. 2334. Rev. Stat. 2334. Rev. Stat. 2336. Rev. Stat. 2336. Rev. Stat. 2336. Rev. Stat. 2336. Rev. Stat. 2338. Rev. Stat. 2338. Rev. Stat. 2338. Rev. Stat. 2341. Rev. Stat. 2341. Rev. Stat. 2342. Rev. Stat. 2342. Rev. Stat. 2343. Rev. Stat. 2343.	1796	36-390	4	33: 545 26: 1097 74: 7	35. 35. 36, 48. 36. 37. 37. 38. 39. 40. 41. 42(a).	May 5, 1876. June 6, 1900 May 13, 1938 Aug. 4, 1947 Aug. 14, 1958 May 4, 1934 Mar. 2, 1907 Rev. Stat. 910 Aug. 13, 1954 Aug. 11, 1955 July 23, 1955 Suly 23, 1955 Suly 23, 1955 June 11, 1960 Apr. 8, 1948 Jan. 19, 1933	91	1 2 1, 2 1, 3 1, 3 1 7 1 7 1 7 1 1 1 1 1 1 1 1 1 1 1 1 1	52: 588 61: 916 72: 215 48: 663 34: 1243 27: 348 31: 745 68: 710 79: 679 69: 368 76: 652 69: 682 74: 202 62: 162	49a, 49c, 49d. 49a. 49a. 49a. 49a. 49b. 49e, 49f. 53. 161. 162. 525, 529. 541-541f. 611. 621, 623, 624.

(b) The first sentence of section 1 of the Act of July 31, 1947 (61 Stat. 681), as amended by section 1 of the Act of July 23, 1955 (69 Stat. 367; 30 U.S.C. 601), is further amended, as of the date of approval of this Act, to read as follows: "The Secretary, under such rules and regulations as he may prescribe, may dispose of vegetative materials (including but not limited to yucca, manzanita, mesquite, cactus, and timber or other forest products) on public lands of the United States, including, for the purposes of this Act, land described in the Act of August 28, 1937 (50 Stat. 874; 43 U.S.C. 1181a-1181j) if the disposal of such vegetative materials (1) is not otherwise expressly authorized by law, including, but not limited to, the Act of June 28, 1934, as amended (48 Stat. 1269; 43 U.S.C. 315 et seq.), and (2) is not expressly prohibited by laws of the United States, and (3) would not be detrimental to the public interest.".

(c) The first sentence of paragraph (2) and all of paragraph (3) of section 202 of the Act of October 21, 1976 (90 Stat. 2749; 43 U.S.C. 1712(e) (2) and (3)), are amended, as of the date of approval of this Act, to

read as follows:

"(2) Any management decision or action pursuant to a management decision that excludes (that is, totally eliminates) for two or more years (1) operations under the Federal Land Mining Act of 1977 with respect to a tract of land of five thousand acres or more or (ii) one or more of the principal or major uses with respect to a tract of land of one hundred thousand acres or more shall be reported by the Secretary to the House of Representatives and the Senate.

"(3) Withdrawals made pursuant to section 204 of this Act may be used in carrying out management decisions, but public lands shall be transferred to another department, bureau, or agency only by withdrawal action pursuant to section 204 or other action pursuant to applicable law: Provided, That nothing in this section shall prevent a wholly owned Government corporation from acquiring and holding rights as a citizen under the Federal Land Mining Act of 1977."

SUPERSESSIONS

Sec. 502. Subject to valid existing rights and obligations and the terms of this Act, as of the date of approval of this Act:

(a) The provisions of this Act supersede

(a) The provisions of this Act supersede all provisions of Acts of the Congress applicable to acquired lands of the United States which implicitly or explicitly authorize the disposal of minerals in such lands including, but not limited to, those listed in section 402 of Reorganization Plan Numbered 3 of 1946 (60 Stat. 1100; 5 U.S.C. App. 519), but excluding the Acquired Lands Leasing Act of 1947, as amended (61 Stat. 913; 30 U.S.C. 351 et seq.).

(b) The provisions of this Act supersede all provisions of Acts of the Congress which implicitly or explicitly made federally owned lands subject to appropriation under the Mining Law of 1872 except those relating to minerals in lands in the National Wilderness Preservation System.

(c) The provisions of this Act supersede those in the Act of June 30, 1950 (64 Stat. 311; 16 U.S.C. 508), and in section 402 of Reorganization Plan Numbered 3 of 1946 (60 Stat. 1100; 5 U.S.C. App. 519).

BRIEF DESCRIPTION OF SIGNIFICANT FEATURES OF THE FEDERAL LAND MINING ACT OF 1977

1. INCENTIVES FOR PRIVATE DEVELOPMENT

The bill assumes that the arrangements made by free enterprise in its dealings with private owners of mineral deposits and its other normal business operations provide prospects for profits sufficient to induce industry to undertake the risks inherent in the search for and development of minerals. It calls for "fair market" return to the Government, the amount a private owner realizes in his negotiations with private industry. The bill sets no specific upper or lower limits to Government returns in order that there will be no arbitrary interference with estab-lishing "fair market" requirements. The bill grants authority to the Secretary of the Interior to provide for negotiated adjustments in contracts when changes in eco-nomic and other conditions modify "fair market" relationships. Consistent with the concept of "fair market," it assumes normal business practices.

2. CONSIDERATION OF ALTERNATIVE RESOURCE VALUES

The bill assigns the determination of whether minerals will be available for development to the head of the department or agency which administers the land. To provide an assurance that full weight will be given to minerals values and to the policies of the Congress as expressed in the bill, the bill requires a justification to the Secretary of the Interior whenever a department or agency head refuses to make lands available or requires restrictive provisions. Full consideration is further promoted by provisions in the bill for public participation in, and Congressional oversight of, decision-making. The bill makes no changes in existing law with respect to judicial review or, in substance, with respect to withdrawals of land from mining.

The bill establishes various policies and objectives with respect to the development of Federally-owned minerals and recognizes that there will be day-to-day practical problems in reconciling or harmonizing mineral policies and objectives with other Congressional natural resource and management policies and objectives. It expects these problems to be solved in the give-and-take of democratic processes and procedures, including public participation, Congressional oversight, internal appeals procedures, and judicial review.

3. TREATMENT OF SMALL MINERS

The bill retains a measure of miner-initiated decisions with a modified system of locations by "small miners." Under regulations of the Secretary of the Interior, heads of departments and agencies will determine the lands and mineral deposits open to small miner locations. The bill gives the Secretary of the Interior authority to establish rules and regulations which would permit a location system to operate equitably and consistent with environmental protection and resource management.

4. AVAILABILITY OF LANDS FOR MINERAL DEVELOPMENT

The bill requires a positive administrative action to make lands available for mineral development. For locations by small miners, lands would not be available until "opened" by administrative order but thereafter would remain open until "closed" by administrative order. Otherwise, lands would be available only if offered for lease or sale by the Secretary or his delegate. Offers would be made either on the motion of the Secretary or his delegate or by them in response to applications or nominations.

In order to encourage appropriate mineral development and facilitate industry preparation for development, the bill requires the Secretary to prepare long-range plans for scheduling lands for opening to prospecting and development.

5. CONGRESSIONAL CONTROL OVER THE AVAILABILITY OF LANDS

The bill relies on established Congressional procedures for oversight, legislation, and appropriations for control of executive actions under the bill.

6. ADMINISTRATIVE DISCRETION

The bill sets forth policies, objectives, standards, and criteria to govern the management and disposal of Federal mineral deposits. Within this framework, it grants the Secretary of the Interior and other Federal officials full discretion in the administration of the law and in devising the means to comply with the policies, to achieve the objectives, and to enforce the standards and criteria. It avoids, with a few exceptions, establishing by law details of procedures or other requirements.

To assure that the exercise of discretion will be based on a fully disclosed and carefully devised system of principles and practices adopted only after full opportunity for public participation and Congressional oversight, the bill requires the Secretary of the Interior to issue rules and regulations to carry out its provisions. The bill makes the rule and regulations process subject to the rulemaking provisions of the Administrative Procedures Act.

7. ENFORCEMENT OF DUE DILIGENCE

The bill calls for due diligence but leaves it to the Secretary of the Interior to devise

the means by which due diligence will be enforced. The bill, however, does set maximum limits to the term of years for leases issued under its terms.

8. ALLOCATION OF EXPLORATION AND DEVELOP-MENT OPPORTUNITIES

The bill specifies how opportunities will be allocated. The general rule is that resources will be allocated to the highest qualified bidder. Exceptions are: small miners can earn the right to a lease through locations on a first-come, first-served basis and, where competitive interest is lacking or very low values are involved, specific quantities of minerals can be sold on a first-come, first served basis. In addition, the bill allows donations of minerals to governmental entities and to recreationists.

9. APPLICABILITY OF REGULATIONS

The bill permits the Secretary of the Interior to establish by regulation whether leases will be subject to future regulations and, if so, under what limitations and other conditions. As with other terms and conditions, the fair market value of the lease will be affected by the provisions for applicability of regulations.

10. ADMINISTRATION OF OPERATIONS

The bill centralizes the administration of its provisions in the Secretary of the Interior except for decisions whether lands will be open for mineral development and except also for determinations of terms and conditions related to non-mineral resource management. The latter responsibilities are assigned to the heads of the departments and agencies which manage the lands. The bill permits the Secretary of the Interior to delegate his authority to make quantity sales and to make inspections, enforce rules and regulations, and to carry out environmental protection and rehabilitation functions to departmental and agency heads.

11. PAYMENTS FOR LANDS AND RESOURCES

The bill requires the Secretary of the Interior to collect fair market value for lands and resources disposed of under its provisions. The bill permits collection of less than fair market value in transfers of minerals to governmental agencies and recreationists.

Charges required include rentals for use of surface resources, royalties and bonuses as payments for minerals taken, and payments for surface interest sold. The bill does not specify minima or maxima or any other standard other than fair market value. The bill permits the Secretary to accept cash, minerals, and land developments and improvements which would be of value to governmental programs.

12. REVENUE SHARING

The bill adopts the revenue sharing formula of the Mineral Leasing Act of 1920. Alaska is granted 90% and other States 50% of total revenues, less amounts paid to counties out of mineral revenues pursuant to other existing legislation. State legislatures will determine how the money will be used but are required to give priority to alleviating adverse effects of mineral developments undertaken pursuant to the provisions of the bill. Like the Mineral Leasing Act of 1920, the bill provides for loans to States based on expected revenues for early attack on such adverse effects.

13. ANTI-MONOPOLY

The bill charges the Secretary of the Interior to take the necessary steps to prevent or terminate monopoly and restraint of competition and trade. It requires the Attorney General to advise the Secretary and also to audit actual operations under the bill for that purpose. The bill authorizes the Secretary to adopt any means consistent

with due process to carry out the statutory objective of normal competition.

14. MINERAL INVENTORY

The bill authorizes a comprehensive inventory of Federally-owned mineral interests. It requires the Secretary of the Interior to prepare long-range plans for inventory operations, which would be undertaken only if specifically authorized by Act of the Congress.

Inventory plans and operations would have to be designed to be harmonious with the statutory missions of the various land management programs. The bill requires maximum reliance on the private mineral industry and permits appropriate Government activity also. The bill requires authorized operators to disclose to the United States for Government use information about Federal lands and mineral resources developed and collected during authorized operations.

15. LOW-GRADE DEPOSITS

The bill assumes that acceptable decisions cannot be made with respect to low-grade deposits in the absence of facts about those deposits and the other values in the lands containing the deposits. To develop the needed facts and to assure executive and Congressional consideration of those facts, the bill calls for a comprehensive mineral inventories, planning and Congressional oversight. The bill calls for, but does not specifically authorize, Government-financed research for identifying promising mineral targets. Specific authorizing legislation would be needed. The Government would recover costs to the extent that the research added value to deposits disposed of, which in some cases could be less than actual expenditures and in other cases more.

16. EXISTING MINING CLAIMS

The bill protects existing valid rights. Valid claims existing on the date of the Act would not be adversely affected by the bill. However, holders of such claims would have three years in which to apply for patent. If they fail to do so, their rights thereafter would be limited to the minerals therein and to so much surface use as required for mineral operations.

Claimants having as of January 1, 1977, only a privilege of possession would be granted three years or until the lands were closed to mineral development, whichever is less, to continue their search for minerals. The bill permits them to apply for a lease under its provisions and authorizes the Secretary to issue leases where equitable considerations justify issuance.

17. CLASSES OF LANDS AND MINERALS INCLUDED

The bill supersedes all mineral disposal laws other than the Mineral Leasing Act of 1920, the Acquired Lands Leasing Act of 1947, and a special leasing law of limited application.

By Mr. MATHIAS:

S. 1249. A bill to amend title 5, United States Code, to provide for grade retention benefits for certain Federal employees whose positions are reduced in grade, and for other purposes; to the Committee on Governmental Affairs.

JUSTICE FOR FEDERAL EMPLOYEES

Mr. MATHIAS. Mr. President, I am introducing a bill to provide grade and salary protection for Federal employees whose jobs are downgraded.

The provisions of this bill are essentially identical to those of bills I introduced in the 93d Congress (S. 3693), and in the 94th Congress (S. 94). By reintroducing this bill today—early in this session and at the beginning of a

new administration—I want to demonstrate my conviction that the new Congress and the administration must treat Federal employees with equity in any reorganization that may be undertaken.

Under my bill, an agency would have up to 3 full years to discover an improper classification and downgrade a given job. After that time, if an error is discovered, an incumbent jobholder would be protected from downgrading as long as he or she remains in that job. The job could then be downgraded only after the employee left or was promoted. Nothing in this legislation, of course, would in any way limit the Government's existing ability to demote an employee for cause or to carry out a reduction in force.

Under the present system if a Federal civil servant's position is downgraded, he may continue to receive the original grade's pay for a period of 2 years. The theory is that during that 2-year period the employee with the help of his agency would be able to find another suitable job. In practice, however, this system has not worked. The full burden of finding another position has fallen on the civil servant with little or no help from his agency and his salary was cut at the end of the 2-year period. The inequity of the situation is further aggravated during periods of general Government hiring freezes and periods of reductions in force. Alternative positions simply are not available.

My bill seeks to redress this situation by placing the burden for proper job classification on management and by insuring grade and salary security to Federal employees in the career civil

Downgrading occurs in the Federal civil service when the management of an agency determines that the duties and responsibilities of positions are graded too high. The practice may be initiated by an agency in an effort to hold down costs, to meet ceilings on total employment, or in some cases to "ease out" employees with whom management is incapable of dealing.

The process of position classification is not a scientific one. Civil Service regulations and classification standards are sometimes vague and subject to individual interpretation. Typically, a position classifier looks at the duties of the position and then at the classification standard to determine whether a position is overgraded. But, it is often difficult for the position classifier to distinguish between the position and the person occupying that position as the volume of job classification appeals attests.

Downgrading has been defended in the past by the Civil Service Commission as a part of the merit system to protect the principle of equal pay for equal work. If the Commission is mainly concerned with upholding the merit system, a more humane way to do so, at least in some circumstances, would be to add duties to an employee's job description rather than reducing his grade.

I do not believe our Federal civil servants should be singled out to pay for an agency's poor planning or misman-

agement. A worker who is the victim of mismanagement should not be penalized by a demotion, with a consequent loss of pay and career opportunity, beyond his or her control. Lack of security with regard to job classifications has fostered bitterness and frustration among Federal employees. The most active downgrading operations appear to be taking place in the Defense Department, the largest Federal employer, and in the Department of Health, Education, and Welfare, which employs 140,000 civil servants.

Morale among those dedicated career workers can be shattered as reorganizations and wholesale job classification reviews are instituted. Enactment of this bill will both protect morale and preserve the integrity of the classification and merit systems.

My bill incorporates the principle of equitable estoppel which holds that a party making representations to a second party, which are relied on by that second party, cannot later deny making those representations. Thus, an employee who takes a position relying on the classification assigned to that position should not, in equity, have that status reduced at some later point.

A downgrading can seriously affect an employee's career status by setting him back both in rank and salary. Without full protection for the innocent employee who is performing a capable, competent job, downgrading can only weaken the merit and career ladder system of our civil service.

Several reorganizations of major Federal departments have been proposed as part of a program to streamline the Government and make it operate at peak productivity and efficiency. This is all well and good. However, we must not let able, dedicated, hard-working career civil servants become pawns in such reorganizations.

The President has recently visited several major departments to reassure employees that they will not lose their jobs. The President's expressions of compassion, I believe, are sincere. I look forward to the administration's support of this bill to reassure those employees through law that the integrity of the merit system will be preserved.

The term "bureaucrat" has been much maligned in recent times. Those Americans working as civil servants believe in what they are doing, believe in their Government, and are performing admirably. The important thing is to preserve morale among that dedicated work force by providing grade security. For morale is the driving force which motivates employees to work at top productivity, and which results in truly efficient gov-

Mr. President, I ask unanimous consent that the text of my bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1249

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subchapter VI of chapter 53 of title 5, United States Code, is amended by adding at the end of such subchapter the following new section:

"§ 5366. Retained grade of employee on grade reduction of his position

"Under regulations prescribed by the Civil Service Commission, an employee as defined by section 5102 of this title, or a prevailing rate employee as defined by section 5342(a) (2) of this title, who holds a career or a career-conditional appointment in the competitive service or an appointment of equivalent tenure in the excepted service and whose position is reduced in grade on or after the date of enactment of this section, shall retain the grade which he held immediately before the reduction in grade of such position so long as he—

"(1) continues in the same agency, including an agency to which he is transferred in a transfer of function, without a break in serv-

ice of one workday or more;

"(2) is not reassigned or promoted; and "(3) is not demoted (A) for personal cause, (B) at his request, or (C) in a reduction in force.

The provisions of this section shall apply only to a position that has been classified at the grade from which the position was reduced for a continuous period of at least three years immediately prior to the reduction of such position to a lower grade.".

(b) The table of section of subchapter VI of chapter 53 of title 5, United States Code, at the beginning of such chapter 53, is amended by adding, immediately below the item relating to section 5365 thereof, the following new item:

"5366. Retained grade of employee on grade reduction of his position.".

By Mr. MAGNUSON (by request): S. 1250. A bill to authorize appropriations for the Coast Guard for fiscal years 1978 and 1979 and for other purposes; to the Committee on Commerce, Science, and Transportation

Mr. MAGNUSON. Mr. President, I introduce today, at the request of the Department of Transportation, a bill to authorize appropriations for the Coast Guard for fiscal years 1978 and 1979 and for other purposes.

I ask unanimous consent that the text of the bill and the accompanying letter of transmittal from the Department of Transportation be printed in the RECORD.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 1250

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are authorized to be appropriated for the United States Coast Guard for the fiscal years 1978 and 1979:

(1) For necessary expenses for the operation and maintenance of the Coast Guard including those relating to the Capehart housing debt reduction—for fiscal year 1978, \$875,261,000; for fiscal year 1979—\$903,000,000.

(2) For acquisition, construction, rebuilding, and improvement of aids to navigation, shore and off-shore establishments, vessels, aircraft, and pollution abatement including equipment and necessary administrative expenses relating thereto:

AIRCRAFT

For fiscal year 1978, \$89,076,000; for fiscal year 1979, \$88,840,000.

VESSELS

For fiscal year 1978, \$85,506,000; for fiscal year 1979, \$85,279,000.

SHORE AND OFF-SHORE ESTABLISHMENTS, AIDS TO NAVIGATION, POLLUTION ABATEMENT, AND ADMINISTRATION EXPENSES

For fiscal year 1978, \$52,018,000; for fiscal year 1979, \$51,881,000.

(3) For alteration or removal of railroad and highway bridges in order to eliminate obstructions to navigation in the navigable waters of the United States—for fiscal year 1978, \$15,100,000; for fiscal year 1979, \$16,400,000.

(4) For necessary expenses for basic and applied scientific research, development, testing, or evaluation of programs and activities of the Coast Guard—for fiscal year 1978, \$22,800,000; for fiscal year 1979, \$23,-000,000.

SEC. 2. The Coast Guard is authorized an end strength for active duty personnel of 38,846 for fiscal year 1978 and 38,846 for fiscal year 1979; except that the ceiling shall not include members of the ready reserve called to active duty under the authority of section 764 of title 14, United States Code.

Sec. 3. Average military training student loads for the Coast Guard are authorized as follows:

 Recruit and special training—for fiscal year 1978, 3,852 students; for fiscal year 1979, 4,113 students.

(2) Flight training—for fiscal year 1978, 109 students; for fiscal year 1979, 114 students.

(3) Professional training in military and civilian institutions—for fiscal year 1978, 415 students; for fiscal year 1979, 419 students.

(4) Officer acquisition—for fiscal year 1978, 1,110 students; for fiscal year 1979, 1,095 students.

SEC. 4. Title 14, United States Code, is amended (1) By adding a new section to Chapter 17 after section 658 as follows:

"SEC. 659. Merger of obligated balances with current appropriations.

'Amounts equal to the obligated balances against appropriations for use by the Coast Guard for operation and maintenance and Reserve training purposes for the two fiscal years preceding the current fiscal year shall be transferred to and merged with current fiscal year appropriations for "Operating Expenses" and "Reserve Training" respectively. Obligated balances for the period commencing on July 1, 1976 and ending on September 30, 1976 may be merged into their respective accounts for Fiscal Years 1977 and 1978. Such merged appropriations shall be available as one fund for payment of obligations properly incurred against such prior year appropriations and against the current fiscal year appropriations. Coast Guard ac-counting shall reflect fiscal year identity of the merged obligated balances until such obligated balances are transferred to a consolidated account as prescribed in section of the Act of July 25, 1956, as amended (31 U.S.C. 701)."

(2) By amending the analysis of Chapter 17 by inserting at the end thereof the following item:

"659. Merger of obligated balances with

current appropriations.'

SEC. 5. Notwithstanding the provisions of any other law, available funds appropriated to or for the use of the Coast Guard for "Acquisition, Construction, and Improvements" may be used to pay for part of the construction and other capital costs of a sewage treatment plant to be built, operated, and owned by the North Marin County Water District (California) and to be used by Coast Guard facilities located in the vicinity of Point Reyes Station, California.

SEC. 6. The Coast Guard is authorized to

SEC. 6. The Coast Guard is authorized to accept and retain funds from the City of Bal-

timore, Maryland, in payment for Coast Guard facilities to be removed by the City incident to the improvement of Hawkins Point Road. The funds shall be available until expended for the construction of replacement facilities. Any funds not obligated by the end of Fiscal Year 1980 shall be paid into the Treasury.

THE SECRETARY OF TRANSPORTATION, Washington, D.C., March 25, 1977. Hon. Walter F. Mondale,

President of the Senate, Washington, D.C.

DEAR MR. PRESIDENT: This letter transmits proposed legislation, "To authorize appropriations for the Coast Guard for Fiscal Years 1978 and 1979 and for other purposes".

The proposed bill contains the Coast Guard's request for authorization of appropriations for fiscal years 1978 and 1979. It also contains provisions to permanently authorize certain accounting procedures (section 4); to authorize a specific construction contract (section 5); and to authorize the use of money to be provided by the City of Baltimore to replace certain Coast Guard facilities which will be removed by the city incident to a road improvement project (section 6).

In compliance with the Congressional Budget and Impoundment Control Act of 1974 (P.L. 95-344), a request for authorization of appropriations for FY-1978 was originally submitted to Congress on January 21, 1976 as part of a legislative proposal which also requested authorizations of appropriations for FY-1977. When the FY-1977 authorization bill was introduced and eventually enacted (P.L. 94-406), there were no references to the 1978 fiscal year request. Since the FY-1978 request has not been acted upon, and since P.L. 94-406 imposed additional requirements upon the Coast Guard for authorizing legislation effective after FY-1977, we are submitting the attached legislative proposal. The request for authorization of appropriations for FY-1979 is included in the proposed legislation to comply with section 607 of P.L. 93-344.

Section 1 of the legislative proposal is responsive to section 5 of P.L. 94-406. Section 5 of P.L. 94-406 requires an authorization for funds to be appropriated to or for the use of the Coast Guard for-(1) operation and maintenance; (2) acquisition, construction, rebuilding, or improvement to aids to navigation, shore or off-shore establishments, vessels or aircraft, and related equipment; (3) alteration of obstructive bridges; and (4) research, development, test, or evaluations related to any of the other categories where authorizations of appropriations are necessary. For reasons of simplicity, individual items within each of the above categories have not been listed. However, the appropriate committees will be furnished detailed information identifying each item for which authorization or appropriations is requested. Furthermore, the Department will be prepared to supply any other information requested by the Congress.

Sections 2 and 3 of the bill respond to sections 6(a) and 6(b) of P.L. 94-406 which require authorization of the Coast Guard's "end strength" and "average military train-

ing loads" respectively.

Section 4 of the proposed legislation permits the Coast Guard to continue its present accounting practice of merging obligated balances of prior year "Operating Expenses" and "Reserve Training" appropriations with current year appropriations for those same purposes. This practice simplifies accounting and eliminates unnecessary paperwork. Although merger of obligated balances has been authorized each year for over 25 years in language contained in the annual appropriations legislation, it has recently been questioned as being subject to a point of

order. Therefore, we are proposing permanent statutory authority to continue these accounting procedures. Section 4 of the proposed legislation applies only to obligated balances from the two years immediately preceding the current fiscal year; older obligated balances are already merged into a special account. (31 U.S.C. 701)

Section 5 of the proposed legislation authorizes the Coast Guard to contribute funds to the North Marin County Water District (California) which will be used, along with other funds, for the construction of a sewage treatment plant. The sewage treatment plant will be locally owned and operated and will serve both the local community and Coast Guard facilities in North Marin County. After substantial study we have concluded that joining with the local community is the least expensive and the most environmentally sound method to dispose of sewage generated by Coast Guard facilities in the area. The details of these studies will be provided to the appropriate committees.

Section 6 of the proposed legislation authorizes the Coast Guard to accept money from the City of Baltimore and use it without the need for appropriation action to replace facilities which will be removed by the City incident to a road improvement project. The United States granted the City of Baltimore an easement in perpetuity of a strip of land running the length of the northern boundary of the Coast Guard Yard, (Baltimore, Maryland) for consideration of one dollar. Located on the strip of land is a Coast Guard facility for temporary lodging and a children's playground. The City has agreed to pay for the construction of replacement facilities. Section 6 of the proposed bill is necessary since, absent special authorization, section 484 of title 31 U.S.C. would require the money to be paid into the miscellaneous receipts of the United States Treasury.

It would be appreciated if you would lay this proposal before the Senate. A similar proposal has been submitted to the Speaker of the House of Representatives.

The Office of Management and Budget has advised that enactment of this proposed legislation is in accord with the President's program.

Sincerely,

BROCK ADAMS.

By Mr. HUMPHREY:

S. 1251. A bill to establish a universal food service program for children; to the Committee on Agriculture, Nutrition, and Forestry.

CHILD NUTRITION ACT OF 1977

Mr. HUMPHREY. Mr. President, I am today introducing the Child Nutrition Act of 1977, a bill to establish a universal food service and nutrition education program for children.

This is a truly comprehensive bill. It would provide that every child attending a school or child care program would receive at least one nutritious meal a day without cost. The same child who is now entitled to free transportation to school, free textbooks, and free instruction in all manner of subjects would be likewise entitled to a free lunch at school.

Passage of my bill would eliminate once and for all the degrading procedure of singling out certain children as being eligible for a free lunch, and certain other children as eligible for a reduced price lunch, while still others, because of higher family incomes, are required to pay the full price.

In this procedure we are, in effect, requiring school officials to perform a welfare function when their real business is education. And the paperwork and administrative costs of sending out application forms to all parents, and processing and evaluating the applications, has become enormously time-consuming and expensive.

The first major purpose of the bill, therefore, is to provide that all children have access to the food they need for good nutrition and good health.

The second purpose of the bill, and also of major importance, is to provide for the establishment of a sound nutrition education program in all of our schools across the country.

It has been well established by health and nutritional experts from throughout this country, based upon scientific studies and surveys, that income alone is no guarantee of good child nutrition.

Many schoolchildren from middleclass families, who would benefit from the program, look down on it because it is sometimes described as being for the

Furthermore, the importance of good nutrition can be seen in the impact it has on the ability of students to learn, to maintain better health, to reduce absenteeism, and lower the dropout rate.

There is little question that the teaching of the principles of good nutrition has been largely neglected in the Nation's educational system. We find poor diets or less than adequate diets prevalent in all segments of the population, regardless of income.

To correct the situation, there is an urgent need to incorporate nutrition education in various phases of the educational system. It need not and should not be a separate course of instruction since it can be given appropriate attention in hygiene, home economics, science, geography, or physical education.

Clearly, it is time that Congress should express national leadership in stimulating and encouraging a positive program to eliminate one major cause of poor nutrition—simple ignorance of the basic principles of good nutrition and its importance to good health.

The bill I am introducing today takes the long-overdue full stride to establish a truly universal school food and nutrition education program.

Among its chief provisions, this bill would—

Provide for pilot programs in at least 10 school systems during the first year the act was in effect.

Establish a National Advisory Council on Child Nutrition, composed of 19 members from all phases of the school nutrition field, including State and local program administrators, parents and students, and representatives of the Department of Agriculture.

Provide \$500 million per year for agricultural commodity purchases to be distributed through the program, and \$100 million for school food service equipment and facilities.

Provide for establishment of child nutrition education services within each State education agency, as part of a full-scale nationwide program to teach our children about proper food and nutrition.

Provide the mechanics for the universal free school lunch program itself, in all public schools and to the greatest extent possible in the private, nonprofit schools as well.

What better time than now to reaffirm the Nation's dedication to an improved educational opportunity for all children? What better time than now to establish a universal school food service program?

It is time the Nation once and for all accepted responsibility for the nutritional well-being for children while they are at school.

Mr. President, I ask unanimous con-sent that the text of my bill to establish a universal food service program for children be printed at this point in the

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1251

Be it enacted by the Senate and House Representatives of the United States of America in Congress assembled. That this Act may be cited as the "Child Nutrition Act of 1977

FINDING AND DECLARATION OF POLICY

SEC. 2. (a) The Congress hereby finds that the proper nutrition of the Nation's children is a matter of highest priority, (2) there is a demonstrated relationship between the intake of food and good nutrition and the capacity of children to develop and learn, (3) the teaching of the principles of good nutrition in schools has been seriously in-adequate, as evidenced by the existence of poor or less than adequate diets at all levels of family income, (4) any procedure or "means test" to determine the eligibility of a child for a free or reduced-price meal is degrading and injurious both to the child and his parents, and (5) the national school lunch and related child nutrition programs, while making significant contributions in the field of applied nutrition research, are not, as presently constituted, capable of achieving the goal of good nutrition for all

(b) It is hereby declared to be the policy of Congress to assure adequate nutrition offerings for the Nation's children, to encourage the teaching of the principles of good nutrition as an integral part of food service programs for children, and to strengthen State and local administration of food service programs for children. It is further declared to be the policy of Congress that food service programs conducted under this Act be available to all children on the same basis without singling out or identifying certain children as different from their classmates.

ESTABLISHMENT OF THE UNIVERSAL FOOD SERVICE PROGRAM FOR CHILDREN

SEC. 3. The Secretary of Agriculture (hereinafter referred to as the "Secretary authorized to formulate and administer cooperatively with the State educational agena universal food service program for children in schools of high school grade and under and in service institutions conducting programs for the benefit of all children. Such a program shall be conducted as an integral part of over all educational efforts to improve the knowledge of the principles of good nutrition among participating children. To the fullest extent practicable, the Secretary shall utilize the available services and expertise of other Federal departments, State educational agencies, and private or-ganizations concerned with nutrition and nutrition education in the formulation of program requirements and regulations. The program shall be so designed as to provide each child an equal opportunity to participate on the same basis as all other children with no discrimination as to time or place of serving or types and amounts of foods of-

APPROPRIATIONS AUTHORIZED

SEC. 4. For each fiscal year there are hereby authorized to be appropriated, such sums as may be necessary to enable the Secretary to carry out the provisions of this Act. Such appropriations for any fiscal year are authorized to be made a year in advance of the fiscal year in which the funds will become available for disbursement to the States. Notwithstanding any other provision of law, any funds appropriated to carry out the provisions of this Act shall remain available for the purposes of the Act until expended.

NUTRITIONAL AND OTHER PROGRAM REQUIREMENTS

SEC. 5. (a) Meals and additional food services provided by schools and service institutions participating in programs under this Act shall meet minimum nutritional requirements prescribed by the Secretary on the basis of tested nutritional research.

(b) Food service programs operated under this Act shall be operated on a nonprofit basis under the supervision of the governing authorities of participating schools or service institutions. Participating schools and service institutions shall offer at least one meal a day without charge to all children in attendance: such meal shall consist of a combination of foods meeting a minimum of one-third of the child's daily nutritional requirements. Additional meals and/or food services before, during, or after the schoolday may be offered to all children in attendance based on economic and/or nutritional needs.

(c) No affidavit or certification shall be required of any parent or guardian in order that a child take part in the food service program operated by the school or service in-

stitution.

(d) Additional foods which make a nutritional contribution may be offered for sale to children during the periods of food service conducted under programs authorized under this Act to the extent such offerings are necessary to meet nutritional needs of pupils in participating schools: Provided, however, That the sale of such additional foods shall be under the management and control of the food service department of the school and proceeds from such sales shall accrue to said department.

The sale of such additional foods offered on a regular basis during the regular school day shall be restricted to those items recognized as making a contribution to, or per mitted by the school to be served as a part of, a meal meeting the nutritional require-

ments prescribed by the Secretary.

(e) State agencies shall determine the eligibility of applicant schools and service institutions to participate in programs authorized under this Act and shall determine their need for assistance to carry out the purposes of this Act and shall establish controls to insure effective use of funds.

DIRECT FOOD ASSISTANCE

SEC. 6. (a) Each school or service institution participating in programs authorized under this Act shall, insofar as practicable. utilize in its program foods donated by the Secretary. Foods available under section 416 the Agricultural Act of 1949 (63 Stat. 1058), as amended, or purchased under section 32 of the Act of August 24, 1935 (49 Stat. 774), as amended, or section 709 of the Food Agriculture Act of 1965 (79 Stat. 1212), may be donated by the Secretary for schools and service institutions for utilization in their feeding programs under this Act (42

U.S.C. 1777).

(b) The Secretary is authorized to utilize annually not to exceed \$500,000,000 of funds available pursuant to section 32 of the Act of August 24, 1935 (49 Stat. 774), as amended, for the purchase and distribution of especially nutritious agricultural commodities and other food to assist participating schools and service institutions in meeting the nutritional requirements under this Act. funds unexpended from funds made available under this section may be used by the Secretary to assist in carrying out the purposes of this Act.

(c) The distribution of funds under this section shall be based on the ratio of the number of meals served in each State in the preceding fiscal year to the total number of meals served in all States in the preceding fiscal year: Provided, That in any State in which the Secretary directly administers school food service programs in the nonprofit private schools of such State, the Secretary shall withhold from the funds to be paid to such State under the provisions of this subsection an amount that bears the same ratio to the total of such payment as the number of meals served in nonprofit private schools in the preceding fiscal year bears to the total of such meals served in all schools served in the State during the preceding year under this Act or under the School Lunch and Child Nutrition Act while such Acts were in effect.

APPORTIONMENTS AND PAYMENTS TO STATES

Sec. 7. (a) The apportionment to each State shall be determined on the basis of two factors: (1) the number of children in average daily attendance during the preceding year in schools and service institutions eligible under the provisions of this Act, and (2) the rate of Federal assistance per child per year. The rate of Federal assistance per child per year shall be \$- per child for all States. The amount of apportionment to any State for any fiscal year shall be determined by multiplying factors (1) and (2).

(b) Funds made available to each State under this apportionment shall be paid to such State by the Secretary on the basis of the level of program participation achieved

by the State.

(c) The Secretary shall certify to the Secretary of the Treasury from time to time the amounts to be paid to any State under the provisions of this Act and the time or times such amounts are to be paid, and the Secretary of the Treasury shall pay to the State at time or times fixed by the Secretary the amounts so certified.

(d) The rate of Federal assistance under subsection (a) (2) of this section shall be adjusted annually to reflect changes in the cost of operating the program under this Act as indicated by the change in the series for food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor.

USE OF FUNDS

SEC. 8. (a) Funds paid to any State for any fiscal year shall be disbursed to schools and service institutions to assist them in financing the operating costs of their food service program including the costs of obtaining, preparing, and serving food.

(b) Such disbursements may be made by State educational agencies at least monthly and may be made not to exceed ten days prior to the beginning of each month of operations. Periodic adjustments in the amounts of funds so disbursed shall be made to conform with the provisions of section 9 of this Act.

STATE MATCHING

SEC. 9. (a) Expenditures from State or local tax funds, other than for the purchase or acquisition of land or for the cost of construction or alteration of buildings, shall constitute at least 15 per centum of total operating costs of the program.

(b) The assurance of proper nutrition for our children is a public concern. The Congress urges that, whenever possible, assistance be provided from all available State and local sources to children in nonprofit private schools and to children in nonpublic, nonprofit service institutions so that they may receive the full benefits of the programs authorized under this Act. Nevertheless, in situations where such assistance is not forthcoming in adequate amounts, such school and institutions may require of parents a registration fee to help finance the operation of food service programs.

NONFOOD ASSISTANCE AUTHORIZATION

SEC. 10. (a) There is hereby authorized to be appropriated for the first fiscal year of operations under this Act and for any subsequent fiscal year not to exceed \$100,000,000 to enable the Secretary to formulate and carry out a program to assist the States through grants-in-aid and other means to supply schools and service institutions with equipment, other than land or buildings, for the storage, preparation, and transportation, and serving of food to enable such schools to establish or expand food service programs for children.

(b) (1) The Secretary shall apportion 33½ per centum of funds appropriated for the purposes of this section among the States on the basis of the ratio between the number of children enrolled in schools without a food service in each State and the number of children enrolled in schools without a food service in all States.

(2) The remainder of the funds shall be apportioned among the States on the basis of the ratio between the number of children enrolled in schools in each State and the number of children enrolled in schools in all States.

(c) For the fourth and each subsequent year of operation under this Act, all of the funds appropriated for the purposes of this section shall be apportioned in accordance with the provisions of subsection (b)(2) above.

NUTRITIONAL TRAINING AND EDUCATION

SEC. 11. (a) The Secretary of Agriculture (hereinafter refered to as the "Secretary") is authorized to formulate the basic elements of a program to provide for (1) the nutritional training of food service supervisors and employees; and (2) the conduct of nutrition education activities as an integral part of food service operations. Such a program is to be coordinated, at the State level, with other nutrition education measures conducted by education and health agencies.

(b) For the fiscal year 1978, the Secretary is authorized to use not to exceed \$2,000,000 out of funds made available for the conduct of school lunch and child nutrition programs for the purpose of developing a nutritional training and education program as outlined under (a) above. From the funds made available under this subsection, the Secretary shall advance to each State educational agency an amount not to exceed \$25,000 for the fiscal year 1978. The amounts so advanced shall be for the purpose of the employment of a nutrition education specialist in each State educational agency in order to provide for the planning and development of the nutritional training and education program authorized under this Act.

(c) For the fiscal year 1979 and each subsequent fiscal year, grants to the States for the conduct of a nutritional training and education program for children shall be based on a rate of 50 cents for each child enrolled in schools or service institutions within the State. Enrollment data so used will be the latest available as certified by the Office of Education of the Department of Health, Education, and Welfare.

(d) The funds made available under subsection (c) of this section may be used for (1) the planning and conduct of nutritional training programs for food service supervisors and employees; (2) coordinating and

promoting nutrition education activities in local school districts during and as a part of food service operations, (3) grants to public and private educational institutions for the conduct of national training courses for food service supervisors and employees; and (4) related purposes including the preparation of visual aids and other informational materials.

There is hereby authorized to be appropriated the funds necessary to carry out the purpose of this section.

CENTRALIZATION OF FUNDING AND ADMINISTRATION

SEC. 12. Authority for the conduct and supervision of Federal programs to assist schools and service institutions in providing food service and nutrition education programs for children is assigned to the Department of Agriculture. Other Federal agencies administering programs under which funds are to be provided to schools and service institutions for such assistance shall transfer such funds to the Department of Agriculture for distribution through the administrative channels and in accordance with the standards established under this Act.

FEDERAL ADMINISTRATIVE EXPENSES

Sec. 13. There are hereby authorized to be appropriated for any fiscal year such sums as may be necessary to the Secretary for his administrative expenses under this Act.

AGREEMENTS WITH STATES

Sec. 14. The Secretary shall incorporate, in his agreements with the State educational agencies, the express requirements under this Act insofar as they may be applicable and such other provisions as in his opinion are reasonably necessary or appropriate to effectuate the purposes of this Act.

STATE PLANS OF OPERATION

SEC. 15. State educational agencies shall submit to the Secretary plans of operation at least three months prior to the first fiscal year of operations under this Act. Such plans shall include, but not be limited to, the following:

(1) Proposed State and local funding;

(1) Proposed State and local funding;
(2) Plans to extend food service to all eligible schools;

(3) Plans for a nutritional training and education program to be conducted as a part of food service operations;

(4) The types and kinds of food service to be offered to children attending participating schools and service institutions, and procedures and methods to be employed to assure high quality, nutritious, and appetizing meals for participating children;

(5) Plans for supervision and audit of program operations. Such plans of operation must be approved by the Secretary prior to advance of funds to State educational agencies.

(6) Plans for conducting training programs for food service personnel;

(7) Plans for the conducting of experimental or demonstration projects.

STATE ADMINISTRATIVE EXPENSES

SEC. 16. For each fiscal year beginning with the fiscal year 1978, an amount not to exceed 1 per centum of aggregated payments made to such agencies by the Secretary under this Act is authorized to be appropriated to assist in the administration and supervision of the programs authorized under this Act: Provided, That not less than 60 per centum of any funds used under this authority shall directed to the employment of field nutrition supervisors and auditors who have a certificate of training in the subject areas or the equivalent in field supervisory or auditing experience: Provided further, That the funds expended under this section shall be used to supplement the existing level of administrative support services and expenditures therefor for the child nutrition programs in each State.

LOCAL COSTS OF SUPERVISION

SEC. 17. The Secretary is authorized to make grants to State educational agencies, out of amounts appropriated by Congress for the purposes of this section, to assist in the supervision of local program operations. The grant to each State is to be determined on the basis of \$350 for each school attendance unit or service institution participating in the program. Any person employed from funds made available under this section shall be required to have an appropriate certificate of training.

ASSISTANCE TO NONPROFIT PRIVATE SCHOOLS

SEC. 18. (a) Federal assistance for food service to nonprofit private schools shall be provided by the State educational agency either in the form of direct payments or by payments made through the public school system in which the nonprofit private school is geographically located.

(b) In the event that the State educational agency is precluded by law, based on a formal opinion of the attorney general of the State, from making direct or indirect payments to such schools, the Secretary is authorized to withhold funds from the apportionments to such States for the purpose of making direct payments to such schools. Such withholding shall be based on the rate of Federal assistance per child per year for such States as determined under section 7 of this Act and the number of children attending nonprofit private schools in such State.

PILOT OPERATIONS

SEC. 19. In the first full fiscal year following the passage of this Act, the Secretary is directed to begin pilot operations in at least ten school systems, using authorities and funds available under Public Law 91-248, to test and develop the most effective techniques and procedures for effectuating the provisions of this Act and for the purpose of developing appropriate estimates of participation and costs.

ACCOUNTS, RECORDS, AND REPORTS

SEC. 20. (a) States, State educational agencies, schools, and service institutions participating in programs under this Act shall keep such accounts and records as may be necessary to enable the Secretary to determine whether there has been compliance under this Act and the regulations thereunder. Such accounts and records shall at all times be available for inspection and audit by representatives of the Secretary and shall be preserved for such period of time, not in excess of three years, as the Secretary determines to be necessary.

(b) State educational agencies shall provide periodic reports on expenditures of Federal funds, program participation, program costs, and so forth, in such form as the Secretary may prescribe.

EVALUATION

Sec. 21. The Secretary shall provide for the careful and systematic evaluation of the programs conducted under this Act, directly or by contracting for independent evaluations, with a view to measuring specific benefits, as far as practicable, and providing information needed to assess the effectiveness of program procedures, policies, and methods of operation.

NATIONAL ADVISORY COUNCIL

SEC. 22. (a) There is hereby established a council to be known as the National Advisory Council on Child Nutrition (hereinafter in this section referred to as the "Council") which shall be composed of nineteen members appointed by the Secretary. One member shall be a school administrator, one member shall be a person engaged in child welfare work, one member shall be a person engaged in vocational education work, one member shall be a nutrition expert, one member shall be a school food service management expert,

one member shall be a State superintendent of schools (or the equivalent thereof), one member shall be a State school food service director (or the equivalent thereof), one member shall be a person serving on a school board, one member shall be a classroom teacher, one member shall be a supervisor of a school lunch program in a school system in an urban area (or the equivalent thereof); one member shall be a supervisor of a school lunch program in a rural area; two members shall be parents of school age children; two members shall be secondary school students participating in the school lunch program, and four members shall be officers or employees of the Department of Agriculture specially qualified to serve on the Council because of their education, training, experience, and knowledge in matters relating to child food programs.

(b) The fifteen members of the Council appointed from outside the Department of Agriculture shall be appointed for terms of three years, except that such members first appointed to the Council shall be appointed as follows: Five members shall be appointed for terms of three years, five members shall be appointed for terms of two years, and five members shall be appointed for terms of one year; thereafter all appointments shall be for a term of three years, except that a person appointed to fill an unexpired term shall serve only for the remainder of such term. Members appointed from the Department of Agriculture shall serve at the pleasure of the Secretary.

(c) The Secretary shall designate one of the members to serve as chairman, and one to serve as vice chairman of the Council.

The Council shall meet at the call of the chairman but shall meet at least once a year.

(e) Ten members shall constitute a quorum and a vacancy on the Council shall not affect its powers.

(f) It shall be the function of the Council to make a continuing study of the operation of programs carried out under this Act with a view to determining how such programs may be improved. The Council shall submit to the President and Congress annually a written report of the results of its study together with such recommendations for administrative and legislative changes as it deems appropriate. For the purpose of obtaining information incident to making the aforesaid recommendations, the Council, by vote of its members present may request the appearance, at any of its meetings of representatives from governmental or nongovernmental agencies or organizations concerned with the nutrition and welfare of children.

(g) The Secretary shall provide the Council with such technical and other assistance, including secretarial and clerical assistance, as may be required to carry out its functions

under this Act.

(h) Members of the Council shall serve without compensation but shall receive reimbursement for necessary travel and subsistence expenses incurred by them in the performance of the duties of the Council.

DEFINITIONS FOR THE PURPOSES OF THIS ACT

SEC. 23. (a) "State" means any of the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

(b) "State educational agency" means the State Board of Education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

(c) "Nonprofit private school" means any private school exempt from income tax under section 501(e)(3) of the Internal Revenue

Code of 1954.

(d) "Service institution" means private, nonprofit institutions which provide day care or other children services. Children services include public and private nonprofit institutions providing day care or other child care services for handicapped children.

(e) "Operating costs" means the cost of food and nutrition services administration and supervision, labor, supplies, acquisition, storage, preparation, and service of food used in the food service program, utilities, maintenance, repair, and replacement of equipment. This term does not include the cost or value of land or acquisition, construction, or alteration of buildings. The term does not include any part of the general administrative and maintenance expenses for the

total school program.

"Universal food service means a program designed and operated to offer all children in group situations away from home at least one meal a day which meets at least one-third of the child's daily nutritional requirements. Additional meals and/or supplemental food services may be offered to all children in attendance based on economic and/or nutritional needs. All food service programs conducted under this Act would operate without charge to the child. The children to be covered under this Act include those attending schools of high school grade and under and children in service institutions as defined in this Act. The term also includes a program of nutrition education as an integral part of food service operations to teach all children the basic principles of good nutrition and the importance of good nutrition to health.

EFFECTIVE DATE

SEC. 24. The effective date of this Act, other than section 19, which is effective with the passage of this Act, is one year subsequent to the fiscal year in which it is passed. Beginning with the first year of operation of this Act, the National School Lunch Act of 1946, as amended, and the Child Nutrition Act of 1966, as amended, are hereby superseded.

By Mr. HUMPHREY (for himself and Mr. Tower):

S. 1252. A bill to transfer the functions of the Passport Office to a new agency of the Department of State to be known as the U.S. Passport Service, to establish a Passport Service Fund to finance the operations of the U.S. Passport Service, and for other purposes; to the Committee on Foreign Relations.

U.S. PASSPORT SERVICE

Mr. HUMPHREY. Mr. President, today my distinguished colleague from Texas (Mr. Tower) and I are introducing legislation to transfer the functions of the Passport Office to a new agency of the Department of State to be known as the U.S. Passport Service. Our bill would also establish a Passport Service Fund to finance the operations of the U.S. Passport Service.

Mr. President, in July 1955, I noted on the floor of the Senate certain major deficiencies in the operations of the Passport Office—deficiencies which had been the subject of complaint to numerous Members of the Senate since 1951.

On March 1, 1956, I introduced S. 3340, which called for the reorganization of the Passport Office and for the establishment of a semiautonomous Agency within the Department of State to be known as the U.S. Passport Service. The bill died in that session of Congress due to the opposition of the Department of State.

Since March 1, 1956, a total of 35 bills have been introduced in both Houses of Congress which, in one form or another, proposed the establishment of a semiautonomous U.S. Passport Service under the direct supervision of the Secretary of State. The Members of each House who have introduced this legislation encompass the entire political spectrum. They have been members of both the Democratic and Republican Parties. They have been both liberal and conservative in their views.

The Passport Office is a large, growing business which needs a business-type budget to function efficiently and to meet ever-increasing demands on its services. This bill proposes a semiautonomous agency responsible directly to the Secretary of State, similar to the relationship which now exists between the Commissioner of the Immigration and Naturalization Service and the Attorney General in the Department of Justice. The growth and projected growth of the Passport Office clearly justify these changes in or-

ganizational status.

In 1952, when the Bureau of Security and Consular Affairs was created by statute and the Passport Office was made a constituent part of that Bureau, the Passport Office was issuing and renewing 373,729 passports. In 1976, the Passport Office issued 2,816,683 passports and employed over 900 people in Washington and 11 field agencies located around the country. Earlier projections based on a standard 11.5-percent increase in volume per year indicate that by 1982 the Passport Office will be issuing over 8 million passports per year.

The future number of employees and field offices will depend on what, if any, changes are made in the organizational and production systems. Obviously, changes will have to be made to cope

with this type of growth.

The Department of State is quite properly geared to its foreign policy functions. It is not, and was never intended to be, a business operation. In its midst, however, has grown this separate entity, the Passport Office, which is in every sense a business. As presently organized, it does not fit into the organizational

structure of the Department.

The legislation which has been introduced since 1956, as does the measure we are introducing today, proposed a revolving fund. Stated in its simplest terms, a revolving fund would permit the Passport Office to plow back into its operation some of the revenue which it returns to the Treasury each year. Between 1969 and 1976, the Passport Office returned to the Treasury in excess of \$90 million over and above its direct domestic operating costs. Under a revolving fund, the Passport Office could use some of the money to modernize and improve its operations in an effort to upgrade the quality of service provided to the American public

The legislation also provides for an elaborate business-type accounting procedure, periodic audits by the General Accounting Office, and annual reports to the President and Congress.

The Department of State in the past has opposed legislation of this nature, primarily on the theory that such legislation would interfere with the Secretary's authority to organize his own Department. Such an argument, if directed against statutory proposals to alter the normal staff functions concerned with the formulation of foreign policy, would indeed have merit. However, the Passport Office clearly does not fit into this category. It is a business organization whose primary concern is direct service to the American public.

To exemplify how the present arrangement creates an unnecessary and undue burden on the American people, I requested the workload figures and areas which would be affected by the establishment of passport field agencies in Texas, Michigan, and Connecticut, I will request that these analyses be included in the RECORD at the end of my remarks.

Mr. President, as my colleagues should readily see, the present arrangement is both archaic and impossible to administer in light of the needs of the American people. Each year I receive literally hundreds of complaints over the unnecessary delays in the handling of pass-

port applications. We will soon be circulating a letter inviting Senators to cosponsor this measure, Mr. President, I ask unanimous consent that section-by-section analysis of our legislation be printed at this point in the RECORD for study by my colleagues, along with the text of the bill and the workload figures and areas affected by the establishment of passport field agencies in Texas, Michigan, and Connecticut.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1252

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby established in the Department of State the United States Passport Service (hereinafter referred to as the "Service"), which shall have as its purpose the administration of the laws and regulations relating to nationality, documentation, protection, and control of international travel of nationals of the United States.

Sec. 2. All functions, powers, duties, and authority of the Passport Office of the Department of State, together with those funds, assets, contracts, liabilities, commitments, authorizations, allocations, personnel, properties, and records of the Department of State which the Secretary of State shall determine to be primarily related to, and necessary for, the exercise of such functions, powers, duties, and authority, are hereby transferred to the Service.

SEC. 3. The Service shall be headed by a Director, who shall be appointed by the Secretary of State and responsible directly to him for the administration of the Service. The Director shall be appointed in accordance with the civil service laws in the grade of GS-18 of the General Schedule as prescribed in the Classification Act of 1949, as amended. Sec. 5108(c) of title 5, United States Code is hereby amended to include 1 GS-18 position for this purpose. The Director may furthermore place a total of 5 positions in the U.S. Passport Service in GS-16 and 17.

The Director-

(a) shall be responsible for the administration of the Service, the supervision and assignment of all personnel who are engaged in carrying out the laws and regulations administered by the Service, and shall possess such other powers and authorities as may

be necessary to carry out the provisions of this Act:

(b) may appoint and fix compensation of officers and employees of the United States Passport Service. Such appointments and compensations shall be under the appropriate civil service laws:

(c) may appoint such other officers and employees as Passport Agents as may necessary to carry out the provisions of this Act and to prescribe their functions, duties and compensation:

(d) the Director may designate in writing persons appointed in accordance with subsections (b) and (c) above to administer oaths, affirmations, affidavits and take depositions in connection with their official

(e) is hereby authorized and empowered to establish, staff, and maintain passport facilities at such locations in the United States and abroad as the need for efficient and convenient public service may from time to time require. The funds necessary for the establishment and operation of such agencies and offices shall be drawn from the fund authorized and established by section 4 of

(f) to obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code:

(g) to acquire by purchase, lease, condemnation, or in any other lawful manner, any real or personal property, tangible or intangible, or any interest therein; to hold, maintain, use and operate the same; and to sell, lease, or otherwise dispose of the same at such time, in such manner, and to the extent deemed necessary or appropriate;

(h) to construct, operate, lease, and maintain buildings, facilities, and other improvements as may be necessary, without regard to the provisions of title 40, United States Code;

(i) to enter into contracts or other arrangements or modifications thereof, any government, any agency or department of the United States, or with any person, firm, association, corporation, and such contracts or other arrangements, or modifications thereof, may be entered into with or without legal consideration, with or without performance or other bonds, and without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5) or any other provision of law relating to competitive bidding;

(j) to make advance, progress, and other payments which the Director deems neces-sary under this Act without regard to the provisions of section 364B of the Revised Statutes, as amended (31 U.S.C. 529); and

(k) is authorized to establish passport and such other fees as are necessary to carry out the purposes of this Act.

Sec. 4. (a) There is hereby established a fund for the Service (hereinafter referred to as the "fund"). The fund shall be capitalized on the basis of an initial appropriation by the Congress to the fund of a sum of at least \$59,700,000, which sum is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated and shall include:

any unexpended balances of appropriations, the inventories, and other physical assets of the Passport Office (exclusive of buildings occupied and land), such inventories and other physical assets to be capitalized at their fair and reasonable value;

(ii) assumption by the fund of all obligations, commitments, and liabilities of the Passport Office as of the effective date of this

(iii) all property and other physical assets of the Passport Office (except buildings and land), and there shall be deposited into the fund all amounts received by the from whatever source derived, including all proceeds arising from the disposition of any property or other assets acquired by the fund.

(b) The fund shall be available without fiscal year limitation for financing the direct costs and expenses of operating and maintaining and improving the operations of the Service.

(c) Any surplus accruing to the fund in any fiscal year shall be deposited into the general fund of the Treasury as miscellaneous receipts during the ensuing fiscal year: Provided, that any such surplus shall be applied first to restore any impairment of the capital of the fund.

SEC. 5. In accordance with the provisions of existing law

(a) there shall be prepared and submitted annually a business-type budget program for the Service;

(b) there shall be installed and maintained in the Service an integrated system of accounting, including proper features of internal control, which will (1) assure adequate control over all assets and liabilities of the fund. (2) afford full disclosure with respect to the financial conditions and operations of the fund according to the accrual method of accounting, and (3) supply on the basis of accounting, results and data for the annual budget of the Service with respect to the last completed fiscal year. The system of accounting shall conform to principles and standards prescribed by the Comptroller General of the United States as to accomplish the purposes of this section, and shall be subject to such review by the Comptroller as may be necessary to assure its conformance with the principles and standards prescribed and its effectiveness in operation; and

(c) the financial transactions, accounts, and reports of the fund shall be audited annually by the General Accounting Office and a copy of each report or audit shall be furnished promptly to the President and the Congress.

SEC. 6. All other laws, or parts of laws, in conflict or inconsistent with this Act are, to the extent of such conflict or inconsistency, repealed or made inapplicable to the

ANALYSIS OF THE PROPOSED BILL TO CREATE A UNITED STATES PASSPORT SERVICE

Sections 1 and 2: These sections of the proposed Bill create a semi-autonomous United States Passport Service in the Department of State to replace the existing Passport Office. They vest in the Service all powers, functions, duties of the present Passport Office together with all of its funds, liabilities, contracts, personnel, properties and records.

Section 3: The Service will be similar in organizational status to the Immigration and Naturalization Service of the Department of Justice and the Customs Service of the Department of the Treasury. The Director of the Service will be appointed by and be responsible directly to the Secretary of State for the administration of the Service, eliminating numerous unnecessary bureaucratic layers between the operation of a public service and the only essential policy guidance level required.

The highest rank in the General Service schedule, GS-18, which the present Director of the Passport Office holds, is given statutory sanction for the Direction of the Service. This is accomplished by specifically placing the position under Section 5108(c) of Title 5 of the United States Code in order that the grade need not be allocated from the general allotment of supergrades for the Department of State. The Director is also granted authority to specifically designate five supergrade positions in the Service commensurate with assigned responsibilities. This is vital if the Service is to attract and retain the highly qualified professional personnel it will need for management, accounting, and similar purposes.

The proposed Bill grants to the Service, through the Director, the necessary resources to carry out its duties and responsibilities. The need for the kind of authority enumerated in the Bill, is based on the hard realities of experience by the Passport Office over the many years of its existence.

As set forth in the bill, these resources include:

(a) The authority to assign all personnel who are engaged in carrying out the laws and regulations administered by the Service. The lack of this power, has, on many occasions, caused serious and unnecessary delays and other problems in the efficient administration of passport and citizenship laws of the United States.

(b) The authority to appoint all personnel under applicable Civil Service statutes to carry out the functions of the Service.

(c) The authority to appoint passport agents. While this authority now exists for certain Passport Office employees, this provision extends that authority to the appointment of employees of other government agencies who perform passport functions (e.g., Post Office employees and Military Agents, clerks of courts, magistrates, etc.). In order to insure uniform performance of the functions assigned to passport agents, it is necessary to exercise control over the number and quality of such agents as well as know who they are, which is not true in all cases presently. They are in the front line of contact with the American public and represent the Service and the United States Gov-

ernment in this capacity.

(d) The authority to empower passport agents and certain other employees minister oaths in connection with their duties is without statutory basis at present although it is provided for by regulation. This subsection would grant this authority

without question.

(e) The authority to establish and mainpassport facilities presently resides in the Secretary of State but is rarely exercised. There are presently eleven Passport Agencies in the United States which issue passports. Most have been in existence for a long period of time. The last agency to be opened was at Philadelphia in 1967, despite a steady increase in volume of passports issued. Since the Philadelphia Passport Agency was opened, the volume of passports issued has grown to approximately 237,000 in FY 1976. For 8 years the Passport Office has recognized the need for additional facilities to serve the needs of the American public. The U.S. Passport Service must have the authority to meet needs and demands for more efficient, effective and convenient public service.

(f, g, and h) The authority in the Service to acquire its own physical facilities, whether by lease or construction is vital. The Passport Office has a long history of being moved from place to place and assigned to various physical structures without regard to the peculiar requirements of its functions. Since 1943, the Passport Office has been moved five times. Since 1974, the Passport Office has been working with the General Services Administration (GSA) in an attempt to secure a facility designed to meet its specific physical needs. The Senate Public Works Committee, in Senate Public April 1976, requested GSA, under Section 11(b) of the Public Buildings Act, to report on the feasibility of such a new structure. The report has not yet reached the Committee. These subsections of the Bill would give the Passport Service the authority to acquire property and buildings to meet its special needs.

(i) The Passport Office presently must work through the Department of State's central contract office despite that office's unfamiliarity with Passport Office needs and the types of contracts required to more efficiently produce passports. This has resulted in serious delays in consummating vitally needed contracts and on occasion in costly errors. The Passport Office presently employs an engineering staff, an experienced contract officer and an experienced contract lawyer. This Bill would grant the Service the authority to utilize this talent and experience to consummate contracts in a manner most efficient and economical for the Government and ultimately to the public.

This subsection is a necessary companion to the authority of the Service's au-

thority to contract.

Beginning in 1902, and even in the depth of the depression in 1932, the Congress has indicated a policy and legislated passport fees which clearly show that the issuance of United States passports shall return revenue ("profit") to the United States Treasury. If the Passport Office is not permitted to modernize itself, the cost of producing a passport will exceed the \$10 passport fee set forth in Section 214, Title 22 of the United States Code. The present fee was established in 1968 and has not been increased since that year, notwithstanding the drastic inflationary costs of materials and labor which has occurred in the 9 year period.

If the Congress continues to require that passport fees return revenue to the Treasury and if the United States Passport Service is to operate on a business-like basis, selling a necessary product to the public, it is essential the Service have the authority to adjust passport fees upward or downward as the economy may justify. This becomes even more necessary if a revolving fund, as set forth in Sections 4 and 5 of the Bill, is established for

Section 4: This provision establishes a revolving fund for the U.S. Passport Service. An initial capitalization of the fund is granted by appropriation based on realistic estimates of the costs of all passport operations including a pro-rata share of services performed for the Service by the Department of State. The initial capitalization also includes the fair market value of all existing assets of the present Passport Office. During each fiscal year, revenue brought in by the Service from passport fees and other services would be used for operating costs and to restore any impairment to the fund. At the end of each fiscal year, all revenue received over and above the capitalization of the fund would be deposited to the Treasury as miscellaneous receipts. The fund would cover all expenses of the Service, including the establishment of agencies and the construction and/or lease of facilities to house itself. The authority granted by Section 3(k) of the Bill to establish passport and other fees for services rendered would ensure that revenues at all times offset the expenses of operating the

Section 5: This section provides for a business-type annual budget and sets up strict accounting procedures under which the revolving fund must operate. It further provides that the fund's operating and accounting procedures must be in accord with principles and standards prescribed by the Comptroller General of the United States, Annual audits and reports are required to be submitted to the President and the Congress.

Section 6: This provision constitutes a general repeal of statutes or parts of statutes which conflict or are inconsistent with the United States Passport Service Bill.

In all respects, the proposed Bill creates a semi-autonomous United States Passport Service with the resources and flexibility to meet the constantly growing demands of the travelling American public for passport services without additional cost to American taxpayers. It provides fast, efficient and cost effective service to the public, which it deserves and for which it pays through its fees. It also permits the decentralization of passport services, thus bringing them closer to the AmeriWORKLOAD FIGURES AND AREAS AFFECTED BY THE ESTABLISHMENT OF PASSPORT FIELD AGENCIES IN TEXAS, MICHIGAN, AND CON-NECTICUT

Texas: There is no Passport Field Agency in Texas. Applications for passports accepted in the State of Texas are either forwarded to New Orleans or to Los Angeles for processing. Over 63% of the workload in New Orleans originates in the State of Texas, while Los Angeles receives approximately 7,000 passport applications each year from Texas. The approximate total count of passport applications from the State of Texas reached 135,520 in calendar 1976.

Complaints from passport applicants from Texas who have required emergency services that in such cases, Texans hire planes to fly to either Los Angeles or to New Orleans in order to obtain expeditious services.

Specifically, Los Angeles handles all Texas passport applications originating in all coun-West of the Pecos River. New Orleans handles all Texas passport applications originating in all counties East of the Pecos

The growth of Texas in every conceivable category of population and human endeavor is well known. The Passport Office has recommended the establishment of a Passport Field Agency in Texas as the most efficient, economic, and expeditious method of handling the ever-increasing volume of overseas travel from that State. The Passport Office's recommendations were in line with the clearly stated policies of the last five Administrations, and the specific aims of the past five Presidents of the United States who stressed more emphasis on public service, efficiency and decentralization.

Michigan: There is no Passport Field Agency in Michigan. Applications for passports accepted in the State of Michigan are either forwarded to Washington, D.C. or Chicago for processing. Over 14% of the work-load in Washington, D.C. originates in the State of Michigan, while Chicago receives approximately 21,000 passport applications each year from Michigan. The total count of passport applications from the State of Michigan reached 93,600 in Calendar Year 1976 and conservatively will reach 108,000 in Calendar Year 1977. Passport applicants from Michigan continuously complain about having to fly to Chicago, Washington, D.C. New York in order to obtain emergency passport services.

Specifically, Washington, D.C. handles all Michigan passport applications from the en-Lower Peninsula. Chicago handles all Michigan passport applications originating

in the Upper Peninsula. The growth of Michigan in every conceivable category is well known. As the fifth largest city in the United States, Detroit is the country's largest producer of motor vehicles and one of the nation's largest financial centers. It has ranked as the number one city in the nation in value of foreign exports or manufactured products. Detroit serves much of the heavily populated mid-west as an international travel center for both business and tourist travel abroad. Passport volume from this area has climbed by 800% since 1949, the date of reopening of the Chicago Agency, the nearest field agency to Detroit.

Connecticut: There is no Passport Field Agency in Connecticut. The entire northeastern United States is served by the three existing agencies at New York, Boston and Philadelphia. Applications for passports accepted anywhere in Connecticut must be forwarded to Boston for processing. 24% of the workload in Boston originates in

the State of Connecticut.

Passport applicants from Connecticut, especially the southern tier adjacent to New York, constantly complain about the delays encountered in forwarding their applica-

tions to the Boston Agency. As a result, thousands who reside in the southern portion of Connecticut personally travel to the New York Agency for quicker service. This volume is in addition to the heavy volume already handled by the New York Agency from all Boroughs and the Counties of Orange, Putnam, Westchester, Rockland, Nassau and Suffolk. Nearby New Jersey applicants (about 37,000) also tend to apply in person at the New York Agency rather than travel to distant Philadelphia.

As a result, the New York Agency's vol-ume during Calendar Year 1976 was 363,000

applications, of which 128,000 (35%) were executed in person at the New York Agency counter. Due to severe personnel and space limitations imposed upon the Passport Office, this volume created serious condi-

tions at the New York Agency.

The establishment of an additional Field Agency in either southern Connecticut or in the New York Metropolitan area would have significant impact upon easing these unacceptable conditions caused by heavy volume at the New York Agency.

By Mr. BROOKE:

S. 1255. A bill to provide for reconstruction assistance for the victims of the recent earthquakes in Italy, and for other purposes; to the Committee on Foreign Relations.

ITALY DISASTER ASSISTANCE ACT OF 1977

Mr. BROOKE. Mr. President, I am today introducing legislation that will authorize further assistance for the victims of the earthquakes in Italy that occurred in the summer and fall in 1976. The \$25 million proposed for this purpose in this bill will become available in

fiscal year 1978

I believe all Americans can be pleased with the excellent use of the original \$25 million provided to assist victims of this terrible disaster. Those funds are being utilized to construct schools in the Italian Provinces of Udine and Pordenone and an old-age home to be built by the National Association of "Alphini" Veterans. An additional old-age home may also be built with these funds. Amounts have also been allocated to cover the costs of the emergency supplies that were made available in the immediate aftermath of the disaster.

While a good start has been made on helping the affected populace rebuild their destroyed homes and cities, much more needs to be done. Italian estimates place the total cost of the damage from one of the worst earthquakes to strike Europe at \$4.9 billion. While the major burden for meeting the rehabilitation and reconstruction needs must be borne by the people of Italy, I am convinced that the American people are willing to make this modest additional contribution to their efforts.

Legislation similar to the bill I am proposing has been introduced in the House. Moreover, there is a bill pending in the Senate that would provide \$10 million for assistance to Italy in fiscal year 1977. I certainly support that initiative by Senator Kennedy and Senator Pell and ask that my name be added as a cosponsor to their measure.

The original \$25 million plus the \$10 million proposed for fiscal year 1977 plus the \$25 million I am proposing for fiscal year 1978 will enable the American

people to make a significant contribution to the renewal of hope for the people of the Friuli region of Italy. I, therefore, hope that the Senate Foreign Relations Committee, in its consideration of foreign assistance authorization for fiscal year 1978, will give serious consideration to the proposal I am introducing today.

By Mr. MATHIAS:

S. 1256. A bill to eliminate the complete immunity from criminal, civil, and administrative jurisdiction currently given to all foreign diplomats and their staffs and to establish the Vienna Convention on Diplomatic Relations as the basis for diplomatic privileges and immunities in

the United States; and

S. 1257. A bill to require that members of the diplomatic community accredited to or resident in the United States shall, as a prerequisite to owning or operating a motor vehicle in the United States, satisfy the appropriate issuing authority that any claims for personal injury or property loss resulting from such operation will be satisfied by an insurer and are enforceable by a direct action against such insurer; to the Committee on Foreign Relations.

DIPLOMATIC IMMUNITIES ACT OF 1977 AND DIPLOMATIC INSURANCE PROTECTION ACT

Mr. MATHIAS. Mr. President, I am today introducing two bills aimed at achieving important, interrelated goals: Modernizing our antiquated diplomatic laws and helping insure that American citizens, who suffer personal injury and property damage in accidents involving diplomatic personnel, are not left without remedy. Before describing the two bills in detail, let me illustrate the inequities of our present system of diplomatic immunity.

Almost 3 years ago, a married coupleboth prominent Washington physicianswere driving in the District of Columbia when a car ran a red light and slammed into their car. The drivers of both vehicles suffered painful injuries, but they paled in comparison to those inflicted upon the female physician. This tragic incident confined her to a hospital bed for over a year and a half. It rendered her a quadriplegic; it deprived the Washington area of a skilled doctor at the peak of her talents. Compounding the tragedy was the failure of the victim to obtain any financial compensation from the offending driver to help offset the enormous medical costs incurred. For this was no ordinary accident. The driver of the other vehicle was a cultural attache of a foreign embassy and thus was fully shielded from legal suit by the doctrine of diplomatic immunity. The only recourse for the victim was to make a futile request to the driver's embassy for indemnification. Thus, the victim received no compensation for her injuries, despite indisputable evidence that the driver of the second vehicle was at fault.

How can we permit such an intolerable and inequitable situation to exist? The answer lies in two major deficiencies in the system of diplomatic immunity that prevails in this country. First, our diplomatic immunity law, unchanged since its enactment in 1790, provides absolute immunity from criminal, civil, and administrative jurisdiction for all diplomatic personnel, regardless of rank or dutes. This outdated law fails to distinguish between an ambassador and his cook and thus gives far broader diplomatic immunity than our own envoys enjoy abroad. Second, and equally serious, there is no adequate mechanism in this country to compensate individuals injured in traffic accidents involving diplomatic personnel. The law precludes you from suing diplomatic personnel to recover for damages and, in fact, adds insult to injury, by subjecting to possible criminal penalties anyone who attempts to bring such a legal action. This is an intolerable situation, especially in a locale such as the Washington area, where there are such a large number of diplomatic personnel-it must be corrected without further

Last year Congress took a step in the right direction when it enacted the Foreign Sovereign Immunities Act (Public Law 94-583). This law allows recovery against foreign nations for the tortious acts committed by its officials and employees while acting within the scope of their employment and it permits execution against any insurance policy held by the foreign nation covering any such accidents. Under this new law, a foreign nation no longer is immune from suit for tortious acts-including auto accidents-committed by its representatives performing their official duties. It will provide some relief for Americans. But, alone it does not guarantee fair and equitable compensation for Americans injured in car accidents with diplomatic personnel. The Foreign Sovereign Immunities Act has two loopholes:

There is no requirement that the for-

eign nation obtain insurance.

It does not cover all those situations where the injurious acts are committed outside the foreign employee's official duties.

Obviously, more legislation is needed to supplement Public Law 94-583.

I am convinced that the two bills I introduce today fill these loopholes, satisfactorily update our diplomatic laws, and help insure adequate compensation to Americans involved in auto accidents with foreign diplomatic personnel.

In developing this legislative package, I have been ably assisted by the distinguished international law scholar, Professor Adrian Fisher, former legal advisor to the State Department and presently is on the faculty of the George-

town University Law Center.

The first bill would repeal the 1790 diplomatic immunity statute and establish the 1961 Vienna Convention on Diplomatic Relations as the basis for determining diplomatic privileges and immunities in the United States. This legislation is the Senate counterpart of a bill previously introduced in the House of Representatives by the distinguished Virginia, Representative from Mr. FISHER. This legislation would have the salutary effect of replacing the absolute immunity conferred upon all diplomatic personnel, regardless of rank or function. with the Convention's provisions making the degree or scope of immunity commensurate with the rank and duties of the embassy personnel. Thus, no longer would an embassy chauffeur or cook engaged in wrongful conduct injurious to an American citizen be granted exactly the same scope of immunity from our legal processes as an ambassador would enjoy

It seems to me that the Vienna Convention, carefully drafted by the United Nations International Law Commission and debated at length by 81 participating states at the 1961 Vienna Diplomatic Conference, is more appropriate to modern day diplomatic realities than the antiquated 1790 statute. In addition, since the Convention is self-executing, it automatically became part of U.S. domestic law upon ratification in 1972, without need for further congressional implementation. Hence, repeal of the 1790 statute would eliminate legal ambiguities which result from statute and Convention existing simultaneously, and it would bring the U.S. grant of diplomatic immunity into conformance with the Vienna Convention, and contemporary international practice.

Repeal of the 1790 act would not, however, eliminate the serious problem of insuring compensation to American citizens who suffer personal injuries and property damage in an auto accident with diplomatic personnel. Repeal would restrict the scope of immunity conferred, but, standing alone, it would not provide economic protection for injured

Americans.

For example, an American citizen driving lawfully through the streets of metropolitan Washington whose car is rammed by a car driven by the Ambassador of a foreign country on his way to an official meeting at the Department of State might not be able to collect damages because of the two loopholes I just described which the Foreign Soverign Immunities Act did not plug. Section 31 of the Vienna Convention, to which the United States became a party on December 13, 1972, would still preclude the American from suing the Ambassador. Congress must develop a mechanism that recognizes the inviolability of a diplomat, but at the same time, provides an aggrieved victim with an efficient, sure means of adequate and just compensation. The second bill I now introduce creates such a procedure.

At least 13 foreign countries, mostly European, and including 12 that are signatory to the Vienna Convention, require that members of the diplomatic community accredited to or present in such country, maintain some form of motor vehicle insurance, in order to insure that victims of motor vehicle accidents involving such a member are adequately compensated for their injuries and losses. The United States is one of the few Western countries which does not require such insurance. However, in seeking to adopt an appropriate procedure to provide for adequate compensation for injured Americans, it must be remembered that Congress cannot infringe upon a diplomat's inviolability from legal action. Consequently, a procedure merely requiring a diplomat to carry automobile liability insurance would not be an effective tool, since the injured party cannot sue the diplomat in order to obtain compensation. Therefore, compulsory auto liability insurance must be coupled with a mechanism providing for direct enforcement of the policy against the insurer without in any respect impinging upon the important protections afforded those enjoying diplomatic immunity. I am convinced that my bill will achieve this result. Specifically, my bill would:

Require compulsory auto liability insurance for all diplomats or those holding equivalent immunity and preclude a State from giving a diplomat a driver's license or car registration approval unless adequate proof of insurance is dem-

onstrated:

Allow an injured party to bring an action against the diplomat's insurance company; and

Preclude the insurer from asserting the diplomatic immunity of the insured as a defense against any claim covered

by such policy.

By focusing on the insurer rather than on the diplomat, my bill avoids any necessity of legal proceedings against a diplomat. The concept of mandatory direct action auto liability insurance is not novel.

The concept of direct action insurance has been upheld by the U.S. Supreme Court.

The administrator of the Maryland Department of Motor Vehicles, Ejner Johnson, has urged Congress to adopt a system which prevents a diplomat's insurance company from claiming as a defense the immunity of the diplomat.

As an illustration of how this proposal might work in practice, assume the following hypothetical situation: "A," a fully accredited diplomat, runs a red light in Maryland and hits an automobile driven by "B," a Maryland resident who suffers serious bodily injury resulting from the collision and whose car is virtually demolished. "A" carries auto liability insurance required by this proposal.

Under the provisions of the Convention, "A," under most circumstances, would be immune from any lawsuit, assuming, of course, the diplomatic immunity is not expressly waived. Under my proposal, however, "B" would have a direct cause of action against "A's" insurance company. Again, the question of legal action directly against the diplomat never arises. At the same time, the injured party, "B," has his day in court and therefore at least an opportunity to receive some form of compensation for his injuries.

My second proposal would also create within the Department of State an office to review claims against members of the diplomatic community which for some reason are not satisfied under the insurance provisions of this bill. The office, where appropriate, would pay out sums to satisfy these claims from a fund financed by the U.S. Government. The United States in turn would seek reimbursement from the foreign nation involved.

As a Senator from a State where a large number of individuals possessing diplomatic immunity live, I am keenly aware both of the need for modernizing

existing laws to bring them in conformity with current international practice and the need to devise a mechanism to insure that Americans injured in auto accidents are not left without redress. At the same time, I am in agreement with the scope of diplomatic immunity provided by the Vienna Convention and recognize that the purpose of such immunity is not to benefit individuals, but to insure the efficient performance of diplomatic duties. This purpose can be fulfilled best if the concept of diplomatic immunity keeps pace with theory of risk sharing contained in our developing law of insurance.

I urge my colleagues to support these proposals and to help bring about a much-needed overhaul of our diplomatic immunity laws in the 95th Congress.

By Mr. MAGNUSON (for himself, Mr. Allen, Mr. Church, Mr. Danforth, and Mr. Thurmond):

S. 1258. A bill to provide for the designation of the libraries of accredited law schools as depository libraries of Government publications; to the Committee on Rules and Administration.

DESIGNATION OF LIBRARIES OF ACCREDITED LAW SCHOOLS AS DEPOSITORY LIBRARIES

Mr. MAGNUSON. Mr. President, title 44 of the United States Code provides for the designation of libraries in the United States to receive certain Government publications. These are commonly known as Federal depository libraries.

There is a group of libraries which are in dire need of depository status, but are unable to do so because of the restrictive nature of title 44. The libraries I am referring to are all from American Bar Association accredited law schools. The law students at these institutions have been at a great disadvantage over the years without these publications. The need for these publications is even greater today due to the growing impact that the legal profession has upon the agencies which contribute materials to the Federal depository system and vice versa. The legislation I have introduced would give these ABA accredited law schools the option of becoming Federal depository libraries.

Nearly one-half of the 164 ABA accredited law schools have no direct access to U.S. Government documents. The absence of these publications has a crippling effect on these law schools. Law Libraries are the center of research and study for the law students and also for the faculty members who need to enhance their specialties. Without these Government publications students in law classes such as constitutional law, Federal taxation, administrative law, all labor law courses, and many more will suffer immeasurable harm since they will not have the benefit of current trends in these specialized areas.

The necessity for depository status of these law school libraries is especially vital to fulfill not only the constant needs of the students, who must keep abreast of their classes and the increasing influence of law in all three branches of Government; but also faculty members; citizens of the community, who will have access to these Federal docu-

ments; and businesses whose interest may be effected by Government reports,

opinions, or bulletins.

Mr. THURMOND. Mr. President, I rise in support of the bill introduced by the able Senator from Washington (Senator Magnuson). This bill will provide for the designation of the libraries of accredited law schools as depository libraries of Government publications.

Mr. President, a great need has arisen among law school libraries of this country to become Federal depositories. However, under the present law, that is not possible. The current law limits the number of depository libraries in each congressional district to a very few.

The need for Government documents in law libraries has reached a critical stage as more and more courses are structured around governmental regulations. This is especially true of courses in administrative law, collective bargaining, and labor law. In my home State, the University of South Carolina School of Law offers one of the most outstanding course programs in labor law in this country. The students must often do without documents vital to their instruction because of the problems inherent in obtaining Government documents.

Not only law students, but often entire legal communities are reliant on these documents. The University of South Carolina School of Law is the only law school in South Carolina and is the law center for the entire State. Making this library a depository library would vastly improve the resources available for the whole legal community in my State.

Now, Mr. President, this situation is not unique to South Carolina. Even in large States with a number of law schools, having all the resource materials for legal research available in one building will tremendously improve the speed and quality of legal research. Of course, this improvement will accrue to the benefit of the public through upgraded legal services.

Mr. President, I am very pleased to be a cosponsor of this important legislation. We would do a great service to the people of the United States by acting fa-

vorably upon it.

By Mr. BROOKE (for himself, Mr. Kennedy, and Mr. Haskell):

S. 1259. A bill to amend the Small Business Act to authorize loans under such act to small business concerns adversely affected by temporary local economic and/or weather conditions and to permit deferral of repayment; to the Select Committee on Small Business.

Mr. BROOKE. Mr. President, as I have pointed out before to my colleagues in the Senate, there is a severe economic crisis in the town of Mashpee, Mass., as a result of Indian land claims which have put all the titles in the town under a cloud. Unlike any of the larger political entities who are defendants in similar suits, the town of Mashpee is not large enough to keep its economy functioning smoothly in the face of these claims. I have been working with the people of Mashpee to determine what kind of in-

terim emergency assistance would be most useful pending final resolution of the claims.

My research with townspeople and people doing business in the town of Mashpee has led me to conclude that the most urgent need for emergency help is the need of those local small businesses who depend upon the real estate market for their activity. Since all real estate transactions in Mashpee have come to a halt many of these businesses are threatened with bankruptcy. Although at the moment we can offer no permanent solution to this economic problem because the only permanent solution will involve clearing the titles, I believe we can keep Mashpee businesses alive until the suit is settled and they can pursue their normal activities. As I see it in most urgent need is for working capital to keep minimal activities underway.

Unfortunately, no existing small business assistance program would cover the plight of the Mashpee businesses. Not only is the Small Business Administration conservative in its interpretation of what constitutes a commercially reasonable loan, for example, there have been questions raised as to whether the cloud on title disqualifies any businesses from eligibility for SBA assistance, but also most available loan programs would not help Mashpee businesses even if such assistance were awarded.

For example, the situation in Mashpee cannot qualify under any existing disaster assistance statutes so that immediate widespread assistance is simply not available. An even more practical consideration is that existing SBA loan programs of course require a conventional agreement regarding payment of principal and interest by the borrower, but Mashpee businesses which have no cash flow at the moment are truly unable to meet the obligations at very near

erm.

Therefore, I have been working for some weeks with the Small Business Committee and specifically with my colleague Senator Haskell, who is the acting chairman of the Senate Select Committee on Small Business, to come up with a solution with Mashpee. The result of our labors is the bill I am filing today for myself, Senator Haskell and for Senator Kennedy.

This bill provides a new section in the Small Business Act which will provide a special set of considerations for the Administrator to take into account when receiving loan applications from small businesses where an unusual economic dislocation has resulted from some unforeseen cause not covered under any

other disaster statute.

The section says that an extraordinary, temporary and/or local economic condition, including bad weather, of the kind that has affected some ski resort areas, and of course including such social events as the Indian land claims suit being filed will make small businesses in the areas affected eligible for this special consideration. The loans may be either directly from the Small Business Administration or may come in the form of loan guarantees.

Furthermore, the Administrator has the discretion to defer any repayment of principal or interest on these loans for a period of a year. These provisions are essential; they bring business people in Mashpee or in areas which may in the future suffer unprecedented and unpredictable events, such as pollution from an oil spill or extraordinarily unseasonable weather, into the ranks of those eligible for Federal small business assistance. Furthermore, it sets up terms which would meet the real needs for a flow of working capital in the short term.

A second part of my bill, which contains language which has already passed the House of Representatives, changes the conditions under which every loan program administered by the Small Business Administration is set up. In the future, when this provision becomes law, the Administrator will be empowered to defer repayment of principal and interest on any of these loans in the event that a small business can be determined to have a good chance of succeeding with such deferment and a certainty of bankruptcy without it. This added flexibility is essential if we are to meet the many varied and sometimes unpredictable needs of small enterprises in our Nation. The protections of this kind of flexibility should not be limited only to the businesses I specified in the first part of the bill, namely, those who suffer from an unnatural and unusual disaster. All small businesses served by the Small Business Administration should have the opportunity to fall back on such emergency provisions.

I believe, Mr. President, that it is also essential that we change the Small Business Act in another way. As I testified before the Senate Select Committee on Small Business on March 3, it is essential that we redefine all disaster assistance for small businesses so that not only tornadoes, floods, fire, and hurricanes, the conventional set of disasters, qualify people for assistance so that unforeseen and unusual events will also trigger such aid. Senator HASKELL and I have drawn more general provisions and he will be introducing shortly legislation for himself and for me which will amend the Small Business Act so as to protect small enterprises against a far wider and more flexible range of adverse economic impacts.

In all candor, I must reiterate my statement of 2 days ago which I made when I introduced the emergency mortgage assistance for Mashpee which passed the Senate on April 4. This kind of emergency assistance for either homeowners of small businesses is no panacea for Mashpee. It will assist hardship cases with a minimal level of support for the short term. It will avert extreme personal economic tragedies. It will not alleviate all the economic injuries and all the suffering that befall the people of Mashpee. Nothing can provide such a across-theboard solution except the final settlement of the Indian land claims. I intend to do everything I can to hasten that long-awaited solution.

Mr. President, I ask unanimous con-

sent that my bill to amend the Small Business Act and the section-by-section analysis of the bill and a report I have prepared on my efforts to work for the people of Mashpee, which I believe it is important for my colleagues in the Senate to read and understand, be printed in the RECORD following my remarks.

There being no objection, the bill and material were ordered to be printed in

the RECORD, as follows:

S. 1259

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, (a) That section 7 of the Small Business Act amended by adding at the end thereof the following:

- "(1) The Administration is empowered to make loans either directly or in cooperation with banks or other lenders through agreements to participate on an immediate or deferred basis repayable in not more than 3 years to small business concerns which have been adversely affected by an extraordinary temporary and/or local economic or weather condition. The Administration shall permit in connection with any loan under this subsection a deferral of repayment of principal and interest for not to exceed one year where it determines such action would be appro-
- (b) Section 4(c)(1)(B) of such Act is nended by inserting "7(1)," after "7(1),"

amended by inserting "7(1)," after "7(1),"
(c) Section 7(c) (4) of such Act is amended by inserting "7(1)," after "7(i),".

(d) Section 5 of the Small Business Act is amended by adding at the end thereof the

following new subsection:

- "(f) (1) Subject to the requirements and conditions contained in this subsection, upon application by a small business concern which is the recipient of a loan made under this Act, the Administration shall assume the small business concern's obliga-tion to make the required payments under such loan or shall suspend such obligation if the loan was a direct loan made by the Administration. While such payments are being made by the Administration pursuant to assumption of such obligation or while such obligation is suspended, no such pay-ment with respect to the loan shall be required by the small business concern.
- "(2) The Administration shall assume or suspend for a period of not to exceed five years any small business concern's obligation under this subsection only if-
- "(A) without the assumption or suspension of the obligation, the small business concern would, in the opinion of the Administration, become insolvent or remain insol-
- "(B) with the assumption or suspension of the obligation, the small business concern would, in the opinion of the Administration, become or remain a viable small business entity; and
- "(C) the small business concern executes satisfactory agreement in writing as provided by paragraph (4).
- "(3) Notwithstanding the provisions of sections 7(a) (4) (C) and 7(i) (1) of this Act, the Administration may extend the maturity of any loan on which the Administration as sumes or suspends the obligation pursuant to this subsection for a corresponding period of time.
- "(4) (A) Prior to the assumption or suspension by the Administration of any small business concern's obligation under this subsection, the Administration, consistent with the purposes sought to be achieved herein, shall require the small business concern to agree in writing to repay to it the aggregate amount of the payments which

were required under the loan during the period for which such obligation was assumed or suspended, either-

"(i) by periodic-payments not less in amount or less frequently falling due than those which were due under the loan during such period, or

pursuant to a repayment schedule agreed upon by the Administration and the small business concern, or

'(iii) by a combination of the payments described in clause (i) or clause (ii)

(B) In addition to requiring the small business concern to execute the agreement described in subparagraph (A), the Administration shall, prior to the assumption or suspension of the obligation, take such action, and require the small business concern to take such action, including the provision of such security as the Administration deems appropriate in the circumstances, as may be necessary or appropriate to insure that the rights and interests of the lender will be safeguarded adequately during and after the period in which such obligation is so assumed or suspended.

"(5) The term 'required payments' with respect to any loan means payments of principal and interest under the loan."

(e) Section 4(c) of the Small Business Act is amended by inserting in clauses (1) (A) and (2) (A) thereof "5(f)", after the word "sections".

SECTION-BY-SECTION ANALYSIS OF A BILL TO AMEND THE SMALL BUSINESS ACT

(a) A new loan authority is given to the SBA administrator to make direct loans or loan guarantees available to otherwise sound small businesses when an extraordinary disaster affects the local economy. Such disaster need not be a natural disaster as defined in the Disaster Assistance provisions of the Act. Rather it may be a temporary economic condition caused by unpredictable factors including but not limited to weather or social events.

Loans made under this section are 3 year loans but the SBA may defer any repayment of either principal or interest for the first

- (b) and (c) technical conforming amendments
- (d) Provides that all loans programs administered under the Act may be given additional flexibility in that the SBA may assume a small business' obligations under such programs for a period not to exceed 5 years.

This assumption of the obligations for a suspension period may only be made if the Administrator determines 1) that the business would fail without it but succeed with it and 2) that the business provides security and a plan for repayment.

(e) technical conforming amendments.

SENATOR EDWARD W. BROOKE'S REPORT TO THE PEOPLE OF MASHPEE

On February 28th, I attended an open town meeting in Mashpee and discussed with hundreds of residents of that town the impact of the Indian land claims. I discussed a number of potential solutions to the severe economic problems the suit has caused. Some were solutions I had already investigated and found to be undesirable, such as extinguishing the Indian claim through retroactive legislation or complete Congressional indemnification of the properties affected. Many others seemed to be potentially useful ways of mitigating the adverse impacts of the suit. And I promised to continue working on my own ideas and on those that were presented to me in the town meeting. Today, I am presenting this interim report to the people of Mashpee to detail some steps I have taken since that meeting to provide further assistance to the townspeople and

to get various items of information that were asked of me.

EMERGENCY ECONOMIC ASSISTANCE

First, I promised to continue to seek ways to provide economic assistance to homeowners and entrepreneurs who were suffering unusual hardships as a result of the cloud over all titles. As I pointed out at the meeting, I had already looked into all existing disaster relief statutes and found them to offer no assistance in the Mashpee case.

The research my staff and I did in Mashpee with banks and financial institutions led me to conclude that the most pressing needs is for working capital for those small businesses who are out of business because of Mashpee's depressed real estate market. Therefore, I have been working with the Senate Small Business Committee members to get the law changed so as to help Mashpee and other areas on whom unforeseen casualties fall.

On April 6 I introduced a bill which Senator KENNEDY has cosponsored and which Congressman STUDDS has now introduced in the House providing for a new category of small business loans to provide working capi-tal to otherwise sound businesses affected by temporary economic adversity. These loans may be either direct loans from SBA or loan guarantees. And the business may be permitted to delay repayment of principal or interest for at least the first year. I expect this bill to have an excellent chance of passage.

Also, we have been concerned that continuing unemployment in Mashpee will begin to affect homeowners' ability to pay their mortgages in the near future. To provide standby relief, I submitted and Senator KENNEDY cosponsored an amendment to the Emergency Homeowners Relief Act. Now, the Secretary of HUD can review Mashpee's unique plight and, if unemployment statistics warrant it, make available to those unemployed homeowners, who are truly incapable of meeting their mortgages and are threatened with foreclosure, payments to financial institutions for mortgage obligations on their principal residence. One million dollars was appropriated for such use in Mashpee. I should point out that I have called this "standby assistance" because I know of no move by banks as yet to foreclose on people's homes. However, since Housing Act amendments were being considered by the Senate, I felt it prudent to provide such authority although I fervently hope it will not be needed.

A third action I pledged to take was to contact title insurance companies to see if they might write policies that would permit properties to be transferred in Mashpee in those cases in which people desperately need to move for personal or economic reasons.

On March 21 I invited executives of companies holding policies in the town to meet with me in Washington and I asked them to consider this bold but justifiable undertaking. I can now report that two of the participants in that meeting, the Lawyers Title Insurance Company, Chicago Title Insurance Co., have agreed to insure properties of who would suffer exceptional personal hardships were they unable to sell. However, there is still a lot of work to do on this project. Other insurers need to be persuaded to follow this progressive example and financial institutions need to become involved in the problem. I intend to pursue this matter vigorously.

To look for additional interim assistance for the town, I had the Federal Regional Commission set up a meeting between the town selectmen and all Federal agencies that might be able to offer help. The resources available were detailed for the officials. Most of the agencies stated that, in most cases, the pending land claims would not be a bar to providing their regular program benefits.

LONG TERM SOLUTION

I continue to believe that the greatest hope for Mashpee lies in the hands of the President of the United States, and that his appointment of a personal delegate to serve as negotiator or conciliator can bring about a solution which both sides can accept and which the Congress will be willing to support.

I first joined Speaker O'NeILL, Senator Kennedy, and Congressman Studds in asking the President to send an emissary on February 9 of this year. After my visit to Mashpee, I sent him a telegram detailing what I learned and outlining how badly the mediator or conciliator is needed, especially in light of the appointment of a Presidential representative to work on the claims in Maine.

After another month of White House inaction, I wrote again on March 26 and asked President Carter to meet with me and/or with the parties involved if he had some reservation standing in the way of a possible appointment. To date, the White House has agreed to meet with both plaintiffs and defendants in the near future. I hope this will signal the beginning of the exercise of Presidential oversight and influence we so badly need.

I also pledged to keep an open mind about the proposal advanced by some to make part of Mashpee a national park in spite of the apparent opposition of the National Park Service. Although there is no change in the NPS's general posture, they have agreed to review any concrete proposal. I have therefore asked those in Mashpee who were advancing this suggestion to give me a written preliminary proposal.

Finally, I discussed at the town meeting, my strong feeling that the burden on local property taxes resulting from the town's legal fees is too heavy for the slender municipal resources and I pledged to investigate all possible sources of relief. The Library of Congress undertook this work and has reported back to me that, while there is no existing source of funding that can be tapped while the litigation is ongoing, legal fees may be legislated by the Congress. I again pledge to do everything I can to assure that the final congressional legislative package, whatever it may be, includes reimbursement to the town of Mashpee.

RELATED ISSUES

I was asked if members of the Mashpee tribe were receiving assistance to help them in the unique economic situation in the town, whereas other citizens did not seem to be eligible. I have looked into this with all the agencies that could conceivably be involved and there is no evidence that any Indian has received any special assistance. Although I assume that Indians may be eligible for any routinely available grants and assistance which they may be receiving I am satisfied there has been no special or unique consideration given members of the tribe as a result of the suit.

Also I was asked to look into two other federally related matters by participants in the public meeting. First, I was asked whether Federal funds to the Native American Rights Funds were financing the tribe's attorney's activities. They are not. The Native American Rights Fund provides a wide range of services to Indians and Indian tribes and Federal funds from HEW and the Legal Services. However, a subdivision of NARF, the Eastern Indian legal support project, pays for the costs of the Mashpee and other Eastern litigation and that EILSP is entirely funded by the Lilly Endowment of Indianapolis, Ind., a private foundation.

I expect to keep pursuing all avenues of possible assistance for Mashpee, and I will

continue to be in touch with all parties to this suit. I feel we have made great strides in the last few weeks. But I must reiterate that all the help we have begun to secure is only an interim solution. It is directed at those cases of most severe personal suffering to avoid acute personal tragedy. It cannot relieve the real, but less extremely injury suffered by many more citizens of the town. Such relief will come only when the cloud over titles is removed by virtue of a final settlement of the claims. I will do whatever I can to hasten that ultimate solution.

Mr. KENNEDY. Mr. President, since August 23, 1976, the residents of Mashpee, Mass., have been in the middle of a land dispute which has clouded title to virtually all property in Mashpee. The people in Mashpee are currently involved in discussions which, within a reasonable time could lead to resolution. During these discussions, however, the economic stability of Mashpee is declining drastically.

While all sides remain confident that an amicable resolution can be achieved, property owners are experiencing extraordinary temporary hardship. The clouded title has made it impossible for the banking community to approve the once normal transactions of mortgage loans or even home improvement loans.

Last Friday, my amendment to the 1977 supplemental appropriations bill was adopted by the Senate, and earlier this week conferees agreed to retain in the bill the \$1 million which I added to give Mashpee homeowners the ability to obtain temporary assistance. Additional minor adjustments to the authorizing legislation were made on Monday; when these are accepted by the House, these funds will be available for homeowners in danger of foreclosure.

In addition to the crisis facing homeowners, the business community of Mashpee is experiencing similar economic repercussions. The situation of Dante and Eva Paliuca is typical of many small business persons in the community. The Paliucas opened a family-style restaurant in Mashpee 3½ years ago, obtaining a mortgage for \$135,000.

During the recent economic recession, which hit the Northeast especially hard, the Dantes managed to make ends meet. Many of the restaurant's customers are in some way connected with Mashpee's home building and home improvement industry. Since the suit has clouded title and brought the real estate and associated construction businesses to a standated construction businesses to a standated considerably.

The Paliuca family has had to dip into their small savings to help keep abreast of the payments on the remaining \$90,-000 mortgage. Mr. Paliuca has indicated to my office that if some type of relief is not forthcoming soon, his savings will run out and he will have to close his business

The bill I am sponsoring today with my colleagues, Senator Brooke and Senator Haskell, a member of the Senate Small Business Committee, will open up the possibilities for businesses such as the Paliuca's to apply for temporary assistance. The legislation would create a

program at the Small Business Administration to make short-term loans in areas adversely affected by an extraordinary temporary or local economic condition, like that presently affecting Mashpee.

I understand that the Small Business

I understand that the Small Business Committee intends to report out legislation on this subject in the next few weeks. I am hopeful that the provisions contained in this bill will be enacted, so that the business community of Mashpee will have the opportunity to obtain temporary financial assistance until the present negotiations are concluded.

By Mr. HART (for himself, Mr. Kennedy, Mr. Brooke, and Mr. Hatfield):

S. 1260. A bill to amend section 5701 of the Internal Revenue Code of 1954 to establish a Health Protection Tax; to the Committee on Finance.

THE HEALTH PROTECTION TAX ACT OF 1977

Mr. HART. Mr. President, today Senators Kennedy, Brooke, Hatfield, and I are introducing the Health Protection Tax Act of 1977, which would repeal the existing flat rate Federal cigarette excise tax and replace it with a graduated tax based on tar and nicotine content.

Mr. President, we, as Americans, have looked upon our people as our greatest resource and have valued our children as our greatest hope for the future. However, as a nation we have not yet committed ourselves to making the kind of public policy decisions which will prevent this most precious resource from being wasted through needless illness and early death.

For example, it has become increasingly obvious during recent years that environmental factors play a major role in contributing to disease. Unfortunately, all too often research is done, conclusions are drawn, and environmental hazards are identified, but we ignore obvious solutions to problems when those solutions involve more than nominal, short-term costs. As a result, we continue to allow many toxic substances to pollute our water, our land, and our air.

Probably the most glaring example of this refusal to deal with a known hazard is our attitude toward smoking. One quarter century ago, we had the preliminary data suggesting that cigarette smoking caused lung cancer. Over a decade ago, the Surgeon General's report clearly established that cigarette smoking causes lung cancer. Despite this, however, the 1975 HEW report to Congress on smoking and health begins by stating, "Cigarette smoking remains the largest single, unnecessary and preventable cause of illness and early death" in the United States.

Mr. President, the bill we are offering here today is designed to deal in a rational and reasonable way with the growing problem of cigarette smoking. The Health Protection Tax Act establishes a five-bracket tax to be phased in over a 4-year period. In the first year, our proposal would actually reduce the price of low tar and nicotine cigarettes by 8 cents per pack while increasing the price of the

most toxic "high" tar and nicotine cigarettes by as much as 12 cents per pack. By the fourth year, the tax will be completely phased in and the tax will then range from 8 cents less per pack to 42 cents more. Therefore, by decreasing the price of the "safest" low tar and nicotine cigarettes and substantially increasing the price of the most toxic cigarettes, this proposed reform in the Federal tax will provide a strong incentive for smokers to switch to "safer" low tar and nicotine cigarettes.

The urgent need for this action has been clearly documented in countless hearings and reports. During the 94th Congress, a number of Nobel-prize-winning scientists joined our Nation's leading physicians to testify before the Senate Health Subcommittee that smoking high tar and nicotine cigarettes is the leading preventable cause of disease in the United States. At that time they estimated that well over one-quarter million Americans die prematurely each year as a result of cigarette smokingwith heart disease and lung cancer ranked as the leading smoking-induced causes of death.

The force of this testimony has been augmented by the large number of national health organizations who have given their full support to our proposal. These groups include the National Cancer Advisory Board, the American Cancer Society, the American Heart Association, the American Lung Association, the American Public Health Association. the American Nurses Association, the National Kidney Foundation, the American College of Chest Physicians, the American Association of Neurological Surgeons, the American Medical Student Association, Action on Smoking and Health, the Cystic Fibrosis Foundation, GASP, the Metro-Washington Coalition for Clean Air, the National Health Federation, the National Health Education Committee, Inc., and the Cancer Insti-

Even more recently however, the Nation's leading environmental organizations issued a joint report, "The Unfinished Agenda," in which they listed the most critical environmental issues of the coming decade. It is no surprise that these prestigious groups included cigarette smoking among the 70 issues out-

Mr. President, it would be an understatement to say that the health problems now facing the country as a consequence of cigarette smoking are of crisis proportions. In order to better comprehend the magnitude of this problem, consider the following: Approximately one out of every three Americans smoke. American adults have a per capita consumption of more than 4,000 cigarettes per year. Eighty percent of our annual 84,000 lung cancer deaths are caused by cigarette smoking. Cigarette smoking costs our health care system between \$11.5 billion and \$30 billion each year.

It is clear that smoking-induced diseases are exacting an intolerable price from the American public, both in terms of human suffering and in terms of unnecessary financial drain on our econ-

Mr. President, I submit that there is no reason why Americans should have to put up any longer with so high a cost. The Health Protection Tax Act will aid significantly in insuring the health of millions of Americans by reducing the incidence and the threat of smokinginduced diseases.

One final point. Those opposed to this legislation will try to argue that the health protection tax constitutes a ban on cigarettes. That charge is simply false. We could not, and should not attempt an absolute ban on cigarettes. What we are proposing, however, is to provide an incentive for smokers to reduce their consumption of the toxic products contained in cigarettes. Any reduction in the amount of toxic substances inhaled by cigarette smokers will ultimately result in a reduction of smoking-related deaths and disease.

Mr. President, I ask unanimous consent that the bill be printed in the Rec-

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Health Protection Tax Act of 1977."

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. (a) The Congress finds that-

(1) preventable environmental factors pose serious threats to the health of the American

(2) cigarette smoking is one of the principal contributors to the high incidence of cancer and disease of the heart, lungs, and other vital organs;

(3) overwhelming scientific evidence exists that the harmful factors contained in cigarette smoke are tars and nicotine: and

(4) current approaches to prevention of disease caused in whole or in part by smoking have been inadequate.

(b) The purpose of this Act is to establish a health protection tax to aid in reducing the threat and incidence of diseases related

to cigarette smoking. HEALTH PROTECTION TAX

SEC. 3. (a) Subsection (b) of section 5701 of the Internal Revenue Code of 1954 (relating to the rate of tax on cigarettes) is amended to read as follows:

"(b) CIGARETTES .-

"(1) Imposition of tax.—There shall be imposed on every cigarette manufactured in or imported into the United States, regardless of weight, which contains-

(A) from 10.0 to 19.9 toxic units, a health

protection tax of \$0.0025:

"(B) from 20.0 to 29.9 toxic units, a health protection tax of \$0.0075; "(C) from 30.0 to 39.9 toxic units, a health

protection tax of \$0.015; and '(D) 40 or more toxic units, a health pro-

tection tax of \$0.025 (2) DEFINITION OF TOXIC UNITS.—For the

purposes of subsection (b)(1) above, the number of 'toxic units' means the sum of—
"(A) the number of milligrams of 'tar,'

"(B) 10 times the number of the milligrams of 'nicotine' which are contained in

such cigarette.
"(3) APPLICABLE RATE.—The applicable tax rate provided in subsection (b) (1) above

shall be 40 percent of such rate for cigarettes removed during the calendar year 1978, 60 percent of such rate for cigarettes removed during the calendar year 1979, 80 percent of such rate for cigarettes removed during the calendar year 1980, and 100 percent of such rate for cigarettes removed during the calendar year 1981 and thereafter.

"(4) DETERMINATION OF TAR AND NICOTINE

"(A) Testing by Federal Trade Commission.—The Federal Trade Commission (hereinafter referred to as the 'Commission') shall from time to time (but at least once each calendar year) determine or cause to be determined the tar and nicotine content (calculated in milligrams per cigarette) of each brand of cigarettes manufactured in or imported into the United States. The conditions, methods, and procedures for conducting such determinations shall be promulgated by the Commission in regulations issued by it for purposes of this paragraph. Until such time as such regulations are first issued, the conditions, methods, and procedures for conducting such determinations shall be those approved by the Commission for formal testing which are in effect on the date of the enactment of the Health Protection Tax Act of 1977.

"(B) Certification to the Secretary .ing the last calendar quarter of each calendar year, the Chairman of the Commission shall certifiy to the Secretary the tar and nicotine content of each brand of cigarettes manufactured in or imported into the United States. Such certifications shall be used by the Secretary to determine the rate of tax to be imposed on cigarettes for the period beginning with the first day of the calendar year beginning after such certification is made, and

during such calendar year.

(C) The Commission and the Secretary shall promulgate regulations for the purposes of testing, certifying, and imposing taxes under this subsection on new brands of ciga-rettes introduced for sale.".

(b) The amendments made by subsection (a) shall apply to cigarettes which the manufacturer or importer of such cigarettes removes (within the meaning of section 5702 (k) of such Code) after the dates specified in section 5701(b)(3) of such Code.

(c) The Federal Trade Commission and the Secretary of the Treasury or his delegate shall promulgate regulations for the purposes of section 5701(b) of the Internal Revenue Code of 1954 within 60 days after the date of the enactment of the Health Protection Tax Act of 1977.

Mr. KENNEDY. Mr. President, I am pleased to join the Senators from Colorado (Mr. HART) and Massachusetts (Mr. BROOKE) in introducing this legislation, which seeks to impose a differential tax on the tar and nicotine content of ciga-

It has become increasingly clear in recent years that environmental factors are the most important contributors to preventable diseases of the American people. In the face of growing concern with health problems and the rise in cost of health care, public health experts and other concerned individuals are demanding with ever increasing forcefulness and justification that the Nation devote more of its attention to the prevention as well as the cure of disease.

Foremost among the preventable environmental hazards which contribute to the ill health of the people and to the heavy burden of health care costs is the smoking of cigarettes. It is now over 25 years since the first preliminary data were published suggesting that cigarette smoking increases the incidence of lung cancer, and 12 years since the Surgeon General's report established an incontrovertible relationship between cigarette smoking and cancer. Since then, evidence has mounted documenting the staggering impact of cigarette smoking on the health of Americans:

Cigarette smoking causes well over 250,000 excess deaths in the United

States each year;

ing was issued.

Cigarette smoking is one of the leading identifiable causes of cardiovascular disease known to scientists today

Cigarette smoking is the single leading cause of noncancerous lung disease in the United States today; and

Cigarette smoking is responsible for over 80 percent of all cancer of the lung, killing some 70,000 Americans each year.

A 30-year-old American male who does not smoke can expect to live 51/2 years longer than his counterpart who smokes one pack a day, and more than 8 years longer than the individual who smokes over two packs of cigarettes a day.

The additional deaths and disease resulting from cigarette smoking adds over \$11.5 billion to the already burgeoning costs of the health care delivery system

in the United States. Despite the increasing publicity about the harmful effects of smoking, and despite the mandatory warning label which all cigarette packages now contain about the dangers to health of cigarette smoking, we find the smoking of cigarettes once again on the increase. Most alarming is the epidemic of smoking among our young people. The percentage of teenage girls smoking cigarettes, for example, has increased from 8 to 15 percent since the Surgeon General's warn-

Mr. President, it is clear that one cannot legislate a total ban upon cigarette smoking, but it is also clear that alternative courses of action to meet this challenge are not only available to us, but in fact required of us. Simply raising the price of all cigarettes by imposition of an across-the-board tax is inadequate, as was well illustrated by the failure of a sharp rise in the price of gasoline to seriously affect the driving habits of the American people. The present bill, therefore, proposes to deal with this problem in the most effective way known to an open and democratic society-the imposition of a differential tax on the tar and nicotine content of cigarettes such that a financial incentive will be provided to consumers to reduce their consumption of high tar and nicotine products, while a financial incentive will be provided to industry to develop less hazardous cigarettes for a public which seems unwilling at this point to give up smoking completely.

The Subcommittee on Health and Scientific Research will be holding oversight hearings this spring on Federal support of biomedical research. Those hearings will highlight the potential benefits of preventive health care and of research into methods of preventing disease. Clearly, when research highlights areas like cigarette smoking, in which

changing behavior can substantially lessen this country's burden of disease and disability, we in the Congress have the obligation to translate that knowledge into public policy.

Mr. President, it is a great pleasure to join my colleagues in introducing this

By Mr. DECONCINI:

S. 1261. A bill to provide for the current capital treatment of certain estimated losses experienced in connection with the loss of savings through fraud and mismanagement of an uninsured thrift institution; to the Committee on Finance.

Mr. DECONCINI. Mr. President, I am introducing legislation that will help to alleviate the hardships caused to depositors when Lincoln Thrift Association of Phoenix, Ariz., and U.S. Thrift Association of Tucson, Ariz., were placed under a temporary receiver, and ultimately a

court appointed trusteeship.

Lincoln Thrift Association and U.S. Association, which had 66 branch offices in Arizona, raised \$52,887,492 from about 20,000 investors. There were approximately 33,000 different accounts between the two thrift associations. They offered the public an opportunity to purchase essentially three types of securities in the form of interest bearing debt instruments: First, passbooks with interest generally at 6 percent; second, time certificates at between 1 to 4 years maturity at generally from 61/2 to 8 percent; and third, subordinated notes from 8 to 9 percent with normally a 5-year maturity date. Within these classifications of security holders, there were variations on the particular terms of the debt instrument. All of these securities were registered under Arizona law. As of December 3, 1975, the thrift associations had outstanding securities in the following

	Lincoln thrift	U.S. thrift
Passbooks Time certificates Subordinated notes	\$13,207,325 22,915,000 6,780,000	\$3,728,008 8,578,500 3,077,500
Totals	42,902,325	15,384,008

Both thrift associations were qualified under Arizona law, which allowed them to receive funds from investors and then reinvest the investors' funds. They were not regulated as such under Federal law and were not insured by an agency of the Federal Government.

In Arizona, thrift companies were regulated by the securities division of the Arizona Corporation Commission. Under Arizona law, restrictions were placed on the use which a thrift company can make of funds supplied by its investors. These restrictions. which were designed to uphold the safety and liquidity of the assets, included prohibitions against purchase of real estate, prohibitions of loans to officers and directors of the thrift association, prohibitions against unsecured loans, the limitation of loans to 2 years, and the maintenance of statutory reserves.

On October 29, 1975, the Securities and Exchange Commission commenced a formal investigation which was greatly assisted by the Arizona Corporation Commission and the Arizona attorney general. The Commission filed a civil injunctive action in the U.S. District Court for the District of Arizona on November 24, 1975, against Lincoln Thrift Association; Lincoln Leasing Corp.—a wholly owned subsidiary of Lincoln Thift Association; U.S. Thrift Thrift U.S. Association: Leasing Corp.—a wholly-owned subsidiary of U.S. Thrift Association; Omaha Surety Corp. of Phoenix, Ariz.; Robert H. Fendler of Phoenix, the principal officer and director of the corporate defendants who owned and controlled both thrift associations; James R. Holman of Phoenix, Ariz., the attorney for the corporate defendants; and Leonard H. Forman of Phoenix, Ariz., the public accountant for the corporate defend-

The complaint alleged that the defendants violated the antifraud provisions of the Federal securities laws in the offer and sale of the thrift certificates, thrift passbooks and other debt instruments issued by Lincoln Thrift Association. The complaint also alleged that the defendants did not use the investors' funds in the manner described in their prospectus and advertising, but instead, appropriated the investors' funds to finance their own speculative enterprises. The defendants further charged with concealing the insolvent financial condition of the respective thrift associations from investors by preparing and distributing

false financial statements.

In addition, the complaint alleged that the defendants misrepresented the safety of the investment by falsely stating the adequacy of the insurance which was purported to protect deposits in the thrift associations. This purported insurance was provided by Omaha Surety Corporation of America, an undisclosed affiliate of both Lincoln Thrift Association and U.S. Thrift Association. The assets of Omaha Surety Corporation of America were insufficient to cover the insurance written and were composed of receivables from the thrift associations. The insurance purported to have terms which resembled insurance provided by the Federal Deposit Insurance Corporation. In addition to seeking an injunction to prevent future violations of the Federal securities laws, the Securities and Exchange Commission asked the court to appoint an equity receiver to take charge of the assets of the thrift associations in order that all investors could be treated equally.

The Honorable Walter E. Craig, U.S. district judge, entered a temporary restraining order immediately which prevented the withdrawal of funds from the thrift associations and the dissipation of any assets by the defendants or the destruction of any documents pending further hearings on the matter. A hearing was held on November 26, 1975, and evidence was submitted with respect to the violations of the law and the appropriateness of the appointment of a temporary receiver for the corporate defendants. After hearing the evidence, the court continued the temporary restraining order until December 2, 1975, and ruled that a temporary receiver would be appointed at that time. On December 2, the court appointed Continental Service Corp., a subsidiary of the Continental Bank of Phoenix, Ariz., as the temporary receiver.

The temporary receiver's duties under the court order were to conserve and marshal the assets of Lincoln Thrift Association, U.S. Thrift Association, and their numerous subsidiaries for the benefit of investors and to report to the court the true condition of the companies.

On March 15, 1976, the temporary receiver and its auditors filed a three volume report with the court. This report stated that Lincoln Thrift Association, U.S. Thrift Association, and their numerous subsidiaries and affiliates as of December 3, 1975, on a consolidated basis, had total assets of \$38,028,204 and total liabilities of \$69,183,983. These liabilities include \$52,887,492 due to investors.

Additionally, the report revealed that the thrift associations were operated in violation of virtually every regulation under the Arizona State Thrift Company Act. The thrift associations' statutory reserves were not maintained in Government securities or cash as required to insure liquidity, but were invested in affiliated companies. That is, the statutory reserves in U.S. Thrift Association consisted of investments in Lincoln Thrift Association and its subsidiaries. Conversely, the statutory reserves for Lincoln Thrift Association consisted of investments in U.S. Thrift Association and its subsidiaries. Since each entity was insolvent, the statutory reserves were worthless. The proceeds from the sale of the securities were illegally invested in real estate, illegally loaned to officers and directors of the thrift associations and illegally loaned in unsecured transactions or in transactions in excess of 2 years. Investors' funds were unlawfully used by the thrift associations for operating overhead, salaries, and other business expenses.

As the result of the insolvency of the two thrift associations and the mismanagement by former officers and directors, the temporary receiver recommended that the assets of the thrift associations remain under court supervision. Negotiations with the defendants resulted in their consenting to the entry of an order appointing an independent board of trustees and special counsel for the thrift associations on May 7, 1976. At the same time the court entered a consensual permanent injunction against further violations of the antifraud provisions of the Federal securities laws against Robert H. Fendler, Lincoln Thrift Association, U.S. Thrift Association, Lincoln Leasing Corp., U.S. Thrift Leasing Corp., and Omaha Surety Corporation of America.

Mr. President, I might add, that in light of the developments relative to Lincoln Thrift and U.S. Thrift Associations, which were the only thrift associations operating in Arizona, the Arizona State Legislature recently repealed the Thrift Company Act.

The trustees are charged with managing the remaining assets of the companies in the best interests of the investors and are required to report to the court the best methods of either liquidating or reorganizing the companies.

Mr. President, I ask unanimous consent that the summary of the report and recommendations of the trustees, regarding Lincoln and U.S. Thrift Associations, be printed in the Record at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF REPORT AND RECOMMENDATIONS OF BOARDS OF TRUSTEES RE PLAN FOR COM-PANIES IN TRUSTEESHIP

On March 1, 1977, the Boards of Trustees for Lincoln Thrift Association, U.S. Thrift Association and Subsidiaries and Affiliates ("Boards of Trustees") filed with Judge Walter E. Craig, United States District Court for the District of Arizona, a document entitled "Report and Recommendations of Boards of Trustees Re Plan for Companies in Trusteeship." The Trustees' Report recommends that Judge Craig make the following decisions:

First, determine to adopt a plan for orderly liquidation of the companies in trusteeship. Second, determine that the claims of holders of subordinated capital notes should be reduced by 50% before they participate in distributions.

Third, determine that all companies in the trusteeship should be treated on a consolidated or "one ball of wax" basis, by putting their net assets into a common fund to be distributed to all claimants against all trusteeship companies equally.

Fourth, authorize the Trustees to make the following distributions immediately:

(a) to all trade creditors and thrift pass-book holders having claims of \$100.00 or less, the full amount of their claims;
 (b) to all other thrift passbook holders

(b) to all other thrift passbook holders and investment certificate holders, 10% of their claims;

(c) to all holders of subordinated capital notes, 10% of their discounted claims (5% of their original claims).

The Trustees' recommendations are based on the following analysis, as set forth in their Report:

1. When this action was filed the companies in trusteeship were insolvent. A consolidated and combined balance sheet for the companies prepared by the Trustees' staff shows that as of October 31, 1976, they had assets of \$35,639,105.00 and liabilities of \$68,-148,522.00, with a net deficit (or accumulated loss) of \$32,509,417.00. This confirms the audit report of Arthur Andersen & Company and the Receiver's report.

2. It would not be possible for the two thrift associations (Lincoln Thrift Association and U.S. Thrift Association) and their several subsidiaries to be reactivated and operated as a single business enterprise, as they operated prior to the filing of this action. The companies would not have enough assets to meet their liabilities and there is no reason to believe that they could earn enough income to pay their operating expenses. Moreover, if the thrift associations were reactivated, there would be no insurance protection for despositor-investors and the possibility of a "run" on the associations would be extremely high.

3. Although they have tried, the Trustees have been unable to find any financial institution or other business organization that would be interested in taking over the com-

panies in trusteeship by merger, purchase or otherwise.

4. None of the companies in trusteeship nor any of their subsidiaries is a strong enough company to serve as a cornerstone for reorganization of the companies.

5. Theoretically, it would be possible to take the assets of the companies in trusteeship and use them to create a new company which might produce good earnings for the benefit of depositor-investors and other creditors. Whether such an enterprise would be successful, however, is highly uncertain. It would depend on such factors as the state and future of the U.S. economy, whether able management could be attracted and retained, and whether the new business would be hurt because it came out of the Lincoln Thrift disaster.

6. The Trustees do not recommend the adoption of a plan to start a new company. It would make depositor-investors and other creditors captive investors in a court-sponsored business enterprise, the success of which would be uncertain. No cash distribution could be made to depositor-investors, creditors and others because the new company would require ail available cash to operate. Even if the new company was successful, it could take many, many years for the new company to earn enough profits to pay depositor-investors and creditors the amount of the claims they have against the companies in trusteeship.

panies in trusteeship.
7. The Trustees believe and recommend that the Court should approve a plan for liquidation of the companies in trusteeshipthat is, a plan to sell their assets for cash and pay the proceeds to depositor-investors, creditors and other claimants through several installment payments as funds are available. Such a plan should be one for orderly liqui--that is, not a "fire sale" ' but the sale of assets over a period of time and on terms that would get the highest prices. Trustees believe that if such a plan is adopted, it can be completed within about 18 to 24 months.

8. The Trustees estimate that if all depositor-investors, creditors and other claimants are allowed to participate in a plan of liquidation, each of them would ultimately realize approximately 32¢ to 39¢ per dollar of his claim. The money would be paid out in several installments, the first of which could be paid immediately. As payments were made, each investor could decide for himself whether to use the money to pay bills, or to invest, or to put in an insured bank account.

9. The subordinated capital notes (including variable interest rate notes) issued by Lincoln Thrift Association and U.S. Thrift Association have provisions to the effect that the people who bought them are not entitled to share in any distribution which is made upon insolvency until all general creditors (including holders of thrift passbooks and investment certificates) have first been paid in full. If these provisions are enforced, people who bought subordinated capital notes will not get anything, through liquidation or otherwise. Some might say that the subordination provisions should be enforced because people who bought the notes should have read and understood what they were buying. The Trustees agree in part with this. But they have concluded that the subordination provisions should only be partly enforced, because most investors who purchased subordinated capital notes did not understand what would happen if the thrift associations should go broke. Accordingly, the Trustees recommend that the value the subordinated notes should be cut in half and their holders then treated the same as holders of passbooks and investment certificates as to the half of their investment which remains.

10. The effect on other depositor-investors, creditors and claimants of not permitting holders of subordinated capital notes

to participate in distributions would be this: If the Trustees' recommendations are accepted, the other depositor-investors and creditors instead or receiving 32¢ to 39¢ per dollar of their claims, would receive from 35¢ to 42¢. If subordinated capital note holders are not permitted to participate at all, other depositor-investors and creditors would re-

ceive 38¢ to 46¢.

11. The Trustees believe and recommend that all of the trusteeship companies should be dealt with on a consolidated basis or as "one ball of wax". This means that all of the money of all of the companies should be put into a common fund, to be distributed to all claimants equally. This treatment is justified because the former management treated all of the companies as a single business, mixing up their assets and properties, keepaccounting records by the same staff of bookkeepers, and transfering funds back and forth among the companies without any real business purpose or justification. More-over, it would be extremely expensive to hire accountants to try to go back over the books and records of the companies to redistribute the available assets and liabilities among them on a fair basis, based on generally accepted accounting principles.

12. The Trustees recommend that if the Court approves a plan of liquidation for the companies in trusteeship, the Trustees be authorized to make the cash distributions which are set forth at the beginning of this summary. The Trustees' proposal to pay people having claims of \$100.00 or less in full is made to eliminate approximately 6,000 depositor-investors and other claimants from further involvement in this proceeding. These claims average about \$35.00 and many of them are smaller than the annual cost of keeping the records of such claims.

Payment of these claimants in full will also reduce by approximately 6,000 the number of persons to whom notices of future

hearings would have to be sent.

Mr. DECONCINI. As the trustees' report indicates, a majority of depositors of Lincoln and U.S. Thrift Associations should shortly receive a partial return of their investment, although minimal. Further, it is estimated, that any final settlement of depositors' claims may be an additional 2 years in the future.

Mr. President, the legislation I am introducing today directs the Secretary of the Treasury to allow individuals victimized by the Lincoln Thrift affair to recapture part of their losses through the application of various tax provisions. These individuals, primarily senior citizens who lost their life savings, would be permitted to treat their loss as a loss from the sale or exchange of a capital asset. The approach taken by this legislation is justified by the very unusual circumstances surrounding the Lincoln Thrift collapse and the large number of persons who will be unable to gain any relief in any other manner.

The legislation provides, in addition, that the taxpayer would be able to declare the loss immediately rather than wait the period of years it will take before the savings are declared worthless. Each taxpayer affected would be allowed to deduct \$2,000 of losses against taxable income. Another special provision for persons 65 years or older has been added, allowing them to deduct twice the normal amount, or \$4,000. As under current law, the individual would be allowed to carry the losses forward up to the total amount of the loss. In the event that the individual recovers more of the loss than anticipated, there

is a recapture provision which treats the difference between the losses declared and the losses incurred as taxable income at the time of final disposition by the courts.

This bill is an attempt to provide a measure of immediate relief to those depositors who have financially suffered from this thrift fiasco. Families had deposited their entire life's savings, as much as \$25,000 or \$35,000, with dreams of realizing a secure retirement, only to discover their dream had vanished because of the fraudulent practices of these thrift companies. Well over 50 percent of the depositors are 65 years of age, or older, with many on fixed incomes, such as social security.

Obviously, all depositors will not receive the benefits of this proposed legislation, only those with a taxable income. But enactment of this bill will be a direct message from the U.S. Congress to the 20,000 depositors of U.S. and Lincoln Thrift that we are concerned about their welfare, that we do have a humane interest in their financial difficulties, and that we are responsive to their needs.

In conclusion, I want to quote a portion of a letter from a retired citizen of Sun City, Ariz., that further demonstrates the necessity for such legislation:

As you well know many folks in Arizona have lost money because of either Lincoln Thrift or U.S. Thrift. It has now been over a year that our money has been held up and goodness only knows when even a fraction thereof will be released to us. In addition it would appear that that fraction will be rather small. According to current rulings of the IRS we cannot take any credit on our income tax until that fraction is finally determined. Some of us may even die before that figure is determined. Even a ten or twenty percent credit would be wonderful if we were allowed to claim same on our 1976 tax returns and to do it now.

Mr. President, I ask unanimous consent that the text of this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1261

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the case of a taxpayer who establishes, to the satisfaction of the Secretary of the Treasury, the amount of the loss he may reasonably be expected to suffer in connection with his savings (whether in the form of demand or time deposits) in a thrift institution which was placed under a temporary receiver in December, 1975, and which, as of March 14, 1977, was being administered by trustees appointed by a judge of a United States District Court, the amount of the loss so established by the taxpayer shall, at the election of the taxpayer (made at such time and in such manner as the Secretary may require), be treated as a loss from the sale or exchange of a capital asset suffered for the taxable of that taxpayer beginning with or in 1977 for purposes of chapter 1 of the Internal Revenue Code of 1954. In the case of a taxpayer who has attained the age of 65 years before January 1, 1978, the provisions of section 1211(b) (2) of the Internal Revenue Code of 1954 (relating to limitations on capital losses for taxpayers other than corporations) shall be applied, under the preceding sentence by substituting "\$4,000" for "\$2,000" where it appears in subparagraph (A). If the amount of such loss is finally determined to be smaller than the amount established by the taxpayer under the provisions of this Act,

the difference between the two amounts shall be treated as income to the taxpayer, for purposes of such chapter, on the date of such final determination.

> By Mr. RIBICOFF (for himself, Mr. Percy, Mr. Javits, Mr. Magnuson, Mr. Cranston, Mr. Metcalf, Mr. Mathias, Mr. Jackson, and Mr. Metzenbaum):

S. 1262. A bill to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes; to the Committee on Governmental Affairs.

Mr. RIBICOFF. Mr. President, I introduce for appropriate reference the Con-

sumer Protection Act of 1977.

Legislation to create an Agency for Consumer Advocacy is familiar to most Members of this body. The bill being introduced today is in most respects identical to S. 200 as introduced in the 94th Congress, which passed the Senate in May 1975, by a vote of 61 to 28. The House also passed consumer protection legislation in the 94th Congress and, but for the opposition of President Ford, I am confident that the bill would have been enacted last year.

This year, supporters of this bill are pleased to have the strong support of President Carter. Working together with the President, I am confident that we will finally see the enactment of this

much needed consumer bill.

Over the past 7 years the Senate has considered, discussed, debated, and analyzed, to an unprecedented degree legislation to create an Agency for Consumer Advocacy. Over that period of time, the House has passed bills similar to this on three occasions and the Senate twice.

The President has indicated that he intends to implement this legislation, to a great extent through reorganization by consolidating and eliminating duplicating consumer functions in the Federal bureaucracy. I strongly support such an approach to the creation of this Agency. It will lessen the actual cost, eliminate ineffective offices which are not serving the consumer and assure that the ACA will be the central consumer agency in the Federal Government. The bill provides for the submission of a reorganization plan in section 22.

This bill creates a Federal Agency for Consumer Advocacy—ACA. The bill au-

thorizes the ACA to:

Represent consumer interest by participating in Federal agency proceedings and activities and in resulting judicial review;

Obtain and disseminate information important to consumers.

Serve as a clearinghouse for consumer complaints by receiving, reviewing and transmitting complaints from the public.

Conduct studies and surveys to assure that it understands consumer preferences.

In addition, the act contains a number of important safeguards to assure that the rights of persons in private enterprise will not be infringed upon. I ask unanimous consent that a list of those principle safeguards be inserted in the Record following this statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. The ACA is not a major new spending program. The authorization levels for the ACA are \$15 million for the first year; \$20 million for the second; and \$25 million for the third year. It will cost the average American taxpaying family about \$.25 per year. Moreover, providing the new Agency with a limited 3-year authorization will enable the Congress to reevaluate the performance of this Agency in serving and protecting the interests of consumers and will insure that if the Agency is not doing a good job it will be reauthorized. This sunset provision is an essential feature of the bill.

The Committee on Governmental Affairs has undertaken an extensive study of the regulatory agencies pursuant to Senate Resolution 71-94th Congress, 1st session. One of the major portions of our study has involved the need for more balanced advocacy at the agencies. Detailed study of the need for consumer representation has shown that the ACA is a most effective way to ensure that regulatory agencies take into consideration the views of consumers before making important decisions which have significant impact.

Mr. President, this bill is responsible legislation. It is designed to give consumers a voice in government. It breaks new ground. Enactment of this legislation will prove to the American consumer that the Congress is serious about regulatory reform-about making Government more responsive to the people's needs.

As chairman of the Committee on Governmental Affairs, I will seek to move this bill expeditiously to the floor for Senate consideration. Hearings have been scheduled for the week of April 18th.

Mr. President, I believe that this year the American people will finally get an Agency for Consumer Advocacy and I urge my colleagues to support this important bill.

I ask unanimous consent that the brief summary and explanation of this bill be printed in the RECORD at this

There being no objection, the material was ordered to be printed in the RECORD, as follows:

8. 1262

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumer Protection Act of 1977".

STATEMENT OF FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that the sterests of consumers are inadequately represented and protected within the Federal Government; vigorous representation and protection of the interests of consumers are essential to the fair and efficient functioning of a free market economy. Each year, as a result of this lack of effective representation before Federal agencies and courts, consumers suffer personal injury, economic harm, and other adverse consequences in the course of acquiring and using goods and services available in the marketplace.

(b) The Congress therefore declares that-(1) A governmental organization to represent the interests of consumers before Federal agencies and courts could help the agencies in the exercise of their statutory responsibilities in a manner consistent with

the public interest and with effective and responsive government. It is the purpose of this Act to protect and promote the interests of the people of the United States as consumers of goods and services which are made available to them through commerce or which are made available to them through commerce or which affect commerce by so establishing an independent Agency Consumer Advocacy.

(2) It is the purpose of the Agency for Consumer Advocacy to represent the interests of consumers before Federal agencies and courts, receive and transmit consumer complaints. develop and disseminate formation of interest to consumers, and perform other functions to protect and promote the interests of consumers. The authority of the Agency to carry out this purpose shall not be construed to supersede supplant, or replace the jurisdiction, functions, or powers of any other agency to discharge its own statutory responsibilities according to law.

(3) It is the purpose of this Act to promote protection of consumers with respect to the

(A) safety, quality, purity, potency, healthfulness, durability, performance, repair-ability, effectiveness, dependability, availability, and cost of any real or personal property or tangible or intangible goods, services, or credit;

(B) preservation of consumer choice and a competitive market:

(C) price and adequacy of supply of goods and services:

(D) prevention of unfair or deceptive trade

(E) maintenance of truthfulnenss and fairness in the advertising, promotion, and sale by a producer, distributor, lender, retailer, or other supplier of such property, goods, services, and credit:

(F) furnishing of full, accurate, and clear instructions, warnings, and other information by any such supplier concerning such property, goods, services, and credit.

(4) This Act should be so interpreted by the executive branch and the courts so as to implement the intent of Congress to protect and promote the interests of consumers. and to achieve the foregoing purposes.

ESTABLISHMENT

SEC. 3. (a) There is hereby established as an independent agency of the United States within the executive branch of the Government the Agency for Consumer Advocacy. The Agency shall be directed and administered by an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate, for a term coterminous with the term of the President, not to exceed four years. The Administrator shall be an individual who by reason of training, experience, and attain-ments is exceptionally qualified to represent the interests of consumers. There shall in the Agency a Deputy Administrator who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Administrator shall perform such functions, powers, and duties as may be prescribed from time to time by the Administrator and shall act for, and exercise the powers of, the Administrator during the absence or disability of, or in the event of a vacancy in the office of, the Administrator. On the expiration of his term, the Administrator shall continue in office until he is reappointed or his successor is appointed and qualifies. The Administrator may be re-moved by the President for inefficiency, neglect of duty or malfeasance in office.

(b) No employee of the Agency erving in such position may engage in any business, vocation, other employment, or have other interests, inconsistent with his official responsibilities.

There shall be in the Agency a General Counsel who shall be appointed by the Administrator.

(d) The Administrator is authorized to appoint within the Agency not to exceed five Assistant Administrators.

POWERS AND DUTIES OF THE ADMINISTRATOR

SEC. 4. (a) The Administrator shall be responsible for the exercise of the powers and the discharge of the duties of the Agency, and shall have the authority to direct and supervise all personnel and activities thereof.

(b) In addition to any other authority con-ferred upon him by this Act, the Administrator is authorized, in carrying out his func-

tions under this Act, to-

(1) subject to the civil service and classification laws, select, appoint, employ, and fix the compensation of such officers and employees as are necessary to carry out provisions of this Act and to prescribe their

authority and duties:

(2) employ experts and consultants in accordance with section 3109 of title 5. United States Code, and compensate individuals so employed for each day (including traveltime) at rates not in excess of the maximum rate of pay for Grade GS-18 as provided in section 5332 of title 5, United States Code, and while such experts and consultants are so serving away from their homes or regular place of business, pay such employees travel expenses and per diem in lieu of subsistence at rates authorized by section 5703 of title 5. United States Code, for persons in Government service employed intermittently;

(3) appoint advisory committees composed of such private citizens, including consumers and business representatives, and officials of the Federal, State, and local governments as he deems desirable to advise him with respect to his functions under this Act, and pay such members (other than those regularly employed by the Federal Government) while attending meetings of such committees otherwise serving at the request of the Administrator compensation and travel expenses at the rate provided for in paragraph (2) of this subsection with respect to experts and consultants: Provided, That all meetings of such committees shall be open to the public and interested persons shall be permitted to attend, appear before, or file statements with any advisory committee, subject to such reasonable rules or regulations as the Administrator may prescribe;

(4) promulgate, in accordance with the applicable provisions of the Administrative Procedure Act, title 5, United States Code, such rules, regulations, and procedures as may be necessary to carry out the provisions of this Act, and assure fairness to all persons affected by the Agency's actions, and to delegate authority for the performance of any function to any officer or employee under his

direction and supervision;

(5) utilize, with their consent, the services personnel, and facilities of other Federal agencies and of State, regional, local, and private agencies and instrumentalities, with or without reimbursement therefor, and to transfer funds made available under this Act to Federal, State, regional, local, and private agencies and instrumentalities as reimbursement for utilization of such services, personnel, and facilities;

(6) enter into and perform such con-tracts, leases, cooperative agreements, or other transactions as may be necessary carry out the provisions of this Act, on such terms as the Administrator may deem appropriate, with any agency or instrumentality of the United States, with any State, or any political subdivision thereof, or with any per-

accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));
(8) adopt an official seal, which shall be

judicially noticed;

(9) establish such regional offices as the Administrator determines to be necessary to serve the interests of consumers: (10) conduct conferences and hearings and

otherwise secure data and expression of opinion;

(11) accept unconditional gifts or donations of services, money or property, real, personal, or mixed, tangible or intangible;

(12) designate representatives to serve or assist on such committees as he may determine to be necessary to maintain effective Itaison with Federal agencies and with State and local agencies carrying out programs and activities related to the interests of consumers: and

(13) perform such other administrative activities as may be necessary for the effective fulfillment of his duties and functions.

(c) Upon request made by the Administrator, each Federal agency is authorized and directed to make its services, personnel, and facilities available to the greatest practicable extent within its capability to the Agency in the performance of its functions. An agency shall not be required to provide such services, personnel, or facilities to the Administrator where to do so would seriously affect in an adverse manner the agency's ability to carry out its responsibilities, including any responsibility the agency has to protect the public health or safety.

(d) The Administrator shall prepare and submit simultaneously to the Congress and the President, not later than February 1 of each year beginning February 1, 1978, an annual report, which shall include a descrip-

tion and analysis of-

 the activities of the Agency, including its representation of the interests of consumers before Federal agencies and Federal courts;

(2) the major Federal agency actions and Federal court decisions affecting the interests of consumers;

(3) the assistance given the Agency by other Federal agencies in carrying out the

purposes of this Act;

(4) the performance of Federal agencies and the adequacy of their resources in enforcing consumer protection laws and in otherwise protecting the interests of consumers, and the prospective results of alternative consumer protection programs;

(5) the appropriation by Congress for the Agency, the distribution of appropriated funds for the current fiscal year, and a general estimate of the resource requirements of the Agency for each of the next three fiscal years;

(6) consumer complaints received (in summary form) and actions taken there-

on: and

(7) the extent of participation by consumers in Federal agency activities, and the effectiveness of the representation of consumers before Federal agencies, together with recommendations for administrative actions to deal with problems discussed in the report, to protect and represent the interests of consumers more effectively, and to carry out the purposes of this Act.

(e) The Federal Register shall publish a notice indicating that the annual report prepared pursuant to subsection (d) of this

Section is available.

FUNCTIONS OF THE AGENCY

SEC. 5. (a) The Agency shall, in the performance of its functions, advise the Congress and the President as to matters affecting the interests of consumers; and shall protect and promote the interests of the people of the United States as consumers of goods and services made available to them through the trade and commerce of the United States.

(b) The functions of the Administrator shall be to—

(1) represent the interests of consumers before Federal agencies and courts to the extent authorized by this Act;

(2) conduct and support research, studies, and testing to the extent authorized in section 9 of this Act;

(3) submit recommendations annually to

the Congress and the President on measures to improve the operation of the Federal Government in the protection and promotion of the interests of consumers;

(4) obtain information and publish and distribute material developed in carrying out his responsibilities under this Act in order to inform consumers of matters of interest to them, to the extent authorized in this Act:

(5) receive, transmit to the appropriate agencies and persons, and make publicly available consumer complaints to the extent authorized in section 7 of this Act.

(6) conduct conferences, surveys, and investigations, including economic surveys, concerning the needs, interests, and problems of consumers: *Provided*, That such conferences, surveys, or investigations are not duplicative in significant degree of similar activities conducted by other Federal agencies;

(7) cooperate with State and local governments and encourage private enterprise in the promotion and protection of the interests of consumers;

(8) keep the appropriate committees of Congress fully and currently informed of all the Agency's activities, when asked or on his own initiative, except that this paragraph is not authority to withhold information requested by individual Members of Congress:

(9) publish, in language readily understandable by consumers, a consumer register which shall set forth the time, place, and subject matters of actions by Congress, Federal agencies, and Federal courts, and other information useful to consumers;

(10) encourage the adoption and expansion of effective consumer education pro-

grams;

(11) encourage the application and use of new technology, including patents and inventions, for the promotion and protection of the interests of consumers;

(12) encourage the development of informal dispute settlement procedures in-

volving consumers;

(13) encourage meaningful participation by consumers in the activities of the Agency; (14) coordinate its activities with the activities of other executive departments and

agencies with respect to consumers; and (15) perform such other related activities as he deems necessary for the effective fulfillment of his duties and functions.

REPRESENTATION OF CONSUMERS

SEC. 6. (a) (1) Whenever the Administrator determines that the result of any Federal agency proceeding or activity may substantially affect an interest of consumers, he may as of right intervene as a party or otherwise participate for the purpose of representing an interest of consumers, as provided in paragraph (2) or (3) of this subsection. In proceeding, the Administrator shall refrain from intervening as a party, unless he determines that such intervention is necessary to represent adequately an interest of consumers. The Administrator shall comply with Federal agency statutes and rules of procedure of general applicability governing the timing of intervention or participation in such proceeding or activity and, upon intervening or participating therein, shall comply with laws and agency rules of procedure of general applicability governing the conduct thereof. The intervention or participation of the Administrator in any Federal agency proceeding or activity shall not affect obligation of the Federal agency conducting such proceeding or activity to assure pro-

cedural fairness to all participants.

(2) Whenever the Administrator determines that the result of any Federal agency proceeding which is subject to the provisions of section 553, 554, 556, or 557 of title 5. United States Code, relating to administrative procedure, or which involves a hearing pursuant to the administrative procedural

requirements of any other statute, regulation, or practice, or which is conducted on the record after opportunity for an agency hearing, or which provides for public notice and opportunity for comment, may substantially affect an interest of consumers, he may as of right intervene as a party or otherwise participate for the purpose of representing an interest of consumers in such proceeding.

(3) With respect to any Federal agency proceeding not covered by paragraph (2) of this subsection, or any other Federal agency activity, which the Administrator determines may substantially affect an interest of consumers, the Administrator may participate by presenting written or oral submissions, and the Federal agency shall give full consideration to such submissions of the Administrator. Such submissions shall be presented in an orderly manner and without causing undue delay. Such submission need not be simultaneous with that of any other person.

(b) At such time as the Administrator determines to intervene or participate in a Federal agency proceeding under subsection (a) (2) of this section, he shall issue publicly a written statement setting forth his findings under subsection (a) (1), stating concisely the specific interest of consumers to be protected. Upon intervening or participating he shall file a copy of his statement in the proceeding.

(c) To the extent that any person, if aggrieved, would by law have such right, the Administrator shall have the right, in accordance with the following provisions of this subsection, to initiate or participate in any Federal court proceeding involving a Federal agency action—

(1) The Administrator may, as of right, and in the manner prescribed by law, initiate any civil proceeding in a Federal court which involves the review of a Federal agency action that the Administrator determines may substantially affect an interest of consumers. If the Administrator did not intervene or otherwise participate in the Federal agency proceeding or activity out of which such agency action arose, the Administrator, before initiating a proceeding to obtain judicial review, shall petition such agency for rehearing or reconsideration thereof, if the statutes or rules governing such agency specifically authorize rehearing or reconsideration. Such petition shall be filed within sixty days after the Federal agency action involved, or within such longer period as may be allowed by applicable procedures. The Administrator may immediately initiate a judicial review proceeding if the Federal agency does not finally act upon such petition within sixty days after the filing thereof, or at such earlier time as may be necessary to preserve the Administrator's right to obtain effective judicial review of the Federal agency action. Where the Administrator did not intervene or otherwise participate in a Federal agency proceeding or activity, the Administrator shall not be permitted to initiate a judicial proceeding with respect to such agency proceeding or activity unless the court shall first have determined that initiation of such a proceeding by the Administrator would advance the interests of justice. In advance of the initiation of such a proceeding by the Administrator, he shall file a statement setting forth the reasons why he did not intervene or otherwise participate in the Federal agency proceeding or activity out of which the contemplated judicial proceeding arises, for the court's consideration in connection with its determination whether the initiation of such judicial proceeding would advance the interests of justice.

(2) The Administrator may, as of right, and in the manner prescribed by law, intervene or otherwise participate in any civil proceeding in a Federal court which involves the review or enforcement of a Federal agency action that the Administrator determines

may substantially affect an interest of con-

(3) The initiation or other participation of the Administrator in a judicial proceeding pursuant to this subsection shall not alter or affect the scope of review otherwise appli-

cable to the agency action involved.

(d) When the Administrator determines it to be in the interest of consumers, he may request the Federal agency concerned to initiate such proceeding, or to take such other action, as may be authorized by law with respect to such agency. If the Federal agency fails to take the action requested, it shall promptly notify the Administrator of the reasons therefor and such notification shall be a matter of public record.

(e) Notwithstanding sections 514-519 inclusive, of Chapter 31, title 28, United States Code, appearances by the Agency under this Act shall be in its own name and shall be made by qualified representatives designated

by the Administrator.

- (f) In any Federal agency proceeding in which the Administrator is intervening or participating pursuant to subsection (a) (2) of this section, the Administrator is authorized to request the Federal agency to issue, and the Federal agency shall, on a statement or showing (if such statement or showing is required by the Federal agency's rules of procedure) of general relevance and reasonable scope of the evidence sought, issue such orders, as are authorized by the Federal agency's statutory powers, for the copying of documents, papers, and records, summoning witnesses, production of books and papers, and submission of information in writing.
- The Administrator is not authorized to intervene or appear in proceedings or activities of State or local agencies and State courts, or to engage directly or indirectly, in lobbying activities before State or local agencies, or the Congress, in the manner prohibited by section 1913 of title 18, United States Code:
- (h) Nothing in this section shall be construed to prohibit the Administrator from communicating with, or providing informa-tion requested by any Federal, State, or local agencies and State courts at any time and in any manner consistent with law or agency rules.
- (i) Each Federal agency shall review its rules of procedure of general applicability, and, after consultation with the Administrator, issue any additional rules which may be necessary to provide for the Administrator's orderly intervention or participation, in accordance with this section, in its proceedings and activities which may substantially affect the interests of consumers. Each Fed. eral agency shall issue rules determining the circumstances under which the Administra-tor may be allowed to make simultaneous submissions under subsection (a) (3) of this section. Any additional rules adopted pursuant to the requirements of this subsection shall be published in proposed and final form in the Federal Register.
- (j) The Administrator is authorized to represent an interest of consumers which is presented to him for his consideration upon petition in writing by a substantial number of persons or by an organization which includes a substantial number of persons. The Administrator shall notify the principal sponsors of any such petition within a reasonable time after receipt of any such petition of the action taken or intended to be taken by him with respect to the interest of consumers presented in such petition. If the Administrator declines or is unable to represent such interest, he shall notify such sponsors and shall state his reasons therefor.

CONSUMER COMPLAINTS

SEC. 7. (a) Whenever the Administrator receives from any person any complaint or other information which discloses— (1) an apparent violation of law, agency

rule or order, or a judgment, decree, or order of a State or Federal court relating to an interest of consumers; or

(2) a commercial, trade, or other practice which is detrimental to an interest of consumers:

he shall, unless he determines that such complaint or information is frivolous promptly transmit such complaint or information to any Federal, State, or local agency which has the authority to enforce any relevant law or to take appropriate action. Federal agencies shall keep the Administrator informed to the greatest practicable extent of any action which they are taking on complaints transmitted by the Administrator pursuant to this section.

- (b) The Administrator shall promptly notify producers, distributors, retailers, lenders, or suppliers of goods and services of complaints of significance concerning them received or developed under this section unless the Administrator determines that to do so is likely to prejudice or impede an action, investigation, or prosecution concerning an alleged violation of law.
- (c) The Administrator shall maintain a public document room containing, for public inspection and copying (without charge or at a reasonable charge, not to exceed cost), an up-to-date listing of all consumer complaints of significance which the Agency has received, arranged in meaningful and useful categories, together with annotations of actions taken in response thereto. Unless Administrator, for good cause, determines not to make any specific complaint available, complaints listed shall be made available for public inspection and copying: Provided, That-
- (1) the party complained against has had a reasonable time to comment on such complaint and such comment, when received, is displayed together with the complaint;
- (2) the agency to which the complaint has been referred has had a reasonable time to notify the Administrator what action, if any, it intends to take with respect to the complaint:
- (3) the complainant's identity is to be protected when he has requested confidentiality. Whenever the complainant requests that his identity be protected, the Administrator shall place an appropriate designation on the complaint before making it available to the public:
- (4) no unsigned complaints shall be placed in the public document room.

CONSUMER INFORMATION AND SERVICES

SEC. 8. (a) In order to carry out the purposes of this Act the Administrator shall develop on his own initiative, and, subject to the other provisions of this Act, gather from other Federal agencies and non-Federal sources, and disseminate to the public in such manner, at such times, and in such form as he determines to be most effective, information, statistics, and other data including, but not limited to matter concerning-

- (1) the functions and duties of the
 - (2) consumer products and services;
- (3) problems encountered by consumers generally, including annual reports on interest rates and commercial and trade practices which may adversely affect consumers;
- (4) notices of Federal hearings, proposed and final rules and orders, and other per-tinent activities of Federal agencies that affect consumers.
- (b) All Federal agencies which, in the judgment of the Administrator, possess information which would be useful to sumers are authorized and directed to cooperate with the Administrator in making such information available to the public.

STUDIES

Sec. 9. The Administrator is authorized to conduct, support, and assist research, studies, plans, investigations, conferences, demonstration projects, and surveys concerning the interests of consumers.

INFORMATION GATHERING

Sec. 10. (a) (1) The Administrator is authorized, to the extent required to protect the health or safety of consumers, or to discover consumer fraud or substantial economic injury to consumers, to obtain data by requiring any person engaged in a trade. business, or industry which substantially affects interstate commerce and whose activities he determines may substantially affect an interest of consumers, by general or specific order setting forth with particularity the consumer interest involved and the purposes for which the information is sought, to file with him a report or answers in writing to specific questions concerning such activities and other related information. Nothing in this subsection shall be construed to authorize the inspection or copying of documents, papers, books, or records, or to compel the attendance of any person. Nor shall anything in this subsection require the disclosure of information which would violate any relationship privileged according to law. Where applicable, chapter 35 of title 44, United States Code, shall govern requests for reports under this subsection in the manner in which independent Federal regulatory agencies are subfect to its provisions.

(2) The Administrator shall not exercise the authority under paragraph (1) of this subsection if the information sought-

(A) is available as a matter of public record: or

(B) can be obtained from another Federal agency pursuant to subsection (b) of this section; or

- (C) is for use in connection with his intervention in any agency proceeding against the person to whom the interrogatory is addressed if the proceeding is pending at the time the interrogatory is requested.
- (3) In the event of noncompliance with any request submitted to any person by the Administrator pursuant to paragraph (1), any district court of the United States within the jurisdiction of which such person is found, or has his principal place of business. shall issue an order, on conditions and with such apportionment of costs as it deems just. requiring compliance with a valid order of the Administrator. The district court of the United States shall issue such an order upon petition by the Administrator or on a motion to quash, and upon the Administrator's carrying the burden of proving in court that such order is for information that may substantially affect the health or safety of consumers or may be necessary in the discovery of consumer fraud or substantial economic injury to consumers, and is relevant to the purposes for which the information is sought, unless the person to whom the interrogatory or request is addressed shows that answering such interrogatory or request will be unnecessarily or excesively burdensome.
- (4) The Administrator shall not have the power to require the production or disclosure of any data or other information under this subsection from any small business. For the purpose of this paragraph, "small business" means any person that, together with its affiliates, including any other person with whom such person is associated by means of a franchise agreement, does not have assets exceeding \$7,500,000; or does not have net worth in excess of \$2,500,000; or at the time of proposed discovery by the Administrator does not have more than the equivalent of one hundred and fifty full-time employees. Nothing in this paragraph shall be construed to prohibit the Administrator from requesting the voluntary production of any

such data or information. Notwithstanding this paragraph, the Administrator shall have the power, pursuant to paragraph (1), to obtain information from a small business if necessary to prevent imminent and substantial danger to the health or safety of consumers and the Administrator has no other effective means of action.

(b) Upon written request by the Administrator, each Federal agency is authorized and directed to furnish or allow access to all documents, papers, and records in its possession which the Administrator deems necessary for the performance of his functions and to furnish at cost copies of specified documents, papers, and records. Notwithstanding this subsection, a Federal agency may deny the Administrator access to and copies of—

(1) information classified in the interest of national defense or national security by an individual authorized to classify such information under applicable Executive order or statutes, and restricted data whose dissemination is controlled pursuant to the Atomic Energy Act (42 U.S.C. 2011 et seq.);

(2) policy and prosecutorial recommendations by Federal agency personnel intended

for internal agency use only;

(3) information concerning routine executive and administrative functions which is not otherwise a matter of public record;

(4) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy:

(5) information which such Federal agency is expressly prohibited by law from disclosing to another Federal agency, including but not limited to, such expressly prohibited information contained in or related to examination, operating, or condition reports concerning any individual financial institution prepared by, on behalf of, or for the use of an agency responsible for regulation or supervision of financial institutions;

(6) information which would disclose the financial condition of individuals who are customers of financial institutions; and

(7) trade secrets and commercial or financial information described in section 552 (b) (4) of title 5, United States Code—

(A) obtained prior to the effective date of this Act by a Federal agency, if the agency had agreed to treat and has treated such information as privileged or confidential and states in writing to the Administrator that, taking into account the nature of the assurances given, the character of the information requested, and the purpose, as stated by the Administrator, for which access is sought, to permit such access would constitute a breach of faith by the agency; or

(B) obtained subsequent to the effective date of this Act by a Federal agency, if the agency has agreed in writing as a condition of receipt to treat such information as privileged or confidential, on the basis of its reasonable determination set forth in writing that such information was not obtainable without such an agreement and that failure to obtain such information would seriously impair performance of the agency's function. Before granting the Administrator access to trade secrets and commercial or financial information described in section 552(b)(4) of title 5, United States Code, the agency shall notify the person who provided such information of its intention to do so and the reasons therefor, and shall, notwithstanding section 21(b), afford him a reasonable opportunity, not to exceed ten working days after receipt of such notice, to comment or seek injunctive relief. Whenever notice is served by mail, such notice shall be considered to be received three days after the date on which it is mailed. Where access to information is denied to the Administrator by a Federal agency pursuant to this subsection, the head of the agency and the Administrator shall seek to find a means of providing the information in such other form, or under

such conditions, as will meet the agency's objections.

(c) Consistent with the provisions of section 7213 of the Internal Revenue Code of 1954 (26 U.S.C. 7213), nothing in this Act shall be construed as providing for or authorizing any Federal agency to divulge or to make known in any manner whatever to the Administrator, solely from an income tax return, the amount or source of income, profits, losses, expenditures, or any particular thereof, or to permit any Federal income tax return filed pursuant to the provisions of the Internal Revenue Code of 1954, or copy thereof, or any book containing any abstracts or particulars thereof, to be seen or examined by the Administrator, except as provided by law

LIMITATIONS ON DISCLOSURES

Sec. 11. (a) Except as provided in this section, section 552 of title 5, United States Code, shall govern the release of information by any officer or employee of the Agency.

(b) No officer or employee of the Agency shall disclose to the public or to any State or local agency any information which was received solely from a Federal agency when such agency has notified the Administrator that the information is within the exceptions stated in section 552(b) of title 5, United States Code, and the Federal agency has determined that the information should not be made available to the public; except that if such Federal agency has specified that such information may be disclosed in a particular form or manner, such information may be disclosed in such form or manner.

(c) The following additional provisions shall govern the release of information by the Administrator pursuant to any authority conferred by this Act, except information released through the presentation of evidence in a Federal agency or court proceed-

ing pursuant to section 6-

(1) The Administrator, in releasing information concerning consumer products and services, shall determine that (A) such information, so far as practicable, is accurate, and (B) no part of such information is prohibited from disclosure by law. The Administrator shall comply with any notice by a Federal agency pursuant to section 11(b) that the information should not be made available to the public or should be disclosed only in a particular form of manner.

(2) In the dissemination of any test results

(2) In the dissemination of any test results or other information which directly or indirectly disclose product names, it shall be made clear that (A) not all products of a competitive nature have been tested, if such is the case, and (B) there is no intent or purpose to rate products tested over those not tested or to imply that those tested are superior or preferable in quality over those not tested.

(3) Notice of all changes in, or any additional information which would affect the fairness of information previously disseminated to the public shall be promptly dis-

seminated in a similar manner.

(4) (A) Where the release of information is likely to cause substantial injury to the reputation or good will of a person, the Administrator shall notify such person of the information to be released and afford him a reasonable opportunity, not to exceed ten working days after receipt of such notice, to comment or seek injunctive relief, unless immediate release is necessary to protect the health or safety of the public. Whenever notice is served by mail, such notice shall be considered to be received three days after the date on which it is mailed. The district courts of the United States shall have jurisdiction over any action brought for injunctive relief under this subsection, or under section 10(b)(7).

(B) Nothing in this paragraph shall affect the rights of the public to obtain information under section 552 of title 5, United States Code.

(d) In any suit against the Administrator to obtain information pursuant to the provisions of section 552 of title 5, United States Code, where the sole basis for the refusal to produce the information is that another Federal agency has specified that the documents not be disclosed in accordance with the provisions of subsection (b) of this section, the other Federal agency shall be substituted as the defendant, and the Administrator shall thereafter have no duty to defend such suit.

NOTICE

. Sec. 12. (a) Each Federal agency considering any action which may substantially affect an interest of consumers shall, upon request by the Administrator, notify him of any proceeding or activity at such time as public notice is given.

(b) Each Federal agency considering any action which may substantially affect an interest of consumers shall, upon specific request by the Administrator, promptly pro-

vide him with-

 a brief status report which shall contain a statement of the subject at issue and a summary of proposed measures concern-

ing such subject; and

(2) such other relevant notice and information, the provision of which would not be unreasonably burdensome to the agency and which would facilitate the Administrator's timely and effective intervention or participation under section 6 of this Act.

(c) Nothing in this section shall affect the authority or obligations of the Administrator or any Federal agency under section 10

(b) of this Act.

SAVING PROVISIONS

SEC. 13. (a) Nothing in this Act shall be construed to affect the duty of the Administrator of General Services to represent the interests of the Federal Government as a consumer pursuant to section 201(a)(4) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481(a)(4)).

(b) Nothing in this Act shall be construed to relieve any Federal agency of any responsibility to protect and promote the interests

of consumers.

(c) Nothing in this Act shall be construed to limit the right of any consumer or group or class of consumers to initiate, intervene in, or otherwise participate in any Federal agency or court proceeding or activity, nor to require any petition or notification to the Administrator as a condition precedent to the exercise of such right, nor to relieve any Federal agency or court of any obligation, or affect its discretion, to permit or facilitate intervention or participation by a consumer or group or class of consumers in any proceeding or activity.

proceeding or activity.

(d) Nothing in this Act shall be construed to affect the duty of the Small Business Administration to aid, counsel, assist, and protect the interests of small business concerns, pursuant to section 631(a) of the Small Business Act of 1958 (15 U.S.C. 631

(a)).

DEFINITIONS

SEC. 14. As used in this Act, unless the context otherwise requires—

context otherwise requires—
(1) "Administrator" means the Administrator of the Agency for Consumer Advocacy.

cacy;
(2) "Agency" means the Agency for Consumer Advocacy;

sumer Advocacy;
(3) "agency action" means the whole or part of an agency "rule," "order," "license," "sanction," "relief," as defined in section 551 of title 5, United States Code, or the equivalent or the denial thereof, or failure to act;

(4) "agency activity" means any agency process, or phase thereof, conducted pursuant to any authority or responsibility under law, whether such process is formal or informal:

(5) "agency proceeding" means agency

"rulemaking", "adjudication", or "licensing", as defined in section 551 of title 5, United States Code;

"commerce" means commerce among (6) or between the several States and commerce

with foreign nations:

(7) "consumer" means any individual who uses, purchases, acquires, attempts to purchase or acquire, or is offered or furnished any real or personal property, tangible or intangible goods, services, or credit for personal, family, or household purposes;

(8) "Federal agency" or "agency" means "agency" as defined in section 551 of title

5, United States Code. The term shall include the United States Postal Service, the Postal Rate Commission, and any other authority of the United States which is a corporation and which receives any appropriated funds, and, unless otherwise expressly provided by law, any Federal agency established after the date of enactment of this Act, but shall not include the Agency for Consumer Advo-

cacy;
(9) "Federal court" means any court of the United States, including the Supreme Court of the United States, any United States court of appeals, any United States district court established under chapter 5 of title 28, United States Code, the District Court of Guam, the District Court of the United States Customs Court, the United States Court of Customs and Patent Appeals, the United States Tax Court, and the United

States Court of Claims;

(10) "individual" means a human being; "interest of consumers" means any (11) health, safety, or economic concern of consumers, including but not limited to the factors enumerated in section 2(b)(3), involving real or personal property, tangible or intangible goods, services, or credit, or the advertising or other description thereof, which is or may become the subject of any business, trade, commercial, or market-place offer or transaction affecting commerce, or which may be related to any term or condition of such offer or transaction. Such offer or transaction need not involve the payment

(12) "participation" includes any form of

submission:

(13) "person" includes any individual, corporation, partnership, firm, association, institution, or public or private organization

other than a Federal agency;

or promise of a consideration;

(14) "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Canal Zone, Guam, American Samoa, and the Trust Territory of the Pacific Islands: and

"submission" means participation (15) through the presentation or communication of relevant evidence, documents, arguments,

or other information.

CONFORMING AMENDMENT

SEC. 15. (a) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following:

"(60) Administrator, Agency for Consumer

Advocacy.

(b) Section 5315 of such title is amended by adding at the end thereof the following: "(100) Deputy Administrator, Agency for Consumer Advocacy."

(c) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraphs:

"(135) General Counsel, Agency for Con-

sumer Advocacy.

"(136) Assistant Administrators, Agency for Consumer Advocacy (5)."

EXEMPTIONS

Sec. 16. (a) This Act shall not apply to the Central Intelligence Agency, the Federal Bu-reau of Investigation, or the National Security Agency, or the national security or intelligence functions (including related pro-

curement) of the Departments of State and Defense (including the Departments of the Army, Navy, and Air Force) and the military weapons program of the Energy Research and Development Administration, to any agency action in the Federal Communications Commission with respect to the renewal of any radio or television broadcasting license, or to a labor dispute within the meaning of section 13 of the Act entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes", approved March 23, 1932 (29 U.S.C. 113), or of section 2 of the Labor Management Relations Act (29 U.S.C. 152), or to a labor agreement within the meaning of section 201 of the Labor Management Relations Act, 1947 (29 U.S.C. 171).

SEX DISCRIMINATION

Sec. 17. No person shall on the ground of sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity carried on or receiving Federal assistance under this Act. This provision will be enforced through agency provisions and rules similar to those already established, with respect to racial and other discrimination, under title VI of the Civil Rights Act of 1964. However, this remedy is not exclusive and will not prejudice or cut off any other legal remedies available to a person alleging discrimination.

LIMITATIONS RELATING TO SMALL BUSINESS AND FAMILY FARMING INTERESTS

SEC. 18. (a) It is the sense of the Congress that small business and family farming interests should have their varied needs considered by all levels of government in the implementation of the procedures provided throughout this Act.

(b) (1) In order to carry out the policy stated in subsection (a), the Small Business Administration and the Department of Agriculture (A) shall to the maximum extent possible provide small business and family farming interests with full information concerning the procedures provided for throughout this Act which particularly affect such interests, and the activities of the various agencies in connection with such provisions, and (B) shall, as part of its annual report, provide to the Congress a summary of the actions taken under this Act which have particularly affected such interests.

(2) To the extent feasible the Administrator shall seek the views of small business and family farming interests in connection with establishing the Agency's priorities, as well as the promulgation of rules implementing this Act.

(3) In administering the programs provided for in this Act, the Administrator shall respond in an expeditious manner to the views, requests, and other filings by small business and family farming interests.

(4) In implementing this Act, due consideration shall be given to the unique problems of small business and family farming interests so as not to discriminate or cause unecessary hardship in the administration or implementation of the provisions of this

(5) For the purposes of this section, the rm "small business" shall have the same term meaning as provided in section 10(a)(4) of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 19. There are authorized to be appropriated to carry out the provisions of this Act, not to exceed \$15,000,000 for the fiscal year ending September 30, 1978 not to exceed \$20,000,000 for the fiscal year ending September 30, 1979, and not to exceed \$25,000,000 for the fiscal year ending September 30, 1980, Any subsequent legislation to authorize appropriations under this Act for the fiscal year beginning October 1, 1980, shall be referred in the Senate to the Committee on Government Affairs and to the Committee on Commerce.

EVALUATION BY THE COMPTROLLER GENERAL

SEC. 20. (a) The Comptroller General of the United States shall audit, review, and evaluate the implementation of the provisions of this Act by the Agency for Consumer Advocacy.

(b) Not less than thirty months nor more than thirty-six months after the effective date of this Act, the Comptroller General shall prepare and submit to the Congress a report on his audit conducted pursuant to subsection (a), which shall contain, but not be limited to, the following:

(1) an evaluation of the effectiveness of consumer representation Agency's

activities:

(2) an evaluation of the effect of the activities of the Agency on the efficiency, effectiveness, and procedural fairness of affected Federal agencies in carrying out their assigned functions and duties;

(3) recommendations concerning any legislation he deems necessary, and the reasons therefor, for improving the implementation of the objectives of this Act as set forth in

section 2.

(c) Copies of the report shall be furnished to the Administrator of the Agency for Consumer Advocacy, the chairmen of the Senate Committees on Commerce and on Governmental Affairs, and the chairman of the Committee on Government Operations of the House of Representatives.

(d) Restrictions and prohibitions under this Act applicable to the use or public dissemination of information by the Agency shall apply with equal force and effect to the General Accounting Office in carrying out its

functions under this section.

MISCELLANEOUS PROVISIONS

Sec. 21. (a) Nothing in this Act should be construed to limit the discretion of any Federal agency or court, within its authority, including a court's authority under rule 24 of the Federal Rules of Civil Procedure, to grant the Administrator additional participation in any proceeding or activity, to the extent that such additional participation may not be as of right, or to provide additional notice to the Administrator concerning any agency proceeding or activity.

(b) (1) No act or omission by the Administrator or any Federal agency relating to the Administrator's authority under sections (a), (d), (f), and (j), 7, 10, 11, and 12 of this Act shall affect the validity of an agency action or be subject to judicial review: Pro-

vided. That-

(A) the Administrator may obtain judicial review to enforce his authority under sections 6 (a), (d), (f), (i), and (j), 10, and 12 of this Act: Provided, That he may obtain judicial review of the Federal agency determination under section 6(f) of this Act only after final agency action and only to the extent that such determination affected the validity of such action;

(B) a party to any agency proceeding or a participant in any agency activity in which the Administrator intervened or participated may, where judicial review of the final agency action is otherwise accorded by law, obtain judicial review following such final agency action on the ground that the Administrator's intervention or participation resulted in prejudicial error to such party or participant based on the record viewed as a whole; and

(C) any person who is substantially and adversely affected by the Administrator's action pursuant to section 6(f), 10(a), or 11 of this Act may obtain judicial review, un-less the court determines that such judicial review would be detrimental to the interests

(2) For the purposes of this subsection, a determination by the Administrator that the result of any agency proceeding or activity may substantially affect an interest of consumers or that his intervention in any proceedings is necessary to represent adequately an interest of consumers shall be deemed not to be a final agency action.

(3) The Administrator's determination. pursuant to subsections 6(a)(2), 6(a)(3), and 6(d), that an agency action may substantially affect an interest of consumers shall be subject to review during judicial

review of a final agency action.

TRANSFER OF PROGRAMS, OPERATIONS, AND ACTIVITIES

SEC. 22. (a) The President is hereby directed to submit, not later than one hundred and twenty days after the date of enactment of this Act, a reorganization plan to the Congress pursuant to chapter title 5, United States Code, which provides for the transfer to the Agency of those consumer-related programs, operations, and activities of Federal agencies which can be performed more appropriately or with greater efficiency by the Administrator under the authority contained in this Act. Such plan shall be consistent with the Agency's responsibilities under section 5 of this Act.

(b) The Administrator, pursuant to section 4 of this Act, shall be responsible for incorporating such programs, operations, and activities as may ultimately be transferred and for issuing such organizational directives he deems appropriate to avoid any duplication of effort and to otherwise carry out the purposes of this section.

PUBLIC PARTICIPATION

SEC. 23. (a) After reviewing its statutory authority and rules of procedures, relevant agency and judicial decisions, and other relevant provisions of law, each Federal agency issue appropriate interpretations, guidelines, standards, or criteria, and rules of procedure, to the extent that such rules appropriate and are not already in effect. relating to the rights of individuals who may be affected by agency action to-

(1) petition the agency for action;

(2) receive notice of agency proceedings; (3) file official complaints (if appropriate) with the agency;

(4) obtain information from the agency; and

(5) participate in agency proceedings for the purpose of representing their interests. Such interpretations, guidelines, standards, criteria, and rules of procedure shall be published in proposed and final form in the Federal Register.

(b) Each Federal agency shall take all reasonable measures to reduce or waive, where appropriate, procedural requirements for individuals for whom such requirements would be financially burdensome, or which would impede or prevent effective participa-

tion in agency proceedings.

(c) Any rules of procedure issued by any Federal agency pursuant to this section shall be published in a form and disseminated in a manner that is designed to inform, and that is able to be understood by, the general public.

COST AND BENEFIT ASSESSMENT STATEMENTS SEC. 24. (a) In furtherance of the purpose and policy of section 2(b)(4) of this Act, and except as otherwise provided in this Act, each Federal agency which is authorized to promulgate rules (as defined in section 551(4) of title 5, United States Code) shall prepare a cost and benefit assessment statement with respect to any rules to which section 553(b) of title 5, United States Code, is applicable, which are likely to have a substantial economic impact, for the agency's consideration in connection with the promulgation of such rules. Each such statement shall be short and concise and, together with such supporting documentation as the agency in its discretion determines to be necessary or appropriate, shall consist of the following three elements:

(1) estimated costs, that are foreseeable as a result of the effective implementation

of such rule:

(2) estimated benefits, that are foreseeable a result of the effective implementation of such rule; and

(3) the apparent relationship, if any, between such costs and benefits.

To the extent deemed practicable by the agency responsible for its preparation, each cost and benefit assessment statement shall indicate in an appendix the assumptions, if any, which were made by it regarding the means, or alternative means, and attendant costs of compliance with the proposed rule. including any manufacturer's costs and consumer costs reflected in the price of any product affected by such rule. Before releasing any cost and benefit assessment statement to the public, such agency shall transmit to the Comptroller General such assessment and any appendix thereto which indicates the assumption made regarding the means and attendant costs of compliance with the proposed rule including any manufacturers' costs and consumer costs reflected in the price of any product affected by such

(b) With respect to any proposed rule subject to the requirements of subsection (2) each Federal Register notice of proposed rulemaking shall request interested persons to submit to the applicable agency, in writing, comments, materials, data, information, and other presentations relevant to the preparation of the required cost and

benefit assessment statement.

(c) Each such agency shall, to the extent it deems necessary or appropriate, seek to obtain comments, materials, data, information, and presentations relevant to the costs and benefits, if any, likely to ensue from effective implementation of any proposed rule, within the time prescribed for consideration of the proposed rule, from other Federal agencies and persons. No extensions of time for comment shall be granted solely for the purpose of receiving any such presentations with respect to such benefits.

(d) Each person who contends that effective implementation of a proposed rule will result in increased or decreased costs. shall furnish to the applicable agency the information upon which he bases such assertion, and which is in his possession, is known to him, or is subject to his control. Such information shall be furnished to the agency in such form, manner, and detail as such agency in its discretion prescribes. Whenever any relevant information, which an applicable agency deems necessary or appropriate to the preparation of a cost and benefit assessment statement, is or may be in the possession or control of a person who may be directly affected by the proposed rule, such agency is authorized to request such relevant information as reasonably described by it, and such person shall furnish such relevant information promptly to such agency. Such request for information shall be enforceable by appropriate orders by any court of the United States. Such information as is furnished shall be considered a statement for purposes of section 1001 of title 18, United States Code.

(e) A cost and benefit assessment statement prepared pursuant to subsection (a) shall be published at the end of the year in the Federal Register in a report which shall contain all cost and benefit assessment statements applicable to rules promulgated during the preceding twelve months. All relevant information developed or received by the applicable agency in connection with the preparation of such statement shall be available to all interested persons, subject to the provisions of section 552 of title 5, United States Code, and other applicable law.

(f) The President shall issue, pursuant to the provisions of this subsection, (1) regulations providing guidelines for Federal agencies as to the nature and content of any cost and benefit assessment statement required by subsection (a) and (2) regulations which shall insure that any agency shall be able to obtain information deemed by it to be necessary or appropriate to the preparation of any such cost and benefit assessment statement. Such regulations shall be issued by the President upon the recommendations submitted to the President by the Office of Management and Budget, the General Accounting Office, and the Agency for Consumer Advocacy. In issuing or modifying any regulations implementing this section, the President shall proceed in accordance with the procedures prescribed by subsections (b) and (c) of the new section inserted by section Public Law 93-637 (88 Stat. 2193; 15 U.S.C. 57a(b), (c)). The President shall provide public notice of proposed rulemaking to implement this subsection within sixty days of the effective date of this Act, and shall issue regulations implementing this subsection within one hundred and eight days of the effective date of this Act. After issuance of any regulations implementing this section, the President shall transmit them to the Congress, together with all recommendations submitted to the President pursuant to this subsection. Such regulations shall take effect ninety legislative days after such transmittal to the Congress by the President, unless either House of Congress by resolution of disapproval, pursuant to procedures lished by chapter 35, title 44, United States Code, and by section 1017 of the Congressional Budget and Impoundment Control Act of 1974 (31 U.S.C. 1407), disapproves such regulations, except that Congress may by concurrent resolution modify such regulations within such ninety-day period, in which case such regulations shall take effect in such modified form.

(g) No Federal officer or agency shall subproposed legislation to the Congress which is likely, if enacted, to have a substan-tial economic impact, unless such legislation is accompanied by a cost and benefit assess-ment statement. The statement required by this subsection shall be prepared in accordance with the provisions of subsection (a). The requirements of this subsection may be postponed upon the request of a committee of Congress having jurisdiction over such legislative proposal, for a period not to exceed thirty days from the date of submission to the Congress of such legislation.

(h) In addition to the definitions in section 14 of this Act, the following definitions shall apply with respect to the provisions of

this section:

the term "rule" means "rule" as defined by section 441(4) of title 5, United States Code:

(2) the term "legislation" or "law" means a statute of the United States or any amend-

ment thereto:

(3) "benefit" includes any direct or indirect, tangible or intangible, gain or advantage which the agency, in its discretion, deems proximately related to the promulgation of a proposed regulation or the enactment of the proposed legislation. The term shall include such non-quantifiable benefits as the agency identifies and describes. Benefits may include the costs that would be likely to result from the agency's failure to act, but which are likely to be avoided the agency's action; and
(4) "cost" includes any direct or indirect

expense, including component costs of production and supply, and any loss, penalty, or disadvantage which the agency, in its discretion, deems proximately related to the promulgation of a proposed regulation, or the enactment of proposed legislation. The term shall include such nonquantifiable costs as the agency identifies and describes.

(i) The Comptroller General of the United States shall monitor and evaluate the implementation of this section. In addition to any other reports or studies made by the Comptroller General relating to this section. he shall, three years after the effective date of this section, conduct a comprehensive review of this section including an evaluation of the advantages and disadvantages of cost and benefit assessment statements and of the nature and extent of Federal agency compliance with this section. The Comptroller General shall prepare and submit to the Congress a report based on such study and review. Such report shall include, but need not be limited to, his recommendations as to the necessity or advisability of the provisions of this section, and of the need to amend subsection (k), or any other provision, of this section. The Comptroller General shall, if he determines that the assumptions contained in any statement submitted to it pursuant to subsection (a) of this section are inaccurate, incomplete, or unjustified so report to the committees of the Senate and House of Representatives having jurisdiction over any Federal department or agency that prepared such statement.

(j) No court shall have the jurisdiction review, or enforce or shall review, or enforce and, except for the general review of the effectiveness of this section provided for in subsection (i), no officer or agency of the United States, other than the agency responsible for the preparation of a and benefit assessment statement and the duly authorized committees of the Congress. shall have the authority to review, or enforce or shall review, or enforce in any way the compliance of any cost and benefit assessment statement with this section, or, except where the agency preparing such a statement seeks to enforce in court its request for information, the compliance, by such agency with any other requirement of this section, including the manner or process by which such statement is prepared: Provided, That a Federal court may, upon the request of any interested person, review and enforce compliance with the provisions of this subsection.

(k) The requirements of this section shall supersede the requirements of any existing executive order imposing any economic, cost benefit, inflationary, or other similar impact assessment requirement. No requirement of section shall alter or supersede any Federal agency statutory requirement, regulation, or lawful practice which such agency determines to be inconsistent with any of the requirements of this section. Further, no agency shall be required to prepare and issue a cost and benefit assessment statement required by this section, if information which would be contained in such statement is encompassed within another statement required by law to be prepared in connection with the promulgation of the applicable

(1) The provisions of this section shall become effective upon the effective date of implementing regulations submitted.

EFFECTIVE DATE

Sec. 25. (a) This Act shall take effect 90 days after the date of enactment or on such earlier date as the President shall prescribe and publish in the Federal Register.

(b) Any of the officers provided for in this Act may (notwithstanding subsection (a)) be appointed in the manner provided for in this Act at any time after the date of the enactment of this Act. Such officers shall be compensated from the date they first take office at the rates provided for in this Act.

SEPARABILITY

Sec. 26. If any provision of this Act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the constitutionality and effectiveness of the remainder of this Act and the applicability thereof to any persons and circumstances shall not be affected thereby.

SUMMARY AND EXPLANATION OF THE CONSUMER PROTECTION ACT OF 1977

The bill would establish an independent, non-regulatory Agency for Consumer Advocacy (ACA) to speak for the interests of the consumer. The Agency will be authorized to advocate the interests of consumers before agencies and the courts and to provide the public with information about consumer matters.

The Agency will have no regulatory or other legal power to force business enterprises to change their practices in any way. Rather, it will operate purely as a spokesman for the consumer before the other agencies that do make decisions affecting the consumer.

CONSUMER ADVOCACY BEFORE FEDERAL AGENCIES

The most important function of the Agency will be representation of consumer interests before Federal agencies and courts. In formal adjudicatory or rulemaking proceedings under the Administrative Procedure Act, the ACA is authorized to intervene as a party. In such cases the Agency will be subject to the same rules as any other person who is a party to the proceedings. The Act directs ACA to refrain from intervening in such proceedings unless necessary to adequately represent the interests of consumers.

When a Federal agency considers a decision affecting the interests of consumers outside a formal adjudicatory or rulemaking proceeding, the Act gives the ACA the right to submit data and other relevant information or arguments. Such submission will be in either written or oral form and presented in such a way as not to hinder the Agency's ability to act expeditiously. This means that if the lead tinsel manufacturers have a meeting with the Commissioner of on the schedule for removing lead tinsel from the market, the Administrator of ACA is entitled to present his views on the subject to FDA officials. The section does not give him the right to be present at the tinsel manufacturers meeting and argue his case at the same time they do.

JUDICIAL REVIEW

The ACA Administrator is also authorized, where necessary to protect consumer interests, to seek judicial review of an agency proceeding reviewable under law. He may also intervene in any judicial proceeding reviewing or enforcing such agency actions. This right to seek review is analogous to the right now enjoyed by private persons aggreeved by agency action. If the Administrator did not participate in the agency proceeding below, he may appeal the agency decision only if he first files a timely petition before the Federal agency for rehearing and reconsideration and the agency fails to act favorably on the petition.

CLEARINGHOUSE FOR COMPLAINTS

The Agency is authorized to act as a clearinghouse for consumer complaints. ACA is required to notify businesses of complaints concerning them, to give them an opportunity to respond, to transmit such complaints to appropriate Federal or state agencles, and to maintain an up-to-date file for public inspection of complaints together with any comments which are received.

GATHERING INFORMATION

The ACA is authorized to obtain the information it needs through the submission

of written interrogatories. However, the Administrator may only use this authority where the information is not publicly available and cannot be obtained from another Federal agency. Moreover, he may not use this authority in an agency proceeding in which the Administrator has intervened. The interrogatories may only be enforced if the Administrator sustains the burden of showing that they are relevant to the purpose for which they are sought and are necessary to uncover consumer fraud or substantial economic injury to consumers or to protect consumer health or safety. Small businesses, which includes about 95 percent of all businesses, are exempted from enforcement of interrogatories.

INFORMATION FROM OTHER AGENCIES

The ACA may obtain information from other agencies. But ACA is expressly prohibited from collecting information from other agencies concerning national security, tax records, internal policy recommendations, and other similar private information. There are also strict limits on the Agency's right to have access to trade secrets. The Agency is prohibited from publicly disclosing any information obtained from another Federal agency if the information is exempted from such disclosure by the other agency.

FUNDING

The bill would provide a limited three-year authorization: \$15 million for fiscal year 1978, \$20 million for fiscal year 1979, and \$25 million for fiscal year 1980.

THE CONSUMER PROTECTION ACT OF 1977 SAFEGUARDS FOR BUSINESS

The Act contains a number of important safeguards to assure that the rights of persons in private enterprise will not be infringed upon by any Agency activity. These safeguards include the following:

1. Restrictions on Information-Gathering. Section 10 delineates the ACA's information-gathering authority, placing restrictions on the Agency's powers to obtain information from business and from government. Generally, the Administrator is authorized to compel disclosure of information only when necessary to protect the health or safety of consumers or to discover consumer fraud and substantial economic injury to consumers. Such information may only be obtained from businesses which substantially affect interstate commerce whose activities substantially affect consumer interests. In addition to these general limitations, specific prohibitions limit ACA power to obtain information from small businesses and from other Federal agencies.

a. The ACA is prohibited from requiring the disclosure of information from small businesses as defined in the Act* (Section 10(a) (4). (Additional small business protections are outlined in this memo, number 8.)

b. The Act also includes a number of restrictions on access to information held by other Federal agencies. The categories of information which ACA has no right of access to include: information classified in the interest of national security; policy or prosecutorial recommendations; personnel and medical files; information which a Federal agency is prohibited from disclosing to another agency; information which would disclose the financial condition of individual bank customers; information from Federal income tax returns (Section 10(c)); and trade secrets and confidential commercial or financial information obtained prior to the enactment of the Act. The ACA has no right of access to any information collected in the future by another agency if the agency

Available statistics show that under this definition, over 95 percent of all businesses would be exempted from interrogatories.

is only able to obtain such information by promising to keep it confidential. And, before ACA obtains any trade secrets or confidential commercial or financial information from another agency, the agency holding the information must first notify the person from whom the information was collected. Such a person will have a reasonable time to comment or seek injunctive relief. (Section 10(b)).

2. Prohibitions on Disclosure of Information. Section 11 governing the ACA's duty to disclose information to the public, prohibits the Agency from disclosing information received from another agency which is exempt from disclosure under the Freedom of Information Act or any other law, and which the Agency has specified shall not be disclosed. (Section 11(b)) Trade secrets or other confidential business information received

from a business, may be withheld by the ACA.

3. Limitations Governing Disclosure of Information. Section 11(c) sets forth provisions governing the release of information by the Administrator. Where the release of information is likely to cause substantial injury to a person, the Administrator is required to notify such person and provide an opportunity for comment and injunctive relief, unless immediate release is necessary to protect the public health or safety. (Section 11(c) (4) In addition, the Administrator is directed to take all reasonable measures to assure that any information it releases is accurate and not misleading or incomplete. Tight restrictions are imposed on the release of information which discloses product or service names. Among other restric-tions, the Agency is prohibited from indi-cating that any secific product is a better buy than any other product.

4. Objections to Interrogatories—ACA Bur-

den. A private party may object to any interrogatory ACA serves on it. In such a case, the burden will be on the Administrator to prove that the information sought substantially affects the health or safety of consumers, or is necessary in the discovery of consumer fraud or substantial economic injury to consumers and is relevant to the purposes for which the information is sought. In addition, no person is required to answer an interrogatory which is unnecessarily burdensome. (Section 10(a)(3), and no small busias defined in section 10(a)(4), is re-

quired to answer an interrogatory.
5. Consumer Complaints—Opportunity to Respond. When, under Section 7, ACA transmits consumer complaints to other government agencies or makes them available to the public, ACA must also forward the complaint to the person who is the subject of the complaint. The only exception to this requirement is when such notification might impede action against a person for a violation of the law. The person's response to the complaint must be made available to the public along with any disclosure of the origi-

nal complaint.

6. Judicial Review Protection. Section 21 (b) (1) gives any party to a final agency proceeding reviewable under law the right obtain judicial review on the grounds that the ACA participation in the proceedings resulted in error prejudicial to the party.
7. Restrictions on Initiation of Civil Pro-

ceedings. ACA's ability to initiate court actions involving agency proceedings in which it did not participate is specifically subject to a requirement that the ACA first petition the agency for reconsideration and is further subject to an initial judicial determination that such action would advance the interests

of justice. (Section 6(c))
8. Additional Small Business and Farmer Protections. Section 18 requires that ACA and all other Federal agencies to keep the unique needs of small businesses and family farmers in mind when implementing the Act. In

addition, the Small Business Administration and USDA are directed to keep small businesses and family farmers informed about the activities of the ACA, and to report to Congress on actions taken under this Act affecting small business and family farmers. Similarly, the Administrator of the ACA is required to consult with representatives of small business and family farmers before establishing the Agency's general priorities or policies, and he is to respond in an expeditious manner to requests and other correspondence from such persons.

9. Assurance of Fairness. Generally, in

carrying out functions under the Act, the Administrator is required to act in accordance with the rules that assure fairness to affected persons. (Section 4(a)(4))

Mr. JAVITS. Mr. President, 17 years after President John F. Kennedy pro-claimed a consumer "Bill of Rights," and 8 years after Senator RIBICOFF, I and others introduced the original consumer protection agency legislation in the Senate, consumers are still the only important group in the economy who do not have an adequate voice at the Federal level.

That potential for effective advocacy remains unrealized as regulatory and other Government agencies continue to make hundreds of decisions every year which directly impact upon the lives and economic, health, and safety interests of 220 million Americans-all of us con-

The fact-established repeatedly during hearings and in floor debate dealing with the need for a consumer agency-is that the consumer is not only not represented in these governmental processes, but that these interests are overwhelmed by scores of advocates representing private sector interests on every issue of major importance in the regulatory system

I am again pleased to join with Senators Ribicoff, Percy, and Magnuson, and our longtime allies in the House. Congressmen BROOKS, ROSENTHAL, and HORTON, in relaunching the effort to enact this bill.

I applaud and commend the strong pledge of support for this bill by President Carter and his superb choice for White House Consumer Affairs Adviser, Esther Peterson.

I have long believed that this bill is of critical importance to the fundamental interests of the American consumer. The case for establishing a strong consumer protection agency has been made with progressively greater force and clarity each year since I and my colleagues introduced the original version. consider it a major priority for the Senate, and today urge my colleagues to approach this legislation and the many refinements and improvements which we have incorporated into it over the years with a fresh perspective.

I recognize that this proposal has had a turbulent history. It has evoked and continues to generate substantial opposition from those who are concerned about the interference and disruption which they allege would spread in the wake of the activities of such an agency.

Mr. President, the Agency for Consumer Advocacy proposed in the bill which we introduce today is sensible, carefully measured legislation which will give the consumer a voice in Government policymaking, without upsetting delicate balances which now exist in the Federal decisionmaking process.

It focuses in one small agency an ability to marshal the facts concerning the economic, health, and safety interests of consumers, and to present these facts on behalf of consumers. That agency is not conceived as, nor can it become a regulatory agency in any sense of the word. It will not harass. It will not frustrate and delay Government action.

In the exercise of its role before other Government agencies, it will only have procedural rights, and will not grant or deny rates, routes, applications or other substantive rights and remedies. I am confident that the agency would not be antibusiness-and it is certainly not antibusiness in its conceptualization.

The ACA would be bound by the same procedural rules and time limits which apply to business and other parties to agency proceedings. Virtually all decisionmaking in the public as well as the private sector is, in the broader sense, adversarial. At the heart of the regulatory system is a requirement that all formal decisions and findings be supported by evidence developed in an adversary process. The fact that agencies and departments of the Federal Government have frequently failed to take into account the interests of the consumer in the regulatory process in contrast to the interests of private sector organizations is a serious institutional flaw which many students of the regulatory system have noted.

We seek to repair that flaw, but in doing so, it is not our intention to create "super agency" of Government. I pledge my continuing review of its operations in the future to assure that it does not become one. The ACA would have limited resources—\$15 to \$25 million—less for example than the Defense Department's public relations office; and it would therefore be able to participate in only a few carefully chosen cases.

Beyond our efforts in the Congress and in the consumer movement itself, we cannot achieve important goals for the American consumer without the full cooperation of American business and industry. I am confident that its past cooperation-founded upon the principle that what is good for the consumer is good for business-will continue and will grow in the years ahead.

It has been well documented that the failure to provide institutionally for the representation of consumer interests at the Federal level has resulted in serious injury. There are many familiar examples of inadequately defined or enforced Federal standards involving flammable fabrics, impure health vaccines, unsafe toys and anticompetitive practices in many industries. The promulgation in 1974 of FEO oil regulations which resulted in passing on double charges to the consumer is another example. Some oil companies interpreted the regulation in such a way as to charge both other oil companies for the crude oil which was sold to them while at the same time in-

cluding the cost of this oil while calculating the prices they would be entitled to charge for refined products. According to testimony before the House Small Business Committee on regulatory activities, \$40 million of overcharges had been passed on to consumers by October of 1974. After initially interpreting the regulation as the companies had, FEO reversed its position, asserting that the regulation never did allow the companies to do what they did.

The Agency for Consumer Advocacy could have intervened at the beginning of the regulatory process and might have prevented the imposition of the double

billing.

While I do not think it necessary to comment upon all of the important provisions contained in our bill, I do wish to emphasize the importance of a few

key provisions:

First. To assure that the ACA will have the information it needs, the bill gives the Agency access to certain data held by other agencies. If it cannot obtain the information from other agencies or public sources, the ACA may also solicit directly from private parties answers to specific questions. Detailed safeguards are established to assure that the confidentiality of any information is guarded, and that in all respects ACA is not able to act in a way that injures the rights of businesses or other private persons. Small businesses are exempted from compulsory disclosure of information except in the case of imminent and substantial danger to consumer health or safety. The ACA will thus have a variety of means, other than actually participating in agency or court proceedings to promote the interests of consumers. It has always been our intent that the ACA will rely on these alternative means when ever possible.

Second. In some instances, the most important agency decisions insofar as consumers are concerned may involve decisions not to investigate or take other action. The bill therefore also gives the Administration the right to participate by submitting written or oral views, and other relevant material, to the agency considering in an informal proceeding a matter effecting consumers. Participation by ACA in informal proceedings parallels the opportunity private persons now have to consult informally with agency officials about matters affecting them.

Third. To make ACA's role as an advocate complete, the bill also gives the ACA the right, like any other person aggrieved by a final agency action, to seek judicial review of agency decisions. Similarly, it permits the ACA to intervene in suits already brought involving agency proceedings affecting consumers. When both a Federal agency and private persons present arguments before a court which do not adequately consider the rights of consumer, the ACA will be able to argue for the consumer.

Fourth. Apart from its responsibility to represent the interests of consumers, the Agency for Consumer Advocacy will also act as a clearinghouse for complaints individual consumers have against business

enterprises. Again, the ACA will have no authority to force business to take any action in response to such complaints. Rather, the ACA will only make sure that the appropriate Federal and State agencies with authority to take any necessary action, and the business enterprise complained about, know about the complaint.

Mr. President, the concepts embodied in this bill have been carefully developed and refined for more than a decade. It is designed to bring about a sharper joinder of issues within our regulatory system. It is imperative that this important reform not be delayed any longer. Senator Ribicoff has announced that hearings will begin in the Governmental Affairs Committee on Monday April 8. We expect to report the bill to the Senate within 2 weeks of that date. I hope and trust that the bill will be debated and passed by the Senate very shortly after that. Early enactment in this session will finally redeem a long overdue pledge to establish the American consumer in a position to have his proper say on governmental decisions which have such an enormous impact upon our society.

Mr. PERCY. Mr. President, it is with great pleasure that I join my distinguished colleagues, Senators RIBICOFF and Javirs, in the introduction of this very important piece of legislation, the Consumer Protection Act of 1977.

For too long American consumers have been asked to suffer the indignities of second-class citizenship; for too long the interests of American consumers have gone unrepresented before Federal agencies and Federal courts; for too long American consumers have suffered the personal injuries and economic hardships of marketplace inequities sanctioned by these same Government institutions; and for too long American consumers have suffered the disregard of Government officials who have placed their own interests above the interest of the people.

Mr. President, I am pleased to sponsor once again legislation that affords American consumers a forceful and responsible voice in governmental matters affecting human safety and economic justice; legislation I feel will once again earn the support of this Congress. I am pleased that President particularly Carter today urged prompt passage of

this important legislation.

Two years ago, this Senate passed by a substantial margin legislation virtually identical to the Consumer Protection Act of 1977 which we are introducing here today. The purpose of this legislation is to accord consumers effective representation of their interests before Federal agencies and courts with the expectation that much of the human suffering and economic hardships experienced by consumers on a daily basis can be significantly reduced by the active encouragement of a more responsive Government.

To carry out this purpose, the Consumer Protection Act of 1977 would create an independent Agency for Consumer Advocacy—ACA—with the authority to intervene in Federal agency proceedings

or initiate civil proceedings in the Federal court system whenever it determined an agency action might substantially affect an important interest of consumers.

It is important to understand that the Agency for Consumer Advocacy is not granted the authority under this legislation to make law, set standards, or regulate industries. When we first held hearings on this legislation, it quickly became apparent to those of us most interested in tackling this problem that if there was one thing we did not need it was another regulatory agency. What we needed, and continue to need, is the creation of an agency to intervene in the affairs of existing regulatory bodies to advocate the interests of consumers. Extensive hearings have made clear that Government's failure to redress and prevent consumer abuses in the marketplace stemmed in large part from Government's failure to elicit and consider consumer opinion on matters directly impacting upon consumer interests.

While we have set our sights high in planning the mission of this new agency, I am painfully aware of the built-in limitations which cumbersome bureaucracies carry with them. I have, for this reason, insisted that the Consumer Protection Act of 1977 place a reasonable limit on appropriations, thus assuring an organizational size that is manageable, yet at the same time adequate to serve the purposes of the act. I have insisted, in addition, that the Agency for Consumer Advocacy restrict its activities to issues which directly impact upon marketplace transactions and then, only where the interests of consumers are not otherwise adequately represented. In this way, the Agency for Consumer Advocacy should be able to selectively target its issues and intelligently allocate its resources to matters where it can expect to have a measureable impact.

I am mindful of the fact that much can and should be done by the ACA to protect consumer interests, short of formal intervention into the affairs of other agencies. My experience has taught me that not only is the Government insensitive to many of the problems consumers complain about, but unfortunately some businesses all too frequently fail to acknowledge the scope and severity of problems suffered by their customers. Thus, this legislation authorizes the ACA to collect and evaluate information from consumers, businesses, and other agencies. This should enable the ACA to identify problem areas and get the appropriate agency to handle the matter, without necessarily instituting a formal proceeding.

Over these past years, in preparing this legislation we have been careful to consult with lawyers, economists, and experts in the field of agency procedure. But as a former businessman, I have been particularly sensitive to the concerns of the business community. I am gratified that we have earned the support of such outstanding national corporations as Mobil Oil Corp., Marcor, and its sub-sidiary, Montgomery Ward, Connecticut General Life Insurance Co., United

Artists, Gulf and Western, Warner Communications, Jewel Companies, Inc., Bantam Books, Stop and Shop Corp. Inc. Stride-Rite Shoes, The Dreyfus Corp., and many others. Just last month Peter E. Haas, president of Levi Strauss and Co. in San Francisco, sent a letter to President Carter expressing his strong support for the early enactment into law of legislation such as we have introduced here today.

This is not to say that there is not still residual resistance within certain segments of the business community. But this legislation is expressly designed to ensure that in protecting the consumer, the agency does not unduly or unfairly harass business and that the regulatory process is made more fair, expeditious, and accountable to the needs of consumers. To assure this result, we have consulted closely with representatives from the business community to write into the bill significant safeguards against undue interference with responsible business practices and the orderly functions of Government. These include the follow-

BUSINESS SAFEGUARDS

1. Restrictions on Information Gathering. Section 10 delineates the ACA's information gathering authority, placing restrictions on the Agency's powers to obtain information from business and from government. Generally, the administrator is authorized to compel disclosure of information only when necessary to protect the health or safety of consumers or to discover consumer fraud and substantial economic injury to con-sumers. Such information may only be obtained from businesses which substantially affect interstate commerce whose activities substantially affect consumer interests. In addition to these general limitations, specific prohibitions limit ACA power to obtain information from small businesses and from other Federal agencies.

(a) The ACA is prohibited from requir-ing the disclosure of information from small businesses as defined in the Act. (Section

10(a)(4))

The Act also includes a number of restrictions on access to information held by other Federal agencies. The categories of information which ACA has no access to, include: information classified in the interest of national security; policy or prosecutorial recommendations; personnel or medical files; information which a Federal agency is prohibited from disclosing to another agency; information which would disclose the financial condition of individual bank customers; information from Federal income tax returns; and trade secrets and confidential commercial or financial information obtained prior to the enactment of the Act (the ACA has no right of access to any information collected in the future by an agency if the agency is only able to obtain such information by promising to keep it confidential). Before the ACA obtains any trade secrets or confidential commercial or financial information from another agency, the agency holding the information must notify the person from whom the information was collected. Such a person will have reasonable time to comment or seek injunctive relief. (Section 10 (b))

2. Prohibition on Disclosure of Information. Section 11 governing the ACA's duty to disclose information to the public, prohibits the Agency from disclosing any of

the following:

(a) information received from another agency which is exempt from disclosure under the Freedom of Information Act or any other law, and which the agency has specified shall not be disclosed. (Section 11(a)

(b) trade secrets or other confidential business information received from a business, except where necessary to protect the health and safety of consumers. (Section

11(a)(1))

3. Limitations Governing Disclosure of Information. Section 11(b) sets forth provisions governing the release of information by the Administrator. Where the release of information is likely to cause substantial injury to a person, the Administrator is required to notify such person and provide an opportunity for comment and injunctive relief, unless immediate release is necessary to protect public health or safety. In addition, the Administrator is directed to take all reasonable measures to assure that any information it releases is accurate and not misleading or incomplete. Tight restrictions are imposed on the release of information which discloses product or service names. Among other restrictions, the Agency is prohibited from indicating that any specific product is a better buy than any other product.

4. Objections to Interrogatories—ACA Burden. A private party may object to any interrogatory ACA serves on it. In such a case, the burden will be on the Administrator to prove that the information sought substantially affects the health or safety of consumers, or is necessary in the discovery of consumer fraud or other unconscionable conduct and is relevant to the purposes for which the information is sought. In addition, no person is required to answer an interrogatory which is unnecessarily burden-some. (Section 10(a)(3))

5. Consumer Complaints-Opportunity to Respond. When, under Section 7, ACA transmits consumer complaints to other government agencies or makes them available to the public, ACA must also forward the complaint to the person who is the subject of the complaint. The only exception to this requirement is when such notification might impede or prejudice action against a perfor a violation of the law. The son's response to the complaint must be made available to the public along with any disclosure of the original complaint.

6. Judicial Review Protection, Section 21 (b) (1) gives any party to a final agency proceeding reviewable under the law the right obtain judicial review on the grounds that the ACA participation in the proceedings resulted in the error prejudicial to the

7. Restrictions on Initiation of Civil Proceedings. ACA's ability to initiate court actions involving agency proceedings in which it did not participate is specifically subject to a requirement that the ACA first petition the agency for reconsideration and subject to an initial judicial determination that such action would not impede the in-

terests of justice. (Section 6(c))
8. Additional Small Business Protections. Section 18 requires the ACA and all other Federal agencies to keep the unique needs of small businesses in mind when implementing the Act, and requires the ACA to treat all businesses, whether large or small, in an equitable fashion. In addition, the Small Business Administrator is directed to keep small businesses informed about the activities of the ACA, and to report to Congress on actions taken under this Act affecting small businesses. Similarly, the Administrator of ACA is required to consult with representatives of small businesses before establishing the Agency's general priorities or policies, and directs the Agency to respond in an ex-peditious manner to requests and other correspondence from small businesses.

9. Assurance of Fairness. Generally, in carrying out functions under the Act, the Administrator is required to act in accordance with rules that assure fairness to affected persons. (Section 4(a)(4))

Mr. President, there is one further statement I should like to make to those who are concerned that this legislation may unduly burden the business community. Last year I helped cosponsor an amendment to S. 200, now contained in this year's proposed legislation, that each Federal agency which is authorized to promulgate rules prepare a cost and benefit assessment statement with respect to any rule likely to have a substantial economic impact. The statement would consist of: First, a brief description of the estimated costs that are foreseeable as a result of the effective implementation of any such rule; second, a description of the estimated benefits that are foreseeable as a result of the effective implementation of such a rule; and third, a statement of the apparent relationship, if any, between such benefits and costs.

It is my belief, supported by a commanding majority of my esteemed colleagues, that Federal agencies should attempt to estimate the costs and benefits of implementing rules which are expected to have a substantial impact upon our economy. This provision finally causes the Federal Government to place in sharp focus the trade-offs that must be made each time it imposes itself upon the business community and our society at-large. I cannot state too strongly how important I think it is to the responsive governance of this society that we begin to force agencies to think out the consequences of their actions, to determine how effective their programs are likely to be and at what costs to the American

Mr. President, recognizing that our efforts as reflected in this proposed legislation represent a culmination of years of work and reasonable compromise, I am intent on expending my efforts on trying to improve it even further. I am particularly concerned about the broad scope of the agricultural exemption pushed through the Senate during the floor debate last year. Upon reviewing the language of the House agricultural amendment, I am convinced we can draft and adopt language which incorporates the good intentions of the original sponsors of the Senate amendment without suffering through its considerable over-

I intend also to examine most carefully the amendment of Representative McCloskey, as adopted last session in the House version of this legislation. I share the concern of my distinguished colleagues in the House regarding any programs, operations or activities presently performed in existing Federal agencies that might possibly be duplicated or be performed more appropriately by the ACA. If such were the case, I would support efforts to correct that situation and thereby save the taxpayers moneys through consolidation of such programs.

As I have reviewed the legislative history of this proposal, I find that there are two matters of particular importance we have left unattended and to which I intend to address my efforts. First, despite our concern over the egregious delays regulations potentially beneficial to consumers have experienced throughout the Federal bureaucracy, we have not given satisfactory statutory guidance to help expedite the efforts of the ACA. I do not pretend now to have the solution, but I can assure you that every effort will be made to find one.

The second matter concerns establishing, from the outset, the standards of success to which we expect to hold this new agency. Frequently, Members of Congress charge Government administrators with not meeting levels of achievement arbitrarily established at some point after the occurrence of some event which they view to be contrary to the spirit or letter of an agency's mandate. I believe we owe it to ourselves and to the future administrator of the ACA to notify him in advance of the standards to which he will be held accountable. While I am not prepared now to offer specific suggestions, I do expect to direct my attentions to this matter during committee consideration.

In conclusion, I want to emphasize once again that an agency for consumer advocacy would begin to redress the imbalance in the regulatory process which permits the voices of special interests and big money too often to silence the voices of consumers.

An agency for consumer advocacy would afford consumers a role in dealing with the principal economic issues before the country at this time and help to put a halt to the productivity slump and price spirals which undercut our economic system.

An agency for consumer advocacy would restore integrity to the free enterprise system by helping to put back in balance the bargaining power of consumers when they deal with producers and suppliers of goods and services.

An agency for consumer advocacy would help correct the tattered image of American business by focusing acutely on the actions of those few unscrupulous firms which have held the rest of American industry up to scorn and disrepute.

An agency for consumer advocacy would be a catalyst for timely, effective actions in the public interest by those very Government agencies and bureaucracies which have too often turned away from the legitimate health, safety, and economic concerns of American consumers from every region of the country and from every walk of life.

Finally, this legislation will be seen as a beacon to Government and industry that the day of the consumer is finally at hand. The Agency for Consumer Advocacy will be seen as a signal for improved quality of goods and services, for fairness in advertising and promotion, and for honesty in the marketplace.

Mr. President, I need not remind you that in addition to the widespread business support I have already mentioned, this legislation has received the endorsement of the American Bar Association, the American Trial Lawyers, the Association of the Bar of the City of New York, the Chicago Council of Lawyers, the National Governors' Conference, and

the National Association of Attorneys General. Needless to say, it has also received glowing endorsements from representatives of such highly respected national consumer and public interest groups as Common Cause, Consumer Federation of America, National Consumer's League, Consumer Action for Improved Food and Drugs, Consumer's Union, Public Citizen, and the National Consumer's Congress.

Mr. President, I ask unanimous consent that the recent letter of endorsement for this legislation, dated March 1, 1977, from the President of the Levi Strauss & Co. to President Carter, to which I referred earlier in my remarks, be printed in the Record at this time.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 1, 1977.

The PRESIDENT, Washington, D.C.

Dear Mr. President: I am writing to inform you of Levi Strauss & Co.'s strong support for the early enactment into law of a Consumer Protection Agency bill so long as that bill contains carefully balanced benefits and safeguards for consumers, business and other government agencies approximating those embodied in the two similar bills passed by the Senate and House last year.

We believe a bill containing the essential features of the latest Senate and House versions would be beneficial and fair to all concerned. Such a bill would reflect the constructive results of several years of intensive effort, compromise and refinement by all interested parties working with both Houses of Congress.

Of prime importance, such a bill would establish a separate consumer agency with the power to represent consumer interests in proceedings of other agencies but without the power to change the substantive laws administered by those agencies or to issue any regulations of its own.

We do not believe the national interest would be served by giving the new agency the authority to issue its own regulations or change the substantive laws administered by other agencies.

We do, however, believe that having a separate consumer agency with the authority to represent consumer interests in proceedings of other agencies will improve the prospects of such interests being consistently and fully considered. This will give consumers additional grounds for confidence in the fairness and soundness of our government's procedures and decisions which affect the pocketbook, health and safety of all of us.

In addition, we must remember that businessmen can go to the Department of Commerce, farmers to Agriculture, bankers to Treasury and workers to Labor and find government officials with expertise and responsibilities regarding their problems, needs and views. We believe that consumers should also have a separate home within the councils of government.

Virtually any bill including the latest versions passed by the Senate and House can always be further improved. Certain features of these measures are still subject to intensive debate between experienced persons of goodwill, both within the business community and between business and other segments of our society. Nevertheless, we believe the nation would be better served by enacting a measure approximating the latest Senate and House versions now rather than to delay further or make any major changes in what the Senate and House have produced as the result of years of impressive, thoughtful effort.

We therefore take great pleasure in joining with numerous other individuals and organizations—business and non-business alike—to support the efforts of those in the Senate and House who have labored so long and hard for the passage of a fair and effective Consumer Protection Agency bill. We are particularly pleased to be able to support the leadership in this regard provided by California's own Senator Cranston, as well as by Senator Magnuson and especially by the bill's three original Senate sponsors—Senators Javits, Percy and Ribicoff.

We urge you and your Administration to give the latest Senate-House versions of this legislation your most careful consideration and fullest possible support. Should you need anything further from us in regard to this legislation, please do not hesitate to call on me or on our General Counsel, Peter T. Jones, and Washington counsel, Harry McPherson, who have worked on this matter for several years.

We also wish you the very best in your efforts to serve our national interests at home and abroad and congratulate you for getting us off to a good start.

Warmest regards,

PETER E. HAAS, President.

Mr. METZENBAUM. Mr. President, the No. 1 priority for our Nation's consumers is the creation of an independent agency for consumer groups, an agency to represent and speak for consumers before other agencies. By whatever name the agency is called, what must be its essential feature is its "independence."

For too long the consumers of this Nation, who number more than 200 million. have watched revolving doors spin out decisions which affect their daily lives, but neglect their daily well-being. For this reason it is essential now that consumer protection be approached through procedural reform which generates regulatory reform. Procedural reform is on its way the very moment that an independent agency that represents consumers is accorded procedural rights. The only sensible way to reform regulatory decisions which affect us all is to have consumer representation input into those decisions.

Through a comprehensive study of conflicts of interest in regulatory agencies, independent as well as executive branch, Common Cause found that serious proindustry bias permeates the top echelons of the entire Federal bureaucracy. In its study, "Serving Two Masters" it revealed that:

Of 42 regulatory commissioners appointed during fiscal years 1971 through 1975, 22 came from companies regulated by the agencies they joined or for their law firms.

Of 36 commissioners who left during the same five-year period, 17 went to work for companies their agencies had regulated or for their law firms.

Of 139 top employees of the Energy Research and Development Administration 50 came from ERDA contractors and 23 from other private energy companies. ERDA spends nearly \$500 million a year seeking ways to overcome the U.S. energy crisis.

Of the top 429 employees of the Nuclear Regulatory Commission, 279 came from NRC licensees or contractors and 28 from other private energy enterprises; of the 279, in addition, 192 came from firms that had contracts with ERDA as well as the NRC. The NRC grants licenses to utilities to build nuclear power plants.

Of the NRC's 162 consultants, 105 were being retained by NRC licensees and contractors.

Of 66 top Interior Department officials 1/3 previously worked for private enterprises that have Interior leases or contracts, or came from other enterprises involved in energy activities.

Of 1,406 Defense Department officials and employees who left between 1969 and 1973 to go to work for Pentagon contractors, ¼ went to work for suppliers that they had dealt with while on the public payroll or that were in their official jurisdiction.

Of the 12 attorneys who have left the Food and Drug Administration's law office to enter the private sector over the last five years, all but one have gone to work for FDA regulated companies or their law firms.

Of 29 former officials who left government for industry, 20 contacted high ranking associates in their former agencies about policy matters or specific proceedings.

Clearly, the "revolving door" between regulated industries and regulatory agencies has been spinning at a speed equal to that of the Earth on its axis.

A 2-year congressional investigation, concluded last year, revealed that the major defect of nine Federal regulatory agencies is their commitment "to the special interests of regulated industries and lack of sufficient concern for underrepresented interests" of the public.

This is all recent news, albeit consistent in its unrelieved message that the public interest has too few ears in Washington, while special interest ears pervade the capital, perked for input into virtually every decision which affects health, energy, environment, safety, and the cost of goods for every one of us.

But, while this is all recent news, President Kennedy warned us way back in 1962, in his Special Message to the Congress on Protecting the Consumer Interest:

Consumers, by definition, include us all. They are the largest economic group in the economy, affecting and affected by almost every public and private economic decision. Two-thirds of all spending in the economy is by consumers. But they are the only important group in the economy who are not effectively organized, whose views are not heard

The Federal government—by nature the highest spokesman for all the people—has a special obligation to be alert to the consumer's needs, and to advance the consumer's interests.

Advance the consumer's interests. "Advance" is the key word here. American consumers may be the recipients of every decision, policy, and program promulgated by the Federal Government; but rarely do they know in advance what it is they are to receive, and too often what they receive had not been advanced for their benefit. Rather, too often, "the deed is done" before they find themselves the victims rather than the beneficiaries of those decisions, policies, and programs.

It is precisely this situation which prompts the need for an independent agency, free from all considerations but the public's, with the power to participate in a decisionmaking process which transfers benefits, not burdens, to the public. To date, the reverse has been the trend.

For example, a study released last September by the House Subcommittee on Oversight and Investigations' Committee on Interstate and Foreign Commerce, cited the FTC's ex parte meeting with lawyers for the American Gas Association prior to its refusal to issue a complaint for unfair and deceptive practices against the natural gas industry. And on the heels of the FTC's decision came the winter of 1976–77, the winter with too little gas and too big gas bills. And who is paying for this decision—the American consumer.

We can speculate what might have happened had an independent consumer advocate participated in an advocacy role in that FTC decision. We might have prevented some of the suffering and cost borne by the people of this Nation. Now, after the damage-after the consumer has paid the toll in suffering and dollars-an investigation into the natural gas industry proceeds. But it does so only with the prodding that might be unnecessary if an agency to protect the consumer were working full time. and before the fact as well as after. Without such consumer representation we are at best installing red lights reluctantly and haphazardly, and only after the damage has been done.

After the damage has been done, we, the consumers, pay the toll—with our health, our safety, our dollars—to heat our homes—to use our phones—to travel—to put food on our tables—to repair products we haven't even paid for yet.

And the catalog of examples is, unfortunately, endless.

Prevention with respect to the consumer means protection instead of damage—and protection necessitates a participatory role in the decisions Government makes. Such a role, to be effective, must be independent of, and free from, all relationship with any department or agency mandated to make such decisions.

Now some would argue that the best way to advance consumer protection would be to place within each Federal department and agency a consumer representative arm. Not so. To place representatives for the consumer within agencies and departments as a substitute for an independent agency does not wholly speak to the problem and, in fact, circumvents it.

While on the one hand I am encouraged and gratified by the administration's recent appointments in executive departments and regulatory agencies, I do not view them as a substitute, but rather as reinforcement for a separate and independent consumer advocate agency. Persons who have strong consumer records are now moving into the executive branch, in key positions in the White House, the agencies, and executive departments. While such persons do much to change the Washington image from one of nonresponsiveness to one of commitment to consumer interests, "they will no longer be advocates, but administrators, who will, at the least, have to give the appearance of impartiality. They will no longer be their own bosses,

but will have to answer to their new bosses. * * * Instead of taking on consumer issues across the board, they will be limited to the causes that fall within the confines of their official jurisdictions,"—Linda E. Demkovich, National Journal, March 12, 1977.

It goes without saying that their presence is welcome. In fact, no one could be more welcome than Esther Peterson whom I have known and esteemed for many years, and whose presence in the administration personifies both the highest ideals and the most effective record in terms of consumer interests. She has been a pioneer in the consumer movement and her appointment as President Carter's Special Assistant for Consumer Affairs reaffirms her pivotal role and the Federal Government's firm commitment to a philosophy which serves the public. But, to foster a wholly responsive Federal Government dedicated to the public interest, and to cement the direction already generated by the administration's noteworthy appointments, an independent agency for consumer protection is a must

A consumer department within the structure of any business is good business. The very phrase "consumer rep" or "consumer complaint department" or "consumer center" conveys an image of concern for the public. In fact, though, such arms are too often merely public relations ploys. And even if they are well-intentioned, working parts of a whole structure, they are only one part, and cannot always function in an independent adversary role by the very nature of their position.

A consumer agency armed with independence and advance knowledge would redress the balance now absent from the decisionmaking process. Only an agency with the staff, funds, and time to participate fully in any proceedings affecting consumers could afford those consumers the means to equitable representation. Such an agency would have prior knowledge of all proceedings, the right to all information, the right to conduct investigations on issues presented by consumers, and the right to petition regulatory agencies to take corrective action.

Finally, others would argue that a new agency or department of any kind is the last thing we need in the Federal Government right now. It is time to cut out and cut back. No one could agree with this view more than I. But to erase a wasteful, ineffective, obsolete Government agency must not preclude creating an essential, effective, timely one. I am a cosponsor of both "Sunset" and regulatory reform legislation. And I am a cosponsor of the Consumer Protection Act of 1977—because in no way is any one of these bills inconsistent with the others. On the contrary, they are consistent and harmonious arms of needed legislation.

I am proud to participate in whatever steps it takes to transform this landmark legislation into concrete reality. 1977 is the first year of America's third century; let it also mark the genesis of an independent agency for the American consumer within the Federal Government. By Mr. HATHAWAY (for himself and Mr. Muskie):

S. 1263. A bill to amend the Fishery Conservation and Management Act of 1976 in order to expedite the filling of a vacancy on a Regional Fishery Management Council which occurs prior to the expiration of a term; to the Committee on Commerce, Science and Transportation.

Mr. HATHAWAY. Mr. President, I am introducing a bill in the nature of an amendment to the Fishery Conservation and Management Act which relates to a problem which has arisen in the administration of the regional fishery councils. The amendment establishes a procedure for the selection of a voting member of the council when a vacancy occurs on a council prior to the natural expiration of the term. Such vacancy might occur as the result of the death or resignation of a member, as in fact has happened in the case of the New England Fishery Council.

Last November, the loss of a Maine member of the New England Fishery Council created a vacancy in that council, with all but 3 months of the 2-year term yet to run. Now, 5 months later, the Secretary of Commerce has not yet selected a replacement for that vacancy, and the replacement may well come from a State other than Maine, although the seat was originally one from the State

The apparent reason for this delay results from the Secretary's interpretation of section 302(b) (3) of the act. Under this section, the Secretary has requested all the Governors of the New England States to submit lists of eligible individuals for this vacancy which occurred as the result of death. The State of Maine submitted its three nominees on December 7; however, on April 6, the New England Council continues to be missing the services of one of its voting members.

I do not feel that this situation was intended to be handled in this manner, and the amendment I am submitting today would clarify the process whereby vacancies occurring in the middle of a term are filled. The amendment requires first, that such vacancies be filled from nominees submitted by the Governor of the State of residence of the person originally appointed to fill that term; second, it requires that the Governor of this State submit his nominees within 20 days of the occurrence of the vacancy and that the Secretary of Commerce make the appointment within 20 days of receipt of those names. The other applicable requirements of the act as relates to the list of qualified individuals would remain in force under this procedure so that any list the Governor submitted would have to include the names of at least three "qualified individuals" as defined under the act.

I think that this is a fair approach to the problem. It is in accord with the intention of the act to balance State representation on the councils, and to insure that the councils are a fully effective body for the development of fishery management plans. I hope that quick action can be taken to remedy the situa-

tion which has already arisen, and to prevent it from recurring in the future. Mr. President, at this time I ask

Mr. President, at this time I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1263

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 302 (b) (3) of the Fishery Conservation and Management Act of 1976 (Public Law 94-265) is amended to read as follows:

(3) Successors to the voting members of any Council (except an individual appointed to fill a vacancy occurring prior to the expiration of a term of office) shall be appointed in the same manner as the original voting members. An individual appointed to fill a vacancy occurring prior to the expiration of a term of office shall be appointed for the remainder of that term and shall be appointed from a list of qualified individuals submitted by the Governor of the State of residence of the individual originally appointed for that term. The Governor of such State shall submit his list of qualified individuals to the Secretary not later than 20 days after such vacancy occurs and the Secretary shall make the appointment to fill such vacancy not later than 20 days after such list of qualified individuals is received by him."

(b) Section 302 (b) (1) (C) of such Act is amended by striking out "subparagraph" in the third sentence and inserting in lieu thereof "subsection".

By Mr. CHILES (for himself and Mr. ROTH):

S. 1264. A bill to provide policies, methods, and criteria for the acquisition of property and services by executive agencies; to the Committee on Governmental Affairs.

FEDERAL ACQUISITION ACT OF 1977

Mr. CHILES. Today, for myself and the distinguished Senator from Delaware (Mr. Roth), I am reintroducing legislation to overhaul the Federal Government's \$70 billion a year contracting activities.

This bill, the Federal Acquisition Act of 1977, builds on the legislation, S. 3005, introduced a year ago during the 94th Congress.

During this time, the Senate Subcommittee on Federal Spending Practices has received a complete range of criticism and comments on S. 3005-from executive agencies, the Federal Accounting associations, public interest groups and expert individuals from all fields across the country. Although the constructive contributions are far too numerous to mention individually, special thanks is owed to the invaluable efforts of members of the American Bar Association Section on Public Contract Law, officials of the Office of Federal Procurement Policy, the Defense Department and other executive agencies.

COMPARISON WITH PRIOR LEGISLATION

The section-by-section analysis which follows the bill presents an explanation for many of the changes incorporated here, and the reasoning behind those changes. To characterize them, however, let me say that—

First, The major objectives of the bill remain unchanged: to consolidate and

modernize Federal procurement, with special policy direction to move toward greater reliance on effective and innovative competition; restraints on solesource awards; and a severe cutback on specifications and regulatory controls.

Second, there have been, however, numerous and significant changes in the bill to assure the workability of the mechanisms we have designed to achieve our policy objectives. In general, requirements have been made less rigid, with greater latitude for application of methods and procedures. As a corollary, the role of the Administrator of the Office of Federal Procurement Policy has been strengthened to assure strong, yet reasonable compliance with the goals of the bill.

Third, there is a significant addition to the bill's coverage, a new title devoted to the issue of bid and award protests. It has long been clear to me in my capacity as chairman of the Federal Spending Practices Subcommittee that the area of bid and award protests is both troublesome and neglected. There is widespread dissatisfaction with the General Accounting Office's handling and implementation of protests, including dissatisfaction within the General Accounting Office itself.

Although I do not feel wedded to the particular approach, language or provisions of this new title VII, I do believe the issue needs to be addressed and want to use this reform effort as a vehicle to do so. Title VII represents a baseline to focus debate over a range of both subtle and constitutional ramifications.

With that, let me repeat from last year some of the basic objectives, background, and provisions of this bill.

OVERVIEW

The bill would consolidate and reform the 25-year-old basic laws now controlling Federal contracts and replace them with a modern statute aimed at far more intense and innovative competitive; a crackdown on sole-source awards; and a severe cutback on specifications and regulations.

The proposed legislation would begin to attack the over 4,000 provisions of law currently on the books which control over 13 million contract actions each year for everything from paperclips to nuclear submarines. Huge savings in both dollars and paperwork can be expected by simply bringing many of those laws together into a single, modern framework. Over 80,000 workers administer Federal contracts, with the Defense Department alone accounting for \$47 billion worth in 10.163,087 separate contract actions during fiscal year 1976.

OBJECTIVES

We need a new Federal statute to streamline the acquisition process, to shift the roles of Government and contractors, to increase effective competition, and to unleash new technology.

This new consolidated Federal acquisition statute, I believe, goes right to the heart of the problem caused by confused Government and contractor roles. The legislation mandates a basic requirement for performance-oriented specifications for all contracts—both sealed bid and negotiated.

Product and design specifications will be severely limited so that a wide variety of contractors and products can compete.

The new Federal acquisition statute embodies the philosophy that the public sector may have the problems, but the private sector should be free to propose the most innovative solutions and compete to prove their worth.

SUBSTITUTE COMPETITION FOR REGULATIONS

This new consolidated procurement bill directly seeks to substitute effective competition for regulation in Federal spending.

Nearly everyone shares the popular resentment over Government regulations—and in no area is the damage greater than in Federal contracting.

But, although it is popular to call for eliminating Government regulations, we have to think for a moment. Those regulations grew for an apparent reason: to gain control and accountability. In Federal spending practices, the regulatory controls grew, I believe, because effective competition was dying as the primary control mechanism.

It is not enough to eliminate regulations, we need to put effective competition back to work in their place. That is why the new contracting legislation is aimed at relieving a wide range of Government surveillance requirements but only where effective competition is at work

If you believe half of the business complaints about being buried under Government paperwork, private firms should welcome this approach. Contractors who do business with the Federal Government will have to stand up and be counted in the harsh light of open competition, however, and I am afraid our current contracting policies have gotten some big contractors' eyes adjusted to doing business by cost-plus candle-light.

CAPITALIZE ON NEW TECHNOLOGY

The bill also seeks to design Federal spending practices to unleash a technological offensive to meet the Nation's needs.

Unless and until we can begin to unstack the layers of managers and management from Congress on down, and unless and until we begin to put wide open competition to work instead of enforced regulatory stagnation, and unless and until we do these things—we are going to continue to crush our most invaluable and scarce national resource: the creative talent of American businesses

Talk about American industrial productivity. Talk about standard of living. Talk about agricultural output. Talk about balance of trade and strength of the American dollar shifting military balance. Talk about any of these things, and the odds are that one word will constantly appear: technology. New products and new services to meet growing

Federal spending practices set the economic tone for this country. They set the rules by which major corporations learn to do business, especially high technology firms which are heavily, if not totally, dependent on Federal nourishment.

The new Federal acquisition legislation is designed to convert those Federal spending practices from insensible inhibitors into positive promoters of new technology and to contract with the person offering the best product at the lowest price, not the fellow most adept at filling out forms.

BACKGROUND: PROCUREMENT COMMISSION

Such sweeping legislation was not drafted overnight. Its origins date back to the 2½ years of work by the Law 91–129. The Commission was created by law and was composed of representatives from all areas of government and industry. Its principal task was to review the government-wide procurement activity and make recommendations for reform.

In early 1973, it delivered its final sixvolume report recommending 149 changes to the Congress and the executive branch. This bill implements a number of key recommendations which go to the heart of the process by which the Federal Government spends more than one-fourth of its yearly budget.

The Commission was concerned about the lack of a government-wide set of principles for dealing with industry.

The present statutory foundation is in fact a welter of disparate and confusing restrictions and of grants of limited authority to avoid the restrictions. This problem has arisen in part because Congress has never been called on to focus its attention on the overall procurement process. Furthermore, the inaction of top managers of the executive agencies has aggravated the problems.

In its review, the Commission found that there are two basic procurement systems. The procurement systems of the defense agencies, the Coast Guard, the National Aeronautics and Space Administration—and, to some extent, the Central Intelligence Agency—are governed by the Armed Services Procurement Act of 1974. The procurement systems of many civilian agencies are governed generally by title III of the Federal Property and Administrative Services Act of 1949.

I could go on for hours citing examples of restrictions, inconsistencies, areas where there is absolutely no guidance whatsoever. In fact, our studies revealed more than 30 troublesome inconsistencies between the two organic acts. For example, major inconsistencies involve:

Competitive discussions: The Armed Services Act requires but the Federal Property Act does not, that proposals for negotiated contracts be solicited from a maximum of qualified sources and that discussions be conducted with all sources in a competitive range.

Truth and negotiations: The Armed Services Act requires but the Federal Property Act does not, that contractors and subcontractors submit cost or pricing data.

Negotiation authority for research and development: Both acts require agency head approval to negotiate research and development contracts. Under the Armed Services Act someone below the head of the agency can approve contracts up to

\$100,000. Under the Federal Property Act, the limit is \$25,000.

Negotiation of certain contracts involving high initial investments: The Armed Services Act includes, but the Federal Property Act does not, an exception to the advertising requirement for negotiating certain contracts requiring high initial investment.

Specifications accompanying invitations for bid: The Armed Services Act states that an inadequate specification makes the procurement invalid. Comparable language is not found in the Federal Property Act.

Although some of the inconsistencies stem from special problems originally encountered only by one or a limited number of agencies, most of them arise simply because there are two basic procurement statutes, and because each is amended at different times in different ways by different legislative committees. These basic inconsistencies have proliferated to an overwhelming degree in the flow-down from the statutes to agency, bureau, and local policies, regulations, procedures, and practices. This results in serious inefficiencies and adds enormously to the procurement related costs incurred by the Government and its contractors.

PROVISIONS

The statutory foundation must be changed if significant improvements in unifying procurement policies and procedures are to be achieved. Consolidation of the procurement statutes would be a major step in fostering a single regulatory system which would help rather than hamper those wishing to do business with the Government. It also would focus attention on the fact that procurement is a governmentwide operation and would discourage attempts by parochial interests to obtain special statutory treatment.

For these reasons, this bill sets forth for the first time that it is the policy of the Federal Government to—

First, maintain the independent character of private enterprise by substituting wherever practical, the incentives and constraints of effective competition for regulatory controls.

Second, encourage innovation in the application of new technology.

Third, safeguard the public interest through individual accountability of public officials and the maximum use of effective competition.

These and other principals enunciated in the preamble to this bill were used to guide the development of the proposed legislation

One of the first provisions would be to require the Office of Federal Procurement Policy establish a single simplified set of procurement regulations to cover all agencies of the Federal Government, bringing together the regulations of the Armed Services Act of the Federal Property Act.

Greater statutory uniformity may be viewed by some as a threat to the special missions of the executive agencies. Such a fear is unfounded. This bill even more than the original S. 3005, attempts to

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confine Congress to some fundamental matters. At the same time, this bill, even more than the original S. 3005, looks to the Office of Federal Procurement Policy to assume the responsibility for amplifying this congressional direction and for creating such restrictions or safeguards as may apply only to some agencies or that prove essential only for limited periods. This approach, I believe, provides a balance of congressional control and executive efficiency. It minimizes the burden on a busy Congress; it also recognizes that when feasible, administrative action by regulation may be quicker, more specific, and more readily adaptable to necessary change. Such latitude is essential to the use of procurement techniques which best insure the success of any Government program in effectively meeting our national needs.

Mr. President, in order to provide more detailed review, I ask unanimous consent that the full text of the bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1264

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SHORT TITLE; TABLE OF CONTENTS
SECTION 1. (a) SHORT TITLE.—This Act
may be cited as the "Federal Acquisition
Act of 1977".

(b) TABLE OF CONTENTS.—

Sec. 1. Short Title; table of contents.

Sec. 2. Declaration of Policy.

Sec. 3. Definitions.

TITLE I—ACQUISITION METHODS AND REGULATORY GUIDANCE

Sec. 101. Acquisition methods.

Sec. 102. Regulatory compliance.

TITLE II—ACQUISITION BY COMPETITIVE SEALED BIDS

Sec. 201. Criteria for use.

Sec. 202. Invitation for sealed bids.

Sec. 203. Evaluation, award, and notifications.

TITLE III—ACQUISITION BY COMPETITIVE NEGOTIATION

Sec. 301. Criteria for use.

Sec. 302. Solicitations.

Sec. 303. Evaluation, award, and notifications.

Sec. 304. Single-source exceptions.

Sec. 305. Price analysis and cost data.

Sec. 306. Access to records.

TITLE IV—ACQUISITION BY COMPETITIVE SMALL PURCHASE PROCEDURES

Sec. 401. Criteria for use.

Sec. 402. Solicitations and awards.

TITLE V-GENERAL PROVISIONS

Sec. 501. Contract types.

Sec. 502. Warranty against contingent fees.

Sec. 503. Cancellations and rejections.

Sec. 504. Multivear contracts.

Sec. 505. Advance, partial, and progress payments.

Sec. 506. Remission of liquidated damages.

Sec. 507. Determinations and findings.

Sec. 508. Competitive bidding information.

Sec. 509. Government surveillance requirements.

Sec. 510. Maintenance of regulations.

TITLE VI—DELEGATION OF AUTHORITY Sec. 601. Delegation within an executive agency.

Sec. 602. Joint acquisitions.

TITLE VII-PROTESTS

Sec. 701. Purpose.

Sec. 702. Jurisdiction. Sec. 703. Proceedings.

Sec. 704. General provisions.

TITLE VIII-AMENDMENTS AND REPEALS

Sec. 801. Amendments. Sec. 802. Repeals.

DECLARATION OF POLICY

SEC. 2. (a) FINDINGS.—The Congress hereby finds that—

(1) the laws controlling Federal purchasing have become outdated, fragmented, and needlessly inconsistent:

(2) these deficiencies have contributed to significant inefficiency, ineffectiveness, and

waste in Federal spending;

(3) the Commission on Government Procurement has found and recommended that a new consolidated statutory base is needed;

(4) further, existing statutes need to be modernized to focus on effective competition and new technology in that—

 (A) national productivity rests on a base of competitive industry applying new technology in its goods and services; and

(B) Federal spending practices can encourage the Nation's business community by stimulating effective competition and the application of new technology.

(b) Policy—It is hereby declared to be the policy of the United States that the acquisition of property and services by the Federal Government shall be performed so as

(1) best meet public needs at the lowest total cost;

(2) maintain the independent character of private enterprise by substituting for regulatory controls the incentives and constraints of effective competition:

(3) encourage innovation and the application of new technology as a first consideration by stating public needs so that prospective suppliers will have maximum latitude to exercise independent business and technical judgments in offering a wide range of competing alternatives:

competing alternatives;
(4) promote both new and small business
by permitting all qualified and interested
sources to compete for and grow through

government contracts;

(5) provide private contractors with the opportunity to earn a profit on government contracts commensurate with the contribution made to meeting public needs and with comparable profit opportunities available in other markets requiring investments, risks and skills similar to the technical and financial risks undertaken:

(6) safeguard the public interest through individual accountability of public officials and maximum use of effective competition; and

(7) further, to achieve these goals, it is the policy of the United States to rely on and promote effective competition, the efforts of several sellers acting independently of each other, to respond to a public need by creating, developing, demonstrating or offering products or services which best meet that need, whether that need is expressed as an agency mission need, a desired function to be performed, performance or physical requirements to be met, or some combination of these. Effective competition is present when there is—

(A) timely availability to prospective sellers of information required to respond to the public needs:

(B) independence of action by buyer and seller;

(C) availability to the Government of alternative offers that provide a range of concept, design, performance, price, lifetime ownership costs, service and/or delivery;

(D) absence of bias or favoritism in the solicitation, evaluation, and award of contract; and

(E) ease of competitive entry for new and small sellers.

DEFINITIONS

Sec. 3. (a) For purposes of this Act—The term "acquisition" means any relationship entered into to obtain property or services for the direct benefit or use of an executive agency through purchase, lesse, or barter to meet a public need, whether the property or services are already in existence or must be created, developed, demonstrated, and evaluated. Acquisition includes such related functions as determination of the particular public need; solicitation; selection of sources; award of contracts; contract financing and contract performance.

(b) The term "executive agency" means an executive department as defined by section 101 of title 5, United States Code; an independent establishment as defined by section 104 of title 5, United States Code (except that it shall not include the General Accounting Office); a military department as defined by section 102 of title 5. United

States Code;

(c) The term "Agency Head" means the head of an executive agency as defined in subsection (b)

(d) The term "Head of a Procuring Activity" means that official, intermediate between the agency head and the contracting officer, who has the responsibility for supervision and direction of the procuring activity.

(e) The term "property" includes personal property and leaseholds and other interests therein, but excludes real property in being and leaseholds and other interests therein.

(f) The term "services" means all services,

(f) The term "services" means all services, including administrative, support-type, and

professional.

(g) The term "total cost" means all resources consumed or to be consumed in making an acquisition to achieve an end purpose; and may include all direct, indirect, recurring, nonrecurring, and other related costs incurred, or estimated to be incurred in design, development, production, operation, maintenance, disposal, training and support of an acquisition over its useful life span, wherever each factor is applicable.

(h) The term "price data" means actual prices previously paid, contracted, quoted or proposed and the related dates, quantities, and item descriptions existing up to a time as close as practicable to any new agreement

on price.

(i) The term "protest" means a challenge to the solicitation, proposed award, or award of a contract made by an executive agency for the acquisition of property or services.

TITLE I—ACQUISITION METHODS AND REGULATORY GUIDANCE

ACQUISITION METHODS

SEC. 101. (a) An executive agency shall acquire property or services in accordance with the policies specified in section 2 of this Act by utilizing—

(1) the competitive sealed bids method as provided in title II of this Act; or

(2) the competitive negotiation method as provided in title III of this Act; or

(3) the competitive small purchase method

as provided in title IV of this Act.

(b) These methods of acquiring property or services are equally valid alternatives and shall be selected on the basis of the nature of the product or service being acquired, the circumstances of the acquisition, and other criteria as set forth in this Act or as may be established by the Administrator of the Office of Federal Procurement Policy.

REGULATORY COMPLIANCE

SEC. 102. (a) The Administrator of the Office of Federal Procurement Policy is authorized and directed, pursuant to the authority conferred by Public Law 93-400 and subject to the procedures set forth in such public law—

(1) within two years after the date of en-

actment of this Act, to promulgate a single, simplified, uniform Federal regulation implementing the policies and procedures prescribed in this Act and to establish procedures for insuring compliance with such provisions by all executive agencies; and

(2) to make periodic studies of the use of the acquisition methods prescribed by this Act in order to determine whether agency compliance with this Act has been efficient

and effective.

(b) The Administrator of the Office of Federal Procurement Policy shall include in his annual report required under section 8 of Public Law 93-400 a report of his activities under this section, including his assessment of agency implementation of and compliance with the requirements of this Act; specific reductions in the use of Federal specifications pursuant to sections 202 and 302 of this Act; and recommendations for revisions in this Act or any other provision of law.

TITLE II—ACQUISITION BY COMPETITIVE SEALED BIDS

CRITERIA FOR USE

SEC. 201. The competitive sealed bids method should be used in the acquisition of

property and services when-(1) the anticipated total contract price exceeds the amount specified in title IV of this Act for use of the competitive small

purchase procedures method; and (2) the public need can be practicably defined in terms not restricted by security

or proprietary design; and

(3) the private sector industrial base will provide a sufficient number of qualified suppliers willing to compete for and able to perform the contract; and

(4) suitable products or services have been developed and previously supplied in comparable forms so as to warrant the award fixed price contract to a successful bidder selected primarily on the basis of price; and

(5) the time available for acquisition is sufficient to prepare the purchase description and to carry out the requisite admin-

istrative procedures; and

(6) the property or service is to ne acquired and/or used within the limits of the United States and its possessions; and

(7) the price for the property or service has not been established by or pursuant to

INVITATION FOR SEALED BIDS

SEC. 202. (a) The invitation for sealed bids shall be formally advertised in such a way

(1) the time prior to opening the bids be sufficient to permit effective competition; and

(2) the purchase description will be accessible to all interested potential bidders, except where restricted to bidders qualified under a duly authorized set-aside program.

(b) The invitation shall include a description of the method to be used in evaluating bids, including factors other than price.

(c) To the extent practicable and consistent with needs of the agency, purchase descriptions shall be stated in functional terms to permit a variety of distinct products or services to qualify, or, when a particular type of product or service must be designated, in terms of performance specifications which stipulate a range of accept-

able characteristics or minimum standards.
(d) The preparation and use of definitive product specifications in a purchase description shall be subject to prior approval by the agency head. Such approval shall include written justification, to be placed in and made a part of the official contract file, delineating the circumstances which preclude the use of functional or performance specifications and which require the use of detailed product specifications in the purchase descriptions.

Where the use of functional or per-

formance specifications makes it impracticable to plan for award primarily on the basis of price, the contracting officer may request the submission of unpriced technical proposals and subsequently issue an invitation for sealed bid limited to those offerors whose technical proposals meet the standards set forth in the purchase description.

EVALUATION, AWARD, AND NOTIFICATIONS

SEC. 203. (a) All bids shall be opened publicly at the time and place stated in the invitation.

- (b) Award shall be made to the responsibidder whose bid conforms to the invitation and is most advantageous to the government, price and other factors considered.
- (c) Notice of such award shall be made in writing by the contracting officer with reasonable promptness and all other bidders shall be appropriately notified.

TITLE III-ACQUISITION BY COMPETI-TIVE NEGOTIATION

CRITERIA FOR USE

SEC. 301. The competitive negotiation method may be used in the acquisition of property and services when-

(1) the anticipated total contract price exceeds the amount specified in title IV of this Act for use of the competitive small purchase procedures method; and

the acquisition does not meet the criteria established pursuant to section 101 (b) or as set forth in section 201 for use of competitive sealed bids.

SOLICITATIONS

Sec. 302. (a) Solicitations for offers shall be made from a sufficient number of qualified sources so as to obtain effective competition and shall be publicized in accordance with section 8(e) of the Small Business Act, with copies of the solicitation to be provided to other interested sources upon request

(b) (1) When price is not expected to be the deciding factor in making an award, the solicitation shall include both the methodology and relative importance of all significant factors to be used during competitive evaluation and for final selection. In any case, if price is included as a primary or significant factor, the government's evaluation shall be based to the maximum extent practicable on the total cost to meet the Federal need and not on the cost of completing any initial or partial segments of activity.

(2) Any changes in the methodology or evaluation factors which may affect the outcome of the competition shall be promptly

communicated to all competitors.

(c) To the maximum extent practicable, solicitations shall set forth the public need in functional terms so as to permit the application of a variety of technological approaches and elicit the most promising competing alternatives. Solicitations shall not prescribe performance characteristics based on a single approach. Solicitations shall also not prescribe technical characeristics obtained from any potential competitor.

(d) If either the Government or an offeror identifies inadequacies in the solicitation which cause misunderstandings of the public's needs or requirements, clarification of intent shall be made to all offerors in a timely fashion and on an equal basis

EVALUATION, AWARD, AND NOTIFICATIONS

SEC. 303. (a) Written or oral discussions shall be conducted with all qualified offerors who remain in a competitive range solely of obtaining any purpose clarification or extension of offers. An initial offer may be accepted without discussion.

(b) When awards are made for alternative approaches selected on the basis of the factors contained in the solicitation, whether for design, development, demonstration or delivery, to the maximum extent prac-ticable, they shall be sustained in competition until sufficient test or evaluation information becomes available to narrow the choice to a particular product or service.

(c) Until award is made, information concerning the award shall not be disclosed to any person not having direct source selec-

tion responsibilities.

(d) Award shall be made to one or more responsible offerors whose proposal is most responsive to the factors stipulated in the solicitation as required by section 302(b). Notification of award to all unsuccessful offerors shall be made with reasonable promptness.

SINGLE-SOURCE EXCEPTIONS

SEC. 304. (a) Compliance with the procedures prescribed in sections 302 and 303 need not be continued if-

(1) the agency head makes a determina-tion, before award, that it is impracticable to proceed with the competitive negotiation because more than one prospective source is not available; a public exigency prevails; or a national emergency is declared by the Congress or the President:

(2) such determination, together with the reasons therefor, is in writing and conforms with such regulations as may be prescribed or authorized by the Office of Federal Procurement Policy, pursuant to section 102(a)

(1); and

(3) notice of intent to award such a contract is publicized in advance of the award, pursuant to section 637(e) of title 15, United States Code, and includes a description of the property or service to be acquired and the name of the prospective source.

In such cases, contracts may be made by negotiation with a single offeror selected by the agency. The submission and certification referred to in section 305(b) and the provisions of section 305(c) shall be required in the case of any single-source contract to be awarded pursuant to this section when the amount in question is greater than the amount specified in section 401.

(b) Where there is no commercial usage of the product or service to be acquired under this section, and the agency head determines that substantial follow-on provision of such product or service will be required by the government, the agency head shall, when he deems appropriate, take action through contractual provision, or otherwise, to provide the Government with a capability to establish one or more other competitive sources.

PRICE ANALYSIS AND COST DATA

SEC. 305. (a) Prior to any negotiated award, change, or modification of any contract or subcontract, the contractor and any subcontractor shall be required to submit or identify in writing, with his proposal, price data bearing on the reasonableness of the offer. Each such contractor or subcontractor shall certify that, to the best of his knowledge and belief, such price data is accurate, complete, and current as of the date agreed upon between the parties (which date shall be as close as practicable to the date of agreement on the negotiated price). The contracting officer shall use price analysis techniques to analyze and evaluate the reasonableness of offers where

(1) the price of the contract, subcontract, change, or modification is less than \$500,000; (the contracting officer may at his discretion, however, request pricing data or cost data as provided for in section 305(b) contracts, subcontracts, changes or modifications, where the total amount exceeds the amount specified in section 401 of this Act

but is less than or equal to \$500,000); or (2) the price is an established catalog or market price of a commercial item sold in substantial quantities to the general pub-

(3) the price is already set by law or regulation; or

(4) negotiation is based on adequate price

competition, wherein price is a primary or significant factor; or

(5) there was recent competitive purchase

- under relatively similar circumstances.

 (b) Where the contract or subcontract is a single-source award pursuant to section 304, or for other negotiated contracts when the contract or subcontract does not meet any one of the conditions set forth in section 305 (a)-
- (1) the contractor and any subcontractor shall be required to submit or identify in writing, with his proposal, cost data bearing on the reasonableness of the offered price;
- (2) shall certify that, to the best of his knowledge and belief, such cost data is accurate, complete, and current as of the date agreed upon between the parties (which date shall be as close as practicable to the date or agreement on the negotiated price).
- (c) Any prime contract or change or modification thereto under which a certification is required under subsection (b) shall contain a provision that the price to the gov-ernment, including profit or fee, shall be adjusted to exclude any significant sums by which it may be determined by the agency head that such price was increased because the contractor or any subcontractor required to furnish such a certificate, furnished data which was not accurate, complete, or current.

(d) The agency head may grant a waiver from the provisions of sections 305 (a) and Such waiver shall include a justification, to be placed in and made a part of the contract file, setting forth the reasons why the provisions of sections 305 (a) and (b) must be waived.

(e) At least every three years, beginning with the third year after enactment of this Act, the Administrator of the Office of Federal Procurement Policy shall review and may revise the thresholds cited elsewhere in this section, or any prior revision hereto, notwithstanding any other provision of law, to reflect an increase or decrease by at least 10 per centum in the costs of labor and materials. At least sixty days in advance of its effective date, the Administrator shall report to Congress any such revision which by itself, or cumulatively with earlier increases, represents a 50 per centum or more increase.

ACCESS TO RECORDS

SEC. 306. (a) Until expiration of three years after final payment under a contract negotiated or amended under this title, Comptroller General of the United States and an executive agency or their authorized representatives are entitled to inspect the plants and examine any books, documents, papers, records or other data of the contractor and his subcontractors that pertain to, and involve transactions relating to the contract or subcontract or to the amendment thereof, including for the purpose of evaluating the accuracy, completeness and currency of data certified under section 305, all such books, records and other data relating to the negotiation, pricing, or performance of the contract or subcontract. This provision may be waived for any contract or subcontract with a foreign contractor or subcontractor, if the agency head determines, with concur-rence of the Comptroller General, that waiver would be in the public interest.

(b) Inspections and examinations by executive agencies under subsection (a) shall be conducted only when necessary to insure contract performance. Multiple inspections and examinations of a contractor or subcontractors by more than one executive agency shall be eliminated to the maximum extent practicable by coordinating inspection and examination responsibilities in accordance with regulations to be issued or authorized by the Office of Federal Procurement Policy pursuant to section 102(1).

TITLE IV-ACQUISITION BY COMPETI-TIVE SMALL PURCHASE PROCEDURES METHOD

CRITERIA FOR USE

SEC. 401. (a) The competitive small purchase procedures method may be used in the acquisition of property and services under regulations authorized or prescribed by the Office of Federal Procurement Policy under section 102 (1) when the anticipated total contract price does not exceed \$10,000 but, in lieu of this method, the contracting officer may use either of the competitive methods prescribed in titles II or III of this Act when such use would be more advantageous to the

(b) At least every three years, beginning with the third year after enactment of this the Administrator of the Office of Federal Procurement Policy shall review the prevailing costs of labor and materials and may revise the amount stated in section 401 or any prior revision thereof, notwithstanding any other provision of law, to reflect an increase or decrease by at least 10 per centum in the costs of labor and materials. At least sixty days in advance of its effective date, the Administrator shall report to Congress any such revision which by itself, or cumulatively with earlier increases, represents 50 per centum or more increase.

SOLICITATIONS AND AWARDS

Sec. 402. The Contracting officer may make an award to the contractor whose offer is most advantageous to the Government but shall seek to obtain effective competition to the maximum extent practicable through informal means.

TITLE V-GENERAL PROVISIONS

CONTRACT TYPES

Sec. 501. (a) Contracts may be of any type or combination of types, consistent with the degree of technical and financial risk to be undertaken by the contractor, which will promote the best interests of the Government except that the cost-plus-a percentageof cost system of contracting shall not be used under any circumstances.

(b) The preferred contract form for all contracts shall be a fixed-price type. Where technical or financial risks of negotiated contracts are substantial, fixed-price contracts with options for shorter work increments are preferred to longer cost-type contracts so as to maintain greater control over Government obligations.

WARRANTY AGAINST CONTINGENT FEES

SEC. 502. Each contract negotiated under title III of this Act or an award to be made as a result of the submission of a technical proposal under section 202(e) of this Act shall contain a warranty by the contractor that no person or selling agency has been employed or retained to solicit or secure the contract upon an agreement or understanding of a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the contractor for the purpose of securing business; and that for any breach or violation of the warranty, the Government may annul the contract without liability or deduct from the contract price or consideration the full amount of the commission, percentage, brokerage, or contingent fee.

CANCELLATIONS AND REJECTIONS

SEC. 503. (a) Where the contracting officer determines that it is in the best interest of the Government, the contracting officer

- (1) withdraw a small purchase order prior to the consummation of a contract;
- (2) cancel an invitation for sealed bids before bid opening or after bid opening but before award: or

(3) cancel a request for proposal and reject all offers.

(b) When requested, the contracting officer shall fully inform any unsuccessful of-feror or bidder of the reasons for the rejection of his offer or bid.

MULTIYEAR CONTRACTS

SEC. 504. (a) Except as otherwise provided by law, an agency may make contracts for acquisition of property or services for periods not in excess of five years, when appropriations are available and adequate for payment for the first fiscal year and the agency head determines that-

- (1) the Government need for the property or services being acquired over the period of the contract is reasonably firm and continuing; and
- (2) such a contract will serve the best interests of the United States by encouraging effective competition or promoting economies in performance and operation.
- (b) The Administrator of the Office of Federal Procurement Policy may grant exceptions to the five year limitation imposed by subsection (a) upon the certification, in such form and of such content as the Administrator may require, by the agency head that such exception is in the best interests of the Government. A copy of each such certification and each exception granted shall be delivered to the Chairman of the Committee on Government Operations and the Committee on Appropriations of the House of Representatives and the Senate, respectively.
- (c) Any cancellation costs incurred must be paid from appropriated funds originally available for performance of the contract, or currently available for procurement of similar property or services, and not otherwise obligated, or appropriations made available for such payments.

ADVANCE, PARTIAL, AND PROGRESS PAYMENTS

Sec. 505. (a) Any executive agency may-(1) make advance, partial, progress, or other payments under contracts; and

(2) insert in solicitations a provision limiting advance or progress payments to small business concerns.

- (b) Advance payments under subsection (a) shall not be made in excess of the amount required for contract performance and shall not exceed the unpaid contract
- (c) When progress payments are made, the Government shall have title to the progress payment inventory and, notwithstanding any other provisions of law, that title may not be divested by any action of the contractor, or proceeding in bankruptcy, or encumbered by any lien or security interest.
- (d) Advance payments under subsection (a) may be made only upon adequate security and a determination by the agency head that to do so would be in the public interest. Such security may be in the form of a lien in favor of the Government on the property contracted for, on the balance in an account in which such payments are deposited, or on such property acquired for performance of the contract as the parties may agree. This lien shall have priority over all other liens.

REMISSION OF LIQUIDATED DAMAGES

SEC. 506. Upon the recommendation of the agency head the Comptroller General of the United States may remit all or part, as he considers just and equitable, of any liquidated damages provided by the contract for delay in performing the contract.

DETERMINATIONS AND FINDINGS

SEC. 507. (a) Determinations, findings, and decisions provided for by this Act may be made with respect to contracts individually or with respect to classes of contracts.

(b) Each determination or decision shall

be based upon written findings of the officer making the determination or decision, and shall be retained in the official contract file.

COMPETITIVE BIDDING INFORMATION

SEC. 508. (a) If the contracting officer or any other agency employee has reason to believe that any bid, proposal or offer evidences a violation of the antitrust laws or provisions of this Act, he shall refer that bid, proposal or offer through the appropriate agency official directly to the Attorney General of the United States for appropriate action.

(b) Upon the request of the Attorney General of the United States, the agency shall make available to the Attorney General information which the Attorney General considers necessary and relevant to any investigation, prosecution or other action by the United States under the antitrust laws or other statute enforced by the Attorney General.

(c) The agency head shall render needed assistance to the Attorney General in any investigation and prosecution flowing from the information provided in subsection (a) or (b) or from other investigation and prosecution in other antitrust matters.

GOVERNMENT SURVEILLANCE REQUIREMENTS

Sec. 509. (a) Notwithstanding any other provision of law, an agency head may grant a waiver from Government surveillance requirements for a period not to exceed two years to that part of a contractor's operation which is separately managed and accounted for if more than 75 per centum of the business activity of that part of a contractor's operation as measured by total sale volume, is being conducted under commercial and competitive Government contracts, where the Government awarded firm fixed-price type contracts or where price was the deciding or a significant factor for award.

(b) Such a waiver shall relieve that con-tractor profit center from Government, but not General Accounting Office surveillance

requirements including:

(1) agency management, procurement system and property reviews;
(2) determinations of the reasonableness

of indirect overhead costs;
(3) provisions of the Cost Accounting Standards Act (PL 93-379);

(4) advance agreements for independent research and development and bid and proposal activities; and

(5) provisions of the Renegotiation Act. (c) Such a waiver shall not be granted, and may be revoked at any time, if the agency head determines that for other reasons, the combination of commercial and government competitive activity is insufficient to insure efficient contractor activity under government contracts.

MAINTENANCE OF REGULATIONS

Sec. 510. (a) Notwithstanding the provisions of title VIII of this Act, or any other provisions of law, regulations, including amendments thereof approved pursuant to subsection (b), relating to federal procurement as determined by the Administrator of the Office of Federal Procurement Policy, promulgated or in effect 180 days before the date of enactment of this Act shall remain in effect until repealed by order of the Administrator of the Office of Federal Procurement Policy or until the lapse of two years after the date of enactment of this Act, whichever is earlier. No regulation preserved by operation of this section may be amended without the prior approval of the Administrator of the Office of Federal Procurement

Policy.
(b) The Administrator of the Office of Federal Procurement Policy is authorized to approve the amendment of regulations preserved under the provisions of subsection (a).

TITLE VI-DELEGATION OF AUTHORITY

DELEGATION WITHIN AN EXECUTIVE AGENCY

Sec. 601. Each agency head may delegate any authority under this Act except the authority to grant waivers under section 509, provided that the authority to make determinations under sections 202 and 304 through 306 shall not be delegated below the level of the Head of a Procuring Activity.

JOINT ACQUISITIONS

Sec. 602. (a) To faciliate acquisition of property or services by one executive agency for another executive agency, and to facilitate joint acquisition by those agencies-

(1) the agency head may, within his agency, delegate functions and assign rewithin his sponsibilities relating to the acquisition;

(2) the heads of two or more executive gencies may by agreement delegate acquisition functions and assign acquisition responsibilities from one agency to another of those agencies or to an officer or civilian employee of another of those agencies; and

the heads of two or more executive agencies may create joint or combined offices to exercise acquisition functions and respon-

sibilities.

(b) Subject to the provisions of section 686 of title 31, United States Code—

(1) appropriations available for acquisition of property and services by an executive agency may be made available for obligation for acquisition of property and services by any other agency in amounts authorized by the head of the ordering agency and without transfer of funds on the books of the Depart-

ment of the Treasury;
(2) a disbursing officer of the ordering agency may make disbursement for any obligation chargeable under subsection (a) of this section, upon a voucher certified by an officer or civilian employee of the acquisition

agency.

TITLE VII-PROTESTS

PURPOSE

Sec. 701. In accordance with the authority of the Budget and Accounting Act of 1921, ch. 18, Title III, section 304, 42 Stat. 24, 31 U.S.C. 44, and this title, protests shall be decided in the General Accounting Office. To the fullest extent possible, the Comptroller General shall provide for the inexpensive, informal and expeditious resolution of protests.

JURISDICTION

SEC. 702. (a) The Comptroller General shall have authority to decide any protest sub-mitted by an interested party in accordance with rules and regulations he shall issue pursuant to Section 704.

(b) No contract shall be awarded after the contracting activity has received notice of a protest to the Comptroller General while the matter is pending before him; provided however, that the head of an executive agency may authorize the award of a contract notwithstanding such protest, upon a written finding that the interest of the United States will not permit awaiting the decision of the Comptroller General, and provided further that the Comptroller is advised prior to the

award of such finding.
(c) With respect to any solicitation, proposed award, or award of contract protested to him in accordance with this Title, the Comptroller General is authorized to declare that such solicitation, proposed award, or award does not comport with law or regulation. If award has been made prior to such declaration the Comptroller General may further declare that the contract shall be terminated for the convenience of the Government.

PROCEEDINGS

SEC. 703. (a) Proceedings shall be informal to the fullest extent possible.

(b) Each decision of the Comptroller

General shall be signed by him or his delegee and shall be binding upon all interested parties including the executive agency or agencies involved. A copy of the decision shall be furnished to the interested parties and the executive agency or agencies involved

(c) (1) All decisions shall be rendered promptly, consistent with the need to develop a complete record, in accordance with regulations to be issued by the Comptroller General pursuant to section 704 of this title.

(2) There shall be no ex parte proceedings before the Comptroller General except that this section shall not be deemed to preclude informal contacts with the parties

for procedural purposes

A conference shall be permitted before decision; however, no transcripts shall be required. Transcripts may be permitted the Comptroller General's discretion or at the request of the interested party, provided the Comptroller General and other interested party shall be furnished a copy. Costs of such transcripts and services shall be borne by the requesting party.

(4) The Comptroller General shall, good cause shown, authorize formal covery proceedings and may sign and issue subpoenas requiring the production of books and records and attendance of witnesses for the taking of evidence. In case of refusal to obey a subpoena by a person who resides, is found, or transacts business within the jurisdiction of a United States District Court, the court, upon application of the Comptroller General, shall have jurisdiction to issue the person an order requiring him to appear before the Comptroller General or his designee to produce the books and records, or to give testimony, or both. Any person who fails to obey the order of the court may be punished by the court as a contempt thereof.

(d) The Comptroller General is authorized to dismiss any protest he determines to be frivolous or which, on its face, does not

state a valid basis for protest.

(e) Where the Comptroller General has declared that solicitation, proposed award, or award of a contract does not comport with law or regulation, he may further declare the entitlement of an appropriate party to bid and proposal preparation costs. In such cases the Comptroller General may remand the matter to the executive agency involved for an initial determination as to the amount of such costs. Declarations of entitlement to monetary awards shall be paid promptly by the executive agency concerned out of funds available for the purpose of the procurement or sale.

(f) The Comptroller General, where he deems appropriate, shall make recommendations for improving the procurement process.

GENERAL PROVISIONS

SEC. 704. The Comptroller General shall perform such acts, make such rules and regulations, and issue such orders, not inconsistent with this Title, as may be necessary in the execution of the protest decision function. He may delegate his authority to other officers or employees of the General Accounting Office.

TITLE VIII AMENDMENTS AND REPEALS AMENDMENTS

SEC. 801. (a) The Agriculture Department Appropriation Act, 1923, is amended by striking out ", after due advertisement and on competitive bids," in the first proviso on the page at Forty-second Statutes at Large, page 517 (7 U.S.C. 416).

(b) Sections 101(d) and 104 of the Department of Agriculture Organic Act of 1944 (58 Stat. 734, 736; 7 U.S.C. 430, 432) are amended by striking out "in the open

(c) Section 2356(b) of title 10, United States Code, is amended by striking out the last sentence.

(d) Sections 4504 and 9504 of title 10. United States Code, are each amended by striking out everything after "United States and inserting in lieu thereof a period.

(e) Sections 4505 and 9505 of title 10, United States Code, are each amended by

striking out the second sentence.

(f) Clause (2) of section 502(c) of the (1) Chause (2) of section 302(c) of the Act of August 10, 1948 (62 Stat. 1283; 12 U.S.C. 1701c(b)(2)), is amended by striking without regard to section 3709 of the Revised Statutes"

(g) Section 502(e) of the Act of December 31, 1970 (84 Stat. 1784; 12 U.S.C. 1701z-2(e)), is amended by striking out ", without regard to section 3709 of the Revised

Statutes.".

(h) Section 708(h) of the Act of June 27, 1934, as amended August 10, 1948 (62 Stat. 12 U.S.C. 1747g(h)), is amended by striking out the proviso at the end.

(i) Section 712 of the Act of June 27, 1934, as amended August 10, 1948 (62 Stat. 1281; 12 U.S.C. 1747k) is amended by striking out and without regard to section 3709 of the Revised Statutes".

(j) Section 208(b) of the Act of June 26, 1934, as amended October 19, 1970 (84 Stat. 12 U.S.C. 1788(b)), is amended by 1014:

striking out the last sentence.

- (k) Clause (4) of section 2(b) of the Act of July 18, 1958 (72 Stat. 386; 15 U.S.C. 634(b)(4)), is amended by striking out: "Section 3709 of the Revised Statutes, as amended (41 U.S.C., section 5), shall not be construed to apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Administrator or as a result of loans made under this Act if the premium therefor or the amount thereof does not exceed \$1,000.".
- (1) Section 3 of the Act of April 24, 1950 (64 Stat. 83; 16 U.S.C. 580c), is amended to read as follows:

"SEC. 3. The Forest Service is authorized to make purchases of (1) materials to be tested or upon which experiments are to be made or (2) special devices, test models, or parts thereof, to be used (a) for experimentation to determine their suitability for or adaptability to accomplishment of the work for which designed or (b) in the designing or developing of new equipment: Provided, That not to exceed \$50,000 may be expended in any one fiscal year pursuant to this authority and not to exceed \$10,000 on any one item or purchase."

(m) Section 2(b)(1) of the Act entitled "An Act to authorize the construction of a National Fisheries Center and Aquarium in the District of Columbia and to provide for its operation", approved October 9, 1962 (76 Stat. 753; 16 U.S.C. 1052), is amended by striking out ", without regard to the provisions of section 3709 of the Revised Stat-

utes of the United States (41 U.S.C. 5),".

(n) Subsections 2(a)(1) and 2(b)(1) of the Act of July 26, 1954 (79 Stat. 44; 20 U.S.C. 331a (a) (1), (b) (1), are amended by striking out any references to section 3709 of the Revised Statutes and to section 5 of title 41, United States Code.

(o) Section 224(a) of the Act of November 8, 1965 (79 Stat. 1228; 20 U.S.C. 1034(a)), is amended by striking out ", and, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).".

(p) Section 7 of the Act of December 20, 1945, as amended October 10, 1949 (59 Stat. 621; 22 U.S.C. 287e), is amended by striking "; all without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5)"

(q) Section 707 of the Act of August 13, (60 Stat. 1019; 22 U.S.C. 1047), is amended by striking out ", without regard to section 3709 of the Revised Statutes'

(r) Section 22(e)(7) of the Act of December 29, 1970 (84 Stat. 1613, 29 U.S.C. 671(e)(7)), is amended by striking out and without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), or any other provision of law relating to competitive bidding.".

(s) Section 6(b) of the Act of August 31. 1954 (68 Stat. 1010; 30 U.S.C. 556(b)), is amended by striking out "and without regard to the provisions of section 3709, Re-

vised Statutes (41 U.S.C. 5)"

(t) Section 1820(b) of title 38, United States Code, is amended by striking out "section 5 of Title 41" and inserting in lieu thereof the "Federal Acquisition Act of 1977" and by deleting "if the amount of such contract exceeds \$1,000."

(u) Section 5002 of title 38. United States Code, is amended by substituting a period for the comma after "work" and striking out the

remainder of the section.

The Act of October 10, 1940, as amended (54 Stat. 1109; 41 U.S.C. 6a, b(a), (c), (d)), is amended by striking out section 2 and subsections (c) and (d), and by striking out "without regard to the provisions of section 3709 of the Revised Statutes, as amended," in subsection (a). The Act of July 27, 1965 (78 Stat. 276; 41 U.S.C. 6a-1) is amended by striking out any and all references to section 3709 of the Revised Statutes in the sections relating to Architect of the

(w) Section 11 of the Act of June 30, 1936 (49 Stat. 2039, renumbered section 12 in 66 Stat. 308; 41 U.S.C. 45), is amended to read

as follows:

'Sec. 12. The provisions of this Act requiring the inclusion of representations with respect to minimum wages shall apply only purchases or contracts relating to such industries as have been the subject matter of a determination by the Secretary of Labor.

(x) Section 356(b) of the Act of July 1, 1944, as added October 18, 1968 (82 Stat. 1175; 42 U.S.C. 263d(b)), is amended by striking out the references to section 3709 the Revised Statutes and 41 U.S.C. 5 in clause (3), and by striking out the parenthetical phrase "(by negotiation or otherwise)" in clause (4).

(y) Section 1(b) of the Act of October 14, (54 Stat. 1126; 42 U.S.C. 1521 (b)), is amended by striking out the reference Section 3709 of the Revised Statutes in the first parenthetical phrase, and by striking

out the first proviso.

(z) Section 202(b) of the Act of October 14, 1940 (55 Stat. 362; 42 U.S.C. 1532(b)), is amended by striking out the reference to section 3709 of the Revised Statutes.

(aa) Section 309 of the Act of September 1 1951 (65 Stat. 307; 42 U.S.C. 1592h), is amended by striking out clause (a), and amending clause (b) to read as follows:

"(b) the fixed-fee under a contract on a cost-plus-a-fixed-fee basis shall not exceed 6 per centum of the estimated cost;"

(bb) Sections 103(b)(4) and 104(a)(2) of the Act of July 14, 1955, as amended November 21, 1967 (81 Stat. 486, 487; 42 U.S.C. 1857(b)(4), b-1(a)(2), is amended by striking out the references to section 3709 of the Revised Statutes and to section 5 of title 4

United States Code.
(cc) Section 31(b) of the Atomic Energy Act of 1954 (68 Stat. 927; 42 U.S.C. 2051c) is amended to read as follows:

(b) The Commission may make available use in connection with arrangements made under this section such of its equipment and facilities as it may deem desir-

(dd) Section 41(b) of the Atomic Energy Act of 1954 (68 Stat. 928; 42 U.S.C. 2061(b)), is amended by striking out the two sentences immediately preceding the last sentence in this section.

(ee) Section 43 of the Atomic Energy Act 1954 (68 Stat. 929; 42 U.S.C. 2063), is amended by striking out the following: without regard to the provisions of section 3709 of the Revised Statutes, as amended, upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing by the Commission that advertising is not reasonably practicable. Partial and advance payments may be made under contracts for such purposes.'

(ff) Section 66 of the Atomic Energy Act of 1954 (68 Stat. 933; 42 U.S.C. 2096), is amended by striking out the following: "Any purchase made under this section may be made without regard to the provisions of section 3709 of the Revised Statutes, as amended, upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing by the Commission that advertising is not reasonably practicable. Partial and advance payments may be made under contracts for such purposes."

(gg) Section 203(e) of the Act of April 3, 1970 (84 Stat. 115; 42 U.S.C. 4372(e)), is amended by striking out the references to section 3709 of the Revised Statutes and to section 5 of title 41, United States Code.

(hh) Section 703 of the Act of June 29 1936 (49 Stat. 2008; 46 U.S.C. 1193), is amended by striking out subsection (a), by striking out "For the construction, reconstruction, or reconditioning of vessels, and" in subsection (c), and by renumbering subsections (b) and (c) as (a) and (b), respectively.

(ii) Section 8(a) of the Act of September 30, 1965 (79 Stat. 894; 49 U.S.C. 1638(a)), is amended by striking out the references to section 3709 of the Revised Statutes and to section 5 of title 41, United States Code, in paragraph (1), and by striking out paragraph (3).

(jj) Section 5012 of title 38, United States Code, is amended by striking out the second sentence in subsection (a) and all of subsection (c).

SEC. 802. The following statutes or provisions of statutes are repealed.

Chapters 135 and 137 and sections 2306, 4535, 4540, 7212, 9535, and 9540 of title 10, United States Code; section 7 of the Act of May 18, 1938 (52 Stat. 406; 16 U.S.C. 833f); section 7 of the Act of March 3, 1875 as amended (18 Stat. 450; 25 U.S.C. 96); section 3 of the Act of August 15, 1876 as amended (19 Stat. 199: 25 U.S.C. 97); sections 602 (d) (3) and 602(d) (10) of the Federal Propand Administrative Services Act as amended (40 U.S.C. 474(3), (10); sections 10(a) and 10(b) of the Act of September 9, (73 Stat. 481; 40 U.S.C. 609(a), (b)); 41 U.S.C. 5; section 2 of the Act of October 10, 1940, as amended October 31, 1951 (54 Stat. 1110; 41 U.S.C. 6a); sections 3710 and 3735 of the Revised Statutes (41 U.S.C. 8, 13); section 3653 of the Revised Statutes, as amended by the Act of July 7, 1884 (23 Stat. 204: 41 U.S.C. 24): title III of the Federal Property and Administrative Services Act of 1949 as amended 41 U.S.C. 254(b): section 10(a) of the Act of September 5, 1950 (64 Stat. 591; 41 U.S.C. 256a); section 510 (a) of the Act of July 15, 1949 (63 Stat. 437; U.S.C. 1480(a)); section 6(e) of the EURATOM Cooperation Act of 1958 (72 Stat. 1085; 42 U.S.C. 2295(e)); section 1345(b) of the Act of August 1, 1968 (82 Stat. 585; 42 U.S.C. 4081(b)); Section 404 of the Act entitled "An Act to authorize appropriations during the fiscal year 1969 for procurement of aircraft, missiles, naval vessels, and

tracked combat vehicles, research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength of the Selected Reserve of each Reserve component of the Armed Forces, and for other purposes, Approved, September 20, 1969 (82 Stat. 849).

SECTION-BY-SECTION ANALYSIS OF THE FEDERAL ACQUISITION ACT OF 1977

INTRODUCTION

The law now controlling Federal purchasing have become outdated, fragmented and needlessly inconsistent. The result has been significant inefficiency and waste in Federal

spending practices.

This bill would remedy the current situation by providing a new consolidated statutory base, bringing together existing statutes and modernizing them at the same time.

The focus of the modernization is to substitute effective competition by private enterprise for regulatory controls, thus reducing the regulatory and paperwork burdens. Effective competition and the application of new technology would be stimulated by provisions to assure independence of action by buyer and seller; encourage competitors to submit offers which provide a wide range of alternatives with differing technological concepts; reduce the opportunities for favoritism in the solicitation, evaluation and award of contracts; and reduce the barriers competitive entry for new and small sellers.

Section 2, Declaration of Policy.

The substance of the Findings and Policy is

self-explanatory, as written.
The intent of this Section is to provide the basic thinking and thrust behind the legislation and to thereby provide some definite, yet flexible, guidance for the application and interpretation of the bill's provisions, especially in cases where discretion is permitted or uncertain circumstances arise. It is expected that reference to these policies would guide the resolution of decisions in such cases.

By the same token, however, it is not intended that these statements of Findings and Policy, in and of themselves, be interpreted as detailed requirements or tests of the validity of specific contractual actions for purposes of contract protests or disputes. At most, it would be expected that these policy statements would lend to the weight of argument, and not, by themselves, constitute tests for breach of procedure.

The description of "Effective Competition" contained as policy guidance in paragraph (b) (7) is particularly important in this regard. Although not amenable to rigid and operational definition, this particular de-scription of what constitutes "effective competition" is important to appreciating the thrust of the legislation and the rationale

for many of its provisions. Section 3, Definitions.

"Acquisition" is program-oriented: it includes all steps from establishing the need to contract performance. This definition is another key provision to understanding the modern context of "procurement": an appreciation that the effectiveness of the buying function depends heavily on the way the government's requirements and needs are established in the first instance.

"Total cost" covers all resources consumed in making an acquisition achieve an endpurpose. Although typical cost elements are called out, the definition intends flexibility in the use of the term: the primary intent is a good faith effort to scope the "resources consumed or to be consumed", a common sense proposition far any buyer. The specific details of a "total cost" calculation, as required to the maximum extent in section 302(b)(1), will vary from case to case depending on (1) which factors may or may not be involved and (2) which factors are

or are not susceptible to sufficiently reliable calculations.

"Price data", as contrasted with cost data, factual information related to prices, either actual past prices or proposed prices, which prudent buyers and sellers would expect to have a significant effect on price negotiations.

"Protest" covers procurement contracts as executed within the definition set down in paragraph 3(a) for "acquisition" and does not include relationships entered into primarily for the benefit of the recipient and generally executed through grant or co-operative agreement transactions.

All executive agencies, military departments and the United States Postal Service are covered under this bill. Wholly-owned Government Corporations would not be covered in recognition of the vast variety of peculiar acquisition circumstances which confront these organizations. It would be hoped, however, that in the interest of consistency and uniformity, the provisions of this Act would be followed and tailored for uniform use by each organization, much as is the case today.

TITLE I-ACQUISITION METHODS AND REGULATORY GUIDANCE

Intent-to require that the policies and procedures set forth in this act are used for the acquisition of all property or services by the Federal Government and to require the development of a single, simplified set of procurement regulations.

This title requires that the acquisition of all property or services by executive agencies shall be made in accordance with the policy specified elsewhere in the act: and that Office of Federal Procurement Policy promulgate a single set of simplified regulations to implement the policies and procedures prescribed in the Act and report to the Con-

gress thereon pursuant to P.L. 93-400.

At the core of the bill and this title is the recognition that competitive sealed bidding, competitive negotiation and competismall purchase procedures are equally valid acquisition alternatives, and each should be selected according to the circumstances surrounding the acquisition in ac-cordance with criteria set forth in this act and as may be further stiplulated by the Administrator of the Office of Federal Pro-

The Office of Federal Procurement Policy is given a central leadership role in executing the povisions of the Act, consistent with strong role originally prescribed in P.L.

As compared to S. 3005, the Administrator is placed in a more direct position to achieve the goals of this Act through his powers so that some of specific requirements in the bill can be less rigidly prescribed, with greater latitude for application pursuant to Office of Federal Procurement Policy guidance and regulations.

TITLE II-ACQUISITION BY COMPETITIVE SEALED BIDS

-To set forth several conditions un-Intentder which the competitive sealed-bid method should be used; to require agencies to preferentially describe their needs in functional terms or performance ranges or minimum standards; so as to encourage sellers with differing products or services to compete; to assure an understanding of the bid evaluation procedure by requiring its disclosure in the bid invitation and by requiring that the award be made and publicly explained in the context of the evaluation methodology.

Section 201, Criteria For Use. This section specifies criteria which should be met in order for competitive sealed bids to be considered the appropriate acquisition method.

Section 202, Invitation For Sealed Bids. This section establishes requirements for sealed bid advertising, and requires that the purchase description be written in terms of functions to be performed, ranges of acceptable performance, so as to permit a variety of distinct products or services to qualify. Definitive product specifications would also be permitted to be used—but only qualify. with prior agency head approval and written justification.

Where added protection to the government from unacceptable, yet low-bid, offers is felt necessary, the bill encourages the use of a two-step approach whereby first, an evaluation of unpriced technical proposals would be done and, second, a sealed bid award made to the low bidder among those technical proposals found acceptable.

Section 203, Evaluation, Award and Notifications. This section requires that all bids be open publicly with appropriate prior notice; that the awards be made to the bidder whose bid conforms to the invitation and is determined to be most advantageous to the government, price and other factors considered; and that notice of the award be made in writing with reasonable promptness to all other bidders.

TITLE III-ACQUISITION BY COMPETITIVE NEGOTIATION METHOD

-to encourage more innovative competition; encourage independence of action on the part of contractors making proposals; and limit the use of single-source awards. Broad access to a contractor's plant and records is provided primarily as a safeguard and linked to circumstances when the competition is foreclosed in favor of a singlesource contract.

Section 301, Criteria For Use. The competitive negotiation method is considered appropriate and may be used when the anticipated total contract price exceeds small purchase limits and, more important, the acquisition contemployed will not meet the criteria established for competitive sealed bids in section 201 or pursuant to subsequent Office of Federal Procurement Policy guidance.

Section 302, Solicitations.

Solicitations for offers must be made from a sufficient number of sources so as to obtain effective competition. When awards are to be made with price not the deciding factor, the solicitation shall include the methodology and relative importance of the significant factors to be used in the evaluation of proposals. In any case, when price is a primary or significant factor, the evaluation shall consider, to the maximum extent practicable, the total cost of meeting the Federal need, and not simply cost of completing any one segment of the activity. This use of total cost as a basis for award is to be implemented as far as possible, given the fact that certain cases may not be fully amenable to such

Again to encourage broad innovation and competition, functional specifications are mandated wherever practicable and trans-fusion of technical ideas is prohibited.

Section 303, Evaluation, Award, and Notifications.

This section requires that competition should be sustained to the maximum extent until sufficient test and evaluation information becomes available to narrow the choice to that preferred product or service which best meets the federal need at the lowest total economic cost. All discussions with the contractors would be strictly limited to clarification or substantiation of a competitors' offerings as a practical means to prohibit "auctioneering" tendencies under monopsony situations. This also should effectively prevent the process of technical transfusion from leveling competitors offerings. This section does not preclude the award of contracts to more than one responsible, responsive offeror.

Section 304, Single-Source Exceptions. The intent of the legislation is to bring about a drastic reduction in the proportion of solesource awards and to encourage far broader use of competitive methods. Therefore, exceptions to competitive negotiations are permitted only when the agency head determines that there is only one prospective source; a public exigency, or national emergency prevails; when the exception conforms policies established by the Office of Federal Procurement Policy; and when notification of intention to award such a contract is publicized in advance of the award. In such single-source cases, however, this section imposes the cost data requirements of Section 305 on all contracts greater than \$10,000. It also gives the agency head authority to take action, when appropriate, to provide the Government with the capability to establish one or more competitive sources under a singlesource situation. Both provisions are meant to be disincentives for the use of non-competitive methods.

Section 305, Data Requirements. This "Truth in Negotiation" section sets forth the conditions requiring the submission by a contractor of either cost data or pricing data to the government. These submission requirements can be waived upon a written determination by the agency head.

Price analysis and pricing data: The bill mandates price analysis techniques to be used as a first consideration. Under section 305(a), a contractor and any subcontractor would be required to submit with his proposal any price data (as defined in section 3 (h)) bearing on the reasonableness of his offer prior to any negotiated award, change or modification in a contract or subcontract. This data must be certified as being complete, current and accurate. This requirement does not apply in situations where the contract price is less than \$500,000, (although the contracting officer may, at his discretion, decide to request such data for contracts where the price is less but more than the small purchase limit set in section 401). The submission and certification of price data is also required and appropriate where the price is an established catalogue or market price of a commercial item; where the price is already set by law or regulation; where there was a recent competitive purchase under relatively similar circumstances; or where negotiation has been based on adequate price competition with price as a significant factor.

Cost Data: Under section 305(b), whenever

Cost Data: Under section 305(b), whenever the price data submission requirements do not apply and in all single-source awards, a contractor or subcontractor shall submit cost data and certify such data to be accurate, complete and current.

Section 305(c) also provides the government with the capability to adjust contracts in which price was significantly increased due to the submission of either inaccurate cost data or inaccurate pricing data.

Section 305(d) sets down waiver requirements.

Furthermore, the dollar thresholds in this section can be raised or lowered by the Administrator or OFFP according to a formula provided under section 305(e).

Section 306, Access To Records. This section applies to all negotiated contracts under this title. While blanket authority to gain access to records is provided, it is the intent of the legislation to guide the use of such authority so that it is not abused. Further, the intent is to establish broader access to the company than just to data and pricing information.

Until three years after final completion of a contract negotiated or amended under this title, the Comptroller General and the executive agency are entitled to inspect the

plants, books, documents, papers or records of the contractor and the subcontractor. A waiver may be provided for contracts with foreign contractors or subcontractors. Such inspections shall be conducted only when necessary to insure contract performance. Multiple inspections and examinations of a contractor by more than one agency shall be eliminated to the maximum extent practical by coordinating inspections and examination responsibilities.

TITLE IV—ACQUISITION BY COMPETITIVE SMALL PURCHASE PROCEDURE METHOD

Section 401, Criteria for Use. This section would allow the use of competitive small purchase procedures when the total contract prices does not exceed \$10,000. However, a contracting officer would still be permitted to use the competitive methods prescribed in Titles II and III of this Act should he choose to do so.

At least every three years the Administrator of OFPP would be required to review the \$10,000 ceiling on the use of competitive small purchase procedures. He may find that the ceiling should be changed and this section provides a formula for adjusting the ceiling up or down.

Section 402, Solicitations and Awards. This section would require that the award be made to the contractor offering the property or service being bid upon which would be most advantageous to the government through effective competition.

TITLE V-GENERAL PROVISIONS

Intent—This title generally provides the flexibility to engage in practices and contracts which result in cost savings and reduced administrative burdens whatever of the contract mode. It also prohibits certain types of practices and sets forth circumstances for relief from specific government surveillance requirements.

Regulatory controls would be reduced for contractors whose business activity is primarily commercial and competitive fixedprice Government contracts.

Section 501, Contract Types. Section (a) would disallow the use of cost-plus-a-percentage-of-cost contracting under any circumstance. However, any other type or combination of types consistent with the statute and the financial risk to the contractor may be used. Section (b) establishes fixed-price types as preferred for all contracts, with a preference for adjusting to shorter increments of work (and risk) content before resorting to cost-plus type contracts to cover

larger steps.
Section 502, Warranty Against Contingent Fees. A warranty is required by the contractor to assure that no person or selling agency has been employed or retained to solicit the contract upon any agreement of a commission, percentage, brokerage, or contingent fee, excepting bona fide employees of the contractor. In the event of a breach of the warranty, the government may annul the contract without liability.

Section 503, Cancellations and Rejections. The contracting officer may withdraw a small purchase order prior to the consummation of a contract; cancel invitation for sealed bids openings or after bid openings but before awards; or cancel a request for proposal and reject all officers, if he feels that it is in the fiest interest of the government to do so.

Section 504, Multi-Year Contracts. This section would allow multi-year contracts for periods not to exceed five years when appropriations are available and adequate for payment of the first fiscal year, except as otherwise provided by law. Exceptions to the five year limitation may be granted by the Administrator of OFPP, who in turn, must deliver copies of the exception and the reasons therefor to appropriate committees of Congress

Section 505, Advance, Partial and Prog-

Advance payments would be allowed except that they shall not be in excess of the amount required for immediate contract performance and under no circumstances shall exceed the unpaid contract price. On making such payment, the government shall have title to the progress payment inventory and that title may not be divested by any action of the contractor.

Section 506, Remission of Liquidated Damages. Upon the recommendation of the head of an agency, the Comptroller General may remedy all or part of any liquidated damages provided by the contract for delay in performing the contract.

Section 507, Determinations and Findings. This section requires that determinations provided by this act may be made with respect to contracts individually or with respect to classes of contracts and shall be final. An afficial record shall be kept of such determinations and findings.

Section 508, Competitive Bidding Information. The contracting officer and other employees are required to refer any bids which they suspect show evidence of violation of this Act or anti-trust laws to the Attorney General for appropriate action. The agency shall render all needed assistance and informations that the Attorney eGneral feels is necessary and relevant to this investigation of the matter.

Section 509, Government Surveillance Requirements. This section gives mechanism for implementing the intent to substitute effective competition for regulatory controls. The agency head may grant a waiver from certain surveillance requirements if more than 75 percent of that part of a contractor's business activity which is separately managed and accounted for (generally, for each profit center) is conducted under commercial and competitive government contracts. hTis waiver does not apply to GAO surveillance requirements, however.

Section 510, Maintenance of Regulations. This section gives the Administrator of OFPP authority to keep existing procurement regulations in effect while new consolidated regulations are promulgated during the two year period following enactment of this bill.

TITLE VI-DELEGATION OF AUTHORITY

Intent—To recognize that agency heads, while being responsible for the actions of their agencies, need not personally approve every procurement-related action specified in this Act.

Section 601, Delegation Within An Executive Agency. Agency heads may delegate any authority to make determinations except waivers from government data and surveillance requirements under section 509. Waiver authorities relating to detailed product specifications under section 202 and relating to single source awards under Title III may be delegated to a level no lower than to the head of the procuring activity.

Section 602, Joint Acquisitions. To facilitate joint acquisitions, the head of an agency may delegate functions and assign responsibilities relating to acquisition. The heads of all agencies involved in the joint acquisition may, by agreement, delegate the acquisition functions and assign acquisition responsibility form one agency to another.

TITLE VII

Intent—To the fullest extent possible, to provide for the inexpensive, informal and expeditious resolution by the Comptroller General of protests relating to the award or proposed award of contracts.

Section 701, Purpose. Self-explanatory. Section 702, Jurisdiction. This section gives the Comptroller General authority to decide protests and further prohibits the award of contracts while protest is pending. This prohibition against award may be waived upon written determination by the agency head. The Comptroller General may also terminate contracts for the convenience of the government and declare solicitations, awards or proposed awards not to comport with law or

regulation.

Section 703, Proceedings. Proceedings are to be informal to the maximum extent, with decisions to be rendered promptly, consistent with the need to develop a full record. The Comptroller General will have authority to hold conferences before decisions, to authorize formal discovery proceedings, to issue subpoenas, and to dismiss frivolous protests. In addition, he may require the payment of bid and proposal preparation costs.

Section 704, General Provisions. The Comptroller General is given the authority to issue such regulations as may be necessary in the execution of his functions under this title.

TITLE VIII-AMENDMENTS AND REPEALS

Intent-To modify and repeal existing legislation as may be necessary to achieve the purposes set forth in this Act.

Section 801, Contains necessary amend-ments to other legislation. Section 802 provides the necessary appeals to existing legislation.

Mr. ROTH. Mr. President, I am pleased to join Senator Lawton Chiles as a sponsor of the Federal Acquisition Act of 1977. This legislation is a comprehensive reform and consolidation of our Federal procurement laws designed to enhance competition, promote uniform procedures in competitive procurements, and facilitate the elimination of costly Government regulation and paperwork requirements. This comprehensive reform of the procurement system holds the potential for saving millions of dollars through improved Federal purchasing and spending practices. Additionally, this legislation will foster competitive enterprise in the private sector by reducing reliance on noncompetitive or solesource contracts.

The statutory framework of this bill is intended to implement the basic statutory reform recommendations of the Federal Procurement Commission-1969-72. Senator CHILES and I collaborated in 1974 to implement another principal recommendation of the Procurement Commission by establishing the Office of Federal Procurement Policy within the Office of Management and Budget. A second basic reform eliminated considerable paperwork by expediting purchases of small-purchase items up to a limit of \$10,000. However the inconsistencies and inefficiencies in formal procurement procedures have continued unabated. Thus. this bill is the logical next step in procurement reform that would complete a major portion of the unfinished agenda from the Procurement Commission's recommendations.

The basic statute controlling Federal civilian contract procedures is antiquated and in many instances anticompetitive. The basic law has not been reformed for more than 25 years. Government contracting officers have turned increasingly to sole-source contracts which have the advantage of conforming to agency specifications by prearrangement and by regulation. The trend toward Government contracts with explicit specifications often has squeezed competitive bidding out of the picture and in the process has squeezed out design innovation and technological breakthroughs.

The Federal budget is the largest single force for competition among businesses in this country. The budget is larger by far than the annual production of every major corporation. Furthermore, every major corporation does business with the Government and often conforms its business practice and production facilities to meet Government contract specifications. It is imperative therefore that Federal Government purchasing procedures foster competition and creative enterprise in our economy. If the Federal Government acts as a deadening force in the economy through its contract relationships with businesses, we endanger our whole economy by built-in sluggishness and uncompetitive busines practices. This threat is more than mere speculation when one considers the economic force of the Federal Government's billion in annual contracting activities

The reforms contained in this legislation are built upon several assumptions. The most basic is that the goal of purchasing the best product at lowest cost is best served by open and active competition for Government contracts. Second, the bill assumes that active competition will foster technological innovation and continued economic growth in our economy. Finally the bill accepts that consolidation of the two basic procurement statutes, with reduced reliance on contract specifications spelled out in advance by regulation, will yield considerable savings in Government administration and paperwork costs. The incentives and constraints of open competition will replace to the extent possible regulatory controls by Government.

The major recommendations of the Procurement Commission which this legislation seeks to implement are as

First. The bill would eliminate inconsistencies in the two primary statutes by consolidating them into a common statutory framework applicable to all executive agencies-civilian and military and provide in the statutory base for the Office of Federal Procurement Policy to implement basic procurement policies.

Second. The bill requires the use of formal advertising where sealed bids are obtained from several competitors when conditions permit this approach. Negotiated contracts may be substituted as an alternative to the sealed bid approach.

Third. The bill provides that a competitive number of sources will be solicited to compete for the Government's business. When contracts are not to be awarded on the basis of lowest cost the evaluation criteria must be specified.

Fourth. The agency must disclose the reasons for rejection to the unsuccessful bidder to help foster competition in the

Fifth. The exception to competitive negotiation for a contract is limited to situations where there is only one prospective source or where a public exigency or national emergency exists.

Sixth. The bill contains the provision for the use of simplified procurement procedures for contracts up to \$10,000 in amount. The ceiling would be reviewed periodically.

Seventh. Executive agencies are authorized to enter into multiyear contracts with annual appropriations up to a limit of 5 years.

Eighth. The bill emphasizes fixed price contracts to prevent cost overruns as

much as possible.

This bill could have a substantial and lasting beneficial impact on economic growth and competitive enterprise in this country and I urge my colleagues to give this legislation their careful consideration and active support.

The issues raised by this bill will be carefully reviewed in committee and there will be an opportunity for full comment by persons interested in procurement reform. The bill will be further refined as it proceeds through committee channels.

By Mr. PERCY:

S. 1265. A bill to amend chapter 21 of title 44, United States Code, to include new provisions relating to the acceptance and use of records transferred to the custody of the Administrator of General Services; to the Committee on Governmental Affairs.

PUBLIC ACCESS TO ARCHIVAL RECORDS

Mr. PERCY. Mr. President, a little over 2 years ago, Congress significantly strengthened the provisions of the Freedom of Information Act (5 U.S.C. 552) to facilitate public access to the records of the Federal executive branch.

During that same year-1974 also opened Government dossiers to the individuals who were the subjects of such files when we adopted the Privacy Act. We established a special study panel-this Commission on Federal paperwork-to assess the information gathering, processing, and storing practices of the Federal establishment. We also created an entity—the National Commission on Records and Documents of Federal Officials-to explore "the control, disposition, and preservation of records and documents produced by or on behalf of Federal officials." Both of these commissions are due to report their findings in the immediate future.

Last year Congress enacted the Government in the Sunshine Act, establishing the statutory presumption that the policy deliberations of collegial agencies of the Federal executive branch will be open to public scrutiny unless the permissive exemptions of the statute need be applied to close a particular session.

Consistent with these actions of the Congress, I am, today, introducing a proposal designed to preserve the records of the Nation and facilitate public access to those official holdings. This General Services Administration a few years ago, would amend chapter 21 of title 44, United States Code, to include new provisions relating to the acceptance and use of records transferred to the custody of the Administrator of General Services. While the full text of the measure may be found at the conclusion of my remarks, Mr. President, I would like to briefly outline the effects of the proposal and indicate my reasons for urging its adoption.

First, under present law (44 U.S.C.

2104), when the head of an agency states, in writing, restrictions he believes necessary or desirable in the public interest on the use of examination of records being considered for transfer to the Administrator of General Services for accessioning into the National Archives, the Administrator is obligated to impose restrictions without question and may not relax or remove them without the written concurrence of the agency head. This situation would be changed by my proposal to require the Administrator's concurrence in such access restrictions as might be sought by an agency head. It is important that the Administrator, in consultation with the Archivist of the United States and his expert staff, exercise a discretion in accepting records for archiving when access restrictions are being imposed. In any instance where the Administrator disagrees with the restrictions sought by an agency head, the records in question would, in effect, be refused archival status. Such records would remain with the agency and would be subject to the provisions of the Freedom of Information Act. In brief, the Administrator is being called upon in this proposal to not accept access restrictions inharmonious or otherwise inconsistent with the provisions of the freedom of information law.

Second, existing law (44 U.S.C. 2104) also requires that statutory or other access restrictions remain in force until the records are 50 years old, unless the Administrator orders a longer period of secrecy. My proposal would reduce the 50year duration of a restriction to 30 years and would require the Administrator to consult with the transferring agency before imposing a longer period of restriction. This action is sought to bring archival access restrictions into closer harmony with the spirit and intent of the Freedom of Information Act. However, in the event that concern is raised that this relaxed time constraint might cause the premature release of sensitive information, we must remember that the freedom of information law recognizes the effects of intervening statutes governing the release of certain types of information and also exempts records from disclosure when such would constitute a clearly unwarranted invasion of personal privacy. If the administrator should desire to extend the access restriction period beyond 30 years, justification for doing such should be consistent with standards established in relevant statutory law. Thus, with regard to the protection of personally identifiable information, the standards of the Privacy Act might be cited as a basis for access restrictions extending beyond 30 years. In any event, such extension would hopefully be for a fixed time period and would be selectively used for particular records and not applied to whole files or deposits.

Third, my proposal authorizes the Administrator to relax, remove, or impose restrictions in the public interest following the termination of an agency when no successor entity has been designated. Once again, the Administrator, in consultation with the Archivist and National

Archives experts, would be granted professional discretion to restrict access to archived materials but, as discussed above, justification for so doing should be consistent with the spirit and intent of the Freedom of Information Act and otherwise guided by relevant statutory standards bearer upon government information management.

In summary, Mr. President, I believe that this legislation which I am introducing today, will be agreeable to both the Congress and the executive branch. It is my opinion that it transcends partisan considerations in increasing the responsiveness of Government and in supplementing the spirit and intent of the Freedom of Information Act. I commend this proposal to the attention of my colleagues, and I look forward to its expeditious adoption.

Mr. President, I ask unanimous consent that the bill be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1265

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 21 of title 44, United States Code, is amended as follows:

(a) In section 2103 delete the words "fifty years" in subsection (2) and substitute in lieu thereof the words "thirty years"; and

(b) In section 2104 delete the third and fourth sentences in their entirety and substitute in lieu thereof the following:

When the head of an agency states, in writing, restrictions that appear to him to be necessary or desirable in the public interest on the use or examination of records being considered for transfer from his custody to the Administrator of General Services, the Administrator shall, if he concurs and in consultation with the Archivist of the United States, impose the restrictions on the records so transferred, and may not remove or relax the restrictions without the concurrence in writing of the head of the agency from which the material was transferred, or of his successor in function, if any. In the event that an agency is terminated and there is no successor in function, the Administrator is authorized to relax, remove, or impose restrictions on the agency's records when he determines that such action is in the public interest. Statutory and other restrictions referred to in this section shall remain in force until the records have been in existence for thirty years unless the Administrator by order, after having consulted with the Ar-chivist and the head of the transferring agency or his successor in function, determines as to specific bodies of records that for reasons consistent with standards established in relevant statutory law the restrictions shall remain in force for a longer

By Mr. PERCY:

S. 1266. A bill to establish a fund for activating authorized agencies, and for other purposes; to the Committee on Governmental Affairs.

Mr. PERCY. Mr. President, I am introducing today a bill designed to establish a fund for activating new commissions, committees, board, and small agencies during the period immediately following enactment of authorizing legislation and the time their appropriations become available. This bill authorizes an

appropriation of capital of not to exceed \$3 million to the fund for this purpose. Under the provisions of this bill, advances may be made from the fund for operating these organizations for a maximum period of 1 year, provided that such advances may not be made to any organization for which funds have been denied by Congress. Any advances from the fund shall be fully reimbursed from any appropriations made available for which the funds were advanced.

The fund would be administered by GSA, which currently performs administrative support services for more than 40 small commissions and committees. No advances will be made until after the expiration of 30 days from the date upon which the Administrator of General Services, through the Director of Management and Budget, submits a notificatif the Senate and House of Representatives.

This bill will overcome the crippling delays in activating these newly estab-

lished organizations, which in some instances has seriously jeopardized their meeting the time limitations prescribed

by the authorizing legislation. Several examples of these delays were—

The Aviation Advisory Commission was established by Congress pursuant to Public Law 91–258, approved May 21, 1970. This Commission was required to present its report and recommendations by not later than January 1, 1972. However, appropriations were not enacted for the funding of this Commission until May 25, 1971.

The Commission on the Review of National Policy Toward Gambling was established by Congress pursuant to Public Law 91-452, approved October 15, 1970, which provided for appointment of the members after October 15, 1972. The Commission Chairman and members were appointed December 23, 1972, but the initial appropriation was not enacted until October 30, 1973, almost a year later.

The Marine Mammal Commission was established by Congress pursuant to Public Law 92–522, approved October 21, 1972. The Commission Chairman and members were appointed May 14, 1973, but the initial appropriation was not enacted until November 27, 1973, 6 months later.

It is recognized that section 402 of the Congressional Budget and Impoundment Control Act of 1974, Public Law 93-344, provides a procedure for enactment of authorizing legislation approximately 1 year in advance of the fiscal year in which a new program goes into effect. Although section 402 provides a solution to funding problems of large departments and agencies which are dependent upon annual authorizations and can plan for appropriations far in advance, we believe that the small agencies covered by this bill, which were established in response to emergency situations and for short terms, will not be able to take advantage of section 402. Consequently, they are likely to suffer the same funding delays experienced by previously established commissions.

This bill is by no means intended to

encourage the proliferation of small boards, commissions, and other Federal organizations. Rather, it will alleviate a difficult funding situation by enabling legally established organizations of this type to begin to discharge more quickly their needed and duly authorized duties.

Mr. President, I ask unanimous consent that the bill be printed at this point in the RECORD

There being no objection, the bill was ordered to be printed in the RECORD, as

S. 1266

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That there is hereby established on the books of the Treasury a fund, which shall be administered by the General Services Administration. The fund may be capitalized at not to exceed \$3,000,000 and shall be available, without fiscal year limitation, for advance funding to activate Federal organizations including boards, commissions, committees, small agencies and other Federal organizations established by act of Congress or by Executive Order of the President, the funding for which is not otherwise provided. Advances from the fund may be made for operating a Federal organization for a maximum period of one year, provided that such advances may not be made to any organization for which funds have been denied by the Congress. Such advances shall be subject to approval by the Director, Office of Management and Budget. No advances will be made until after the expiration of 30 days from the date upon which the Administrator of General Services, through the Director of Management and Budget, submits a notification to the Committees on Appropriations of the Senate and House of Representatives

SEC. 2. Any advances from the fund established by this Act shall be fully reimbursed (without interest) from any appropriations made available for purposes for which the funds were advanced. The fund will also be credited with all reimbursements, and refunds or recoveries relating to personal property and services procured through the fund. Sec. 3. There is hereby authorized to be ap-

propriated, without fiscal year limitation, as capital to the fund created by this Act, an amount not to exceed \$3,000,000.

By Mr. PERCY:

S. 1267. A bill to amend sections 3303a and 1503 of title 44, United States Code. to require mandatory application of the General Records Schedules to all Federal agencies and to resolve conflicts between authorizations for disposal and to provide for the disposal of Federal Register documents; to the Committee on Governmental Affairs.

DISPOSAL OF OBSOLETE RECORDS

Mr. PERCY. Mr. President, at present the Federal Government stores in various facilities over 30 million cubic feet of records. Each year the growth of record holdings within the Government accelerates, and many of these records are held in duplicate or for periods far longer than is necessary or useful.

Today I am introducing legislation to curb this problem and to save over \$3 million annually. This legislation would achieve two ends. First, it would require the mandatory application of the General Records Schedules to records of Federal agencies to assist in the orderly disposition of such records. The General Records Schedules promulgated by the Administrator of General Services describe records of a common nature created by several or all Federal agencies. At present, these records constitute approximately 35 percent, or 10.5 million cubic feet, of the records within the Federal Government. Agency practices regarding disposition of these records under the present law usually result in their retention long after their usefulness has ended. Mandatory application of these schedules for all Federal agencies would require immediate disposal of the records, except in extenuating circumstances-that is, claims, litigation, or unusual operating procedures-when the records have served their normal purposes.

Second, the amendment of 44 United States Code 3303a would clarify the retention period for records in cases where an authorization by the Administrator of a general disposal schedule conflicts with a specific disposal schedule authorized for the records of a particular agency. In cases of such conflict, the shorter retention period is required, although, in extraordinary situations, the agency may apply for an extension.

As presently written, section 1503 of title 44, United States Code, provides for the retention in the National Archives of the originals of certain documents published in the Federal Register The statute also provides for inspection of these documents pursuant to regulations issued by the Administrator of General Services. Four categories of documents are now preserved under the requirement of section 1503:

First. Presidential proclamation and Executive Orders:

Second. Rules and regulations; Third. Proposed rules-notice to the public of proposed issuances-and

Fourth. Notices-hearings, investigations, committee meetings, and so forth.

With the exception of Presidential proclamations and Executive Orders, the historical and intrinsic value of retaining the original of all such documents published in the Federal Register is questionable. The National Archives now houses more than 1,000 cubic feet of Federal Register documents-projected to 2,000 cubic feet by 1980-with such documents receiving little, if any, use.

Due to the growing space problem in the National Archives, the disposal of certain of these documents would be most beneficial. This amendment would authorize the Administrative Committee of the Federal Register to develop and issue disposal schedules applicable to these Federal Register documents. The time retention of the documents would vary depending on the subject matter of each document Presidential proclamations and Executive orders would not be included and would be retained permanently because of their historical value. The implementation of this procedure would be relatively simple, requiring only categorization of the various documents according to the disposal

I feel confident, Mr. President, that this bill makes substantive progress in moving us closer to our commitment to eliminate waste and increase efficiency in the Federal Government That com-

mitment knows no partisanship nor any enemy save bureaucracy itself, and it is one I plan to augment through future introduction of cost-savings proposals like this one.

I ask unanimous consent that this bill and a cost-savings breakdown be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1267

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3303a of chapter 33, title 44, United States Code, is amended:

(a) by deleting subsection (b) of section 3303a in its entirety, and substituting

in lieu thereof:

"(b) Authorizations granted under lists and schedules submitted to to the Administrator under section 3303 of this title, and schedules promulgated by the Administra-tor under subsection (d) of this section, shall be mandatory, subject to section 3909 of this title. As between an authorization granted under lists and schedules submitted to the Administrator under section 3303 of this title and an authorization contained in a schedule promulgated under subsection (d) of this section, application of the authorization providing for the shorter retention period shall be required, subject to section 2909 of this title.";

(b) By striking out the word "may" and substituting in lieu thereof the word "shall" in the first sntehce of subsection (d); and

(c) By inserting immediately after last sentence of subsection (d) the following new sentence:

"A Federal agency may request changes in such schedules for its records pursuant to section 2909 of this title."

Section 1503 of chapter 33, title 44, United States Code is amended by deleting the fifth sentence and substituting in lieu thereof the following sentence:

'The original shall be retained by the General Services Administration and shall be available for inspection under regulations prescribed by the Administrator, unless such original is disposed of in accordance with disposal schedules promulgated by the Administrative Committee of the Federal Register pursuant to regulations issued under this chapter; however, originals of Proclamations of the President and Executive Orders shall be permanently retained by the Administration as part of the National Archives of the United States."

ESTIMATED ANNUAL SAVINGS THROUGH MAN-DATORY APPLICATION OF GENERAL RECORDS

Items 1 through 3 are based on agency submissions of ten comprehensive schedules per year which do not contain General Records Schedules as issued by GSA.

1. Eliminate agency manpower costs of scheduling records common to several or all Federal agencies. These manpower costs cover such activities as (1) inventorying files; (2) devising series description; (3) establishing disposition standards; and compiling lists of items for incorporation in agency records control schedules.

Estimated annual savings: \$150,000; 10

man-years at \$15,000 per man-year.

2. Eliminate NARS and GAO manpower evaluating those portions of agency schedules covering records common to several or all Federal agencies, and (2) comparing the agency disposition standards for such records with approved disposition standards in the General Records Schedules.

Estimated annual savings: \$80,000; 4 man-years at \$20,000 per man-year. 3. Reduce agency manpower and equip-

ment costs of publishing and printing agency records control schedules. The cost of NARS printing of increased number of General Records Schedules will be significantly less than the combined agency costs of publishing and printing individual schedules for records common to several or all Federal agencies.

Estimated annual costs (agency): \$50,000; Estimated annual costs (NARS): \$20,000 (preparation): \$5,000 (printing); Estimated

total savings: \$25,000.

4. Reduce NARS and agency manpower and equipment costs of storing an estimated 500,000 cubic feet of records (5% of 10 million cubic feet) common to several or all Federal agencies for varying periods of time in Federal records centers and agency file space.

Estimated annual savings \$2,694,000; 300,000 cu. ft. at \$8.98 per cubic

Estimated annual savings (NARS): \$144,000; 200,000 cu. ft. at \$.72 per cubic foot

Estimated total annual savings: \$2,838,000.

5. Reduce NARS manpower costs of processing transfers of records common to several or all Federal agencies into Federal records centers under a wide variety of individual agency records control schedules, since agencies increasingly will incorporate the mandatory General Records Schedules into agency records control schedules as supplements.

Estimated annual savings: \$75,000; one-half man-years per FRC at \$10,000 per man-

year

Estimated total annual savings \$3,024,000 to the government would result from mandatory application of General Records Schedules.

> By Mr. PERCY (for himself and Mr. RIBICOFF): S. 1268. A bill to increase the compensation of the Chairman and the members of the Board of Governors of the Federal Reserve System and of the Director and Deputy Director of the Office of Management and Bugdet; to the Committee on Governmental Affairs.

Mr. PERCY. Mr. President, the recent report of the Commission on Executive, Legislative and Judicial Salaries recommended significant increases in the compensation of Federal executives as a means of improving and restoring public confidence in Government institutions. The executive pay raises now in effect, together with the enforcement of strict codes of public conduct, should significantly enhance the Government's ability to attract executive personnel of exemplary competence and integrity.

The Commission ended its outstanding work with the observation that "a significant number of Federal Government jobs, both in the supergrades and executive levels, are evaluated erroneously."

It then goes on to identify two prominent examples of such erroneous classification which I believe to be so deserving of immediate rectification, that I commend them to my colleagues for immediate and positive action-specifically, the Director of the Office of Management and Budget and the Chairman of the Federal Reserve Board. Accordingly. I am proposing legislation which, by amendment to title 5 of the United States Code, would raise these positions from level II to level I of the executive schedule and correspondingly would raise the positions of OMB Deputy Di-

rector and Federal Reserve Board members from executive level III to level II.

The Bureau of the Budget was renamed the Office of Management and Budget in Reorganization Plan No. 2 of 1970, reflecting a basic change in the emphasis of that Office. In addition to its function of assisting the President in the preparation and execution of the Federal budget, the executive management responsibilities of OMB were expanded in the areas of program evaluation, interagency coordination, intergovernmental relations, management and organization improvement, development of new information systems, recruitment and development of career manpower, legislation review, and the coordination of Federal statistical services. OMB functions have been further elaborated and expanded by the Legislative Reorganization Act of 1970, and the Congressional Budget and Impoundment Act of 1974, which significantly enlarged the budget-making process, and by other recent enactments.

Recognition of the crucial role of the Office of Management and Budget spurred the passage of Public Law 93-250 in 1974, to require Senate confirmation of the appointments of both the Director and Deputy Director of OMB. The House report accompanying this bill openly acknowledged the widespread view that, and I quote, "Next to the President, the Director-of OMB-is the most powerful person in the executive branch." With reference to the "vast power and importance" of this position, the report notes:

The Director is not one of the "faceless" confidential advisers to the President. He stands in his own right as a policymaker and administrator. He directs an organization of 660 employees. His circulars and bulletins regulate, control, and limit Government performance in a variety of ways. More than 60 statutory provisions relate to the duties of the Director or his office.

Since the positions of Director and Deputy Director of OMB were assigned their current salary levels by the Federal Executive Salary Act of 1964, the Federal budget has more than tripled in sizefrom \$118.6 billion in fiscal year 1964 to an estimated \$417 billion in fiscal year 1977. The duties and responsibilities of the Director of OMB are comparable in importance to those of other officials at executive level I, but the Director is the only member of Cabinet rank subject to Senate confirmation who is not at that pay level. This differentiation can no longer be justified.

The compensation of the Federal Reserve Board Chairman at level II of the executive schedule is equally anomalous. As reported by the Commission on Executive, Legislative, and Judicial salaries:

By any standard, the Chairman of the Federal Reserve Board has responsibilities that one could argue are roughly equivalent to the Secretary of the Treasury. His position has many aspects of a career jobgiven the 14 year tenure. Thus, it does not offer the prospect of a short Government

A comparison of the salaries of the 12 Federal Reserve bank presidents with the current rate of executive level II reveals that all but one of the bank presidents received higher compensation

than the Chairman of the Federal Reserve Board. The salaries of the bank presidents range from \$2,500 to \$45,000 more than executive level III, the current pay level of the six members of the Federal Reserve Board.

Before the enactment of an executive pay raise bill in 1949-Public Law 81-359-the Chairman and members of the Board received the same compensation as Cabinet members, then \$15,000 annually. This earlier recognition of the Board's significance to national monetary policy and its now pervasive impact on the economy and society as a whole should be affirmed. It might also be noted that the statutory authorization for the Federal Reserve System-12 United States Code-has strict conflict of interest provisions that would easily satisfy modern efforts to impose rigorous codes of conduct on public officials.

Mr. President, I don't need to read the tea leaves to know that the subject of pay increases often strikes a disconsonant cord in many of us. Certainly it does not make for good press and, in the minds of many who are not asked to fill the shoes of those for whom a pay raise is proposed, there smacks of the "big spending" syndrome all over again.

Nevertheless, we must shoulder the responsibility to eliminate inequity whenever possible. The total cost of raising the levels of these nine inequitably compensated positions, as proposed, would be \$52,000 annually. While this is not a great deal of money by most modern standards-the issue is not the amount of money but whether these positions are to be reclassified to more accurately reflect their levels of complex and vitally important responsibilities. I can think of no other positions where the complexities and demands of a modern world have so increased these responsibilities and outstripped current classification levels. We cannot ignore these realities. It is for these reasons that I urge the expeditious adoption of this legislation...

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1268

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 5312 of title 5, United States Code, is amended by adding at the end thereof the following:

"(14) Director, of the Office of Management and Budget.

(15) Chairman, Board of Governors of the Federal Reserve System."

(b) Section 5313 of title 5, United States Code, is amended-

(1) by striking out-

"(10) Chairman, Board of Governors of the Federal Reserve System.

"(11) Director of the Bureau of the Bud-get."; and

(2) by adding at the end thereof the following new paragraphs:

"(24) Members, Board of Governors of the Federal Reserve System.

"(25) Deputy Director of the Office of Management and Budget.".

(c) Section 5314 of title 5, United States Code, is amended-

(1) by striking out-

(A) "(34) Deputy Director of the Bureau

of the Budget.
(B) "(43) Members, Board of Governors of the Federal Reserve System.".

ADDITIONAL COSPONSORS

S. 76

At the request of Mr. STONE, the Senator from Washington (Mr. Jackson) was added as a cosponsor of S. 76, a bill to amend title XVIII of the Social Security Act to authorize a payment under the medicare program for certain services performed by chiropractors.

S. 247

At the request of Mr. GOLDWATER, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 247, to provide recognition to the Women's Air Force Service Pilots.

S. 682

At the request of Mr. Magnuson, the Senators from New Hampshire (Mr. Mc-INTYRE and Mr. DURKIN), the Senator from Washington (Mr. Jackson), and the Senator from Minnesota (Mr. Hum-PHREY) were added as cosponsors of S. 682, the Tanker Safety Act of 1977.

S. 701

At the request of Mr. Pell, the Senator from New Jersey (Mr. WILLIAMS), the Senator from West Virginia (Mr. Ran-DOLPH), the Senator from Maine (Mr. HATHAWAY), the Senator from New York (Mr. Javits), and the Senator from Vermont (Mr. STAFFORD) were added as cosponsors of S. 701, the Emergency Educational Assistance Act.

S. 718

At the request of Mr. STONE, the Senator from Hawaii (Mr. Matsunaga) was added as a cosponsor of S. 718, to amend chapter 19 of title 38, United States Code, to require the Administrator of Veterans' Affairs to provide veterans with certain cost information relating to the conversion of Government-supervised insurance to individual life insurance policies.

S. 906

At the request of Mr. Pell, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 906, a bill to prohibit discriminatory practices with respect to physically handicapped per-

S. 1011

At the request of Mr. Roth, the Senator from Missouri (Mr. DANFORTH) and the Senator from Arkansas (Mr. Mc-CLELLAN) were added as cosponsors of S. 1011, to amend title 18, United States Code, to prohibit the sexual exploitation of children and the transportation in interstate or foreign commerce of photographs or films depicting such exploitation.

S. 1040

At the request of Mr. ROTH, the Senator from Arkansas (Mr. McClellan) was added as a cosponsor of S. 1040, to amend the Child Abuse Prevention and Treatment Act to prohibit the sexual exploitation of children and the transportation and dissemination of photographs or films depicting such exploitation.

S. 1072

At the request of Mr. Cannon, the Senator from Hawaii (Mr. Matsunaga) and the Senators from Minnesota HUMPHREY and Mr. Anderson) added as cosponsors of S. 1072, to establish a universal voter registration program.

SENATE RESOLUTION 124

At the request of Mr. KENNEDY, the Senator from Minnesota (Mr. Anderson) and the Senator from Illinois (Mr. STEVENSON) were added as cosponsors of Senate Resolution 124, relating to the ending of all nuclear explosions.

SENATE CONCURRENT RESOLUTION 15

At the request of Mr. WEICKER, the Senator from South Dakota (Mr. Abou-REZK), the Senator from Alaska (Mr. GRAVEL), and the Senator from Oregon (Mr. HATFIELD) were added as cosponsors of Senate Concurrent Resolution 15. to reduce the threat of chemical warfare.

AMENDMENT NO. 180

At the request of Mr. BUMPERS, the Senator from Michigan (Mr. GRIFFIN) was added as a cosponsor of Amendment No. 180 to the bill (H.R. 3477), the Tax Simplification and Reduction Act of

AMENDMENTS SUBMITTED FOR PRINTING

YOUTH EMPLOYMENT AND TRAINING ACT OF 1977-S. 1242

AMENDMENT NO. 184

(Ordered to be printed and referred to the Committee on Human Resources.) Mr. JAVITS (for himself and Mr. HUMPHREY) submitted an amendment intended to be proposed by them to the bill (S. 1242) to provide employment and training opportunities for youth.

AGRICULTURE AND CONSUMER PROTECTION AMENDMENTS-S. 275

AMENDMENT NO. 185

(Ordered to be printed and referred to the Committee on Agriculture, Nutri-

tion, and Forestry.)

Mr. RIEGLE. Mr. President, I would like to submit for Senator McGovern and myself, an amendment to S. 275, which would authorize Federal payment of administrative costs for the supplemental food program. This program provides iron- and protein-rich commodities to low-income pregnant women and to children under 6 who are in need of nutritional supplements.

A child deprived of proper nutrition will never develop to full mental capacity. Proper nutrition must occur in two stages. The first of these is very early in pregnancy. The unborn child is completely dependent on what nutrition is available to its mother. If a woman does not receive proper nutrition during her pregnancy, there is a very good chance that her child's brain or body will never develop to its potential capacity.

The second critical stage where proper nutrition is a must, begins about the 20th week of pregnancy and continues until at least 2 years after birth. This stage is perhaps the most vulnerable stage of

brain development, and inadequate nutrition will inflict a lasting damage that cannot be corrected.

The child whose brain is damaged or whose growth is stunted because of poor diet faces a life of dependency and poverty. If we simply examine the human plight of nutritionally vulnerable women and children, the moral considerations involved would seem to be of such consequence to insure that adequate steps be taken to prevent such damage. However, if that is not enough, then costcutters could approach this from a dif-ferent vantage point. The costs associated with providing nutritional supplements to vulnerable women and children are far less than the cost to future generations in terms of providing health care, lost productivity, and perhaps deon the public assistance pendency system.

There are presently about 44 supplemental feeding programs serving over 104,000 women and children, the largest being Focus: HOPE in Detroit. The Department of Agriculture provides about \$17.1 million worth of food a year for all the programs, but no funds to pay administrative, delivery, storage, public information or nutrition education costs. This has meant that program sponsors have been forced to seek money for those activities from local and State agencies or other Federal departments. Many programs have not been able to secure outside funding sources and have been forced to close. The supplemental food program operated jointly by the Memphis Area South project and the St. Jude Children's Research Hospital in Memphis, Tenn., is currently facing this particular crisis, and may soon be forced to close its doors to hundreds of needy pregnant women and children. Other programs have, at times, had food available but no way to get the commodities to the people they seek to help.

This legislation would provide permanent authority for the supplemental food program. It would also require the Agriculture Department to provide additional funds of up to 20 percent of the value of commodities to each program to pay administrative and other nonfood costs. Based on a projected budget authority of \$17.6 million for fiscal year 1978, the proposal would cost at most \$3.52 million in additional funds.

The amendment will also require the Agriculture Department to:

Provide nutritional food recognizing the cultural patterns of the recipients: Provide equivalent substitutions if a

shortage of a particular item occurs; and Provide specific types of foods which are to be made available, including any special formulas for babies or pregnant women declared necessary by qualified

medical personnel.

This program provides the most efficient and effective means by which we can tackle the problem of malnourishment and prevent the problems of those who might be permanently damaged by diet deficiencies. The only "medicine" which can prevent malnourishment and undernourishment is food. By providing administrative moneys for supplemental food programs we can insure that these

programs will continue to prescribe food for vulnerable low-income women and children as a preventive "medicine."

The late Senator Philip A. Hart and Senator McGovern introduced similar legislation in the second session of the 94th Congress. I can think of no greater tribute the Congress could pay to Phil Hart, than to insure that a program to which he was deeply committed be able to continue to provide nutritional supplements to pregnant women and children.

Mr. President, I ask unanimous consent that a list of States operating supplemental food programs in November 1976, an article about the nutritional benefits of the supplemental feeding program, an article about the effects of malnutrition, and the text of the amendments be printed at this point in the Record

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 185

On page 96, line 2, "(a) immediately after "SEC. 1304.".

On page 96, between lines 6 and 7, insert a new subsection (b) as follows:

(b) The Agriculture and Consumer Protection Act of 1973, as amended, is amended by—

(1) redesignating section 5 of the Act as section 6; and

(2) inserting after section 4 of the Act a new section as follows:

"COMMODITY SUPPLEMENTAL FOOD PROGRAM

"Sec. 5. (a) (1) In carrying out the supplemental feeding program (hereinafter referred to as the 'commodity supplemental food program') to which reference is made in section 4 of this Act, the Secretary of Agriculture shall pay to each State or local agency administering any such program all administrative costs in any fiscal year not in excess of an amount equal to 20 per centum of the total amount of the value of commodities made available to the State or local agency for such program in such fiscal year. In no case shall any State or local agency receive less for administrative expenses in any fiscal year than it received in the fiscal year in which this section was enacted.

"(2) Within six months after the date of enactment of this section, each State or local agency participating in the commodity supplemental food program shall submit to the Secretary a report describing the manner in which nutrition education services are being provided to the recipients of food under the program. The payment of administrative expenses by the Secretary under paragraph (1) of this subsection shall not, however, be conditioned upon the submission of such report by any State or local agency.

"(3) During the first three months of any commodity supplemental food program, or until such program reaches its projected caseload level, whichever comes first, the Secretary shall pay those administrative costs necessary to commence the program success-

"(b) The Secretary of Agriculture shall take into account medical and nutritional requirements and cultural eating patterns to the extent necessary to provide a nutritionally adequate diet for recipients under the commodity supplemental food program.

"(c) The Secretary of Agriculture shall make appropriate provision for equivalent substitutions of commodities where shortages occur in the commodity supplement food program.

program.

"(d)(1) Administrative costs for the purposes of the commodity supplemental food program shall include, but not be limited

to, expenses for information and referral, operation, monitoring, nutrition education, start-up costs, and general administration, including staff, warehouse and transportation personnel, insurance, and administration of the State or local office.

the State or local office.
"(2) In carrying out the commodity supplemental food program, the Secretary of Agriculture shall require that the food made available to any recipient under such program include, but not be limited to, the following: dried egg mix, canned fruits, canned fruit juice, canned vegetables, iron fortified cereal, infant cereal, canned meat and canned poultry, evaporated milk, instant fortified nonfat dry milk, peanut butter, instant potatoes, dried beans, and corn syrup. In addition, the Secretary shall require that the food contain commercially formulated preparations specifically designed for women or infants in those cases where, in the opinion of qualified medical personnel, such formulations are necessary to meet the medical and nutritional needs of the individual program recipient involved.

"(3) During each fiscal year the commodity supplemental food program is in operation, the same types and varieties of commodities in the same proportional amounts as are available at the beginning of the fiscal year (or as were available during the fiscal year ending June 30, 1976, whichever is greater) shall be maintained

throughout the fiscal year.

"(e) The program authorized by this section shall be carried out supplementary to the special supplemental food program, the food stamp program (without regard to whether an area is under the food stamp program), and the food distribution program. The commodity supplemental food program shall operate side by side with any existing special supplemental food program, if the State or local agency responsible for carrying out such commodity supplemental food program establishes safeguards to prevent participation by households and individuals in both the commodity supplemental food program and the special supplemental food program and the special supplemental food program.

"(f) No State or local agency may prohibit children under six years of age from receiving benefits under the commodity supplemental food program if they are otherwise eligible to receive such benefits.

"(g) The Secretary of Agriculture is authorized to issue such regulations as may be necessary to carry out the commodity supplemental food program.".

Supplemental food program: November 1976

	tal	104.	
Children Women			537 155
			914

State	Numb of pr	-0	1	Partici- pation	Amount
Arkansas		10		7, 197	\$79,507
California		2		7,549	82,870
Colorado		6		9,858	105, 988
Washingto				0.007,003/100	
D.C		1		9,510	100, 591
Illinois		1		4, 682	50, 529
Iowa		4		2,623	28, 138
Louisiana		1		11, 661	135, 117
Michigan		1		26, 941	345, 989
Minnesota		1		874	5, 451
Nebraska		1		3,027	34, 049
North Car	rolina_	4		2,500	31,077
North Da		2		122	1, 014
South Da		1		1,311	8, 722
Tennessee		9		16, 751	194, 433
			_		

Total_____ 104, 606 1, 203, 475

NUTRITIONAL BENEFITS FROM FEDERAL FOOD ASSISTANCE

(A Survey of Preschool Black Children From Low-Income Families in Memphis)

(By Anthony G. Kafatos, M.D., M.P.H., and Paul Zee, M.D., Ph. D.)

Approximately 4,000 preschool black children from low-income families in South Memphis participated for three years in a supplementary food program sponsored by the U.S. Department of Agriculture. Part of this group received additional benefit from food stamps, day-care centers, and an infant-feeding program. We evaluated the effects of this participation in 250 children selected randomly from the enrollment list of the supplementary program. Each child was examined for height, weight, head circumference, and levels of hemoglobin, serum iron, and vitamins A and C. The data were then compared with those from a similar survey in the same area conducted three years before.

The results of this comparison indicate considerable improvements in height and weight and a reduction in the incidence of anemia and in the numbers of children with low plasma vitamin A levels.

In the absence of other recognizable intervening factors, we conclude that federal food assistance programs were primarily responsible for the observed nutritional improvements. (Am J Dis Child 131:265-269, 1977)

In 1969, high frequencies of stunted growth and anemia were found within the preschool population of a predominantly black com-munity in South Memphis. These defi-ciencies were attributed to an inadequate diet due to low family income, and these data provided us with baselines for evaluating the effects of increased federal food assistance to the children of this urban community. Reported here are the results of a follow-up nutrition survey conducted in 1972 after the study population had participated for three years in a supplementary food pro-gram sponsored by the U.S. Department of Agriculture (USDA) and had received additional benefit from food stamps, day-care centers, and an infant-feeding program. centers, and an infant-feeding program. These findings, by comparison with baseline values, demonstrate considerable improvements in height and weight and a significant decrease in the frequency of anemia.

COMMUNITY CHARACTERISTICS

The subjects of this survey were all residents of a predominantly black community in South Memphis. The area encompasses nine census tracts and in 1970, had a population of 37,520, of whom 4,972 were under 6 years of age.2 Living conditions from 1969 to 1972 were typical of those in urban poverty neighborhoods: nearly 20% of the 10,902 occupied housing units were dilapidated or deteriorating; overcrowding was common, with more than one person per room in 30% of the houses; and many homes were without adequate kitchen or plumbing facilities. The median family income for each of the nine census tracts ranged from \$2,986 to \$4,783 a year. Yearly earnings for one half of the families were below official poverty guidelines, and 34% to 54% of this group received public financial assistance. According to census statistics, 11.4% of the male labor force was unemployed in 1970.2

Averaged data on infant mortality and prematurity in the community were available for the period of 1966 to 1971 (Memphis and Shelby County Public Health Department, unpublished data, September 1973). From 1966 to 1968, infant mortality per census tract ranged from 22 to 84 per 1,000 live births (Memphis mortality, 25 infants); from 1969 through 1971, they ranged from 13 to 37 per 1,000 live births (Memphis mortality, 17.5 infants). The incidence of low birth weights ranged from 18 to 28 per 100 live

Footnotes at end of article.

births in 1966 to 1968 (Memphis rate, 12 infants) and from 14 to 25 per 100 live births in 1971 (Memphis rate 10.1 infants)

Three clinics staffed by nurses and nurse practitioners from the Public Health Department are open in the area on weekdays to provide immunizations and treatment for minor illnesses. Before 1969, the majority of preschool children in this community did not benefit directly from federal food assistance. Only 14% of the families participated in the food stamp program, and USDA supplementary foods were not being distributed in the area. The nutritional status of these children was poor. Approximately 50% of the preschool population were below the 25th percentiles for height and weight on anthropometric charts, and low plasma vitamin A levels and anemia were common. These deficiencies correlated with low income and a consequent inability to obtain a sufficient quantity and quality of food. Early in 1969 a supplementary food pro-

was initiated in the community through a contract between the U.S. and Tennessee Departments of Agriculture, the Memphis and Shelby County Health Department, St. Jude Children's Research Hospital, and Memphis Area Project South (MAP-South), a black self-help organization that has been active in the area since 1967. Families in need of supplementary food are identified by MAP-South neighborhood aides who live and work in the community. Medical personnel at St. Jude Hospital authorize the distribution of food, using the following criteria to determine eligibility: (1) the family must reside in the MAP-South area (nine census tracts), (2) family income must be below poverty guidelines of the federal government, and (3) the children must be less than 6 years of age.

The types and quantities of supplementary food are determined from criteria of the USDA. The monthly allotment for children of three different age groups is presented in Table 1. In addition, a prepared infant formula enriched with iron, minerals, and vitamins had been provided since 1970 to all newborns in the community for the first six months of life. This formula and occasionally other foods are financed from private sources

POPULATION SAMPLE

The population surveyed consisted of approximately 4,000 preschool children enrolled in the supplementary food program in 1972. Cross-sectional samples and sampling procedures were similar to those in the 1969 survey. Every 12th family chart was taken from the MAP-South files for a total of 340 charts. Despite at least three attempts, 26% of the families could not be contacted at home or the legal guardian was not available to give consent. Another 32% of the families were lost because of incomplete or incorrect addresses or because a child had become ineligible for the survey. Moving without leaving a new address was the most frequent cause of our failure to locate families in the original sample. The migratory nature of the study population was not unexpected, as the 1970 census indicated that 49% of the residents had moved since 1965.2

From the 340 charts, we were able to locate 154 families with 250 preschool children (primary sample). The distribution of this sample by age and sex is given in Table 2. A secondary sample of 60 children, or every 4th child in the primary sample, was brought to the St. Jude Nutrition Clinic for a complete pediatric work-up.

MATERIALS AND METHODS

All home visits and measurements were made by one of us (A.G.K.) with the help of an assistant from the St Jude Nutrition Clinic. The purpose of the visit was explained to the parents and with their consent, the child's general condition was evaluated. Recumbent length or height was measured with a metal tape permanently attached to a plank with a fixed headboard. Weights were determined with a portable scale that was standardized with a 11.3-kg weight before each examination. Each height and weight was plotted on the appropriate anthropometric percentile grid of Stuart and Stevenson. Head circumferences were measured with a plastic tape and plotted on the Nellhaus grid.⁵ The variability in physical measurements between the 1969 and 1972 surveys could not be tested.

TABLE I .- MONTHLY ALLOTMENT OF USDA SUPPLEMEN-TARY FOOD TO CHILDREN 0 TO 6 YR OF AGE

		Quantity	per child group	by age
Food item	Unit of issue, grams	0 to 12 mo	12 mo to 3 yr	3 to 6 yr
Evaporated milk	Can, 369	30 2 3 2 2 0 0	30 2 0 3 4 1 4 0	10 2 0 3 4 1 4
milk. Peanut butter 2 Instant potatoes 3	Can, 907 Package, 454_	0	1	1

TABLE 2.-PRIMARY SAMPLES: DISTRIBUTION BY AGE AND SEX I

	Boy	s	Girls	s
Age, year	1969	1972	1969	1972
0 to 1 1 to 2 2 to 3 3 to 4 4 to 5 5 to 6	13 20 24 27 38 31	20 14 21 15 20 20	8 29 23 23 23 30 34	19 24 21 27 22 27
Total	153	110	147	140

¹ Total boys and girls: 300 in 1969, and 250 in 1972.

Capillary blood was obtained for the following tests: (1) hemoglobin concentrations and red and white blood cell counts by Coulter counter, which automatically computes the hematocrit and red blood cell indices; total serum protein content and serum albumin value,6 (3) vitamin A and C levels.79 Test results were analyzed by the X-square method.10

Children in the secondary sample received complete pediatric examination. This included blood tests for the presence of sickle cell hemoglobin and glucose-6-phosphate dehydrogenase deficiency, 11 as well as measurement of serum iron value and total ironbinding capacity.12

RESULTS

In 1969, 16% of the preschool children in this urban community were below the 3rd percentiles for height and weight on the Stuart-Stevenson grid, and 50% were below the 25th percentiles. 14 By 1972, heights had shifted significantly to a more normal distribution, and weights were significantly improved in the 25th and 50th percentile groups (Table 3). Head circumferences were more than two standard deviations below the reference mean in 15% of 300 children surveyed in 1969. Three years later, the frequency of below-normal head sizes was 12% among 250 children who were 0 to 6 years of age and 9% among 77 children who were 0 to 2 years of age, all of whom had received an enriched infant formula for the first six months of life.

The possible contribution of low birth weights (<2.500 gm) to the above findings was examined. Precise birth weights were

available for 226 of the 250 children in our primary sample. Of this number, 30 children weighed less than 2,500 gm at birth. In the present survey, 45% of this group were above the 50th percentile for height; the remaining children were clustered in the lower percentiles. As shown in Table 4, this latter group did contribute to the excess number of small children encountered during the survey but the effect was slight.

TABLE 3.—DISTRIBUTION OF HEIGHTS AND WEIGHTS ON ANTHROPOMETRIC CHARTS 1

	Heights 2		Weig	thts 2
E PRINCE	1969	1972	1969	1972
Below 3d percentile, percent. Below 25th percentile, percent. Below 50th percentile, percent. Below 75th percentile, percent. Total number of children.	-16 -50 -70 -90 300	6 29 54 72 250	16 50 73 86 300	120 39 58 78 250

¹ Reference values were those of Stuart and Stevenson.

² Changes in height were statistically significant (P<.001) for all percentile groups, whereas those for weight were significant in the 25th (P<.01) and 50th (P<.001) percentile groups

TABLE 4.—CONTRIBUTION OF CHILDREN WITH LOW BIRTH WEIGHT TO FREQUENCY OF SUBNORMAL HEIGHT AND WEIGHT (PERCENT)

	Hei	ght	Wei	ight		
	Below 3d per- centile	Below 10th per- centile	Below 3d per- centile	Below 10th per- centile	Total number of children	
1969			1100	13.19		
Normal birth weight Normal and low	15. 0	25. 7	10.7	22.9	140	
birth weight	17. 4	28. 9	16, 2	28. 3	166	
Normal birth weight Normal and low	5. 1	11.2	9.7	19. 9	196	
birth weight	5.8	11.9	11.5	23. 0	226	

TABLE 5 .- MEAN HEMOGLOBIN AND HEMATOCRIT LEVELS IN PRIMARY SAMPLES

	Hemog concentr gm/10	ration.	Hematocrit reading, percent	
Age group, years	1969	1972	1969	1972
0 to 3: Number of patients Mean SD 3 to 6:	123 10.9 1.4	119 11.5 1.2	123 33. 7 2. 9	119 33. 9 3. 4
Number of patients Mean SD	177 11.6 1.1	131 11.8 .9	177 34. 4 2. 4	131 35. 2 2. 6

TABLE 6.-DISTRIBUTION OF HEMOGLOBIN LEVELS

	Children, percent 1					
Hemoglobin range, grams per 100 ml	0 to 3 yr		3 to 6 yr			
	1969	1972	1969	1972		
Less than 9.0. 9.0 to 9.9. 10.0 to 10.9. 11.0 to 11.9. 12.0 to 12.9. 13.0 to 13.9. More than 14.0.	9. 8 17. 9 22. 0 25. 2 21. 1 3. 2 . 8	5. 0 5. 9 18. 5 32. 7 31. 1 5. 0 1. 7	1.7 7.9 15.3 40.7 24.3 8.5 1.7	0 3.8 6.9 39.7 40.5 7.6		

¹ The prevalence of hemoglobin levels below 10 grams per 100 ml in children 0 to 3 yr of age dropped from 27.7 percent in 1969 to 10.9 percent in 1972 (P<.001). In the older children, the frequency of hemoglobin values below 11 grams per 100 ml dropped from 24.9 percent to 10.7 percent (P<.01). The total number of children 0 to 3 yr of age in the 1969 survey was 123; in the 1972 survey, 119. The total number of children 3 to 6 yr of age in the 1969 survey was 177; in the 1972 survey, 130.

Wheat cereal.
 Discontinued from August 1970 to April 1972.
 Discontinued in February 1971.

Footnotes at end of article.

TABLE 7.- FREQUENCY OF LOW BLOOD LEVELS OF VITAMINS A AND C

THE PERSON NAMED IN	Perce	nt
Deficient or low concentrations 1	1969 (57 children)	1972 (250 children)
Vitamin A: <10 µg/100 ml <20 µg/100 ml	18 44	² 6 ² 27
<pre>Vitamin C: <0.1 mg/100 ml <0.2 mg/100 ml</pre>	a NT NT	5 18

¹ Data from Interdepartmental Committee on Nutrition for National Defense.

² P<0.001.

Mean hemoglobin concentrations and hematocrit readings are shown in Table 5. Although averaged hemoglobin values were normal (> 10 gm/100 ml) for the 0- to 3-year-old age group in both surveys, the frequency of anemia was significantly greater in 1969 than in 1972 (Table 6). In the first survey, 27.7% of preschool children had hemoglobin levels of less than 10 gm/100 ml, compared to 10.9% three years later. This decrease in prevalence of anemia was more clearly demonstrated in the children who were born after 1970 and who were thus eligible for an iron-enriched formula during the first six months of life. Only 10% of this group had hemoglobin values below 10 gm/100 ml, whereas in the prior survey the rate for children born from 1967 to 1969 was 40%. When low-birth-weight infants were excluded, these frequencies were 11% and 39%, respectively. Significant decreases in frequency of anemia were also noted for the 3- to 6-year-old age group (Table 6).

Serum iron values for 55 children from the 1972 secondary sample substantiated the presence of iron-deficiency anemia (Fig. 1). Fifty-three per cent of the children less than 2 years of age had transferrin saturation values under 15%, and 37% of those between 2 and 6 years of age had values of less than 20%, which is compatible with iron deficiency. Thirty-six per cent of the children had normal hemoglobin levels associated with low transferrin saturation. The prevalence of sickle cell hemoglobin (7%) and the glucose-6-phosphate dehydrogenase deficiency (11%) in the secondary sample was comparable to that in the general black population.

The mean plasma vitamin A concentration (\pm SD) in 1969 was 22.6 \pm 13.0 μ g/100 ml and in 1972 it was 26.8 \pm 20.3 μ g/100 ml. Mean carotene levels (\pm SD) were 90.2 \pm 33.2 μ g/100 ml and 88.9 \pm 39.7 μ g/100 ml, respectively; in both survey years, two thirds of these values were within the low or acceptable range, i.e., below 100 $\mu g/100$ ml. Inherent in the vitamin A-carotene procedure is the possibility that the high carotene values may be associated with low vitamin A levels. This correlation was indeed present in our sample but to a low de-(correlation coefficient, r=0.30) when deficient vitamin A levels were correlated with their associated carotene concentration. Carotene values ranged from 14 to 197 ug/100 ml and fell well within the range of linearity for our method, which is from 0 to 300 μ g/100 ml.

Although no gross clinical signs of hypovitaminosis A were noted in 1969, 44% of 57 randomly selected preschool children had plasma vitamin A levels below 20 $\mu g/100$ ml (Table 7), the lowest acceptable value in healthy children.9 In 1972, only 27% of 250 children had levels below this concentration. Ascorbic acid concentrations, not measured in 1969, were low in 18% of all children examined and deficient in 5.2% (Table 7). Albumin levels below 3.5 gm/100 ml were

found in 5.7% of 209 children in 1969 but in only 2% of the 248 children examined in 1972, which represents a statistically significant improvement (P<.05).

Physical examinations, chest roentgenograms, and skin tests for tuberculosis and histoplasmosis showed no evidence of serious chronic infections. The incidence of mild

upper respiratory tract or skin infection was 25% in 1969 and 20% in 1972. White blood cell counts higher than 10,000/cu mm were found in 20% of the children in 1972.

Economic conditions in the community remained depressed during the evaluation period (Table 8). Half of all families surveyed earned less than \$2,500 a year, compared to \$1,838 a year in 1969. The 1972 federal poverty guidelines 3 list \$2,790 as the lowest acceptable annual income for a family of two and \$5,880 for a family of seven, the median number in this study. Participation in the federal food stamp program rose from 14% in 1969 to 56% in 1972, while percentage of children receiving free meals at day-care centers rose from 0% to 10%. The median charge for food stamps purchasing \$145 of food was \$38 a month Seventeen per cent of these households did not spend additional cash for food; the remaining families spent an extra \$35 a month on meals.

COMMENT

Federal support to child nutrition programs increased substantially during the three-year period from 1969 to 1972. In fiscal 1972 Congress appropriated \$1.2 billion for this purpose, a three-fold increase over the 1969 appropriation.13 Although several smallscale evaluations have been completed and ambitious studies are underway,13 14 the benefits of this strengthened federal support are still doubted by some.15

TABLE 8.-INFORMATION FROM FAMILY INTERVIEWS 1

	1969	1972
Median annual income per household	\$1, 838 \$334 6. 8 14	\$2,500 \$396 7.0 56

Data compiled from 130 (1969) and 145 (1972) successful

The present survey indicates definite nutritional improvement among black preschool children who participated in federal food assistance programs in South Memphis. High frequencies of retarded height and weight, noted in 1969, had significantly decreased by 1972, with the distribution of heights approaching that for healthy white children living under normal conditions of home life in Boston (Table 3). Data for healthy black children receiving optimal care were not available for comparison; however, growth rates for blacks have been found by others to be nearly identical to those of whites.16, 18 The frequency of anemia also improved significantly during this period, from approximately 25% in 1969 to 11% in 1972 (Table 5).

As in most large-scale nutrition surveys, the data in this study are cross-sectional and do not speak to the nutritional experience of individual children. We encountered uncontrollable variables that prevented direct correlation of food consumption with nutritional improvement. For instance, we were not able to monitor a child's actual daily intake of food, nor could we control whether or not a family collected its food allotment on a regular basis. Nevertheless, in the absence of other recognizable intervening factors, we believe that the following factors were primarily responsible for the observed nutritional improvements; community implementation of a USDA supplementary food program, (2) six-months'

provision of a fortified infant formula to all newborn infants in the community, (3) a 56% participation in the food stamp gram, and (4) free meals provided by day-care centers. Changes in family size and annual family income (Table 8) were not sufficient to be considered as major contributing factors. A social and political awakening within the population could have stimulated greater self-reliance and resourcefulness and hence resulted in improved diets, but this possibility could not be substantiated. A reduced rate of prematurity in the ninecensus-tracts area would have contributed to improved growth indices, but the annual percentages of low birth weights in the 1969-to-1972 period were not significantly different from each other (16.0%, 16.5%, and 17.6%, respectively).

Despite the improvements demonstrated by this survey, a number of nutritional deficiencies still persist in this preschool population. A probable explanation is that the food packages are not designed to guarantee intake of all necessary nutrients. The persistence of anemia in these children undoubtedly stems from insufficient iron to supplement the home diet. Farina, a wheat cereal fortified with iron, is distributed throughout the community but is disliked by most of the children and consequently not eaten. The high incidence of low vitamin A and C levels may be due to a variety of reasons: the scarcity of vegetables and fruits in the Memphis ghetto diet; the aversion of most children to vegetables, even if they are offered; and the low vitamin A content of the supplementary foods. Some of these deficiencies could be corrected by proper nutritional counseling, which presently is a serious omission in food distribution programs involving commodities or stamps. However, the expense of providing a large population with professional counseling can be prohibitive. Certainly a less expensive and equally effective approach would be to adjust the commodity food program to the deficiencies of its recipients. Such programs should also provide more protective foods. A striking example of how effective this can be was shown by an earlier study of infants who received a six-months' supply of iron-fortified formula after birth.19 Frequencies of anemia and hypovitaminosis A in this group were significantly lower than in a similar group fed evaporated milk.

We conclude that federal food assistance to preschool children produces significant improvements in growth rates and other nutritional measurements and that such programs should be improved and continued to eradicate persisting deficiencies.

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STARVED BRAINS-"A GENERATION OF CLUMSY, FEEBLE-MINDED MILLIONS

(By Roger Lewin)

We know the picture well: the bloated bellies, stick-thin arms, and sad listless eyes that mark severe malnutrition. Countries sapped by chronic food shortages or thrown into despair by sudden devastating famines and war have burned those images into our conscience. But less dramatic, and therefore more insidious, are the effects of long-term undernutrition, which more than 300 million children already suffer.

Although these children may escape the worst rigors of starvation, there is now mounting and inescapable evidence that their intellectual development suffers damage from which there is no chance of complete re-

The beautifully complex architecture of the human brain follows an innate blueprint, but factors in the environment of the growing infant partly influence its final form, and therefore its final performance. One major factor during the early stages of brain development, we now realize, is an adequate supply of food. Without the necessary flow of nutrients the brain simply cannot create the structures-the cells, the wiring, and the complex circuits—that fuse to form the functioning human mind.

Researchers in Europe, Africa and South America are also learning of a delicate but crucial interplay between adequate diet and environmental stimulation in the first two years of life. During this critical period the brain's potential has to be reached, or it is too late. There is no second chance. An infant deprived of nutrition or stimulation will never develop to full mental capacity. The implications of this situation are frightening: cycles of poor nutrition and environmental poverty enhance each other, leading to personal suffering and chronic social malaise. Today 70 percent of the world's population seriously risks permanent brain damage.

The critical period of development of the human brain results from its peculiar pat-

tern of growth. At birth an infant's brain has already reached 25 percent of its adult weight, and by six months it is half way to the final target. In comparison, total body weight at birth is a mere five percent of its adult maximum, and reaches the 50 percent mark only at age 10.

Until recently we had no clear picture of the stages and timing of human brain growth. Now, John Dobbing and Jean Sands of the University of Manchester, England, have examined the composition of almost 150 human brains ranging in age from 10 weeks of gestation to seven years. What they found helps us understand the effects of malnutrition in children.

PROGRESS OF THE BRAIN

Basically, the brain grows in two stages. First, between weeks 10 and 18 of pregnancy, the adult number of nerve cells develops. Second, beginning about week 20, the brain's packing cells (the oligodendroglia) begin to followed by the production of the insulating material (myelin) that coats the long fibers along which the nerve cells send their messages. This second stage continues for at least two years after birth: myelination progresses at a lower rate until the age of four years. The second stage, known as the brain-growth spurt, represents the most vulnerable period of brain development. It is the critical period when inadequate nutrition and lack of stimulation inflict the most lasting damage.

Before Dobbing and Sands laid out clearly the timing of the human brain's growth spurt, we assumed that most of the brain's important development took place prenatally and was more or less complete by birth. But their demonstration that about five-sixths of the growth spurt comes after birth forced an awareness of the hazards of prolonged malnutrition in the early years of life.

There are several ways of exploring what happens to an infant nurtured in an impoverished womb and born into a world where he or she is deprived of food. One can study what physically happens to the brain or one can examine the physical and behavioral consequences of malnutrition in animals. Or one may observe children born under deprived cirmumstances and determine the effect of environmental factors in

improving or worsening their condition.
One thing that is more or less safe from nutritional insult in the growing human brain is the number of nerve cells it contains. Because this number is established very early in pregnancy, at a time when outside nutritional factors fail to impinge on the developing fetus, the brain's basic nervecell complement escapes unscathed. There however, a major exception. The cerebellum, a wrinkled structure at the back of the brain that coordinates movement of the arms and legs, is vulnerable to nutritional deprivation because its nerve-cell generation and growth spurt are delayed. A starving brain risks delayed creation of the oligodendroglia and the later myelination of the nerve fibers. The particular vulnerability of the cerebellum is important because damage to this structure goes a long way toward explaining the reported clumsiness and remanual skills of malnourished duced children.

MALNOURISHED NEURONS

One thing that brain researchers readily admit is that they have measured what is easiest to measure. The feature of brain development that is probably most difficult to quantify, but is almost certainly the most important, is the lacework of connections between the nerve cells (neurons). Reliable reports show that the major part of the nerve fibers, the axons, shrink in diameter in malnourished animals. But the really crucial area of interneuron communication centers on the end of the axon, where it branches into literally thousands of tiny fingers that make contact with the neighboring neurons. B. G. Cragg from Monash University, Australia, has had a crack at this problem, and what he finds is most disturbing.

Cragg did some microscopic investigations of the cerebral cortex in rats malnourished early in life. In what must have been a crashingly tedious experiment, he counted the number of minute nerve endings (the synapses) in the cortex of undernourished animals. He found a 40 percent reduction, compared to normal rats. Cragg suspects too that some of the synapses may have been unable to function because of molecular breaks. The creation of the interneural network is one of the brain's major construction projects during the first two years of life, so Cragg's result is crucial and needs to be confirmed. If the undernourished cerebral cortex really lacks almost half of its interconnections (or even a 10th), the consequences for brain function are frightening. The planet may be raising a generation of clumsy, feeble-minded millions.

A crucial point about all these experiments is that moderate degrees of malnutri-tion—of the sort that 300 million children experience daily-can produce these physical side effects and deficiencies. More important, we cannot repair these physical deficiencies by normal feeding once the brain growth spurt has passed.

The typical undernourished child is shorter and lighter than his counterpart in affluent countries. He is about 70 percent of his correct weight, and the brain weight and head diameter are marginally smaller as well. The next step we've taken is to find out what this means for intellectual and social activity.

In the attempt to find the consequences of chronic undernutrition, most research groups have used the longitudinal study, observing the progress of a group of children over a period of years. for example, Joaquín Cravioto and Elsa DeLicardie studied a group of infants born in 1966 in a small rural village in southwest Mexico. They have been observing the children ever since. The village "normal" background of undernutrihas a tion, but the researchers concentrated on 22 children who at times had had almost no food and thus had been severely malnourished.

FOOD AND LANGUAGE

Cravioto and DeLicardie studied nutrition and mental development against the background of social and economic factors. Their outstanding discovery was the effect of malnutrition on language development and verbal-concept formation. As a group, the severely malnourished children began to lag behind in language at about six months. At the age of one year the matched control group had language development equivalent to 334 days, compared with 289 days for the hunger group. By three years the gap was 947 days to 657.

Because verbal concepts are a basic area of human intelligence, the researchers gave children tests to measure their understanding of 23 pairs of opposites (such as big-little, long-short, in-out). At 31 months of age the control group of normals understood an average of 5.46 concepts, compared with 3.92 for the malnourished children; by 46 weeks their scores were 16.92 and 12.16; and at 58 weeks the controls knew 20 of the concepts, three ahead of the malnourished group. Even after 40 months the children who had suffered malnutrition in infancy were behind control children in language development and concept formation. Although the worst physical symptoms of their malnutrition were gone, and although they did make up some of the lost ground, they didn't catch with their healthier playmates. The trend line suggests they never will.

Because the poverty that produces severe malnutrition also produces deprived environments. Cravioto and DeLicardie compared the home lives of the children. They used the Caldwell Inventory of Home Stimulation to measure factors such as frequency and stability of adult contacts, the number of voices the child hears, availability of toys and games, whether the child's needs are met, and how many restrictions there are on the child's activity. The researchers found that the malnourished infants came from homes that were significantly impoverished in activity that brings the human mind alive.

Although this poor environment of the malnourished children contributes to their slowed intellectual development, Cravioto claims that it is not the sole explanation. This conclusion is supported by Stephen Richardson and his colleagues, who studied a community of children in Jamaica, and found that malnutrition is as damaging as an impoverished social life. Richardson measured the physical and intellectual status of a group of boys, aged seven to 11 years, who had during the first two years of their lives suffered severe malnutrition. These children were smaller in stature, lighter in weight, and had smaller heads than normal children. Behaviorally, they were disadvantaged too; they did less well in formal tests of reading, writing and arithmetic; teachers found their school performance to be poorer, with more special problems in classwork.

Further, the previously malnourished children were less popular among their school-mates. When Richardson asked all the children to pick the three peers in their class with whom they most preferred to spend their time, they named the malnourished children much less frequently. This is a tricky result to untangle, but the cause may have some parallels with the observation that malnourished animals are socially disturbed and more irritable. Perhaps the children were

too.

CURING DEPRIVED CHILDREN

Now researchers are beginning to ask what can be done to help children who do not get adequate food and environmental enrichment.

One aspect of intellectual performance remains resistant to repair in malnourished children, regardless of whether or not they get additional food and special schooling—short-term memory. So far no program has been able to help deprived children gain a normal ability to remember what they just learned.

Another compensation study is underway in a poor agricultural village in Mexico, Tezonteopan. Few families in Tezonteopan show signs of severe and clinical mainutrition, but almost all are chronically underfed, barely managing to survive. Passive children and tired mothers barely communicate, rarely play. Adolfo Chavez is studying the long-term effects of supplementary food on both parents and children. He began his food supplements with pregnant women and continued them throughout the brain growth spurt, i.e. until the children were over two years old.

For a start, the supplemented mothers produced babies that were roughly eight percent heavier than normal in the village, and this weight advantage continued and expanded. But behavioral differences appeared rapidly too. The test children showed superior language development within the first year, and in simple physical activity they far outshone their underfed fellows. On a measure of movement, they were three times as active by age one year, and four times as active by age two.

Further, the well-fed children spent less time in their cots, walked at a younger age, were more vigorous in play, and were more likely to take the lead in play, and were generally much more independent. And because of their greater activity and exploratory behavior, their parents and siblings took a greater interest in them, which in turn

was strengthened by the infants' tendency to smile more. The whole family dynamics gained a higher level.

Some Tezonteopan fathers even took an active part in child care, something they almost never do. They were enthused by having a vigorous, alert child. Several were so impressed with their "special" children that they declared to Chavez, "This child will not be a farmer like me."

Chavez's work reveals the tragedy and the promise. Millions of people today accept deep, grinding hunger and poverty as normal and inevitable, and pay the price with lowered intellect and activity. We know that if the brain is not well fed during its critical period of growth, it will never develop to the full and rich potential that is our heritage. We also know that massive doses of good diet, fun and games, teaching and stimulation can help to overcome the intelligence gap that malnutrition leaves in its wake.

Ultimately, the efforts to untangle the effects of malnutrition and a poor environment may make little difference in the real world, where the two exist in a vicious circle. Poverty inflicts a double insult—its victims condemned to a dearth of food and a sterile environment. The combination is at work daily, eroding the mental capacity of 300

million children.

ADDITIONAL STATEMENTS

AMBASSADOR SPRUILLE BRADEN'S
PERCEPTIVE ANALYSIS OF
UNITED STATES-LATIN AMERICAN RELATIONS

Mr. HELMS. Mr. President, Ambassador Spruille Braden is America's foremost senior diplomat. His public career spans more than four decades; and that followed many years of success in the private sector.

Ambassador Braden's accomplishments are legion. He has done more than any living American to improving relations between our neighbors in Latin America and the United States.

As Assistant Secretary of State for American Republic Affairs, as Ambassador to Argentina and Cuba, as a resident of Chile—in so many capacities—he has gained a first-hand working knowledge of Latin America. He knows the people, their individual national heritages, the issues that unite them—as well as divide them.

He has negotiated with them. His success with the negotiations that ended the Chaco War is well known, to cite only one example.

He knows Latin America in all of its diversity, its cultural richness, and its potential.

Knowing Ambassador Braden's background and his continuing interest in United States-Latin American relations, I was interested to read recently his speech to the Belair Council of the Navy League of the U.S.A. I want to share this perceptive analysis of a number of current areas of interest in United States-Latin American relations with my colleagues.

Ambassador Braden points out four major critical areas in the Western Hemisphere. The first is Argentina, which exemplifies, Ambassador Braden points out,

How a superior, educated, wealthy and religious nation, possessing virtue and great

mental and physical assets, for over three decades has suffered a deluge of evils as her government sank into the depths of degradation, corruption, venality and irresponsibility. Murder, torture, kidnapping, terrorism and guerrilla warfare ensued.

But Ambassador Braden sees hope for Argentina under its new government. I note a recent Time magazine assessment of the Argentine Government's first year in power. On the whole, Time seems to feel that stability is returning to the country. From my own visits there, both during the Peron government, and during the new government's administration, I am inclined to agree that Argentina is on the road to recovery. But dangers still abound, as Ambassador Braden so ably shows.

Another critical area that Ambassador Braden mentions is Chile. In Chile, the situation deteriorated much further than in Argentina, as the Ambassador points out:

Unfortunately, the Chileans, overly confident in their dedication to democracy, credulously did not awaken to the threat of communism and loss of freedom until their backs were against the wall.

But now, the Ambassador continues. Despite the catastrophic economic and social results of the Marxist regime, the Chilean people have tightened their belts and are repairing the damage. Their record on "human rights" is now better than the majority of the countries in the United Nations who accuse them.

Putting the issue into a proper perspective, Ambassador Braden states that:

On reflection, we must see that Chile and Argentina are major battlegrounds between East and West, between the forces of communism and freedom.

The Ambassador is correct, of course. Too often, I am afraid, we overlook this simple but irrefutable fact.

Ambassador Braden names Cuba and the Panama Canal as two other areas of Hemispheric concern. "Cuba as a full-fledged Soviet satellite and Soviet-occupied fortress, is a major danger to the United States," he says, pointing also to Cuba's intervention in Africa as a blatant act against the interests of the free world.

Regarding the Panama Canal, Ambassador Braden reminds us that:

Our sovereignty and ownership of the Canal Zone in perpetuity twice has been reaffirmed by U.S. Supreme Court decisions, by many leading Panamanian statesmen, Presidents and Ministers, as well as by lower U.S. Courts.

Mr. President, there is much more important information in this excellent statement of Ambassador Braden. So that Senators may have the benefit of Ambassador Braden's years of experience, I ask unanimous consent that his speech before the Belair Council of the Navy League, entitled "Soviet Threat to the Panama Canal," be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SOVIET THREAT TO THE PANAMA CANAL (Address by Ambassador Spruille Braden)

It is an honor to be invited by Mr. David Gill Evans, President of the Belair Council of the Navy League of U.S.A. to address this

distinguished and knowledgeable audience. I am grateful indeed, just as I am proud of life membership in the Belair Council of the

Navy League of the U.S.A.

During many years of an active life throughout the Americas, I have accumulated many convictions and I hope perspicacity, in keeping with the old Spanish say-The devil knows more by reason of his age, than because he is a demon"

One of my strongest persuasions is that the greatest threat to "our civilization" is a world-wide breakdown in morality. This we witness in and out of government pene-trating every strata of society.

I further believe that the most widely destructive of all immoralities is that centered in and emanating from Moscow. Vide:

(1) The unending and outrageous cruel-ties perpetrated on the Russian people, as described by Solzhenitsyn;

(2) The so-called "liberation" movements propagated everywhere by Soviet agents, foreign Communists and misguided dupes;

(3) Russian ambitions for world hegemony. The Soviet already is progressing by strides in its plans to convert the American republics into a conglomeration of satellite and slave states.

Today I shall summarize only the four most critical areas in the Western Hemis-

First: Argentina exemplifies how a superior, educated, wealthy and religious nation, possessing virtue and great mental and physical assets for over three decades has suffered a deluge of evils as her government sank into the depths of degradation, corruption, venality and irresponsibility. Murder, torture, kidnapping, terrorism and guerrilla warfare ensued.

The cause of all this was the breakdown in morality and Communist infiltration.

As far back as 1945, when I served as Ambassador in Buenos Aires, the then vice president and dictator, Peron, while pretending opposition to Communists, actually was intriguing closely with them; they had replaced the Nazis in his esteem.

Simultaneously he, his mistress, later wife, Evita, and his henchmen, enriched themselves on a vast scale.

When Peron died, his third wife and heir, Isabelita (a former bar girl) suddenly found herself the nominal head of a government which had fulfilled 85% of the program laid down by Karl Marx and Friedrich Engels. Presently she is imprisoned for stealing pub-Mc funds.

As Argentina was about to fall completely into Communist hands, the armed forces, under General Jorge Rafael Videla (a man highest character) seized power. They enlisted in their government some patriotic and experienced civilians, such as the new Minister of Economy, Martinez De Hoz. As a result of the military's firmness and courage, Communism, terrorism and corruption gradually are being eradicated. Argentina at long last now may hope eventually to retrieve its old position as a responsible, respected and prosperous nation. Realistic reforms may recapture Argentina's idealism.

From 1922 through 1938 I knew Argentina at the apex of its prosperity, political and social well-being. But in 1945, when I returned as Ambassador, I witnessed the beginnings of the decomposition, Communism and its twin, terrorism, later almost leading that pitiable nation into the jaws of

destruction.

What I saw beginning 30 years ago in Argentina, I now observe starting in the U.S.A.—traditionally cherished ideals are attacked, while disintegrating corruption is tolerated and exotic ideologies are circulated through our schools, the media, and pretty much everywhere.

Second: The collapse of Chile into Communism was more precipitous and complete

than Argentina's; First came the election to power of the Social-Democrats (actually Socialists); four years later they helped the Marxist, Allende, to the Presidency, with only a 35 percent constitutional vote.

This accession to power with his Socialist-Communist cohorts, was planned, incited and aided by the Soviet Union. Moscow was anxious to create another Communist satellite in Latin America, and in so doing, obtain a naval base at Talcahuano on Chile's South Pacific coast, just as it had acquired its naval bases, underground submarine pens, missile sites, encampments and other facilities in Cuba

Unfortunately the Chileans, overly confident in their dedication to democracy, credulously did not awaken to the threatening communization and loss of freedom until

their backs were against the wall.

For more than a year the populace, deceived and helpless, allowed matters to drift. Finally, they were awakened with a bang by the killings and tortures, imprisonments and property confiscations, plus the influx of trained commissaries and guerrillas from the Soviet Union, Cuba and elsewhere, along with shiploads of arms and munitions for the Allendistas, fierce fighting broke out between Communists, both national and foreign, and patriotic Chileans.

The first mass protest was staged by women from all walks of life demonstrating in the streets and surrounding the Presidential palace, banging pans and kitchenware. Some arrested: others physically abused. There followed a paralyzing strike by truck

drivers.

In the nick of time, the military intelli-gence discovered that Allende and his coconspirators had developed a so-called plan" to assassinate within one week all top military officers and leading citizens.

Immediate counter-action was imperative. It was taken and thousands of Communists, guerrillas and criminals were arrested:

Allende committed suicide.

The new military government had to fight fire with fire. Some ill-treatment even of innocent people, was unavoidable if Chile were to be saved from Moscow-controlled communism.

Please believe me when I assert that:

(1) The only thing the Communists respect or fear is physical force greater than their own.

(2) A Communist commitment or pledge is very rarely fulfilled.

Chile is the only nation, with scant aid from abroad, which has been able, by the courage and sacrifice of its citizenry, to overthrow a firmly established Communist dictatorship which had seized power nefariously and by trickery. Chile still has to defend her independence from armed Communist bloc attacks from within and without her borders; it also must clear away the lies and deceit disseminated throughout the world, by Communists and too often believed by the guileless.

Despite the catastrophic economic and social results of the Marxist regime, Chilean people have tightened their and are repairing the damage. Their record on "human rights" is now better than the majority of countries in the United Nations who accuse them.

On reflection, we must see that Chile and Argentina are major battlegrounds between East and West, between the forces of communism and freedom.

Third: Cuba, as a full-fledged Soviet satellite and Soviet-occupied fortress, is a major danger to the United States.

At Moscow's command, Havana dispatched 15,000 or more troops to fight for communism in Angola, Mozambique, and elsewhere in Africa. The USSR maintains at least 10,000 of its own military, KGB and intelligence services in Cuba. It directs that island's forces, provocateurs and espionage services

in and out of Cuba. It operates the missile, naval and submarine bases I have mentioned.

Castro first attracted notice as a gangster and murderer. Under his regime, thousands have been tortured and killed, 20,000 to 40,000 political prisoners are suffering or perishing in prisons today.

Yet despite all of these horrors and the threat to the U.S.A. from only 90 miles off our shores, there are those high in government, even business, who advocate renewing diplomatic relations with Cuba. How blind

or callous can they get?

Fourth: It suffices to say about Panama that our sovereignty and ownership of the Canal Zone in perpetuity twice has been re-affirmed by U.S. Supreme Court decisions, by many leading Panamanian statesmen, presidents and ministers, as well as by lower U.S. courts. As recently as December 17, 1976, District Judge Guthrie F. Crowe stated that he believes the U.S.A. owns the Canal Zone. "I think the United States is the owner of this property by reason of the treaties with Panama and Colombia, payments to the French (Canal Co.) and the creation of the land commission in which people from Panama and the United States functioned as a court with thousands of claimants. land) was paid for with United States

Our title is every bit as secure legally as are our territorial acquisitions from France,

Spain, Mexico, Denmark and Russia.

The total U.S. investment in Panama is

estimated at nearly \$7 billion.

The arguments by our State Department and its representatives as to why we should negotiate a new treaty ceding our full rights to the Canal and the Zone are largely fallacious in substance and logic.

The illegally constituted dictator, Torrijos, threatens that unless we deliver the Panama Canal Zone and operations of the canal to his government within a limited period, we will have to wage another Vietnam war in that area.

Castro reportedly has several thousand troops now in Panama, and, of course, could bring back his armies from Africa, already trained in Angola. The State Department and our negotiators supinely agree that Torrijos will precipitate guerrilla warfare and sabo-

Actually Torrijos fears if we do not sign the new treaty, he will be thrown out of power. In this event, he knows Moscow and Castro could not rescue him. On the other hand, if, with the help of the latter two, he can deliver the canal, even indirectly to the comintern, he will be assured of his job for life, just as

We have defended the canal for 70 odd years, through two world wars, countless riots and attempted sabotage. Are we so weak and timid that we must now run away from Torrijos' and Castro's Soviet-inspired threats and blackmail?

The real issue for the U.S.A. is not vis-a-

vis Panama, but the U.S.S.R.

If we lost the Panama Canal Zone to the Soviets, even indirectly, this humiliation would be disastrous indeed. It might well cause our friends and allies, especially in Latin America, to lose all respect for and confidence in us and abandon our leadership, in order to play with the Soviet. Everybody wants to be with the winner.

The following bits of history are pertinent: A. Phillip II of Spain declared that whoever controls the Caribbean will dominate the western hemisphere. President Jefferson expressed the same thought. Admiral Mahan. one of our greatest strategists, warned that any enemy of the U.S.A. controlling the Caribbean could invade our gulf coast and so proceed up the Mississippi Valley to cap-ture the heartland of the United States.

B. Lenin listed in sequence the following "musts" for the Soviets to make effective their world dominion:

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(1) Secure U.S.S.R.'s western borders through absorption or Moscow rule;

(2) Communize and control the Far East, especially Southeastern Asia;

(3) Proceed similarly in Africa; (4) The same for Latin America;

The United States, thus surrounded,

would fall like over-ripe fruit.

Lenin's successors raised point 6; to build their naval forces to overwhelming strength, accompanied by widely dispersed and fully equipped bases. Their objectives include the domination of all sea lanes, passages and routes; among these the Panama Canal is paramount.

Self-evidently the aforementioned six points are well on the way to successful fruition. The security of Russia's western frontier, including Latvia, Lithuania, Estonia, the Ukraine, and Eastern European countries has been ratified by the Helsinki agreement signed August 1, 1975, by the United States and other western governments.

Moscow and Havana jointly have violated the Helsinki Agreement in Angola, Mozambique and elsewhere, Communists have ignored concessions obtained by the free world at Helsinki stipulating greater freedom of movement for western journalists and promises to insure human rights throughout the

Warsaw Pact Nations.

The Soviet Union's hankering to control the Panama Canal Zone was openly stated by Major Sergei Yuworov in an article pub-lished in the Soviet military organ "Red lished in the Soviet military organ "Red Star", reproduced by the Cuban magazine "Bohemia" on March 17, 1957 in respect of the canal:

"Due to its privileged location at the juncture between South America and the rest of the continent, including the Canal, which permits U.S.A. warships to operate simultan-eously in the Atlantic and Pacific, must for the Soviet Union be considered as a 'priority zone'."

He adds that Panama can be attacked from Central America, Colombia or from Cuba, Puerto Rico and other Caribbean islands. He intimates that some or all of these can serve as Soviet naval bases.

It is essential for us to remember that for over a quarter of a century, we have been beset by one humiliation after another, each of them contrived, usually financed, militarily aided and equipped by Moscow.
Our major blunders or defeats in policy

and/or action were:

MacArthur prohibited from crossing the

Yalu or bombing the bridge; The inconclusive falsely labeled U.N. action in Korea:

Failure to lend help by air to the Hungarian uprising against Russian troops;

Non-resistance to the Berlin Wall;

No aerial help at the Bay of Pigs;

The Cuban missile crisis—tearing up the Monroe Doctrine:

Our shameful commitment to Khrushchev neither to invade Cuba nor permit others to do so:

The "no-win" war in Vietnam; and

The so-called "Paris Peace Treaty with honor," with which North With complied.

This series of surrenders only become explicable when one reads National Security Council Report No. 68 (NSC-68) of April 14, 1950, drafted after President Truman's orders as a statement of our basic policies with respect to the U.S.S.R.

The study, opinions and conclusions of NSC-68 were based on reports from the Secretaries of State and Defense; they also were considered in at least one council meeting by the Secretary of Treasury and the heads of the other three top economic agencies of the Government.

The content and portent of this super "top secret" 65-page document has been kept completely unknown to the public, Congress, and even senior Army, Navy and Air Corps officers commanding at the time of the aforelisted humiliations.

The "top secret" classification, pursuant

to law, terminated in April, 1975. On September 30, 1976, a brilliant journalist, Alice Widener, began publishing her exposé and analysis of NSC-68. She sums up its principal aims as follows:

"To avoid nuclear war but to accept a Soviet nuclear first strike against us if necessary, hoping to ward it off by building up our own and our allies' military, economic, and

social strength as a deterrent.
2. "To confine U.S. military action to strictly limited counter-actions.

3. "To seek co-existence with the Soviet Union in the hope that democracy will win out eventually against dictatorship, that time would be on our side, and that the U.S.S.R. would undergo changes eventually leading to abandonment of its goal of world domination.

4. "To try to contain the expansion of the Soviet Union beyond its territory, but not to do anything directly challenging Soviet

prestige.

"In conceding Soviet prestige as untouchable, NSC-68 seeks to protect the Soviets from any kind of effective attack—be it mili-

tary, ideological, or psychological."
NSC-68 is a self-contradictory document, at times dove-ish and weak; at others hawkish and vigilant. On the one hand, it accurately sets forth the objectives of the U.S.A. for peace and freedom, as laid down by the Constitution and the Founding Fathers.

On the other hand, it describes the fundamental and unchangeable program of the

U.S.S.R. as follows:

"The design, therefore, calls for the com-plete subversion or forcible destruction of the machinery of government and structure of society in the countries of the non-Soviet world and their replacement by an apparatus and structure subservient to and controlled from the Kremlin. To that end, Soviet efforts are now directed toward the domination of the Eurasian land mass. The United States, as the principal center of power in the non-Soviet world and the bulwark of opposition to Soviet expansion, is the principal enemy whose integrity and vitality must be subverted or destroyed by one means or another if the Kremlin is to achieve its fundamental design.

Later, NSC-68 states:

"With particular reference to the United States, the Kremlin's strategic and tactical policy is affected by its estimate that we are not only the greatest immediate obstacle which stands between it and world domination, we are also the only power which could release forces in the free and Soviet worlds which could destroy it. The Kremlin's policy toward us is consequently animated by a peculiarly virulent blend of hatred and fear."

NSC-68 continues to characterize all the evils of totalitarian dictatorship and the latter's determination to dominate the world only limited by expediency. It says:

"It is estimated that, within the next four years (i.e. from 1950), the U.S.S.R. will attain the capability of seriously damaging vital centers of the United States, provided it strikes a surprise blow and provided further that the blow is opposed by no more effective opposition than we now have programmed.'

The first time I read NSC-68, I said:

"In each assumption the authors establish a series of ideals as definite possible objectives to be carried out, then turn around and prove that these ideals are utterly impossible of accomplishment. The ink on NSC-68 was no sooner dry than the outbreak of the Korean war made a mockery of this dogooding optimism."

The Comintern's leaders-perhaps due to

blood and inheritance—possess a strain of oriental innate cruelty, dishonesty and a shrewd depravity. They follow the precepts of Sun Tzu, who in China 600 to 500 years before Christ, wrote the following in a military textbook:

"Undermine the enemy first, then his army will fall to you. Subvert him, attack his morale, strike at his economy, corrupt him, sow internal discord among his leaders; destroy him without fighting him.'

This is precisely the formula Moscow successfully has pursued and is directing against

the U.S.A.

As a result, we are drawing nigh to the finish line. Yet there has been no perceptible inclination by either Democratic or Republican administrations to get rid of the NSC-68 policy recommendations, which so often have imperilled and still are entrapping United States' security with an apparently endless chain of humiliations.

If, due to our innate kindness of spirit and our legions' teachings of peace, we endure and add to the list I have already given you one more humiliation, one more breach of a solemn agreement, one more surrender of our rights and sovereignty under the 1903 treaty with Panama, then indeed the Caribbean, adjoining waters and sea lanes will become part and parcel of a huge Soviet lake.

If this happens, we then may have three options:

(1) If possible, to rebuild a definitive su-

periority in military power and defenses.

(2) To await a Soviet blackmailing ultimatum for surrender.

(3) Nuclear war.

May God save us from the last two alternatives.

ONE GOOD POEM DESERVES ANOTHER

Mr. PROXMIRE. Mr. President, on the occasion of the confirmation by the Senate of Dr. Lyle Gramley to be a member of the Council of Economic Adviser. I reported the nomination to the Senate and made some observations on Dr. Gramley's close association with the Federal Reserve Board and its renowned Chairman Arthur Burns and Dr. Gramley's intention to return to the Fed's fold after he completed his tour on the Council of Economic Advisers. My awkward, versified questioning of Dr. Gramley's dependence on Dr. Burns elicited an interesting response by Chairman Burns that I must share at this point with the Senate. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the response was ordered to be printed in the RECORD, as follows:

FEDERAL RESERVE SYSTEM. Washington, D.C., March 25, 1977. Hon. WILLIAM PROXMIRE,

U.S. Senate, Washington, D.C.

DEAR BILL: One good poem deserves another, and accordingly I am enclosing my contribution.

Sincerely yours,

ARTHUR F. BURNS.

MARCH 22, 1977.

Mr. LYLE E. GRAMLEY, Council of Economic Advisers, Washington, D.C.

DEAR LYLE: Your confirmation, it appears, has provided the inspiration for some versification, if not poetry. With apologies to the Bard of Avon, if not the Rhymer of Wisconsin, I offer:

AN ODE TO LYLE

We know one thing for sure about Lyle, To say "Burns' Man" does not make him smile.

He's a force independent In battle, resplendent A man of distinction and style.

Let Burns-or Prox-have the last word! Misgivings like these are absurd. As a Prox's complaint

That he may be faint I know Gramley's stock is preferred.

Now on a more personal note

I confess to a lump in my throat, As I wish you goodbye, But, if things go awry, We're no longer in the same boat!

My warm congratulations on your confirmation and very best wishes for success in your challenging new job. I shall miss you greatly here at the Board, but I am encourged by the prospect of continuing to benefit from your views.

Sincerely yours,

ARTHUR F. BURNS.

Mr. PROXMIRE. To which I simply retort:

To say Gramley's not Burns' boy Is with our credibility to toy. Where does Gramley come from? The Fed And by whom is that august body led? Y'see Gramley's relation to Good King Arthur Was more than son to father. It was child to Mother.

And to make sure there is no doubt Where will Gramley go when from the CEA

he's out? Not to business, not to teach, not to retire But back to the Fed where he'll be a rehire. A conflict of interest I neither charge nor spy But Burns' influence on CEA thru Gramley none can deny.

So if Carter's economic policies are soon in retreat

His economic expansion on a down-beat, The nation's economy taxes only right turns. The answer, loud and clear: is King Arthur

GENOCIDE CONVENTION

Mr. PROXMIRE, Mr. President, I find it mystifying that the United States has not yet signed the Genocide Convention. The treaty is one closely identified with the best traditions of this Nation.

We have long expressed our commitment to other areas of human rights. Now we must act to include the most fundamental of all rights-that of life itself-within our scope of concern. It is time that we express to the world our horror and disgust with the heinous crime of genocide. The vital first step must be ratification of the United Nations Convention on Genocide. Anything less is a contradiction of this Nation's founding principles.

The Genocide Convention represents a tangible commitment to peace and human dignity. Therefore, I call upon my colleagues in the Senate to act upon this treaty without further delay.

ICE BREAKERS MAY TRANSPORT CANADIAN GAS

Mr. STEVENS. Mr. President, the Federal Power Commission will make its recommendation to the President on the selection of a route for the transportation of Alaska's natural gas on May 1. Under consideration are three proposals. One is the all-American route which

would transport gas down from Alaska's North Slope to LNG vessels where it would be shipped to the west coast. The other two proposals would pipe gas from Alaska through the unchartered wilderness of Canada to the lower 48.

There is an unspoken, unheralded significance about the all-American proposal: that is the unique flexibility of the LNG system. It is a transportation system whose time has come.

LNG will soon be on six of the seven continents-everywhere but Antarctica-making it truly worldwide in nature. A recent entry is Australia, where the Gas and Fuel Corporation of Victoria announced plans to build an LNG facility. The Australian venture is among 175 worldwide LNG projects in operation, under construction, planned, or proposed. Of that number, 135 are in the United States and Canada.

LNG technology is not new to my own State of Alaska. There is in operation a facility in Kenai, Alaska, for the liquefaction of natural gas. It was built to withstand earthquakes of a far greater magnitude than the one which demolished much of Anchorage and other parts of Alaska on Good Friday 1964.

During the past 10 years of operation, the LNG facility at Kenai has set an exemplary safety record.

At present there are no operating LNG facilities on the west coast. Yet our Nation is starved for natural gas. How then to ship today the commodity to the area that needs it the most.

The question is being answered at this very moment as a giant LNG vessel, laden with 1.267 billion cubic feet of Alaskan natural gas, half the estimated daily production of Prudhoe Bay, steams through the Panama Canal toward Boston where natural gas is so vitally needed.

This mercy ship is expected to arrive toward the end of this month in Boston, the first of its kind shipping Alaskan natural gas. This is not necessarily to say that such a feat can be done; it is to bring to the attention of my colleagues, especially those whose constituents are wondering if they are going to have natural gas next winter, that such an accomplishment should be done. Shipping natural gas from the gas-rich fields in Alaska to those sections of the Nation where it is so desperately needed, should and must be commonplace.

The logic of using an already proven method of transportation of natural gas with such awesome and simple flexibility is apparent. Consider building 4,000 to 6,000 miles of pipe through virgin Canadian territory, past miles of inhospitable land and forbidding climate, past stacks of redtape that comes from squabbles between province and Federal Government. between Canadian natives and Federal Government, and then consider that transportation of natural gas by LNG vessel is already a fact of life by means of an all-American system independent of internal problems of others. The choice of LNG is truly the only option for a nation so reliant on natural gas.

Even the Canadians themselves are pursuing the possibilities of LNG. It was announced recently in Canada that plans to move Arctic Islands gas to eastern markets using icebreaking LNG vessels are taking a step forward.

I ask unanimous consent to have printed in the RECORD an article that appeared recently in the Oil Daily about the Canadian study of shipping LNG.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ICE BREAKERS MAY TRANSPORT CANADIAN GAS (By Robert Gibbens)

MONTREAL.—Plans to move Canadian Arctic Islands gas to eastern markets using icebreaking natural liquefied gas tankers are taking a step forward.

A feasibility study is to be done by five well-known shipping companies in partner-ship with Panarctic Oils, the owner of 16 trillion cubic feet of reserves in the Central Arctic Islands; Petro-Canada, the new national oil company and Alberta Gas Trunk Line (AGTL), owned by the Alberta government.

The five shipping companies, which together have North America's broadest experience of Arctic shipping, are Canada Steam-ship Lines, controlled by Power Corp. of Canada; Upper Lakes shipping, of Toronto; Genstar, of Montreal and Vancouver, conby the Belgian Societe Generale group; Crowley Maritime Corp. of San Francisco; and Federal Commerce and Navigation, of Montreal. They are grouped together in Arctic Transportation and for the purpose of the study as Sverdrup shipping.

The study is known as the Arctic Petro-Carriers Project (APCP). It goes hand-inhand with another feasibility study that Panarctic Oil, Petro-Canada and AGTL are to do on a co-pilot 250-million-cubic-feetdaily gas liquefaction plant located at southeast Melville Island near the Melville onshore and offshore gas fields. They have proved reserves of about 121/2 trillion cubic feet. Cost of the APCP, the marine end of the LNG transportation system study, will probably be \$1 million or more, borne 40% by the shipping companies and 60% by Panarctic, Petro-Canada and AGTL. The bids are out on the LNG pilot plant study and the contract will be awarded shortly.

The marine study will cover ship and gas container technology, ice movement, Arctic terminal operations, environmental impact, economic and other aspects. The deadline is Sept. 1, the same as for the LNG plant study.

The whole Arctic LNG system would have only one-sixteenth the capacity of a proposed polar gas 48-inch pipeline running from the same area via the Boothia peninsula to Toronto, Montreal and the U.S. market. But it could be in operation in 1982-83 at a cost of rather more than \$1 billion, whereas the pipe project requires several more years of gas exploration and development and would cost \$7-\$8 billion. Its massive throughput relies on U.S. markets.

The LNG system would enable Panarctic and partners to get revenues for their gas much earlier. Work has already begun on the maritime study in Montreal,, and three types of vessels are being considered: standard 125,000-cubic-meter LNG tankers with extra power and ice-strengthening, similar tankers with less power but using a powerful tug to push in heavy ice conditions and huge Arctic barges powered by heavy tugs but with similar LNG containers.

The Sverdrup group says "this is more than just an academic study" and will help the owners of the gas to make up their minds on the technical and economic feasibility of getting the gas out with LNG tankers. The would move via Lancaster Sound and the Labrador coast to Saint John, New Brunswick, where Tenneco, Trans-Canada Pipe-lines and Canadian Pacific plan a major LNG terminal, mainly to receive Algerian gas for the northeast U.S.

Alternatively, Melville gas could be piped 250 miles or so to the east coast of Bathurst Islands, near Freeman's Cove, and the liquefaction plant and terminal built there. This would require Class 7 icebreaking tankers, cheaper than the Class 10 ships required to get into southeast Melville all year round. Polar Gas is interested in the pipeline because it wants to prove its own water-crossing technology.

About three tankers would be needed, costing from \$300 million to \$500 million. The LNG plant and gathering system would cost more than \$500 million.

Petro-Canada said in Ottawa the two studies should yield enough information for reports to be made to the National Energy Board and other government agencies by autumn. It promises all communities affected by the plan will be consulted.

MILITARY READINESS CRISIS

Mr. BUMPERS. Mr. President, my friend and colleague on the Armed Services Committee, Senator John Culver, of Iowa, recently made an important report to the committee on the combat readiness of our Armed Forces. Since joining the Armed Services Committee, Senator Culver has done a major service by focusing on the question of combat readiness and suggesting ways to improve our actual defense capabilities. His latest report, based on an inspection trip to 12 military installations in December 1976, and a review of Defense Department documents, presents a serious picture of growing readiness deficiencies. This is a problem which should be of great concern to the Senate and also to the American taxpavers.

Senator Culver found that we can rely on only a small fraction of our forces to be fully prepared for combat. On any given day, only about half of our air-craft and only half of our ships are operationally ready. On many planes, scarce parts are switched and reswitched for every flight. To reduce costs, training has been cut to a point which undermines the combat proficiency of our fighting units. We have also made foreign military sales of modern weaponry before filling the requirements of our own forces. And these problems adversely affect the morale of our service men and women, further aggravating shortages of the highly skilled personnel needed to operate our sophisticated military hardware.

Senator Culver believes that it adds little to our defense to have exotic new planes, tanks, and ships on the drawing boards when large numbers of our current weapons are not fully operational today. He concludes that we should assign a higher priority to improved readiness so as to turn our existing forces into usable muscle. The Senator rightly says that when the American taxpayers are asked to spend over \$123 billion a year on defense, they expect strong and capable forces, and they deserve the most cost-effective defense possible.

Mr. President, I recommend Senator CULVER'S readiness report for the attention of my colleagues. It is the latest of his contributions to the work of the Armed Services Committee and our efforts to provide a defense posture which protects the Nation's security at a cost commensurate with our other national priorities.

I ask unanimous consent that the Senator's report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD. as follows:

THE READINESS CRISTS

America's military forces are in a shocking state of combat readiness. Despite billions of dollars spent on sophisticated new equipment, competitive pay and special bonuses, advanced training, and expanded funding for operations and maintenance, we can rely on only a small fraction of our forces to be fully prepared at any given

Personal on-site visits to operational units confirmed the deplorable figures already reported through the military chain of com-mand and in annual reports to the Congress. In some cases, we found that local situations were even worse.

On any given day, only about half our combat aircraft are operationally ready to perform their missions. In the case of some expensive new systems, the figures for those planes that are fully capable drops as low as 10 percent.

Similarly, because of planned maintenance and unforeseen problems, only about half of our ships are operationally ready at any time.

In order to make our planes capable of performing their missions, parts are frequently taken from other aircraft and then returned afterward. For many planes, there is one instance of this switching and reswitching of parts for every sortie flown.

Maintenance personnel are often overworked and even discouraged from reenlisting by a cannibalization rate that wastes approximately 10 percent of all maintenance man-hours, with some personnel reporting that one-third to one-half their time is spent solely on juggling parts from one aircraft to another.

These problems have been getting worse rather than better in recent years. Since 1973 there has been a steady increase in the percentage of Navy aircraft grounded because of a lack of spare parts; the average last year was about 25 percent. The Air Force cannibalization rate has doubled in the past three years, and the even higher Navy rate is half again as high as in 1973.

Increasing costs have reduced training operations to the point that few soldiers, sailors, and airmen actually get to fire the weapons assigned to them, or with sufficient frequency to develop proficiency. In the mad dash to build up our mushrooming foreign military sales, we have not hesitated to furnish foreign powers with modern weaponry before meeting the needs of our own armed forces.

Shortages of trained personnel, excessive maintenance requirements, inadequate supplies of all spare parts, increasing costs—all of these factors have created a victous cycle of reduced combat readiness and capability. The remedy for each specific problem only aggravates other problems.

In short, we do not have the ready military muscle to match our strength on paper. Consequently, U.S. taxpayers are not getting their money's worth from our hundred billion dollar plus defense budget.

We are wasting probable billions of dollars each year on unnecessary maintenance, caused by unreliable equipment.

We are straining the personnel system to its limits by proliferating advanced systems which require increased numbers of highly trained technical personnel.

We are rushing new programs into procurement when additional research, development, testing, and evaluation might have eliminated costly problems and when adequate consideration has not been given to the logistical demands which these new weapons create.

The solution to these problems is not simply to spend more money, although more funds are clearly needed for certain military activities. On the contrary, defense planners in recent years have frequently chosen to spend limited resources on new equipment and additional research rather than on current readiness. Yet the rush to modernization has occasionally exceeded a pace which would have produced greater reliability and lower life cycle costs.

We have been so caught up in the glamour of new technology that we have neglected our forces in being. Our preoccupation with future distant threats and capabilities has made it questionable, rather than certain, that we could prevail in any conflict in the

near future.

It adds little to deterrence to have exotic new weapons on the drawing boards when large numbers of our current planes, tanks, and ships cannot be relied upon today.

We need to improve our combat readiness now. If this means foregoing or deferring the acquisition of costly new systems or additional personnel, then we should make those tough choices. For deterrence, for crises and contingencies in the next few years, and for improved perceptions of America's strength by allies and adversaries, we must turn our existing forces into usable muscle.

When U.S. taxpayers pay for a division or fleet or an air wing, they expect to get a strong and capable unit. And since military funds are necessarily limited by competing requirements for budgetary restraint and for other government programs, our citizens deserve the most cost-effective defense pos-

WHAT CONSTITUTES READINESS?

Readiness is admittedly a somewhat imprecise concept, incorporating both quantitative measures (such as the numbers of personnel and equipment on hand) and qualitative judgments about the ability of men and machines to carry out assigned missions. There is a complicated reporting system described below, but we discovered that commanders have broad discretion in determining their status. One commander, for example, said that he never considered his units fully trained." Another deliberately downgraded a unit as an incentive to improve. Some commanders report high readiness despite admitted shortages of some people with critical skills and persistent problems with certain kinds of less essential equipment.

Omitted from the specified readiness factors is one which is probably the most important but the hardest to determine-morale. Within broad limits, high morale can make an effective fighting force of a unit which otherwise is undermanned or undersupplied. Similarly, low morale can soften the punch of the best-equipped unit. In fact, of course, high morale and high states of readiness generally go together. Units that have adequate numbers of quality personnel and equipment are usually better able to train and conduct exercises that build cohesive combat forces. When men are overworked with maintenance of inferior equipment, however, or cannot obtain sufficient spare parts or operating hours, they lose interest and job satisfaction. It may be nificant in this regard that commanders who reported the most complaints from subordinate personnel on issues like the perceived 'erosion of benefits" happened to head units which had serious readiness problems, thus indicating another possible link between low readiness and low morale and perhaps poor leadership.

Improving readiness is not a one-shot goal. Rather, it requires a sustained effort of building inventories, improving equipment, retaining skilled personnel, and raising mo-

rale. These tasks go together and take time. But the single most important change is a simple one of perspective: to give combat readiness a high priority and constant attention.

If senior commanders and service budgets are preoccupied with designing or buying newer weapons, rather than having today's forces ready to perform their missions, the Services will respond to and reflect those priorities. On the other hand, if readiness is the touchstone for pride and confidence in our military capability and is recognized as a priority before the acquisition of new weapons systems, readiness will improve and will remain high.

COMBAT READINESS REPORTING SYSTEMS

Active military units are required to report regularly on their combat readiness in accordance with an elaborate system. While there are variations among the Services in the kinds of information reported and the precise definitions used, the reports generally consist of an overall unit readiness figure, plus figures for personnel readiness, equipment and supplies on hand, equipment readiness, and training readiness. In making determinations for these reports, commanders have some discretion and can add special

remarks for further explanation.

Each unit reports a "C-rating" for readiness, both composite and by the four listed categories. C-1 means fully ready to perform its missions; C-2 means substantially ready; C-3, marginally ready; and C-4, not ready. For example, units are C-1 in terms of personnel when they have 95+ percent of their assigned strength (in the Army and Navy; 90+ percent in the Marine Corps and Air Force). They drop to C-4 when their strength is below 75 percent in the Army, 65 percent in the Navy, 70 percent in USMC

and Air Force.

When measuring equipment and supplies on hand, the Army and Marine Corps consider 90+ percent of equipment sufficient for C-1 and below 70 percent requiring C-4. The Air Force uses lower rates of 85+ percent and below 55 percent. The Navy rating includes the overall supply situation as well as numbers of aircraft. A further complication is that the Navy reports in terms of mission area readiness as well as overall combat readiness.

A separate rating is given the equipment actually on hand. The Army calls units C-1 when 90+ percent of their equipment is operationally ready and C-4 when that percenatage drops below 70 percent. The Marine Corps uses 85+ percent and below 55 percent for the same ratings. In the case aircraft, the Navy considers units C-1 when they have 75 percent of their aircraft safely flyable and capable of performing assigned missions; they are rated C-4 when the percentage drops below 40 percent. In the Air Force, units are rated C-1 when over 70 percent of their aircraft are operationally ready and C-4 when the figure drops below 40 percent.

Training is another concept about whose very meaning there is no uniformity among the Services. The Army and Marine Corps tie their ratings to time required to bring units to a fully trained status. The Navy has less specific, more judgmental criteria. The Air Force uses the measure of the percentage of trained air crews that are mis-

sion ready.

An outside observer finds it hard to understand why there should be such differences among the Services as to what constitutes various degrees of combat readiness. Perhaps a more fundamental problem is whether the wide latitude for local judgment results in comparable and accurate reporting. Although many officers admitted the potential for abuse and inflated reporting, since commanders would likely be reluctant to report a decline in readiness

during their command, most officers said that reporting was generally accurate and that readiness is at times even understated rather than exaggerated.

Despite periodic Inspector General visits to check on unit readiness, there is no evidence of any systematic effort to go back and compare actual with reported status, or revise fitness reports when serious problems are discovered. I believe that oversight procedures should be expanded and strengthened, and that officers should be held accountable for exaggerating the condition of their units.

Military personnel generally have a strong dedication to duty and a "can-do" spirit, despite deficiencies in numbers, training, or equipment. But our men and women in the Services deserve better. There are some indications, for example, that a heavy maintenance load sometimes leads to reduced reenlistment rates. Several commanders reported that they lack adequate numbers of personnel in supervisory enlisted grades. Some shortages in critical skills were attributed to competition from private indus-There is thus an apparent need for a flexible incentive system to attract sufficient personnel in these skills and a requirement for close monitoring of the readiness reporting in the personnel area.

Similarly in training, there must be a close watch on readiness. Many units have reduced exercises in order to cut costs. While no one claimed that these reductions lowered proficiency to an unacceptable level, belt-tightening clearly has its limits. These must be carefully studied so that minimum levels can be recognized and maintained.

Not all units, of course, must be fully combat-ready (C-1) at all times. But persistent shortfalls could lead to situations where mobilization and deployment contingency plans are totally unrealistic and unattainable.

OBSERVATIONS IN THE FIELD

During our visit to a dozen military bases, a fair cross-section of our defense establishment, we found the morale of our volunteer forces surprisingly good despite the problems

Nonetheless, the progress that our nation is making toward achieving a hard-fighting force-ready to meet any situation-is, in my judgment, being seriously and unconscionably impeded by a lack of logistics and maintenance support.

Our national interest requires the most cost-effective defense system we can achieve. It is therefore distressing, for example, to find significant quantities of brand new. highly expensive and sophisticated aircraft inoperable because of shortages of repair parts. These problems plague such aircraft which we examined as the F-14, a \$8.7 billion program; the S-3A, a \$3.4 billion program; and the F-15, a \$12.2 billion program. When we pay such sums for modern weapons, we properly expect that they will be kept combat ready and quickly repairable.

I am also concerned that many of our own forces are working hard and training to fight a well-armed and armored enemy without being given the same modern weapons that we find being sent to many foreign countries under our foreign sales program. This is particularly evident in the case of our latest generation of highly accurate antitank weapons, the TOW and Dragon.

At times it seems that modernization of U.S. forces has been subordinated to a big push to develop new weapons for expanded foreign sales. We are being asked by the Defense Department to believe that a major Soviet buildup in the European theatre has serious implications to our NATO forces, but at the same time we find that in fact the modern weapons to counter such a buildup are being provided to support foreign sales, rather than to supply our own units.

In addition, the sales of these highly so-

phisticated weapons to these foreign countries must be considered in light of the requirements that such sales might place our critically skilled manpower capabilities for these systems, as well as the competition on logistics support for these systems.

FORT HOOD, TEX.

The principal readiness issue of the units at Fort Hood is the status of training and logistic material support. Most of the units need additional training to improve their readiness. Yet this division received funds for only 80 percent of the training days which had been requested. We were advised that the constant rotation of units to Europe is causing a problem in stability for training and maintenance. A significant portion of the mechanized equipment, howitzers, and aircraft was below the readiness criteria established at the Corps level. The units at Fort Hood do not have all of the Dragon missile systems that they are authorized. There are other shortages of equipment at Fort Hood, some of which were reportedly created by foreign military sales. Of particular concern were discussions that we had with some of the troops who expressed concern over a shortage of night vision goggles. These troops were concerned that they did not have these goggles but that foreign troops being trained at Fort Hood had these goggles with them. Another concern expressed was with the adequacy of defensive equipment for chemical warfare situations. Helicopter pilots, for example, said that present unwieldy gas masks cannot be used safely by both members of the crew at the same time.

LUKE AIR FORCE BASE, ARIZ.

At Luke Air Force Base, we received a report on the readiness status of the Air Force's newest F-15 aircraft as well as the older F-4 aircraft. At the time of my visit only 23 of the 43 F-15 aircraft at Luke were reported as flyable, with the remainder down either for repairs or supply. We also learned that the unit cost per flying hour of the F-15 is quite a bit higher than that of the F-4 aircraft, and the maintenance man-hours per flying hour were nearly as much as the older F-4 aircraft. Moreover, the F-15 is suffering nearly three times the cannibalization rate of the F-4.

It seems to me that these newer sophisticated systems are demonstrating much higher operating and maintenance costs than the older aircraft that they were intended to replace. During the past year the operational readiness rate for the F-15 aircraft has been consistently lower than the standard established by the Air Force and even lower than the older F-4 aircraft. The Air Force has recently placed many new personnel at Luke who will require significant training to meet qualified skill requirements.

WILLIAMS AIR FORCE BASE, ARIZ.

At Williams Air Force Base, we visited the undergraduate flight training facilities and received briefings on the program being conducted at this location. Many foreign pilots are trained by the Air Force at Williams. The base is operating at this time at only 60 percent of capacity and many trainer aircraft are sitting idle on the runways. Some of the aircraft have been placed in storage at this time. It would appear desirable to explore the possibility of using private contractors for a substantial amount of the training of foreign pilots now being performed by the Air Force.

U.S.S. "CONSTELLATION" AIRCRAFT CARRIER

We observed flight operations of the F-14 aircraft while the carrier was on a training cruise off San Diego. We also discussed the readiness condition of the carrier and visited with the carrier personnel.

The Constellation has significantly improved its personnel manning in the past year to a point where it is now manned to 98 percent of allowance. About 80 percent of the officers and enlisted personnel changed during the latest overhaul, however, thus creating a need for extensive training to reach a proficient degree of readiness. A major problem is the lack of adequate numbers of enlisted personnel for supervisory and training positions (E-4 and E-5 levels) which are necessary to reach a readiness proficiency.

We were concerned to learn that at the time of our visit only three of twenty F-14 pilots on the Constellation had ever fired the Phoenix missile, the principal weapon

of the F-14 force.

With regard to aircraft readiness, we were told that one-fourth of the F-14s assigned to the Constellation were not even aboard because of maintenance requirements. An additional 30 percent of those aircraft aboard were not fully capable. A very serious problem exists with the logistic support of the aircraft on the Constellation, particularly with the F-14 aircraft. Over 10 percent of the total maintenance man-hours were consumed in cannibalization of parts from one aircraft to support another. This is a very cosly support procedure. The maintenance crewmen indicate that a much higher percentage of their direct aircraft maintenance to perform cannibalization actions. While I am encouraged at the "can-do" attitude of the Constellation personnel, I believe that steps to improve the material condition of equipment deserves much higher priority and attention.

NAVAL AIR STATION, NORTH ISLAND, CALIF.

We discussed the readiness of the S-3A aircraft at the Anti-Submarine Warfare Wing headquarters and were seriously concerned to find on two recent completed deployments that this highly expensive and highly sophisticated plane had full system capability only 5 and 6 percent of the time. Current deployments are showing improvement, but such a low rate of readiness for these expensive systems raises serious questions about the quality of our development program.

Despite these problems, I was extremely impressed with the capabilities and determination of our military personnel to operate these highly sophisticated systems.

COMMANDER, NAVAL AIR FORCES-PACIFIC

We visited with the Commander of the Naval Air Forces—Pacific to obtain an overall picture of the readiness of the Pacific Fleet aircraft. Overall, the full systems-capable operational readiness rate of the Pacific fleet aircraft during the years 1974–1976 has averaged between 40 and 45 percent. A major problem again was that cannibalization of aircraft parts consumed over 400,000 man-hours of effort fleetwide between July 1975 and June 1976. This is a tremendous waste of manpower and money and a major indicator of the problems in readiness support to these aircraft. Shortages of key supervisory (E-5 to E-9) enlisted personnel in the machinist mate, bolier technician, and boatswain mate skills are a serious concern on the aircraft carriers in the Pacific fleet.

NAVAL AIR REWORK FACILITY—NORTH ISLAND, CALIF.

At North Island we visited the Rework Facility and observed the overhaul and repair efforts being performed on aircraft and helicopters. The workload at this facility is at 80 percent of capability, and it has a payroll of \$108 million while employing about 6,800 civilian personnel.

Of particular concern was the shortage of white collar supervisory personnel. It seems that the Wage Board rate increases have been significantly higher than Civil Service pay increases, leading qualified wage board employees to avoid being promoted to white

collar supervisory jobs. This issue should be examined further by our Manpower Subcommittee.

1ST MARINE DIVISION-CAMP PENDLETON, CALIF.

We discussed the readiness of the Marine Corps units at Camp Pendleton with the Commander of the 1st Marine Division and visited with units training in field exercises. The major area of concern in the readiness of the 1st Marine Division is the need for more training. The Division appears to be in a period of major buildup after the Vietnam War and from my observations they were "hard at" their training.

The average age of the servicemen in the 1st Marine Division is now only 21 years old, and over 54 percent of the Division troops are 20 years old or younger. The Division also experienced a fine 40 percent first-term reenlistment rate during December 1976.

One major equipment problem was said to be with the M60 machine guns, which have been in short supply and which now are suffering a high failure rate because of cracked receivers. I have since been advised that these problems have been corrected by replacement or repair of defective equipment.

Some enlisted men reported that they had never had an opportunity to fire some equipment assigned to their units, such as flame-throwers and the LAW anti-tank weapon, during the past year. Although the Dragon anti-tank missile is an especially important weapon for an infantry unit such as the 1st Marine Division, this division is not scheduled to receive its allotment until 1978, despite the fact that deliveries have already gone to foreign countries.

MIRAMAR NAVAL AIR STATION-MIRAMAR, CALIF.

We visited the Miramar Naval Air Station to obtain further data on the overall condition of the entire Pacific fleet of F-14 aircraft, F-4 aircraft, and the Navy's E-2B early warning aircraft. We found that the readiness problems observed on the carrier Constellation exist fleet-wide—low operational readiness rates and high cannibalization rates caused by logistics problems.

There is a significant contrast between the readiness of the older F-4 aircraft (about 50 percent) and that of the newer F-14s, which have an operational readiness rate of only 30-40 percent and a full systems-capable rate below 30 percent. The Navy needs to decide whether it can afford to acquire and support these much more capable aircraft at an acceptable readiness rate. At present, we are not getting dependable combat power for our huge initial investment in the F-14.

Engine problems have plagued the F-14 for some time and solutions have been slow in coming. The Navy is currently in the second year of a five-year program, costing \$552 million, to correct some of these deficiencies by improving engine and airframe reliability and survivability, by reworking and improving the plane's structure, and by procuring additional spare parts. Even so, there is a widespread belief that a wholly new engine is needed to give the F-14 the capability for which it was designed. Many of these problems might well have been avoided by better initial planning and a more cautious transition from design to procurement.

Again, I have the highest admiration for the pilots and enlisted personnel who are called upon to operate and maintain these highly sophisticated aircraft. Their dedication despite persistent equipment and supply problems is highly commendable.

The E-2B early warning aircraft is one of the highly sophisticated aircraft which is very difficult to maintain in an acceptable readiness condition. Since 1973, this aircraft has registered a full systems-capable readiness rate of between 30 and 41 percent. The Navy plans to replace this aircraft with a more current version, the E-2C, early next year. In view of these past problems, it remains to be seen whether this newer model will provide improved readiness rates.

COMMANDER, NAVAL SURFACE FORCE, PACIFIC FLEET—SAN DIEGO, CALIF.

We visited the Pacific Surface Fleet Commander at San Diego and received an excellent report on the readiness of the surface fleet in the Pacific.

The major problem appears to be from shortages in the enlisted personnel area. We were advised that the supervisory E-5 and E-6 skill levels were less than 50 percent of allowances. The short-based fleet maintenance assistance groups have only 69 percent of their allowed manning and the new DD963 and LHA ships are also low-manned. The fleet is having equipment problems with boilers, air compressors and main feed pumps, which were attributed to less than thorough overhauls in prior years.

The command is taking some innovative steps to improve the ship maintenance problems. These include providing full funding of maintenance parts requirements for shipboard preventive maintenance for selected test ships and in turn extending periods of

ship operation between overhaul.

The total force condition was reported at about 50 percent operationally ready, with equipment problems causing the most serious degradation. Among the most significant problems mentioned were the installation of new equipment prior to adequate parts support, higher failure rates than predicted by manufacturers, lack of procurement sources for older equipment and difficulties in getting units repaired.

WARREN AIR FORCE BASE-CHEYENNE, WYO.

We visited Warren Air Force Base to discuss the readiness of the Minuteman III forces, as well as observe directly Minuteman operations in their silos.

Accordingly, we toured a control room of the Minuteman wing and observed the operations and controls of our Minuteman missiles. We also had the opportunity to inspect a Minuteman silo and the missile in place.

The Minuteman force which we observed was in as good a readiness condition as possible given the fact that the missiles have never been test fired from site locations. We should, of course, expect peak readiness in our strategic nuclear forces.

STRATEGIC AIR COMMAND HEADQUARTERS—OMAHA, NEBR.

We visited the SAC headquarters to discuss the readiness of our strategic forces and observe the headquarters control of those forces.

In addition, we were briefed on the overall targeting plans and capabilities of our strategic forces and inspected the major control operations of the Strategic Air Command. Much of the discussion was of a classified nature, but the visit was extremely useful to us in obtaining a greater insight into the strategic issues which we will be considering in the months ahead.

RECOMMENDATIONS

In addition to particular observations and specific suggestions related to the bases visited, there are several general recommendations which apply to all services and should help to improve overall readiness.

1. The Defense Department should assign a higher priority to achieving improved readiness and should monitor changes in readiness indicators more closely. Reports to senior officials and to Congress should be systematized and made regularly, such as quarterly, and in sufficient detail and appropriate format so as to highlight problem areas. In addition to unit readiness, the Services should report on system readiness of those items which exhibit serious or persistent problems of manning, maintenance, or

supply. One specific goal should be to reduce

the cannibalization rate for aircraft parts.
2. In order to free funds and personnel to concentrate on improving readiness, the Services should slow down their purchases of new equipment until they "get well" in terms of readiness. Special reviews should be conducted of existing equipment and components which are not functioning as planned in order to determine those which are not cost-effective or essential to mission performance.

3 The President should declare a clear policy of no diversions of critically needed supplies to Foreign Military Sales unless and until U.S. forces have achieved adequate readiness with respect to those items. The current problem is not only that some foreign purchasers receive equipment prior to U.S. units, but also that skilled contractor personnel are sent abroad to help recipients utilize the equipment.

4. The Defense Department should reevaluate current standards of proficiency in view of reduced opportunities for training exercises, flight hours, and live-firings of weapons. Where proficiency has been maintained, curricula and training schedules should be altered; but where proficiency has been seriously degraded, minimum standards should be proposed and cost-saving alternatives such as the use of simulators and other training aids should be exploited.

5. The Department of Defense should strengthen its consideration of the reliability and maintainability aspects of new weapons in several ways.

Testing and evaluation of new weapons should be done in a manner that is realistic to operational conditions rather than to a

laboratory environment.
b. The Department should more closely review the promises that are made by contractors about these features when new programs are undertaken and should insist on appropriate penalties as well as bonuses, depending upon demonstrated performance. If, because of technological difficulties, the preferred readiness criteria cannot be met with the planned levels of reliability and maintainability, the Congress should be so advised prior to the start of production.

c. The Department should also reevaluate the actual results of recent weapon systems in terms of maintability and reliability, comparing these results to the promised specifications or goals at the start of the pro-gram. If it is determined that acceptable readiness criteria cannot be reached within a reasonable time, the consequences for meeting operational commitments should be transmitted to the Committee. We need to be assured before entering into production that new weapons are as reliable and efficiently maintainable as technology permits and as high unit costs demand.

d. In order to make these analyses, the Department will have to develop careful ways of measuring the costs and benefits of in-creasing sophistication in weaponry over its life-cycle so that we can be assured that our true fighting capability improves commensurately as we rely ever more on advanced technology.

POSTCRIPT: MARCH 30, 1977

While this report was in the final stages preparation, two developments occurred which deserve special mention.

First, President Carter chose, in his budget amendments, to increase funds requested for readiness by \$605 million and to slow down the production of some weapons which have been experiencing readiness problems.

Though I plan to review these proposals carefully, I welcome this concrete evidence of the higher priority now placed on improving readiness

Second, I have become aware of a study

of U.S. Army unit readiness reporting completed last spring by a group of officers at the Army War College. This study, based upon an extensive worldwide survey, confirms my own concerns about the reporting system. The study concluded that the Army unit readiness reporting system has a "poor reputation for accuracy and validity"; that "optimistic reporting masks critical problems"; that units "peak" for regular report-ing dates at the cost of "inefficiencies involving untold wasted man-hours"; and that reporting lacks a system of independent checks which could improve the situation. It is imperative that the Army take expeditious action to correct these problems and that other Services also give this problem close scrutiny with overall supervision and guidance from the Secretary of Defense.

ATTACHMENT 1: MILITARY INSTALLATIONS VISITED

Offut Air Force Base, Nebraska-Strategic Air Command Headquarters.

Fort Hood, Texas-1st Cavalry Division, 2nd Army Division.

Luke Air Force Base, Arizona—Tactical Fighter Training Wing.

Williams Air Force Base, Arizona-Undergraduate Flying Training Wing.

USS Constellation, San Diego, California-Naval Aircraft Carrier.

Camp Pendleton, California-1st Marine Division.

Naval Air Station, Miramar, California-F-14, F-4 Aircraft.

Naval Air Station, North Island, Califor-

nia-S-3A Aircraft. Naval Air Research Facilities, North Island,

California—Repair and Maintenance. Commander, Naval Aircraft Pacific, San Diego, California-Pacific Fleet Aircraft

Commander, Naval Surface Vessels Pacific, San Diego, California-Pacific Fleet Ship Readiness.

Warren Air Force Base, Cheyenne, Wyoming-Minuteman III Missile.

PREVENTIVE CARDIOLOGY PROGRAMS

Mr. PERCY. Mr. President, numerous studies have been made in recent years of heart disease, our Nation's No. 1 killer. Most attention is given to major research projects and medical breakthroughs. But equally essential is the implementation of prevention methods by every American through his or her diet and exercise. One of the most commendable developments in preventive cardiac care is the involvement of private industries in employee health pro-

There are over 150 companies in the Chicago area alone which offer preventive cardiology programs for their employees. I would like to particularly bring to the attention of my colleagues and the public Standard Oil's medical and environmental health services program run under the directorship of Dr.

Peter Wolkonsky.

I ask unanimous consent that the following articles on Dr. Wolkonsky's and Standard Oil's innovative and human pioneering of private industries concern for the health of its employees be printed in the RECORD: "Comprehensive Medicine in Industry," from the bulletin of the University of Chicago Medical School and "Heartwatch on Standard Oil Brass," from the Chicago Tribune be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Chicago Tribune, Mar. 27, 1976] A TREADMILL TO FITNESS: HEARTWATCH ON STANDARD OIL BRASS

Top executives at Standard Oil's towering headquarters building on Michigan Avenue are kept in physical condition under one of the more advanced industrial health programs in the nation. In charge of the program is Dr. Peter Wolkonsky, the company's medical director, who observes that every year, "between one and three of our people died of heart attacks at their desks."

As a preventive measure, employes are treated in a cardiac fitness laboratory on the 38th floor. It is equipped with testing and rehabilitation equipment arranged in 12 exercise stations with skip ropes, a punching bag, parallel bars, treadmill and rowing machine.

Lunch hours find the executives crowding into the lab, because, as Dr. Wolkonsky points out, many "feel themselves too busy during the working day to devote an hour to the program."

[From "Medicine on the Midway," bulletin of University of Chicago Medical School, Spring Issue, 1975]

COMPREHENSIVE MEDICINE IN INDUSTRY

Aside from its bright red color, the emergency hot-line on the 38th floor of the Standard Oil Building looks like any other telephone. But it is not just another phone. It brings messages of distress to Standard's medical department. When it rings, specialists rush to the cardio-pulmonary-resuscita-tion cart and set the stop clock. They are ready to handle whatever problem awaits them

The clock tells them exactly how much time elapses between their receipt of the emergency call and the moment they reach the patient's side. For instance, they have to minister to a cardiac arrest victim within five minutes

After that, it's likely to be too late. They can be anywhere in the 80-floor building within two and one half minutes. When the red phone sounds, freight elevator 41 (the one in the building that goes from the top floor to the bottom) automatically cancels all other calls and proceeds directly to the 38th floor.

The emergency cart is equipped with defibrillators, an EKG machine, oxygen masks, external massage, aspirator, drugs and other survival paraphernalia. It is used from three to ten times a month but fortunately has not yet been required for its main intended purpose, the treatment of cardiac emergencies.

This emergency procedure is just one of many aspects of the comprehensive Medical and Environmental Health Services program of the Standard Oil Company (Indiana), under the director of Dr. Peter Wolkonsky. While the medical department is well equipped to handle emergencies, it is geared toward preventing them.

We want to help our employees to stay alive and productive," Dr. Wolkonsky says. 'We practice preventive medicine."

Periodic examinations are the mainstay of the medical program. A thorough medical history is taken. An internist examines the employee, who then goes through a battery of vision audiometer, x-ray, pulmonary func-tion, blood chemistries, electrocardiograph, and other diagnostic tests. If necessary, other indicated medical tests may also be given. "We are looking for everything from gout to cancer," Dr. Wolkonsky says. "These examinations very often uncover problems which the patient did not know he had, and which can be treated. The employee can then arrange to get the proper treatment for his disorder." Periodic examinations are voluntary and confidential, and are offered according to the projected health needs of each age group. Those under 40 can choose to be examined every three years; those 40 to 50 every two years; and those over 50 every year.

"As soon as we have our staff up to full strength," Dr. Wolkonsky says, "each employee will receive a letter from us when he or she is eligible for an examination. Unfortunately, we are not able to do this now because we do not yet have enough doctors."

The medical department provides treatment for occupational injuries or illnesses. Otherwise, except for emergencies, the services are primarily diagnostic. If an examination uncovers an illness or injury, a physician will counsel the employee and recommend that he or she be treated by a specialist or personal physician. If someone does not have a private physician, a department physician can refer him to one. The department tries to work closely with the private physician in following and, when necessary, assisting in managing cases in which positive findings have been made.

Since employees, along with their private physicians, are responsible for management of their personal medical problems, treatment in the medical department is limited to emergency care and to short-term help for temporary problems. For example, a patient may be given pain medication and be put to bed in one of the two-bed wards for a short time. In practice, the doctors and nurses may handle such problems as sprained ankles or migraine headaches, or such potentially major problems as breathing difficulties.

Health care counseling is a vital part of the program. The internist or other medical personnel will explain to the patient what the implications, risks and controls are for his particular problem. A diabetic, for example, would be advised (in cooperation with his private physician) as to the nature of his disease and appropriate management measures, and would use the medical department for necessary follow-up such as routine tests of blood sugars.

Four full-time and two part-time internists, three registered nurses and a laboratory technician provide the medical care for the more than 5,000 employees of Standard Oil Company (Indiana). In addition, they provide emergency treatment for the other tenants of the building. The medical staff sees between 700 and 800 persons a month. Dr. Wolkonsky projects that another three internists are needed to complete the staff.

Medical facilities at the Standard Oil Building include offices, two nursing stations, ten examination rooms, an emergency room, two two-bed wards, laboratory and x-ray facilities, specialized diagnostic and treatment rooms and an exercise room. The diagnostic and treatment rooms are equipped for physiotherapy (including diathermy and whirlpool treatments), cardiac stress testing, pulmonary function, audiometry, and vision testing and endoscopic and gynecologic examina-tions. There is, in addition, a wide variety of medical equipment which can be used in emergencies. If someone breaks a leg while on the job, he can be picked up on a special chair which, when transformed into a mobile bed, can be raised (to place the patient on the examination table) or lowered (to place him in an ambulance). The medical department has x-ray equipment, including imageintensifier, sufficient for routine films and contrast studies.

Coded indicator lights in each doctor's office, in the nursing station, and in waiting areas, show which rooms are in use, which facilities are staffed for service, and which need extra personnel.

"We have a considerable amount of gadgetry," Dr. Wolkonsky says, "but the basis of our program is the sound expertise pro-

vided by the highly trained staff of internists and other medical and health care personnel"

Other significant parts of the medical program are pre-employment and return to work examinations (for those who have been out more than three days due to sickness). Employees and their families are also examined before they leave for overseas assignments.

A cardiac stress-testing laboratory and fitness facility is open to employees in need of cardiovascular rehabilitation and to despositions. ignated men in management "Every year, between one and three people die of heart attacks at their desks," Dr. Wolkonsky says. The cardiac stress-test laboratory is designed to help prevent these deaths. Before admittance to the program, the employee is tested on a treadmill. The amount of energy needed to walk this mill is gradually increased in order to find how much physical exertion the individual can endure. An individualized exercise program, administered by a trainer working under a physician's supervision, is then developed to help improve the employee's physical toler-

There are 12 exercise stations in the cardiac fitness laboratory. They include skip ropes, a stationary bicycle, a rowing machine, balance beam, a speed (punching) bag, medicine ball, a thigh-leg table, wall weights, rings, parallel bars, and weights. Optimally, each person would spend one and a half minutes at each of the stations, with a short rest period between and repeat the program three times each week. Individuals use stations that are specified in their own exercise program. During rest periods, they take their own pulse to make sure that it is higher than it would be when the body is at rest but lower than their maximum endurance capacity. The facility is designed to handle 12 persons at one time or a total of 150 a week.

The cardiac fitness laboratory is open from 8:00 a.m. to 5:00 p.m., and participants are not allowed to talk business or take phone calls while in the exercise room. "Since many of the executives, however, feel themselves to be too busy during the working day to devote an hour to the program," Dr. Wolkonsky says, "our facility is most crowded during lunch hour." Some employees prefer to use the room at the end of the day.

A description of the medical department's services would be incomplete without mention of the environmental-health services section. Director Paul Halley and most of the 17 staff members are graduate engineers, toxicologists or industrial hygienists. They are involved in establishing and maintaining proper standards of safety, hygiene and toxicology control at the numerous facilities of Standard Oil Company (Indiana) and its Amoco subsidiaries.

"We are trying to run the medical department out of business," Halley says with a smile. But there is no competition between the two divisions of the medical program. They are designed to work in tandem to provide top quality health care for the employees.

The safety division has been operating since the 1920s. The hygiene and toxicology division were established by Mr. Halley in 1953. In addition to monitoring the working conditions within the Standard Oil Building, the environmental-health services section monitors the working conditions at the company's various refineries, chemical plants, oil producing areas and marketing departments both in this country and abroad.

Standard Oil of Indiana has had a medical program since 1929. Under the direction of Dr. Wolkonsky, it has developed into one

of the most comprehensive corporate medical programs in the country.

JOSEPH DIXON

Mr. WILLIAMS. Mr. President, this year marks the 150th anniversary of the Joseph Dixon Crucible Co., America's largest and oldest manufacturer of natural graphite, and the world's first producer of, among other materials, the lead pencil. This company, located in Jersey City, N.J., has given faithful and excellent service to American industry and the American consumer during these past 15 decades, and I would like today to acknowledge this achievement by citing for the Record the remarkable story of the company's founder, Joseph Dixon.

Joseph Dixon's work profoundly influenced the course of civilization, yet, the world at large knows little about his remarkable achievements. We could all learn much from his experiences and his firm conviction "that when the thought flashes through your mind, seize upon it and put it down in black and white." With this simple principle, Joseph Dixon became one of the true geniuses of the 19th century and helped lay the foundations for modern society. I ask unanimous consent to have printed in the Record a short statement on the history of this most remarkable life.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

JOSEPH DIXON-A REMARKABLE MAN

The next time you travel by train, use a pencil, ride in a tunnel or use a camera, you will have been affected by the life's work of a remarkable man who was born almost 200 years ago.

His name was Joseph Dixon (1797-1869). He was a chemist, metallurgist, mechanic, scientist and humanitarian—an unusual early American whose work had a profound influence on all of us. While he is remembered chiefily for having perfected graphite crucible (with which he was to assist in raising the melting of metals from the status of a handicraft to that of an industry) and for his work in graphite and pencils, Dixon also experimented successfully in many fields beyond those in which he manufactured.

He perfected destructible inks for use in tinting the paper on which bank notes were to be printed, for the prevention of counterfeiting.

He built the first American locomotive with double drive wheels and a double crank—the double crank so his engine would not stop on "center" and would permit starting up at all times.

He collaborated with Samuel F. B. Morse, whom he showed how to take camera portraits by means of a reflector so the image would not appear reversed. Morse was successful in his attempt to patent the reflector in England and made use of it in telegraphy, especially the Atlantic Cable.

Joseph Dixon began manufacturing graphite crucibles in his home in Salem, Massachusetts, in 1827. With the assistance of two laborers, he turned out a few crucibles a day, by hand, on a potter's wheel. From this humble beginning the company he founded—the Joseph Dixon Crucible Company—grew until it became the largest manufacturer of natural graphite in the world, celebrating its 150th anniversary in 1977.

The chances are that Dixon, with all his

The chances are that Dixon, with all his vividness of imagination, never anticipated the extent to which his company would grow.

CHEMICAL AND BIOLOGICAL WARFARE

Mr. McINTYRE. Mr. President, in keeping with the past practice of the Armed Services Committee to advise the Senate and the public of the activities of the Department of Defense in the area of chemical and biological warfare—CBW—I ask unanimous consent to have printed in the Record at the conclusion of my remarks the report cover letter and the annual report on funds obligated for CBW research during fiscal year 1976 and the transition period.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. McINTYRE, Mr. President, my colleagues may recall that previously the Department of Defense's report on funds obligated in chemical and biolog-

ical warfare research programs were submitted semiannually, as required by section 409 of Public Law 91–121. Subsequent to a General Accounting Office study on executive branch reports to Congress, Public Law 93–608 was passed, changing the Department of Defense semiannual report on chemical and biological warfare program from a semiannual report to an annual one. The Department of Defense advised the Armed Services Committee of its intention to implement this change in reporting frequency on March 14, 1975.

As the cover letter indicates, the next report will cover a 12-month period and will be submitted by the end of Novem-

ber. 1977.

EXHIBIT 1

Hon. Nelson A. Rockefeller, President of the Senate, Washington, D.C. DEAR MR. PRESIDENT: In accordance with

DEAR MR. PRESIDENT: In accordance with the requirements of Section 409, Public Law

91-121, as amended by Section 2, (4) of Public Law 93-608, the report on funds obligated in the chemical warfare and biological research programs during fiscal year 1976 and the transition quarter is enclosed. The next report will cover a 12 month period (FY 77) and will be submitted by the end of November 1977.

The report provides actual obligations

through 30 September 1976.

Section 4 of the Army report provides an adjustment summary which reflects change data to the second half, FY 1975 report. This summary will permit the revision of estimated obligations to actual. The Departments of the Navy and Air Force reported no adjustments to their segments for the second half, FY 1975 report.

The attached report has also been sent to the Speaker of the House of Represent-

atives. Sincerely,

W. P. CLEMENTS, Jr.

DEPARTMENT OF DEFENSE-ANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAMS JULY 1, 1975 (THROUGH SEPT. 30, 1976), NOV. 15, 1976

DEPARTMENT OF DEFENSE ANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAM OBLIGATIONS FOR THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976, RCS DD-D.R. & E. (SA) 1065 (ACTUAL DOLLARS)

The second secon	Army	Navy and Marine Corps	Air Force	Total
Chemical warfare program. R.D.T. & E Procurement Biological research program R.D.T. & E Procurement Ordnance program R.D.T. & E Procurement R.D.T. & E Procurement	\$48, 883, 000 (35, 279, 000) (13, 604, 000) 17, 727, 000 (17, 727, 000) (17, 727, 000) (8, 120, 000) (17, 527, 000)	\$1, 093, 000 (1, 060, 000) (33, 000) (0) (0) 198, 000 (198, 000)	\$1, 496, 000 (1, 496, 000) (0) (0) (0) (0) (0) (0)	\$51, 472, 000 (37, 835, 000) (13, 637, 000) 17, 727, 000 (17, 727, 000) (0) 25, 845, 000 (8, 120, 000) (17, 725, 000)
Total program	92, 257, 000 (61, 126, 000) (31, 131, 000)	1, 291, 000 (1, 060, 000) (231, 000)	1, 496, 000 (1, 496, 000) (0)	95, 044, 000 (63, 682, 000 (31, 362, 000

DEPARTMENT OF THE ARMY ANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAMS
(JULY 1, 1975, THROUGH SEPT. 30, 1976), RCS DD-D.R. & E. (SA) 1065

[In conducting the research described in this report, the investigators adhered to the "Guide for Laboratory Animal Facilities and Care" as promulgated by the Committee on the Guide for Laboratory Animal Resources, National Academy of Sciences—National Research Council

SEC. 1.—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976, DEPARTMENT OF THE ARMY, RCS DD-D.R. & E. (SA) 1065

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976; REPORTING SERVICE: DEPARTMENT OF THE ARMY; DATE OF REPORT: SEPT. 30, 1976; RCS: DD-D.R. & E. (SA) 1065

	Funds obliga (millions of do	ated ollars)		
	Prior year	In-house		
Description of R.D.T. & E. effort	Current fiscal year	Contract	Explanation of obligation	
Chemical warfare program	-0.022	32, 396	During the 15-mo period, fiscal year 1976 and fiscal year 1977, the Department of the Army obligated \$35,279,0 research investigations, development and test of chemical warfare agents, weapons systems, and defensive Program areas of effort concerned with these obligations were as follows:	00 for general
	35, 301	2, 883	Chemical research: Basic research in life sciences Exploratory development	\$940, 000 6, 860, 000
			Total chemical research	7, 800, 000
			Lethal chemical program: Exploratory development Advanced development Engineering development Testing	1, 709, 000 756, 000 4, 543, 000 433, 000
			Total lethal chemical	7, 441, 000
			Incapacitating chemical program: Incapacitating chemical program: Exploratory development, total incapacitating chemical	645, 000

SEC. 1.—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976, DEPARTMENT OF THE ARMY, RCS DD-D.R. & E. (SA) 1065-Continued

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976; REPORTING SERVICE: DEPARTMENT OF THE ARMY; DATE OF REPORT: SEPT. 30, 1976; RCS: DD-D.R. & E. (SA) 1065-Continued

	Funds obligated (millions of dollars)		
	Prior year	In-house	
Description of R.D.T. & E. effort	Current fiscal year	Contract	Explanation of obligation
1. Chemical research	066	7, 535	
(a) Basic research in life	7. 806 (. 000)	. 265 (. 885)	
sciences. —	(.940)	(.55)	Life sciences basic research in support of chemical materiel:

a study of anticholinesterase effects on mammalian brain stem function the nature of the nerve agent Soman (GD) effects on both inspiration and expiration has been characterized. The dependence of respiratory integrity in the brain stem on conscious or nonanesthetic states has been shown. Specific sites of respiratory blockade by

the brain stem on conscious or nonanesthetic states has been shown. Specific sites of respiratory blockade by nerve agents were shown.

2. In an investigation of the interrelations among cyclic nucleotides and acetylcholine (ACh) in protected and unprotected animals poisoned with GD, it was found that injection of 3 doses of dibutyryl andenosine 3,5 monaphosphate (cAMP) and theophylline resulted in a 50 percent lowering of plasma somanase activity, the enzyme which detoxified GD. Assay procedures were set up for cAMP, cyclic guanosine mononucleotide and ACh. Poisoning of rats with 1 medium lethal dose of GD causes greater than a 2-fold rise in creebral ACh. A report entitled "Synthesis of Cholinesterase Following Poisoning with Irreversible Anticholinesterases: Effects of Theophylline-Ne, 02-Dibutyryl Adenosine 3, 5-Monophosphate on Synthesis and Survival" was submitted for publication.

3. In order to study the mechanism of spontaneous reactivation of GD-inhibited acetylcholine-sterase, it was necessary to develop a model system utilizing acetylcholinesterase inhibited with P-nitrophenyl methylphenylphosphinate to permit an efficient study of perturbing agents on the spontaneous reactivation process. Oral presentation on the above model system was given at the 10th Middle Atlantic regional meeting of the American Chemical Society (February 1976).

4. Studies of sites of action of incapacitating agents in animal brains have shown that anticholinergics injected into dorsomedial thalamus and caudate block pain information and that electrolytic or chemical lesions of central gray matter potentiate morphine analygesia. In preparation of extension of these studies, rat locomotor activity cages were completed.

Defensive equipment program: Exploratory development	11, 770, 000
Advanced development	3, 982, 000
Testing	860, 000

(-.006)(b) General chemical investi-(6, 866)

A new test is being evaluated to determine whether it can be used to product the closest of orage of the training in humans.

(b) The protocol for standardizing the assay of blood cholinesterase by manual and automated methods for all branches of the Department of Defense was completed. An automated method for the determination of concentrations of physostigmine and pyridostigmine in human blood was developed. Quantitative methods for the complete analysis by extraction, ultraviolet, and gas chromotography of a therapeutic mixture containing 3 active ingredients were perfected. A method was developed for the assay of an agent simulant in urine in concentrations 1/80th of those previously reported. Studies were initiated on a more sensitive method for measuring triphosphoninositide activity in the brain to determine whether a specific brain site is involved in GB introxication. Rapid automated methods are being sought to determine the stability of dilute nonaqueous solutions of chemical agents.

SEC, 1.—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976 DEPARTMENT OF THE ARMY, RCS DD-D.R. & E. (SA) 1065-Continued

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976; REPORTING SERVICE: DEPARTMENT OF THE ARMY: DATE OF REPORT: SEPT. 30, 1976: RCS: DD-D.R. & E. (SA) 1065-Continued

Funds obligated (millions of dollars) Prior year In-house Description of R.D.T. & E. effort Current fiscal year Contract

Explanation of obligation

3. Medical effects of chemical agents: Improved procedures for assessing the mutagenic properties of chemical compounds have been established. Chlorpromazine, considered a possible adjunct in prophylaxis and therapy against nerve agents, was shown to be mutagenic to bacteria. Preliminary data shows that a proposed simulant produced mutagens in the fruit fly. Many selected compounds are being reexamined for mutagenicity. The analgesic properties of cholinergic and of anticholingeric compounds were studied to separate motivation changes from sensory deficit and allow more meaningful predictions of the effects in man. Using localized EEG recordings in somatosensory areas of the thalamus and caudate of rats and monkeys, atropine mimicked morphine in depressing pain evoked activity. Scopolamine and benactyzine also produced analgesia as measured by behavioral tests. Furthermore, atropine and benactyzine disrupted (increased) time perception in the rat. Improved equipment and techniques for electroretingraphy, visual evoked response research, tear analysis, and cataract formation have been established. Using a differentially radio-labeled glycolate, the distribution, binding, elimination, and metabolic conversion of the compounds is being studied in subprimate brain, peripheral tissues, and body fluids.

4. Chemical dissemination and dispersion technology:

(a) Studies were conducted to investigate and clarify the mechanisms and methods of the delivery, dissemination, and dispersion of agent materials and to conceive and evaluate new concepts of their use. The resulting technology and data base serves as the foundation for assessing our vulnerability to foreign threat and for the development of advanced deterrent systems as well as combat support systems.

(b) Equations were developed to describe the instantaneous nonsteady state flow during the voiding of bulk liquid fill from spinning cylinders. Successful validation of the equations was obtained for up to 3.000 rpm and the evaluation of higher rates, geometries, a

defensive and deterrent systems requires continuing development of test and assessment procedures, simulation techniques and models, and continuing investigation, development and evaluation of simulant materials.

(b) A mixture consisting of triethyl phosphide, dibutyl amine and ethyl acetate has been developed and successfully used as a stimulant for the XM736 binary nerve agent VX projectile.

(c) Toxicological studies on simulants were conducted to obtain information to support requests for approval by the Office of the Surgeon General. Dimethylmorpholinophosphoramidate (DMMPA) was given prime consideration as an intake simulant for casualty assessment and, in combination with a fluorescent dye, for use in material contamination assessment.

(d) Simulation models were developed to estimate the expected fraction surviving chemical attack when either prophylactic or therapeutic protection or both are provided. Simulation models for chemical agent attack were improved to simultaneously consider both the vapor and liquid particle challenge posed by intermediate volatility agents. Preliminary models to assess the burden of defense equipment (heat stress performance proficiency reduction) have been developed.

(e) A flame photometry device employing sodium chloride was developed to test protective equipment.

(f) Improvements were made to the nitrogen purge/air infiltration procedure which was then used to simulate chemical agent vapor infiltration into tanks, armored personnel carriers and self-propelled howitzers.

6. Technical evaluation of foreign chemical warfare potential:

(a) Support was supplied in the planning, conduct, and evaluation of a series of rocket sled tests, a fuze check test, and a missile flight test using simulant materials. A preliminary transport and diffusion model was completed, and an evaluation of intelligence information based on the preliminary model performed. Reviews of intelligence information were performed as it became available. Planning coordination of Edgewood Arsenal, Md., T

Edgewood Arsenal, Md., Technical Area 12, Chemical Threat Assessment Technology, was also accomplished.

(b) Data from the 2d series of rocket sled tests were reduced which provided an excellent data base for the breakup modeling. The 2d series differed from the 1st series in that free flight was achieved prior to warhead detonation, thus providing an environment similar to flight condition. A combination of the breakup model and dissemination model will provide realistic estimates for area coverage, contamination density, and particle size distribution. The initial breakup model addresses only the subsonic region and will be expanded in fiscal year 1977 to incorporate transonic and supersonic delivery. The 1st validation firing was conducted at White Sands missile range, New Mexico, in July 1976, using a Lance Rocket system. The flight test has confirmed the veracity of the data base obtained from the rocket sled tests as the basis for breakup modeling. Preliminary analysis of disposition data also indicates agreement with the limited model presently available.

(c) Limited sampling data were collected during the White Sands missile range tests of the Little John and Lance rocket systems that contained simulants. The data indicated that from a liquid agent detector point of view, there may be some significant differences in data obtained from dynamic rocket tests as compared to static spray trials. Attempts to obtain spread factor data for a simulant during the rocket sled tests were unsuccessful. Efforts are still continuing in devising a simple, reliable generator for simulants.

7. Chemical training agents and equipment investigations:

(a) Investigations are underway to develop materials which resemble chemical agents in their employment, dissemination, action, and sensitivity to alarm systems, but which leave no harmful effects on troops, their equipment, or the environment. A statement of work in response to a training device requirement has set forth numerous criteria for simulated persistent and nonper

SEC. 1.—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976, DEPARTMENT OF THE ARMY, RCS DD-D.R. & E. (SA) 1065—Continued

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR T HE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976; REPORTING SERVICE: DEPARTMENT OF THE ARMY; DATE OF REPORT: SEPT. 30, 1976; RCS: DD-D.R. & E. (SA) 1065—Continued

	Funds obligated (millions of dollars)		
Description of R.D.T. & E. effort	Prior year	In-house	
	Current fiscal year	Contract	Explanation of obligation
			(c) Summary data on dimethyl methylphosphonate obtained from allies on the irritancy, pharmacology, and chronic toxicity (rabbits and rats) failed to meet U.S. criteria for starting human trials with the compound. A biomedical evaluation by the Medical Review Board gave proposed data voids from which a research plan on the toxicology in 4 animals was derived. Laboratory quantities of dimethyl methylphosphonate were synthesized and characterized by nuclear magnetic resonance, mass spectroscopy, gas chromatograph and infrared and found to contain at least 2 impurities. Initial acute toxicity studies in mice and rates via parenteral and oral routes with these samples are underway. Studies on mutagenesis using fruit flies and the Ames test employing salmonella typhimuviam were completed. Acute toxicity studies on bioassay approved pilot plant synthesized dimethyl methylphosphonate were initiated. 8. Chemical safety investigations: (a) A report has been prepared describing the collection and purification of samples for agent identification. A method for high-volume sampling compatible with gas chromatography to furnish a method of detecting and identifying GB and VX in demilitarization products at very low levels. The high volume sampling and chemical ionization mas spectrography will be developed further. (b) Ecological field work on Carroll Island at Edgewood Arsenal, Md., has been completed and initial drafting of the comprehensive report covering this work has been started. Ecological investigations of Gunpowder Neck at Edgewood Arsenal, Md., are in progress and will continue. (c) 2 remote sampling sys ems to be used with controlled toxic test chambers have been designed and 1 is undergoing evaluaton. An automated analytical system is in use and will be interfaced with the sam-
2. Lethal chemical program	. 091	7.166	pling system.
(a) Agent investigations and weapons concepts.	7. 441 (. 080) (1. 629)	. 275 (1.709) (. 000)	(a) Synthetic, analytical, and physiochemical studies of toxic chemicals were performed to assess the lethal agent threat from a possible enemy. A new procedure has been developed for the binary synthesis of a lethal agent of intermediate volatility. A method to reduce the reaction rate of binary agent intermediates has been developed. 2 methods have developed for the in situ thickening of a persistent lethal agent obtained from a binary process.
			(b) Evaluations of methodology and procedures to deliver small-sized drops of agent while maintaining a low temperature and high wind speed environment have continued. Some difficulty was experienced in delivery of small drops of simulated agent. Recalibration of the environmental animal exposure facility to attain controlled temperatures (75°, 40°, and 20° F) and wind speeds (1.1 and 5.5 mi/h) is being completed in preparation for the evaluation of comparative effectiveness of thickened and nonthickened agents. 2. Lethal chemical weapons technology:
			(a) Success was achieved on techniques for binary production of an intermediate volatility agent, with limited work conducted on a number of the practical facets of synthesis. Studies of the reaction of stored intermediates was continued and expanded to ascertain the ultimate effects of intermediate degradation on product yield. Studies of agent physical properties and their effects on the efficiency of munition dissemination were conducted. Work in this area has been very successful in that physical properties causebe modified easily without subsequent interference in reactions or any reduction in product yields. Property modification studies have required dual agent-simulant development, since only the latter can be tested in a number of the conditions of interest.
			(b) Projectile exploratory efforts included experiments to ascertain whether wide variations in internal reactions influence projectile ballistic performance (they do not) and whether mechanical resonances are generated which could influence fuze performance (they are). The study was expanded to include liquid filled flight performance of both long-and short-range fin stabilized projectiles. Technique for increasing the efficiency of chemical dissemination was evaluated. (c) Experimental designs for a 2.75-in rocket warhead were developed. This effort included derivation of analyt-
			ical models for the warheads effectiveness based upon experimental efforts. Testing included rocket firings and dynamic flight evaluation. 3. Chemical agent process technology: Investigation of processes for the synthesis of binary reactants were continued and small quantities of material prepared for test by others. 2 processes for synthesis of dimethyl disulphide of 1 process for pilot scale development. Analytical support was provided for the above activity of the development
AN A seek offer dead to seek	/ DOE>	4 200)	of 1 process for pilot scale development. Analytical support was provided for the above activity of the development and synthesis laboratories. Prior year deobligation resulted from withdrawal of residual funds upon completion of effort.
(b) Agent pilot plant investi- gations.	(005)	100000	Advanced development effort:
	(, 311)	(.000)	1. Lethal chemical agent porcesses: (a) Batches of one of the binary intermediates was made to obtain pilot plant data for scale up. Commercal sources of required chemicals were used. Process studies of alternate methods were contained to obtain data for the economic analysis for the best process for plant scale up. Alternate process studies of subpilot scale size to reduce the large quantities of aqueous waste solutions have been initiated. The waste materials from these studies have been collected to begin studies on waste disposal methods. (b) A filling and closing line design is currently in progress and was 50-percent completed during this period. A total of 180 canisters were filled and closed in support of the engiering development phase of this program. The modular filling and close capability, was used. All equipment functioned well, there were no leakers. A decision was made to use stamping for the inertia welded closure plug. This should eliminate the leakage problem caused by porosity found in the plug cut from round stock.
(c) Tactical weapons sys- tem.	(.000)	(. 245)	Advanced development effort: Lethal chemical materiel: Efforts were initiated in the latter portion of fiscal year 1976 on technology areas relevant to
Leni.	(. 450)	(. 205)	development of a warhead for rocket systems. Contractual effort was begun on problems of large scale fluid mechanics, multiple subsystems and system logistics. Provisions were made for a large scale dynamic simulant test of a rocket warhead concept.
	(.016)	(4.473)	Engineering development effort: Lethal chemical ground munitions:
	(4. 527)	(.070)	(a) The development test II (DT II) of the 155 mm, XM687E1, GB2 projectile was satisfactorily completed and a detailed report covering this phase issued. Similarly, operational test II (DT II) has been completed. This latter involved troops tests to evaluate the adequacy of the projectile in use. The technical data package and reports documentation of the XM687E1 projectile were completed. (b) Engineer design testing of the 8-in, XM786, VX projectile was successfully completed and manufacture of hardware for DT II initiated. In the course of the former, various facets of structural integrity, operational performance, and ballistic performance were successfully demonstrated.

(a) Phycical protection vestigations

19.603

(5.776)

2, 335 (4, 525) (1.233)

SEC. 1.—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976, DEPARTMENT OF THE ARMY, RCS DD-D.R. & E. (SA) 1065-Continued

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976; REPORTING SERVICE: DEPARTMENT OF THE ARMY; DATE OF REPORT: SEPT. 30, 1976; RCS: DD-D.R. & E. (SA) 1065-Continued

	Funds obligated (millions of dollars)		
	Prior year In	In-house	
Description of R.D.T. & E. effort	Current fiscal year	Contract	Explanation of obligation
(d) Materiel tests in support	(.000)	(.000)	
of joint operational — plans and/or service	(.000)	(.000)	No effort expended in this area.
requirement. (e) Army materiel develop-	(.000)	(. 433)	Efforts were directed toward the testing of binary weapon systems. 12 specific test programs were conducted. Major emphasis was on the completion of the DTII testing of the 155 mm XM687, projectile, Physical testing in the area of rough
ment tests.	(. 433)	(. 000)	
3. Incapacitating chemical program	.000	. 645	estimates were obtained. The most applicable simulant for support of the DT II test will be selected from the candidates tested. Planning for the DT II testing is in progress. Test efforts with the 8-in projectile will continue in fiscal year 1977.
(a) Agent investigations and	(.000)	(.645)	
weapon concepts. —	(, 645)	(.000)	Exploratory development effort: 1. Incapacitating chemical agent investigations: Studies were carried out to devise a reaction suitable for producing a candidate incapacitant by a binary process. Although at least 3 separate approaches seemed promising initially, extensive investigations have failed to provide a feasible solution to this difficult technical problem. Techniques for studying the evaporation kinetics of combinations of selected liquid and semisolid incapacitants were reviewed. Work was conducted to develop analytical methods for identifying incapacitants in trace amounts: one of these used a thin layer chromatography technique, where the base values of candidates were determined relative to 2 reference dyes. Another analytical technique, previously developed for identification of promising incapacitants in work areas such as a manufacturing plant, was refined to give more accurate results. Analytical and physiochemical studies were performed to characterize incapacitants, their precursors, intermediates and sideproducts. The scientific literature was reviewed for new leads on safe, effective incapacitants. No promising leads were discovered. 2. Incapacitating chemical weapons technology: Available data on pyrotechnic incapacitating munitions has been reviewed with no solutions available to solve the safety problem of agent release during an accident. The binary agent approach is being adopted to solve this problem. A literature search has been conducted on lethal binary concepts to determine applicability to incapacitating munition design. The 2-compartment thermal generation principal is the most promising dissemination method available. Laboratory space has been obtained and equipment is being
4. Defense equipment program	. 107	16. 621	modified to perform laboratory studies on binary reaction conditions required prior to design of test munitions. Prior year deobligation resulted from withdrawal of residual funds upon completion of effort.

the most promising dissemination meticula variables. Learnary reaction conditions required prior to design of test munitions, or year deobligation resulted from withdrawal of residual funds upon completion of effort. John of the promision of the detector. Field trips were made to Fort Benning, Ga. Fropic Test Center, Panama, Rocky Mountain Arsenal, Colo, Fort Garson, Colo, and to Nellis air Force Base, Nev. where environmental tests were run with the prototype units in conjunction with all types of troop field exercises. A contract with Southern Research Institute alls for examination of many chemicals to determine laboratory type interferences. This contractor has made field trips to Smoky Mountain National Park and throughout the State of Florida, especially the Verglades, seeking more environmental-type interferences. Results were favorable. A satisfactory immobilized enzyme product for use in the enzyme alarm was achieved through chemically bonding oliniseterase to the surface of urethane foam. An interference compensating circuit, using a 4th electrode was developed and results have been very promising. The fabrication of 3 new enzyme alarm units employing the latest technology was initiated. Based upon the results of studies on the mechanism of detection, improvements were made in the sensitivity and stability of automatic liquid agent detector (14.DJ) paint. An operational effectiveness study based on a user scenario was conducted with results indicating significant casualty reduction associated with the use of the ALAD at the platoon level. Special instrumentation was designed and is being fabricated for 2 field trials.

(b) A special & exwellength CO² (aser system was built and subjected to initial testing. Computer techniques for modeling the laser system response were developed. Based upon the results of an in-house theoretical study and consuptations with outside

SEC, 1.—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976. DEPARTMENT OF THE ARMY, RCS DD-D.R. & E. (SA) 1065-Continued

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	Funds obli (millions of	gated dollars)	
	Prior year	In-house	
Description of R.D.T. & E. effort	Current fiscal year	Contract	Explanation of obligation

3. Chemical decontamination investigations:

(a) Work on the polyvinyi alcohol (PVA) supplemental coating to prevent toxic agents from sorbing into agent promotion materials was held in a beyance after numerous unresolved application, adhesion, and weathering problems became evident. Multiple applications are required for adequate film thickness; film drying time is excessively slow; the sheen (gloss) of the film cannot be reduced to a level acceptable troamouthage purposes; although the PVA is not cold water soluble, it is softened sufficiently by rain water to be easily damaged; the adhesion is only marginal; and the film deteriorates with extended outdoor camediage agent DS2, and having sufficient capacity to effectively decontaminate the largest tactical equipment and vehicles, was shown possible by modification of commercially available spray equipment and the program moved into advanced development in February 1976. After successful application traits at Fort Carson, Colo, the agent resistant urethane paint was determined by the U.S. Army Materiel Development and Readiness Command Surgeon to contain small quantities of a skin, eye, and respiratory irritant. It was dropped from the camouflage pattern program in which the paint is sprayed by troops at company level. As a result of this decision, the following approaches were undertaken: (a) By means of a research and for agent resistance. 4 candidate coatings are now being evaluated for resistance to agent services of the company of the compa

methods of using semiconductor sensors and electromagnetic wave adsorption are also being investigated.

(b) Development efforts have centered on finding an elastomer to replace silicone as the protective mask face-piece material. Polyurethanes thus far offer the most likely successful candidate materials. Several experimental polyurethanes have been investigated and efforts are being made to improve those areas of physical characteristics that are deficient. A contract is being negotiated to conduct a survey of commercially available elastomer falling within the range of required physical, chemical, and optical characteristics. The contract completion date is 6 mo, at which time leading candidate material will be selected for further development.

(c) Components of synthetic sweat which cause the greatest loss in sorptive capacity of activated charcoal were identified. Treatments for activated charcoal which will reduce the effects of poisoning by sweat were briefly examined. The materials are of a type which impart water repellancy to the charcoal without seriously affecting carbon tetrachloride adsorption. The penetration of GD through combat and protective clothing systems was measured. These studies were performed to collect agent vapor penetration data for a base line to be used during the development of new protective clothing systems. A contract request was released to investigate methods of producing fabrics containing sufficient chemical agent neutralizing activity to permit their use in protective clothing. Coordination with the U.S. Army Natick Research and Development Command was continued in an endeavor to develop an integrated plan for the development of chemical protective clothing.

I refforts aimed at increasing our ability to predict gas adsorption by activated carbon beds under dynamic flow conditions special emphasis was given to the study of dimethyl methylphosphonate (DMMP) adsorption as a function of flow velocity. For the case of pure physical adsorption, such as with DMMP, it was found

(e) Medical defense against

chemical agents.

(.000)

(6, 012)

SEC. 1.—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976, DEPARTMENT OF THE ARMY, RCS DD-D.R. & E. (SA) 1065-Continued

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Funds obligated

	(millions of dollars)					
	Prior year	In-house				
Description of R.D.T. & E. effort	Current fiscal year	Contract	Explanation of obligation			
(b) Advanced development of defensive systems. –	(033)	(3.744)	Deobligation of prior year funds for reprograming to provide program continuity to the binary program pending congressional release of current year funds.			
Of defensive systems.	(4, 015)	(, 238)	Advanced development effort: 1. Remote sensing alarm: In-house efforts were devoted to preparing for comparison tests against the Navy forward looking infrared detector. This included field tests, repairing the exploratory development hardware and data processing. Immediately prior to the scheduled date for comparison tests at Dugway Proving Ground. The Department of Defense postponed the tests indefinitely as a result of congressional action. 2. New protective mask: The new protective mask will enter engineering development in Maich 1977. A unique transparent silicone rubber has been developed which provides optical clarity, flexibility across the required environmental temperatures.			
			and low compression set characteristics. The use of this material permits the molding of the facepiece and lens as a single part and, therefore, the largest possible visual area is provided. The flexibility of the lens permits it to be utilized with optical instruments without significant loss in field of vision. The outsert for the mask is available in a flexible version for field use and a rigid version which provides ballistic protection for the tank and aircrew applications. The canister of the mask can be utilized on the facepiece or attached to a transitional hose which allows the canister to be mounted in a carrier. The configuration of the new protective mask has been firmly established and the sizing has been so adjusted that the military population, including females, can be accommodated in 3 sizes. A highly unique design of nosecup provides comfort and extends the range of face sizes which can be accommodated. The design of molds and other tools to fabricate the new protective mask			
			has been initiated, and fully molded prototypes will be available for the advanced development testing which will precede entry into engineering development. Processes for coating the molded facepiece with a fluorinated ethylene propylene rubber and polyurethane material have been developed. Irradiation of the facepiece with high-speed electrons is accomplished to increase the hardness in the lens region, to decrease compression set and to eliminate crazing at the interface of the coatings and the facepiece. Permeability tests have been conducted on coated facepieces which indicate that the minimum NATO requirements for permeability can be met. The canister or the new protective mask has been subjected to penetration, rough handling, and environmental use testing. The canister appears capable of meeting the requirement for 10 yr of storage followed by 1 yr of oper-			
			ational use under temperate conditions. Requirements for ease of filter change, etc., have been met. The design of spectacles/inserts and the protective hood have not been finalized. Tests under arctic and tropical conditions using early prototypes indicate that the mask should meet the joint requirements established. 3. Decontamination apparatus for vehicles: Advanced development (AD) was started in Feburary 1976 using information generated earlier. Because of the short development schedule required by the proposed letter of agreement (PLOA) commercially available spray apparatus will be modified to meet the requirements of the PLOA and development will proceed directly from advanced development to type classification. Various types of spray apparatus were obtained from different manufacturers and evaluated for performance charctristics using decontamination agen DS2 simulant where possible. Among the pump types evaluated, the trombone type is superior, as is the stainless steel container. Evaluation of the various materials used in the construction of the spray apparatus for long-term compatibility with DS2 at ambient and elevated temperatures is in progress. A Configuration Control Board has been established for this item and a proposed development plan and an initial draft system specification were drafted. A secretarial determination and findings and backup procurement plan for the advanced development contract have been forwarded for approval. The scope of work for the advanced development contract was prepared. Purchase requests to obtain specially modified commercial spray equipment and drawings from 2 manufacturers have been processed.			
4. Defense: (c) Collective protection sys	(001)	(.307)	Prior year development effort: Modular collective protection equipment (MCPF): MCPF consisting of filter units pass			
tems.	(.521)	(.213)	particulate XM56 (200 ft³/min, XM59 (400 ft³/min, and XM62 (600 ft³/min, together with the entrance, protective, XM10 satisfactorily completed basic DT II/OT II tests. Environmental testing (Arctic, tropic, and desert) will be completed by December 1976. M56 filter unit and M10 protective entrance were type classified for Tacfire use in March 1976. Work continues on MCPE applications to AN/TSQ-73, improved HAWK and Patriot (SAM-D).			
(d) Warning and detection equipment.	(-, 055)	(1.305)	Deobligation of prior year funds for reprograming to provide program continuity to the binary program pending congressional release of current year funds.			
	(1.879)	(.519)	Engineering development effort: 1. Chemical agent detector kit, XM256: Engineering design testing was completed and hardware was made for product qualification testing. Tests were completed satisfactorily and items were fabricated for OT II/DT II. These tests were begun.			
			2. Paper, chemical agent detector, XM9: The engineering design and long-term storage tests on the XM9 were successfully completed. Tests at U.S. Army Training and Doctrine Combined Arms Test Agency, Fort Hood, Tx., established that the XM9 was not sufficiently durable when used on vehicles in a combat environment and found that false profitive scenarios were believed with ISA (Weignet was 12 cms). Subtract sealing the subtractions are supported by the subtraction of the subtraction o			

SEC. 1.—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976, DEPARTMENT OF THE ARMY, RCS DD-D.R. & E. (SA) 1065—Continued

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	Funds obli		
Description of R.D.T. & E. effort	Prior year In-house		
	Current fiscal year	Contract	Explanation of obligation
			3. A rabbit ear bioassay was developed for thickened agents, decontaminants and barrier materials, Bioanalysis of IM22 decontaminating kits showed poor cleaning of widely dispersed thickened nerve agent GD by kit scrapers of alcohowater solvents. Therefore, acetone was substituted for alcohol in the M258 kit solution I to result in significant better cleaning and decontamination, Methyl and phenyl cellosolve show promise as alternate solvents, especial for prophlyactic applications. The phase diaphragm concept was used to select alternate thickeners, decontaminal solvents, and agent additives. Contractor furnished lipophilic oximes and hydroxamic acids, barrier materials, and histologic assay for irritants and protectives. Effectiveness of barrier film containing fluoropolymar was demo strated. Protocols were written for submission to the Office of the Surgeon General for study of the reservoir function of skin for possible use in protection, protection, and therapy of anticholinesterases.
(f) Materiel tests in support of joint operational -	(, 000)	(. 284)	Efforts were directed toward the field testing of the following: 1. U.S. Air Force chemical/biological (CB) modification kit, structure—KMU 450/F: Test was designed to determine in the control of the
plan.	(. 284)	(.000)	strated. Protocols were written for submission to the Orne of the Surgeon General for study of the reservoir function of skin for possible use in protection, prophylaxis and therapy of anticholinesterases. Efforts were directed toward the field testing of the following: 1. U.S. Air Force chemical/biological (CB) modification kit, structure—KMU 450/F: Test was designed to determine adequacy and reliability of the CB modification kit system to provide protection against penetration of CB agen For this period tests in the area of chemical and biological challenge, exit/entry procedures using biological sin lants, and pressure studies were conducted. Final reports covering all aspects of the test have been published. 2. Long path infrared chemical detector (LOPAIR)/forward looking infrared chemical detector (FLIR) comparison te Test was designed to obtain field test data required for a comparative evaluation of the LOPAIR and FLIR detect systems in a realistic harassing and interdiction for field situation. For this period a test plan and environmen impact assessment (EIA) were developed, coordinated with Army/Navy proponents and published for the LOPAI FLIR comparison test. Laboratory investigations to validate sampling and chemical analysis methods for 2 simulal codispersed with various interferents were completed. Preparation of the Dugway Proving Ground, Utah test si munition modifications and preparation of an EIA for the Navy test site were in various stages of completion wh the test program was suspended.
			3. Decontamination capabilities of chemical units and teams: This test was designed to study the capabilities U.S. forces to decontaminate equipment which had been subjected to a thickened chemical agent attack, determine any measures which might be adopted to improve these capabilities, and to determine the relation effectiveness of standard decontamination procedures on specific agent simulants and to establish a standard baseline time required for effective decontamination of standard Army equipment. Test has been completed. If this period, 26 simulant field trials to obtain data for a time and motion analysis was completed. I5 field trials we a chemical simulant to evaluate comparative decontamination procedures were conducted, 43 laboratory investation tests to estimate the comparative effectiveness of selected decontamination solutions against 4 different.
(g) Army materiel develop-	(.000)	(. 576)	surfaces contaminated with several agents was completed. Tests were conducted on the U.S. Army's defensive equipment and materiel and in the long-term environmental stora and surveillance testing. Test efforts were as follows:
ment tests.	(. 576)	(.000)	and surveillance testing. Test efforts were as follows: 1. Modular collective protection equipment (MCPE): This test effort was designed to perform a DT II test and to determine the capability of the MCPE to meet system specification requirement. Agent and simulant challenge test were conducted. A final report was published. 2. Protective overgarment suit: Test is designed to obtain comparative data on each of the 3 chemical protective su
			with regard to the level of protection afforded after specified intervals of wear, durability, and the degree to wh suits meet the essential characteristics of the U.S. revised military and technical characteristics. Testing in a rea of protective capabilities of new, worn, and stored garments, effects of salt water and fresh water immersisuit of capabilities for spot emergency decontamination, flame resistant capabilities, storage effects, and permeability was accomplished. A final report was published. 3. Chemical/biological test for the stinger guided missile system: Test is designed to determine if system componence can be successfully decontaminated without damage to the system. During this period testing was initiated. T is scheduled for completion in fiscal year 1977. 4. Chemical agent detector kit, XM256: This test effort is designed to perform a DT II test and to determine: (1) technical performance; (2) safety of the items; (3) its maintenance test support package; (4) demonstrate wheth engineering is reasonably complete; and (5) effects of extreme climatic environments. During this period planni was accomplished and testing was initiated. Reports will be published in fiscal year 1977. 5. Chemical agent detector paper XM9: This test is designed to determine if the XM9 meets the design requirement performance standards, and technical characteristics of the requirement, effects of extreme climatic environment on the item, and whether engineering is reasonably complete. For this period, a draft test plan has been prepar and laboratory technology was initiated to determine sensitivity test methods for extreme temperature rang Test will be completed ist quarter fiscal year 1978. 6. Chemical/biological/radiological vulnerability for ground launched laser designator: This test effort is designed determine if system components can be successfully decontaminated after chemical/biological contamination without damage to the system. Test is designed to determine if system components can be accomplished. Test
5. Simulant test support	.000	. 429	undergoing some phase of testing at 1 or more of the test sites. Items consisted of masks, chemical detectors, a chemical alarm units. Efforts were directed toward the planning, conducting, and/or reporting of the following joint operational tests and operations.
-	. 437	. 008	tions research studies: 1. Evaluation of delivery and assessment techniques: This test, consisted of 4 subtests, is in response to Army, Na
(a) Materiel tests in support of joint operations - plans and/or service	(. 437)	(. 429)	and Air Force requirements and is concerned with evaluation of delivery and assessment techniques for simularity systems. Testing was completed in fiscal year 1974. For this period, data analysis was completed and
requirements.			final reports covering all aspects of the test program were published. 2. Hazards evaluation: This test is a research effort with the aim of duplicating the contamination pattern of a massichemical attack with the use of simulants and correlating simulant/agent data to permit hazard and vulnerabil analyses. For this period, data analysis has been completed and a final report has been published.

SEC. 1.—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976, DEPARTMENT OF THE ARMY, RCS DD-D.R. & E. (SA) 1065-Continued

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	Funds obligated (millions of dollars)		
	Prior year	In-house	
Description of R.D.T. & E. effort	Current fiscal year	Contract	

Explanation of obligation

3. Evaluation of marine vehicle to massive chemical attack: The U.S. Marine Corps requested a test to evaluate the effective use of a landing vehicle when subjected to a simulated massive chemical attack. Data analysis has been completed and final report has been published.

4. Vulnerability of marine wing weapons unit: This test, in response to a U.S. Marine Corps requirement, involves a marine wing weapons unit performing mission tasks with a nuclear trainer in a simulated toxic environment. The test is designed to evaluate minimum performance degradation caused by a massive chemical attack. For this period, data analysis was completed and a final report was published.

Integrity of spray tanks and hazards to personnel: This operations research study is in response to a U.S. Marine Corps request which will evaluate the effects of chemical agents and decontaminates on the continued integrity of spray tanks and estimates of hazards associated with recycling or decontaminates on the continued integrity of spray tanks and estimates of hazards associated with recycling or decontaminates on the continued integrity of spray tanks and estimates of hazards associated with recycling or decontaminating the tanks. For this period, a literature survey of data has been accomplished. Study will be completed in fiscal year 1977.

7. Thickened agent investigation: This effort is a combination study and test. A study will be performed to determine the relationship of ground contamination to the impaction and distribution on man for thickened materials. The test is designed to obtain data on the dissemination characteristics of bursting munitions filled with thickened simulant and to estimated dose-casualty relationships for such munitions. During this report period, the study has been initiated. A literature survey of all data has been accomplished. Test plan was prepared, coordinated, and published. Testing was initiated. Test is scheduled for completion fiscal year 1977.

8. Agent transfer factors: This test is designed to p

OBLIGATION REPORT OF PROCUREMENT FUNDS FOR THE PERIOD JULY 1, 1975 THROUGH SEPT. 30, 1976, REPORTING SERVICE: DEPARTMENT OF THE ARMY, DATE OF REPORT: SEPT. 30, 1976 RCS DD-D R & F (SA) 1065

	Funds oblig (millions of	gated dollars)	
CONTRACTOR OF THE PARTY	Prior year	In-house	
Description of procurement effort	Current fiscal year	Contract	Explanation of obligation
Chemical warfare program	1.679	3. 878	During the fiscal year 1976, the Department of the Army obligated \$13,604,000 for procurement activities associated with
	11. 925	9, 726	chemical Warfare agents, weapons systems, defensive equipment, and production base projects. Program areas of effort concerned with these obligations were as follows: Lethal chemical program: Materiel procurement. Production base projects. \$7,540,000
			Total, lethal chemical
			Incapacitating chemical program: Materiel procurement 0 Production base projects 0
			Total, incapacitating chemical.
			Defensive equipment program: Materiel procurement. 5, 040, 000 Production base projects. 1, 024, 000
Lethal chemical program	. 050	1.214	Total, defense equipment
(a) Item procurements	7. 490 (000)	6. 326 (000)	No obligations were incurred for procurement of lethal chemical a pdi: a ps.
(b) Production base projects:	(000)	(000)	
Chemical agent and mu- nitions disposal sys-	(000)	(1. 164)	Obligations incurred to purchase equipment for a multipurpose disposal system for use in toxifying and/or disposing of obsolete/unserviceable chemical munitions and toxic agents, Ultimate system will consist of a series of modules which can
tem.	(7.490)	(6. 326)	be transported to sites containing obsolete/unserviceable toxic agents/munitions, assembled and operated to detoxify and dispose of material.
155 mm binary projectile, XM637.	(.050)	(, 050)	Engineering and design in support of establishment of a chemical production load assemble, and pack facility for 155 mm binary projectile, XM637.
2. Incapacitating chemical program	(000) (000)	(000) (000)	binary projectic, Antost.
(a) Item procurements	(000)	(000) (000)	No obligations were incurred for procurement of incapacitating chemical items.
(b) Production base projects	(000) (000)	(000) (000)	No obligations were incurred for production base projects in support of incapacitating chemical programs.
3. Defense equipment program	(000) 1,629	(000) 2, 664	
	4. 435	3, 400	

OBLIGATION REPORT OF PROCUREMENT FUNDS FOR THE PERIOD JULY 1, 1975 THROUGH SEPT. 30, 1976, REPORTING SERVICE: DEPARTMENT OF THE ARMY, DATE OF REPORT: SEPT. 30, 1976 RCS DD-D.R. & L. (SA) 1065-Continued

	Funds obli	gated dollars)	
The part of the latest of the	Prior year In-	In-house	
Description of procurement effort	Current fiscal year	Contract	Explanation of obligation
(a) Item procurements: (1) Decontaminating apparatus, M12A1.	(.021)	(, 232)	Obligations incurred for in-house support and procurement.
(2) Disperser, M33A1	(1.736) (000)	(1, 525) (, 160)	Obligations incurred for in-house engineering support for the M33A1 disperser buy.
(3) Filter unit, M8A3	(.160) (000)	(000) (. 085)	Obligations incurred for procurement and in-house engineering support for M8A3 filter unit to supply purified air for crev — members of armored vehicles.
(4) Filter unit, M13A1	(.567) (000)	(. 482) (. 120)	Control of the contro
(5) Kit f/M13A1 filter	(. 948) (. 310)	(.828) (000)	
(6) Alarm, M8-M10	(000) (.834)	(. 310) (. 733)	The bulk of obligations was incurred for in-house support with a small portion obligated for Government furnished materia and engineering change orders.
(7) Maintenance kit, M14.	(000) (.011)	(.101) (000)	
(8) Shelter system, M51	(000)	(. 011) (. 268)	Obligations incurred for in-house engineering support and for engineering change orders.
(9) Mask, M25A1	(000) (.063)	(. 122) (. 042)	The in-house obligations incurred were for engineering support while the contractual effort was for microphones which were issued to a contractor as Government furnished material.
	(000)	(.021)	Word 153000 to a contractor as doformical furnished materials
(b) Production base projects: (1) Manufacturing technology for CB fil-	(000)	(.350)	Obligations incurred for analysis of the processes used for filter production.
ters. (2) Manufacturing methods and technology	(.350) (000)	(000) (. 585)	Obligations incurred for in-house engineering support to improve M229 refill kit.
(M.M. & T.) for M229 refill kit com- ponent of chemical agent alarm,	(. 585)	(000)	
(3) M.M. & T. improve-	(000)	(.089)	Obligations incurred to conduct program for improvement of inspection aids for final inspection and surveillance testing or chemical/biological defensive and protective items.
ment and moderni- zation of inspec- tion aids.	(. 089)	(000)	cnemical/biological defensive and protective items.

SEC. 2.—OBLIGATION REPORT ON BIOLOGICAL RESEARCH PROGRAM FOR THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976, DEPARTMENT OF THE ARMY, RCS DD-D.R. & E. (SA) 1065

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	Funds obligated (millions of dollars)		
And the second second second	Prior year In-hous	In-house	
Description of R.D.T. & E. effort	Current fiscal year	Contract	Explanation of obligation
Biological research program	008	11. 400	During the 15-mo period of fiscal year 1976 and fiscal year 1977, the Department of the Army obligated \$17,203,000 for general biological research investigations and the development and test of physical and medical defensive systems. Program areas
	17.735	6. 327	of effort were as follows: Biological research: Basic research in life sciences, total \$387,000
			Defensive systems:
1. Biological research	. 000	.302	Total defensive systems 16, 813, 000 Simulant test support 3, 000
(a) Basic research in life sciences.	. 387	(. 302)	Life sciences basic research in support of biological defense materiel: Basic research in support of biological defense materiel included studies on remote detection and on approaches to improving the XM19 biological agent detector. Theoretical
outilies.	(, 387)	(. 085)	studies on remote detection of biological agents in the atmosphere, furnished estimates of the absorption and scattering efficiencies of microbiological aerosols subjected to ultra violet irradiation, and estimates of the ambient fluorescence background of the atmosphere which supported the potential for a 2d-generation detection concept. Time-intensity chem-

background of the atmosphere which supported the potential for a 2d-generation detection concept. Time-intensity chemiluminescence response patterns were obtained for over 20 different microbiological materials using redesigned instrumentation with which the samples were differentiated into 3 characteristic response groups at the 14°C optimum reaction temperature, in basic research in bioidentification, rapid identification of micro-organisms was achieved by mass spectrometry analysis of the purine and pyrimidine composition of their nucleic acids by contract supported effort as the Mass Spectrometry Research Center, Stanford Research Institute. Identification was accomplished in 1 hr by application of upgraded procedures for extracting, purifying and hydrolyzing nanogram quantities the nucleic acids followed by field ionization mass spectroscopy-fingerprint analyses of the released purines and pyrimidines.

Basic research on new concepts for biological decontamination focused on the feasibility of direct neutralization of airborne biological agents. Theoretical studies have developed models for lactic acid vapor disinfection of vegatative bacteria in aerosol particles. The significant reduction in casualties predicted by the model is supported by laboratory data of effective disinfection of bacterial aerosols with practicable concentrations of lactic acid disseminated as vapors or droplets.

SEC. 2.—OBLIGATION REPORT ON BIOLOGICAL RESEARCH PROGRAM FOR THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976, DEPARTMENT OF THE ARMY, RCS DD-D.R. & E. (SA) 1065-Continu

	Funds on (millions of	ligated f dollars)	
	Prior year	In-house	
Description of R.D.T. & E. effort	Current fiscal year	Contract	Explanation of obligation
2. Defensive equipment program	008	12.630	Exploratory development effort: Physical defense against biological attack:
(a) Physical defense against biological agents.	16. 821 (. 000)	4. 183 (1. 036)	1. The 1st phase of in-house studies to further antiaerosol and protective counter cloud technology associated with the chemical disinfection of biological aerosols was completed and a report prepared. The effectiveness of lactic acid droplets as a decontaminant for vegetative bacterial aerosols in an enclosed chamber was demonstrated.
Signoran agents.	(1.278)	(.242)	strated. A contract to expand these studies and to pursue the development of a biological cloud neutralization system was awarded. The in-house chemical screening program for new vapor phase decontaminants is continuing in an effort to find a suitable replacement for beta-propiolactone and formaldehyde. Several potential disinfectants have been selected for further study. A contract package was completed for the explorator development of a decontamination system for biologically contaminated personnel, equipment and enclousers. The proposed procurement is a 4-yr technical effort planned for fiscal year 1977 through fiscal year 1980. The in-house chemical screening program for potential disinfectants has resulted in the selection of candidates for further study. Biological leakage tests leading toward development of new test technology wer performed using the M9A1 protective mask as the test fixture.
			2. Time-rate chemiliminescence detector performance was evaluated for aerosolized pathogens at Fort Detrict Md., to further establish the applicability for group specific identification of aerosolized materials. Efforts were made to improve the response separation between biological groups for identification. Data are bein, evaluated. A biological all-clear kit for indication of agent presence following biological attack, exploratory development program was initiated. The developmental viability response indicator systems under study ar resazurin and catalase. Responses of the 2 systems to pathogens were obtained; however, improvement in sensitivity are required to establish feasibility of these approaches for further development. Performance of the pattern acquisition and correlation technique system with improved pattern recognition electronics and use of a digital adaptive alarm logic was demonstrated for biological aerosols and ambient background. The theoretical feasibility of remote detection of biological aerosols in the atmosphere has been indicated as:
			result of contract and in-house analysis. Thus a contract was awarded to further establish the capability or remote detection using intrinsic fluorescence. Evaluation of bacterial pathogens of biological defense importance and tissue antibodies procured from the Naval Biosciences Laboratory are being assessed in the chemi luminescent device as a potential means of achieving group specificity.
(b) Biological defense ma-	(002)	(.000)	Prior year advanced development deobligation resulted from withdrawal of residual funds following completion effort.

(b) Biological defense ma-teriel concepts. (-.002)(.000) (—.006) (4, 664) (2.030)

(d) Bioloical defense against biological agents. 10.904

Prior year advanced development edobligation resulted from withdrawal of residual funds following completion effort.

Advanced development effort: Prior year deobligation as a result of residual funds withdrawn upon completion of effort. Engineering development effort: Various functional configurations of the XMI9 biological agent detector were field tested and object of the static cell control of the static cell concept. Among the principal features this design offers is a significant improvement in the reproductifity in detector response to simulant challenges and a major reduction in the volume of agent required to operate the new components employed in the static cell design, measuring the parameters which determine their performance, and testing and evaluating alternate design. As part of these tests, an aerosol testing facility capable of presenting large aerosol particles was assembled. It became evident that additional equipment was needed to establish the range of particle sizes required to thoroughly evaluate the sampling capability of both the XMI9 abolization and was taken to procure the needed equipment and to make the necessary modifications to the existing facility so that a full spectrum of aerosols can be generated and quantitatively assessed. An XMI2 design leading toward a self-contend disposable aerosol sample reservoir was also tested and evaluated. This configuration offers a substantial simplification and reduction of logistics burden. The multi-year prime contract for engineering development of the subject system is under negotiation. To provide the initial impetus to this program, several small contracts have or will be awarded to critically examine selective design areas important to the initial engineering development program. These include the design of the XMI2, alternate aerosol concentrator designs, aerosol generating equipment for use in testing, the design of the AMI2, alternate aerosol concentrator

tious process.

(c) The immune response following irradiation was found to be delayed. This is extremely important in the protection of the soldier against disease in a nuclear environment.

(d) A major breakthrough was accomplished in developing the squirrel monkey as a model for studying respiratory infections. The immediate benefit in this is example by the recent establishment of a model for swine

infections. The immediate benefit in this is example by the recent establishment of a model for swine influenza.

(e) A new and novel technique has been developed for scanning electron microscopy that enable one to visualize infection early in the disease. Virus particles can be detected as early as 7½ hr after virus adsorption to cells. Prevention and treatment of biological casualties: Since mass immunization against all potential biological warfare (BW agents is neither feasible nor practical; vaccines are being developed against key micro-organisms and toxins which experience and current intelligence data suggests to be of potential geographical military importance. New methods of immunoprophylaxis and therapy are being extensively studied, particularly in the antiviral area. Experimental approaches include: Develop new vaccines and toxins; improve efficacy of existing vaccines. Cell-mediated studies; efficacy screening of antiviral compounds; aerogenic administration of antiviral compounds. Benefits include:

(e) Foreign biological threat_

(.000)

(.392)

(.236)

(.156)

CONGRESSIONAL RECORD—SENATE

SEC. 2.—OBLIGATION REPORT ON BIOLOGICAL RESEARCH PROGRAM FOR THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976, DEPARTMENT OF THE ARMY, RCS DD-D.R. & E. (SA) 1065-Continued

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976; REPORTING SERVICE: DEPARTMENT OF THE ARMY; DATE OF REPORT: SEPT. 30, 1976; RCS: DD-D.R. & E. (SA) 1065-Continued

	Funds obl (millions of	gated dollars)	
	Prior year	In-house	
Description of R.D.T. & E. effort	Current fiscal year	Contract	Explanation of obligation

- (a) Vaccine development against potential BW agents such as anthrax. Venezuelan equine encephalomyelitis (VES), tularemia, plague, and Q fever has been completed. Vaccines against chikungunya and Rift Valley fever arborium; infections in Africa and Southeast Asia, are in finite deveracines against bengue type 2, Mayaro virus, and sinbis virus found in South America, Africa, and Southeast Asia are in the early stages of development.

 (b) 2 classes of drugs, tilorone and polyinosinic—polycytidylic acid (PIC), have been shown effective in early protection against VEE and yellow fever by inducing interferon, a nonspecific protective substance. Rimantadine and amantadine have exhibited both prophylactic and therapeutic effects against influenza.

 (c) Lymphocyte transformation assay has been developed to study cell-mediated responses of specified disease agents and to evaluate the cellular effects of vaccines developed and commonly employed at USAMRIID.

 (d) PIC has been shown to be a potent drug for inducing better and quicker protection against VEE by increasing antibody responses. This drug also increases antibody responses to swine influenza.

 Rapid diagnosis of biological agents: This critical block of research supported by both in-house and contract research at a cost of \$1,500,000, is aimed at rapidly identifying the causative agent in any BW attack so that appropriate support we biochemical metabolic status serve as indicators of incubating infections. We must utilize and exploit methodology in various fields of science such as:

 (1) Immunelectrophoresis—to rapidly identify the causative organisms by immunological means.

 (2) Mass spectrometry—to identify metabolites in the body fluids indicative organism. In order for rapid identification of BW agents to be a viable part of the total medical defense program, it must be approached on three interfeated levels: (1) Whether or not infection is in progress; (2) What is the specific agent. The need for rapid diagnosis was exemplified in the recent "Legionaire" dis
- - Study 1: Target vulnerability assessment: A 2-volume report was published; vol. 1 and executive summary, and vol. 2, the complete report (Biological Vulnerability of a specific front to a biological attack, based on political, military and environmental factors associated with that target area.
 Study 3: Response protocol: A report on this study was completed during this period, titled, Biological Defense Protocol. The report is an assessment of current capabilities and biological defense requirements for the U.S. Army in the field. The current capability is based on current attitudes regarding biological defense and training and equipment devoted to biological defense. Information was obtained from several sources. An analysis was made of training preparedness requirements in response to the biological threat.
 Study 5: Target vulnerability analog definition: This study was completed and a report was published (Analog Environmental Parameters for Assessing Target Vulnerability). An analysis was made of environmental remaining at selected sites to determine the duration and frequency of occurrence of conditions that would render the site a susceptible target to a biological attack. For the stringent conditions for attack that were imposed, the frequency of suitable conditions was relatively high.
 Study 8: Target vulnerability: This study involves an assessment of the meteorology and topography, identification of strategic and tactical targets, and identification of possible modes of attack against U.S. forces, should they be involved in operations under this scenario. During this period, a literature review was initiated. Report is scheduled for completion in fiscal year 1977.
 Study 10: Biological detector effectiveness for bomblet attacks: This study will evaluate the detection capabilities for an on-target bomblet against U.S. military forces based on current detector density and location will be examined. Report is scheduled for completion in fis

CONGRESSIONAL RECORD - SENATE

SEC. 2.—OBLIGATION REPORT ON BIOLOGICAL RESEARCH PROGRAM FOR THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976,
DEPARTMENT OF THE ARMY, RCS DD-D.R. & E. (SA) 1065—Continued

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976; REPORTING SERVICE: DEPARTMENT OF THE ARMY; DATE OF REPORT: SEPT. 30, 1976; RCS: DD-D.R. & E. (SA) 1065—Continued

	Funds obligated (millions of dollars)		
	Prior year	In-house	
Description of R.D.T. & E. effort	Current fiscal year Contract		Explanation of obligation
(f) Army materiel development tests. 3. Simulant test support	(.000) (.107) .000	(.107) (.000) .003	 Study 18: Minimum capability for biological threat: This study will assess the technological requirements for development of biological weapons to meet a number of potential roles for use by groups having a low level of technical capability. During this period an analysis of the existence of the acquisition of the technical capability to produce, stockpile and transport biological materiel for use in biological weapon systems was accomplished. Study will be completed in fiscal year 1977. Study 19: Refinement of target vulnerability analog criteria: This study will provide for further characterization of target vulnerability analogs and will be applied to a number of sites and larger areas. During this period, refinement of analysis techniques has been initiated. Study is scheduled for completion in fiscal year 1978. Obligations were incurred in the modification of an inclosed test chamber and to check out test procedures prior to testing of the XM19 biological agent detector. Testing of the XM19 is scheduled for fiscal year 1977. Obligations were incurred in the reporting of a test program which was in response to unified and specified commands and service requirements. Test was designed to evaluate the relationship between biological decay rate data between the mobile van/microfilament technique and free-floating aerosols. Final report was published during this report period.

OBLIGATION REPORT OF PROCUREMENT FUNDS FOR THE PERIOD JULY 1, 1975 THROUGH SEPT. 30, 1976; REPORTING SERVICE: DEPARTMENT OF THE ARMY; DATE OF REPORT: SEPT. 30, 1976; RCS DD-D.R. & E. (SA) 1065

	Funds obligated (millions of dollars)		
	Prior year	In-house	
Description of R.D.T. & E. effort	Current fiscal year	Contract	Explanation of obligation
Biological research program	0.000	0.000	During the 15-mo period, fiscal year 1976 and fiscal year 1977, the Department of the Army obligated 0 for procurement - activities associated with biological defensive equipment and production base projects.
	.000	.000	- activities associated with biological defensive equipment and production base projects.

SEC. 3.—OBLIGATION REPORT ON ORDNANCE PROGRAM FOR THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976, DEPARTMENT OF THE ARMY, RCS DD-D.R. & E. (SA) 1065

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE PERIOD—REPORTING SERVICE: DEPARTMENT OF THE ARMY; DATE OF REPORT: SEPT. 30

1976, RCS DD-D.R. & E. (SA) 1065

	Funds obligated (millions of dollars)				
	Prior year	In-house			
Description of R.D.T. & E. effort	Current fiscal year	Contract	Explanation of obligation		
Ordnance program	-0.002	7.775	During the 15-mo period fiscal year 1976 and fiscal year 1977, the Department of the Army obligated \$18,120,000) for genera	
	8. 122	. 345	research investigations, development, and test of smoke, flame, incendiary, herbicide, riot control agents, a systems, and other support equipment. Program areas of effort concerned with these obligations were as fol Smoke, flame, and incendiary program. Herbicide program ¹ . Riot control program Other support equipment program. Test support	\$5, 213, 000 -2, 000 1, 775, 000 912, 000 222, 000	
			Total ordnance program	8, 120, 000	

¹ Department of the Army research on the herbicide program has been phased out.

OBLIGATION REPORT OF PROCUREMENT FUNDS FOR THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976; REPORTING SERVICE: DEPARTMENT OF THE ARMY; DATE OF REPORT: SEPT. 30, 1976; RCS DD-D.R. & G.(SA) 1065

	Funds obl (millions of	igated dollars)			
A STATE OF THE PARTY OF THE PAR	Prior year	In-house			
Description of R.D.T. & E. effort	Current fiscal year Contract	Explanation of obligation			
Ordnance program	8. 761	9, 247	During the 15-mo. period fiscal year 1976 and fiscal year 1977, the Department of the Army obligated \$17,527,000 for pro-		
	8, 766	8, 280	curement activities associated with smoke, flame, incendiary, herbicide, riot control agents, weapons systems and other support equipment. Program areas of effort concerned with these obligations were as follows: Smoke, flame and incendiary program		

SEC. 4.—ANNUAL REPORT ON CHEMICAL AND BIOLOGICAL RESEARCH PROGRAM OBLIGATIONS, ADJUSTMENT SUMMARY, TO REPORT FOR THE SEMIANNUAL PERIOD JAN. 1, THROUGH JUNE 30, 1975, DEPARTMENT OF THE ARMY, RCS DD-D.R. & E. (SA) 1065

ADJUSTMENT SUMMARY TO THE SEMIANNUAL PERIOD JAN. 1, 1975, THROUGH JUNE 30, 1975

Page	Description	Fro	m—	То—		
	SEC. I—CHEMICAL WARFARE PROGRAM	ACTUAL DE	1100	-71-	777 T	
1	Under explanation of obligations, change figures as follows: Ist line, "Department of the Army" obligated	\$4.969	000	\$5,017	000	
	Chemical research. Rasic research in life sciences	268	, 000	325	,000	
	Exploratory development Lethal chemical program. Exploratory development.	99	,000	95	,000	
	Advanced development	-1	,000	14	000	
	Engineering development	_250	nan	-250	,000	
	Testing Incapacitating chemical program: Exploratory development. Defensive equipment program Exploratory development. Advanced development. Engineering development.	48* 33* 4, 42¢ 31, 25¢	,000	4, 431	,000	
	Exploratory development	3, 256	,000	3, 252	,000	
		100	,000	380 195	,000	
	Simulant test support.	From-	0	To-	0	
		Prior year	In-house	Prior year	In-house	
		Current year	Contract	Current year	Contract	
1	Under funds obligated, change figures as follows: Chemical warfare program	-0.003	3. 221	-0.045	3, 290	
3	1. Chemical research	5, 001	1. 747	5. 070 —. 003	1. 735 . 249	
	(a) Basic research in life sciences		. 079	. 328	. 076	
3		(. 170)	(. 140)	(. 000)	(. 200	
5	(b) General chemical investigations	(. 000)	(. 049)	(003)	(. 049)	
9	2. Lethal chemical programs		006	033	014	
9 11	(a) Agent investigations and weapons concepts	(. 000) (018)	(. 022) (012)	(008) (022)	(. 022 (016	
13	3. Incapacitating chemical program	(.000)	(006) . 032	(. 000) 001	(006 . 031	
13	(a) Agent investigations and weapon concepts	.032 (.000)	. 000 (. 032)	.032	.000	
13	4. Defense equipment program.	(. 032) 012	(. 000) 2. 752	(. 032) —. 016	(. 000 2. 758	
13	(a) Physical protection investigations	4. 438 (-, 012)	1,674	4, 447 (016) (1. 145)	1. 673	
10	(a) (ii) sivai protection in resugations	(1.145)	(. 343) (. 790)	(1.145)	(. 340) (. 789)	
17	(b) Advanced development of defensive systems		(.103)	(.000)	(. 108)	
18	(c) Collective protection system	(. 599)	(. 496) (. 016)	(. 604) (. 000)	(. 496) (. 018)	
18	(d) Warning and detection system	(. 083) (. 000)	(. 067) (. 100)	(. 085) (. 000)	(. 067) (. 102)	
		(.293)	(. 193)	(. 295)	(. 193	
		F	rom—		To-	
	SEC. II—BIOLOGICAL RESEARCH PROGRAM					
1	1st line, "Department of the Army" obligated	5	8, 000 0, 000 0, 000		9, 000 0, 000 0, 000	
	Exploratory development Defensive systems. Exploratory development.	4, 83	8, 000 2, 000 5, 000	4, 81	9, 000	
	Advanced development Engineering development	28	5, 000 8, 000	28	9, 000 3, 000 5, 000 8, 000	
	Testing		3, 000	42	3,000	
		From		To-	-	
		Prior year	In-house	Prior year	In-house	
	Under funds obligated, change figures as follows:	Current year	Contract	Current year	Contrac	
2	2. Defense equipment program	-0.003	4. 511	-0.022	4. 492	
5	(e) Foreign biological threat	4.841 (.000)	(.132)	4. 841 (019)	(. 113)	
		(.157)	(.025)	(.157)	(. 025)	

CONGRESSIONAL RECORD - SENATE

SEC. 4.—ANNUAL REPORT ON CHEMICAL AND BIOLOGICAL RESEARCH PROGRAM OBLIGATIONS, ADJUSTMENT SUMMARY, TO REPORT FOR THE SEMIANNUAL PERIOD JAN. 1, THROUGH JUNE 30, 1975, DEPARTMENT OF THE ARMY, RCS DD-D.R. & E. (SA) 1065—Continued

ADJUSTMENT SUMMARY TO THE SEMIANNUAL PERIOD JAN. 1, 1975, THROUGH JUNE 30, 1975—Continued

Page Description		From-		T	0-	
SEC. III—ORDNANCE PROGRAM	Prior yea	In-l	nouse	Prior year	In-h	ouse
	Current ye	r Con	tract	Current year	Cont	tract
Under funds obligated, change figures as follows: 1	.1	, 446, 000 32	1.024	1, 4 . 182	96, 000	1.03
Smoke, flame and incendiary program————————————————————————————————————		476, 000 233, 000 234, 000 350, 000 153, 000	. 422	1. 314 4 2 2 2 3 1	76, 000 39, 000 44, 000 84, 000 53, 000	. 46

SEC. I.—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976, DEPARTMENT OF THE NAVY, RCS: DD-D.R. & E. (SA) 1065

OBLIGATION REPORT ON CHEMICAL WARFARE—BIOLOGICAL RESEARCH PROGRAM FOR THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976, DEPARTMENT OF THE NAVY, RCS: DD-D.R. & E. (SA) 1065

	Funds obligated (in millions of dollars)					
Marie Control	Prior year	In-house				
Description of R.D.T. & E. effort	Current fiscal year Contract		Explanation of obligation			
Chemical warfare program	0.000 0.792		During the period July 1, 1975, through Sept. 30, 1976, the Navy obligated \$1,060,000 for research and development effort			
Defensive equipment program	1. 060 . 000	. 268 . 792				
(a) Exploratory development.	1.060 .000	. 268	Funds support defense requirements analysis, development of automated chemical/biological detection systems, joint develop-			
Chemical/biological — defense tech- nology.	.200	. 060	ment of a new protective mask and study assistance to determine cost to provide shipboard protection to new type naval ships. The objectives of this program are: (1) develop a coordinated, unified R.D.T. & E. chemical biological defense pro- gram to interpret operational requirements, (2) to coordinate the response to these requirements, (3) to advise and assist			
(b) Exploratory development.	.000	. 200	U.S. Navy Materiel Command in developing and coordinating these requirements with the Army and Air Force.			
(c) Engineering development.	. 200	.000	The purposes of this program are: (1) provide U.S. Navy ships with chemical warfare advanced warning capabilities utilizing			
	. 660	. 208	 passive infrared techniques, and (2) to provide U.S. Navy ships with a chemical agent point sampling detector and surface contamination monitor, 			

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE PERIOD JULY 1, 1975 THROUGH SEPT. 30, 1976; REPORTING SERVICE: DEPARTMENT OF THE NAVY; DATE OF REPORT: SEPT. 30, 1976; RCS: DD-D.R. & E. (SA) 1065

	Funds obligated (in millions of dollars)		
Providence of	Prior year	In-house	
Description of procurement effort	Current fiscal year Contract		Explanation of obligation
Chemical warfare program	0.015	0. 033	During the period July 1, 1975, through Sept. 30, 1976, the Department of the Navy obligated \$18,000 for procurements associated with chemical warfare defensive equipment.
	.018	.000	ciated with chemical warrare defensive equipment.
1. Defensive equipment program	. 015	. 033	
	.018	.000	
(a) Protective clothing	.015	. 033	Obligations to cover the procurement of chemical warfare protective clothing for distribution to Navy ships and stations.
	.018	.000	

SEC. 3.—OBLIGATION REPORT ON ORDNANCE PROGRAM FOR THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976, DEPARTMENT OF THE NAVY, RCS: DD-D.R. & E. (SA) 1065

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976; REPORTING SERVICE: DEPARTMENT OF THE NAVY; DATE OF REPORT: SEPT. 30, 1976; RCS: DD-D.R. & E. (SA) 1065

	Funds obligated (millions of dollars)				
A CONTRACTOR OF THE PARTY OF TH	Prior year	In-house			
Description of procurement effort	Current fiscal year	Contract	Explanation of obligation		
Ordnance program	0. 198	0.000	Termination cost for firebomb MK 343 fuze contract.		
	.000	. 198			

DEPARTMENT OF THE AIR FORCE—ANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAMS (JULY 1, 1975-SEPT. 30, 1976), (RCS: DD-D. R. & E. (SA) 1065, SEPT. 30, 1976

SEC. 1.—OBLIGATION REPORT OF CHEMICAL WARFARE LETHAL AND INCAPACITATING AND DEFENSIVE EQUIPMENT PROGRAMS FOR THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976, RCS: DD-D. R. & E. (SA) 1065, DEPARTMENT OF THE AIR FORCE, SEPT. 30, 1976

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976; REPORTING SERVICE: DEPARTMENT OF THE AIR FORCE; RCS: DD-D. R. & E. 1065, FUNDS OBLIGATED

[In thousands of dollars]

Description of	Prior year	In-house					
Description of R.D.T. & E. effort	Current year	Contract	Explanation of obligations				
Defensive equipment program: Exploratory development	0	0					
Engineering development	0 554	1, 086	Development and testing of agent detection devices and further development of modification kits for structures. Evaluation and development of various items of personnel protective equipment.				
Total defensive	942 554	410 1, 086	and development or various items or personnel protective equipment.				
Total R.D.T. & E. obligations	942 554	410 1,086					
	942	410					

SEC. 2.—BIOLOGICAL RESEARCH PROGRAM OBLIGATIONS FOR THE PERIOD JULY 1, 1975 THROUGH SEPT. 30, 1976, DEPARTMENT OF THE AIR FORCE, RCS: DD-D.R. & E. (SA) 1065, SEPT. 30, 1976

SEC. 3.—R.D.T. & E. AND PROCUREMENT OBLIGATIONS FOR FLAME, SMOKE, INCENDIARY, RIOT CONTROL, AND HERBICIDE AGENT/MUNITION SYSTEMS FOR THE PERIOD JULY 1, 1975
THROUGH SEPT. 30, 1976, DEPARTMENT OF THE AIR FORCE, RCS: DD-D.R. & E. (SA) 1065, SEPT. 30, 1976

SEC. 4.—OBLIGATION REPORT OF CHEMICAL WARFARE LETHAL AND INCAPACITATING AND DEFENSIVE EQUIPMENT PROGRAMS—ADJUSTMENT SUMMARY TO REPORT FOR THE PERIOD JAN. 1, 1975 THROUGH JUNE 30, 1975, DEPARTMENT OF THE AIR FORCE, RCS: DD-D.R. & E. (SA) 1965

Negative.

THE EDUCATION OF EARL McGRATH

Mr. HATFIELD. Mr. President, the April 1977, issue of Change magazine by Edwin Kiester, Jr., offers a profile of Earl J. McGrath, one of the outstanding American educators of our time. This article outlines his distinguished career and also identifies his educational philosophies and insight into higher education in the country today.

Earl McGrath served as Commissioner of Education under President Truman and has provided quality leadership in many arenas of educational pursuit over five decades.

Dr. McGrath has a particular optimism and conviction about the historic mission of the liberal arts college and remains a vital influence on students and teachers today. Those of us concerned with the importance of preserving and communicating moral and spiritual values in our schools frequently call upon him for wisdom and guidance.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE EDUCATION OF EARL McGrath (By Edwin Kiester, Jr.)

Earl McGrath is 74 years old and the military moustache has gone snow-white, but he still moves with the same energy and jaunty step as when he and another quick-timing little man named Harry S. Truman were putting the federal government into the education business 27 years ago. I first met McGrath in those days when, as a young magazine writer, I was assigned to interview the U.S. Commissioner of Education on the pending proposal to set aside television channels for educational use. Feeling his firm handshake at the San Francisco airport a few months ago, I was impressed with how little the quarter century had changed him.

Two days of conversation only deepened that impression. For McGrath was then and remains today that rarity in this pragmatic age, a man of absolute and unswerving devotion to a set of bedrock principles. For nearly four decades he has been preaching the gospel that the prime objective of higher education should be teaching; that the welfare of the student should be uppermost; that the development of character and a responsible citizenry are more important than mere transmission of knowledge—and that all this flourishes best in the intimate atmosphere of the small liberal arts college. That such institutions have become an endangered species has not shaken his convictions. McGrath has been retired twice-at 65 from Columbia and at 70 from Temple, But from his current base as director of the program in liberal studies at the University of Arizona and until recently as senior consultant to the Lilly Endowment, at an age when most of his contemporaries have retired to their vegetable gardens, he is still thumping the same pulpit. It should not have surprised me to learn that McGrath's hero is Robert E. Lee, another former college president who threw his energies into an uphill

It should not have surprised me, either, that even before Jimmy Carter's election, McGrath had undertaken a study of the 52 Southern Baptist liberal arts colleges; nor that, in the midst of last year's election campaign in which the prime issue was honestly and trust, he had published a monograph entitled "Values, Liberal Education, and National Destiny." McGrath endeared himself to journalists like me because he always viewed the educational scene through contemporary binoculars and because he always had something cogent and provocative to say about what he saw. That has not changed either.

"As I travel, I talk to many people, and I find them disturbed because the old institutions and principles by which they have lived have eroded," he commented on one occasion. "The relativism, the consequences of the past 25 to 30 years, have taken a heavy toll. People have been left without intellectual, moral, political, or economic moorings.

I recall a speech Walter Lippmann gave to the American Council on Education in 1966. Lippman said that the only institution which could bring society into a cohesive whole again is the university. He said the church can't do it, the government can't do it, who else can do it? But can the university do it? With its present goals and professional politics, I doubt it. It would require rethinking their direction, and there is little evidence of that.

"I am ashamed of what I taught when I was a psychology instructor," he remarked at another point, discussing the view that knowledge is important for knowledge's sake. "Ninety-five percent of them were never going to do any more in psychology. Yet we examined the central nervous system from Labor Day to Thanksgiving. The rods and cones of the retina. The bones of the middle ear. Hot and cold spots in the fingers. All this trash that I had to take because I taking a master's in psychology I embodied into a one-year course, and these poor suckers had to learn it and give it back to me. After this we had the psychology of propaganda, Hitler running all over Europe, the psychology of advertising, neuroses everywhere, to say nothing of crowd psychology, which they wouldn't even hear about unless they took two or three more courses. All of that could have been bundled into a one-year course which would have been of value to all of them."

Of course, to describe Earl McGrath only as a champion of liberal education—or, one soon discovers as a holder of salty opinions—is a little like talking about Babe Ruth in terms of how well he could play the outfield. McGrath's accomplishments go much further. Besides serving as United States Commissioner of Education, he was a post-Presidency confidante of both Truman and Eisenhower; he framed and wrote much of the prophetic 1947 report of the first Presidential Commission on Higher Education: he helped build the Navy's famous wartime V-12 college training program and directed its off-duty study program, which served as a model for later high school equivalency and external-degree programs; he has written prolifically and has received honorary de-

grees from 50 institutions. He was one of the first recipients of the award of the Colloquium on Higher Education, a select group of academic professionals.

Knowledgeable and articulate, he personifies the well-rounded, well-educated man he so admires. Sitting with him in an autumn evening, I found the conversation ranging smoothly and easily over such diverse topics as Lee's strategy at Chancellorsville, Robert Ornstein's research into bilateral specialization of the brain, the importance of intonation in the pronunciation of Chinese, the history of the University of Bologna, ethnography of the Philippines, California versus French wines, the proper backswing on a short iron shot, and the physiological chemistry of diabetes. Once, McGrath recalled, the president of a small and shaky college about to be ousted by his trustees came to him for advice. Perhaps the expert on small colleges could recommend some books that would help him in his plight? "Books on higher education!" McGrath snorted. "I said, 'Go read Othello, John! It's all in Shakespeare! They're trying to do an

Iago on you!" According to McGrath, both his character and his ideas took root during his own smallcollege education-on a campus most of us now associate with educational gigantism. When McGrath matriculated at the University of Buffalo in 1923, its liberal arts college was only two years old, founded to satisfy the Flexner recommendations for better premedical education, and 750 students were rattling around the 75 acres of the former Erie County poor farm. The new student, 20, had not originally planned to attend college. Despite his Irish surname, he had grown up in a German enclave on the outskirts of Buffalo, where his maternal great-grandfather, a bookbinder, had migrated from Saxony and had clustered his children and grandchildren around him in the best Germanvillage manner. The family was long on songfests and sausages but short on the wherewithal to send an ambitious youth to college. After high school graduation, McGrath spent three years in jobs as a bank clerk and a gas-meter reader before a classmate convinced him that he could afford the new col-

One of the reasons McGrath stresses the value of the liberal arts college is that teachers get to know their students and significantly affect their lives. "I have always felt that a person's life and character, his personality and dominant ideas, are shaped more by people and the interaction of personality than by cognitive learning," he says. He can quickly tick off the early influences in his own life—the classmate; the ex-clergyman neighbor who took a liking to the 12-year-old and schooled him in German and French; the philosophy professor who convinced him at graduation to reject a fellowship in German at Yale ("He told me there weren't many jobs for German teachers after World War I, and he was right") and to study psychology at Buffalo.

And most of all there was Samuel P. Capen, a major figure in the history of American colleges and universities, who came to Buffalo as chancellor in 1922 and remained there 30 years. Capen quickly discovered that higher education was a virgin field of study, and he became its first systematic student. Over the next several decades he poured forth a flood of articles, books, and speeches on trends and developments in postsecondary education. He helped found the American Council on Education and became its first president.

McGrath, meanwhile, had attended college without any clear career objectives; he majored in German because of his family background. After studying psychology, he concluded that "I wanted to stay in the academic life but I wasn't certain what I wanted

to do there." Older than his fellow students, he was named an instructor and then assistant dean of the evening division at Buffalo. The next year Capen decided he needed an assistant to help him administer the growing institution and he picked McGrath.

Could anything be more exciting than helping to build an institution from the ground up?" McGrath asks, rhetorically. had opportunities no young administrator could have today. Buffalo was a small university but it was a complex one, and there were only two of us in the central administration so I became familiar with all parts of it. I dealt with the registrar and the bursar. I drew up the budget. I attended all faculty meetings, the medical and the law faculty as well as the liberal arts faculty. I got to know the medical faculty as well as our own. I wrote reports for Capen. I made speeches of my own. I even chauffeured Capen's car. Once, I remember, a student claimed that he got a failing grade because he had rejected a professor's homosexual advances. I had to handle the whole matter. right through the negotiations with the AAUP. I got a good solid grounding in every phase of college operation under the supervision of the country's leading theoretician on the subject."

Equally important to McGrath's education was Buffalo's particular atmosphere. "Buffalo between 1922 and 1935 was one of the most exciting intellectual centers in the country," he says. "Five or six of my own teachers had national, even international, reputations. But it wasn't only that these men were prominent in their fields. They were accessible, not only to discuss educa-tional problems but personal problems. You could see them as human beings, not as platform performers as so many faculty members are today. Oh, I have no doubt that some men and women teaching in the classrooms today may be intellectually superior in their ability to handle ideas or to master a given body of knowledge. But in terms of their influence on the whole person. Well, they couldn't come up to one of my philosophy professors, who only had a bachelor's degree and probably couldn't get an appointment in

McGrath remained at Buffalo nearly 25 years, with significant interruptions. In 1933 he went to the University of Chicago, then under the leadership of Robert Maynard Hutchins, for a doctorate in higher education; the association with Hutchins con-tinues to this day. In 1938 he joined the American Council on Education in Washington to administer a Rockefeller Foundation project to advance general studies programs in small liberal arts colleges. The objective was to establish on 22 campuses course distribution requirements that would provide every graduate the broad education necessary responsible citizenship-to teach "the corpus of knowledge, the complement of intellectual skills, and the cluster of attitudes which all beings, regardless of their special interests or occupations, must have to live a civically enlightened and person-ally satisfying life," McGrath once wrote. This program, which helped to formulate many of the views McGrath was later to expound upon, lasted three years and was cut short by World War II.

In the first few days of 1942, McGrath and four others, including Frank Bowles, later president of the College Entrance Examination Board, and Alvin C. Eurich, now head of the Academy for Educational Development, were summoned by Secretary of the Navy Frank Knox to put together a crash college program for naval officer candidates. The idea was to use existing campuses and faculty to provide two years of college for the new officers before they were commissioned and assigned to sea duty. Four months later, the much heralded V-12 program was

in operation on 50 campuses and the first of thousands of young midshipmen were attending classes in a program that was to last through the war.

McGrath, by now a lieutenant-commander, was called upon for another national service project, this one a pet of President Franklin D. Roosevelt. He was to build a program of off-duty education under which sailors could obtain high school or college credit for classes attended on shipboard or at far-flung duty stations. Or they could study by correspondence. McGrath was given carte blanche to select and train young officers to serve as teachers, to pick his own administrative staff, and to develop the teaching materials. By war's end, he had built a university that stretched as far as Australia and enrolled more than 300,000 students.

These experiences, coupled with the postwar flood of GI students, sharply changed the direction of McGrath's thinking, as it did that of many educators. Whereas he had previously thought in terms of individual campuses and small student bodies, he now recognized higher education as a national concern, involving millions of ambitious young men and women. Meanwhile he returned to Buffalo, then moved on to the University of Iowa as dean of the college of liberal arts and began to move firmly onto the national stage.

In 1947 he was named to the President's Commission on Higher Education. This panel of leading educators, revolutionary for its day, was chosen by President Truman to recommend future federal policy in higher education, especially for the period following the veterans' stampede. Although the federal government was obviously four-square in the higher education business through the financing of the GI Bill, the idea that there should be any kind of continuing policy in an area traditionally reserved to the states and to private agencies provoked a wounded out-. Coming at a time when Truman embroiled with the Republican Eightieth Congress, the Commission was charged with being socialistic, further evidence of government interference with private rights.

Looking back 30 years later, it is difficult to see what the fuss was all about. Much of the first volume of the Commission's report was written by McGrath and T. R. McConnell, now in the Higher Education Research Center in Berkeley, and retrospectively, its program seems tame. The Commission declared that perhaps 49 percent of high school graduates were capable of postsecondary education—an unheard-of statistic in 1947 and that, if necessary, the federal govern-ment should see to it that they received it. The report also highlighted the disparity in educational opportunity among the states and recommended that Washington take steps to correct the inequity. It suggested expansion of the community colleges, better programs of adult education, greater financial assistance for the economically deprived, and accelerated recruitment of minority students.

"From a legislative point of view, the Commission was a failure," McGrath says now. "Not one bill was passed by the Congress as a result of our recommendations. I'm not even sure that any were proposed. Society simply wasn't ready for the idea of a broader federal responsibility in higher education, nor were educators. But I think the report had a very important delayed effect. It was certainly prophetic about the community colleges and adult education. Most important, though, it stirred up thinking about what role the government ought to play in colleges and universities."

In the summer of 1948, John W. Stude-baker, who had been U.S. Commissioner of Education ever since the New Deal, resigned under pressure from the White House. McGrath was asked to study the office, then largely a fact-finding and report-collecting

agency, and to suggest a plan of reorganization to bring it more into line with the increased federal responsibility for the schools. McGrath had little hope that the report he submitted in the waning days of the first Truman administration would be adopted, since it was generally conceded that the President would be roundly trounced at the polls by Thomas E. Dewey. But Truman's unexpected reelection made the report a live issue and its author the leading candidate for the Commissionership.

McGrath will never forget that first meet ing with Truman, a month into the President's second term. "He talked for half an hour or 45 minutes about the problems of education and the importance of education. and then about the office, and what he expected it to be," McGrath recalls. "It was impressive how much understanding he had the subject and how deeply he thought about how to deal with it. And he was quite blunt about what he expected from a Commissioner. He said, 'Now, you've spent your life primarily in colleges and universities, and I have no objection to that background in a Commissioner. I consider higher education important. But I want you to understand that I'm primarily interested in seeing that the broad mass of Americans get a good solid elementary and secondary education. I don't want anyone in the Commissioner's office who's going to spend his time especially advancing the cause of the colleges.

"So I told him," McGrath says, "that I too was interested in the broad education of the people at every level, and we had a few more minutes of pleasant conversation, and then the nomination was sent up to the Senate."

Thus began a friendship that ended only with Truman's death. As Education Commissioner, McGrath was hardly a White House insider, but his regime undoubtedly paved the way for the role government was to play in education later on. "The job was relatively simple in those days," he says. "The money involved was not large, the staff was not large. We had no field officers in the federal districts as they do now. There were no really dramatic issues. Race was coming up—it was already in the courts, but the decision didn't come down until 1954, and I was out by then.

"Still, you could see the handwriting on the wall. I think I testified on 500 bills in my 4 years, which is more than my predecessor in his 14 years. There was the be-ginning of the idea that there should be some federal assistance to the schools, which of course I favored. That was when the bills first came up to give aid to 'impacted' areas, where the federal installations were so large that they monopolized the tax rolls, and I testified in favor of that. I remember Senator Paul Douglas introduced a bill to establish a federal program of education for migrant workers' children, and I testified for that. And I must have made 500 speeches on the subject of the need for elementary school teachers

"Actually, I was a bit of a misfit in the Commissionership. My appointment never sat well with the public school establishment because I was not one of them. But I learned a lot about politics and a lot about the American system in those four years, and that's a subject many educators aren't familiar with, don't want to dirty their hands with. I learned that in America if you want something from the federal government or expect to be affected by it, you'd better speak up and make your opinions known. I think Truman, for example, would have responded to any kind of pressure brought on him by the higher education establishment. I remember one time in the 1930s when an educational delegation led by Willard Givens of the National Education Association called on FDR They had a pleasant chat in the White House, and finally Givens said, 'Mr. President, our delegation is interested in knowing what your administration plans to do for education.' And Roosevelt responded, 'Mr. Givens, I will do anything necessary as soon as I find out what education wants me to do.' That's the way the system works."

Eisenhower's election in 1953 sent Truman back to Kansas City and McGrath followed him. He became a college president for the first time, at the University of Kansas City. The position enabled him to test some of the ideas he had been collecting ever since his days with Capen. It also cemented the relationship with Truman. McGrath was named to the board of the Truman Library and in turn drew on his former boss as a regular guest lecturer in political science and history. The two men lunched regularly at Truman's Kansas City club, where the conversations ranged across history, Greek mythology, and literature, laced with exactly two shots of bourbon. "Mr. Truman was an informed, intelligent, and considerate man." McGrath says, "and I never found a subject that he was not interested in or did not have ideas about."

That included higher education. The only President in this century never to have attended college believed firmly that the times called for mass postsecondary education. On the other hand, he was defensive about what he considered the snobbery of the Ivy League graduates. A born mimic, he delighted in imitating what he believed to be the nasal accent of the "Hahvud boys."

The University of Kansas City was later absorbed into the University of Missouri system and McGrath left. He was then 53 years old, with a long and varied career in higher education, but he had never done what most faculty members do most of their -concentrate on a narrow area of knowledge and pass his theories on to a new generation of scholars. Now he moved to Teachers College at Columbia University to do just that. It was already evident that lib-eral arts education was in decline and that many of the small institutions that had dotted the American educational landscape were in serious straits. As professor of higher education in the Institute of Higher Education and with Carnegie Corporation support, McGrath set out to study them, to advise them, and to define and salvage what was valuable about them. That issue has consumed him ever since and undoubtedly will be the contribution for which he is remembered.

He did not always like what he saw. "I object to the notion come by from the German university that the educational process ought to concern itself only with cognitive learning, that it has no responsibility for the private lives of individuals. I agree with what William James wrote long ago in "The Octopus"—that the tentacles of scholarship have strangled educational programs, especially at the undergraduate level. James was writing about Harvard College, but what he described happened everywhere as a result of the introduction of the standards of German scholarship.

McGrath expounded this view in monographs like "Should Students Share the Power?" and "Liberal Education's Responsibility for the Individual Student." Unlike many members of the academy, he was not surprised at student complaints of the mid-1960s that colleges were dehumanized, depersonalized pressure cookers where faculty members were remote and faceless. And he deplored the publish-or-perish principle.

"We don't have the atmosphere I described at Buffalo in the twenties and thirties," he said, reviewing what he had written in "The Quality and Quantity of College Teachers" and "Are Liberal Arts Colleges Becoming Professional Schools?" "We don't have men or women primarily interested in being teachers of youth, I cannot believe that that way

of life is not extremely rewarding for those who choose it. Yet those who take the ideal seriously are discriminated against, in terms of responsibility and economic advantage. I think this philosophy has rotted away the whole core of liberal education in this country."

Indeed, McGrath has argued, there is scarcely such a thing as a true liberal arts college anymore. Sometime in the heyday of Charles W. Eliot, the idea died out that the objective of higher education was to prepare a person to assume a responsible place in the society rather than to prepare him or her for a professional career. "We used to have at Teachers College a copy of the Harvard catalog of the 1840s," he recalls. "It was printed on two pages and consisted of 33 courses for four years, which every student took. The entire curriculum consisted of Greek, Latin, Hebrew, some rudimentary the classics, some history. mathematics, Then Eliot came back from Germany with his notions of narrow and specialized education, and by the end of the century most of the colleges had instituted course requirements and brought in majors. The humane tradition inherited from Oxford and Cambridge had almost disappeared."

The decline of the small campus has saddened McGrath, who has devoted much of his career to attempting to explain it. Over the past 20 years the small schools, while holding their own in absolute numbers, have controlled a smaller and smaller share of the educational garden, until today only about one in four students attends a private college of 1,000-2,000 students, as contrasted with a one in two ratio in the immediate postwar period. Moreover, a large number of the schools have closed their doors forever, hemmed in by the forces of cheap public tuition and loss of the institutional links that once provided their support.

Yet here, as in many areas of education, McGrath remains optimistic. He has never lost faith in the ideals of the liberal creed, but he believes that today's educators need to "reorient the purposes of liberal arts education." He argues that whereas "traditionally the profession has said, 'Well, these are the disciplines an individual should study to consider himself or herself an educated person,' we ought to come at it from the other direction. We ought to say, 'This is the nature of our society. These are the problems and the concerns with which citizens of that society might have to deal, now or in the future. These are the disciplines that bear on those problems or concerns, and therefore these ought to be the components of liberal education.'

"I don't hold with this idea that you should keep piling up courses on courses in the same narrow area. And furthermore, I don't believe that an advanced course is more taxing than an elementary course. A fifth course in mathematics in the functions of a complex variable is per se no more difficult and more important than a basic course in political science. Quite the contrary, in my judgment.

"The whole academic enterprise has been in the grip of what Hutchins used to call scientism—the idea that whatever we approach has to be approached from the point of view of the scientist. Love, hate, all the human emotions, everything in life. The scientists have repudiated this idea, but now the humanities are infected. Even the departments of religion are fascinated with objective truth. They have abandoned not only revealed knowldge but any knowledge which is epistemologically not scientific."

The former federal official believes that the

The former federal official believes that the government has an important role to play in reorienting the colleges, if only the academic enterprise will let it; but he also has faith that the small colleges themselves will work

their way out of their difficulties. "I can't believe that some small liberal arts colleges, colleges like Allegheny or Muskingum, old respected institutions that have operated for over 100 years, will go under. They have too many loyal alumni who will rally to their support; they are too deeply rooted in their communities to go out of existence. In fact, our studies show that these institutions are far stronger today than in the recent past. Alumni contributions have gone up, some of them have rejuvenated their programs to tie more directly to community needs, many of them have benefited from the fact that students themselves are looking for guldance.

"There is no doubt, though, that unless something is done, some of these small institutions are going to lose students; and some are going to be obliged to close their doors. I'm convinced that a strong program of federal assistance is needed, but not of the type we have seen in the past. I think it ought to be in two parts. There ought to be direct aid to students, which they could spend at whichever college they choose. It ought to be like the GI Bill, with money passing directly through the student's hands.

"I have great fears of large government funds going directly into college treasuries. When they are earmarked for specific purposes, and they can cause great damage to the institution and its objectives, as was evident after Sputnik. Suddenly there were great amounts of government research money for scientific research and graduate programs in the sciences. The intent was not to demean the social sciences and the humanities, but it worked out that way. Students who might have chosen to study psychology picked physics instead, because that's where the grants were. Then when the government withdrew support in the late 1960s, the effects were tragic. Columbia alone lost \$50 million, I remember. Whole programs had to be closed down because there was no more goverment money.

"But we all know that tuition never pays the costs of educating a student. So I think that such direct federal or state aid to the student, a voucher system, should be supplemented by grants to the institution on the basis of the number of students enrolled. But there should be no grant until the student is actually in school, and the money should be paid into the general fund, rather than earmarked for a specific purpose."

But there is another national role for education that McGrath sees as important in the second half of the seventies, and this theme has dominated his most recent publications and speeches. He believes that the United States needs a Presidential commission of thoughtful leading citizens who could study national values and help the nation find a direction for itself in the final quarter of the twentieth century. Once his beloved liberal arts colleges made it their purpose to impart a sense of values to their students; they have lost that goal because society no longer accepts a common standard.

McGrath wishes that he felt that the academic enterprise could "concern itself with necessary reforms and goals and practices," but he does not. "It cannot seem to see that questions like race, and ecology, and war and peace are not conquered by mere application of knowledge but by having a set of values, by having a cohering and enduring set of principles of human conduct around which citizens can rally. I don't think a commission on national choices would have to concern itself with digging up facts, with studying all that is known on the topics considered. What it needs is people who aren't afraid of new ideas and aren't afraid to say what they believe. The right people, without political affiliation, willing to suggest realistic programs that the weight of society could get

behind. Not merely scholars. A commission of public-spirited citizens. I once mentioned this to President Ford, and I believe that it would be fruitful."

Seven decades into an epochal life, McGrath himself exemplifies the kind of broadthinking citizen who might serve on such a commission. He is settled now into the desert sun of Tucson, to benefit his wife's arthritis, but he still ranges all over the globe and produces a steady stream of speeches, articles, and pamphlets. Despite his age he has no intention of retiring, but he does look back on 50 years with some regrets. "I spent almost all my professional life in large institutions," he says. "Columbia with 20,000 students, Temple with 30,000, Iowa with 12,000. I think if I had to do it over again, I would try to find a deanship in some small college of maybe 1,200 students and spend the rest of my life there.

"We were talking about Lee a while ago. You know Lee ended his life as president of Washington and Lee University, down in Lex-Virginia. I was reading the alumni bulletin from that school not long ago and there was an article about an old dean down there, Dean Gilliam, who had just died. He had seen three generations of students cross that campus, not only fathers and sons but grandfathers and grandsons and he knew them all. He was a stern man, a man of principle, like Lee himself; but also, like Lee, he was a humane man, and he was concerned for the individual student, as Lee was concerned for the enlisted man. Each of his students had some favorite, personal memory of him.

"Probably no one ever heard of Dean Gilliam 100 miles from that campus, and yet to me he is what liberal education should be about. To me, his was a worthwhile life, a life that had some meaning, purpose, and impact on the future of our nation."

RULES COMMITTEE REPORT

Mr. CANNON. Mr. President, I ask unanimous consent that a report from the Senate Committee on Rules and Administration pursuant to section 302(b) of the Congressional Budget and Impoundment Control Act of 1974, distributing the committee's allocations under the third concurrent resolution on the fiscal year 1977 budget, be printed in the Record.

There being no objection, the report was ordered to be printed in the Record, as follows:

COMMITTEE ON RULES AND ADMINISTRATION

REPORT TO THE SENATE PURSUANT TO SEC. 302(B) OF THE CONGRESSIONAL BUDGET ACT OF 1974

ALLOCATIONS OF 3D CONCURRENT RESOLUTION AMOUNTS FOR FISCAL YEAR 1977

[In millions of dollars]

		Fiscal y	ear 1977	
	Direct s	pending liction	Entitlement programs that require appropriations action	
Programs	Budget author- ity	Outlays	Budget author- ity	Outlays
FUNCTION 250		340	MI	10
resolution total to be allocated	(1)	(1)	None	None
Trust Funds (permanent, indefinite)	0.055	0.067	None	None

Programs	Fiscal year 1977			
	Direct spending jurisdiction		Entitlement programs that require appropriations action	
	Budget author- ity	Outlays	Budget author- ity	Outlays
FUNCTION 500	12	7 101		
Resolution total to be al- locatedOliver Wendell Holmes	5	5	None	None
Devise Fund (LC) (permanent, indefinite)	.024			None
FUNCTION 800	4. 549	4. 652	None	None
Resolution total to be allocated Presidential Election Cam-	35	8	None	None
paign Fund (permanent, indefinite)	35	7. 97	None	None
Total amount to be dis- tributed Controllable All other	40 0 40	13 0 13	None None None	None None None

1 Under \$500,000.

SUMMER YOUTH EMPLOYMENT-FAMILY SURVEY

Mr. PERCY. Mr. President, recent figures on youth unemployment released by the Department of Labor indicate that job prospects for this group have not improved much over the last year. The unemployment rate for the 16- to 19-year-old age group was 18.5 percent in February. For black and Hispanic youth in urban areas, the situation is even worse. It is clear that Congress must not fail to act as soon as possible to find sound and workable long-term solutions to the special problem of chronic unemployment among our Nation's youth.

In the interest of bringing to light as much information as would be helpful in our deliberations on this matter, I would like to call to the attention of my colleagues a survey prepared by the Chicago Federation of Settlements and Neighborhood Centers concerning 1,600 young persons employed by the Federation in 1975 as part of the mayor's summer youth employment program. Although it pertains only to Chicago youth, the survey contains data applicable on a wider basis to the characteristics of unemployed youth.

Mr. President, I ask unanimous consent that "Summer Youth Employment-Family Survey" be printed in the Record.

There being no objection, the survey was ordered to be printed in the RECORD, as follows:

SUMMER YOUTH EMPLOYMENT—FAMILY SURVEY

From June 23, 1975 through August 22, 1975 the City of Chicago employed approximately 46,738 young persons between the ages of 15 and 21 in a program known as the Mayor's Summer Youth Employment Program. This program was financed through the Mayor's Office of Manpower under the Director, Mr. Sam Bernstein, with funds from the U.S. Labor Department under the (CETA) Concentrated Employment Training

Act. CCUO/Model Cities under its Director, Dr. Erwin France, was allocated 18,000 of these employment positions and in turn subcontracted with the Chicago Federation of Settlements and Neighborhood Centers to employ 1,600 neighborhood youth in the Federation's member agencies.

Federation's member agencies.

All of the 1,600 youth employed by the Federation were certified as eligible by CCUO/Model Citles and therefore met the following Federal and City guidelines:

1. Resident of Chicago and U.S. Citizen.

2. Age 15 through 21 years.

 Member of a disadvantaged family by Federal O.E.O. Poverty Guidelines.
 In August of 1975 a household employment

In August of 1975 a household employment survey was prepared by the Chicago Federation. Supervisors from each of the member agencies were given a ½ day orientation to the survey and were requested to ask all summer youth employees to answer it while under their supervision. The survey was completely confidential and employees were not penalized if they chose not to participate.

All answers were tabulated for computer

All answers were tabulated for computer analysis. The Department of Development and Planning under Commissioner Lewis Hill served as Technical Advisor. The highlights of the computer analysis are as follows:

All youth employees came from families that met the O.E.O. Poverty Guidelines.

967 youth employees responded to the survey, answering one or more questions.

566 or 58.6% of the 967 youth employees responding were female.

401 or 41.4% of the 967 youth employees responding were male.

responding were male.

172 of the youth employees were 15 years

of age.
795 of the youth employees were 16 to 21

years of age.

16.8 years was the average age of the youth

16.8 years was the average age of the youth employes surveyed.

37% of the 967 youth employees reported that they lived in Public Housing (CHA).

63% of the 967 youth employees reported that they lived in Private Housing.

32% or 195 youth employees who lived in private housing reported that their family owned their home.

20% of all youth employees live in homes their families own.

3.2 bedrooms was the average for all households reporting.

38% of the youth employees (356 out of 931) reported that they lived in overcrowded households (U.S. standard of more than 2 persons per bedroom).

41% of the youth employees (206 out of 502) in households receiving public aid reported overcrowding.

Poverty guidelines

Continental U.S.

1974

Fo	ımily size	non-farm				
-	1	\$2,590				
	2	3,410				
	3	4, 230				
	4	5,050				
	5	5, 870				
	Average for emp families surve					
6.5	6	6,690	\$7,000			
	7	7,510	3			
	8	8,330				
	9	9, 150				
	10	9,970				

Household ethnicity
The 931 youth employees described their households (family) as:

CXXIII-674-Part 9

ro	ndic. ice or iicity	Percent indic. race or eth- nicity
American Indian	5	0.5
Black	567	60.9
Cuban	22	2.4
Mexican	98	10.5
Oriental	21	2.3
Puerto Rican	128	13.7
Southern White	28	3.0
White	28	3.0
Other (more than 1 choice) -	61	6.6
THE PARTY OF SERVICE	*931	100.0

*36 Youth employees failed to respond.

 $35\,\%$ of the youth employees (150 out of 429) in households not receiving public aid reported overcrowding.

6.4 persons per household was the reported average.

12% or 115 of the youth employees reported 10 or more persons living in their households. The 967 youth employees reported:

26% with both parents in household.

53% with no father in household. 12% with no mother in household.

9% with neither parent in household.

4% with one or more persons over 65 yrs. in household.

5 persons lived alone.

6,188 individuals were reported as living in their households by the 967 youth employees who responded.

3,326 individuals out of the 6,188 reported

were 16 years of age or older.

42% of the 967 households reporting have one or more persons 16 years and older who is unemployed and actively seeking employment.

10% of the 967 households reporting have one or more persons receiving an unemployment check and actively seeking employment.

32% of the 967 households reporting have one or more persons 16 years and older seeking employment (this does not include those receiving unemployment check).

54% of the 967 households reporting have one or more persons working full time.

38% of the 502 households reporting who had one or more persons receiving public aid had one or more persons working full time.

82% of the 469 households reporting who had no person receiving public aid had one or more persons working full time.

PUBLIC AID PARTICIPATION

502 or 53.9% of the youth employees reported one or more persons in their household (family) received public aid. They reported as follows:

Percent of

No. report ing one o mor househole on public aid	more in household on public
Amer. Indian	60.0
Black 34	60.7
Cuban	13.6
Mexican 3:	32.7
Puerto Rican 79	61.7
Oriental	23.8
Southern White	100.0
White	28.6
Other 2'	

IN LABOR FORCE

Definition: Labor Force . . . All persons reported who are 16 yrs. of age or older who are unemployed and actively seeking employment (including those who receive unemployment checks) and those who are employed.

64% of the 3,326 persons 16 years of age and older were reported by the 967 youth employees to be in the LABOR FORCE:

	No. re- ported	Per- cent of total
Working full time	_ 846	25. 4
Working part time	_ 851	25.6
Actively seeking work	_ 311	9. 5
Receiving unemployment check	_ 113	3.5
	2, 021	64.0

OUT OF LABOR FORCE

36% of the 3,326 persons 16 years of age and older were reported by the 967 youth employees not to be in the Labor Force for the following reasons:

	No. re- ported	Per- cent of total	
In school	458	13.8	
In college	97	2.9	
Takes care of family	355	10.7	
Too sick	108	3.1	
Retired	39	1.2	
Too lazy	22	0.7	
100 010	21	0.6	
in military service	21	0.6	
In job training	18	0.5	
In jail	9	0.3	
Other reasons	57	1.6	
	1,305	36.0	

Definition: Unemployment Rate . . . The total number of persons 16 years of age and older in all households who are actively seeking employment (424), divided by the total number of persons 16 years of age and older in all households who are actively seeking employment and those who are employed (2,021).

The unemployment rate for the 967 households surveyed is 20.9%. The unemployment rate for all households where one or more persons receive public aid (502) is 29.3%.

The unemployment rate for all households where no one receives public aid (465) is 13.5%.

Definition: Labor Force Participation Rate... All persons 16 years of age or older who are actively seeking employment or are employed (Labor Force) divided by the total number of persons who are 16 years of age or older.

The Labor Force Participation Rate for all persons reporting is 64%. The 967 youth employees reported 3,326 persons 16 years and older in their households and of that number 2,021 were actively seeking employment or were employed.

The Labor Force Participation Rate for households where one or more persons received public aid was 56.2%.

The Labor Force Participation Rate for households where no one received public aid was 71.5%.

93.2% of the households reporting where one or more persons received public aid (502) purchased food stamps. (34 households did not purchase food stamps.)

12% of the households reporting where no one received public aid (465) purchased food stamps. (405 households did not purchase food stamps even though they met the O.E.O. poverty guidelines.)

All 967 households were eligible to purchase food stamps yet only 528 households

made use of the opportunity.

Similarly, most Employees were able to work for 9 weeks and could work 26 hours per week at a rate of \$2.10/hours. Their maximum earning power for the nine-week period was \$491.40.

USE OF EARNINGS

The 967 employees who responded to the survey indicated that they used their earnings as follows: (They chose the four most important uses and marked 1, 2, 3, and 4 in order of importance . . . No. 1 was most important and No. 4 least important.) Note the point scale gives 4 points for 1st choice; 3 points for 2nd choice; 2 points for 3rd choice and 1 point for 4th choice.

> No. of first place choices Point scale

Category:		
1. Part for school costs	197	1710
2. Part for clothing costs	137	1698
3. Give part to family	222	1301
4. Saves part of income	135	1125
5. Part for transportation costs_	12	505
6. Part for food costs	21	459
7. Part for recreation costs	7	448
8. Gives all to family	90	376
9. Part for rent costs	17	192
10. Part for church contribu-		
tion	14	153
11. Part for car payments	9	92
12. Other	10	75

(Note.-312 out of 967 employees gave all or part of their money to their families, and 14 employees indicated that their first obligation was to their church.)

WORK EXPERIENCE DESCRIPTION

The 967 youth employees described their 9-week summer work experience by checking (multiple choice) all twelve phrases which applied most of the time. Their responses were:

> Percent of employees No. of times who checked checked

3. Good job training 8 4. Fun 8 5. Educational 8 6. Exciting 7 7. So-So 8 8. Boring 9	381	44. 0 39. 4 38. 7
3. Good job training 8 4. Fun 8 5. Educational 6 6. Exciting 7 7. So-So 8 8. Boring 9	60.00	
4. Fun 8 5. Educational 8 6. Exciting 17 7. So-So 18 8. Boring 17	374	38.7
5. Educational 8 6. Exciting 7. So-So 8. Boring 1		
6. Exciting	364	37.6
7. So-So 1 8. Boring	332	34. 3
8. Boring	187	19.3
	136	14.1
	90	9.3
9. Not enough work	88	9.1
10. Waste of time	57	5.9
11. Worked too hard	38	3.9
12. Unpleasant	35	3.6

FUTURE PLANS

The 967 youth employees described their plans after high school by checking the seven categories (multiple choice) that were most appropriate.

	-
	Percent
	of em-
	ployees
No. of times	who
checked	checked

1. Go to college	599	62. 1
2. Go to work		46.1
3. Get job training		15. 6
4. Get married		14.6
5. Go to business school	69	7. 1
6. Enlist	61	6.3
7. Nothing	6	0. 6

HERBERT BRUCKER

Mr. RIBICOFF. Mr. President, Herbert Brucker, a syndicated columnist and former editor of the Hartford Courant, died Tuesday, April 5, 1977, in the Hartford, Conn., hospital. He was 78.

Herbert Brucker was a distinguished journalist, an inspiring leader and teacher and a courageous and eloquent advocate of freedom of the press. He was a longtime friend of mine. All of us who knew him-and the many thousands more who read his articles, columns, editorials, and books-will miss him very much. I am expressing my deepest sympathy to Herbert's wife, Elizabeth, and other members of the family.

Herbert Brucker was a man of rare intelligence, perception, sensitivity, and principle. He could have succeeded at anything. He chose a career in reporting, because he believed it to be a high calling, one of the highest a person can aspire to.

Herbert Brucker considered journalism and the exercise of a free press to be the fundamental ingredient in the successful functioning of a democracy. He

We can't have government by the people and for the people unless the people know what the government is doing.

Herbert Brucker firmly believed in what he wrote about a free press-and lived his life and reported the news accordingly. By his actions and in his writings, he demonstrated his commitment to a style of journalism steadfast in the face of adversity-yet ever mindful that freedom is not license. Journalism has lost a great voice.

Mr. President, the Hartford Courant printed an obituary and an editorial about Herbert Brucker in its editions of April 6, 1977. I ask unanimous consent that these articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

HERBERT BRUCKER, 78, DIES; COURANT EDITOR, COLUMNIST

Herbert Brucker, former editor of The Courant, syndicated columnist and champion of the public's right to know, died Tuesday at Hartford Hospital. He was 78.

Mr. Brucker, whose beliefs in open government, freedom of the press and the "precious right" of the people to have access to the truth were set in miles of typewritten words, began his journalism career in 1923 as a cub reporter for the Springfield Union.

Although Mr. Brucker was a teacher, au-

thor and government adviser, he said he chose journalism as a career in the belief it was one of the most important guards of the democratic process.

"I look upon journalism as one of man's noble callings," he wrote in a recent column, although he cautioned against the news media turning into the "mob media whenever a spectacular event comes along."

Mr. Brucker never made much notice as a reporter, but his deep and compelling belief in the freedom of the press brought him to national acclaim. In 1956, he led a fight against the Eisenhower Administration's ban of American newsmen from visiting the People's Republic of China, including a verbal confrontation with then Secretary of State John Foster Dulles.

It was almost two decades later, however, before American newsmen were allowed into China, accompanying former President Richard M. Nixon on his historic visit to Peking.

Mr. Brucker's editorials, speeches and, more recently, syndicated columns repeatedly rang out the same message throughout his life as an editor, journalist and educator—true democracy and open government must go hand-in-hand.

"We can't have government by the people and for the people unless the people know what the government is doing," he said. 'Judges, government administrators and politicians frequently do not recognize that the right to know belongs to the people."

Mr. Brucker also believed the news media should present events as they are, factually and with "dignity and decorum."

"If we believe in our calling, if we believe it is a high duty to seek the truth according to our lights and to print it, then we must follow the truth whereever it may lead," he

Mr. Brucker's opinions, many of them issued as chairman of the American Society of Newspaper Editor's Freedom of Information Committee from 1956 to 1959, were respected, praised and repeated by journalists throughout the nation.

Dwight E. Sargent, editorial editor of the former New York Herald Tribune, once described Mr. Brucker as having the "bearing of a Senator, the conscience of a Congregational minister, the literacy of a college president and the restless mind of a good lawyer."

Sargent recalled that Brucker, as a reporter for the former New York World, was told by his editor to forget everything he had learned as a student at Columbia School of Journalism.

"Herb never listened, nor forgot, as the old editor shuffled off into obliviation and the young cub grew up to be one of journalism's most respected practitioner," Sargent said.

Mr. Brucker, after working for several daily newspapers, returned to Columbia in 1935 as an associate professor. He became a professor in 1942.

After serving in the Office of War Information from 1942 to 1944, Mr. Brucker arrived at The Courant. He retired 22 years later, but never quite got the ink or ivy out of his veins. He was editor of The Courant's editorial page from 1947 to 1966.

For three years, he ran the University Professional Journalism Fellowship program, through which journalists came to Stanford to study and return to their careers.

In 1975, Gov. Grasso named him one of three members of the Freedom of Information Commission, which had just been created. Mr. Brucker continued pushing for open government and the right of the people to know in his new post. He resigned two weeks ago because of cancer.

The author of four books on journalism, Mr. Brucker's views have inspired thousands of journalism school students and members the working press for several decades. In "Communication is Power," published

in 1973, Mr. Brucker wrote:

'Newspapers must not risk the blasphemy of playing God. They must not seek to lessen or to prevent some Evil by withholding news of what has happened or by playing it down or blowing it up. If they distort the truth, some Evil worse than the one they seek to avoid may follow. The news is not a device to be turned on and off like faucets to achieve some end. It is an end in itself."

Mr. Brucker's book, "Freedom of Information," published in 1949, won him the Kappa Tau Alpha award as the best piece of journalism written that year. It also won him the Connecticut Education Association award two years later as the book "which more than any other work sets forth the fundamental principles and purposes of our

profession."

T. H. Parker former Courant critic and editorial writer, who began his career with Mr. Brucker on the Springfield Union, attributes the following quote to his late colleague, one which sums up what he believed and fought for throughout his life.

'Send not to know whom news suppres-

sion tolls: It tolls for thee."

He leaves his wife, Mrs. Elizabeth Brucker, two sons; Christopher Brucker of Bristol and Thomas Brucker of Mercer Island, Wash.; a daughter, Sydney Sowles of Brookline, Mass.; two stepsons; William Dominick of Richmond, Va., and Anthony Dominick of Starkborough, Vt., and 13 grandchildren.

The memorial service will be Saturday at

p.m. at St John's Episcopal Church, West Hartford. Burial will be at the convenience of the family. There will be no calling hours.

Memorial donations may be made to the American Cancer Society, 670 Prospect Ave., West Hartford 06117. The James T. Pratt Funeral Home, 71 Farmington Ave., has charge of arrangements.

HERBERT BRUCKER

Physical, intellectual and moral courage is not always conterminous in man, but when these attributes are naturally met, we have an individual to be cultivated and cherished. Such an individual was Herbert Brucker.

Mr. Brucker, whose career as editorial page editor of The Courant was the longest of several he pursued, established his intellectual and moral courage during a lifetime of putting both up for public scrutiny and appraisal. His physical courage was never at issue, but its presence was attested by one of his final communications to this newspaper. "It's cancer. Will keep columns coming as I can, and will keep you informed when the full score is in."

We, and here the we includes a wide circle of friends as well as colleagues, have now received the full score. It might seem appropriate to say we have received it with regret, which is true, but in deference to Mr. Bruck-er, whose sights were always set upon the possible to the exclusion of the impossible, will refrain from expressions whose futility

is saved only by sincerity.

The columns to which Mr. Brucker referred were ones frequently printed in recent years in this newspaper and certain others. Their content was the distillation of many years of competent study and keen observation of both history and current events, laid out either on broad canvas or minute detail. Mr. Brucker's liberal views were tempered by reality and an awareness of human dignity, and while his written thought was capable of stirring controversy or dissent, none could charge motivation either selfish or mean.

Mr. Brucker not only authored and left behind books of quality and substance, editorials and weekly columns that usually essayed the most difficult and thus often unpopular subjects. He also leaves the image of a real man. In the words of a Courant writer, writing for a newspaper trade magazine when Mr. Brucker was president of the American Society of Newspaper Editors, here was a six-footer, lean as hickory, with a craggy look, laconic in speech, urbane in manner, whose interests ranged from the Federalist Papers to fast sports cars and fast ski slopes.

Freedom of information and the people's companion right to know were unflaggingly championed by Mr. Brucker. His approach was simple: Let there be no impediment. Then he would devote time and energy combating any move or threat to restrict what he was convinced was basic to a good and enduring government and to the ability of free people to solve common problems in ways befitting the highest concepts of de-

mocracy

Journalism and the ideas and principles impinging upon it are the better for Mr. Brucker having been a part of it. Former journalism professor, editorialist, director of professioal journalism fellowships, author of four books on unfettered communications and first chairman of the state's Freedom of Information Commission, Mr. Brucker's 78 years were steadily and fruitfully employed.

It was natural for him to become an authority on the Federalist papers. Liberty of thought, lives and action was to him paramount. What the previously quoted Courant writer also once said of Mr. Brucker bears repeating now: Where liberty is concerned, for him its bell rings at the end of every typewriter line.

Fortunately for many, what Mr. Brucker has left behind will continue to activate that

bell, long, loud and clear.

SENATOR THURMOND'S OUTSTAND-ING WORK

Mr. HANSEN. Mr. President, while the distinguished senior Senator from South Carolina and I have disagreed on a number of provisions in the new Senate code of conduct, I want to take this oppor-tunity to note that he has done an excellent job as vice chairman of the committee which drafted the code.

STROM THURMOND, as we all know, is a man of impeccable character and the Senate and the Nation owe him a great debt for his outstanding work as vice chairman in drafting the code of ethics for the U.S. Senate.

Senator Thurmond has been a stalwart on this matter and I want to take this means to commend him for his most diligent work on a difficult and complex assignment

I want to thank Senator THURMOND for his efforts in light of the sensitivity of the subject matter and the brief period of time the committee had to work.

Mr. President, at a breakfast meeting this morning, our distinguished friend from South Carolina spoke on the religion of Abraham Lincoln. Members will find Senator Thurmond's comments both inspiring and interesting.

I ask unanimous consent that they may be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD. as follows:

THE RELIGION OF ABRAHAM LINCOLN (Remarks by Senator STROM THURMOND)

One of the greatest blessings we enjoy as American citizens is our rich abundance of national heroes. These men and women, who have adorned every period of American history, provide us with worthy examples of character and achievement. We can look to them for needed guidance in both our public and our private lives.

I am going to say a few words today about one such figure—Abraham Lincoln. Abraham Lincoln is arguably the most admired American of all, and he arguably deserves to be. He had resources of character and intellect that, even in an age of great men, shone forth like the moon among the stars. His service to the nation was unique. To contemporary Americans, looking back upon his life and

career, he seems almost superhuman.
Yet Lincoln himself entertained no such illusions. He knew his limitations. He recognized that he was only a man-frail, fallible, and mortal. Surely, we might think, if any-one ever had within himself the capacity to cope with the problems of life, it was Abraham Lincoln. The truth is very different: Lincoln himself was constantly seeking the same guidance which many now seek in him.

Where he sought this guidance most of you probably know. Authorities on the subject call Lincoln our most religious president. It was faith that supported and consoled him in times of need, particularly dur-

ing the last years of his life.

The subject of Lincoln's religion is as instructive as it is interesting. His religious views were deeply personal—so much so that he never joined any particular church. Moreover, his faith was not static but dynamic, deepening and intensifying as he grew older.

When he was a young man, his interest in religion, while keen, was mainly speculative. He knew his Bible well. It was probably the only book his family owned, and we can imagine him, as a boy, poring over the Old and New Testaments by firelight after a hard day's work. His speeches and writings, and such fragments of his conversation as have been preserved, are loaded with Biblical stories and language. Nevertheless, he seems to have rejected the conventional Christianity of the frontier, and to have adopted the impersonal religion, known as Deism, that was then popular in intellectual circles. He refrained from using the word God, preferring philosophical terms like Supreme Being, Divine Providence, and The Deity.

As the years went by, he got something of reputation for his unorthodoxy. Indeed, during his campaign for Congress in 1846, his opponent, a famous and eloquent preacher, attacked him as an atheist. In defending himself, Lincoln did not assert that he was a Christian, but only denied that he had ever

scoffed at Christianity.

The story is told of how, in the middle of this campaign, his opponent was addressing a religious meeting at which Lincoln was present. The preacher demanded that all of his listeners who wanted to go to heaven, or did not want to go to hell, should stand up. Everyone stood up except Lincoln. Trying to score some political points, the preacher cried out, "Mr. Lincoln, where are you going?

Lincoln answered, "I am going to Con-

This lighthearted remark must have amused more people than it offended, for Lincoln won the election.

As increasing age brought increasing responsibilities, however, Lincoln's religious views became more serious and more substantial. Personal grief contributed significantly to this development. Lincoln's four-year-old son Eddie died in 1850. Thereafter, his wife's health became more and more er-

ratic. Politics brought other concerns, less personal but equally distressing. His election as president prompted the dissolution of the union. Leaving his friends at Springfield in 1861, he spoke poignantly of "Him who can go with me, and remain with you, and be everywhere for good."

Nevertheless, the religious habits of his youth did not die easily. In his First Inaugural Address, the new president made only one reference to religion, mentioning in characteristically vague language "the Al-mighty Ruler of Nations." In this speech, he was arguing against the need for war between the North and the South.

When the war came, in spite of his appeals, Lincoln was horrified by its irrationality and brutality. Many are the accounts of his emotional reactions to unexpected deaths and defeats. Probably never in history has so compassionate a man had to order so many nen to go forth and kill or be killed.

To add to the grief occasioned by the war, in 1862 Lincoln lost another son, Willie, a boy of only twelve years. This even left the president disconsolate, and was probably the critical point in the transformation of his religious views. For a period of several weeks, he secluded himself from the public and even from his closest advisors. Finally, he succeeded in pulling himself together, telling his wife, "Mary, we must live." He was not, however, the same as before.

While he had previously attended church irregularly, and only on Sundays, he now began to steal away from the White House in the middle of the week for prayer meetings. Prayer assumed a new importance for him. He confided to a friendly journalist, "I have been driven many times upon my knees by the overwhelming conviction that I had nowhere else to go." The death of Willie, if it was not the first of these times, was surely one of the foremost.

In 1863, he proclaimed a national day of fasting, chiding the nation for its godless ways. "We have forgotten God," he said in his proclamation. ". . . Intoxicated with un-broken success, we have become too selfsufficient to feel the necessity of redeeming and preserving grace, too proud to pray to the God that made us."

There can be little question that Lincoln was thinking of himself, at least to some extent, when he wrote this denunciation. His earlier attitudes, he was implicitly confessing, were wrong.

His speculative interest in religion, as an academic field like philosophy or law, had now given way to passionate conviction. Religion came to dominate his thinking. On the field of Gettysburg, when urging the nation on toward "a new birth of freedom," he emphasized that this birth should be accomplished "under God." It was in his Second Inaugural Address, though, that his new attitude was most evident.

This speech is not only one of the most important political documents in American history, but a singular and powerful religious statement. The last half of it reads almost like a devotional essay. The contrast with the purely political First Inaugural is striking.

Lincoln had obviously been wrestling with the age-old question of how a merciful and all-powerful God can allow suffering in the world. The terrible carnage of the war made this question inescapable for so acute a mind. Lincoln's answer, as formulated in the Second Inaugural, reflects complete confidence in God, complete acceptance of His

"The Almighty has his own purposes," he said. ". . . Fondly do we hope, fervently do we pray, that this mighty scourage of war may speedily pass away. Nevertheless, even if the war goes on indefinitely, still it must be said, 'the judgments of the Lord are true and righteous altogether."

These words mark the end of Abraham

Lincoln's religious journey, the culmination of a lifetime of hard thinking and varied experience. Through struggle and strife, trial and tragedy, he had found his way to a faith that gave him peace. Scarcely a month later he lay dying of the assassin's bullet.

When his sorely tried heart finally stopped beating, Secretary of War Edwin Stanton is supposed to have remarked, "Now he belongs to the ages." There is, however, another version of the story. According to this version, Stanton's remark was, "Now he belongs to the angels."

On first consideration, it is an odd image the rough, bearded figure of Abraham Lincoln joining the shining heavenly hosts. Appearances aside, though, it seems particularly appropriate. It would be hard to imagine a more angelic character than that of Abraham Lincoln-"with malice toward none, with charity for all, with firmness in the right as God gives us to see the right."

Furthermore, Lincoln gave to the world religious message which clearly entitles him to be included among the spokesmen of God. That message may be stated very simply: a good head, a big heart, and physical strength are not enough in this world. Lincoln had all of these attributes in the highest degree, and while they brought him success, they did not bring him peace. Only faith in God did that.

Only faith in God will do that for us, most of whom would certainly not claim to be superior to Abraham Lincoln. Let the memory of this great man, falling on his knees in prayer, inspire us all to do the same, and frequently. When we, like Lincoln, have where else to go," we should not be bashful or hesitant about going there. With humble and receptive hearts, we may gain the same guidance that he did, the Divine guidance which is essential to a good and happy life.

FINANCIAL HOLDINGS AND INCOME TAX RETURN OF SENATOR WIL-LIAM PROXMIRE

Mr. PROXMIRE. Mr. President, 1963, 1965, 1967, 1970, 1972, 1973, 1974, 1975, and 1976, I submitted for the REC-ORD a history of my financial holdings from the time I was first elected to the Senate in August of 1957 until April 1976. In order to bring the full record up to date, I submit herewith the history of my financial holdings since April of 1976.

The bulk of the securities I hold are now in State and municipal bonds to-

taling \$55,000.

My other assets include ownership of my home and furnishings in Washington, D.C., on which I owe a mortgage to the Perpetual Building Association of Washington, D.C.; ownership of my home and furnishings in Madison, Wis., from which home I received \$350 per month in rent until January of 1977 and receive nothing now; ownership of a 1972 automobile; ownership of one checking account in a Washington bank, one checking account in a Madison, bank and one savings account in a Madison bank. The combined balance as of this date, in these three accounts is \$7,576.01.

I also hold a note on my former residence in Washington at 3220 Ordway in the amount of \$9,252.

Trust custody of stock in my children's names has been turned over to them directly as they are over 21.

I estimate my net worth to be about \$321,000.

To the best of my knowledge, this is an accurate record of my financial holdings and obligations.

In addition, I herewith submit a balance sheet showing my net worth and how it was arrived at, a copy of my 1976 Federal tax return and a list of all honorariums received during 1976-\$23,500.

I paid \$31,685 to the Federal Government in taxes on 1976 income. In addition, I paid \$7,943.96 to the State of Wisconsin on 1976 income.

I ask unanimous consent that the balance sheet, copy of 1976 Federal tax return, and list of all honorariums received in 1976 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Net worth of Senator William Proxmire as of April 1977

0/ 12/010 2011	
Municipals and State bonds 1972 Vega (blue book trade-in	\$55, 000. 00
value)Two checking and one savings	425. 00
account: Washington account—check-	
ing	1, 761, 77
Madison account—savings	4, 157. 00
Madison account—checking	1, 657. 00
4613 Buckeye Road, Madison, as- sessed at 100% of market	
value	59, 500.00
3097 Ordway Street., NW., Wash- ington, D.C.	
Assessed value	168, 620.00
Market value	190, 000, 00
Mortgage value	(63, 522, 87)
Furnishings	15, 000. 00
Note on 3220 Ordway St. NW.,	
D.C	9, 252.00
Cash deposit in Civil Service re-	
tirement	47, 917. 59
	321, 147. 73

THE 1976 HONORARIA RECEIVED FOR SPEECHES Jan. 8, 1976, American Institute of Certified Public Accountants, Washington, D.C., \$1,000.

Jan. 24, 1976, New York State Assn. for Health, Physical Education, Kramesha Lake, N.Y., \$1,000.

Feb. 12, 1976, DePaul University, Chicago, 111., \$1,000.

Mar. 6, 1976, Southwestern University, Memphis, Tenn., \$1,000.

Mar. 7, 1976, University of Notre Dame, Notre Dame, Ind., \$1,000.

Mar. 27, 1976, University of Missouri, Kan-

sas City, Mo., \$1,000. Mar. 28, 1976, Spring Hill College, Mobile,

Ala., \$1,000. Apr. 4, 1976, Catholic University, Washing-

ton, D.C., \$1,000. Apr. 10, 1976, Bloomsburg State College,

Bloomsburg, Pa., \$1,000.

Apr. 10, 1976, Marietta College, Marietta, Ohio, \$1,000. Apr. 16, 1976, Miami University, Hamilton,

Ohio, \$1,000. Apr. 22, 1976, American Graduate School of International Management, Phoenix, Ariz.,

\$1,000. Apr. 21, 1976, Texas Christian University,

Ft. Worth, Tex., \$1,000. Apr. 22, 1976, Stanford University, Palo

Alto, Calif., \$1,000. May 7, 1976, Washington and Lee, Lexington, Va., \$1,000.

Nov. 3, 1976, University of Southern Missis-

Nov. 3, 1976, Ohresty of Southern Mississippi, Hattlesburg, Miss., \$1,000.

Nov. 17, 1976, George Washington University, Washington, D.C., \$500.

Nov. 21, 1976, Central States Industrial Distributors Association, Chicago, Ill., \$2,000.

Nov. 30, 1976, University of Kentucky, Lex-

ington, Ky., \$1,000.
Dec. 1, 1976, Northwestern University,
Evanston, Ill., \$1,000.
Dec. 7, 1976, Santa Rosa Junior College,

Santa Rosa, Calif., \$2,000.
Dec. 16, 1976, St. Louis University, St. Louis, Mo., \$1,000.

U.S. INDIVIDUAL INCOME TAX RETURN, 1976

CA xxx-xx-xxxx , xxx-xx-xxxx , D39 3. William & Ellen H. Proxmire.

4613 E Buckeye Rd.

Madison, Wis., 53716.

Occupation:

U.S. Senator. Spouse's, Corp. Executive.

2. Married filing joint return (even if only one had income).

EXEMPTIONS

6a. Regular. Yourself. Spouse: Enter number of boxes checked: 2.

b. First names of your dependent children who lived with you, Douglas. Enter number. 1

d. Total (add lines 6a, b, and c), 3.

f. Total (add lines 6d and e), 3.

8. Presidential Election Campaign Fund: Do you wish to designate \$1 of your taxes for this fund? Yes. If joint return, does your spouse wish to designate \$1 Yes.

9. Wages, salaries, tips, and other employee

compensation, \$66,930.00.

11. Interest income, \$1,060.88.

12. Income other than wages, dividends, and interest, \$32,131.49.

13. Total (add lines 9, 10c, 11 and 12), \$100.122.37.

14. Adjustments to income (such as moving expense, etc. from line 42), \$2,400.60

15a. Subtract line 14 from line 13, \$97,-721.77

c. Adjusted gross income, \$97,721.77.
16. Tax, from, Form 4726, \$30,657.24.
17a. Multiply \$35.00 by the number of exemptions on line 6d, \$105,00.

b. Enter 2% of line 47 but not more than \$180 (\$90 if box 3 is checked), \$180.00.

17c. \$180.00.

18. Balance, Subtract line 17c from line 16 and enter difference (but not less than zero),

20. Balance. Subtract line 19 from line 18 and enter difference (but not less than zero), \$30,477,24.

21. Other taxes (from line 62), \$1,208.70. 22. Total (add lines 20 and 21), \$31,685.94.

23a. Total Federal income tax withheld, \$16,941.18.

b. 1976 estimated tax payments, \$7,700.00. 24. Total (add lines 23a through e), \$24,-641.18.

25. If line 22 is larger than line 24, enter balance due IRS, \$7,044.76.

PART I. INCOME OTHER THAN WAGES, DIVIDENDS AND INTEREST

29. Business income or (loss) (attach Schedule C), \$23,500.00.

32a. Pensions, annuities, rents, royalties, partnerships, estates or trusts, etc. (attach Schedule E) (\$910.23).

34. State income tax refunds, \$9,541.72.

37. Total (add lines 29 through 36). Enter here and on line 12, \$32,131.49.

PART II. ADJUSTMENTS TO INCOME

39. Employee business expense (attach Form 2106), \$2,400.60.

42. Total (add lines 38 through 41). Enter here and on line 14, \$2,400.60.

PART III. TAX COMPUTATION

43. Adjusted gross income (from line 15c), \$97,721.77.

44a. If you itemize deductions, check here total from Schedule A, line 40, and

attach Schedule A, \$19,137.03.
45. Subtract line 44 from line 43 and enter difference (but not less than zero) \$78,584.74.
46. Multiply total number of exemptions

claimed on lines 6f by \$750, \$2,250.00.

47. Taxable income. Subtract line 46 from line 45 and enter difference (but not less than zero), \$76,334.74.

PART V. OTHER TAXES

58. Self-employment tax (attach Schedule SE), \$1,208.70.

62. Total (add lines 55 through 61). Enter here and on line 21, \$1,208.70.

U.S. SENATE DISBURSING OFFICE, S-233 CAPITOL BLDG., WASHINGTON, D.C. 20510

WAGE AND TAX STATEMENT-1976

Employee's social security number, xxx-xx-...

William Proxmire, U.S. Senate.

1. Federal income tax withheld, \$12,171.00. Wages, tips, and other compensation,

\$44,600.00. 3. FICA employee tax withheld, not applicable

Total FICA wages, not applicable.
 State or local tax withheld, \$3,706.66.
 State or local wages, \$44,600.00.

10. State or locality, WI.
Wonderful Weddings of the Metropolitan
Area, Inc., 2262 Hall Place, N.W., Washington, D.C. 20007.

Employer's State identifying number, 08468

Employee's social security number, xxx-xx-

Federal income tax withheld, \$11.50.

Wages, tips, and other compensation, \$350.00.

3. FICA employee tax withheld, \$20.48.

Total FICA wages, \$350.00.

Ellen H. Proxmire, 3079 Ordway St., N.W., Washington, D.C. 20008.

8. State or local tax withheld, \$20.30.
Washington Whirl-Around of D.C. Inc. Washington, D.C. 2262 Hall Place, N.W., 20007.

Employer's State identifying number, 08465.

Employee's social security number, xxx-xx-...

1. Federal income tax withheld, \$4,758.68. 2 Wages, tips, and other compensation, \$21,980.00.

3. FICA employee tax withheld, \$895.05.

4. Total FICA wages, \$15,300.00. Ellen H. Proxmire, 3079 Ordway St., N.W.,

Washington, D.C. 20008. 8. State or local tax withheld, \$1,641.76.

SCHEDULE OF CONGRESSIONAL REIMBURSEMENT Reimbursements:

Travel expenses_____ \$2,941.36 Office expenses_____ 4, 813. 70 7, 755, 06 Total Expenses: Travel expenses____ 2, 610. 16 4, 545, 50 Office expenses_____ Cost of living*_____ 3,000,00 -- 10, 155. 66 Total Excess expenses_____ 2, 400. 60

*See attached affidavit.

I hereby certify that I was in a travel status in the Washington area, away from home, in the performance of my official duties as a Member of Congress, for 224 days during the taxable year, and my deductible living expenses while in such travel status amounted to \$3,000.00.

SCHEDULES A & B-ITEMIZED DEDUCTIONS AND DIVIDEND AND INTEREST INCOME, 1976

Name(s) as shown on Form 1040, William & Ellen H. Proxmire.

Your social security number, xxx-xx-xxxx SCHEDULE A-ITEMIZED DEDUCTIONS (SCHEDULE B ON BACK)

Medical and dental expenses

1. One half (but not more than \$150) of insurance premiums for medical care. sure to include in line 10 below), \$150.00.

10. Total (add lines 1 and 9). Enter here and on line 34, \$150.00.

Taxes

11. State and local income, \$5,481.00.

12. Real estate, \$3,085.74

13. State and local gasoline (see gas tax tables), \$12.00.

14. General sales (see sales tax tables), \$602.38.

17. Total (add lines 11, through 16). Enter here and on line 35, \$9,181.12.

Interest expense

18. Home mortgage, \$5,297.70.

19. Other (itemize), Charge acct. \$1,853.51. 20. Total (add lines 18 and 19). Enter here

and on line 36, \$7,151.21.

Contributions

21a Cash contributions for which you have receipts, cancelled checks or other written evidence. \$1,315.00.

24. Total contributions (add lines 21a through 23). Enter here and on line 37, \$1,315.00.

Miscellaneous deductions

32. Other (itemize):

Tax preparation, \$1,022.00.

Safe deposit box, \$35.00.

Political contributions, \$200.00.

Misc. bus. expenses, \$82.70. 33. Total (add lines 30 through 32). Enter here and on line 39, \$1,339.70.

Summary of itemized deductions

Total medical and dental-line 10, 34. \$150.00.

35. Total taxes-line 17, \$9,181.12

36. Total interest-line 20, \$7,151.21.

37. Total contributions-line 24, \$1,315.00.

39. Total miscellaneous-line 33, \$1,339.70. 40. Total deductions (add lines 34 through 39). Enter here and on Form 1040, line 44, \$19,137.03.

SCHEDULE B-DIVIDEND AND INTEREST INCOME Name(s) as shown on Form 1040, William and Ellen H. Proxmire.

Your social security number, xxx-xxxxx

Part II. Interest Income

Dr. Douglas Lowy, \$768.52. Savings account, \$292.36. 8. Total interest income. Enter here and on Form 1040, line 11, \$1,060.88.

Interest received-Municipal State Bonds: Mass. State, \$147.50, January 6, 1976.

\$152.50, Wisconsin Gen. Obligation, March 1, 1976.

Wisconsin State Agencies, \$156.25, March 1, 1976. Wisconsin State Agencies Bldg., \$117.50,

June 1, 1976. Virgin Island, \$634.35, June 11, 1976.

Mass. State, \$146.25, July 6, 1976. Wis. State Agencies Bldg., \$156.25, September 1, 1976.

St. of Wis. Gen. Obligation, \$152.50, September 1, 1976.

Wis. State Agencies Bldg., \$117.50, December 1, 1976.

Virgin Island, \$634.40, December 3, 1976. Interest on municipal state bonds are exempt from Federal Income Taxation.

SUPPLEMENTAL INCOME SCHEDULE, 1976

Name(s) as shown on Form 1040, William & Helen H. Proxmire.

Your social security number, xxx-xx-xxxx PART II. RENT AND ROYALTY INCOME

8. Net rental income or (loss) (from Form

4831), (\$910.23). 10. Total rent and royalty income (add

lines 7, 8, and 9), (\$910.23).

13. Total (add lines 5, 10, and 12). Enter here and on Form 1040, line 32a, (\$910.23).

RENTAL INCOME, 1976

Name(s) as shown on Form 1040, William & Ellen H. Proxmire.

Your social security number, xxx-xx-xxxx . Kind and Location of Property Property A, Madison House, Residential. Property B, Sea Pines.

INCOME

2. Rents received: Property A, \$4,200.00. Property B, \$100.00.

3. Total (add amounts on line 2), \$4,300.00.

DEDUCTIONS

10. Interest, Property B. \$886.50. 15. Repairs (list):

Sewer, Property A, \$388.18. Furnace, Property A, \$43.94 Paint & sewer, Property A, \$79.63.

18. Taxes and licenses: Property A, \$1,337.27.

Property B, \$125.00.

20. Utilities, Property B, \$155.00.

21. Other (list):

Misc. cleaning, Property B, \$115.00. Condo fees, Property B, \$420.00.

22. Add lines 4 through 21: Property A, \$1,849.02.

Property B, \$1,701.50. Total (add amounts on line 22), \$3,550.52.

24. Depreciation expense (from page 2, line 28, column (g)), \$1,659.71.

25. Total deductions (add lines 23 and 24), \$5,210.23.

26. Net income or (loss from rents (line 3 less line 25). Enter here and in Schedule E (Form 1040) Part II, line 8, (\$910.23).

Schedule for depreciation claimed on page 1, line 24

(a) Description of property, (b) date acquired, (c) cost or other basis, (d) depreciation allowed or allowable in prior years, (e) method of computing depreciation, (f) life or rate, (g) depreciation for this year:

27. Total additional first-year depreciation: House: 58, \$30,565, \$12,553, 150DB, 50,

\$540.36.

Improvements: 7/1/64, \$1,750, \$1,750, S/L, 10. 0.

Furniture: 12/1/64, \$800, \$800. S/L, 5, 0. Improvements: 1/75, \$2,805, \$280.50, S/L, 10, \$280.50.

Sea Pines:

Bldg.: 7/1/72, \$25,300, \$3,542, S/L, 25, \$1.012

Appliances: 7/1/72, \$1,150, \$403, S/L, 10, \$115.

Carpeting: 7/1/72, \$600, \$420, S/L, 5, \$120. Heat & Air: 7/1/72, \$1,450, \$508, S/L, 10,

Total, \$1,392.

ownership, \$696.

Furnishings: 7/1/76, \$1,000, 0, S/L, 7, \$142.85

28. Totals \$1,659.71.

PROFIT OR (LOSS) FROM BUSINESS OR PROFESSION, 1976

Name of proprietor, Proxmire, William & Ellen.

Social security number, xxx-xx-xxx .

A. Principal business activity (see Schedule C Instructions), speaking.

B. Business name, William Proxmire.
D. Business address (number and street), United States Senate.

City, State and ZIP code, Washington, D.C. 20510

INCOME

1. Gross receipts, \$23,500.

Total income (add lines 3 and 4), \$23,500.

21. Net profit or (loss), \$23,500.

COMPUTATION OF SOCIAL SECURITY SELF-EMPLOYMENT TAX

Name of self-employed person, William Proxmire.

* Furnishings were all purchased by Mrs.

Social security number of self-employed person, xxx-xxxxx .

PART II. COMPUTATION OF NET EARNINGS FROM NONFARM SELF-EMPLOYMENT

Schedule C, line 21. (Enter combined amount if more than one business.) \$23,500 .-00.

6. Total (add lines 5a through e),\$23,500.07 00.

Adjusted net earnings or (loss) from 8. nonfarm self-employment (line 6, as adjusted by line 7), \$23,500.00.

9 a. Maximum amount reportable, under both optional methods combined (farm and nonfarm), \$1,600.00.

PART III. COMPUTATION OF SOCIAL SECURITY SELF-EMPLOYMENT TAX

12 b. Farm nonfarm, \$23,500.00.

13. Total net earnings or (loss) from selfemployment reported on line 12, \$23,500.00.

14. The largest amount of combined wages and self-employment earnings subject to social security or railroad retirement taxes for 1976 is \$15,300.00.

16. Balance, \$15,300.00.
17. Self-employment income, \$15,300.00.

18. Self-employment tax, \$1,208.70.

UNDERPAYMENT OF ESTIMATED TAX BY INDIVIDUALS, 1976

Name(s) as shown on Form 1040, William & Ellen H. Proxmire.

xxx-xx-xxxx 1976 tax (from Form 1040, line 22), \$31,685.94.

9. Balance (line 1 less line 8), \$31,685.94.
10. Enter 80% of the amount shown on line 9, \$25,348,75.

Due Dates of Installments: Apr. 15, 1976, June 15, 1976, Sept. 15, 1976, Jan. 15, 1977.

11. Divide amount on line 10 by the number of installments required for the year, \$6,-

359.68, \$6,359.68, \$6,359.68, \$6,359.68.

12. Amounts paid on estimate for each period and tax withheld, \$5,222.79, \$6,322.79, \$6,322.79.

14. Total (add lines 12 and 13), \$5,222.79, \$6,322.79, \$6,322.79, \$6,322.79.

15. Underpayment or Overpayment, \$1,-136.89, \$36.89, \$36.89, \$36.89.

EXCEPTIONS WHICH AVOID THE PENALTY

16. Total amount paid and withheld from January 1 through the installment date indicated, \$5,222.79, \$6,322.79, \$6,322.79, \$6,322.79.

17. Exception 1.—Prior year's tax. 1975 tax: \$10,212.81: 25% of the 1975 tax, 2,553.20; 50% of 1975 tax, 2,553.20; 75% of 1975 tax, 2,553.20; 100% of 1975 tax, 2,553.20.

MAXIMUM TAX ON EARNED INCOME, 1976 Names(s) as shown on Form 1040 (or Form

1041), William & Ellen H. Proxmire. 1. Earned income (see instructions), \$90,-

430.00. 2. Deductions (see instructions), \$2,483.30. 3. Earned net income. Subtract line 2 from

line 1, \$87,946,70. 4. Enter your adjusted gross income, \$97,-

721.77. 5. Divide the amount on line 3 by the amount on line 4. Enter percentage result

here, but not more than 100%, 89% 6. Enter your taxable income, \$76,334.74.
7. Multiply the amount on line 6 by the

percentage on line 5, \$67,937.91. 7. Multiply the amount on line 6 by the percentage on line 5, \$67,937.91.

8b. Less, \$30,000. 9. Earned taxable income. Subtract line

8c from line 7 (see instructions) \$67,937.91. 10. If: on Form 1040, you checked line 1 or line 4, enter \$38,000. on Form 1040, you checked line 2 or 5, enter \$52,000, Estate or Trust, enter \$26,000, \$52,000.00.

11. Subtract line 10 from line 9 (if zero

or less, do not complete rest of form), \$15,-937.91

12. Enter 50% of line 11, \$7,968.95.

13. Tax on amount on line 6 (use Tax Rate Schedule from Form 1040 (or Form 1041) Instructions), \$31,314.14.

14. Tax on amount on line 9 (use Tax Rate Schedule from Form 1040 (or Form 1041)

Instructions), \$26,585.85.

15. Subtract line 14 from line 13, \$4,628.20. 16. If the amount on line 10 is: \$38,000, enter \$13,290 (\$12,240 if unmarried head of household), \$52,000, enter \$18,060, \$26,000, enter \$9,030, \$18,060.00.

17. Add lines 12, 15, and 16. This is your maximum tax, \$30,657.24.

Computation of Alternative Tax:

18. Amount from line 6, \$76,334.74.
20. Subtract line 19 from line 18, \$76,-334.74

26. Tax on amount on line 20, \$31,214.14 28. Subtract line 27 from line 17, \$30,-

657.24.

30. Alternative tax, add lines 25 (if applicable), 28 and 29, \$30,657.24.
31. Enter here and on Form 1040, line 16,

\$30,657,24.

31. Enter here and on Form 1040, line 16, \$30.657.24.

CONSERVATION AND OUR GROW-ING DEPENDENCE ON FOREIGN OIL

Mr. PERCY. Mr. President, a recent New York Times article highlights the dependent relationship which now exists between the economic security of the industrialized Western democracies and their foreign sources of energy.

Western society continues to enjoy a comfortable standard of living; however, it devours more and more energy every day. In so doing, the West has irresponsibly allowed itself to become dependent on a monopolized foreign fuel.

Since the 1973 Arab oil embargo, Western imports of Middle Eastern fossil fuels, especially American imports, have risen steadily. Former Secretary of State Kissinger has predicted a nearly 40-percent rise in Western imports of OPEC oil by 1985. Inexorably Europe and America are becoming beholden to the oil nations, and still the industrialized West has failed to evolve any coherent policy to deal with this situation.

Like a debilitating habit, the West continues to lavishly consume oil without regard for its future interests. Ulf Lantzke, Secretary General of the International Energy Agency, states that:

As the 1973-74 energy crisis recedes from the public memory, there is a tendency to believe the energy crisis is behind us. Nothing could be further from the truth.

He adds that the best source of energy is conservation:

A barrel saved is as useful as a barrel produced-better in many respects.

Energy waste can be brought under control; the NATO allies, working together, can begin to lead the Western states away from the dangerous path of overdependence on foreign oil.

Clyde H. Farnsworth's report is timely and informative; Mr. President, I ask unanimous consent that the New York Times article of January 30, 1977, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 30, 1977]

FOR THE WEST, ENERGY WARNINGS
PARIS.—"As the 1973-74 energy crisis recedes from the public memory, there is a

tendency to believe the energy crisis is behind us. Nothing could be further from the truth," warns Ulf Lantzke, secretary general of the International Energy Agency, a grouping of 19 Western nations.

"Unless the industrialized democracies implement together a coherent international strategy, we will face another and in the long-term perhaps more serious crisis," added

the West German diplomat.

The world's—especially America's dependence on the Organization of Petroleum Exporting Countries has increased instead of lessened, despite the two-tier price increases announced in December and the quadrupling of prices since 1973. Conservation has not made great strides. Large-scale tapping of alternative energy sources, the experts say, is not for tomorrow.

Former Secretary of State Henry A. Kissinger, for example, has forecast that Western imports of OPEC oil will increase from 27 million barrels a day in 1976 to 37 million by

1985.

Such rising demand suggests that OPEC will retain power to set prices at least until 1980 and probably well after. Still, the present split-price policy may indicate a better situation awaits the consumers than in recent years.

Some predict the two-stage, 15 percent increase imposed by 11 OPEC members for this year may not hold because the Saudis, accounting for most of OPEC's proven reserves and a third of present production, say they will lift output of their cheaper oil. That could force the price rise down to the 5 per

cent level set by Saudi Arabia.

Ian Seymour, news editor of the authoritative Middle East Economic Survey, says that Saudi Arabia and the United Arab Emirates can increase their daily production by more than 3 million barrels to a combined total of 12.5 million barrels daily of light, medium, and heavy crudes, at prices substantially lower than those offered by the other 11 OPEC producers.

"And this at a time when the normal level of demand may be depressed by the precipitate unloading of the stocks amassed by speculators in recent months, to say nothing of a more discreet drawing down of stocks by the major companies," he adds.

The International Energy Agency places the amount of stockpile building at 3 million to 4 million barrels daily, which represents more than 10 percent of OPEC's pro-

duction.

"In this kind of free-for-all situation some OPEC members obviously stand to suffer substantial losses in export volumes," says Mr. Seymour of the Middle East Economic Survey

For Europe and the United States new oil sources may also tend to ease the supply picture. The United States is getting oil from the North Shore of Alaska, although it may be necessary to build expensive pipelines to get it to oil-deficient areas.

Britain's North Sea oil is already reducing oil import needs and by the 1980's should make Britain self-sufficient with a little to

export.

But paying for the oil imports is still a problem, particularly for the poorer coun-

"We're grateful to Saudi Arabia, but the price of oil is so high that any increase at all makes it more difficult to manage the world's economies," said John Fay, chief of the economics department of the Organization for Economic Cooperation and Development.

His department forecasts growth of Western economies next year at nearly 4 percent, not enough to get the unemployed back to work, but ample to keep the world from tilting into a new recession.

Paul A. Volcker, president of the Federal Reserve Bank of New York, has said, "If the oil deficit were spread out evenly and fairly, we could probably keep going for some time." But it isn't. "The deficits are becoming heavily concentrated in some countries and often those least able to bear them," he said, alluding to Britain, France and Italy.

In 1976 the oil consumers' deficit with the OPEC nations ran an estimated \$40 billion, and the figure is expected to rise by \$5 to \$10 billion this year, as a result of the price in-

Many of the consuming nations are having to borrow from private sources—some of which are indicating that there are limits on lending—to finance their oil purchases. Mr. Volcker has suggested instead an "internationally supervised credit" to cover the oil deficit.

The depressing impact of oil prices on other nations' growth and the position within OPEC of Saudi Arabia, which is worried about effects of world economic turmoil on its own political stability are closely related.

political stability, are closely related.

For the moment, therefore, Saudi Arabia sees its interests aligned with the West's and at the December meeting at Doha, Qatar, was willing to give dramatic demonstration of its policy shift by creating the first fissure in OPEC since it was created in 1960.

Western diplomats sense this as a major turning point. The Saudis, however, do seem determined to assert their power politically, as well as economically, by pressing for a permanent settlement in the Middle East and promoting solid achievements in the dialogue between rich and poor countries, which is winding up, at least in a first stage, in Paris this spring.

As long as the tensions remain high in the Middle East, according to diplomats who believe they understand Saudi thinking, economic advancement within Saudi Arabia will be jeopardized, and threats will hang over the political life of the regime.

Among alternative energy sources, nuclear power is continuing to be developed in Western Europe, as well as Japan and North America, despite environmental protests, which have caused some rethinking of sites but have not significantly delayed most programs.

The best alternative source is conservation Says Dr. Lantzke, the head of the agency, "A barrel saved is as useful as a barrel produced—better in many respects."

CLYDE H. FARNSWORTH.

CRUISE MISSILES

Mr. HUMPHREY. Mr. President, in the February issue of Scientific American there appeared a very comprehensive article on cruise missiles, written by Mr. Kosta Tsipis, a physicist at the Massachusetts Institute of Technology.

Since the article is very technical in scope, it will require very careful reading. However, I strongly recommend that my colleagues study the piece carefully, because it makes a significant contribution to a better understanding of the cruise missile and its implications for arms control.

While not going into any great detail, I would like to point to certain aspects of the article. The author notes:

Two central conclusions can be drawn from the foregoing analysis of the technology and the performance characteristics of existing and contemplated cruise missiles. The first is that with one possible exception the development and deployment of strategic cruise missiles at this time is counterproductive for three reasons: they are unnecessary, their deployment would nullify the existing strategic arms limitation agreements and obstruct similar future efforts, and their deployment on nuclear submarines would

increase the vulnerability and probably reduce the operational efficiency of that important deterrent force. The one possible exception is a future version of an airlaunched cruise missile that could be deployed on transport planes in place of longrange bombers. The price of such a system however, must be measured not only in dollars but also in terms of lost arms-control opportunities, the creation of new threats against this country and the abandonment of any numerical ceilings for strategic weapons.

The second conclusion is that negotiable criteria for differentiating between tactical and strategical versions of cruise missiles can and should be devised and incorporated into the design of future cruise missiles. . connaissance satellites can provide the U.S. with information that something may be taking place in the U.S.S.R., but they cannot ensure that something is not taking place. Therefore, although the U.S. can rely on such monitoring systems for early intelligence about cruise-missile developments in the U.S.S.R., the systems do not offer the unambiguous verification capability the U.S. Senate would need in order to ratify a treaty with the U.S.S.R. banning the development of strategic cruise missiles.

The author offered the following recommendation in summarizing his views on the efficacy of cruise missile development and deployment:

... A policy of unilateral restraint in the development and deployment of long-range cruise missiles by the U.S. not only is safe and desirable on economic grounds but also would allow for the orderly development of an effective tactical cruise missile.

Such a policy would of course impose stringent demands on the reconnaissance capabilities of both sides. It is essential for the success of present and future strategic arms limitation efforts to look ahead and define what reconnaissance capabilities will be necessary in order to bring these new weapons under control.

The author discusses the two classifications of cruise missiles—tactical and strategic. The tactical cruise missile is a short-range weapon which can travel a distance of approximately 500 kilometers. The strategic missile, however, can travel a distance of up to 5,000 kilometers. The interesting aspect about both types of missiles is that, outwardly, they look exactly alike. The basic difference is that the tactical cruise missile is furnished with a turbojet engine which exhausts its gases at 1,450° F. The strategic missile is provided with a turbofan engine which exhausts its gases at only 600° F. The difference between the exhaust temperatures of the two types of engines gives them different infrared signatures.

Cruise missiles are also highly flexible weapons. They can be launched from sea, land, or air. Because of the missile's versatility, some military officials believe that the need for manned fighter-bomber penetration of energy airspace might be eliminated eventually. Armed with such missiles the bombers would not have to penetrate the terminal air defenses of an opponent; they could merely penetrate to a given point and launch the long-range missiles toward their targets.

These planes would not have to be equipped with supersonic speed, an elaborate system of electronic countermeasures, or the capability of flying very low and very fast in order to avoid detection and evade attack.

The author explains that submarinelaunched cruise missiles would be a strategic useless weapon nearly Launching a cruise missile from ballistic-missile submarines would increase their vulnerability because the actual launching would reveal the position of the sub for hundreds of kilometers. In addition, it would take 30 minutes to launch 4 cruise missiles, while Poseidon or Trident missiles with 10 warheads each could be launched in less than 5 minutes, making much less underwater noise.

The article is a fascinating study of the cruise missile, its capabilities, its weaknesses, and its implications for future strategic arms limitation agreements. I urge my colleagues to give it every consideration.

Mr. President, I ask unanimous consent the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD. as follows:

[From the Scientific American, February 19771

CRUISE MISSILES

(By Kosta Tsipis)

The partial success achieved by negotiators for the U.S. and the U.S.S.R. in the ongoing effort to limit the deployment of strategic nuclear weapons rests on the mutual recognition that each side has at its disposal the "national technical means" (primarily reconnaissance satellites) to distinguish reliably between strategic, or intercontinental-range, weapons and all the other weapons in the other side's arsenal. The long-range cruise missile, a new type of weapon currently under development in the U.S., may prove to be an exception to that The problem is that there appears to be no observable distinction between longrange cruise missiles (that is, those capable of strategic missions) and short-range cruise missiles (those suitable only for tactical missions). In other words, there is no obvious, unambiguous correlation between the physical appearance of a given cruise missile and its intended target.

According to reports in the daily press, the heralded advent of the long-range cruise missile has already created a major obstacle to the successful conclusion of the second round of strategic-arms-limitation (SALT II) between the U.S. and the U.S.S.R. The immediate issue is whether or not cruise missiles should be included in the total of 2,400 strategic delivery vehicles that the 1974 Vladivostok understanding between President Ford and Secretary Brezhnev had set as an upper limit for both parties. The basic properties of cruise missiles that have led to the present disagreement threaten to similarly impede future strategic-arms-limitation negotiations.

The arms-control dilemma presented by the cruise missile is compounded by the fact that although cruise missiles appear to be operationally inferior to existing strategic weapons in either a deterrent role or a counterforce role, they have the potential of becoming extremely cost-effective tactical weapons. For example, short-range cruise missiles could eventually replace the manned fighter-bomber in many of its missions. thereby substantially reducing the number of costly facilities such as aircraft carriers and foreign bases that such aircraft require.

Accordingly the U.S. has opposed the inclusion of cruise missiles in the numerical quota for strategic delivery vehicles, because-given the visual indistinguishability of the different types of cruise missile-such a provision would prevent the deployment of tactical cruise missiles as well as strategic ones. The U.S.S.R., on the other hand, insists on including all cruise missiles potentially capable of long-range missions in the quota for strategic weapons, precisely be-cause there would be no way to determine whether a given cruise missile deployed by the U.S. is a tactical weapon or a strategic one. Thus the impasse at SALT II continues.

But what is a cruise missile? How does it work? What can it do, and why is it not possible to tell one that has a range of 5,000 kilometers from one that can fly only a tenth of that distance?

I shall attempt to answer those questions here by describing the various types of cruise missile now under development or planned, by examining the strategic and tactical capabilities of the different versions and by discussing their potential military usefulness and their implications for arms-control efforts. I shall also address the difficult problem of relating the intended mission of a cruise missile to its observable characteristics by offering a suggestion for a possible technical basis on which the problem might be solved.

A cruise missile can be defined as a dispensable, pilotless, self-guided, continuously powered. air-breathing warhead-delivery vehicle that flies just like an airplane, supported by aerodynamic surfaces. Unlike a ballistic missile, which is powered and hence usually guided for only a brief initial part of its flight, after which it follows a free-fall trajectory governed only by the local gravita-tional field, a cruise missile requires continuous guidance, since both the velocity and the direction of its flight can be unpredictably altered by local weather conditions or changes in the performance of the propulsion system.

ballistic missile is guided for the first five of the 20 minutes or so it takes to travel 5,000 kilometers; a cruise missile, which usually flies at subsonic speed, would require close to six hours of continuously guided flight to cover the same distance. Hence guidance errors that accumulate with time would be almost 100 times larger for a cruise missile than for a ballistic missile with a comparable range. The cumulative deviation from a preassigned track over a trajectory of thousands of kilometers would be very large in the case of the cruise missile, and therefore its accurate arrival on target could be achieved only with continuguidance that is corrected from time to time by fresh location information. To obtain the necessary location information accurately a long-range cruise missile employs a device that can correlate information obtained by an onboard sensor about the terrain it is flying over with some kind of map stored in the memory of an onboard computer.

Cruise missiles have served as warheaddelivery systems in the past, beginning with the German V-1 "buzz bomb" of World War II and continuing with such weapons as the U.S. Matador. Regulus and Snark missiles and the Russian Shaddock missile, which is still deployed aboard some Russian submarines and surface warships. None of these earlier versions were capable of obtaining location information to correct their guidance system during flight, and as a result they were not very accurate. Further-more, they were powered by inefficient jet engines that in general did not allow ranges in excess of a few hundred kilometers.

The main difference between the older versions of the cruise missile and those now under development in the U.S. is that recent advances in technology have made available two important new components: (1) microelectronic devices that can update the location information of a cruise missile while it is in flight and therefore improve its accuracy by three orders of magnitude and (2) small, efficient jet engines that for every hour of flight consume only about a pound of fuel for every pound of thrust they generate. Both of these technological advances affect primarily the performance of strategic cruise missiles, since at tactical ranges the flight time is measured in minutes and therefore even a moderately accurate guidance sys-tem needs no mid-flight correction. Moreover, a tactical missile can be fitted with homing device, such as radar, that detects the target and guides the missile onto it.

A long-range cruise missile employs an inertial-guidance system, consisting essentially of three or more accelerometers mounted on gyroscope-stabilized platforms, to guide it along a preassigned course. A practical inertial-guidance system suitable for a cruise missile could allow the missile to drift about a kilometer or so off course for every hour of flight. The effects of weather and the imperfections of the jet engine that powers the missile increase the drift. After several hours of flight the missile could be more kilometers away from its intended impact point. If, however, the missile could from time to time "recognize" where it is and compare its actual position with where it should be according to its preassigned trajectory, then the on-board computer could instruct the automatic pilot to make the appropriate maneuvers to bring the missile back to the correct trajectory. Furthermore, the known difference between the actual position and the intended position is used by the computer to calibrate and reset the inertial-guidance system, a process that com-pensates for and reduces the missile's drift by a factor of two or three.

There are several ways in which a cruise missile can determine its actual location while it is in flight. I shall briefly describe three such systems; they are called the terrain-contour-matching technique (Tercom in current military terminology), the areacorrelation technique and the global-positioning-satellite technique.

The terrain-matching technique, first patented in 1958, relies for its operating principle on the simple fact that the altitude of the ground above sea level varies as a function of location. If one were to make a rectangular map of an area two kilometers wide and 10 kilometers long, divide the map into squares perhaps 100 meters on a side and record in each square the average elevation of the ground in it, one would obtain a digital map consisting of 2,000 numbers, each number corresponding to the elevation of a point of known coordinates on the ground. A set of such maps, which can be made much larger and can have squares with smaller sides if required, is stored in the memory of the computer aboard the missile.

The missile is also provided with a downlooking radar altimeter capable of resolving objects on the ground smaller than the map squares from a height of several kilometers. As the missile approaches the region for which the computer memory has a map, the altimeter starts providing a stream of ground-elevation data. The computer, by comparing these data with the elevation data it has in its memory, can determine the actual location of the missile with an accuracy comparble to the size of the map cell. It then instructs the autopilot to take any corrective steps necessary to return the missile to its intended trajectory. As many as 20 such maps can be stored in the memory of the computer to enable the missile to update its location information and correct its trajectory frequently during its overland

The area-correlation method, which is still in the research stage, is based on a similar mapping principle. Instead of ground alti-

tude above sea level, however, it measures the microwave reflectivity of the ground as a function of location. Instead of a radar altimeter the missile has a detector that can sense the differences in the microwave reflectivity of the terrain it is flying over. Advanced area-correlation schemes missiles with on-board systems that incorporate terrain maps made at one part of the electromagnetic spectrum and detectors that operate at a different wavelength. For example, such a system might be able to match signals from a microwave radiometer or an infrared detector with data from a map made in the visible part of the spectrum. This approach is possible because features such as lakes, rivers, roads, railroads and other man-made structures offer sharp "contrast edges" over a large portion of the spectrum. The area-correlation technique can be applied to determine the location of the missile over all kinds of terrain, whereas the terrain-matching technique works well only over rough, hilly ground. Neither system works over water.

The third way to locate the position of a cruise missile is the global-positioning-satellite system, which is also under development in the U.S. The projected system will consist of 24 satellites in polar orbits positioned in such a manner that any place on the earth's surface will have at least four of the satellites in sight at all times. Every few thousandths of a second the satellites will broadcast exactly synchronous coded signals that can be received by passive equipment on the cruise missile.

By determining the difference in the arrival times of four such signals the missile's computer can calculate the distance of the missile from each satellite. In addition the satellites will broadcast information describing their orbits around the earth. With this information and the four different arrival times of the signals the missile's computer can determine the true position of the missile to within 10 meters in three dimensions without any other external data. From that information it can in turn deduce its velocity at any instant.

its velocity at any instant.

Of the three techniques I have described only the satellite system promises to be inexpensive enough to be practical for short-range cruise missiles. Because of their brief flight time such missiles do not require position-updating information. Instead they need to recognize and home on their target. For mobile targets radar homing is preferred where it is possible, but for fixed targets beyond the line of sight the global-position-satellite system can be used to maneuver the missile onto the known location of the target.

Advances in the technology of small jet engines have been equally important in the development of both tactical and strategic missiles. Small turbofan engines cruise weighing less than 130 pounds and yet capable of generating as much as 600 pounds of thrust are now available. Engines of this type consume less fuel than turbojets of equivalent size: they are complex systems, however, and hence they cost much more. Accordingly turbofan engines are considered suitable for cruise missiles with a range of more than 500 kilometers that carry expensive payloads such as nuclear warheads, whereas turbojets are cost-effective for cruise missiles with a range of less than 500 kilometers that carry conventional highexplosive warheads.

The difference in the efficiency of the two types of jet engine is related in part to the difference in the temperature of the exhaust gases produced by the engines. Although the turbine-inlet temperature for small engines of both types is limited to about 1,850 degrees Fahrenheit, a turbojet engine exhausts its gases at 1,450 degrees, whereas

a turbofan engine, because of turbulent mixing at the outlet, exhausts them at 600 degrees. Obviously the latter engine makes more efficient use of the heat energy of its fuel. The difference between the exhaust temperatures of the two types of engine gives them different infrared "signatures." As a result it should in principle be possible to determine from a distance whether a given missile is powered by a turbofan engine or a turbojet engine.

The rate of progress in microelectronics has been spectacular, but the development of small jet engines is laborious. It takes many years to develop a new engine or to improve the efficiency of an existing one by a few percent. It is therefore rasonable to expect that the power plants for cruise missiles will not change substantially in the next decade or so. Small improvements in efficiency, and hence in range for a fixed volume of fuel, can be expected as new composite materials are adopted for turbine blades, but basically the fuel-consumption rate and the thrust of the small engines are not subject to a technological breakthrough. One can conclude that the aerodynamic performance of cruise missiles will not change greatly in the near future.

The technological advances I have described have been applied in the devlopment of several types of U.S. cruise missile. Of these I shall discuss only two: the Harpoon antishipping missile, which is now entering production and is strictly a tactical cruise missile, and the sea-launched cruise missile (SLCM), which is still under development and which has both a strategic version and a tactical one. These two major types of missile have been chosen because in combination they illustrate the special advantages and disadvantages of cruise missiles.

The Harpoon missile is quite small, meas uring 34 centimeters in diameter and 3.84 meters in length. Its total volume is only .3 cubic meter. Without its booster rocket it weighs 1,114 pounds. It can be launched against a ship from a submarine, a surface vessel or an airplane. A ground-based version is also possible. The Harpoon is powered by a turbojet engine that has a thrust of 660 pounds and a fuel-consumption rate of about 1.5 pounds of fuel per pound of thrust per hour of flight. That gives the Harpoon a maximum range of about 100 Kilometers at a speed of Mach .85 (85 percent of the speed of sound). Since the engine is expected to work only for a short time it has many cast parts instead of machined ones. Hence it can operate satisfactorily for only a short period but costs substantially less than a turbofan engine of the same size designed to operate for many hours.

The guidance system of the Harpoon missile consists of a radar altimeter that keeps it flying a few meters above the surface of the sea, a mid-course guidance unit that keeps it on a steady course and a sophisticated active radar scanner that can detect a target as small as a patrol boat in all weather conditions at about half its maximum range and a target as large as a destroyer at much greater distances. The missile can distinguish betwen two targets if they are well separated and will head for the larger one. It carries a 500-pound warhead that penetrates the deck of the target ship and explodes inside by means of a deceleration fuse. In 32 launches from a variety of sea and air platforms the Harpoon has found its target 29 times at operational ranges

Both the tactical and the strategic versions of the sea-launched cruise missile are 53 centimeters in diameter and 6.24 meters long and have a volume of 1.37 cubic meters without their booster rocket. Without the protective capsule in which they are carried and launched they both weigh about 3,200 pounds. Both versions can be launched from

the torpedo tubes of a submarine or from a surface ship, an airplane or a ground platform. The exact ranges of the two versions are classified, but the aerodynamic properties of the missile indicate that the strategic version is capable of a range of 2,000 kilometers at low altitude and perhaps 50 percent more if the first 1,500 kilometers are flown at higher altitude and the rest at treetop level. The strategic version is powered by a turbofan engine with a thrust of 600 pounds and an average fuel-consumption rate at sea level of about a pound of fuel per pound of thrust per hour of flight. At sea level the missile has a cruising speed of Mach .7 and a maximum speed of Mach .85. A much lower fuelconsumption rate is possible at higher altitudes with a lower net thrust. Since the missile cannot fly at speeds lower than Mach .44, a booster rocket is used that ignites on launching and propels the missile for 12 seconds. At a height of 400 meters (assuming an ascent angle of 55 degrees) and a speed of Mach .55 the turbofan engine takes over. The booster is not necessary for missiles launched from aircraft.

The guidance package of the strategic sea-launched cruise missile consists of an inertial-guidance system with an intrinsic drift of about 900 meters per hour of flight, augmented by a terrain-matching system. The radar altimeter of the terrain-matching system enables the missile to fly as low as 20 meters over water, 50 meters over moderately hilly terrain and 100 meters over mountains. This capability makes the missile difficult to detect with ground-based radar. The gyroscopes of the inertial-guidance platform require 25 minutes to align after the missile has been loaded into the torpedo tube of a submarine, a task that in turn requires five minutes. Therefore the strategic SLCM can be launched from a submarine in salvos of two or four (depending on the number of torpedo tubes) at best only once every 30 minutes. The ignition of the booster rocket under water generates a large amount of acoustical energy that can be detected at great distances. In addition the booster creates copious bubbles that are visible on the surface of the water for more than five minutes after the launch, and the exhaust plume of the booster is visible over an area 80 kilometers in radius as the missile climbs to 400 meters. Accordingly the position of the submarine can be determined by a variety of means after it has launched one or more of its missiles under water.

The terrain-matching system of the strategic sea-launched cruise missile is provided with a dozen or more maps, on which the terrain is digitized at intervals of less than 100 meters and the elevations are recorded with an accuracy of better than three meters. Since the missile is expected to fly initially over water, where the updating of location information is impossible, the first land map is made wide enough (perhaps as wide as 10 kilometers) for the missile not to miss the intended landfall. The radar altimeter starts taking readings before the missile is expected to fly over a given map area and stops taking them at an equal distance after it has left that area. The computer uses a simple minimum-absolute-deviance algorithm to match the readings of the altimeter with the points on the map. There is such large redundancy in the altimeter data that synchronization errors or even attempts to jam the altimeter from the ground will not degrade the performance of the system.

The accuracy with which this missile can be guided to its target is at best equal to the size of a map square; in practice it is probably about half that good. Since map squares can be made quite small, say 10 meters on a side, it is possible in principle to have comparable missile accuracy. A number of factors contribute to the degradation of this level of accuracy, however, and so it is expected that

the strategic sea-launched cruise missile will have an accuracy of some 100 meters. The biggest errors are expected to come from human errors in mapping, from the injudicious choice of terrain to map and from the absence of suitable terrain for terrain-match-

ing guidance near some targets.

The tactical version of the sea-launched cruise missile is powered by a turbojet engine that gives it a range of about 500 kilometers. It is guided by a system very similar to the one in the Harpoon missile, consisting of a mid-course guidance unit that keeps the missile flying in a straight line but does not adjust for its being blown off course by the wind. In addition the missile has a radar scanner with a comparatively short range, probably no more than 50 kilometers, which is designed to guide it onto the target. The mid-course guidance unit has a drift of about .2 radian per hour of flight. Hence errors as large as 40 kilometers will result at the end 500-kilometer flight. Therefore once the missile is in flight it needs some external source of information on the exact position of its intended target.

The line of sight over water does not extend beyond 50 kilometers, so that the necessary information cannot be provided by the launching platform; it has to be obtained by another vehicle, a spotter aircraft or a heli-copter, which must be suitably equipped to identify the target and communicate the information to the launching platform or to the cruise missile itself. If the launching platform is a submarine, the tactical version of the sea-launched cruise missile becomes even more troublesome: not only will its launch reveal the position of the submarine but also problems of target acquisition and "friend/foe" identification become extremely complex. The range of the submarine's sonar is considerably shorter than 500 kilometers, and while the vessel is submerged it cannot communicate either with the cruise missile or with an observation platform such as an aircraft. The mismatch of the cruise missile's range to the submarine's target-acquisition range makes the tactical version of the sealaunched cruise missile a weapon of dubious

Cruise-missile technology offers such flexibility in range, basing and types of warhead that and almost unlimited variety of alternative designs is possible. Here I have chosen to speculate on the military characteristics and arms control implications of three possible types of missile because of the particularly challenging policy questions they raise. The first type is a very accurate long-range strategic cruise missile with a conventional high-explosive warhead; the second, which is already under development, is an airborne strategic cruise missile with a nucelar warhead; the third is a short-range land-based or ship-based tactical missile with a conventional markets.

ventional warhead.

There is little doubt that guidance techniques either in existence or under development can endow a strategic cruise missile with pinpoint accuracy at the end of a 5,000kilometer flight. This high degree of accuracy makes it feasible to use conventional war heads instead of nuclear ones against certain strategic targets such as large radar installations, industrial plants, petroleum refineries and so forth. It has been proposed that the U.S. develop a cruise missile that could carry a large conventional high-explosive warhead over intercontiental distances with an accuracy of better than 10 meters. This weapon would have to be about two cubic meters in volume (somewhat larger than the current sea-launched cruise missile), and it would have to be carried by either a surface ship or an aircraft of the cargo type; alternatively it could be landbased. If it were built in sufficiently large numbers, its pro-ponents argue, it could provide the option of a non-nuclear response to some hypothetical coercive actions of an opponent such as the U.S.S.R. Thus it could raise the threshold of nuclear retaliation by enabling the U.S. to destroy specific targets with minimal collateral damage and without the onerous political burdens of a nuclear attack.

The second type of cruise missile that is under serious consideration in the U.S. is the air-launched cruise missile (ALCM). The current version of the air-launched missile is expected to have about half the range of the strategic sea-launched one. It is designed to be carried by either the B-52 intercontinental bomber or the new supersonic B-1 bomber. Armed with such missiles, the bombers would not have to penetrate the terminal air defenses of an opponent; they could merely penetrate to a given point and launch the long-range missiles toward their targets. Proponents of the air-launched cruise missile point out that since such a "standoff" carrier plane would not have to penetrate the air defenses of an opponent, the plane would not have to have supersonic speed, an elaborate system of electronic countermeasures or the capability of flying very low and very fast in order to avoid detection and evade attack; in other words, it would not have to be a combat aircraft at all. As a matter of fact, it is argued, a commercial wide-bodied jet transport such as the Boeing 747 or the McDonnell Douglas DC-10 could serve to carry as many as 100 cruise missiles. Commercial planes of this type have a longer range without refueling than either the B-52 or the B-1 does. If they were armed with airlaunched cruise missiles, they would be able to replace the B-52 bomber in the U.S. arsenal at considerably less cost than the proposed B-1 could.

The third possible incarnation of the cruise-missile concept would be a tactical missile with a maximum range of 500 kilometers and a high-explosive warhead of between 400 and 500 pounds. This missile, its advocates say, could be guided exactly to its target either with the aid of the global-positioning-satellite system or by one of the pattern-recognition techniques; it could even be provided with the means to send back by way of a relaying aircraft or satellite a television outline of the terrain it files over as it approaches its target so that it could be guided remotely by a human operator.

Such a small missile (less than half a cubic meter in volume) could be equipped with an inexpensive turbojet engine and could be programmed to avoid air defenses, fly at a constant altitude and operate in all weather conditions. It could, its proponents maintain, replace the manned fighter-bomber in many of its missions. If it were built in large quantities, it could cost as little as \$50,000 per missile. Manned tactical aircraft, in contrast, currently cost more than \$10 million and require a large aircraft-carrier task force to be carried within range of their targets.

A typical task force can deploy only 36 attack alrcraft, each capable of delivering about a ton of bombs per sortie to the target with less accuracy than that possible with cruise missiles. The entire multibillion-dollar task force could be replaced by a naval force capable of launching 180 tactical cruise missiles per day and consisting of a variety of ships less vulnerable and much less expensive than aircraft carriers. Ultimately, the advocates of this version of the cruise missile point out, such a missile could replace all the tactical nuclear weapons stationed by the U.S. in Europe.

tioned by the U.S. in Europe.

In combination with short-range precision-guided missiles on the ground and remotely piloted vehicles carrying out the observation mission of manned aircraft, the tactical cruise missile armed with a chemical-explosive warhead may completely displace manned fighter-bombers and their long and costly logistical "tail" from the U.S. arsenal.

Such a development would constitute a profound change in the entire military posture of the U.S., since it implies the abandonment of high-cost, low-attrition manned aircraft and their replacement with low-cost, dispensable cruise missiles. This prospect raises a host of technical, military and arms-control questions that have so far remained largely unexamined.

Because of the small size, great accuracy and low cost of cruise missiles, it would seem that they would be inherently superior to ballistic missiles as delivery vehicles for ranges greater than 10 kilometers and less than 5,000 kilometers. The long flight times of strategic cruise missiles and the subsonic speed with which they approach their target, however, make them quite vulernable to hostile countermeasures. A ballistic missile, in the absence of an anti-ballisticmissile system, cannot be prevented from reaching its target once it is launched. Whereas the outcome of a strategic attack with ballistic missiles is comparatively certain and controlled, the outcome of a cruisemissile attack is uncertain, since it depends largely on the air-defense capabilities of the attacked country. As a result, although the accuracy and range of cruise missiles would suggest that they could serve successfully in a deterrent role, their relatively low speed makes them less suitable than ballistic missiles for that particular strategic mission. In order to be sure that cruise missiles would penetrate to their targets one would have to launch many of them against each target to saturate the air defenses. That would require the deployment of many thousands of cruise missiles, in clear violation of the numerical quota for strategic delivery vehicles established by the Vladivostok agreement.

No matter how many cruise missiles are deployed in a country, however, it would be impossible to verify their number by non-intrusive inspection, since they do not require identifiable launch facilities, such as silos, submarine launch tubes or airfields. Thus it is technically impossible to subject cruise missiles to the kind of numerical limits achieved in SALT II for ballistic missiles. The entire problem of limiting cruise missiles is further complicated by the fact that even during the testing of the weapon it would be possible to deduce from satellite data only maximum range compatible visible characteristics of the missile, not its actual range. Therefore it is not possible at present to tell whether a given sea-launched cruise missile, say, is intended for a strategic mission or a tactical one.

All these considerations may lead one to conclude that the U.S. would have no choice but either to abandon any further efforts at controlling the proliferation of nuclear arms and go ahead with the deployment of cruise missiles or, in order to safeguard the achievements of SALT and the opportunity for fur-ther strategic-arms limitation, to forgo the deployment of cruise missiles altogether. Such a conclusion, however, seems unwarranted. A careful examination of the tactical and strategic missions that current and future cruise missiles could perform, and of the required launching platforms in each case, reveals that those applications of this delivery vehicle that make military sense are not incompatible with arms-limitation goals in general and the numerical reduction of strategic delivery vehicles in particular. Furthermore, it appears that the specific cruise missiles that threaten the SALT negotiations are either unnecessary for the security of the U.S. or are hasty and unexamined applications of the new technologies that do not make military sense.

Consider the strategic sea-launched cruise missile now in the advanced development stage. This system can not perform any new missions or outperform in any of the existing

strategic missions the U.S. "triad" of landintercontinental ballistic missiles (ICBM's), submarine-launched ballistic missiles (SLBM's) and intercontinental bombers. Furthermore, launching a cruise missile of this type from ballistic-missile submarines would increase the submarines' vulnerability, first because they would have to abandon their present secure stations and approach the territorial waters of the U.S.S.R. and second because launching a cruise missile would reveal the position of the submarine for hundreds of kilometers. It would be foolhardy to lessen the invulnerability of our securest deterrent weapons system so that it could launch at most four cruise missiles of uncertain fate every 30 minutes, since the same submarine can stay in safe waters and launch 16 Poseidon or Trident I missiles with 10 warheads each in less than five minutes, making much less underwater noise.

The deployment of a limited number of long-range cruise missiles on "hunterkiller" submarines may appear militarily cost-effective, since it would force an opponent to treat every U.S. nuclear submarine as a strategic nuclear delivery system, thereby increasing the opponent's antisubmarine-warfare requirements. Such a policy is not, however, without serious drawbacks. First, to impose a strategic role on hunterkiller submarines would seriously complicate their command-and-control procedures and thereby impair their operational capabilities. Second, and perhaps more significant, the deployment of strategic nuclear missiles on tactical hunter-killer submarines could reduce the security of the U.S. deterrent fleet of Polaris/Poseidon submarines not only by forcing a rapid growth Russian antisubmarine-warfare bilities but also by eliminating the distinction between tactical and strategic submarines and thereby removing the current tacit inhibition against attacks on strategic submarines. In short, the deployment of the strategic sea-launched cruise missile seems on balance to be both unnecessary and unwise.

hypothetical long-range The missile with a chemical-explosive warhead suffers from a different set of fundamental disadvantages. This missile could in principle enlarge the spectrum of strategic options available to the U.S., since it would make possible the precise destruction of selected industrial or military targets without the use of nuclear explosives. Actually, however, such targets in the U.S.S.R. would probably be defended by in the active or passive air defenses a subsonic cruise missile could not penetrate easily: such terminal defenses would add to the vulnerability of these weapons and therefore make the outcome of an attack with them quite uncertain. Weapons with un-certain results cannot have a deterrent effect against even the mildest provocation, since they are not capable of the assured destruction of their intended targets. Just as the existence of an effective anti-ballisticmissile system could have denied the deterrent role of ballistic missiles, so could a future sophisticated air-defense system deny such a role to cruise missiles, par-ticularly those with chemical-explosive war-

Finally, a long-range cruise missile with a chemical-explosive warhead would completely confuse the distinction between strategic weapons, which are now assumed to be nuclear, and tactical weapons, which are usually non-nuclear. Such a development would make strategic-arms-limitation negotiations particularly complex by coupling them to efforts to reduce tactical armaments and by blurring the distinction between nuclear and chemical explosives.

The long-range air-launched cruise missile

could in principle have a practical military role. The version of this weapon now under development is burdened with artificial limitations on size and fuel that severely curtail its range to about half that of the sealaunched cruise missile, making it unsuitable as a standoff weapon. A future version capable of longer ranges and carried by large transport planes could, however, replace the B-52 bomber in the 1990's and obviate the deployment of the costly B-1 bomber. The deployment of such a cruise missile would create difficult arms-control problems, since again it would not be possible to ascertain the number of missiles deployed. A possible solution is to agree on the number of deployed carrier aircraft that could transport them and count each aircraft against an agreed number of existing ballistic missiles outfitted with multiple independently targetable reentry vehicles (MIRV's). As a matter of fact, if all land-based MIRVed ballistic missiles were replaced by an equivalent number of transport planes carrying air-launched cruise missiles, the end result could be a more stable strategic balance between the U.S. and the U.S.S.R. for two reasons. First, the long flight time of cruise missiles and their vulnerability to point defenses preclude their use as first-strike weapons: second their basing, if properly designed, could make them considerably less vulnerable to a surprise attack than land-based ballistic missiles are now.

In spite of the stabilizing effect that such proposal implies the deployment of the long-range air-launched cruise missile raises some serious verification questions. For example, if cruise missiles were deployed on jumbo jets such as the 747 or the DC-10. how could one determine without intrusive inspection which of these planes is a civilian transport and which carries strategic cruise missiles with nuclear warheads? Moreover, once the development and testing of such missiles is allowed how could another nation ascertain the number of missiles ultimately manufactured in the U.S. or their intended mode of deployment? The U.S.S.R., for example, could fear that in addition to whatever agreed number of air-launched cruise missiles was allowed, the U.S. could secretly deploy large numbers of booster-assisted cruise missiles based on ships or on land in allied countries within easy reach of the Russian interior. Thus it does not seem possible to deploy long-range cruise missiles without upsetting future strategic-armslimitation efforts.

There are additional disadvantages to such deployment, even if a formula for the verification of the number of platforms for air-launched cruise missiles and the basing of such missiles could be successfully negotiated. If past experience can be taken as a guide for future behavior, it is almost certain that a U.S. deployment of strategic cruise missiles would induce a Russian counterdeployment. Worse, U.S. development of such a weapons system would serve to validate the cruise-missile concept for other nations desiring a cheap, accurate delivery vehicle and might well convince them to develop a similar missile capable of reaching the U.S. Then it would be necessary for this country to erect a costly air-defense system not only against Russian cruise missiles but also against the cruise missiles of other countries. Such a system has been considered unnecessary until now because of the absence of a credible threat from the U.S.S.R. or any other country. It should not be for-gotten that the deployment of an anti-ballistic-missile system in this country was justified on similar grounds: as a defense against Chinese ballistic missiles rather than

Tactical cruise missiles, unlike their strategic counterparts, offer considerable military advantages without creating such serious

arms-control problems. As the Harpoon missile has demonstrated, it is possible to develop a small cruise missile powered by an inexpensive turbolet engine that has both the range and the accuracy needed for practical battlefield situations. On the other hand the tactical sea-launched cruise missile is mismatched to the operational conditions of a naval encounter and appears to be grossly inaccurate; its inaccurate; moreover, its conspicuous launching jeopardizes the safety of the launching submarine by revealing its position. The tactical SLCM is the perfect example of the misapplication of cruise-missile technology: it creates serious arms-control problems, since it is externally indistinguishable from the strategic SLCM, without incorporating substantive any advantages.

The proposed tactical cruise missile with a chemical-explosive warhead is perhaps the most sensible current application of the new technological advances that have made cruise missiles feasible. With a volume of half a cubic meter and a turbojet engine, it can be identified by statellite as an unambiguously tactical missile. Although such identification may not be possible with current systems except over water, the technology exists to support the development of a reconnaissance satellite that could be programmed to detect. track and identify infrared signatures in the atmosphere and thereby distinguish a strategic cruise missile from a tactical one during testing.

The operation of such a monitoring system could be impeded by cloud cover, and therefore it could not verify with absolute certainty another country's faithful adherence to a treaty forbidding the development of long-range cruise missiles. Since no country would have any reason to take advantage of cloud cover to hide the development of a short-range cruise missile, however, it would be possible to develop and deploy those tactical weapons that seem capable of replacing the manned fighter-bomber, without fear of their being mistaken for long-range missiles by the U.S.S.R. and therefore without threatening the efforts to limit strategic nuclear weapons.

Two central conclusions can be drawn from the foregoing analysis of the technology and the performance characteristics of existing and contemplated cruise missiles. The first is that with one exception the development and deployment of strategic cruise missiles at this time is counterproductive for three reasons: they are unnecessary. their deployment would nullify the existing strategic-arms-limitation agreements and obstruct similar future efforts, and their deployment on nuclear submarines would increase the vulnerability and probably reduce the operational efficiency of that important deterrent force. The one possible exception is a future version of an air-launched cruise missile that could be deployed on transport planes in place of long-range bombers. The price of such a system, however, must be measured not only in dollars but also in terms of lost arms-control opportunities, the creation of new threats against this country and the abandonment of any numerical ceilings for strategic weapons.

The second conclusion is that negotiable criteria for differentiating between tactical and strategic versions of cruise missiles can and should be devised and incorporated into the design of future cruise missiles. The limiting criteria must be based on observable physical variables such as the volume of a cruise missile or the type of engine it is equipped with rather than on unverifiable variables such as the missile's range or the type of warhead it carries. For example, it is possible to differentiate between tactical and strategic cruise missiles by defining as tactical any missile that (1) has a volume of less than half a cubic meter, (2) is powered by a turbojet engine and (3) has a thrust of

less than 600 pounds. A strategic missile on the other hand, would be one that has a volume exceeding half a cubic meter and a tur-

bofan engine.

The physical characteristics outlined above can be detected from orbiting reconnaissance satellites, and they do not impose (for the U.S. at least) any practical restrictions on the design of a cruise missile, since in each case the values of the relevant physical variables would be chosen within the proposed limiting criteria for economic and technical reasons. Reconnaissance satellites can provide the U.S. with information that something may be taking place in the U.S.S.R., cannot ensure that something is not taking place. Therefore although the U.S. can rely on such monitoring systems for early intelligence about cruise-missile developments in the U.S.S.R. the systems do not offer the unambiguous verifications capability the U.S. Senate would need in order to ratify a treaty with the U.S.S.R. banning the development of strategic cruise missiles. What such monitoring systems do allow the U.S. to do is to exercise unilateral restraint in the development and deployment of longcruise missiles while inviting U.S.S.R. to agree to a similar restraint. The U.S. can be certain that monitoring systems with the capabilities outlined here can detect the development of long-range cruise missiles at an early stage and so enable this country to abandon the unilateral restraint in plenty of time, if it chooses to do so.

The position of unilateral restraint is feasible for two reasons. First, no urgent response is necessary in case the U.S.S.R. is found to be developing long-range cruise missiles, because according to official accounts the U.S. is at least 10 years ahead in the technologies relevant to cruise-missile development. Second, the stability of the strategic balance between the two countries, in view of the many thousands of deliverable nuclear warheads available to both, cannot be upset unless one of the two deploys many thousands of longrange cruise missiles armed with nuclear warheads. Such a deployment, however, would take several years to complete and would be detected at a very early stage by the other side's monitoring satellites. A policy of unilateral restraint in the development and deployment of long-range cruise missiles by the U.S. not only is safe and desirable on economic grounds but also would allow for the orderly development of an effec-

tive tactical cruise missile. Such a policy would of course impose stringent demands on the reconnaissance capabilities of both sides. It is essential for the success of present and future strategic arms-limitation efforts to look ahead and define what reconnaissance capabilities will be necessary in order to bring these new weapons under control. The new technology that has made cruise missiles possible can also be applied to the development of monitoring systems with the resolution necessary to ensure compliance with the terms of agreements based on the criteria I have outlined. What has been lacking so far is political leadership with the will and the wisdom to exploit technology for the control of nuclear weapons rather than for their proliferation.

SACCHARIN BAN

Mr. McCLURE. Mr. President, while I believe it is the intention of each one of us in this body to legislate for the benefit of the general public and for the good of the American people, we perhaps often lose sight of the eventual realities of our action.

Too many times the legitimate complaints we receive from constituents are caused by all encompassing legislation which originated right here in the Con-

Such a case may be exemplified by the so-called Delany clause. While this provision of the Federal Food, Drug and Cosmetic Act is noble in its purpose—that is to prohibit the use of materials which are suspected of causing cancer-its application might even prove to be more harmful to the American people. In all that we do, there must be a good and a bad, a benefit and a loss, or in other words, there must be an effort to strike a proper balance. In the current controversy over the possible ban of the artificial sweetener, saccharin, we might well determine that the benefits of this substance far outweigh any small degree of harm.

This is being expressed by the American people across the land. I recently had occasion to read an editorial in the Bannock County News in my home State of Idaho. In all fairness to Mr. Rod Clifford, the editor of the Bannock County News, I doubt his singular editorial will have a large national impact, but it should. Mr. Clifford's words point out brilliantly the absurdity of this all-encompassing legislation which would ban the use of a substance without applying that all important test of balance.

Mr. Clifford's editorial of March 17 should be brought to the attention of the United States Senate, and, therefore, I ask unanimous consent that it be printed in the RECORD. I urge my colleagues to heed its advice.

There being no objection, the editorial was ordered to be printed in the RECORD. as follows:

CLOWN ACT IN GOVERNMENT CIRCUS ISN'T FUNNY ANY MORE

If ever we had been tempted to relax our rather severe opinion of bureaucrats and the mentality that must be a requirement for high-level civil service employment, several acts this week in the federal circus are sure to reconfirm that we have been correct all

We refer to the proposed ban on artificial sweeteners, saccharin specifically, following the release of a study done in Canada on the cancer-causing potential of the substance in rats. Now, we appreciate the fact that our benevolent bureaucracy is firmly dedicated to protecting us from anything that can do us in prematurely. And cancer is certainly one of those things we want to avoid—it's very unhealthy.

But to seriously consider a total ban on a particular product on the basis of one study at one university is either naivity to the point of stupidity, or it is bureaucratic protectiveness to the point of suffocation.

We're convinced that no citizen is going to drink 800 soft drinks every day for the next seven years, but that's exactly what would have to be consumed to compare with the dosages administered to the rats in the experiment. That kind of dosage in the tests should automatically nullify the research results, but not according to the bureaucrats

who have the power to ban at will.

The same thing happened several years ago with the chemical DES, a cattle feed supplement used to stimulate faster weight gains. With an equally small bit of so-called evidence, the FDA and USDA banned the use of the chemical, despite the fact that humans would have to eat several thousand pounds of meat every year for a number of years to equal the dose used in tests on laboratory

And we're still trying to understand how one federal agency can justify banning artificial sweeteners in the same week that a congressional panel urged the relaxing of penalties for the possession and use of mari-uana. That just has to be the ultimate bureaucratic contradiction. Are they really telling us pot is dandy, but Diet Pepsi can kill

And if Washington is so determined to protect us from harm by taking away our saccharin, how come cigarettes and alcohol are still on the market? Maybe its because the tobacco and booze lobbies in Washington are bigger than the artificial sweetener lobby.

Cigarettes and booze aside, we believe the best solution for whatever airhead dreamed up the sweetener ban is one suggested this week by a member of Congress, who said we ought to just require labels on diet drinks and similar products which would carry the message "Warning! This product has been found by one university to be hazardous to your rat's health."

And maybe every chair in Washington should carry a label warning "Occupant may be hazardous to the sanity of his/her fellow

citizens."

PEACE PLAN FOR THE MIDDLE EAST

Mr. HASKELL, Mr. President, during my tour of the Middle East last year, I was given repeated assurances by the Arab nations I visited that they wished to settle the Middle East conflict. Similarly, I was told that elements in the Palestine Liberation Organization were willing to alter their stance on Israel and seek meaningful negotiations. On the basis of these assurances, I proposed the broad outlines of a peace plan for the Middle East. I called for the recognition of Israel by the Arab nations. I also indicated my feeling that the Palestine Liberation Organization should be included in negotiations.

It is with severe disappointment, then, that I note the results of the recent PLO meeting in Cairo. There was no renunciation of terrorism or repudiation of the destruction of Israel. There were no constructive or conciliatory gestures. There was, instead, only renewed verbal invective and threats of escalating hostilities. As a consequence of the PLO actions at Cairo, it is clear that the PLO cannot be accepted as a bargaining entity at a reconvened Geneva conference.

I am not unaware of the hardships which Palestinians displaced by war have endured. But the politics of terror have no place in promoting a secure and prosperous future for Arab and Israeli alike. The futile irredentism and savage violence of the PLO have not and cannot solve the Palestinian problem. The existence and security of Israel are not and will not be negotiable.

Despite the absence of a Palestinian leadership willing to pursue negotiations. I hope the President, having completed his discussions with Arab and Israeli leaders, will persuade Israel and the Arab nations aligned against her to reconvene the Geneva conference. The basic objectives of such a conference remain, I believe:

First. Public announcement by the Arab States of Israel's right to exist within secure borders.

Second. The establishment of peace in

the full sense of the word, including freedom of passage and commerce across borders and through international waterways, and the full normalization of relations.

Third. Withdrawal by Israel from territories occupied since the 1967 war to agreed-upon borders which are secure and defensible.

Fourth. The provision for a homeland for the Palestinian refugees, the political status of which must be negotiated to the satisfaction of all the states convened at Geneva whether confederated with Jordan or otherwise.

The nature of a Palestinian homeland will present a major challenge to all the negotiators. Israel cannot accept a West Bank ministate dominated by a leadership committed to her destruction. Nor, judging by the Syrian action in Lebanon, would such a state hold much appeal for Jordan, Syria, or Egypt. Even the most vocal Arab proponents of the PLO have on occasion found themselves in armed conflict with elements of the PLO. At a time when the major participants in past Middle East conflicts have expressed their interest in a settlement, I am hopeful that a Palestinian leadership will emerge which is committed to playing an active and constructive role in the search for peace.

On the basis of these principles, the parties could, it is hoped, work out the details of a permanent settlement.

The United States has a real interest in a permanent settlement in the Middle East. Turmoil in that area can only redound to Russia's benefit. Obviously, it is to the immediate and long-term advantage of all Mideast states to exchange endless preparations for war for a just and lasting peace. President Carter has the best wishes of Congress and the American people in his efforts to reconvene the Geneva Conference. In working toward an Arab-Israel peace, the cornerstone of U.S. policy must be the maintenance of the security and survival of the State of Israel, thus demonstrating continuing support for a reliable democracy and an investment in the cause of peace in the region.

THE INAUGURATION OF DR. JOHN E. JOHNS AS PRESIDENT OF FUR-MAN UNIVERSITY

Mr. THURMOND. Mr. President, on April 22, 1977, Dr. John Edwin Johns will be inaugurated as the ninth president of Furman University located near Greenville, S.C.

Furman University was founded in 1826 at Edgefield, S.C., as an academy and theological institute to train Baptist ministers. The school was chartered as a full-fledged university in 1850 and moved to Greenville. During its history, Furman has achieved recognition as one of the outstanding 4-year, liberal arts colleges in this Nation. It is the oldest college established by southern Baptists and gave "birth" to the Southern Baptist Theological Seminary, which later moved to Louisville, Ky. Graduates of Furman University have become outstanding ministers, teachers, doctors, lawyers, businessmen, political leaders, and citizens.

Mr. President, as Furman grew into a distinguished university, the nature of the presidency followed this growth. Today, the president of Furman University is a leader, educator, wielder of power; he is also an officeholder, caretaker, inheritor, consensus seeker, and persuader. Dr. Johns will have the task of satisfying the desires of over 2,000 students for self-fulfillment in a community which challenges them to do their best, intellectually, creatively, and in terms of service to others. Assisting him is a dedicated staff, outstanding faculty, and devoted alumni.

Mr. President, I believe Dr. Johns will be an excellent president of Furman University. He can draw upon a wealth of knowledge and experience that he has obtained while in the field of higher education. Following his graduation from Furman, Dr. Johns embarked upon an outstanding career as teacher, scholar, and administrator. Prior to returning to Furman, Dr. Johns served as president of Stetson University in Florida. I believe he will continue to develop and enhance Furman's tradition of leadership and academic excellence while developing individual excellence and Christian char-

MEDICARE REIMBURSEMENTS

Mr. PELL, Mr. President, the Department of Health, Education, and Welfare recently issued a list of doctors who, according to the Department, received more than \$100,000 in medicare reimbursements in 1975. Among the physicians on that list was a Rhode Islander, Dr. Milton Hamolsky, who is the physician-in-chief at Rhode Island Hospital, the largest hospital in our State. The Department listed Dr. Hamolsky's billings to medicare at over \$307,000.

The fact of the matter is that Dr. Hamolsky is a full-time salaried physician, whose medicare billings for 1975 were, in fact, only \$625. Furthermore, HEW had been notified of the inaccuracy of their list in this regard several days before the list was released, yet they made no effort to correct this gross inaccuracy.

As a result, the name of this highly respected and hard-working physician was printed in newspapers across the country and across Rhode Island. One possible implication of the list was that an impropriety was involved, and that perhaps the doctors in question were running what we now refer to as "medicare mills," providing services which are not necessary and defrauding the taxpayers by excess billings.

Dr. Hamolsky's fine reputation spoke for itself in Rhode Island, and eventually most people realized that a mistake had been made. But the lesson here is that, even in an area like antifraud control, which is so important and which we all support so strongly, real care must be exercised so that the wheels of Government bureaucracy do not run over individual citizens. I recently wrote to Seccretary Califano on this matter and

would hope that we can really get a handle on medicare and medicaid fraud, using the new Office of Inspector General at HEW, while at the same time we carefully protect the rights and reputations of the vast majority of physicians, whose primary concern is the health of their patients.

TOWARD A NATIONAL ENERGY POLICY

Mr. HEINZ. Mr. President, President Carter's proposal to formulate a national energy policy has precipitated an outpouring of letters from all over the country offering suggestions for our future energy program.

Many Pennsylvanians have written the President and sent me copies of their correspondence. It is clear from their letters that many varied—and in some cases contradictory-views exist. These same divisions have existed in the past within the Congress and between the Congress and the President. The end result is that we have no cohesive energy policy. It is my hope that we can now surmount these differences and assume the task of insuring our energy future with some degree of consensus.

From the letters I have received, two

fundamental points stand out.

First. The future development of all forms of energy is a necessity. Each source-oil, gas, coal, nuclear power, solar, geothermal, and other exotic formshas its particular liabilities and limitations. No single energy alternative stand out as "the answer" to our problems and none, therefore, should be closed off from our future.

Second. Conservation must be a major component of any new energy policy and mandatory measures may well be necessary. Clearly, incentives are preferable to penalties, but the severity of the crisis demands that we be prepared to take strong action to insure reductions in energy use. Among those actions, I reject any substantial increase in the tax on gasoline. Such a gas tax increase would be both ineffective and unfair to millions of lower income and rural Americans who have no transportation alternatives.

Of the many letters I have received. I would like to share one with my colleagues today which shows originality and imagination. Paul Elson, of Holland, Pa., discusses some important energy concepts in his letter. The use of solar energy is among them and his thoughts reflect a sophisticated awareness of its potential as well as a knowledge of its current limitations. As I indicated earlier no single energy source, including solar, is the answer to all of our energy problems. We should recognize, however, that solar is a component of our energy solution, particularly with respect to heating and cooling and that it deserves our attention for the part of our energy needs that it can provide. Mr. Elson makes that case cogently, and I commend his letter to my colleagues' attention, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HOLLAND, PA., March 17, 1977.

ENERGY,

Washington, D.C.

GENTLEMEN: Following are some of my opinions and suggestions regarding our de-

veloping national energy policies.

I feel strongly that we as a nation have been very lax in formulating a comprehensive plan regarding conservation and production of energy. I heartily support many of the suggestions already made on conservation and feel we should place even greater emphasis on development of public transportation, increased gasoline mileage in our cars and greater use of insulation in all of our buildings, old as well as new. Unfortunately, strictly voluntary efforts along these lines are usually too little and too late and persuasion, in the form of legislation, seems to be our best recourse. Conservation efforts also have great appeal to me from the standpoint of the effects on our environment as I am very sympathetic to the concerns of the environmentalists.

On the question of the production of energy we should be putting much more effort into the use of solar energy. Many people do not realize its potential benefits and consider it an "exotic" form of energy and impractical. However I consider this to be an avenue which must be pursued vigorously and the Federal government should be lead-

ing the way by setting the example.

Specifically, I propose the government begin as soon as possible to use available technology to install solar heating on existing representative buildings. Although in many cases the savings in fuel cannot fully justify today's installation costs certainly a large portion of the expense can, if necessary, be justified as design and development cost. The mere fact that the Federal government is aggressively into solar energy development should stimulate parallel activity in the private sector. Without doubt this added activity will provide the stimulus for development of more efficient solar power systems at lower cost through larger volume production.

As an example, in Northeast Philadelphia the Navy Aviation Supply Office where I am employed has 5-6000 employees on its compound. Building #1 on the compound is a 3 story building with a flat roof covering approximately 1.8 acres. Other similar buildings would bring the total compound roof area

to about 20 acres.

In the November 1972 issue of the National Geographic magazine was an excellent article on "The Search for Tomorrow's Power". In this article under Solar Power was a description of a system (copy enclosed) designed by a professor at the University of Arizona which looks very practical and which could easily be installed on the roofs of the buildings at the Aviation Supply Office to provide most of the heating, cooling and perhaps electrical energy needs at this installation. The existing gas/fuel oil heating system could be retained as a back up system. The location in Philadelphia also has great merit from the viewpoint that this area has a large proportion of sunny weather and is also in a high population region with a large deficit of locally produced energy. I propose that a project of this type at this location be seriously considered.

In addition to the economic aspects I am concerned about the effects of procrastination in developing an energy program on our national defense capability.

Solar power is probably our greatest renewable energy source and we must vigorously begin some realistic projects such as I have described above. The time is now.

Sincerely yours,

PAUL ELSON.

NOTICE OF THE DETERMINATION AND WAIVER UNDER RULE XLIII BY THE SENATE COMMITTEE ON ETHICS

Mr. STEVENSON. Mr. President, it is required by paragraph 4 of rule XLIII that I place in the Congressional Record this notice of a Member who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign education or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

On application of Senator Barry Goldwater, the Select Committee on Ethics, on April 6, 1977, finds, on the basis of facts stated in his letter to the committee on April 5, that his participation in an educational program at the Tamkang College of Arts and Sciences in Taipei, Republic of China, is in the interest of the Senate and the United States. The itinerary involves direct air flight to Taipei on April 6, 1977, and direct return on or about April 14, 1977.

The committee stated in replying to Senator Goldwater's letter that the committee's letter is "without any precedential value, because rule XLIII only recently was adopted and the committee has had no opportunity to study all its

implications."

STATEMENT OF COMMISSIONER ABBOTT WASHBURN BEFORE NATIONAL ASSOCIATION OF BROADCASTERS

Mr. STEVENS. Mr. President, the National Association of Broadcasters held its annual convention last week. The gathering was a great success, I understand, as over 6,000 broadcasters came here to Washington for the meetings and workshops. One of the highlights of the convention was a panel discussion on the applicability of the first amendment to broadcasting. This panel was comprised of FCC Commissioner Abbott Washburn; former Commissioners Nicholas Johnson. Lee Loevinger, and Kenneth Cox: and our beloved former colleague and chairman of the Communications Subcommittee for many years, John Pas-

Mr. President, I would like to call to the attention of my colleagues the opening statement of Commissioner Washburn. Commissioner Washburn has studied the issue of the first amendment applicability for broadcasting very carefully and is well-known for his strong opinion with regard to the operation of the fairness doctrine. I ask unanimous consent that Commissioner Washburn's opening statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE STATEMENT OF COMMISSIONER ABBOTT WASHBURN

After two and a half years on the Commission observing the Fairness Doctrine in

operation, I am more convinced than ever that, without imposing an undue burden, the Doctrine provides useful guidelines for broadcasters in carrying out their public trust. Rather than inhibiting freedom of speech, the Doctrine ensures that more views, and opposing views, are given to the public over the air. To speak of this as "tyranny" and "censorship" is palpable nonsense.

The first Amendment protects the public's right to receive information—just as it protects the licensee's right to broadcast information. The Supreme Court has laid heavy emphasis on that first right, the public's right. In Red Lion the Court scrutinized the Doctrine and held that it enhances rather than abridges the freedoms of speech and press protected by the First Amendment.

press protected by the First Amendment.

The Court stated: "It is the right of the viewers and listeners, not the right of the broadcasters which is paramount... It is the purpose of the First Amendment to preserve an uninhibited marketplace of ideas in which truth will ultimately prevail, rather than to countenance monopolization of that market, whether it be by the Government itself or by a private licensee."

Congress, likewise, recognizes that the Fairness Doctrine is an appropriate implementation of policy embodied in the Communications Act. We see this in Congress' repeated refusal to adopt proposals which would amend or abolish the Doctrine.

The fact is it's a mild rule. It leaves the choice of issues largely up to the broadcaster. Opposing views need not be included on the same program but merely somewhere in his overall programming. No precise equal balance of time need be given to opposing positions. The choice of spokespersons and the format of presentation are also left to the reasonable, good-faith judgment of the licensee.

And the Doctrine is working. The Commission receives several thousand Fairness complaints each year. The fact that only a very small number of them are found to have merit is a credit to the industry. The rule, from the beginning, has been administered by the Commission with proper restraint.

A Texas broadcaster whom I have known

A Texas broadcaster whom I have known for many years came in recently to talk about VHF Drop-ins. Afterwards I asked him whether the Fairness Doctrine had ever had a "chilling effect" or had in any way inhibited him and his colleagues from editoralizing or discussing controversial issues over the air.

"Never," he replied. "For two decades we have had a policy of vigorous coverage of controversial issues on our stations. And we have always tried our best to provide a balance of viewpoints."

I said I believed this was the attitude of most broadcasters around the country.

"You are right," he said, "but there are certain timid broadcasters who won't get into issues. But it's not because of the Fairness Doctrine."

I knew what he meant. There are some broadcasters who don't editoralize and who prefer to avoid all issues more controversial than canoe safety. Is it the Fairness Doctrine that is chilling them? Not on your carbon microphone. It's a don't-rock-the-boat attitude of not offending local advertisers. If the station comes out for or against abortions for the poor, for or against hand-gun control, for or against ERA, for or against nuclear power plants—it is going to draw some flak from the community and, sometimes, from important advertisers. So it's easier to stick to canoe-safety and seat-belt fastening. Sometimes, as an alibi for not airing a controversial subject, they argue that qualified opposing voices are hard to find, or that, once located, can't be persuaded to

come down to the station. Such excuses are unconvincing. If it is a hotly debated issue in the community, qualified spokespersons are eager to be heard and will be more than appreciative of the opportunity extended to them by the broadcaster.

These timid ones are, in actuality, chilled by quite different winds than the Fairness

rule.

Meantime at the Commission we are pressured by various public action groups to set up strict standards and requirements for news and public affairs—to require a certain number of public service announcements every two hours-to call upon broadcasters to make certain amounts of time available for "freedom of speech" messages, to assist organizations in the production of such messages, etc., etc.

Let me say to you, candidly, that your best defense against this type of intrusion is to operate in the public interest under the Fairness Doctrine. It calls for two simple

actions:

1. Cover controversial issues of public im-

portance in your community;
2. Let opposing sides of these issues be heard.

Both of these are things which most licensees are trying hard to do anyway.

So long as you function under these reasonable guidelines, the Commission can rightly find that requiring "free speech messages" and all the rest is not necessary. Frankly, if I were a broadcaster I would look upon the Fairness Doctrine as a help and a bulwark. And I would feel that I and my National Association had more important things to talk to the Congress about.

Regardless of what the networks may say (for reasons of their own), it is not in the interest of the individual broadcaster to try to erode the Fairness rule. Nor will there ever be more than a shadow of a chance, in my opinion, to abolish it so long as the Government is in the business of granting exclusiveuse rights to a scarce public resource. Technology may, in the future, give us an abundance of channels and thus eliminate the need for licensing. But until that time comes, the Doctrine is sensible and useful, both for the public and the broadcaster.

A fair balance is what the framers of the Constitution were after-and that is what

the Doctrine ensures.

A poll of approximately 1,000 ballots at the National Association of Television Program Executives convention in Miami last month revealed that on the question of including the Fairness Doctrine in any rewrite of the Communications Act, 55% voted to include the Fairness Doctrine and 44.6% were against including it. This is strong evidence that the Fairness Doctrine is not an issue with most executives who are responsible for programming. They see the Doctrine as a useful set of guidelines that helps them. Here we have 55% of them voting to retain Fairness Doctrine language in the Act.

The first general statement of the Fairness principle was set forth by the Commission in 1949. It was given statutory status by Congress in 1959; upheld by the Supreme Court in Red Lion in 1969; and reasserted by the Court in the BEM case in 1973. In 1974, after a 3-year review of the Doctrine, the Commission issued unanimously a lengthy report reconfirming its soundness and usefulness. So there is close to a 30-year history behind the Doctrine. Many good minds in all three Branches of Government and in the broadcasting industry have focused on the subject during that period—and what has evolved works well, both for the industry and the public. My grandfather, in Minnesota, used to tell us: "Never tinker with a machine that's running well."

CONSERVATION ENERGY

Mr. PERCY. Mr. President, the need to promote energy conservation is a pressing national priority, one we can no longer afford to neglect. The events of this past winter-the school closings, unemployment, and astronomical heating bills-should have made this lesson crystal clear. Yet we continue to use energy in inefficient and wasteful ways, as though supplies were limitless.

Since 1950, the national demand for energy has been growing at an annual rate of nearly 4 percent. If demand continues to increase at this rate, the cost of constructing the powerplants and other facilities needed to meet this demand will consume around one-half to two-thirds of the investment capital available for all purposes in this country, including the transportation, medical, and industrial sectors so vital to our national well-being.

Permitting energy demand to grow at this rate will also increase our dependence on foreign suppliers of crude oil. We should have learned the peril of this course from the 1973 oil embargo. Yet our reliance on foreign oil continues to increase. This February, for the first time ever, the United States imported more than half of all crude oil consumed domestically.

To protect our national security, to cut down on the environmental degradation associated with energy production and consumption, and to make unnecessary the distasteful choice between increasing our reliance on foreign crude and constructing more nuclear reactors, I believe we need to make a concerted national effort to encourage the conservation of

To this end, the distinguished Senator from Minnesota (Mr. HUMPHREY) and I have launched the Alliance to Save Energy, a private, nonprofit, nonpartisan organization dedicated to the promotion of energy conservation in every sector of our society.

One of the major goals of the Alliance is to increase the amount of investment in more energy-efficient buildings, transportation facilities, and industrial processes. The conservation efforts of Northern Illinois Gas Co.-NIGAS, the fifth largest gas supplier in the country and the largest in Illinois, exemplify the sort

of effort we seek to encourage.

Since 1974, NIGAS has promoted the installation of ceiling insulation in private homes through a special financing plan. The homeowners participating in this program have reported savings on their heating bills averaging 17 percent. NIGAS also offers heating efficiency audits to their commercial customers, and participants report savings of 15 to 30 percent in their heating expenses. To facilitate the spread of energy-saving technology, the company periodically organizes energy conservation expositions, bringing together large-scale gas users, architects, engineers, and manufacturers of energy conservation equipment. The conservation programs of Northern Illinois Gas present a model of progressive and enlightened business management which more companies should follow. I commend NIGAS for its efforts.

Many people are less than enthusiastic about a thoroughgoing conservation effort because they fear that conservation necessarily entails slower economic growth. In fact, rapidly increasing energy consumption is not a prerequisite

to economic expansion. I would like to call attention to a study which persuasively refutes the notion that the alternative to spiraling rates of energy consumption is economic stagnation. The results of this study, conducted by Dr. Eric Hirst of the Oak Ridge National Laboratory, were published in the December 17, 1976, issue of Science under the title, "Residential Energy Use Alternatives: 1976 to 2000." According to Dr. Hirst, a vigorous conservation program, of the type envisioned by myself and the other members of the Alliance, could reduce energy use growth to almost zero between now and the year 2000. The technical nature of the article and the many charts and graphs accompanying it make it inappropriate for publication in the RECORD. Instead, I will briefly summarize its major conclusions and and findings, as follows:

During the 25 years prior to 1975, energy consumption in the United States grew at a yearly rate of 3.6 percent, approximately double the rate of household formation. This unusually high rate was due to the growth in ownership of energy-intensive household equipment such as food freezers and air conditioners, shifts from small energy-efficient devices to larger, less efficient units, and increasing household use of equipment, such as increased use of long, hot

showers.

Even in the absence of a strong effort to curb energy use, Dr. Hirst predicts that consumption rates will decline due to a slowdown in the formation of households and in population growth rates, increases in fuel prices, a saturation of equipment ownership for major residential energy uses, and a change in housing choices away from single family units.

However, if programs are implemented to raise energy prices even further, to increase the efficiency of household appliances, and to improve the thermal integrity of household units, Mr. Hirst predicts an energy use growth rate of only four-tenths percent yearly for the next 25 years. If we move toward greater use of solar power, the growth rate would be even lower.

Dr. Hirst's prediction is an encouraging one, but it is no cause for complacency. To move toward near-zero energy growth, we must make every effort to cut out inefficient modes of production and wasteful forms of consumption.

At a recent meeting of the Lake Michigan Federation, I gave a speech presenting my views on this subject in greater detail. Another interesting document on the subject of energy savings is a statement by Northern Illinois Gas describ-

ing their energy conservation programs.

Mr. President, I ask unanimous con-

sent that these statements be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR CHARLES H. PERCY

Dick Robbins, Kathy Schuck, Lois Mc-Clure, Helen Bieker, James Alter, members of the Board of Directors and distinguished members of the Federation:

It is a pleasure to participate in this meeting. I know the Federation has already launched an energy conservation program and I commend you for your foresight, initiative and ambition.

For years, we seemed to do our best to ignore the need for a national energy policy. Some wondered if the costs and benefits of a comprehensive energy program could be fairly distributed throughout our society; only a handful knew that we were squandering enormous amounts of energy. And many assumed that conservation meant slower economic growth.

Record cold temperatures this winter, which caused fuel shortages, astronomical utility bills and increased unemployment, awakened the whole nation to the urgency of the energy crisis. The Administration, Congress and leaders in every sector of society are at last beginning to realize that we cannot achieve our basic goals as a nation without facing up to the energy problem.

To achieve steady economic growth with full employment and low inflation, our first priority should be energy conservation. Nearly half the energy we consume is wasted . . . produces absolutely nothing. That means we, as a nation, burn the equivalent of about 18 million barrels of oil a day, at a cost of nearly \$250 million, and receive in return—nothing. The largest and cheapest source of new energy for economic growth is "conservation energy"—the energy "produced" by cutting energy waste.

Last November, at the National Press Club, I called upon the Administration to set a target of zero growth in primary energy consumption over the next decade. I repeat that call today. For the past 25 years, energy demand has been growing at about four per cent a year, close to the same rate as our economy. Economic growth and energy growth do not need to proceed in lockstep.

We do not know just how rapidly this country or this planet may be running out of fossil fuels. But we do know for certain that it is becoming more and more difficult to pay the mounting costs of meeting huge increases in demand for new energy.

Three main questions dominate the de-

Three main questions dominate the debate about energy conservation. How much difference will it make if we launch an all out effort to cut waste and use the energy we have more efficiently? How can we begin this huge task? What advantages can we as a nation and as individuals expect to gain through conservation?

In the decade ending in 1974, demand for new energy led to an investment cost of more than \$300 billion. For the decade ending in 1985, the Federal Energy Administration estimates that demand will rise less rapidly, mainly because of higher energy prices.

But it is still the conventional wisdom that demand in this period will increase—and by as much as two or three per cent in a year.

This would mean a very large increase in energy consumption from the present level. The investment cost of meeting this demand with new electric power plants and other facilities has been estimated in the range of \$650 billion to \$1 trillion. That is about half to two-thirds of all the investment capital we are likely to have available in the next decade.

This fact alone should tell us that something is terribly wrong with our plans to meet future energy needs. Putting that much money into producing new energy would mean starving other key sectors of the economy that compete for scarce capital, such as health, education, housing and transportation. And by using up finite energy sources at a breakneck pace, we will exhaust raw materials needed for non-energy uses. This process has been mockingly called "strength through exhaustion."

A well planned conservation program will have as one of its prime goals the creation of more jobs. In almost every sector of our society, using less energy or using it more efficiently means putting people back to work.

Conservation will also help limit the environmental damage that results from oil spills, strip-mining and disposing of large quantities of nuclear waste.

Efforts to increase employment by encouraging energy thrift can also help fight inflation. The more we draw on reserves of nonrenewable fuels, the more difficult it will be to prevent fuel prices from rising. If free market conditions set the prices, the scarcity or inaccessibility of reserves will tend to drive prices up. If producer or distributor cartels set prices, they will often find it in their interest to charge more. Even if the Federal government exercises control over the prices of all the energy consumed, in the national interest the President might decide to raise prices to reflect real energy costs.

Catering to a two to three per cent annual energy demand growth will also increase our dependence on foreign sources. In January, for the first time in our history, we imported more than half of the oil we consumed. The Federal Energy Administration's Draft 1977 National Energy Outlook projects further increases in our dependence on foreign oil over the next decade. In the past three years, home heating bills have increased considerably because of the four-fold increase in the price of OPEC oil. Reducing our total demand for OPEC oil would be a real move toward less dependency.

Protecting our access to foreign energy supplies is one of the central aims of our foreign policy. This severely limits our political and military choices in a growing number of situations. Nothing would strengthen our world position more than to reduce our dependence on imported oil.

Nothing would improve our relations more, with rich and poor nations alike, than correcting our extraordinarily wasteful habits. With only six per cent of the world's population, we consume 30 per cent of its energy resources. Many nations believe that we are taking more than our share of the world's patrimony, thus hastening the end of the age of fossil fuels before other energy sources can be developed to meet world needs.

By catering to endless demands for energy here at home, we risk destroying the essential resilience of our social and economic system. Resilience is the quality that allows a nation to recover rapidly from economic setbacks by correcting past errors and taking advantage of new technology.

Many of us take for granted the resilience of our economy, including the energy-producing sector. We grumble about higher fuel bills, but we tend to think of America as a leading producer of energy with virtually limitless reserves. If shortages occur, as they have this winter, many suspect they are caused by big producers holding back supplies. Some producers might be purposely withholding supplies. But that is not the root of the problem. Even the Arab oil embargo, the gas lines, and the power failures and brownouts in some of our cities failed to put across the message.

So let's say it loud and clear. We don't have the resilience we need when our response to the OPEC embargo has been to steadily increase our dependence on foreign oil. We don't have the resilience we need when cold weather means factories and schools must close for lack of oil or natural gas. We don't have the resilience we need

when we lock ourselves into highly expensive, centralized and inflexible power systems that take a decade or more to build.

The Atomic Industrial Forum forecasts that we will triple the number of nuclear power plants over the next decade. The average capacity of each new reactor will be 1,000 megawatts. I have already indicated the enormous scope for conservation—which makes it highly questionable that we need this new capacity. Moreover, we are still a long way from solving the basic problem of radioactive waste disposal and providing adequate safeguards against nuclear accidents, sabotage and proliferation. Therefore, it will not increase our resilience as a nation to add all of these new reactors.

Our long-range planning has been based too much on past trends. Planning must result in forecasting future problems and requirements. We have concentrated on building large and complex systems that are vulnerable to a wide range of unforeseen circumstances. Business, industry, and consumers are paying more for less reliable service. They are at the mercy of vast regulatory bureaucracies that have insufficient awareness of public needs. Replacing this rigidity with resilience and self-reliance is one of the greatest needs for the entire nation and individual citizens.

The need for a national effort to save energy is so compelling that we all must do our part. Last month Senator Hubert Humphrey and I launched a private, non-profit, non-partisan organization called the Alliance to Save Energy. Its purpose is to develop a broadly-based constituency and to set quantitative goals for energy conservation in every sector of our society, including building construction, transportation, electrical power generation and industrial processes.

A number of groups and institutions such as your own federation are working in the area of energy conservation, but the Alliance to Save Energy is the first organization created solely for this purpose. It will not compete with existing groups, but will seek to supplement and strengthen the efforts of such groups as Illinois' Center for Alternative Energy.

President Carter has strongly endorsed the goals of the Alliance. Former President Ford and Vice President Mondale are Honorary Chairmen of the organization.

Alliance activities will be determined by a Board of Directors in consultation with an Advisory Board made up of individuals from all sectors of American life. ASE will generally operate by consensus with directors, advisors and members reserving the right to dissent from the organization's position and to express individual opinions. The Alliance will be funded by contributions from diverse sectors.

I am very pleased that Dick Robbins, your Executive Director, has agreed to serve on the Advisory Committee for the Illinois Conference on Energy Conservation to be held at the University of Illinois. This conference will help increase public awareness about the need to make energy conservation the centerpiece of our national energy program.

We will welcome suggestions from all of you about the types of activities this umbrella organization should emphasize. The following facts suggest the kinds of activities the Alliance can usefully pursue.

The American Institute of Architects esti-

The American Institute of Architects estimates that a national commitment to upgrading the energy efficiency of buildings would, by 1990, save the equivalent of 12.5 million barrels of oil per day.

By adopting technologies now widely em-

By adopting technologies now widely employed in other countries, the steel industry can reduce its huge fuel demands by about 50 per cent by 1995, according to a 1974 Ford Foundation study.

Foundation study.

Recycled scrap aluminum requires only five per cent as much energy as aluminum refined from virgin ore.

Eric Hirst, a research engineer at the Oak Ridge National Laboratory, reported in the

December 1976 issue of Science magazine that a vigorous conservation program in the residential sector could reduce energy use growth to almost zero by the year 2000no change in life-style and even with no

increased use of solar energy.

Forty-five per cent of all industrial fuel, or about 20 per cent of the nation's fuel consumption, is used to generate process steam. If this steam were first used to generate electricity and then used as process steam, more electricity would be produced than the entire industrial sector now buys from utilities. This process, known as "congeneration," produces much cheaper electricity than centralized power plants.

-The transportation sector is one of the most rapidly growing areas of our society, yet there is tremendous scope for reducing energy consumption. Former Secretary of Transportation William Coleman, concluded, be-fore he left office, that more efficient use of energy would actually reduce the total requirement for energy in transportation over

the next decade.

Conservation is crucial to achieving our broad economic goals as a nation. "Conservation energy" is the cheapest, cleanest and most abundant source of new energy for economic growth. It is anti-inflationary. And investing in conservation is one of the best ways to tackle the unemployment problems while investing in new power plants is one of the least effective ways to create new jobs.

The appeal of conservation is non-partisan and non-ideological. Conservatives and liberals, oil companies and environmentalists, Israelis and Arab OPEC countries, are at-tracted equally by the prospect of stronger economic growth and energy self-reliance for America. By the same token, few Americans are attracted by the prospect of having our foreign policy mortgaged to foreign suppliers and our domestic life controlled by vast regulatory bureaucracies.

The concept of conservation is not revolutionary. It makes no radical or unfair demands on any sector of our society. It is not a prescription for a "no-growth" economy.

I believe we can all work together to solve our national energy problem. I am confident that the new Administration and Congress will face the energy crisis and act. But, the implementation and success of this effort to save depends on every American. With your cooperation we can get this important message to the people. Conservation means doing better, not doing without.

STATEMENT OF A. R. JOHNSEN

Northern Illinois Gas (NI-Gas) distributes natural gas in 35 counties covering 17,100 square miles in the northern third of the State of Illinois. The Company had a total gas sendout of over 535 billion cubic feet in 1976. That one block of energy represented 48% of the natural gas or some 37% of the total gas and electric utility energy distributed in the entire State of Illinois. NI-Gas has experienced some of the same supply problems as other gas companies; however, due to our investment in underground storage facilities, supplemental nat-ural gas and the overall conservation effect, it has been able, through an approved controlled attachment plan, to continue serving the needs of existing customers and most of the needs of its new customers.

NI-Gas has been very active in promoting energy conservation programs to its 1,300,000 residential, industrial and commercial customers. The Division of Energy's Feasibility Report identifies a number of these pro-

grams in its recommendation.

NI-Gas has been actively promoting ceiling insulation for single family homes through local contractors since 1974. Included in this program is a financing plan which approximately 40% of NI-Gas' ation customers utilize. We feel that celling reinsulation is one of the most feasible methods of conserving fuel in the residential market. We have just completed a sampling of customers who installed additional insulation in 1976 and find that the average savings of gas for heating was 17%. The Company plans to continue this program in 1977.

One of the most successful programs that NI-Gas has undertaken is our commercial/ industrial conservation survey program. NI-Gas energy consultants visit customers' plants and provide advice and assistance in conducting efficiency audits on heating and process equipment. This program was started in 1972 and some 5,000 plant audits have been made to date. NI-Gas personnel also recommend other energy conservation steps such as insulation and heat recovery. Gas energy savings of 15% to 30% or more have been achieved by our customers through this program.

To recognize commercial and industrial customers who have responded to the need tor energy conservation in their operations, NI-Gas has established an "Energy Conservation Award". This award is given to our customers who have committed themselves to energy conservation, have been surveyed by our energy consultants and have acted upon our energy conservation recommendations. The award consists of a certificate

and lapel pins.

For the past three years, NI-Gas has pre-sented ENERCONEXPO's, Energy Coserva-tion Expositions. They have brought together large volume users of gas energy, involved architects and engineers and other selected people, and manufacturers of energy conservation material and equipment in an intensive one-day seminar and exposition, where in addition, experts in the energy conservation field gave talks on this most timely subject. Almost 1,500 energy decision makers have attended these highly successful meet-

The Company has produced collateral material and conducted advertising campaigns directed at educating the general public and students, suggesting ways to conserve energy and emphasizing why conservation of energy is so important for the future. Through these educational programs we feel we have succeeded in establishing a high level of awareness relative to conservation among our customers. This high level of awareness is demonstrated by the fact that in a recent survey of NI-Gas customers, 92% reported that they had taken steps to implement a conservation program in their own home.

NI-Gas has hosted two programs for the Division of Energy to educate students and high school teachers as part of the Energy Conservation and Youth Leadership Training Program. Six Illinois seminars will be held throughout the State in 1977. We intend to continue to cooperate in this program.

Energy surveys have been conducted in over 1,000 schools assisting school building operators in their conservation efforts. number of school districts and individual schools have been presented with NI-Gas' Energy Conservation Achievement Award for implementation of the improvements suggested in these on-site surveys. Some area schools have reduced gas consumption by 15% or more.

NI-Gas has also been encouraging the home building industry to upgrade the conservation standards in new homes. Over 500 Energy Conservation Awards have been presented to projects that include ceiling and wall insulation which meets or exceeds current FHA standards and storm or insulating type windows and doors.

Obviously, NI-Gas has, since 1972, implemented a wide range of programs to assist the State of Illinois in accomplishing its conservation objectives. We would not, however, be equipped to participate in the proposed Energy Conservation Audit as outlined in the proposal. The communities should, and are beginning to, establish standards of their own in local building codes for construction requirements. This is where the responsibility should be placed.

Often services are run to homes when still in the foundation stage, much too early to determine if energy conservation standards will be met. Building officials and the home building industry are cooperating to establish such standards. NI-Gas is helping by providing information and consulta-

NI-Gas does not promote nor encourage gas burning for decorative lighting purpose It must be recognized, however, that many existing gas lights are the only form of se-

curity lighting available to homeowners.
We endorse the elimination of standing pilots on new appliances and heating equipment but have serious reservations about refitting existing appliances to eliminate standing pilots. The gas appliance industry is well on the way toward its goal of im-proving efficiency of its products by 20% or more. As this new generation of ap-pliances replace older, less efficient equipment, we will begin to see substantial gains in conservation.

NI-Gas has not suffered as severely as other utilities during this cold winter. This is due primarily to our underground storage system which is the largest in the industry. We plan to design our systems to provide enough gas for two extreme winters in a row. We are having one right now. Our Supplemental Natural Gas plant provides additional customer supplies and we are an active participant in the Illinois coal gasi-fication group, which is attempting to get a coal gasification program underway. We are planning for the future and feel that natural gas will remain as a primary energy source in the State of Illinois. With les restrictive legislation and new technology, supplies will be available for many years.

There seems to be a strong belief by some government agencies that the all-electric economy is the answer for the future of energy. Before encouragement is given to the all-electric economy, a longer look is warranted into the relative source efficiency of the various fuels for residential and commercial and industrial applications. additional studies suggested in the Division of Energy proposal relative to the potential fuel switching from gas and petroleum to electric are vitally necessary before decisions on the best energy mix for Illinois can be properly made.

THE ROAD TO RECOVERY

Mr. CURTIS. Mr. President, Mr. Yale Brozen of the University of Chicago has written a very informative article entitled "The Road to Recovery". It is truly a lesson in history. I believe that it merits the attention of every reader of the Congressional Record, especially in these times of continued inflation and unemployment.

I ask unanimous consent to have Mr. Brozen's article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the National Review, March 4, 1977]

THE ROAD TO RECOVERY

(By Yale Brozen)

Lord Tweedsmuir's widely quoted statement, "Those who do not know history are condemned to relive old mistakes," not be more apt than now. We are reliving some old mistakes—and these mistakes are impeding recovery. We can learn which of our current economic policies are mistaken by an examination of history. In particular, we can learn that current federal spending and the resultant deficit, which are supposed to be aiding recovery, are actually impeding it. We can learn from history that fiscal stimulus and deficit spending are not the

road to prosperity.

Take the experience of 1948-49, for example. There is no doubt that deficit spending failed to produce the expected consequences in 1949. It failed to produce the runaway boom that was predicted by the fiscal ideologues and it failed to prevent a recession. Despite a marked increase in fiscal stimulus in 1948 and 1949, recession occurred in 1949. In 1948, there was a \$12billion swing in the federal budget in the direction labeled "stimulus" by the fiscal ideologues, a result of a 1948 tax cut and increased spending. Those who believe increases in spending relative to tax collections stimulate the economy were so worried that a runaway boom and inflation were going to follow this \$12-billion swing in the federal budget (equivalent to a \$75-billion increase in today's budget) that they persuaded President Truman to veto the tax cut. Congress overrode Truman's veto.

The believers in the influence of fiscal policy continued to worry about the economy becoming overheated by runaway inflation and persuaded Truman to call a special session of Congress, in August 1948, to impose price controls. Congress refused to do so. In spite of the predictions that fiscal stimulus would produce a runaway inflation, consumer prices fell by 5 per cent and whole-sale prices by 10 per cent in the following 16 months. Instead of booming, the country slid into a recession in late 1948. Prices peaked in August 1948—the very time that Congress was called into special session.

The believers in the notion that fiscal policy can turn the economy around should have known better than to make their 1948 predictions-predictions which turned out to be the exact opposite of what materialized. They had failed just as miserably in pre-dicting what was going to happen in 1946 after the most enormous shift in fiscal policy which has every ocurred in our history. If ever there was a test of the fiscal ideology, 1946 was it, and fiscal ideology flunked. If federal spending makes the economy go, someone forgot to tell the economy it was

supposed to stop in 1946.

In 1945, believers in the federal-spending theory of prosperity predicted that 1946 would see us suffering from eight to twelve million unemployed because of the great cut in government spending following the end of World War II. Federal outlays were sliced by \$60 billion in 1946 (equivalent to a \$400 billion reduction in federal spending today). The drop in government spending-which was supposed to be followed by a depression of 1933 proportions-was actually followed by such a rapid employment rise in industries producing civilian goods that, despite the release of people from the armed forces and the armament industries, there were complaints about shortages of labor in 1946. Fewer than three million were unemployednot the 12 million predicted-and many of the unemployed were members of the 52-20 club (released veterans entitled to collect \$20 per week as long as they remained unemployed up to 52 weeks) who were unwilling to lose their membership by taking a job. Evidently, it is not government spending which keeps the economy going.

Currently, the Federal Government is running a near record-breaking deficit, over \$50 billion annually, yet the unemployment rate has been rising—from 7.3 per cent in May to 7.9 per cent in December. If large deficits could do the job of restoring full employment, the recovery from the 1974 recession should have been completed by now. But it hasn't been. Deficits as a nostrum for unemployment have failed repeatedly, and are currently not effecting a cure. Yet more

of the same is being urged.

We are being told that this past recession

and the current recovery are like no other cyclical episode in U.S. history. Whoever saw double-digit inflation during a period of falling economic activity and unemployment as we did in 1974? Whoever saw declining interest rates during a recovery such as we have seen during the past 18 months? Interest rates are supposed to slide during a recession and recover during an upturn. Interest rates did slide during the downturn, although they did not begin their slide until eight months after the recession began. The prime rate dropped from 12 per cent in July 1974 to 8.25 per cent by April 1975, when the recovery began. But the prime rate has continued to drop, from 8.25 per cent in 1975 to 6.25 per cent currently. The Fed Funds rate has dropped even more sharply, from its 13 per cent peak in July 1974 to 4.6 per cent currently, 18 months after recovery began.

The interest rate slide has been in the face of a recovery which has seen civilian employment rise from 84 million in March 1975 to 88.1 million currently. So here we are with a record number of jobs and a record increase in number of jobs for any 18-month period, yet with a high unemployment rate, with declining interest rates, and with depressionfighting measures being urged in the midst of a recovery that is already well under way.

Is this faltering recovery something which requires special measures to keep it going? Should we apply the New Deal measures which failed in the 1930s to meet the employment problems of the 1970s? Should we enact a Humphrey-Hawkins bill as the Democrats urge? Should we enact more public works programs to re-employ the 15 per cent of construction workers who are unemployed as George Meany urges? Should we prepare to clamp on price controls as Jimmy Carter's advisors believe may be necessary (but which Carter himself is backing away from)?

Of more immediate concern, should we be following the advice of Professor Larry Klein, one of Mr. Carter's economic advisors? He is urging the Federal Reserve to reduce interest rates by pumping more money into the economy. He thinks the current recovery is being throttled by high interest rates. He wants to spur the economy by reducing interest rates. But will Dr. Klein's proposed money policy reduce interest rates-or will it raise them?

Here is where a little history can help us avoid a great mistake in policy which is being urged on Mr. Carter. If we follow Dr. Klein's advice, we will end up with higher interest rates-not lower rates-and we will re-ignite a more rapid inflation after paying a very high price to reduce the rate of inflation from its 12 per cent annual rate two years ago to its current 4.8 per cent rate. To throw away a victory half-won at this point is the height of folly and irresponsibility.

What can history tell us about the effect on interest rates of a step-up in money growth. The first effect is that predicted by Dr. Klein-what we can call a liquidity effect. Unexpected increases in cash flows do cause a decrease in short-term interest rates for five to eight months.

Dr. Klein would say, Fine. That is exactly what we want. With lower interest rates, business will borrow more to carry inventory, to buy more machinery, and to put up more plant. Developers will borrow to erect houses and apartments. The rise in autonomous spending will generate a multiplier effect which will increase GNP by a multiple of the increased investment spending. That will increase tax collections and the federal deficit will be eliminated by the rise in tax collections.

This may be good theology, but it is lousy economics and it is contradicted by historical experience.

Experience tells us that usually within eight months after money growth is unex-pectedly increased, interest rates will turn up. In another five to eight months, they go back to the level prevailing before the increased money growth began. After that, they exceed the earlier level. The rise, after initial fall, is a consequence of two effects of increased money growth. One can be called the income effect. Three to five months after an increase in money growth rates, nominal incomes start rising, increasing the demand for goods. Rising sales lead business to start borrowing more to increase production. The rise in business borrowing then causes interest rates to start rising.

In addition to the income effect, there will also be an inflation effect. The increased demand for goods starts prices rising. Historically, every extra 1 per cent added to the rate of inflation adds, with a lag if there has been a long period of price stability, one percentage point of interest rates. In the current situation, which follows a long period of inflation, the lag in the inflation effect on interest rates will not be long-a bit less than two years.

Dr. Klein's prescription for producing lowe. interest rates, then, will produce higher interest rates-exactly the opposite of what we want. The use of his prescription in 1971 and again in 1972 pushed our interest rates to astronomic levels in 1974 and 1975. That is why they are still at extraordinarily high

levels by historic standards.

Dr. Klein's medicine is even worse than what I have already described. He wants to prescribe not only higher money growth to lower interest rates but also larger deficits to lower employment. If the government borrows more, however, then interest rates will move to higher levels—not lower—levels. (If the Federal Government were not borrowing so much, interest rates would not be as high as they are.) The way to get lower interest rates is to reduce government spending. By cutting federal outlays for public works, for example, the money the rates is to reduce government is now borrowing would be available for residential and commercial construction. The volume of private construction is as low as it is because private builders are being crowded out of the money market by government borrowing (and construction is also being depressed by the constant increase in minimum wage determinations for federal construction being made under the Davis-Bacon Act).

Some of this crowding-out is a direct effect of government leaving so little money in the financial markets. Some of it is an indirect effect produced by reducing the net worth of stockholders. One of our studies at the University of Chicago shows that the value of common stocks held by individuals has a direct impact on the demand for residential construction. When the stock market drops, this reduces the net worth of individand the proportion of their portfolios held in common stocks. The drop in net worth reduces their demand for owned housing and for rental housing as a part of their investment portfolios. Whatever amount the government adds to its construction budget will be offset by a decline in private construction and private spending on other capital goods below what they would otherwise be as a consequence of direct and indirect effects of crowding-out.

Now we are in the midst of a slowing in the rate of recovery that worries everyone. The standard remedies will not cure us. So what is to be done to speed the recovery?

Let us look at both sides of the coin to get at this problem: (1) Why the current slowing in the recovery rate—the drop from 9 per cent real growth in the first quarter of 1976 to approximately 3 per cent cur-rently? (2) What does the answer to this question imply about the appropriate measures to end the slowing and speed the continuation of the climb out of recession?

TABLE 1.—ANNUAL RATES OF CHANGE IN MONEY STOCK FROM 6 MO PRIOR TO MONTH SHOWN, 1969-76

[In percent]

-0.001	1969	1970	1971	1972	1973	1974	1975	1976
Jan	7.7 8.1 7.5 7.1 5.9 5.4 4.8 3.0 2.7 2.5 2.4 1.6	2.7 2.3 4.0 5.4 6.2 5.4 6.9 7.0 6.1 5.9 5.8	6.0 6.2 6.1 7.4 8.9 9.3 9.3 8.4 7.5 6.0 4.4	3.9 4.7 3.1 7.5 7.6 8.5 8.5 8.5 8.5 8.0 8.8	9.7 8.4 6.6 6.4 7.4 6.0 6.0 6.0 5.9 5.3	4.8 5.3 6.6 6.7 5.4 5.3 5.6 5.1 4.1 4.6	2.2 1.7 3.1 2.7 3.6 5.7 7.2 6.8 6.1 5.6	2. 2 2. 3 3. 0 5. 7 5. 3 5. 7 6. 7 5. 6 5. 4
Dec	1.6	5.8	3.5	10.0	4.8	3.8	2.6	5.7

Source: Federal Reserve Bulletin, December 1974 and February 1976; Federal Reserve Bank of St. Louis, "Monetary Trends," various issues.

There are two aspects to the current pause—monetary policy and wage-rate behavior. Looking at the behavior of money growth rates (see Table 1), you will notice that the six-month money growth rate peaked in August 1975 at 8.2 percent (on a one month basis, it peaked in June 1975 at 15.1 percent). It then slid month after month to 2.6 percent in December 1975 (on a one month basis, the annual rate of growth in December was minus 3.2 percent) and bottomed at 2.2 percent in January 1976. That was five months of a declining rate of money growth. Now what is important about that?

A crude forecasting rule works fairly well: Any time money growth rates decline persistently month after month, expect economic growth to start slowing six to nine months later. If the money growth rate decline continues for 12 to 14 months, you can expect a downturn in the economy 12 to 15 months after the decline in money growth rate began. Currently, that would mean that if the decline in money growth rates which started in August of 1975 had continued up to now, we would be in the midst of a downturn in the economy.

The recession that began at the end of 1973 was preceded by a slide in money growth rates from a peak in December 1972. The money growth rate slide did not bottom until February 1975. The economy hit bottom only two months later and began an upturn within three months. The point here is that the recession was predictable and its depth is ascribable to the long continuation of the slide in money growth rates.

The 1970 recession was preceded by 13 months of declining money growth rates. The 1960 recession was also preceded by 13 months of declining money growth rates. This story can be repeated for every recession where we have data on monthly changes in the stock of money in the period preceding the recession.

The recent showing of growth also has historical analogues. We had a similar pause in 1955 when we were on our way out of the 1953-54 recession. That pause was preceded by a nine-month decline in money growth rates that began 10 months earlier. Remember the economic pause in 1962 that became known as "the pause that didn't refresh"? It was preceded by an eight month decline

in money growth rates. And there is the mini-recession of 1967 when we actually had a dip in real GNP for a few months that didn't last long enough to be officially labeled a recession. That, too, was preceded by an eight-month slide in money growth rates.

If the money growth rate slide, which started from an August 1975 peak, had continued up to now, we would not be slipping into recession. But it didn't continue. It bottomed last January. The slowing of the economy's rate of rise is about to end. The latter part of the last quarter of 1976 saw a resumption of a higher rate of recovery with short-term interest rates bottoming. Long-term rates will remain soft provided the rate of inflation continues to move down. With the recent rate of money growth, however, it is not likely that the rate of inflation will fall any further for the next six months.

What I have described is an empirical observation drawn from history. If there are no causal relationships underlying this correlation, then it is no better than a sun-spot theory of business cycles. Ad hoc correlations have a way of breaking down soon after they are observed.

There is a theoretical, empirically verified underpinning for this historical empirical regularity. When the money growth rate slows, expectations take about a year to adapt to the new circumstances. As a consequence, prices and wage rates continue to rise at rates which cannot be supported by the forthcoming growth of demand. In 1973, the demand for goods rose by 11.1 per cent (fourth quarter of 1972 to fourth quarter of 1973). Of this 11.1 per cent rise in outlays to purchase goods, 8.6 percentage points were absorbed by a rise in hourly compensation. Businesses bid for scarce labor to meet the rising demand, and wage rates rose. Despite the large wage rise, 2.5 percentage points of the growth in demand went to employ more labor, absorbing the additions to the work force.

In 1974, the slower rise in money meant a slower rise in spending and a slower rise in the demand for goods. The demand for goods rose by 6.9 per cent (fourth quarter of 1973 to fourth quarter of 1974.) If nominal wage rates had not gone up, there would have been a 6.9 per cent rise in employment. If wage-rate increases had been restrained to 6.9 per cent, employment would have been maintained at its old level and real wage rates would have gone up instead of declining. But expectations of accelerating inflation (price controls ended in April) led to employers raising wage rates and agreeing in union bargaining to wage increases amounting to 10.8 per cent. That outran the rise in demand for goods and for labor by nearly 4 percentage points. And that, in turn, caused unemployment to rise from a normal 5 per cent to nearly 9 per cent (see Table 2).

TABLE 2.—CHANGES IN KEY VARIABLES BEFORE, DURING AND AFTER RECESSION OF NOVEMBER 1973 TO APRIL 1975 AND OF NOVEMBER 1969 TO NOVEMBER 1970

[Annual rates of change in percent]

Period	Hourly com- pensa- tion	De- mand for goods	Net em- ploy- ment effect	Em- ploy- ment 1	Unem- ploy- ment rate at end of period
1972 IV-1973 IV- 1973 IV-1975 I- 1975 1-1976 II- 1968 III-1969 III- 1969 III-1970 IV- 1970 IV-1972 I-	8.6 11.2 7.7 7.5 7.5 6.9	11. 1 5. 3 12. 4 7. 6 4. 1 9. 5	2. 5 -5. 9 4. 7 -3. 4 2. 6	3. 4 -1. 7 3. 2 2. 8 1 2. 6	4. 8 8. 9 7. 3 3. 5 6. 1 5. 8

I Unadjusted for changes in work week.

This wage rise outrunning the rise in demand continued into the first quarter

of 1975. Employment continued to fall right into March as a consequence. Hourly compensation rose at a staggering 13 per cent annual rate in the first quarter of 1975. The 1974–1975 recession can be directly blamed on an overly rapid rise in nominal wage rates. People were priced out of the labor market and that caused a two-million decline in number of jobs.

The relationship of wage increases and

The relationship of wage increases and demand increases reversed in the second quarter of 1975. The rate of wage rise slowed to 7 per cent. The demand for goods rose by 10.4 per cent. The result of the slower rise in wage rates meant that 3.4 percentage points of the increase in demand went to employing people more hours per week and

to employing more people.

From the first quarter of 1975 to the first quarter of 1976, we had a 13.1 per cent rise in the demand for goods. If the wage-rate rise had been restrained to only 5 per cent, full employment would have been restored by the first quarter of 1976—that is, the unemployment rate would have dipped to 5 per cent and men and women would have been working full workweeks. But the wage rise was not restrained. Hourly compensation rose by 7.8 per cent, leaving only 5.3 percentage points of the rise in demand to employ more people and to employ them more fully.

Restoring full employment requires a more moderate rate of wage increase. Mr. Meany and his union officials should be providing the leadership to convince their membership that wage restraint will do more toward restoring employment for their out-of-work members than any government can do.

Our unemployment problem cannot be solved by government. It is up to employers to avoid giving large wage increases that are inconsistent with restoration of full employment. It is up to employers to resist union demands for unwarranted rises. It is up to union leaders to make their membership understand that unwarranted wage increases cost their fellow workers long spells of unemployment. And it is up to all of us workers to recognize that while we all merit bigger wage increases than we are getting, bigger ones cannot be granted without creating tragedies for fellow workers. As a matter of fact, if our nominal wage rates were to rise more slowly, our real wage rates would rise more rapidly, paradoxical though this may seem.

If we want our real compensation to rise more rapidly, and if we want to restore full employment, let us inform Mr. Carter that we want government spending reduced. We must reduce government spending in order to stop the drain of capital going into financing deficits—That would otherwise go to providing more jobs, increasing productivity, and raising output.

ESCALATING COSTS OF MASS TRANSPORTATION SYSTEM

Mr. HARRY F. BYRD, JR. Mr. President, to those who are concerned with the escalating costs of building a mass transportation system for the Washington metropolitan area, I invite attention to a letter Virginia's Governor, Mills E. Godwin, Jr., has written the Secretary of Labor.

Governor Godwin protested a Labor Department regulation that would require the State to pay unskilled labor \$9 an hour. With a standard work week of 40 hours over a 50-week period, the annual wage would be \$18,000.

For skilled labor, the rate is set at \$11.45 an hour, or an annual wage of \$23,000.

¹This was a direct result of Federal Reserve action taken in June and July 1975. The Fed, quite correctly, became alarmed over the very rapid rise in the quantity of money in May and June (at annual rates of 12 percent and 15 percent). It took money out of the economy (by the sale of T-bills) in July (forcing the Fed fund rates from 5.15 percent to 6.35 percent), but it overdid its job. This overreaction is usual Fed behavior as a consequence of focusing on what it is doing to interest rates and belatedly paying attention to subsequent money growth rates.

The Department of Labor ruling requires Virginia to construct Interstate 66 from the Washington Beltway into the Rosslyn area of Arlington County with differing wage rates for the same labor.

Under the Department of Labor edict. an unskilled laborer working on highway roadbed grading would be paid \$4.50 an hour, but those doing the same type of work in the I-66 center strip along which Metrorail would go, will be paid more than \$9 an hour.

Skilled labor working on I-66 would be paid \$6.50 an hour while those doing identical grading work-and side by side—for the Metrorail system would be paid \$11.45 an hour.

As Governor Godwin states:

The inequity is obvious. Such a plan most certainly will invite first the ridicule and then the wrath of workers and taxpayers alike. Moreover, on a large and complex construction project such as that involved here, separate wage rates would be virtually impossible to administer.

He states further that "inescapably. such exceedingly high wage rates will fan the fires of inflation and will discourage serious efforts to provide jobs with reasonable wages for those who now have none at all."

I agree, and I would hope that Labor Department will reconsider their decision beginning today with a meeting they are holding with Virginia Highway Department officials.

I ask unanimous consent that the letter from Governor Godwin be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD. as follows:

COMMONWEALTH OF VIRGINIA.

OFFICE OF THE GOVERNOR, Richmond, April 1, 1977.

Hon. F. RAY MARSHALL,

Secretary of Labor, Department of Labor, Washington, D.C.

DEAR MR. SECRETARY: I must express to you my alarm at two incredible decisions received by the Commonwealth of Virginia within the past week regarding wages to be required by the United States Department of Labor in construction of Interstate 66.

There is no rational basis for these decisions by your department's Wage and Hour division, and I have directed our Department of Highways and Transportation and the office of the Attorney General of this Commenwealth to protest in the strongest possible terms to the Acting Administrator of the Wage and Hour Division.

Because of the patent absurdity of the decisions, I respectfully ask that you intervene in this matter, and by doing so demonstrate that the administration in Washington is in fact serious about relieving the awesome burden of inflation and unemployment afflicting this nation's economy.

Let me illustrate something of the effects

of these two decisions.

The first, Decision No. 77-VA-235, dated March 25, 1977, requires wages on the average 82 per cent higher than those planned in this Commonwealth's recent invitation to contractors to bid on the first of these I-66 projects, and in some instances requires wages 125 per cent higher than previously established.

Under the provisions of this decision, for example, wages for laborers would be increased from \$4.50 to more than \$9.00 an hour.

The second decision, No. 77-VA-242, dated March 29, 1977, would apply these sharply higher rates only to work performed in the I-66 right-of-way for the Metrorail system. Under this approach, as an example, equipment operators grading the normal roadway would be paid \$6.50 an hour, while those doing identical grading work in the median, requiring no greater skill or accuracy, would be paid \$11.45 an hour.

The inequity is obvious. Such a plan most certainly will invite first the ridicule and then the wrath of workers and taxpayers alike. Moreover, on a large and complex construction project such as that involved here. separate wage rates would be virtually im-

possible to administer.

It is well established that wage rates must be based on the type of construction being accomplished. To establish a rate solely on the basis that Metrorail may eventually occupy part of this right-of-way is an unconstitutional discrimination.

For some months now, the American people have been listening hopefully as spokesmen for the Administration promised to do battle with inflation and unemployment. The inflationary spiral, which unquestionis influenced substantially by governmental policies, is the number one concern of the citizens of Virginia and, I believe, of other states as well.

I earnestly trust that these two decisions of the Wage and Hour Division are not illustrative of the manner in which the Federal government intends to combat inflation and unemployment. If so, our people might just as well unfurl the white flag of surrender and prepare to suffer the disastrous consequences certain to follow.

For, inescapably, such exceedingly high wage rates will fan the fires of inflation and will discourage serious efforts to provide jobs with reasonable wages for those who now

have none at all.

I would point out that the Commonwealth of Virginia invited contractors' bids early in March, to be opened on Tuesday of next week, based on prevailing wage rates which had been developed specifically for this project by your department's Wage and Hour

It appears deliberately disruptive for the Division now to arbitrarily change those rates when it was fully aware that bids had requested and were to be opened

The proposed rates will in the course of construction of I-66 cost the taxpayers millions of dollars more than they should reasonably be expected to pay for this purpose. On this first project alone, the rate change could increase the cost two to three million

An additional factor not to be overlooked is that these decisions are indicative of the actions which have caused the cost of Metrorail to become so excessive that no one now knows what it ultimately will be. And it is for this reason that the Governor of this Commonwealth and many of our citizens question the philosophy of full-speed-ahead development of Metrorail without knowing its long-term cost implications.

In the name of economic sanity, I urge that these two decisions of the Wage and Hour Division be reconsidered and rescinded immediately, so that this Commonwealth and the United States Department of Transportation may proceed with construction of this highway which already has been too long delayed.

Sincerely,

MILLS E. GODWIN. Jr.

GAO FINDS MISMANAGEMENT IN FEDERAL RESEARCH AND DEVEL-OPMENT CONTRACTING PRIVATE FIRMS

Mr. PERCY. Mr. President, I am releasing today a General Accounting Office study, completed at my request, examining for the first time practices surrounding the \$9.1 billion in Federal research and development-R. & D.-contracts awarded in fiscal year 1975 to private, profitmaking research firms.

According to GAO, these firms received 48 percent of all Federal R. & D. contracts in fiscal year 1975, a figure expected to rise to 50 percent in fiscal year 1976, and 52 percent in fiscal year 1977.

The study focused on contracting practices among six Federal agencies: the Federal Maritime Administration, the Environmental Protection Agency, the Federal Aviation Administration, the National Highway Traffic Safety Administration, the Federal Railroad Administration, and the Office of the Secretary of Transportation. R. & D. contracts of more than \$100,000 were examined, for a total of 111 contracts.

Among the problem areas uncovered by GAO were the following:

END OF YEAR CONTRACT AWARDS

In fiscal year 1975, a full 65 percent of all R. & D. contracts awarded by the six Federal agencies to private firms were awarded in the final month of the fiscal year. One agency, the Federal Maritime Administration, awarded 42 percent of its contracts in the final 2 days of fiscal vear 1975.

GAO noted:

"Agency officials believe that they are expected to obligate R. & D. funds in the fiscal year in which they are appropriated, even if the funds remain available for obligation in the following year," noted GAO, "otherwise they will be vulnerable to criticism and congressional action reducing funding in subsequent years if appropriations are carried over to the next fiscal year." (Emphasis added.)

GAO cited a number of problems arising from this end-of-year rush to contract, including:

Inadequate review of proposals, Awarding of unnecessary contracts, Lower quality proposals, and

Increased government cost due to overtime in the procurement office.

CONTRACT MODIFICATIONS

Contract modifications were found to be common and significant. Of the 111 contracts examined by GAO, 69—or 62 percent—were modified upward prior to completion. Contracts with dollar modifications averaged cost increases of 72 percent. Those with time modifications averaged delays of 9 months in completing the final research product. One agency, the Federal Railroad Administration, modified 100 percent of its contracts during the GAO study period, with average dollar increases of 111 percent and average time delays of 17 months.

"* * * modifications were sometimes used to remedy poor agency planning in the initial stages of the contract," said GAO. Lessened competition, outdated research and less funds for other planned projects were cited as problems arising from contract modifications.

EVALUATION OF END PRODUCTS

Though GAO was unable to make an extensive inquiry into the end use of the research by the agencies due to the small number of projects actually completed during the study period—13 out of 111 contracts examined—GAO noted that four of the six agencies studied—Maritime Administration, National Highway Traffic Safety Administration, Federal Railroad Administration, and Office of the Secretary of Transportation—had no formal procedures for evaluating the usefulness of these millions of dollars of research.

INACCURATE REPORTING

The National Science Foundation—NSF—is charged with maintaining current statistical information on Federal R. & D. expenditures throughout the Government. These NSF figures are used by Congress, agencies of the Federal Government, and others in overseeing the Federal R. & D. effort and by outside groups to make planning decisions based on the direction of Federal spending. However, NSF must rely on the agencies themselves in obtaining this information.

GAO reported numerous instances of inaccurate or misleading agency reports to NSF on R. & D. expenditures. For example, GAO pointed to agencies reporting only specific "R. & D. appropriations" to NSF, excluding often sizeable R. & D. projects funded through other sources within the agency. For example, EPA omitted \$22 million "identified at the agency's procurement office as obligations for R. & D. activities financed from other appropriations." Similarly, 'a major portion" of a \$43 million NHTSA divisional budget which "should have been reported" was omitted for the same reason. Therefore, it may be that reported Federal research and development expenditures are greatly understated.

I feel that there are major problems in Federal research and development contracts.

Federal agencies are either guilty of haphazard planning in awarding contracts or deliberately wasting money at the end of the year so they will not have their funds reduced by Congress the following year.

The extensive pattern of contract modifications implies cozy relationships between agencies and contractors, and certainly prevents others from bidding on the modified awards.

The entire basis upon which the Federal Government and the private sector plan based on NSF research and development figures may be faulty based on inaccurate information which NSF compiles. The authoritativeness of NSF figures is seriously in doubt.

It is clear to me from the information uncovered by GAO in this report that there is ample room for constructive legislation to correct the serious problems in the contracting out of research and development work by Federal agencies. Considering the very large amounts of money at stake, I would like to see GAO continue its investigations into this area.

Discussions between my staff and GAO have been proceeding on a continuing basis as to the future direction of the investigation.

OCCUPATIONAL ALCOHOLISM PRE-VENTION AND TREATMENT ACT OF 1977

Mr. WILLIAMS. Mr. President, I am happy to join with the Senator from Maine (Mr. Hathaway) in sponsoring the Occupational Alcoholism Prevention and Treatment Act of 1977.

This bill will provide Federal assistance to employers, labor organizations, and other groups, to establish and operate occupational alcoholism programs, and is similar in intent to the amendment to the Tax Reform Act which the Senator from Maine and I proposed last year and which passed the Senate by unanimous vote.

Mr. President, this bill will give additional emphasis to one provision of an act which I coauthored 7 years ago with former Senator Harold E. Hughes, the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970. That act called for appropriate prevention, treatment, and rehabilitation programs and services for alcohol abuse and alcoholism among Federal civilian employees and for the fostering of similar programs and services in State and local governments and in private industry.

The National Institute on Alcohol Abuse and Alcoholism—NIAAA—created by that act, has given emphasis to the development of occupational programs. The occupational alcoholism branch, within the Institute, was created to encourage employers—both public and private—to develop programs to identify for treatment those employees whose job performance was impaired as a result of alcohol abuse. Grants have been made available to each State for two trained occupational consultants. Training has been provided for these consultants, and experts on the staff of NIAAA provide guidance and technical assistance.

Mr. President, no effort on behalf of the Federal Government is more important to the health and well being of our citizens than this effort to identify and treat alcoholic persons in the work force.

As of January 1977, 86,850,000 Americans were in the Nation's work force. If one were to multiply that number by the lowest alcoholism prevalence rate commonly used by occupational program people—4 percent—some 3.5 million of the estimated 9 to 10 million Americans with alcohol problems are currently holding jobs. The annual cost to the Nation's economy of the effects of their drinking has been placed at over \$30 billion. The personal suffering of problem drinkers, their families, and their friends is even more devastating, but cannot be measured in dollars.

The work setting has been found to be one of the most effective places to identify people with drinking problems and to do something about them. For one thing, problem drinkers find it harder to alibi convincingly about their excessive drinking on the job because their behavior is judged objectively against standards of acceptable work performance. And more importantly, the problem drinker's job itself—with all that it means financially, personally, and so-cially—can be used as leverage if other means are not successful in getting a worker to seek help. Although much of the evaluation data on the effectiveness of occupational programs is "soft"based on the personal experiences of staff and clients—there is little reason to doubt their conviction that occupational programing is one of the most promising mechanisms through which alcohol problems can be identified and managed. An educational institute-Rochester Institute of Technology-recently reported they spent \$450 in direct costs to implement a program. In year, 51 employees were assisted, saving the institution \$362,526. Actual savings were accrued in employee turnover saving and benefits including medical claims, workmen's compensation, absenteeism, and life insurance death benefits. Quite a savings, Mr. President, on a \$450 expenditure.

Occupational programs experienced little expansion between the early 1940's, when pioneers such as Dupont and Eastman Kodak began programs, and 1960. when there were about 60 identifiable programs in the country. By 1973, how-ever, there were about 600 occupational programs, and half of these had been started since 1971. The latest estimates put the number of occupational programs in existence today at roughly 1,000. But there are about 13 million different establishments in the United States where people are employed. Consequently, even though occupational been programing has the fastest growth sector in the alcohol treatment field, further expansion is urgent in the light of the monumental needs still unaddressed

Mr. President, NIAAA is demonstrating the relative effectiveness of alternative systems or models designed to identify for treatment the employee whose work is adversely affected by alcoholism or alcohol abuse. Even if they develop the "perfect" system, the one which would produce the greatest results, there will still be a tremendous marketing job to be done to motivate public and private employers to realize the advantage of such programs in the saving of both money and human lives.

The network of trained occupational consultants which exists around the United States has encountered much initial resistance in motivating employers to initiate programs. The legislation which the Senator from Maine and I are sponsoring would quickly increase that network, placing particular emphasis on labor unions as effective agents in stimulating program development within the Nation's work force. An added

incentive would be the provision of a financial incentive to progressive companies seeking to take advantage of re-

cent program developments.

Mr. President, it is also important to remember that the part of the work force which is organized and oriented to the health and welfare of their fellow workers, that is the labor unions, can exert the interest and concern elicited in this bill. Can you imagine the progress which could be made, if each State and community labor union structure had the trained manpower to assist locals in dealing with management for joint labor-management programs. This bill emphasizes the importance of a dual approach-a financial incentive to management and the capability of organized labor to use its power to accelerate development of alcoholism programs for improvement of the health and welfare of fellow workers.

As I also pointed out in this Chamber last year, Mr. President, I think it imperative that we remember the Federal Government is the Nation's largest employer. The Senator from Maine graciously consented to include public as well as private employees in the pro-

grams authorized by this bill.

Title II of the comprehensive alcoholism legislation of 1970 required the Civil Service Commission to develop and maintain prevention, treatment and rehabilitation programs and services for Federal civilian employees. No special funds were authorized for the Civil Service Commission to carry out its responsibilities under title II. As in private industry, where there has been understanding and interest on the part of top management, adequate resources have been provided and good programs have resulted. Unfortunately, as a recent study by the General Accounting Office indicates, in a majority of Federal agencies such has not been the case.

On June 25, 1976, in a statement to the Subcommittee on Manpower and Housing of the House Committee on Government Operations, Gregory J. Ahart, Director of the Human Resources Division of GAO, said that 42 of 74 coordinators interviewed by his staff advised that they spent 5 percent or less of their time on alcoholism program activities. Only two coordinators spent 100 percent of their time on alcohol related matters, while seven others were full time administrators of "troubled"

employee" programs.

On the other hand, GAO cited two installations as examples of effective programs. One, a western Army installation with a force of 2,800 civilians had budgeted \$43,200 for its program during fiscal year 1975 and utilized a full-time counselor, and a secretary and chaplain on a part-time basis. The other, the Government Printing Office in Washington—with 8,000 full-time and 600 part-time employees—has a full-time administrator with extensive prior experience in the alcoholism field with an annual budget of \$36,000.

In both of these installations, resources were forthcoming because of top management support. Other sections of the GAO report indicate that in many

other installations an extensive job of training and education is necessary before any similar degree of support will be evidenced.

In view of the failure to properly implement title II, I recommend that a specific portion of the funds authorized under the Occupational Alcoholism Prevention and Treatment Act of 1977 be allocated for programs for Federal and other public employees. Such funds could be used for consultation and training and for support of local installation programs and for pilot consortia to serve

small agencies.

Mr. President, I also pointed out in this Chamber last year that I would hope funds authorized by this legislation could be used to identify and reach the employed woman alcoholic. I am deeply concerned that there has been virtually no research conducted on alcoholism in women nor any significant effort to reach alcoholic employees in women-intensive professions such as nursing. Yet it is becoming apparent that alcoholism in women is much higher than previously assumed. Edith S. Gomberg, Ph. D., University of Michigan, in a paper she delivered before the National Council on Alcoholism's forum in Milwaukee in 1975, deplored the lack of research on the employed female alcoholic. She indicated that one survey of an occupational alcoholism program in an automobile industry indicates that women constitute both 8 percent of the work force and 8 percent of those referred to the company programs for problem drinking—a 1-to-1 ratio. Dr. Gomberg said the same survey suggests that the problem could be even larger: "when a woman begins to progress into alcoholism she usually 'voluntarily retires' from the work force and goes home to become a 'better' wife and mother-she becomes the hidden drinker."

I am also hopeful that NIAAA will encourage various professional organizations to create programs for reaching and treating the alcoholics among their membership. It has long been recognized by experts that the incidence of alcoholism among the medical and legal professions, for example, is extremely high. Organizations to help such professionals have sprung up, including "International Doctors in AA" and "International Doctors in AB" and "Inte

national Lawyers in AA."

In some States professional associations have taken action to help their alcoholic members. For example, the State Bar of California estimates that, of its approximately 51,000 members, 4,000 to 8.000 judges and lawyers are alcoholics or serious alcohol abusers. The State bar is self-governing, which means the attorney is subject to disciplinary action, including disbarment. As Don Godwin of NIAAA's occupational branch has pointed out, "this gives the State bar a similar capability as that of the employer in motivating the employee-in this case, the attorney-to accept meaningful treatment. In approximately half of the States, the legal profession is regulated in a manner similar to that of California. This means that an alcoholism program would be feasible in these States, due to the 'constructive coercion' of the State bar association

Similarly, last June, the medical profession in the State of Georgia created an occupational program financed and supported by the Medical Association of Georgia. Dr. Douglas Talbott, director of both De Kalb County's and the State's programs to rehabilitate doctors "disabled" by drugs and alcohol, supported by the Medical Association of Georgia, has stated:

Most doctors don't know where to turn when they have a problem with alcohol. Although alcohol and drug problems are considered an "occupational hazard" for doctors because of stress and availability of the drugs, even fellow physicians don't fully comprehend the problem, which affects one out of 10 doctors.

Mr. President, this bill authorizes the Secretary of Health, Education, and Welfare, acting through the National Institute on Alcohol Abuse and Alcoholism. to make grants to pay up to one-half of the cost of these occupational alcoholism programs. To fund the program, the bill authorizes the appropriation of an amount equal to 2.5 percent of the total Federal alcohol taxes collected on beer. wine and liquor, for the fiscal years 1979 through 1982, or an estimated \$100 million to \$120 million. In view of the approximately \$5.43 billion the Federal Government receives from this source, an allocation of \$120 million is hardly excessive to treat the millions of alcoholic citizens in our work force.

Mr. President, I commend the Senator from Maine (Mr. Hathaway) for his continued efforts on behalf of the millions of Americans who suffer from the disease of alcoholism and am happy to join with him in sponsoring this legis-

lation.

(This concludes additional statements submitted today.)

ORDER FOR RECESS UNTIL 2 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 2 p.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ALEX HALEY

Mr. BAKER. Mr. President, on March 14 of this year, the Senate adopted, by unanimous vote, Senate Resolution 112, which was a tribute to a great Tennessean, Mr. Alex Haley. A few days ago I indicated on the floor of the Senate that I intended to invite my colleagues to share in other comments about Mr. Haley as a part of the celebration of Alex Haley Day by the State of Tennessee.

Mr. President, yesterday in Nashville, ceremonies were held to honor a most distinguished Tennessean, Mr. Alex Haley, author of "Roots." Since Tuesday's session of the Senate prevented me from attending the festivities in Nashville, I wanted to today express my admiration and respect for Mr. Haley and his unique accomplishments.

Roots is the result of 12 years of research by Mr. Haley into the history of his family in America and its long struggle-through slavery, separation, war and emanicipation—toward freedom. In the telling of his family's history, however, Mr. Haley has also brought into focus the experiences of millions of black Americans who shared a similar African heritage and ordeal in this country. His book has sold hundreds of thousands of copies throughout the United States. The televised versions of "Roots" attracted some 130 million viewers, and the interest which millions have shown in learning more about their own family background is increasing constantly.

The impact of Mr. Haley's work upon race relations in this country is still being analyzed, and I suspect that it will be many years before it can be fully assessed. I believe, however, that "Roots' has kindled a new pride among black Americans in their heritage and a greater understanding in whites of all ages of the evils of slavery and the obstacles which have been confronted by blacks in their

long struggle for racial equality.

Progress in removing these obstacles has been painfully slow during the last hundred years; and there are barriers remaining, both economic and cultural, which must still be confronted. I hope that Mr. Haley's work, by contributing to a better understanding of the past, will make the removal of those remaining barriers easier.

I greatly admire the hard work and dedication which Mr. Haley devoted to his search, and I believe these efforts have resulted in a fine literary work which will have a lasting impact upon Americans of all races. I am proud that Mr. Haley's courageous ancestors decided to make their home in Tennessee, and it is my great pleasure to join my fellow Tennesseans in honoring Mr. Haley and, through him, his family today.

ALEX HALEY

Mr. SASSER. Mr. President, as the State of Tennessee and the U.S. Senate honor Alex Haley today, I would like to express my own sincere appreciation for the contribution that this one man has given to our Nation.

What the television and book forms of "Roots" have done for our political culture stands out as a major milestone in the recent history of racial relations in the United States. Alex Haley has caused large numbers of people to contemplate the injustices of the past and to consider carefully the origin and the very nature of prejudice. He has given all Americans a perspective upon the history of the "peculiar institution" of slavery. which our Founding Fathers argued about and finally, and tragically, failed to end at the constitutional convention in 1787. He has given to Afro-Americans and to every American a greater sense of the cultural heritage which ties every American black family to the great historical cultures of the African continent.

As millions of Americans sat spellbound before their television sets on 8 consecutive nights, they came to grips with historical events with which they had only dealt before in an abstract and intellectual fashion in high school his-

tory courses. "Roots" provided a dramatic and emotional link to a tragic past—a past which still frequently evokes guilt and resentment. Slavery, the Civil War, reconstruction and the long years of neglect that followed were recalled for us in a most potent form.

Mr. President, I believe that even as Alex Haley was bringing us together in front of our television sets a few weeks back, he was helping to bring us together as a people. We are a relatively new country, and we have dedicated ourselves to equality. The lessons of the past will help us to create a better future for our people, and Alex Haley has helped us to gain a better appreciation for that past.

Alex Haley spent 12 years of his life and traveled half a million miles to research his work. He found a griot in Gambia who helped confirm the oral history of Kunta Kinte that had been passed down through the generations. Mr. Haley made a thorough search of genealogical records, including those in the Library of Congress, the National Archives, and the Annapolis, Md., Historical Society.

As Alex Haley once said,

You can never enslave someone who knows

Alex Haley has helped Afro-Americans

to better appreciate who they are.

Alex Haley was raised in Henning, Tenn., which is about 50 miles north of Memphis. His family owned a lumber company there and his mother was a teacher in the local grammar school. It is with particular pride that I pay tribute to this native Tennessean today, and express the gratitude of all Tennesseans for the contribution that he has labored to give our Nation on the occasion of its 200th birthday.

Mr. President, on September 29, 1967, Alex Haley stood on an Annapolis pier and looked toward that continent from which Kunta Kinte came exactly 200 years before. Today, as the U.S. Senate and his native State of Tennessee honor Alex Haley, let us all look toward the future. Let us look toward that day in the future that Martin Luther King, Jr., envisioned, a day when the sons of former slaves and the sons of former slave owners will sit down together in harmony and proclaim their freedom from the errors and injustices of the past. Mr. President, I think that Alex Haley has brought us closer to that day.

A TRIBUTE TO ALEX HALEY

Mr. DOLE. Mr. President, I am pleased to join the distinguished minority leader in paying tribute to Alex Haley for his outstanding contribution to American literature. His book, "Roots," represents the culmination of 12 years of intense research and travel. The authorship of the book is a personal achievement that in itself is noteworthy. But "Roots" is more than just a well-written book. In "Roots." Alex Haley has provided us with an insight into an aspect of American history and America culture that has never before been discussed on such a compre-hensive basis. He has reawakened in each of us an interest in our personal heritage. Mr. Haley's efforts have created a new awareness that will have an influence on how we look upon each other as Americans and how we perceive ourselves.

NEW RESPECT FOR INDIVIDUAL HERITAGE

As Americans, we are a society of immigrants: A country where approximately one-third of our population changes its address in any given year. To a great extent, we are rootless-all of us-lacking traditions and uninformed of our individual heritage.

Alex Haley, in searching for his own roots, has given us all a great gift. He has taught us how to search for selfhe has proven it can be done. He has awakened a nation to the value of its ancestors, to the joy of the stories of living relatives, to the fun of family attics and heirlooms. In fact, he has given us back our family and community, and for this we all owe him the highest praise.

PUBLIC ACCLAIM

The overwhelming popularity of Mr. Haley's book and the television series that depicted it attest to the literary merit of this work. But the overwhelming public reaction signifies more than just the publication of another excellent literary piece. Alex Haley has done more than write an excellent historic biography of an American family. He has captured the mood of the American people who are at last willing to look at the history of black oppression and its impact on the social fabric of this great Nation. Stimulated by Alex Haley's great work, America is saying I want to know more about black history and black oppression. I want to understand.

AMERICAN SPIRIT

But in addition to creating a new awareness, "Roots" has also initiated a feeling of pride in the history and heritage of black Americans. The desire to be free and the will to endure any hardship to gain freedom exhibited by Alex Haley's ancestors represents an excellent example of what we too flippantly refer to as the American spirit. We often talk about it. Few have so often been asked to prove that we really possess it. No black American can be comfortable viewing the oppression his ancestors experienced and feeling the ramifications that history has on his present life. Yet no black American can help but take pride in the spirit exhibited by Alex Haley's ancestors in their quest for freedom.

A PROUD HERITAGE

And this feeling of pride is not limited to black Americans. All Americans can take pride in the spirit, the honor, and the respect for freedom depicted in "Roots." Our Nation is a melting pot. Our people bring together the cultural heritage of races and creeds from around the globe. Each culture becomes a part of the American culture, yet remains unique and distinct. But each still has an enriching impact we can all share. "Roots" opens our eyes to a new aspect of black American culture that touches all our

KANSAS ROOTS

In addition to recognizing Alex Haley's great achievement, I have a special interest, as a Kansas Senator, in speaking out at this time. For a portion of the outstanding Haley family planted its roots in Kansas over two decades ago. George Haley, Alex's brother, has been a friend of mine for a number of years since he became the first black Republican elected to the Kansas Senate. George is an outstanding individual in his own right. And there was a time when they introduced Alex as George's brother; now George is introduced as Alex's brother. The first black graduate of the University of Arkansas School of Law, George served in the Kansas Senate and later as general counsel for the Urban Mass Transit Authority and the U.S. Information Agency.

In 1954, long before anyone really thought about "Roots," Alex Haley was writing, and Alex wrote a moving article in 1954 that was printed in the Reader's Digest about his brother George.

Mr. President, I ask unanimous consent that the article be included in the RECORD at this point as it provides an excellent insight into the outstanding Haley family and Alex Haley to whom we pay tribute today.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE MAN WHO WOULDN'T QUIT
(By Alex Haley)

In low tones the dean was explaining to a prospective law student the conduct expected of him. "We have fixed up a room in the basement for you to stay in between classes. You are not to wander about the campus. Books will be sent down to you from the law library. Bring sandwiches and eat lunch in your room. Always enter and leave the university by the back route I have traced on this map."

The dean felt no hostility toward this young man; along with the majority of the faculty and trustees, he approved the admission of 24-year-old George Haley to the University of Arkansas School of Law. But it was 1949, and this young U.S. Air Force veteran was a Negro. The dean stressed that the key to avoiding violence in this Southern school was maximum isolation.

George was dismayed at the pattern of life laid out for him. He might have entered Harvard Law School, where he would not have had to live the life of a pariah. Yet he had chosen this!

A letter from his father had determined him. During his last semester at Morehouse College in Atlanta he had opened the letter to read: "Segregation won't end until we open beachheads wherever it exists. The governor of Arkansas and educational officials have decided upon a quiet tryout of university integration. You have the needed scholastic record and temperament, and I understand that Arkansas has one of the South's best law schools. I can arrange your admission if you accept this challenge."

George had great love and respect for his father, a college professor and pioneer in Negro education. He accepted the challenge.

The first day of school he went quickly to his basement room, put his sandwich on the table and started upstairs for his class. He found himself moving through wave upon wave of white faces that all mirrored the same emotions—shock, disbelief, then choking, inarticulate rage.

The lecture room was buzzing with conversation, but as he stepped through the door there was silence. He looked for his seat. It was on the side between the other students and the instructor. When the lecture began he tried desperately to concentrate on what the professor was saying, but the hate in that room seeped into his consciousness and obliterated thought.

On the second day he was greeted with

open taunts and threats: "You nigger, what are you doing here?" "Hey, nigger, go back to Africa." He tried not to hear; to walk with an even pace, with dignity.

The students devised new ways to harass him. Mornings when he came to his basement room he found obscene and threatening notes shoved under the door. The trips from the campus back to his rented room in town became a test of nerve. One afternoon, at an intersection, a car full of students slowed down and waved him across. But the moment he stepped in front of the car they gunned the engine, making him scramble back and fall to his hands and knees in the gutter. As the car sped away he heard mocking laughter and the shouted taunt, "Hey, missing link, why don't you walk on your hind legs?"

His basement room was near the editorial offices of the Law Review, a publication written and edited by the 12 top honor men of the senior class. He had heard of their bitterness that he had to share their toilet. One afternoon his door flew open and he whirled to catch in the face a paper bag of urine. After this incident he was offered a key to the faculty toilet; he refused. Instead, he denied himself liquids during the day and used no toilet.

He began to worry that his passive acceptance of degrading treatment might be destroying him, killing something of his manhood. Wouldn't it be better for him to hate back, to fight back? He took his problems to his father and brother in long, agonized letters.

His father answered, "Always remember that they act the way they do out of fear. They are afraid that your presence at the university will somehow hurt it, and thus hurt their own education and chance in life. Be patient with them. Give them a chance to know you and to understand that you are no threat."

The day after this letter arrived, George found a noose dangling from the ceiling in his basement room.

His brother wrote, "I know it is hard, but try to remember that all our people are with you in thought and prayer."

George read this with a wry smile. He wondered what his brother would say if he knew how the town Negroes uneasily avoided him. They knew he walked the thin edge of violence, and they didn't want to be near if an explosion occurred. Only a few gave him encouragement. A church deacon proffered a rumpled dollar bill to help with expenses, saying, "I work nights, son. Walkin' home I see your studyin' light."

Despite his "studyin' light" George barely passed the first-semester exams. His trouble was that in class he couldn't really think; all his nerve endings were alert to the hate that surrounded him. So, the second semester, using a semi-shorthand he had learned in the Air Force, he laboriously recorded every word his professors said. Then at night he blotted out the day's harassments and studied the lectures until he could almost recite them.

By the end of the year George had lost 30 pounds and he went into the examinations exhausted, both physically and emotionally. Somehow he finished them without collapsing, but he had flunked, he thought. He had done his best, and now he could honorably leave. Some other Negro would have to do what he had failed to do, some other man stronger and smarter.

stronger and smarter.

The afternoon the marks were due, heavy with a sense of failure, he went to his basement room, dropped into the chair and put his head on the table. There was a knock on his door and he called, "Come in!" He could hardly believe what he saw. Into the room filed four of his classmates, smiling at him. One said, "The marks were just posted and you made the highest A. We thought

you'd want to know." Then, embarrassed, they backed out of the room.

For a moment he was stunned, but then a turmoil of emotion flooded through him. Mostly he felt relief that he didn't have to report failure to his father and friends.

When George Haley returned for his second year at Arkansas there was a sharp decrease in the hate mail under his door, and there was a grudging respect for his scholastic accomplishments. But still, wherever he went, eyes looked at him as if he were a creature from a zoo.

One day a letter arrived: "We are having a 'Race Relations Sunday' and would enjoy having you join our discussion." It was signed by the secretary of the Westminister Presbyterian Student Foundation.

His first reaction was anger. They wanted to discuss, did they? Where had these dogooders been all the time he'd been going through hell? Bitterly he tore up the invitation and threw it in the wastebasket. But that night he tossed restlessly. At last he got out of bed and wrote an acceptance.

At the church, he was met by a group of young men and women. There were the too-hasty handclasps and the too-bright smiles. At last the chairman stood up to introduce George. He said, "We hope that Mr. Haley will tell us what we can do as a Christian body . . ."

George got to his feet and moved stonily to the podium. Those introductory words released something deep in his maelstrom of emotions. He forgot his carefully prepared speech. "What can you do?" he blurted out. "You can speak to rea!"

"You can speak to me!"
Suddenly, all that had been dammed up came pouring out. He told them what it was like to be treated like an enemy in your own country; what it did to the spirit to be hounded for no crime save that of skin color; what it did to the soul to begin to believe that Christ's teachings had no validity in this world. "I've begun to hate," he confessed. "I've drawn on every spiritual resource I have to fight off this hatred, but I'm falling."

Suddenly his eyes flooded with tears of anger, then of shame. He groped for his chair.

The silence vanished in a roar of applause and cheers. When the chairman's gavel finally restored order, George was unanimously voted a member of the group. Thereafter he spent a part of each weekend at Westminister House, enjoying the simple pleasure of human companionship.

A slight thaw also began to take place at the university. George's classmates gingerly began moments of shoptalk with him, discussing cases. One day he overheard a group discussing a legal point, and one of them said, "Lets' go down and ask Haley in the Noose Room." He knew only a moment of indignation—then he smiled! It was an important change.

Toward the end of his second year a senior asked, with elaborate casualness, why didn't he write more articles for the *Law Review*. It was traditional that only the best students received such invitations, and he felt himself flushing with pride.

It was only after he returned to school for his third and final year that he decided to go to the cafeteria. He didn't really want to go. In this last year he longed to relax, to let down his guard. But he was in this school for more than an education.

He went and stood in the cafeteria line. The other students moved away from him in both directions so that he moved in his own private air space. His tray was almost loaded when three hulking students ahead shouted, "Want to eat with us, nigger?"

They jostled him, knocking his tray to the floor with a clatter of breaking dishes. As George stooped to retrieve it, his eyes blazed up at his tormentors and for the first time

he shouted back. "You're adults!" he said. "Grow up!" They shrank from him in mock terror

Shaking, George replaced the dumped food and made his way to a vacant table. He bent his head over the crockery. Suddenly a balding, angular student stopped beside him with his tray and drawled, "My name is Miller Williams. Mind if I sit here?" George nodded. Now the two of them were the center of all eves. Now the taunts were directed at the white student, the words "nigger lover."

Miller Williams was hardly that. "I was born in Hoxie, Ark.," he said, "and have spent all my life in the South. But what's happening here just isn't right, and I'm tak-

ing my stand with you."

Later that day Williams brought several students to George's room for a bull session, and they laid it on the line. "Don't all you niggers carry knives." George emptied his pockets—no knife. "How often do you bathe?" Every day, George told him. "Don't most of you lust after white girls?" George showed him snapshots of a pretty Negro girl he was dating in his hometown.

Following this session he wrote his brother, "Improving race relations is at least 50 percent a matter of simple communication. Now that I'm able to talk to a few whites I realize what terrible beliefs cause their prejudice. I can see the emotional struggle they are going through just to see me as an

equal human being."

Increasingly the last year became a time of triumph, not only for George but for the white students who were able to discard their own preconceptions. When a student sidled up to him and said, "I wrote you a letter I'm sorry for," George stuck out his hand and the student shook it. When another silently offered him a cigarette, George, who didn't smoke, puffed away, knowing it was far more than a gesture.

He was named to the Law Review staff, and his writing won an award from the Arkansas Law Review Corp. His winning paper represented the university in a national competition. The faculty chose him as a moot court defense attorney, and his Law Review col-leagues picked him as comments editor—the man entrusted with the selection of articles

to print.

School was drawing to a close and he felt deep satisfaction in having accomplished most of his goals. But then the old specter rose again. Each year distinguished alumni returned for a faculty banquet to salute the Law Review staff. With a sinking feeling George dreaded what would happen. And that evening when he entered the hotel banquet hall the reaction was just what he had feared. The moment the alumni saw him, a pall fell on the room.

George felt sick. The food passed his lips untasted. It came time for speeches. The law school dean, Robert A. Leflar, welcomed the alumni and introduced the student editors, one at a time. There seemed an eternity of names and George felt a frozen smile on his

face.

Dean Leflar said, "The next young man demands, and receives, as much if not more respect than any other person in our law

Suddenly 11 chairs scraped back, and 11 men stood up. They were the Law Review editors, and they were looking at George and applauding vigorously. Then the faculty stood up and added cheers to the applause. Finally the old grads got up, the judges and lawyers and politicians from the Deep South, and the ovation became thunderous.

"Speech! Speech!" they shouted.
George Haley pushed himself to his feet.
He could say no word for he was unashamedly crying. But that was a kind of speech too.

Today, ten years later, George is a respected lawyer in Kansas City, Kan. He has been deputy city attorney since 1955. He is a

steward in his church, has helped found a number of Negro business firms and is vice president of the state Young Republicans.

Dozens of his old schoolmates are now George's close friends, but perhaps the most touching acceptance of him as a man came a few years ago when he received a telephone call from Miller Williams, who had sat with him in the cafeteria. Miller, now an instructor of English at Louisiana State University, called to announce the birth of a daughter. "Lucy and I were wondering," he said, "whether you'd care to be her godfather?" he said.

This simple request made forever real the love and respect between two people. George knew that the long struggle and pain had been worthwhile. He knew, too, that his father had been right in saying, "Be patient with them. Give them a chance to know

I know it, too. For I am George's brother.

QUORUM CALL

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF THE FOREIGN ASSISTANCE ACT

Mr. HUMPHREY. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 489.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 489) to amend the Foreign Assistance Act of 1961, as follows:

Strike out all after the enacting clause and insert: That section 504(a)(1) of the Foreign Assistance Act of 1961 is amended by inserting at the end of the table of countries and amounts-

30,000,000".

Amend the title so as to read: "An Act to authorize supplemental military assistance to Portugal for the fiscal year 1977, and for other purposes."

Mr. HUMPHREY. Mr. President, the difference between the House bill and the Senate bill is in the sum. The sum in the Senate bill was \$34.5 million; the House bill was \$30 million. It is my personal judgment that the Senate bill was much more desirable.

The amendment to the Senate bill was offered by the distinguished Senator

from Massachusetts (Mr. Brooke).
I consulted with Mr. Brooke, and while he is not happy with this particular limited sum of \$30 million, I have assured him that when we take up the supporting assistance legislation for fiscal 1978, which is now before the Committee on Foreign Relations, we will review the situation relating to our assistance to Portugal and make whatever adjustments are necessary in light of the evidence and testimony that we receive.

We felt the evidence we had in the

Senate to justify our \$34.5 million was conclusive, but our friends in the other body did not see it that way.

It is important that we get this legislation passed as quickly as possible and. therefore, with the-

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. BROOKE. I would just like to say that as much as I am disappointed with the House action, I quite agree with my distinguished colleague, the chairman of the subcommittee, that this assistance for Portugal is essential. I am hopeful that we will be able to put it into the foreign assistance bill when the Committee on Foreign Relations marks it up, and to hold it in Appropriations when we go to conference with the House the next time around.

Mr. HUMPHREY. I thank the distinguished Senator from Massachusetts. Mr. BROOKE. I thank my colleague.

Mr. HUMPHREY. He is a member of the Appropriations Committee, and I know he will see to it that the full amount is made available because it is desperately needed, may I say, very desperately needed.

Mr. President, I move that the Senate concur in the House amendments.

The motion was agreed to.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BROOKE. I move to lay that mo-

tion on the table.

The motion to lay on the table was agreed to. (Later the following occurred:)

ORDER VITIATING PRIOR ACTION ON S. 489 AND SUBSTITUTION THEREOF

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. HUMPHREY, I ask unanimous consent that the action of the Senate earlier today on the House amendments to S. 489 be vitiated and that the Senate concur in the amendments of the House with an amendment in the nature of a substitute for the House amendment to the text of the bill, as follows:

UP AMENDMENT NO. 154

In lieu of the matter proposed to be inserted by the House amendment, insert the following:

That section 504(a)(1) of the Foreign Assistance Act of 1961 is amended-

(1) by striking out "\$177,300,000" in the first sentence and inserting in lieu thereof "\$179,550,000"; and
(2) by inserting the following at the end

of the table in the second sentence:

"Portugal _____ \$32, 250, 000". The PRESIDING OFFICER. Is there

objection?

Without objection, it is so ordered. (This concludes proceedings which occurred later.)

AUTHORIZATION FOR CERTAIN ACTION DURING RECESS

Mr. ROBERT C. BYRD. Mr. President, lest I should forget it on tomorrow, I shall make the following request today. I ask unanimous consent that during the recess of the Senate, following the close

of business tomorrow, over until 12 noon on April 18, the Secretary of the Senate be authorized to receive messages from the President of the United States and the House of Representatives and that such messages be appropriately referred.

The PRESIDING OFFICER. Without

objection, it is so ordered.

Mr. ROBERT C. BYRD, Mr. President. I ask unanimous consent that during the recess of the Senate through the nonlegislative period over until 12 o'clock Monday, April 18, the Vice President, the President pro tempore, the Acting President pro tempore, and the Deputy President pro tempore be authorized to sign duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without

objection, it is so ordered.

AUTHORIZATION FOR COMMITTEES TO FILE REPORTS UNTIL MID-NIGHT TOMORROW AND UNTIL 3 P.M. ON APRIL 12 AND APRIL 14

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during that same period committees may be authorized to file reports, first of all. until midnight tomorrow, and that committees may be authorized to file reports until 3 p.m. on April 12 and on April 14.

The PRESIDING OFFICER. Without

objection, it is so ordered.

Mr. SCHMITT. Mr. President, I sug-

gest the absence of a quorum.

The PRESIDING OFFICER METZENBAUM). The clerk will call the roll.

The assistant legislative clerk pro-

ceeded to call the roll.

Mr. SCHMITT, Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without

objection, it is so ordered.

NATIONAL ENERGY POLICY—SEN-ATE JOINT RESOLUTION 45

Mr. SCHMITT. Mr. President, as all of us are well aware, we are about to begin another major debate on what directions this Nation should take with respect to national energy policy and what types of legislation should be enacted or not enacted in order to implement such a policy.

Over the last several years, as I have been an observer and a participant in this national debate in various capacities, it has seemed to me that one major deficiency existed and that is Congress has been unable—possibly unwilling—to adopt general guidelines by which we move from a time of deficiency of energy supply to a time somewhere in the future where we are in balance between our use of energy and its availability from

inexhaustible sources.

Basically that is what a national energy policy should be-not packages of legislation which in their own right may be good or bad, but which should be viewed as the mechanism for implementing a national energy policy. Unfortunately, because of the enactment of legislation or the lack of legislation we have a de facto energy policy that I think most observers would agree is leading us in entirely the wrong direction.

Mr. President, I shall introduce today a joint resolution which would, I believe, establish general guidelines by which we may get from our present situation into a secure future. This resolution defines some broad goals, but more importantly, some specific objectives by which in time these goals can be achieved.

It is my suggestion to Congress that we adopt such a resolution much as we adopted the Budget and Impoundment Act, to serve as the basis for evaluating legislation that is proposed by Republicans, by Democrats, by the administration, or from any other direction, by people who believe they have honest and sincere solutions for portions of our en-

ergy difficulty.

I hope this resolution, when enacted will provide the discipline for the Congress by which we can decide whether specific pieces of legislation will in fact reach generally agreed-to objectives, and the discipline by which we can conduct oversight as to whether the implementation of that legislation by the administration has in fact moved us closer to reaching those objectives.

This resolution certainly is the kind of thing, much like our concurrent resolutions with respect to the budget, which should be revised on an annual basis, with help from the administration so that as time goes by we are steadily moving toward real solutions to our energy

problems.

Mr. President, the United States and the free world must reach and maintain a capability for energy independenceenergy independence in those essential defense and economic areas where we must be secure as rapidly as possible. Until we achieve this, a most serious threat to our collective futures will remain—the threat of a permanent oil embargo. Unfortunately, Congress is largely responsible for the energy crisis that is presently upon us, largely because of its refusal to develop a viable energy development and conservation strategy by which we can move from this point into the 21st century.

The resolution which I am introducing today calls for, in general, the developing and maintaining of essential energy independence, determining an acceptable rate of growth of energy consumption, creating and sustaining a balance between the use of energy, the protection of the environment and the availability of energy from exhaustible sources, and, perhaps most importantly, creating a balance between the free enterprise economic system and Government action.

The resolution also dictates long-term efforts that would prepare the technological, economic, and environmental growth for a gradual transition from an energy economy based largely on fossil fuel to one based on those energy sources which are inexhaustible, whether they be solar, nuclear fusion, broad scale conservation, or some presently unknown or at least unrealized energy source.

Mr. President, I urge Congress to consider very carefully this resolution and the goals and objectives contained therein, and to adopt an energy policy upon which this country can rely and with which the country can grow with confidence into the future. Such policy must provide direction into the next century, but still be flexible enough to allow the imagination and the initiative of the American people to hold sway.

If Congress will accept its responsibility and have faith in the American people and their ability for action and sacrifice when they understand that action and sacrifice are required, we can con-

quer the energy crisis.

Mr. President, I ask unanimous consent that the resolution be printed in the RECORD at the conclusion of my remarks, followed by a section-by-section analysis of the resolution.

There being no objection, the resolution and the analysis were ordered to be printed in the RECORD, as follows:

S.J. RES. 45

Whereas, the security of the United States and other nations of the Free World is being threatened as a direct consequence of the vulnerability of our economies, industrial capacities and military defenses to limitations on energy supplies;

Whereas, the increasing dependence of the United States and other nations of the Free World on foreign sources for their domestic energy requirements weakens our collective position in world affairs and poses a major

threat to international peace;

Whereas, the long-term future of civilization on Earth requires the conservation of those energy resources that are being rapidly depleted with associated, potentially damaging environmental changes;

Whereas, the future needs of both the advanced industrial nations and the developing countries will exert increasingly heavy pressures on the Earth's limited fossil and uranium energy reserves;

Whereas, the United States' concern and new capabilities for protection of the environment must be coupled with its needs to increase domestic energy availability; Whereas, the United States' consumers of

energy must gradually pay a price that includes the full future replacement cost of comparable units of energy;

Whereas, consumers in the United States who have become dependent on energy priced below the free marked value, must have adequate time and financial resources to adjust higher-priced or alternative sources;

Whereas, the United States must work diligently toward a balance between energy use and energy availability for future generations:

Whereas, vastly accelerated efforts and sacrifices must be undertaken by Federal State and local governments, business and labor enterprises and ordinary citizens, acting individually and in concert, to solve the

Nation's energy problem; Whereas, the citizens of the United States require economical technologies and awareness of these technologies if they are to conserve energy now and make transitions to appropriate alternative energy sources in the future without unnecessary federal regulations; and

Whereas, the United States has demonstrated during two centuries of political independence, through the imagination and wisdom of its people and the inherent resilience of its free enterprise economic system, that it has the capacity and initiative to solve its energy problems: Now, therefore, be it Resolved by the Senate and House of Rep-

resentatives of the United States of America in Congress assembled, That (a) this resolu-tion may be cited as the "National Energy Policy Resolution of 1977".

(b) The Congress hereby declares that a national energy policy shall be established by the Congress of the United States and that such policy shall guide the search for technical, economic and societal solutions of current and future problems of energy supply and environmental protection. The goals of such national energy policy shall be:

(1) to achieve and maintain essential enindependence for the United States that includes a balanced use of foreign and

domestic energy supplies;

(2) to determine an acceptable rate of increase in our per capita energy consumption;

(3) to create and sustain a balance among the use of energy, the available sources of basic energy and the protection of the environment:

(4) to preserve and strengthen the free enterprise system of energy supply including a balancing of the roles of consumers in regulating demand, of business in providing capital, of labor in providing productivity, of research in creating new technology and of government in insuring fair competition in and between all facets of the system;

(5) to develop and implement, in accordance with this resolution, a near-term energy and environmental program which will rapidly eliminate the dependence of the United States on uncertain foreign sources

of essential energy supplies;

- (6) to develop and implement, in accordance with this resolution, an intermediateterm energy and environmental program which will provide for the transition from a near-term energy economy largely based on oil and natural gas to a long-term energy economy based on inexhaustible energy sources; and
- (7) to develop and implement, in accordance with this resolution, a long-term energy and environmental program which will provide an ultimate balance between our use of energy and its availability from inexhaustible sources.

TITLE I-NEAR-TERM ENERGY AND ENVIRONMENTAL PROGRAM

SEC. 101. (a) The near-term energy and environmental program shall include the

following objectives:

(1) By July 1, 1978, Presidential approval of a National Energy Emergency Preparedness Plan which provides for the continuous availability of essential energy supplies in the event of an interruption of foreign supplies or of an unusually high domestic need.

- (2) By January 1, 1983, an aggregate per capita decrease in the consumption of energy in the categories of commercial and resi-dential space heating and cooling, commercial and residential water heating, vehicular transportation and industrial processes (adjusted for factors related to productivity) by at least 15 percent over the consumption rates for 1976.
- (3) By January 1, 1983, assurance of a capability for (A) domestic crude oil production and refining capacity at rates that will, to the extent possible, substitute for essential crude and refined crude oil imports, and (B) maintenance of those rate capabilities until alternatives to crude oil as an energy source are available in amounts suffito allow progressive reductions.

(4) By January 1, 1983, assurance of a capability for (A) domestic natural gas production and distribution at rates that will, to the extent possible, meet essential demand and (B) maintenance of those rates until alternatives to natural gas are available in amounts sufficient to allow progressive reductions.

(5) By January 1, 1983, assurance that by 1985 the production of domestic uranium. the engineering and economics of nuclear power and fuel reprocessing plants, and the capability for the safe disposal of nuclear wastes is sufficient to support environmentally sound nuclear power generation of at least 15 percent of the Nation's total electrical demand.

(6) By January 1, 1983, assurance that by 1985 the production and distribution of domestic coal and the engineering and economics of coal-fueled electrical powerplants are sufficient to support environmentally sound coal-fueled electrical power generation of at least 60 percent of the Nation's total electrical demand.

(7) By January 1, 1982, assurance that the aggregate capacity factor for base-load central station electrical power generation is at least 65 percent.

(8) By January 1, 1978, assurance that by 1980 no newly committed central station powerplants will produce tricity by the combustion of natural gas.

- By January 1, 1983, assurance that by 1985 all newly committed plant capacity that produces electrical power, synthetic fuels, or refined petroleum products does so with minimum use of water resources where such resources are limited, and without deterioration of the local environment to the extent that such deterioration is demonstrated to be of greater societal benefit than the production of energy-related commodities.
- (10) By January 1, 1983, assurance that 1985 all energy consumed in the United States is priced no lower than its full free market value.
- (11) By January 1, 1980, assurance that by 1982 consumers of energy who in 1976 were dependent on energy priced below full free market value and have limited financial resources have transitioned to alternative energy sources and/or have financial assistance provide for necessary cost differentials.

(12) By January 1, 1979, the complete codification and enactment into law of energy-

related statutes and regulations.

(13) By January 1, 1980, assurance that by 1982 there is continuous surveillance and control of ground vehicles transporting nuclear fuels and radioactive wastes as cargo, and of ships and aircraft transporting any potentially hazardous energy-related cargo within or above the United States or within 200 miles of its coastline.

(14) By July 1, 1978, as complete as possible assessment of means of controlling the international use and spread of nuclear terials and, by January 1, 1980, the establishment of an international agreement for an effective world-wide system for the accountability and control of nuclear materials.

(15) By January 1, 1986, the formalization cooperative technical assistance agreements between United States institutions, and those developing nations which are major energy suppliers for the Free World Nations.

Assurance that the annual rate of capital formation and investment for new energy plant and production capacity is sufficient to support the above objectives.

(b) The Energy Research and Development Administration, the Federal Energy Administration, the Department of the Interior, the Department of Transportation, the Department of Commerce, and the Department of State shall evaluate the objectives of subsection (a) of this section, and report recommended amendments or additions to the President and to the Congress by October 1, 1978, and by October 1 of each succeeding year.

SEC. 102. The President shall present to the Congress, simultaneously with submission of the Fiscal Year 1979 Budget, and each annual budget thereafter, a coordinated plan, cluding requests for appropriations, for reaching the objectives of section 101(a) of this resolution. The plan shall be compatible with other plans required by this resolution and shall include a status report on progress toward reaching each such objective set forth in section 101(a) of this resolution.

TITLE II-INTERMEDIATE-TERM ENERGY AND ENVIRONMENTAL PROGRAM

Sec. 201 (a) The intermediate-term energy and environmental program shall include, but not be limited to, the following objectives:

(1) By January 1, 1988, an aggregate per capita decrease in the consumption of energy in the categories of commercial and residential space heating and cooling, commercial and residential water heating, vehicular transportation and industrial processes (adjusted for factors related to productivity) by at least 25 percent over the consumption rates for 1976.

(2) By January 1, 1985, assurance that by 1987 no newly committed base-load central station electrical power plants will produce electricity by the combustion of crude oil

products.

(3) By January 1, 1987, assurance that by 1990 the production, distribution and utilization of domestic coal is sufficient to supenvironmentally and economically sound, coal-fueled electrical power generation of at least 70 percent of the Nation's total electrical demand.

(4) By January 1, 1985, assurance that the aggregate capacity factor for base load central station electrical power generation is

at least 70 percent.

(5) By January 1, 1980, and again by January 1, 1985, as complete as possible assessment as to where and to what total capacity the generation of electrical energy by nuclear fission systems (including uranium and thorium breeder systems) will be technically. environmentally and economically competitive with other energy systems.
(6) By January 1, 1980, and again by Janu-

ary 1, 1985, as complete as possible assess-ment as to where and to what total capacity the generation of electrical energy or space heating and cooling energy by solar and geothermal systems will be technically, environmentally and economically competitive with

other energy systems.

(7) By January 1, 1980, and again by January 1, 1985, as complete as possible assessof the technical, environmental and economical competitiveness of coal gasification, coal liquefaction shale oil and natural tars as sources of energy.

(8) By January 1, 1980, and again by January 1, 1985, as complete as possible assess-ment of intermediate and long term alternatives to natural petrochemicals for agricultural purposes, portable fuels and organic polymers.

(9) Assurance that the annual rate of capital formation and investment for new energy plant and production capacity is sufficient to support the above objectives.

(b) The Energy Research and Development Administration, the Federal Energy Administration, the Department of the Interior, the Department of Transportation, the Department of Commerce and the Department of State shall evaluate the objectives of subsection (a) of this section and report recommended amendments or additions to the President and to the Congress.

SEC. 202. The President shall present to the Congress, simultaneously with submission of the fiscal year 1979 budget, and each annual budget thereafter, a coordinated plan, including requests for appropriations, for reaching the objectives of section 201(a) of this resolution. The plan shall be compatible with other plans required by this resolution, and shall include a status report on progress toward reaching each objective set forth in section 201(a) of this resolution.

TITLE III-LONG-TERM ENERGY AND ENVIRONMENTAL PROGRAM

Sec. 301. (a) The long-term energy and environmental program shall include, but not be limited to, the following objectives:
(1) By January 1, 1980, and again by January ary 1, 1985, as complete as possible assessment of the environmental and economic feasibility of solar and nuclear fusion power systems, in conjunction with improvements in electrical power generation, transmission and end-use efficiency, as means of providing essentially inexhaustible energy sources early in the 21st century.

(2) By January 1, 1987, the establishment

(2) By January 1, 1987, the establishment of specific objectives for the economical, time-phased conversion from the use of fossil and fission fuels to essentially inexhaustible energy sources in all major cate-

gories of energy use.

(b) The Energy Research and Development Administration, the Federal Energy Administration, the Department of the Interior, the Department of Transportation, the Department of Commerce and the Department of State shall evaluate the objectives of subsection (a) of this section and report recommended amendments or additions to the President and to the Congress by October 1, 1978, and by October 1 of each succeeding year.

SEC. 302. The President shall present to the Congress, simultaneously with submission of the fiscal year 1979 budget, and each annual budget thereafter, a coordinated plan, including requests for appropriations, for reaching the objectives of section 301 of this resolution. The plan shall be compatible with other plans required by this resolution, and shall include a status report on progress toward reaching each objective set forth in section 301(a) of this resolution.

TITLE IV-MISCELLANEOUS

SEC. 401. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this resolution.

TITLE V-DEFINITIONS

Sec. 501. For the purposes of this resolution the following definitions apply:

(a) Base-load—an adjective referring to electric generating stations intended to operate at or near maximum rated power output; generally referring to generating stations with greater than 200 MWe rated full power.

(b) Capacity factor—total gross generated energy in MW-hr, divided by the product of 365 days and the average daily maximum dependable capacity, the quantity times 100.

NATIONAL ENERGY POLICY RESOLUTION OF 1977 PURPOSE OF THE RESOLUTION

A national energy policy must consist of a set of guidelines that establish the direction by which we move from a time of energy crisis to a time of energy stability. In the Congress, this policy should be a set of goals and the sequence of objectives in time necessary to meet those goals. In this manner, we can measure out progress as we move to implement appropriate energy legislation. Without defining our goals and objectives, and the time-frame for meeting them, it is impossible to determine what is "appropriate energy legislation."

In principle this Joint Resolution seeks to clearly establish a truly national energy policy. "National" in this case means all the sectors of the Nation, both public and private. The Federal Government's role, as always, should be to do only those things necessary to enable the private sector to solve the Nation's energy problems, rather than the role of an omnipotent regulator, vainly hoping that the bureaucracy will always do the right thing at the right time. Our faith must be in the people and their capacity for action and sacrifice and in the inherent wisdom of

our market-oriented economic system.

To date, with generally good intentions, we have passed or not passed legislation without the benefit of broadly accepted goals and objectives. The result has been a de facto national energy policy that is leading us in many directions, some of which are obviously wrong. Imports of foreign oil are climbing

rapidly, not falling; national gas supplies are decreasing, not increasing; coal leasing and transport development are practically at a stand-still: ground transportation nology is still rooted to the traditions of the not to the need of the future, much less the present; commitments to new electrical power generation technologies are not perceived to be economical, whether nuclear, fuel-cell or solar in character; a coherent fusion energy program is non-existent; the rapidly accelerating cost of energy is hurting most those who can afford it least; inflation and other economic factors continue to make an adequate supply of capital uncertain; promising new environmental technologies go unused; and the list goes on.

The seven goals of this proposed national

energy policy are as follows:

to achieve and maintain essential energy independence for the United States that includes a balanced use of foreign and domestic energy supplies:

(2) to determine an acceptable rate of increase in our per capita energy consumption;

(3) to create and sustain a balance among the use of energy, the available sources of basic energy and the protection of the environment:

(4) to preserve and strengthen the free enterprise system of energy supply including a balancing of the roles of consumers in regulating demand, of business in providing capital, of labor in providing productivity, of research in creating new technology and of government in insuring fair competition in and between all facets of the system;

(5) to develop and implement, in accordance with this resolution, a near-term energy and environmental program which will rapidly eliminate the dependence of the United States on uncertain foreign sources of

essential energy supplies;

(6) to develop and implement, in accordance with this resolution, an intermediate-term energy and environmental program which will provide for the transition from a near-term energy economy largely based on oil and natural gas to a long-term energy economy based on inexhaustible energy sources; and

(7) to develop and implement, in accordance with this resolution, a long-term energy and environmental program which will provide an ultimate balance between our use of energy and its availability from inex-

haustible sources.

First, we and the Free World must reach and maintain the capability for essential energy independence as rapidly as possible, including a balanced use of foreign and domestic supply. Until we do this, the most serious threat to our collective futures will remain the threat of a permanent oil embargo. Essential energy independence, however, means only that, through sacrifice, we can still assure our political freedom if subjected to the economic attack of an embargo.

Second, we must come to grips in a realistic manner with those factors which influence and will be influenced by our rate of per capita energy consumption. For example, extreme conservation without increased production will increase unemployment; energy consumption will rise as we invest in materials necessary for future conservation; major compulsory changes in lift-style represent a long-term danger to our individual free-dom upon which is based our political freedom; and we have hardly begun to implement reasonable conservation, environmental and production habits and technologies, all of which will profoundly influence energy consumption over the next decade. However, our goal must be to determine gradually an acceptable and balanced rate of increase in per capita energy consumption and use this rate as one of the major guidelines for future energy policy formulation.

Third, for the sake of future generations, we must move with great dedication toward

a time when there is balance between three competing activities: the use of energy, the availability of energy from inexhaustible sources, and the protection of the earth's environment. The technological revolution in which we find ourselves offers the certainty that this balance can be attained and that our growth as a civilization need not stagnate as a consequence.

Fourth, we must recognize that the free enterprise economic system is the strongest and most efficient economic system in the world today. It provides our people with the quality of life that is envied by all the world and permits the strength that preserves freedom in that world. Our national energy policy should take advantage of that system and the people who comprise it and impose federal actions and controls only when absolutely necessary. We must recall that government's primary role is to assure that the system operates fairly for all.

The fifth, sixth and seventh goals set the time perspective for a national energy policy. We must achieve essential energy independence in the near-term while preparing the technological, economic and environmental ground for a gradual transition from an energy based largely on fossil fuels to one based on inexhaustible energy sources.

TITLE I-NEAR-TERM ENERGY AND ENVIRON-MENTAL PROGRAMS

Section 101(a)

The success of the Near-term Energy and Environmental Program will be measured by the rate at which we decrease our dependence on foreign suppliers of petroleum for essential energy needs. The key elements will be planning for emergencies, guaranteeing increased conservation, accelerating the availability of domestic energy supply through production, assuring the protection of the environment through technology and conservation, laying the groundwork for increased international cooperation and assuring an adequate supply of capital.

Section 101(a)(1)

By July 1, 1978, Presidential approval of a National Energy Emergency Preparedness Plan which provides for the continuous availability of essential energy supplies in the event of an interruption of foreign supplies or of an unusually high domestic need.

Our most immediate concern in energy policy should be survival in the event of another oil embargo. This concern will be a reality if there is another Mid-East war or any other event that disrupts our relations in that region. Obviously, we are much more dependent now on uncertain imports of crude oil and crude oil products than we were in 1973 at the time of the first embargo. High priority legislation must be aimed at insuring our economic and political survival if imports were permanently curtailed.

With proper analysis, planning and public education in conservation, standby storage and productive capability and standby allocation procedures, we could stretch our capacity to resist an embargo until a crash program of energy production could bear fruit. Such a National Energy Emergency Preparedness Plan would be the foundation of certainty upon which to stand as we reach for new means of energy conservation and production.

Section 101(a)(2)

By January 1, 1983, an aggregate per capita decrease in the consumption of energy in the categories of commercial and residential space heating and cooling, commercial and residential water heating, vehicular transportation and industrial processes (adjusted for factors related to productivity) by at least 15 percent over the consumption rates for 1976.

It is clear that our most easily available energy source is that energy saved through conservation or through increases in productivity in the use of energy. The experiences of the last several years show that in the major categories of the end-use of energy, large savings are possible without large capi tal investment. Most homes, institutions, businesses, industries and means of transportation can save 20 to 30% of their energy consumption merely by using better operating procedures. Education about cost savings and the techniques of conservation is our most rapid means of bringing this about and is still consistent with individual freedom of choice. In addition, the accomplishment of this objective will require research, systems analysis and technology transfer to and within the private sector.

Small capital investments in energy conservation, possibly encouraged by tax incentives, are extremely cost effective and should be encouraged. In addition, near-term research and development can have great payoffs if it is concentrated on reducing the manufacturing costs of known conservation technologies such as solar heating, fuel-efficient internal combustion engines, waste heat utilization, utility load leveling devices and the like. It should be remembered, however, that the manufacturing of conservation materials will result in an increase in national energy consumption until the demand for such materials falls off. For this reason, better operating procedures that conserve energy should be emphasized.

Section 101(a)(3)

By January 1, 1983, assurance of a capability for (A) domestic crude oil production and refining capacity at rates that will, to the extent possible, substitute for essential crude and refined crude oil imports, and (B) maintenance of those rate capabilities until alternatives to crude oil as an energy source are available in amounts sufficient to allow progressive reductions.

The full required capacity for domestic crude oil production can only be determined after other conservation and production objectives have been set. However, it is clear that with an import level of 9-10 MMBD capacity can be increased vigorously without fear of oversupplying the market.

The resource base of crude oil with current production techniques may be as large as 300 billion barrels. This estimate will be true if there is as much oil in offshore and Alaskan rocks as there is in similar rocks and volumes of rocks in the contiguous United States. Price, tax and environmental regulation incentives must be provided if exploration and development of oil in these frontier areas is to occur in the nearterm. Three or four more "Purdoe Bay" type discoveries, each capable of delivering on the order of 2 MMBD, would have a tremendous impact on our energy security situation and on stabilizing world crude oil prices.

At the same time as we increase production, all feasible new environmental technology must be applied to protect frontier conditions. It should be acknowledged by all parties, however, that occasionally some change in environmental quality may result if we are to obtain a reasonably secure energy supply. All practicable environmental technologies should be applied so that the cost in quality is both bearable and economically reasonable.

The primary means of implementing this objective should be through research to define the resource base and to develop production technologies and the gradual reestablishment of market incentives for discovery, drilling and production by the private sector.

Section 101(a) (4)

By January 1, 1983, assurance of a capability for (A) domestic natural gas production and distribution at rates that will, to the extent possible, meet essential demand and (B) maintenance of those rates until alter-

natives to natural gas are available in amounts sufficient to allow progressive reductions.

Natural gas, as well as oil, is a much too important and unique natural chemical to continue using it as a base load energy source any longer than is absolutely necessary. However, the artificially low prices of regulated natural gas have encouraged increased consumption and has discouraged discovery of new gas for almost 25 years. Until conservation and the transition to other energy sources eliminates natural gas as a necessary energy source, much more must be made available. As with crude oil, our needs for increased natural gas are so great in the nearterm that we do not need to worry about finding too much new productive capacity.

The resource base for natural gas also may be very large for the same reasons as given for crude oil. Similar incentives to the private sector must be provided if new gas supplies are to be made available through discovery, drilling and production in frontier areas.

Section 101(a) (5)

By January 1, 1983, assurance that by 1985 the production of domestic uranium, the engineering and economics of nuclear power and fuel reprocessing plants, and the capability for the safe disposal of nuclear wastes is sufficient to support environmentally sound nuclear power generation of at least 15 percent of the Nation's total electrical demand.

There are numerous technical, regulatory, resource, waste disposal, emotional and policy questions which are combining in the public mind to make light water nuclear fission reactors less and less viable as alternatives to fossil fuels. This impression is a serious and dangerous misconception because it focuses attention away from our most easily boosted source of electrical energy. However, there are real problems which must be considered. Unnecessary regulatory delays must be reduced. Uranium reserves must be expanded. Prototype fuel reprocessing and waste disposal facilities must be created. The emotional fears of radioactivity must be understood and relieved through education and demonstra-tion. A national energy and environmental policy must come into existence that affirms the role fission reactors will play in our fu-

Until the above issues are resolved, private capital investment in nuclear energy technology will stay at low levels. The regulatory hassel and ten to twelve years' delay in receiving a return on the invested dollar is just too long for most investors. On the other hand, acceleration in the construction and start-up of plants already on the books can have an important near-to mid-term effect on reducing our dependence on domestic natural gas and foreign suppliers of natural gas and crude oil.

Section 101(a) (6)

By January 1, 1983, assurance that by 1985 the production and distribution of domestic coal and the engineering and economics of coal-fueled electrical power plants are sufficient to support environmentally sound coal-fueled electrical power generation of at least 60 percent of the Nation's total electrical demand.

The U.S. Coal industry and its associated supporting industries, such as rail transportation and underground mining equipment manufacturing, were decimated by the regulation of natural gas at artificially low prices. Current production has only reached pre-gas regulation levels through improvements in surface mining technology, but at the same time about 70 percent of our coal reserves have been left economically inaccessible because they are underground.

The objective of assuring that 60 percent of our base-load electrical power generation in 1985 is accomplished by coal or coal-derived fuels implies an increase of approximately 80 percent in the rate at which we mine and use coal. The technology of coal plants and coal mine reclamation now permits an expansion of this magnitude, provided sufficient investment capital is available and regulatory delays are minimized. One major factor in assuring future capital for coal development and utilization will be stable and predictable federal regulation.

Section 101(a) (7)

By January 1, 1982, assurance that the aggregate capacity factor for base-load central station electrical power generation is at least 65 percent.

One major factor responsible for increases in the demand for new electrical power plants is the fact that existing plants operate at a lower than achievable capacity factor because of technical and regulatory restrictions. Not only do these low load-factors mean that plants are operating at less than optimum efficiency, but also more plants must be built than would otherwise be needed. The resulting drain on capital and material resources is obvious. Increases in load-factors means that significant reductions are possible in the requirement for new plant capital and in the monthly electric bills charged to consumers.

Section 101(a) (8)

By January 1, 1978, assurance that by 1980 no newly committed central station electrical power plants will produce electricity by the combustion of natural gas.

The objective of assuring that no future base-load plants will use natural gas has been largely accomplished as a consequence of reductions in assured gas supplies. However, there is a little excuse for any new plants to be built that will require this important chemical resource as fuel.

The gradual de-control of the price of natural gas and the resulting rise in price should discourage any new commitments to this fuel, except in extraordinary situations (when no other fuel is available). Increasing demand, and thus the price, for natural gas as a petrochemical feedstock will play an increasingly important role in reducing the use of natural gas as a base-load fuel.

Section 101(a)(9)

By January 1, 1983, assurance that by 1985 all newly committed plant capacity that produces electrical power, synthetic fuels, or refined petroleum products does so with minimum use of water resources where such resources are limited, and without deterioration of the local environment to the extent that such deterioration is demonstrated to be of greater societal benefit than the production of energy-related commodities.

One of the most exciting, but little recognized revolutions that has occured over the last ten years is the rapid advance of environmental technology. Where fossil-fuel plants could not be built without significant deterioration of the environonment, except at prohibitive cost, now they can be built at reasonable cost to the consumer of energy. National policy must take advantage of this fact.

The technologies of high temperature closed-cycle turbines are also advancing to the point where air-cooled power plants can be built in water-poor regions. Further, the use of waste heat for desalinization of saline water is now feasible if pressed vigorously. The integration of energy production with water production will be an important factor in the development of the Western and Southwestern United States.

Section 101(a) (10)

By January 1, 1983, assurance that by 1985 all energy consumed in the United States is priced no lower than its full free market value.

In order to prevent the recurrence of artificial pricing mechanisms for energy supply, we must work toward allowing price structures based on the demands of the market place which will account for the true, future replacement cost of equivalent units of energy. Although replacement cost per BTU, for example, will not be the only cost reflected in future energy prices, it will be one of the major determining factors that will lead to a true stabilization of energy supply.

A portion of the cost of energy must be made up of the cost of environmental protection or reclamation. Unless such costs are set realistically, it will be impossible to effectively evaluate alternative energy supply possibilities. An example, of course, is that the true replacement cost of nuclear energy must include all costs currently borne by the taxpayer and future costs of fuel reprocessing and waste disposal. Another example is that natural gas prices on the interstate market have not included replacement costs and that it is therefore not being replaced by increased discovery and development of new gas.

Sec. 101(a)(11)

By January 1, 1980, assurance that by 1982 consumers of energy who in 1976 were dependent on energy priced below full free market value and have limited financial resources have transitioned to alternative energy sources and/or have financial assistance to provide for necessary cost differentials.

It is clear that we must gradually allow and assure that the market place determines the price of energy. As we eliminate the artificially low domestic prices and develop viable alternatives to imported crude oil, the market prices of energy will increase significantly. As higher prices for the production of energy result in increased energy supply, a long term reduction in the real cost of energy will occur. However, until this reduction in real cost appears, we must provide financial assistance for individuals and industries that have correctly followed regulatory incentives and have become dependent on artificially cheap energy, particularly natural gas. The objective of such assistance should be to ease the eventual transition to alternative energy sources.

Sec. 101(a) (12)

By January 1, 1979, the complete codification and enactment into law of energy-related statutes and regulations.

Federal statutes and regulations that relate to energy are many, complex, and everchanging. Codification in an organized, cross-referenced and simplified manner including identification or redundant, overlapping, inconsistent, unnecessary and inhibiting statutes and regulations would greatly assist the activities of the private sector and the government itself in providing increased energy supply. Risk of inadvertent violation of statutes and regulations also would be greatly reduced.

The process of codification would provide the Congress with information on those actions that are required to eliminate various unnecessary statutory or regulatory limitations on the conservation and production of energy. Efforts toward general regulatory reform also would be aided greatly by analysis in this vital area.

Sec. 101(a) (13)

By January 1, 1980, assurance that by 1982 there is continuous surveilance and control of ground vehicles transporting irratiated or readily fissionable nuclear fuels and radioactive wastes as cargo, and of ships and aircraft transporting any potentially hazardous energy-related cargo within or above the United States or within 200 miles of its coast-line.

Most energy transport is hazardous by its nature, whether fossil, nuclear, electrical or synthetic hydrogen. Coal is the only common, relatively benign energy source during transport. Modern communications and surveillance technology, both ground-based and space-based, offer the opportunity to greatly expand our capability to monitor energy-related transportation and, by so doing, provide much greater insurance against loss of accountability, accidents, or terrorist activity.

Sec. 101(a) (14)

By July 1, 1978, as complete as possible assessment of means of controlling the international use and spread of nuclear materials and, by January 1, 1980, the establishment of an international agreement for an effective wor.d-wide system for the accountability and control of nuclear materials.

The rapid spread of nuclear technology and materias throughout the world is one of mankind's most serious challenges. This nation has a unique responsibility to the world in unilaterally taking steps to control that spread in so far as we can and to work diligently and with great urgency to establish an effective world-wide system of accountability and control.

sec. 101(a) (15)

By January 1, 1986, the formalization of cooperative technical assistance agreements between United States institutions, and those developing nations which are major energy suppliers for the rree World Nations.

The major exporters of fossil energy to the

The major exporters of fossil energy to the ree world are otherwise underdeveloped actions. The great hope of the people of these nations is to advance in their internal devolepment until they, too, participate in the wonders of the 20th Century. Our bargaining chips in this game come largely from our base of technology, which they recognize as being unique if viewed in relation to all other industrial nations. The development of mutual interdependence with mutual benefits will go a long way toward stabilizing our near-term energy future.

The areas of non-military technology of most interest to the oil and gas-rich developing nations are agriculture, civil engineering, resource engineering, communications, health maintenance and, most of all, education. In most cases, we can market the benefits of high technology systems in the form of services while marketing low to intermediate technology products and services needed for development.

It is important to recognize the close relationship between rate of return and the investment of capital—if investment is insufficient to meet national requirements, then it becomes necessary to increase the rate of return or decrease the risk for investment in energy-related projects.

Sec. 101(a) (16)

Assurance that the annual rate of capital formation and investment for new energy plant and production capacity is sufficient to support the above objectives.

One of the most critical energy problems that of capital supply. Over the next few decades, over a trillion dollars in capital investment will be required for energy alone, not to mention other new plant capacity we will require. The fact that each new baseload electrical power plant or synthetic fuel plant will cost an average of over one billion dollars, and that we will probably need as many as 500 of such plants by the end of the century illustrates the problem.

Overall federal activity must be aimed at stabilizing the nation's economy at low or zero inflation rates and at reducing federal competition for investment dollars resulting from high taxes and deficit financing. In the short term, the use of loan guarantees may be a non-inflationary means of ecouraging investment of private capital in economically risky, but necessary technologies. It also may be necessary to temporarily protect

new energy production industries against capricious reductions in the price of imported energy just as it was necessary to temporarily protect consumers during the early days of the OPEC cartel.

The primary, short-term and long-term incentives for the private sector to invest capital is a fair market price. Gradual deregulation of energy prices and confidence in stable government energy and environmental policy will do much to create a stable and productive energy market place.

Sec. 101(b)

The objectives of Sec. 101(a) are formulated as targets for action and are the best estimates at present of what is not only necessary but feasible and practical as well. It will be necessary to periodically review these objectives and modify them as required in accordance with new knowledge and the changing national and international situation.

Sec. 102

It is critical that the Administration prepare a coordinated plan for reaching the goals and objectives of this Act as well as periodic status reports to aid the Congress in exercising its oversight responsibilities. This plan also must be coordinated with the budget process for its implementation to be effective.

TITLE II—INTERMEDIATE-TERM ENERGY AND ENVIRONMENTAL PROGRAM

Sec. 201(a)

The primary purpose of the Intermediate-Term Energy and Environmental Program is to provide the necessary economic, technical and societal foundations for the transition from a time of dependence on fossils fuels to a time of inexhaustible energy sources. This transition will take at least fifty years as present and near-term oil, natural gas, coal and nuclear fission power plants are amortized and as space heating and cooling systems and transportation systems are developed which use electricity, direct solar radiation or new portable fuels such as hydrogen.

The essential components of this program are continued increase in conservation and efficiency, assessment of solar and nuclear fission systems, development of alternatives to natural petrochemicals and the continued assurance of an adequate capital supply.

Sec. 201(a)(1)

By January 1, 1988, an aggregate per capital decrease in the consumption of energy in the categories of commercial and residential space heating and cooling, commercial and residential water heating, vehicular transportation and industrial processes (adjusted for factors related to productivity) by at least 25 percent over the consumption rates for 1976.

Intermediate and long-term conservation must concentrate on the gradual introduction of energy conservation materials and technologies rather than relying on operational procedures. Included in such technologies, of course, are those related to the inexhaustible energy sources, such as use of the several forms of solar energy for the heating and cooling of buildings and water, and in industrial and agricultural processes. The productive use of waste heat also must expand greatly in this time frame.

Transportation systems will probably transition to higher efficiency combustion systems, such as gas turbines, and to battery powered commuter automobiles. Mass transportation will play a major role in conservation only if the enjoyment and convenience of its use offsets the loss of the personal freedom of an automobile.

A major factor in reducing the demand for energy for transportation will be the advancement in personalized telecommunications. Video-phones, electronic fund transfer, and in-home business communications are concepts with great potential for reducing demands for transportation energy.

Sec. 201(a)(2)

By January 1, 1985, assurance that by 1987 no newly committed base-load central station electrical power plants will produce electricity by the combustion of crude oil products.

Our ability to assure that newly committed power plants will not require crude oil will be largely a function of our ability to mine, transport and use coal and uranium fuels for this purpose. In the longer term, solar electric power also may be a major factor. The attainment of earlier conservation and pricing objectives will play an important role. Ultimately, however, excessively high price, because of decreased resources and increased petrochemical demand, will probably result in a steady decrease in the use of crude oil as a fuel.

Sec. 201 (a) (3)

By January 1, 1987, assurance that by 1990 the production, distribution and utilization of domestic coal is sufficient to support environmentally and economically sound, coalfueled electrical power generation of at least 70 percent of the Nation's total electrical demand.

The U.S. coal industry and its associated supporting industries, such as rail transportation and underground mining equipment manufacturing, were decimated by the regulation of natural gas at artificially low prices. Current production has only reached pre-gas regulation levels through improvements in surface mining technology, but at the same time about 70% of our coal reserves have been left economically inassessable because they are underground.

While we will rely heavily on both coal and uranium for the remainder of this century, it should be recognized that the immense volume of coal wastes and combustion products, and the bulk of mining equipment and coal carrying containers will cause coal to place a far greater demand on the industrial sector of our economy and on our environmental technology than does nuclear

technology.

Attaining 70% of our base-load electrical power generation in 1985 from coal or coalderived fuels implies a 110% increase in the rate at which we mined and used coal in 1976. The technology of coal plants and coal mine reclamation now permits an expansion of this magnitude provided sufficient investment capital is available. One major factor in assuring future capital for coal development and utilization will be stable and predictable federal regulations.

Sec. 201 (a) (4)

By January 1, 1985, assurance that the aggregate capacity factor for base load central station eletrical power generation is at least 70 percent.

As selected competitive pressures are applied to the utility industry, the incentive to increase plant capacity factor is made that much stronger. These pressures will also tend to speed the replacement of older less efficient generating stations with new more efficient plants utilizing the most modern environmental technology.

Sec. 201 (a) (5)

By January 1, 1980, and again by January 1, 1985, as complete as possible assessment as to where and to what total capacity the generation of electrical energy by nuclear fission systems (including uranium and thorium breeder systems) will be technically, environmentally and economically competitive with other energy systems.

tive with other energy systems.

It is critically important that we reach a national consensus as rapidly as possible on the use of nuclear fission power, including that which might be possible through the use of breeder reactors. This consensus has

not been reached due to incomplete information, lack of technical understanding, real and perceived problems of personal and environmental danger, economic uncertainty, and unanswered philosophical questions never before posed to mankind, much less a nation. A rational assessment base on research and development and the needs of society, as well as detailed planning and analysis, must be carried out with the entire citizenry as informed participants.

Sec. 201 (a) (6)

By January 1, 1980, and again by January 1, 1985, as complete as possible assessment as to where and to what total capacity the generation of electrical energy or space heating and cooling energy by solar and geothermal systems will be technically, environmentally and economically competitive with other energy systems.

Solar and geothermal energy systems will have regionally constrained utility for the next decade or two. Economical solar energy systems should appear in areas of abundant sunshine or wind, whereas geothermal systems are largely limited to specific geological environments. Within these limits, however, solar and geothermal systems offer great potential to reduce regional, and therefore, national demands on fossil energy.

The assessment called for by this objective will require combining the results of research and development, systems analysis, resource inventories, comparative economic analysis, and, most importantly, the trends developed in the market place as a consequence of various incentives and technological advancements. This assessment will allow definitions of areas of promising activity for private and governmental action.

Sec. 201 (a) (7)

By January 1, 1980, and again by January 1, 1985, as complete as possible assessment of the technical, environmental and economical competitiveness of coal gasification, coal liquefaction, shale oil and natural tars as sources of energy

tars as sources of energy.

The transition to portable fuels based on materials other than fossil fuels (see Sec. 201 (a) (9)) probably will take many decades. In the meantime, it will be necessary to supplement if not replace crude oil and natural gas as sources for portable fuel. The assessment called for by this objective will provide the basis for any federal action required to assure the availability of "synthetic fuels" until new portable fuels are available at reasonable prices.

Sec. 201 (a) (8)

By January 1, 1980, and again by January 1, 1985, as complete as possible assessment of intermediate and long term alternatives to natural petrochemicals for agricultural purposes, portable fuels and organic polymers.

Natural petrochemicals have played a unique role in the development of modern agriculture, transportation and the organic polymer industry. One of the major reasons that it is imperative that we find alternatives to our use of crude oil and natural gas as boiler and heating fuels is that they are required more urgently in these three areas.

The assessment called for by this objective should be based on research into new technologies that will provide appropriate energy and chemicals for future use in agriculture, transportation and the organic chemical industry. One of the most important areas for research is in the economical production of large quantities of hydrogen for use as both a fuel and as a chemical. In addition, we must examine the viability of biomass as a source of large quantities of chemical feed-stock. Other areas will grow in importance as we begin to recognize our dependence on fossil "chemicals" rather than fossil "fuels".

Sec. 201(a) (9)

Assurance that the annual rate of capital formation and investment for new energy plant and production capacity is sufficient to support the above objectives.

See analysis Sec. 101(a) 16.

Sec. 201(b)

See analysis for Sec. 101(b).

Sec. 202

See analysis for Section 102.

TITLE III-LONG-TERM ENERGY AND ENVIRON-

MENTAL PROGRAM

Sec. 301(a)

(1) By January 1, 1980, and again by January 1, 1985, as complete as possible assessment of the environmental and economic feasibility of solar and nuclear fusion power systems, in conjunction with improvements in electrical power generation, transmission, and end-use efficiency, as means of providing essentially inexhaustible energy sources carly in the 21st century.

early in the 21st century.

(2) By January 1, 1987, the establishment of specific objectives for the economical, time-phased conversion from the use of fossil and fission fuels to essentially inexhaustible energy sources in all major categories of energy use.

The long-term Energy and Environmental Program, the third step in our movement toward energy security, is aimed primarily at providing the basic research and development information so that ten years from now we can establish a new national energy policy which will guide our way into the next century. The main research and development thrusts should be in solar and nuclear fusion systems and in advanced technologies for more efficient energy conversion, transmission and end-use.

The assessment of solar energy should include all aspects of terrestrial, ocean and space-based use of solar energy and should include the results of specific research and development programs which push the state-of-the-art beyond the near-term commercial possibilities.

Fusion energy research requires a strongly coordinated but still multifaced program if a realistic assessment is to be made. It is possible that neither fusion nor solar energy is the ultimate answer. Therefore, basic research into physical and chemical theory must continue to form the foundation of our energy future. However, failure to invest in the construction of facilities will prevent the critical step which takes us from the scientists' genius to the engineering which provides a practical power supply.

Other advanced technologies that can increase the efficiency and utility of electrical power generation, transmission and end-use should be investigated both through basic research programs in materials and processes and through technological research in application of research discoveries.

Upon the completion of the required assessments, major revisions of this policy should be made that will establish the specific goals and objectives for the gradual conversion to appropriate inexhaustible energy sources as we enter the next century.

Sec. 301(b)

See analysis for Section 101(b).

Sec. 302

See analysis for Section 102.

NATIONAL DAM SAFETY PRO-GRAM—S. 1253 AND S. 1254

Mr. McCLURE. Mr. President, I am today introducing two versions of legislation to establish a national dam safety program. I am hopeful that both will be considered expeditiously and that they will be addressed by witnesses during the important water policy hearings, which the Committee on Environment and Public Works will be conducting this April

My colleagues are aware of the catastrophe that poured forth when Teton Dam collapsed. That disaster demonstrated clearly the need for an effective national effort to improve monitoring and design of dams. To that end, these bills would establish a cooperative, Federal-local responsibility that is intended to assure the safety and integrity of the Nation's 50,000 dams.

The first bill, which I am introducing by request, was transmitted to the Congress last fall by the Assistant Secretary of the Army for Civil Works. It takes the recommendations of the Chief of Engineers as a result of the National Dam Inspection Act (Public Law 92-367) and develops them into a national dam safety program. This bill authorizes the Federal Government to regulate dams, from a safety standpoint, and requires the Corps of Engineers to issue guidelines for safety inspection and investigation.

Frankly, Mr. President, although I am pleased to introduce the bill, I am not convinced that its approach is adequate or in the best interest of the respective States. It places too much authority on the Federal Government, excluding State governments from participation in a program to assure the safety of private dams built on Federal land. The States have focused on this legitimate concern, particularly in my part of the Nation where vast portions of the land is federally owned.

Therefore, the second bill that I am introducing includes modifications that were developed by the Western States Water Council to resolve such issues.

I hope that my colleagues will give careful attention to both of these pro-posals, because we need, in this Congress, to develop a more effective dam safety program to assure that the Teton disaster is never repeated.

Mr. President, I ask unanimous consent that each of these bills be printed at this point in the RECORD, together with the transmittal letter from the administration, a section-by-section analysis of the first bill, a copy of testimony by the Western States Water Council explaining their redrafted version, and a recent newspaper article that identifies the problem confronting many areas of the Nation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1253

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Congress declares that the protection of human life and property from potential hazards created by public and private dams and the water such dams impound is an important national interest which should be addressed by the Federal or State agencies having the primary jurisdiction over and responsibility for such dams. Therefore, this

Act establishes a National Dam Safety Program to be administered in accordance with the provisions of this Act.

SEC. 2. Congress, having found that the failure of dams adversely affects interstate commerce and adversely affects Federal property, directs that each Federal agency shall regulate for safety purposes any dams and the water areas they impound that conforms to the height and capacity criteria of the Act of August 8, 1972 (Public Law 92-367) and that

(a) are owned and/or operated by the United States and that the Federal agency concerned is primarily responsible to operate,

(b) are located on lands owned by the United States that the Federal agency concerned is primarily responsible for.

A Federal agency may, as to those dams which are owned and operated by a non-Federal entity and over which the Federal agency has jurisdiction under the provisions this Act, enter into a mutual written agreement with the State wherein such dams and water areas are located that the Federal agency will forego the exercise of its regulation activities established by this Act in deference to a State program which is substantially in accordance with the provisions of this Act and is to be administered and enforced under State law at the State level of government. The provisions of this Act shall not apply to those dams and water areas which are subject to such mutual agreement, during the term of that agreement.

SEC. 3. (a) Each Federal agency, with regard to the dams and the water areas they impound over which it has primary jurisdiction and responsibility in accordance with section 2 of this Act, shall initially and periodically examine the circumstances of each such dam to determine and classify those which are of a character and located such that their failure would result in loss of life or appreciable economic loss.

(b) Each Federal agency, with regard to each of the dams and the water areas they impound over which it has primary jurisdiction and responsibility in accordance with section 2 of this Act, which have been classified as those which are of a character and located such that their failure would result in loss of life or appreciable economic loss, or which the agency has determined otherwise warrants specific attention, shall:

(1) initially and periodically inspect each, least once every five years, and evaluate the hydrologic capabilities, structural stability, and operational adequacy, in order to determine the existence of any conditions which may adversely affect the safety of

(2) perform or require to be performed additional investigation and inspecsuch tions as it deems advisable; and

(3) perform or require to be performed, maintenance or remedial work, revised operating proedures, or other actions such as breaching of the dam when necessary and in the instance of a dam owned by a non-Federal interest which creates an emergency, have the required work performed by the agency or its designate if the owner of the dam fails to so perform.

(c) Any expenses which are occasioned to the United States for inspections and any other work or activities performed pursuant to subsections (b) (1), (b) (2), (b) (3), or (e) of this section on any dam owned by a non-Federal interest shall be reimbursed to the

United States by the owner of the dam.

(d) Federal costs for investigations and work carried out under subsections (a) and (b) of this section shall be treated as an operation and maintenance expense of the Federal projects concerned to be allocated between the Federal government and af-

fected non-Federal interests in accordance with existing requirements of general law and specific project authorizations.

(e) Each Federal agency shall perform, but need not be limited to performing, the following functions concerning the safety of each dam and the water area it impounds which is proposed for construction, modifi-cation, removal, or abandonment by Federal or non-Federal action and over which the Federal agency has primary jurisdiction and responsibility in accordance with the provisions of section 2 of this Act:

(1) review and approve the plans and specifications for such work:

(2) perform periodic inspections during such work for the purpose of insuring compliance with the approved plans and speci-

(3) require and retain the "as-built" drawings and other construction records of such completed work such as foundation data and geological features, properties of embank-ment and foundation materials, concrete properties and construction history; and

(4) issue a certificate of approval for such work after review of the necessary records

and approval of the data they contain and the adequacy of the work. SEC. 4. The Secretary of the Army, acting through the Chief of Engineers, shall, within 120 days of enactment of this Act, issue final recommended guidelines for safety inspection and investigations of dams. The heads of Federal agencies affected by this Act shall thereafter, substantially in accordance with the Secretary of the Army guidelines, issue such regulations as are reasonably necessary to accomplish the purposes and requirements this Act which relate to their agency's respective responsibilities under this Act. Federal agency heads or their authorized representatives, upon presentation of their credentials and at reasonable times, shall have a right of entry to, upon, or through any premises and shall have access to and a right to a copy of any records when such access to premises or records is necessary to accomplish their respective responsibilities under this Act.

Sec. 5. Compliance with the provisions of this Act and the applicable regulations is-sued in pursuance of this Act shall be a requirement for the construction and operation of dams and the water areas they impound which are specified to be subject to Federal regulation in accordance with this Act. Whenever, on the basis of any information available to him, a Federal agency head finds that any person is acting in violation of this Act or its implementing regulations in an area over which the Federal agency head has the responsibility for administering this Act, he shall notify the person of the alleged violation and issue an order requiring the person to cease his violation. If, immediately after such notification in an emergency circumstance or after 30 days of such notification in a nonemergency circumstance, appropriate action is not being taken to cease the violation, the Federal agency head who made the notification may request the Attorney General to institute a civil action for appropriate relief, including a permanent or temporary injunction. Any action under this subsection may be brought in the district court of the United States for the district in which the defendant is located or resides or is doing business, and such court shall have jurisdiction to restrain any violation of this Act and to require compliance.

Sec. 6. Nothing in this Act limits or alters the authority of the Federal Government to permit, regulate or otherwise to exercise jurisdictional control over any privately or publicly owned dams in accordance statutory authorities other than the authority of this Act. Such authorities include,

without limitation, the Federal Water Power Act (Act of June 10, 1929, 41 Stat. 1063, as amended, 16 U.S.C. 791a-825r); Section 9 of the Act of March 3, 1899 (30 Stat. 1151, 33 U.S.C. 401); Section 404 of the Federal Water Pollution Control Act (86 Stat. 816, 33 U.S.C. 1344); the Federal Metal and Nonmetallic Mine Safety Act (Public Law 89-577 80 Stat. 772, as amended, 30 U.S.C. 721-740) the Federal Coal Mine Health and Safety Act of 1969 (Public Law 91-173, 83 Stat. 742, as amended, 15 U.S.C. 633 636; and 30 U.S.C. 801-804, 811-821, 841-846, 861-878, 901-902, 921-924, 931-936, 951-960); and Section 26a of the Tennessee Valley Authority Act of 1933, as amended (49 Stat. 1079, 16 U.S.C. 831y-1). Nothing contained in this Act is intended nor should be construed to amend or limit any exisitng statutory or administrative requirements which have the effect of being additional to or more stringent than the requirements contained in this Act to assure the safety of dams and the water areas they impound, or which otherwise affect the construction and operation of dams.

SEC. 7. The Secretary of the Army, acting through the Chief of Engineers; the Secretary of the Interior, acting through the Commissioner of the Bureau of Reclamation; and the Secretary of Agriculture, acting through the Administrator of the Soil Conservation Service are individually authorized to furnish technical assistance and advice to any State, upon request of the Governor of the State or his delegate, concerning State establishment and implementation of dam

safety programs.

SEC. 8. The requirement that the Secretary of the Army, acting through the Chief of Engineers, carry out a national program of inspection of dams pursuant to the Act of August 8, 1972 (Public Law 92-367) is hereby terminated. The Secretary of the Army, acting through the Chief of Engineers, is authorized to maintain current the National Dam Inventory prepared pursuant to Public Law 92-367, and this maintenance shall include reclassification of dams as to hazard potential when the public agency having primary jurisdiction and responsibility over the dams determines that reclassification is advisable. The updated inventory shall be periodically published at such times and in such manner as the Chief of Engineers determines will be beneficial to affected Federal, State and local interests.

SEC. 9. Nothing contained in this Act and no action or failure to act under this Act shall be construed (1) to create any liability in the United States or its officers or employees for the recovery of damages caused by such action or failure to act; (2) to relieve an owner or operator of a dam of the legal duties, obligations, or liabilities incident to the ownership or operation of the dam.

S. 1254

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress declares that the protection of human life and property from potential hazards created by public and private dams and the water such dams impound is an important national interest which should be addressed by the Federal or State agencies having the primary jurisdiction over and responsibility for such dams. Therefore, this Act establishes a National Dam Safety Program to be administered in accordance with the provisions of this Act.

Sec. 2. (a) Congress, having found that the failure of dams adversely affects interstate commerce and adversely affects federal property, directs that each Federal agency shall regulate for safety purposes any dams that conform to the height and capacity criteria of the Act of August 8, 1972 (Public Law 92–367) and that are owned and/or operated

by the United States and the federal agency concerned is primarily responsible to operate.

(b) The states shall regulate for safety purposes any dams and water areas they impound that conform to the height and capacity criteria of the Act of August 8, 1972 (Public Law 92–367) and that (a) are not owned by the United States, provided that the Governor of a state may submit a written request to the Secretary of the Army that federal jurisdiction under this Act be extended to dams which are owned and operated by a non-federal entity and which are located on federal lands in such State. The Secretary of the Army shall approve each such request and shall notify the federal agency or agencies concerned that jurisdiction under this Act is to be assumed by said agency or agencies.

(c) Any written request submitted pursuant to the provisions of this section may later be revoked in whole or in part, by the

Governor of the State.

SEC. 3. (a) Each Federal agency, with regard to the dams over which it has primary jurisdiction and responsibility in accordance with section 2 of this Act, shall initially and periodically examine the circumstances of each such dam to determine and classify those which are of a character and located such that their failure would result in loss of life or appreciable economic loss.

(b) Each Federal agency, with regard to each of the dams over which it has primary jurisdiction and responsibility in accordance with section 2 of this Act, which have been classified as those which are of a character and located such that their failure would result in loss of life or appreciable economic loss, or which the agency has determined otherwise warrants specific attention, shall:

(1) initially and periodically inspect each, at least once every five years, and evaluate the hydrologic capabilities, structural stability, and operational adequacy, in order to determine the existence of any conditions which may adversely affect the safety of each;

(2) perform or require to be performed such additional investigation and inspec-

tions as it deems advisable; and

(3) perform or require to be performed, maintenance or remedial work, revised operating procedures, or other actions such as breaching of the dam when necessary.

(c) Any expenses which are occasioned to the United States for inspections and any other work or activities made at the request of a Governor of a State pursuant to Section 2 (b) and (e) of this section on any dam owned by a non-Federal interest shall be reimbursed to the United States by the owner of the dam.

(d) Federal costs for investigations and work carried out under subsections (a) and (b) of this section shall be treated as an operation and maintenance expense of the Federal projects concerned to be allocated between the Federal government and affected non-Federal interests in accordance with existing requirements of general law and specific project authorizations.

(e) In accordance with the provisions of Section 2 of this Act each Federal agency shall perform, but need not be limited to performing, the following functions concerning the safety of each dam which is proposed for construction, modification, removal, or abandonment and over which the Federal agency has jurisdiction and responsibility,

(1) review and approve the plans and specifications for such work;

(2) perform periodic inspections during such work for the purpose of insuring compliance with the approved plans and specifications:

(3) require and retain the "as-built" drawings and other construction records of such completed work such as foundation data and geological features, properties of embankment and foundation materials, concrete properties and construction history; and

(4) issue a certificate of approval for such work after review of the necessary records and approval of the data they contain and

the adequacy of the work.

SEC. 4. The Secretary of the Army, acting through the Chief of Engineers, shall, within 120 days of enactment of this Act, issue final recommended guidelines for safety inspection and investigations of dams. The heads of Federal agencies affected by this Act shall thereafter, substantially in accordance with the Secretary of the Army guidelines, issue such regulations as are reasonably necessary to accomplish the purposes and requirements of this Act which relate to their agency's respective responsibilities under this Act. Federal agency upon presentation of their credentials and heads or their authorized representatives, at reasonable times, shall have a right of entry to, upon, or through any premises and shall have access to and a right to a copy of any records when such access to premises or records is necessary to accomplish their respective responsibilities under this Act.

Sec. 5. Compliance with the provisions of this Act and the applicable regulations issued in pursuance of this Act shall be a requirement for the construction and operation of dams which are specified to be subject to Federal regulation in accordance with this Act. Whenever, on the basis of any information available to him, a Federal agency head finds that any person is acting in violation of this Act or its implementing regulations in an area over which the Federal agency head has the responsibility for administering this Act, he shall notify the person of the alleged violation and issue an order requiring the person to cease his violation. If, immediately after such notification in an emergency circumstance or after 30 days of such notification in a nonemergency circumstance, appropriate action is not being taken to cease the violation, the Federal agency head who made the notification may request the Attorney General to institute a civil action for appropriate relief, including a permanent or temporary injunction. Any action under this subsection may be brought in the district court of the United States for the district in which the defendant is located or resides or is doing business, and such court shall have jurisdiction to restrain any violation of this Act and to require compliance.

Sec. 6. Nothing in this Act limits or alters the authority of the Federal Government to

permit, regulate or otherwise to exercise jurisdictional control over any privately or publicly owned dams in accordance with statutory authorities other than the authority of the Asia Such authorities of the control of the Asia Such authorities of

ity of this Act. Such authorities include, without limitation, the Federal Water Power Act (Act of June 10, 1929, 41 Stat. 1063, as amended, 16 U.S.C. 791a-825r); Section 9 of the Act of March 3, 1899 (30 Stat. 1151, 33 U.S.C. 401); Section 404 of the Federal Water Pollution Control Act (86 Stat. 816, 33 U.S.C. 1344); the Federal Metal and Nonmetallic

Mine Safety Act (Public Law 89-577, 80 Stat. 772, as amended, 30 U.S.C. 721-740); the Federal Coal Mine Health and Safety Act of 1969 (Public Law 91-173, 83 Stat. 742, as amended, 15 U.S.C. 633, 636; and 30 U.S.C. 801-804, 811-821, 841-846, 861-878, 901-902, 921-924, 931-936, 951-960); and Section 26a

921-924, 931-936, 951-960); and Section 26a of the Tennessee Valley Authority Act of 1933, as amended, (49 Stat. 1079, 16 U.S.C. 831y-1). Notwithstanding the above, nothing con-

tained in Section 404 of the Federal Water Pollution Control Act (86 Stat. 816, 33 U.S.C. 1344) or the Act of March 3, 1899 (30 Stat. 1151, 33 U.S.C. 401) shall be construed as providing authority to exercise jurisdiction for purposes of regulating dam safety. SEC. 7. The Secretary of the Army, acting

SEC. 7. The Secretary of the Army, acting through the Chief of Engineers; the Secretary of the Interior, acting through the Commissioner of the Bureau of Reclamation; and the Secretary of Agriculture, acting through the Administrator of the Soil Conservation Service shall, upon request of the Governor of the State or his delegate, (1) furnish technical assistance and advice to any State concerning State establishment and implementation of dam safety programs, and (2) permit any state to inspect and review the safety of any federally owned dam in said state.

SEC. 8. The requirement that the Secretary of the Army, acting through the Chief of Engineers, carry out a national program of inspection of dams pursuant to the Act of August 8, 1972 (Public Law 92-367) is hereby terminated. In those states in which it is requested by the Governor of the state, the Secretary of the Army, acting through the Chief of Engineers, is authorized to maintain a dam inventory prepared pursuant to Public Law 92-367, and this maintenance shall include reclassification of dams as to hazard potential when the public agency having primary jurisdiction and responsibility over the dams determines that reclassification is advisable.

SEC. 9. Nothing contained in this Act and no action or failure to act under this Act shall be construed (1) to create any liability in the United States or its officers or employees for the recovery of damages caused by such action or failure to act; or (2) to relieve an owner or operator of a dam of the legal duties, obligations, or liabilities incident to the ownership or operation of the

SEC. 10. Nothing contained in this Act is intended nor should be construed to amend or limit any state statutory or administrative requirements to assure the safety of dams and the water areas they impound, or which otherwise affect the construction and operation of dams.

SECTIONAL ANALYSIS OF A BILL, INTRODUCED BY REQUEST, "TO ESTABLISH A NATIONAL DAM SAFETY PROGRAM"

Section 1 constitutes a congressional declaration that the protection of human life and property from the potential hazards created by public and private dams and the water they impound is an important national interest and that this Act creates a National Dam Safety Program.

Section 2 provides for Federal agency regulation for safety purposes of certain dams and the water areas they impound.

Those dams and the water areas they impound which are subject to Federal agency regulation pursuant to the provisions of this Act are those which conform to the height and capacity criteria of the Act of August 8, 1972 (Public Law 92–367) and which, in addition, are owned or operated by the United States or located on lands owned by the United States.

We would recommend that all other dams and the water areas they impound which conform to the height and capacity provisions of the Act of August 8, 1972 (Public Law 92-367) be regulated for safety purposes by the State government within whose boundaries they exist.

Also, pursuant to section 2, where a State dam safety program exists which is substantially in accordance with this Act, non-Federally owned dams subject to Federal jurisdiction pursuant to the provisions of this Act may be made subject to such State program and the appropriate Federal agencies may forego their activities established by this Act during the specified period of a requisite mutual written agreement. The provisions of this Act will not apply during the term of the agreement.

Federal authority or legal rights to direct storage or releases of waters at dams not operated by the United States or not situated on lands owned by the United States would not subject such dams and the water areas they impound to Federal regulation for safety purposes under this Act.

Section 3 provides Federal agencies with the authority and direction to regulate, for safety purposes, all dams and the water areas they impound over which they have primary jurisdiction and responsibility in accordance with section 2 of this Act. It indicates those safety regulation activities which are to be performed in connection with these dams.

There are four types of safety regulation activities pertaining to existing dams. Subsection 3(a) provides for the first type of activity and requires the initial and periodic examination and classification of such dams to determine which ones are of such character and located such that their failure would result in loss of life or appreciable economic loss, and thus which ones will be required to have safety inspections performed on them.

Subsection 3(b) provides for the other three types of safety regulation activities for existing dams.

With regard to those dams which are classified as of a character or located such that their failure would result in loss of life or appreciable economic loss pursuant to subsection 3(a), and those dams which the appropriate Federal agency determines otherwise warrant specific attention, subsection 3 (b) (1) provides for initial and periodic safety inspections, at least every five years. The primary purpose of the types of inspection envisioned under subsection 3(b)(1) would to identify expeditiously those dams which may pose hazards to human life or property. This type of inspection is to develop an assessment of the general condition with respect to safety of the dam and the water area it impounds based upon available data and a visual inspection, determine any need for emergency measures and conclude if additional studies, investigation and analyses are necessary and warranted. As such these inspections will be similar to what is termed a Phase I Investigation in the Recommended Guidelines for Safety Inspection of Dams which are found in Appendix D of the recent Report of the Secretary of the Army on a National Program of Inspection of Dams.

Subsection 3(b) (2) provides for additional investigation and inspection activities as are deemed advisable by the appropriate Federal agency, following the inspections performed pursuant to subsection 3(b) (1).

Subsection 3(b) (3) provides the appropriate Federal agency with the authority and responsibility to perform or require to be performed, maintenance or remedial work, revised operating procedures, or other actions found to be necessary following the inspection activities performed pursuant to subsection 3(b)(1) and 3(b)(2). Where a dam is owned by a non-Federal interest, any such required performance is to be accomplished by the non-Federal owner. However, where a dam owned by a non-Federal interest creates an emergency the appropriate Federal agency is authorized to perform the required work or have its designate do so if the owner fails to so perform.

Subsection 3(c) provides that any expenses occasioned to the United States for inspections and any other work or activities performed pursuant to subsections 3(b)(1), 3(b)(2), 3(b)(3) and 3(e) of this Act on any dam owned by a non-Federal interest shall be reimbursed to the United States by the owner of the dam.

Subsection 3(d) provides for allocation of the costs, of activities performed pursuant to subsections 3(a) and 3(b) of this Act with regard to Federal projects, between Federal and non-Federal interests in accordance with existing requirements of general law and specific project authorizations.

Subsection 3(e) provides for safety regulation activities which are to be performed by the appropriate Federal agency whenever a dam and the water area it impounds is proposed for construction, modification, removal or abandonment. The activities to be performed include the review and approval of plans and specifications for the work, periodic inspections during the work, requirement of the retention of the drawings and other construction records, and certification of approval for such work.

Section 4 requires the Secretary of the Army, acting through the Chief of Engineers, to issue final recommended guidelines for safety inspection and investigations of dams within 120 days of the enactment of this Act. Thereafter the heads of appropriate Federal agencies are required to issue regulations, substantially in accordance with the Secretary of the Army guidelines, necessary to accomplish the purposes and requirements of this Act. Such guidelines will outline the principal factors to be weighed in the determination of existing or potential hazards and define the scope of activities to be undertaken in the safety inspection of dams, but they will not establish rigid criteria or standards. They will further provide that condi-tions which do not meet the guideline recommendations are to be evaluated as to the degree of risk involved, in recognition that deviations from the guidelines will not necessarily mean that dam safety has been compromised.

This section also provides the heads of Federal agencies a right of entry to premises and access to and a copy of any records when necessary to accomplish their responsibilities under this Act.

Section 5 provides for enforcement of the provisions of this Act and the regulations issued pursuant to such provisions with regard to dam facilities owned by a non-Federal interest and subject to the primary jurisdiction and responsibility of a Federal agency in accordance with section of this Act, and it makes compliance with these provisions and regulations a requirement for the construction and operation of dams subject to Federal regulation in accordance with this Act.

Section 6 clarifies that nothing in the Act concerning Federal or State regulation of safety of dams is intended to limit or alter the authority of the Federal Government to regulate any privately or publicly owned dams in accordance with existing Federal authorities for safety or other purposes. With regard to safety regulation under existing Federal authority, this section specifies that this Act leaves in full force any additional or more stringent safety requirements, than those provided for by this Act, under existing agency programs such as that administered by the Federal Power Commission.

Section 7 recognizes that certain Federal agencies have technical expertise and capabilities in the field of dam design and construction which may be beneficial to the States with regard to the establishment and implementation of State dam safety programs. This section provides the Secretary of the Army, the Secretary of the Interior and the Secretary of Agriculture with the authority to furnish technical assistance and advice concerning State establishment and implementation of dam safety programs to any State upon request of the Governor of the State.

Since this Act is to create a national program of inspection of dams, section 8 provides for termination of the provisions in Public Law 92-367 which require the Secretary of the Army, acting through the Chief of Engineers, to carry out a national program of inspection of dams. However, this section also provides the authority for the Secretary

of the Army, acting through the Chief of Engineers, to maintain current the National Dam Inventory prepared pursuant to Public

Law 92-367.

Section 9 provides that nothing in this Act and no action or failure to act under this Act shall be construed (1) to create any liability in the United States or its officers or employees for the recovery of damages caused by such action or failure to act; or (2) to relieve an owner or operator of a dam of the legal duties, obligations, or liabilities incident to the ownership or operation of the dam.

> WASHINGTON, D.C. November 16, 1976.

DEAR MR. PRESIDENT: I am transmitting herewith a report of the Chief of Engineers, Department of the Army, together with accompanying papers, on the National Program of Inspection of Dams which was authorized by the National Dam Inspection Act (Public Law 92-367), approved 8 August 1972. I am also transmitting draft legislation to implement the proposed program, together

with a sectional analysis of the legislation.
Briefly, the Chief of Engineers has found that approximately 20,000 of the 49,329 dams of the Nation are so located that failure of the dam or misoperation of the discharge facilities could result in loss of human life and appreciable property damage and that dam safety programs in most States and in some Federal agencies are either nonexistent or inadequate to protect the public from hazards created by dams. The Chief Engineers concludes that although the adequacy and safety of dams are the obligation of the dam owner, governmental in-spection and regulation are necessary to insure the adequacy of design, construction and operation of dams to protect human life and property from the hazards of dam failure or misoperation.

The Chief of Engineers recommends implementation of a comprehensive national dam safety program through the establishment of regulatory authorities to review and approve plans and specifications to construct, enlarge, modify, remove, or abandon a dam; perform construction inspections; issue certificates of approval upon comple tion of construction; perform periodic safety inspections and evaluation throughout the life of the structure; and issue notices for required remedial or maintenance work. His recommendations are contained on page 19

of the report.

The report was furnished for comment to all fifty States and the appropriate Territories and Federal agencies. Their responses, together with replies of the Chief of Engineers, are bound in Volume I of the report. Comments from the Secretary, Department of the Interior, the Commonwealth of Pennsylvania and State of South Carolina and supplementary comments of Tennessee and York were received too late for inclusion in the bound volume of the report and are furnished as inclosures to this letter. The States of Alaska, Arkansas, Colorado, Delaware, Georgia, Kansas, Mississippi, New Jersey, North Carolina, Ohio, Oklahoma, Oregon, South Dakota, Texas and West Virginia, the Virgin Islands and American Samoa have not commented on the report

The States, Territories and Federal agencies commenting on the report generally concur in the conclusions and recommen-dations of the Chief of Engineers. Twentyfour of the thirty-five States responding have expressed concern as to the ability of their State to implement and prosecute the recommended dam safety program without some form of Federal financial assistance The Departments of Agriculture and Interior also question the ability and willingness of States to fully implement the program without Federal financial incentives. However, we question the appropriateness of Federal financial assistance to the States and Territories in this regard as we believe that such regulation and inspection of non-Federal dams should be accomplished by the concerned States and Territories as part of their normal responsibilities. This is not to preclude the use of incentives to encourage the States to fully implement and carry out their responsibilities under the proposed program. The types of incentives envisioned are Federal training of State personnel, providing technical assistance, and providing guidelines and information.

The Department of Agriculture and the States of California, Idaho, New Mexico and Wyoming have disagreed with the Chief of Engineers' recommendation that privately owned dams located on Federal property should be under the jurisdiction of the Federal agency having supervision of the land. I believe that the Federal government has the primary responsibility to insure that Rederal lands are not utilized in a manner detrimental to the public's safety. The legislation we are proposing does, however, provide a means whereby a Federal agency forego the exercise of its regulation activities under this legislation with regard to privately owned and operated dams on Federal lands, in deference to an approved state

California and the Departments of Interior and Agriculture have expressed the view that privately owned dams under existing Federal jurisdiction should be the responsibility of the States. I do not concur if those privately owned dams are located on Federal property for the reason cited above. However, I do concur in those cases that the privately owned dams are not on Federal property. Under Section 404 of PL 92-500, the Federal Water Pollution Control Act, virtually any dam to be constructed in the future will fall under Federal jurisdiction since a Section 404 permit will be required. This would, in effect, mean that all dams to be constructed in the future would be classified as "Federal" under the definition proposed in the report. I believe that the primary responsibility for inspection of privately owned dams should rest with the States unless there are cogent reasons to the contrary. Any necessary involve-ment of the Federal government with such privately owned dams in an inspection program can be exercised through the existing programs of various Federal agencies, and under the jurisdiction defined by present legislation. Therefore, I conclude that "Federal" dams be defined as those dams owned or operated by the Federal government, or located on Federal lands.

Therefore, in lieu of the recommendations of the Chief of Engineers, I recommend that: a. A comprehensive National Dam Safety Program such as outlined in the report by Chief of Engineers should be implemented. State responsibility, under the police powers of the State, to protect the health, safety and welfare of its citizens should be recognized and all States and Territories should be encouraged to prosecute dam safety programs encompasning all dams not owned or operated by the Federal government or located on Federal property

b. Implementation of a National Dam Safety Program should be followed immethe inspection over a reasonable diately by and practicable time period of all existing dams which have a hazard potential of high or significant, as defined in the Inspection Guidelines, Appendix D of the Chief of Engi-

neers report.

c. Those Federal agencies possessing technical expertise and capabilities in the field of dam design and construction should be authorized to furnish technical assistance and guidance to the States, upon request, concerning State establishment and implementation of dam safety programs.

d. Federal agencies owning and operating dams and owning the land on which dams are located should prosecute the recommended dam safety program for the dams under their jurisdiction. e. The Chief of Engineers, U.S. Army

should be provided authority and funds to maintain current the National Dam Inven-

The Office of Management and Budget advises that there is no objection to the submission of the proposed report to the Congress; however, it states that no commitment can be made at this time as to when any estimate of appropriation would be submitted for implementation of the program, if authorized by the Congress, since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

After careful review of the report of the Chief of Engineers and the inclosed comments and views of the States, Territories, and Federal agencies, I concur with the conclusions and recommendations of the Chief Engineers, except as noted above, and submit the Chief of Engineers report, related

papers, and the draft legislation. Sincerely.

> VICTOR V. VEYSEY, Assistant Secretary of the Army (Civil Works).

TESTIMONY OF THE WESTERN STATES WATER COUNCIL CONCERNING DAM SAFETY

(Presented at the hearings of the Energy Research and Water Resources Subcommittee of the Interior and Insular Affairs Committee of the U.S. Senate, February 21, 1977, Idaho Falls, Idaho)

The Western States Water Council appreciates this opportunity to appear before this important Senate Subcommittee. I would like to add my personal thanks for the invitation extended

The Western States Water Council has been concerned about dam safety for many years. The subject has been discussed in committees and full council meetings on numerous occasions. Our concerns, therefore, predate the Teton Dam disaster. Council members did recognize at the time of the Teton Dam failure that there would be impacts beyond those catastrophic and tragic events that occurred here in eastern Idaho.

The Council has anticipated that the failure will be the subject of many discussions relating to federal policies with respect to the construction of federal water resource projects. Council members also anticipated that the subject of dam safety would be discussed in state, multi-state and federal forums as the facts are better identified with respect to the causes for the Teton Dam failure.

The Western States Water Council, representing the Governors of 11 Western States, meets quarterly and on occasion, formulates official policies on water resource matters. One requirement of the Council is that 30-day notices be given on external positions to the 11 sovereign states involved in the Council before a vote is taken on external positions. The Western States Water Council met on January 28 and does not plan on meeting again until April 22. Therefore, your invitation of February 14 to participate in these hearings did not give me an opportunity to bring formally to the Council's attention the subject of these hearings and more specifically, the role of state government in inspection of dams.

The Council has, however, taken two pre vious positions concerning dam safety that I think will be of interest to the Subcommittee. Copies of those positions are attached to this statement for your review and consideration (Exhibit A and B). I believe that, either stated or implied, the following conclusions have been reached by the Western States collectively and unanimously:

 In the western states, the inspection and the concern for safety of dams has traditionally been the responsibility of state government.

(2) Any new dam safety legislation or program should seek the greatest possible degree

of state participation.

(3) Dam safety regulations with respect to non-federally owned dams should be the responsibility of the states and not the federal government, except where special conditions exist and the governor of the state requests that federal jurisdiction be extended.

(4) States should be permitted to inspect and review the safety of any federally owned dam within their respective state.

(5) There should be no legislation or program that would preempt any state statutory or administrative requirements to as-

sure the safety of dams.

(6) Neither Section 404 of the Federal Water Pollution Control Act or any Section of the Rivers and Harbors Act should be construed as providing authority to exercise jurisdiction over the regulation of dam safety.

(7) A proposal conveyed to Congress by the Dept. of Army on November 16, 1976 is unacceptable in its present form. Its basic flaw in our judgment is that it falls to establish the proper sharing of responsibilities between the federal and state governments, as reflected in the above principles. The WSWC will be advising all western senators and representatives by formal letter that the Council is opposed to the presently drafted Corps of Engineers suggested dam safety legislation and the Council further is requesting that Western Senators and Congressmen not participate as a sponsor of this proposal.

(8) If the proposed legislation is introduced, then as a minimum step the proposal should be amended as suggested by the Western States in the position that was formally adopted in Portland, Oregon on January 28, 1977 by the WSWC. That position is attached as Exhibit A.

I would like to call your attention to a map that I have brought to illustrate a particular situation that exists in the United States with respect to the location of federal lands. I have placed before you a map prepared by the U.S. Geological Survey and identified as 'Federal Lands, Principal Lands Administered or Held in Trust by Federal Agencies, January 1, 1968." For reference purposes, this map has been given the designation, Sheet You will note from this map that the great preponderance of federally owned and administered lands are in the 11 western states. Many privately owned dams are situated on federal lands. These dams have been traditionally reviewed for safety purposes by Western States. Therefore, you may find that the Western States' concern over the current proposed dam safety legislation by the Corps of Engineers to be different than the position of Eastern States. The question of jurisdiction of private dams on federally owned lands will not be an issue in very many instances in states east of those represented by the Western States Water Council.

It is anticipated that the WSWC and committees and subcommittees of the Council will be reviewing and considering further the subject of dam safety in connection with our mid-April meetings. If this Subcommittee would like the WSWC to address specific questions or issues in connection with dam safety, I am certain that Council members would appreciate an opportunity to examine the issues and respond to the requests.

In closing, let me again express our appreciation for the opportunity of participating in these hearings. We are keenly interested in your deliberations and we would appreciate being advised as the Subcommittee proceeds with examination of the subject.

POSITION STATEMENT OF THE WESTERN STATES
WATER COUNCIL CONCERNING DAM SAFETY
LEGISLATION

(As submitted by U.S. Department of Army on November 16, 1976, to the Congress of the United Staes, Portland, Oreg.)

In response to the National Dam Inspection Act (P.L. 92-367) as approved by Congress, August 8, 1962, the Corps of Engineers transmitted a legislation proposal to the Congress on November 16, 1976. That transmittal, accompanied with supporting reports, was made by the Assistant Secretary of Army, Victor V. Veysey.

The Western States Water Council, meeting in Portland, Oregon on January 28, 1977, found the proposal to be unacceptable to the western states. The Council determined that it would urge western congressmen and western senators not to support the introduction of the legislation. The Council further determined that it was not at the present time supporting any federal legislation, but if the Army proposed legislation were to be introduced, minimum modifications to that legislation would be necessary before the western states could consider supporting the proposal.

Attached is a modified copy of the proposal as prepared by the U.S. Department of Army. The proposed modifications, as identified by the Western States Water Council in the January 28th meeting, are as follows: (1) Language prepared by the Department of Army that the Western States Water Council finds unacceptable has been deleted by a single line running through the original words, (2) New language that the Western States Water Council finds desirable has been added on the attached pages and has been underscored by dotted lines.

WESTERN STATES WATER COUNCIL RESOLUTION, REGARDING DAM SAFETY PROGRAM, OCTO-BER 13, 1972

Whereas, the enactment of H.R. 15951 (PL 92-367) requires the Secretary of the Army, acting through the Chief of Engineers, to carry out a program of safety inspections for dams throughout the United States; and

Whereas, the Secretary of the Army shall, by July 1, 1974, make recommendations to Congress for the inspection and regulation of dams of the nation, and the respective responsibilities which should be assumed by Federal, State, and local governments and by public and private interests; and

Whereas, the President of the United States had stated that, "The safety of non-Federal dams should rest primarily with the States," and that "Some states are already conducting

effective safety programs." and

Whereas, the President has directed the Secretary of the Army to utilize "The experience of those States which have effective dam safety programs" by seeking "the greatest possible degree of State participation under this legislation," and

Whereas, it is the desire of the Western States Water Council that the dam safety inspection programs remain a prime respon-

Now therefore be it resolved that the Corps of Engineers maximize the use of existing State programs and initiative by:

(1) Developing criteria of inspection and programming in harmony with existing State programs and criteria;

(2) Allowing States, where practicable, to perform Safety inspections under contracts with the Secretary of the Army;
(3) Assisting in the enhancement,

(3) Assisting in the enhancement, strengthening, and (where lacking) the formulation and initiation of State dam safety programs.

So that the Secretary of Army may provide Congress and the Governors a meaningful report by July 1, 1974. [From the Los Angeles Times]
Nationwide Danger Found in Old, ILLDESIGNED DAMS

(By Gaylord Shaw)

Fallon, Nev.—Lahontan Dam looks safe. Rising 168 feet above the Carson River, it creates a lake stretching for miles across the quiet expanse of western Nevada. Weekend boaters ply the calm waters. Children fish from the banks. Campers pitch tents in the valley below, where irrigation has turned the desert into an oasis.

But far from this placid scene, documents in the gray filing cabinets of government paint a shockingly different picture: 62year-old Lahontan Dam is not strong enough to hold back severe flood pressure.

A federal report gives this description of what dam failure at Lahontan would mean:

Almost 100 billion gallons of water would suddenly surge downstream. "Hundreds of people in mobile homes and trailers on farms, roads and trails likely would be trapped and overwhelmed by the flood."

The town of Fallon, population 3,500, located 18 miles downstream would be inundated. Homes, businesses, highways, canals, bridges, a power plant would be wrecked. Beyond the human casualties, economic losses would reach \$82 million.

And Lahontan is not alone. From North Carolina to California, Arizona to North Dakota, inadequate, aging and poorly designed dams pose potentially devastating threats to the lives and property of thousands of people. Yet work to make such dams safe is bogged down by politics and lethargy.

Inadequate spillways, unstable embankments, faulty foundations, excessive seepage, severe hydraulic uplift pressures, deteriorating concrete, transverse cracking—technical terms like these are sprinkled throughout internal government documents.

Without exception, officials responsible for federal dams say none of them is in imminent danger of collapse. And there is much evidence that most of the 5,000 federally constructed, owned or licensed dams meet the government's rigid safety standards.

But that is not true of several dozen of the federal dams. And last summer's disastrous collapse of Teton Dam in Idaho—11 deaths, more than \$400 million in damage showed that even the newest, most sophisticated can be fatally flawed.

In the months after the Teton disaster, examinations of government documents and interviews on federal dam safety have uncovered the following:

Of the Bureau of Reclamation's nearly 300 dams, 20 would be unable to cope with floods that updated studies say they need to be able to handle.

Five other bureau dams currently have seepage or leakage problems, some described as severe.

Fifty-four recommendations for emergency remedial work were made by bureau inspectors last year because "the safety or adequate functioning of the facilities are involved..."

There is a backlog of 1,333 other recommendations covering "a wide range of important matters...to prevent or reduce damage or to preclude eventual operational failure" at bureau dams.

Of the 400 dams operated by the Corps of Engineers, 61 were identified by experts as requiring further study because they may not perform as well during extreme floods as intended...."

After the Teton collapse, the corps reviewed 64 of its dams built on "difficult foundations" and found cracking and signs of distress in several.

Some officials and engineers within the federal government's multibillion-dollar, 50,000 employee dam building bureacuracy

are so concerned about potential hazards that they have kept up a drumfire of memos urging faster steps toward safer dams, but they find themselves frustrated by the facts

of political life.

New dams usually have a built-in constituency of individuals and interests that stand to benefit from the projects. Yet in most cases, no such constituency exists for up-grading the safety of existing projects, because such work rarely increases water supplies

Of the corps' \$1.5 billion general construction program this fiscal year, \$27.5 millionor 1.8 per cent—was listed for rehabilitation work. Of the Bureau of Reclamation's \$723 million construction and rehabilitation budget, \$5.6 million—or less than 1 per cent—was listed for rehabilitation.

This imbalance translates into slow progress on safety and other modification work. Lahontan Dam offers one example.

A bureau study in 1965 concluded that the original estimates of the floods Lahontan must be able to withstand were understated and that the runoff from a record rainstorm would be much higher than first expected. Yet today, a recommendation that Lahontan Dam be modified so it can meet the updated flood forecast is still creeping through bureaucratic channels-several months away from reaching Congress, which must authorize the \$4.7 million project.

Concrete in the dam's thin spillways is so severely deteriorated with age that it would disintegrate if the spillways attempted to pass more than 4,000 cubic feet of water per second—less than 20 per cent of the spillways' design capacity, government engineers said

last summer.

Even as the spillways' floors crumbled, their sidewalls would be overtopped by the surging water. The dam's right abutment would become saturated and slide away. Water would begin eroding the dam's inner core. Soon the dam would be breached.

To produce the dam-destroying maximum probable flood would require an extraordinary 17-inch rainstorm somewhere within Lahontan's watershed. "Although the occurrence of the maximum probable flood is extremely unlikely," said a bureau memo written last November, "such a flood could possibly occur in any year .

Because of advance in flood forecasting, and because some of its projects were built more than half a century ago, the Bureau of Reclamation began in 1965 to re-examine the ability of its projects to cope with floods. Twenty dams were listed as "known to have

inadequate capacity."

Yet work to modify potentially hazardous dams proceeds slowly.

One reason is that the division which recommends safety work must call upon other division to design the modifications.

Officials who set priorities seem unconvinced that immediate action is required. "We don't consider any of these dams in imminent danger," said Assistant Reclamation Commissioner Ed Sullivan. "The prob-ability of failure is quite remote," said Ben Prichard, the safety program's chief.

Another cause for delay is the cumber-some financial arrangement to pay for the modifications. Congress requires the bureau to negotiate a cost-sharing agreement with the irrigators who benefit from the projects.

a process that can take years.

Mr. McCLURE. Mr. President, I yield the floor.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President,

I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS SUBJECT TO CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair.

There being no objection, at 3:21 p.m., the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 3:45 p.m. when called to order by the Presiding Officer (Mr. METZENBAUM).

ORDER FOR TRANSACTION OF ROU-TINE MORNING BUSINESS TO-MORROW

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 2 p.m. tomorrow. I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order, there be a period for the transaction of routine morning business, with no resolutions to come over under the rule, and that there be a limitation on statements of 15 minutes each.

The PRESIDING OFFICER. Without

objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 2 p.m. tomorrow. After the two leaders or their designees have been recognized under the standing order, there will be a period for the transaction of routine morning business with statements limited therein to 15 minutes each.

It is possible that a rollcall vote or rollcall votes could occur tomorrow on conference reports or on other matters that may have been cleared for action

by that time

It is possible that the sick pay measure, which has been acted upon today, will not meet with any difficulty in the other body, but it is also possible that the other body may have some problems with regard to one of the amendments, in which case the matter could come

back to this body on tomorrow. Committees will hopefully take advantage of the day tomorrow, to conduct meetings, and inasmuch as the Senate does not come in until 2 p.m., they are almost assured of no interruptions throughout the day, but certainly not before 2:30 or 3 p.m., if at all.

Consent has already been given for all committees to meet during the session of the Senate tomorrow, so it does present a good opportunity for committees to have a long day for meetings before the nonlegislative day period Consent has already been begins. granted for committees to have until midnight tonight to file committee reports.

In addition, consent has already been granted for committees to file reports during the nonlegislative day period until 3 p.m. on each of 2 days-Tuesday and Thursday of next week, April 12 and

14, respectively.

Consent has been granted for the Secretary of the Senate to receive messages from the President of the United States and the other body during the nonlegislative period, and for appropriate referral of such messages.

Consent has already been given for the Vice President of the United States, the President pro tempore of the Senate, the Acting President pro tempore of the Senate, and the Deputy President pro tempore of the Senate to sign all duly enrolled bills and joint resolutions during the nonlegislative period.

I hope that committees will take advantage, also, of that nonlegislative day period to conduct hearings and other business sessions, some of which may occur in Washington, some of which may occur outside Washington.

Tomorrow, I will insert in the RECORD a memorandum which will relate to the legislative measures that have been adopted, the business transacted, and the number of nominations that have been confirmed up to this time, for the scrutiny and study and digestion of Members of this body and the public.

I think the Senate has done very well thus far. I wish to take this momentwhich I could just as well do tomorrowto express my gratitude to the distinguished minority leader and to the Members on his side of the aisle and the Members on my side of the aisle for the excellent cooperation and spirit of accommodation that have been accorded to the joint leadership in the effort to expedite the flow of business in the interests of the people.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. Mr. President, I agree, once again, with virtually every statement made by the majority leader.

As I said earlier today, I sometimes have the feeling that this forum is used to communicate not only among ourselves, but also, as the majority leader pointed out, to the public and even on occasion to the White House.

I agree with the majority leader. I think Congress has done extremely well in the matter of moving the appointments that have been commended to us by the President; and I, in turn, commend the majority leader for a clean slate. There is nothing-or virtually nothing-on the executive calendar or in the Senate, I cannot remember a time when legislation and appointments have the legislative calendar. In my 101/2 years been moved as expeditiously as they have been under the good and diligent leadership of the majority leader; and it is my pleasure to work with him.

Mr. ROBERT C. BYRD. Mr President. Plato thanked the gods for having permitted him to live in the age of Socrates. I thank the benign hand of destiny for permitting me to live and serve in the Senate at a time and during an era when I can enjoy not only the friendship—the inimitable friendship—but also the solicitude and the cooperation that exist between myself and my true friend from the great State of Tennessee. There are no better States than the State of Tennessee and the State of West Virginia—and the State of North Carolina, the motto of which is "To be, rather than to seem."

Mr. HELMS. That is right.

Mr. President, if the Senator will yield, I do not want to stand between these two men while they are engaging in such a delightful colloquy.

Mr. BAKER. I think the Senator from North Carolina is well advised. [Laughter.]

I was about to express my thanks and gratitude to the majority leader for his remarks and to respectfully suggest that if we do not adjourn soon, our solicitude and felicitude may be so great that not even we could stand it. [Laughter.]

Mr. ROBERT C. BYRD. Mr. President-

The roses red upon my neighbor's vine Are owned by him, but they are also mine. His was the cost, and his the labor, too, But mine as well as his the joy, their loveliness to view.

They bloom for me and are for me as fair As for the man who gives them all his care. Thus I am rich, because a good man grew A rose-clad vine for all his neighbors' view. I know from this that others plant for me, And what they own, my joy may also be. So why be selfish, when so much that's fine Is grown for me, upon my Tennessee neighbor's vine.

[Laughter.]

RECESS UNTIL 2 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business-and no further comments from my Tennessee neighbor

Mr. BAKER. I would not dare. Mr. ROBERT C. BYRD. I move, in accordance with the previous order, that the Senate stand in recess until 2 p.m. tomorrow afternoon.

The motion was agreed to; and at 3:56 p.m. the Senate recessed until tomorrow, Thursday, April 7, 1977, at 2 p.m.

NOMINATIONS

Executive nominations received by the Senate April 6, 1977:

IN THE AIR FORCE

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the Presi-dent under subsection (a) of section 8066, in grade as follows:

To be general

Lt. Gen. James R. Allen xxx-xx-xxx FR (major general, Regular Air Force), U.S. Air

The following officer to be placed on the Retired List in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be general

Gen. Louis T. Seith, xx-xx-xxx FR (major general, Regular Air Force), U.S. Air Force. IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. DeWitt Clinton Smith, Jr., xxx-... xxx-xxxxx Army of the United States (brigadier general, U.S. Army).

The following-named officer to be placed on the Retired List in grade indicated under the provisions of title 10, United States Code. section 3962.

To be lieutenant general

Lt. Gen. Harold Gregory Moore, xxx-xx... Army of the United States (major general, U.S. Army).

CONFIRMATIONS

Executive nominations confirmed by the Senate April 6, 1977:

FEDERAL TRADE COMMISSION

Michael Pertschuk, of the District of Columbia, to be a Federal Trade Commissioner for the unexpired term of seven years from September 26, 1970.

Michael Pertschuk, of the District of Columbia, to be a Federal Trade Commissioner for the term of seven years from September 26, 1977.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

Joan Buckler Claybrook, of Maryland, to be Administrator of the National Highway Traffic Safety Administration.

DEPARTMENT OF STATE

Richard N. Cooper, of Connecticut, to be Under Secretary of State for Economic Af-

Charles William Maynes, Jr., of New York, to be an Assistant Secretary of State.

Barbara M. Watson, of New York, to be Administrator, Bureau of Security Consular Affairs, Department of State.

James F. Leonard, Jr., of New York, to be the Deputy Representative of the United States of America to the United Nations. with the rank and status of Ambassador Extraordinary and Plenipotentiary.

Donald F. McHenry, of Illinois, to be Deputy Representative of the United States of America in the Security Council of the United Nations, with the rank of Ambassador.

DEPARTMENT OF AGRICULTURE

Malcolm Rupert Cutler, of Michigan, to be an Assistant Secretary of Agriculture.

Malcolm Rupert Cutler, of Michigan, to

be a Member of the Board of Directors of the Commodity Credit Corporation.

Dale Ernest Hathaway, of the District of Columbia, to be an Assistant Secretary of Agriculture.

Dale Ernest Hathaway, of the District of Columbia, to be a Member of the Board of Directors of the Commodity Credit Corpora-

Robert Haldeman Meyer, of California, to be an Assistant Secretary of Agriculture.

Robert Haldeman Meyer, of California, to be a Member of the Board of Directors of the Commodity Credit Corporation.

Alex P. Mercure, of New Mexico, to be an

Assistant Secretary of Agriculture.

Howard W. Hjort, of the District of Columbia, to be a Member of the Board of Directors of the Commodity Credit Corporation.

John C. White, of Texas, to be a Member of the Board of Directors of the Commodity Credit Corporation.

DEPARTMENT OF JUSTICE

Thomas E. Lydon, Jr., of South Carolina, to be United States Attorney for the District of South Carolina for the term of four vears.

The above nominations were approved to subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE COAST GUARD

Coast Guard nominations beginning John B. Mahon, to be captain, and ending Richard T. Nelson, to be lieutenant (j.g.), which nominations were received by the Senate and appeared in the Congressional Record on March 29, 1977.

HOUSE OF REPRESENTATIVES—Wednesday, April 6, 1977

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Let not your heart be troubled: believe in God.-John 14: 1.

Eternal God, we pause with bowed heads and contrite spirits in the midst of the duties of this day to lift our souls unto Thee. We acknowledge the mistakes we have made and the sins we have committed by thought, word, and deed. We do earnestly repent and are heartily sorry for our misdoings. Have mercy upon us. O God, forgive us all that is past, and grant that hereafter we may serve and please Thee in newness of life.

Forgive our sins as a nation and help us with repentant hearts and receptive minds to listen to Thy still, small voice, which calls us to walk the ways of justice, truth, and love. Lead us out of the depths of fear and frustration into a new day when Earth's wilderness shall blossom as a rose and our people shall learn to live together in peace with good will in every heart: to the glory of Thy holy name and for the good of our human family. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Is there objection to the approval of the Journal?

Mr. BAUMAN. Mr. Speaker, I object. The SPEAKER. Objection is heard.

Mr. WRIGHT. Mr. Speaker, I move the approval of the Journal.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. WRIGHT).

The question was taken: and the Speaker announced that the ayes ap-

peared to have it.

Mr. BAUMAN, Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is

not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were-yeas 373, nays 8, not voting 51, as follows

[Roll No. 130] **YEAS-373** Crane D'Amours Howard Hubbard Abdnor Addabbo Akaka Alexander Daniel, Dan Daniel, R. W. Huckaby Hyde Allen Danielson Ichord Ambro Davis Ireland de la Garza Delaney Ammerman Anderson, Jenkins Jenrette Johnson, Calif. Johnson, Colo. Jones, N.C. Jones, Okla. Jones, Tenn. Calif Dellums Anderson, Ill. Derrick Derwinski Devine Andrews, N. Dak. Annunzio Dicks Jordan Applegate Dodd Archer Dornan Kasten Armstrong Downey Kastenmeier Ashbrook Drinan Kazen Duncan, Oreg. Duncan, Tenn. Ashley Kelly AuCoin Kemp Badham Badillo Early Eckhardt Ketchum Bafalis Edgar Kildee Edwards, Ala. Edwards, Calif. Edwards, Okla. Baldus Kindness Koch Kostmayer Barnard Baucus Bauman Eilberg Krebs Krueger

Beard, R.I. Beard, Tenn. Bedell Emery English Erlenborn Evans, Colo. Evans, Del. Evans, Ind. Beilenson Bennett Fary Fascell Biaggi Bingham Fenwick Findley Blanchard Blouin Fish Fisher Boggs Boland Fithian Bolling Flippo Bonior Flood Florio Bonker Flynt Foley Ford, Tenn. Bowen Brademas Breaux Breckinridge

Fountain Brinkley Brodhead Fraser Brooks Frev Broomfield Fuqua Brown, Mich. Brown, Ohio Broyhill Gammage Gaydos Gephardt Buchanan Giaimo Gibbons Burgener Burke, Calif. Burke, Mass. Gilman Ginn Burleson, Tex. Burlison, Mo. Glickman

Goldwater Burton, John Burton, Phillip Gonzalez Goodling Butler Gore Grassley Gudger Caputo Carney Guyer Hagedorn Carr Cavanaugh Hall

Cederberg Chappell Hamilton Hammer-Don H. schmidt Clawson, Del Cleveland Hanley Hannaford Cochran Hansen Harkin Cohen Coleman Collins, Ill. Collins, Tex. Harris Harsha Hawkins

Conable Heckler Conte Corcoran Corman Hefner Hightower Hollenbeck Cornell Holt Holtzman Cotter Coughlin Horton

Lehman Lent Levitas Lloyd, Calif. Lloyd, Tenn. Long, Md. T.ott. Lujan Lundine McCloskey McDade McDonald McEwen McFall McHugh McKay McKinney Madigan Maguire Mahon Mann Markey Marks Marlenee Marriott Martin Mattox Mazzoli Meeds Meyner Michel Mikulski Mikva Miller, Calif. Miller, Ohio Mineta Minish Mitchell, Md Mitchell, N.Y. Moakley Moffett Mollohan Montgomery Moore Moorhead, Calif. Moorhead, Pa. Mottl

LaFalce

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Latta

Leach

Lederer

Leggett

Lagomarsino

Murphy, III. Murphy, N.Y. Murphy, Pa. Murtha Taylor Thompson Roncalio Rooney Rosenthal Rostenkowski Thone Thornton Myers, Gary Myers, Michael Myers, Ind. Tonry Traxler Rousselot Roybal Treen Trible Rudd Natcher Runnels Neal Ruppe Tsongas Nedzi Udall Ullman Nix Rvan Nolan Satterfield Van Deerlin Sawyer Scheuer Nowak Vanik O'Brien Vento Volkmer Oakar Schroeder Waggonner Walgren Oberstar Schulze Obev Sebelius Ottinger Seiberling Walker Walsh Panetta Sharp Patterson Pattison Shuster Watkins Waxman Simon Pease Sisk Weaver Pettis Skelton Poage Pressler Skubitz Whalen White Whitehurst Smith, Iowa Smith, Nebr. Preyer Whitley Quavle Snyder Whitten Quie Quillen Wiggins Wilson, C. H. Spellman Winn Wirth Rahall Spence St Germain Rangel Regula Stangeland Stanton Wolff Wright Reuss Wilson, Tex. Wylie Stark Steed Rhodes Rinaldo Risenhoover Roberts Steers Stockman Yates Yatron Young, Mo. Young, Tex. Zablocki Stokes Stratton Robinson Rodino

NAYS-8 Andrews, N.C. Forsythe Ertel Jacobs

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Steiger Evans, Ga. Pritchard

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NOT VOTING

Heftel Aspin Brown, Calif. Pursell Railsback Burke, Fla. Byron Holland Richmond Hughes Rose Santini Carter Jeffords Chisholm Shipley Clay Luken Sikes Staggers Stump Conyers McClory Cornwell McCormack Dent Dickinson Metcalfe Milford Diggs Dingell Nichols

Teague Vander Jagt Patten Wampler Flowers Ford, Mich. Pepper Perkins Wilson, Bob Wydler Young, Alaska Young, Fla. Pickle Gradison Harrington

Mr. HANSEN changed his vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 186. Concurrent resolution providing for an adjournment of the House from April 6 to April 18, 1977, and a recess of the Senate from April 7 to April 18, 1977.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3843. An act to authorize additional funds for housing assistance for lower income Americans in fiscal year 1977, to extend the Federal riot reinsurance and crime insurance programs, and for other purposes.

THE HONORABLE WYCHE FOWLER, JR.

Mr. FLYNT. Mr. Speaker, I ask unanimous consent that the gentleman from Georgia, Mr. Wyche Fowler, Jr., be permitted to take the oath of office today. His certificate of election has not arrived, but there is no contest, and no question has been raised with regard to his election.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. FOWLER appeared at the bar of the House and took the oath of office.

CONSUMER PROTECTION LEGISLA-TION INTRODUCED

(Mr. BROOKS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BROOKS. Mr. Speaker, today I am introducing a bill to establish an Agency for Consumer Protection.

This is essentially the same bill passed by the House in the 94th Congress. It creates an independent agency with the power to intervene in the proceedings of other Federal agencies that substantially affect consumer interests.

Congressman BEN ROSENTHAL, chairman of the Commerce, Consumer, and Monetary Affairs Subcommittee of the Government Operations Committee, and FRANK HORTON, the ranking minority member of the committee, are joining me as cosponsors of the legislation.

The message today from President Carter endorsing this bill is encouraging. With Congress and the administration working together, this should finally be the year for the enactment of this longoverdue legislation.

Mr. Speaker, I take this occasion to announce that hearings on the consumer protection bill will be held April 20 and 21 by the Legislation and National Security Subcommittee of the Government Operations Committee.

CONFERENCE REPORT ON H.R. 4877, MAKING SUPPLEMENTAL APPRO-PRIATIONS FOR FISCAL YEAR ENDING SEPTEMBER 30, 1977

Mr. MAHON submitted the following conference report and statement on the bill (H.R. 4877) making supplemental appropriations for the fiscal year ending September 30, 1977, and for purposes:

CONFERENCE REPORT (H. REPT. No. 95-166)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4877) "making supplemental appropriations for the fiscal year ending September 30, 1977, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 27, 28, 30, 31, 38, 39, 46, 56, 57, 65, 66, 67, 75, 76, 77, 78, 80, 88, 89, 139, 145, 146, 147, 148, 150, 156, 162, 165, 166, 174, 175, 177, 179, 192, 193, 225, 234, 235, 236, and 237.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 5, 6, 16, 18, 24, 25, 26, 29, 40, 47, 48, 49, 54, 58, 62, 64, 70, 71, 73, 74, 79, 81, 84, 85, 86, 92, 94, 96, 97, 100, 135, 136, 137, 152, 153, 157, 158, 159, 160, 163, 164, 169, 170, 171, 172, 180, 181, 182, 183, 185, 188, 194, 195, 203, 204, 205, 207, 212, 213, 215, 217, 218, 219, 220, 221, 222, 223, 224, 226, 227, 228, 229, 230, 231, 232, and 233, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$6,162,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,913,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$17,250,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows:

INDEPENDENT AGENCY

ACTION-INTERNATIONAL PROGRAMS

Peace Corps

The first proviso under this heading of the Foreign Assistance and Related Programs Appropriations Act, 1977, Public Law 94–441, is amended by striking out "\$49,563,000" and substituting in lieu thereof "\$48,907,000".

And the Senate agree to the same.
Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows: In lieu of the sum named by said amendment insert "\$100,000,000"; and the Senate agree

to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,000,000,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$44,495,000"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$3,500,000"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$10,000,000"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amend-

ment insert "\$10,800,000"; and the Senate agree to the same.

Amendment numbered 68: That the House recede from its disagreement to the amendment of the Senate numbered 68, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$58,301,000"; and the Senate agree to the same.

Amendment numbered 69: That the House recede from its disagreement to the amendment of the Senate numbered 69, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$39,500,000"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$10,600,000"; and the Senate agree to the same.

Amendment numbered 87: That the House recede from its disagreement to the amendment of the Senate numbered 87, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$414,846,000"; and the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$23,475,000"; and the Senate agree to the same.

Amendment numbered 98: That the House recede from its disagreement to the amendment of the Senate numbered 98, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$3,040,000"; and the Senate agree to the same.

Amendment numbered 99: That the House recede from its disagreement to the amendment of the Senate numbered 99, and agree to the same with an amendment, as follows. In lieu of the sum proposed by said amendment insert "\$2,000,000"; and the Senate agree to the same.

Amendment numbered 149: That the House recede from its disagreement to the amendment of the Senate numbered 149, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows:

FAMILY HOUSING, DEFENSE

For an additional amount for Family housing, Defense, \$60,000,000 (and an increase of \$35,000,000 in the limitation on Department of Defense, operation, maintenance; an increase of \$15,000,000 in the limitation on Construction, Army; an increase of \$5,000,000 in the limitation on Construction, Navy and Marines Corps; and an increase of \$10,000,000 in the limitation on Construction, Air Force): Provided, That none of the funds appropriated herein shall be obligated until authorization for this appropriation is enacted.

And the Senate agree to the same.

Amendment numbered 161: That the House recede from its disagreement to the amendment of the Senate numbered 161, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$4,959,000"; and the Senate agree to the same.

Amendment numbered 167: That the House recede from its disagreement to the amendment of the Senate numbered 167, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,680,000"; and the Senate agree to the same.

Amendment numbered 168: That the

House recede from its disagreement to the amendment of the Senate numbered 168, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$19,595,000"; and the Senate agree to the same.

Amendment numbered 178: That the House recede from its disagreement to the amendment of the Senate numbered 178, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,000,000"; and the Senate agree to the same.

Amendment numbered 189: That the House recede from its disagreement to the amendment of the Senate numbered 189, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$20,000,000"; and the Senate agree to the same.

Amendment numbered 191: That the House recede from its disagreement to the amendment of the Senate numbered 191, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows:

DEFENSE CIVIL PREPAREDNESS AGENCY

Operation and Maintenance

For an additional amount for "Operation and maintenance", \$2,000,000, which shall be available for allocation under section 205 of the Federal Civil Defense Act of 1950, as amended.

And the Senate agree to the same.

Amendment numbered 206: That the House recede from its disagreement to the amendment of the Senate numbered 206, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$300,494,000"; and the Senate agree to the same.

Amendment numbered 208: That the House recede from its disagreement to the amendment of the Senate numbered 208, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$215,036,000"; and the Senate agree to the same.

Amendment numbered 209: That the House recede from its disagreement to the amendment of the Senate numbered 209, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert "\$9,850,000"; and the Senate agree to the same.

Amendment numbered 210: That the House recede from its disagreement to the amendment of the Senate numbered 210, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$8,750,000"; and the Senate agree to the same.

Amendment numbered 214: That the House recede from its disagreement to the amendment of the Senate numbered 214, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$123,584,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 3, 4, 7, 8, 9, 10, 11, 12, 13, 14, 17, 19, 20, 21, 32, 34, 35, 37, 43, 44, 45, 50, 52, 53, 59, 60, 61, 63, 72, 83, 90, 91, 93, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 138, 140, 141, 142, 143, 144, 151, 154, 155, 173, 176, 184, 186, 187, 190, 196, 197, 198, 199, 200, 201, 202, 211, and 216.

GEORGE MAHON,
JAMIE L. WHITTEN,
EDWARD P. BOLAND,
WILLIAM H. NATCHER,
DANIEL J. FLOOD,

GEORGE E. SHIPLEY, JOHN M. SLACK JOHN J. MCFALL CLARENCE D. LONG. SIDNEY R. YATES, GUNN MCKAY. TOM BEVILL, ELFORD A. CEDERBERG, ROBERT H. MICHEL, JOSEPH M. MCDADE (except amendments 9 through 13), MARK ANDREWS. JACK EDWARDS (except amendments 9 through 13), LAWRENCE COUGHLIN (except amendments 9 through 13). Managers on the Part of the House. JOHN L. MCCLELLAN,

WARREN G. MAGNUSON. ROBERT C. BYRD. WILLIAM PROXMIRE, DANIEL K. INOUYE, ERNEST F. HOLLINGS, BIRCH BAYH, THOMAS F. EAGLETON. LAWTON CHILES. J. BENNETT JOHNSTON, WALTER D. HUDDLESTON, PATRICK J. LEAHY, MILTON R. YOUNG, CLIFFORD P. CASE, EDWARD W. BROOKE, MARK O. HATFIELD. TED STEVENS. CHARLES MCC. MATHIAS, Jr., RICHARD S. SCHWEIKER, HENRY BELLMON, LOWELL P. WEICKER, Jr., Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4877) making supplemental appropriations for the fiscal year ending September 30, 1977, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

Chapter I

Department of Agriculture Federal Grain Inspection Service Inspection and Weighing Services

The Department is directed to forego the charging or collection of fees from official inspection or weighing agencies for supervision costs for the entire fiscal year 1977 since funds are provided for these purposes.

Agricultural Research Service

Amendment No. 1: Appropriates \$1,320,000 for the Agricultural Research Service as proposed by the Senate instead of \$1,020,000 as proposed by the House. The conference agreement provides \$1,020,000 for the Pesticide Impact Assessment Program and \$300,000 for research on pseudorables.

Animal and Plant Health Inspection Service

Amendment No. 2: Appropriates \$6,162,000 for the Animal and Plant Health Inspection Service instead of \$5,141,000 as proposed by the House and \$7,682,000 as proposed by the Senate.

A total of \$1,080,000 is provided for the citrus blackfly control program for work in Florida and Texas, an increase of \$521,000 over the amount recommended by the House.

A total of \$500,000 is provided for range caterpillar control and research. The conferees are aware that this pest has generated deep concern within the affected area and would require a large Federal outlay to control on an on-going basis.

The conferees reserve judgment on such a program and are in agreement that thorough hearings should be held prior to initiating such a full cooperative control program.

The funds provided herein will allow treatment of Federally controlled land and costshare assistance for treatment of state, local and private land in the most critically infested areas. Additionally, high priority research and methods development will be undertaken with these funds at the Federal and State level.

The conferees will expect the Department to advise the appropriate Committees of Congress as to the extent and severity of range caterpillar infestation and submit a report on the control program. The conferees have been advised that the Department expended approximately \$385,000 on range caterpillar control during the transition quarter without the approval of Congress. In the future, the Department will be expected to follow established procedures.

The conference agreement recognizes that \$1,700,000 has already been appropriated for a trial boll weevil eradication program to be available upon certification to appropriate Congressional committees that a substantial and sufficient scientific breakthrough has been achieved and that the States involved have met their responsibilities under the program. The conferees also note that Dimilin has not yet been registered for use.

The following language in the FY 1977

House report still prevails:

"The requested \$1.7 million for boll weevil eradication shall be made available for such program only when the Director of boll weevil research at the Boll Weevil Laboratory certifies to appropriate Congressional committees that a substantial and sufficient scientific breakthrough has been achieved, and that he recommends the program be initiated; and, that each of the three States to be involved has passed and implemented the necessary legislation and has demonstrated to appropriate Congressional committees that they are legally and financially prepared to fulfill their responsibilities under the program. The Administrator of APHIS shall submit on a quarterly basis to appropriate Congressional committees a complete and current report on the status of implementing the program and on the results being achieved. It is the intent of this that pending the meeting Committee these provisions the funds provided shall be available to continue efforts to achieve meaningful breakthroughs in boll weevil eradication and other aspects of boll weevil

Federal Crop Insurance Corporation Subscription to Capital Stock

Amendments No. 3 and 4: Reported in technical disagreement. The managers on the part of the House will move to concur in the Senate amendment which provides \$60,000,000 to enable the Secretary of the Treasury to subscribe and pay for capital stock of the Federal Crop Insurance Corporation instead of \$10,000,000 as proposed by the House. The Senate amendment also provides that \$50,000,000 of the total shall be available only upon enactment into law of the authorizing legislation.

Farmers Home Administration Agricultural Credit Insurance Fund

Water Development, Use, and Conservation Loans

The conferees agree that an additional \$20,000,000 should be provided for irriga-

tion, drainage, and other soil and water conservation measures under the Consolidated Farm and Rural Development Act.

This increase is necessary to cover additional applications and additional needs occasioned by the continuing drought in some sections of the country.

Rural Water and Waste Disposal Grants

Amendment No. 5: Appropriates an additional \$75,000,000 for rural water and waste disposal grants as proposed by the Senate.

Rural Development Insurance Fund

Amendment No. 6: Provides an additional \$150,000,000 for rural water and waste disposal loans as proposed by the Senate.

Agricultural Stabilization and Conservation

Service

Agricultural Conservation Program

Amendment No. 7: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede in the amendment of the Senate with an amendment which reads as follows:

Agricultural Stabilization and Conservation Service

Agricultural Conservation Program

For an additional amount to carry out the Agricultural Conservation Program, \$100,-000,000 to incur obligations for the period ending September 30, 1977, and to liquidate such obligations for soil and water conserving practices in major drought or flood damaged areas as designated by the President or the Secretary of Agriculture: Provided, That not to exceed five per centum of the amount herein may be withheld with the approval of the State committee and allotted to the Soil Conservation Service for services of its technicians in the designated drought or flood damaged areas.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The amendment provides \$100,000,000 for cost sharing payments in major drought or flood damaged areas. The Senate amendment would have provided funds only for designated drought areas. The amendment also provides for a transfer of not to exceed 5 percent of the funds to the Soil Conservation Service for services of its technicians with the approval of the State ASCS Committee. The Senate amendment had provided for a transfer of one percent. The amendment also deletes a Senate proviso that assistance be made available in accordance with standards and criteria as developed and approved by the Secretary of Agriculture, since that proviso would be legislation.

The conferees are in agreement that the funds shall be distributed based on need and not by formula. In addition to the 1970 practices, all former practices are authorized based on the need. Payments to any participant shall not exceed \$2,500; however, two or more farms or ranches may consolidate their payments into a single project.

Chapter II Military Personnel

'Amendment No. 8: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate language adding a heading—"Military Personnel" to this chapter

Military Personnel, Army

Amendment No. 9: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment to appropriate \$1,167,000.

The conferees agree to provide funding to be available to the end of fiscal year 1978 for the Uniformed Services University of the Health Sciences. The Administration amendments to the FY 1978 budget estimates deleted funding in FY 1978 for the University. The House had provided no funding in the FY 1977 supplemental bill for this purpose and the Senate proposed to make these funds available at this time to eliminate uncertainty over the future of the medical university.

Military Personnel, Navy

Amendment No. 10: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment to appropriate \$888,000.

The conferees agree to provide funding to be available to the end of fiscal 1978 for the Uniformed Services University of the Health Sciences. The Administration amendments to the FY 1978 budget estimates deleted funding in FY 1978 for the University. The House had provided no funding in the FY 1977 supplemental bill for this purpose and the Senate proposed to make these funds available at this time to eliminate uncertainty over the future of the medical university.

Military Personnel, Air Force

Amendment No. 11: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment to appropriate \$910,000.

The conferees agree to provide funding to be available to the end of fiscal 1978 for the Uniformed Services University of the Health Sciences. The Administration amendments to the FY 1978 budget estimates deleted funding in FY 1978 for the University. The House had provided no funding in the FY 1977 supplemental bill for this purpose and the Senate proposed to make these funds available at this time to eliminate uncertainty over the future of the medical university.

Operation and Maintenance, Defense Agencies

Amendment No. 12: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment to appropriate \$10,700,000 instead of \$1,200,000 as proposed by the House. The Senate included an additional \$9,500,000 to be made available for the operation of the Uniformed Services University of the Health Sciences through September 30, 1978.

Amendment No. 13: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate. The Senate included a provision in its bill to make \$9,500,000 of the FY 1977 supplemental funding for O&M, Defense Agencies available only for the Uniformed Services University of the Health Sciences through the end of FY 1978.

The conferees, in agreeing to provide funding for the medical university in this Act, also agreed to this provision, making operation and maintenance funds available only for the University through September 30, 1978.

Legislative Liaison Activities

Amendment No. 14: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate increasing the limitation on the use of funds for legislative liaison activities of the Department of Defense from \$5,000,000 to \$7,400,000.

The conferees agreed that Section 728 of the Department of Defense Appropriation Act for fiscal year 1977 should be amended to increase by \$2,400,000 the amount allowable for legislative liaison activities because of changes in the criteria for allocating operations and personnel to this activity. The new criteria were agreed to in the conference on the Defense Appropriation Act for fiscal year 1977. (See page 46 of House Report No. 94-1475.)

Related Agencies

Intelligence Community Oversight

Amendment No. 15: Appropriates \$2,913,-000 for Intelligence Community Oversight instead of \$2,499,000 as proposed by the House and \$3,589,000 as proposed by the Senate.

The amounts approved by the conferees will provide for 170 positions for the Intelligence Community Staff instead of 160 positions as proposed by the House and 196 positions as proposed by the Senate. In agreeing to this compromise, the House conferees do not condone the fact that prior to the approval of this supplemental the Intelligence Community Staff hired in excess of the 141 positions approved in the 1977 appropriation. The amounts approved include \$250,000 for a requirements management system.

Amendment No. 16: Deletes language added by the House which would have required that after August 1, 1977, the funds in the supplemental could not be used to finance in excess of 128 contract employees or employees on detail to the Intelligence Community Staff from other agencies.

The effect of the House language was to assure that at least 20% of the employees of the Intelligence Community Staff would be full-time permanent employees. The House believed this was necessary to assure sufficient independence, since employees on detail may maintain loyalty to their parent agency. The Senate agreed with the need for a permanent cadre, but felt the House language unnecessarily inflexible. In agreeing to delete the House language, the conferees agreed that they would expect the Intelligence Community Staff to establish a permanent cadre as soon as practicable.

The conferees further agreed that by May 1, 1977, the Director of Central Intelligence shall submit to the House and Senate Committees on Appropriations a detailed organizational plan for the 170 positions approved in this supplemental. The plan should indicate which positions will be permanent and which positions will be contract employees or employees on detail from other agencies. The plan should further indicate the amounts required in 1978 to maintain on a full-year basis a staffing and contractual level of effort comparable to the level of effort approved in the 1977 supplemental. The Committees' actions on the 1978 budget will be dependent upon the timeliness, and responsiveness of this proposed plan.

Chapter III

Temporary Commission on Financial Oversight of the District of Columbia

Salaries and Expenses

Amendment No. 17: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate inserting language as follows: ": Provided, That all expenditures shall be approved by the Chairman of the Commission".

District of Columbia

Federal Funds

Federal Payment to the District of Columbia

Amendment No. 18: Appropriates \$16,202,-600 for the general fund of the District of Columbia as proposed by the Senate instead of \$18,202,600 as proposed by the House.

District of Columbia Funds

Transportation

Amendment No. 19: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate appropriating \$846,000 for the Washington Metropolitan Area Transit Authority for the District of Columbia share of the Metrorall operating def-

lcit for the period January 1, 1977 to June 30, 1977 with language prohibiting the obligation of the funds until commitments have been made for the total operating deficit associated with the Phase I segment.

Administrative Provisions

Amendment No. 20: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate providing the city government with the necessary authorization to make payments, not to exceed the amount of \$855,000, retroactively to day care providers from previously appropriated funds. The conferees direct that the city make the payments to the day care providers immediately on enactment of this bill into law from funds remaining available for this purpose in the "Opening Cash Balance" for fiscal year 1977.

Chapter IV

Foreign Operations

Funds Appropriated to the President

Economic Assistance

International Organizations and Programs

Amendment No. 21: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which earmarks \$28,000,000 for a contribution to the United Nations Relief and Works Agency.

Military Assistance

Amendment No. 22: Appropriates \$17,250,-000 for military assistance to Portugal instead of \$15,000,000 as proposed by the House and \$19,500,000 as proposed by the Senate.

Independent Agency Action—International Programs Peace Corps

Amendment No. 23: Restores the language proposed by the House and stricken by the Senate amended to reduce the limitation on the direct support of volunteers by \$656,000 to \$48,907,000 instead of to \$47,486,000 as originally proposed by the House.

Department of State

Migration and Refugee Assistance

Amendment No. 24: Appropriates \$18,725,-000 as proposed by the Senate instead of \$11,325,000 as proposed by the House.

Amendment Nos. 25 and 26: Delete language proposed by the House which would have specified that the earmarked funds were to be used for assistance to refugees from the Soviet Union and other Eastern European countries in the United States and for the movement of baggage.

United States Emergency Refugee and Migration Assistance Fund

Amendment No. 27: Appropriates \$3,660,000 as proposed by the House instead of \$6,360,000 as proposed by the Senate.

Romania Relief and Rehabilitation

Amendment No. 28: Deletes language proposed by the Senate which would have appropriated \$10,000,000 for relief and rehabilitation of Romanian earthquake victims.

Funds Appropriated to the President

International Financial Institutions

Investment in Asian Development Bank

Amendment No. 29: Appropriates \$25,000,-000 as proposed by the Senate instead of \$15,000,000 as proposed by the House. Investment in Inter-American Development

Bank

Amendment Nos. 30 and 31: Appropriate \$316,000,000 as proposed by the House instead of \$326,000,000 as proposed by the Senate. The additional \$10,000,000 proposed by the Senate was to be allocated for paid-in capital stock.

The managers agree that the United States

should subscribe to the ordinary callable capital increase only to the extent that specific appropriations are received in advance and in no case should the subscription to ordinary callable capital exceed the appropriation made available by Congress in each particular instance.

Operating Expenses of the Agency for International Development

Amendment No. 32: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that none of the funds available for operating expenses in fiscal year 1977 shall be available for leasing, purchasing, renovating or furnishing of housing or office space in Cairo, Egypt, except through the Foreign Building Operations of the State Department.

Chapter V

Department of Housing and Urban Development

Housing Programs

Amendment No. 33: Increases the limitation on the aggregate loans that may be made for Housing for the Elderly or Handicapped by \$100,000,000 instead of \$150,000,000 as proposed by the Senate.

Amendment No. 34: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate to provide \$1,000,000 for the Emergency Homeowners' Relief Fund.

Funds Appropriated to the President Federal Disaster Assistance Administration

Amendment No. 35: Reported in disagreement. The managers on the part of the House will offer a motion to insist on its disagreement to the amendment of the Senate that would provide \$20,000,000 to reimburse certain States and local governments for snow removal costs.

Independent Agencies

Environmental Protection Agency

Amendment No. 36: Appropriates \$1,000,000,000 for Construction Grants instead of \$500,000,000 as proposed by the House and \$4,500,000,000 as proposed by the Senate.

Amendment No. 37: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate that the funds shall be allotted in accordance with the table on page 16 of Senate Report Number 95–38 adjusted proportionally in accordance with the above appropriation.

National Commission on Neighborhoods

Amendment No. 38: Deletes language proposed by the Senate to appropriate \$1,000,000 for the National Commission on Neigborhoods. The managers recognize the importance of this proposed commission and will consider an appropriation for this purpose when the commission has been authorized.

National Institute of Building Sciences

Amendment No. 39: Deletes language proposed by the Senate to appropriate \$500,000 to the National Institute of Building Sciences.

Veterans Administration

Amendment No. 40: Inserts language proposed by the Senate appropriating \$10,045,000 for Assistance for Health Manpower Training Institutions.

Chapter VI

Department of the Interior Bureau of Land Management

Amendment No. 41: Appropriates \$44.495,-000 for management of lands and resources instead of \$45.255,000 as proposed by the House and \$43.895,000 as proposed by the Senate. The increase above the amount proposed by the Senate consists of the following increases for drought assistance on public lands: \$150,000 for watershed rehabilitation; \$250,000 for range supervision; and \$200,000 for wild horse and burro management.

Amendment No. 42: Earmarks \$3,500,000 of the appropriation for management of lands and resources for range betterment activities instead of \$4,000,000 as proposed by the House and \$2,900,000 as proposed by the

Amendment No. 43: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating \$600,000 for construction and maintenance instead of \$900,000 as proposed by the Senate.

The text of the amendment is as follows: "CONSTRUCTION AND MAINTENANCE

"For an additional amount for 'Construction and maintenance', \$600,000, to remain available until expended."

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 44: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate providing that administrative expenses and other costs related to processing application documents for use and disposal of public lands may be collected from prospective users and expended by the Bureau of Land Management.

Bureau of Outdoor Recreation

Amendment No. 45: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating \$800,000 for salaries and expenses instead of \$1,000,000 as proposed by the House and \$5,800,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the House to the amendment of the Senate. The decrease below the amount proposed by the House includes a reduction of \$200,000 for the urban recreation study. The managers are in agreement that of the amount provided for the urban recreation study, \$100,000 shall be used to conduct a study of the proposed Bartram Trail in the Southeastern States.

Amendment No. 46: Deletes language proposed by the Senate providing \$5,000,000 for conversion of certain railroad rights-of-way to recreation and conservation uses.

Amendment No. 47: Earmarks \$108,693,000 of the appropriation for the Land and Water Conservation Fund for the National Park Service as proposed by the Senate instead of \$127,493,000 as proposed by the House. The managers are in agreement with the Senate proposal that provides \$1,417,000 for Fort Smith NHS, but have deleted \$2,000,000 for Fire Island NS since funds will not be required until FY 1978 as proposed in the pending budget request.

Amendment No. 48: Earmarks \$18,800,000 of the appropriation for the Land and Water Conservation Fund for the Forest Service as proposed by the Senate. The Forest Service program is as follows: \$2,500,000 for the national trails system; \$11,000,000 for recreation composites; and \$5,300,000 for inholdings

United States Fish and Wildlife Service

Amendment No. 49: Appropriates \$15,475,-000 for resource management as proposed by the Senate instead of \$21,025,000 as proposed by the House. The managers are in agreement that not less than one maintenance position be provided at the J. N. "Ding" Darling NWR.

Amendment No. 50: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and

concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following: , of which \$4,025,000 shall remain available until September 30, 1978

The managers are in agreement that of the amount provided for construction and anadromous fish, \$20,000 shall be for planning and design of a wildlife interpretive center at Cuba Landing, Tennessee NWR, and \$75,000 for restoration and rehabilitation at the J. N. "Ding" Darling NWR.

The managers are in agreement with the

The managers are in agreement with the concern expressed by the House managers that construction of visitor centers not be done at the expense of ongoing operations and maintenance of wildlife refuges.

National Park Service

Amendment No. 51: Appropriates \$10,000,000 for operation of the national park system instead of \$13,730,000 as proposed by the House and \$7,510,000 as proposed by the Senate. The allowance includes the following: \$3,500,000 for staffing (965 positions); \$1,-280,000 for the Valley Forge NHP; \$225,000 for the Klondike Goldrush NHP; \$925,000 for the Golden Gate NRA; \$800,000 for forest fire suppression; \$50,000 for support of public concerts at the Gateway Arch; \$730,000 for Park Police pay raise; and \$2,490,000 for maintenance and repair.

The managers are in agreement that support for the St. Louis Symphony Orchestra at Gateway Arch beyond FY 1977 should be provided by the National Endowment for the Arts or other sources.

Amendment No. 52: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating \$90,855,000 for planning and construction instead of \$92,-263,000 as proposed by the House and \$93,-001,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. The net decrease below the amount proposed by the House includes decreases of \$2,933,000 and increases of \$1,525,000.

The following amounts were deferred pending better justification of planning and construction estimates: Fort Donelson NMP, \$165,000; Lake Mead NRA road and visitor facilities, \$679,000; Pecos NM visitor center, between and reads \$2,000,000

housing and roads, \$2,089,000.

Increases were for Harpers Ferry NHP, renovation of historical buildings 8 and 9, \$1,000,000; Franklin Delano Roosevelt Memorial design, \$336,000; Indiana Dunes NL, rehabilitation of Bailly administrative center, \$161,000; Theodore Roosevelt NM visitor center, \$28,000.

The managers are in agreement on the following reductions resulting from deferrals proposed by the House: Cape Cod National Seashore, bicycle path, \$400,000; Cape Hatteras NS, visitor center, \$19,000; Carlsbad Caverns NP, auditorium for visitor center, \$22,000; Fort Clatsop National Monument, visitor center improvement, \$7,000; Gateway National Recreation Area, visitor facilities, Sandy Hook, \$42,000; Guadalupe Mountains National Park, visitor contact station and parking area, \$313,000; Gulf Islands NS, visitor facilities and utilities, \$2,146,000; National Capital Parks East, Oxen Cove golf clubhouse, \$5,000; Pea Ridge National Monument Park, visitor center expansion, \$1,000; Rock Creek Park, bike trail, \$51,000; Wolf Trap Farm Park, visitor orientation complex, \$703,000.

Amendment No. 53: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates \$4,500,000 for the John F. Kennedy Center for the Performing Arts for roof repairs and reconstruction.

Mining Enforcement and Safety Administration

Amendment No. 54: Appropriates \$2,388,000 for salaries and expenses as proposed by the Senate instead of \$1,304,000 as proposed by the House. The managers are in agreement that of the amount provided for the State grant program, support may be provided for the operation of a simulated mine operators school in Pennsylvania.

Bureau of Mines

Amendment No. 55: Appropriates \$10,800,000 for mines and minerals instead of \$10,-050,000 as proposed by the House and \$13,-978,000 as proposed by the Senate. The increase above the amount proposed by the House includes \$600,000 for mineral resource surveys in Alaska and \$150,000 for ocean mining policy and data studies.

The managers are in agreement that the

ginia, \$2,000,000.

Amendment No. 56: Deletes language proposed by the Senate that \$5,128,000 be provided for the purchase and renovation of a building to serve as a replacement for the Salt Lake City Metallurgy Research Center presently located on the campus of the University of Utah.

Amendment No. 57: Appropriates \$9,-259,000 for construction of a metallurgy research center as proposed by the House.

Bureau of Indian Affairs

Amendment No. 58: Appropriates \$10,-140,000 for operation of Indian programs as proposed by the Senate instead of \$10.-040,000 as proposed by the House. The increase above the amount proposed by the House includes \$100,000 for the Blackbird Bend land claims case.

Territorial Affairs

Amendment No. 59: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amend-

ment, insert the following:

\$34,200,000, of which \$15,000,000 shall be available only upon enactment of authorizing legislation

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 60: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert the following: \$25,700,000, of which \$15,000,000 shall be available only

upon enactment of authorizing legislation
The managers on the part of the Senate
will move to concur in the amendment of
the House to the amendment of the Senate.

Amendment No. 61: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating \$22,-460,000 for the Trust Territory of the Pacific Islands instead of \$10,904,000 as proposed by the House and \$22,132,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. The increase above the amount proposed by the House consists of the following: increases of \$10,000,000 to offset losses of airport construction grants from the Federal Aviation Administration, and \$4,000,000 for rehabilitation on Enewetak Atoll; and a decrease of \$2,444,000 in purchasing power inflation formula to provide a total of \$5,-400.000.

The managers are in agreement that a required reprogramming proposal to carry out the improved construction program of the Trust Territory of the Pacific Islands should be promptly submitted for approval of the House and Senate Appropriations Commit-

Amendment No. 62: Earmarks not to exceed \$10,000,000 to offset federal grants-inaid losses, as proposed by the Senate.

Amendment No. 63: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which earmarks \$4,000,000 for rehabilitation of Enewetak Atoll subject to enactment into law of authorizing legislation.

Office of the Secretary

Amendment No. 64: Deletes language providing \$58,000 for ocean mining data studies, as proposed by the Senate.

Related Agencies

Department of Agriculture-Forest Service

Amendment No. 65: Appropriates \$233,-005,000 for forest protection and utilization as proposed by the House instead of \$223,-805,000 as proposed by the Senate. The managers are in agreement that \$147,000 of the amount approved shall be used for management and wilderness studies in the Hells Canvon National Recreation Area.

Amendment No. 66: Appropriates \$33,800,-000 for forest roads as proposed by the House instead of \$16,900,000 as proposed by the Senate.

Amendment No. 67: Appropriates \$6,000,-000 for forest roads and trails as proposed by the House.

Federal Energy Administration

Amendment No. 68: Appropriates \$58,301,-000 for salaries and expenses instead of \$32,002,000 as proposed by the House and \$90,889,000 as proposed by the Senate.

The net increase of \$26,299,000 above the House allowance includes the following increases and decreases: Increases of \$27,500 .-000 and 15 positions for State grants for weatherization assistance to low-income homeowners; \$750,000 for solar energy commercialization study; \$100,000 and 15 positions for private grievances and redress; decreases of \$314,000 for energy information and analysis; \$795,000 and 63 positions for regulatory programs; \$856,000 for appliance labeling; and \$86,000 for utilities rate demonstrations.

The managers are in agreement that \$12,174,000 and 12 positions for state con-servation grants shall be for supplemental grants as proposed by the House.

The total number of additional positions approved in the supplemental bill is 363.

Amendment No. 69: Earmarks \$39,500,000 to remain available for obligation until December 31, 1977, instead of \$12,000,000 as proposed by the House and \$67,000,000 as proposed by the Senate.

Department of Health, Education, and Welfare-Health Services Administration

Amendment No. 70: Inserts heading as proposed by the Senate.

Amendment No. 71: Appropriates \$1,000,-000 for Indian health services as proposed by the Senate.

Amendment No. 72: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates \$75,000,000 for Indian health facilities.

Institute of Museum Services

Amendment No. 73: Provides language as proposed by the Senate that none of the funds available shall be used for compensation of executive level V or higher positions.

National Foundation on the Arts and the Humanities

Amendment No. 74: Appropriates \$203,-000 for salaries and expenses as proposed by the Senate instead of \$425,000 as proposed by the House.

Amendment No. 75: Appropriates \$18,000,-000 for matching grants as proposed by the House instead of \$21,250,000 as proposed by

Amendment No. 76: Earmarks \$9,000,000 to the National Endowment for the Arts for the challenge grants program as proposed by the House instead of \$12,000,000 as proposed by the Senate.

Amendment No. 77: Earmarks \$9,000,000 to the National Endowment for the Humanities for the challenge grants program as proposed by the House instead of \$6,750,000

as proposed by the Senate.

Amendment No. 78: Deletes language proposed by the Senate which would appropriate \$2,500,000 for planning and design grants for railroad facility restoration.

Advisory Council on Historic Preservation

Amendment No. 79: Provides language as proposed by the Senate that none of the funds available shall be used for compensation of executive level V or higher positions.

Joint Federal-State Land Use Planning Commission for Alaska

Amendment No. 80: Deletes language proposed by the Senate providing \$1,100,000 for an economic and environmental study of Southeastern Alaska.

Chapter VII

Department of Health, Education, and Welfare

> Center for Disease Control Preventive Health Services (Transfer of Funds)

Amendment No. 81: Appropriates \$12,000,-000 as proposed by the Senate, instead of \$11,000,000, as proposed by the House.

National Institutes of Health

National Institute of Arthritis, Metabolism, and Digestive Diseases

Amendment No. 82: Appropriates \$10,600,-000, instead of \$7,500,000 as proposed by the House, and \$13,700,000 as proposed by the Senate.

Alcohol, Drug Abuse and Mental Health Administration

Alcohol, Drug Abuse and Mental Health

Amendment No. 83: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate, amended to read as follows: \$120,949,000, Provided, That allotments to each State under section 302 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treat-ment, and Rehabilitation Act shall not be less than the allotments made to such States in fiscal year 1976

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement will appropriate \$120,949,000 instead of \$115,049,000 as proposed by the House, and \$133,022,000, as proposed by the Senate. The increase over the amount proposed by the House includes \$4,-600,000 for project grants and contracts for community programs for the prevention, treatment, and control of alcoholism, and \$1,300,000 for formula grants to States for alcoholism programs. In addition the con-ferees have agreed to bill language which will insure that each State's formula grant for fiscal year 1977 is at least as much as it received in fiscal year 1976.

Health Resources Administration Health Resources

Amendment Nos. 84, 85, and 86: Adjust legal citations, as proposed by the Senate. Amendment No. 87: Appropriates \$414,-846,000 instead of \$404,826,000 as proposed by the House and \$416,746,000 as proposed by the Senate. The increase over the amount proposed by the House includes \$1,000,000 for National Health Service Corps Scholarships, \$500,000 for financial distress grants, \$2.520,000 for assistance to schools of public health, \$5,000,000 for State health planning and development agencies, and \$1,000,000 for construction assistance for the School of Veterinary Medicine at the Tuskegee Institute, Tuskegee, Alabama.

Amendment No. 88: Deletes separate appropriation of \$1,000,000 proposed by the Senate for Tuskegee Institute, Tuskegee, Alabama since this amount has been included under amendment No. 87.

Education Division Office of Education

Elementary and Secondary Education

Amendment No. 89: Appropriates \$18,-500,000 as proposed by the House, instead of \$16,000,000 as proposed by the Senate.

Emergency School Aid

Amendment No. 90: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate, amended to read as follows:

EMERGENCY SCHOOL AID

For an additional amount for "Emergency School Aid", \$17,500,000 of which \$7,500,000 shall be for carrying out section 707(a) (13) through 707(a) (15) of the Emergency School Aid Act and \$10,000,000 shall be for activities under section 708(a) of said Act, notwithstanding any other provision of said Act, to provide assistance to school districts for which section 706(a) funding is insufficient to meet their needs and which are imple-menting voluntary plans to eliminate or reduce minority group isolation.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Higher Education

Amendment No. 91: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment which will appropriate \$3,187,-168,000, instead of \$3,206,418,000 as proposed by the House and \$3,212,518,000 as proposed by the Senate. The managers on the part by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. The change from the amount proposed by the House includes a reduction of \$40,000,000 for college work-study, a reduction of \$6,100,000 for grants for con-struction of graduate facilities, and increases of \$10,000,000 for supplemental educational opportunity grants, \$10,500,000 for direct student loans, \$1,350,000 for language training and area studies, \$2,000,000 for university community services, \$1,500,000 for cooperative education, and \$1,500,000 for mining fellowships.

Amendment No. 92: Deletes language proposed by the House which would have ear-marked \$6,100,000 for section 721(a)(2) of the Higher Education Act.

Amendment No. 93: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment, provides that funds contained in Public Law 94-94 under this head for work-study grants shall remain available through September 30, 1978.

Library Resources

Amendment No. 94: Inserts legal citation,

as proposed by the Senate.

Amendment No. 95: Appropriates \$23,475 000 instead of \$19,475,000, as proposed by the House, and \$24,475,000, as proposed by the Senate. The increase over the amount proposed by the House includes \$1,000,000 for library career training and \$3,000,000 for State leadership activities to strengthen guidance, counseling, and testing programs.

Assistant Secretary for Human Development

Human Development

Amendment No. 96: Appropriates \$9,750, \$9,500,000 as proposed by the Senate, instead of \$9,500,000 as proposed by the House.

Amendment No. 97: Earmarks \$250,000 for section 301 of the Rehabilitation Act, as

proposed by the Senate.

Departmental Management

General Departmental Management

Amendment No. 98: Appropriates \$3,040,-000 instead of \$2,390,000 as proposed by the House, and \$3,940,000 as proposed by the Senate.

Amendment No. 99: Earmarks \$2,000,000 to remain available for obligation through September 30, 1978, instead of \$1,350,000 as proposed by the House, and \$2,900,000 as proposed by the Senate.

Related Agencies

Occupational Safety and Health Review Commission

Salaries and Expenses

Amendment No. 100: Appropriates \$177,-000, as proposed by the Senate. This item was not considered by the House.

Railroad Retirement Board

Regional Rail Transportation Protective Account

Amendment No. 101: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate, which appropriates \$25,000,000 for the payment of benefits under section 509 of the Regional Rail Reorganization Act of 1973. The House did not consider this item.

Chapter VIII Legislative Branch Senate

Amendment Nos. 102 through 134: Reported in technical disagreement. Inasmuch as these amendments related solely to the Senate and in accordance with long practice, under which each body determines its own housekeeping requirements, and the other concurs without intervention, the managers on the part of the House will offer motions to recede and concur in the Senate amendments Nos. 102 through 134.

Joint Items

Joint Economic Committee

Amendment No. 135: Appropriates \$11,500 as proposed by the Senate.

Joint Committee on Atomic Energy

Amendment No. 136: Appropriates \$14,100 as proposed by the Senate.

Joint Committee on Printing

Amendment No. 137: Appropriates \$6,000 as proposed by the Senate.

Office of Technology Assessment

Amendment No. 138: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate authorizing the rental of space in the District

Amendment No. 139: Appropriates \$569,050 for "Salaries and expenses" as proposed by the House instead of \$729,000 as proposed by the Senate.

Architect of the Capitol Office of the Architect of the Capitol

Amendment No. 140: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate inserting headings and appropriating \$90,000 for "Contingent expenses

General Provisions

Amendment Nos. 141 through 144: Reported in technical disagreement. The managers on the part of the House will offer motions to recede and concur in the amendments of the Senate inserting heading and language (1) permitting the Secretary of the Senate to accept moneys from the Department of the Treasury as reimbursement of salaries of U.S. Capitol Police serving as instructors at the Federal Law Enforcement Training Center in Glynco, Georgia; (2) de-leting the provisions of section 1824 of the Revised Statutes as amended (40 U.S.C. 210), which limits to \$20 per man the amount of money to be spent for the purchase of a weapon for the Capitol Police; and (3) authorizing the Chairman of the Capitol Police Board to assign one of the police vehicles, now available, to the Capitol Police liaison officer at the Federal Law Enforcement Training Center at Glynco, Georgia, for specific duty-related usage, as is the case with other agency personnel so assigned.

Chapter IX

Military Construction

Amendment No. 145: Restores the chapter number and heading for Military construc-tion as proposed by the House.

Amendment No. 146: Appropriates \$16,796,-000 for Military construction, Army, as proposed by the House.

Amendment No. 147: Appropriates \$20,330,-000 for Military construction, Navy, as proposed by the House.

Amendment No. 148: Appropriates \$20,000,-000 for Military construction, Air Force, as proposed by the House.

Amendment No. 149: Appropriates \$60,000,-000 for Family housing, Defense, instead of \$65,000,000 as proposed by the House. Also provides an increase of \$35,000,000 in the limitation on Department of Defense, operation, maintenance; an increase of \$15,000,-000 in the limitation on construction, Army; an increase of \$5,000,000 in the limitation on construction, Navy and Marine Corps; and an increase of \$10,000,000 in the limitation on construction, Air Force, all as proposed by the House. This procedure will allow the military services to apply savings from fiscal year 1977 and prior-year family housing construction to finance deficiencies in family housing operation and maintenance up to \$5,000,000 above the amount of new budget authority provided in this Act. The conferees feel that it is desirable to provide this flexibility in lieu of new appropriations in this amount.

The conferees are in agreement as to the urgency of the pollution abatement, energy conservation, and family housing upkeep and necessary improvements provided herein. They, further, note that considerable progress is being made in providing authorization for these projects in a prompt manner. Accordingly, the conferees are in agreement in recommending these appropriations for mili-tary construction and family housing at this

Chapter X

Amendment No. 150: Restores chapter number.

Department of the Interior Bureau of Reclamation

Drought Emergency Assistance

Amendment No. 151: Reported in technical disagreement. The Managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates \$100,000,000 for Drought Emergency Assistance for activities to mitigate the impact of the 1976-1977 drought in the western states.

Southwestern Power Administration Operation and Maintenance

Amendment No. 152: Appropriates \$13,-800,000 as proposed by the Senate for the

Southwestern Power Administration, Operation and Maintenance.

Administrative Provisions

Amendment No. 153: Adds title "Administrative Provisions" as proposed by the Senate.

Amendment No. 154: Reported in technical disagreement. The Managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which reads as follows:

"Appropriations made to the Bureau of Reclamation for fiscal year 1977 shall be available for services as authorized by 5 U.S.C. 3109, when authorized by the Secretary, in total amount not to exceed \$75,000."

Amendment No. 155: Reported in technical disagreement. The Managers on the part of the House will offer a motion to recede and concur in the amendment of the

Senate which reads as follows:

"Appropriations made to the Bureau of Reclamation, Southeastern Power Administration, Southwestern Power Administration, and Alaska Power Administration for fiscal year 1977 shall be available for hire, maintenance, and operation of aircraft; hire of passenger motor vehicles; purchase of reprints; payment for telephone services in private residences in the field, when authorized under regulations approved by the Secretary; and the payment of dues, when authorized by the Secretary, for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members."

Department of Defense—Civil
Department of the Army
Corps of Engineers
Construction, General

The conferees agree with the Senate Report language relating to the Chief Joseph Dam Additional Power Units project, Washington.

Chapter XI

Amendment No. 156: Restores chapter number.

Department of State

International Organizations and Conferences Contributions to International Organizations

Amendment No. 157: Appropriates \$48,-297,749 as proposed by the Senate instead of \$44,337,709 as proposed by the House

\$44,337,709 as proposed by the House.

Amendment No. 158: Provides that \$43,115,039 as proposed by the Senate, instead of
\$39,154,999 as proposed by the House, shall be
available only upon enactment of authorizing legislation.

Eighth Pan American Games

Amendment No. 159: Appropriates \$10,-000,000 as proposed by the Senate instead of \$6,000,000 as proposed by the House. The conferees are agreed that any additional funds needed to support the Eighth Pan American Games should be derived from television rights or other non-Federal

Department of Justice General Administration Working Capital Fund

Amendment No. 160: Appropriates \$2,238,-000 as proposed by the Senate instead of \$2,975,000 as proposed by the House.

Legal Activities

Salaries and Expenses, General Legal Activities

Amendment No. 161: Appropriates \$4,959,-000 instead of \$3,099,000 as proposed by the House and \$7,977,000 as proposed by the Senate. The increase of \$1,860,000 over the House amount is for the payment of private counsel fees required for suits that have already begun.

Amendment No. 162: Deletes bill language proposed by the Senate regarding the use of funds for suits commenced after enactment of this Act. However, the conferees are agreed

that none of the funds available to the Department shall be obligated or expended by the Department for the representation of any defendants in suits commenced after the effective date of this Act, until the appropriate committees of the Senate and the House of Representatives have reviewed the policy statement embodied in the Attorney General's Order No. 687-77 dated January 19, 1977.

Federal Prison System

Support of United States Prisoners Amendment No. 163: Appropriates \$10,-000,000 as proposed by the Senate.

Department of Commerce General Administration Salaries and Expenses

Amendment No. 164: Appropriates \$100,000 as proposed by the Senate.

Bureau of the Census Salaries and Expenses

Amendment No. 165: Deletes proposal of the Senate to appropriate \$309,000 for a monthly chartbook program.

Economic Development Assistance Drought Assistance Program

Amendment No. 166: Deletes proposal of the Senate to appropriate \$225,000,000 for a drought assistance program. While the conferees are not opposed in any way to the provision of such assistance, they are agreed that an appropriation to carry out such a program should await the enactment of necessary authorizing legislation.

National Oceanic and Atmospheric Administration

Operations, Research, and Facilities

Amendment No. 167: Appropriates \$1,680,000 instead of \$1,000,000 as proposed by the House and \$2,880,000 as proposed by the Senate. The amount includes \$1,000,000 for a tuna-porpoise observer program; \$430,000 for a study on weather modification; and \$250,000 to begin a program of long range weather analysis and climate research.

Coastal Zone Management

Amendment No. 168: Appropriates \$19,-595,000 instead of \$17,329,000 as proposed by the House and \$26,353,000 as proposed by the Senate. The \$2,266,000 above the amount in the House bill will provide for up to 80% Federal share of planning grants as well as additional planning requirements.

Coastal Energy Impact Fund

Amendments Nos. 169 through 172: Appropriate \$115,000,000 as proposed by the Senate instead of \$110,000,000 as proposed by the House. The \$5,000,000 above the amount in the House bill will provide for planning and environmental grants, authorized by the Coastal Zone Management Act Amendments of 1976.

Related Agencies

Office of Special Representative for Trade Negotiations

Salaries and Expenses

Amendment No. 173: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate amended to read as follows:

Office of Special Representative for Trade Negotiations

Salaries and Expenses

For an additional amount for "Salaries and expenses," \$266,000: "Provided, That not to exceed \$3,800 shall be available for official reception and representation expenses."

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Small Business Administration Disaster Loan Fund

Amendment No. 174: Deletes proposal of the Senate to appropriate \$50,000,000 for an emergency drought disaster loan program, which is not yet authorized. While the conferees are not opposed to drought assistance loans, they are agreed that an appropriation to carry out such a program should await the enactment of necessary authorizing legislation.

Chapter XII

Amendment No. 175: Restores chapter number.

Department of Transportation
National Highway Traffic Safety
Administration

Amendment No. 176: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate to appropriate \$3,000,000 for traffic and highway safety.

Federal Railroad Administration

Amendment No. 177: Appropriates \$25,-000,000 for grants to the National Railroad Passenger Corporation as proposed by the House instead of \$47,000,000 as proposed by the Senate.

The Conferees understand that the contractual commitments of Amtrak under the purchase agreement with the Consolidated Rail Corporation must be met and believe that the \$25,000,000 provided in this bill should enable Amtrak to meet such commitments for the balance of fiscal year 1977. The Conferees are disturbed by the lackadaiscal approach of Amtrak in its dealings with the Congress regarding its budget needs and in other matters.

Related Agencies

National Transportation Policy Study Commission

Amendment No. 178: Appropriates \$2,000,-000 for salaries and expenses instead of \$1,-000,000 as proposed by the Senate and \$3,000,-000 as proposed by the House.

The Conferees agree that the total funding over the life span of the Commission should not exceed \$5,000,000. In order to ensure that the work of the National Transportation Policy Study Commission will have maximum impact upon the development of national transportation policy, the Conferees recommend that the Authorizing Committees, in cooperation with the Department of Transportation, give early consideration to methods of reconstituting the makeup of the Commission to guarantee that certain interests which presently are not adequately represented shall have an equal voice on the Commission.

Chapter XIII

Amendment No. 179: Restores chapter number.

Department of the Treasury Federal Law Enforcement Training Center

Amendment No. 180: Appropriates \$1,000,-000 for salaries and expenses as proposed by the Senate.

Bureau of Government Financial Operations Amendment No. 181: Deletes \$6,750,000 for salaries and expenses as proposed by the

Bureau of the Public Debt

Senate.

Amendment No. 182: Deletes \$4,700,000 for administering the public debt as proposed by the Senate.

Internal Revenue Service

Amendment No. 183: Appropriates \$28,804,-000 for accounts, collection and taxpayer service as proposed by the Senate instead of \$26,804,000 as proposed by the House.

Executive Office of the President

Official Residence of the Vice President

Amendment No. 184: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriating \$30,000 for operating expenses for the Official Residence of the Vice President.

These funds are for official entertainment expenses of the Vice President. There is no legislative authority for this appropriation.

Council of Economic Advisers

Amendment No. 185: Appropriates \$155,000 for salaries and expenses as proposed by the Senate instead of \$167,000 as proposed by the House.

Council on Wage and Price Stability

Amendment No. 186: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriating \$241,000 for salaries and expenses instead of \$100,000 as proposed by the House. This recommended appropriation exceeds the level authorized for fiscal year 1977.

Office of Management and Budget

Amendment No. 187: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate. This amendment inserts language for salaries and expenses authorizing the Director of the Office of Management and Budget to place five positions in grades GS 16, 17, and 18.

Independent Agencies Civil Service Commission

Amendment No. 188: Appropriates \$775,000 for salaries and expenses as proposed by the Senate instead of \$1,207,000 as proposed by the House.

General Services Administration Federal Telecommunications Fund

Amendment No. 189: Appropriates \$20,000,000 for the Federal Telecommunications Fund instead of \$16,000,000 as proposed by the House and \$25,000,000 as proposed by the Senate.

The Conferees direct that the General Services Administration study the operation and financing of this fund and develop proposed legislation, if necessary, to insure that the rates charged users of the system will be adequate in the future to provide all capital necessary for the operation of the fund.

National Commission on Electronic Fund Transfers

Amendment No. 190: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate inserting language which increases the funding available for travel expenses by \$12,000.

Defense Civil Preparedness Agency

Amendment No. 191: Appropriates \$2,000,000 for operation and maintenance instead of \$8,000,000 as proposed by the House.

Amendment No. 192: Appropriates \$2,000,-000 for research, shelter survey and marking as proposed by the House.

Chapter XIV

Amendment No. 193: Restores chapter number.

Claims and Judgments

Amendment Nos. 194 and 195: Insert House document number and appropriate \$40,817,081 as proposed by the Senate.

TITLE II—INCREASED PAY COSTS FOR THE FISCAL YEAR 1977

Senate

Amendment Nos. 196 through 202: Reported in technical disagreement. The managers on the part of the House will offer motions to recede and concur in the amendments of the Senate appropriating \$5,395,800 for "Salaries, officers and employees", \$30,600 for "Office of the Legislative Counsel of the Senate", \$85,600 for "Senate policy committees", \$924,300 for "Inquiries and investigations", \$4,500 for "Folding documents", and \$4,000 for "Miscellaneous items".

Architect of the Capitol

Amendment Nos. 203 and 204: Appropriate \$445,400 for "Senate office buildings" and \$10,300 for "Senate garage" as proposed by the Senate.

Funds Appropriated to the President Agency for International Development

Operating Expenses

Amendment No. 205: Appropriates \$3,055,-000 for the pay increase as proposed by the Senate instead of \$3,400,000 as proposed by

Department of Defense Military Personnel, Army

Amendment No. 206: Appropriates \$300,-494,000 instead of \$297,294,000 as proposed by the House and \$303,694,000 as proposed by the Senate.

Military Personnel, Navy

Amendment No. 207: Appropriates \$138,-474,000 as proposed by the Senate, instead of \$153,474,000 as proposed by the House.

Military Personnel, Air Force

Amendment No. 208: Appropriates \$215,-036,000 instead of \$212,636,000 as proposed by the House and \$217,436,000 as proposed by the Senate.

Reserve Personnel, Army

Amendment No. 209: Appropriates \$9,850,-000 instead of \$7,350,000 as proposed by the House and \$12,350,000 as proposed by the Senate

National Guard Personnel, Army

Amendment No. 210: Appropriates \$8,750,-000 instead of \$7,600,000 as proposed by the House and \$9,900,000 as proposed by the Senate.

Operation and Maintenance, Army

Amendment No. 211: Reported in technical disagreement. The managers on the part of the House will offer a motion to appropriate \$167,680,000 instead of \$173,030,000 as proposed by the House and \$174,430,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agreed to Senate reductions of \$3,100,000 based upon the recently announced 75 percent limitation on the number of vacant positions that can be filled and \$9,000,000 made available from a reprogramming action which was subsequently adjusted downward. The conferees agreed to direct the Army to collect at least one-half of the funds lost through fallure to charge adequate amounts for the transportation of items sold to foreign governments in the Foreign Military Sales (FMS) program.

Operation and Maintenance, Navy

Amendment No. 212: Appropriates \$100,-638,000 as proposed by the Senate instead of \$102,838,000 as proposed by the House.

Operation and Maintenance, Marine Corps Amendment No. 213: Appropriates \$16,-937,000 as proposed by the Senate, instead

of \$17,237,000 as proposed by the House.

Operation and Maintenance, Air Force

Amendment No. 214: Appropriates \$123,-584,000, instead of \$123,434,000 as proposed by the House and \$125,334,000 as proposed by the Senate.

The conferees agreed to a reduction of \$1,600,000 made by the Senate based upon the recently announced 75 percent limitation on the number of vacant positions that can be filled. The conferees also agreed to direct the Air Force to collect at least one-half of the funds lost through failure to charge adequate amounts for the transportation of items sold to foreign governments in the FMS program.

Operation and Maintenance, Defense Agencies

Amendment No. 215: Appropriates \$74,-400,000 as proposed by the Senate instead of \$88,700,000 as proposed by the House.

Amendment No. 216: Reported in tech-

Amendment No. 216: Reported in technical disagreement. The managers on the part of the House will offer an amendment to recede and concur in the Senate amendment to make available \$15,000,000 from the

Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) to fund pay raises. The Department of Defense informed the Senate that these funds are not needed for the CHAMPUS program in FY 1977.

Operation and Maintenance, Army Reserve

Amendment No. 217: Appropriates \$6,689,-000 as proposed by the Senate instead of \$6,889,000 as proposed by the House.

Operation and Maintenance, Navy Reserve

Amendment No. 218: Appropriates \$1,800,-000 as proposed by the Senate instead of \$1,900,000 as proposed by the House.

Operation and Maintenance, Air Force Reserve

Amendment No. 219: Appropriates \$4,825,-000 as proposed by the Senate instead of \$5,125,000 as proposed by the House.

Operation and Maintenance, Army National Guard

Amendment No. 220: Appropriates \$17,866,000 as proposed by the Senate instead of \$18,366,000 as proposed by the House.

Amendment No. 221: Appropriates \$17,400,-000 as proposed by the Senate instead of \$18,000,000 as proposed by the House.

Department of State

Other

Amendment No. 222: Appropriates \$30,000 for the pay increase for "Migration and refugee assistance" as proposed by the Senate instead of \$31,000 as proposed by the House.

Department of Transportation

St. Lawrence Seaway Development Corporation

Amendment No. 223: Increases limitation on administrative expenses by \$46,000 as proposed by the Senate instead of \$36,000 as proposed by the House.

Department of the Treasury Internal Revenue Service

Amendment No. 224: Makes typographical change.

Other Independent Agencies
Action

Amendment No. 225: Deletes language proposed by the Senate which would have appropriated \$656,000 for pay increases for the Peace Corps.

Civil Aeronautics Board

Amendment No. 226: Appropriates \$1,196,-000 for salaries and expenses as proposed by the Senate instead of \$950,000 as proposed by the House.

> Intergovernmental Agencies Appalachian Regional Commission Salaries and Expenses

Amendment No. 227: Appropriates \$28,000 for the Appalachian Regional Commission, salaries and expenses as proposed by the Senate instead of \$13,000 as proposed by the House.

Delaware River Basin Commission Salaries and Expenses

Amendment No. 228: Appropriates \$8,000 for the Delaware River Basin Commission, salaries and expenses as proposed by the Senate instead of \$3,000 as proposed by the House.

Susquehanna River Basin Commission Salaries and Expenses

Amendment No. 229: Appropriates \$8,000 for the Susquehanna River Basin Commission, salaries and expenses as proposed by the Senate instead of \$3,000 as proposed by the House.

Interstate Commerce Commission

Amendment No. 230: Appropriates \$2,650,000 for salaries and expenses as proposed by the Senate instead of \$2,250,000 as proposed by the House.

Amendment No. 231: Provides that \$1,400,-000 of the appropriation for salaries and expenses is to be derived by transfer as proposed by the Senate instead of \$1,000,000 as proposed by the House.

Temporary Study Commissions

Amendment No. 232: Deletes \$10,000 for the National Study Commission on Records and Documents of Federal Officials, as proposed by the Senate.

Amendment No. 233: Makes typographical

change.

Amendment No. 234: Restores language proposed by the House and stricken by the Senate which provides that: "None of the funds appropriated or otherwise made available in this Act shall be obligated or ex-pended for the termination or deferral of any project, activity, or weapons system approved by Congress, except specific projects, activities, or weapons systems for which, and to the extent, budget authority has been rescinded or deferred as provided by law." The conferees agree that this provision

does not in any way change current or future rescission and deferral procedures under the Impoundment Control Act of 1974 (Title X of Public Law 93-344). Preparation and submission of rescissions and deferrals by the Executive Branch, and consideration thereof by the Congress, can continue under the Impoundment Control Act, that is, "as pro-

vided by law'

Section 304 would require, and the conferees direct, that rescissions and deferrals be promptly submitted under the Impoundment Control Act when termination or deferral is proposed for any project, activity, or weapons system which involves funds appropriated in this Act. It is intended that the provision be applicable only to those projects, activities or weapons systems that are clearly approved by Congress. It is not intended that the provision modify or affect the application of the Impoundment Control Act in any way.

Amendment Nos. 235 through 237: Restore

section numbers.

CONFERENCE TOTAL-WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1977 recommended by the Committee of Conference, with comparisons to the budget estimates, and the House and Senate bills follows:

Budget estimates of new (obligational) authorft.v 1, 2 \$33, 621, 799, 315 27, 892, 597, 271 32, 730, 485, 710 House bill_ Senate bill 2_____ Conference agreement =_ 28, 923, 859, 260 agreement compared with: Budget estimates of new (obligational) authority _____ House bill_____ -4,697,940,055+1,031,261,989Senate bill_____ -3,806,626,450

1 Includes \$699,467,649 of budget estimates not considered by the House, contained in House Docs. 95- 29, 95-89, and 95-97 and Senate Docs. 95-31 and 95-32.

*Includes \$1,025,000 for fiscal year 1976.

GEORGE MAHON, JAMIE L. WHITTEN, EDWARD P. BOLAND, WILLIAM H. NATCHER, DANIEL J. FLOOD. TOM STEED. GEORGE E. SHIPLEY. JOHN M. SLACK, JOHN J. MCFALL, CLARENCE D. LONG, SIDNEY R. YATES, GUNN MCKAY, TOM BEVILL. ELFORD A. CEDERBERG, ROBERT H. MICHEL, JOSEPH M. MCDADE (except amendments 9 through 13) MARK ANDREWS.

JACK EDWARDS

(except amendments 9 through 13)

LAWRENCE COUGHLIN

(except amendments 9 through 13),

Managers on the Part of the House. JOHN L. MCCLELLAN. WARREN G. MAGNUSON, ROBERT C. BYRD, WILLIAM PROXMIRE DANIEL K. INOUYE, ERNEST F. HOLLINGS,

BIRCH BAYH THOMAS F. EAGLETON. LAWTON CHILES. J. BENNETT JOHNSTON,

WALTER D. HUDDLESTON. PATRICK J. LEAHY,

MILTON R. YOUNG. CLIFFORD P. CASE, EDWARD W. BROOKE, MARK O. HATFIELD.

TED STEVENS. CHARLES MCC. MATHIAS, Jr.,

RICHARD S. SCHWEIKER, HENRY BELLMON.

LOWELL P. WEICKER, Jr., Managers on the Part of the Senate.

REPORT ON RESOLUTION PROVID-ING FOR CONSIDERATION OF H.R.

Mr. MURPHY of Illinois, from the Committee on Rules, submitted a privileged report (Rept. No. 95-166) on the resolution (H. Res. 481) providing for the consideration of the bill (H.R. 5101) to authorize appropriations for activities of the Environmental Protection Agency, and for other purposes, which was re-ferred to the House Calendar and ordered to be printed.

RESOLUTION DIRECTING CERTAIN COMMITTEES OF THE HOUSE TO CONDUCT REVIEW OF U.S. AS-SISTANCE

(Mr. DODD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DODD. Mr. Speaker, I am introducing today a resolution directing the Committee on Banking, Finance and Urban Affairs, the Committee on Appropriations, and the Committee on International Relations, to conduct a full review of all U.S. assistance which is not currently subject to prior congressional review on a country-by-country basis, in order to find ways of increasing congressional control over such assistance. In a time when many of our constituents are expressing serious reservations about our overseas assistance, and when many of us in this House feel that our role in the foreign policy decisionmaking process is still not what it should be, I believe that it is our responsibility to work together to increase our oversight of the totality of U.S. foreign aid.

As you know, this form of indirect, multilateral assistance to developing countries constitutes each year a larger type of aid-giving, while in many respects desirable, unfortunately excludes Congress from decisions concerning the nature of the assistance these institutions

are supporting, the projects themselves. as well as their recipients. Authorizations and appropriations of these moneys are made without the concerned congressional committees' full knowledge of the projected activities of these institutions on a country-by-country basis. It seems to me that the legislature of the country which bears a considerable share of the financial burden of these multilateral efforts, is entitled to a full accounting of the banks' operations before they take place. Access to such information, in a cooperative framework with bank officials, has not been forthcoming despite the determined efforts of several congressional committees

HEARINGS SHOULD BE HELD ON BENEFITS PASS-VETERANS' THROUGH BILL

(Mr. FORD of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FORD of Tennessee. Mr. Speaker, I rise today to inform my colleagues of the progress of H.R. 904, the veterans' benefits passthrough bill which I first in-troduced on January 4. This bill would help those people receiving Veterans' pension benefits and social security benefits at the same time. Currently, an increase in social security benefits is seen as additional income by the Veterans' Administration, causing the VA to cut this person's veterans benefits. Since so many people drawing these two benefits rely on them as their sole source of income, they have no protection against

Mr. CONTE and I have managed to get 167 Members as cosponsors. However, there are about 60 similar bills pending which have a total of 218 individual Members as sponsors or cosponsors.

This fact tells us that it is the will of the House that this bill be scheduled for hearings. We have circulated a letter to the chairman of the Veterans' Affairs Committee urging him to schedule hearings on these bills, and already have over 50 Members as cosigners. I urge my colleagues to join with us on this measure by calling my office to cosign the letter.

PERMISSION FOR COMMITTEE ON MERCHANT MARINE AND FISH-ERIES TO HAVE UNTIL MIDNIGHT FRIDAY, APRIL 8, 1977, TO FILE REPORT ON H.R. 5638

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may have until midnight Friday, April 8, to file its report on H.R. 5638, to amend the Fishery Conservation Zone Transistion Act in order to give effect during 1977 to the reciprocal fisheries agreement between the United States and Canada.

The SPEAKER. Is there objection to the request of the gentleman from New

There was no objection.

PERMISSION FOR COMMITTEE ON INTERNATIONAL RELATIONS TO FILE REPORT ON H.R. 5840, EX-PORT ADMINISTRATION ACT EX-TENSION

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on International Relations may have until midnight tonight to file a report on H.R. 5840, a bill to extend the Export Administration Act.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

HUMAN RIGHTS

(Mr. PEASE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEASE. Mr. Speaker, I am today reintroducing a concurrent resolution calling for an evenhanded global approach to defending human rights. Sixtyfive of my colleagues in the House have cosponsored this resolution. Clearly, there is substantial congressional support for President Carter's pronouncements on human rights. This resolution also shows there is growing interest within Congress in pursuing our commitment to human rights with our allies as well as with our potential adversaries. I am hopeful that this resolution will bolster the administration's confidence in congressional support for a vigorous human rights policy. Similarly, I hope that it will spur the administration to develop a systematic approach to weaving respect for human rights into the fabric of U.S. foreign policy.

There has been much speculation that President Carter's human rights pronouncements prompted the Soviets to reject the latest U.S. proposal in the SALT talks. I do not believe our renewed national commitment to human rights is a major stumbling block to a new SALT agreement. However, in the court of world opinion, the Soviets may perceive that the Carter administration's human rights campaign is primarily directed at them. It might be constructive for the Congress to express a national commitment to defend human rights throughout the World, not just in the Soviet Union. My resolution calls for just this kind of an evenhanded, consistent global approach to pursuing human rights. It voices congressional support for a determined and coherent American commitment to defending human rights within the international community.

FREE FOOD STAMPS SEEN AS MORE COSTLY

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, the administration came up yesterday with its plan for food stamp reform and the heart of this so-called reform eliminates the purchase requirement so that all future

food stamp recipients would simply get their stamps for free.

It is my understanding that President Carter said he did not want to see any increase in the net cost of the program. Well, according to Congressional Budget Office estimates last year, the free food stamp idea is going to cost around \$2 billion more.

You cannot give away free food stamps and keep the cost at its present level unless you screen out at least as many as you take into the program. Can you imagine this Congress taking food stamps away from anyone currently eligible to receive them? Well, of course not. And therein lies the dilemma for the administration. If we are going to provide more people with more food stamps, that is fine, but let us be honest with the taxpayers about how much its going to cost them. If we are going to make the food stamp program more effective at the same cost, that is fine too, but let us be honest about what it is going to take to accomplish it.

We have been in the forefront of this food stamp reform movement for the last several years. We suggested 41 changes in the law during the last Congress and when we return from the Easter recess we will have our refined proposals in new bill form. In view of the disastrous consequences, that would come by way of the administration's proposal, I would warn Members to take a careful look before committing themselves on this one. I further suggest that Members hang loose until they see our refined alternative.

URGING CANADIAN GOVERNMENT TO REASSESS ITS POLICY PER-MITTING KILLING OF NEWBORN HARP SEALS

Mr. RYAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the concurrent resolution (H. Con. Res. 142), a concurrent resolution urging the Canadian Government to reassess its policy of permitting the killing of newborn Harp seals, with Senate amendments and concur in the Senate amendments.

The Clerk read the title of the concurrent resolution.

The Clerk read the Senate amendments, as follows:

AMENDMENTS

Page 2, line 3, after "waters" insert: "is considered by many citizens of the United States to be cruel, and if continued".

Page 2, line 3, strike out "is a cruel practice which" and insert: "at the current high level"

Amend the preamble as follows: Page 1, line 4, strike out "Canadian Gov-

ernment".
Page 1, line 4, strike out "has increased

the".
Page 1, line 5, strike out "by one-third"

and insert: "has increased from one hundred and twenty-seven thousand". Page 1, lines 7 and 8, strike out "up to 90

per centum" and insert: "a high percentage".

Page 1, strike out lines 9 and 10. Page 1, strike out lines 11, 12, and 13.

Page 1, after line, 13, insert:
"Whereas there is enough conflicting sci-

entific data available indicating that the 1977 quotas may be unsound from a conservation point of view; and"

Page 2, second unnumbered line, after "preserve" insert: "animals which are or may become".

Page 2, second unnumbered line, strike out "of animals".

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, would the gentleman from California assure us that all of the amendments adopted in the Senate to the concurrent resolution are germane to the concurrent resolution?

Mr. RYAN. They are.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman and withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

A motion to reconsider was laid on the table.

INTERNATIONAL FINANCIAL INSTITUTIONS

Mr. MURPHY of Illinois. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 473 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES 473

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5262) to provide for increased participation by the United States in the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Asian Development Bank and the Asian Development Fund, and for other purposes. After general which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Illinois (Mr. Murphy) is recognized for 1 hour.

Mr. MURPHY of Illinois. Mr. Speaker, I yield the usual 30 minutes to the distinguished gentleman from Illinois (Mr. Anderson), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 473 provides for the consideration of H.R. 5262, international financial institutions. This resolution provides for an open rule with 1 hour of general debate. House Resolution 473 further provides that H.R. 5262 be read for amendment by titles instead of by sections.

H.R. 5262 provides for increased U.S.

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participation in several international development lending institutions. This bill authorizes a total of \$5.2 billion for fiscal year 1978 through fiscal year 1981, of which \$3 billion constitutes direct outlays, the remaining \$2.2 billion being in callable capital.

Title I of the bill provides for an increase in the U.S. capital contribution to the International Bank for reconstruction and development. \$1.6 billion is authorized of which only 10 percent or \$157 million will result in budget out-

lays.

Title II of the bill authorizes \$111 million as the U.S. share of new capital for the International Finance Corporation.

Title III of the bill authorizes \$2.4 billion as the U.S. share to the International Development Association, the soft loan window of the World Bank.

Title IV of the bill authorizes \$814 million in capital for the Asian Development Bank of which only 10 percent or \$81 million will result in budget outlays. This title also authorizes \$180 million as a new U.S. contribution to the Asian Development Fund, the soft loan agency of the Asian Development Bank.

Title V of the bill authorizes an additional U.S. contribution of \$150 million for the African Development Fund.

Title VI encourages U.S. officials in these lending institutions to direct assistance to countries that respect basic human rights instead of to those countries which consistently abuse those rights.

Title VII establishes a U.S. policy of encouraging the development of light capital technology as a form of assistance which is more appropriate to the economy and lifestyle of developing nations.

International financial institutions allow a more equitable sharing of the costs of assistance to developing nations.

Mr. Speaker, I urge the adoption of House Resolution 473 in order that H.R. 5262 may be considered.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself such time as I may consume

Mr. Speaker, this is a straight, 1-hour open rule making in order House consideration of H.R. 5262 which authorizes funds for several international lending institutions. No opposition was expressed to this rule during our Rules Committee consideration of the matter Tuesday morning, though it was clear that amendments will be offered to this bill on the human rights and African Development Fund issues.

H.R. 5262 authorizes a total of \$5.2 billion over 3 and 4 fiscal years, depending on the fund involved. These totals break down as follows: \$1.57 billion for the International Bank for Reconstruction and Development; \$111.5 million for the International Finance Corporation; \$2.4 billion for the International Development Association; \$814.3 million for the Asian Development Bank; \$180 million for the Asian Development Fund; and \$150 million for the African Development Fund.

As I mentioned earlier, the two main points of controversy in this bill are the human rights and African Development Fund issues. It is my understanding

that an amendment will be offered under this open rule to replace the so-called Reuss-Carter provision on human rights with the tougher Harkin amendment which already applies to the Interamerican Development Bank and African Development Fund. Another amendment will be offered to reduce the authorization for the African Development Fund because of the hasty manner in which it was inserted in the bill without hearings or an administration request. These amendments are in order under this rule and I urge the rule's adoption.

I. AFRICAN DEVELOPMENT FUND

Section 501 of the bill (page 5) strikes the previous authorization of \$25 million in three annual installments of \$9 million, \$8 million, and \$8 million, and replaces it with a \$175 million authorization for the African Development Fund—a \$150 million increase. committee report contains no justification for this additional authorization in the section discussing the African Development Fund (pages 28-33). Instead, it discusses poverty in Africa, the importance of Africa to the United States, background information on the Fund, the U.S. share compared to others; for example, 7 percent of total subscriptions, \$25 million, compared to 22 per-cent for Canada, the largest donor, \$75 million, the difference between the African Development Fund and the African Development Bank, the Fund's lending terms, and "Administration support for the AFDF contribution." This latter sec-

In his letter, Secretary Blumenthal notes that the fund is currently committing funds from contributions received as part of the first replenishment, covering the period 1976–78, and negotiations for a second replenishment of the fund to finance lending from 1979–81, are expected to begin later this year.

tion consists of a letter from Secretary

To quote from the letter:

of the Treasury Blumenthal.

The administration had intended to submit a request for authorizing legislation to cover U.S. participation in the second replenishment of Fund resources after completion of these international negotiations. Consequently, I will not request appropriation for these funds until fiscal year 1979. While the amendment may be premature, it is consistent with this Administration's intent to participate in a replenishment of the Fund. Therefore we can support the Subcommittee's authorizing action.

The minority views, signed by Representatives Stanton, Brown, WYLIE, ROUSSELOT. HANSEN HYDE KELLY. GRASSLEY, LEACH, and Evans-pages 48-51-express strong opposition to the \$150 million increase for AfDF because there had been no replenishment negotiations and no administration request. lukewarm Treasury support was only offered after the fact, and no other country was prepared to offer contributions of its own at this time. They go on to point out that the United States cannot hope to have any leverage in the upcoming replenishment negotiations when it has already announced its contribution. And finally, the manner in which this was adopted violates the "a standard series of procedures" Congress and the Executive have chosen to follow in authorization measures for international development banks. These procedures include consultation between the Executive and Congress prior to replenishment negotiations, negotiation of donor shares at a formal replenishment conference, a recommendation and report from the National Advisory Council and an initiative from the President. To quote from the minority views:

None of these procedures was followed in this case, and yet, a majority of the committee present at the vote—18 of 47 members—felt compelled to ignore normal procedures.

While the minority state that-

Most of us do not oppose a U.S. contribution to the African Development Fund (page 51).

It should be noted that 7 of the 10 Republicans signing the minority views voted against reporting the bill in full committee—the exceptions being Stanton, Leach, and Evans. Republicans joining the latter three in voting to report the bill—but not signing the minority views—were McKinney, Fenwick, Steers, and Caputo.

One final note not referred to in the report: A CBO budget issue paper entitled, "International Financial Institutions: Background and Budget Options for Fiscal Year 1978," issued in March 1977, and contained in your folder, offers four budget options (page 52 et seq.). The first, which is the administration request, and is the most costly-\$2.6 billion/fiscal year 1978—calls for increased replenishments for both conventional and concessional funds with the expectation that "other donors will presumably also fulfill their negotiated obligations." This option, like the others, calls for \$10 million in U.S. contributions to the African Development Fund-already authorized in 1976. The CBO report contains the following paragraph on AfDF:

A \$10 million contribution to the African Development Fund would complete all authorized payments to that soft-loan facility. The African Fund is a case of authorizations exceeding requests. A total of \$15 million-which has been paid—was originally requested when the United States joined the fund in 1976. The Congress chose, however, to authorize \$25 million, leaving \$10 million in excess of budget authority. (Emphasis added.)

RECOMMENDATION

I tend to agree with Blumenthal that the additional \$150 million for AfDF is "premature" and with the minority views that this would destroy any bargaining leverage for the United States in the upcoming replenishment negotiations. Moreover, I agree with the minority that this violates all the accepted procedures worked out between the Executive and Congress for approaching the question of U.S. contributions to these international lending institutions.

Mr. Speaker, I have no further request for time and I reserve the balance of my

time

Mr. MURPHY of Illinois. Mr. Speaker, I have no further request for time and I move the previous question on the resolution.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes ap-

peared to have it.

Mr. DERWINSKI. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not pres-

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were-yeas 366, nays 15, not voting 52, as follows:

[Roll No. 131] YEAS-366

Abdnor Corman Addabbo Akaka Alexander Cotter Allen Ambro Ammerman Crane Anderson, Calif. Anderson, Ill. Andrews, N.C. Andrews, N. Dak. Davis Delaney Annunzio Dellums Dent Applegate Archer Armstrong Ashley AuCoin Dicks Dodd Badham Badillo Dornan Downey Bafalis Baldus Barnard Baucus Beard, R.I. Beard, Tenn. Eckhardt Edgar Bedell Beilenson Benjamin Bennett Eilberg Emery English Bevill Biaggi Bingham Blanchard Ertel Blouin Boggs Boland Bolling Fary Fascell Bonker Findley Bowen Brademas Fish Breaux Fisher Breckinridge Fithian Brinkley Brodhead Flippo Flood Brooks Florio Broomfield Flynt Brown, Calif. Brown, Mich. Brown, Ohio Foley Forsythe Broyhill Fountain Buchanan Fowler Burgener Burke, Calif. Burke, Mass. Fraser Frenzel Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip Fuqua Gammage Gephardt Giaimo Butler Gibbons Caputo Gilman Ginn Glickman Carr Cavanaugh Gonzalez Cederberg Chappell Chisholm Gore Grassley Gudger Guyer Clausen, Don H. Clawson, Del Hagedorn Cleveland Hall Hamilton Cochran Cohen Coleman Hanley Hannaford Collins, Tex. Harkin Harris Conable Conte Heckler Hefner

Corcoran Hightower Hollenbeck Holt Cornwell Holtzman Horton Coughlin Hubbard Huckaby D'Amours Hyde Ireland Daniel, Dan Daniel, R. W. Jacobs Danielson Jenkins Jenrette de la Garza Johnson, Calif. Johnson, Colo. Jones, N.C. Jones, Okia. Jones, Tenn. Derrick Derwinski Jordan Kasten Kastenmeier Kazen Kelly Drinan Duncan, Oreg. Ketcht Duncan, Tenn. Keys Kildee Kemp Ketchum Kindness Koch Edwards, Ala. Edwards, Okla. Kostmayer Krebs Krueger LaFalce Lagomarsino Erlenborn Le Fante Evans, Colo. Evans, Del. Evans, Ga. Leach Lederer Leggett Lehman Evans, Ind. Lent Levitas Lloyd, Calif. Lloyd, Tenn. Long, Md. Lundine McCloskey McDade McEwen McFall Ford, Tenn. McHugh McKay McKinney Madigan Maguire Mahon Mann Markey Marks Marlenee Marriott Martin Mathis Mattox Mazzoli Meeds Meyner Michel Mikulski Mikva Miller, Calif. Miller, Ohio Mineta Minish Mitchell, Md Mitchell, N.Y. Moakley Moffett Mollohan

Montgomery

Moore Rogers Moorhead, Calif. Roncalio Rooney Moorhead, Pa. Rose Rosenthal Mottl Murphy, Ill. Murphy, N.Y. Rostenkowski Rousselot Murtha Myers, Gary Myers, Michael Myers, Ind. Roybal Rudd Runnels Ruppe Natcher Russo Nedzi Santini Nolan Satterfield Nowak O'Brien Sawyer Scheuer Oakar Schroeder Schulze Oberstar Obey Ottinger Sebelius Seiberling Sharp Panetta Shuster Patterson Pattison Simon Pease Skelton Pettis Pike Skubitz Poage Slack Smith, Iowa Price Smith, Nebr. Pritchard Spellman Pursell Spence St Germain Quie Stangeland Stanton Rahall Rangel Regula Reuss Stark Steed Rinaldo Steers Roberts Steiger Robinson Stockman Stratton Rodino Roe Studds NAYS-15 Ashbrook

Thompson Thone Thornton Tonry Traxler Treen Trible Tsongas Tucker Udall Ullman Van Deerlin Vento Volkmer Waggonner Walgren Walker Walsh Watkins Waxman Weaver Weiss Whalen White Whitehurst Whitley Whitten Wiggins Wilson, Bob Wilson, Tex. Winn Wirth Wright Wylie Yates Yatron Young, Alaska Young, Mo. Young, Tex. Zablocki Zeferetti

Hansen Bauman Harsha Lujan Gaydos Hammer McDonald Murphy, Pa. schmidt Quillen

Risenhoover Snyder Symms Taylor

NOT VOTING--52

Aspin Burke, Fla. Hillis Preyer Railsback Holland Howard Hughes Byron Rhodes Carter Richmond Clay Collins, Ill. Ichord Jeffords Shipley Staggers Stokes Dickinson Long, La. Dingell McClory Stump Edwards, Calif. McCormack Teague Vander Jagt Metcalfe Fenwick Wampler Flowers Ford, Mich. Milford Wilson, C. H. Moss Goldwater Gradison Nichols Patten Wolff Wydler Harrington Pepper Perkins Young, Fla. Hawkins Heftel Pickle

The Clerk announced the following pairs:

Mr. Teague with Mr. Aspin. Mr. Staggers with Mr. Nichols.

Mr. Sikes with Mr. Milford. Mr. Harrington with Mr. Railsback.

Mr. Hawkins with Mr. Byron.

Mr. Heftel with Mr. Dickinson.

Mr. Moss with Mr. Burke of Florida.

Mr. Wolff with Mrs. Fenwick. Mr. Stokes with Mr. Luken.

Mr. Richmond with Mr. McClory.

Mr. Howard with Mr. Carter.

Mr. Hughes with Mr. Gradison.

Mr. McCormack with Mr. Pickle.

Mr. Diggs with Mr. Stump. Mr. Preyer with Mr. Goldwater.

Mr. Clay with Mr. Vander Jagt.

Mr. Dingell with Mr. Wampler

Mr. Edwards of California with Mr. Young

of Florida.

Mrs. Collins of Illinois with Mr. Flowers.

Mr. Ford of Michigan with Mr. Hillis.

Mr. Ichord with Mr. Holland.

Mr. Metcalfe with Mr. Long of Louisiana.

Mr. Pepper with Mr. Shipley. Mr. Patten with Mr. Wydler.

Mr. Charles H. Wilson of California with Mr. Perkins.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table

Mr. GONZALEZ. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5262) to provide for increased participation by the United States in the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Asian Development Bank and the Asian Development Fund, and for other purposes.

The SPEAKER pro tempore (Mr. NATCHER). The question is on the motion offered by the gentleman from Texas (Mr. Gonzalez). The motion was agreed

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5262), with Mr. DUNCAN of Oregon in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas (Mr. Gonzalez) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. STANTON) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. Gonzalez).

Mr. GONZALEZ. Mr. Chairman, at this point I would like to yield time to the very distinguished chairman of the full committee, the gentleman from Wisconsin (Mr. Reuss), who is a long-recognized authority, who is very knowledgeable in this area of legislation, and who, I think the record ought to reflect, served as the chairman of the Subcommittee on International Financial Institutions, as it was known for many years and is now, of course, the full chairman of the Committee on Banking, Finance, and Urban Affairs. I am honored to yield such time as he may consume to the distinguished gentleman from Wisconsin (Mr. REUSS).

Mr. REUSS. Mr. Chairman, I thank the distinguished chairman of the subcommittee, the gentleman from Texas (Mr. GONZALEZ), for yielding this time to me. I wish at this time to compliment the gentleman from Texas on the very able and serviceable management which he has given to the bill and on his efforts in bringing it before us today, both through the extensive hearings held in his subcommittee and by his piloting the bill through the full committee.

Mr. Chairman, I have asked for permission to revise and extend my remarks, and I did so because I do not intend to go into all the arithmetic involved. It is enough to say that we ask here for authorization for the next 3year period of \$5.2 billion-that comes out at about \$3 billion-plus in outlaysto support the World Bank, the International Finance Corporation, IDA, the Inter-American Development Bank, the Asian Development Bank and Fund and the African Development Fund.

Those organizations have served us well in the past. They have the great advantage of bringing in the wealthy donors of the world and thus lightening the burden that this country must share. It is significant that our proportionate share has gone down a good deal in percentage points.

These international agencies also have the advantage that they can impose prudent conditions, better than can a bi-

lateral loan program.

Leaving the financial aspect for a moment, I would comment on two nonfinancial parts of the bill. One is the so-called light capital technology amendment, which is found on page 7 of the bill, H.R. 5262. That embodies the philosophy of E. F. Schumacher of "small is beautiful" fame, and it was particularly crafted for this bill by our colleague, the gentleman from Maryland, Mr. Clarence Long.

In a nutshell, what it says is that instead of relying so much on huge steel mills and on an infrastructure in the developing countries, we ought to think more in small terms, such as a pump for the village well, and a plow that can do a better job than grandma could.

So the light capital technology amendment simply directs the attention of our executive directors to the desirability, wherever possible, of practicing "small

is beautiful."

The remaining matter concerning which I want to devote a moment or two is the human rights language. There for the first time, and on an across-the-board basis—and this makes me particularly happy—and with full administration support, appears a straightforward and useful human rights amendment. I will read it to the Members:

"The United States Government, in connection with its voice and vote in" all of these six international agencies "shall advance the cause of human rights, including by seeking to channel assistance toward countries other than those whose governments engage in a consistent pattern of gross violation of internationally recognized human rights, such as torture or cruel, inhumane or degrading treatment or punishment."

It then requires the Secretaries of State and Treasury to let us know every 6 months exactly what has been going on.

This, as I say, is a meaningful provision. It tells the executive branch that we do not just want them to vote correctly, but we want them to use their voting and their politicking, and we want them to make it a 24-hour-a-day, year-round activity, to the end that human rights are advanced rather than retarded by these international lending agencies.

There is a friendly argument that is going to be focused on the human rights amendment to be offered by the gentleman from New York (Mr. Badillo) with slightly different language, which has been written in conjunction with the distinguished gentleman from Iowa (Mr. HARKIN).

As far as I am concerned, I voted for

this Harkin language last year. There is nothing in it that greatly bothers me. I, however, prefer the committee and the administration-approved language, for certain technical reasons.

One of the troubles with the amendment offered by the gentleman from New York (Mr. Badillo) in my judgment, and maybe I am wrong, is that it permits these loans to be made to the torturing dictators, and others of that stripe, if only they can show that the aid is going to meet the basic human needs of the citizens of their country. Well, Mr. Chairman, what shall it profit the poorer citizens of those countries to have their basic human needs met after they have first been tortured by the fellow who is going to distribute the aid? This has bothered me and it has occurred in several cases. One of which was in the case of the loan to Chile. All that the torturers in Chile had to do was dress their loan up in a form where it would help the peasants, and the United States voted for

There is other language that bothers me—the definition of "disregarding human rights," which includes "prolonged detention without charges." This might prove troublesome. After all, our writ of habeas corpus is a fragile child. Not many other countries have it. As one looks at the list of nations, including some with pretensions of civilization, many of them do clap people in jail, without charges, for considerable periods of time.

So, while the talk goes on as to whether it should be the Badillo-Harkin language, or the committee-Carter language, I would hope that the Members would give their attention to these possible defects that I mention.

At any rate, Mr. Chairman, I think we should give thanks that the debate here this afternoon is not going to be about whether we should have regard for human rights in our foreign policy, but about the exact language in the particular amendment. And that, believe me, is a step forward.

Mr. GONZALEZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Chairman, the bill H.R. 5262 authorizes substantial increases in U.S. commitments to the World Bank Group, the Asian Development Bank and its affiliate, the Asian Development Fund, and to the African Development Fund. This bill also encompasses policy directives to guide U.S. participation in all these institutions, but I will restrict my own comments to the funds authorized, and will yield to the distinguished chairman of the full committee for discussion of the policy directives, since he is the author of one and very well acquainted with the other.

The first three titles of the bill concern new contributions to the World Bank group, to wit, the International Bank for Reconstruction and Development, commonly known as the World Bank, and its affiliates, the International Finance Corporation and the International Development Association. Each of these three agencies plays a distinct role in providing development assistance, each is a separate legal entity, but they

share in common the same management and directors.

Title I authorizes the United States to agree to an increase in the capital of the World Bank, and further authorizes the United States to subscribe a part of that increase. Altogether, the capital of the World Bank would be expended by \$8.4 billion, of which the United States would subscribe to 19 percent, or \$1.57 billion. As in the case of all World Bank capital, 10 percent of the U.S. subscription would be paid in and the bal-ance held in the Treasury as callable capital, to be made available if needed to cover Bank bond obligations. Thus far there has never been a call made against the callable capital of the World Bank, and the administration has estimated that such a call is unlikely to develop.

This bill, in its second title, would also authorize an expansion of the capital of the International Finance Corporation, which has been in business since 1956 and has never had a capital replenishment. Worldwide, the International Finance Corporation is seeking to raise \$540 million in new capital, and the U.S. share would be \$111 million or 23 percent of the total. The International Finance Corporation invests exclusively in private enterprises, mostly in the area of manufacturing. It operates very much like an investment bank, and frequently will take an equity position in a venture it is helping to finance, but it never takes a management position. The International Finance Corporation has recorded a loss record of less than 1 percent, and presently is earning about 9 percent on its equity.

The third branch of the World Bank is the International Development Association, generally referred to as the soft loan window of the World Bank. Whereas the Bank itself raises most of its money in the private capital markets, the International Development Association gets its funds solely from contributions, mostly by governments, but in part from earnings contributed by the Bank. The Bank makes its loans at close to commercial rates, but the International Development Association makes its loans for very long terms, and at less than 1 percent interest cost.

Title III of this bill authorizes the United States to agree to an increase of \$7.6 billion in International Development Association and to agree to make a U.S. contribution of \$2.4 billion toward this, which would be a U.S. share of 31 percent. Over the years, our cumulative share of contributions to the International Development Association has been 38 percent, and our proposed share represents a decreasing percentage.

Title IV of the bill concerns a regional lending institution, the Asian Development Bank and its affiliated soft loan agency, the Asian Development Fund. For the Bank, the bill authorizes a U.S. contribution of \$814 million toward new capital resources totaling \$5 billion, so that our share would amount to 16 percent of the total, the same as our present share of Asian Development Bank capital. As in the case of the World Bank, capital contributions to the Asian De-

velopment Bank are 10 percent paid in and 90 percent callable.

The Asian Development Fund is raising \$809 million in new resources, and the bill authorizes a U.S. contribution of \$180 million, or 22 percent of the total.

Finally, the bill authorizes a new U.S. contribution to the African Development Fund, which is the soft loan affiliate of the African Development Bank. The United States is not a member of the Bank itself, which accepts no outside or nonregional members. We entered the Fund with a \$25 million contribution last September, which this bill would expand by some \$150 million. For the record, I note that there were no hearings on the African Fund contribution, it was not requested by the administration, and probably will not be used, inasmuch as there is no provision for it in the budget. However, the administration does not oppose this part of the bill.

In all cases, our contributions would be paid over a 3-year period, beginning with fiscal year 1978. Altogether the bill authorizes \$5.2 billion in new commitments, and will result in outlays totaling \$3 billion, unless there is a call on the callable capital commitments, which total \$2.1

billion

As I mentioned at the outset of my remarks, this bill includes titles that establish U.S. policy on participation in these lending institutions with respect to human rights and the advocacy of light capital technologies. The distinguished chairman of the full committee is the author of the human rights language, and is expert on the subject of light and intermediate technology.

Mr. Chairman, I yield 3 minutes to the gentleman from Maryland (Mr. MITCH-

ELL).

Mr. MITCHELL of Maryland. Mr. Chairman, I welcome the debate here on the House floor concerning H.R. 5262, the international lending institutions bill which would provide for increased participation by the United States in the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Asian Development Bank, the Asian Development Fund, and the African Development Fund, and in particular to address the needs of Africa.

The African Development Fund faces an extremely challenging task because Africa is the world's least developed continent. Over half of the 25 poorest, least developed countries in the world are in Africa; 13 of the world's 18 land-locked developing countries are African; and 22 of 33 of the United Nations' "most seriously affected"—MSA—countries are African: Cameroon, Central African Republic, Chad, Dahomey, Ethiopia, Ghana, Guinea, Ivory Coast, Kenya, Lesotho, Malagasy Republic, Mali, Mauritania, Niger, Senegal, Sierra Leone, Somalia, Sudan, Tanzania, and Upper Volta.

In recent years, severe drought in the Sahelian zone as well as in the East African countries of Ethiopia, Somalia, Kenya, and Tanzania, had a particularly devastating impact. Since the late sixties, prolonged drought conditions have affected approximately 23 million people

in Chad, Mali, Mauritania, Niger, Senegal, and Upper Volta in the Sahel region of Africa. An estimated 8.4 million people have experienced hunger, malnutrition and disease, as well as loss of livelinood. As many as 100,000 persons are estimated to have died of starvation or related causes in these countries. While the spotlight was on the magnitude of human suffering, the effect on the economies of the Sahelian countries has been so devastating it is likely to hold back development in many areas of the region for some time to come.

According to the Fund, in 22 of 41 African nations, food production is failing to keep pace with the population growth. Africa has sufficient land to feed its people but needs additional irrigation, fertilizer, technical assistance

and other input.

Millions of acres of arable land have either remained unused because they are physically inaccessible due to the lack of roads, irrigation, and other infrastructure, or else are underexploited due to the prevalance of disease such as on-chocerciasis and trypanosomiasis.

There is also a need for increasing agricultural credit services to farmers if they are to expand output and adopt new technologies. The Fund estimates that only about 5 percent of African farmers currently receive institutional credit, compared to 15 percent each in Asia and Latin America.

About 75 percent of the African population is engaged in subsistence agriculture, and in half of the countries per capita income is less than \$100 per year.

Africa has some of the highest population growth rates in the world. The average annual rate of population growth in Africa during the period 1970–75 was 2.66 percent, compared with 2.64 percent in South Asia, 1.63 percent in East Asia, 2.73 percent in Latin Amer-

ica and 0.99 in North Africa.

Health care facilities in Africa are among the worst in the world. According to the World Bank, the life expectancy at birth for 1965-70 in Africa was 43.3 years, compared with 52.2 years in East Asia, 48.8 years in South Asia, 60.2 years in Latin America, and 70.4 years in the developed countries. In some African countries the life expectancy is astonishingly low; for example, 34 years in Cameroon, 33 years in the Central African Republic, and 29 years in Chad. Vast regions of Africa are afflicted with debilitating diseases such as river blindness and schistosomiasis. In sub-Sahara Africa, about 270 million people remain exposed to malarial infection without any organized protection. In some areas, the malarial infection rate is 90 to 95 per-

Of particular interest to me regarding this legislation is title V, which provides for a U.S. contribution to the African Development Fund in the amount of \$150 million, to be paid in three annual \$50 million installments. The dollar figure will be amended.

I support this figure because I believe, and will continue to believe, that it best addresses the needs of the developing African countries which draw from the Fund. My trip last year to West Africa confirmed my belief that economic development in the African nation must be greatly accelerated as I witnessed the rampant hunger, poverty, and disease which is so characteristic of developing countries.

I believe that experience has taught us that the smaller institutions, based on a majority of local participation, do a better job of meeting certain requirements than the large worldwide organizations.

As of December 31, 1976, the African Development Fund subscriptions totaled \$340 million including the \$15 million, 4.4 percent, from the United States. Already pledged or projected additional subscriptions through July 1, 1978, include:

 [In millions of dollars]

 Remainder of pledges under first replenishment
 \$71

 Saudi Arabia
 12

 Kuwait
 16

 Abu Dhabi
 10

 Qatar
 5

 United States (fiscal year 1978 appropriations request)
 10

 France
 11

 Total
 135

Under the likely assumption that all these additional subscriptions are paid by July 1, 1978, due date for last payments under the first replenishment, the U.S. contribution would total \$25 million or 5.2 percent of total subscriptions of \$475 million. We would be the sixth in donor rank after Canada, Japan, Germany, United Kingdom, and Sweden and equal to the contribution of Norway.

Neither of the Fund donors nor the Africans can be expected to view this situation to constitute an appropriate role for the United States. The United States plays a leading role in all international financial institutions. We hold executive directorships in all these institutions except the African Development Fund. The political benefits we have already gained from U.S. membership in the African Development Fund will decline if we are unable to obtain an appropriate role within a reasonable length of time. We would also have no assurance of election to an executive directorship in the Fund on the basis of our relative voting power.

If the African Development Fund provision is approved and is implemented by \$50 million in fiscal year 1979 appropriation authority, we could by the end of calendar year 1978 have a \$75 million subscription—14.3 percent of total subscriptions of \$525 million—and be equal in donor rank with Canada as the largest Fund contributor. Election to an executive directorship in the Fund would probably be assured.

A \$50 million contribution on this basis would also have us participate fully in the pattern of donor contributions to the African Development Fund since its inception:

First. Initial contribution (1973).— Each donor country contributed what it considered an appropriate amount. The initial contribution of the United States made in November 1976, was \$15 million and roughly equals the initial contribution of the largest single donor, Canada.

Second. Special general increase (1974–75).—Most donor countries contributed an amount equal to one-half their initial contribution. The U.S. contribution of \$10 million for which appropriation is being sought in fiscal year 1978 would correspond to the contributions by others to this increase.

Third. First general replenishment (began 1976).—Most donor countries are contributing an amount equal to 200 percent of the sum total of their initial contributions and their special general increase.

Canada, for example, made an initial contribution of \$16.7 million, a \$8.3 million contribution to the special general increase, and has pledged a \$50 million contribution to the first general replensishment in three equal annual installments with the last to be made July 1, 1978. By and large, donor countries have accepted this agreed pattern of contribution

Under this approach, the U.S. contribution would look as follows:

Initial contribution: \$15 million—already made.

Special general increase: \$10 million—in fiscal year 1978 appropriation request.
First replenishment: \$50 million—fiscal year 1979 under Mitchell initiative.

Questions have been raised from my colleagues whether the African Development Fund could utilize total subscriptions of \$525 million in the time frame under consideration. Of this total, the Fund has already obligated \$227 million in the first 3 years of its operations (1974–76). The Fund's management estimates that during 1977–79 the Fund will lend \$350 to \$385 million. This is a reasonable estimate since the Fund's pipeline of potential loans currently contains 72 projects, mainly in the agricul-

tural and transport sectors, totaling \$373 million. Thus obligations to date plus the existing pipeline totals \$600 million. Moreover, this total is limited by management's practice to restrict individual loans to a \$5 million ceiling to insure equitable distribution of available resources among African countries. Thus, the pipeline total could be further increased merely by lifting the individual loan ceiling. This evidence clearly suggests that the Fund could use an additional \$50 million U.S. contribution in fiscal year 1979.

Donor negotiations over a second replenishment are now expected to begin at the end of this calendar year. The second replenishment will probably cover a 3-year period beginning July 1, 1979. For this period, we would expect that the Fund will seek new contributions at least equivalent to contributions as of July 1, 1978. The \$100 million authorization authority included in the Mitchell initiative for fiscal years 1980 and 1981 would, therefore, probably provide an appropriate underwriting for U.S. participation in the second replenishment.

Relations with Africa have assumed greater significance, both economically, strategically, and politically. I believe that the significance of these interests will only grow as time passes. A brief cost-benefit analysis will show that the benefits received by the United States far exceeds the contribution of \$150 million, mainly because African countries serve the commercial interests of the United States.

For example, trade with African countries in the first half of 1975 increased at a much more rapid pace than trade with the rest of the world. During this time period, the African Continent supplied 24.5 percent of U.S. coffee imports, 56.7 percent of U.S. cocoa imports, 29.2 percent of U.S. manganese and ferromanganese imports, 35.8 percent of U.S.

platinum imports, and 37.1 percent of U.S. gem diamond imports.

When we consider the natural gas shortage problem we are presently trying to solve, and the not too far gone energy crisis caused by the Arab oil embargo, it becomes significant when we realize that Africa's energy resources are among the most plentiful of the world. The full extent of Africa's petroleum and natural gas resources have yet to be assessed. Currently, petroleum accounts for 72 percent of U.S. imports from Africa which is 33.5 percent of total U.S. crude petroleum imports. Nigeria is the seventh largest producer of crude oil in the world and the second largest supplier of crude oil to the United States.

Another benefit to the U.S. contribution of \$150 million in the African Development Fund is that by helping to build a good basic infrastructure we will enhance our investment possibilities. We cannot search for mineral deposits, which we need as a highly industrialized nation, or produce and deliver goods without roads and a communications

Clearly, it will be in the best interests of the United States to provide a contribution of \$150 million to the African Development Fund. This implementation would permit a fully justified catchup contribution to obtain an appropriate U.S. role in the Fund during fiscal year 1979 and put the United States in a forthcoming position for the upcoming negotiations over a second replenishment.

This U.S. contribution will show the African countries that we are concerned about their development as they are attempting to join the mainstream of global economic activity and better their standards of living. I urge all of my fellow colleagues to lend their full support for this legislation.

I include the following:

AFRICAN DEVELOPMENT FUND-STATEMENT OF SUBSCRIPTIONS, DEC. 31, 1976

[In U.S. dollars]

Participants	Initial	Special general increase	1st general replenishment	Total	Participants	Initial	Special general increase	1st general replenishment	Total
1. African Development Bank 2. Belgium 3. Brazil 4. Canada 5. Denmark 6. Finland 7. Germany 8. Italy	5, 550, 000 3, 330, 000 2, 220, 000 16, 650, 000 5, 550, 000 2, 220, 000 8, 266, 869 11, 100, 000	1, 665, 000 1, 110, 000 8, 325, 000 2, 220, 000 8, 383, 130	3, 330, 000 49, 950, 000 11, 100, 000 4, 440, 000 24, 975, 000	7, 215, 000 3, 330, 000 6, 660, 000 74, 925, 000 18, 870, 000 6, 660, 000 41, 625, 000 11, 100, 000 49, 950, 000	11. Norway 12. Saudi Arabia 13. Spain 14. Sweden 15. Swiss Confederation 16. United Kingdom 17. Yugoslavia 18. United States	5, 550, 000 9, 990, 000 2, 220, 000 5, 550, 000 3, 330, 000 5, 784, 676 2, 220, 000 15, 000, 000	2, 775, 000 1, 110, 000 4, 440, 000 3, 541, 066 1, 110, 000		24, 975, 000 9, 990, 000 3, 330, 000 29, 970, 000 6, 871, 000 5, 784, 676 3, 330, 000 15, 000, 000
9. Japan 10. Netherlands	16, 650, 000 4, 440, 000	2, 220, 000	33, 300, 000 13, 320, 000	19, 980, 000	Total	125, 621, 545	36, 899, 196	177, 045, 000	339, 565, 676

Mr. STANTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise to speak in support of this measure as a whole but in opposition to title V. This group of multilateral development institutions which are refunded in this bill gathered support for many years from Members on both sides of the aisle. This administration, as the two which preceded it, recognizes the importance of the multilateral approaches to development assistance, and the advantages that approach offers over traditional bilateral aid.

Our action here today follows years of behind-the-scenes negotiations between donor countries to fix their respective donor shares. It follows the assurances from this administration and previous ones that these funds are required and that the U.S. share is in line with those of other countries. Our action follows recommendations from the National Advisory Council on International Monetary and Financial Policies, and the Department of the Treasury. This is true with each institution covered in this legislation—with one very notable exception: The African Development Fund.

Despite the unprecedented levels of funding authorized in this bill, there are many important reasons why this measure should be approved. In each case, the amounts we are authorizing will be appropriated over a 3- or 4-year period. In each case these organizations have shown that they have operated effectively, and have made unquestioned contributions to the development process. In each case, an enlargement of their financial base is required if they are to continue their important tasks. Again the foregoing is true with some respect to each of these multilateral institutions—with that same notable exception: The African Development Fund.

As my colleagues have no doubt deduced, this addition of funds for the African Development Fund puts me in a very difficult position with respect to this legislation. I have always strongly supported the concept of multilateral development finance and have always urged my colleagues to join me in voting funds for these institutions but my support was always based on the knowledge that there was a real need for the funds; that other governments had agreed to contribute their proper share; and that the contribution had the full and unequivocal support of the administration. The African Fund measure has none of these.

No Member knows better that I that a vote in favor of any foreign aid type of legislation is never easy to justify back home. There are very few votes to be gained in supporting this type of legislation, more than likely you lose some. But yet we have always believed strongly enough in the principle of helping less fortunate countries to take those risks. In the past, we could always count on the fact that the proposal had been carefully considered, that the shares given by donor countries had been fairly apportioned, and that the multilateral bank or fund was in need of the funds.

In this case, we obviously cannot assume these conclusions to be correct. By now everyone in the Chamber realizes that the title which contains the funding proposal for the African Development Fund originated not in the Ivory Coast or even in the White House. It was purely the product of a few members of our committee. The real question becomes, how will we justify this contribution. We clearly cannot justify it. The undisputable facts in this case show that a contribution to the Fund is both unwarranted and unsolicited.

The incredible manner in which this contribution was conceived and steam-rolled through our committee—while all the opposition was on the floor—brings into question the future of all these multilateral lending institutions, and the ability of any Member to support them.

I understand the interest of those who feel the need to make a gesture toward Africa. But this House has always defended the principle of not encumbering economic organizations with political amendments. This is a principle that we applied with equal vigor when Dr. Kissinger used to try and stem political problems with economic solutions. The end result is invariably to endanger the independence and effectiveness of the international economic organization. These multilateral banks and funds are an important vehicle for bringing the developing world closer to a sustainable growth rate. But to throw money into the African Fund when they already have more than they can loan, and when there is no replenishment effort underway, is a very ineffective way to attack the really serious economic and political problems of Africa. More importantly, however, it threatens future support for the African Fund and other development institutions-support that may be well justified.

Proponents of this add-on for the African Development Fund justify their support for an authorization by stating that

Congress can always reassert its authority at the appropriations stage. While I am sure that my respected colleague Chairman Mahon appreciates and deserves the vote of confidence, I am somewhat stunned by the implications of the suggestion that authorizing committees should abandon their legislative responsibility and begin rubberstamping requests for money.

There is another problem with this approach, as well. We are really leading the countries of Africa down the garden path again—in effect, promising them \$150 million but fully intending to renege on that commitment if need be when we get to appropriating the money in fiscal year 1979. We are leaving ourselves wide open for charges of "promise without performance." It is an unfortunate fact that few foreign observers appreciate the subtleties of our complicated system, and many governments of Africa will feel betrayed when we appropriate less than they would authorize in this bill.

Mr. Chairman, for these reasons, I feel strongly that we must either vote for recommittal or reject title V.

Mr. GONZALEZ. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New York (Mr. Badillo).

Mr. BADILLO. Mr. Chairman, I thank the chairman for this time.

I rise in support of this legislation because I believe that the multilateral lending institutions are the best vehicle that we in this country have to assure the development of all the countries throughout the world, and in order to insure that we have a stable world order in the future.

I want to say that although the dollar figure may appear large, the fact is that in real terms we are contributing less than other countries. The fact is that our contribution represents a smaller share of our gross national product than that of other donor countries and that our proportionate share is decreasing, as that of other nations increases. Mr. Chairman, I want to commend the committee for the excellent committee report which outlines this very clearly.

The most important part of this bill, however, is the section that was promoted by the distinguished chairman, the gentleman from Wisconsin (Mr. Reuss), the section that has to do with human rights. I want to commend the gentleman for having brought up the subject in this bill. As the gentleman says, we have a friendly disagreement this afternoon, but it is on an important issue.

The issue is how shall human rights be defined? We are now beginning to debate this because, in fact, there is no international definition that can be agreed upon. The distinguished gentleman who is chairman of the committee has proposed that we set up a standard through which we begin to seek to help countries other than those which engage in torture and violation of human rights, and I support that. In the committee, I sought to improve upon that definition. I want to thank the chairman for the fact that some of these amendments were accepted.

An amendment was accepted that provides that from now on we shall be getting information in semi-annual reports which will indicate exactly how the loans that are made by these institutions are utilized by the recipient countries, in order that we can insure that the loans are used to fulfill basic human needs.

Another amendment was included in the committee and has been accepted, and I thank the chairman for that, which will provide that one of the standards that shall be used to determine whether a country is willing to recognize human rights is the willingness of that country to allow international agencies to inspect the conditions in that country.

Mr. Chairman, I will be introducing another amendment. I hope that the committee will support it and I believe that the chairman of the committee has said that that gentleman will. That amendment will provide for the calling of an international conference in order to establish agreed-upon standards of what constitutes basic human needs so that we can enforce these standards on a multilateral basis.

The only area of disagreement is on the question of repealing existing law. The Harkin amendment, which was agreed upon by the last Congress, provides that our representatives to these institutions—the institutions that were involved in that legislation were the Inter-American Bank and the African Development Fund—be directed to vote against any nation which engages in a consistent pattern of violation of human rights, unless basic needs are being served.

We feel that if we are going to improve upon the definition of human rights, it is a mistake to repeal the existing language; that, while we support the language the gentleman from Wisconsin (Mr. Reuss) has developed and that the committee has approved, we feel that it would be regarded by the world at large as a step backward if we in Congress were now to repeal the existing language from previous legislation.

I will therefore be offering an amendment to include the Harkin amendment in all of the institutions that are covered by this bill.

Mr. TSONGAS. Mr. Chairman, will the gentleman yield?

Mr. BADILLO. I yield to the gentleman from Massachusetts.

Mr. TSONGAS. I just want to clarify one point for the record. The gentleman is not saying that aid to these various development lending institutions is conditional upon the outcome of the human rights bill? Is that correct?

Mr. BADILLO. I support it, I said that at the beginning, and I support the help to the lending institutions. But I think we have a responsibility to see to it that this aid is used by countries which are willing to respect internationally recogized human rights. Fortunately, this afternoon we have the responsibility to begin more precisely to define what we mean.

Mr. TSONGAS. I thank the gentleman.

Mr. STANTON. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Ohio (Mr. Wylle).

Mr. WYLIE. Mr. Chairman, I wish to take issue with certain statements which are contained in the committee report to H.R. 5262 and which, I think, can well be misleading to Members of the House. On page 41, the report states:

The expenditure of funds authorized by this bill is contained in the President's budget, which has been designed to be non-inflationary. It should be noted that these funds were contained in President Ford's budget as

These statements simply are not true. On pages 77 and 78 of the appendix to 'he fiscal year 1978 budget, there is detailed proposed current expenditures, together with 3 and 4 years projected authorization for the International Bank, International Development Association, International Finance Corporation, Inter-American Development Bank, and Asian Development Bank, but there is absolutely no mention of a \$150 million increase in the U.S. contribution to the African Development Fund as proposed by title V in the committee amendment to this bill.

I think the reasons for this omission are obvious. Neither the Ford budget nor the Carter budget even contemplate adding an authorization for the African Development Fund to the bill. The new title V. \$150 million for African Development Fund, was not authorized in H.R. 5262 as originally introduced. I understand there will be an amendment offered a little later on which will strike out the \$150 million and use the language, "such funds as may be authorized."

I think that is a wise amendment, because the \$150 million figure snatched out of thin air and added as an amendment in the committee after hearings had been concluded on this bill. One can search the 411 pages of hearings and not find one word of testimony on the proposed \$150 million increase in the authorization of the African Development Fund.

The inflationary impact statement on page 41 of the committee report states:

Your committee estimates that enactment of this bill will have no adverse impact on prices in the national economy.

In my opinion, that statement also cannot be true.

On page 40 of the committee report, the Congressional Budget Office estimates the 5-year budget impact of the bill at \$2.1 billion. How can an additional \$2.1 billion of deficit financing, piled on top of our huge deficits, fail to have an adverse inflationary impact on our econ-

There is another matter upon which I wish to comment briefly, and that is the voting arrangement in the African Development Fund. In all the international financial institutions included in this bill, the vote of Members is, roughly, proportionate to their financial partici-

pation.

I refer to the statement of the gentleman from Ohio (Mr. STANTON), who made much of the fact, and the gentleman from Texas (Mr. Gonzalez), who made much of the fact, that our participation in the other funds have been negotiated downward, whereas in this case we are proposing, in effect, to increase our participation six fold.

We are one of the few countries which does not have any voting participation. The African Development Bank, membership in which is only available to African nations, hold 50 percent of the voting power of the African Development Fund. The Articles of the Fund vests 50 percent of its voting power in the African Development Bank. All other donors to the Fund, in the aggregate, have the other 50 percent of the voting power in the Fund. In effect, for them the voting power of the other donor countries is diluted by a factor of one-half of the proportionate financial participation. Moreover, a further provision of the articles of the Fund require 75 percent voting approval for all operational decisions.

The truth is that voting power of the donor countries is not of much real importance at all, frankly. Their bargaining power lies, primarily, in the right to approve or disapprove additional contributions to the Fund and over what period of time. If and when the relative amounts are determined, it should be done, it seems to me, by effective bargaining between the nations and should reflect the amount of participation in the

Fund of the donor nations.

I have an amendment, which I will offer a little later on, which will do that. I submit we should not vote for the \$150 million contribution, and I urge the Members to support the amendment which I will offer.

Mr. Chairman, one of the bad things about the title V amendment is that it would give away in advance our bargaining power at the international conference this fall on replenishment of Fund resources. It would give away now our bargaining power both with respect to the Fund and the other donor countries. We would be the only country committed in advance to an additional contribution in the fixed amount of \$150 million-six times our present commitment and more than the next three largest contributors combined. As far as the law is concerned, there is no scheduled payment period. It all could be paid as soon as it could be appropriated after the authorization became law.

Commonsense tells us that when we are going to be entering into international negotiations on the second replenishment for the Fund this fall, it is foolish for us to give away our complete bargaining power in advance.

Mr. GONZALEZ. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Massachusetts TSONGAS)

Mr. TSONGAS. Mr. Chairman, let me just address myself to one small section of this debate, and that is the debate regarding the African Development Fund. The problem is that when we speak about these things we tend to lop them all together without really distinguishing between the American commitment to the various sections of the world.

Historically, the United States has put most of its development moneys into Latin America, and that is, as the Members will see, illustrated by the chart. What I attempted to do on this chart was to show the difference between the American commitment in Africa, Asia and Latin America. Latin America is on the bottom. The red indicates the American share to the Inter-American Development Bank, \$6.852 billion.

The middle chart is the Asian Development Bank and the Asian Development Fund put together. The American share is \$728 million. An interesting contrast is our commitment to Africa.

Our current contribution to the combined African Development Bank and African Development Fund, which is hardly discernible on the chart, is the red, barely discernible to the left of the green, which is \$15 million. Even if we add \$150 million, which is a part of the bill, we are still talking about an American contribution of \$165 million, which is one-fifth of what we are committing to Asia and barely one-fortieth of what we are commiting to Latin America.

So, Mr. Chairman, what we are trying to do in the bill is to somehow add some balance to the historic imbalance relative to what the United States has done

in regard to Africa.

Washington, D.C.

In terms of the administration's position. I wish to insert in the RECORD at this point a letter dated April 2, 1977. to the chairman of the full committee. That letter was sent to the committee chairman by the President of the United States, and it expresses the administration's support of the bill as it came out of committee with the language relative to the African Development Fund.

Mr. Chairman, the letter is as follows:

THE WHITE HOUSE, Washington, D.C., April 2, 1977. Hon. HENRY S. REUSS House of Representatives.

DEAR MR. CHAIRMAN: I want to commend you and your Committee for the full support and priority you have given to legislation authorizing increased U.S. participation in the international financial institutions. This legislation is an integral part of my Administration's foreign policy program. It is essential that the reasons why this bill is related to our national interest be clearly and widely understood among the House membership, and indeed the American people, as the bill comes to the floor.

As I said in my foreign assistance message

of March 17, the future of the United States will be affected by the ability of the developing nations to overcome poverty and achieve steady economic and social development. All of our interests-humanitarian, social, economic and political-are bound up with the successful development of these countries.

The international development banks, as major sources of economic assistance to the world's poorer nations, are intimately involved in this effort. They encourage developing countries to pursue sound domestic policies. They remove bilateral political considerations from development efforts. And, in the multilateral institutions, aid funds are pooled: every \$1 of U.S. assistance through the banks is associated with \$3 from other donors. Our share of the funding of these institutions has decreased over the years, reflecting the success of U.S. efforts to reduce our share as other countries have become increasingly able to bear a larger part of the burden.

I applaud your Committee's action in adding a human rights title to this legislation. In the development banks, we want to implement this country's commitment to promoting human rights without adopting an overly rigid approach which would subvert the integrity and effectiveness of the institutions in promoting economic and social development in the poorer countries. I believe that this legislation, strengthened by the expression of concern for human rights outlined in Title IV, deserves the full support of Congress.

I hope that H.R. 5262 will be passed by the House of Representatives as soon as possible.

Sincerely,

JIMMY CARTER.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. TSONGAS. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I thank the gentleman for

vielding.

I only wish to take a few seconds and clarify how the figure of \$150 million was arrived at. I would not want the House to assume that this was some figure that was snatched from the air. There is a process by which we arrived at it, and the process is very simple

The first step is the initial contribution to the Fund. The second step is a general fund increase of one-half of the initial contribution of the nation to the Fund. The third step is a 200-percent increase of the initial contribution. That is the process by which we arrived at \$150,000,000, using a process which every other donor nation has used.

Mr. TSONGAS. Mr. Chairman, I thank

the gentleman.

Mr. GONZALEZ. Mr. Chairman, I yield 2 minutes to the gentleman from

Tennessee (Mr. ALLEN).

Mr. ALLEN. Mr. Chairman, I would remind the chairman of the committee, the gentleman from Wisconsin (Mr. REUSS), that there are many who consider this bill as just another foreign giveaway deal. Will the gentleman tell us what the record of these financial institutions is insofar as the collection of loans and bad debts are concerned?

Will the gentleman also tell us what percentage is termed as bad debts, what percentage has been repaid, and what percentage is considered still solvent?

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. ALLEN. I yield to the chairman of the committee.

Mr. REUSS. Mr. Chairman, I will be

glad to answer the gentleman from Tennessee. The institution which has had the

largest percentage of debts and obligations coming due is the International Finance Corporation. Its record is simply excellent. It has made a profit on its operations. The amount of slow accounts or uncollected accounts in that Corporation has been less than 1 percent. Its record would be a credit to any private operation.

It is also true that at the so-called soft windows the IDA, the Asian Development Fund, and the soft window account of the Inter-American Development Bank, the obligations are largely 50-year loans. Because of that we do not have a record as yet, and those loans are made to the poorest countries. But compared to our own bilateral aid, the record of these multilateral lending agencies is a very solid and supportive one.

Mr. ALLEN. So, Mr. Chairman, the gentleman would not say that our contributions or our subscriptions to stock in these international banks can in any way be regarded as a giveaway program of foreign aid; is that true?

Mr. REUSS. Just the opposite. They are a method, and a very successful one. of getting other donors including the rich countries of OPEC, to pony up with their fair share of the world's obligations to the needy.

Thus it is that in the World Bank we originally had 41 percent of the financial responsibility, and we have now reduced that to 19 percent, to less than half. In IDA our 43 percent responsibility has been reduced to 31 percent. That is mov-

ing in the right direction.

Mr. ALLEN. And that is because of the increased participation of other nations around the world in these funds?

Mr. REUSS. Precisely.

Mr. STANTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. WYLIE, Mr. Chairman, will the gentleman yield?

Mr. STANTON. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, I thank the gentleman for yielding.

I would like to respond to the colloquy that was carried on a little while ago between the gentleman from Tennessee (Mr. ALLEN) and the gentleman from Wisconsin (Mr. Reuss).

I think the statement made by the distinguished chairman of the committee is generally true except for the African Development Fund. In that fund we are being asked to contribute \$150 million, and we only have $2\frac{1}{4}$ percent of the voting strength. And that vote is not even cast by the United States; that is cast by the United Kingdom.

It is a very, very concessional soft loan arrangement whereby the fund loans money 50 years, with 10 years being waived and with no interest. That comes pretty close to being direct foreign aid, it seems to me, especially in view of the fact that the United States does not really have anything to say about such loans.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. STANTON. I will be glad to yield to the gentleman from Wisconsin.

Mr. REUSS. Mr. Chairman, I think the gentleman from Ohio (Mr. WYLIE) has made an accurate and a good point. It is true, for example, that our voting power reflecting our subscription in the African Development Fund is relatively tiny.

We have put in so far \$15 million. Little Canada has put in \$75 million, five times as much and, hence, holds a proportionately larger voting power. Many very small countries, the Netherlands, Norway, Sweden, actually have put in much more than we.

So that while the gentleman from Ohio is quite right that the African Development Bank is a concessionary institution. our exposure has been very small. There will shortly be offered an amendment which I think will take care of the \$150 million.

Mr. WYLIE. The gentleman has mentioned the fact that little Canada has pledged \$74 million and has put in \$41.7 million and that we have only paid in \$15 million of our \$25 million that we have pledged, leaving the impression that we have not been very generous so far as the African nations are concerned. In reply, Mr. Chairman, I would submit that last year the international institutions mentioned in this bill loaned in the neighborhood of \$1.3 billion to African nations. Nine hundred and one million dollars came from the World Bank; \$379 million came from the International Development Association with U.S. participation. And I supported the increase in U.S. participation in IDA because I have seen some of the good work of the International Development Association. Twentynine million dollars came from the International Finance Corporation.

Up to October 1974 the United States shipped to the Sahel region where the drought was particularly severe, 439,000 metric tons of grain more than 6 times

as much as little Canada.

I might add that the Honorable Andrew Young, who is now our Ambassador to the U.N., complimented the United States for its \$50 million in contributions for emergency food aid.

So I do not want the impression left that the United States is doing less for the African nations than little Canada.

Mr. REUSS. If the gentleman from Ohio will yield still further, I think the gentleman from Ohio (Mr. WYLIE) makes a good point. And I recall the gentleman from Ohio (Mr. WYLIE) joined in the commendation of Andrew Young and others for these humanitarian things.

Mr. WYLIE. If the gentleman will yield further, the real point I want to make here, and I will do so as briefly as I can, is that I do not object to the World Bank, the International Development Association, and some of these funds, where we do have some say as to where the money is spent, but I do object to arrangements where we contribute money and have no effective voting power as to what happens to the money that is loaned from those funds.

Mr. TSONGAS. Mr. Chairman, if the gentleman will yield briefly, I would like to associate myself in the sense that I also agree that when the United States enters into negotiations in the latter part of this year that the U.S. participation and voting power should be one of the elements that we negotiate.

Mr. WYLIE. I have an amendment that will do that, and I hope the gentleman will find it possible to support it.

Mr. LONG of Maryland. Mr. Chairman, I wish to thank Chairman Gonzalez, Chairman Reuss, and Representative Paul Tsongas for inserting in this bill the language on light capital technology as a major emphasis of the multilateral banks' development strategies. It is through light capital technologies that we can stretch the available foreign aid capital to help all, rather than some, of

the world's poor.

It is my desire to see that an increasing proportion of the projects carried out by the international lending institutions go directly, rather than indirectly, to help the poor. One observer of foreign aid programs, Prof. Roy Prosterman of the University of Washington School of Law, has graded 49 recent World Bank "third window" loans and IDA credits and was given these loans a "D+," compared to grades for AID projects for fiscal years 1977, and 1978 of "C+." For the purpose of generating discussion and without endorsing this particular observer's criteria for grading or his overall judgments, I should like to insert Professor Prosterman's comments on these recent projects by one of the international lending institutions we are considering today.

The extent to which the international lending institutions orient their aid toward helping the really poor in the developing world is a principal standard that I shall use, and that I hope others will use, in judging the effectiveness of these

institutions.

FURTHER GRADING OF BUREAUCRATIC COMPLI-ANCE: A BRIEF NOTE ON THE WORLD BANK AND IDA, FISCAL YEAR 1977

As an extension of our grading of the Agency for International Development for compliance with its legislative instruction (see our March 11, 1976 and March 3, 1977 memos entitled "Grading Bureaucratic Compliance"), we have decided to apply similar standards to World Bank "Third Window" loans and IDA credits. For readers not familiar with our methods, we have "graded" each project, as described in its press release, on a standard academic "4 point" scale. To Illustrate the extremes, a "4.0" project should have a direct and measurable effect on the lives of poor people in the recipient country, at a per family cost (\$1,000-\$1,500) that makes replicability possible. By contrast, a "0.0" project would be of the worst "trickle down" sort, unlikely to benefit directly any poor people, and representing, in our judgment, a waste of scarce concessional funds.

An analysis of 49 projects released since June 1976 shows, that on a dollar-weighted basis, the Third Window/IDA "grade point average" is 1.5, or "D+". By comparison, AID's FY 1977 and 1978 grade was a 2.4, or "C+". Specific grades can be found in the Appendix. We stress that we are grading intent, and not execution of the projects.

The principal reasons for poor Third Window/IDA performance appears to be the presence of a number of expensive, classically "trickle down" infrastructure projects: India Thermal Power (\$150 million); Bangladesh Industrial Development (\$50 million); Sudan Domestic Aviation (\$29 million); Haiti Diesel Engine Power (\$16 million); Burma Port Rehabilitation (\$10 million); and Niger Telecommunications (\$5.2 million). All of these projects deserved, and were given grades of 0.0, or "F".

With these projects removed, the Third Window/IDA "GPA" climbed to 2.3, approaching that of AID. The principal problem with the remaining projects is excessive per-family costs, and the extreme example is "Afghanistan Livestock Production", at \$15,000 per family. The ten projects graded 4.0 or "A", represent truly excellent development planning but these projects represent only \$65 million of spending, whereas the "F" graded infrastructure claimed \$260 million.

WORLD BANK AND IDA PROJECT GRADES

Project	Grade	Amount
Livestock development, Senegal	4.0	\$4.2
Telecommunications, Niger		\$4. 2 5. 2
Crop production by Somali herdsmen	1.7	10.0
Grain storage and processing, Yemen Drainage project, Egypt Rural development, Togo	1.0	5. 0
Drainage project. Feynt	1.0 3.0 4.0	40.0
Rural development, Togo	4.0	9.5
Tourism project fordan	0	6. 0 9. 4
Tourism project, Jordan Rural development, Upper Volta Road project, Madagascar	4.0	9.4
Road project Madagascar	2.0	22.0
Paddyland development, Burma (\$3,000 per		
family)	2.0	30.0
Domestic aviation, Sudan_ Rural development, Gambia (\$1,500 per		
family)	3, 0	4.1
Rural development, Malawi Development Finance Co., Jordan	3.7	4. 1 9. 2 4. 0 16. 0
Development Finance Co., Jordan	1.0	4.0
Diesel engine power, Haiti	0	16.0
Rural development, Senegal (\$2,000 per		
family)	3.0	6.3
Highway development, Upper Volta	.7	20.0
Fisheries and forestry development, Tanza-	2000	10012
nia	9. 0 3. 3 3. 3	2.7
Rural access roads, Kenya	3.3	4.0
Agricultural development, Kenya	3.3	10.0
Wildlife and tourism	0	17.0
Wildlife and tourism_ Livestock development, Afghanistan (\$15,000		
per family)	.3	15. 0 14. 0
Drainage and farm development, Pakistan	1.0	14.0
Development hank Rwanda	1.0	4.0
Cinchona production, Rwanda \$600 per		
family)	4.0	1.8
Rice production development, Nepal	2.7	9. 0 8. 0
Cotton production, Zaire	3.3	8.0
Cotton production, Zaire Livestock development, Yemen (\$5,000 per		
	0	5.0
Tamily). Palm oil cultivation, teacher and technical training, Papua, New Guinea Basic education, Madagascar. Lirigation modernization, Sri Lanka		
training, Papua, New Guinea	2.0	4.0
Basic education, Madagascar	3.0	14.0
Irrigation modernization, Sri Lanka	4.0	5.0
Technical assistance, Mauritania	3.0	2.7
Rural development, Chad	3.0	12.0
Trigation modernization, Sri Lanka Technical assistance, Mauritania Rural development, Chad Rural education, Paraguay	3.0	4.0
Agricultural development, Mali	4.0	15.5
Rural education, Paraguay Agricultural development, Mali Agricultural development, Rwanda	4.0	14 0
Urban development, Ivory Coast	1.0	14.0
Port rehabilitation, Burma	1.0	10.0
Technical assistance and rural development,		
CameroonWater and sewerage, Yemen	3.0	10.0
Agricultural aducation Afghanistan	3.0	6.0
Agricultural education, AfghanistanIndustrial development, Bangladesh	0	50.0
Pural development, Dangiauesh	4.0	10.0
Rural development, Haiti	4.0	10.0
Tree eres development India (Smallhalders)	4.0	30.0
Tree crop development, india (Smallholders).	2.7	30. 0 20. 0
Agricultural development, India	2.7	150.0
Thermal power station, India	1.0	150.0
Thermal power station, India Mining tin and tungsten project, Burma Urban development, India	1.0	16.0
urban development, India		24. 0
Weighted average	1.53	754.4

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, as a longtime member of the Subcommittee on International Development Institutions and Finance, I rise in strong support of H.R. 5262, a bill to provide for the increased participation of the United States in lending activities of the international development institutions

As we grow older we note with much more urgency the passage of time. Yet it does not seem to me that it was too many years ago that I took the well to urge my colleagues to support legislation authorizing the United States to join the International Development Association, one of the units covered by today's bill.

In fact, it was almost 17 years ago that I made that speech.

I consider it a tribute to our national character and to the Congress that the matters before us today do not pivot around the question of should we join other nations in helping the less developed countries of the world? But instead, what is the best manner to participate, consistent with our national dedication to the cause of human rights

as most recently and forcefully expressed by President Carter?

Let me make a general comment on the activities of the international development institutions and the U.S. role vis-a-vis those units.

The United States has no choice but to face the issue of its relations with the cluster of poorer countries. We should treat their problems sympathetically. But some of their demands are more costly to us-even dangerous-than others. These include such things as price-propping commodity stabilization agreements and debt moratoria. The most sensible way to help the poor nations is by approving a modest increase in the flow of financial resources, primarily through the international financial institutions led by the World Bank. This bill would do that. If the United States does its part in this respect, we will be in a much stronger position to head off the more radical and harmful demands the "third world" countries are making, some of which would have a direct inflationary impact at home

And I believe also that we will be in a much more favorable position to counter the aggressive diplomatic, economic and even military forays, into the poorer countries, by various Communist-bloc nations of the world.

We will hear a great deal today about the Badillo-Harkin amendment on human rights.

I believe that the subcommittee and the full Banking Committee adequately dealt with the issues raised by possible loans to countries which violate the human rights of their citizens.

In fact, the human rights language in title VI of our bill is superior to the language that will be proposed today. The human rights language of the bill before you today is the language supported by the Carter administration. And the Carter administration feels the committee language ably arms it in its campaign to insure the rights of citizens everywhere.

In closing, let me say the administration's human rights proposal, as contained in our bill, requires positive action by U.S. representatives; it requires the United States to continually work to advance the cause of human rights. The Harkin amendment just requires a "no" vote and nothing more; it is a negative approach, not one that requires our representative to continually work to channel assistance to countries which respect human rights.

Title VI, of H.R. 5262, permits consideration of human needs as well as human rights; this is also the case with the human rights amendment on security assistance legislation. The Harkin amendment does not permit any other considerations, such as health, education, et cetera.

The Harkin amendment actually gives the U.S. Government the easy way out. It can vote "no" and be done with it. Under the Harkin amendment, the United States would have no further responsibility beyond voting no; but the administration language in title VI would require that we work to advance human rights, and report to the House and Senate every 6 months on its efforts.

I urge the House to vote for H.R. 5262 and to reject the Harkin-Badillo amend-

ment to title VI.

Mr. CONTE. Mr. Chairman, I rise in support of this bill to provide for increased participation by the United States in the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Asian Development Bank, and the Asian Development Fund.

These institutions promote economic progress in developing countries, while fostering cooperation and partnership with the developed nations. As an advocate of multilateral aid and as the leading economic power in the world, the United States has been the largest contributor to most of these institutions. The bill before us continues that tradition, but provides for greater burden sharing by the other developed countries and in particular by countries which have benefited from petroleum revenues over the past several years.

In the last few years, member countries have negotiated with each other to fund the pending replenishment. These additional funds are necessary to cover increased borrowing by the poor nations of the world in the face of oil price hikes since 1973 and the resulting world in-

flation.

Mr. Chairman, I would briefly like to outline the work of some of the institutions covered in this bill.

The World Bank makes loans to developing countries for investments in such things as transportation and electric power capacity, and is now expanding its scope to develop other resources such as increased agricultural and technical assistance. The World Bank is considered an indispensable source of capital for the developing countries, particularly those often referred to as middle income, with per capita income above \$300 per year.

It is important to note that of the \$1.6 billion share of World Bank replenishment funds to be authorized in this bill, only 10 percent is required to be paid in or obligated. The remaining 90 percent is callable capital, which guarantees the holders of World Bank triple-A rated bonds. This callable capital would only be used in the unlikely event of major defaults on World Bank lending.

The remoteness of this happening is indicated by the fact that the World Bank has a perfect repayment recordthere has never been a default on a World Bank loan. This is largely due to the stringent lending criteria used in evaluating loan projects and the professionalism of the staff who make loan

evaluation.

The International Development Association, the concessional lending affiliate of the World Bank, exercised the same professionalism and technical skills as the World Bank itself in its lending policies. The funds provided by IDA go to some of the poorest people in the world-

some 700 million rural people, hungry people who go to bed at night knowing that in the morning they will still be without food, without medication, and without electricity. Last year, 90 percent of IDA credits went to countries with per capita incomes of less than \$200. Through 1976, IDA lending benefited many millions of those rural poor, nearly doubling the income of project participants and substantially increasing food production.

IDA has been effective in increasing the standard of living of the very poorest people in the world, making them active participants in the world's economy, and cutting into the local food deficit which can no longer be covered solely by transfers from North America.

Mr. Chairman, I will not take the time of the House to outline the remaining provisions of this bill. I strongly support this authorization of participation by the United States in the Asian Bank and Fund, and the International Finance Corporation.

The Administration is working with the other donor countries to these institutions to provide for increased cost sharing, the improvement of human rights and lending priorities policies, and the increase of congressional access to records of these banks for better oversight. These banks are integral portions of our foreign assistance program, and portions which merit our increased and continued support.

I strongly urge my colleagues to ap-

prove this measure.

Mr. RANGEL. Mr. Chairman, I rise in enthusiastic support of the bill H.R. 5262. If the United States is to demonstrate to the world our commitment to assisting those who are less fortunate, then the Congress must pass this legislation.

The role that the United States has played in this field so far has lacked direction. If we are to continue to be a major participant in the support of international lending institutions, we must adopt a more direct approach that reflects our active interest in developing countries. The United States has the potential to set standards in the world for concerned involvement in the needs of growing nations. By demonstrating our interest in this area we will also be perpetuating the cause of human rights which such involvement implies.

The needs of developing nations are great and varied. If the United States is to respond effectively to those needs we must concern ourselves with the specific requirements of those nations. This bill will enable us not only to provide more positive forms of assistance but also to demonstrate our awareness of and sensitivity to particular problems of individual nations. It will also follow the precedents set by President Carter in establishing a more positive and progressive relationship with African nations, I urge my colleagues to vote in support of this legislation.

Mr. FRENZEL. Mr. Chairman, I shall support H.R. 5262, now that the extra, unrequested amount for the African Bank is no longer a part of the bill.

I believe that the kind of multilateral assistance which is generated by the International Development Banks is the best kind of foreign assistance. It can be monitored, and supervised, without the taint of colonialism. It is collective assistance for the least fortunate of the world's peoples.

This bill authorizes contributions negotiated over a long period of time by the Ford administration, and ratified by the Carter administration. It is a bipartisan proposal made in the best interest of both our country and the rest of the world. I hope it will receive bi-

partisan support.

Mr. SIKES. Mr. Chairman, I oppose the bill, H.R. 5262, which would provide additional U.S. funds to the World Bank Group.

The United States has participated freely and generously in international lending institutions in past years. Unfortunately, there is no end to the requests to the United States for more funds for such institutions. Granted. they have accomplished good in the past. It is also true that our generosity has been taken advantage of by other nations which expect more from us than they are willing to give in return. We must accept the sad fact that we are enormously in debt, that our budget is far out of balance and there are no real prospects for a change in this situation in the years immediately ahead. We are spending beyond our means. We should look at every new expenditure with care and with caution.

I like to see the United States help our friends, but we have done this time and again. The shoe is never on the other foot. They do not help us. I do not feel that the time is appropriate to pump more American dollars into the international lending institutions. We should not overlook the fact that the World Bank Group is providing funds to many nations, some of whom are not our friends and the Congress has nothing

whatever to say about it.

All too frequently low-interest loans are made to nations which support resolutions hostile to free world objectives and to American hopes for world peace. Loans are made to nations which refuse to consider a code of international conduct which would benefit efforts made to world peace. Loans are made to countries such as Vietnam, which even now is demanding reparations from us because we sought to preserve the freedom of some of the people of South Asia. Vietnam continues to mislead the American people about the fate of our missing-in-action and callously offers, in effect, to sell this information to us. Billions have been funneled to Vietnam by various organizations which use the American taxpayers' money for this purpose.

If aid is to be granted, let it be done directly after due consideration of the request by the Congress. Let us not grant assistance through a third party to see our money being used against us.

Mr. ANNUNZIO. Mr. Chairman, I rise today in support of H.R. 5262, the international financial institutions appropriations bill. In light of the recent emphasis which the President has placed on the issue of human rights on an international basis, this Congress now has an opportunity to incorporate this high sounding philosophy into practical results.

The legislation provides authorization to appropriate additional funds to the International Bank for Reconstruction and Development and five other international funds and associations whose domain ranges from Africa to the Far East. The real importance of the legislation, however, is that it compels the U.S. Government to pursue a policy of advancing the cause of human rights in all its dealings with the International Bank for Reconstruction and Development and the other five international funding agencies.

The bill specifies that it shall be the responsibility of this Government to seek to channel development assistance to projects which address the basic human needs of the people in the developing countries. The Secretary of State and the Secretary of the Treasury will be required to issue a semiannual report to the Congress on the progress being made on the advancement of human rights and addressing basic human needs with U.S. investments.

As this body is aware, this Nation has historically been a strong supporter for the international development institutions since their inception. These institutions serve a vital function in assisting basic economic and social progress within a developing country.

With the passage of this legislation, the Congress will have placed a very high priority on beneficial relations between the United States and the peoples of developing countries. Since the Congress has the responsibility of monitoring the effectiveness of this country's foreign aid programs, it also has the responsibility of insuring the future of these programs by supporting the international development institutions.

Consideration of human rights is an important goal for this Nation to aspire to, but consideration of human needs is an even more urgent target. Freedom from political injustice is important to the citizens of any nation, but freedom from hunger, disease, and poverty can destroy the potential of an individual even more.

We in this country are only beginning to realize the plight of others in this world and the conditions to which they are all subjected to daily. For hundreds of millions of people in dozens of countries around the world, life is at the very margin of subsistence. The statistics are alarming and morally discomforting to any concerned individual, whether he is a voter or a legislator.

In the poorest of nations, more than 70 percent of the population subsist on the most primitive forms of agriculture, and fewer than 15 percent of these people are capable of reading or writing. The survival rates are shocking. Between 150 and 200 of every 1,000 children born in these countries will die in infancy. Physicians are practically nonexistent. This is hard for us to understand in a land of door-to-door medical

specialists. In Upper Volta in Africa, there is an average of 1 doctor for every 100,000 residents.

In our Nation where 9 percent unemployment is considered unacceptable, the productivity of labor in these countries is so low that unemployment rate averages between 20 and 30 percent.

Yesterday's Washington Post newspaper carried an article which graphically described the extremes of existence of people in absolute poverty. The article was titled "Life in Jakarta: Hovels, Upward Striving, Mercedes-Benz" was written by Washington Post foreign correspondent Lewis M. Simons, and it offered a shocking story of one family's life on the streets of one of Indonesia's largest cities.

According to the article:

Musa Syed, his wife and their two children live in a bamboo box on a narrow embankment between a railroad yard and a storm canal. The box is tall enough for their children, who are 18 months and 5 years old to stand; the adults must stoop. The Syeds have lived in this box and dozens of others like it since they came to Jakarta from their hometown in western Sumatra 15 years ago. More than 265,000 people, 5 percent of the capital's population live this way.

Nowhere else in Southeast Asia do so many people live in such obviously miserable conditions. The nearest cities in which comparable squalor can be found are Calcutta, and Dacca, the capital of Bangledesh.

The article goes on to state that every month the police will come by and knock over the box in which the Syeds live and tell them to leave the city. The family waits for the commotion to end and once again they set up their box.

The section of the article which hit me the most was the reporter's question to the family when he asked the father, at the age of 35, what did he hope for in life. The reporter asked him if he ever thought he would have a regular job and live in a proper house in a village. After staring wide eyed for a moment at the reporter, both he and his neighbors who had gathered for the interview burst into laughter. "Who can think of such things?" he finally replied with sympathetic forgiveness for the silly question by the stranger. "I hope that the police will leave us alone, to have more children, to live in peace," he told the reporter.

According to statistics from the National Research Ministry in Jakarta, nearly half of the capital's 5.3 million residents earn less than \$48 a year.

Obviously the people of a city like Jakarta would have little in common in a discussion on human rights with a people who would spend \$48 on a pet, a hobby, or an automobile in less than a minute.

If this body is really concerned about human rights for the individual, we will admit our responsibility to recognize basic human needs with this legislation before us today. The appropriations contained within will achieve real results through effective international development organizations. We will also achieve real results in the furthering of an awareness for basic human rights and dignity.

Human rights is more than a political issue for drawing room discussions. Human rights is a recognition of our common predicament as well as our common dignity. If the fundamental catalyst for human growth is denied—freedom—whether because of communism, political prosecution, or starvation and disease, then there is no human rights. Freedom from prosecution is a human right, but freedom from hunger and misery is the very basis of all human needs. Let not this body ever forget the true value of the individual, nor our ordained responsibility to him.

Mr. WYLIE. Mr. Chairman, I have no

further requests for time.

Mr. GONZALEZ. Mr. Chairman, I yield back the remainder of my time,

'The CHAIRMAN. Pursuant to the rule, the Clerk will now read the bill by title. The Clerk read as follows:

H.R. 5262

Be it encted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—INTERNATIONAL BANK FOR RE-CONSTRUCTION AND DEVELOPMENT

SEC. 101. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is further amended by adding at the end thereof the following new section:

"Sec. 27. (a) The United States Governor of the Bank is authorized (1) to vote for an increase of seventy thousand shares in the authorized capital stock of the Bank and (2) if such increase becomes effective, to subscribe on behalf of the United States to thirteen thousand and five additional shares of the capital stock of the Bank: Provided, however, That any subscription to additional shares shall be made only after the amount required for such subscription has been appropriated.

"(b) In order to pay for the increase in the United States subscription to the Bank provided for in this section there is hereby authorized to be appropriated, without fiscal year limitation, \$1,568,856,318 for payment by the Secretary of the Treasury.".

Mr. GONZALEZ (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from

Texas?

There was no objection.

The CHAIRMAN. Are there amendments to title I? If not, the Clerk will read.

The Clerk read as follows:
TITLE II—INTERNATIONAL FINANCE
CORPORATION

SEC. 201. The International Finance Corporation Act (22 U.S.C. 282 et seq.) is further amended by adding at the end thereof the following new section:

"Sec. 11. (a) The United States Governor of the Corporation is authorized (1) to vote for an increase of five hundred and forty thousand shares in the authorized capital stock of the Corporation, and (2) if such increase becomes effective, to subscribe on behalf of the United States to one hundred and eleven thousand four hundred and ninety-three additional shares of the capital stock of the Corporation: Provided, however, That any commitment to make payment for such additional subscriptions shall be made subject to obtaining the necessary appropriations.

"(b) In order to pay for the increase in the United States subscription to the Corporation provided for in this section, there authorized to be appropriated, without fiscal year limitation, \$111,493,000 for payment by the Secretary of the Treasury.".

Mr. GONZALEZ (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to

amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from

Texas?

There was no objection.

The CHAIRMAN. Are there amend-ments to title II? If not, the Clerk will read.

The Clerk read as follows:

TITLE III—INTERNATIONAL DEVELOP-MENT ASSOCIATION

SEC. 301. The International Development Association Act, as amended (22 U.S.C. 284 et seq.), is further amended by adding at the end thereof the following new section:
"SEC. 16. (a) The United States Govern-

ment is hereby authorized to agree on behalf of the United States to pay to the Associa-tion \$2,400,000,000 as the United States contribution to the fifth replenishment of Resources of the Association: Provided, however, That any commitment to make such contributions shall be made subject to obtaining the necessary appropriations.

"(b) In order to pay for the United States contribution provided for in this section, there is hereby authorized to be appro-priated, without fiscal year limitation, \$2,-400,000,000 for payment by the Secretary of the Treasury.".

Mr. GONZALEZ (during the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Are there amendments to title III? If not, the Clerk will read.

The Clerk read as follows:

TITLE IV-ASIAN DEVELOPMENT BANK AND ASIAN DEVELOPMENT FUND

SEC. 401. That the Asian Development Bank Act, as amended (22 U.S.C. 285-285r), is further amended by adding at the end thereof

the following new sections:

'SEC. 22. (a) The United States Governor of the Bank is authorized to subscribe on behalf of the United States to sixty-seven thousand and five hundred additional shares of the capital stock of the Bank: Provided, however, That any subscription to additional shares shall be made only after the amount required for such subscription has been appropriated.

"(b) In order to pay for the increase in the United States subscription to the Bank provided for in this section, there is hereby authorized to be appropriated without fiscal year limitation \$814,286,250 for payment by

the Secretary of the Treasury.

"SEC. 23. (a) The United States Governor of the Bank is hereby authorized to contribute on behalf of the United States \$180,-000,000 to the Asian Development Fund, a special fund of the Bank: Provided, however, That any commitment to make such contribution shall be made subject to obtaining the necessary appropriations.

"(b) In order to pay for the United States contribution to the Asian Development Fund provided for it this section, there is hereby

authorized to be appropriated without fiscal year limitation \$180,000,000 for payment by the Secretary of the Treasury."

Mr. GONZALEZ (during the reading). Mr. Chairman, I ask unanimous consent that title IV be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from

Texas?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will read the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 5, immediately after line 5, insert the following new title:

TITLE V-AFRICAN DEVELOPMENT FUND

SEC. 501. Section 206(a) of the African Development Fund Act (22 U.S.C. 290g-4(a)) is amended by striking out "\$25,000,-000" and inserting in lieu thereof "\$175,000,-000" and by striking out "in three annual installments of \$9,000,000, \$8,000,000, and \$8,000,000".

AMENDMENT OFFERED BY MR. TSONGAS TO THE COMMITTEE AMENDMENT

Mr. TSONGAS. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. TSONGAS to the committee amendment: Strike out all after "section 501" and insert "section 206 of the African Development Fund Act (22 U.S.C. 290g-4(a)) is further amended by adding the following at the end thereof: "In addition there is hereby authorized to appropriate such sums as may be necessary, consistent with, and after consultation with, the other nations involved."

Mr. TSONGAS. Mr. Chairman, what we have attempted to do with this amendment, after consultation with the various parties, is to have an amendment that accomplishes two purposes: First, it establishes the American commitment to the African Development Fund and the American commitment to be involved with the problems and concerns of Africa; and second, to have a situation rather than the language which was in the committee amendment which allows flexibility to the administration in terms of their negotiations both with other donor countries and with the African Development Fund and Bank in partic-

We hope to accomplish both things in one amendment and that it will be satisfactory to all parties.

Mr. STANTON. Mr. Chairman, I rise

in support of the amendment.

Mr. Chairman, earlier this week the distinguished gentleman from Illinois (Mr. Hype) and I sent a "dear colleague" letter to all of our colleagues asking them to support striking title V. We had added in the subcommittee a definite amount of \$150 million in title We explained in that letter to our colleagues that the principle we objected to most strongly in this title was that we were preceding without negotiations by either the President of the United States or the Assistant Secretary for Monetary Affairs, or in consultations with other

countries involved in the African Development fund. We strongly felt that the pinning down of this amount of money preceded and concluded any further negotiations that we could propose to have to accomplish what the gentleman from Massachusetts was talking about before. the possibility of participating in this fund, not in dollar amounts but in actual voting power.

So, after consultation with the author of this amendment, I want to make it clear that I do strongly support this amendment. I ask those who would have joined me in striking this amendment, not to do so now for the simple reason that we have knocked out from the authorization this definite amount of

money.

The argument may be given that this is an open-ended authorization, and I can simply and strongly state, for those who will read it, that the guiding language in this amendment is that it is to be "consistent with, and after consultation with, the other nations involved." This means for the purpose of legislative history the President of the United States after receiving the advice of the International Council on Monetary Affairs, can come back to this House. This is to be in no way open-ended authorization.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. STANTON. I yield to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Chairman, I would like to address a question to the author of the amendment. As the gentleman from Ohio stated, the amendment says "there is hereby authorized to be appropriated such sums as may be necessary," which is obviously open-ended language. Could our contribution go above \$150 million "after consultation with the other nations involved?"

Is it contemplated by the author of the amendment, the gentleman from Massachusetts (Mr. Tsongas), that if the President's emissary consults with the other nations involved and they agree on a percentage participation by the United States, that the President will not ask for any more than that amount and that Congress will not be asked to appropriate any more than the amount which is negotiated by the participants?

Mr. TSONGAS, Mr. Chairman, will the gentleman yield?

Mr. STANTON. I yield to the gentleman from Massachusetts.

Mr. TSONGAS, Mr. Chairman, I would make two points, if I understand the gentleman's question. First, whatever amounts would be given to the African Development Fund would have to be appropriated, so we do have that safety valve, whatever the negotiations dictate. Second, the gentleman's question asked whether the Congress would authorize more money than was negotiated. Was that it?

Mr. WYLIE. Mr. Chairman, if the gentleman will yield further, no, not quite. Sums are provided after consultation with other nations involved, and the consultation will take place through an emissary from the United States sent there by the President, of course. Is it the intention of this amendment that the President could not pledge more funds than could otherwise be appropriated?

Mr. STANTON. Mr. Chairman, my understanding is that it puts it on the same level as any other of our international lending institutions. It means they go and consult, and it goes before the International Council on Monetary Affairs, and they arrive at a figure, the same as any other organization, and it comes back to us. It does not stop Congress or any group in Congress from changing the amount. We could have raised the amount of money requested for IDA or any other fund. We can always do that, in answer to the gentleman.

Mr. TSONGAS. Mr. Chairman, will

the gentleman yield?

Mr. STANTON. I yield to the gentle-

man from Massachusetts.

Mr. TSONGAS. Mr. Chairman, I would say to the gentleman from Ohio, it is difficult enough to get in the amount of money the administration wants with-

out going above the request.

Mr. WYLIE. If the gentleman will vield. I understand what the gentleman is saying but I do not want the impression left here that the President can through an emissary make an agreement to pledge an amount in excess of \$150 million. We still do have to appropriate the money, but we do not want to be put in a bind by having someone say to us that the President of the United States has agreed on this amount, which the administration did in the case of IDA. We do not want them to come to the Congress and say that we have to appropriate a higher amount because a higher commitment was made by your President.

Mr. TSONGAS. Mr. Chairman, if the gentleman will yield, as an emissary, he would have to understand the difference between authorization and appropriation.

Mr. WYLIE. Mr. Chairman, I thank the gentleman for making the distinction.

Mr. LaFALCE, Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do want to commend the gentleman from Maryland (Mr. Mitchell), who was the prime mover of the amendment in the subcommittee via the gentleman from Massachusetts (Mr. Tsongas), for being so reasonable in compromising. I do know the gentleman's goals and our goals are identical, which is greater participation in the African Development Fund by the United States, and greater concern for continental Africa by using the African Development Fund as an instrument of our foreign policy.

Mr. Chairman, I favor this amendment, along with the committee amendment, but I do have a concern. I do not want to bypass the authorization process. I do not want the executive branch to negotiate an amount specific and then have it immediately go to the Committee on Appropriations. I do not think the gentleman considers his amendment as bypassing the Authorization Subcommit-

tee. It would be necessary, would it not, for the executive branch of the administration to come to the subcommittee and to prove what they had negotiated was consistent with what other nations were doing within the African Development Fund; is that correct?

Mr. TSONGAS. Well, if the gentleman will yield, that is not correct. The situation is that we would have oversight responsibilities to make sure the negotiations were consistent with that; but the oversight in terms of actual dollars would be done through the appropria-

tion process.

Mr. LaFALCE. I am disturbed with that. I will still support the amendment and the committee amendment, with grave reservations, but I do not think it would be good policy in the future to offer amendments of this type and then rely on the oversight process. I do not want this to be a precedent; but in the spirit of compromise, I will concur with the amendment. However, it is, in effect, bypassing the Authorization Subcommittee, and I do not think this is good policy on our part and I trust this will not be used as a precedent for similar future action.

Mr. WYLIE. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Massachusetts

(Mr. Tsongas).

The CHAIRMAN. The gentleman from Ohio is out of order, this being an amendment in the third degree. An amendment to the amendment offered by the gentleman from Massachusetts (Mr. Tsongas) to the committee amendment is out of order.

ment is out of order.

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, my concern is almost the opposite of my colleague, the gentleman from Ohio (Mr. WYLIE). I am not opposed to the amendment, but I think we ought to say for the record that there are, at least, some Members here concerned that we do not diminish that amount or reduce that amount excessively from the \$150 million figure. One of the reasons for some of the problems in Africa today-I am not saying it is the sole reason-but one of the reasons is that over the decades we have neglected the needs of Africa. I would hope that the administration as they look at this discussion in the RECORD would not go much below that amount of \$150 million.

Mr. Chairman, I yield to my colleague, the gentleman from Maryland (Mr. MITCHELL)

Mr. MITCHELL of Maryland. Mr. Chairman, I think the gentleman's point is well taken. In conversation with the Director of the Office of Management and Budget this morning, Mr. Lance, and in conversation with other members of the administration this morning, this Member has been given reasonable assurance that we will follow the normal pattern that has been followed by other nations in making their contributions. If we follow that normal pattern, based upon our original donor contribution of \$25 million, then, indeed, through two steps we would move to \$150 million.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague yielding.

My understanding of the Tsongas-Wylie amendment is much different than my colleague, Mr. MITCHELL.

The gentleman from Massachusetts (Mr. Tsongas) has a phrase at the very end of his amendment which says:

Consistent with and after consultation with other nations involved.

Most other nations are intending to contribute far less than the United States and as a matter of fact the replenishment conference negotiations have not even taken place yet.

So that, we will not exceed what other participating nations are in the process of contributing, it is my judgment that the \$150 million is an excessive amount. The gentleman from Illinois (Mr. Simon) may want to commit our Treasury to \$150 million; I do not. It is my understanding that our neighbor to the north, Canada, has agreed to contribute \$74 million. I do not think we should exceed that Canadian contribution so the reason I was willing to accept this language in the Tsongas-Wylie amendment was that the U.S. Government would not be in excess of other contributing members. I was not privy to the conversation with Mr. Lance, to which my colleague from Baltimore, Mr. MITCHELL, refers, so I do not know what ceilings or dollar limitations were established by Mr. Lance.

I do not want to leave on the record the thesis that by accepting this amendment we are, in fact, supporting the concept of \$150 million ceiling because my understanding of the wording of this amendment is that it basically will put us in concert with other participating members. In other words this amendment commits the U.S. Government to a much lower ceiling.

Mr. STANTON. Mr. Chairman, will

the gentleman yield?

Mr. SIMON. I yield to the gentleman from Ohio.

Mr. STANTON. The reason I asked the gentleman to yield is because the language the gentleman from California is concerned about is language I insisted be put in for the simple reason that, in consultation with other countries, we have pinned ourselves down to do this the same as we do in all the other institutions.

Mr. ROUSSELOT. What does that

mean to the gentleman?

Mr. STANTON. Exactly what it means to me is that there is no definite amount. The \$150 million is after consultation with other countries and the meetings they will have this fall. They will come back and go to the National Security Council on Monetary Affairs, consultation with the President and OMB. After that the President comes up in the future with the African Development Fund the same way he has come up with recommendations on these replenishments we are voting on today. We will put it on a par with other countries.

Mr. ROUSSELOT. What does the

gentleman understand the par to be for Canada? My understanding is that it is \$74 million for Canada.

Mr. STANTON. I cannot speak for Canada

The CHAIRMAN. The time of the gentleman from Illinois has expired.

AMENDMENT OFFERED BY MR. WYLIE AS A SUB-STITUTE FOR THE COMMITTEE AMENDMENT

Mr. WYLIE. Mr. Chairman, I offer an amendment as a substitute for the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. WYLIE as a substitute for the committee amendment: In lieu of the committee amendment insert the following:

"SEC. 501. Section 206(a) of the African Development Fund Act (22 U.S.C. 2909-4(a)) is further amended by adding the following at the end thereof: 'In addition there is hereby authorized to be appropriated such sums as may be necessary, consistent with, and after consultation with, the other nations involved.'

"The Secretary of the Treasury is directed to begin discussions with other donor nations to the African Development Fund for the purpose of changing the voting structure within the Fund to reflect actual contributions by Fund members."

Mr. GONZALEZ. Mr. Chairman. I ask unanimous consent that the amendment offered by the gentleman from Massachusetts (Mr. Tsongas) be read once again. I have no copy of it here, and I do not think any Member would be able to gage the net effect of the amendment proposed as a substitute for the Tsongas amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment to the committee amendment offered by the gentleman from Massachusetts (Mr. Tsongas).

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. Tsongas: Strike out all after "section 501" and insert "section 206(a) of the African Development Fund Act (22 U.S.C. 290g-4(a) is further amended by adding the following at the end thereof: "In addition there is hereby authorized to be appropriated such sums as may be necessary, consistent with, and after consultation with, the other nations involved."

Mr. TSONGAS. Mr. Chairman, I ask unanimous consent that the difference between my amendment and the amendment now being considered be read, so that we would understand not what the similarities are, but what the differences are.

The CHAIRMAN. Does the gentleman want the substitute read again?

Mr. TSONGAS. No. The difference between the substitute, which was read, and the substitute now being considered, specifically, the language directing the Secretary of the Treasury.

The CHAIRMAN. Both amendments have been read and the clerk cannot be placed in the position of analyzing differences. The amendment offered by the gentleman from Massachusetts (Mr. Tsongas) is not a substitute. It is an amendment to the committee amendment.

We now have pending as an order of business before the Committee the substitute offered by the gentleman from Ohio (Mr. Wylle), which has been read. The gentleman from Ohio (Mr. Wy-

The gentleman from Ohio (Mr. Wy-LIE) is recognized for 5 minutes in support of his substitute.

Mr. WYLIE. Mr. Chairman, I will read the language which I have added to the Tsongas language again. Simply stated.

it says:

The Secretary of the Treasury is directed to begin discussions with other donor nations to the African Development Fund for the purpose of changing the voting structure within the Fund to reflect actual contributions by Fund members.

Mr. Chairman, a little while ago I mentioned that the United States contributed \$15 million last year to the Fund through the appropriation process. We only had 21/4 percent voting strength, and that voting strength was actually cast by the United Kingdom. So we really did not have any authority or power. It seems to me that if the United States is going to be asked to contribute to this Fund that we ought to have more say in how the money from the Fund is loaned. I would point out to the Members of this body that in the Board of Governors each participating country is represented by its own Governor, who casts that country's vote. The Fund's operation is actually controlled by the African Development Bank, which has 50 percent share of all of the votes cast by the Bank's Governors.

The 12-member Board of Directors consists of 6 Directors designated by the African Development Bank, and 6 of these Governors are elected by the other participating countries.

Mr. TSONGAS. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Massachusetts (Mr. Tsongas).

Mr. TSONGAS. I thank the gentleman for yielding.

Let us see if we can arrive at an understanding at this point. Is the gentlemen saying he is directing the Secretary of the Treasury to enter into negotiations, with the end result being the U.S. participation in the African Development Fund, or is the gentleman making the statement that the U.S. contribution is conditional upon U.S. participation?

Mr. WYLIE. It is the former. It cannot be the latter. It cannot be the latter because the agreement has already been entered into.

Mr. TSONGAS. If it is the former, a statement to the Treasury to enter into negotiations toward that end, then I would have no objection to the gentleman's amendment.

Mr. WYLIE. That is all it can do—a statement to the Treasury that he attempt to negotiate.

I would say that if we negotiate, on the basis of our contribution, with the other donor nations, I think there is a pretty good chance we will get some increased participation. But at the present time it is not possible to do that except by agreement of the Board of Directors of the African Development Fund. Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Ohio (Mr. STANTON).

Mr. STANTON. I thank the gentleman for yielding.

Mr. Chairman, I would like to have a clarification of the amendment.

The gentleman from Ohio took the exact language of the gentleman from Massachusetts and then added the language instructing the Secretary to attempt to get us a voice in that organization; is that correct?

Mr. WYLIE. That is precisely correct.
Mr. STANTON. This would make the
total amendment agreeable to the gentleman from Ohio?

Mr. WYLIE. Yes, sir.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Texas (Mr. Gonzalez).

Mr. GONZALEZ. I thank the gentleman for yielding.

Mr. Chairman, there is a scarcity of copies of these amendments around here.

Mr. WYLIE. Mr. Chairman, it was put together rather hurriedly, I will say to the chairman of the subcommittee.

Mr. GONZALEZ. I realize that everything has been done precipitously, but that is no excuse. That does not excuse us for doing it in this way.

Mr. Chairman, the gentleman does not mean to imply—and I ask this question because some of the other discussion seems to be headed that way—that the United States has any direct participation now in the Fund, meager as it might be?

Mr. WYLIE. No. That is correct.

Mr. GONZALEZ. We do not have membership in the Fund; we are not allowed to be a member; is that not correct?

Mr. WYLIE. That is correct.

Mr. GONZALEZ. So we have to work through our representative?

Mr. WYLIE. Through the United Kingdom. I am glad the gentleman is making that point. The gentleman is correct.

Mr. GONZALEZ. So that in effect either the gentleman's substitute or the amendment for which he is seeking to substitute is actually a directive requesting our administrative officials who have the authority or capacity to initiate negotiations in concert with the nations in question; that would be the net effect of this; would it not?

Mr. WYLIE. That is the net effect.
The CHAIRMAN. The question is on
the amendment offered by the gentle-

man from Massachusetts (Mr. Tsongas) to the committee amendment.

PARLIAMENTARY INQUIRIES

Mr. TSONGAS. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TSONGAS. Mr. Chairman, I believe it is in order that we vote first on the substitute offered by the gentleman from Ohio (Mr. WYLIE), is it not?

The CHAIRMAN. No. The Chair will

The CHAIRMAN. No. The Chair will state that the vote on the amendment to the committee amendment will occur first. Following that there will be a vote

on the substitute for the committee amendment, as amended, if the amendment offered by the gentleman from Massachusetts (Mr. Tsongas) to the committee amendment is adopted. Following that there will be a vote on the committee amendment, as it may have been amended.

Mr. TSONGAS, Mr. Chairman, I have a further parliamentary inquiry.

If one were disposed to vote for both amendments, both the amendment and the substitute, one would simply vote "aye" twice; is that correct?

The CHAIRMAN. I believe the gentleman has stated the fact correctly.

Mr. TSONGAS. I thank the Chair. The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. Tsongas) to the committee amendment.

The amendment to the committee

amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. WYLIE) as a substitute for the committee amendment, as amended.

The amendment offered as a substitute for the committee amendment. as amended, was agreed to.

The CHAIRMAN. The question is on the committee amendment, as amended.

committee amendment, The amended, was agreed to.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

TITLE V-HUMAN RIGHTS

SEC. 501. (a) The United States Government, in connection with its voice and vote in the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank, the African Development Fund, and the Asian Development Bank, shall advance the cause of human rights, including by seeking to channel assistance toward countries other than those whose governments engage in a consistent pattern of gross violation of internationally recognized human rights, such as torture or cruel, inhumane or degrading treatment or punishment.

(b) The Secretaries of State and Treasury shall report to the Speaker of the House and the President of the Senate progress towards achieving the goals of this title.

Mr. GONZALEZ (during the reading). Mr. Chairman, I ask unanimous consent that title V be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 5, line 11, strike out "V" and insert "VI".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 5, line 12, strike out "501" and insert "601".

The committee amendment was agreed

The CHAIRMAN. The Clerk will report the next committee amendment. The Clerk read as follows:

Committee amendment: Page 6, line 1, strike out "quarterly" and insert "semiannually".

The committee amendment was agreed

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 6, line 3, strike out the period and insert in lieu thereof a comma and the following: "including the reports required in subsection (c).".

The committee amendment was agreed

to.
The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 6, line 4, insert the following:

"(c) The United States Government, in connection with its vote in the institutions listed in subsection (a), shall seek to chan-nel assistance to projects which address basic human needs of the people of the recipient country. The semiannual report required under subsection (b) shall include a listing of categories of aid granted, with particular attention to categories that address basic human needs."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment, page 6, after line 10, insert the following:

(d) In determining whether a country is in gross violation of internationally recognized human rights standards, as defined by the provisions of subsection (a), the United States Government shall give consideration to the extent of cooperation of such country in permitting an unimpeded investigation of alleged violations of internationally recognized human rights by appropriate international organizations including, but not limited to, the International Committee of the Red Cross, Amnesty International, the International Commission of Jurists and groups or persons acting under the authority of the United Nations or the Organization of American States."

The committee amendment was agreed

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 6, line 23, insert:

"(e) Section 28 of the Inter-American Development Bank Act (22 U.S.C. 283y) and section 211 of the African Development Fund Act (22 U.S.C. 290g-9) are repealed."

AMENDMENT OFFERED BY MR. BADILLO AS A SUBSTITUTE FOR THE COMMITTEE AMEND-

Mr. BADILLO. Mr. Chairman, I offer an amendment as a substitute for the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. Badillo as a substitute for the committee amendment: In lieu of the matter proposed to be inserted by the Committee Amendment, insert the

"(e) In addition, the United States Gov-

ernment, in connection with its voice and vote in the institutions listed in subsection is authorized and directed to vote (a) against any loan, any extension of financial assistance or any technical assistance to any country which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhumane or degrading treatment or punishment, prolonged detention without charges, or other flagrant denial of the right liberty, and the security of person, and including providing refuge to individuals committing acts of international terrorism such as hijacking of an aircraft unless such assistance is directed specifically to programs which serve the basic human needs of the citizens of such country."

Mr. BADILLO. Mr. Chairman and members of the committee, the purpose of this amendment is to include the language known as the Harkin amendment which was approved by the last Congress for the Inter-American Bank and the African Development Fund, to all of the institutions that are covered by this bill.

The fact is that we in the Congress of the United States began in the last Congress to define what is meant by human rights and to set a standard that should apply throughout the world. In this Congress, with the language that the chairman of the committee, the gentleman from Wisconsin (Mr. Reuss) proposed, and the language that we added in the committee, we have gone further because we have provided specific instructions that the administration take steps to advance the cause of human rights, that we get reports to see to it how basic human needs are being met, and that we use as one of the standards of the constant violation of human rights whether a country is willing or unwilling to allow international inspection.

That is good language as far as it goes, and I support it. But that does not in any way justify going back on what we have approved in the past. In fact, if we repeal the previous law it will be a signal to all the countries of the world that all of the words of President Carter have no meaning, that, in fact, what we are doing is saying to the President: Go out and be a good President. But we are not putting any teeth into the mandate that Congress wants to give in promoting international human rights.

The problem is that the Harkin amendment, which is the amendment I am introducing, is being attacked on two contradictory fronts. We say at the end of this amendment that we specifically will allow assistance to the programs that serve the basic human needs of the citizens of recipient countries-yet there are those who say that the amendment is too flexible because of the requirement of helping where basic human needs are in-

But nothing in this amendment mandates the administration to approve a loan if they feel that there is a gross and consistent violation of human rights. even if basic human needs are being met. Therefore, there is no problem as far as too much flexibility is concerned:

We are also told that the amendment is inflexible because of the fact that it directs our representative not to vote for loans where there is a consistent violation of human rights. But the fact is that if we really believe what we are talking about, if we want to take firm action through the funds that we appropriate, to see to it that countries do not continue to violate international human rights, then we have to show this by requiring a specific acknowledgement by our representatives that we mean what we say.

In this bill we are beginning to move toward a more clearly defined standard of human rights. But at the same time we should not let anybody be able to misinterpret our actions and come to the conclusion that what we are doing is seeking to avoid the mandate that the

last Congress approved.

I think that the committee amendment as it stands is a disastrous expression of policy because it repeals the existing Harkin language altogether. I think that what we should be doing here is moving forward in advancing the cause of human rights, to move forward by extending the Harkin amendment to all of the institutions that are covered by this bill, and to move forward by adding the new language, which was originally proposed by the chairman of the committee, that gives further instructions to our representatives by saying that in addition to voting "no" where they find that there is a consistent violation of human rights, they should also work toward directing aid to those countries which do in fact recognize human rights.

If we put together the work of the last Congress—the Harkin amendment, and the work of this Congress, we will have a package that not only makes sense, but a package that will signify to the rest of the world that we in the Congress mean to continue defining policy, and that the fact that we have a new president in the White House does not mean that we are running away from

our responsibilities.

The CHAIRMAN. The time of the gen-

tleman has expired.

(At the request of Mr. Rousselot, and by unanimous consent, Mr. Badillo was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. BADILLO. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate my colleague's yielding.

Mr. Chairman, I appreciate what my colleague, the gentleman from New York, a member of the Committee, Finance and Urban Affairs, has stated. I know of his efforts in the committee itself to try to reestablish the Harkin amendment, which I think was appropriate, and I did vote for it; I will vote for it today.

I wish also to state that in discussions that I had with President Ford last fall, although he had originally objected to the Harkin amendment, he said once it was put in place as law, he not only was able to live with it but he felt that it was a very appropriate weapon in the hands of our U.S. representatives to the two funds to which this law now applies.

funds to which this law now applies.
So I compliment my colleague, the gentleman from New York (Mr. Badllo)

and say that even President Ford, who did not agree with this amendment when it first came up, found that he was able to work with it, found that it was not as "detrimental" as some people originally told us it would be.

I compliment my colleague on his insistence that we stay with the Harkin law, that we apply it equally to the other agencies, because it is our taxpayers' money that is involved. They are our U.S. representatives who go to participate in voting these funds. I compliment the gentleman for offering the amendment.

Mr. BADILLO. I thank the gentleman from California for his comments.

Mr. MOFFETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, one of the reasons that I and some other Members worked so hard for the then candidate Jimmy Carter in the spring of the primaries was because of his very strong commitment on human rights. I believe that commitment is still very much in evidence with the President and with many of his aides and that our country will benefit from it. It is also important, however, to recognize that when the pressure is on, whether it is with regard to the Soviet Union or Latin America or South Korea, there are people in the State Department, there are forces in the Treasury Department that will tell the President, that will advise the President that it is time to go easy, that it is time to back off, that it is time to compromise on our basic principles.

We had a very encouraging vote here, as my colleagues will remember, a vote of 400 to 2, not too many days ago on a resolution regarding the rights of the Soviet Jews. At that time this body was being advised to go easy, to retreat, to compromise, not to move forward so quickly. We were warned that we might foul up the diplomatic channels with the Soviets, and we went absed anyway.

Soviets, and we went ahead anyway.

This morning several of us had the pleasure of meeting with Mr. Christopher of the State Department and with Pat Derian, the new person on human rights at the State Department. One of the things that Pat Derian said, and I thought that her presentation was otherwise, quite encouraging and quite impressive, was that "no" votes in international bodies are really not worth very much, that they reflect that we fail to press our case. This was her language.

I ask my colleagues in this body who have cast "no" votes in many bills. have cast "no" votes in many bills, whether it has been a "no" vote on the HEW bill or whether it has been a "no" vote on a defense bill, whether they would like that to reflect that they had failed to press their case or that they had given up or that they were not for the concept of aid in that particular area. My colleagues who have voted against the HEW bills certainly would not want that to indicate they were against health and education and welfare, or if they voted against the defense bill they would not want that to be a signal that they are against defense, but there is a symbolic or educational value in a "no" that the Harkins amendment allows us to apply to international aid.

The charge is made by opponents of the Harkin amendment that it is an amendment which brings us to a point of inflexibility. We can understand that the administration and some people in the administration would want the elbow room and more flexibility. Of course, that is natural for unelected officials administering the laws.

But what is our responsibility and how much flexibility do they now have. They really cannot have it both ways. We know since the passage of the Harkin amendment two loans to Chile have been approved with the support of our representatives and one loan has been disapproved with the disapproval of our representatives. There is a great deal of flexibility in the current law, so they cannot say at one point there is no flexibility with the Harkin amendment and that at the other point it ties their hands.

It has been said that Harkin does not work. I know the gentleman from New York (Mr. LaFalce), who has done a great deal of work on this subject, has stated in his views in the committee report the Harkin amendment does not work. First of all I think it does work, as some of the earlier speakers have said, and secondly we have not really given it a chance yet. What has happened between September of 1975 and the present day that should change our position on Harkin? I certainly hope we have an administration that is better on human rights, but I do not think that this body of elected Representatives should assume a great deal about what is going to happen at those international bodies once they really get to the nitty-gritty details which are based more on investment decisions, financial decisions, than anything else.

A couple of my colleagues and I had the pleasure to be in Chile—if one can call it a pleasure—not too long ago and we found our participation and our loans are helping to prop up a very, very nasty government that practices torture and takes persons out of their homes in the middle of the night and holds them without charges.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

(By unanimous consent Mr. Moffett was allowed to proceed for 2 additional minutes.)

Mr. MOFFETT. Mr. Chairman, the decisions on loans to Chile all too often are made on basic investment terms. The people in the Treasury Department are not trained to think in terms of human rights, no matter what the President says, and so I think it is very important that we once again affirm our support for the Harkin amendment. We cannot simply say this administration is better and we are going to give too much flexibility and take Congress out of the ball game.

Now, we can certainly disagree, there are many views in this room over what is the best approach. The gentleman from New York may not agree that the Harkin amendment requiring a "no" vote is the best approach. I may think that is a better approach. We have differences of opinion, but at the very least

I must urge my colleagues in the committee to vote against the committee amendment. That would leave us in the following place: It would leave us with two institutions to which the Harkin amendment applies and it would leave the other institutions to which the language of the gentleman from Wisconsin (Mr. Reuss) applies. At the very least, we will have a chance to compare the Harkin approach, working on two agencies, and the other approach, the less stringent approach, as some people say.

Mr. Chairman, I intend to support the amendment of the gentleman from New York, but I am saying that at the very least let us insure that we oppose the

committee amendment.

I like the President. I worked hard for the President. I applaud the President's stand on human rights today. I believe what the President says about putting human rights at the top of our priority list and leaving them there. I think our action today should certainly reflect that.

Mr. TSONGAS. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentle-

man from Massachusetts.

Mr. TSONGAS. Mr. Chairman, I was also present this morning when Mr. Christopher and Pat Derian spoke very eloquently on the issue of human rights. In fact, the comments of Pat Derian I found even moving. I think we all had a sense there was finally going to be a serious commitment, not only at the Presidential level, but in all the agencies to this principle.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. MOFFETT)

has expired.

(At the request of Mr. Tsongas, and by unanimous consent, Mr. Moffett was allowed to proceed for 1 additional minute.)

Mr. TSONGAS. Mr. Chairman, will the gentleman yield further?

Mr. MOFFETT. I yield to the gentle-

man from Massachusetts.

Mr. TSONGAS. Mr. Chairman, the one point I think I can quote it reasonably accurately, she said that each of the human rights is a very complex and sophisticated issue. What they wanted was a complex and sophisticated instrument that reflected what they were dealing with and asked that the Congress support the committee language and work and work hard for the advancement of human rights.

If, in fact, we say no to the committee amendment, what we are saying to her. despite her eloquence this morning, is,

"No, you shall not have it."

Mr. MOFFETT. Mr. Chairman, I do not know how much influence Pat Derian will have in the State Department. I know too much to forget about the Chilean deaths and the Korean deaths and I know that too many people in the State Department think human rights is a nasty word that we should not talk about.

I certainly hope the lady has the influence she deserves. But, I am not ready to assume that.

I am going to support the committee

language. if we have nothing else, but it is certainly nothing like the Harkin language. The point of the compromise is that we have a chance to compare the two approaches.

Mr. REUSS. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the Badillo amend-

Mr. Chairman, as I said before, we are not really concerned with who is for human rights and who is against torture. What we are concerned with is a text. So let us read these texts and see where we

The committee language, overwhelmingly adopted by the Banking Committee and supported by the administration, says that the U.S. Government, in connection with its vote in the institutions listed in subsection (a), shall seek to channel assistance toward countries other those whose governments engage in a consistent pattern of gross violation of internationally recognized human rights, such as torture, or cruel, inhumane or degrading treatment or punishment.

In other words, on a 24-hour-a-day rasis, we want the administration not just to vote against aid to the torturers, but we want them to politic and to get others to join them.

Then on this basic language, the Badillo amendment seeks to put an overlay, so we have to look at that overlay. The trouble with the Badillo amendment is that it is at once too lenient and too rigid.

It is too lenient, because it says that any time a torturing dictator can clothe an aid program on which he seeks assistance in the vestment that it serves the human needs of his people—and it does not take much of a PR job to do thatthen, according to the Badillo language, we vote for it.

That is precisely what happened in Chile, and what a sad day that was when we were forced to give a dictator a pat on the back. The Badillo language, I suggest, is in that respect too lenient.

In another respect, I think it is too inflexible, because it expressly includes within its definition of human rights prolonged detention without charges. Prolonged detention without charges is something that we abhor, but the fact is, that is what is practiced by the vast majority of countries who are the recipients of the bounty of these international lending agencies, including some countries Members would be surprised to see on the list.

So, I think there is a strong case for staying with the committee language, and not putting this overlay on it.

There are those who say, "Well the Harkin amendment is already in exist-ence in two agencies." The answer is clear: There will be an opportunity to vote later on as to whether Members want 100 flowers to bloom and want the Harkin amendment on 2 agencies and the committee language on all the agencies. That is a perfectly workable world, and we will debate that later. But the immediate vote before us is the simple one; do we want to put on top of the committee language something which is in one and the same breath too lenient and too tough? I urge that the Badillo amendment be defeated.

Mr. BADILLO. Mr. Chairman, will the

gentleman yield?

Mr. REUSS. I yield to the gentleman from New York.

Mr. BADILLO. I want to say to the chairman that there is nothing in the amendment which says that any representative to the lending institution is directed to vote for aid to any country which is in violation of human rights because the loan is being used for basic human needs. If the administration does not want to vote for that loan, it does not have to. The fact is, the amendment does not say that.

I say that because the gentleman suggested that it does. The administration can find, even if the loan supports basic human needs, that the country is in such gross violation of fundamental human rights that it must instruct the representative not to vote for that loan. So, he over-flexibility the gentleman spoke of, in fact, does not exist anywhere in the

text of the amendment.

Mr. REUSS. In the beginning was the word, and the word was BADILLO's, and the word says that the U.S. Government is "authorized to vote against" any loan "unless such assistance is directed specifically to programs which serve the basic human needs of the citizens" of the subject country.

To me, that says that you are not authorized to vote "No" if the loan does serve the basic human needs. I think we are buying a very, very ambiguous overlay if we accept the Badillo amendment. I therefore hope it will be voted down.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Pennsylvania.

Mr. MOORHEAD of Pennsylvania. I thank the gentleman for yielding to me. Is it the gentleman's position, as it is mine, that the committee language is broad and affirmative, and the amendment is narrow and negative; and therefore we should support affirmative action that is broad in scope rather than the negative?

Mr. REUSS. Yes.

Mr. MOORHEAD of Pennsylvania. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

(By unanimous consent Mr. REUSS was allowed to proceed for 1 additional

Mr. REUSS. Mr. Chairman, I will use the few seconds remaining in the minute which I have just negotiated to say that the committee language—that which I hope remains unchanged—makes it very difficult for the administration to do anything but vote against any loan to any country that is in violation of human rights. There is a technical possibility of abstinence, but they are doing to have to come in and explain these on a semiannual basis, whatever their votes are, so that I suggest that the committee language is strong and clear, and we should leave it as it is.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. I thank the gentleman for yielding.

Truthfully, I am having difficulty in my position on the Reuss amendment, the Harkin-Badillo amendment. It seems to me, in reading the amendment offered by the gentleman from New York (Mr. Badillo), that there is a gigantic loophole at the very end, where it says that, "unless such assistance is directed specifically for programs which serve the basic human needs of citizens of such country. * * *"

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. REUSS) has expired.

(On request of Mr. Wylle and by unanimous consent, Mr. Reuss was allowed to proceed for 1 additional minute.)

Mr. WYLIE. Will the gentleman admit that in the year in which this amendment has been in effect for the African Development Fund and for the Inter-American Devolpment Bank, in only one instance has the amendment been used to turn down a loan, and that was in Chile, for an industrial credit loan of \$21 million?

Mr. REUSS. I agree it is a loophole, and it is odd that some of the staunchest supporters of human rights in this body—and I respect them, and I fought side by side with them in the last years—are doing what they ordinarily do not do, namely, uncritically buying language which they have not considered.

Mr. WYLIE. Has the language of the gentleman's amendment closed that loophole?

Mr. REUSS. Oh, yes. My amendment has absolutely no exception. I say "my amendment," meaning the committee text, and it has no exception for loans that benefit basic human needs.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. Reuss) has

again expired.

(On request of Mr. Rousselor and by unanimous consent, Mr. Reuss was allowed to proceed for 3 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. I thank the gentleman for yielding.

The gentleman's amendment, which was adopted in the committee, does not direct the U.S. representatives to the respective institutions not to vote for

human need loans, does it?

Mr. REUSS. It comes about as close to it as it can. It says the U.S. Government on these agencies shall seek to channel assistance toward countries other than those whose governments engage in a consistent pattern of violat-

ing human rights.

Let me explain what that means. There are some who say, "Oh, we must have sympathy for the poor people in these countries. They did not make the torturing dictator."

The answer of the committee language, the so-called Reuss language, which I just read is that there are God's plenty of poor people in countries which do not have at their head a torturing dictator and, therefore, let us channel the aid of the World Bank system and regional banks toward countries which do not go in for torture.

Mr. ROUSSELOT. But my point is, if the distinguished chairman will yield further, as was discussed in the committee, the gentleman's amendment does not really reconstitute the language of the Harkin amendment in a much different manner?

Mr. REUSS. It emphatically does not.
Mr. ROUSSELOT. I have a further
question which I would like to discuss
with my distinguished chairman. My
distinguished chairman supported the
Harkin amendment a year ago; is that
correct?

Mr. REUSS. That is correct.

Mr. ROUSSELOT. And No. 2, the gentleman from Wisconsin (Mr. Reuss), my fine chairman, also supported in committee the effort to retain the Harkin language in the two agencies to which it now applies as law, which we passed last year?

Mr. REUSS. Let me now answer the question: "How could the distinguished chairman be so inconsistent?" Is that the question?

Mr. ROUSSELOT. If the gentleman puts it that way, can the gentleman explain why to me he has appeared to be inconsistent?

Mr. REUSS. Let me answer that there is no problem. Reason No. 1: I respect and admire the gentleman from Iowa, and I would not gladly have seen him bereft of the Harkin amendment which he put so much into last year.

Mr. ROUSSELOT. So the gentleman

Mr. ROUSSELOT. So the gentleman still supports the Harkin amendment

that now is the law?

Mr. REUSS. Yes. And, second, and an even more important reason, I do not think that I really know the total answer to this problem of how best we can solve human rights and still be able to provide some help for the developing countries.

So I say, let us see how Harkin works on the two banks, the Asian and the African, where it now exists, and then let us, overall, put in the Carter language, the language which is in the committee bill. There is really nothing inconsistent about having a two-tiered system for those agencies.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. REUSS) has expired.

(On request of Mr. Rousselot and by unanimous consent, Mr. Reuss was allowed to proceed for 1 additional minute.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield further?

Mr. REUSS. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's willingness to yield in order to discuss this important issue.

I cannot for the life of me understand why we would not want to test this with the other four international financial institutions. After all, they are involved in the same kind of lending in most cases.

Why should we not instruct the several Directors to follow that same procedure with respect to the other institutions?

Mr. REUSS. Mr. Chairman, the answer is that when I voted for the Harkin amendment, it was the only game in town. I did not have the parliamentary opportunity to purge it of its overstringency in one aspect and its overleniency or its loophole in the other, but it certainly was a lot better than nothing. It did succeed in stopping at least one loan, the one to Chile, and I am proud of the gentleman from Iowa, Tom Harkin, for having accomplished that.

But now we have the chance to do this thing from the beginning, not through hasty floor language. That is why the language which the administration, after much study, has approved is in this bill. If we want to put the Harkin overlay in it, we can. But I recommend that we don't.

Mr. ROUSSELOT. We should continue to support the Harkin amendment. The principles of the present Harkin law should be applied to the other international financial institutions.

I cannot believe that President Carter has a full understanding of what the Badillo-Harkin-Rousselot amendment does to strengthen H.R. 5262. This bill provides for increased participation by the United States in the International Bank for Reconstruction and Development, the International Development, the International Financial Corporation, the International Financial Corporation, the Asian Development Bank and the Asian Development Fund. President Carter has been outspoken in his intention to advance human rights.

The Harkin amendment is already included in existing law (P.L. 94-302) which governs two multilateral lending agencies and the Ford administration was able to live with it.

I urge my colleagues to support the Harkin-Badillo-Rousselot amendment.

Mr. LaFALCE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the substitute for the committee amendment.

Mr. Chairman, all of us here today, I think, have our eye on one general target or goal, and that is this: How can we best advance the cause of human rights? How can we best advance the human condition?

I do not think there is any question but what this is the primary motive of the U.S. Congress and the primary motive of the Carter administration. The question that transcends that, though, is: How do we best achieve that goal? What means do we use?

I think we have a very fundamental problem that we should talk about and that we should address, and that is this: What is the proper relationship between the legislative branch of Government and the executive branch of Government in effecting our goals and implementing our goals?

Mr. Chairman, I think that if we have

an administration that is not compatible with our goals, that is not sympathetic to our goals, perhaps it is necessary for the legislative branch to be stronger in this joint effort to achieve the goal and to, perhaps, mandate certain courses of action, although even then that would give me difficulty. I think generally, though, when we do have compatibility of goals, the legislative branch of Government has to give a certain amount of-I hate to use the word "flexibility"let us say, discretion, to the executive branch regarding the exact tools it will or will not use. And at all times we must exercise tremendous oversight over the manner in which the executive branch exercises its discretion and implements those goals.

By the Reuss language we make an effort to codify the congressional concern and exhort the administration to use all instruments at its disposal, and in the manner it thinks best, to achieve our goals, the advancement of the cause of human rights. It is the opinion of this administration, as it was the opinion of the last administration, that it is not best to set in concrete the instruments that we can or cannot use, that it was not best to set in concrete a mandate that we must vote no under certain circumstances. That is what this debate is all about.

There is no magic to the Reuss language, there is no magic to the Badillo language, and there is no magic to the Harkin language. As a matter of fact, there are about a dozen different bills that have human rights language attached to them and that differ in their language as to the instruments.

Mr. Chairman, there are not too many of the Members here who would profess to be tremendously expert in the art of diplomacy. We do the best we can within the legislative branch. However, Under Secretary of State Cooper did testify before the International Development Institutions Subcommittee and, when asked about the Harkin language, and what he thought of it, he said:

Well, in my judgment, it is clumsy—even somewhat coarse . . . and in the long run may have the effect of worsening human rights conditions in less developed countries. . . .

There is no question then what the official position of the Carter administration is. Further we ought not be afraid that the public at large is going to confuse matters as far as means and ends and targets and instruments. It is our responsibility to make the right decisions, and then to educate our constituency. It is a difficult responsibility, but it goes with the job of being a good Congressman.

I have made the comment that the present language that exists for the Inter-American Development Bank and the African Development Fund does not work.

What do I mean by that? Well, first of all, we did not disapprove any of the loans made by the Inter-American Development Bank to Chile. There were three loans to Chile that were approved, and we just happened to vote no on one of them. It accomplished nothing of a posi-

tive nature, and may very well have been most counterproductive.

But the primary experience that we have had with the Harkin language is not with respect to the multilateral institutions, it has been in our bilateral aid with the Agency for International Development.

Now, what has the Agency for International Development done? Why was the gentleman from California able to get up and say that former President Ford changed his mind and said, "Oh, we can work with the Harkin amendment." The question is, What did he mean by the word "work"?

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. MITCHELL of Maryland, and by unanimous consent, Mr. LAFALCE was allowed to proceed for 3 additional minutes.)

Mr. LaFALCE. Mr. Chairman, I suggest that what the past President was really saying was not that they could "work with it," but that they could "circumvent it."

How could they circumvent it? Easily. Go to an interoffice memo of AID, an interoffice memo that I have in my briefcase, raising the question of how AID should interpret and implement Harkin's language. The memo said: Let us not look to what the primary effect of the loan would be, let us not ask ourselves whether the principal effect of the loan would be to go to needy people, let us simply ask the question: What is the "principal purpose"? And obviously, the "principal purpose" of every AID loan is to aid needy people. Hence, the Harkin loophole always applies.

So they have adopted the principal purpose test. And AID has come up with the formulation that if the principal purpose is to aid needy people, even though that not be the primary effect, that suffices and we would not even have to raise the question of whether or not there are violations of human rights.

So, the way they have worked with it is to totally circumvent it.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. LaFALCE. I yield to the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, the chairman and the gentleman from New York have made a rather convincing argument on the point that if we somehow can ascertain that this loan is for needy purposes, that everything else ends and that the loan can go forward.

What I would like to know is whether there are any auditing procedures, or whether there is any way we can monitor whether or not the money is being used for needy purposes. If that is the case then it would seem to me that whether in fact this loophole causes us problems or not, at least we have the checks and balances and the power of review so that at a later time we can determine whether or not it was used for needy people.

Mr. LaFALCE. Let me expand on that. I think Congress will exercise much greater oversight in the future on all these loans. I do not think Congress, however, can possibly review the loan be-

fore it is made. But I think I must take this opportunity to make a further point. The issue of human rights is of tremendous importance but there are a great many issues of tremendous importance. And in our foreign policy, we must take into consideration all of the U.S. interests, of which human rights is a great one

But we must also take into consideration our diplomatic, political, and our security interests. They too are great. I do not think it is appropriate for us to single out just one. Perhaps we should just say there should be another exception in addition to the needy, exception, for example, whether this loan would advance the security interest of the United States.

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. Badillo, and by unanimous consent, Mr. LaFalce was allowed to proceed for 2 additional minutes.)

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield for the purpose of inquiring about time?

Mr. Laffalce. I yield to the gentleman from Texas.

Mr. GONZALEZ. I thank the gentleman for yielding.

I would like to get a feeling as to whether I could offer at the proper time a motion for limitation on this amendment and all discussion thereon. Could we agree to end the debate by 3:15? Would that be too restrictive?

Mr. BADILLO. Mr. Chairman, I would

Mr. GONZALEZ. It was just an inquiry; I was offering no motion.

Mr. BADILLO. Mr. Chairman, will the gentleman yield?

Mr. LaFALCE. I yield to the gentleman from New York.

Mr. BADILLO. I thank the gentleman for yielding.

I should like to answer the gentleman from New York because we have agreed to a committee amendment that specifically addresses itself to his question. Under the committee amendment previously adopted, we require that our representatives to the lending institutions submit semiannual reports in which they identify the the categories of loans so that we will be able to identify whether the loans that are being provided meet basic human needs, and we will be in a position to know exactly what is happening, if the Harkin amendment is agreed opon.

I want to add that if the Harkin amendment is not agreed to, there is nothing in the existing language that in any way places any restrictions whatso-ever on giving loans to people who are the most blatant violators of human rights.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. LAFALCE. I yield to the gentleman from New York.

Mr. DOWNEY. I thank the gentleman for yielding.

It would seem to me that the distinguished gentleman from Wisconsin made two arguments against the amendment offered by the gentleman from New York: One, that it was too strict in the sense that it was a restrictive movement by requiring a "no" vote; and two, that it was too lenient. The too lenient portion of the argument falls on its face because of what the gentleman from New York said that there is a check and balance on whether or not the money is being used for human purposes.

Mr. RICHMOND. Mr. Chairman, will

the gentleman yield?

Mr. LaFALCE. I yield to the gentle-

man from New York.

Mr. RICHMOND. Mr. Chairman, I rise in strong support of the amendment offered by my colleague from New York to prohibit assistance to those countries which consistently participate in gross violations of human rights unless it can be demonstrated that that aid will directly benefit needy people in those countries.

The language in this amendment is surely as necessary as it was 2 years ago when we approved the Harkin amendment to the International Development and Food Assistance Act of 1975. At that time, we recognized the strong need for greater accountability for the billions of dollars we were channeling to developing countries through our participation in the international lending institutions. In addition, we recognized that the time had come to include our basic respect for human rights as a major consideration in our foreign policy.

The human rights situation has certainly not improved in the last 2 years. Amnesty International reports that in the past year "there has been a slight but unmistakable deterioration in the overall human rights situation," particularly in Chile, Argentina, Brazil, and Uruguay. It is estimated that approximately 30,000 political prisoners are being held by those four countries alone, despite the fact that Chile claims to have started a major amnesty program."

As this situation continues, the demand for this country to take strong, public action increases. It becomes more important that our human rights policy include the message that the United States can no longer financally support those countries whose citizens are the subject of brutal and inhumane treatment.

The Carter administration showed its willingness to make that message clear from the beginning. From the time of his inaugural address, when the President devoted significant attention to the importance of our respect for human rights, it was obvious that there was to be a new commitment to improving the lives of millions of people throughout the world. The reduction of aid to Argentina, Uruguay, and Ethiopia demonstrated that President Carter and Secretary Vance were willing to take positive public action consistent with the stated policy.

Consequently, I am astonished at the administration's support of the human rights language currently included in this bill. I do not believe that this language has the strength of the amendment we now have under consideration.

Title V, which says that our representatives to the international lending institutions shall use their voice and vote to advance the cause of human rights, in fact does not require us to do anything.

committee argues The that Harkin-Badillo amendment is considerably weaker than its own language because the provision which permits the U.S. executive directors in these institutions to vote yes on loans to human rights violators where that aid will directly benefit needy people is too big a "loophole." I disagree with the committee's assessment. The so-called loophole was included to allow us the flexibility to meet our assurances to poor people throughout the world. The three votes in the World Bank on loans to Chile showed how it could work. On two loans, the U.S. representative voted "yes, but voted "no" when it came to support for the Bank of Chile.

It is true that the amendment can be abused by simply voting no, and discharging ourselves from the obligation to do anything further. But, I do not believe the Carter administration would use the Harkin language in a mechanical way, adhering to the letter but not the spirit of the law-we have been led to expect something different from the President. When used properly, the amendment can be a most effective tool in the battle for human rights. Our required 'no" vote on certain loans, when combined with a strong effort to insure that other participants in these multilateral institutions support our positions, can be a major positive step, and can insure that we place pressure where it is needed.

Mr. Chairman, as you know, I recently visited Argentina as the House delegate to the International Water Conference. In Argentina today the question of human rights is not a question of whether or not free speech is tolerated or whether freedom of the press is allowed. The question is whether or not individuals have the right to exist at all if they disagree with the regime in power. Dissidents regularly disappear from the streets of Buenos Aires. The government is cloaked in the rusted armor of fear and repression.

While in Argentina, I was confronted by many people who asked if I could do something about "getting those human rights people off our backs." Repeal of the Harkin amendment is just the kind of action they are looking for. If we approve the current language in H.R. 5262, we are taking a step backward in our human rights policy. Therefore, I strongly urge my colleagues to approve the Badillo amendment in order to advance the cause of human rights throughout the world.

Ms. OAKAR. Mr. Chairman, I rise in support of the amendment offered by my colleague, the gentleman from New York (Mr. Badillo).

Mr. Chairman, the human rights title of H.R. 5262 is a most important measure. It adds to this already fine and necessary bill an explicit statement of our moral intent and standards in international relations. Nonetheless the lan-

guage in title VI is no more, than a toothless, unenforceable statement of policy.

The Badillo amendment gives muscle and sinew to the skeletal framework contained in this human rights section.

I supported the effort of my colleague, the gentleman from New York, in committee because I wish to see this Congress join those speaking out on the basic rights of all people under all governments. Let us carry on our commitment not only in words or rhetoric, as is frequently the case, but in action. This amendment has been characterized as a constraint on diplomatic prerogatives.

Mr. Chairman, I want to repeat the last sentence. This amendment has been characterized as a restraint on diplomatic prerogatives. This is not the case. The measure is in fact a congressionally inspired standard, which is our prerogative, by which our representatives in those international lending institutions shall carry out their duties.

We as Members of Congress must show our leadership in human rights. If this legislation, title VI, is the Carter-inspired language, then I say let us not follow the President blindly, let us talk, and let us follow our own instincts and our own inspiration when we as Members of

Congress are right.

I urge my colleagues to vote for the Badillo amendment as both a commitment to human rights and as a necessary condition for our international development efforts. Let us not regress in our efforts for human rights but progress by adopting this amendment.

Mr. GONZALEZ. Mr. Chairman, I ask unanimous consent that all discussion on this pending amendment and all amendments thereto be completed by 20 min-

utes past 3.

The CHAIRMAN. The chairman of the committee asks unanimous consent that all debate on the committee amendment and all amendments thereto terminate at 3:20 p.m. Is there objection?

Mr. ROUSSELOT. Mr. Chairman, reserving the right to object, and I do not object, will the gentleman assure us that there will be no attempt in any way to cut off people who want to speak not only to the amendment but also any aspect of the amendment? There are an awful lot of people standing. Would the chairman extend it to half an hour? There are many people standing.

Mr. GONZALEZ. Mr. Chairman, if the gentleman will yield, let us compromise and make it 3:25. I am unalterably op-

posed to cutting off anything.

The CHAIRMAN. The chairman of the committee asks unanimous consent that debate on the pending amendment and all amendments thereto end at 3:25. Is there objection?

Mr. BAUMAN. Mr. Chairman, I object. The CHAIRMAN. Objection is heard.

MOTION OFFERED BY MR. GONZALEZ

Mr. GONZALEZ. Mr. Chairman, I move that all debate on this pending amendment and all amendments thereto be completed by 3:25 p.m.

The CHAIRMAN. The question is on the motion offered by the gentleman from Texas. The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Chairman, on that I ask for a recorded vote, and pending that I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

The CHAIRMAN. The Chair will count. Eighty-two Members are present, not a

quorum.

The Chair announces that pursuant to rule XXIII, clause 2, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by

electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its busi-

The pending order of business is the request for a recorded vote on the motion offered by the gentleman from Texas.

Mr. BAUMAN. Mr. Chairman, I withdraw my request for a recorded vote.

So the motion was agreed to.

The CHAIRMAN. Members standing at the time the motion was made will be recognized for 10 seconds each.

The Chair recognizes the gentleman

from Texas (Mr. Gonzalez).

Mr. GONZALEZ. Mr. Chairman, I ask unanimous consent that I may be permitted to yield my time to the distinguished gentleman from Wisconsin (Mr. Reuss).

The CHAIRMAN. Is there objection to the request of the gentleman from

Texas?

Mr. BAUMAN. Mr. Chairman, I object.
The CHAIRMAN. Objection is heard.
The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Chairman, this House seems to be on the verge of refuting action taken by the 94th Congress, action which put this House firmly on record as an advocate of human rights for citizens living in repressive regimes anywhere on the face of the globe. The full Banking Committee, in support of action taken in the International Development Institutions Subcommittee, eliminated language from the authorization we are considering today which would insure a "no" vote by the United States for any loan to a nation consistently violating the human rights of its citizens. As it stands now, our representatives to the various lending institutions have complete discretion to decide when to vote no and when to vote yes, and thus there is minimal pressure on them or countries which might receive American dollars to make a sincere effort to advance, promote, and guarantee human rights. Our vote is no longer where our mouth has been.

I am pleased, however, that the committee has realized the importance of emphasizing that American moneys must go to meet basic human needs at

the grass roots level. During the 94th Congress, I promoted an amendment to the authorization for the Inter-American Development Bank which would have directed money into cooperatives and credit unions at the local level and, while that was not adopted, I believe the emphasis of this legislation on basic human needs is a step in the same direction.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota (Mr. Fraser).

Mr. FRASER. Mr. Chairman, I hope that this amendment will be defeated. I do not think it will advance the cause of human rights.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. Koch).

Mr. KOCH. Mr. Chairman, I hope that this amendment is supported. It would be outrageous to scuttle the Harkin amendment after we fought so hard for it, and wrote it into law in 1975.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. Badillo).

Mr. BADILLO. Mr. Chairman, this amendment was overwhelmingly approved by the House in the last Congress. Let us overwhelmingly approve it in this Congress, as well.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. Downey).

Mr. DOWNEY. Mr. Chairman, the conditions in the world have not changed. What inspired the 1976 Harkin amendment is as true today, in 1977, as it was in 1976.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. Long).

Mr. LONG of Maryland. Mr. Chairman, I rise in support of the Harkin amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. MITCHELL)

Mr. MITCHELL of Maryland. Mr. Chairman, after a great deal of thought I am forced to support the Harkin amendment without any reservations.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. Moorhead).

Mr. MOORHEAD of Pennsylva ia. Mr. Chairman, I rise in opposition to the amendment.

Mr. BENNETT. Mr. Chairman, I support the Harkin amendment which restricts U.S. taxpayers' assistance to countries which protect human rights. Our country is overextended in its foreign aid efforts. This is a logical way to limit our overextension; and to strike a blow for human rights at the same time. I yield to the gentleman from Iowa.

(By unanimous consent, Messrs. Waxman, Nolan, and Bennett yielded their time to Mr. Harkin.)

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. HARKIN).

Mr. HARKIN. Mr. Chairman, for the against denial of aid which will go disame reasons that the National Council rectly to oppressed people without help-

of Churches, the National Catholic Conference, the American Baptist Home Mission Society and the Friends Committee on National Legislation have stated, I urge the Members not to take a step backward. All of these groups support the Badillo amendment.

Mr. Chairman, let me read to the Members what Robert McNamara said

a couple of weeks ago.

Mr. Chairman, let me read to the Members what Robert McNamara said just 2 weeks ago, at a breakfast meeting with Members of Congress for Peace Through Law.

No. 1, he said, "Don't let the technocrats (like me) make the decisions." He said they "must be made by the politicians or elected officials."

No. 2, he said, there "must be uniform application to each international institution."

No. 3, Mr. McNamara said there "must be uniform application to each and every nation."

This is what the purpose of the Harkin amendment is, and if Mr. McNamara says it is good enough for him, it ought to be good enough for us.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr.

ASHBROOK)

Mr. ASHBROOK. Mr. Chairman, we did it before, and we can do it again.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. LaFalce).

Mr. Lafalce. Mr. Chairman, I believe that the gentleman from Iowa (Mr. Harkin) gave the impression that Mr. McNamara favored the Harkin amendment. I believe that is incorrect. Further, President Carter favors the committee amendment, and he opposes the substitute.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Chairman, I rise in opposition to the Badillo amendment and support the position of the Carter administration, which has taken the lead in the advancement of human rights.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr.

PANETTA).

Mr. PANETTA. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota (Mr. Nolan).

Mr. NOLAN. Mr. Chairman, during the election campaign of 1976, Democrats and Republicans joined together in asserting the need for a foreign policy which reflects the morality, the decency, the humanity, and the idealism of the American people. We campaigned on the need for a change from the policies of the past because the American people, and the force of world opinion. demanded it. The Badillo-Harkin amendment brings the force of law to the defense of human rights by effectively denying economic aid to governments which deny their citizens dignity, justice, and basic human rights. At the same time, the amendment guards against denial of aid which will go diing the dictators who rule. The amendment carries with it a new spirit of hope for oppressed people throughout the world. I urge its adoption.

The CHAIRMAN. The Chair recognizes the gentleman from New York

(Mr. BIAGGI) .

Mr. BIAGGI. Mr. Chairman, I rise in support of the Harkin amendments to H.R. 5262. The proposals present us with a very real opportunity to demonstrate that our commitment to human rights in foreign policy is more than mere rhetoric.

The language in the committee bill regarding human rights is simply not strong enough. In reality by only encouraging the United States to oppose the providing of aid to nations who are in violation of basic principles of human rights, has no real practical force. It must be unequivocally understood and stated that this Nation will not approve any assistance to nations which show "a persistent pattern of gross violations of human rights."

The position of the administration with respect to human rights enjoys wide support among the people of this Nation. Yet despite its popularity, it is a position which is susceptible to criticism if it is applied in a weak, incomplete, or selective fashion. I consider the language of the Harkin amendments to be more in line with the policies of the Carter administration and the American people.

There are many including myself who have grave reservations about this bill and especially the magnitude of the financial commitment we are making. We continue to carry an undue amount of the financial burden for these institutions and what is worse we find ourselves in the hypocritical positions of agreeing to provide massive amounts of assistance to nations which are not alined politically with us.

Certainly if this Congress is going to approve an authorization of \$5.2 billion to fund these various international banks, we have a responsibility to the American taxpayers to insure that their funds will not be used to sanction or even support any nation which does not respect the human rights of their citizens.

It should be noted that those concerned that this amendment will dangerously tie the hands of American foreign policy are talking through their hats. Not only is the language of the Harkin amendment clear as to those nations to whom these sanctions would apply—it also provides an exception for those nations which show that the assistance is necessary to serve basic human needs in their nation.

The time has come for this Congress to tie human rights into foreign assistance moneys. Thus far we have stated our positions in resolutions which have no binding effect. Here we are talking about very substantial funds designed to aid many nations. There is absolutely no reason why millions and even billions of American dollars should be given to nations which engage in torture, detention without charges, and other violations of human rights. There is no reason why

American money should go to nations which harbor international terrorists. The days of unquestioned and unconditioned doling of U.S. foreign aid money must end. The days of morality in U.S. foreign policy must return.

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from New York (Mr. Badilo) as a substitute for the committee amendment.

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. LaFALCE. Mr. Chairman, I demand a recorded vote. A recorded vote was refused.

So the amendment offered as a substitute for the committee amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment, as amended. The committee amendment, as

amended, was agreed to.

AMENDMENT OFFERED BY MR. BADILLO

Mr. BADILLO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Badillo: In title VI, add a new section 602 to read as follows:

SEC. 602. (a) The Secretary of State and the Secretary of the Treasury shall initiate a wide consultation, beginning with the industrialized democracies, designed to develop a viable standard for the meeting of basic human needs and the protection of human rights, and a mechanism for acting together to insure that the rewards of international economic cooperation are especially available to those who subscribe to such standards and are seen to be moving toward making them effective in their own systems of governance.

(b) No later than one year from the date of enactment of this Act, the Secretary of State and the Secretary of the Treasury shall report to the President of the Senate and the Speaker of the House of Representatives on the progress made in carrying out this section.

Mr. BADILLO. Mr. Chairman, this is merely an amendment to instruct the Secretary of State and the Secretary of the Treasury to initiate international negotiations to develop a viable standard for the meeting of basic human needs and for the protection of human rights so that in the future we will have the kind of specific rules that we would have wished to have had this afternoon.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. BADILLO. I yield to the gentleman from Wisconsin.

Mr. REUSS. Mr. Chairman, I have considered the amendment which the gentleman from New York (Mr. Badillo) has been kind enough to show me. I think it is a well considered and constructive amendment, and since I have just found out that I cannot beat him, I will join him. So I am pleased to accept the Badillo amendment.

Mr. BONKER. Mr. Chairman, the recent human rights uproar with the Soviet Union and the explicit application of human rights as criteria for security assistance to other countries have put an unprecedented focus on the issue of human rights and on the definition and attainment of American values in gen-

eral. Now is the time for an informed national exploration of the issue which has bedeviled this Nation since Woodrow Wilson: How do we meld our values as a people into an increasingly tough, complex, and interdependent world where other nations may not share them?

Mr. Chairman, I suggest several premises for consideration:

First, that human rights and values are an integral part of an American tradition that is two centuries old. We recognize them as essential to the quality of our lives;

Second, that other values—like the pursuit of security, prosperity, and happiness—are equally a part of our history and national fabric, despite their recurrent misuse, especially in the last decade:

Third, that, as individuals or as a nation, we cannot pursue any of our values to complete attainment without unacceptably eroding other values. The administration's decision to continue security assistance to South Korea, I believe, was an explicit recognition that we would support a nation with a dubious record in human rights in order to maintain other interests important to our security.

In short, Mr. Chairman, I believe that the nature of foreign policy is to seek the best balance possible of our values, realizing that our values inescapably conflict with each other and that other nations have the leverage to diminish our attainment of any of them. The trick is to maintain both human rights values and a deep appreciation of what can realistically be done. Human rights without regard to practical consequences may be mindless idealism, even as pragmatism without regard to human rights and similar values leads us back to Vietnam and Watergate.

With this in mind, Mr. Chairman, I must reluctantly oppose any amendments to H.R. 5262 which would, in effect, make it mandatory for U.S. representatives to international financial institutions to vote against loans to nations engaging in a consistent pattern of gross violations of human rights, regardless of the merits of the loan application itself.

Mr. Chairman, my own concern for human rights is as deep as that of any other Member of this body. I urge a negative vote to these well-intentioned amendments only because I believe they would:

Fail to achieve their objective of promoting human rights; and

Endanger other goals and values of this Nation abroad.

First, there is a problem of definition. How can we consistently decide when a human rights violation is gross enough to trigger a loan denial? And, as we are all aware, we tend to define human rights as political and civil liberties. Third World countries, looking at the blemishes in our own country, tend to see them more as social and economic rights.

Second, such amendments will threaten to cripple the effective working of the financial institutions in which they are applied. The United States protested for years, for example, the insistence of Third World nations on introducing political factors like the Palestinian problem—into the so-called nonpolitical agencies of the United Nations, like the International Labor Organization. Application of the amendments in question would tar us with the same brush.

Third, in their singleminded pursuit of human rights values, such amendments could endanger an effective and flexible pursuit of other valid objectives, including developmental ones. What do we do, for example, if analysis shows that a fishing port or technical training institute would meet all our criteria for grassroots benefits in a country whose leaders cannot be persuaded to release political opponents from jail? Such amendments would have one issue dictate all U.S. policy decisions.

Fourth, I am not aware of any instance where morality has been successfully dictated to anyone. Quite frankly, I believe the primary benefit of such amendments would be to make us, at least temporarily, feel better about ourselves.

Mr. Chairman, there are those who claim that such amendments are necessary to reassert congressional power in foreign policy. I ask what power is gained by pursuing a course which promises to be futile, if not counterproductive?

Finally, I have consistently supported efforts by the House last session to write into law language that would guarantee consideration of human rights in our diplomatic relations with other countries. I have encouraged efforts to this end as a member of the House International Relations Committee.

These initiatives were necessary because the Ford administration displayed little or no concern about human rights in the conduct of foreign policy. Congress, therefore, had a responsibility and role to play to see that these values were not ignored; this required explicit language as was the case with the Harkin amendment.

But these overtures are not, or should not, be necessary with the Carter administration. Both as candidate and President, Jimmy Carter has affirmed his commitment to human rights as a cornerstone of our foreign policy. In fact, few will disagree that he has carried this banner way beyond what was expected a year ago, and some feel to a fault in international diplomacy.

The fact remains that President Carter has an unequivocal commitment to human rights, has repeatedly spoken out on the issue, and he will undoubtedly make it an integral part of this country's foreign policy. Why then press the issue through legislation and unnecessarily tie his hands? If President Carter cannot be trusted to address human rights, who can? I believe that legislative action to force the issue may not only be unwise and unnecessary, but it is clearly an insult to President Carter.

Mr. Chairman, I fully share the determination of the sponsors of such amendments to proclaim the Nation's belief in human rights and commit myself to their advancement. The problem is too tough and complex, however, to be solved through mandated inflexible or automatic responses. This Nation, at long last, is headed the right way on human rights. We have a President who has advanced this cause at every opportunity. Now is the time to give President Carter a chance to promote human rights, trusting that his ability and determination may in the end be more successful.

Mrs. CHISHOLM. Mr. Chairman, I will support the amendment by Congressman Bablilo.

I think that it is important in this discussion that all of us recognize that consideration of basic human rights as a matter of foreign policy is not something that began with the Carter administration

During the past 2 years, Congress has made great strides in making the acknowledgement of human rights an integral part of foreign policy considerations. What the Harkin amendment did was attempt to integrate moral—not just political—considerations into our lending and aid packages. That amendment affected two of our multilateral lending institutions, and it has been a successful effort. What Mr. Badillo is proposing is a reasonable expansion of that concept to include other lending commitments which this body makes.

That is, in my estimation, a reasonable request, and it is essential that we not only acknowledge the importance of human rights as a matter of policy, as this bill does, but that we give some enforcement power to Congress to make this commitment more than congressional lipservice to what is an important part of the administration's foreign policy.

Since this House has the responsibility to the taxpayers to carry out our lending capabilities in the most honest and humane way, then it is not enough to merely state policy and leave the enforcement of that policy to the State Department. What results is that any administration can make arbitrary decisions about who violates human rights and who does not; what Mr. BADILLO is suggesting is that Congress take its appropriate role in making sure that this policy is carried out. Without this amendment, we will be taking a step backward by disassociating ourselves with the successful measures passed last year by this House, and we will be abdicating our role in shaping American foreign policy.

I do not think anyone can argue with the need to make the consideration of human rights a cornerstone of American relations with the underdeveloped and the developing nations of the world. But if we are going to do it, let us do it in a way so that we demonstrate we are serious. The Badillo amendment, by writing in enforcement power in a policy that has already been approved by the committee, will further the cause of human rights as it has been espoused by the Carter administration and, in the process, make Congress an active partner in the effort to approach our foreign commitments in a more humane and consistent way

Mr. DODD. Mr. Chairman, I rise in

support of the Badillo amendment to H.R. 5262, legislation authorizing increased U.S. participation in international lending institutions. My colleague's amendment very simply directs the U.S. representative on the board of directors of each of these institutions to vote against any loan, credit, or guarantee to any government which engages in a consistent pattern of gross violations of human rights.

To insure that the innocent and the needy in the Third World are not forced to pay too high a price for the mistakes of their governments, an exemption is provided for financial or technical assistance which is directly targeted to the poor in a recipient country.

Thus, the amendment affords us some flexibility while eliminating any doubts as to the seriousness of our position on human rights. I strongly approve of this attempt to bring financial backing to what is already the stated will of the Congress. Turning our intent into enforceable policy can only increase the strength of our position and make it a more effective one. I urge all of my col-

leagues to vote to put our money behind

our words, and to adopt today the Badillo amendment to H.R. 5262.

Mrs. BURKE of California. Mr. Chairman, I rise in support of the Badillo amendment. This amendment would demonstrate to the world that the House of Representatives, as representative of the American people, is genuinely concerned about the cause of human rights. A concern raised not in rhetoric, but in a forthright manner as contained in this amendment.

It is ironic that recent Presidential and congressional proclamations about human rights are welcomed and yet viewed with some suspicion by the international community. For it is indeed a fact that the record of the United States in support of the cause of universal human rights has to date been less than admirable. The United States has not been a moral leader in advocating the cause of universal human rights, particularly within international organizations, such as the United Nations.

In 1948, the United Nations General Assembly issued the Universal Declaration of Human Rights. It was proclaimed as the first step in the formulation of an "international bill of human rights" that would have legal as well as moral force. The enactment of an international bill of human rights was completed only in December 1966, when the General Assembly adopted the International Covenant on Economic, Social, and Cultural Rights, the International Covenant on Civil and Political Rights and the Optional Protocol Thereto.

Another decade elapsed before the covenants were ratified by a sufficient number of countries to bring them into force. Twenty-eight years after this comprehensive undertaking, it became a reality.

Today as we debate the merits of this amendment, 37 nations have ratified and 51 nations have signed the International Covenant on Economic, Social, and Cultural Rights. The United States, to date has neither signed or ratified this cove-

nant. Thirty-five nations have ratified and 50 nations have signed the International Covenant on Civil and Political Rights. The United States, to date, has neither signed or ratified this covenant.

I was heartened, as I am sure you were, to hear President Carter in his March 17 address to the United Nations General Assembly, state that the United States would soon sign both of the aforementioned covenants.

Two other international covenants which focus on human rights bear mentioning. The Convention on Racial Discrimination was signed by President Kennedy and submitted to the Senate for ratification in 1962. To date, it has not been ratified. The Genocide Convention was signed by President Truman in 1947 and submitted to the Senate the same year. To date, it has not been ratified

What better way to demonstrate to the international community that we are concerned and intend to give full force and meaning to our commitment than the adoption of the Badillo amendment? His amendment would simply direct the U.S. representatives in the international financial institutions—IFI's—to vote against the extension of financial or technical assistance to any country which engages in a consistent pattern of gross violations of human rights.

The President has voiced his concern and his intent to sign two major human rights documents. The House now has an opportunity to likewise demonstrate its concern. By adoption of this amendment, it would enhance its credibility and the creditability of the U.S. Government around the world, by the simple act of mandating to our IFI representatives to vote "no."

I urge its adoption.

Mr. WEISS. Mr. Chairman, I will support the Badillo-Harkin amendment to H.R. 5262—the International Lending Institution Authorization-when it is offered in the House today. This amendment requires the U.S. representative to six international lending institutionsthe International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Asian Development Bank and Fund, the Inter-American Development Bank, and the African Development Fund-to cast a "no" vote on new loans to countries whose governments engage in flagrant violations of human rights.

I believe that this amendment, introduced by Mr. Badillo and Mr. Harkin, and supported in a letter to the House membership by myself and eight of our colleagues, demonstrates that our Nation intends to take an active stand on violations of human rights such as torture and arbitrary imprisonment of individuals.

The Badillo-Harkin amendment assures that President Carter's bold commitment to human rights becomes an effective tool in shaping international development policy. It gives life to that partnership the President mentioned so often during his Presidential campaign: A partnership and openness between the

American people and their Government in formulating our foreign policy.

I applaud the distinguished gentlemen, Mr. Badillo of New York and Mr. Harkin of Iowa, for their keen insight into America's role in international lending institutions by offering this amendment. This amendment will begin to establish a foreign policy for this country which will be consistent with our Nation's political and moral values.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Badillo).

The amendment was agreed to.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will read the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 7, line 1, insert:

TITLE VII—LIGHT CAPITAL TECHNOLOGY

SEC. 701. (a) The United States Government, in connection with its voice and vote in the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank, the African Development Fund, and the Asian Development Bank, shall promote the development and utilization of light capital technologies, otherwise known as intermediate, appropriate, or village technologies, by these international institutions as major facets of their development strategies, with major emphasis on the production and conservation of energy through light capital technologies.

(b) The Secretary of the Treasury shall report to the Congress no later than six months after the date of enactment of this section and annually thereafter on the progress toward achieving the goals of this title. Each report shall include a separate and comprehensive discussion, with examples of specific projects and policies, of each institution's activity in light capital technologies and of United States efforts to carry out subsection (a) with respect to each institution.

Mr. GONZALEZ (during the reading).
Mr. Chairman, I ask unanimous consent that the committee amendment be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. ASHBROOK. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.
The Clerk concluded the reading of the committee amendment.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to

AMENDMENT OFFERED BY MR. MATHIS

Mr. MATHIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MATHIS: Insert the following new title immediately preceding the last title of the bill and renumber the last title.

TITLE VIII—HUMAN NUTRITION IN DEVELOPING COUNTRIES

Sec. 801(a) The Congress declares it to be the policy of the United States, in connection with its voice and vote in the International Bank of Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank, the African Development Fund, and the Asian Development Bank to combat hunger and malnutrition and to encourage economic development in the developing countries, with particular emphasis on assistance to those countries that are determined to improve their own agricultural production, by seeking to channel assistance for agriculturally related development to those projects that would aid primarily in fulfilling domestic food and nutrition needs and in alleviating hunger and malnutrition in the recipient country. The United States Government shall assistance for projects that would tend to increase exports of an agricultural commodity if the United States is a net exporter of the same, similar, or competing agricultural commodity.

(b) The Secretaries of State and Treasury shall report quarterly to the Speaker of the House and the President of the Senate progress towards achieving the goals of this title.

Mr. MATHIS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. MATHIS. Mr. Chairman, let me provide a little background for the members of the Committee as to what this amendment does. I believe that some members of the Committee will recall that 2 years ago the gentleman from Louisiana (Mr. Moore) along with a few other members of the Committee on Agriculture, discovered and pointed out to the members of the committee a problem involving the importation of palm oil into this country, and we discovered, after a considerable amount of research. that not only was palm oil coming into America, but that American dollars through the various lending agencies in this bill were being used to promulgate the cultivation of these palm oil products. Therefore an amendment was offered last year, and almost adopted by the House, to prohibit any fund's dollars being used to cultivate palm oil production in various countries, particularly in Indonesia.

Subsequently we also discovered that other agricultural products were being affected by the use of U.S. dollars through these lending agencies involved in this legislation, such as orange juice, citrus and sugar products, and any number of other agricultural commodities.

What my amendment does here today is simply to prohibit the use of our dollars for the cultivation of any crop that could be brought back into this country in direct competition with American agricultural products. I would like to say, Mr. Chairman, at this point that I have offered this all-embracing language as a substitute for the amendment that would have been offered—it was printed in the RECORD—by the gentleman from Louisiana (Mr. MOORE) and the gentleman from Florida (Mr. KELLY) who had an amendment offered in the committee that would relieve the sugar, palm oil, and citrus crops. My language is more

all-inclusive and takes into consideration all agricultural aspects.

Mr. JOHNSON of Colorado, Mr. Chairman, will the gentleman yield?

Mr. MATHIS. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado, I thank

the gentleman for yielding.

As I read the amendment, the gentleman says that the "Government shall oppose assistance for projects that would tend to increase exports of an agricultural commodity if the United States is a net exporter of the same, similar, or competing agricultural commodity.

It seems to me offhand it would apply to wheat, corn, cotton, and soybeans.

Mr. MATHIS. The gentleman is eminently correct. What we are saying or attempting to say in this amendment to the people of the lending agencies is, We do not want you to loan U.S. dollars to anyone for commodities for export that are going to compete with the commodities in this country. We are not concerned with the production of food in countries that will be assisted by these loans. What we are concerned about is people who are taking the dollars that we are sending abroad and developing agricultural technologies in competition with us.

Palm oil is one of the most glaring examples, and one of which the gentleman from Colorado is well aware.

Mr. JOHNSON of Colorado. If the gentleman will yield further, the gentleman will recall that I sat on the committee at that time, and I thought the palm oil situation was particularly atrocious, because of other domestic policies. We had curtailed the export of sovbeans-and we had encouraged the production of soybeans elsewhere in the world. Then we were encouraging the production of palm oil to compete with our own producers, whom we were preventing from competing on the foreign market, because of the embargo. That combination of circumstances led me to feel that the palm oil situation deserved our attention. But when the gentleman expands it to wheat, corn, cotton, orange juice, and all of the other commodities exporting situations that we are involved in, I do not know whether the gentleman may have gone too far.

Mr. MATHIS. I would say to the gentleman from Colorado in response to his concern that I know of no instance where we have these kinds of problems that have arisen from wheat or corn or from any of the feed grains the gentleman mentions. I do think we have problems in citrus, pointed out very ably by the gentleman from Florida (Mr. KELLY). We know, for example, that last year some \$59 million went to Brazil in lowinterest loans that ended up subsidizing the exportation of frozen concentrated orange juice in direct competition with citrus growers in Florida, who were having problems at that point in getting assistance from their very own govern-

I understand the gentleman's concern, but I think his concern is totally unwarranted in this instance.

Mr. SYMMS. Mr. Chairman, will the gentleman vield?

Mr. MATHIS. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

The language reads:

If the United States is a net exporter of the same, similar, or competing agricultural commodity.

The commodity that comes to my mind is a net importer of sugar. As the gentleman knows, the sugar producers in this country are in great financial straits. Would this amendment cover sugar?

Mr. MATHIS. I would assure the gentleman that he has raised a point that I do not know whether I am prepared to answer. I think, looking at the language, we probably would not cover sugar, but I will say that the gentleman from Louisiana (Mr. Moore) has an amendment that will correct the problem the gentleman from Idaho is concerned with.

Mr. SYMMS. I thank the gentleman

very much.

Mr. MATHIS. Mr. Chairman, I urge the adoption of my amendment. As I said, the gentleman from Louisiana (Mr. Moore) has some clarifying language that he will offer at the proper time, but I will accept it. As I understand, it will direct our representatives to these various lending agencies not only to oppose but to vote against any future projects of this type

We have been assured that these kinds of things were not going to continue. The gentleman from Texas, the distinguished chairman of the subcommittee, Mr. Gonzalez, held hearings last year. at which time we were assured no more loans to growers of palm oil would be made, and yet we find in the last 2 weeks an additional loan of \$20 million was made to the Ivory Coast for the production of palm oil. So with the adoption of the Moore amendment. I urge adoption of my amendment.

Mr. REUSS. Mr. Chairman, I rise in opposition to the Mathis amendment and I do so with regret, because there never was a tiger more zealous for the interest of American agriculture than the gentleman from Georgia, Mr. Daw-SON MATHIS. Here in his amendment. which he calls an all-embracing amendment, he achieves a real understate-This is the most embracing amendment I have ever seen.

What it does, as I read it, and the critical sentence is this:

The United States Government shall oppose assistance for projects that would tend to increase exports of an agricultural commodity if the United States is a net exporter of the same, similar, or competing agricultural commodity.

It need not even be shown that the increased exports infiltrate into the Inited States. If, for example, we wished through the international lending agency to help the pitiful plight of Costa Rican farmers in growing a little better corn, and some of that corn is exported under the terms of their trade to nearby Honduras, then that is a loan the United States must inevitably vote against.

It seems to me this defeats the very purpose of these international institutions. If Sri Lanka wants to do a little export business with Togo, I do not see why that is going to hurt the great State of Wisconsin and I do not see why that is going to hurt the great State of Georgia, or any one of our great agricultural States.

In fact, the National Advisory Council has been quite zealous of the legitimate interests-and believe me, they are legitimate-of American agriculture.

But why we should want to frown upon the little intramural exports between some of these pitifully poor countries I do not know, and I must oppose the amendment as too embracing.

Mr. FRASER. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Minnesota.

Mr. FRASER. Mr. Chairman, I would only like to make an observation that the United States is heavily committed worldwide efforts to increase the ability of the countries to feed themselves. It is estimated that by 1985 we are going to be many millions of food tons short in the world.

This amendment could apply to many of the poor rice growers in Asia and also to many other items. I think it is an astonishing proposition that the United States should withdraw from any effort to help the countries of the world if they should seek to gain foreign exchange earnings my improving agricultural production, a part of which they might seek to export.

Mr. REUSS. I hope the gentleman will allow us city Members, and I am one, and I have always supported American agriculture in its efforts to produce foods and fiber, not to do this to the people in those poor countries of the world.

Mr. MATHIS. Mr. Chairman, will the gentleman yield for an observation?

Mr. REUSS. I yield to the gentleman from Georgia.

Mr. MATHIS. We have, Mr. Chairman, as I said in the well, no objection whatsoever to technology being shared to allow the poor nations to attempt to feed themselves, but I think we do have objection to what amounts to American dollars being used to subsidize exports coming in and knocking American commodities out of the box. We cannot agree with American dollars being used to subsidize the export of palm oil which infiltrates our market.

Mr. REUSS. I agree, but the amendment is directed at the intramural exports of countries thousands of miles from us, so I hope the Mathis amendment will be voted down.

Mr. TSONGAS. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Massachusetts.

Mr. TSONGAS. Mr. Chairman, there is another point to this amendment, and that is introducing into the development banks these constraints would open the door to every other country interested in its own particular interests to do the same thing, and we would end up scuttling the International Development Bank efforts in toto.

Mr. REUSS. It is a road we do not want to go down and I would hope we would yote the amendment down.

Mr. DENT. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, we are right back where we started some 25 years ago. Many of the same arguments being made now for freer trade were made 25 years ago, while these arguments may have made sense after World War II, they make no sense today. Over the part decade I have watched my State become almost barren in its job opportunities, because of this crazy policy called free trade.

What the gentleman is saying, in plain words, is "don't loan mony to a nation-that is borrowing on the basis that they need certain agricultural commodities, so as to compete with American producers and farmers." That is all the gentleman is saying. That is what we have done in every industrial nation on the face of the Earth, loan them American tax dollars, so that they can compete with us. That is plain economic non-

sense.

Right now today, 55 percent of all the shoes worn in America come from foreign countries. I remember the argument when we had the shoe legislation before us. It was to help other countries become independent. I heard President Jack Kennedy's first Fourth of July speech in the city of Philadelphia in Liberty Hall. He said that the purpose of foreign aid was to make dependent nations become independent. It was never the intent of making the United States dependent on these other nations. The very thing he was talking about has hit this Congress square in the face. Within 12 months there might not be 1 pound of sugar produced in the United States. I am not kidding about it, because we have helped other nations become sugar-producers so that today there is more sugar on hand than at any time in the world's history. There is not consumption enough to use it all, so we are going out of the sugar business just like we are going out of the shoe business, the glass business, the textile and clothing business, the specialty steel business, the rubber business, the electronics business, and yes even the automobile business.

Far too many of these workers have been laid off, permanently laid off. I defy anybody to say they are not permanently laid off. We have a little auto plant in my district from a foreign country. They decided they had to come to the United States, because they felt that the American Congress would awaken one day and stop imports into the United States, so they are staking a claim on the American market. They had to make an agreement with their government that they would manufacture cars in the United States for the U.S. market, but would not ship one of those cars back to Germany.

Do we realize that we owe more money in this country than all the other countries put together? They are asking me today to vote more funds to destroy more American industry. This administration has started off on a footing that has me disturbed; disturbed because they have already vetoed two of the four trade relief proposals—the only two in 10 years that have been sent down with any meaning. What were these proposals? They were that we change the import duty on mushrooms and to increase the tariffs on shoes.

My State was the largest producing State in the Union, and the largest single cash crop in Pennsylvania was mushrooms. Let me just tell the Members what we have done.

My mushroom growers were sent over to Taiwan.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired

(By unanimous consent Mr. Dent was allowed to proceed for 5 additional minutes.)

Mr. DENT. We went over to Taiwan, and we helped create a beautiful mushroom industry. Then, along came Korea. Then, we had a practice in which we were interested in Korea, so we sent our technicians over there and we created a mushroom industry in Korea.

Now, at a time when our needs are in a very serious position, those Korean mushrooms are cutting into production in the United States, and over the horizon we are now importing Red Chinese mushrooms into the United States.

Do any Members have any idea of what is happening here? We have \$19 billion in permanent unemployment compensation. We passed a bill in which they handed a sop to labor under the Kennedy administration, the first so-called reciprocal trade agreement, in which we gave the President power, when there was an impact that cost any jobs in the United States—any meaningful jobs in production—where the President could either set a quota, add a tariff, give unemployment compensation relief, or place an embargo; or all four remedies.

We have never used them. What have we done? I will tell the Members what we have done. We have cost the State of Pennsylvania \$80 million in the last 2 years because in 1974 a sneak punch was pulled in this Congress in the 1974 Trade Act. We shifted the burden for paying the cost of unemployed workers who lost their jobs because of imports, to the States rather than where it belongs, on the Federal Government.

I am telling the Members right in this Congress today—and I will stake my life on this—that there are between 10 and 12 million workers unemployed in the United States of America today. My figures are backed up and proved, and I will offer them to any Member of this Congress.

I study a lot and when I study, I get mad at myself, mad at this Congress, and mad at the people of these United States who believe that we can get along with an economy of distribution and consumption.

We cannot survive unless we have the three ingredients of an economy: Production, distribution and consumption. Oh, we have distribution; we have consumption; but we are losing our produc-

We have indeed become dependent. We will be paying \$5 a pound for sugar. Next year we will be paying \$5 a pound for coffee. We will be paying \$12 a barrel of oil because we have to deal with the Arab nations. Diplomacy has taken over the American economy in international trade matters.

Every President I have served under came in as an American and left as a foreigner.

I am not throwing any kind of brickbats at Democrats or Republicans. Once they become President, they become internationalists.

I was told that 25 cents an hour or 30 cents an hour was inflationary, as a minimum wage increase.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. Dent) has expired.

(By unanimous consent, Mr. Dent was allowed to proceed for 2 additional minutes.)

Mr. DENT. We have more money in this package here than the whole total cost of the minimum wage increase to 3 million low paid workers in America. They are earning \$1,200 a year less, than this poverty level set by our own Government. We are making it more attractive for unemployed persons to go on the relief rolls, shameful relief. I would vote for welfare until we find a job for the American worker. If we cannot give them a job, we have to be prepared to pay taxes and see that they have a house and that they have bread for their children.

I am ashamed of those in this Congress who do not understand the economics of survival. I am bitterly hurt that I have to stand in the well of the House and say that I am ashamed.

Mr. Chairman, I am not going to take much more time. Time is running out on us. I will go from here knowing that I did everything I could to make the bread-and-butter principle a real principle to the American people who work for a living. I want to save their jobs for them.

AMENDMENTS OFFERED BY MR. MOORE TO THE AMENDMENT OFFERED BY MR. MATHIS

Mr. MOORE. Mr. Chairman, I offer amendments to the amendment.

The Clerk read as follows:

Amendments offered by Mr. Moore to the amendment offered by Mr. Mathis: In Section 801(a) of the new Title VIII, immediately after the words "African Development Fund," add "the Asian Development Fund," and strike out the last sentence of Section 801(a) of the new Title VIII, and insert in lieu thereof the following: "the United States representatives to the above named institutions and associations shall oppose and vote against any loans or other financial assistance for establishing or expanding production of palm oil, sugar, or citrus crops if the United States is a producer of the same, similar, or competing agricultural commodity."

Mr. MOORE. Mr. Chairman, I ask unanimous consent that the two amendments I have offered be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. MOORE, Mr. Chairman, I have joined with the gentleman from Georgia (Mr. Mathis) in the introduction of his amendment, as does the gentleman from Florida (Mr. Kelly).

I am now offering an amendment to that amendment to correct two items that have been brought out on the floor concerning the amendment offered by the gentleman from Georgia (Mr. MATHIS).

The first is that one institution was left out of his amendment, the Asian Development Fund, which I have included in the list of institutions subject to the amendment offered by the gentleman

from Georgia (Mr. Mathis).

The second is that the last sentence of subsection (a) of the amendment is being amended by my amendment to clarify what we want done. We want our representatives in those institutions to oppose and to vote against any further loans for the establishing or the expanding of production of sugar, palm oil, or citrus crops as long as we are a producer of these same crops or similar crops.

In a few moments the gentleman from Florida (Mr. Kelly) will address himself to citrus crops and sugar. I would like to continue to address the subject of

palm oil.

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Florida.

Mr. KELLY. Mr. Chairman, I thank

the gentleman for yielding.

Does the language in the gentleman's amendment which reads, "production of sugar, palm oil, or citrus crops" include both the raw and processed version of the commodity?

Mr. MOORE. Mr. Chairman, the an-

swer to that question is "Yes."

Mr. KELLY. Mr. Chairman, I thank

the gentleman.

Mr. MOORE. Mr. Chairman, if I may continue now, I would point out that last year, on June 29, 1976, I offered es-sentially this same amendment, but it was geared only to palm oil production. That amendment was offered to the foreign assistance appropriation bill. At that time we had a recorded vote, and my amendment failed by only 12 votes. The vote was 198 to 210.

Following that vote a number of the Members of the House from both sides said, "If we had only known more about what your amendment was doing, we

would have supported you."

I believe that we do have more knowledge now on the subject, and I would

appreciate that support.

Since that amendment was offered, the Subcommittee on Oilseeds and Rice of the Committee on Agriculture, which the gentleman from Georgia (Mr. MATHIS) now chairs and I am a member, held hearings. Those hearings showed indisputably that something must be done. The subcommittee chaired by the gentleman from Texas (Mr. GONZALEZ), who is handling this bill today, had hearings in the last Congress, and evidence was presented showing that something had to be done.

I think we have studied this issue to death. It is now time to take some action.

Basically, our soybean crop, next to feed grains, represents the biggest item the U.S. exports. If we do damage to that crop, we are doing irreparable damage to our balance of trade and our economy. We have seen this happen with other items that are important to our economy, as previous speakers have attested

Mr. Chairman, we are the only major importing nation today that does not have any import or tariff quotas on palm oil. We have no such protection.

Mr. MATHIS. Mr. Chairman, will the

gentleman yield?

Mr. MOORE. I yield to the gentleman from Georgia.

Mr. MATHIS. Mr. Chairman, I thank the gentleman for yielding.

The distinguished chairman of the full committee expressed reservations about my amendment because he said it was too all-embracing, and I admit it was all-

The amendment offered by the gentleman from Louisiana (Mr. Moore) to the amendment offered by the gentleman from Georgia would limit these restrictions to citrus crops, to sugar, and to palm oil; am I correct in that interpretation?

Mr. MOORE. Mr. Chairman, the gentleman is entirely correct. We limit it now to simply three crops, on which the evidence is abundant to the effect that these loans are causing unfair competition to the producers of these crops and putting our people out of business.

Mr. MATHIS, Mr. Chairman, if the gentleman will yield further, the purpose of doing this, then, was to ease the reservations held by the distinguished committee chairman, the gentleman from Wisconsin (Mr. REUSS)?

Mr. MOORE. Most assuredly.

Mr. MATHIS. Mr. Chairman, I thank the gentleman.

Mr. MOORE, Mr. Chairman, I wish to continue.

The palm oil crop is something that is being supported extensively by loans from these international lending institutions that are being partially funded by taxpayers as in this bill. Palm oil coming into this country is being bought by American consumers thinking that it is a healthful vegetable oil. They are misled. The facts gathered by the U.S. Department of Agriculture show that palm oil is actually higher in saturated fats than any domestic vegetable oil and even animal fat. The highest saturated oil produced in this country in the category of vegetable oil is cottonseed oil, and that contains about 25 percent saturated fat. The average margarine found in grocery stores is about 26 percent and animal fat is 38 percent.

Palm oil is 45 percent, so I must submit to the Members that the American consumer does not realize that this is not a vegetable oil like one produced in this country but one that is produced elsewhere and is quite unhealthy.

More than one-fourth of all the world's palm oil production today is directly attributable to these loans. With the loans that are in the pipeline now, we can expect to increase that so onehalf of the total world's production of palm oil will be due to these loans. Twothirds of all of that palm oil is being exported, much of it to the United States

Production of our domestic oilseed crops, safflower, cottonseed, peanut, soybean, corn, and sunflower, are being displaced by this increased production of palm oil.

The U.S. Department of Agriculture has estimated that if it continues to increase, in 10 years, 15 million bushels of soybeans, or over one-half million acres of soybean production, will be displaced and put out of business.

After I offered this amendment last year we received assurances from the Treasury Department and the U.S. Department of Agriculture that they were going to do what they could to exert pressure on these banks to no longer make any further loans for palm oil.

As a matter of fact, Mr. Chairman, one Member even assured us that no further loans were going to be made in the year 1976. This week a \$20 million World Bank loan was just announced and approved, going to the Ivory Coast to increase palm oil production.

This proves that we can no longer depend on anything in the nature of assurances and that we have to have some sort of legislation to handle this situation. This amendment appears to be the best vehicle to get at this situation.

Mr. MAHON. Mr. Chairman, will the

gentleman yield?

Mr. MOORE. I am happy to yield to the gentleman from Texas. Mr. MAHON. Mr. Chairman, I thank

the gentleman for yielding.

I believe the gentleman from Louisiana (Mr. Moore) is making a genuine contribution through the remarks he has made. I remember supporting the gentleman last year in regard to this matter. I think the matter justifies the attention of the Members of the House. I hope the amendment will be agreed to.

Mr. MOORE. Mr. Chairman, I thank the gentleman from Texas for his remarks.

Mr. Chairman, I will conclude by saying that we all believe in free trade, but it is not free trade when we take American tax dollars, send them overseas at almost no interest, a rate of three-quarters of 1 percent, for over 50 years, and permit the people overseas to compete with our own people. Our people cannot get loans for anything like that. That is unfair government subsidized competition to our great detriment.

Mr. Chairman, I urge the adoption of my amendment to the Mathis amendment and then I hope the Mathis amendment as amended will be agreed

JOHNSON of Colorado. Mr. Chairman, will the gentleman yield? Mr. MOORE. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, I thank the gentleman from Louisiana for yielding.

I believe the amendment offered by the gentleman from Louisiana is a sounder approach than what the Maris

amendment was.

I offer the gentleman my support, as a member of the subcommittee that heard all of the testimony with regard to palm oil. I do not have any soybeans in my area but I think this is a problem that we ought to deal with. With regard to our sugar industry the circumstances are such that our domestic producers are in dire straits, and this alone would justify our support of the amendment. I urge that the amendment be adopted.

Mr. KELLY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, the bill presently before the committee increases contributions to international development banks and institutions. The United States provides nearly 25 percent of the financial support for these agencies. Our workers and producers are the direct source of this money.

The field of agriculture offers a clear

example of the problem.

Agriculture is our strong hand in world trade and exports. Exports in agriculture amounted to \$22 billion last year. That was 20 percent of this Nation's total exports. Yet the agencies that are supported in this bill are heavily involved with the development of agriculture in nations that produce mostly, or only, for export and specialize in crops that are in direct and indirect competition with the U.S. farmers. Sugar, palm oil, and citrus are examples. Each of these commodities is primarily an export commodity of the producing nation, they are not commodities that are primarily produced for local consumption in the producing nation.

Brazil in 1976 received \$59 million in loans with no interest from these same agencies.

Brazil currently is the world's largest exporter of frozen concentrated orange juice. Brazil in 1975 exported orange concentrate equal to 121.3 million gallons of single strength juice, much of it to the United States.

Mr. TSONGAS. Mr. Chairman, will the

gentleman yield?

Mr. KELLY. I yield to the gentleman from Massachusetts.

Mr. TSONGAS. I thank the gentleman for yielding.

Is the gentleman saying that all of this \$59 million was for citrus development?

Mr. KELLY. I am saying that it is my understanding that a portion of the \$59 million was used for the purpose of producing and processing citrus prod-

Mr. TSONGAS. Can the gentleman give us a figure?

Mr. KELLY. As to the portion of the \$59 million?

Mr. TSONGAS. If any.

Mr. KELLY. I cannot. I will be glad to furnish that to the gentleman at a later time if he is interested.

Mr. TSONGAS. Hopefully before the vote takes place.

Mr. KELLY. Perhaps I will be able to do that.

There was \$7½ million furnished to Mauritius in no-interest loans. This country produced 750,000 tons of sugar. Fiji received \$12 million for sugar production and exported 260,000 tons. While the U.S. sugar industry is under heavy pressure from imports and deflated world

U.S. producers of vegetable oil products face losses due to the importation of palm oil from such countries as Malaysia and Indonesia.

And so it goes with the well-inten-

We set out to help the world and wind up hurting our own workers, our own producers, both directly and indirectly. We hear the results as pleas for extended unemployment benefits, training programs, increased price supports for the farmers, import quotas, and higher tariffs.

For the reasons that I have stated, I support the amendment which, if adopted, will require that the U.S. representatives to the institutions covered by this act shall oppose all loans or other financial assistance for projects dealing with the production of agricultural products for export which have an adverse effect on U.S. producers of those prod-

Clearly, it is time now for the Congress of the United States to look to the interests of its workers, of its farmers, of its producers, as well as to the world good. Imposing tariffs and trade barriers has great limitation, and this is certainly true in the thinking of many who believe in free world trade.

The CHAIRMAN. The time of the gen-

tleman has expired.

(By unanimous consent, Mr. Kelly was allowed to proceed for 1 additional minute.)

Mr. KELLY. But financing our competition in this context should make no sense to any Member of Congress.

Mr. TSONGAS. Mr. Chairman, will the gentleman yield?

Mr. KELLY. I will be glad to yield to the gentleman from Massachusetts.

Mr. TSONGAS. I thank the gentleman for yielding.

I believe I have the information the gentleman was referring to. There were two loans to Brazil last year. Neither of them was an IDA loan. They were World Bank loans, so they were not at low-interest rates; they were at normal market rates. One loan was \$40 million.

Mr. KELLY. I thank the gentleman for that information. Can the gentleman assure the Members of this Congress that the money given to Brazil will not be used to further citrus growth and processing? If he cannot, then I think what he has just given us makes no difference.

I thank the gentleman, and I yield back the remainder of my time.

Mr. TSONGAS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I will not take all of the time. I would just like the courtesy of putting into the RECORD the two loans. The first was for \$40 million in various agricultural products, none of which are involved with citrus. The second was for \$12 million, which refers to a rural

development project co-op, again not related to citrus.

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. TSONGAS. I yield to the gentleman from Florida.

Mr. KELLY, I thank the gentleman for yielding, but clearly the gentleman can give no assurance to the people of the United States who pay the bill for all this that the money such countries as Brazil will get by this bill will not go to production of citrus, soybeans, and other products that will be in competition with the American producers of those products and our farmers.

Mr. TSONGAS. I simply wanted to correct the record on the Brazilian figures. The gentleman knows 26 percent of the world production of sugar goes

to the United States.

Mr. VANIK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to take this time to set the record straight on some of the issues that have been discussed in this debate. I am placing in the REC-ORD today a statement that I invite my colleagues to examine relating to our country's trade posture. America had a positive trade balance of \$26.5 billion this year except for oil payments of over \$30 billion for imported oil. So if we exclude oil, which is a separate problem. the balance of trade is \$26.5 billion in our favor, and I think that is something we have to recognize.

I urge my colleagues to look at these

and test their accuracy.

There is just one other fact on the sugar problem. The sugar industry itself provides a substantial portion of the reason that sugar sales are down and the market is depressed. A few years ago the industry said we are going to have to get accustomed to high prices for sugar. The price went to 64 cents a pound, and the consumers of every community in America paid incredible sums for what many believed to be a manipulated market.

What did they do? The American people changed their dietary habits, reduced their sugar consumption and discovered that they could live better with less sugar and enjoy better health. This change in American dietary demand stimulated by high prices have lost 22 percent of market demand forever. Unacceptable high prices for sugar forced commercial producers to turn to alternative sources of supply, and 69 percent of the market in sugar has been converted to the use of corn sweeteners which are made in the United States.

Sugar is a situation in which an industry permitted a price to go wildly out of line and they have permanently lost a market because of this costly abuse of the American consumer.

There are other reasons that are involved in some of the problems of sugar and I think we ought to fully debate them. For the present I wanted to set the record straight on statements which were made in the course of this afternoon's debate.

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Florida.

Mr. KELLY. Mr. Chairman, the gentleman certainly is not suggesting that because the price of sugar on the world market increased we should now punish the sugar producers of the United States?

Mr. VANIK. I think we ought to examine into the reasons why sugar prices went out of line. We ought to explore why the market was so beautifully controlled. When the prices were going up through the sky, the farmers said: "Give us a free market," and the price rose to 64 cents a pound. Now, with the price depressed they want a controlled market and they want to restore a market they destroyed a few years ago. The sugar producers simply cannot have it both ways-a free market when prices are rising and a controlled market when prices fall. I have not forgotten the extraordinary abuse of the American consumer and I am not going to allow it to be forgotten.

Mr. KELLY. Mr. Chairman, if the gentleman will yield further, I join the gentleman in suggesting we should look into the whole question of sugar, but I think there is no reason to finance the competition of the American sugar industry. The sugar industry may very well be coming in here to have price supports and we should not further exacerbate the situation by financing their competition in the production of sugar.

Mr. VANIK. I do not know that we should provide price supports. We cannot allow them to abuse the American consumer with high prices and then demand supports. They cannot have it both

The CHAIRMAN. The question is on the amendments offered by the gentleman from Louisiana (Mr. Moore) to the amendment offered by the gentleman from Georgia (Mr. Mathis).

The amendments to the amendment were agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. Mathis), as amended by the amendments offered by the gentleman from Louisiana (Mr. MOORE).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. MATHIS. Mr. Chairman, on that ask for a recorded vote and pending that, Mr. Chairman, I make the point of order a quorum is not present.

The CHAIRMAN. The Chair will count.

RECORDED VOTE

Mr. MATHIS. Mr. Chairman, I ask unanimous consent to withdraw the point of order of no quorum, and I demand a recorded vote.

The CHAIRMAN. The gentleman from Georgia (Mr. Mathis) asks unanimous consent to withdraw his point of order of no quorum.

Is there objection to the request of the gentleman from Georgia?

There was no objection.

The CHAIRMAN. The gentleman from Georgia has demanded a recorded vote. A recorded vote was ordered

The vote was taken by electronic device, and there were-ayes 218, noes 145, not voting 70, as follows:

> [Roll No. 1321 AYES-218

> > Murphy, Ill.

Myers, Ind. Natcher

Neal Nix

Nolan

Pettis

Poage

Preyer

Quavle

Quie Quillen

Regula Rhodes

Roberts

Rogers

Rooney Rose Rostenkowski

Rousselot Runnels

Sarasin Satterfield

Sawyer

Schulze

Sebelius Shuster

Skelton

Smith, Nebr.

Slack

Snyder

Spence

Stratton

Taylor Thone Thornton

Tonry Traxler

Treen Trible

Tucker

Ullman

Volkmer

Watkins White

Whitley Whitten

Winn

Wiggins Wilson, Bob

Young, Tex. Zeferetti

Young, Alaska

Van Deerlin

Waggonner Walker

Udall

Spellman

Stangeland

Robinson

Risenhoover

O'Brien

Oberstar

Murphy, Pa. Murtha Myers, Michael

Abdnor Frenzel Addabbo Frey Akaka Fugua Gammage Ambro Andrews, N.C. Gaydos Andrews, N. Dak Glickman Applegate Goldwater Gonzalez Archer Goodling Ashbrook Grassley Bafalis Gudger Barnard Guyer Hagedorn Hall Baucus Beard R. I. Hammer. schmidt Hansen Bedell Benjamin Bennett Harsha Hefner Bevill Biaggi Hightower Blouin Hollenbeck Boggs Holt Bowen Hubbard Huckaby Breaux Brinkley Hyde Brooks Broomfield Ichord Ireland Broyhill Jacobs Burke, Mass. Burleson, Tex. Burlison, Mo. Jenkins Jenrette Johnson, Calif. Butler Johnson, Colo. Jones, N.C. Jones, Tenn. Carney Cederberg Chappell Kasten Clausen, Don H. Kazen Cleveland Ketchum Cochran Kindness Cohen Krebs Coleman Krueger Collins, Tex. Lagomarsino Corcoran Latta Leach Lederer Cornwell Leggett Lent D'Amours Daniel, Dan Davis Levitas de la Garza Lloyd, Calif. Lloyd, Tenn. Delaney Long, Md. Derrick Lott Devine Lujan Dornan McDade Edwards, Ala. Edwards, Okla. McDonald McEwen Eilberg McKay Madigan Emery Mahon English Mann Evans, Colo. Evans, Ga. Marlenee Marriott Evans, Ind. Martin Mathis Fish Mazzoli Michel Fithian Miller, Ohio Mitchell, N.Y. Flippo Flynt Montgomery Ford, Tenn. Moore Forsythe Moorhead. Fountain Mottl Fowler

NOES-145

Allen

Ammerman

Anderson,

Calif.

Annunzio

Ashley AuCoin

Badillo

Baldus

Boland

Bolling

Bonior

Bonker

Brademas

Brodhead

Breckinridge

Brown, Calif.

Beilenson

Bingham Blanchard

Brown, Ohio Buchanan Burton, John Caputo Anderson, Ill. Carr Cavanaugh Chisholm Collins, Ill. Conable Conte Conyers Cornell Coughlin Crane Danielson Dellums Derwinski Dingell Dodd Downey

Duncan, Oreg. Early Eckhardt Edgar Edwards, Calif. Erlenborn Evans, Del. Fascell Fenwick Findley Fisher Florio Foley Fraser Gephardt Giaimo Gilman Gore Hamilton Hanley Hannaford Harrington

Harris Heckler Holtzman Horton Howard Jones, Okla. Jordan Kastenmeier Kevs Kildee Koch Kostmayer LaFalce Le Fante Lehman Lundine McCloskey McFall McHugh Maguire Markey Marks Mattox Meeds Mikulski Mikva Miller, Calif.

Seiberling Minish Sharp Mitchell, Md. Simon Smith Iowa Moakley Moffett Solarz Mollohan Stanton Moorhead, Pa. Murphy, N.Y. Stark Steers Myers, Gary Nedzi Steiger Nowak Studds Oakar Tsongas Obev Vanik Ottinger Pattison Walgren Waxman Price Weiss Whalen Wilson, Tex Reuss Wirth Wolff Richmond Rinaldo Wright Wylie Rodino Rosenthal Yates Young, Mo. Ruppe Ryan Schemer Zablocki Schroeder NOT VOTING-

Rudd Alexander Hughes Armstrong Jeffords Russo Aspin Kemp Santini Long, La. Shipley Burgener Burke, Calif. Burke, Fla. Burton, Phillip Luken Sikes McClory McCormack Sisk St Germain Byron Carter McKinney Metcalfe Staggers Steed Clawson, Del Mevner Stockman Clay Milford Stump Daniel, R. W. Teague Thompson Moss Dickinson Nichols Dicks Patten Vander Jagt Diggs Patterson Duncan, Tenn. Pepper Perkins Wampler Flowers Ford, Mich. Pickle Whitehurst Pritchard Gibbons Gradison Hawkins Wydler Rahall Railsback Young, Fla. Roe Heftel Hillis Roncalio Holland

Mr. BLOUIN and Mr. EVANS of Colorado changed their vote from "no" to "aye."

Roybal

Mrs. HECKLER, Mr. RINALDO, and Mr. PRICE changed their vote from "aye" to "no."

So the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio, Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Ohio: Page 7, immediately after line 22, insert the following new title:

TITLE IX-RESTRICTION ON FINANCIAL ASSISTANCE

SEC. 901. Whenever, on or after the date of enactment of this Act, the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank, African Development Fund, or the Asian Development Bank provides, directly or indirectly, any financial assistance to Cambodia, Cuba, Laos, or Vietnam, any United States monies appropriated to such institution on or after such date of enactment shall revert back to the United States.

Redesignate the succeeding section accordingly.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. Is the gentleman from Wisconsin requesting me to yield for the purpose of asking to limit debate?

Mr. REUSS. Yes, Mr. Chairman. What

I would like to do, if the gentleman will yield, is to propose that we limit debate to 10 minutes on each of the amendments now pending, including that of the gentleman from Ohio and I believe the other one will be offered by the gentleman from Michigan (Mr. Brown)

The CHAIRMAN. Does the gentleman

from Ohio yield?

Mr. MILLER of Ohio. I yield for that purpose, Mr. Chairman.

Mr. REUSS. I thank the gentleman from Ohio for yielding to me.

I would ask the gentleman from Michigan (Mr. Brown) if I am correct that his is the other outstanding amendment?

Mr. BROWN of Michigan. Mr. Chairman, if the gentleman from Ohio will yield, it is my understanding that the gentleman from Ohio (Mr. MILLER) and I would have 5 minutes to present our amendments and then 5 minutes on each of the amendments for the opposition?

Mr. REUSS. The opposition to each of these amendments would also be permitted 5 minutes, to be divided by the

Chair.

Mr. BROWN of Michigan. I have no objection.

Mr. MILLER of Ohio. Mr. Chairman, I have no objection.

Mr. REUSS. Mr. Chairman, I ask unanimous consent that that request be adopted, that all debate be limited to 10 minutes on each of the remaining amendments

The CHAIRMAN. Is there objection to the request of the gentleman from Wis-

consin?

There was no objection.

Mr. MILLER of Ohio. Mr. Chairman and colleagues, what my amendment does is to indicate very plainly, that none of the funds in the multilateral development assistance institutions shall be used in order to aid Communist Cambodia. Communist Cuba. Communist Laos, or Communist Vietnam.

I believe that we have the right to this because, as an example, the United States is now contributing about

25 percent to the World Bank.

I think it is vitally important that we consider the fact that we have 128 member countries in the World Bank, and we, the United States of America, contribute 25 percent of the total funds of that Bank. If we are going to contribute, we in turn should have a great deal of input in the decisionmaking process.

We have one country as an example, Vietnam, whom we have requested to account for our MIA's. Oh, yes, we had a group who went to Vietnam not long ago, but they certainly did not receive a full acounting of our MIA's. Instead of accounting for our MIA's according to humane standards of decency, Vietnam demands that America pay millions of dollars of tribute to her while dangling clouded hopes before our long-suffering MIA families. This is tragic.

I do not believe that the American taxpayers want their tax dollars used to aid countries that are truly suppressing the human rights of the individuals within their countries.

Neither do the American people have any great desire to financially support countries that export violence and disruption outside of their borders. Cuba

is such an example. At the present time Communist Cuba has troops in Angola. I have heard rumblings from the other side of the Capitol, from the other body, and the White House that we should normalize our relationship with Cuba. The Members know what that normally means: We will loan them money.

I ask for the Members' support for the amendment because, in my judgment, the vast majority of American citizens strongly oppose the utilization of U.S. funds for the purpose of perpetuating such notoriously repressive regimes in control of Cuba, Laos, Vietnam, and Cambodia. Yes, Mr. Chairman, the U.S. taxpayer objects to this. I object to it and I urge my colleagues to stand up for oppressed peoples, the U.S. taxpayers, principles of justice and decency, and the honor of the MIA's and their families by voting against aid to regimes which flagrantly flout and disregard minimum standards of human rights and compassion for their own people and peoples of other nations. This is an important vote. Make no mistake about it. Our national honor is at stake.

Mr. REUSS. Mr. Chairman, I rise in opposition to the amendment.

I shall be brief. I rise in opposition for several reasons. For one thing, Cuba is not even a member of any of these agen-

Second, the Southeast Asian countries, notably Vietnam, are members of the Asian Development Bank. However, it is simply contrary to the charter of those institutions that U.S. money revert to the United States from those institutions simply because we oppose a particular vote

But most important of all. I am genuinely fearful that some of the excellent work being done on our prisoners of war and missing in action is likely to be undone by action of this nature at this

Mr. Chairman, at this time I should like to yield to the distinguished gentleman from Mississippi (Mr. Montgomery) who has done so much for our missing

Mr. MONTGOMERY. Mr. Chairman, I also rise in opposition to the amendment. As the chairman said, this amendment is not workable anyway. The international banks are not going to be able to return the funds once the funds are given to them by the United States

The timing of the amendment could hurt the work of the Presidential Commission on the MIA's, and we have just returned from Hanoi. Mr. Chairman, having served on this Presidential Commission-and I felt it a great honor to have the privilege to represent the House of Representatives and the Congress-I really believe we have a chance to get additional information from Vietnam and some information from the Laotian Government on the missing

In my opinion, the Vietnamese and the Laotians do not have a lot of information, but they do have some information and we are entitled to it.

While we were in Hanoi, we worked

out technical agreements with the Vietnamese and with the Laotian Government that would speed up the process of finding these remains.

I think that this amendment will slow down the work we did in Hanoi, and I am told that the Paris talks, pertaining to the missing and other matters, will start within the next 3 weeks.

The amendment is not workable. It could hurt our efforts we had in Vietnam on the MIAs.

I would like to say the gentleman from Ohio (Mr. MILLER) certainly has no intention of trying to slow down the work on those missing and getting this information on the missing. He has been one of our leaders in working for the MIAs, but it is a bad amendment. The timing is wrong, and it is not going to help our situation as far as our finding out what happened to these Ameri-

Mr. REUSS. Mr. Chairman, I hope the amendment will be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. MILLER).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. MILLER of Ohio. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were-ayes 165, noes 189. answered "present" 1, not voting 78, as follows:

[Roll No. 133]

AYES-165 Abdnor Edwards, Okla. McDade Emery Andrews, N.C. Andrews, N. Dak. English Evans, Del. Annunzio Evans, Ga. Evans, Ind. Applegate Archer Fish Ashbrook Flippo Badham Flynt Bafalis Fountain Bauman Fowler Frey Gammage Beard, Tenn. Bennett Gaydos Gilman Bevill Biaggi Bowen Ginn Goldwater Goodling Brinkley Brooks Broomfield Grassley Gudger Brown, Ohio Broyhill Guyer Hagedorn Buchanan Burke, Mass Hall Hammer-Burleson, Tex. Butler schmidt Hansen Caputo Harsha Hefner Cederberg Holt Hubbard Chappell Clausen. Huckaby Don H. Ichord Cleveland Ireland Cochran Jenkins Coleman Johnson, Colo. Jones, N.C. Kasten Collins, Tex. Corcoran Coughlin Kazen Kelly Crane Daniel, Dan Ketchum Davis de la Garza Kindness Lagomarsino Latta Delaney Dent Derrick Lederer Lent Derwinski Levitas Devine Dingell Lloyd, Tenn. Long, Md. Duncan, Tenn. Lott Edwards, Ala.

McDonald McEwen McKay Madigan Mann Marlenee Marriott Martin Mathis Mattox Michel Miller, Ohio Minish Mitchell, N.Y. Mollohan Moore Mottl Murphy, Ill. Murphy, N.Y. Murphy, Pa. Murtha Myers, Gary Myers, Michael Myers, Ind. Natcher Nix Pettis Pike Pressler Quayle Regula Rhodes Roberts Robinson Roe Rogers Rousselot Runnels Ruppe Satterfield Schulze Sebelius

Shuster

Skelton

Snyder

Slack mith, Nebr.

Stangeland Stratton Taylor Tonry

Trible Waggonner Walker Watkins White

Whitley Whitten Wiggins Wilson, Bob Winn Young, Alaska

NOES-189 Foley Ford, Tenn. Forsythe Fraser Addabbo Akaka Allen Fraser Frenzel Ammerman Gephardt Giaimo Calif. Anderson, Ill. Glickman Ashley Gonzalez AuCoin Gore Hamilton Badillo Baldus Hanley Hannaford Barnard Baucus Beard, R.I. Harkin Harris Redell Heckler Beilenson Hightower Benjamin Bingham Hollenbeck Holtzman Blanchard Horton Blouin Howard Boggs Bolling Hyde Jacobs Bonior Jenrette Brademas Johnson, Calif. Jones, Okla. Jones, Tenn. Breckinridge Brown, Calif. Brown, Mich. Jordan Kastenmeier Keys Burlison, Mo. Burton, John Kildee Koch Carr Cavanaugh Kostmayer Chisholm Krebs Cohen Collins, Ill. Krueger LaFalce Conable Le Fante Conte Leach Conyers Leggett Lehman Lloyd, Calif. Cornell Cornwell Lundine Traxler Tsongas McCloskey D'Amours McFall Tucker Danielson Dellums McHugh Illman Dodd Mahon Downey Vanik Vento Drinan Markey Duncan, Oreg. Marks Mazzoli Eckhardt Meeds Edwards, Calif. Meyner Mikulski Eilberg Mikva Erlenborn Whalen Miller, Calif. Ertel Evans, Colo. Mineta Mitchell, Md. Wirth Fary Fascell Moakley Moffett Wylie Yates

Nowak O'Brien Oakar Oberstar Obey Ottinger Panetta Pattison Poage Preyer Price Pursell Quie Rangel Reuss Richmond Risenhoover Rodino Rose Rosenthal Rostenkowski Ryan Sarasin Scheuer Schroeder Seiberling Sharp Smith. Iowa Spellman Stanton Stark Steers Steiger Stokes Studds Thompson Thornton

Van Deerlin

Volkmer

Walgren

Waxman

Wright

Wilson, Tex.

Young, Mo. Young, Tex. Zablocki

Nolan ANSWERED "PRESENT"-1 Wolff

Montgomery Moorhead, Pa.

Neal

Moss

Roncalio

Nedzi

NOT VOTING-78

Alexander Armstrong Aspin Boland Bonker Burgener Burke, Calif. Burke, Fla. Burton, Phillip Byron Carter Clawson, Del Clay Daniel, R. W. Dickinson Dicks Diggs Dornan Edgar Ford, Mich. Fuqua Gibbons Gradison Harrington Hawkins

Fenwick

Findley

Fithian

Fisher

Flood

Florio

Roybal Heftel Hillis Rudd Holland Russo Hughes Santini Sawyer Jeffords Kemp Long, La. Sikes Sisk Luken McClory Skubitz McCormack St Germain Staggers Steed McKinney Stockman Milford Stump Moorhead, Calif. Teague Vander Jagt Nichols Walsh Patten Wampler Patterson Pepper Perkins Pickle Whitehurst Wilson, C. H Wydler Pritchard Yatron Quillen Young, Fla. Zeferetti Rahall

Messrs. ANNUNZIO, MINISH, MAR-LENEE. LEVITAS. GUYER. and BROOMFIELD changed their vote from "no" to "ave."

Mr. VOLKMER changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BROWN OF MICHIGAN

Mr. BROWN of Michigan. Mr. Chairman. I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Brown of Michigan: Add a new title immediately pre-BROWN of ceding the last title, to read as follows:

TITLE IX-PRESIDENTIAL CERTIFICATION

Notwithstanding any other provisions of this law or other laws pertaining to the participation by the United States in the financial institutions named in this law, the United States representative on the board of control of each of these institutions, or his delegate, shall not vote for or support granting of any loan or extension of assistance to any country, or for a project in any country, unless the President of the United States certifies that such country is in conformance with his views concerning the extension and protection of human rights with respect to its citizens, others residing there, or visitors to such country and, in addition, certifies that such country does not engage in, or permit any of its citizens, personal, corporate, or otherwise, to engage in any conduct in support of any discriminatory boycott against any other nation or persons on the basis of race, creed, color, religion, or religious beliefs.

Mr. BROWN of Michigan. Mr. Chairman, in the course of the debate this afternoon on this legislation many Members have spoken out, including the gentleman from New York and the gentlewoman from New Jersey, with respect to the importance of letting the President conduct foreign policy, especially as it relates to the financial institutions named in this legislation.

I quite concur with them, and I think that probably the necessity for many of the amendments in the same or similar areas that have been adopted this afternoon would be nullified if my amendment were adopted.

In short, the adoption of my amendment would provide the President with a tool, a means for putting into effect the policy and beliefs which he has respectively proposed and which he holds and concerning which he has been most outspoken in his public statements and dealings with other nations and dissi-

It is clear that nations seeking assistance from these institutions would be familiar with the President's beliefs and positions on these issues and knowing his certification of conformance might be essential to the receipt of such assistance, they would attempt to come into conformity with his beliefs, therby accomplishing the ends the President has been seeking.

Mr. Chairman, I think that those Members who spoke earlier this afternoon in opposition to some of the rather restrictive and constrictive amendments that were specifically offered, some of

which were adopted, can support my amendment in complete confidence that the President will have the authority to determine what countries should receive assistance under this legislation as being really in conformance with the President's beliefs both with respect to human rights and with respect to prohibiting boycotts. I think that this is a position that all of us can support.

But beyond that, let me just conclude by saying that whereas in the past I have supported our participation in these multilateral financial institutions-and I had intended to today-I feel, however, the extending of what amounts to a substantially blank check for participation in the African Development Bank, when such participation has not been requested by either the members of the African Bank or the administration, as far as that goes, prompts me to withhold my support on this occasion.

Mr. Chairman, I support these institutions. I think the President is the one who should exercise the discretion and have the opportunity to say yes or no on the assistance provided in these bills. So, therefore, I urge a "yes" vote on my amendment.

Mr. TSONGAS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the committee previously adopted a section in this legislation increasing protection for human rights. To accept this amendment would damage greatly the commitment that we have made to human rights in this

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. TSONGAS. I yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Chairman, I believe that if there is anything that would turn around the progress that has been made on human rights, nothing could do more than this single amendment.

Adoption of this amendment would also turn around the progress that Congress has made in trying to assert its role in the formulation of foreign policy.

This amendment says that this has to be in compliance with the President's views. That is the thing we are trying to get away from, the imperial Presidency that dictates all of our foreign policy.

So, Mr. Chairman, I just wish to urge the Members to defeat this amendment.

I repeat that I cannot think of anvthing that would do more to damage the progress we have made in the field of human rights than this amendment.

Mr. FRASER. Mr. Chairman, I further wish to express my serious concern about this amendment in that it does not restrict the problem of the violation of rights, about torturing people and imposing inhuman indignities upon a per-

Further, the amendment makes no provision for making loans to needy people notwithstanding that their government may be engaged in bad practices. It is a mischievous amendment and would do great harm to the progress we have made in human rights.

I urge defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. Brown).

The amendment was rejected.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to H.R. 5262, the International Financial Institutions Act.

There are three questions which need to be addressed to the proponents of this legislation and have not been properly answered for the whole House.

First, we are about to authorize over \$5.2 billion in contributions to various international institutions, approximately \$2 billion of which represents "callable" capital. This appears to be the first installment in a series of contributions to various international funds to prove balance-of-payments assistance, commodity price supports, "safety nets," and more. Can the Chairman or any other advocate enumerate the various proposals that are likely to be made and give us a total dollar figure, to the nearest \$10 billion, so that we may see the whole shopping list before we decide to buy the first item? Probably not, because even the Chairman is not totally aware of the full long-range costs.

Second, an article in the April 4, 1977, edition of Newsweek, entitled "Commodities: A Better Idea?" stated:

The LDC's prefer a common pool of funds, totalling at least \$3 billion and underwritten mainly by rich countries, to finance buffer stocks for eighteen different commodities. U.S. officials believe a common fund would require many times that amount to be effective.

The same article said that two commodities; namely, tea and jute, were in such chronic oversupply that they could not be stabilized. Let me quote from major and important portions of the April 4 article in Newsweek magazine:

COMMODITIES: A BETTER IDEA?

Buried deep in Jimmy Carter's speech to the United Nations, the proposal sounded like another vague bit of diplomatic jargon—and it slid past with hardly any notice in the U.S. press. But when he said he was "willing to consider" agreements to stabilize world commodity prices, he was signaling a major break with past U.S. policy and an offer that, if it comes to anything, could affect the world's economy for decades.

For the less-developed countries (LDC's) that produce most of the world's commodities, the benefits of stabilized prices would be obvious. The dizzying fluctuations of world markets (charts) have crippled the LDC economies and hampered their domestic

development. Until recently, the rich nations that buy commodities haven't wanted to tamper with the markets. But as their loans to DLC's pile up, they stand to lose, too: the price gyrations jeopardize the loans, threaten a financial crisis among major Western banks and thus endanger the whole fabric of global trade.

The first concrete evidence of the shift in U.S. policy may come as early as next week. American trade officials are scheduled to confer with their opposite numbers from Europe and Japan to draw up proposals for a new international sugar agreement between rich nations and the sugar-exporting LDC's. When the U.S. plan is presented next month at a meeting of the United Nations Conference on Trade and Development. Newsweek learned, it will include a recommendation that sugar prices be set within a specific range—probably 12 to 20 cents a pound. But in the initial stage, the U.S. is prepared to go only so far. The Administration argues that the range must be firmly agreed upon before there is any talk of a sugar "buffer stock" to enforce the stabilized price-and that seems certain to sit badly with many LDC's. "We don't expect the militants among the LDC's to see our position as forthcoming," says a top U.S. trade expert, "but when they see that this is all they're

going to get, we hope they'll negotiate."

Buffer: The LDC's prefer a common pool of funds, totaling at least \$3 billion and underwritten mainly by rich countries, to finance buffer stocks for eighteen different commodities. U.S. officials believe a common fund would require many times that amount to be effective—and in any event, they are prepared to discuss agreements only on a smaller number of commodities. But they regard the idea as basically sound. Buffer stocks could be sold off when demand pushed up prices; in periods of low prices due to excess supplies, the buffer stockpile would

buy from commodity producers.

LDC's wouldn't be the only ones that stand to gain from such an arrangement. U.S. sugar producers, who are losing money because world sugar prices have fallen to less than 11 cents a pound, would certainly benefit from a sugar agreement that would stabilize prices at 12 to 20 cents a pound. And American grain exporters will be helped by a wheat agreement now being negotiated in London. Washington maintains that the purpose of the pact is to create an international wheat reserve-financed by consuming as well as producing countries-that can be tapped to supply needy nations during periods of severe crop failure. But the agreement could also help to stabilize wheat prices, and that can only work to the advantage of American farmers.

In theory, at least, consumers stand to gain as well. Sugar prices, for example, might rise slightly as a result of a stabilization agreement. But the extra expense may turn out to be worth it—if the agreement keeps producers from going out of business in times of glut, leading to another shortage

when the price soars to nearly 60 cents a pound, as it did in late 1974.

But would such agreements really keep prices at reasonable levels over the long run? A number of experts aren't so sure. In practice, says William Jiler, president of the Commodity Research Bureau, commoditystabilization plans "have provided only price floors, never price ceilings." The reason is that "any time prices reach the supposed ceilings, the producers simply say. 'To hell with it,' and go for the higher free-market price." Thus, Jiler says, the agreements are basically inflationary. For that reason, the U.S. will insist on tight controls on all stabilization pacts. "You [have to] provide penalties for any producer who fails to sell from buffer stocks when the formula dictates," insists a top Treasury expert.

Bananas: But even with such controls, stabilization agreements probably are unsuited to certain commodities. For one thing, notes a U.S. official, "you can't begin to think of buffer-stock arrangements for perishables like bananas. And there can't be stabilization for products in chronic oversupply like tea or jute. All a buffer stock would be able to do is buy: You'd have to stage a giant Boston Tea Party to get rid of your stocks." Thus, the U.S. is willing to discuss stabilization agreements only for a handful of commodities—among them sugar, natural rubber, tin, cocoa, bauxite and copper.

More important, says Treasury Secretary Michael Blumenthal, "there is no agreement that is going to prevent the price of a commodity from going through the roof when you are faced with a prolonged shortage." Consumers, he says, will always be at the mercy of developments such as the Brazilian frost, which has sent coffee prices soaring.

Despite these pitfalls, there's little doubt that commodity-stabilization agreements would produce real benefits for the troubled LDC economies. Until now, the question has been whether rich nations could ever be persuaded that it would be to their benefit, too—and as the IDC's see it, the Carter Administration's subtle shift in policy is a solid step in the right direction. It might even signal an idea whose time has come.

-ALLAN J. MAYER with RICH THOMAS in Washington

I note from materials provided by the African Development Bank, the smaller parent of the African Development Fund, that the Bank has provided six loans to Uganda and that the most recent of which was approved on October 28, 1976, in the amount of 5 million units of account—approximately \$4.5 million—for "erection and installation of tea factories." Let me review African Development Bank records on that subject:

FROM: AFRICAN DEVELOPMENT BANK RECORDS

ALCOHOLD THE SECOND		Date signed	Status of the loan								
Borrower and project	Date approved		Amount	Disburse- ments	Un- disbursed balance	Amount cancelled	Repayments	Out- standing, col. 7-10	Percent interest p.a.	Repayment terms	
Government of Uganda:			- Elifa		N. I.	TEL AS		William B	(HIDE)		TOLL
Water supply and sewerage schemes.	Mar. 27, 1938	Sept. 6, 1938	300, 000	236, 698		53, 402	236, 698		6	10 semiannual installments ning Jan. 1, 1970.	begin
Water supply system in 18 urban	Aug. 29, 1970	Aug. 29, 1970	3, 000, 000	2, 836, 384	163, 616		177, 522	2, 658, 862	6	30 semiannual installments	begin
centers. Buwayo-Busia Rd	Nov. 22, 1972	Jan. 11, 1973	1, 000, 000	725, 154	274, 846		50, 000	675, 154	6	ning June 30, 1976. 40 semiannual installments	begin
Cotton ginneries	Nov. 21, 1974	Nov. 30, 1974	4, 800, 000	2, 146, 256	2, 653, 744			2, 146, 256	6	ning July 1, 1976. 32 semiannual installments	begin
Lake Katwe salt project	Oct. 14, 1975	Nov. 7, 1975	3, 500, 000	1, 234, 389	2, 265, 611			1, 234, 389	6	ning Jan. 1, 1979. 20 semiannual installments	begin
Erection and installation of tea	Oct. 28, 1976		5, 000, 000		5, 000, 000					ning Jan. 1, 1980.	

My question is, Why is the Bank financing tea factories when there is a glut of tea and why is it doing all this

activity in Uganda?

Finally, I note that the African Development Bank has also provided a loan for 2.5 million units of account—approximately \$2.25 million—for "telecommunications links between Brazzaville and Impfundo," including "a direct visibility shortwave relay link * * to serve a support for the transmission of television programmes."

Is the Bank unable to find better uses than this for its funds? Maybe they want to watch "Captain Kangaroo."

H.R. 5262 provides for authorizations of \$5.225 billion for increased contributions to various international development institutions.

It is our belief that this legislation needs to be considered in light of the amount of economic assistance which the United States has already provided since World War II, and the diminished ability of the United States since the 1973 OPEC oil embargo to continue to pro-

vide such assistance.

During the years 1946–75, the United States provided a net total of more than \$12 billion in economic assistance to Latin America and another \$4.75 billion to Africa. Projections provided in the President's budget for fiscal year 1978 called for new obligational authority of \$10.293 billion and for additional outlays of \$7.847 billion. The Committee on the Budget has approved \$9.543 billion in additional obligational authority and \$7.397 billion in new outlays for fiscal year 1978. We note also that there are existing unobligated balances in this category in excess of \$11 billion.

This level of foreign economic assistance will have to be reduced to some extent if a significant reduction in the budget of the Federal Government is to be made during the next 3 years to achieve the President's announced goal of a balanced budget at the end of that

period.

The following additional comments are addressed specifically to the proposed \$150 million contribution to the African

Development Fund:
First. The \$150 million for the African
Development Fund added to H.R. 5262
during subcommittee markup was not
requested by the administration when it
testified on the bill, no hearings were
held on this proposal, and the amount
requested bore no relationship to past
U.S. contributions or negotiated replen-

ishment agreements.

Second. Not all of the member countries of the African Development Bank itself have fully paid their own subscriptions to provide paid-in capital for the Bank. This point was established as a result of an answer provided by Hon. Charles A. Cooper, Assistant Secretary of the Treasury for International Affairs, in response to a question submitted by Subcommittee Chairman Henry B. Gonzalez during the last hearings on the African Development Fund, which were held in 1975.

Question. Are all of the subscriptions of the African countries of the Bank up to date?

Answer. The AfDB has had a problem with arrearages on paid-in capital but has negotiated settlements with the delinquent members and the amount of arrears has been reduced from 40 percent of paid-in capital in 1969 to 13 percent of paid-in capital in 1974. In April 1975, the total arrears were \$20 million compared to \$24 million the previous year.

One country, Egypt, which accounted for 70 percent of all arrearages, has formally agreed to a 3-year settlement schedule. Settlements have also been negotiated with Ethiopia and Senegal. Chad and the Central African Republic have yet to sign settlement agreements.

Third. The United States is being asked to contribute capital to the African Development Fund under conditions which sharply restrict this country's ability to influence decisions regarding assistance to be provided by the Fund. Unlike other multilateral international financial assistance institutions in which the United States participates, the AfDF provides that one-half of the voting power is to be exercised by the African Development Bank. This arrangement leaves only the remaining half of the voting power to be exercised in proportion to the amount of capital contributed to the Fund itself. In other words, the United States has the opportunity to make a contribution of money to the AfDF, but the weight of its influence will be confined to one-half of the proportional amount of its contribution.

It is high time for Congress to demonstrate that it is acutely aware of the terms and conditions, as well as the amounts, of U.S. contributions to international economic assistance institu-

tions.

It is my hope that the House will vote down this overbloated authorization.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

Page 7, line 23-

TITLE IX—EFFECTIVE DATE

SEC. 901. This Act shall take effect on the date of its enactment, except that no funds authorized to be appropriated by any amendment contained in title I, II, III, or IV may be available for use or obligation prior to October 1, 1977.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 8, line 1, strike out "IV" and insert "IV, or V".

Mr. WRIGHT. Mr. Chairman, I move to strike the last word, and I rise in support of the committee amendment.

Mr. Chairman, I rise in support of this legislation. At this particular moment in human history it is vitally important that the United States give a convincing example of its continuing support for the development of the world's underdeveloped national economies.

Shortly following World War II when we launched the Marshall Plan, it was credited by Winston Churchill as "the most unsordid act in human history."

Since that time the emphasis has changed away from helping to rejuvenate and rebuild the war-damaged portions of Europe into trying to help build a basic economic infrastructure in those finan-

cially malnourished areas of the world damaged by a cruel history.

The emphasis has changed further from outright gifts to repayable loans, and from unilateral help given only by the United States to multilateral loans to which many of the more fortunate nations jointly contribute.

In that specific connection it is interesting to note that our share of the contributions loaned through these multilateral development institutions has steadily declined. Whereas previously about 35 percent of the total funds were put up by the United States directly, today for the World Bank it is only 19 percent and for the Asian Development Bank it is only 16 percent. This is because other nations, following our initial example, have contributed in growing numbers and in growing dollar volumes for the assistance of those less fortunate than themselves. We are all wrapped up in this together, and the world increasingly recognizes it.

There are in the world today a little over 1 billion people between the ages of 5 and 20. That is the next generation. If we were to take a representative cross section of 100 of those people, 56 of the 100 would be from Asia—56 from Asia—15 would be from Western Europe, 9 would be from Latin America, 8 would be from Africa, 6 from the Soviet Union, and only 4 from the United States. Our future is so inseparably interlinked with that of the developing world that it cannot be considered apart.

This, I think, is what President Carter was talking about when he wrote his letter to the Congress in connection with this very bill. He congratulated the committee upon the provisions of this legislation and said:

This legislation is an integral part of my administration's foreign policy program . . . This bill, is related to our national interest . . The future of the United States will be affected by the ability of the developing nations to overcome poverty and achieve steady economic and social development . . . The International Development Banks are intimately involved in this effort.

I know there has been some apprehension over the President's recent emphasis upon human rights throughout the world. Let me see if I can put in perspective what it is that the President is attempting to do in his role as spokesman to the world community for this Nation. He is trying to recapture an initiative which, unfortunately, has been lost to nations which do not deserve it.

In the last century when a popular people's movement wanted to replace a despotic government, we were the model. The emerging leaders looked to America; men like Bolivar, O'Higgins, and San Martin looked to the United States and modeled their infant republics after ours. As late as the 1920's Sun Yat-sen in his revolution in China looked to the United States not only for political example but for moral inspiration.

So this is what we are trying to recapture. Surely at this very time in history when other nations have followed our example and are in increasing numbers and in increasing amounts supporting the worldwide effort to help the less fortunate peoples to achieve some stability that will contribute to the stability of the world, it would be most untimely for the United States to draw back from that which we ourselves set in motion

Rather it is a time for us to recognize that maybe it is not our role to be the envy of the world.

How much better-how much betterthat instead we can be an inspiration to the world.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(On request of Mr. STANTON, and by unanimous consent, Mr. WRIGHT was allowed to proceed for 1 additional minute.)

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentle-

man from Ohio.

Mr. STANTON. Mr. Chairman, I just wish to associate myself with the majority leader and to point out to the Members here in the Committee that the bill we are about to vote on and the figures that have been affirmed really are not solely the product of the Carter administration but involve also months and years of preparation on the part of the previous administration as well as this one. I think it is a bad thing whenever we get down to a thing in recent years that we must support a bill when one party is in the White House and we do not support it when the other party is in. It is clearly the most responsible vote when we vote to help the very poorest of the poor people in the world.

Mr. WRIGHT. Perhaps instead of describing it narrowly as an administration initiative, by our votes today we can put it in the broader context of an American initiative. That, I am sure, is what the President earnestly wants it to be.

The CHAIRMAN. The question is on

the committee amendment. committee amendment The was

agreed to. The CHAIRMAN. There being no further amendments, under the rule, the

Committee rises. Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Duncan of Oregon, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5262) to provide for increased participation by the United States in the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Asian Development Bank and the Asian Development Fund, and for other purposes, pursuant to House Resolution 473, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. ASHBROOK. Definitely, Mr. Speaker. I demand a separate vote on

the committee amendment as amended by the Badillo amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to. The SPEAKER. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Committee amendment as amended: Title VI, subsection (e), in lieu of the matter proposed to be inserted by the Committee Amendment, insert the following:

(e) In addition, the United States Government, in connection with its voice and vote in the institutions listed in subsection (a) is, authorized and directed to vote against any loan, any extension of financial assistance or any technical assistance to any country which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhumane or degrading treatment or punishment, prolonged detention without charges, or other flagrant denial of the right to life, liberty, and the security of person. and including providing refuge to individuals committing acts of international terrorism such as hijacking of an aircraft unless such assistance is directed specifically to pro-grams which serve the basic human needs of the citizens of such country.

Mr. ASHBROOK (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. CARNEY. Mr. Speaker, I object. The SPEAKER. Objection is heard. The Clerk will read the amendment.

The Clerk completed the reading of the amendment. The SPEAKER. The question is on the

amendment.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused. So amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. REUSS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken by electronic device, and there were-yeas 194, nays 156, not voting 83, as follows:

[Roll No. 134] **YEAS-194**

Addabbo Brademas Akaka Breckinridge Brodhead Ammerman Anderson, Ill. Annunzio Broomfield Brown, Calif. Ashley AuCoin Buchanan Burlison, Mo. Caputo Badillo Baldus Carr Baucus Cavanaugh Beard, R.I. Cederberg Bedell. Chisholm Beilenson Cleveland Cohen Collins, Ill. Conable Bingham Blouin Conte Conyers Bonior Corman

Cornell Coughlin D'Amours Danielson de la Garza Dellums Derwinski Dingell Dodd Downey Drinan Duncan, Oreg. Edwards, Calif. Erlenborn Evans, Colo. Evans, Del. Early Fary Fascell

Fenwick Findley Fisher Flood Florio Foley Forsythe Fowler Fraser Frenzel Gephardt Giaimo Gonzalez Goodling Guver Hamilton Hanley Hannaford Harkin Harris Heckler Hightower Hollenbeck Holtzman Horton Howard Hyde Jacobs Jenrette Johnson, Calif. Johnson, Colo. Jordan Kastenmeier Keys Kildee Koch Kostmayer Krueger LaFalce Le Fante Leggett Long, Md. Lundine McCloskey McDade

Abdnor

Allen

Ambro

Andrews, N. Dak.

Archer

Badham

Barnard

Bauman

Bennett

Bevill

Biaggi

Bowen

Breaux

Brooks

Brinkley

Broyhill

Butler

Carney

Chappell Clausen,

Cochran

Coleman

Corcoran

Cornwell

Crane

Davis

Dent

Delaney

Derrick

Devine

Dornan

Eilberg

Emery English

Don H.

Bafalis

McEwen McFall McHugh McKay Madigan Maguire Markey Marks Marlenee Mazzoli Meeds Meyner Mikulski Mikva Miller, Calif. Mineta Minish Mitchell, Md. Mitchell, N.Y Moakley Moffett Mollohan Moorhead, Pa. Murphy, N.Y. Myers, Gary Nedzi Nix Nolan Nowak O'Brien Oakar Oberstar Ottinger Panetta Pattison Pease Preyer Pursell Quie Rangel Reuss Rhodes Richmond

Roe Rooney Rose Rosenthal Rostenkowski Ruppe Ryan Sarasin Scheuer Schroeder Seiberling Sharp Simon Smith, Iowa Solarz Spellman Stanton Stark Steiger Stokes Stratton Studds Thompson Thornton Tsongas Tucker Udall Ullman Van Deerlin Vanik Vento Walgren Waxman Weiss Whalen Wilson, Tex. Wright Yates Young, Mo. Young, Tex. Zablocki

NAYS-156

Rinaldo

Ertel Anderson, Calif. Andrews, N.C. Applegate Ashbrook Ginn Beard, Tenn. Benjamin Hall Brown, Mich. Brown, Ohio Holt Burke, Mass. Burleson, Tex. Burton, John Kelly Krebs Daniel, Dan Lott Duncan, Tenn. Edwards, Ala. Mann Edwards, Okla. Martin Mathis Mattox

Michel Miller, Ohio Evans, Ind. Montgomery Fish Fithian Moore Mottl Murphy, Ill. Murphy, Pa. Flippo Flynt Ford, Tenn. Fountain Murtha Myers, Michael Gammage Myers, Ind. Natcher Gaydos Neal Pettis Gilman Pike Poage Glickman Goldwater Gore Grassley Quayle Regula Gudger Hagedorn Roberts Robinson Rogers Rousselot Hammer schmidt Runnels Hansen Harsha Schulze Sebelius Shuster Hubbard Skelton Huckaby Skubitz Ichord Slack Smith, Nebr. Ireland Jenkins Snyder Jones, N.C. Jones, Okla. Jones, Tenn. Spence Stangeland Symms Kasten Taylor Kazen Tonry Ketchum Traxler Kindness Treen Trible Lagomarsino Volkmer Waggonner Walker Lederer Lent Levitas Watkins Lloyd, Calif. Lloyd, Tenn. White Whitley Whitten McDonald Wiggins Mahon Wilson, Bob Winn Marriott Wolff

Young, Alaska

NOT VOTING-83

Rahall Alexander Heftel Railsback Armstrong Hillis Holland Risenhoover Aspin Boland Roncalio Hughes Bonker Jeffords Roybal Rudd Burgener Burke, Calif. Burke, Fla. Kemp Latta R11880 Lehman Santini Burton, Phillip Long, La. Sawyer Shipley Lujan Byron Luken Sikes Clawson, Del McClory St Germain Clay McCormack McKinney Staggers Daniel, R. W. Metcalfe Steed Milford Stockman Dickinson Moorhead. Stump Dicks Teague Vander Jagt Diggs Calif. Moss Eckhardt Edgar Nichols Walsh Wampler Patten Flowers Ford, Mich. Patterson Weaver Whitehurst Pepper Perkins Frey Wilson, C. H. Fuqua Pickle Wydler Gibbons Gradison Pressler Yatron Young, Fla. Zeferetti Pritchard Harrington Hawkins Quillen

The Clerk announced the following pairs:

On this vote:

Mr. McKinney for, with Mr. Teague against.

with Mr. Milford Mr. Pritchard for, against.

Mr. Railsback for, with Mr. Shipley against.

Mr. Vander Jagt for, with Mr. Byron against.

Mr. McClory for, with Mr. Fuqua against. Mr. Jeffords for, with Mr. Russo against. Mr. Heftel for, with Mr. Stump against.

Mr. Moss for, with Mr. Sikes against. Mr. Diggs for, with Mr. Burgener against. Mr. Clay for, with Mr. Del Clawson against. Mr. Dicks for, with Mr. Robert W. Daniel, Jr., against.

Mr. Burke of Florida for, with Mr. Nichols

against. Mr. Patten for, with Mr. Frey against. Mrs. Burke of California for, with Mr.

Kemp against.

Mr. Pepper for, with Mr. Latta against. Mr. Cotter for, with Mr. Quillen against. Mr. Boland for, with Mr. Moorhead of California against.

Mr. Zeferetti for, with Mr. Lujan against. Mr. Ford of Michigan for, with Mr. Wampler against.

Mr. Hawkins for, with Mr. Whitehurst against.

Mr. Harrington for, with Mr. Wydler against.

Mr. Rahall for, with Mr. Young of Florida against.

Mr. Lehman for, with Mr. Dickinson against.

Mr. Sisk for, with Mr. Carter against.

Until further notice:

Mr. Alexander with Mr. Aspin. Mr. Hughes with Mr. Stockman.

Mr. Roncalio with Mr. Santini. Mr. Phillip Burton with Mr. Steed.

Mr. Pressler with Mr. Rudd.

Mr. Sawyer with Mr. Luken. Mr. Walsh with Mr. Risenhoover.

Mr. Gradison with Mr. Flowers. Mr. Eckhardt with Mr. Gibbons.

Mr. Edgar with Mr. Pickle. Mr. Long of Louisiana with Mr. Holland.

Mr. McCormack with Mr. Perkins. Mr. Patterson of California with Mr. Charles H. Wilson of California.

Mr. Metcalfe with Mr. Staggers. Mr. Hillis with Mr. Roybal. Mr. Yatron with Mr. Weaver.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the able.

GENERAL LEAVE

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed, and on the Badillo amendment to that bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

AUTHORIZING CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 5262

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the Clerk may be authorized to make corrections in punctuation, section numbers, and crossreferences in the engrossment of the bill, H.R. 5262.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CORRECTING ENROLLMENT OF H.R. 3365

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent for the immediate consideration of the concurrent resolution (H. Con. Res. 191) to correct the enrollment of H.R. 3365.

The Clerk read the title of the concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 191

Resolved by the House of Representatives (the Senate concurring), That the action of the Speaker of the House of Representatives and of the Acting President of the Senate pro tempore, in signing the enrolled bill (H.R. 3365) to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institu-tions, and for other purposes", be, and the same is hereby, rescinded, and the Clerk of the House of Representatives shall make the following corrections:

(1) In proposed section 107(5)(E) of the Federal Credit Union Act (as contained in section 302(a) of the bill) strike out the semicolon and insert in lieu thereof the following: ": Provided, That a credit union which originates a loan for which participation arrangements are made in accordance with this subsection shall retain an interest of at least 10 per centum of the face amount of the loan."

(2) Strike out section 303(b) of the bill and insert in lieu thereof the following:

(b) Paragraph (8) of such section is redesignated as paragraph (7) and amended

by adding the following paragraph:

"(I) in the shares, stocks, or obligations of any other organization, providing services which are associated with the routine operations of credit unions, up to 1 per centum of the total paid in and unimpaired capital and surplus of the credit union with the approval of the Administrator: Pro-vided, however, that such authority does not include the power to acquire control

directly or indirectly, of another financial institution, nor invest in shares, stocks or obligations of an insurance company, trade association, liquidity facility or any other similar organization, corporation, or association, except as otherwise expressly provided by this Act;".

(3) In the amendment made by section 304(2) of the bill after "unless", insert "it

(4) In section 310 of the bill after the colon, insert the center heading "DIVIDENDS".

(5) In the amendment made by section 310 of the bill, strike out "DIVIDENDS.—", and insert "SEC. 117.".

Mr. ANNUNZIO (during the reading). Mr. Speaker, I ask unanimous consent that the concurrent resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object-and I do not think I will object-can my distinguished colleague, the gentleman from Illinois (Mr. Annunzio), assure us that these minor corrections that need to be made because of a confusion in the enrollment process have now been made. and that it is correct?

Mr. ANNUNZIO. Mr. Speaker, if the gentleman will yield, I assure my distinguished colleague, the gentleman from California (Mr. Rousselot), that it is

now correct.

Mr. ROUSSELOT. Mr. Speaker, I appreciate the gentleman's response. To the best of the gentleman's knowledge, we will not have to come back here some time in the future and correct it again?

Mr. ANNUNZIO. That is absolutely correct.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The concurrent resolution was agreed

A motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 5717. An act to provide for relief and rehabilitation assistance to the victims of the recent earthquakes in Romania.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 1828. An act relating to the effective date for the changes made by the Tax Re-form Act of 1976 to the exclusion for sick

The message also announced that the Senate agrees to the amendment of the House with an amendment to a hill of the Senate of the following title:

S. 489. An act to amend the Foreign Assistance Act of 1961.

The message also announced that the Senate disagrees to the amendments of the House to the amendments of the Senate to the bill (H.R. 11) entitled "An act to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976," agrees to a conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. RANDOLPH, Mr. MUSKIE, Mr. BURDICK, Mr. BENTSEN, Mr. Anderson, Mr. Moynihan, Mr. Staf-FORD, Mr. McClure, Mr. Domenici, and Mr. CHAFEE to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill and a Joint Resolution of the following titles, in which the concurrence of the House is requested:

- S. 36. An act to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes; and
- S. J. Res. 44. Joint resolution to authorize the printing and binding of an edition of Senate Procedure and providing the same shall be subject to copyright by the author.

SUPPLEMENTAL HOUSING AUTHOR-IZATION ACT OF 1977

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 3843) to authorize additional funds for housing assistance for lower income Americans in fiscal year 1977, to extend the Federal riot reinsurance and crime insurance programs, and for other purposes, with Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate thereon.

The Clerk read the title of the bill. The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

That this Act may be cited as the "Supplemental Housing Authorization Act of 1977".

TITLE I—SUPPLEMENTAL AUTHORIZA-TIONS AND EXTENSIONS OF HUD PRO-GRAMS

AMENDMENTS TO THE UNITED STATES HOUSING ACT OF 1937

SEC. 101. (a) The first sentence of section 5(c) of the United States Housing Act of 1937 is amended by striking out "and by \$850,000,-000 on October 1, 1976" and inserting in lieu thereof "and by \$1,228,050,000 on October 1, 1976".

(b) Section 9(c) of such Act is amended by striking out "and not to exceed \$576,000,-000 on or after October 1, 1976" and inserting in lieu thereof "and not to exceed \$595,600,-000 on or after October 1, 1976".

Section 8(e)(1) of such Act is

amended-

(1) by striking out "two hundred and forty months" in the first sentence and inserting in lieu thereof "three hundred and

sixty months, except that such term may not exceed two hundred and forty months in the case of a project financed with assistance of a loan made by, or insured, guaranteed or intended for purchase by, the Federal Government, other than pursuant to section 244 of the National Housing Act"; and

(2) by striking out "In the case of" in the second sentence and inserting "Notwithstanding the preceding sentence, in the case

GENERAL INSURANCE FUND

SEC. 102. Section 519(f) of the National Housing Act is amended by striking out "\$500,000,000" and inserting in lieu thereof "\$1,000,000,000".

URBAN HOMESTEADING DEMONSTRATION

SEC. 103. Section 810(g) of the Housing and Community Development Act of 1974 is amended by striking out "not to exceed \$5,000,000 for fiscal year 1977" and inserting in lieu thereof "not to exceed \$15,000,000 for fiscal year 1977".

FEDERAL RIOT REINSURANCE AND CRIME INSURANCE PROGRAMS

SEC. 104. Section 1201(b) of the National

Housing Act is amended—
(1) by striking out "April 30, 1978" in paragraph (1) and inserting in lieu thereof "April 30, 1978"; and

(2) by striking out "April 30, 1978" in paragraph (1)(A) and inserting in lieu thereof "April 30, 1981".

MISCELLANEOUS PROVISIONS RELATING TO MORT-GAGE INSURANCE PROGRAMS

SEC. 105. (a) Section 101(c) of title I of the Housing Act of 1949 is amended by deleting the following words in the first sentence "and no mortgage shall be insured, and no commitment to insure a mortgage shall be issued, under section 220 of the National Housing Act, as amended," and by deleting the first proviso of that section.

(b) The National Housing Act is amended by deleting from section 220(d)(1)(A)(ii) the words "in a community respecting which the Secretary of Housing and Urban Development has made the determination provided for by section 101(c) of the Housing Act of 1949, as amended."

CONSTRUCTION OF MODERATE INCOME HOUSING

SEC. 106. Section 221(d)(4) of the National Housing Act is amended by deleting the words "other than a mortgagor referred to in subsection (d)(3) of this section," from the first sentence of the section.

TITLE II—NATIONAL COMMISSION ON NEIGHBORHOODS

SHORT TITLE

SEC. 201. This title may be cited as the "National Neighborhood Policy Act".

FINDINGS AND PURPOSE

SEC. 202. (a) The Congress finds and declares that existing city neighborhoods are a national resource to be conserved and revitalized wherever possible, and that public policy should promote that objective.

(b) The Congress further finds that the tendency of public policy incentives to ignore the need to preserve the built environment can no longer be defended, either economically or socially, and must be replaced with explicit policy incentives encouraging conservation of existing neighborhoods. That objective will require a comprehensive review of existing laws, policies, and programs which affect neighborhoods, to assess their impact on neighborhoods, and to recommend modifications where necessary.

ESTABLISHMENT OF COMMISSION

SEC. 203. (a) There is hereby established a commission to be known as the National Commission on Neighborhoods (hereinafter referred to as the "Commission").

- (b) The Commission shall be composed of twenty members, to be appointed as follows:
- (1) two Members of the Senate appointed by the President of the Senate;

(2) two Members of the House of Representatives appointed by the Speaker of the House of Representatives; and

(3) sixteen public members appointed by the President of the United States from among persons specially qualified by experience and training to perform the duties of the Commission, at least five of whom shall be elected officers of recognized neighborhood organizations engaged in development and revitalization programs, and at least five of whom shall be elected or appointed officials of local governments involved in preservation programs. The remaining members shall be drawn from outstanding individuals with demonstrated experience in neighborhood revitalization activities, from such fields as finance, business, philanthropic, civic, and educational organizations.

The individuals appointed by the President of the United States shall be elected so as to provide representation to a broad cross section of racial, ethnic, and geographic groups. The two members appointed pursuant to clause (1) may not be members of the same political party, nor may the two members appointed pursuant to clause (2) be members of the same political party. Not more than eight of the members appointed pursuant to clause (3) may be members of the same political party.

(c) The Chairman shall be appointed by the President, by and with the advice and consent of the Senate, from among the public members.

(d) The executive director shall be ap-pointed by the President, by and with the advice and consent of the Senate, from among individuals recommended by Commission.

DUTIES

SEC. 204. (a) The Commission shall undertake a comprehensive study and investigation of the factors contributing to the decline of city neighborhoods and of the factors necessary to neighborhood survival and revitalization. Such study and investigation shall include, but not be limited to—

- (1) an analysis of the impact of existing Federal, State, and local policies, programs, and laws on neighborhood survival and revitalization:
- (2) an identification of the administrative, legal, and fiscal obstacles to the well-being of neighborhoods;
- (3) an analysis of the patterns and trends public and private investment in urban areas and the impact of such patterns and trends on the decline or revitalization of neighborhoods:
- (4) an assessment of the existing mechanisms of neighborhood governance and of the influence exercised by neighborhoods on local government:
- (5) an analysis of the impact of poverty and racial conflict on neighborhoods;
- (6) an assessment of local and regional development plans and their impact on neighborhoods:
- (7) an evaluation of existing citizeninitiated neighborhood revitalization efforts and a determination of how public policy can best support such efforts: and
- (8) a quantification, where feasible, of the costs and benefits to society from present programs, and a quantification, where fea-sible, of the costs and benefits to society of programs which are recommended as required by subsection (b).
- (b) The Commission shall make recom-mendations for modifications in Federal, State, and local laws, policies, and programs necessary to facilitate neighborhood preservation, and revitalization. Such recommendations shall include, but not be limited to—

(1) new mechanisms to promote reinvestment in existing city neighborhoods;

(2) more effective means of community

participation in local governance;
(3) policies to encourage the survival of economically and socially diverse neighbor-

policies to prevent such destructive practices as blockbusting, redlining, resegregation, speculation in reviving neighborhoods, and to promote homeownership in urban communities;

(5) policies to encourage better maintenance and rehabilitation of existing structures at least as attractive from a tax viewpoint as demolition and development of new structures:

(7) modification in local zoning and tax policies to facilitate preservation and re-vitalization of existing neighborhoods; and

(8) reorientation of existing housing and community development programs and other tax and subsidy policies that affect neigh-borhoods to better support neighborhood preservation efforts.

(c) Not later than one year after the date on which funds first become available to carry out this title, the Commission shall submit to the Congress and the President a comprehensive report on its study and investigation under this subsection which shall include its findings, conclusions, and recommendations and such proposals for legislation and administrative action as may be necessary to carry out its recommendations.

COMPENSATION OF MEMBERS

SEC. 205. (a) Members of the Commission who are Members of Congress or full-time officers or employees of the United States shall serve without additional compensation, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of the duties vested in the Commission.

Members of the Commission, other those referred to in subsection (a), (b) shall receive compensation at the rate of \$100 per day for each day they are engaged in the actual performance of the duties vested in the Commission and shall be en-titled to reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of such duties.

ADMINISTRATIVE PROVISIONS

SEC. 206. (a) The Commission shall have the power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates, but at rates not in excess of a maximum rate for GS-18 of the General Schedule under section 5332 of such title

(b) The Commission may procure, in accordance with the provisions of section 3109 of title 5, United States Code, the temporary or intermittent services of experts or consultants. Persons so employed shall receive compensation at a rate to be fixed by the Commission but not in excess of \$100 per day, including traveltime. While away from his or her home or regular place of business in the performance of services for the Commission, any such person may be allowed travel ex-penses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5, United States Code, for persons in the Government service employed intermittently.

(c) Each department, agency, and instrumentality of the United States is authorized and directed to furnish to the Commission, upon request made by the Chairman or Vice Chairman, on a reimbursable basis or otherwise, such statistical data, reports, and other information as the Commission deems necessary to carry out its functions under this title. The Chairman is further authorized to call upon the departments, agencies, and

other offices of the several States to furnish, on a reimbursable basis or otherwise, such statistical data, reports, and other information as the Commission deems necessary to carry out its functions under this title.

(d) The Commission may award contracts and grants for the purposes of evaluating existing neighborhood revitalization programs and the impact of existing laws on neighborhoods. Awards under this subsection may be made to-

(1) representatives of legally chartered

neighborhood organizations;

(2) public interest organizations which have a demonstrated capability in the area of concern; and

(3) universities and other not-for-profit

educational organizations.

(e) The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this title, hold hearings, take testimony, and administer oaths or affirmations to witnesses appearing before the Commission or any subcommittee or member thereof. Hearings by the Commission will be held in neighborhoods with testimony received from citizen leaders and public officials who are engaged in neighborhood revitalization programs.

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 207. There are authorized to be appropriated not to exceed \$1,000,000 to carry out this title.

EXPIRATION OF THE COMMISSION

SEC. 208. The Commission shall cease to exist thirty days after the submission of its report under section 204.

EMERGENCY HOMEOWNERS' RELIEF ACT AMENDMENTS

SEC. 209. That (a) section 102 of the Emergency Homeowners' Relief Act is amended— (1) by redesignating subsection (b) as

subsection (c); and

(2) by inserting after subsection (a) the

following:

"(b) The Congress also finds that severe localized economic distress caused by the legal claims of the Mashpee Tribe in Mashpee, Massachusetts, may require the furnishing of assistance under this Act to avoid mortgage foreclosures and distress sales resulting from the temporary loss of employment and income."

(b) Section 103(4) of such Act is amended inserting "national or local" before

'economic conditions".

The SPEAKER. Is there objection to the request of the gentleman from

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, will my colleague the gentleman from Illinois explain to me what this is all about?

Mr. ANNUNZIO. Mr. Speaker, if the gentleman from California will yield, this is to extend the Federal riot reinsurance, and crime insurance programs, and for other purposes, with the Senate amendment, disagree to the Senate amendment and request a conference with the Senate.

Mr. ROUSSELOT. The gentleman is only requesting to go to conference?
Mr. ANNUNZIO. That is all.

Mr. ROUSSELOT. I thank the gentle-

Mr. Speaker. I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from II-The Chair hears none, and aplinois? points the following conferees: Messrs. REUSS, ASHLEY, MOORHEAD of Pennsylvania. ST GERMAIN. MITCHELL of Maryland, Patterson of California, AuCoin, BLANCHARD, BROWN of Michigan, STANTON and Rousselot.

EFFECTIVE DATE OF CHANGES IN SICK PAY EXCLUSION

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1828) to provide that the changes made by the Tax Reform Act of 1976 to the exclusion for sick pay shall only apply to taxable years beginning after December 31, 1976, with the Senate amendments thereto. and agree to the Senate amendments.

The SPEAKER. Is there objection to the request of the gentleman from

Oregon?

Mr. STARK, Mr. Speaker, I object. The SPEAKER. Objection is heard. The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 4, after line 4, insert:

Sec. 3. Effective Date for Changes in Treatment of Income Earned Abroad By United States Citizens LIVING OR RESIDING ABROAD.

Subsection (d) of section 1011 of the Tax Reform Act of 1976 is amended by striking out "December 31, 1975" and inserting in lieu thereof "December 31, 1976".

Page 4, after line 4, insert:

SEC. 4. WITHHOLDING TAX ON CERTAIN GAMBLING WINNINGS.

(a) In GENERAL.—Subparagraph (C) of section 3402(q)(3) of the Internal Revenue Code of 1954 (relating to sweepstakes, wagering pools, and other lotteries) is amended to read as follows:

"(C) SWEEPSTAKES, WAGERING POOLS, CER-TAIN PARIMUTUEL POOLS, JAI ALAI, AND LOT-TERIES .- Proceeds of more than \$1,000 from-

"(i) a wager placed in a sweeptakes. wagering pool, or lottery (other than a wager described in subparagraph (B)), or

(ii) a wagering transaction in a parimutuel pool with respect to horse races, dog races, or jai alai if the amount of such proceeds is at least 300 times as large as the amount wagered.".

(b) EFFECTIVE DATE.—The amendments made by this section apply to payments made after April 30, 1977.

Page 4, after line 4, insert:

SEC. 5. STATE LEGISLATORS' TRAVEL EXPENSES AWAY FROM HOME.

Subsections (a) and (d) of section 604 of the Tax Reform Act of 1976 are each amended by striking out "January 1, 1976," and inserting in lieu thereof "January 1, 1977,". Subsection (c) of such section is amended by inserting "beginning before January 1, 1976," after "any taxable year".

Page 4, after line 4, insert:

SEC. 6. UNDERPAYMENTS OF ESTIMATED TAX.

No addition to the tax shall be made under section 6654 or 6655 of the Internal Revenue Code of 1954 (relating to failure to pay estimated income tax) for any period before April 16, 1977 (March 16, 1977, in the case of a taxpayer subject to section 6655), with respect to any underpayment, to the extent that such underpayment was created or increased by any provision of the Tax Reform Act of 1976.

SEC. 7. UNDERWITHHOLDING.

No person shall be liable in respect of any failure to deduct and withhold under section 3402 of the Internal Revenue Code of 1954 (relating to income tax collected at source) on remuneration paid before January 1, 1977, to the extent that the duty

to deduct and withhold was created or increased by any provision of the Tax Reform Act of 1976.

SEC. 8. INTEREST ON UNDERPAYMENTS OF TAX.

No interest shall be payable for any period before April 16, 1977 (March 16, 1977, in the case of a corporation), on any underpayment of a tax imposed by the Internal Revenue Code of 1954, to the extent that such underpayment was created or increased by any provision of the Tax Reform Act of 1976.

Amend the title so as to read: "An Act relating to the effective date for changes made by the Tax Reform Act of 1976 to the exclusion for sick pay and for other purposes."

Mr. ULLMAN (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments be considered as read and printed in the Rec-

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

Mr. CONABLE. Mr. Speaker, I reserve the right to object.

Mr. STARK. Mr. Speaker, I reserve the

right to object.

The SPEAKER. The Chair recognizes the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Speaker, I reserved the right to object in order to receive an explanation of these amendments so that my colleagues will understand what is being proposed here.

Mr. ULLMAN. Mr. Speaker, H.R. 1828 generally postpones for 1 year the effective date of the sick pay revisions made by the Tax Reform Act of 1976. The House passed the bill on Monday and the Senate has agreed to the bill as we sent it over but has added to it four amendments which also relate to retroactive effective dates in the Tax Reform Act of 1976.

The first amendment postpones for 1 year the revisions of the exclusion of income earned abroad for individuals. Prior to the 1976 Tax Reform Act, U.S. citizens could exclude up to \$20,000, and in some cases, \$25,000, of income earned abroad during a period in which they were overseas for 17 out of 18 months or during a period they were bonafide residents of a foreign country. The 1976 act generally reduced this exclusion to \$15,000 per year and made several modifications in the computation of the exclusion. This provision was made effective for 1976. The Senate amendment postpones the application of this provision until 1977. Although we have not as yet reviewed this retroactive provision, many members of the committee have been made aware of the considerable hardship that has arisen for many individuals who are working abroad and did not know that this change was made for 1976 which resulted in substantially higher taxes for them for that year. The revenue involved for this 1-year postponement is approximately \$38 million and in view of the special circumstances involved, I think this Senate amendment should be accepted, although in my request we are disagreeing to this amendment because objection was heard to my first unanimous consent request.

The second amendment added by the committee modifies the rules established by the Tax Reform Act in regard to the

withholding on income tax on winnings from wagers place in parimutuel pools with respect to horse races, dog races, or jai alai. The problem with regard to this matter occurred during the conference on the 1976 Act where many people, including the Commissioner of Internal Revenue, as well as several conferees and their staffs, understood that the withholding provision would apply to winnings of over \$1,000 only if the odds were at least 300 to 1. However, since the provision was the same in both the House and Senate versions of the bill, no change could be made in conference. Subsequent to the passage of the act, the Internal Revenue Service requested a revision in this provision in order to provide better administration which could not be done under the literal language of the 1976 Act. The Senate amendment provides that withholding will be required on winnings of more than \$1,000 but only if the amount of the winnings is at least 300 times the amount of the bet. This amendment merely makes the law into what thought it would be when we passed the 1976 act. Until this amendment is passed. the Internal Revenue Service is not withholding on winnings and, therefore, the amendment should be agreed to.

The third amendment deals with the tax treatment of State legislators. The Tax Reform Act of 1976 provided an election for the tax treatment for State legislators for taxable years beginning before 1976 for the determination of their tax home and the amount of expenses which could be deducted for their living expenses while away from home. The Tax Reform Act provision did not cover years after 1975 in order to allow Congress to develop a permanent workable rule for the future. The Senate extended the provision in the Tax Reform Act for 1 year through 1976. The Ways and Means Committee has reported a temporary 2year rule for State legislators which should be coming to the House after the recess. Since there is an April 15 filing date, I think it is important to extend this provision in order to allow State legislators to know their tax status for 1976. The Ways and Means has reported out a bill dealing with 1977 which will be before the House after the recess.

The final amendment added by the Senate provides relief from interest and penalties attributable to the application to 1976 of provisions of the Tax Reform Act. This amendment is identical to the bill, H.R. 1680, that the House passed on Monday.

Mr. Speaker, I would hope that the House will agree to these last three amendments since they all deal with retroactive effective date problems under the Tax Reform Act.

Mr. CONABLE. Mr. Speaker, further reserving the right to object, if I may recapitulate, the basic vehicle here which has been sent to us by the Senate involves the sick pay exclusion. The retroactivity feature is eliminated as it was in their provision in the Tax Stimulus bill, which still languishes in the Senate. To this has been attached the so-called Keys amendment which would eliminate penalties for underestimation of tax where

that underestimation is a result of retroactivity in the 1976 Tax Reform Act.

I understand there also is a compromise on the provision reported by the Committee on Ways and Means relating to withholding on gambling earnings, which in fact incorporates what was originally thought to be the proposal in the 1976 act. One thousand dollars is subject to withholding only if it is the result of 300-to-1 odds and 20 percent withholding will be taken from anything that meets these criteria.

Mr. ULLMAN. The gentleman is correct.

Mr. CONABLE. It is my understanding further that the State legislators situs-of-work provision has been changed in some way from what we originally passed with the Committee on Ways and Means; is that correct?

Mr. ULLMAN. If the gentleman will yield further, the provision in the tax bill last year dealing with the problem retroactively is the provision incorporated here, only it is extended on through 1976. Last year we provided the treatment through 1975. All this does is provide that same treatment up through 1976.

Mr. CONABLE. Further reserving the right to object, Mr. Speaker, if I understand correctly, then, the objection of the gentleman from California (Mr. Stark) eliminates the retroactivity provision, relative to taxation of income earned by Americans living abroad, and that would have to be dealt with separately. We will send back to the Senate the sick pay exclusion provision amended with these other three amendments, and the Senate, meeting tomorrow, then will be able to enact the entire package before April 15. Is that correct?

Mr. ULLMAN. If the gentleman will yield, that is correct, the entire package with the exception of amendment No. 1 having to do with 911. There is no great urgency in that matter because U.S. citizens working abroad do not have to file their tax returns until June 15, so we will have time to deal with that problem in an orderly way before that time.

Mr. CONABLE. From that comment on the part of the chairman, I would judge the objection is primarily procedural in that this measure has not been taken up in the Committee on Ways and Means.

Mr. Speaker, I would like to thank the gentleman for his explanation and say that I urge passage of this provision. Even though it is necessary by unanimous consent. It seems to me that there considerable value in passing the elimination of retroactivity in the sick pay exclusion. Also, the other amendments are comparatively modest ones that have been reported by our committee.

For that reason, Mr. Speaker, I with-draw my reservation of objection.

Mr. ULLMAN. I thank the gentleman. The SPEAKER. Is there objection to the request of the gentleman from Oregon?

Mr. FRENZEL. Mr. Speaker, reserving the right to object, will the distinguished chairman review the Senate provision about the tax treatment for the travel of State legislators? Are we accepting what was in the Senate bill when it came out of Senate committee in H.R. 3477, which allows a legislator to declare his home within his legislative district and to collect per diem for each day that the legislature was in session?

Mr. ULLMAN. Mr. Speaker, if the gentleman will yield, that is basically the same provision we provided in the tax bill for preceding years.

Mr. FRENZEL. And that applies only

to calendar year 1976?

Mr. ULLMAN. This provides only for the calendar year 1976, covering the tax returns that have to be filled out at this time.

Mr. FRENZEL. I thank the gentleman.

Is the gambling provision endorsed by the administration the compromise which is now before us?

Mr. ULLMAN. The Internal Revenue Service fully approves of this compromise and the administration approves of it.

Mr. FRENZEL. I thank the chairman.

Mr. Speaker, I withdraw my reservation and I urge the passage of the bill.

Mr. STARK. Mr. Speaker, I withdraw my reservation of objection and urge passage of the bill.

Mr. BAUMAN. Mr. Speaker, reserving the right to object I just want to ask the gentleman if the provision for dealing with State legislators contained any language dealing with the increased deduction for Members of Congress in the District of Columbia?

Mr. ULLMAN. There is absolutely no provision dealing with Members of Congress. This is limited solely to State legislators.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman from Oregon.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO HAVE UNTIL MIDNIGHT, APRIL 7 TO FILE REPORTS ON H.R. 1403 AND H.R. 2527

Mr. KAZEN. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs have until midnight, Thursday, April 7, 1977, to file reports on the following bills:

H.R. 1403. To authorize the Secretary of the Interior to convey the interest of the United States in certain lands in Adams County, Miss., notwithstanding a limitation in the Color-of-Title Act (45 Stat. 1069), as amended (43 U.S.C. 1068); and

H.R. 2527. To authorize the Secretary of Agriculture to convey certain lands in the Sierra National Forest, Calif., to the Madera Sierra National Forest, Calif., to the Cemetery District.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PROPRIETY OF TRAVEL AND ARRANGEMENTS TO PEOPLE'S REPUBLIC OF CHINA

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, I understand that reservations have been expressed concerning the propriety of travel and other arrangements pertinent to a trip to the People's Republic of China which at the request of the President, I, along with several other Members of the House are to make.

I understand further, Mr. Speaker, that these reservations arise from the provisions of article I of the Constitution, the provisions of the Foreign Gifts and Decorations Act and the prohibition against acceptance of foreign gifts recently added to the rules of the House by the so-called Obey resoulution.

Mr. Speaker, it is my own judgment that these expressions of concern are illfounded and perhaps even a little silly.

The trip involved is being made, as I have said, at the request of the President and is in furtherance of the exchange program announced several years ago in the Shanghai communique.

In other words, what is involved here is not only official business but business essentially diplomatic in nature.

The Comptroller General, presented with an identical question 2 years ago, ruled that the law was not violated by reciprocal expense arrangements, and I am told that the Select Committee on Ethics just this afternoon approved an advisory opinion stating that the rules of the House would not be offended by such an arrangement.

But, Mr. Speaker, all of this is merely academic for the fact of the matter is that the host government—in this instance the People's Republic of China—is not, repeat not, absorbing the official expenses of the Members who are taking poet in this visit

part in this visit.

On the contrary, all of our expenses will be paid for with counterpart funds owned by the United States.

I am sorry to disappoint any of our friends who might have hoped the facts would be otherwise, but I am afraid there is simply no issue here involving either the Constitution, the law or the rules of the House.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, the gentleman has called the concern of some Members expressed silly. I think that is an unfortunate expression. Has the gentleman read the Advisory Opinion No. 3 of the House Committee on Standards of Official Conduct issued on June 26, 1974? Mr. BRADEMAS. Not recently.

Mr. BAUMAN. If the gentleman would refresh his memory on that opinion I am certain he will find that the official body that has been charged with governing our ethical conduct in this House has ruled such trips if they are paid for by a foreign government as unconstitutional and that is a finding which certainly governs everyone of the Members of this

House. The gentleman may consider the Constitution and its interpretation by our Ethics Committee silly, but I think if we are going to have ethical standards we must abide by them.

Mr. BRADEMAS. I would simply have to reiterate that the gentleman's observations reassure me that my original criticism of some of the unfounded charges with respect to the expenditures for carrying out this particular trip are silly and I would reiterate that the funds that are being used to pay for this trip are counterpart funds owned by the Government of the United States.

I would also say to my friend, the gentleman from Maryland, that there was a subsequent ruling by the Ethics Committee contrary to the opinion just alluded to by the gentleman from Maryland.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the dis-

tinguished minority leader.

Mr. RHODES. Mr. Speaker, I think the distinguished gentleman from Indiana will recall, however, that when I was fortunate enough to be picked by the People's Republic of China to go to that land with the former Speaker, the Honorable Carl Albert, that we did feel constrained because of the ruling of the Committee on Ethics to have a resolution adopted allowing us to take that trip at the expense of the People's Republic of China. I am satisfied that the gentleman who called this matter to the attention of the House does so with the knowledge of the Constitution and also the previous action taken

Mr. Speaker, I agree with the gentleman from Maryland. I think that the characterization of the gentleman bringing it to the House as "silly" is unfortunate, because it is a serious matter. As I mentioned to the gentleman from Indiana awhile ago. I think that matters like this should not come up. I feel that it would be within the best interest of the House for us to pass some sort of permanent legislation, which perhaps would allow the Speaker in instances like this when the Speaker feels that such types of travel are for the best interests of the Nation to make an appropriate waiver so this constitutional question will not arise.

Mr. BRADEMAS. Mr. Speaker, I understand, and I am not unsympathetic to the point the gentleman made, but the reason the gentleman from Indiana used the word "silly" in the characterization of some of the statements made earlier in this House was that, at least it was reported, a censure was being threatened in respect to the expenditures to be made for the purpose of carrying out this particular trip.

I would say that this seems to me to be silly. Beyond that, I would reiterate what I said earlier, that no reciprocal expense arrangement is involved in respect to this particular matter.

The SPEAKER. The time of the gentleman from Indiana has expired.

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the body of the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, would the gentleman tell us the subject of the gentleman's revision and remarks in the extension?

Mr. BRADEMAS. Yes. I would be very glad to. It is an essay by the Reverend Theodore Hesburgh, President of Notre Dame, and James Grant, Executive Director of the Overseas Development Council.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. KETCHUM. Mr. Speaker, further reserving the right to object.

Mr. BRADEMAS. Mr. Speaker, I withdraw my unanimous consent request.

APPOINTMENT AS MEMBERS OF THE SELECT COMMITTEE ON CON-GRESSIONAL OPERATIONS

The SPEAKER. Pursuant to the provisions of House Resolution 420, 95th Congress, the Chair appoints as Members of the Select Committee on Congressional Operations the following Members of the House: the gentleman from Texas (Mr. Brooks), chairman; the gentleman from Connecticut (Mr. Giatmo); the gentleman from Minnesota (Mr. Oberstar); the gentleman from California (Mr. John L. Burton); the gentleman from Indiana (Mr. Benjamin); the gentleman from New Hampshire (Mr. Cleveland); and the gentleman from Ohio (Mr. Ashbrook).

APPOINTMENT AS MEMBERS OF THE U.S. DELEGATION OF THE MEXICO-UNITED STATES INTER-PARLIAMENTARY GROUP

The SPEAKER. Pursuant to provisions of section 1, Public Law 86-420, the Chair appoints as members of the U.S. delegation of the Mexico-United States Interparliamentary Group the following Members on the part of the House: gentleman from Texas (Mr. the WRIGHT), Chairman; the gentleman from Pennsylvania (Mr. Nix), Vice Chairman: the gentleman from Arizona (Mr. UDALL); the gentleman from Texas (Mr. DE LA GARZA); the gentleman from Texas (Mr. WHITE); the gentleman from Texas (Mr. KAZEN); the gentleman from Arkansas (Mr. ALEXANDER); the gentleman from Pennsylvania (Mr. YATRON); the gentleman from California (Mr. Rousselot); the gentleman from New York (Mr. GILMAN); the gentleman from California (Mr. LAGOMAR-SINO); and the gentleman from Arizona (Mr. Rupp).

PERSONAL EXPLANATION

Mr. KRUEGER. Mr. Speaker, on roll-call No. 106, taken on March 29, a motion to adopt in the Committee of the Whole the Walker substitute to H.R. 5045, the Presidential Reorganizational Authority Act, I am listed as voting "aye," when I had intended to vote "no." I ask that the Record reflect my "no"

vote on rollcall No. 106, and that this statement appear in the permanent RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute.)

Mr. RHODES. Mr. Speaker, I have asked for this time to inquire of the distinguished majority leader as to the program for the balance of the week and, presumably, the program for the week following the Easter work period.

Mr. WRIGHT. Mr. Speaker, will the distinguished minority leader yield?

Mr. RHODES. I am happy to yield to the distinguished majority leader.

Mr. WRIGHT. Mr. Speaker, I believe the business for this week has been completed. When the House adjourns today, it will adjourn by prior agreement, to meet on Monday, April 18, at noon.

On that Monday following the home district work period the House will consider one suspension, H.R. 3340, business use of residences for day care service.

On Tuesday, the House will meet at noon. There are no bills scheduled on the Private Calendar. There are three bills scheduled for consideration under suspension, and the votes on these will be postponed until the end of all suspensions. Those three bills are as follows:

H.R. 5864, Amendments to Federal Rules of Criminal Procedure;

H.R. 4836, Commission on New Technological Uses of Copyrighted Material; H.R. 5638, Canadian Fishing Agree-

Following that, the House will consider H.R. 5101, the R. & D. authorization for the Environmental Protection Agency, under an open rule with 1 hour of debate.

On Wednesday, the House will meet at 3 p.m. The bills scheduled for that day would be H.R. 5840, Amendments to Export Administration Act, subject to a rule being granted.

Later on Wednesday, the House and Senate would meet in a joint session to receive the President's energy message.

For Thursday and the balance of the week, the House will meet at 11 a.m. It is planned that we would take up H.R. 5970, the Department of Defense Authorization for Fiscal Year 1978, subject to a rule being granted.

The House will adjourn by 3 p.m. on Fridays, and by 5:30 p.m. on all other days except Wednesdays, as is the rule until May 15.

Of course, conference reports may be brought up at any time, and any further program will be announced later.

Mr. RHODES. Can the gentleman be more precise as to the time that the President's energy message might be received. Will it be in the daytime or evening?

Mr. WRIGHT. If the gentleman will yield further, the majority leader is not possessed of that certain knowledge. It

is possible that the President may choose to come in the afternoon or in the evening. I think, traditionally, we have been willing and anxious to receive the President of the United States whenever he asks to be heard.

Mr. RHODES. I thank the gentleman. Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, if I am not mistaken, the conference report on the bill H.R. 4877, the supplemental appropriation, will be brought up after the work period is concluded. I wonder whether the gentleman from Texas could tell us when that might be brought up.

Mr. WRIGHT. If the gentleman will yield, I will say that it is planned at present that this conference report will come to us on Wednesday, April 20.

Mr. BAUMAN. I thank the gentleman.
Mr. WRIGHT. If the gentleman from
Arizona will yield further, I should like
to wish to all of my colleagues of the
minority party, on behalf of all of us of
the majority party, a pleasant, happy
Easter, and a very pleasant, fruitful, and
productive work period.

Mr. RHODES. I thank the gentleman. I wish to the members of the majority, the distinguished Speaker, the distinguished majority leader and all Members, a very happy Easter and, as the gentleman says, a very happy international work period.

AUTHORIZING SPEAKER TO ACCEPT RESIGNATIONS, TO APPOINT COMMISSIONS, BOARDS AND COMMITTEES NOTWITHSTANDING ADJOURNMENT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Monday, April 18, 1977, the Speaker be authorized to accept resignations, and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

AUTHORIZING CLERK TO RECEIVE MESSAGES FROM SENATE AND AUTHORIZING SPEAKER TO SIGN ENROLLED BILLS AND JOINT RES-OLUTIONS DURING ADJOURN-MENT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Monday, April 18, 1977, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, APRIL 20, 1977

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule on Wednesday, April 20, 1977, be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CREATION OF AGENCY FOR CONSUMER ADVOCACY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95–119)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Government Operations, the Committee on Interstate and Foreign Commerce, and the Committee on the Judiciary, and ordered to be printed:

To the Congress of the United States:

The task of helping consumers understand and shape the powers of their government has become more difficult, and more important, through the years. As the Federal Government has grown, individual citizens have found it harder to learn how and where and when to go to influence the many government decisions which make a difference in their lives. As the technology of our society has become more complex. Congress and the President have delegated more responsibility to regulatory technicians, whose activities affect consumers profoundly but are difficult for average citizens to study, influence, and understand.

For several years there has been a movement in Congress and among the people to create a strong voice in government to speak up for the consumer. Today I am recommending measures which will expand and accelerate that

movement.

The first of these measures is the creation of an Agency for Consumer Advocacy, which will bring to fruition eight years of bipartisan effort in the Congress.

This Agency will be a small, effective group; its purpose will be to plead the consumer's case within the government. It will not require major additions to the government's size or operations; in significant part, it can be established by drawing together resources now scattered throughout the government. It will not be another regulatory agency. Its purpose is to improve the way rules, regulations, and decisions are made and carried out, rather than issuing new rules itself. It will help the Congress and help me search out programs which are inefficient or have outlived their purpose, and will help us correct inequities in programs and procedures which are supposed to protect consumers.

The Agency will aid in the fight against inflation by monitoring governmental actions that unnecessarily raise costs for consumers. Many government activities affect prices: The government establishes

rates, standards and incentives for private businesses to follow, and it is itself a major purchaser of goods and services. In all these areas, the Agency will use its pall these of intervention and of information collection, analysis and dissemination to keep costs down.

By establishing the Agency, the Congress can give new meaning to the phrase "in the interest of consumers" found throughout the United States Code and the Code of Federal Regulations.

The basic format of the Agency for Consumer Advocacy has been refined and perfected in eight years of debate by Congress. I support that framework. In particular, I believe that the following principles should be reflected in a bill

creating the Agency:

First, most government consumer functions should be consolidated in the Agency. The Office of Management and Budget has begun a comprehensive review to help me identify those units that should be transferred to the Agency. This review will also determine how remaining functions in the individual agencies can be strengthened. Of course, I still expect that all Federal agencies will be responsive to the consumer's concerns.

Second, the Administrator of the Agency, like the heads of other executive agencies, should be appointed by the President and serve at his pleasure. The Agency should be subject to the normal executive budget and legislative clearance procedures. Accountability within the executive branch is necessary to ensure that the Agency will be as vigorous and effective as the people expect. It will not undermine the independence of the Agency's representational role.

Third, the Agency should be empowered to intervene or otherwise participate in proceedings before federal agencies, when necessary to assure adequate representation or consumer interests, and in judicial proceedings involving Agency action. The Agency, at its discretion, should be represented by its own lawyers. I will instruct the Administrator to establish responsible priorities for con-

sumer advocacy.

Fourth, the Agency should have its own information-gathering authority, including, under appropriate safeguards, access to information held by other government agencies and private concerns. However, small businesses should be exempt from the Agency's direct information-gathering authority. Additional safeguards should be included to assure that needless burdens are not imposed on businesses or other government agencies.

The Agency for Consumer Advocacy is mainly designed for participation in very large administrative proceedings; it is only one of a number of steps which will better protect the consumer. Members of my Administration, in the months ahead, will comment to the Congress on a variety of these steps. There are three of them I would like to mention now; they are measures which the Congress has been considering, and which I believe would complement the ACA.

The first is legislation to help consumer groups represent themselves in agency and judicial proceedings. I support Congressional efforts to assist citizen groups to participate in the proceedings of Federal agencies, where their participation may lead to a more balanced decision. I also recommend that Congress enact legislation that would give the federal courts more discretion to reimburse litigation costs for plaintiffs who win cases of public importance involving the government.

Second, I support legislation which will give citizens broader standing to initiate suits against the government, in appropriate cases. The government has too often routinely invoked the "standing" defense when it is challenged in court. The Department of Justice will work with my Special Assistant for Consumer Affairs, Esther Peterson, and with the Congress toward legislation to reform this practice.

Third, I support the effort to enable consumers to sue as a class to enforce their rights. Recent court decisions have greatly restricted their ability to do so. I want to expend the opportunities for responsible class actions, starting with violations of consumers' rights. The Department of Justice and Mrs. Peterson will work with the Congress to develop

suitable legislation.

These measures—and the others which members of my Administration will discuss in the months ahead—will enhance the consumer's influence within the government without creating another unwieldy bureaucracy. I believe they will increase confidence in government by demonstrating that government is considering the people's needs in a sensitive and responsive way.

JIMMY CARTER.
THE WHITE HOUSE, April 6, 1977.

COMMUNICATION FROM THE CLERK OF THE HOUSE—SUBPENA TO TESTIFY BEFORE GRAND JURY

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

Washington, D.C., April 6, 1977.

Hon. Thomas P. O'Neill, Jr.,
Speaker, House of Representatives, Washington, D.C.

ton, D.C.

DEAR MR. SPEAKER: On January 6, 1977 I was served with the attached subpoena commanding me to appear before the United States District Court for the Western District of Pennsylvania on January 18, 1977 and to bring with me the documents de-

scribed in the subpoena. By the attached letter dated January 10, 1977 I informed the United States Attorney for the Western District of Pennsylvania that pursuant to the provisions of Resolution 10 no evidence of a documentary character in the possession and under the control of the House of Representatives may be taken from its possession or control except by its permission and, further, that no Member, officer or employee of the House is authorized to produce such evidence except where a proper court has determined upon the materiality and relevancy of specific papers or documents called for in the subpoena. Accordingly, on January 18, 1977, the United States Attorney informed me that the sub-

poena would be postponed.

On March 9, 1977, upon consideration of in camera representations by the United

States Attorney, the Court found the materials subpoenaed under the previously served subpoena to be material and relevant to a pending grand jury investigation of possible violations of Sections 1623, 1001, 2001 of Title 18 of the United States Code.

Pursuant to the provisions of House Resolution 10, I am hereby transmitting the above described documents and the matter is presented for your consideration.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr., Clerk, House of Representatives.

The SPEAKER. Pursuant to the provisions of House Resolution 10, the subpena and order will be printed in the RECORD at this point.

The subpena and order follow: [In the U.S. District Court for the

Western District of Pennsylvania SUBPENA TO TESTIFY BEFORE GRAND JURY, DISTRICT OF COLUMBIA

To: Clerk of House, Records and Registration, Room 1036 Longworth Building, Washington, D.C.

You are hereby commanded to appear in the United States District Court for the Western District of Pennsylvania at 708 U.S. Post Office and Courthouse in the city of Pittsburgh on the 18th day of January 1977 at 9:30 o'clock A.M. to testify before Grand Jury and bring with you all "Reports of Receipts and Expenditures for A Candidate" for Frank M. Clark for the period January 1, 1971 through January 31, 1976.

This subpena is issued on application of the United States of America.

JACK L. WAGNER

Clerk.

Alexander H. Lindsay, Jr., Assistant U.S. Attorney, 633 U.S. Post Office and Courthouse, Pittsburgh, Pa. 15219.

OFFICE OF THE SERGEANT AT ARMS, HOUSE OF REPRESENTATIVES, Washington, D.C., January 10, 1977.

Mr. ALEXANDER H. LINDSAY, Jr., Assistant U.S. Attorney, Office of the U.S. Attorney, U.S. Post Office and Courthouse, Pittsburgh, Pa.

DEAR MR. LINDSAY: This is in respectful answer to the Subpoena To Testify Before Grand Jury issued to the Sergeant-at-Arms of the United States House of Representatives directing him to appear as a witness before the Grand Jury of the Court on January 18, 1977 at 10:00 a.m. and to bring with him the records named therein. Pursuant to the provisions of House Resolution 10. adopted on January 4, 1977, no evidence in the possession and control of the House of Representatives may be taken from such control or possession except by its permission. Furthermore, that resolution provides that no Member, officer, or employee is authorized to produce such evidence except where a proper court has determined upon the materiality and relevancy of specific papers or documents called for in the subpoena. Therefore. I have the honor to transmit herewith a certified engrossed copy of House Resolu-tion 10, in reference to this matter, as a respectful answer to the subpoena duces tecum referred to above.

With kind regards, I am Sincerely,

KENNETH R. HARDING, Sergeant-at-Arms U.S. House of Representatives.

U.S. ATTORNEY. Pittsburgh, Pa., January 18, 1977. EDMUND L. HENSHAW, Jr., Clerk, U.S. House of Representatives, Washington, D.C.

DEAR MR. HENSHAW: We have received your

letter of January 10, 1977, indicating that pursuant to the provision of House Resolution 10 adopted on January 4, 1977, you are unable to comply with a federal grand jury subpoena issued in this district to produce certain documents before the grand jury on January 18, 1977, at 10:00 A.M.

This letter is to inform you that until a decision is made in this office as to what steps will be taken to comply with House Resolution 10 or to enforce the grand jury subpoena, your appearance or the appearance of your representative will be postponed. We will notify you should we decide to enforce the subpoena or comply with House Resolution 10.

Thank you for your cooperation in this matter

Very truly yours,

BLAIR A. GRIFFITH.

U.S. Attorney. By: ALEXANDER H. LINDSAY, Jr., Assistant U.S. Attorney.

U.S. ATTORNEY,
Pittsburgh, Pa., March 15, 1977.
EDMUND L. HENSHAW, Jr.,
Clerk, U.S. House of Representatives, Wash-

ington, D.C.

DEAR MR. HENSHAW: Enclosed herewith please find a certified copy of the Findings of the Court entered by District Judge William Knox on March 9, 1977, in connection with the grand jury subpoena served on you regarding the records of Frank M. Clark.

The grand jury investigation concerns alleged violations of Sections 2001, 1001 and 1623 of Title 18 United States Code, and violations of the various criminal statutes of the tax code.

If I may be of further assistance to you, please feel free to contact me.

Very truly yours

BLAIR A. GRIFFITH, U.S. Attorney. By: ALEXANDER H. LINDSAY, Jr.,

Assistant U.S. Attorney.

[In the U.S. Court for the Western District of Pennsylvania] In re GRAND JURY SUBPOENAS

FINDINGS OF COURT Upon consideration of in camera disclosures made by representatives of the Office of the United States Attorney for the West-ern District of Pennsylvania, it is this 9th day of March, 1977,

Found, that the papers, documentary evidence and materials subpoenaed under subpoenas duces tecum dated December 22, 1976. and addressed to the Clerk of House. Records and Registration, and the Sergeant at Arms, House of Representatives, facsimiles of which are attached hereto are necessary, material and relevant to a pending grand jury investigation in this judicial district and in this

Court for the promotion of justice.
Wherefore, this Court desires that the documentary evidence or certified copies thereof which are the subject of the subpoenas duces tecum be supplied to the federal grand jury, impaneled in this judicial district, or its authorized representative and agent, pursuant to said subpoenas.
WILLIAM W. KNOX.

U.S. District Judge.

HOUSE ETHICS STANDARDS COMPROMISED ALREADY

(Mr. CHARLES H. WILSON of California asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. CHARLES H. WILSON of California. Mr. Speaker, it is with some distress and consternation that I read of actions

taken by the Senate Ethics Committee vesterday to waive a provision of that body's recently adopted code of conduct. It is my understanding that the House Ethics Committee will be issuing a counterpart waiver so that several Members may embark on a visit to the People's Republic of China at the invitation and expense of the Chinese People's Institute of Foreign Affairs.

As we all have been made amply aware, such a trip violates the rule prohibiting Senators and Representatives from accepting gifts of over \$100 from any foreign national acting on behalf of a foreign organization or government. In fact, this Chinese expedition is contrary to the dictates of article I of the Constitution regarding the acceptance of any present or emolument without the consent of Congress, by a person holding any office of profit or trust. The Library of Congress Congressional Research Service has examined the propriety of accepting travel paid by foreign governments under Public Law 89-673 and concluded that

. . would not seem to have been consented the Congress, inasmuch as it is difficult to imagine a foreign trip with a value of than \$50, and trips cannot posited . . . for use and disposal as the property of the United States."

It seems quite ironic to me that one of the initial steps voted by our embryonic Ethics Committees is to compromise the standards we have so diligently and laboriously set for ourselves. The situation is further compounded when one recalls the criticism leveled by media and Members of travel sponsored by private organizations within the Republics of Korea and China.

These foundations, which have never been determined to be government related, invited Members of the House and Senate to their countries for cultural exchanges and for free and unimpeded observation of their domestic programs and policies. Such trips were loudly condemned as a form of direct influence buying by two of our oldest and staunchest allies

And so I must ask myself if this excursion to Red China-financed, choreographed, and dictated by the public-relations-minded Communist Party-does not bear a similar smudge. Evidently exceptions can and will be made for those nations who have worked against democracy and against America's democratic ideals. A technical indulgence will be granted so that the Chinese People's Institute of Foreign Affairs can "show" our delegation the successful striving of workers under post-Maoist socialism. Yet no such consideration could ever be extended to our friends of long standing-whose governments operate under the constant peril of attack by the People's Republic of China.

The citizens of the United States now have a first indication of the way in which Congress will administer its highly touted Code of Ethics: By exception rather than rule; with deference to hypocrisy and prevailing political whim.

I am sure there are others who must share my unhappy sentiments on this less-than-auspicious occasion.

CONGRESSIONAL REFORM JEOP-ARDIZED BY WAIVER OF RULES

(Mr. KETCHUM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KETCHUM. Mr. Speaker, I rise this afternoon to call my colleagues' attention to one of the most underhanded and unethical tactics I have ever wit-

nessed in this Congress.

I am referring to an article in the Washington Post this morning which reported that the Senate Ethics Committee waived a provision in its new ethics code. At its initial meeting, the very first, mind you, committee members waived the rule prohibiting Members from accepting gifts of over \$100 in the aggregate per year so that Senators may visit Communist China as guests of the Government-sponsored Chinese People's Institute of Foreign Affairs.

This sleight-of-hand maneuver was accomplished in order to relieve the fear of our esteemed colleagues who would knowingly violate their rules because the Chinese insist on paying for all arrangements when an official delegation visits their country. In other words, either find a way around the rules or stay at home.

Let me hasten to add that I am not against foreign travel for Members of Congress when on official business and I personally have done so from time to time. But it irks the devil of me to watch an end run around a set of rules that are still wet from the printers' ink.

Further, I am surprised the Senate Judiciary Committee did not grant a waiver to the Constitution which explicitly prohibits the acceptance of gifts from a foreign state. And I do not think there is any doubt as to who is footing

the bill.

The American people should be incensed with this mockery. For months they have ben showered with verbage on how Congress will implement a strong code of ethics. But when the rules become an impediment Congress can waive them. How many ordinary citizens can ignore, let alone think of waiving, the regulations imposed upon them by OSHA, EPA, and the hundreds of other bureaucratic dictators. But hell hath no fury like a legislator if he cannot take a trip abroad.

To our distinguished chairman of the House Ethics Committee, I say, poppycock to writing an advisory opinion exempting such trips or waiving the rules.

We talked about ethics and morality for months and beat the drum for reform. The time has come to practice what we preach and act like ordinary citizens and abide by the law.

INTRODUCTION OF UNIFORM FED-ERAL RESEARCH AND DEVELOP-MENT UTILIZATION ACT OF 1977

(Mr. THORNTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THORNTON. Mr. Speaker, the bill I am introducing today is primarily to establish a uniform Federal system for management, protection, and utilization of the results of federally sponsored scientific and technological research and development.

The issue of a balanced, equitable, and uniform Federal patent policy, and the resultant procurement and licensing practices and their economic impacts have been of continued importance to the Federal Government since the framing of our Constitution.

Article I, section 8, states that it is the responsibility of the Government, "to promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive rights to their respective writings and discoveries." Notwithstanding that mandate, over the years, patent policy has developed primarily on an agency-byagency basis, resulting in many varied and often confusing executive directives, legislative mandates and regulations.

Determining patent rights when an invention is the result of federally funded research has become increasingly complex. The allocation of rights, however, has been under careful scrutiny by several commissions and study groups for at least 30 years. It is a result of their efforts and conclusions that this legislative initiative has been undertaken. In addition to establishing a uniform patent policy for the allocation of rights, a primary emphasis of this legislation is to permit the early development and commercial utilization of resulting inventions. These goals and consistent with public interests, enhancing the probability that useful inventions will reach the marketplace to benefit the public as well as the individual inventor.

"March-in" rights have been incorporated in the legislation to allow the Federal Government to order licensing of a patent where useful inventions are not being actively pursued to commercialization, or to meet other public interest considerations. In addition, in the absence of a declaration of contractor interest, the Federal Government acquires

title for use by the public.

It is of serious concern to me that the legislative branch has failed to act to establish a mechanism whereby the fruits of federally sponsored research and development can move forward with the researcher confident that his rights are protected under a uniform policy. Agency-by-agency determinations have both deterred inventive undertakings by individuals and cost the American public the price of needed scientific and technological advances.

This is a problem with both substantive and procedural issues. The former require careful consideration by the scientific and technological community, the latter are best considered by patent experts dealing with the judicial system.

Thirty years of study have provided the necessary data to write meaningful and judicious legislation. It is time for the Congress to exercise its constitutional responsibility to protect the Natioh's scientists and inventors and the public which ultimately is the beneficiary of technological innovations.

This legislation evolved from careful consideration of the results of years of study and reflects the unselfish and time consuming assistance of many individuals in both the public and private sectors. Members of the Committee on Government Patent Policy, formerly under the Federal Coordinating Council for Science and Technology and currently under the Federal Coordinating Council for Science, Engineering, and Technology's Committee on Intellectual Property and Information were especially helpful in consultation on their findings and potentials for legislative action.

LOWELL NATIONAL CULTURAL PARK BILL

(Mr. TSONGAS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. TSONGAS. Mr. Speaker, in Lowell,

Mass., an old idea promises a new future. The idea is over 150 years old. The idea was to plan and build a new city centered around the manufacture of textiles. They were not talking of one factory. They were not talking about standard methods which took days or weeks to produce a finished article. They did not wonder about how these factories would be financed or powered. They had determined the answers to these questions and were determined to build a different kind of American city. And America would be different because of a city that later became known as Lowell.

The men who stood above the 30foot falls in the Merrimack River, 30 miles north of Boston, saw far beyond the farmlands. They too were different. There is no doubt that they were free enterprise capitalists. There is also no doubt that they practiced corporate benevolence and had a renaissance type vision. They saw, in that 30-foot drop, enough power to run 60 mills and produce more cotton textiles than any other city in the United States. They saw the world's most sophisticated hydropower canal system. They saw a city which bore no resermblance to the industrial horrors of England and France. They saw and eventually built the great brick mills, the 5 miles of canals, a business district, boardinghouses, schools, churches, trolleys, railroads, and parks. They built a city that thousands of people came to see. A city of mills which even Britain's harshest social critic, Charles Dickens, called "clean and comfortable." nowned French civil engineer Michael Chevalier described Lowell as "new and fresh, like a setting at an opera." Scientists, educators, and tourists traveled to see this planned city, this birthplace of the American Industrial Revolution. President Jackson chose to visit Lowell to mark the Nation's 50th anniversary.

At first, Yankee mill girls from New England farms worked in the textile mills. The conditions were good, the pay and the hours were reasonable. The girls went to school and even published their

own newspaper.

In the latter part of the 1800's the immigrants began to come to Lowell. They worked longer hours and for lower wages than would the mill girls. Some immigrants walked as much as 30 miles a day to work in the city. Most settled in Lowell. They settled and sent for their

families. They built their own neighborhoods reflecting both Old World customs and New World lifestyles. Over 20 different ethnic groups were represented in Lowell. At the peak of immigration, in the early 1900's, only 10 percent of Lowell's residents were native-born Lowell's residents

Eventually, mill conditions began to deteriorate. Labor unions began to form. Women led protests over long working hours, low wages and dangerous factory conditions. The original owners and corporate benevolence were gone. There were strikes and there was violence.

The conflicts and tension continued periodically until the great depression. The depression closed Lowell's mills. A one industry city, Lowell's mills were empty, its workers unemployed, and its tradesmen without buyers.

Eventually, perseverence and diversification helped to bring Lowell back, though the city still struggles economically. Ironically, the only memories of the past were the economic scars. Children knew nothing of the significance of their hometown. There was little to be proud of in Lowell.

Yet, the famous past continued to physically engulf the city. The mills remained forming Lowell's skyline. The streets ran along and criss-crossed the canals. The 19th century commercial district remained with original buildings hidden by plastic and paint. The ethnic neighborhoods, restaurants, holidays, and institutions were merely confusing. In fact, the city was confusing. It seemed to have no reason for being or for having been built.

Twelve years ago, a man named Patrick J. Morgan helped to rediscover Lowell's 150-year-old idea. His own parents had come to America from Ireland. Mogan, an educator, became involved with the local model cities program. He argued against tearing down the physical links to the past. He saw those links as important and exciting. He saw the mills, canals, and the people. He was not ashamed of Lowell. Pat Morgan spoke of the reasons behind the findings of Lowell. Of the farmland, the founders. their system, the mill girls, the immigrants, the way of life. These roots made people see themselves and their city differently. Suddenly, Lowell made sense. The city had rediscovered its identity from its history and culture. The significant role it had played in America's modern day development became important, Lowell had rediscovered an old idea

Many persons played a role in this process, in Lowell and outside of the city. My predecessors F. Bradford Morse and Paul W. Cronin; Senators Kennedy and Brooke. Many Members of Congress kept the Lowell story alive, former Congressman Roy Taylor, Congressmen SIDNEY YATES, MORRIS UDALL, and KEITH SEBELIUS. House Speaker Thomas P. O'NEILL, JR., provided two important contributions: guidance and Thomas P. O'Neill, III, the Lieutenant Governor of Massachusetts and Chairman of the Lowell Historic Canal District Commission. This Federal, State, local commission, created by Public Law 93-645, has

provided a plan for the preservation of Lowell and the Lowell story. I have today officially presented this report to the Congress on behalf of the Commission. Massachusetts Governor Dukakis has lent his strong support and committed \$9 million to Lowell's restoration. Scores of city officials also deserve credit. And the people of Lowell cannot again be forgotten. A city searching for and finding its past is a magnificent experience. Even those who cannot trace their roots to Lowell have become involved in this process. This has produced remarkable unanimity in the city.

Lowell's idea is the old Lowell. So it is this idea that I speak of today. Too many of us have ignored these kind of ideas and this American story. Consequently, we are left with questions that we have trouble answering: What does America mean? How did we get here? Who are we? We are left with personal questions about our families and their heritage of working and living in America. Lowell provides an extraordinary opportunity for all of us to find answers to these questions.

A LOWELL NATIONAL CULTURAL PARK

Today I am introducing legislation to establish a Lowell National Cultural Park. I consider this among the greatest honors that I have had as a Member of the Congress.

The Lowell National Cultural Park plan is based upon the recommendations of the Lowell Historic Canal District Commission, charged by the Congress to prepare a "plan for the preservation, interpretation, development, and use of the historic, cultural, and architectural resources * * * of Lowell, Mass."

The national park that would be established by this legislation tells the story of working and living in America as it entered the industrial revolution and the modern era. And Lowell tells the story of free enterprise, science and technology, and of immigration. Lowell tells the story of an often forgotten American Revolution which significantly affected the way we live.

This bill calls attention to a story not told in books alone, but in the mills, on the canals, in the boarding houses, the court yards, the markets, and in the neighborhoods by the people themselves. It is a living story. But it is a story in danger of being lost, physically lost, for all time. The physical structures and artifacts that symbolize the American industrial revolution cannot be preserved without a commitment from the Congress and Federal Government, Despite State and local contributions, Federal recognition, resources, and knowhow are essential.

The goal of this bill is cooperative preservation and interpretation of Lowell and America's story.

So I speak for 12 years of planning. I speak for hundreds of people who kept this vision alive. I speak for one-half million people in the Fifth District of Massachusetts. And I believe I speak for a majority of more than 200 million people represented in this House Chamber who believe that the past is important.

This story, this past, this national heritage must be saved. The Lowell Na-

tional Cultural Park bill can accomplish this objective in a creative and fiscally responsible manner.

I seek your support for an old idea. I seek your support for the past.

For only the knowledge and the value of the past can give meaning to the fu-

FOREIGN PAYMENT FOR TRIP TO CHINA BY MEMBERS OF THE HOUSE FORBIDDEN

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, as a member of the House Commission on Administrative Review, who helped to draft the ethics proposals which were adopted by the House, I can say that it is this one Member's opinion that the code of ethics now in effect forbids the acceptance by Members of this House of the gift of travel expenses from foreign governments such as those being offered by Red China for Members of this Congress. Article I of the Constitution also forbids the acceptance of such foreign

If indeed these Members accept the gifts they may well be in violation of our rules and the law and subject to censure by the House of Representatives. Complaints could be filed against them with the Committee on Standards of Official Conduct.

I do not understand that any committee of the House has any power to waive these rules or the Constitution and in this instance they cannot be waived. I would suspect that any Member who plans to take these trips under these circumstances ought to reconsider.

At this point I include in my remarks an advisory opinion issued by the House Committee on Standards of Official Conduct:

ADVISORY OPINION No. 3

Issued June 26, 1974 on the subject of foreign travel by Members and employees of the House of Representatives at the expense of foreign governments.

REASON FOR ISSUANCE

The Committee has received a number of requests from Members and employees of the House for guidance and advice regarding acceptance of trips to foreign countries, expenses of which are borne by the host country or some agent or instrumentality of it.

The Committee is advised that similar inquiries recently have been put to the Department of State with respect to other Federal employees.

In order to provide widest possible dissemination to views expressed in response to the requests, and to coordinate with statements likely to be forthcoming from other areas of the Federal government in this regard, this general advisory opinion is respectfully offered.

BACKGROUND

The United States Constitution, at Article

I, Section 9, Clause 8, holds that:
"No Title of Nobility shall be granted by
the United States: And no Person holding any Office of Profit or Trust under them, shall without the Consent of the Congress, accept of any present, Emolument, Office, or Title, of any kind whatever, from any King, Prince, or foreign State."

This provision, described as stemming from a "just jealousy of foreign influence of every sort," extremely broad as to whom it covers, as well as to the "presents" or "emoluments" it prohibits—speaking of the latter as of any kind whatever. (emphasis provided)

It is narrow only in the sense that the framers, aware that social or diplomatic protocols could compel some less than absolute observance of a prohibition on the receipt or exchange of gifts, provided for specific exceptions with "the consent of the Con-

gress."

Congress dealt from time to time with these exceptions through public and private bills addressed to specific situations, and dealt generally, commencing in 1881, with the overall question of management of foreign gifts.

In 1966 Congress passed the latest and the existing Public Law 89-673, "an Act to grant the consent of Congress to the acceptance of certain gifts and decorations from foreign governments." That law is presently codified at title 5, United States Code, section 7342, a copy of which is attached.

The law is quite explicit in virtually all particulars, save whether the expense of a trip paid for by a foreign government is a "... present or thing, other than a decoration, tendered by or received from a foreign government; ..."

It is on this point that this Opinion lies.

BASIS OF AUTHORITY FOR OPINION

Since this matter impinges equally on all Federal employees, the Committee sought advice from the Comptroller General as legal adviser to the Congress, and from the Secretary of State as the implementing authority over 5 U.S.C. 7342.

Copies of their official responses are attached to this Opinion.

SUMMARY OPINION

It is the opinion of this Committee, on its own initiative and with the advice of the Comptroller General and the Assistant Secretary of State, that acceptance of travel or living expenses in specie or in kind by a Member or employee of the House of Representatives from any foreign government, official agent or representative thereof is not consented to in 5 U.S.C. 7342, and is, therefore, prohibited. This prohibition applies also to the family and household of Members and employees of the House of Representatives.

SSI BENEFITS TO ALIENS

(Mr. DON H. CLAUSEN asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. DON H. CLAUSEN. Mr. Speaker, a very genuine concern has been expressed by many of my constituents regarding the eligibility of aliens for supplemental security income, SSI, benefits after having been in the United States for only 30 days.

It is my understanding that in order to be eligible for SSI, an individual must be aged—65 years of age or older—blind, or disabled. In addition that person must be a resident of the United States and be either a citizen or an "alien lawfully admitted for permanent residence in the United States." In addition, the individual must reside in the United States for a period of 30 days.

Consequently, elderly and disabled immigrants have been able to obtain SSI benefits almost instantly and subsequently have been able to qualify for free medical care under their State welfare programs.

The concern being expressed by my constituents centers around both the cost of providing these immigrants with benefits as well as the fairness to the individual who has been a citizen and taxpayer of the United States all of his or her life.

The precise cost is not yet known but estimates are that \$300 to \$400 million dollars is being paid out in benefits to aliens. By channeling this money to this purpose, we deny ourselves the opportunity to use it to benefit needy citizens of the United States.

A number of my constituents have quite properly raised this point calling it a "ripoff" of the hard-working tax-payers of the United States. In all candor, they resent it very much At the same time everyone agrees that our own U.S. citizens who are eligible should be adequately taken care of.

Therefore, I urge the House Ways and Means Committee to give this matter prompt attention and the kind of investigation that would develop a factual base for change. This investigation will focus attention on the problem so that the best legislative and administrative talents can be drawn on to find the most equitable and reasonable solution to the problem.

LEGISLATION PROVIDING EARLY RETIREMENT TO EMPLOYEES OF BIA AND IHS

The SPEAKER. Under a previous order of the House, the gentleman from Alaska (Mr. Young) is recognized for 10 minutes.

Mr. YOUNG of Alaska. Mr. Speaker, I am today introducing in the House of Representatives legislation to provide for outplacement and an early retirement option to employees of the BIA and IHS who have been adversely affected by the application of Federal laws requiring employment preference to Indians.

The IRA of 1934 established the Indian preference policy for both recruitment and subsequent personnel action, but the BIA and IHS did not enforce the policy beyond initial hiring action until 1972. In that year, the BIA extended the application of Indian preference-section 12 of the IRA of 1934—to promotion. lateral transfers and reassignments, as well as to initial hiring. The validity of this policy and its application to all personnel actions has been upheld in two court decisions: a U.S. district court decision in 1972-Freeman against Morton-and an 8-0 decision of the Supreme Court in 1974-Morton against Mancari-which upheld the constitutionality of Indian preference statutes on grounds that they are valid employment criteria intended by Congress to assist Indians in gaining greater control over the agencies that dominate their lives.

The upshot of the court decisions is that non-Indian employees find themselves in a unique situation: They accepted employment with the understanding that they would have full competitive status within the Indian agencies, but now they are virtually frozen at present job levels with little or no opportunity for career advancement. The frustration and discouragement felt by these loud and clear in the many constituent letters I have received about the situation. Although some employees have found suitable employment outside BIA or IHS and continue their careers with a minimum of interruption, many have not.

Some BIA and IHS positions have no counterpart in other Federal agencies, especially positions at higher grade levels and those requiring unique specialties. Individuals in such positions are demoralized at the prospect of facing the rest of their professional lives with little or no promotion potential. Meanwhile, ambitious, highly motivated and qualified Indians must wait for non-Indians to vacate key positions. For both groups, it is a very frustrating situation, counterproductive to the goals of Indian self-determination and greater Indian participation in and control over the BIA and IHS.

My bill would provide a measure of equity for the non-Indian employee by allowing him to retire earlier than normally. At the same time, it would provide job openings that qualified Indians are eager to fill. The bill authorizes increased retirement annuities to non-Indian employees of the BIA and IHS who will have completed 20 years of service as of December 31, 1984, and who are not currently otherwise eligible for full retirement benefits under civil service regulations. It will thus assist those long-term employees whose careers are at a standstill as a result of Indian preference. On the other hand, it will further the cause of Indian self-determination by encouraging non-Indians to retire earlier.

Last year the House and Senate passed different versions of an early retirement bill. The House bill included an outplacement program; the Senate bill did not. The House bill would have increased the unfunded liability of the civil service retirement fund by an estimated \$25 million; the Senate bill would have increased it by an estimated \$136 million. Unfortunately, the conference report on the final bill was a product of a conference that never met. That report adopted the Senate-passed bill in its entirety. President Ford subsequently vetoed this less acceptable and more costly version.

The bill I am introducing is identical to the bill passed by the House last year, H.R. 5465. I believe this legislation is still the best available remedy to the acute personnel problems caused by strict application of the Indian preference laws. Hopefully, the new administration and the Senate will agree. I therefore urge the appropriate House committee to give this legislation speedy and favorable consideration.

A PERMANENT REDUCTION IN TAX RATES IS THE BEST WAY TO REVITALIZE THE NORTHEAST

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, in recent months there has been a considerable amount of discussion about economic problems in the older industrialized States of the Northeast United States. As a Representative from New York, which is one of the most seriously depressed States in the Northeast, I am vitally interested in Federal Government policies which can help reverse this situation.

I am convinced that the best thing which the Congress can do to help New York and the other States of the Northeast without punishing other States is to permanently reduce personal income tax rates. Therefore, I am introducing legislation today which will exactly du-plicate President Kennedy's tax cut of the early 1960's. It reduces all individual income rates by approximately 28 percent, reduces the corporate tax rate by 2 points, and for small business increases the corporate surtax exemption to \$200,-

I believe that this will not only stimulate production in the U.S. economy, but does so in a sound, noninflationary manner. This will be especially helpful to the Northeast, in contrast to President Carter's \$50 rebate plan, which only subsidizes the Sunbelt at the expense of the

There are several reasons why the administration's plan will be harmful to the Northeast. These reasons have recently been brought to public attention by Mr. Warren Brookes of the Boston Herald American. He has calculated that since President Carter's rebate will go to every man, woman, and child in families with incomes below \$30,000, this means that States where poverty and family size are high, and the number of taxpayers per family are low, will automatically get more money for their tax dollar than States where family size is low, where there are more wage earners and taxpayers per family, and more high wage earners

Therefore, since families in the sunbelt tend to have larger families, a higher percentage of nontaxpaying dependents per 1,000, and a lower percentage of families over the \$30,000 bracket than States in the Northeast, this means that more of the rebates will be going to people in the sunbelt. Mr. Brookes estimates that this will result in a net loss of over \$700 million for the Northeast.

Furthermore, because money for the rebate will have to be borrowed from the Nation's capital markets, due to the fact that the Federal Government is running deficit, this will largely affect the Northeast, because this is where most of the Nation's capital is located. And because the cost of living is considerably lower in the sunbelt, the rebate itself will be worth substantially more there than in the Northeast.

By contrast, a program of general tax rate reduction would be especially beneficial to the Northeast because it is the most heavily taxed area of the country. New York is a case in point. In 1974 the per capita tax burden was \$952 for all State and local taxes. By contrast, the average State and local tax burden for

the United States was only \$618. And of the 10 lowest-taxed States in the country, virtually all are located in the South. For example, the per capita State and local tax burden in Alabama was \$383, Arkansas \$384, South Carolina \$422, Tennessee \$424, Mississippi \$425, Oklahoma \$428, Kentucky \$441, West Virginia \$450, North Carolina \$461, and Texas \$467. It is no coincidence that these are the most rapidly expanding States in the country in terms of jobs.

An example of how bad things can really get is New York City. There the local tax burden was \$566 in 1974. When you add to this the per capita State tax of \$952 you come up with the staggering sum of \$1,329 in total State and local taxes. Consequently, it is not surprising that the city has lost 468,000 jobs since 1970. And manufacturing employment is dropping at the rate of 48,000 jobs per year-a total of 527,800 since 1969. The following chart summarizes the job situation:

Composition of New York City employment changes 1969-73 by industry and sector

	Employment change	Percent
Private sector wage	The Paris	
and salary em-		
ployment	-310,589	-9.1
Manufacturing	-169,590	-20.5
Trade	-60,548	-7.9
Finance, insur- ance, and real		
estate	-35,438	-7.3
Transportation, communica-		
tion, etc	-30, 869	-9.3
Services	-13,177	-1.4
Others	-967	9
Proprietors	19, 265	9.1
Government	26, 544	4.9
Federal	-16, 735	-14.7
State and local	43, 279	10.1

Source: Regional Economics Information System, Bureau of Economic Analysis, Department of Commerce.

The decline in manufacturing jobs is particularly significant. Between 1950 and 1975 over one-half of all the city's manufacturing jobs were lost. This, in turn, has resulted in a considerable loss in city revenues, as the following table demonstrates:

Estimated New York City revenues per manufacturing employee: 1976

Estir	nated
re	venue
	per
Type of revenue: emp	oloyee
City income tax	\$115
City sales tax1	135
Miscellaneous city taxes	15
Bus and subway tolls based on an as-	
sumed average of 400 rides per year 2	200
Residential property taxes assuming	0.00
an average assessment of \$3,300 per	
employee's family	300
Total city personal taxes per	1

Total city taxes per employee __ 1,395 With adjustment for difference from state sales tax, i.e., parking tax, entertainment tax, tax on services, etc.

City business taxes per employee s ___

employee

While bus and subway fares are not tech-

630

nically taxes, the City's subsidization of the transit system gives them that effect.

Included with these taxes are the fees and charges, especially water charges, levied on manufacturers in New York City.

Source: Temporary Commission on City Finances.

This loss in revenues then exacerbates the very thing which led to the loss of jobs in the first place: high tax rates. The following list shows that the history of taxes on manufacturing in New York City is one continuous upward trend:

1946 Gross receipts tax doubled to 1/10 of 1 percent.

1946 City sales tax doubled to 2 percent. 1948 Gross receipts tax doubled again to

1/5 of 1 percent. 1951 City sales tax increased to 3 percent. 1955 Gross receipts tax increased to ¼ of 1 percent.

1959 Gross receipts tax increased to 2/5 of 1 percent.

1960 Commercial motor vehicle tax imposed

1963 City sales tax increased to 4 percent. 1963 City commercial rent occupancy tax

imposed at 5 percent. 1965 City sales tax decreased to 3 percent.

1965 State sales tax imposed at 2 percent, exempting machinery, equipment, fuel and

1966 Gross receipts tax replaced with the general corporation (business income) tax at 5.5 percent.

1970 City commercial rent occupancy tax increased to 7.5 percent.
1971 General corporation (business in-

come) tax increased to 6.7 percent.

1974 City sales tax increased to 4 percent. General corporation (business income) tax increased to 10.05 percent.

Thus the city is continually attempting to increase its revenues by raising taxes on a smaller economic base to the point where it has clearly become counterproductive. The General Accounting Office recently estimated that any attempt by the city to raise taxes in order to balance its budget will actually reduce future revenues:

Changes in the City's revenues and expenditures affect its economic base and vice versa. The tax revenues depend upon the City's choice of tax base and tax rate, which are applied to the income or wealth of individuals and businesses. Increases in economic activity generate increases in income and wealth, which in turn generate increased revenues from several sources: personal income tax, corporate income tax, sales tax, and, with a lag, property tax. Increases in economic activity also tend to generate decreases in unemployment compensation and other categories of public assistance.

This interrelatedness between the budget and the economy is critical to any policy decision. Budgetary decisions have both direct and indirect effects on the economy. A City action to raise taxes to balance its budget in a given year may or may not ac-complish its stated goal for that year; but it may also affect the tax base in later years. This indirect effect may actually lead to smaller future revenues—a result counter to the purpose of the short-run action.

Conversely, the mayor's temporary commission on city finances recently concluded that a reduction in taxes would actually increase tax revenues. It said that if the following modest program of tax reduction on manufacturing industries were implemented, it would pay for itself within 3 years:

1. The general corporation (business income) tax as it applies to manufacturers should be reduced from 10.05 percent to percent.

2. The 4 percent sales tax on the purchase of machinery, equipment, fuel and utilities should be eliminated.

3. A 5 percent investment credit against general corporation (business income) tax should be instituted for the purchase of new manufacturing machinery, equipment and structures.

4. The commercial rent occupancy tax should be reduced from its present effective rate of almost 7.5 percent to a flat 2.5 percent on all rentals in excess of \$1,000 per

5. The exemptions from the property tax for newly constructed manufacturing facilities provided under the recently enacted Padovan-Steingut legislation should be increased to 95 percent of the assessed value added to the property, declining by 5 percent annually over 19 years from the present 50 percent exemption which declines by 5 percent annually over 10 years.

On the other hand, if this program is not enacted, manufacturing can be expected to continue its outward exodus to lower-taxed areas of the sunbelt and lead to a loss in revenues of more than \$90 million per year within 3 years.

Now it is possible to see how a tax reduction on the Federal level can have particularly beneficial effects for New York City and New York State. As I noted earlier, New York City residents have a combined State and local tax burden of \$1,329 per capita and New York State residents a burden of \$962 per capita. In order to get the full picture, however, one must add to this the per capita Federal tax burden, which is \$874. This means that New York State residents are paying approximately \$1,826 per capita in total taxes and New York City residents are paying \$2,203 per capita. By comparison, the average for the United States is \$1,492 per capita.

Consequently, a substantial reduction in Federal tax rates would go a long way toward eliminating the disincentives to investment, production, and job creation which presently exist in the overtaxed Northeast. By immediately increasing the aftertax reward for work and investment, there will be an immediate incentive for businesses to expand plant capacity and employment. Workers will immediately increase their takehome pay. And billions of dollars of capital will be released for investment.

Since the Northeast is still the most heavily industrialized area of the country, any expansion of production generally will have to have significant impact here. It cannot be broken down geographically, but my tax reduction proposal is estimated by the Congressional Budget Office to add \$74 billion to the Nation's GNP by the end of 1978 and \$121 billion by the end of 1979. This translates into 1,460,000 jobs by the end of 1978 and 2,340,000 by the end of 1979, according to the CBO.

I hope that my colleagues in the Northeast will pay especially close attention to my remarks today and join me in cosponsoring this legislation. It is the best thing they can hope to do on the Federal level to help their own districts.

At this point I would like to include with my remarks the article by Warren Brookes referred to earlier from the Boston Herald American of March 20, 1977, which relates to another tax reduction proposal of mine, and an editorial from the Wall Street Journal of December 12, 1976, entitled, "Sunbelts and Snowbelts":

SUNBELTS AND SNOWBELTS

Our award for the most overblown political issue of 1976 goes to the Sunbelt-Snowbelt Theory, an idea that gripped the minds and hearts of Northeast politicians soon after it was advanced in the June 26 issue of The National Journal. The magazine conducted a study that concluded that "there is a massive flow of wealth from the Northeast and Midwest to the faster-growing West and South."

What got the adrenalin pumping among snowbelt mayors and governors was the further conclusion that the "massive flow" being directed by the federal government, which seemed to be siphoning tax dollars out of the North and sending them South and West. By the NJ's calculations, the five Great Lakes states are hurt the worst, last year sending \$62.2 billion to Washington and getting only \$43.6 billion back. New York, New Jersey and Pennsylvania had a net loss of \$10 billion. The Southern states gained \$11.5 billion and the Western states gained

It all sounds terribly unfair and if you don't think about it very hard, which is standard procedure among politicians, it may even be the cause of the decline of the North and rise of the Sunbelt. The numbers though, are trivial, given the size of the U.S. economy. Gross National Product these days is \$1.8 trillion, which is \$1.8 thousand billion. In context, \$10 billion is hardly massive.

But even accepting the idea that \$10 billion is not to be sneezed at, there is no evidence that the \$10 billion or so that is sent South is spent there.

Here is Grandma and Grandpa Jones who vorked all their lives in Pottsville, Pa., drawing Social Security checks in St. Petersburg, Fla. Their children are working in Pottsville, Detroit and Trenton, N.J., each sending their Social Security taxes to Washington. By these accounts, there is a flow of funds from Pennsylvania, Michigan and New Jersey to Florida.

But when Grandma and Grandpa Jones get their check, what do they do with it? They make a payment on their Chevrolet, made in Detroit, and a payment on their mobile home, made in Pine Grove, Pa., and a month's worth of pharmaceuticals made in New Jersey. By these accounts, there is a massive flow of funds from the Sunbelt to the Snowbelt.

The point being that any study on the incidence of taxation or the incidence of spending is of little value, for what is important to public policy is the burden of taxing and spending. Does the profits tax that General Motors sends to Washington come out of Michigan? Or is it collected by GM in the price of autos as they are sold throughout the nation, selling faster these days in the more rapidly growing South and West? And does the paycheck sent to the San Diego sailor stay in San Diego, or does it bounce back to Kansas wheat and Kentucky bourbon?

We're almost sorry to have to point up the economic foolishness of the Sunbelt-Snowbelt Theory. If it were valid, after all, we could point to it as further evidence that federal taxes and spending must be reduced. Isn't it clear that if Ronald Reagan's famous to cut federal taxes and spending by \$100 billion were enacted, the Snowbelt states would benefit most, because the Snowbelt pays more of the taxes and the Sunbelt gets more of the spending? Why didn't the Northern mayors and governors embrace the Reagan plan?

As it is, here are these same Snowbelt politicians-New York City Mayor Beame in the forefront-beating on Jimmy Carter to boost spending instead of cutting taxes to stimulate the economy. If Mayor Beame believes the theory, he's acting irrationally, for if spending remains the same and taxes are cut, the Snowbelt benefits relative to the Sunbelt. Right?

Somebody should tell Mayor Beame a little secret. The federal policy that would maximize benefits to New York City relative to the rest of the nation would be an across-theboard reduction in federal tax rates on personal incomes. It costs more to live in New York City than anywhere else, doesn't it? Wages and salaries have to be considerably higher in New York to yield the same aftertax purchasing power as in Birmingham, say, or Dallas. Which means the New York carpenter, salesman, dentist is in a higher tax bracket than his counterpart in the Sunbelt, and a percentage cut in rates for all federal taxpayers gives a bigger break to New Yorkers than to any others, with the possible exceptions of Hawaiians and Alaskans.

But this makes too much sense. The Sunbelt-Snowbelt Theory and its single-entry bookkeeping flaws is so much better suited to the redistributional instincts of the politicians of the Northeast. It was all the rage this year and no doubt it will be back bigger than ever in 1977.

CARTER'S TAX PLAN IS A RIPOFF FOR THE NORTHEAST

(By Warren T. Brookes)

With all due respect to Congressman Michael Harrington, who is a very likeable and hard working fellow, his "Northeast Economic Coalition" is turning out to be something of a joke.

Why?

Because with every passing vote, the Massachusetts Congressional delegation is doing more new economic damage to this region than the coalition can ever correct.

How so?

Let us take (for just one prime example) the recent vote in the House on Jimmy Carter's so-called "economic stimulus package."

Our intrepid delegation had their choice between the Carter "Quick Fix" Tax Rebate program and a permanent tax cut proposal made by Congressman Jack Kemp of New York.

All but four of these high paid folks of ours chose the Carter package, providing that either they have an economic death wish, or they can't add and subtract.

Only two of the ten democrats, Burke and Early, had the good judgment to see that the Carter Tax Rebate plan was a terrible "rip for the Northeast.

Indeed, the whole Carter proposal should be labeled the "Sunbelt Stimulation Act of

Why?

FIGURE IT OUT FOR YOURSELF

The Carter proposal calls for a \$50 cash rebate to every man, woman and child in families with incomes below \$25,000 and nothing for families over \$30,000.

This means that states were poverty and family size are high, and the number of taxpayers per family are low, will automatically more money for their tax dollar than states where family size is low and where there are more wage earners and taxpayers per family, and more high wage earners.

Now it just so happens that the Sunbelt states have a much higher family size than we do (3.5 versus 3.1 for Massachusetts) and a much lower number of taxpayers per family than we do (1.5 Sunbelt versus 1.8 in Massachusetts).

This means that the Sunbelt states have on average about 12-16 percent more nontaxpaying dependents per 1000 population than we do. These states also have more than twice as many non-taxpaying poverty fam-

ilies as we do (15.6 percent below the poverty line in the Southeast compared with 6.7 percent in Massachusetts)

Conversely, the Sunbelt states in the Southeast have a much lower percentage of families over the \$30,000 bracket than we do (2.9 percent for the Southeast versus 3.8 percent for Massachusetts)

What does all this really mean?

Very simply, there will be about 16 percent more non-taxpaying rebate receivers in the Southeast than here in Massachusetts, and about 40 percent more people will receive no tax rebate at all in Massachusetts than in the average Sunbelt state.

In sum, the Tax Rebate plan is a huge "rip off" for Massachusetts and a nice stimulus

for the Sunbelt.

Our own estimate is that in terms of "tax share," the outflow of funds on this program alone will be over \$700 million from the Northeast and for Massachusetts a loss of between \$80-110 million.

NICE WORK, FELLOWS

What makes this whole mess more ludicrous is the fact that the tax rebate will be financed largely out of the Northeast's own job starved capital markets, Boston, New York, Philadelphia, etc.

This is partly because that's where most of the nation's capital is, and partly because in the slower moving, older economies of the Northeast, 5 percent risk-free U.S. Treasury bonds are much more attractive than

private investments. But this isn't all.

The cost of living in Massachusetts is 18 percent above the U.S. median, while the cost of living in the Sunbelt is about nine percent below. The result is that the \$50 rebate will be worth about 27 percent more to the Sunbelt receiver than to the Massachusetts resident, and that much more valuable to that economy than to ours.

THERE'S STILL MORE

The Carter package also includes a special "tax incentive" to businesses that hire new workers, but the hitch is that the incentive only applies to jobs added above and beyond

a "normal three percent increase."

Now ask yourself "Where is the job growth rate already well above three percent a year?"
You guessed it, the Sunbelt. Now where is the average job growth rate the lowest in the country (under 1 percent)? Massachusetts and New York.

Who is going to get the most tax credits for job creation? The answer is obvious—the Sunbelt. Who is going to get almost nothing from this \$2 billion part of the program? Massachusetts and New York.

The fact that eight of our ten democrats (including Mr. Harrington) voted for this incredibly bad program shows they have not

been doing their homework

They do not understand that one of the biggest problems facing our region is the lack of capital investment, and the main reason for this is that we have the highest taxes on income and investment of any region, and the poorest return compared with the Sunbelt.

Every time the federal government spends more and inflates more, this differential gets even worse, because inflation drives up our tax rates, while driving down our investment

Thus, like elderly people living on relatively fixed incomes, the older industrialized regions pay most fiercely for all federal government spending, taxation and inflation.

The Sunbelt states, on the other hand, are less hurt by federal spending, inflation and taxation, because their lower-taxed economies are growing even faster, and their plants and equipment are newer, requiring less in-flated replacement.

Obviously, the only possible way to reduce this terrible and growing disparity between

the Sunbelt and the Northeast is to cut federal taxation permanently for all levels of income.

This is why a very savvy, young congress-man named Jack Kemp, a Republican from a very depressed industrial area of New York, borrowed a leaf from the late President John F. Kennedy.

Sixteen years ago, when this nation was struggling with 6.6 percent unemployment and sluggish growth, President Kennedy got some sound advice from Germany: Cut all your tax rates permanently and turn loose your private sector.

He did—and it worked spectacularly well. From 1962 to 1967, this nation enjoyed its best five years of economic growth in history and its lowest inflation and unemployment

During that period we had the highest level of capital investment in modern history and the fastest growth in real personal income.

It worked, because everyone at all levels of the income was encouraged to save more, invest more, and work harder. And, incidentally, despite much lower rates, tax revenues rose and deficits disappeared.

Now Congressman Kemp wants to do more of the same thing. He points out that because of inflation our federal taxes have been rising. even though rates have been the same.

This year 34 percent will pay at the 30 percent marginal tax rate, compared with only three percent just 15 years ago.

Furthermore, if Congress doesn't act, there will be a 25-30 percent increase in tax rates for all Americans by 1981, just because in-flation is pushing us all into higher brackets.

Kemp understands that the impact of this taxflation" will fall most heavily on his region, the Northeast, and particularly on the capital-starved economy of Massachusetts. So, he proposed an across-the-board per-

manent tax cut for individuals and businesses, as opposed to a quickie transfer-type cash rebate

It was the perfect economic approach to our region's problems, but only two wise Mass. Democrats (Early and Burke) could bring themselves to join the two Republicans (Conte, Heckler) to support it. All the rest vent along with the same old tired approach that has drained the Northeast into the Sun-

belt for years. That's why Congressman Harrington should stop kidding us with his Northeast Regional Coalition. As long as he and our congressional delegation vote the way they do, it's nothing but public relations cosmetics.

AUTOMOTIVE TRANSPORT SEARCH AND DEVELOPMENT ACT OF 1977

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. Brown) is recognized for 10 minutes

Mr. BROWN of California. Mr. Speaker, I take this time to make some brief remarks on the Automotive Transport Research and Development Act of 1977, which very nearly became law last year, and is pending before this body now. This legislation, originally introduced as H.R. 784, was sent to President Ford late last year, where it was vetoed in the last days of the session. The House promptly overrode the veto of that bill, but the Senate failed to muster the twothirds majority needed for passage. H.R. 784 is currently before the Committee on Science and Technology, where it is expected to receive prompt attention.

The importance of this legislation grows every day as the problems with imported oil become more apparent, the

need to develop more efficient motor vehicles becomes more obvious, and the need to maintain air quality and automotive safety requirements remains a major national goal. The Automotive Transport Research and Development Act would not eliminate the need for fuel economy or auto emission standards, nor would it relieve the automobile companies of the responsibility to make major investments in new technologies. What it would do is guarantee that the technology needed to meet these various requirements would be available when needed. Every day that passes without action postpones the day when that technology, which is feasible but not yet developed, would be available.

Mr. Speaker, I have spoken many, many times in the past about the need for a vigorous and comprehensive energy conservation program, and I have sponsored or cosponsored dozens of bills which would contribute to this goal. H.R. 784, the Automotive Transport Research and Development Act of 1977 is one of the most important pieces of energy conservation from the last Congress that has not yet become law. I would be happy to document the need for this bill to anyone who asks, and I would certainly recommend the committee reports on this bill to any possible skeptics. As the prime author of this legislation, in its various forms, for the past 4 years, I have no doubts that the merits of the proposal are now understood by those most concerned.

At this time, I wish to list the cosponsors of this bill and the identical versions of it which have been introduced this year. I would like to especially note the constant support and help this proposal has received from the chairman of the Science and Technology Committee, OLIN E. TEAGUE, and the chairman of the subcommittee involved, MIKE McCor-MACK.

The cosponsors follow:

LIST OF COSPONSORS FOR AUTOMOTIVE TRANS-PORT RESEARCH AND DEVELOPMENT ACT OF

George E. Brown, Jr. of California. Mike McCormack of Washington. Olin E. Teague of Texas. Don Fuqua of Florida. Dale Milford of Texas. Ray Thornton of Arkansas. Marilyn Lloyd of Tennessee. David Emery of Maine. Charles H. Wilson of California. Joe Moakley of Massachusetts. John J. Duncan of Tennessee. Robert F. Drinan of Massachusetts. Charles J. Carney of Ohio, Romano L. Mazzoli of Kentucky. William J. Hughes, of New Jersey. Helen S. Meyner of New Jersey. Paul N. McCloskey, Jr. of California. Gerry E. Studds of Massachusetts. Austin Murphy of Pennsylvania. Bob Edgar of Pennsylvania. Harold C. Hollenbeck of New Jersey. John M. Murphy of New York. John Convers. Jr. of Michigan. Richard L. Ottinger of New York. Daniel J. Flood of Pennsylvania. James J. Jeffords of Vermont. James J. Howard of New Jersey William Lehman of Florida. John Breckinridge of Kentucky. Christopher J. Dodd of Connecticut. Jerome A. Ambro of New York. Tom Harkins of Iowa. Frederick Richmond of New York. Henry Waxman of California.

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Timothy Wirth of Colorado. Gary Myers of Pennsylvania Joseph A. Le Fante of New Jersey. Carlos J. Moorhead of California Mark W. Hannaford of California. Donald J. Mitchell of New York. Gladys Spellman of Maryland. Larry Winn, Jr. of Kansas. Frank E. Evans of Colorado. Andrew Maguire of New Jersey. Paul Simon of Illinois. Bruce F. Vento of Minnesota. Peter H. Kostmayer of Pennsylvania. Joshua Eilberg of Pennsylvania. Steven Neal of North Carolina. Lester L. Wolff of New York. Abner J. Mikva of Illinois. Robert Duncan of Oregon. Don Edwards of California. Cecil Heftel of Hawaii. Leon E. Panetta of California. Max Baucus of Montana. Glenn M. Anderson of California. Manuel Lujan, Jr., of New Mexico. Silvio O. Conte of Massachusetts. Millicent Fenwick of New Jersey. William R. Cotter of Connecticut, Thomas J. Downey of New York. Edward R. Roybal of California. Norman D. Dicks of Washington. Ronnie G. Flippo of Alabama. Samuel S. Stratton of New York. Jonathan B. Bingham of New York. Robert J. Cornell of Wisconsin, George E. Danielson of California. Charles Wilson of Texas. James C. Corman of California. Jerry M. Patterson of California. Berkley Bedell of Iowa. Gunn McKay of Utah. Harold E. Ford of Tennessee. Dan Glickman of Kansas. Richard A. Gephardt of Missouri. Newton I. Steers of Maryland. Herman Badillo of New York. Jim Lloyd of California, Benjamin A. Gilman of New York. Anthony T. Moffett of Connecticut. Daniel K. Akaka of Hawaii. Pete H. Stark of California. John Krebs of California. Jim Santini of Nevada. Stephen J. Solarz of New York. Bob Carr of Michigan. Claude Pepper of Florida. Herbert Harris of Virginia. James H. Scheuer of New York. Albert Gore of Tennessee. Melvin Price of Illinois. Peter Rodino of New Jersey. Michael Harrington of Massachusetts. Gus Hawkins of California. Dante Fascell of Florida. Bob Leggett of California. J. J. Pickle of Texas. Floyd Fithian of Indiana Henry Reuss of Wisconsin. Mendel Davis of South Carolina. Robert Giaimo of Connecticut. B. F. Sisk of California. Don Fraser of Minnesota. Lou Frey of Florida. Carl Perkins of Kentucky. Lionel Van Deerlin of California. Jim Weaver of Oregon. Robert Roe of New Jersey. Ron Dellums of California. Walter Flowers of Alabama. Robert Krueger of Texas. Bill Ford of Michigan. Lindy Boggs of Louisiana. Anthony Beilenson of California.

H.R. 3199 SEEN AS WORKABLE, PRAC-TICAL, AND EXPEDITIOUS

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. Wolff) is recognized for 5 minutes.

Mr. WOLFF. Mr. Speaker, the 1972 Water Pollution Control Act was a monumental attempt to improve the quality of our Nation's waters. However, the implementation of the original act had been bogged down by massive redtape, overlapping, and duplicative review procedures which hinder our efforts to restore the original purity of our streams, rivers, and waterways. Escalating costs, the loss of employment, as well as the loss of other economic benefits accruing from the construction of public works such as water treatment plants are due to delays in awarding construction funds to the States, delays exacerbated by the lack of integration and coordination between the Federal, State, and local governments

By approving H.R. 3199, the House has made this important Federal law one that is workable, practical, and expeditious. We have eliminated the needless and repetitive review procedures by providing for the State certification of grant applications, and clarifying the intent of certain provisions within the 1972 stat-

One provision I would like to highlight is one that I introduced in the House of Representatives as H.R. 2752. which was incorporated into H.R. 3199 as section 7(e). This provision, by recognizing the impediments and delays of the funding obligation process caused by massive redtape in the original act, will extend the deadline for the construction grants applications deadline by 1 year from September 30, 1977, to September 30, 1978. This necessary extension will preserve the availability of funds allotted to New York, Pennsylvania, Michigan, Maryland, Delaware, Connecticut, and the District of Columbia, for water pollution control.

The potential loss to these eight regions could have ranged as high as \$700 million. New York alone would have lost up to \$300 million had this extension not been approved. I am proud to have been an instrumental force in preserving these funds; funds which were desperately needed to comply with Federal law, to protect the health and safety of our citizens, as well as providing a welcome economic stimulus through the creation of thousands of construction jobs. These benefits would have been irrevocably lost, if the House of Representatives had not so judiciously approved this extension.

I would like to take this time to thank my colleagues in the House who so strongly supported my efforts:

COSPONSORS OF H.R. 2752 (ALSO: H.R. 2937, H.R. 2938, H.R. 3390, H.R. 4060)

Mr. Lent, Mr. Walsh, Mr. Ambro, Mr. Addabbo, Mr. Ashley, Mr. Badillo, Mr. Biaggi, Mr. Blanchard, Mr. Boland, Mr. Bonior, Mr. Brodhead.

Mr. Brown (Mich.), Mr. Burke (Mass.), Mr. Carr, Mr. Cederberg, Ms. Chisholm, Ms. Collins (Ill.), Mr. Conable, Mr. Conyers, Mr.

Mr. Delaney, Mr. Dingell, Mr. Downey, Mr. Drinan, Mr. Eilberg, Mr. Fish.
Mr. Ford (Mich.), Mr. Gilman, Ms. Holtz-

man, Mr. Horton, Mr. Howard, Mr. Kemp, Mr.

Mar. McKoth, Mr. Howard, Mr. Kemp, Mr. Koch, Mr. Kostmayer, Mr. LaFalce.
Mr. Lundine, Mr. McEwen, Mr. McHugh,
Mr. McKinney, Mr. Maguire, Mr. Markey, Mr.
Marks, Ms. Mikulski.

Mr. Mikva, Mr. Mitchell (N.Y.), Mr. Mitchell (Md.), Mr. Moakley, Mr. Moffett, Mr. Moorhead (Pa.)

Mr. Murphy (N.Y.), Mr. Nedzi, Mr. Nix, Mr. Nowak, Mr. Pattison (N.Y.); Mr. Pike, Mr. Rangel, Mr. Richmond.

Mr. Rodino, Mr. Rosenthal, Mr. Sarasin, Mr. Scheuer, Mr. Seiberling, Mr. Simon, Mr.

Solarz, Ms. Spellman. Mr. Steers, Mr. Stratton, Mr. Studds, Mr. Vander Jagt, Mr. Weiss, Mr. Wydler, Mr. Zeferetti.

"KEEP CHICAGO CLEAN" ESSAY CONTEST

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. Annunzio) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, yesterday I announced the winners in the essay contest sponsored by Mayor Bilandic's Citizens Committee for a Cleaner Chicago, myself, and Illinois State Representative William J. Laurino.

I wish to include in the RECORD copies of the essays by the runners-up, all of which were written by pupils in schools located in the 39th Ward area of the 11th Congressional District of Illinois, which I am proud to represent.

The essays follow:

KEEP CHICAGO CLEAN FLORENCE ERICKSON

I believe that the only way to keep this community clean is to cooperate. I try to cooperate by not littering, which is the main problem in all communities. We must put things where they belong and not on the ground, in the water, or out a window.

Another problem is the exhaust from cars, trucks, and buses. People should band together and make everything pass the clean air exam, and if they can't, they should have to make adjustments. All the tons of soot and exhaust being poured into the air is not only making the air and water dirty but also, killing the birds and fish. If the birds and fish are killed, then soon it may be people

I try my best to keep things nice, but it's hard sometimes. It's hard for everyone, but if everyone tries their best, this community will once again be clean and beautiful. This should be everyone's number one goal.

RONALD BUGAR

We should understand the fact for keeping our city clean. It involves mostly the cooperation of the people in our city. One of the most important projects is going on all over America and our city, its called recycling. Recycling means being used over and over again. It can be very profitable for many people. Recycling is being used for many items such as newspapers, bottles, cans, wires, and most of all aluminum cans.

I myself had recycled over two tons of aluminum during the bicentennial year, earning a very profitable amount of money.

By recycling items you help to control litter and solid waste.

Recycling pays, don't throw money away, earn cash, fight litter!!

SHEILA LEARN

To keep my community clean and beautiful, I would pick up all papers and litter, use refuse cans for garbage and tell others to use them too. I would try to keep our parks and forest preserves from being torn down for industry. I would try to help people clean out rivers and lakes, and make sure people don't use them for junk yards. I would want the workers to either fix up or tear down the abandon buildings. I would try to help arrest or fine people defacing public property,

such as buildings, fences, and walls in schools. I would help in planting beautiful flowers and trees around the city for conservation.

That is how I would and will keep my community clean and beautiful.

MARY SHULTZ

Some of the ways that I can keep our community clean and beautiful are by not throwing gum wrappers, old paper, candy wrappers, etc. into streets and alleys.

I can also help by teaching my younger brothers, sisters and younger children on my

block not to throw garbage around.

I can teach them to put it in the proper place.

When they throw waste in the garbage can they should make sure they put the lid back on.

This will prevent the wind from blowing it around. And will also keep rodents away.

When I see some garbage blowing around, I

can pick it up.

I can also start a clean up campaign. Some of my friends and I can go around my neighborhood and pick up old bottles etc.

These are some of the ways that I can (Pitch in to Keep Our Community Clean and Beautiful)

ROBERT KAZEL

Since we all live in our community, we all profit from it's strengths and enjoy it's surroundings. It is natural, then, for us to want others to enjoy our neighborhood with us. We can accomplish this by taking our fundamental responsibility of keeping the community clean and help making it beautiful.

There are many ways that I, along with other Chicagoans, can help our neighbor-hood's appearance. It is important to remember that our city streets, sidewalks, and parks are owned by no one, but shared by everyone. If we stop littering these places, our community and the people who live in it will benefit. "Pitch in," "Give a hoot . . ," "Put litter in it's place," are slogans that we've heard daily for several years. They all mean the same thing-our great city is too beautiful and important to so many to let littering ruin it.

Our natural resources are increasingly vital, because they are irreplaceable. Chicago is lucky to have so many wonderful natural resources, including Lake Michigan and the city's wildlife. In an age of immeasurable progress, protection of our surrounding animal and plant life should always be strong. We must save these things not only for our community, but for future generations to come.

Chicago, for it's size, is a truly clean and a very beautiful city. Along with me, I hope Chicagoans will have the persistence and good judgment that our city's public has had for decades, when keeping our communities clean and beautiful.

JOANN RITRO

I have always felt that it is important to keep our surrounding environment as clean and beautiful as possible, and so I will do anything in my power to help our city, Chicago, to stay looking beautiful. I will not litter, but put the garbage into my pocket, and wait until I see a trash can. some young teen-agers can get together and make posters reminding people not to litter or break pop bottles. To help our air, people can make car-pools and take turns using different cars. Again, young people can clean up our public parks and plant flowers and trees. Adults can also help by cleaning up writing on their buildings or homes, by keeping tops on their garbage cans to prevent spilling into the alleys. Yes, I think that we all can work together, and make our neighborhood, and city, litter free, and have something to be proud of.

ANNABELLE SINENSE

My neighborhood is important since it reflects me and the other people around it. Therefore, we should keep it clean and everybody should do their part. I can do mine by showing an example. I can start by not littering, and by respecting other people's property, by not writing on the walls and stepping on the grass, etc. I know I cannot always keep my neighborhood as clean without everybody's help, so why not all pitch in. A clean environment is healthier and better to live in.

Keeping our area beautiful would be a hard job. A good way to start would be to get some friends and tell them the importance of a clean Chicago. Then we could go around picking up garbage. If we keep the bottles, cans and papers, we could recycle them. After this we could use the recycling money to buy trees and plants to plant in vacant places. With the money left over we could buy garbage cans. On the cans a sign would say depends on it." "Pitch in, Chicago's future

After that we might get our parents to sign a petition to make all factories put

filters in their chimneys

We could get City Hall to destroy vacant, condemned buildings and build homes for the homeless in their place. They could make sure landlords treat their tenants fairly and make sure Gaylords and other groups of kids who ruin others property are justly punished. Some of the harder things I can't do but with the help of Mayor Bilandic and other government officials they would be done. This way Chicago's land, buildings and people are clean.

Don't worry, Mayor Bilandic, we will help make Chicago beautiful. Our Fifth Grade

Class are with you all the way.

BARBARA ANN JENKINSON

Pollution, litter, garbage, junk, smoke, industries, cars, people, machines, and smoking all contribute to the dirty environment that we have all created. Everyone can help keep our community clean and beautiful. I can't do it alone and you can't do it alone. Everyone must do their share and work together as a community.

If I was the only one picking up garbage, I couldn't get anywhere, because others would be putting down garbage 100 times faster than I could pick it up. I am only one person but at least I can set a good example. Maybe if I was lucky, they would see me and do the same. When I get older, I could teach my children to pick up garbage and they in turn would teach their children. I could teach my children not to smoke and that smoking is not only bad for the community but that it is also bad for your health. I would need cooperation and everyone's help.

Our world is in deep trouble. It is very sick. One hundred years from now it will probably die if we don't do something about it. What can we do? Let's all do our part. Pitch in and clean up your community today. Don't put it off until tomorrow. Act

A cleaner community means a cleaner city. cleaner city means a cleaner state. A cleaner state means a cleaner and more beautiful country.

Help your community to be clean and beautiful.

ROSEANN BLAIR

There are many things I think could be done to keep Chicago a cleaner and brighter place to live.

One of the things that I could do is to clean up after myself and others as well. Many people litter without even thinking. If they stop to think about it at all, most people make an excuse of "Everybody does and leave it at that. Many of the few remaining people who don't litter refuse to help clean up after those who do litter be-cause, as they say, "I didn't do it so why should I clean up?" I believe that if I try hard enough, I could convince people that Chicago is a city, a group of people bound together, and that each one of us must be

responsible for the preservation of the beauty of our environment.

Another way I think I could keep Chicago clean is if I could explain to people that Chicago is their home and to litter our streets and public places is like tossing gum wrappers and other litter on the floor of their own homes.

I think that if I could bring these two suggestions to the public eyes, I would be helping to keep Chicago clean.

CHARGES AND QUESTIONS CON-CERNING RICHARD SPRAGUE

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. Gonzalez) is recognized for 5 minutes

Mr. GONZALEZ. Mr. Speaker, in the RECORD for April 5, 1977, there appears remarks in defense of Richard Sprague. the former Chief Counsel and Staff Director of the House Select Committee on Assassinations, in respect to some of the charges and questions I have raised in respect to him and his role as an employee of the House.

I am not about to make this a donnybrook, by going argument by argument and refuting what all has been said in

Mr. Sprague's defense.

For example, I know that others can confirm that the entire committee was not told in executive session of the Cuban situation as it arose and before any contacts with any foreign officials were made. On the contrary, the negotiations were very much underway when Mr. Sprague mentioned the fact to us at the tail end of an executive session-which a number of members had already left.

Further, in the defense of Mr. Sprague it is said that the necessary forms for disclosure of finances by staff members can only be obtained after the chairman of the committee in question has submitted to the Committee on Standards of Official Conduct a list of personnel to whom the forms should be sent. I sent such a list to the Committee on Standards of Official Conduct.

Has Mr. Sprague, as well as others, now gotten away without having to meet the April 30 deadline-as well as the February 15 deadline which I asked them to meet when I was the chairman of the committee?

I still say that such information is important and should be made public knowledge. Also, to clear up any confusion about the finances of the House Select Committee on Assassinations during the 94th Congress and the first 3 months of this Congress, I believe a full report should be made to the House of the expenditures for these periods.

Mr. Speaker, I believe that the re-marks in defense of Mr. Sprague are simply an attempt to obfuscate the facts which I related in my statement of Tuesday, March 29, which begin on page

9372 and conclude on 9378.

While it is true that Mr. Sprague did submit a check for \$114.48 for his 73 phone calls in November to Philadelphia, he did not do so until after I resubmitted to him vouchers for November and December I had been asked to sign in February for a previous Congress for a committee which had been under another chairman. His check to the C. & P

Telephone Co. was dated February 15, 1977.

Unfortunately, my colleague who submitted the defense of Mr. Sprague, as well as other colleagues on the select committee have chosen to ignore some very serious charges in respect to the former chief counsel and staff director.

I have—throughout my public life—had the reputation for speaking forth-rightly and honestly in respect to all matters of public concern.

My experience with Mr. Sprague has shown me that he is not honest, and I challenge any colleague to prove other-

wise.

THE REVITALIZATION OF HOBOKEN

The SPEAKER. Under a previous order of the House, the gentleman from New Jersey (Mr. Le Fante) is recognized for 5 minutes.

Mr. LE FANTE. Mr. Speaker, at a time when most of our urban centers are declining in stature and experiencing the decay of their inner cities, the community of Hoboken, N.J., in my district is enjoying a renaissance of unparalleled proportion.

Hoboken has reversed the unfortunate trend from which our major urban areas suffer through the implementation of an imaginative and highly successful pro-

gram of revitalization.

In 1972, the municipality of Hoboken embarked upon a policy of neighborhood preservation. Prior to that time, this city of 45,396 was afflicted with a declining tax base, a diminishing population, and a severe housing problem aggravated by a large percentage of deteriorating, substandard, and overcrowded dwellings.

Today, under the direction of the Hoboken Community Development Agency which is administrating the neighborhood preservation program, the city is undergoing a rejuvenation unmatched by any other urban center in our Nation. Within the last 5 years, over 800 new housing units have been constructed, over 1,000 units rehabilitated, and over 700 dwelling units renovated.

Property values are rising steadily, and the exodus of citizens in recent years has been reversed. In fact, the revitalization of the city has created a renewed interest in Hoboken on the part of many residents of the New York-New Jersey met-

ropolitan area.

The most significant success of neighborhood preservation, however, has been the impact which it has had on the long time residents of the community. They have not only recommitted themselves to their city, but have reinvested their finances and their futures, as well as their spirit, to the community they love so well.

Their devotion has not been misplaced. To insure the viability of neighborhood preservation, Hoboken offers its citizens a number of different low-interest loan programs to aid them in the rehabilitation of their homes, as well as free professional architectural assistance to insure that the renovations are both economic and efficient. And, to complete the rebirth of Hoboken, the municipal government of Mayor Steve Cappiello plans

the construction of two new parks, in addition to the improvement of existing parks and the planting of shade trees on every street in the area.

The revitalization of Hoboken was founded upon the principle that private investment is the key to municipal prosperity. The renovated brownstones, the rehabilitated tenement buildings, and the now famous factory that has been converted into a housing complex, are glowing examples of what can be accomplished through an alliance of government and the private sector.

Mr. Speaker, the Hoboken renaissance is truly a model for other cities to emulate. The inner-city decay which has ravaged our urban centers in recent years need not be a way of life, for in fact, as Hoboken has shown, the deterioration can be halted and indeed reversed. Our cities need not die. They can survive; they can prosper.

GEOTHERMAL ENERGY DEVELOP-MENT TAX INCENTIVE

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. McFall) is recognized for 10 minutes.

Mr. McFALL. Mr. Speaker, I am today introducing legislation designed to provide an incentive for the development of our Nation's geothermal energy resources. The President has announced that he will present to the Congress later this month his energy plan for the Nation. I do not know what provisions the President will include in his plan, but I hope that he will address the need for geothermal energy development.

The legislation I am introducing provides a 25-percent tax deduction from the gross income generated by a geothermal property and allows the deduction of intangible drilling costs as expenses. These provisions provide a handsome incentive for geothermal energy development, but I do wish to point out that the application of this incentive is restricted by my bill.

This legislation is designed to provide this incentive to exclusively geothermal energy firms. Specifically, the bill precludes from qualifying for the incentive individuals who are retailers of oil or natural gas, refiners of crude oil producing over 500,000 barrels a day, and anyone owning 5 percent or larger interest in such oil or gas operations.

Additionally, the incentive applies only to domestic geothermal resources, and this incentive will automatically expire from the Tax Code 10 years after its enactment.

This 10-year expiration clause adds further pressure for immediate development since the 25-percent deduction cannot be taken until income from the sale of the geothermal energy is realized.

I know that some Members of Congress have reservations about providing tax incentives to private industry, but I believe the provisions contained in this legislation are sufficiently restrictive to assure that the tax benefits realized will go to those private firms primarily concerned with geothermal energy development.

I am including for insertion in the

RECORD after these remarks a copy of a section-by-section analysis of this bill by Mr. Howard Zaritsky of the Congressional Research Service, as well as a copy of the bill itself:

[From the Library of Congress, Congressional Research Service, Washington, D.C.]

SECTION-BY-SECTION ANALYSIS OF A DRAFT BILL ON GEOTHERMAL ENERGY INCOME TAX INCENTIVES

This report analyzes the provisions of a draft bill designed to encourage the production of geothermal energy through income tax incentives. Each section of the bill will be examined and analyzed independently.

SECTION 1

(a) Section 1(a) of the new bill would add a section 189 to the Internal Revenue Code of 1954, as amended to date (Code), providing for a deduction of twenty-five percent of the gross income derived from a geothermal energy source, excluding rents and royalties. The deduction is also limited to one-half of the taxable income from the property, determined without regard for depletion or depreciation recapture. Int. Rev. Code, secs. 611, 1245. The deduction established by this new provision would always at least be permitted to equal the depletion deduction otherwise available.

deduction otherwise available.
"Geothermal property" is defined as domestic property producing geothermal steam, hot water and hot brines, or steam, hot water and hot brines resulting from the introduc-

tion of water into formations.

Certain individuals are precluded from qualifying for the aforementioned tax deduction, including retailers of oil or natural gas, refiners of crude oil producing over 50,000 barrels on any day of the taxable year, and related taxpayers. A related person is defined as someone holding a significant ownership interest in the taxpayer or in whom the taxpayer holds a significant ownership interest. An interest is significant if it is at least a 5 percent interest in stock of a corporation, profits or capital of a partnership, or beneficial interests in a trust or estate.

If a taxpayer takes the new deduction for geothermal energy property, no depletion deduction may be taken under section 611.

If property is held by two or more persons other than jointly, special rules govern who is entitled to the deduction. If the property is held by a lessee and lessor, the deduction is to be "equitably apportioned" pursuant to regulations of the Secretary of the Treasury. If the property is held by a life tenant with a remainderperson, the deduction is entirely that of the life tenant. If the property is held in trust, the trust instrument determines the apportionment or allocation of the section 189 deduction or, if the instrument is silent, the deduction will be apportioned in the same manner as income of the trust. Finally, if the property is held by an estate the deduction is apportioned among the heirs, legatees and devisees, and the estate itself, in relation to the income of the estate which is allocated to each of them.

The deduction for geothermal energy is patterned after the depletion deduction. Int. Rev. Code, sec. 611. The depletion deduction is applicable to geothermal energy properties, treating them as "gas properties" for purposes of percentage depletion. Such properties are given substantial benefit under the phase-out of percentage depletion, with a continuation of a 22 percent depletion rate through 1980, and a scaled down depletion rate reaching 15 percent for 1984 and thereafter. Int. Rev. Code, sec. 613A(b); See also Reich v. Commissioner and Rowan v. Commissioner, 454 F. 2d 1157 (9th Cir. 1972). Cost depletion, of course, remains unchanged, permitting deduction over the useful life of the property of the adjusted basis of the taxpayer in such property.

The difference between the depletion deduction and the deduction for geothermal energy properties is primarily the size of the deduction. The geothermal energy property deduction is 25 percent of the gross income from the properties while the depletion deduction is 22 percent or less. Consequently, in almost all conceivable cases the proposed deduction would be more favorable than depletion, except for certain cost depletion situations respecting properties with unusually short useful lives (less than 4 years), or if there were a very low income yield from the property and cost depletion were elected.

(b) This subsection of the bill makes necessary amendments to other provisions of the Code to comply and correspond with the new deduction for geothermal energy property income. References to the deduction for depletion are expanded to also refer to the new deduction for geothermal energy property income. Eleven such changes are

made.

(c) Subsection (c) makes a change in the table of contents for the Internal Revenue Code, to reflect the new provision.

Section 263 of the Internal Revenue Code permits the current deduction as an expense of certain research and experimental expenditures by the taxpayer, particularly intangible drilling costs. Absent this provision, these costs would have to be added to the taxpay-

er's basis and written off by depletion.
"Intangible drilling costs" are such developmental costs as: "clearing the site of the well, digging a sludge pit, hauling, erecting derricks, laying lines for water if it is not available at the site, and then pay the wages, fuel, repair, etc., necessary to drill the hole." Mertens, Law of Federal Income Taxation, vol. 4, p. 263 (1973, supp. 1976).

The amendments in section 2 of the pro-posal would permit the expensing of intangible drilling costs attributable to geothermal

energy properties.

SECTION 3

The amendments added by this proposal would apply to taxable years beginning during the 10-year period beginning after the date of enactment of the law. Consequently, the law is self-eliminating after ten years.

H.R. 6147

A bill to amend the Internal Revenue Code of 1954 with respect to the taxation of income from the production and sale of geothermal steam and associated resources

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

"SEC. 189. GEOTHERMAL STEAM AND OTHER GEOTHERMAL RESOURCES.

- "(a) IN GENERAL,-In the case of a geothermal property there shall be allowed as a deduction, under regulations prescribed by the Secretary or his delegate, an amount equal to 25 percent of the gross income for the taxable year from the property, excluding from such gross income an amount equal to any rents or royalties paid or incurred by the taxpayer in respect of the property. In no case shall the amount allowable as a deduction under this section with respect to a geothermal property be less than the amount which would (but for subsection (f)) be allowable under section 611 with respect to such property. For purposes of applying such section 611 with respect to this section, a geo-thermal property shall be considered a gas
- "(b) LIMITATION.-The deduction allowed under subsection (a) shall not exceed 50 per-cent of the taxpayer's taxable income for the taxable year from the property, computed without regard to the deduction allowed by

this section and section 611. For purposes of the preceding sentence, the allowable deductions taken into account in computing the taxable income from the property shall be decreased by an amount equal to so much of any gain which (1) is treated under section 1245 (relating to gain from the disposition of certain depreciable property) as gain which is ordinary income, and (2) is properly allocable to the property.

(c) SPECIAL RULES.

"(1) LEASES.—In the case of a lease, the deduction allowed under subsection (a) shall be equitably apportioned between the lessor and lessee.

"(2) LIFE TENANT AND REMAINDERMAN .the case of property held by one person for life with remainder to another person, the deduction under this section shall be computed as if the life tenant were the absolute owner of the property and shall be al-

lowed to the life tenant.

"(3) PROPERTY HELD IN TRUST.—In the case of property held in trust, the deduction allowed under subsection (a) shall be apportioned between the income beneficiaries and the trustee in accordance with the pertinent provisions of the instrument creating the trust, or, in the absence of such provisions, on the basis of the trust income allocable to

"(4) PROPERTY HELD BY ESTATE.—In the case of an estate, the deduction under this section shall be apportioned between the estate and the heirs, legatees, and devisees on the basis of the income of the estate allocable to each.

"(d) DEFINITIONS.—For purposes of this section-

- "(1) GEOTHERMAL PROPERTY.-The term geothermal property' means property within the United States or a possession of the United States from which the taxpayer obtains-
- '(A) indigenous geothermal steam, hot water, and hot brines, or

"(B) steam, hot water, and hot brines, resulting from the introduction of water into geothermal formations.

(2) PROPERTY AND GROSS INCOME FROM THE PROPERTY.—The terms 'gross income from the property' and 'property' have the same meanings as when used in part I of subchapter I

of chapter I with respect to gas wells. (e) EXCLUSIONS.

"(1) OIL OR NATURAL GAS RETAILERS .- Subection (a) shall not apply in the case of any taxpayer who directly, or through a related person, sells oil or natural gas, or any product derived from oil or natural gas—
"(A) through any retail outlet operated

by the taxpayer or a related person, or

(B) to any person-

"(i) obligated under an agreement or contract with the taxpayer or a related person to use a trademark, trade name, or service mark or name owned by such taxpayer or related persons, in marketing or distributing oil or natural gas or any product derived from oil or natural gas, or

'(ii) given authority, pursuant to an agreement or contract with the taxpayer or a related person, to occupy any retail outlet owned, leased, or in any way controlled by

the taxpayer or a related person.

"(2) CERTAIN REFINERS .- If the taxpayer or a related person engages in the refining of crude oil, subsection (a) shall not apply to such taxpayer if on any day during the taxable year the refinery runs of the taxpayer and such person exceed 50,000 barrels.

"(3) RELATED PERSON DEFINED .- For purposes of this subsection, a person is a re-lated person with respect to the taxpayer if a significant ownership interest in either taxpayer or such person is held by the other, or if a third person has a significant ownership interest in both the taxpayer and such person. For purposes of the preceding sentence, the term 'significant ownership interest' means"(A) with respect to any corporation, 5 percent or more in value of the outstanding stock of such corporation,

"(B) with respect to a partnership, 5 per cent or more interest in the profits or capital

of such partnership, and

"(C) with respect to an estate or trust, 5 percent or more of the beneficial interests in such estate or trust.

"(4) MEANING OF OTHER TERMS.—For purposes of this subsection, the terms 'crude oil', 'natural gas', and 'barrel' have the meanings given them in section 613A(e).

"(f) APPLICATION WITH SUBCHAPTER I.—No

deduction shall be allowed under section 611 for the taxable year with respect to geothermal property if a deduction is allowable to the taxpayer under this section with respect to such property for such year."

(b) (1) Section 57(a) (8) of such Code is amended by inserting after "section 611" the

following:

"or the deduction allowable under section

- (2) Section 62(6) of such Code is amended by striking out "and the deduction allowed by section 611." and inserting in lieu thereof a comma and "the deduction allowed by section 189, and the deduction allowed by section 611."
- (3) Section 163(d)(3)(C) of such Code is amended by adding at the end thereof the following new sentence: "For purposes of this subparagraph, section 611 shall be applied without regard to section 189(f)."
 (4) Sections 174(b)(1)(C) of such Code

is amended by inserting after "depletion)

the following:

"or the deduction allowed under section 189 (relating to geothermal steam and other geothermal resources).

(5) Section 611(c) of such Code is amended to read as follows:

"(c) CROSS REFERENCES.

"(1) For other rules applicable to deprecia-

tion of improvements, see section 167.

"(2) For allowance of deduction with respect to geothermal steam and other geothermal resources, see section 189."

- (6) Section 613A(b)(1)(C) of such Code is amended by striking out the comma at the end thereof and inserting in lieu thereof the following: "and with respect to which section 189 does not apply,"
- (7) Section 642(e) of such Code is amended by striking out "and 611(b)" and inserting in lieu thereof ", 189(c), and 611(b)".
- (8) Section 691(b) of such Code is amended by striking out "164," and inserting in lieu thereof "164, 189,".
- (9) Section 691(b)(2) of such Code is amended by striking out "in section 611" and inserting in lieu thereof "in section 189 or section 611"
- (10) Sections 804(c) (4), 822(c) (9), and 832(c) (8) of such Code are each amended by striking out "section 611" and inserting in lieu thereof "section 189 (relating to geothermal steam and other geothermal resources) and by section 611".

(11) Section 4940(c)(3)(B)(ii) of such Code is amended by striking out "section and inserting in lieu thereof "section 613" 189 (relating to geothermal steam and other geothermal resources) and section 613"

(c) The table of parts for such part VI is amended by adding at the end thereof the following new item:

"Sec. 189. Geothermal steam and other geothermal resources."

SEC. 2. Subsection (c) of section 263 of the Internal Revenue Code of 1954 (relating to intangible drilling and development costs in the case of oil and gas wells) is amended-

- (1) in the subsection heading, by inserting ter "Gas Wells" the following: "and Geothermal Property", and
- (2) by striking out "Congress." and inserting in lieu thereof "Congress; and such reg-

ulations shall be extended so as to apply with respect to intangible drilling and development costs in the case of geothermal property, as defined in section 189(d)."

SEC. 3. The amendments made by this Act shall apply to taxable years beginning during the 10-year period which commences on the date of the enactment of this Act.

LEGISLATION TO TERMINATE AU-THORIZATION OF FURTHER STUD-IES OF CANALIZATION OF WA-BASH RIVER

The SPEAKER. Under a previous order of the House, the gentleman from Indiana (Mr. Sharp) is recognized for 5 minutes.

Mr. SHARP. Mr. Speaker, today I am introducing a bill with six of my colleagues to terminate authorization for any further studies of canalization of the beautiful Wabash River.

Since navigation studies were originally authorized in 1967, several surveys have been made. Not one has justified the construction of a canal, and the more evidence is collected, the more convincing becomes the case against it. A Wabash Canal of any length is unjustified on the grounds of economy, environmental protection, and transportation. I do not believe that we should leave open the possibility of the expenditure of one more tax dollar on additional studies of this ill-conceived project.

The various definitions of this project have called for studies of canals or navigable waterways of various lengths: From the Ohio River to Lake Michigan or Lake Erie, 320 to 440 river miles; from the Ohio River to Terre Haute, 214 river miles; and from the Ohio River to Mount Carmel, 95 river miles.

ECONOMY

According to the Army Corps of Engineers—

A reconnaissance report completed in 1972 found the economic feasibility of providing navigation improvements from the Ohio River to the Great Lakes, by various alternate routes, to be infeasible by a wide margin (0.2 or 0.3 to 1.0 based on 1970 datum and 51/2 % interest rate.)

The Louisville District of the corps then issued an information brochure entitled "Navigation Improvements, Cross Wabash Valley Waterway," which under the heading of "Recommendations" included the following statement:

Based on the reconnaissance level studies described in this brochure, the District Engineer recommends that at this time no additional studies be made of a waterway traversing the entire distance from the Ohio River to the Great Lakes via the Wabash River and adjacent basin streams. The District Engineer further recommends that survey scope investigations of that portion of the Cross Wabash Valley Waterway from the Ohio River to Mt. Carmel, Illinois continue.

Since 1972 funds have been appropriated and additional studies carried out on the Ohio River to Mount Carmel segment of the river, as well as a less detailed review of the Mount Carmel to Terre Haute segment. In a draft feasibility report released by the Louisville district of the corps in December 1976, these segments were also found to be

economically infeasible. The Ohio River to Mount Carmel segment was found to have a cost of \$387.5 million and a benefit to cost ratio of 0.88 to 1.0. If redevelopment benefits are included, the benefit to cost ratio is still unfavorable: 0.97 to 1.0. The corps also stated that "the benefit of the doubt has been given to the waterway" in this analysis.

The December draft report by the corps also indicated that—

Extension of a considered canal to Terre Haute would not appear to be economically feasible and does not warrant further study at this time.

Although a precise benefit to cost ratio was not established, the corps indicated that in order to achieve benefits equal to the projected cost, an overwhelming volume of traffic would have to be generated on the waterway, and this might necessitate even greater costs for additional locks and a widening of the canal.

The economic case against a Wabash canal of any length therefore appears conclusive, without any additional studies.

ENVIRONMENT

The environmental case against the canal is even stronger. The U.S. Fish and Wildlife Service, in a July 3, 1975, letter from Charles A. Hughlet, acting regional director, to Col. James N. Ellis, district engineer of the corps, stated:

The effects of the proposed canal construction and operation would irreparably damage the environmental resources of the lower Wabash River.

Following a very detailed and specific report, Mr. Hughlet concluded:

We know of no form of compensation which could offset the expected environmental damages attributable to this project.

Those who find the already negative benefit to cost ratio unpersuasive should note that these serious environmental costs were not included in the calculations because they were unquantifiable.

TRANSPORTATION

The pro-canal bias of Wabash Canal studies to date is further indicated by the lack of any cost estimates for the loss of rail shipments, revenue, and jobs. Almost the entire justification for the canal is based on anticipated shipments of grain and coal from the area, but these shipments can be handled adequately by rail. An official of the Louisville and Nashville Railroad, which serves the area, has stated:

Shippers and receivers located in the counties adjacent to the proposed waterway in the States of Illinois, Indiana and Kentucky currently have adequate transportation serv ices available. New shippers such as operators of newly developed coal mines, or others, would have no difficulty in obtaining rail service. The Louisville and Nashville Railroad and other rail carriers serving the area are ready, willing and able to provide adequate transportation service from and to present as well as any new coal mine, industry, or warehouses to be developed in the area at just and reasonable rates and charges. naviagtion projects such as the Cross Wabash Valley Waterway, there is usually no increase in the nation's total output of transportation service since nearly all of the projected waterway traffic would move even in absence of the project. Inland waterway facilities primarily replace or serve as a substitute for existing transportation facilities. This is particularly significant since the railroad industry transportation facilities are already considerably underutilized."

Moreover, there is no evidence that there is any demand for the canal by shippers, even if this Government-subsidized mode of transportation should result in reduced rates. A report on a Wabash River navigation conference held by the corps on September 25, 1975, stated:

No coal producer or consumer has expressed a need for or a desire to use an improved Wabash River navigation system.

Even in the absence of the economic and environmental reasons for opposing any Wabash Canal, I believe that it would be unwise to contribute further to the decline of our Nation's private railroads by building additional Government financed, maintained, and operated canals.

LACK OF STATE SUPPORT

The State of Indiana has recognized the compelling nature of the arguments against construction of a Wabash Canal. On March 18, 1976, the Indiana Natural Resources Commission voted unanimously to disapprove in principle the proposed canal. Additionally, on January 11, 1977, Gov. Otis Bowen, in his state of the State message to the Indiana General Assembly, stated:

With a conclusion by the Army Corps of Engineers that the project's costs exceed its benefits, it is my belief that State government should offer no future encouragement toward the canal proposal.

DEAUTHORIZATION

Given the overwhelming case against the canal, it may appear unnecessary to terminate authorization for any additional appropriations. Unfortunately, however, there are believers in the dream of a Wabash Canal who will not accept the evidence and who will continue to urge the expenditure of additional funds for additional studies in the hope that eventually, through some altered definition of the project or some new way of looking at the data, a positive benefit-tocost ratio can be generated. The corps has, perhaps unwittingly, contributed to this possibility by including the phrase "at this time" in each of its recommendations against additional studies.

I believe it is time to call a halt. We have spent approximately \$1 million on studies of this project. I would like to assure the taxpayers that no additional money will be wasted on studying a project that has been demonstrated conclusively to be unfeasible. The way to do this is to terminate the authorization for the study, and the bill we are introducing today will accomplish that.

THE FIGHT AGAINST NAZI WAR CRIMINALS IN THE UNITED STATES: WHERE WE STAND TODAY

The SPEAKER. Under a previous order of the House, the gentlewoman from New York (Ms. Holtzman) is recognized for 20 minutes.

Ms. HOLTZMAN. Mr. Speaker, 3½ years ago I learned that the U.S. Immigration and Naturalization Service had failed to act on more than 50 cases of

alleged Nazi war criminals living in the United States who had entered this country illegally. Since that time I have made every effort to end INS inaction and indifference, and to see that Nazi war criminals are denied sanctuary in this country. As a result, INS has begun a number of deportation and denaturalization actions, and started seriously to investigate Nazi cases. I would like to report on the present status of this matter.

CURRENT STATUS OF THE INVESTIGATION

At the present time the Immigration Service is investigating more than 90 individuals against whom serious charges of war crime activities have been made. Since last October, the Service has begun actions to deport four alleged Nazi war criminals. In addition, the Justice Department, acting on information supplied by INS, is proceeding with five denaturalization cases. If alleged war criminals have become citizens, denaturalization is the first step in the deportation process. Before a person can be deported, his citizenship must be taken away.

These actions, together with the likelihood of additional deportation and denaturalization cases beginning in the next few months, represent substantial progress from the situation in April 1974, when I first publicly exposed INS's failure to pursue cases involving Nazi war crimes. At that time virtually nothing had been done on these cases.

WHO ARE THE ALLEGED WAR CRIMINALS

The question is occasionally asked: These crimes took place so long ago; why not just forget them? I think the simplest answer can be found by looking at the charges in some of the cases brought by INS and the Justice Department. These charges do not involve ideology or politics; they involve mass murder and atrocities.

Frank Walus, German born naturalized U.S. citizen, residing in Chicago, Ill.; denaturalization case. Walus is charged with being a member of the Gestapo who "ordered a woman, with two girls, to disrobe and, following her refusal, he drew his pistol and shot the woman in the neck, after which the two girls were killed." The Justice Department attributes other murderous actions to Walus including the following:

During 1942, while in civilian clothes and accompanied by a company of SS troops, he took part in separating children from their parents, after which the children were shot.

Valerian Trifa, Romanian born naturalized U.S. citizen, residing in Detroit, Mich.; denaturalization case. Trifa is charged with being a leader of the fascist Iron Guard in Romania, who "rode through the Jewish sector of Bucharest * * * (and) ordered, participated, and observed his Iron Guards set fire to houses, stores and a synagogue * * * (and) used his pistol, shooting with the others, and ordered his men to kill and to torture Jews."

Serge Kowalchuk, Polish born natural-

ized U.S. citizen, residing in Philadelphia, Pa.; denaturalization case. The Immigration Service affidavit charges Kowalchuk with having been a member of the Ukrainian police in Poland in 1941 and 1942, and with committing 11 separate acts of murder or brutality against Jews.

Boleslavs Maikovskis, Latvian national, residing in Mineola, N.Y.; deportation action. Maikovskis is charged with "participation in the selection of a group of Jewish children * * * for execution." INS also cites six other incidents in which Maikovskis allegedly participated in murders or assaults.

Vilis A. Hazners, Latvian national, residing in Whitehall, N.Y.; deportation action. According to INS, Hazners participated "in collecting a group of Jews in Riga, Latvia, and detaining them at the Big Synagogue (Choral Synagogue) on Gogol Street, Riga, Latvia, after which the said synagogue was set afire and the detained Jews burned to death therein." The INS order attributes four additional acts of murder and brutality to Hazners.

Bronius Kaminskas, Lithuanian national, residing in Hartford, Conn.; deportation action. According to the Order to Show Cause filed by INS, Kaminskas is charged with participation "in the shooting of approximately 200 Jews" and "the commission of an assault upon an infant child."

Equally appalling charges are leveled against the other alleged Nazi war criminals who are the subjects of INS and Justice Department actions. If the people who committed these kinds of crimes were allowed to find a haven in the United States, it would be an affront to human decency and make a mockery of the sacrifice of those millions of Americans who fought against the Nazis in World War II.

GETTING THE INVESTIGATION MOVING

In May 1974, I reviewed the Immigration Service's status report on its Nazi war criminal cases, and found that for 25 years it had made no serious effort to pursue these investigations. Specifically, I found that INS had failed to interview available witnesses, refused to pursue leads brought to its attention, made no effort to seek witnesses or other evidence from foreign countries-including Israel-and generally conducted its "investigations" in a disorganized, incompetent and indifferent manner. Against this background, it is not surprising that since the war not one person had been deported from the United States for Nazi war crime activities. The one exception to INS's total inaction was the case of Hermine Braunsteiner Ryan, a former concentration camp guard living in Queens, who was extradited by West Germany to stand trial for war crimes.

On the basis of this review of INS files, I called for a complete overhaul of the effort against Nazi war criminals and made detailed recommendations as to how the investigations should proceed. These recommendations included:

Systematic contacting of all foreign and domestic sources, governmental and otherwise, for information about alleged Nazi war criminals. Assignment of a full-time lawyer to direct the investigation and the hiring of experienced investigators for a centralized, high priority war crimes effort.

Reinstatement of investigations that had been canceled unjustifiably.

Establishment of investigation priorities and timetables.

Review of the Trifa and Maikovskis cases to determine if early action could be taken.

As a result of increasing public attention to the congressional charges of inaction, the Immigration Service finally took the steps I recommended and now appears to be making a serious effort to investigate and deport alleged Nazi war criminals. Experienced attorneys and investigators were put in charge. New leads were pursued on cases already in the files and new cases were opened as additional charges surfaced. The Trifa case began in March 1975 and the Maikovskis deportation proceeding started in October 1976.

One of the most important aspects of the recent INS investigations has been the seeking of evidence from foreign sources. After my criticisms, INS officially contacted Israel authorities. These contacts proved so fruitful that eyewitnesses and other evidence located on one trip to Israel led to the eight deportation and denaturalization cases begun since October.

I had also insisted that the Immigration Service seek information on Nazi cases from the Soviet Union and other Eastern European countries, from which most of the alleged war criminals had come. In a meeting with members of the House Immigration Subcommittee in May 1975, a high Soviet official said that his government would respond favorably if asked by the State Department for such information. Nonetheless, the Department failed to act on the Immigration Service's request that the Soviet Government be contacted until I protested publicly.

Finally, starting in January 1976, the State Department forwarded 20 cases to the Soviets, and evidence has already been received from them on 11 of these cases. It is not yet clear how useful and reliable that evidence is, nor do we know whether the Soviets would be willing to send witnesses to this country to testify, but the fact that the evidence is being sought represents a major step forward.

Special mention ought to be made of the case of Andrija Artukovic. Artukovic was the Interior Minister of the Nazi puppet state of Croatia. As Interior Minister he was responsible for the State's domestic policies, which included the sending of thousands of Jews, Serbs, and gypsies to death camps. Artukovic has been under a deportation order for more than 20 years, but his deportation has been postponed indefinitely because of an INS ruling that he would be subject to political persecution if returned to Yugoslavia. In 1974, I called on the State Department and INS to review the question of political persecution and determine whether Artukovic could be deported. When these agencies still failed to act, Congressman Waxman and I, joined by nine other Members of Con-

¹ All quotes are from INS or Justice Department documents in these cases. They represent charges which Justice and INS intend to prove and for which, presumably, they have eyewitness or other evidence.

gress, repeated this request. The Artukovic case is now under review.

WHAT REMAINS TO BE DONE

Measured against 25 years of prior INS inaction, there has been considerable progress to date. Nonetheless, no Nazi war criminal has yet been deported. The Immigration Service has only moved on these cases because of sustained pressure. It is clear, then, that Congress must keep up the pressure in order to see that Nazi war criminals are finally removed from the United States.

Congressional action is particularly important in the following areas:

First. Oversight of the current Immigration Service investigation. INS must be subject to continual oversight by the House Immigration Subcommittee to insure that its investigation is proceeding effectively and expeditiously. Investigations remain to be completed in more than 90 cases; the present deportation actions have to be concluded successfully; the Service must provide the Department of Justice with the evidence it to prosecute denaturalization cases. INS and the Justice Department must be particularly alert to avoid unnecessary prosecutorial delays. In this connection, it is significant to note that the Trifia case began 2 years ago and the trial has still not started.

It is, thus, the responsibility of Congress to see that INS does not repeat the laxity and indifference which characterized its earlier work. The nine cases now in progress should not be token efforts.

Second. Legislation to provide a direct basis for deporting Nazi war criminals. I have introduced legislation (H.R. 412) to deport from the United States persons who, under the Nazis, engaged in the persecution of others because of religion, race, or national origin.

Under existing immigration law, a person who committed war crimes under the Nazis can be deported only for concealing these actions from immigration officials. This provision, however, applies for the most part only to persons who entered the country before 1953 under the Displaced Persons Act.

Nazi war criminals who did not enter the country under the Displaced Persons Act are not deportable. As a result, a number of persons against whom the Im-

of war crimes allegedly committed under

the Nazis cannot be deported.

My bill would correct this failing in our immigration laws by giving INS direct authority to act against Nazi war criminals. It would also place Congress squarely on record as demanding that Nazi war criminals be denied sanctuary

migration Service has received evidence

in this country.

Commissioner Chapman of the Immigration Service has pointed out the need for this legislation, and expressed his support for it. The bill already has 52 cosponsors in the House. I am hopeful that it will receive speedy and favorable

consideration by the Congress.

Third. Investigation of past INS inaction. In recent months increasing numbers of people have asked why INS failed to act on Nazi cases for more than 25 years. How were these people allowed to enter the United States? Why were they allowed to remain undisturbed

until public and congressional outcry brought action? How were some allowed to become citizens even though INS had received information about their Nazi pasts?

I believe the American people and the Congress are entitled to have these questions answered. I have called for an investigation by the House Immigration Subcommittee of INS inaction and delay. Congressman Cohen joined me in this request. This investigation should begin without further delay.²

One particular focus of the investigation should be on whether political officials and executive agencies brought pressure on INS, or sought to intervene in Nazi cases. A number of alleged Nazi war criminals now under investigation have been employed by or otherwise involved with executive agencies, particularly the CIA. Others seem to have highly placed political connections. These include: Edgars Laipenieks who worked for the CIA; Vilis Hazners who was employed by Radio Liberty which was funded by the CIA; Andrija Artukovic on whose behalf at least three Members of Congress introduced private bills; and Valerian Trifa who in 1955 gave an opening prayer in the Senate. In letters written in October 1976 and February 1977, I twice asked Commissioner Chapman for complete information on executive agency involvement in Nazi cases.3 but he has to date, failed to respond satisfactorily.

Mr. Speaker, the cases of Nazi war criminals in the United States constitute the unfinished business of World War II. I urge my colleagues to join in the efforts I have outlined to see that Nazi war criminals, the mass murderers who have tried to find a haven in this country, are finally removed from our shores.

THE BOUNDARY WATERS WILDER-NESS ACT—THE PROBLEM OF AC-CESS FOR SENIOR CITIZENS AND HANDICAPPED PERSONS

The SPEAKER. Under a previous order of the House, the gentleman from Minnesota (Mr. Fraser) is recognized for 15 minutes

Mr. FRASER. Mr. Speaker, one of the most sensitive issues that has been raised in conjunction with my bill to declare the Boundary Waters Canoe Area a fully-protected wilderness is whether the bill would unfairly block senior citizens and handicapped persons from enjoying the beauty of this area. Some have argued that to declare the BWCA a wilderness would be to effectively exclude all but the young and able-bodied and that we should therefore allow mechanized travel in a significant portion of the area. Although well intentioned, this argument overlooks three considerations:

First. Handicapped and elderly persons can and do use the part of the BWCA that is now wilderness;

Second. Both the National Park Service and the Minnesota State Park system have taken major steps toward making parks more accessible; and

Third. Mechanized travel is incompatible with a meaningful concept of wilderness. These points deserve to be examined in detail.

It is simply not true that only the young and those in perfect health can now enjoy a wilderness experience in the BWCA. Sigurd Olson, the environmentalist and author who has become something of a folk legend in Minnesota, continued to paddle the BWCA until he was into his seventies. William Magie, a lifelong champion of wilderness preservation who has canoed the Boundary Waters country for half a century, is still offering guide services at age 76.

Similarly, while persons with disabilities must take greater care in the planning and execution of their trips, they too can enjoy extended and intensive wilderness experiences. A fascinating program operated by the Minnesota Outward Bound School was begun in 1976 in which able-bodied and physically handicapped persons participated in a rigorous BWCA program. A project description outlined the following goals:

This unique program will be offered in 1977 for the physically disabled and ablebodied to live and work together, to grow as individuals, and to explore the nature of physical disabilities and the effect they have on human relationships.

Persons with a wide range of abilities and personal interests are encouraged to participate. People with such disabilities as walking, cerebral palsy, hearing impairments, paraplegia, limb deformities, and Guillan-Barre Syndrome have successfully participated in the program.

The standard course begins with a skills training phase. Activities include: canoeing skills, expedition planning, physical conditioning, ropes course, wilderness emergency care, search and rescue training, rock climbing, and ecology.

The project also seeks to develop the capacity of the Outward Bound School to assist organizations, facilities, and agencies serving the physically handicapped to establish outdoor adventure programs for their clients; the school plans to disseminate a model of its project to interested professional agencies, facilities, individuals, and the general public. Therefore, even though the project now involves only a small number of individuals, it holds the potential of reaching large numbers of disabled persons who are interested in learning how to best undertake a trip into the BWCA or other wilderness areas.

I would like to insert at this point an article that appeared in the Minneapolis Tribune Picture magazine on October 31, 1976, describing this wilderness training program and some descriptive materials published by the school:

[From the Minneapolis Tribune Picture magazine, Oct. 31, 1976] (By Bruce Bisping)

It was 5:30 a.m., and it was cold.

The rising sun began to cast a warm light on the mist over the Kawishiwi River in the wilderness near Ely, Minn., and gradually the

² In my judgment, the Subcommittee should not await the outcome of the present GAO study before beginning its own inquiry. GAO is likely to take at least a year to complete its work and may not get access to essential INS, FBI, CIA and other agency records.

³ Chairman Eilberg of the Immigration Subcommittee joined me in these requests.

warm light reached Homeplace, the base for the Minnesota Outward Bound School. The students started to crawl out of their sleeping bags to be greeted by a rush of cold, moist air.

It was opening day for a wilderness course at the Minnesota Outward Bound School. The 11 students had arrived the day before and had only begun to get acquainted. They had been divided into two brigades that would live, eat, work and play together for the next ten days.

At the Bahwetig brigade tent, the day was starting like any other opening day at the wilderness school. Mumbling and flashlight beams broke the dark silence of the new day as the students tried to find some clothes to put on. What made this day different was that some of students also had to grope for wheelchairs, crutches or artificial legs.

Bodies started moving. There was a mild oath or two as warm feet touched the cold wooden floor of the tent. But some students couldn't feel the cold floor because they had no feeling in their feet-or had no feet.

The Bahwetig brigade consisted of three disabled students, two able-bodied students and two Outward Bound instructors. They were disorganized now, but within a week the brigade would become a closely knit group.

Larry Orr of St. Paul was injured five years ago in an automobile accident that broke his spinal column. The lower half of his body is paralyzed, he uses a wheelchair.

Sandy Nelson of Minneapolis was born without legs. She uses fiberglass artificial

Kevin Peterson of Mora, Minn., broke his spinal column in a motorcycle accident a year ago. He has some control over the lower half of his body and gets around on crutches.

Del Dorn, social service worker at the Rehab-4 unit at the University of Minnesota, was supposed to be one of the able-bodied students, but he broke his arm six weeks before the class began and it was still in a cast.

Weinbaum, physical therapist from Plainfield, Vt., was the other able-bodied student.

Betty Halverson and Dennis Kearney were the instructors.

These were the members of the Bahwetig brigade, which made up half of the class in first wilderness course for the capped offered by Outward Bound in the United States. There had been a 10-day trial design course in May, and now, in September, the first official course was beginning.

In the past, recreation and rehabilitation programs for the handicapped had been confined to the city or a near-the-city camp designed especially for disabled people. Sel-dom had the handicapped person been offered a chance to experience the wilderness as an able-bodied person could.

In this course the six handicapped people performed on an equal basis with the five able-bodied students in learning those skills typically taught in an Outward Bound course: rock climbing, backpacking, a diffi-cult rope course that included a zip wire located 60 feet in the air, portages canoes, and camping in the wilderness. with

There was a requirement of at least one wheelchair student per brigade, and there had to be at least as many able-bodied people as disabled people in each brigade.

The day begins at 5:30 a.m. at all Outward Bound schools, leaving time for housekeeping and physical activity before the 8 a.m. breakfast. There might be a run of several miles followed by a cold dip in the river, an exercise in climbing a 14-foot wall or a class in lifesaving. One of the early-morning activities at this school was instruction in portaging canoes.

After breakfast that first morning, members of the Bahwetig brigade returned to the river clad in swimsuits for a swimming test and a canoe-swamping exercise. The

water was cold. Orr simply wheeled up to the water's edge and fell out of his wheelchair and into the water. After finishing the test, he climbed back into the chair and made a straight line for the sauna, where he was joined by the others after they completed their tests.

After lunch there was a bit of chaos as the group learned that the five-day wilderness trek had been advanced because of the possibility of the wilderness being closed during the fire emergency. They were to leave later in the day, as soon as they could get ready.

Outward Bound has 32 schools in wilderness areas throughout the world including seven in the United States-in Minnesota, Maine, North Carolina, Colorado, New Mexico and Oregon. Each year more than 6,000 people aged 16 to 60 take part in Outward Bound schools. Until now, all students had to be able-bodied.

The course for the handicapped was helped by funds from the General Mills and Archer Daniels foundations.

We hoped the able-bodied and disabled people on the MOBS handicapped course would have an emotional experience that would lead to a better understanding of each other's problems," said Rolf Evenson, project director for the course. "In the process, I think we all discovered how much we have in common.

When climbing a rock face, it doesn't matter if you're a housewife, a bank president or a disabled person. Everybody gets as scared as the next guy. You have to over-come that fear, It's worthwhile to know inner limitations are universal and can be done away with, by both the handicapped and the able-bodied. That's one of the main reasons for our course.'

News of the course was spread mainly by word of mouth by John Schatzlein, community resources director for the University of Minnesota Medical School. Schatzlein one of the handicapped students on the pilot course in May

The handicapped students on this course are the adventurous type," Schatzlein said.
"When someone says, 'You can't do that because you're disabled,' they don't listen. These people go out and find their own limits."

"I didn't know what I was getting myself into when I signed up for the MOBS course," said Sandy Nelson. "I didn't expect tennis courts, but I surely didn't expect anything this intense. The course was the best thing that ever happened in my life. It gave me so much confidence and strength that even my friends can notice the difference in my attitude toward life. I really feel better about my life now."

MINNESOTA OUTWARD BOUND SCHOOL PROJECT WITH THE PHYSICALLY DISABLED PROJECT

A. HISTORY OF OUTWARD BOUND

Since its founding in 1941, Outward Bound has spread to encompass an international network of 12 schools from which more than 200,000 people have graduated. In the United States, the first Outward Bound School was founded in Colorado in 1962. There are now seven U.S. Outward Bound Schools offering year-round programs for an increasingly diverse population, including young men and women, adults, businessmen, educators, delinquents, and diplomats

Outward Bound maintains a leadership position in outdoor experiential education. Its courses are acceptable for academic credit in high schools, colleges, and graduate schools. It serves as a model and a con-sultant for educators and social service workers who, to date, have established more than 300 adaptive programs for state and city institutions, and for individuals who employ Outward Bound methodology in

their professional setting.

By using the stress and challenge of wilderness living and travel as a vehicle for personal change, Outward Bound is able to effect measurable results. (Research reports are available on request.) Clarified values, increased self-confidence, and more positive goal orientation which develop during the experience result in greater personal effectiveness after students return home.

B. THE NEED

Physically disabled persons are confronted with many barriers to meaningful and pro-ductive participation in the normal affairs of daily living. Physical access to public facilities is frequently difficult, if not impossible, and exposure to the wide variety experiences necessary for social and intellectual stimulation and growth can thereby be diminished.

The problem is compounded by the expectations held by the able-bodied of those who are physically disabled. Because of the appearance of the disabled person ignorance, false assumptions, or misplaced solicitude on the part of able-bodied people, the physically disabled are often patronized and/or ignored. Such treatment prevents the establishment of rich and rewarding interpersonal relations with others necessary to the growth of any individual.

Given these physical and social barriers to active daily living and the limitations imposed by the disability itself, many physically disabled persons lack self-confidence and personal esteem and question their ability to contribute productively to society. Thus psychological barriers to meaningful participation in societal affairs are also raised and the physically disabled person often finds himself overly dependent on others and cut off from activities enjoyed by the able-bodied.

Attempts to resolve the issue must address two distinct, but related, needs. In order to productively contribute to society, the disabled person must develop confidence in his skills and talents by successfully using them and achieving more than he previously thought was possible. Equally important is the need for able-bodied persons to understand the true nature of disabilities meaningful interaction with the physically disabled

In 1976 with the help, advice, and endorsement of disabled persons and rehabilitation professionals in Minnesota, this dual approach was employed in a pilot project sponsored by the Minnesota Outward Bound School. (A report on this pilot project is available upon request.) People with such disabilities as cerebral palsy, hearing-impairments, paraplegia, and congenital deformities participated together with able-bodied persons in a wilderness adventure program in the canoe country of Northern Minnesota.

The results of this project showed that Outward Bound was effective in addressing the need of physically disabled persons to develop self-confidence, perseverance and awareness of personal limitations and capabilities. Further, the project was significant for able-bodied persons in understanding the nature of disabilities, the influence disabilities have on relationships, and understanding the human commonalities the able-bodied share with the physically disabled.

Despite the demonstrated value of a program of this type few are available and do not generally offer the level of intensity, adventure, and challenge found in the Outward Bound model. Accordingly, it is the intention of the Minnesota Outward Bound School to offer the knowledge and skills gained by its staff through this project to interested agencies, institutions, and facilities wanting to establish their own adventure programs. By thus sharing the concept, skills, and techniques of outdoor adventure programming for the physically disabled with others, opportunities can be more widely available and the effects multiplied.

C. PROGRAM IMPLEMENTATION

The program was designed on the assumption that the disabled could do essentially what an average able-bodied brigade could do but in a longer time. Consequently, the program day was divided into 4 hour blocks rather than the usual 1½ hour periods.

What follows is a day by day summary of activities. (See Appendix D for course schedule and Appendix E for technical safety and

health procedures used):

Day 1: Tour of the MOBS base (Homeplace) near Ely, Minnesota on the edge of the Boundary Waters Canoe Area (BWCA) and dinner followed by a discussion of expectations and review of the course plan. The review of the course was used as a tool to help focus on specific disabilities and begin the process of group decisionmaking.

Day 2: Pre-breakfast: The wall (A 14-foot high structure over which the brigade must place all members). The time for the at-

tempt was about 45 minutes.

Morning: Swamp crossing. The brigade was dropped at one side of a swamp 50 yards from their canoes. The task was to transport the brigade across the swamp to the canoes, using whatever means they could devise with the four lengths of rope provided. This crossing was designed to be a group problem-solving task and served as an introduction to the world of mud and water.

Afternoon: Swimming, Ely High School pool. The pool was used because the lake water temperature was less than 50°. Agenda included drownproofing (survival floating) and basic water confidence testing.

Day 3: Pre-breakfast: Paddle and portage exercise to help work out the logistics of transferring people and chairs from canoes to rocky landings and vice versa.

Morning: Ropes course (A series of obstacles constructed of rope, logs, and construction cable varying in height from ground level to 60 feet). The participants were encouraged to do what they were able, and with some special rigging, everyone had a chance to experience the zip wire, an extended cable down which participants ride on a pully.

Afternoon: Rock climbing: A large boulder at Homeplace was used and provided interesting yet moderate climbs that most could complete. Those in wheelchairs belayed (securing the climber by rope) most effectively from the bottom by being anchored, chair and all, to a cedar tree. Canoe rescue: This provided an opportunity to observe students' reactions to cold water as they dumped canoes and paddled to shore.

Day 4-8: Expedition: A variety of activities were conducted during the expedition in addition to traveling by canoe through the BWCA. Campcrafts, map and compass, basic flora and fauna, trail cooking, conservation and ecology, and campsite selection and care are examples. Special health and safety precautions and methods required by the disabled in the conduct of these activities were also explored in preparation for the pilot course in September. Awareness of fatigue levels and recovery time required were also noted. Communication with brigade members with hearing impairments was sometimes difficult, particularly when it was dark, people were tired, or time was short.

The climax of the expedition was a 16 hour "solo" (A period of isolation from other members of the brigade for the purpose of providing contrast and time for reflection).

Day 9: The Marathon consisted of a canoeorienteering course in a 12-man North canoe.

Half of Day 9 was spent evaluating each element of the course, making recommenda-

tions for the September course and doing the post-course testing. The traditional last night banquet was followed by a two hour session conducted by the brigade for the entire MOBS staff. They did mini-skits describing their course, talked about their disabilities and how they solved the various problems of the course.

Day 10: The students left after breakfast, some wishing for another 8 days, other feeling 10 were adequate.

There is no question that the difficulties presented by this kind of planning. training, and execution will discourage some—it is not meant for everybody. For those who prefer a different, but equally rewarding, recreational experience, there are a large number of State and national parks that have been moving toward removing both the physical/architectural and attitudinal barriers to handicapped persons' involvement. The Minnesota Department of Natural Resources and the State park system have chosen eight parks as pilot projects in which to move toward improved access of facilities and trails, expanded outdoor educational programing, and fuller integration, rather than segregation, of handicapped and nonhandicapped recreational opportunities. It is interesting to note that the State has tried to incorporate much of the Outward Bound School's programing into the State pilot projects.

Additionally, the National Park Service has published a "National Park Guide for the Handicapped" that describes the conveniences and barriers handicapped persons will find in the hundreds of units of the National Park system. The following materials are taken from the guide published in 1971—I understand that an updated guide will soon be issued:

NATIONAL PARK GUIDE FOR THE HANDICAPPED FOREWORD

Parks are for the people. All the people. The beauty of a mountain wilderness, the sense of identity and continuity to be found at historic shrines, or the freedom from the constraints of urbanization that exists at the seashore or prairie—these things are the birthright of us all.

Those whose activities are restricted by physical handicaps may not be able to take part in many activities at our national parks, monuments, and recreation areas. There is, however, no limitation upon their ability to enjoy in other ways the miracles of life and living that make man realize he is part of nature.

I think that the handicapped will be pleasantly surprised at the scope of activities and facilities now available to them in the National Park System. This booklet will help them plan their visits by telling them in advance of both the conveniences and the obstacles they may find there.

and the obstacles they may find there.

I hope this booklet will encourage handicapped people to visit the parks. The wonderful experiences found in a park visit can be enjoyed by everyone.

ROGERS C. B. MORTON, Secretary of the Interior.

Too often in the past, public facilities were planned without regard for the needs of the handicapped. The National Park Service is now working on a double-edged program of building new facilities that easily accommodate the handicapped and of use of all facilities.

removing existing obstructions to the full
This booklet tells what the handicapped may expect in the way of facilities and limitations in the National Park Systém. I want every handicapped person to know that the men and women of the parks are

anxious to help make your visit as enjoyable and trouble-free as possible. There is much we in the Park Service can do on our own and much more we can do if the handicapped persons will ask. The rangers and interpreters are there to help. Please call on them.

The national parks and historic places embrace both the wondrous diversity of our natural inheritance and much that is significant from our national past. Every American should know these lands. In this booklet we issue a specific invitation to the handicapped. We hope you will accept it.

GEORGE B. HARTZOG, JR.,

Director, National Park Service.

INTRODUCTION

Handicapped persons are welcome in the national parks and every effort is made to afford them comfort and convenience. Park personnel-rangers and interpreters trained in first aid and emergency treatment, and, what is important, they are alert to the needs of those, who, for some reason, are restricted in their movement about the parks. Most facilities constructed in recent years have been designed with the handicapped in mind: ramps and graduated paths permit access to buildings and high elevations; automatic doors and wide passageways facilitate the movement of wheelchairs; hospitals and on-the-spot equipment are available for heart patients; and special audio programs and contour exhibits assist the blind. The national parks are particularly concerned with the deaf, the blind, those confined to wheelchairs, and heart and special medical patients, but visitors should not hesitate to seek advice or assistance for any purpose.

DEAF VISITORS

Among the handicapped, the deaf visitor to the parks is probably the least disadvantaged. All museum and wayside exhibits and trails are appropriately signed and marked with interpretive messages. Transcripts of audio programs and lectures have been made in some areas. Inquiries should be made at information desks.

BLIND VISITORS

Few areas are restricted to seeing-eye dogs and the blind are welcome in every park. Where there are no special programs and facilities, park personnel are available for assistance. Special efforts have been made in many areas to accommodate the blind, such as the Meade Station Trail at Petersburg National Battlefield which is posted with Braille markers. A number of the mountain and canyon parks have especially constructed maps, which may be touched by blind visitors, and many park concessioners have small plastic contour maps for sale. Also, in those cases where "don't touch" restrictions prevail, such as the log cabin at Lincoln Birthplace, regulations are suspended for the blind.

WHEELCHAIR VISITORS

The most common problems for wheelchair visitors are steps and door widths. With few obstructions have been these eliminated or modified so that visitors are free to move almost any place: nature trails and walkways are packed and smooth and some are paved; ramps are provided at curbs, steps, and building entrances; handrails have been installed in restroom facilities; scenic overlooks are equipped with quardrails; and special assistance is provided for conducted tours. With the exception of traveling on rugged terrain or unusually steep inclines. wheelchair visitors can enjoy the national parks as easily as anyone else. Concessioners throughout the Park System provide accommodations for handicapped persons.

HEART AND SPECIAL MEDICAL VISITORS

Park elevations and warnings on strenuous climbs are listed throughout this publication. Since so many of the natural areas have such features, visitors with respiratory allments should pay particular attention. All areas cited are at elevations of less than 5.000 feet unless otherwise indicated.

GRAND PORTAGE NATIONAL MONUMENT

(P.O. Box 666, Grand Marais, MN 55604)

A 9-mile portage on a principal route of Indians, explorers, missionaries, and fur traders into the Northwest. Includes a reconstructed Grand Portage trading post of the North West Company. A "Living History" area.

Wheelchair users and visitors with heart conditions may safely enjoy the inside of the stockade, flag exhibit, dock, lake views, picnic area, and guided tours. The Grand Portage Trail and the Mount Rose Trail are impassable to wheelchairs.

PIPESTONE NATIONAL MONUMENT

(P.O. Box 727, Pipestone, MN 56164)

Quarry where Indians obtained materials for making peace pipes used in ceremonies. A "Living History" area.

Visitor center is accessible to wheelchairs, with all facilities on one floor. Restroom outside doors are 31 inches wide; booth doors, 23 inches. Some panel exhibits in the visitor center have three-dimensional objects that are meaningful to the blind. The Circle Trail and old quarry are accessible to wheelchairs, with assistance.

The third and final consideration involves the integrity of a wilderness. By excluding motorboats and snowmobiles from the BWCA, our bill seeks to extend to the area the protection that is implicit in the vision of wilderness set forth in the 1964 Wilderness Act:

A wilderness is an area where the earth and its community of life are untrammeled by man, where man himself is a visitor who does not remain . . . retaining its primitive character . . . managed to preserve its natural conditions . . . where the imprint of man's work is substantially unnoticeable.

The intrusion of motors is inconsistent with this vision. This is true whether those using motors are physically handicapped or able bodied; no special dispensation is made under the Wilderness Act for those with handicaps. For those who desire motor travel, this demands sacrifice. But alternatives do exist for these people. Motorboaters have available dozens of large and beautiful lakes just outside the BWCA and thousands of lakes throughout the State. Snowmobilers can legally operate on National and State forest lands, on State lakes, in many other State parks, and on thousands of miles of private and State trails. Both motorboaters and snowmobilers are encouraged to use neighboring Voyageurs National Park. In contrast, those who desire a wilderness lakeland canoe trip have no alternative—the Boundary Waters Canoe Area is the only place in the United States where this kind of primitive experience is possible.

I encourage those who feel our bill is unfair to take these considerations into account. I think they will realize that the preservation of a unique and irreplaceable national resource is at stake.

IN ANTICIPATION OF THE BOARD OF TRUSTEES' ANNUAL REPORT

The SPEAKER. Under a previous order of the House, the gentleman from Massa-

chusetts (Mr. Burke) is recognized for 10 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, by law, the trustees of the oldage and survivors insurance and disability insurance trust funds are required to submit an annual report on the status of the trust funds to the Congress by April 1 of each year.

Unfortunately, this statutory deadline was once again not met. I had hoped that the new administration would break the pattern of late report filings that was set by the previous administration. Prior to 1971 every trustees' report was filed on or before the date specified in the law. Since 1971 they have all been late.

In anticipation of this report, however, I believe it is appropriate to comment on the short- and long-term financing issues in the social security program. Undoubtedly, the report will serve as a sounding board for the amplification of alarmist signals forecasting the "bankruptcy" of the system and the inability of the system to pay future benefits. While such gloomy predictions oversimplify the issues and overstate the case, there certainly is much cause for concern over the continuing excess of disbursements over income in the trust funds. In all likelihood, the trustees' report will hold no surprises for the Congress The message., however, cannot fail to reach us—there is an exigent need for timely legislative action that will assure a sound fiscal basis for the trust funds. As time passes, the luxury of having adequate opportunity to exercise prudent judgment diminishes and the risk of turning to an inadequate or inappropriate remedy increases.

The Subcommittee on Social Security of the Committee on Ways and Means is painfully aware of the inadequacy of current payroll tax receipts to fully finance present benefit levels-and the decline in the balance in the trust funds. The subcommittee has transmitted its concerns to the administration, and in no uncertain terms has urged that the Executive's recommendations to deal with the financing problems be finalized and referred to the Congress without delay. The committee has informed the administration, and continues to assure the understandably concerned public, that it stands waiting to immediately take action on this legislation as soon as it is received.

I do not believe that our desire in the Congress to act in harmony with the executive branch can be fairly characterized as it has by some as foot-dragging. Action must be taken, however, in the very near future. It is incumbent upon the administration to formulate its legislative package in at timely and comprehensive manner. "The latest assurances I have had are that both the trustees' report and the administration's financing recommendations will be transmitted by the middle of this month.

A related matter that I have requested the administration to consider in connection with the social security financing proposals arises out of the recent Supreme Court decisions which have struck down as discriminatory certain provisions of the act that treated male and female wage earners differently. Inasmuch as cost projections estimate that compliance with these rulings will require additional outlays of over half a billion dollars a year, and recognizing that these outlays will in most instances result in windfall payments to spouses entitled to annuities as retired Federal employees or employees of a State or local government, it is incumbent on the executive and legislative branches to consider the need for corrective legislation.

One does not have any difficulty in perceiving the need for additional revenues just to pay present benefit levels, and halt the deficits that have been diminishing the trust funds. Where, however, will there be found sources of revenue to meet the costs of these additional benefit disbursements-including estimated \$888 million in cost-of-living adjustments not forecast in the fiscal year 1978 budget? It is equally difficult to consider increasing the burdensome payroll tax both from the standpoint of its regressive impact on the low- and middle-class family and its consequences in relation to the President's economic stimulus program. It is my hope now that serious light will be shed on the merits of some form of general revenue participation, a concept that I have long advocated and whose timeliness I believe will never be more appropriate.

There is a paramount need for action—action that is quick and comprehensive, fiscally sound, and equitable. The Committee on Ways and Means is determined to act this Congress on the financial problems of the social security program. It is important, however, that the new administration be given adequate time to work in cooperation with the Congress in arriving at sound solutions to these problems. Time to do this is fast running

out.

NATIONAL COMMITMENT TO RURAL WATER AND WASTE DISPOSAL SYSTEMS

The SPEAKER. Under a previous order of the House, the gentleman from Arkansas (Mr. Alexander) is recognized for 60 minutes.

Mr. ALEXANDER. Mr. Speaker, key to the economic development of every rural community in this Nation is an adequate water and sewer system.

I think we would all agree that every American deserves the protection and services provided by facilities to supply basic community needs, such as clean water and sanitary waste disposal. Now is the time, I believe, to reaffirm the need of all Americans to these vital services, regardless of region, State, or size of the community in which they reside.

A piecemeal and incomplete effort to provide for such needs has been a part of the programs Congress has adopted during the 1970's. These programs were designed to improve the quality of life in nonmetropolitan America by making available to citizens in these areas the assistance they needed to preserve and upgrade the areas in which they lived. However, despite these piecemeal efforts, the needs are far from being met and

the problems will grow larger as the population pressures on rural America increase.

We need a national commitment to the enhancement of rural life, similar to our commitment to rural electrification, which would insure that the benefits of clean water and sanitary waste disposal would be available to all Americans.

I am today introducing a resolution which calls for such a national commitment to providing the resources necessary to help rural communities secure adequate water and waste dis-

posal systems.

I would like to share with my colleagues some statistics compiled by the National Demonstration Water Project, a national organization that works in the field toward this goal. I believe these statistics are glaring proof of the inadequacies of our current efforts to provide clean water and sanitary waste disposal systems in nonmetropolitan America.

One out of every ten rural residents lives in housing without running water, or a total of between 5.5 and 5.7 million people. Between 9 and 10 million people live in housing with incomplete plumbing, about 16 percent of the total rural

population.

Approximately 18 million people in communities of 10,000 and under use individual wells that have high rates of contamination and over 6.5 million people served by community water systems use water that did not meet Federal drinking water standards in 1970.

In 1975, there were approximately 36 million people—nearly all rural—who obtained their water from self-supplied systems. This is slightly less than half of all Americans who live in communities

of 10,000 and under.

While comprising only 27 percent of the total U.S. population, communities of 2,500 and under have 92 percent of all housing without running water, and 64 percent of all housing with incomplete plumbing. The 16 percent of all rural residents lack complete plumbing, but only 3.4 percent of all urban residents lack this service; 10.5 percent of all rural residents lack running water, but only 0.3 percent of all urban residents are without running water in their homes.

Mr. Speaker, these figures clearly indicate the job we are not doing in providir: for clean water and sanitary waste disposal for the millions of Americans who have chosen to live in the

countryside.

I plan to pursue this legislative goal with President Carter as I believe it is a must for the economic well-being and the economic development of small towns across the country.

The text of my resolution follows:

H. CON. RES. 192

Whereas the general welfare and security of the Nation and the health and living standards of its people require that the people of rural America be provided with adequate, environmentally sound and economic water supplies and waste disposal facilities: Now therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that all agencies with responsibilities in these areas coordinate their activities to provide maximum assistance in the research, planning, financing and construction necessary to achieve this national goal;

That it is the sense of Congress that all agencies involved shall coordinate their efforts to achieve maximum goals at minimum cost, including area coverage of central facilities where the cost does not exceed the cost of adequate individual or neighborhood facilities:

That it is the sense of Congress that subsidies and credit should be made available to individual or neighborhood facilities where isolation precludes central system service:

That it is the sense of Congress that preference for subsidies, loans and technical assistance shall be given to public, nonprofit

and cooperative agencies; and

That it is the sense of the Congress that planning and other assistance shall give high priority to extending adequate and affordable service for low-income people and the highest priority to facilities that are certified by state health officials as essential to health.

A NEW COMMUNITY DEVELOPMENT PROGRAM FOR RURAL AMERICA

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. Lundine) is recognized for 15 minutes.

Mr. LUNDINE. Mr. Speaker, I am extremely pleased today to join my distinguished colleague from Oregon (Mr. AuCoin), in introducing this very important legislation designed to improve housing in rural America.

It is clear that if we are to meet the challenge of achieving the goal of a decent home for every American, new initiatives are in order. Many of these needed initiatives are contained in the bills we are introducing today: the Rural Housing Act and the Consolidated Farm and Rural Development Act Amendments of 1977. The major provisions of this rural development package are: First, the establishment of an escrow system for Farmers Home Administration-FmHA-borrowers: second. increased funds and subsidies for water and sewer facilities; and third, development of new homeownership programs to assist low-income rural families.

Central to the legislation we are proposing is the strengthening of the FmHA and the ability of that agency to serve its program participants. Our rural development package would not only continue the authority of the FmHA to conduct ongoing programs—an authority which would otherwise lapse at the end of this fiscal year—but it would increase funding ceilings of some programs and would mandate implementation of other programs which are currently in the law but are as yet inoperative.

We have agreed as a nation for some time now that the availability of a decent home in a suitable environment was the right of every American. We have also agreed that the private sector alone cannot meet the housing needs of low- and moderate-income people. These problems are particularly acute in the rural areas of our country where higher levels of poverty prevail, where the population tends to be older and more dispersed, and where hardships are less obvious to most except those who suffer from them. It

continues to surprise people that rural America contains almost two-thirds of the Nation's substandard housing while constituting only a little more than 30 percent of its population This is a statistic in which we can take little comfort. Nor do these harsh statistics adequately tell of the suffering endured by those forced to live under substandard conditions.

Much of the responsibility for the special housing needs of rural areas has been given to the Farmers Home Administration-FmHA-of the Department of Agriculture. This agency had its origins in the depression of the 1930's when the Farm Security Administration was established as a lender of last resort for poor farmers and other rural people for housing and related purposes. The FmHA is unique among Federal agencies in that it provides services directly from over 1,750 locally based county offices directly to rural residents. In addition, the FmHA can, through many of its programs, provide direct loans for housing and community development. The FmHA in fact is currently a major provider of credit in rural areas. In fiscal year 1976, plus the transition quarter, more than \$7 billion in loans and grants were channeled through FmHA programs to almost 200,000 individuals and associations. This has been a significant contribution to the rural economy, but still falls far short of what is needed.

Over the years FmHA has been given additional program responsibilities without corresponding budget support. In fact while the agency's responsibilities were being expanded, its staff was being cut back. Today the FmHA has responsibility for 33 separate programs involving housing, farming, and rural development. In the past few years, increasing costs of fuel, rising taxes, mounting construction costs, and inflation in general have adversely affected the ability of the FmHA to serve those people and communities most in need of assistance-low- and moderate-income people and the smaller rural communities which are unable to provide basic services to their citizens.

In addition, population is rising in some rural areas. While this is a welcome trend, it puts undue pressure on already strained housing resources.

According to the National Association of Home Builders, the average cost of a newly constructed house in this country is about \$45,000, a price which effectively excludes almost 85 percent of the country's population from the home-buying market. Even the modest homes for which the FmHA provided financing in fiscal year 1976 had an average cost of more than \$23,000. For low- and moderate-income people in rural areas, the dream of owning a home has all but evaporated.

The legislation we are introducing today would enable the Farmers Home Administration to do a more effective job in meeting the housing and community development needs of rural America.

While over the years, Congress has provided authority to the FmHA for a variety of purposes, much of this author-

ity has never been used. To correct this and make FmHA more responsive to rural American housing needs, our bill would mandate use of many currently unused provisions. For example, the rural rental assistance program which was authorized in 1974 is now needed more than ever because of the increased number of persons renting in rural areas. Another program not implemented to date, but mandated under our legislation, would require FmHA to establish an in-house research capacity. Such capacity is essential if FmHA is to address critical rural housing and community development needs in a sound way. Although HUD has researched some rural problems. HUD's focus has been primarily on urban needs and problems, with the result that solutions which were feasible in the country, but not in the city, have frequently been overlooked.

Another previously unused provision which would be mandated under our bill is the establishment of escrow accounts to enable borrowers to budget for the payment of taxes, insurance, and other expenses. Without forcing any borrower to use this service, an escrow service would be offered to avoid large bills at the end of the year. It is anticipated that such a program will increase FmHA's efficiency and reduce delinquencies. A foreclosure notification requirement coupled with the use in certain situations, of a moratorium on payments for a borrower threatened with foreclosure should also assist the low-income borrower.

Our rural housing bill would also create new programs to meet the current needs of rural areas. Purchasers would have recourse to remedies for defects in new homes which FmHA's inspector should have recognized and prevented. In such instances, FmHA would be responsible for remedying the defects in question. This seems only equitable in view of the clear mandate of FmHA to see that purchasers obtain housing which meets FmHA standards. Moreover, HUD has had a similar program for several years.

Our proposal would also extend benefits already available to the elderly to handicapped rural persons. New congregate housing facilities with common dining rooms would become part of the construction program for the elderly and handicapped.

Improved sites for housing construction have always been a serious problem. Our proposal would address that problem by extending the existing program to include private builders on a guaranteed basis, with the provision that at least 50 percent of the developed sites be made available to low-income borrowers.

The absence of decent water and sewer facilities is near the top of any list of the most urgent needs in rural America. The increases in authorizations and improvements in existing programs provided for in our rural development package would help correct these deficiencies in basic services while maximizing scarce resources to serve as

many rural communities at as low a cost as possible.

Among other critical programs which would be strengthened under our proposal are the very low income housing repair loan and grant programs. By raising the funding ceiling, our bill would offer many elderly homeowners their only opportunity to remove dangerous health and safety hazards, to weatherize drafty homes, and to make repairs necessary to prevent complete home deterioration.

A new problem—the need for greater awareness on the part of FmHA of energy conservation is recognized in our bill by requiring the inclusion of energy saving devices and techniques in housing financed by FmHA. Our bill would encourage flexibility in the use of plentiful energy sources as alternatives to the present high cost fuels.

In recent years homeownership possibilities for rural low- and moderate-income people have been greatly reduced because of skyrocketing costs. The level of income which can be served by the FmHA 502 homeownership program has been moving steadily upward with no alternative available.

In answer, we propose to establish a homeownership program for those who cannot be served by the regular 502 program. Our bill would provide the same type of subsidy for homeownership that is currently used by the HUD section 8 rental program. The section 8 program assists private owners to develop equity in rental properties. Similarly our provision would do the same for low-income rural people whose rental options are limited and who have no other opportunity for homeownership. At the same time provision would be made to prevent windfall profits on any resale by giving FmHA authority for recapture.

Mr. Speaker, if we are to deal effectively with the rural housing problems of our country, it will be necessary to move aggressively and imaginatively with solutions. We hope you will join us in supporting our rural development package, a major initiative which can provide the answers rural America badly needs to its housing and community development problems.

I include the text of the Consolidated Farm and Rural Development Act and a summary of the bill:

H.R. 6236

A bill to amend the Consolidated Farm and Rural Development Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 306(a)(2) of the Consolidated Farm and Rural Development Act is amended to read as follows:

"(2) The Secretary is authorized to make grants aggregating not to exceed \$500,000,000 in the fiscal year beginning October 1, 1976, \$750,000,000 in the fiscal year beginning October 1, 1977, and \$1,000,000,000 in any fiscal year thereafter to such associations to finance specific projects for works for the development, storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas. The amount of each grant made under the authority of this paragraph shall be 75 percent of the development cost of the proj-

ect to serve the area which the association determines can be served by the facility and to adequately serve the reasonably foresee-able growth of the area. If an association receives a 25 percent grant from other sources, a project's economic feasibility shall be based exclusively on the association's ability to meet normal operation and maintenance costs of the proposed system."

(b) Section 306(a) (4) (B) of the Consolidated Farm and Rural Development Act is amended by inserting the following before the period at the end thereof: ", except that such facilities must be economically con-

structed".

SEC. 2. (a) Section 310C(a) (2) of the Consolidated Farm and Rural Development Act is amended by inserting "(which the Secretary has determined to be without adequate credit resources)" after the word "areas".

(b) Section 310C(a)(3) of such Act is amended by striking out all that follows "shall" and inserting in lieu thereof the following: "be processed only by the State offices of the Farmers Home Administration or such other regional offices as may be designated.".

SEC. 3. (a) In addition to the Assistant Secretaries of Agriculture now provided for by law, there shall be an additional Assistant Secretary of Agriculture for Equal Opportunity who shall be appointed by the President, by and with the advice and consent of the Senate.

(b) Section 5315(11) of title 5, United States Code, is amended to read as follows: "(11) Assistant Secretaries of Agriculture (6).".

SUMMARY OF THE AMENDMENTS TO THE CON-SOLIDATED FARM AND RURAL DEVELOPMENT ACT

SECTION 1-WATER AND SEWER

The absence of decent water and sewer resources is very near the top of any list of the most urgent needs in rural America. Over 30,000 rural communities are without adequate water systems, and 44,000 rural communities are without adequate sewage systems. This is an untenable situation which not only causes serious health problems for rural people, but also prevents communities from experiencing economic and population growth. Although it was estimated several rears ago that it would take \$12 billion dollars to correct these deficiencies in basic services to rural communities, the present grant level of authorized spending is set at only \$300 million. Even that level of spendhas never been reached, not because rural communities are not interested, but because of administrative actions of the agency. Impoundments, rescissions, deferrals have been all too common.

Moreover, even those communities which have been eligible for the maximum grant amount (50%) have been denied that assistance through FmHA's arbitrary and inconsistent use of restrictive formulas which generally reduce the grant to 20% to 30% of development costs. In many cases, the application of these rules has denied legitimate assistance to low-income communities with the worst water and waste problems.

In order to eliminate the confusion over grant amounts and to bring the FmHA program in line with the EPA formula, this amendment would mandate grants to cover a flat 75% of development costs. It also would prevent FmHA from denying assistance to a community, which received a 75% FmHA grant and a 25% grant from another source (e.g., the State), on the arbitrary basis that it was too poor to maintain the system.

Finally, the amendment would attempt to prevent abuses in design of both water and sewer systems but primarily sewage systems. It has often been the case that sewage sys-

tems have been proposed for rural communities which are over-designed. This adds to the initial cost and, more importantly, requires high on-going operating and maintenance costs. The amendment is an attempt to make scarce resources serve as many communities as possible and to keep ongoing costs as low as possible.

SECTION 2-CREDIT EXTENSION

This provision allows the Secretary to extend FmHA credit in rural areas which do not already have adequate credit resources available.

SECTION 19—ASSISTANT SECRETARY FOR EQUAL OPPORTUNITY

The Department of Agriculture should be provided an additional Assistant Secretary for Equal Opportunity.

The Assistant Secretary should assist the Secretary—1) in administering provisions in the Civil Rights Act of 1964 (PL 82–352, Stat. 241. 42 U.S.C. 2000a) and related Executive Orders applicable to the Department of Agriculture and its activities; 2) in the development of policy and procedure for the enforcement of civil rights legislation and executive orders within the Department of Agriculture and in the implementation of its programs; and 3) in the administration of programs and activities relating to housing and rural development in a manner to affirmatively further the purposes of the Civil Rights Act of 1964.

The Farmers Home Administration's record on civil rights is disappointing, at best. Minorities are receiving a disproportionate smaller share of the benefits provided by the FmHA's housing program when evaluated in terms of the proportion of minority families living in substandard housing and, also, when measured by the number who are income eligible. Furthermore, the percentage of loans to minorities decreased between 1971 and 1975, while there was a large increase in total loans. The equal opportunity regulations of FmHA lack effective procedures for uncovering discriminatory practices and policies, correcting such practices and policy if found, providing remedies for the victims of bias, and insuring that the FmHA programs are administered in a manner to affirmatively promote the national housing policies.

The establishment of an Assistant Secre-

The establishment of an Assistant Secretary would elevate equal opportunity and civil rights within the Department of Agriculture from its present lower level spot under an Assistant Secretary for Administration. The new Assistant Secretary would work directly with the Secretary and reinforce a stronger commitment by the Department of Agriculture to civil rights issues.

REVITALIZING FARMERS' HOME ADMINISTRATION HOUSING PRO-

The SPEAKER. Under a previous order of the House, the gentleman from Oregon (Mr. AuCoin) is recognized for 15 minutes.

Mr. Aucoin. Mr. Speaker, I am today introducing, along with my distinguished colleague from New York, a rural housing bill designed to make the Farmers' Home Administration rural housing programs work more effectively and efficiently both for low-income rural residents, and for the general taxpayer. It is a major bill simply because it addresses a major problem—the housing plight of low-income rural Americans; but, it does not involve vast additional sums of money, nor will it solve the problems of all those who need housing in our small cities and towns.

It does however, attempt to insure an equitable distribution of the resources available to those who most need them.

Mr. Speaker, we urgently need more, and better rural housing programs. While this Nation has, for the past decade, concentrated on the problems of the inner city and urban communities, the rural community has lost ground. This legislation reflects the needs of smaller communities and rural areas where the needs are scattered, but nonetheless similar to the urban centers.

Most of the changes in this bill are individually minor amendments designed to more explicitly State congressional intent and I do not suppose there will be any particular objection either by my colleagues or by the Administration.

Other provisions, however, may engender some comment and it will be worthwhile, before discussing them, to put the rural housing problem in focus.

The 1974 annual housing survey disclosed that rural areas—towns of under 2,500 and open country—had 27 percent of all occupied housing units, but 63 percent of all units lacked plumbing; 58 percent of all units lacked kitchens. What is more, 34 percent of all overcrowded units are in rural areas. Forty-two percent of this same rural housing stock lacked any roof or attic insulation, yet rural incomes are significantly lower than urban incomes and fuel costs often higher.

Stated in human terms, there are 1.9 million families in rural areas living in housing which lacks plumbing facilities; 1.4 million families without kitchens; 1.3 million families are overcrowded, with more than 1 person per room; 3.9 million families without attic or roof insulation; and 7.8 million families without storm windows or other protective window covering. Some 5 million rural families live in houses with some structural deficiencies as leaky roofs, holes in the floor or walls, or other major problems.

This, Mr. Speaker, is the rural housing problem. It is largely a hidden problem. It is easy to overlook a town of 3,000 people when the media and the Government focus on the problems of the New York cities of this Nation. But the housing needs of rural Americans are acute, and the ability of significant numbers of rural citizens to improve their housing without assistance is very limited.

Title V of the Housing Act of 1949 was enacted to provide that assistance, and the Farmers' Home Administration in USDA was charged with its administration. While there have been a great many amendments since 1949, by no means all of them have been implemented, and the record since 1969 is tragic. It shows up best, I think, in the numbers of housing loans made to low- and moderate-income families.

In fiscal year 1969, 50.2 percent of the rural housing loans made by FmHA went to families with gross incomes of less than \$6,000, and 1.9 percent went to families with incomes of \$10,000 and over. In fiscal year 1976, 10.3 percent of the rural housing loans went to families with less than \$6,000 income, and 35.9 percent went to those with incomes over \$10,000.

Based again on the 1974 Annual Housing Survey, 38 percent of all rural families with incomes below \$6,000 need special help in obtaining new housing. This bill addresses that need in several ways.

It makes clear that elderly and handicapped persons in rural areas are fully eligible for services offered by FmHA—sections 2 and 9—removing any ambiguity that may in the past have made the agency reluctant to extend all necessary services to this group of potential beneficiaries.

Four sections of the bill—10-11-12-13—are administrative changes which will tend to insure that services go to low-income families, when and where needed. Four other technical—7-16-17-18—changes will tend to make land for building more readily available for low-income housing.

Four provisions—2-4-5-19—deal with the problem of delinquencies and fore-closures and their timely prevention.

Other sections direct this \$7 billion agency to conduct its own research program into rural problems; and authorizes the continuation of all its programs—which would otherwise expire on June 30 of this year.

Three final provisions I should like to deal with in more detail. Section 3 of the bill would require the Secretary to establish an escrow system which would permit—but not require—borrowers to pay their property taxes and insurance on a monthly basis, just as you and I do.

I find it incredible that FmHA, which made 123,000 loans to homeowners last year, does not have an escrow procedure for its borrowers.

It is the largest home mortgage lender in the country without such a system.

Yet while the Congress in 1974 specifically authorized the establishment of such accounts, FmHA has done nothing. Is it any wonder that a family struggling to make ends meet on an income of \$6,500 a year may become delinquent at years end when faced with a combined tax and insurance bill of \$400 and \$500 or even more? Such payments are not unusual in this period of rising property taxes, but they are disastrous to low-income families.

Congress also in 1974 authorized the Secretary to institute in rural rental housing the same rent supplement provisions available to urban renters. Briefly stated, it would insure that certain low income tenants in FmHA financed rental projects need pay no more than 25 percent of their adjusted annual income for rent. The then Secretary chose not to implement the program. This bill would, as in the case of the escrow provision, direct the Secretary to institute the rent supplement program.

Finally section 14 of the Rural Housing Act of 1977 would establish a new type of homeownership subsidy program.

Homeownership has become a realistic alternative for fewer and fewer rural households over the last several years. The average initial FmHA Section 502 loan in fiscal year 1969 was \$10,083 and at 1-percent interest required an annual mortgage payment of \$360. By 1976 the average initial 502 loan had risen to

\$21,470 with an annual payment at 1 percent interest of \$765. Taxes and utility costs have increased at an even higher rate in most areas of the country. By fiscal year 1975, the average gross annual income for all 502 recipients had climbed to \$8,741 and the continuing nationwide trend of increasing land and construction costs, promises to send this figure further upward.

In short, section 502 interest credit loans no longer can effectively serve low income rural families. In those few instances where they do it is because of unusual circumstances, such as very low tax and utility costs. Or it is because of some other cost saving scheme, such as mutual self-help housing or subsidized manpower programs. The impact of these devices is almost negligible in comparison with the overall need.

This amendment would authorize FmHA to subsidize the difference between 15 percent of annual gross income of a very low income household and the costs of principal and interest, property taxes, insurance, utilities and maintenance. This minimum payment by the low income household is the same amount as required under the HUD section 8 program for rental units.

To insure that these subsidy costs are restricted to shelter costs of the family and that the family does not gain a windfall at the expense of the government by selling the house at a substantial profit, this section would allow FmHA to recapture subsidy costs. If the low income family were to sell the house at a profit, a portion of the profit would be provided to the seller to help in relocation. The remainder, up to 100 percent of the subsidy dollars provided by FmHA over the life of the mortgage, would be repaid to FmHA.

I believe such a program will work, and furthermore will be less expensive than similar programs which provide rental units, or attempt to in some rural areas. Homeownership is the normal circumstance in small towns and rural areas, in part because of historical development, but also because it is not economically attractive to build rental complexes in low density population areas. Developers do not achieve the economics of scale in either construction or management that accrue to them in metropolitan areas.

The Rural Housing Act of 1977 is timely; it is necessary; indeed I suggest that it is essential if the Congress is going to continue, as it has in the past, to commit itself to decent housing for all Americans.

Mr. Speaker, I include a summary of this bill in the RECORD following my remarks:

SUMMARY OF THE RURAL HOUSING ACT OF 1977
SECTION 1—TITLE

May be cited as the "Rural Housing Act of

SECTION 2—HOUSING FOR THE ELDERLY AND HANDICAPPED

Unlike legislation on HUD's housing programs, which mentions "handicapped" as being eligible for certain programs, FmHA programs do not specifically include the handicapped. This amendment would ensure

that the handicapped will have full and equal access to the housing programs in Title V of the Housing Act of 1949. Additional incentive for this amendment stems from Section 504 for the Rehabilitation Act, which is intended to ensure nondiscrimination on the basis of handicap.

This section also expands the definition of elderly and handicapped persons to include single individuals living together or one or more persons living with someone essential to their well-being.

SECTION 3—ESCROW ACCOUNTS FOR PERIODIC PAYMENTS OF TAXES, INSURANCE AND OTHER EXPENSES

FmHA is the only major home mortgage lender in the United States which does not provide an escrow service for borrowers.

This amendment would require the Secretary to establish a system of escrow accounts to enable borrowers to better budget for the payment of taxes, insurance, and other expenses. The present authority is discretionary, and FmHA has so far failed to implement it. The amendment would help stabilize home repayment ability and reduce delinquency, foreclosure, and loss of homes. It is counseling tool consistent with FmHA's own recommendations for more counseling in its "Review of Rural Housing Programs—June 15, 1973".

Continuing inflationary pressures, including those which have resulted in sharp tax increases, have exacerbated the need for an escrow arrangement.

SECTION 4-RURAL HOUSING RESEARCH

This amendment would create an in-house research capacity at FmHA, and would direct it to focus on several views which have been largely ignored in the past. These include the needs of special groups, such as the elderly, the handicapped, farmworkers, and Indians; rural growth patterns; and rural community facilities and services. It also would make clear that FmHA's research mandate is for rural housing generally and not just farm housing.

The amendment would also require the

The amendment would also require the Secretary to study the housing problems of migrant farm laborers, whose housing problems have received scant attention at the federal, state, and local level. The study would be intended to see if existing programs can be made flexible enough to deal with short-term occupancies or if new approaches are necessary. The Secretary would have to report back to Congress within one year.

SECTION 5—COMPENSATION FOR CONSTRUCTION DEFECTS

Would make FmHA responsible for remedying construction defects determined to be necessary within eighteen months after purchase of any new structure.

Repairs would be made as soon as determined to be needed. If subsequently found not to be the fault of the builder or any FmHA inspector, the cost would be added to the loan. Similar authority already exists for HUD.

SECTION 6-FORECLOSURE PREVENTION

Would require notice to all borrowers of the moratorium provisions of Section 505 of the original Housing Act of 1949.

That section, never effectively implemented, permits the Secretary "to grant a moratorium upon the payment of interest and principal . . . upon a showing by the borrower that due to circumstances beyond his control, he is unable to continue making payments . . . without unduly impairing his standard of living . . ."

This provision simply makes certain borrowers suffering misfortune receive an opportunity to make the showing required to receive relief.

SECTION 7—LIMITATION ON ADMINISTRATIVE AUTHORITY

This limitation on the Secretary's rule-making authority is intended to eliminate a proposed new policy or any future policy for site development which would preclude FmHA financing of new subdivisions which are not contiguous to an existing community with water, sewer, and other services already in place. While this proposed policy makes sense in a majority of situations, the rule's inflexibility would prevent FmHA from providing assistance in the other situations where FmHA should be permitted to operate. Some examples are:

 where there are no available sites which can be purchased at a price FmHA-eligible families can afford or which will be appraised by FmHA at an acceptable level;

 where zoning or housing size requirements within the municipal limits preclude FmHA activity;

where the community does not have central sewage facilities, and available sites within that community do not meet FmHA, state, or local health standards for individual septic systems;

4. where minority people have historically been prevented from buying homes inside the town and the minority population is located in areas outside the town:

5. where the area's only "growth center" is too large to be eligible to be included in the FmHA service area, but there are no other established communities nearby;

6. where building the subdivision on the edge of an established community might

lead to "rural sprawl"; and

7. where rehabilitation assistance is needed in an existing subdivision which is in open country and failure to provide FmHA assistance would doom the subdivision by preventing any improvement.

SECTION 8-ASSISTANCE AUTHORIZATIONS

Would extend all expiring authorizations, and in most cases, provide some increase. Specifically the section would:

1. Section 504 Home Repair Loans and Grants; provide \$100 million for three years. 2. Section 516 Farm Labor Housing Grants; provide \$100 million for three years.

Section 506 Rural Housing Research;
 provide \$1 million each year for three years.
 Section 514 Farm Labor Housing Loans;

authorize \$50 million in loans each year.
5. Section 515 Rural Rental Housing; continue the present unlimited authorization through 1980.

- Section 523 Self-Help Technical Assistance Grants; authorize \$20 million in grants each year.
- 7. Section 523 Self-Help Site Loans; authorize \$5 million in loans each year.
- Section 525 Technical Assistance Grants and Seed Money Loans; provide \$10 million annually for each of these two programs.

SECTION 9—CONGREGATE HOUSING FOR ELDERLY
AND HANDICAPPED FAMILIES

This amendment would make clear that congregate housing with common dining areas for the elderly and handicapped may be built with FmHA 515 funds. Since this had not been expressly provided for in the past, FmHA has refused to allow such housing, often essential to the needs of the elderly and handicapped.

SECTION 10—FINANCIAL ASSISTANCE TO PRO-VIDE LOW-RENT HOUSING FOR DOMESTIC FARM LABOR

The farm labor housing grant program (Section 516) was instituted by Congress to provide low-rent housing for domestic farm labor. Congress recognized that to make this program available to farmworkers, a variety of groups and organizations would have to be eligible to apply for farm labor housing funds including, "... any State or political

subdivision thereof or any broad-based public or private nonprofit organization incorporated within the State, or any nonprofit organization of farmworkers incorporated within the State. . . . "

The intent to allow private and farmworker nonprofit organizations to apply for this assistance has been subverted by FmHA Instruction 444.6, which gives priority of grant funds to public bodies. There are many areas with a need for farm labor housing without a housing authority. There are also housing authorities which refuse to sponsor farm labor housing. Farmworkers who live in areas without a housing authority or with one that refuses to sponsor farm labor housing should not be penalized. The priority for funding applications should be based primarily upon need. Therefore, private and nonprofit organizations should be considered on an equal basis with public bodies in applying for farm labor housing funds. This amendment would accomplish that purpose.

SECTION 11—PROVIDING THAT 60 PERCENT OF INSURED RURAL HOUSING LOANS GO TO LOW-INCOME FAMILIES

This amendment would require that no less than 60 percent of all insured Section 502 single family and Section 515 rural rental loans go to low-income families, as defined by the Secretary. Up to this point, the yearly FmHA appropriations bill has contained language to do this. Placing this provision in the authorizing legislation strengthens the intent of Congress that these programs serve those most in need of decent housing.

SECTION 12—AVAILABILITY OF RURAL HOUSING FUNDS

This section would require the Secretary to allocate funds to assure maximum availability and use during peak construction periods.

During Fiscal Year 1976 the use of monthly allocations was implemented in both the Section 502 and Section 515 programs. It proved totally unworkable in the 515 program and was dropped, while continuing in Section 502. The result was chaos. Applicants on long waiting lists were forced to wait longer for processing. Many builders, constructing dwellings under the FmHA conditional commitment program, found themselves with completed units and no way to gain timely processing for potential buyers unable to rapidly advance through a waiting list that has been dramatically affected by monthly quotas.

SECTION 13—CHANGES IN GUARANTEED HOUSING LOAN PROGRAM

Would limit this guarantee to applicants with above moderate incomes, seperate guarantee authority from loan authority, and provide for processing by state or regional offices.

SECTION 14—HOMEOWNERS SUBSIDY FOR LOW AND MODERATE INCOME PERSONS

This amendment would authorize FmHA to subsidize the difference between 15% of annual gross income and the costs of principal and interest, property taxes, insurance, utilities and maintenance. This minimum payment by the low income household is the same amount as required for very low income households under the HUD Section 8 rental program.

To insure that these subsidy costs are restricted to shelter costs of the family and that the family does not gain a windfall at the expense of the government by selling the house at a substantial profit, this section would allow FmHA to recapture some of the subsidy costs. If the low income family were to sell the house gaining a windfall profit, up to 100% of the subsidy dollars provided by FmHA over the life of the mortgage, and a portion of the profit could be recaptured by FmHA. The seller would be allowed to retain his equity and a portion of the profit

to relocate in comparable housing or facilities which the seller and his family finds suitable to their needs

SECTION 15-RURAL RENTAL ASSISTANCE

This amendment would require that the rent supplement program enacted in 1974 be implemented. It inserts "shall" for "may". The amendment would make clear that occupants in congregate and cooperative housing would qualify under the program. It would make sure that the tenant pays 25% of adjusted annual income, as determined for the major homeownership and rental programs. The amendment would clarify that any farm labor housing, financed with a loan or a grant/loan combination, could receive rent supplement assistance in 100% of the units.

supplement assistance in 100% of the units. Finally, it would increase the percentage of family units which could be assisted, to 40% in any project.

SECTION 16—MUTUAL AND SELF-HELP HOUSING Would authorize site loans to Section 523 self-help grantees for the purchase of sites as well as options.

SECTION 17-SITE LOAN CHANGES

This amendment is to provide for profit and limited profit developers in rural areas access to capital in order to provide desperately needed improved building sites. This is done by extending the guarantee authority to the site development program. Private lenders will be encouraged to provide capital for this purpose because of the incentive of guarantees. The amendment specifies that servicing for such loans will be made from the state FmHA office to be sure that the main attention of the country offices is focused on the direct loan programs, which serve the lower income families

SECTION 18—TITLE INSURANCE FOR REMOTE CLAIMS OR ENCUMBRANCES

This amendment would authorize the Secretary to make loans on land where private insurance companies will not provide title insurance solely because of remote outstanding claims or encumbrances on title.

SECTION 19-ENERGY CONSERVATION

Would mandate use of energy conserving construction techniques, materials and standards in all new housing financed by FmHA; and, would require the Secretary to encourage the use of locally available, alternative space heating systems for new or rehabilitated housing.

SECTION 20-ATTORNEY'S FEES

Would permit reasonable attorney's fees for persons and organizations seeking to enforce rights under FmHA rural housing programs. It is limited to payment for work normally done by attorney's, and not that of developers, packagers, etc.

LEGISLATION REQUIRING BILLS AND RESOLUTIONS TO CONTAIN TITLES ACCURATELY REFLECT-ING CONTENTS

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. Weiss) is recognized for 5 minutes.

Mr. WEISS. Mr. Speaker, I am introducing today a resolution (H. Res. 487) to require that all bills and resolutions introduced for consideration by the House contain titles which accurately reflect the contents including the specific amounts of authorizations and appropirations contained therein.

In recent months several legislative matters have come before us for consideration and vote which have contained major provisions which were not reflected in the bill titles or, in some instances, even in the body of the legislation. This situation has been extremely misleading to the public and to Members of Congress, and has denied interested persons the opportunity to participate in the legislative decisionmaking process by expressing their opinions to their elected representatives.

For example, on February 7, I discovered that House Joint Resolution 227, which was titled as an "urgent supplemental appropriation for the Southwestern Power Administration," contained a major funding provision for ERDA which included over \$5.5 billion tied to nuclear research and development. The only mention of the provision contained in the bill's title was the phrase "and for other purposes" and the only amount mentioned in either the title or the body was the sum \$6,400,000. The actual amount being appropriated was closer to \$7,006,400,000.

Recently, on March 17, the House considered H.R. 4088, the fiscal year 1978 authorization for the National Aeronautics and Space Administration. While preparing for the debate on this bill, I discovered an authorization for a supersonic transport which was referred to solely in the committee report, but entirely omitted from the text of the bill being considered in the House.

Mr. Speaker, I believe it to be most inappropriate to have presented to us legislation so obfuscated that it is impossible upon a reading of the bill to tell precisely what it is that a Member is voting on. I am hopeful that this resolution will correct this problem by requiring the title of each legislative matter to contain sufficient information to advise us of its contents.

DODD SUPPORTS HANDICAPPED DEMONSTRATION FOR ANTIDIS-CRIMINATION REGULATIONS

The SPEAKER. Under a previous order of the House, the gentleman from Connecticut (Mr. Dobb) is recognized for 5 minutes.

Mr. DODD. Mr. Speaker, I rise to bring to the attention of my colleagues the dramatic confrontation now taking place between several hundred handicapped persons who are sitting-in at the HEW building across the street from the Capitol and Secretary Califano who has refused to approve Federal regulations prohibiting discrimination against the handicapped.

I support the brave efforts of these handicapped persons who are doing nothing more than asking HEW to make good on the promise of protection against discrimination which the Federal Government made over 3 years ago when it passed the Rehabilitation Act of 1973.

Mr. Speaker, 3 years is enough. The 35 million handicapped citizens of our Nation must not be forced to wait any longer before they are allowed to enjoy the same rights to a job, good education and adequate health care that the rest of our citizens have. It is a disgrace that the world's richest Nation continues to uphold barriers which prevent the handi-

capped from obtaining their fair share of the benefits of our society.

In an investigation which I initiated in May of 1975, GAO discovered that "in essence section 504"—this is the section of the Rehabilitation Act which prohibits discrimination against the handicapped in programs or activities receiving Federal financial assistance—"had not yet been implemented as of June 1975" and that two executive departments were completely unaware of the requirements of section 504. Citing the conclusions of that report, I wrote then President Ford in October of 1975 asking that he immediately initiate an Executive order giving HEW responsibility for enforcement of section 504. I was very encouraged when President Ford acted on my request and issued Executive Order 11914.

Almost a year has now passed since the President issued his Executive order requiring HEW to develop regulations implementing section 504. Despite this Presidential action, extensive public comment and support and indepth study, former HEW Secretary David Mathews failed to sign the regulations before leav-

ing office.

When Secretary Califano took office he expressed basic support for the regulations but then established a task force to review the more controversial elements of them. Although he gave the task force a deadline of March 17, by which they were to report back to him, the task force only very recently completed its work.

In addition, Secretary Califano is reported to be considering major changes which would permit him, in certain cases, to waive the requirement that recipients of Federal assistance make the facilities in which they provide their services ac-

cessible to the handicapped.

Mr. Speaker, these regulations must not be weakened. Instead, I believe that the Federal Government should help recipients with the cost of making their facilities accessible to the handicapped. I believe the Federal Government would be more than reimbursed for its expense by the increased tax revenues and reduced welfare costs that would result from having handicapped citizens become active, productive contributors to our economy.

Mr. Speaker, I urge my colleagues to communicate their support for these regulations and the handicapped protest to the White House and to Secretary Califano. No further delays in the implementation of this important legislation, now 3 years old, should be tolerated. All handicapped Americans are watching our action; we must not let them down.

REMARKS AT A TESTIMONIAL DINNER HONORING CLEMENT J.

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. Rostenkowski) is recognized for 10 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, last Tuesday, March 29, I had the honor to act as master of ceremonies at a tes-

timonial dinner honoring my good friend and distinguished colleague, the Honorable CLEMENT J. ZABLOCKI, chairman of the House International Relations Committee. The dinner was sponsored by the Washington Metropolitan Division of the Polish American Congress. The dinner was attended by well over 300 persons, including many Members of Congress and other honored guests, including my good friend, Ed Piszek, the president of the Copernicus Society of America. The main speaker of the evening was the distinguished author, James Michener.

There is a great deal of similarity between James Michener and Clem Zablocki. They both have several interests in common. One of them is the world. James Michener is fascinated by it and by the people who inhabit it. Clem Zablocki, every day of his life, carefully watches it and analyzes its growth in peace and in freedom. Both of them share the same compassion for the underprivileged and the oppressed.

Almost one year ago, Speaker "Trp" O'NEILL and I had the honor to be given a special tour of the Children's Hospital in Krakow. I am sure that many of you have also visited this truly magnificent institution, perhaps the most visible expression of goodwill between the American people and the people of Poland. No one man has done more, has been more responsible for the creation and the continuation of this hospital than our good friend, CLEM ZABLOCKI. That day last April proved to be a very moving experience for me. Everywhere that Speaker O'NEILL and I went, in the wards, in the operating rooms, we were continually asked the same question: "Did we know Congressman Zablocki?" The doctors, the nurses, and especially the children all said, "Please say hello to Congressman Zablocki." CLEM Za-BLOCKI did not know it, but he received hundreds of testimonials that day. Most of them came from very small, very sick Polish children. And knowing CLEM the way I do, I can assure you that each of those kind words meant more to him than the generous tributes he received last Tuesday evening.

Mr. Speaker, I would like at this time to insert into the Record Clem Zablocki's remarks of last Tuesday. It is an excellent speech which clearly indicates Clem's strong views on the role of the Congress in international relations. I would also like to place into the Record the remarks of my good friend, the Honorable Aloysius A. Mazewski, president of the Polish American Congress and the Polish National Alliance. Al, my Chicago neighbor, a former member of the U.S. delegation to the United Nations, continues to be an outstanding champion of

human rights.

As I mentioned earlier, the keynote address was given by the distinguished author, James Michener. It was one of the most thoughtful addresses that I have ever heard. I would strongly recommend it to my colleagues, not only because of the nice things he says about CLEM ZABLOCKI, but also for what he says about the present state of world affairs.

The remarks follow:

CONGRESSMAN CLEMENT J. ZABLOCKI'S SPEECH

Thank you very much my big town friend from the suburb of Chicago Dan Rostenkowski. Very reverend Reverend Clergy, my congressional colleagues, distinguished friends in the State Department, military and executive branch, and other departments of our Government, the national local representatives of the PAC, President of Washington Metropolitan Division—Jan Kanty Miska, Aloysius Mazewski, my good friend Ed Piszek, President of the Polish American Congress, Mr. Michener, Msgr. Malanowski, Rev. Smyczyk, and all of you my dear friends.

Let me say it is indeed a great personal privilege to be here and to hear such fine things. Dan, of course you've heard, it's better to be a big fish in a small pond than a small fish in a big pond and as I outgrew my size in Milwaukee and they wanted to get rid of me, they sent me to Washington and although I did not grow physically and I must say I don't believe everything that was said this evening, I still did like to hear it.

My friends, your kind and generous words, your very presence impresses me deeply. I am overwhelmed and almost speechless, but did you ever see a politician that was ever speechless? I would be remiss, however, if I did not express my special thanks to the Washington Metropolitan Division of the Polish American Congress, to the working committee headed by its President Mr. Jan Kanty Miska, and all the individuals and organizations who cooperated and assisted

in making this event possible.

I know there are too many to single out. I wouldn't even attempt to dare to try, but I know many of you come from far and distant places. This moves me. I am heartwarmed. I sincerely appreciate this display of confidence in me—it will serve as a further incentive—as I take on additional and important responsibilities now. The memory of this evening will be a constant reminder of your support and faith in me. I assure you that your faith will not be betrayed. These festivities and your expressions of best wishes and congratulations are indeed heart-

warming. And as I sat there listening to them, I saw those flowers, I met so many of the clergy, I saw the candles and as my pipe began to smell more like incense, I began to worry. I worried since I knew I've had it. You only hear such nice things when people can't hear them, and I was wondering as I was already dreaming . . . I am human enough to enjoy hearing them. But it is my understanding and perception that the honors bestowed are on the office I hold-and the chairmanship of the important International Relations Committee. Yes Mr. Michener-I undertake some very serious obligations and responsibilities. But let me say after an 18 year apprenticeship as ranking member of that Committee, over the years that Dr. Tom Morgan was chairman-let me assure you that I am well prepared and will conduct myself and administer my duties in a manner which will continue to earn your respect and support.

I am proud to be an American of Polish descent—proud that the blood of Kościuszko and Pulaski flows in my veins—proud that the land of my ancestors contributed so much to science, art, culture, music, literature—and yes—Christianity. To name a few: Madame Skłodowska-Curie, Kopernik, Chopin, Paderewski, Sienkiewicz.

My goals in the past have always been based on the motto—"God, country, honor"—so I pledge to you this evening—it is my resolve to continue in that spirit—God, country, honor, especially since my responsibilities in the Congress are even more challenging and important, toward that end, in all humility, I solicit your encouragement,

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your counsel and most especially your prayers.

Let me say that many asked and so many referred to my humble accomplishments over the years. In the past agreements were made that Congress never even knew of and at times the State Department was not aware of. That is changed by the Case-Zablocki Act. It's law. Future presidents, this President, can not make executive agreements without advising Congress. Yes, I'm proud of the War Powers Act which restored to Congress the responsibility that the Constitution gave Congress, that only Congress wage war, that presidents could not get us involved in conflicts without the approval of Congress.

Yes, there will be other decisions that we will have to make. And today many ask since this President-President Carter is a Democrat and I am a Democrat whether my policies will change. Yes, President Carter is my President and thus far he and his administration have demonstrated the intent to consult and seek the advice of Congress. And to add, to that end as long as they will I am sure there will be the full cooperation of Congress. But Democrat or no Democrat let me assure you that I will as chairman, as I had in the past, guard very thoroughly the responsibilities, the obligations, the attitude that Congress will have, the input that Congress will have in the International Affairs.

This is as it should be. We will not relinquish that oversight, we will cooperate but we will always be watchful. After all we are the people's representatives and we want to assist the President, we want to be in a partnership with an executive branch. In that way we can assure that the progress for our country and for peace in the world will indeed become a reality. Yes, Mr. Michener, and others with you who have spoken, I deeply appreciate your very, very kind words, but the job is a big one and I shall look for your counsel, solicit your advice and most especially your prayers. Again my sincere and heartfelt thanks to the Polish American Congress and all of you in an old Polish saying: "Bog zaplac"—May God reward you.

REMARKS BY HON. ALOYSIUS A. MAZEWSKI,
PRESIDENT OF THE POLISH AMERICAN
CONGRESS

Mr. Chairman, distinguished guests, Mr. and Mrs. Zablocki, our honorees, Reverend Fathers, and ladies and gentlemen.

I deem it a great privilege to be here today. My speech will be very short. But I have a few things to say and in five minutes I really have to be as affluent and as fluent and as able and capable as all these Congressmen I hear. I also want to take this opportunity since I see so many Congressmen to thank them for voting for that Polish Veterans Bill. It finally became a reality.

The Washington Metropolitan Division of Polish-American Congress deserves accolade for arranging this testimonial dinner in honor of Congressman Clement Zablocki who in 28 years of dedicated and highly visible service in the House of Representatives has earned the position of leader-ship as the chairman of the highly impor-International Relations Committee This position is indeed important both to the Congress and to the nation and Congressman Zablocki has proved his qualities of leadership and his grasp of international problems and challenges facing our nation today. The instances of his effective, bold and far-reaching initiatives and actions in the area of our foreign relations are too numerous to delve into in a brief address.

Therefore, I will mention only one which is of particular interest and importance to Americans of Polish origin who see a free and independent Poland as the key factor in the stability of East Central Europe where a considerable measure of our national security is involved. It was through Zablocki's initiative and dedicated efforts that Congress adopted a resolution requiring that all international executive agreements concluded by our government be transmitted to Congress for debate, evaluation and acceptance. Had this resolution been in effect in 1945 the Yalta Agreement would not have been presented to the American nation as an accomplished fact and perhaps Europe would not have been divided by the Iron Curtain.

In our view as Americans of Polish origin and heritage, or as we are frequently referred to as American Polonia, this testimonial dinner in honor of Zablocki has an added significance. To us this dinner is a focal point which brings to us as it should bring to our compatriots of other origin the awarenes of the contributions Americans of Polish origin made to the development and stability of our political system. Our tradition in this area goes back to the year 1619 when Jamestown pioneers from Poland won their strugfor enfranchisement and through their action instituted the first vocational act in America. Our participation in the civic affairs of the Republic reaches the time when Peter Stadnicki helped to finance the American Revolution and earned words of thanks from Thomas Jefferson.

It also reaches the time when Albrecht Zaborowski became the first justice in what is now Bergen County, New Jersey, and his grandson John became a member of the Bergen County Committee of Correspondents. Throughout the history of the Republic Americans of Polish origin distinguished themselves in many executive positions on the state and local levels, in the judiciary, in education, and in arts and sciences. Today we have many Americans of Polish origin eminently qualified by education, experience and qualities of leadership to serve our nation effectively in positions of responsibility, trust, and challenges.

I was very pleased to read just recently, just a few days ago, that our former Ambassador Gronouski will be named as chairman of BIB. I don't see any better qualified individual that understands the problems of Radio Free Europe, Radio Liberty, and Voice of America than Ambassador Gronouski.

I feel it is our duty as American citizens to support those radios because those radios must continually beam the truth beyond the Iron Curtain. I also wish at this time to congratulate President Carter on his strong stand on human rights. The struggle for human rights and our support for those who share with us the desire for a truly democratic system in the world are absolutely vital in order to preserve peace in this world. We must also insist that Russia, Poland and other signatories of the Helsinki Agreement quit violating those human rights provisions. Our honored guest Congressman Zablocki is an example of the quality of service, dedication and commitment Americans of Polish origin and heritage can bring to the civic sector of our nation and prove to our somewhat cynical and disillusioned younger generations that politics could be, should be and in fact is an honorable profession. This to us, Americans of Polish origin and heritage, is the larger meaning of this testimonial. We are happy and honored that this larger meaning is today centered on Clement Zablocki who eminently deserves our tribute. Thank you.

KEYNOTE ADDRESS BY JAMES A. MICHENER
Distinguished Members of Congress,
members of the clergy, guests who have
come here tonight to honor an outstanding American.

ing American.

If I were sitting in this audience I would ask myself, why is this man speaking about Zablocki? The answers are very simple. I served on a national commission which was

supervised by the committee of which Mr. Zablocki is now chairman. We had to go before him for our funds, for our approval, for our continuation. I was on the committee for five years and learned from the people who gave us instructions that Zablocki was the man to watch because he had a very solid, sane approach. I therefore feel almost as if I were one of his constituents as indeed for five years I was. I came to know how his mind worked, what he was in favor of, and what he was against. And I came above all to respect him. It occurred to me in the middle of my service on this commission that Zablocki and I were very similar. He in the governmental area, I as a private citizen in that we were both concerned about the position of the United States in world affairs! And on four specific items I found myself involved with the very things that he was involved in.

In 1956 I participated at a very low but intense level in the Hungarian Revolution. I saw at first hand the complexities of the Dulles Doctrine that the United States stood ready to support any uprisings that might happen in the countries that had recently fallen under Russian domination. The United States never said that, but the idea was abroad that that was our doctrine and when the harshness of the Hungarian Revolution erupted we all saw how false that assumption was. That a dreadful affair was happening in Budapest and we were simply powerless to do anything about it. And this had a profound impression on me. I served, as you know, on the frontier bringing Hungarian refugees out and helping get them settled in this country and elsewhere. And again and again I was asked, why didn't you do what you said you were going to do? And it was heartbreaking to tell these people who had struck a tremendous blow for freedom that they had misunderstood what we had said.

And I think that in the years since 1956 it has been incumbent upon all of us to be very careful that we do not promulgate another Dulles Doctrine which we either will not or cannot support. And on no man does the problem of holding the line on this fall more heavily than on Clem Zablocki. He must be careful of what he says. And in my service under him as it were, I came to know how imperative it is that we keep all of these things in mind and in balance. In 1963-64 I was given the rare opportunity of working intimately with the leaders of Israel. And with many of the citizens of the surrounding Arab states.

It was perhaps the most vital intellectual experience I have ever had. And it left a deep and abiding impression on me. I have subsequently written about it in a score of places. I have tried to keep the values in mind. I have tried to be an honest assessor of this and I would not say that I had succeeded. I think almost no American can pick his way securely through this terrible jungle of Middle Eastern affairs. I think we're obligated to try. I think we've done a good job of being honest about it. I think we have been evenhanded in the phrase that my good friend and neighbor Bill Scranton introduced to the displeasure of many people. I see the Middle East as a cauldron.

I was one of the last people out of Beirut before the roof fell in. We all knew it was going to fall in. There was no way of escaping this. And one feels that there are many situations like this. Well, the men who worked with Zablocki in the House and in the Senate are obligated to try to pick their way carefully through this maze and bring some sense of order into it. And I am very proud of the stand taken by the United States in trying to be fair to both sides in this question and to urge both of them to the table where they can discuss without warfare the problems

that confront them. I think as I work in these fields that your Congressman is responsible for that I have a sense of great tragedy almost as I look at Lebanon, Cyprus, Northern Ireland. When I was a young man I thought the days of such internecine struggle were over. I thought we had moved onto new plateaus where this would no longer be necessary. Everything I believed hopefully then has fallen in ashes. We live in a much tougher world than I imagined when I was young. And it has been my service in these areas and meeting the people who were on the firing line which has brought this truth home to me.

Tonight I have somewhat the same hopes I had when I was a young man. I think that by the year 2000 we are going to have resolved many of these difficulties. I think the pressure of population and communication and interrelationship will dampen some of these fires. I certainly am as hopeful as I was the day I started but I am not as stupid as I was then. I realize it's much tougher than I thought. I have an enormous respect for men like your Congressman who are on the firing line in this continuing battle.

In 1964 and twice later I had the great opportunity of spending intensive periods in the Soviet Union. And while there at one extraordinary conference I had the temerity to bring up the question of the captive Baltic states—Estonia, Latvia, Lithuania—about which I have always had deep interests and sometimes deep connections. And I was like the little boy who brings a skunk to a birthday party. These were things that the Russians did not want discussed. Although they certainly are on the world agenda. They're up for discussion but not for intervention. And that is a very difficult posture for America to be in. To want to discuss something but not necessarily to intervene about it.

Well, there are a lot of problems in this world that fall within that category. And I think all of you can name them. I could rattle off some twenty that I have been in-volved in that should be discussed at every level and our attitudes should be made known, and our willingness to help both sides should always be on the table, but about which we are powerless to intervene on an operative level. Later I spent eight weeks in South Africa, the Republic of South Africa. One of the most beautiful countries on earth, absolutely heavenly spot. With a variation that would surprise you, with great beautiful areas for development, with a very fine black and white population capable of developing it. An area that reminds me of the best parts of America. One saw there again the enormous tragedy comparable to Cyprus, Beirut, and Northern Ireland—an almost insoluble confrontation with men of good intention on both sides trying vainly to find some way out of this impasse. And again this is a problem which is going to fall in your Congressman's lap for the rest of his tenure in Congress. He cannot escape it.

Finally, some years ago I had the great privilege of visiting Red China on a rather of the intimate level and meeting many leaders of that country and especially many of the fourth and fifth echelon people who were slugging it out on the firing line. I remember one evening after America had been kicked around rather savagely by some of the leaders of the Chinese delegation, I had a meeting with the head of what would be the Chinese Associated Press. And we got down to very fundamental levels that men of comparable occupation can often do. And he wanted to know exactly what we were thinking about the Russia-Chinese confrontation. And he had been rather arrogant with me in the preceding three days. Delightful man and an even more delightful wife, terribly bright people. They knew who I was, they knew what I stood for, they were heckling me pretty furiously as was the Chinese delegation heckling our leaders. And I got rather angry and I said, "It's very simple. If you want to behave this way all we have to do is leave here and fly to Moscow and an entirely different kind of balance is going to be established."

Believe me, for the next two days we had one of the profoundest conversations I have ever had. Did I really mean that? Was there a possibility of an American-Russian rapprochement? What would we do about the Far East? What would we do about the Trans-Siberian Railroad? I got an introduction to Chinese politics that was invaluable and he wanted it that way. He had found that I wasn't kidding. He was a man exactly like me, about my age, about my same background. It was an introduction into the complexities of the Russian-Chinese situation. And again I came away feeling quite ignorant and with renewed respect for those men in Washington who are responsible for picking their way through this jungle.

So, accidentally and on a low working level I have been toiling in the same garden as Clem Zablocki. And I have come to have enormous respect for the way he approaches these problems which have totally baffled me. One, how to encourage the captive republics without repeating the Dulles error of overanticipation. Parenthetically, how to restate the Sonnenfeldt Doctrine which created so much havoc in groups like yours some years ago. How to avoid the regrettable stumble that President Ford made at the height of the campaign which did him so much damage and may have affected the outcome in November.

Two, how to advance the possibility of peace in the Middle East without abandoning America's historic positions on all kinds of international relations.

Three, how to retain meaningful contact with the Soviet Union without reversing attitudes or surrendering positions which we have won through hard negotiations. I think everyone can see that that is the great problem tonight in Moscow as Vance and the leaders meet. How can we retain contact without surrendering or retreating from positions hard won by previous administrations.

And fourth, maybe most complex of all, how to build an increasingly fruitful relationship with China without becoming embroiled in her self-centered pursuit of her own interests, say vis-a-vis India, vis-a-vis Siberia, vis-a-vis Taiwan. I am not wise enough even to give advice on any of these problems. But we must have in this country men who are willing to operate upon the level of advice they do have and make the right decisions.

And it is for that reason that I come here tonight to pay my testimony to the track record of the distinguished Member of the Congress who has been trying to do that. I wish Congressman Zablocki well in his pursuit of these matters and I find great encouragement in his past performance. His restatement of the principle of war powers was long overdue and should go far to avoid some of the excesses of the last twenty years. His constant concern with arms limitation is a posture that our government should have. It should be stated clearly, it should be pursued rigorously. His insistence that international agreements be reviewed by Congress is very much to my liking. I think a previous speaker has said that had this provision been in operation the harsh conclusions of Yalta would not have been permitted. We may have stumbled into them

but we would not have gone into them secretly with the sad repercussions that followed. And finally, his desire to help underdeveloped nations progress in meaningful ways with our continued assistance, with our guidance, with our cooperation.

Congressman Zablocki, good luck. You are going to need it.

FCC SHOULD NOT ENTER INTO COMPACTS WITH FOREIGN GOV-ERNMENTS WITHOUT CONGRES-SIONAL OR PRESIDENTIAL AU-THORITY

The SPEAKER. Under a previous order of the House, the gentleman from Georgia (Mr. Levitas) is recognized for 5 minutes.

Mr. LEVITAS. Mr. Speaker, on February 2, 1977, the Federal Communications Commission issued a public notice announcing:

New procedures concerning the type acceptance and certification of Japanese manufactured citizens band equipment.

A compact was reached between the FCC's chief engineer and an official of Japan's Ministry of International Trade and Industry—MITI—in which laboratories in Japan would test Japanese manufactured CB radios for FCC type acceptance.

I find it strange and, at least unusual, if not illegal, that the compact reached between the chief engineer and MITI changes the FCC's rules regarding type acceptance and certification without compliance with the Administrative Procedure Act's requirement for a public rulemaking process. The Commission's rules permit the Commission to "require an applicant for type acceptance or certification to submit one or more sample units for measurement at the Commission's laboratory." The so-called compact would allow inspection and testing at the Japanese laboratories.

This may be another example of where the bureaucrats are making decisions and rules rather than the duly established authorities doing so. Did the Commissioners know of and appraise this action? I would like to know.

Of further interest is that it appears that some of our bureaucrats are permitting agencies controlled by foreign sovereignties to handle some of the load confronting the Commission's testing laboratories here in the United States. Assuming the Commission had the authority to delegate its equipment authorization responsibilties to nongovernmental parties, then the Commission should at least consider delegating that authority to U.S. testing laboratories to maintain U.S. employment of engineers and technicians.

Finally, I question the propriety of the staff of the FCC conducting our relations with foreign governments and entering into compacts with foreign governments without congressional or Presidential authority.

I trust the Committee on Interstate

I trust the Committee on Interstate and Foreign Commerce will look into this matter and determine which occurred and whether it is proper.

FARM PRODUCTION PROTECTION **ACT OF 1977**

The SPEAKER. Under a previous order of the House, the gentleman from Tennessee (Mr. Jones) is recognized for

Mr. JONES of Tennessee. Mr. Speaker, today I am introducing the Farm Production Protection Act of 1977. This bill is an expansion and revision of the mandate given to USDA's Federal Crop Insurance Corporation. It was developed by crop insurance experts in the FCIC and provides us excellent guidance and a basis from which to consider making crop insurance one of the most important agricultural policy tools. Secretary Bob Bergland has publicly expressed his desire to establish an "all crop, all risk" insurance system. This bill was designed to meet his desires.

Additionally the administration has asked for only a 1-year extension of the disaster payments program. Plans call for replacing it with a revised crop insurance system. I submit this bill to start our deliberations and hope we can consider it in the Agriculture Committee as soon as our schedule is cleared of the farm bill extension later this year.

The initial objectives of the proposed Farm Production Protection Act will be to provide economic stability to producers of wheat, cotton, corn, barley, grain sorghum, and rice on a national basis upon enactment of the enabling legislation

Further, it will be the objective to expand this protection to producers of other major farm products as rapidly as the Secretary of Agriculture and Board of Directors of the Farm Production Protection Corporation feel is prudent and are able to develop an appropriate actuarial structure.

This will provide a strong program to prevent loss of the producer's farm production costs in the face of unavoidable natural causes.

The primary purpose will be to assure a supply of food and fiber sufficient to meet the needs of domestic consumption and export demand and to permit a high export level for our agricultural products.

Further, it will assure a strong and substantial rural agricultural and commercial financial structure. This economic protection will virtually assure the consumer of agricultural products in the marketplace and of a long-range continuation of a plentiful supply of food and fiber

This would be a major forward step in minimizing a conflict between the agricultural producer and the consumer.

It is the intent of the legislation to provide a vehicle to forge a united disaster assistance program, at a minimal cost, which will permit responsive Federal action to alleviate farm financial problems caused by natural disasters.

Accomplishment of these objectives will be through the formation of the Farm Production Protection Corporation which will be managed by a Board of Directors appointed by the Secretary of Agriculture. The Board shall consist of the Manager of the Corporation; two other persons employed by USDA, one of which represents the consumer viewpoint; one person experienced in the insurance business, and three active farmers who are not otherwise employed by the Government.

Financing under this legislation, during ordinary or nondisaster conditions, will be by subscription of \$300 million capital stock, premiums paid by participating farmers, and appropriated funds for operating expenses.

Experience under the existing Federal Crop Insurance Act has fully demonstrated the feasibility of this financing concept since premiums paid by farmers from 1948 through 1976 have been equal to indemnities incurred for losses,

In the event of catastrophic and disaster type loss situations, such as have occurred in areas stricken by drought in 1976, the Secretary of Agriculture is empowered to expend whatever funds are necessary to meet the needs of the immediate situation in a timely manner.

These expenditures will not be permitted to increase the premium costs or reduce the protection guarantees to participating farmers. This will prevent making the program cost prohibitive to participants and assure a continuation of the economic stability and protection needed in disaster areas.

Following is a section-by-section analysis which I ask to be printed with my statement:

FARM PRODUCTION PROTECTION ACT: SECTION-BY-SECTION SUMMARY

Section 101. To promote economic stability of agriculture by protecting farm production costs against loss from natural and uncontrollable causes

CREATION OF FARM PRODUCTION PROTECTION CORPORATION

Section 102. Creates the Farm Production Protection Corporation as a corporate body. to implement and execute the declaration of purpose under general supervision of the Secretary of Agriculture.

CAPITAL STOCK

Section 103. (a) Provides for funding of the Corporation through \$300 million capital stock authorized as a working reserve.

(b) Receipts for stock to the Secretary of the Treasury as evidence of stock ownership.

MANAGEMENT OF THE CORPORATION

Section 104. (a) Management through a seven-member Board of Directors appointed by the Secretary of Agriculture. The Board shall consist of the Manager of the Corporation; two USDA employees, one of which shall represent consumers; one person experienced in insurance business, and three farmers.

- (b) Four members constitute a quorum for business transactions.
- (c) Establishes compensation and travel and subsistence allowances for members of the Board.
- (d) Appointed by the Secretary of Agriculture, the Manager shall be the chief executive officer with authority conferred by the Board of Directors.

GENERAL POWERS

Section 105. (a) Succession in its corporate name.

(b) Adopt, alter and use the corporate seal judicially noticed.

(c) May contract, purchase, lease, hold real and personal property necesary to transact its business. May dispose of such property as deemed appropriate.

(d) The Corporation may sue and be sued.

The courts of jurisdiction are designated herein.

(e) May adopt, amend and repeal by-laws, rules and regulations.

(f) Use of the U.S. mail service as other

executive agencies of the government.

(g) Provides for broad use of information, services and facilities to carry out provisions of the title.

(h) Research, survey and investigate to assemble data for establishing the actuarial basis for farm production protection.

Determine the character and necessity for expenditures.

(j) Confers powers upon the Corporation that may be necessary or appropriate.

PERSONNEL

Section 106. (a) The Secretary will appoint officers and employees pursuant to Civil Service laws and regulations, define authorities and duties, and delegate powers as he may determine. May require bonding. Provides that personnel paid by hour, day or month when actually employed and county representatives may be appointed and compensation fixed without regard to Civil Service laws

and regulations.
(b) Provides for compensation for employees suffering injuries while in the performance of their duties.

(c) Authorizes the Secretary to utilize bureaus or offices of the Department or other agencies of State and Federal government to assist in carrying out this title

(d) Grants authority to the Board to utilize producer-owned and producer-controlled cooperative associations to assist in carrying out the title.

FARM PRODUCTION PROTECTION

Section 107. (a) Commencing with the 1978 crop year, provide protection to producers agricultural products. Such protection against loss of production costs due to unavoidable natural causes. Production protection may cover up to the cost of production of the product subject to adjustment by the Board. Shall not cover losses due to neglect or malfeasance of the producer or failure of the producer to follow established good farming practices. The Board may refuse production protection in any county, area or farm not suited to the production of such prod-uct. May limit or refuse in any county where it is administratively impractical to establish a county program.

Requires the Corporation to report annually to Congress.

(b) Premiums for production protection fixed at such rates sufficient to cover claims for normal loss of production. Catastrophic or disaster losses shall not be included in the protection experience for rating risk and fixing premium rates.

(c) Catastrophic or disaster losses shall be charged to the disaster relief fund to the ex-

tent determined by the Board.

(d) To adjust and pay claims for losses under rules prescribed by the Board. Suit may be brought against the Corporation for denial of a claim if brought within one year after the date when notice of denial of the claim is mailed to and received by the claimant.

(e) To issue contracts and regulations which are binding on the contractual parties.

(f) To provide reinsurance for the Commonwealth of Puerto Rico.

(g) To offer reinsurance to private insurance companies, not to exceed 20 counties.

INDEMNITIES EXEMPT FROM LEVY

Section 108. Claims for Indemnity shall not be liable to attachment, levy or garnishment before payment to the insured, except claims of the United States or the Corporation.

DEPOSIT OF FUNDS

Section 109. Monies of the Corporation deposited with the Treasury of the United States subject to withdrawal or may be invested in obligations of the United States. The Federal Reserve is authorized and directed to act as depository custodian and fiscal agent.

TAX EXEMPTION

Section 110. The Corporation shall be exempt from all taxation.

FISCAL AGENT OF THE GOVERNMENT

Section 111. When designated by the Secretary of the Treasury, the Corporation shall be a depository of public money. May also be employed as a financial agent of the government and shall perform reasonable duties as a depository of public money as may be required

ACCOUNTING BY CORPORATION

Section 112. The Corporation shall maintain complete and accurate books of accounts, reporting annually to the Secretary of Agriculture. The Corporation shall be sub ject to the audit of the General Accounting Office annually.

CRIME AND OFFENSES

Section 113. (a) Penal statutes apply to the Corporation provided that Section 22 of Title 41 shall not apply.

(b) Chapter 645 of the Act of June 25, 1948, 62 Stat. 729 and 62 Stat. 790 amended by striking Federal Crop Insurance Corporation and inserting Farm Production Protection Corporation.

(c) The Corporation may void a contract where concealment or misrepresentation or fraud occurs.

(d) Reserves the right of the Corporation to be titled the Farm Production Protection Corporation.

ADVISORY COMMITTEE

Section 114. Provides authority for the Secretary of Agriculture to appoint an advisory committee, fixes the compensation and travel and subsistence expenses.

APPROPRIATIONS AND REGULATIONS

Section 115. (a) Provides for the appropriation of all operating and administrative costs of the Corporation.

(b) Authorizes the Secretary to expend funds for disaster relief for a loss situation declared as disaster or catastrophic by the Board of Directors.

(c) The Secretary and the Corporation are authorized to issue regulations as may be necessary to carry out provisions of the Title.

Authorizes the Corporation to use capital stock for the amount needed in excess of amount budgeted for direct cost of loss adjustment and agents commissions and will restore the amount used by appropriations.

Section 116. The sections of this title and subdivisions of sections are hereby declared to be separable, and in the event any one or more sections or parts of the same of this title be held to be unconstitutional, the same shall not affect the validity of other sections or parts of sections of this title.

DEFINITIONS

Section 117. (a) Defines "Agricultural productions."

- (b) Defines "Catastrophic and Disaster Loss.
 - (c) Defines "Cost of production."
 - (d) Defines "General farm overhead."
 - (e) Defines "Land charges."
 - (f) Defines "Machinery ownership."
 - (g) Defines "Management charges."
 (h) Defines "Normal loss."

 - (i) Defines "Normal production level."
 - (j) Defines "Production protection level."
 - (k) Defines "Variable costs."

INDEMNITIES EXEMPT FROM INTEREST

Section 118. The Corporation is not liable or obligated to pay interest on Claims for Indemnity.

TRANSFERS OF ASSETS OF FEDERAL CROP INSURANCE CORPORATION

Section 119. Assets, funds, property, records, policyholders, rights, privileges, powers, duties and liabilities of the Federal Crop Insurance Corporation transfer to the Farm Production Protection Corporation.

DISSOLUTION OF FEDERAL CROP INSURANCE CORPORATION

Section 120. The Secretary authorizes to dissolve the Federal Crop Insurance Corpora-

REPEAL OF THE FEDERAL CROP INSURANCE ACT Section 121. Title V of the Agricultural Adjustment Act of 1938 (52 Stat. 72) (known as the Federal Crop Insurance Act) is hereby repealed.

HEARINGS ON JUVENILE JUSTICE DELINQUENCY AND PREVENTION AMENDMENTS OF 1977

The SPEAKER. Under a previous order of the House, the gentleman from North Carolina (Mr. Andrews) is recognized for 5 minutes.

Mr. ANDREWS of North Carolina. Mr Speaker, I take this opportunity to announce that the Subcommittee on Economic Opportunity will conduct hearings on April 22, 1977, on H.R. 6111, a bill to amend the Juvenile Justice Delinquency and Prevention Act of

INTRODUCTION OF A RESOLUTION CONCERNING AN INTERNATIONAL TREATY ON CHEMICAL WARFARE

The SPEAKER. Under a previous order of the House, the gentleman from Wisconsin (Mr. Zablocki) is recognized for 5 minutes

Mr. ZABLOCKI. Mr. Speaker, as we reported to the Congress in our 1974 hearings on chemical warfare policy, the conference of the Committee on Disarmament's discussions on chemical warfare limitations have been stalled over the inability or unwillingness of the U.S. Government to table a specific proposal. During the 94th Congress, I introduced a concurrent resolution which I hoped would encourage the U.S. Government to develop a formal position on chemical warfare limitations and present this position to the CCD.

In testimony on Monday of this week by the Honorable Paul Warnke, Director of the U.S. Arms Control and Disarmament Agency before the Subcommittee on International Security and Scientific Affairs of the International Relations Committee, we learned that the CCD will again consider an international agreement to prohibit chemical weapons production and stockpiling. Such an agreement would complement the 1972 Biological Weapons Convention.

Both the United States and the Soviet Union have committed themselves to further limits on chemical weapons, through statements made at the CCD, and in communiques released following summit meetings in 1974. The Soviet Union has tabled a formal treaty proposal, as has Japan. The nations meeting at the CCD have been waiting for a formal U.S. proposal for almost 2 years.

Given the recent problem encountered in U.S.-Soviet Strategic Arms Limitation Talks, now is perhaps a propitious time to make a formal proposal in the CCD. A bold move in this multinational arms control forum would do much to resuscitate multilateral arms control efforts, particularly at a time when the United States is being criticized for devoting too much attention to bilateral arms control efforts. A formal proposal on chemical warfare would also make progress on this serious arms control issue possible.

It is important to remember that unlike biological warfare, some nations have had some experience with chemical weapons. Consequently they are reluctant to take the first step toward a disarmament treaty without some assurance of compliance by all nations, especially the superpowers. We are aware of similar problems associated with our slow progress toward the control of nuclear weapons. Unlike the history of nuclear weapons, however, chemical weapons are more accessible to all nations. Indeed, the real danger exists that the smaller nations may be encouraged to continue to acquire chemical weapons.

I wish to remind my distinguished colleagues that the United States and the Soviet Union have stated that the issue of chemical warfare arms control and disarmament is of sufficient importance to warrant bilateral discussions. Some discussions have, in fact, been held. In my opinion, such discussion are essential if the impasse at Geneva is to be overcome. At the same time, it is important to expand the number of participants to include those states whose interests would be significantly affected by any effort to limit chemical weapons. My resolution is being introduced in the constructive spirit of anticipating the hopeful fulfillment of the treaty and joint communique commitments to seek a meaningful treaty banning such chemical weapons. It represents a significant step toward effective control of "weapons of. mass destruction." Today, there is a possibility to prohibit such weapons. We should make that possibility a reality.

LETTING OUR HANDICAPPED VOTE

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, today I am introducing with Mr. Cohen revised legislation to help the elderly and the handicapped exercise their right to vote. Many times a handicapped or elderly person will attempt to vote, only to find that architectural barriers physically bar him or her from the polling place door. The presence of such barriers effectively abrogates the right to vote for this group of people, and they are thus

denied participation in the most fundamental exercise in a democracy, the elec-

toral process.

To reenfranchise these individuals, Mr. COHEN and I have developed the Voting Rights for the Elderly and Handicapped Act. Fifty-seven Members of Congress have agreed to cosponsor this legislation which calls for the removal of many of the physical impediments that hinder senior citizens and disabled persons in their attempts to cast a ballot.

The most conservative estimates of the number of persons who are physically disabled supports the acute need for legislation such as ours. The number of permanently disabled persons requiring mobility aids in the United States has been estimated at 20 million. When the needs of our elderly population are taken into account, the potential benefits of this legislation grow larger. Finally, our proposal would aid those who usually have no mobility restrictions but who may find themselves temporarily disabled as a result of accident or illness.

Our bill addresses these needs by requiring that polling places used in Federal elections and voter registration sites be located in facilities that provide temporary or permanent access by ramps or other means to individuals in wheelchairs. In the event that such modifications of sites are not readily available, the bill would require that adequate voting alternatives be instituted. For example, the handicapped or elderly person may be assigned to an alternative voting site that is accessible. Also, the bill allows the use of "curbside ballotting." If a physically disabled or elderly person is unable to enter a polling place without assistance, clerks or judges may present an official ballot to the voter at the polling place door.

In addition, the bill requires that paper ballots be available at all voting sites used for Federal elections for the use of those persons who are unable to operate a conventional voting machine. The revised version of this legislation has added a further provision to aid the blind in their attempts to vote. Blind individuals and others who have difficulty both in operating a voting machine and in marking a paper ballot would be allowed to designate an individual to assist them

in the voting process.

Mr. Speaker, much has been done to extend voting privileges to groups of people who have been systematically excluded from participating in the democratic process because of racial and language discrimination. President Carter's recent proposal for universal registration, if instituted, seeks to involve greater numbers of Americans in the electoral process. But I hasten to point out that for handicapped and elderly persons, polling place registration is only meaningful if polling places are free of architectural barriers, and the elderly and handicapped are not only able to register, but can also cast their ballots.

The handicapped and elderly have long faced many problems in achieving parity with respect to the rest of the population in the areas of jobs, educa-

tional opportunities, and accessibility to transportation because of architectural barriers. When these barriers interfere with basic participation in the democratic process—the exercise of one's right to vote-the need for immediate remedy is especially acute.

LEADERSHIP IN ENERGY TECHNOLOGY

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE. Mr. Speaker, an excellent article on the most advanced new energy source is contained in the March issue of Scientific American. The article, entitled, "Superphenix: A Full-Scale Breeder Reactor," describes the breeder reactor concept and summarizes French accomplishments in this critically important field of energy. As indicated in the article, the breeder concept would permit the use of our limited supply of uranium fuel in a manner which would give the world a virtually inexhaustible

source of energy.

A source of dismay brought out by the article concerns the relative position of the United States in this important field of technology. The United States led the world by far in the breeder reactor field. We led the world by nearly a decade in placing the first power breeder experiment into operation. Now the British, Soviets and French have larger machines in operation than the United States. The French built and placed an advanced breeder reactor concept, the Phenix, into operation in approximately 4 years while it takes us about 10 years to place a conventional nuclear power plant into operation. Now, as explained in the Scientific American article, the French have started the construction of a full-scale commercial breeder reactor. the Superphenix, and plans to offer it for sale on the international market.

Although we never had a monopoly in the power reactor field, we did hold a position of leadership at one time. I think we can and I believe we must again attain a dominant position in this important field. I believe that the more all of us learn about the facts in the worldwide breeder reactor field the more we will be able to assist our national efforts to advance our position in this field. For this purpose, I am including the principal portion of the text of the Scientific American article in the RECORD. I highly commend it to you and also highly recommend the full text including the usual beautiful illustrations in the March issue of Scientific American.

In closing I would like to suggest we, in carrying out our various legislative responsibilities, do everything we can to assure our efforts are adequately funded to complete our development work in the breeder reactor field.

SUPERPHÉNIX: A FULL-SCALE BREEDER REACTOR (By Georges A. Vendryes)

The need to resort to nuclear fission to help meet the anticipated world demand for energy over the next few decades is widely, if not universally, recognized. What is often not appreciated sufficiently, however, is the fact that if the construction of new nuclear power plants is limited to the same basic types of reactor generally in service today, ne respite gained will be only a brief one. Most experts agree that at current prices the world's economically recoverable uranium reserves are inadequate to ensure a lifetime supply of fuel for light-water nuclear reactors built after the year 2000. This means that unless uranium is used in a more efficient way than it is in such reactors, it will turn out to be an energy resource not very different in scale from oil.

breeder reactors—nuclear plants that produce more fuel than they consume-are capable in principle of extracting the maximum amount of fission energy contained in uranium ore, thus offering a practical long-term solution to the uranium-supply problem. Breeder reactors would make it possible to obtain some 50 times more energy from a given amount of natural uranium than can be obtained with present-day lightwater reactors. Hence the minimum uranium content of economically recoverable ore could be significantly lowered. For these two reasons (of which the second is by far the more important) the useful supply of natural uranium could be greatly enlarged. Uranium would then constitute a virtually inexhaustible fuel reserve for the world's future energy

Recognizing the importance of these considerations, a number of nations have undertaken intensive research programs aimed at developing an economically competitive breeder reactor before the uranium-supply situation becomes critical. Last fall a consortium of major European electric-utility companies, acting through a joint subsidiary, decided to start the construction of a 1.200megawatt breeder-reactor power plant at Creys-Malville in France. The new full-scale breeder reactor, named Superphenix, will be described here. First, however, it is necessary to explain just what is meant by the term breeding, which serves to characterize the operation of such plants.

Two types of heavy isotope are present in the active core of every nuclear reactor. One type, called the fissile (or fissionable) tope, undergoes most of the fission reactions and is the source both of the heat energy released by the reactor and one of the neutrons that sustain the chain reaction in the core. The only fissile isotope that exists in nature is uranium 235, which constitutes 7 percent of natural uranium; the nonfissionable isotope uranium 238 accounts for the remaining 99.3 percent. Two other fissile isotopes, plutonium 239 and uranium 233, are expected to play an increasingly important role in the future as substitutes for uranium

The second type of heavy isotope in the core of every reactor is said to be fertile: it undergoes practically no fission reactions, but by capturing a stray neutron a fertile nucleus can be transmuted into a fissile nucleus at the end of a series of radioactive disintegrations. A typical example of a fertile nucleus is uranium 238, which is transmuted by neutron capture into fissile plutonium 239. Similarly, fertile thorim 232, the only form of thorium extracted from the ground, can be transmuted into fissile uranium 233.

In every nuclear reactor, as the fissile nuclei are being consumed new fissile nuclei are being created by the transmutation of fertile nuclei. Most reactors in operation today, however, use either ordinary (light) water or deuterated (heavy) water to moderate, or slow, the neutron flux in the active core. In such a slow-neutron reactor it is impossible to produce as many fissile nuclei by neutron capture as are consumed. As a re-

sult the proportion of fissile nuclei in the fuel quickly falls below a certain minimum level, and the depleted fuel must be removed from service with most of the fertile nuclei still not transformed. A set of special conditions must be satisfied to raise the breeding ratio (the ratio of the amount of fissile material produced from fertile material to the amount of fissile material consumed during the same period) to a value greater than 1. The most favorable conditions for breeding are obtained when fissile plutonium 239 and fertile uranium 238 are used together in a fastneutron reactor, in which the neutrons from the fission reactions are not slowed down by a moderating substance such as water between the time they are emitted by one fission reaction and the time they cause the next reaction. Only under these conditions can the breeding ratio be raised to a value significantly higher than 1.

In a fast-neutron reactor the initial fuel load of plutonium is needed to start the fission chain reactions and the production of power. During this period plutonium is bred from natural uranium (or from uranium depleted in uranium 235) in the reactor core and in the surrounding "breeding blanket." When the fuel subassemblies that make up the core and the blanket have undergone prolonged neutron irradiation, they must be reprocessed chemically in order to separate and remove the fission products. In each reprocessing operation more plutonium is recovered at the start of the irradiation. The excess plutonium is set aside and is replaced in the reactor by natural or depleted uranium. Everything proceeds as though the reactor were consuming only natural or depleted uranium and simultaneously furnishing new plutonium as a by-product of the plant's operation.

The time required for a breeder reactor to produce enough plutonium to fuel a second identical reactor is called the reactor's doubling time. This time factor is inversely proportional to the reactor's breeding ratio. In the future it is expected that breeding ratios on the order of 1.4 or so will be achieved, in part by exploiting the concept of the heterogeneous core. The corresponding doubing times will then be between 10 and 20 years. Since it is unlikely that the consumption of electricity will double at shorter intervals toward the end of the century, a doubling time in this range will enable fastneutron reactors to cope with the rising demand for energy unaided, by virtue of their self-fueling feature.

The breeding ratios of the fast-neutron reactors built today are not significant, since for several years the plutonium produced by light-water reactors will constitute the major, if not the exclusive, source of the initial fuel for fast-neutron reactors. Thus a remarkable complementarity exists between these two types of nuclear reactor. Over a fairly long period a two-pronged strategy of nuclear-power generation can be established, with the light-water plants leading the way for the gradual penetration of the market by the fast breeder plants.

Although fast-neutron plants are capable of producing more plutonium than they consume, that potential can be exploited or not. At the discretion of the user plutonium production can be higher or lower than consumption. The amount of plutonium available can be matched exactly to the demand, whether the latter rises, remains stable or even declines; hence a stock of unused plutonium need never be created. In the absence of fast-neutron reactors, on the other hand, it would be impossible to completely burn the plutonium and its transplutonium derivatives produced by the slow-neutron plants. These highly radioactive elements

would constitute wastes that would have to be set aside and stored for thousands of years.

Every fast-neutron reactor that has been or is being built in the world today calls for molten sodium as the coolant. The fact that all the countries with active breeder programs (including the U.S., the U.S.S.R., France, Britain, West Germany, the Benelux nations, Italy, Japan and India) have made the same basic technological choice is a very favorable factor. It avoids the spreading of effort mounted along divergent lines and enhances overall efficiency. The approach followed has been much the same in all the countries involved. Reactors built and planned during the still prevailing development phase belong to three categories that follow in a logical succession: experimental reactors, demonstration plants and prototype power stations.

In line with this logical sequence the forerunners of Superphénix were Rapsodie and Phénix. The experimental reactor Rapsodie (the name associates the words rapide and sodium) was commissioned in 1967. Its power level is low (40 megawatts of thermal output) and it does not produce any electricity. Nevertheless, its main features are representative of the breeder regime from a technical standpoint with respect to temperature and other factors. Rapsodie has operated in a satisfactory manner for almost 10 years, with an average availability of nearly 90 percent during the operating runs. It is in continuous use as a test facility for investigating the effects of prolonged irradiation on various fuel assemblies.

One year after Rapsodie went into operation the decision was made to build the Phénix demonstration plant, named for the mythological bird that was reborn from its own ashes. The achievement of a high breeding ratio was not of particular concern in the design stage. The principal purpose of Phénix was to confirm the validity and reliability of the entire system by demonstrating the possibility of building a fast-neutron power plant within a reasonable period of time and of running it satisfactorily. Phénix was put into regular operation in July, 1974. The record of the first two years is particularly gratifying. These excellent results do not mean that the demonstration is over. The day-to-day operation of the reactor is being closely watched, and unforeseeable incidents could still occur. Small sodium leaks detected during the summer of 1976 in two intermediate heat exchangers have led to the temporary shutdown of the plant for repairs to the observed defects, which are minor and do not call the design into question. The initial results are considered encouraging enough to proceed with confidence.

Superphénix, the next step in the development sequence, will be the prototype for the commercial breeder power plants of the future. In design it is very similar to Phénix. It was thought essential for overall efficiency and success to maintain the continuity of technological choices as far as possible. In spite of this constraint continuous progress in acquired know-how led in some cases to significant changes with respect to Phénix, if only to meet increasingly stringent safety criteria. Creys-Malville, where Superphénix will be built, is in the upper Rhône valley, not far from the electric-power grids of Italy and Germany. The site selected for the plant, on the banks of the Rhône 40 miles east of Lyons, is in a sparsely populated farming region where no other major industrial projects are planned.

The Superphénix power station will be designed to adapt its operation to variations in demand on the electric-power grid. It will be operated as a baseload plant. The gross

power output of the plant has been set at 1,200 megawatts of electricity, which is similar to the power level of light-water nuclear plants scheduled for construction at the same time. In 1985, 1,200 megawatts will represent between 1.5 and 2 percent of the total installed power of the French grid. The choice of this figure for Superphénix results from a compromise. On the one hand there is a trend toward large nuclear power plants on the grounds of economics; on the other hand extrapolation from Phénix to Superphénix must remain within reasonable limits.

A fast breeder plant does not differ greatly in its general layout and operating scheme from any other nuclear power station.

from any other nuclear power station.

The different types of fast-neutron reactor are distinguished essentially by the organization of the primary sodium circuit. In the pool design the reactor core, the intermediate heat exchangers and the primary sodium pumps are all within a single large vessel. In the loop design only the reactor core is housed within the vessel and the intermediate heat exchangers and pumps are connected to it by loops. It must be stressed that the two systems rely on the same technology, that most development work on components is common to both and that the differences between the two concepts are much less than those between, say, pressurizedwater and boiling-water reactors. In most countries loop-type reactors were built first, since the separation of components facilitated construction, operation and maintenance, justifying such a choice at an early stage of development. The first pool-type breeder reactor in the world was built in the U.S. more than 10 years ago. Following the loop-type construction of Rapsodie, the pool concept was adopted for Phénix and. owing to the excellent record of that plant, it was maintained fundamentally unchanged for Superphénix.

It is clear that both the pool system and the loop system can be built and run, and that both have advantages and drawbacks only long operating experience can distinguish. Among the main reasons for the selection of the pool system for Phénix and Superphénix, following a meticulous comparison with the loop system, was a safety consideration. For a large plant, say 1,000 megawatts or more, it was thought the integrity of the primary sodium circuit could be maintained in all reasonably foreseeable circumstances more readily by enclosing it within a single vessel of simple design than by dispersing it in a highly intricate system of pipes and vessels involving many hundreds of meters piping up to one meter in diameter. Although the main pool-type vessel is larger than the loop-type reactor vessel (roughly 20 meters in diameter as against 10), the pool-type vessel is much more straightforward in design. As a result construction, inspection and maintenance are far easier. The main problem encountered in the pool design concerned the cover of the main vessel. solution implemented in Phénix could not be extrapolated to the dimensions of Superphénix. It was decided to hang the steel main vessel directly from the steel-andconcrete upper slab, and to put under the slab a layer of metallic thermal insulation that is in contact with the argon atmosphere above the sodium. The tests performed to date indicate that this arrangement is entirely satisfactory.

Experience with nuclear power plants of every type has shown that the steam generator is a crucial component. In fast-neutron reactors particular care must be taken in design and construction to prevent any violent chemical reaction between the sodium and the water, which would result from a leak in the exchanger tubes. The steam-gen-

erator model selected for Phénix, the only one with which extensive experience had been gained at the time, was subdivided into 36 low-power modules (17 megawatts each). The subdivision made it possible to subject three complete fullscale modules to thorough tests in simulated operational conditions. Although this approach was justifiable for an initial project, it could not be maintained for a large power plant because of its prohibitive cost. Research for Superphénix was therefore oriented toward units of different design, with a higher power per unit (several hundred megawatts).

The problems presented by the fabrication and the operation of these units did not appear to grow with size, but the large modules do have certain drawbacks, the main ones being the near impossibility of conducting full-scale tests prior to installation in the power plant and the increased electric-power loss in case of the unavaila-

bility of a unit.

The tests performed under normal and ac-cidental conditions on two "once through" mock-ups, one with straight ferritic steel tubes and the other with helical Incology tubes, provided complete satisfaction and showed good agreement with the design forecasts. The helical-tube model was finally selected for Superphénix, with each secondary loop including a steam generator with a thermal power of 750 megawatts. A steamreheat stage can be added with either sodium or steam. The sodium system was employed for Phénix, raising the net efficiency of the plant to 42 percent. The steam system was adopted for Superphenix, simplifying the steam generator and the associated circuits, because a cost study showed that the lowered investment cost offset the loss in efficiency.

The principles underlying the control of a fast-neutron reactor are identical with those of any other nuclear reactor. The existence of delayed neutrons gives the mechanisms acting on core reactivity the time to act smoothly, whether to raise or lower the power of the plant or to keep it stable. These whether to raise or lower the operations are performed by means of control rods containing a suitable neutron-absorbing material, which move in channels parallel to the fuel subassemblies.

The many precautions implemented in the design of Superphenix were subjected detailed scrutiny by the licensing authorities before their approval was secured. These safety measures reduce the probability of an accident to an extremely low level. The procedure followed went to the extent of considering the case in which a total shutdown of forced sodium circulation through the core at full power is not accompanied by any action of the many control systems designed to shut down the fission chain reaction and

energy production immediately.

The containment system for Superphénix therefore consists of a series of successive enclosures, which can withstand both internal reactor accidents and external aggression such as an airplane crashing into the power plant. Finally, special arrangements have been made to prevent potential sodium fires and to limit their spread should they occur. Sodium fires would not actually jeopardize the safety of the installation, but it is nonetheless necessary to take full precautions to maximize the reliability and the availability

of the power station.

In all areas, not just in the priority area of safety, a considerable research-and-devel-opment effort has preceded the design and construction of Superphénix. This program, which calls for full-scale tests in sodium of all components where innovations have been made, will continue to back up construction of the reactor in the coming years.

Phénix was built in slightly more than four years. Preliminary site preparation began in the fall of 1968, and the filling of the primary and secondary circuits with 1,400 tons

of sodium was started before the end of 1972. For Superphénix a building schedule spread over 68 months has been adopted. Construction deadlines are comparable to those set for other types of nuclear power plants. The fact that breeder reactors are not pressurized and that their components, even the large ones, are made of comparatively thin stainless-steel sheet and pipe makes it possible to perform most of the final assembly on the site. The Phénix experience clearly showed the advantages of this approach and the flexibility that it engendered in adherence to the construction schedule.

The expansion program of the French national utility company Electricité de France (EDF) already calls for a series of breeder plants, employing plutonium provided by a large number of pressurized-water reactors built simultaneously. It is reasonable to expect that two pairs of fast-neutron plants will be initiated in France between 1980 and 1985, representing, together with Superphénix, about 8,000 megawatts of electric-generating capacity in service in the early 1990's. Commitments may grow to 2,000 megawatts per year after 1985, so that by the year 2000 fast-neutron plants may account for about a fourth of the installed capacity and a third of the total energy output of all the nuclear plants in France. Simultaneous with the successive launching of these plants will be the construction of plants for the fabrication and reprocessing of fast-breeder fuels, thus closing the fuel cycle. The latter will be high-capacity plants (with an output of about 200 tons of oxides per year) aimed at achieving a low overall fuel-cycle cost.

The importance of Superphénix must be gauged in relation to the coming generation of power plants derived from it way the culmination of the technological development phase and the final stage before the commercial series, the technical defini-tion of which will rely directly on the Superphénix experience. If everything proceeds as planned, by the mid-1980's, thanks to Superphénix, one may expect to have at least a preliminary operating record with a large fast-neutron power plant. This experience, which will be shared by several large electric utilities, symbolizes the joining of efforts by the European countries involved in aiming at the earliest possible commercial launching of a type of reactor that is indispensable to their economies.

INTRODUCTION OF BILL TO ESTAB-LISH A CENTER FOR THE BOOK IN THE LIBRARY OF CONGRESS

(Mr. NEDZI asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. NEDZI. Mr. Speaker, I have introduced today a bill to establish a Center for the Book in the Library of Congress. During the last two decades, rapidly advancing technology has occupied much of the leisure time of our citizens. As a result the conventional book-which for the last five centuries has changed the course of mankind-has become in many ways, especially among our youth, a pragmatic tool to achieve greater material well-being rather than a means by which to discover new ideas, new peoples, and new places. Despite these advances in technology, the book has survived. It has not become obsolete. Classic titles still provide great enjoyment. In order to assure the book's continued influence on the learning process, we need to place greater emphasis on it as an entry to new horizons.

The Center for the Book in the Library

of Congress would provide a program for the investigation of the transmission of human knowledge and would heighten public interest in the role of books and printing in the diffusion of this knowledge.

Finally, I would like to make the point that this Center would be funded through gift funds and does not require

an annual appropriation.

THE AMERICAN COUNCIL OF YOUNG POLITICAL LEADERS

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. MICHEL. Mr. Speaker, I would like to call to the attention of the Congress the work of the American Council of Young Political Leaders. ACYPL educates young American politicians and public officials on foreign policy issues and exposes them to the structures of other nations. Equally as important, ACYPL introduces young foreign politicians to the American political system.

Through interchanges between young foreign and American politicians, ACYPL provides a forum through which these leaders can develop personal relationships. One day these young men and women will be making crucial decisions for their country. To understand and to trust each other when that time comes will be of incalculable value.

The ACYPL program fills a clear and obvious need in the area of international educational exchange programs. There are many programs designed for journalists, students, academicians, scientists, and so forth, but the ACYPL is the only organization whose programs focus on those young individuals who are most likely to be making policy de-

cisions in the decade ahead. Most younger politicians in this coun-

try are so involved in State and local politics and government that they simply do not have the time or energy to develop an understanding of the complex issues in international affairs. ACYPL has provided the opportunity for dozens of our leading younger politicians to become exposed to world

Mr. Speaker, at this point I would like to include background material about ACYPL in the RECORD:

The ACYPL is a non-profit, tax-exempt organization which has a Board of Trustees composed of an equal number of Democrats and Republicans. The organization has a strictly bi-partisan policy in all of its programs and activities. The delegate selection process is, of course, of crucial importance. ACYPL delegates going to other countries are young men and women who have already made a mark for themselves in the American political process, and who will more than likely go on to senior leagership positions.

Originally, the ACYPL focused on programs with young Western political leaders. Gradually, ACYPL expanded its focus to include Eastern Europe and the Soviet Union. Recently, ACYPL has begun to initiate exchanges with Japan and with nations in Latin America, Africa, and the Middle East.
Also, during the past few years, the ACYPL

has organized foreign policy conferences at the Department of State for hundreds of young politicians from throughout the United States.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. CARTER (at the request of Mr. RHODES), for today, on account of official business.

Mr. RAILSBACK (at the request of Mr. RHODES), for today, on account of official business.

Mr. STUMP, for today, April 6, 1977, on

account of official business.

Mr. CHARLES H. WILSON of California (at the request of Mr. WRIGHT), after 12:30 p.m. today, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MARRIOTT) to revise and extend their remarks and include extraneous material:)

Mr. Young of Alaska, for 10 minutes, today.

Mr. KEMP, for 15 minutes, today.

(The following Members (at the request of Mr. Bonion) to revise and extend their remarks and include extraneous material:)

Mr. Brown of California, for 10 minutes, today.

Mr. FASCELL, for 5 minutes, today.

Mr. Wolff, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today. Mr. Gonzalez, for 5 minutes, today.

Mr. LE FANTE, for 5 minutes, today.

Mr. McFall, for 10 minutes, today. Mr. Mitchell of Maryland, for 30 minutes, today.

Mr. Sharp, for 5 minutes, today.

Ms. HOLTZMAN, for 20 minutes, today.

Mr. Fraser, for 15 minutes, today. Mr. Burke of Massachusetts, for 10 minutes, today.

Mr. ALEXANDER, for 60 minutes, today.

Mr. LUNDINE, for 15 minutes, today.

Mr. AuCoin, for 15 minutes, today.

Mr. Weiss, for 5 minutes, today.

Mr. Dopp, for 5 minutes, today.

Mr. ROSTENKOWSKI, for 10 minutes, today.

Mr. Levitas, for 5 minutes, today.

Mr. Jones of Tennessee, for 5 minutes, today.

Mr. Andrews of North Carolina, for 5 minutes, today.

Mr. Brademas, for 10 minutes, today.

Mr. ZABLOCKI, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. ZEFERETTI and to include extraneous matter.

(The following Members (at the request of Mr. MARRIOTT), and to include extraneous matter:)

Mr. ERLENBORN in three instances.

Mrs. Petris in two instances.

Mr. RINALDO. Mr. Young of Alaska in two instances.

Mr. FINDLEY.

Mr. LENT in two instances.

Mr. Steiger in two instances.

Mr. GILMAN.

Mr. RUPPE in three instances.

Mr. Buchanan in two instances.

Mr. Anderson of Illinois in two instances.

Mr. Kemp in three instances.

Mr. Pursell in two instances.

Mr. Dornan in three instances.

Mr. SARASIN.

Mr. WINN.

Mr. DEL CLAWSON.

Mr. STEERS.

Mr. WALSH.

Mr. DERWINSKI in three instances.

Mr. McKinney.

Mr. Pressler.

Mr. Symms in five instances.

Mr. McCloskey.

Mr. WALKER.

Mr. Lagomarsino in two instances.

(The following Members (at the request of Mr. BONIOR) and to include extraneous matter:)

Mr. HAWKINS.

Mr. Brown of California.

Mr. Solarz in two instances.

Mr. McDonald in 10 instances.

Mr. ASHLEY.

Mr. AKAKA.

Mr. Hamilton in two instances.

Mr. Reuss in two instances.

Mrs. Burke of California in five in-

Mr. Mazzoli in two instances.

Mr. Andrews of North Carolina.

Mr. AuCoin in two instances.

Mr. MURPHY of Illinois.

Mr. CHAPPELL.

Mr. BRODHEAD in two instances.

Mr. AMMERMAN.

Mr. GAMMAGE.

Mr. Moakley in two instances.

Mr. TEAGUE in two instances.

Mr. Drinan in three instances.

Mr. DANIELSON.

Mr. WIRTH.

Mr. MILFORD.

Mr. RANGEL in two instances.

Mr. FRASER in five instances.

Mr. Tucker in two instances.

Mr. FISHER.

Mr. VANIK in two instances.

Mr. Waxman in five instances.

Mr. Rogers.

Mr. FORD of Michigan.

Mr. STOKES.

Mr. FAUNTROY.

Mr. MIKVA.

Ms. KEYS.

Mr. KOSTMAYER.

Mr. LLOYD of California.

Ms. Oakar in two instances.

Mr. ROONEY.

Mr. Rose.

Mr. Gonzalez in three instances.

Mr. APPLEGATE.

Mr. Anderson of California in three instances.

Mr. Dopp in two instances.

Mr. COTTER.

Mr. EILBERG.

Mr. Zablocki in two instances.

Mr. CORMAN.

Mr. OTTINGER.

Mr. BEARD of Rhode Island.

Mr. Moorhead of Pennsylvania.

Mr. ZEFERETTI.

Mr. McKAY.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 44. Joint resolution to authorize the printing and binding of an edition of Senate Procedure and providing the same shall be subject to copyright by the author; to the Committee on House Administration.

ADJOURNMENT

Mr. BONIOR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER. Pursuant to the provisions of House Concurrent Resolution 186 of the 95th Congress, the Chair declares the House adjourned until 12

o'clock noon on Monday, April 18, 1977. Thereupon (at 6 o'clock and 25 minutes p.m.), pursuant to House Concurrent Resolution 186, the House adjourned until Monday, April 18, 1977, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1203. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting further information to accompany the previously submitted reports (Executive Communica-tions Nos. 403 and 689) on the reapportionment of the appropriation to the South-western Power Administration for Operation and Maintenance for fiscal year 1977, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on

Appropriations. 1204. A letter from the Acting Deputy Attorney General, transmitting a report on the activities of the Department of Justice under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Opera-

tions. 1205. A letter from the Secretary of Agriculture, transmitting notice of an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Opera-

1206. A letter from the Administrator, U.S. Small Business Administration, transmitting notice of four proposed new records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1207. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to amend the Jury Selection and Service Act of 1968, as amended, by revising the section on fees of jurors and by providing for a civil penalty and injunctive relief in the event of a discharge or threatened discharge of an employee by reason of such employee's Federal jury service; to the Committee on the Ju-

diciary. 1208. A letter from the Secretary of Transportation, transmitting the fifth semiannual report on the effectiveness of the civil avia-July 1-December 31, 1976, pursuant to section 315(a) of the Federal Aviation Act of 1958, as amended (88 Stat. 415); to the Committee on Public Works and Transportation.

REPORTS OF COMMITTEES ON PUB-LIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MAHON: Committee of conference. Conference report on H.R. 4877 (Rept. No.

95-166). Ordered to be printed.

Mr. MEEDS: Committee on Rules. House Resolution 481. Resolution providing for the consideration of H.R. 5101. A bill to authorize appropriations for activities of Environmental Protection Agency, and for other purposes (Rept. No. 95-167). Referred to the House Calendar.

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 4836. A bill to extend by 7 months the term of the National Commission on New Technological Uses of Copyrighted Works (Rept. No. 95-187). Referred the Committee of the Whole House on

the State of the Union.
Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. Report on allocation of budget total to subcommittees (Rept. No. 95-188). Referred to the Committee of the Whole House on the State of the Union.

Mr. GIAIMO: Committee on the Budget. House Concurrent Resolution 195. Concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal year 1978 (Rept. No. 95-189). Referred to the Committee of the Whole House

on the State of the Union.

Mr. ZABLOCKI: Committee on International Relation. H.R. 5840. A bill to amend the Export Administration Act of 1969 in order to extend the authorities of that act and improve the administration of export controls under that act, and to strengthen the antiboycott provisions of that act (Rept. No. 95-190). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRI-VATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. EILBERG: Committee on the Judiciary. H.R. 1405. A bill for the relief of Jennet Juanita Miller (Rept. No. 95-168). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 1748. A bill for the relief of Carmela Scudieri (Rept. No. 95-169). Referred to the Committee of the Whole House.

Mr. FISH: Committee on the Judiciary. H.R. 1753. A bill for the relief of Marina Houghton; with amendment (Rept. No. 95-170). Referred to the Committee of the Whole House.

Mr. FISH: Committee on the Judiciary. H.R. 1940. A bill for the relief of Dimitrios Panoutsopoulos, Angeliki Panoutsopoulos, and Georgios Panoutsopoulos (Rept. No. 95-171). Referred to the Committee of the Whole House.

Mr. HARRIS: Committee on the Judiciary. H.R. 2259. A bill for the relief of Rogelio M. Encomienda; with amendment (Rept. No. 95-172). Referred to the Committee of the

Whole House.

Mr. HARRIS: Committee on the Judiciary. H.R. 2292. A bill for the relief of Boulos Stephan (Rept. No. 95-173). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 2369. A bill for the relief of Natividad Casing and Myrna Casing; with amendment (Rept. No. 95-174). Referred to the Committee of the Whole House.

Mr. FISH: Committee on the Judiciary. H.R. 2658. A bill for the relief of Nora L. Kennedy (Rept. No. 95-175). Referred to the Committee of the Whole House.

Mr. FISH: Committee on the Judiciary. H.R. 2661. A bill for the relief of Patricia R. Tully; with amendment (Rept. No. 95-176). Referred to the Committee of the Whole House.

Mr. FISH: Committee on the Judiciary. H.R. 2662. A bill for the relief of Christopher Robert West (Rept. No. 95-177). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 2756. A bill for the relief of Marlene Holder; with amendment (Rept. No. 95 178). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiary. H.R. 2940. A bill for the relief of Daniel Crowley; with amendment (Rept. No. 95-179). Referred to the Committee of the Whole House

Mr. EILBERG: Committee on the Judiciary. H.R. 2945. A bill for the relief of Mrs. Amelia Doria Nicholson (Rept. No. 95-180). Referred to the Committee of the Whole

FISH: Committee on the Judiciary. H.R. 3081. A bill for the relief of Mrs. Chong Sun Yi Rauch (Rept. No. 95-181). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 3085. A bill for the relief of Milos Forman (Rept. No. 95-182). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 3090. A bill for the relief of Fidel Grosso-Padillo (Rept. No. 95-183). Referred to the Committee of the Whole House.

Mr. FISH: Committee on the Judiciary H.R. 3215. A bill for the relief of Olive M. V. T. Davies and her children; with amendment (Rept. No. 95-184). Referred to the Committee of the Whole House.

Mr. HARRIS: Committee on the Judiciary. H.R. 3461. A bill for the relief of Chin-Ho An (Rept. No. 95-185). Referred to the

Committee of the Whole House

Mr. HARRIS: Committee on the Judiciary. H.R. 3838. A bill for the relief of Tulsedei Zalim; with amendment (Rept. No. 95-186). Referred to the Committee of the Whole

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 6110. A bill to authorize certain appropriations for the territories of the United States, to amend certain acts relating thereto, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ANDREWS of North Carolina: H.R. 6111. A bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974, and for other purposes; to the Committee on Education and Labor.

> By Mr. ASHLEY (for himself, Mr. Brown of Michigan, Mr. Moorhead of Pennsylvania, Mr. St Germain, Mr. Mitchell of Maryland, Mr. Hanley, Mr. Fauntroy, Mr. Pat-terson of California, Mr. LaFalce, Mr. AUCOIN, Mrs. SPELLMAN, Mr. BLANCHARD, Mr. HUBBARD, Mr. TSONgas, Mr. Evans of Indiana, Mr. Lun-DINE, Mr. STANTON, Mr. WYLIE, Mr. McKinney, Mr. Evans of Delaware, and Mr. Reuss):

H.R. 6112. A bill to amend the community development block grant program authorized by title I of the Housing and Community Development Act of 1974 to provide a more equitable allocation of funds, to authorize a fuller range of community development activities, and to establish an urban development action grant program for severely distressed cities; to amend section 312 of the Housing Act of 1964; to amend section 701 of the Housing Act of 1954; to provide authorizations for and amend laws relating to housing; to extend certain FHA mortgage insurance and related authorities and the national flood insurance program; and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ASHLEY (for himself, Mr. Ra-HALL, Mr. MURPHY of New York, Mr. HUGHES, Mr. HARRINGTON, Mr. CAR-NEY, and Mr. ANDERSON of Illinois):

H.R. 6113. A bill to establish a national policy on areawide planning and its coordination, to encourage the use of organizations composed of local elected officials to perform federally assisted or required areawide planning, to require use of planning districts established by States in Federal planning programs, to require certain Federal land use actions to be consistent with State, areawide, and local planning, to authorize the Office of Management and Budget to prescribe rules and regulations relating thereto, and for other purposes; to the Committee on Government Operations.

By Mr. BAUCUS (for himself, Mr. BONIOR, Mr. HARRIS, Mr. McHugh, Mr. MITCHELL of New York, Mr. PAT-TEN, Mr. RONCALIO, Mr. STARK, and

Mr. WEISS)

H.R. 6114. A bill to authorize Federal assistance under the Consolidated Farm and Rural Development Act with respect to using solar energy in residential structures on family farms; to the Committee on Agricul-

H.R. 6115. A bill to provide more Federal assistance under certain housing programs for dwelling units which utilize solar energy; to the Committee on Banking, Finance and Urban Affairs.

H.R. 6116. A bill to amend title 38, United States Code, to provide Federal loans and loan guarantees to veterans for the purchase and installation of heating and cooling systems which utilize solar energy; to the Committee on Veterans' Affairs.

By Mr. BENNETT (for himself, Mr. Winn, Mr. Quie, Mr. Collins of Texas, Mr. Downey, Mr. Nix, Mr. HYDE, Mr. EDGAR, Mr. LEHMAN, Mr. ZEFERETTI, Mr. ROSE, Mr. NEAL, and Mrs. HECKLER):

H.R. 6117. A bill to amend the National Security Act of 1947 to establish procedures and standards for the classification and declassification of sensitive official information and material, to provide criminal penalties for unauthorized disclosure of such information or material, and for other purposes; to the Committee on Armed Services.

By Mr. BROOKS (for himself, Mr. ROSENTHAL, and Mr. HORTON):

H.R. 6118. A bill to establish an Agency for Consumer Protection in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes; to the Committee on Government Opera-

> By Mr. BROWN of California (for himself, Mr. McCormack, Mr. Teague, Mr. REUSS, Mr. DAVIS, Mr. GIAIMO, Mr. Sisk, Mr. Fraser, Mr. Frey, Mr. PERKINS, Mr. VAN DEERLIN, Mr. WEAVER, Mr. ROE, Mr. DELLUMS, Mr. FLOWERS, Mr. KRUEGER, Mr. FORD of Michigan, Mrs. Boggs, and Mr. BEILENSON):

H.R. 6119. A bill to establish a 5-year research and development program leading to advanced automobile propulsion systems, and for other purposes; to the Committee on

Science and Technology.

By Mr. COHEN (for himself, Mr. Koch, Mr. AuCoin, Mr. Badillo, Mr. Baucus, Mr. Bingham, Mr. Brademas, Mr. Brodhead, Mr. Brown of California, Mr. Carr, Mrs. Chisholm, Mr. Dellums, Mr. Digg, Mr. Downey, Mr. Deinan, Mr. Edgar, Mr. Fauntroy, Mrs. Fenwick, Mr. Findley, Mr. Fish, Mr. Frey, Mr. Ford of Tennessee, Mr. Gephardt, Mr. Ginn, and Mr. Hughes):

H.R. 6120. A bill to provide that polling and registration places for elections for Federal office be accessible to physically handicapped and elderly individuals, and for other purposes; to the Committee on House

Administration.

By Mr. COHEN (for himself, Mr. Koch, Mr. Jenrette, Mr. Kastenmeier, Mr. Lehman, Mrs. Meyner, Ms. Mikulski, Mr. Mikva, Mr. Mineta, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Neal, Mr. Nolan, Mr. O'Brien, Mr. O'Thinger, Mr. Patterson of California, Mr. Pepper, Mr. Pursell, Mr. Richmond, Mr. Roe, Mr. Rostenkowski, Mr. Roybal, Mr. Ryan, Mr. Santini, and Mr. Scheuer):

H.R. 6121. A bill to provide that polling and registration places for elections for Federal office be accessible to physically handicapped and elderly individuals, and for other purposes: to the Committee on House Ad-

ministration.

By Mr. COHEN (for himself, Mr. Koch, Mr. Solarz, Mrs. Spellman, Mr. Stark, Mr. Maguire, Mr. Trible, Mr. Vento, Mr. Walgren, Mr. Waxman, Mr. Weiss, Mr. Winn, and Mr. Wirth):

H.R. 6122. A bill to provide that polling and registration places for elections for Federal office be accessible to physically handicapped and elderly individuals, and for other purposes; to the Committee on House Administration.

By Mr. CONABLE (for himself, Mr. Bafalis, Mr. Coleman, Mr. Corcoran of Illinois, Mr. Ertel, Mr. Goodling, Mr. Madigan, Mr. Mann, Mr. Mitchell of New York, Mr. O'Brien, Mr. Pressler, Mr. Pritchard, Mr. Taylor, and Mr. Walsh):

H.R. 6123. A bill to repeal the carryover basis provisions added by the Tax Reform Act of 1976; to the Committee on Wavs and Means.

By Mr. CORMAN:

H.R. 6124. A bill to amend title XVI of the Social Security Act to make needed improvements in the program of supplemental security income benefits; to the Committee on Ways and Means.

By Mr. CORMAN (for himself, Mrs. KEYS, and Mr. SEIBERLING):

H.R. 6125. A bill to broaden the income tax base, provide equity among taxpayers, and to otherwise reform the income, estate, and gift tax provisions; to the Committee and Ways and Means.

By Mr. CORMAN (for himself, Mr. Fithian, Mr. Heftel, Mr. Jenrette, Mr. Moakley, Mr. Murphy of New York, Mr. Rangel, Mr. Santini, Mr. Solarz, Mr. Weaver, and Mr. Charles Wilson of Texas):

H.R. 6126. A bill to amend title XVIII of the Social Security Act to provide for the coverage of certain psychologists' services under the supplementary medical insurance benefits program established by part B of such title; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce. By Mr. CORRADA (for himself, Mr. Volkmer, Mr. Ottinger, Mr. Won Pat, Mr. Roe, and Mr. Badillo):

H.R. 6127. A bill to amend title I of the Elementary and Secondary Education Act of 1965 to treat Puerto Rico on the same basis as the States are treated under that title; to the Committee on Education and Labor.

By Mr. DELANEY (for himself, Mr. BEARD of Rhode Island, Mr. Moor-HEAD of California, Mr. D'AMOURS, Mr. BURKE of Florida, Mr. ZEFERETTI, Mr. EDGAR, Mr. OBERSTAR, Mr. KEMP, Mr. MITCHELL of New York, Mr. MAZZOLI, Mr. YOUNG of Missouri, and Mr. STEERS):

H.R. 6128. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer to deduct, or to claim a credit for, amounts paid as tuition to provide an education for himself, for his spouse, or for his dependents; to the Committee on Ways and Means.

By Mr. DRINAN (for himself, Mr. Hughes, Mr. Pressler, and Mr.

WEISS):

H.R. 6129. A bill to amend title II of the Social Security Act to eliminate the special dependency requirements for entitlement to husband's and widower's insurance benefits, to provide benefits for widowed fathers with minor children, to make certain other changes so that benefits for husbands, widowers, and fathers will be payable on the same basis as benefits for wives, widows, and mothers, and to permit the payment of benefits to a married couple on their combined earnings record where that method of computation provides a higher combined benefit; to the Committee on Ways and Means.

By Mr. EILBERG (for himself, Mr. Michel, Mr. Araka, Mr. Davis, Mr. Devine, Mr. Horton, Mr. Ichorn, Mr. Lagomarsino, Mr. McDonald, Mr. Mirchell of New York, Mr. Oberstar, Mr. Ottinger, Mr. Sawyer, Mr. Sebelius, Mr. Simon, Mr. Sisk, and

Mr. VAN DEERLIN):

H.R. 6130. A bill to amend certain provisions of section 8344 of title 5, United States Code, which relate to the employment of retired Federal civil servants as congressional employees; to the Committee on Post Office and Civil Service.

By Mr. ERLENBORN:

H.R. 6131. A bill to repeal the Presidential Primary Matching Payment Account Act, and for other purposes; to the Committee on House Administration.

H.R. 6132. A bill to amend the Federal

H.R. 6132. A bill to amend the Federal Election Campaign Act of 1971 to prohibit certain political committees from making contributions to any candidate, and for other purposes; to the Committee on House Administration.

By Mr. FISHER (for himself and Mr. Zablocki):

H.R. 6133. A bill to eliminate the complete immunity from criminal, civil, and administrative jurisdiction currently given to all foreign diplomats and their staffs and to leave the Vienna Convention on Diplomatic Relations as the only basis for diplomatic privileges and immunities in the United States; to the Committee on International Relations.

By Mr. FLORIO:

H.R. 6134. A bill to amend the Older Americans Act of 1965 to provide a national meals-on-wheels program for the elderly, and for other purposes; to the Committee on Education and Labor.

By Mr. FOLEY (for himself, Mr. AKAKA, Mr. HUBBARD, Mrs. BOGGS, Mr. RICHMOND, Mr. VOLKMER, and Mr. WHITLEY):

H.R. 6135. A bill to amend the U.S. Grain Standards Act with respect to recordkeeping requirements and supervision fees, and for other purposes; to the Committee on Agriculture.

By Mr. HAMMERSCHMIDT (for himself, Mr. Hillis, Mr. Skubitz, Mr. Walker, Mr. Whitehurst, Mr. Bafalis, Mr. Abdnor, Mr. Lagomarsino, Mr. Derwinski, Mr. John T. Myers, Mr. McDonald, Mr. Kemp, Mr. Bowen, Mr. Van Derrlin, Mr. Edwards of Oklahoma, Mr. Lott, Mr. Duncan of Tennessee, and Mr. Charles Wilson of Texas):

H.R. 6136. A bill to amend title 38 of the United States Code to deny veterans' benefits to certain individuals whose discharges from service during the Vietnam era under less than honorable conditions are administratively upgraded under temporarily revised standards to discharge under honorable conditions; to the Committee on Veter-

ans' Affairs.

By Mr. HAMMERSCHMIDT (for himself, Mr. Hillis, Mr. Lagomarsino, Mr. Bevill, Mr. Frey, Mr. Charles Wilson of Texas, Mr. Walsh, Mr. Young of Alaska, Mr. Winn, Mr. Snyder, Mrs. Lloyd of Tennessee, Mr. Derwinski, Mr. Burgener, Mr. Duncan of Tennessee, and Mr. Don H. Clausen):

H.R. 6137. A bill to provide combat bonuses for honorable Vietnam service through tax credits; to the Committee on Ways and

By Mr. HAWKINS (for himself and Mr. Perkins):

H.R. 6138. A bill to provide employment and training opportunities for youth; to the Committee on Education and Labor.

By Mr. HUGHES (for himself, Mr. Baucus, Mr. Burgener, Mr. Cleveland, Mr. Cornwell, Mr. Duncan of Tennessee, Mr. Fary, Mrs. Fenwick, Mr. Forsythe, Mr. Gudger, Mr. Jacobs, Mr. Kindness, Mr. Lent, Mr. Moakley, Ms. Mikulski, Mr. Rahall, Mr. Roe, Mr. Russo, Mrs. Spellman, Mr. Whitehurst, and Mr. Zeferetti):

H.R. 6139. A bill to amend title 18 of the United States Code to impose criminal penalties on certain persons who fire firearms or throw objects at certain railroad trains, engines, motor units, or cars, and for other purposes; to the Committee on the Judiciary.

By Mr. JEFFORDS:

H.R. 6140. A bill to amend the Internal Revenue Code of 1954 to encourage manufacturing-related investments in any State which has an unemployment rate which exceeds 6 percent; to the Committee on Ways and Means.

By Mr. JENRETTE (for himself, Mr. Koch, Mrs. Meyner, Mr. Fascell, Mr. Moakley, Mr. Phillip Burton, Mr. Derrick, Mr. Corman, Mrs. Fenwick, Mr. Charles H. Wilson of California, Mr. Ford of Tennessee, Mrs. Chisholm, Mr. Frenzel, Mr. Roybal, Mr. Diggs, Mr. Mirchell of Maryland, Mr. Stark, Mr. Harris, Mr. Richmond, Mr. Fauntroy, Ms. Mikulski, Mr. Baucus, Mr. Waxman, Mr. Gilman, and Mr. Glickman):

H.R. 6141. A bill to prohibit discrimination on the basis of marital status, and for other purposes; jointly, to the Committees on the Judiciary and Education and Labor.

By Mr. KASTENMEIER (for himself, Mr. Railsback, and Mr. Ford of Michigan):

H.R. 6142. A bill to require candidates for Federal office, Members of the Congress, and officers and employees of the United States to file statements with the Comptroller General

with respect to their income and financial transactions; to the Committee on the Judiciary.

By Mr. KETCHUM:

H.R. 6143. A bill to enlarge the Sequoia National Forest in the State of California by adding to such national forest certain lands within the Sequola National Park, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. KINDNESS (for himself and

Mr. NOLAN):

H.R. 6144. A bill to provide for the resolu-tion of claims and disputes relating to the Government contracts awarded by executive agencies; to the Committee on the Judiciary.

By Mr. LEHMAN: H.R. 6145. A bill to amend title 38, United States Code, to provide that the recipient of a veterans' pension or dependency and indemnity compensation will not have the amount of such pension or compensation reduced because of cost-of-living increases in social security benefits; to the Committee on

Veterans' Affairs.
By Mr. McCLOSKEY:

H.R. 6146. A bill to amend the Marine Mammal Protection Act of 1972 to allow the commercial tuna fishing fleet to continue operations while exercising due care to reduce incidential porpoise mortality to insignifi-cant levels approaching near zero; to the Committee on Merchant Marine and Fisheries.

By Mr. McFALL (for himself and Mr.

SANTINI):

H.R. 6147. A bill to amend the Internal Revenue Code of 1954 with respect to the taxation of income from the production and sale of geothermal steam and associated resources; to the Committee on Ways and Means.

By Mr. MILFORD (for himself and

Mr. TEAGUE)

H.R. 6148. A bill to amend title 18 of the United States Code to discourage certain criminal conduct in Antarctica by U.S. nationals and certain foreign nationals and to clarify the application of U.S. criminal law to such conduct; to the Committee on the Judiciary.

By Mr. MILLER of California:

H.R. 6149. A bill for the relief of the Contra Costa County Water District, Concord, Calif.; to the Committee on the Judiciary.

By Mr. MITCHELL of Maryland (for himself, Mr. Ryan, Mr. Hawkins, Mr. OTTINGER, Mrs. CHISHOLM, Mrs. SPELLMAN, Mr. VENTO, Mr. BADILLO, Mr. Simon, and Mr. Charles Wilson of Texas) :

H.R. 6150. A bill to amend section 2(a) (2) of the Commodity Exchange Act for the purpose of authorizing the President to remove for cause a Commissioner of the Commodity Futures Trading Commission; to the Com-

mittee on Agriculture.

By Mr. MITCHELL of Maryland (for himself, Mr. Rangel, Mr. Moakley, Mr. Fauntroy, Mr. Hawkins, Mrs. Chisholm, Mr. Weiss, and Mr. Har-

RINGTON):

H.R. 6151. A bill to amend section 1979 of the Revised Statutes to provide that States, municipalities, and agencies or units of Government thereof, may be sued under the provisions of such section; to establish rules of liability with respect to such States, municipalities, and agencies or units of Government thereof; and for other purposes; to the Committee on the Judiciary.

By Mr. MITCHELL of Maryland (for himself, Mr. Harris, Mrs. Spellman,

and Mr. STEERS):

H.R. 6152. A bill relating to collective bargaining representation of postal employees; to the Committee on Post Office and Civil By Mr. MITCHELL of Maryland (for himself and Mr. DE LUGO):

H.R. 6153. A bill to amend the Small Business Act to expand assistance under such act to minority small business concerns, to provide statutory standards for contracting and subcontracting by the United States with respect to such concerns, and to create a commission on Federal Assistance to Minority Enterprise, and for other purposes; jointly, to the Committees on Small Business, Government Operations, and Banking, Finance and Urban Affairs.

By Mr. JOHN T. MYERS:

H.R. 6154. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

H.R. 6155. A bill to provide for the establishment of a commission to study revision of the Federal tax laws; to the Committee on

Ways and Means.

By Mr. PANETTA:

H.R. 6156. A bill to amend the Disaster Relief Act of 1974, and for other purposes; jointly, to the Committees on Public Works and Transportation, Agriculture, Education and Labor, Interior and Insular Affairs, and Small Business.

By Mr. QUIE (for himself and Mr. ABDNOR)

H.R. 6157. A bill to establish a Department of Education, Training, and Careers; to the Committee on Government Operations.

By Mr. ROGERS:

H.R. 6158. A bill to regulate activities involving recombinant deoxyribonucleic acid; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS (for himself, Mr. PREYER, Mr. SCHEUER, Mr. WAXMAN, Mr. FLORIO, Mr. OTTINGER, Mr. WAL-GREN, Mr. MADIGAN, and Mr. STAG-GERS):

6159. A bill to amend the Public Health Service Act to extend certain authorities and authorize appropriations for certain fiscal years for purposes of providing assistance to the States with respect to safe drinking water, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 6160. A bill to amend the Public Health Service Act to authorize appropriations for certain fiscal years for purposes of providing assistance to the States with respect to safe drinking water; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS (for himself, Mr. PREYER, Mr. SCHEUER, Mr. WAXMAN, Mr. FLORIO, Mr. MAGUIRE, Mr. OTTINGER, Mr. MARKEY, and Mr. WAL-GREN):

H.R. 6161. A bill to amend the Clean Air Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROUSSELOT: H.R. 6162. A bill to protect the freedom of choice of Federal employees in employeemanagement relations; to the Committee on Post Office and Civil Service.

By Mr. SEIBERLING (for himself, Mr. UDALL, Mr. PHILLIP BURTON, Mr. RONCALIO, Mr. BINGHAM, Mr. TSON-GAS, Mr. KREBS, Mr. WON PAT, Mr. DE LUGO, Mr. VENTO, Mr. CORRADA, Mr. BAUCUS, Mr. CARNEY, Mr. DUNCAN Of Tennessee, Mr. EDWARDS Of Cali-fornia, Mrs. FENWICK, Mr. GEPHARDT, Ms. HOLTZMAN, Mr. LAFALCE, MEYNER, Ms. MIKULSKI, Mr. MOAK-LEY, Mrs. SPELLMAN, Mr. TUCKER, and Mr. WEISS):

H.R. 6163. A bill to establish a national policy for the preservation of historic, architectural, archeological, and cultural resources, to establish a coordinated national historic preservation program, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SHARP (for himself, Mr. Conn-WELL, Mr. FITHIAN, Mr. HAMILTON, Mr. JACOBS, Mr. QUAYLE, and Mr.

SIMON):

H.R. 6164. A bill to terminate the authorization of the navigation study and survey of the Wabash River, Ind.; to the Committee on Public Works and Transportation.

By Mrs. SMITH of Nebraska: H.R. 6165. A bill to establish an Office of Rural Health within the Department of Health, Education, and Welfare, and to assist in the development and demonstration of rural health care delivery models and components; to the Committee on Interstate and Foreign Commerce.

H.R. 6166. A bill to provide for the modification of the medicare reimbursement formula to allow small hospitals in rural areas with low occupancy to provide long-term care but only in those areas where there are no appropriate nursing home beds available; to the Committee on Ways and Means.

H.R. 6167. A bill to amend medicare and medicaid provisions as they relate to rural health care facilities; jointly, to the Committees on Ways and Means, and Interstate

and Foreign Commerce.

H.R. 6168. A bill to amend title XI of the Social Security Act to repeal the recently added provision for the establishment of Professional Standards Review Organizations to review services covered under the medicare and medicaid programs; jointly, to the Committees on Ways and Means, Interstate and Foreign Commerce.

By Mr. SOLARZ:

H.R. 6169. A bill to amend the Foreign Assistance Act of 1961 to authorize additional funds for the assistance of the victims of the earthquake occurring on May 6, in the Friuli region of Italy; to the Committee on International Relations.

By Mr. STUDDS:

H.R. 6170. A bill to amend the Small Business Act to authorize loans under such act to small business concerns adversely affected by temporary local economic and/or weather conditions and to permit deferral of repayment; to the Committee on Small Business.

By Mr. UDALL (for himself, Mr. Moak-LEY, Mr. Marks, Mr. Hughes, Mr. Heftel, Mr. Rodino, Mr. Giaimo, Mr. Harrington, Mr. Ashley, Mr. GUDGER, Mr. AMBRO, and Mr. YATES):

H.R. 6171. A bill to provide for limited public financing of congressional general election campaigns, to provide that candidates receiving public funds in Presidential elections may accept certain contributions and make increased expenditures, and for other purposes; to the Committee on House Administration.

By Mr. BOB WILSON: H.R. 6172. A bill to amend the Veterans Education and Employment Assistance Act 1976; to the Committee on Veterans' Affairs.

H.R. 6173. A bill to provide recognition to the Women's Air Force Service Pilots for their service to their country during World War II by deeming such service to have been active duty in the Armed Forces of the United States for purposes of laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. WIRTH (for himself, Mr. Bal-DUS, Mr. BAUCUS, Mr. BRODHEAD, Mr. DOWNEY, Mr. EDGAR, Mr. FORD OF Tennessee, Mr. HANNAFORD, Mr. HAR-KIN, Mr. JACOBS, Mr. JENRETTE, Mrs. KEYS, Mr. LUNDINE, Mrs. MEYNER, Mr. MILLER of California, Mr. MI-

NETA, Mr. MOFFETT, Mr. NOLAN, Mr. Nowak, Mr. Ottinger, Mr. Patterson of California, Mr. Scheuer, and Mr. TSONGAS):

H.R. 6174. A bill to establish a universal voter registration program, and for other purposes; to the Committee on House Administration.

By Mr. WIRTH (for himself, Mr. Aka-KA, Mr. CAVANAUGH, Mr. KOSTMAYER, Mr. LUKEN, Mr. MARKEY, Mr. PEASE, and Mr. WALGREN):

H.R. 6175. A bill to establish a universal voter registration program, and for other purposes; to the Committee on House Administration.

By Mr. WYDLER: H.R. 6176. A bill to amend the Internal Revenue Code of 1954 to authorize a tax credit for certain expenses of providing higher education; to the Committee on Ways and Means

By Mr. YOUNG of Alaska: H.R. 6177. A bill to establish National Historic Trails as a new category of trails within the National Trails System, to include the Iditarod Trail, Alaska, in the National Trails System as a National Historic Trail, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 6178. A bill to allow Federal employment preference to certain employees of the Indian Health Service, who are not entitled to the benefits of, or who have been adversely affected by the application of, certain Federal laws allowing employment preference to Indians, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. ZABLOCKI (for himself, Mr. BROOMFIELD, Mr. FOUNTAIN, Mr. BINGHAM, Mr. STUDDS, Mr. BEILEN-

son, and Mr. WINN):

H.R. 6179. A bill to amend the Arms Control and Disarmament Act to authorize appropriations for fiscal year 1978, and for other purposes; to the Committee on International Relations.

By Mr. ANNUNZIO (for himself, Mr. AMBRO, Mr. FASCELL, Mr. FLORIO, Mr. NOLAN, Mr. SOLARZ, and Ms. HOLTZ-

MAN):

H.R. 6180. A bill to amend the Foreign As sistance Act of 1961 to authorize additional funds for the assistance of the victims of the earthquake occurring on May 6, 1976, in the Friuli region of Italy; to the Committee on International Relations.

By Mr. BROWN of California:

H.R. 6181. A bill to provide for a study of certain consequences of the decommissioning, disposal, and decontamination of ele-ments involved in the utilization of nuclear energy; to the Committee on Science and Technology.

By Mr. BROYHILL:

H.R. 6182. A bill to amend the Internal Revenue Code of 1954 to provide that child insurance benefits under the Social Security Act and certain veterans' benefits will not be taken into account in determining whether an individual is a dependent of another person; to the Committee on Ways and Means.

By Mrs. BURKE of California (for herself, Mr. ANDERSON of California, Mrs. Boggs, Mr. Brown of California, Mrs. CHISHOLM, Mr. CLAY, Mr. COHEN, Mr. CONYERS, Mr. CORMAN, Mr. EDWARDS of California, Mr. EIL-BERG, Mr. FAUNTROY, Mr. FRASER, Mr. GEPHARDT, Mr. HAWKINS, Mrs. HOLT, Mr. JENRETTE, Mr. LE FANTE, Mrs. LLOYD of Tennessee, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. METCALFE, Mr. MICHAEL O. Myers, and Mr. Nix):

H.R. 6183. A bill to provide increased employment opportunity by executive agencies of the U.S. Government for persons unable

to work working hours, and for other purposes; to the Committee on Post Office and Civil Service.

> By Mrs. BURKE of California (for herself, Mr. BAUCUS, Mr. JOHN L. BUR-TON, Mr. DELLUMS, Mr. FORD of Tennessee, Ms. HOLTZMAN, Mrs. MEYNER, Ms. Oakar, Mr. Ottinger, Mr. Panetta, Mr. Rangel, Mr. Rodino, Mr. Ryan, Mrs. Schroeder, Mr. So-Mrs. Spellman, Mr. Steers, and Mr. WAXMAN):

H.R. 6184. A bill to provide increased employment opportunity by executive agencies of the U.S. Government for persons unable to work standard working hours, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BURKE of Massachusetts (for himself, Mr. AuCoin, Mr. Carney, Mr. Davis, Mr. Fisher, Mr. Ichord, Mr. Patterson of California, Mr. Lu-

KEN, Mr. ROYBAL, and Mr. WOLFF): H.R. 6185. A bill to provide that certain who were originally appointed as SSI hearing examiners under pre-1976 provisions of title XVI of the Social Security Act shall without any restriction be deemed appointed as administrative law judges: jointly, to the Committees on Post Office and Civil Service and Ways and Means.

By Mr. DEL CLAWSON (for himself, Mr. BURGENER, Mr. DAN DANIEL, Mr. ROBERT W. DANIEL, Jr., Mr. DORNAN, Mr. Edwards of Oklahoma, Mr. Hughes, Mr. Kemp, Mr. Mollohan, Mr. John T. Myers, Mr. Nolan, Mr. PATTERSON of California, Mr. ROBIN-SON, Mr. Sikes, Mr. Stump, Mr. Symms, Mr. Waggonner, and Mr. Young of Alaska):

H.R. 6186. A bill to amend title 5 of the

United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or in-consistent with congressional intent, to expand opportunities for public participation in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary, and Rules.

By Mr. COHEN (for himself, Mr. Pres-

SLER, and Mrs. HECKLER):
H.R. 6187. A bill to amend the Internal
Revenue Code of 1954 to encourage greater
conservation of energy in home heating and cooling by allowing individuals a credit of 25 percent of amounts paid or incurred for the installation of more effective insulation and heating equipment in existing residential structures; to the Committee on Ways

By Mr. DICKS:

H.R. 6188. A bill to require the Secretary of Defense to conduct a systematic cost-effectiveness review before contracting for personal services; to the Committee on Armed Services.

By Mr. DRINAN (for himself, Mr. BADILLO, Mr. Bedell, Mr. BONIOR, Mr. CAPUTO, Mr. CARNEY, Mr. DOWNEY, Mr. EDWARDS of California, Mr. Fascell, Mrs. Fenwick, Mr. Harrington, Mr. Howard, Mr. Jef-fords, Mr. Kostmayer, Mr. Krebs, Mr. LEHMAN, Mr. MATHIS, Mrs. MEY-NER, Ms. MIKULSKI, Mr. MOAKLEY, and Mr. MOFFETT):

H.R. 6189. A bill to provide for certain research and demonstration respecting the disposal of sludge, the reclamation of waters damaged by sludge and sewage, assistance to State and local governments for the removal of sludge and other solid waste from waters and shoreline areas, and to provide that grants for waste treatment works shall be made only if such works provide for environmentally sound sludge management; to the Committee on Public Works and Transportation.

By Mr. DRINAN (for himself, Mr. No-LAN, Mr. OTTINGER, Mr. PATTISON Of New York, Mr. Pursell, Mr. Rinaldo, Mr. RODINO, Mr. SEIBERLING, Mr. SIMON, Mrs. SPELLMAN, Mr. STUDDS. Mr. Waxman, Mr. Weiss, and Mr.

H.R. 6190. A bill to provide for certain research and demonstration respecting the dis-posal of sludge, the reclamation of waters damaged by sludge and sewage, assistance to State and local governments for the removal of sludge and other solid waste from waters and shoreline areas, and to provide that grants for waste treatment works shall be made only if such works provide for environmentally sound sludge management; to the Committee on Public Works and Transporta-

> By Mr. FOLEY (for himself, Mr. Bau-CUS, Mr. BENJAMIN, Mr. BLANCHARD, Mr. CARNEY, Mr. CORRADA, Mr. DAVIS, Mr. Hanley, Mr. Jeffords, Mr. La-Falce, Mr. Patterson of California, Mr. SIMON, Mr. VOLKMER, and Mr. MINETA):

H.R. 6191. A bill to authorize the marketing of saccharin under section 409 of the Federal Food, Drug, and Cosmetic Act; to the Committee on Interstate and Foreign Commerce. By Mr. FRASER:

H.R. 6192. A bill to amend the act entitled "An act to amend the Railroad Retirement Act of 1937 to revise the retirement system for employees of employers covered there-under, and for other purposes" to provide the same eligibility requirements for all spouses benefits; to the Committee on Interstate and Foreign Commerce.

By Mr. GEPHARDT (for himself, Mr. EDGAR, Mr. MOAKLEY, Mr. PATTISON Of New York, Mr. RICHMOND, Mr. VENTO, Mr. Seiberling, Ms. Mikulski, Mr. Weiss, Mr. Brown of California, Mr. GILMAN, Mr. GLICKMAN, Mr. ROE, and Mr. LEDERER):

H.R. 6193. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for contributions to a neighborhood corporation and to provide other financial assistance to such corporations organized under State law to furnish their own neighborhood services; to the Committee on Ways and Means.

> By Mr. GLICKMAN (for himself, Mr. SEBELIUS, Mrs. KEYS, Mr. NOLAN, and Mr. BAUCUS):

H.R. 6194. A bill to require that the support price for wheat be computed without adjustments for differences in location; to the Committee on Agriculture.

By Mr. HARRINGTON:

H.R. 6195. A bill to reorganize the intelligence community of the executive branch of the Government to improve management and control of the national intelligence agencies, to promote the overall economy and efficiency of Government intelligence operations and activities, to prevent future abuses of power by the Central Intelligence Agency, and for other purposes; jointly, to the Committees on Armed Services, International Relations, and the Judiciary.

By Mr. JACOBS (for himself, Mrs. Keys, and Mrs. Heckler):

H.R. 6196. A bill to establish the Federal right of every unemancipated child to be supported by such child's parent or parents and, therefore, to confer upon certain local. courts of the District of Columbia and every

State and territory of the U.S. jurisdiction to enforce such right regardless of such child's residence; to the Committee on the Judiciary.

By Mr. JOHNSON of California (for himself and Mr. HARSHA) (by request):

H.R. 6197. A bill to amend the Disaster

Relief Act of 1974 to provide for authorization of appropriations thereunder through fiscal year 1978; to the Committee on Public Works and Transportation.

By Mr. JONES of Tennessee:

H.R. 6198. A bill to provide a voluntary self-help program designed to assist producers of agricultural products against loss of cost of production when natural or uncontrollable conditions adversely affect the production and will be meaningful in assuring the consumers that producers will be able to continue to produce food and fiber; to the Committee on Agriculture.

By Mr. KASTENMEIER (for himself

and Ms. HOLTZMAN):

H.R. 6199. A bill to amend the Clayton Act to provide for additional regulation of certain anticompetitive developments in the agricultural industry; to the Committee on the Judiciary.

By Mr. KEMP:

H.R. 6200. A bill to amend title IX of the Education Amendments of 1972, and to preserve academic freedom; to the Committee on Education and Labor.

H.R. 6201. A bill to provide for permanent tax rate reductions for individuals and business; to the Committee on Ways and Means.

By Mr. KINDNESS (for himself, and Mr. Moorhead of California):

H.R. 6202. A bill to provide more effective disclosure to Congress and the public of certain lobbying activities to influence issues before the Congress; to the Committee on the Judiciary.

By Mr. KRUEGER (for himself, Mr. Brown of Ohio, Mr. Goldwater, Mr. Gammage, Mr. Montgomery, Mr. Long of Louisiana, Mr. Bowen, Mr. MCCLORY, Mr. HALL, Mr. YOUNG Of Alaska, Mr. Goodling, Mr. McClos-KEY, Mr. WINN, and Mr. TRIBLE)

H.R. 6203. A bill to assure the availability of adequate supplies of natural gas at reasonable prices for consumers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LEACH (for himself, Mr. Cor-coran of Illinois, and Mr. Pressler): H.R. 6204. A bill to restrict, with respect to any census of agriculture, the information which may be acquired or released by the Bureau of the Census, and to prohibit the imposition of a penalty for refusing or willfully neglecting to answer any question in connection with any such census; to the Committee on Post Office and Civil Service.

By Mr. LEGGETT (for himself, Mr. FORSYTHE, Mr. DE LA GARZA, Mr. BREAUX, Mr. RUPPE, Mr. BOWEN, Mr. AUCOIN, Mr. McCloskey, Mr. OBERSTAR, Mr. HUGHES, Mr. EMERY, Mr. Akaka, and Mr. TRIBLE):

H.R. 6205. A bill to authorize appropriations for fiscal years 1978, 1979, and 1980 to carry out the Atlantic Tunas Convention Act of 1975; to the Committee on Merchant Marine and Fisheries.

By Mr. LEGGETT (for himself, Mr. FORSYTHE, Mr. DE LA GARZA, Mr. BREAUX, Mr. RUPPE, Mr. GINN, Mr. BOWEN, Mr. McCLOSKEY, Mr. AU-COIN, Mr. OBERSTAR, Mr. YOUNG Of Alaska, Mr. HUGHES, Mr. EMERY, Mr. AKAKA, and Mr. TRIBLE):

H.R. 6206. A bill to authorize appropriations for fiscal years 1978, 1979, and 1980 to carry out the Commercial Fisheries Research and Development Act of 1964; to the Committee on Merchant Marine and Fisheries.

By Mr. LEGGETT (for himself, Mr. FORSYTHE, Mr. RUPPE, Mr. DE LA GARZA, Mr. BREAUX, Mr. McCloskey, Mr. Bowen, Mr. AuCoin, Mr. Emery, Mr. OBERSTAR, Mr. HUGHES, Mr. TRIBLE, and Mr. AKAKA):

H.R. 6207. A bill to authorize appropriations for fiscal years 1978, 1979, and 1980 to carry out State cooperative programs under

the Endangered Species Act of 1963; to the Committee on Merchant Marine and Fish-

By Mr. McFALL:

H.R. 6208. A bill to amend the National Environmental Policy Act of 1969 to provide for the judicial review of environment impact findings made by Federal agencies; to the Committee on Merchant Marine and Fisheries.

> By Mr. McHUGH (for himself, Mr. MAGUIRE, Mr. BLANCHARD, Mr. MICHAEL O. MYERS, Mr. EDGAR, Mr. LAFALCE, Mr. HARRINGTON, DOWNEY, Mr. ROYBAL, Mr. PEASE, Mr. HANLEY, Mr. BAUCUS, Mr. BROWN of California, Mrs. Chisholm, Mr. Convers, Mr. Simon, Mr. Walgren, Mr. OTTINGER, Mr. BEDELL, Mr. WEISS, Mrs. Fenwick, Mr. Nolan, Mr. Kostmayer, Mr. Lundine, and Mr. PANETTA)

H.R. 6209. A bill to provide for limitations on congressional campaign expenditures and for partial public financing of congressional primary and congressional general elections; to the Committee on House Administration.

y Mr. MIKVA (for himself, Mr. Baucus, Mr. Bedell, Mrs. Burke of Ву California, California, Mr. Convers, Mr. Downey, Mr. Edwards of California, Mr. Harris, Mr. Jeffords, Mr. Kildee, Mr. LEGGETT, Mr. PATTERSON of California, Mr. Roncalio, Mr. Rosen-thal, Mr. Solarz, Mr. Stark, and Mr. VENTO)

H.R. 6210. A bill to correct inequities in certain franchise practices, to provide franchisors and franchisees with evenhanded protection from unfair practices, to provide consumers with the benefits which accrue from a competitive and open market economy, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MIKVA (for himself, Mr. An-DERSON Of Illinois, Mr. CRANE, Mr. DERWINSKI, Mr. HYDE, Mr. PRICE,

and Mr. SIMON):

H.R. 6211. A bill to validate certain past social security coverage of policemen and firemen in positions covered by the Illinois municipal retirement fund; to the Committee on Ways and Means.

By Mr. MURPHY of New York (for himself, Mr. Blaggi, Mr. Ruppe, and

Mr. TREEN):

H.R. 6212. A bill to authorize appropriations for the U.S. Coast Guard for fiscal year 1978, and for other purposes; to the Committee on Merchant Marine and Fisheries. By Mr. MURPHY of New York (by

request):

H.R. 6213. A bill to provide a comprehensive system of liability and compensation for oil spill damage and removal costs, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries, and Public Works and Transportation.

By Mr. NEDZI:

H.R. 6214. A bill to provide for the establishment of a Center for the Book in the Library of Congress, and for other purposes;

to the Committee on House Administration. H.R. 6215. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for State and local utility taxes; to the Committee on Ways and Means.

By Mr. O'BRIEN:

H.R. 6216. A bill to amend title 39, United States Code, to provide that controlled circulation publications relating to agriculture shall be eligible for reduced rates of postage on the same basis as science of agricultural publications, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. RICHMOND (for himself, Mr. AUCOIN, Mr. BAFALIS, Mr. BAUCUS, Mr. BRECKINRIDGE, Mr. CAPUTO, Mr. CEDERBERG, Mr. CLEVELAND, Mr. COUGHLIN, Mr. DAVIS, Mr. DE LUGO, Mr. EDGAR, Mr. ERTEL, Mr. FASCELL,

Mr. FORSYTHE, Mr. HALL, Mr. HAM-MERSCHMIDT, Mr. HAWKINS, Mr. KINDNESS, Mr. KOSTMAYER, Mrs. LLOYD of Tennessee, Mr. LOTT, Mr. McEwen, Mr. McHuch, Mr. Mazzoli, and Mr. Mitchell of New York): H.R. 6217. A bill to amend the Internal

Revenue Code of 1954 to exempt nonprofit volunteer firefighting or rescue organizations from the Federal excise taxes on gasoline. diesel fuel, and certain other articles and services; to the Committee on Ways and Means.

> By Mr. RICHMOND (for himself, Mr. MOAKLEY, Mr. MURPHY of Pennsylvania, Mr. OTTINGER, Mr. RAHALL, Mr. SANTINI, Mr. SIMON, Mrs. SPELL-MAN, Mr. TRIBLE, Mr. TREEN, Mr. WALKER, Mr. WALSH, Mr. WHITE-HURST, Mr. WHITLEY, Mr. WINN, Mr. YATRON, and Mr. ZEFERETTI):

H.R. 6218. A bill to amend the Internal Revenue Code of 1954 to exempt nonprofit volunteer firefighting or rescue organizations from the Federal excise taxes on gasoline, diesel fuel, and certain other articles and services; to the Committee on Ways and Means.

> By Mr. RICHMOND (for himself, Mr. FLOOD, and Mr. ZEFERETTI):

H.R. 6219. A bill to provide a comprehensive program of employment services and opportunities for middle-aged and older Americans; jointly, to the Committees on Education and Labor, and Post Office and Civil Service.

By Mr. ROBINSON (for himself and Mr. CHAPPELL):

H.R. 6220. A bill to amend the Federal Meat Inspection Act with respect to custom slaughtering; to the Committee on Agriculture.

By Mr. ROGERS (for himself, Mr. PREYER, Mr. SCHEUER, Mr. WAXMAN. Mr. Florio, Mr. Maguire, Mr. Markey, Mr. Ottinger, Mr. Wal-GREN, and Mr. CARTER):

H.R. 6221. A bill to amend the Public Health Service Act to revise and strengthen the program under that act for the regulation of clinical laboratories; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. ROONEY (by request) (for himself and Mr. Murphy of New York):

H.R. 6222. A bill to amend the International Travel Act of 1961 to provide for the cooperative regulation of the travel agency industry; to the Committee on Interstate and Foreign Commerce.

By Mr. RUPPE:

H.R. 6223. A bill to provide for additional sentences for commission of a felony with use of a firearm; to the Committee on the Judiciary.

H.R. 6224. A bill to amend the Shipping Act, 1916, and for other purposes; to the Committee on Merchant Marine and Fish-

By Mrs. SCHROEDER (for herself, Mrs. SPELLMAN, Mr. CHARLES H. WILSON of California, and Mr. Ford of Michigan):

H.R. 6225. A bill to amend title 5, United States Code, to guarantee to each employee in the executive branch who has completed the probationary or trial period, the right to a hearing, a hearing transcript, and relevant evidence prior to a final decision of an agency to take certain action against such an employee, and for other purposes; to the Committee on Post Office and Civil Service.

> By Mrs. SCHROEDER (for herself and Mr. HANNAFORD):

H.R. 6226. A bill to provide that a former spouse of a Federal employee who is mar-ried to such employee for 20 years or more shall be entitled to a portion of such em-

ployee's annuity and to a portion of the annuity of any surviving spouse of such em-ployee; to the Committee on Post Office and Civil Service.

By Mr. SISK:

H.R. 6227. A bill to establish an emergency livestock program for the purpose of directing the Secretary of Agriculture to make direct loans to certain owners of livestock during emergency periods; to the Committee on Agriculture.

By Mrs. SPELLMAN (for herself, Mr. BUTLER, Mr. BYRON, Mr. ROBERT W. DANIEL, Jr., Mr. FISHER, Mr. HARRIS, Mrs. Holt, Mr. Long of Maryland, Mr. MITCHELL of Maryland, ROBINSON, Mr. SATTERFIELD, STEERS, and Mr. WHITEHURST):

H.R. 6228. A bill to amend section 181(a) of the Water Resources Development Act of 1976; to the Committee on Public Works and Transportation,

By Mr. STAGGERS (for himself and

Mr. DEVINE): H.R. 6229. A bill to amend the Federal Energy Administration Act of 1974, the Energy Policy and Conservation Act, and the Energy Conservation and Production Act to provide for authorizations of appropriations to the Federal Energy Administration; to the Committee on Interstate and Foreign Commerce.

By Mr. TSONGAS (for himself, Mr. WRIGHT, Mr. UDALL, Mr. REUSS, Mr. SEBELIUS, Mr. RODINO, Mr. MOAKLEY, Mr. Drinan, Mr. Burke of Massa-chusetts, Mr. Conte, Mrs. Heckler, Mr. Boland, Mr. Markey, Mr. Har-rington, Mr. Early, Mr. Studds, Mr. MILLER of California, Mr. BINGHAM, Mr. Mitchell of Maryland, Mr. Pat-tison of New York, Mr. Waxman, Mr. Moffett, Mrs. Fenwick, Mr. Neal, and Mr. Dodd):

H.R. 6230. A bill to provide for the establishment of the Lowell National Cultural Park in the Commonwealth of Massachusetts, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. TSONGAS (for himself, Mr. HARRIS, Mr. CORRADA, Mr. KREBS, Mr. BAUCUS, Mr. D'AMOURS, Ms. HOLTZ-MAN, Mr. KOSTMAYER, Mr. BEARD OF Rhode Island, Mr. LAFALCE, Mr. LUNDINE, Mr. BONKER, Mr. RONCALIO, Mr. DE LUGO, Mr. EDGAR, and Mr. MEEDS)

H.R. 6231. A bill to provide for the establishment of the Lowell National Cultural Park in the Commonwealth of Massachusetts, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ULLMAN:

H.R. 6232. A bill to provide for the establishment of the Oregon Trail National Historic Site in the State of Oregon, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ABDNOR (for himself and Mr. NOLAN)

H.R. 6233. A bill to provide financial as-stance to local educational agencies sistance located in whole or in part within an area which an emergency exists; to the Committee on Education and Labor.

By Mr. ASHBROOK:

H.R. 6234. A bill to amend the National Security Act of 1947, as amended, and for other purposes; to the Committee on Armed

By Mr. AuCOIN (for himself and Mr. LUNDINE)

H.R. 6235. A bill to amend title V of the Housing Act of 1949 to increase and extend authorities thereunder, and for other purposes; to the Committee on Banking, Finance

and Urban Affairs.

H.R. 6236. A bill to amend the Consolidated Farm and Rural Development Act; to

the Committee on Agriculture.

By Mr. BEVILL (for himself and Mr. NICHOLS)

H.R. 6237. A bill to amend section 9441 of title 10, United States Code, to provide for the budgeting by the Secretary of Defense, the authorization of appropriations, and the use of those appropriated funds by the Secretary of the Air Force, for certain specified purposes to assist the Civil Air Patrol in providing services in connection with the noncombatant mission of the Air Force; to the Committee on Armed Services.

By Mr. BRODHEAD (for himself, Mr. AKAKA, Mr. AMMERMAN, Mr. AUCOIN, Mr. Badillo, Mr. Baucus, Mr. Bonior Mr. Breckinridge, Mr. Burgener, Mr. COHEN, Mr. DOWNEY, Mr. DRINAN, Mr. EDGAR, Mr. EDWARDS of California, Mr. EMERY, Mr. ERTEL, Mrs. FENWICK, Mr. FISHER, Mr. FITHIAN, Mr. FORD Of Tennessee, Mr. FORD of Michigan, Mr. FRASER, Mr. GLICKMAN, Mr. HIGH-

TOWER, and Mr. JACOBS): H.R. 6238. A bill to prohibit Members of the House of Representatives from soliciting or accepting gifts of money for their personal use; to the Select Committee on Ethics.

By Mr. BRODHEAD (for himself, Mrs. KEYS, Mr. KILDEE, Mr. KOSTMAYER, Mr. KREBS, Mr. LEDERER, Mr. LEHMAN, Mr. McHugh, Mr. Maguire, Mr. Mar-KEY, Mr. MAZZOLI, Mr. NOLAN, Mr. OBERSTAR, Mr. OTTINGER, Mr. PA-NETTA, Mr. PEASE, Mr. PURSELL, Mr. REGULA, Mr. SIMON, Mrs. SPELLMAN, Mr. STOCKMAN, Mr. VENTO, Mr. WINN, Mr. WIRTH, and Mr. SEIBERLING) :

H.R. 6239. A bill to prohibit Members of the House of Representatives from soliciting or accepting gifts of money for their personal to the Select Committee on Ethics.

By Mr. BRODHEAD (for himself, Mr. BROYHILL, and Mr. EDWARDS of Oklahoma):

H.R. 6240. A bill to prohibit Members of the House of Representatives from soliciting or accepting gifts of money for their personal to the Select Committee on Ethics.

By Mr. DINGELL: H.R. 6241. A bill to amend the Federal Energy Administration Act of 1974 to extend the duration of authorities under such act, to authorize appropriations for the Federal Energy Administration for the 1978 fiscal year, and for other purposes; to the Committee on

Interstate and Foreign Commerce.

By Mr. EILBERG (for himself, Mr. MITCHELL of New York, and Mr.

JENRETTE):

H.R. 6242. A bill to amend certain provisions of section 8344 of title 5, United States Code, which relate to the employment of retired Federal civil servants as congressional employees; to the Committee on Post Office and Civil Service.

By Mr. EVANS of Delaware (for himself, Mr. Baucus, Mr. Benjamin, Mr. COLLINS of Texas, Mr. EDWARDS of Oklahoma, Mr. KEMP, Mr. LAGO-MARSINO, Mr. STOCKMAN, Mr. THONE, Mr. Treen, Mr. Charles Wilson of Texas, and Mr. Winn): H.R. 6243. A bill to permit the review of

regulatory rules and regulations by the Congress; to the Committee on Government Operations.

By Mr. EVANS of Delaware (for himself, Mr. Badillo, Mr. Bevill, Mr. Collins of Texas, Mr. Duncan of Tennessee, Mr. EDWARDS of Oklahoma, Mr. FARY, Mr. MOAKLEY, Mr. PATTERSON of California, Mr. RAHALL, Mr. Tonky, and Mr. TREEN)

H.R. 6244. A bill to amend title II of the Social Security Act to increase the increment in old-age benefits payable to individuals who delay their retirement beyond age 65; to the Committee on Ways and Means.

By Mr. LLOYD of California:

H.R. 6245. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for installing solar energy equipment in residential buildings, to provide low-interest loans under the Energy Research and Development Administration for such installations, and for other purposes; jointly, to the Committees on Ways and Means and Banking, Finance and Urban Affairs.

By Mr. MARTIN:

H.R. 6246. A bill to amend the Internal Revenue Code of 1954 to provide that certain liens for taxes shall not be valid unless actually entered and recorded in the office in which the lien is filed; to the Committee on Ways and Means.

By Mr. MARTIN (for himself, Mr. ADDABBO, Mr. ROBERT W. DANIEL, Jr., Mr. Biaggi, Mr. Hammerschmidt, Mr. Shuster, Mr. Slack, Mrs. Smith of Nebraska, Mr. Taylor, Mr. Wolff, Mr. CHAPPELL, Mr. SIKES, Mr. GOLD-WATER, and Mr. McCloskey) :

H.R. 6247. A bill to amend the Federal Food, Drug, and Cosmetic Act to authorize an evaluation of the risks and benefits of certain food additives and to permit the marketing of saccharin until such an evaluation can be made of it; to the Committee on

Interstate and Foreign Commerce.

By Mr. ROONEY:

H.R. 6248. A bill to amend the Interstate Commerce Act to provide for the regulation of coal pipelines, to provide for the granting of coal pipelines of easements under or across properties of railroads and other common carriers, to establish parity in coal pipeline and railroad ratemaking procedures, and for other purposes; to the Committees on Interstate and Foreign Commerce, and Public Works and Transportation.

By Mr. THORNTON (for himself and Mr. TEAGUE) :

H.R. 6249. A bill to establish a uniform Federal system for management, protection, and utilization of the results of federally sponsored scientific and technological re search and development; and to further the public interest of the United States domestically and abroad; and for other related purposes; jointly, to the Committees on the Judiciary and Science and Technology.

By Mr. ULLMAN:

H.R. 6250. A bill to provide certain authority respecting the sale of certain wild horses and burros on public lands pursuant to contracts providing for humane care treatment; jointly, to the Committees on Merchant Marine and Fisheries, and Interior and Insular Affairs.

By Mr. BEDELL (for himself, Mr. FRASER, Mr. BINGHAM, Mr. EDGAR, Mr. HARKIN, Mr. JEFFORDS, Mrs. MEYNER, Mr. Solarz, Mr. Steers, Mr. Studds, Mr. UDALL, and Mr. SEIBERLING):

H.J. Res. 383. Joint resolution to support the goals of the U.S. Delegation to the Law of the Sea Conference in reaching an equitable and effective international agreement; to the Committee on International Relations.

By Mr. BURLISON of Missouri (for himself, Mr. Bingham, Mr. Nezdi, Mr. Ullman, Mr. Studds, Mr. Pritchard, Mr. Russo, Mr. Fraser, Mr. Sawyer, Mr. OTTINGER, Mr. HALL, Mr. KETCH-UM, Mr. AMMERMAN, Mrs. SPELLMAN, Mr. Hawkins, Mr. Edgar, Mr. Breck-Inridge, Mr. Carney, Mr. Ertel, Mr. DICKS, Mr. BENJAMIN, and Mr. JEN-RETTE) :

H.J. Res. 384. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary. By Mr. EMERY:

H.J. Res. 385. Joint resolution relating to the establishment of an international organization for the protection of whales and other cetaceans; to the Committee on International Relations.

By Mr. FAUNTROY (for himself, Mrs. Boggs, Mr. Conable, Mr. Leach, Mr. Mr. RHODES, and PICKLE. WRIGHT):

H.J. Res. 386. Joint resolution to provide for the striking of a national medal to be issued annually in commemoration of the bicentennials of outstanding historic events and personalities from 1777 to 1789; to the Committee on Banking, Finance and Urban Affairs.

By Mr. FRASER:

H.J. Res. 387. Joint resolution to encourage formation of an international organization for the conservation of whales; to the Committee on International Relations.

By Mr. LEGGETT (for himself, Mr. Forsythe, Mr. de La Garza, and Mr.

TRIBLE)

H.J. Res. 388. Joint resolution to partially reimburse certain U.S. distant water fishermen for fishing fees imposed on them by foreign nations; to the Committee on Merchant Marine and Fisheries.

By Mr. MANN:

H.J. Res. 389. Joint resolution designating the pine tree as the national arboreal emblem of the United States; to the Committee on Post Office and Civil Service.

By Ms. MIKULSKI (for herself and

Mr. BAUCUS, Mr. BOLAND, Mr. BROD-HEAD, Mr. DOWNEY, Mr. LUNDINE, Mr. McCloskey, Mr. St Germain, Mr. Patterson of California, Mr. Tucker, Mr. Whitley, and Mr. Won PAT):

H.J. Res. 390. Joint resolution to provide for a study of the effects of saccharin; to the Committee on Interstate and Foreign Com-

By Mr. ALEXANDER:

H. Con. Res. 192. Concurrent resolution expressing the sense of Congress that the providing of adequate water and waste disposal systems for rural America is a national goal; jointly, to the Committees on Agriculture, Interior and Insular Affairs, and Public Works and Transportation.

By Mr. PEASE (for himself, Mr. HEFTEL

and Mr. Carr): H. Con. Res. 193. Concurrent resolution reaffirming the commitment of the United States to obtain full compliance with the human rights provisions of the Helsinki accords and to press for global commitment to human rights; to the Committee on International Relations.

By Mr. ZABLOCKI:

H. Con. Res. 194. Concurrent resolution respect to an international treaty banning lethal chemical weapons; to the Committee on International Relations.

By Mr. GIAIMO: H. Con. Res. 195. Concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal year 1978. By Mr. DODD:

H. Res. 482. Resolution directing the Committee on Banking, Finance and Urban Affairs, the Committee on Appropriations, and the Committee on International Relations, to conduct a full review of all U.S. assistance for developing countries which is not currently subject to prior congressional review on a country-by-country basis, especially indirect assistance furnished through bilateral and multilateral lending institutions, in order to identify ways to increase congressional control over such assistance: to the Committee on Rules.

By Mr. MILLER of California:

H. Res. 483. Resolution to refer the bill (H.R. 6149) for the relief of the Contra Costa County Water District, Concord, Calif., to the chief commissioner of the court of claims; to the Committee on the Judiciary.

By Mr. SCHEUER (for himself, Mr. AMMERMAN, Mr. BALDUS, Mr. BAUCUS, Mr. BEARD of Rhode Island, Mr.

CLEVELAND, Mr. ERTEL, Mr. FARY, Mr. FREY, Mr. IRELAND, Mr. JOHNSON of Colorado, Mr. Jones of Oklahoma, Mr. JENKINS, Mr. DERRICK, Mr. LEG-GETT, Mr. MARKS, Mr. MATTOX, Mr. MOTTL, Mr. OBERSTAR, Mr. RUPPE, Mr. Steers, Mr. Symms, Mr. Tsongas Mr. WAGGONNER, and Mr. WAXMAN): H. Res. 484. Resolution to establish a Se-

lect Committee on Population; to the Committee on Rules

By Mr. SCHEUER (for himself and Mr. Young of Alaska):

H. Res. 485. Resolution to establish a Select Committee on Population; to the Committee on Rules

By Mrs. SMITH of Nebraska:

H. Res. 486. Resolution to authorize the President to issue a proclamation designating the week beginning April 4, 1977, as tional Rural Health Week"; to the Committee on Post Office and Civil Service.

By Mr. WEISS: H. Res. 487. Resolution to amend the rules of the House of Representatives to require that all bills and resolutions have titles which accurately reflect their contents and all subject matters contained therein; to the Committee on Rules

MEMORIALS

Under clause 4 of rule XXII.

By the Speaker:

84. The SPEAKER presented a memorial of the Legislature of the Territory of Guam, relative to reimbursement of Guam for losses of income tax revenues resulting from changes in present Federal law; to the Committee on Ways Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of the XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLANCHARD:

H.R. 6251. A bill for the relief of Robert Joseph Coen Weston; to the Committee on the Judiciary.

By Mr. ROBERT W. DANIEL, Jr.;

H.R. 6252. A bill for the relief of the Atlantic Towing Corp.; to the Committee on Merchant Marine and Fisheries.

By Mr. DRINAN:

H.R. 6253. A bill for the relief of Leopold Morse Tailoring Co.; to the Committee on the Judiciary.

By Mr. McKAY:

H.R. 6254. A bill for the relief of Gerald F. Myers; to the Committee on International Relations.

By Mr. TRIBLE:

H.R. 6255. A bill for the relief of Atlantic Towing Corp.; to the Committee on Merchant Marine and Fisheries.

By Mr. FORSYTHE:

H.R. Res. 488. Resolution to refer the bill (H.R. 6103) for the relief of Harold N. Holt to the Chief Commissioner of the Court of Claims; to the Committee on the Judiciary.

PETITIONS, INC.

Under clause 1 of rule XXII.

77. The SPEAKER presented a petition of the Coalition for Health Funding, Washing-ton, D.C., relative to appropriation levels for discretionary Federal health programs, which was referred to the Committee on Interstate and Foreign Commerce.

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the Congressional Record March 31, 1977 (page 9931)

H.R. 1001. January 4, 1977. Education and Labor. Authorizes the Secretary of Labor to develop and implement programs to provide year-round recreational opportunities for underprivileged youth. Authorizes the Secretary to make grants to localities for urban recrea-

tional facilities and urban planning.

H.R. 1002. January 4, 1977. Education and
Labor. Directs the Secretary of Labor,
through the Bureau of Labor Statistics, to publish a monthly price index reflecting the retail prices of items purchased generally by individuals 62 years of age and older, such index to be known as the Consumer Price Index for the Elderly.

H.R. 1003. January 4, 1977. Government Operations. Establishes the Department Health in the executive branch to be headed by the Secretary of Health who shall have transferred to him the health functions of the Secretary of Health, Education, and Welfare.

Establishes the National Advisory Commission on Health Planning to determine what health functions carried on by the segments of the Government should be transferred to the Department of Health.

H.R. 1004. January 4, 1977. Government Operations. Requires the President to include in the budget transmitted to Congress additional information showing the regional impact by State and Congressional districts of budget proposals. Requires the Director of the Office of Management and Budget to file with the Congress specified information re-lating to Federal expenditures within the States and Congressional districts.

H.R. 1005. January 4, 1977. Government Operations. Requires the Secretary of State to reimburse States and political subdivisions thereof for the amount of revenue such States or subdivisions would derive from real property taxes on exempt United Nations property if such taxes were imposed on such property

H.R. 1006. January 4, 1977. Government Operations. Requires the Administrator of General Services, when intending to dispose of any real property by the United States, to notify the Members of Congress representing

the district in which such property is located. H.R. 1007. January 4, 1977. House Administration. Designates the library of the New York Law School as a depository for Federal Government publications

H.R. 1008. January 4, 1977. House Administration. Amends the Legislative Reorganization Act of 1970 to require the Librarian of Congress to prepare and conduct seminars for freshmen Members of Congress shortly after each Congressional election.

Authorizes freshmen Members to hire interim staffs and to take an advance on their Congressional stationary allowance for use during the period from the time they are declared elected until the first day of the next regular session of Congress.

H.R. 1009. January 4, 1977. House Administration. Directs the Secretary of the Interior to permit the National Committee of American Airmen Rescued by General Mihailovich to construct and maintain with private funds a monument to General Draza Mihailovich.

H.R. 1010. January 4, 1977. House Administration. Creates a charitable, educational, and nonprofit corporation, to be known as the National Trust for the Preservation of Historic Ships.

H.R. 1011. January 4, 1977. International Relations. Amends the Foreign Assistance Act of 1961 to prohibit assistance for 12 months to any country in which the President determines property of the United States Government has been willfully damaged or destroyed by mob violence, unless the President certifies to Congress that such assistance is necessary to the national security.

H.R. 1012. January 4, 1977. Interstate and Foreign Commerce. Amends the Communications Act of 1934 by extending the maximum terms of licenses and license renewals for the operation of broadcasting stations. Revises the conditions for approval of applications for licensing or license renewal.

H.R. 1013. January 4, 1977. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to require the Federal Communications Commission to establish procedures for television broadcasting station licensees to ascertain the needs and interests of certain residents in certain areas. Requires that certain television broadcasting stations include foreign language subtitles in programs of local origin.

H.R. 1014. January 4, 1977. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to prohibit harassing telephone calls made to collect alleged debts. Requires all telephone companies to notify each telephone subscriber by means of a notice on the front of the local telephone directory of his right to be free from such harassing calls.

H.R. 1015. January 4, 1977. Interstate and Foreign Commerce. Revises the prohibition against the manufacture, sale, or transportation of a switchblade knife in interstate commerce or the manufacture, sale, or possession of a switchblade knife within any territory or possession of the United States or within the special maritime and territorial jurisdiction. Encompasses within such prohibition any folding knife having an exposed blade of at least three inches.

Amends the provision declaring switchblade knives unavailable to: (1) prohibit the mailing of such knives to supply officers of a State or local government; and (2) include folding knives.

H.R. 1016. January 4, 1977. Interstate and Foreign Commerce. Amends the Flammable Fabrics Act to extend the provisions of that Act to construction materials used in interiors, and to require the Secretary of Commerce to determine toxicity standards or promulgate other regulations when there is determined to be a danger from toxic byproducts produced by the burning of such substances.

H.R. 1017. January 4, 1977. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare to establish a program under which life insurance with a face value of not less than \$5,000 shall be made available at affordable rates to individuals who have cancer.

Specifies the percentage of the face value of the policy to be paid beneficiaries of insureds who die from cancer within four years of having obtained the policy.

H.R. 1018. January 4, 1977. Interstate and Foreign Commerce. Establishes the Health Action Corps to provide opportunities for young Americans to participate in programs which provide training and practical work experience in the allied health field including career counseling, exposure to various health-related occupations, and training and work experience in clinical settings. Authorizes the Administrator of the Health Action Corps to select volunteers, to provide allowances and incentive bonuses to volunteers, and to enter into agreements with any public or nonprofit private entity whereby the Administrator will make grants to assist such entity in providing training and practical work experience to volunteers.

H.R. 1019. January 4, 1977. Interstate and Foreign Commerce. Amends the National Traffic and Motor Vehicle Safety Act of 1966 to require the installation of passive restraint devices in motor vehicles manufactured after a specified future date. Stipulates

that no motor vehicle safety standard promulgated under such Act may require the installation of a safety belt interlock system or continuous buzzer to indicate that safety belts are not in use.

H.R. 1020. January 4, 1977. Interstate and Foreign Commerce. Requires each State to have a motor vehicle mechanic licensing program approved by the Secretary of Labor. Sets forth criteria for such approval.

Reduces Federal aid highway funds to any State not implementing an approved State motor vehicle mechanic licensing program.

H.R. 1021. January 4, 1977. Interstate and Foreign Commerce. Establishes the Electric Power Production Authority in the Department of Commerce with the duty to assure that adequate supplies of electric energy are available to meet anticipated demand. Directs the Authority to assist in the construction of new electric power plants and transmission facilities.

H.R. 1022. January 4, 1977. Interstate and Foreign Commerce. Prohibits refiners or distributors of petroleum products from canceling franchises without prior notice. Prohibits distributors and refiners from canceling petroleum franchises without cause.

H.R. 1023. January 4, 1977. Interstate and Foreign Commerce. Establishes, under the Public Health Services Act, a National Center for Clinical Pharmacology within the Department of Health, Education, and Welfare for the purpose of supporting the study of clinical pharmacology.

Amends the Federal Food, Drug, and Cosmetic Act with respect to regulation of the manufacture, distribution, and sale of drugs.

H.R. 1024. January 4, 1977. Judiciary. Establishes, under the Immigration and Nationality Act, a Board of Visa Appeals as a separate agency within the Bureau of Security and Consular Affairs to review decisions of a consular officer refusing or revoking an immigration visa. Revises the Act with respect to the numerical limitations on lawful admissions, revocation of naturalization, and limitations on deportation.

Establishes a Select Commission on Nationality and Naturalization to study the nationality and naturalization provisions of the Immigration and Nationality Act.

H.R. 1025. January 4, 1977. Judiciary. Increases immigration quotas under the Immigration and Nationality Act for immigrants in specified preference categories if the number of visas issued to such immigrants in the previous year has decreased below specified levels.

H.R. 1026. January 4, 1977. Judiciary. Prohibits: (1) any individual from carrying into effect, or attempting or conspiring to carry into effect, any scheme in commerce to influence through bribery the conduct of any State or local law enforcement officer, including a judge, or other appointed or elected official; and (2) any such officer or official from accepting a bribe pursuant to such a scheme or from failing to report any scheme violating this Act designed to influence his conduct

H.R. 1027. January 4, 1977. Judiciary. Establishes an office of the United States Correctional Ombudsman to: (1) investigate acts of the Bureau of Prisons or the Board of Parole pertaining to the treatment of Federal prisoners or parolees and conditions in certain correctional facilities; and (2) report to Congress on unfair or otherwise objectionable laws relative to corrections.

H.R. 1028. January 4, 1977. Judiciary. Penalize the following activities which occur in commerce: (1) stolen airline tickets; (2) counterfeit, forged, or altered airline tickets; and (3) equipment for forging or counterfeiting airline tickets.

H.R. 1029. January 4, 1977. Judiciary. Makes it a Federal crime to kill or assult a fireman or law enforcement officer engaged in, or on account of action taken in, the performance of duty when the offender travels in interstate commerce or uses any facility of interstate commerce for such purpose.

H.R. 1030. January 4, 1977. Judiciary. Amends the Omnibus Crime Control and Safe Streets Act of 1968 to condition certain assistance thereunder on the inclusion in comprehensive State plans and on the establishment and implementation of: (1) a grievance procedure with respect to complaints submitted by law enforcement officers; and (2) a law enforcement officers; bill of rights.

a law enforcement officers' bill of rights. H.R. 1031. January 4, 1977. Judiciary Prohibits the transportation of contraband cigarettes in interstate commerce.

H.R. 1032. January 4, 1977. Judiciary. Amends the provision of law requiring the Attorney General to acquire and preserve identification records to direct that personal fingerprints voluntarily submitted from registered national security exchanges, their members, affiliated stock clearing corporations, and brokers and dealers registered with the Securities and Exchange Commission be collected, classified, preserved, and identified in the same manner and subject to the same terms and conditions as personal fingerprints voluntarily submitted from insurance companies and national banks.

H.R. 1033. January 4, 1977. Judiciary. States that quota visa numbers not issued under the Immigration and Nationality Act during fiscal year 1977 shall be transferred to an immigrant pool to be issued to specified preference classes of immigrants and to others who are otherwise admissible but unable to obtain prompt issuance of a preference visa solely because of the oversubscription of visas.

H.R. 1034. January 4, 1977. Judiciary. Guarantees to every athlete who wishes to engage in an organized professional team sport, the right to enter into a contract for such a purpose with any person without: (1) agreeing to permit that person to control his right, upon expiration of the contract, to enter into a contract with another person for such purpose; or (2) agreeing to perform under such a contract for an unreasonable period of time.

States that any person who deprives or conspires to deprive an athlete of his rights under this Act shall be deemed guilty of a misdemeanor.

H.R. 1035. January 4, 1977. Judiciary. Creates a Federal Lobbying Disclosure Commission. Requires lobbyists to: (1) register with the Commission; (2) make and retain certain records; and (3) file reports with the Commission regarding their activities.

Repeals the Federal Regulation of Lobbying Act.

H.R. 1036. January 4, 1977. Merchant Marine and Fisheries. Prohibits any waiver for national security purposes of the requirement of the Merchant Marine Act, 1920, that vessels engaged in coastwise trade be built and documented under the laws of the United States and owned by citizens of the United States unless, at least 60 days prior to the effective date of such proposed waiver, notice that it is being considered is published in the Federal Register and an opportunity is given for a public hearing regarding such action.

H.R. 1037. January 4, 1977. Merchant Marine and Fisheries. Amends the Merchant Marine Act, 1936, to direct the Secretary of Commerce to require that a specified percentage of United States oil imports be transported on United States-flag vessels.

H.R. 1038. January 4, 1977. Merchant Marine and Fisheries. Amends the Merchant Marine Act, 1920, to establish a monetary penalty, in lieu of forfeiture of the merchandise being transported, for violations of such Act requiring that vessels engaged in coast-

wise trade be built and documented in the United States and that they be owned by United States citizens.

H.R. 1039. January 4, 1977. Merchant Marine and Fisheries. Amends the Merchant Marine Act, 1920, to extend the coastwise laws of the United States with respect to the transportation of crude oil, residential fuel oil, and refined petroleum products, to the Virgin Islands.

H.R. 1040. January 4, 1977. Ways and Means. Revises the Internal Revenue Code by amending and repealing portions of the Code with respect to capital gains and losses, income derived from the extraction of minerals, individual and corporate income, the estate and gift tax and State and local obligations.

H.R. 1041. January 4, 1977. Ways and Means. Revises the Internal Revenue Code by amending and repealing portions of the Code with respect to capital gains and losses, income derived from the extraction of minerals, individual and corporate income, the estate and gift tax and State and local obligations.

H.R. 1042. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to authorize any taxpayer to elect to have any portion of any overpayment of tax or any contribution in money which the taxpayer forwards with the return for such taxable year be available, as the taxpayer may designate on such return, for the National Endowment for the Arts or the National Endowment for the Humanities.

H.R. 1043. January 4, 1977. Merchant Marine and Fisheries. Authorizes and directs the Governor of the Canal Zone to proceed with work to change the lock and anchorage capacities of the Panama Canal.

Establishes a Presidentially-appointed Panama Canal Advisory and Inspection Board to supervise all efforts of the Governor of the Canal Zone in making changes to the Pan-

ama Canal.

H.R. 1044. January 4, 1977. Merchant Marine and Fisheries. Authorizes commercial fishermen to apply to the Secretary of the Interior for grants to cover losses of earnings due to Federal or State restrictions on fishing imposed because of a deterioration of the aquatic environment.

H.R. 1045. January 4, 1977. Merchant Marine and Fisheries. Stipulates that the method of linkage between any tug and any barge in an articulated tug-barge system shall not be deemed to establish the weight of the tug for purposes of ship inspection and certification. Stipulates that, with respect to tonnage assignments, any tug which is capable of independent operation shall be deemed to be a separate unit for such inspection and certification purposes.

H.R. 1046. January 4, 1977. Post Office and Civil Service. Permits employees in all executive agencies and in the government of the District of Columbia to take an active part in political management and in political campaigns so long as such participation does not involve the official authority or influence of such employees.

H.R. 1047. January 4, 1977. Post Office and Civil Service. Prohibits any officer of an executive department or agency, any officer of the Civil Service Commission, and any commissioned officer from requiring or requesting any civilian employee, or person seeking employment, in the executive branch to: (1) disclose certain personal and financial information; (2) submit to specified tests and examinations; (3) participate in activities not related to job performance; (4) support the election of certain persons; and (5) invest in government securities.

Establishes a Board of Employees' Rights to: (1) investigate complaints arising from violations of this Act; (2) conduct hearings; and (3) render final decisions.

H.R. 1048. January 4, 1977. Post Office and Civil Service. Prohibits the Postmaster General from making available to the public any mailing or other list of post office box

patrons. Prohibits the Postmaster General and all Government agencies from furnishing any mailing or other lists of names or addresses to the public for any purpose.

H.R. 1049. January 4, 1977. Post Office and Civil Service. Requires that the following information be posted in a prominent place in each post office: (1) the qualifications, dates, and places for voter registration and voting in the area served by the post office; (2) the names and office addresses of the United States Senators and Representative for the area served by the post office; (3) the names and office addresses of the State Legislators representing the area served by the post office; and (4) the cost and availability of Western Union public opinion messages to the President, Vice President, and Members of Congress.

H.R. 1050. January 4, 1977. Post Office and Civil Service. Designates the anniversary of Martin Luther King, Jr.'s, birth, January 15, as a legal public holiday.

H.R. 1051. January 4, 1977. Post Office and Civil Service. Designates the anniversary of Susan B. Anthony's birth, February 15, a legal holiday.

legal holiday.

H.R. 1052. January 4, 1977. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to prohibit any air carrier from discontinuing any air service provided under its certificate of public convenience and necessity unless, after public notice and hearing, the Civil Aeronautics Board determines that such discontinuance is in the public interest.

H.R. 1053. January 4, 1977. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to direct the Civil Aeronautics Board, after a determination that the laws or requirements of a foreign country or foreign air carrier result in discrimination against American citizens traveling abroad on the basis of race, color, or religion: (1) to suspend the operating certificates of all air carriers under such Act to serve such country; and (2) to suspend the permit issued to any foreign air carrier of such nationality until such country has acted to end such discrimination.

H.R. 1054. January 4, 1977. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to authorize reduced rate air transportation for persons between the ages of 12 and 21, inclusive, on a space-available basis.

H.R. 1055. January 4, 1977. Public Works and Transportation. Amends the Federal Aviation Act of 1958 and the Interstate Commerce Act to authorize free or reduced transportation rates for persons over 65 and handicapped individuals and their attendants. Amends the Urban Mass Transportation Act of 1964 to give funding priority under such Act to public bodies which offer reduced rates to such individuals. Authorizes the Secretary of Transportation to prescribe standards for facilities funded under such Act to insure ready access to such facilities by these individuals. Amends the Older Americans Act of 1965 to authorize a grant program for special transportation research and demonstration projects for such individuals.

H.R. 1056. January 4, 1977. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to authorize reduced air fares for persons 65 years of age or older.

H.R. 1057. January 4, 1977. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to make it unlawful for an air carrier to demand payment from or to assert legal liability against, a ticket agent for the usage by persons of stolen airline tickets under specified circumstances.

H.R. 1058. January 4, 1977. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to direct the Administrator of the Civil Aeronautics Board to prescribe regulations: (1) which require the screening of any property being placed in a public storage area of an airport by weapon-

detecting and explosive-detecting procedures or devices; and (2) which require that property placed aboard an aircraft or placed in airport storage areas bear identification marks which positively identify the owner or bearer.

H.R. 1059. January 4, 1977. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to direct the Secretary of Transportation to prescribe regulations governing the humane treatment of animals transported in air commerce.

H.R. 1060. January 4, 1977. Public Works and Transportation. Directs the Secretary of Transportation to carry on a national education campaign to educate drivers and pedestrians as to the danger of driving on, or crossing the highways.

H.R. 1061. January 4, 1977. Science and Technology. Authorizes and directs the Secretary of Commerce to make grants to local fire departments to pay up to one-half the cost of purchasing firefighting equipment.

H.R. 1062. January 4, 1977. Science and Technology. Authorizes and directs the Secretary of Commerce to make grants to local fire departments to pay up to 90 percent of the cost of purchasing heat-protective fire-fighting suits and breathing apparatus.

H.R. 1063. January 4, 1977. Small Business. Amends the Small Business Act to make loans available for small businesses suffering economic injuries as the result of the disruption of operations and services of public utilities.

H.R. 1064. January 4, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to permit the payment of old-age insurance benefits to a married couple on their combined earnings record where that method of computation produces a higher combined benefit.

H.R. 1065. January 4, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to revise the eligibility requirements for disability insurance benefits for blind persons. Revises the method of computing the primary insurance amount for blind persons under such Act.

H.R. 1066. January 4, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to increase to \$7,500 the amount of outside earnings which is permitted an individual each year without any deduction from benefits under such Title.

H.R. 1067. January 4, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) to increase by 50 percent the primary insurance amount for individuals covered under such Title.

H.R. 1068. January 4, 1977. Ways and Means. Amends Title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to require the Secretary of Health, Education, and Welfare to provide emergency financial assistance to recipients of benefits under specified circumstances Excludes cost-of-living increases in social security benefits when determining an individual's income. Makes supplemental security income recipients eligible for food stamps. Amends the definition of "eligible spouse" to require that such individual be living with the disabled individual in order to receive SSI benefits.

H.R. 1069. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to deny a tax exclusion to interest on industrial development bonds, the proceeds of which are used to provide facilities for the furnishing of electricity, unless those facilities utilize domestic fuel or no fuel.

H.R. 1070. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow a deduction for donations of blood to charitable organizations in an amount equal to \$25 for each pint donated.

H.R. 1071. January 4, 1977. Ways and

Means. Provides that the first \$5,000 of compensation paid to full-time law enforcement officers shall not be subject to income tax.

H.R. 1072. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow a limited tax deduction for amounts paid by the taxpayer to a tax exempt educational institution for the tuition of the taxpayer, his spouse, or a dependent.

H.R. 1073. January 4, 1977. Ways and

H.R. 1073. January 4, 1977. Ways and Means. Amend the Internal Revenue Code to allow a limited income tax credit for the tuition paid to a private, nonprofit elementary or secondary educational institution for the education of a dependent. Grants tax-payers standing to challenge the Act's constitutionality in the District Court for the District of Columbia.

H.R. 1074. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for all reasonable and necessary expenses, including food and lodging, which are paid for the education of a dependent at a primary or

secondary educational institution.

H.R. 1075. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to permit individuals to deduct contributions to a qualified fund, where the beneficiary is a child dependent of the taxpayer, and where the distributions from the fund are to be made only to defray the cost of room, board, and tuition at an institution of higher education.

H.R. 1076. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to provide a limited exclusion from gross income of interest deposits paid or accrued by an individual taypager.

an individual taxpayer.

H.R. 1077. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow a deduction for a percentage of the amounts paid by the taxpayer in acquiring recycled solid waste materials. Provides an amortization deduction with respect to the amortizable basis of any solid waste recycling facility based on a 60 month period.

H.R. 1078. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to provide an additional income tax exemption for taxpayers, spouses, or dependents with serious mental or physical disabilities which result in death, or which can be expected to result in death or be of long-continued or indefinite duration.

H.R. 1079. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to provide identical income tax rates for single persons and married couples filing joint returns. Limits the earned income that must be reported by a married person filing a separate return to the amount actually earned by that individual.

H.R. 1080. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow nonrefundable income tax credit for a portion of the wages paid previously unemployed Vietnam veterans.

H.R. 1081. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow a nonrefundable income tax credit for a portion of the wages paid previously unemployed Vietnam veterans.

H.R. 1082. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow a nonrefundable income tax credit for a portion of the wages paid previously unemployed handicapped Vietnam veterans.

H.R. 1083. January 4, 1977. Ways and Means. Amends the Tariff Schedules of the United States to repeal the duty imposed on: (1) articles assembled abroad with components produced in the United States; and (2) certain metal articles manufactured in the United States and exported for further processing.

H.R. 1084. January 4, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to allow Federal officers and employees to elect coverage under such Title.

H.R. 1085. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow a nonrefundable income tax credit for a portion of the wages paid previously unemployed Vietnam veterans and former prisoners of war and missing in action individuals.

H.R. 1086. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow a nonrefundable income tax credit for a portion of the wages paid previously unemployed Vietnam veterans who were missing in action or prisoners of war.

H.R. 1087. January 4, 1977. Ways and Means. Directs the Secretary of Transportation to carry on a national education campaign to educate drivers and pedestrians as to the danger of driving on or crossing the

Imposes an additional tax on gasoline and other motor fuels to pay for the cost of such campaign.

H.R. 1088. January 4, 1977. Armed Services; Post Office and Civil Service. Entitles members of the armed forces and Federal employees who were in a missing status during the Vietnam era to a double credit for such period for retirement eligibility and pay purposes.

Directs the Secretary of Defense to provide such members of the armed forces and their dependents with additional health benefits including psychological and counseling services.

Specifies additional pay and allowance benefits to which such individuals are entitled

H.R. 1089. January 4, 1977. Interstate and Foreign Commerce; Ways and Means. Creates a national system of health insurance. Establishes a Health Security Board in the Department of Health, Education, and Welfare to administer such health insurance program.

Repeals the Medicare provisions of the Social Security Act and all health benefit plans for employees of the Federal Government.

H.R. 1090. January 4, 1977. Interstate and Foreign Commerce; Ways and Means. Requires every employer to offer qualified health care insurance to his employees and their families. Establishes a program of Federal participation to provide qualified health care insurance to low-income, nonemployed and self-employed individuals and their families. Requires the Secretary of Health, Education, and Welfare to pay the full premium for continuation of qualified health care insurance for individuals receiving State or Federal unemployment benefits.

H.R. 1091. January 4, 1977. Merchant Marine and Fisheries; Armed Services. Amends the Maritime Academy Act of 1958 to authorize the Secretary of the Navy to appoint students at maritime academies or colleges assisted under such Act as Reserve midshipmen in the Navy and to commission such individuals as Reserve ensigns upon graduation.

H.R. 1092. January 4, 1977. Merchant Marine and Fisheries; Judiciary. Amends the National Environmental Policy Act of 1969 to authorize class actions on behalf of persons adversely affected by air pollution, water pollution, or noise. Stipulates that United States district courts shall have jurisdiction of such class actions brought against persons engaged in activities affecting interstate commerce, without regard to the amount in controversy.

H.R. 1093. January 4, 1977. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act to increase the level of Federal reimbursement under Aid to Families with Dependent Children and Medicald to 100 percent for State payments made to native Hawaiians, Indians, Aleuts, and Eskimos.

Increases the level of Federal reimbursement under the minimum supplementation of the Supplemental Security Income program and the supplementary cash payments program to 100 percent for State payments to native Hawaiians, Indians, Aleuts, and Eskimos.

H.R. 1094. January 4, 1977. Veterans' Affairs. Directs the Secretary of Defense to cause to be brought to the United States the remains of an unidentified member of the Armed Forces of the United States who lost his life during the Vietnam conflict, and to provide for his burial near or beside the Unknown Soldier of World War I at Arlington National Cemetery.

H.R. 1095. January 4, 1977. Interstate and Foreign Commerce. Requires the Federal Communications Commission to amend its regulations to permit transmission of non-emergency communications relating to official fire department business over fire department radio frequencies.

H.R. 1096. January 4, 1977. Judiciary. Amends the Atomic Energy Act of 1954 to impose a mandatory term of imprisonment of not less than 20 years or for life upon individuals committing specified offenses thereunder if such offense was committed with intent to convert source material, special nuclear material, byproduct material, or authorization or production facilities.

H.R. 1097. January 4, 1977. Judiciary. Requires Members of Congress, the President, the Vice President, and specified military and civilian officers and employees to file financial disclosure statements with the Comptroller General annually.

Comptroller General annually.

H.R. 1098. January 4, 1977. Post Office and Civil Service. Increases to 60 days the period before an election during which a Member, or Member-elect, of Congress may not make a mass mailing as franked mail if such individual is a candidate in such election.

H.R. 1099. January 4, 1977. Rules. Establishes a Joint Committee on Intelligence Operations to conduct continuing oversight of, and to exercise exclusive legislative jurisdiction over, the foreign intelligence activities of the United States.

H.R. 1100. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow handicapped individuals a deduction for their employment-related expenses.

H.J. Res. 101. January 4, 1977. Ways and Means; Interstate and Foreign Commerce. Authorizes the President to call a White House Conference on Long-Term Care to be planned and conducted by the Secretary of Health, Education, and Welfare.

H.J. Res. 102. January 4, 1977. Post Office and Civil Service. Authorizes the President of the United States to proclaim the second week in April of each year as "National Medical Laboratory Week."

H.J. Res. 103. January 4, 1977. Judiciary. Constitutional Amendment. Requires the President and the Speaker of the House of Representatives to review Government revenues and expenditures at specified times and to determine a surtax rate when expenditures exceed revenues to ensure that receipts will equal outlays.

Authorizes the suspension of such measures in the case of a grave national emergency declared by Congress.

H.J. Res. 104. January 4, 1977. Government Operations. Requests the Advisory Commission on Intergovernmental Relations to prepare a proposal for a major study of the proper role of the Federal Government in relation to the States and their political subdivisions with respect to domestic programs in which these levels now share responsibilities.

H.J. Res. 105. January 4, 1977. Post Office and Civil Service. Authorizes the President of the United States to designate September 18 of each year as "National Jogding Day"

of each year as "National Jogging Day."
H.J. Res. 106. January 4, 1977. Post Office and Civil Service. Authorizes the President of

the United States to issue a proclamation each year designating the 29th day in May as "John Fitzgerald Kennedy Memorial Day.

H.J. Res. 107. January 4, 1977. Judiciary. Constitutional Amendment. Eliminates the force and effect of any treaty provision which denies or abridges any constitutionally enumerated right. Prohibits a treaty from permitting any foreign power or international organization to supervise, control, or adjudicate (1) the rights of United States citizens or (2) matters essentially within the domestic jurisdiction of the United States.

Predicates the effectiveness of a treaty as internal law of the United States upon the

passage of appropriate legislation.

Requires executive agreements with for-eign powers or international organizations to be made in the manner and to the extent prescribed by law.

H.J. Res. 108. January 4, 1977. House Administration. Provides for the erection of a memorial on public grounds in the District of Columbia to honor and commemorate members of the Armed Forces of the United States who served in the Vietnam war.

H.J. Res. 109. January 4, 1977. Judiciary.

Constitutional Amendment. Provides that ap propriations made by the Congress for any fiscal year shall not exceed the total revenues of the United States for such year, and pro-hibits spending by, or on behalf of, the United States which exceeds the total revenue for that year.

H.J. Res. 110. January 4, 1977. Judiciary. Constitutional Amendment. Permits religious observances in governmental institutions and public places. Permits reference to a supreme being in a governmental or public document, activity, place, or on money. Declares that this amendment shall not constitute establishment of religion.

H.J. Res. 111. January 6, 1977. Judiciary. Constitutional Amendment. Prohibits interpretation of the United States Constitution to require school systems which assign pupils on a neighborhood basis to assign such pupils in any other manner.

Grants Congress the power to enforce this

article by appropriate legislation.

H.J. Res. 112. January 6, 1977, Judiciary. Constitutional Amendment. Prohibits assignment or transportation of children to a region beyond that covered by the neighborhood school, unless such assignment or transportation is voluntary.

Grants Congress the power to enforce this

amendment by appropriate legislation. H.J. Res. 113. January 6, 1977. Judiciary. Constitutional Amendment. Provides that total appropriations shall not exceed estimated revenues. Authorizes the suspension of such prohibition in time of war or by a concurrent resolution passed by the Senate and the House stating that a national emergency requires suspension.

H.J. Res. 114. January 6, 1977. Judiciary. Constitutional amendment. Provides for the direct popular election of the President and Vice President of the United States

H.J. Res. 115. January 6, 1977. Judiciary. Constitutional amendment. Deems every human being to be a person from the moment

of fertilization. H.J. Res. 116. January 6, 1977. Post Office and Civil Service. Designates the John Philip Sousa composition known as "The Stars and

Stripes Forever" as the national march of the United States.

H.J. Res. 117. January 6, 1977. Judiciary. Constitutional amendment. Permits prayer in public buildings.

H.J. Res. 118. January 6, 1977. Judiciary. Constitutional amendment. Provides for the direct popular election of the President and Vice President of the United States.

H.J. Res. 119. January 6, 1977. Post Office and Civil Service. Designates the week starting with the third Monday in February of each year as "National Patriotism Week.

H.J. Res. 120. January 10, 1977. Judiciary. Constitutional amendment. Amends

Constitution to require Congress to assure that the total expenditures of the Government, during any fiscal year, do not exceed the total receipts of the Government during such fiscal year. Permits an exception to such requirement in time of declared national emergency, but states that expenditures shall never exceed receipts by more than 10 per-cent. Provides a schedule for the institution of such requirement.

Sets forth a schedule for the elimination

of the Federal indebtedness

H.J. Res. 121. January 10, 1977. Judiciary. Constitutional amendment. Permits prayer in public buildings.

H.J. Res. 122. Januray 10, 1977. Post Office

and Civil Service. Designates January 4, 1978, as "Haym Salomon Day." H.J. Res. 123. January 11, 1977. Post Office and Civil Service. Authorizes the President of the United States to designate the week beginning November 6, 1977, and ending November 12, 1977, as "National Volunteer Firemen Week."

H.J. Res. 124. January 11, 1977. Post Office and Civil Service. Authorizes the President of the United States to designate the week of June 29 through July 5 each year, as "Why I Love America Week."

H.J. Res. 125. January 11, 1977. Judiciary. Constitutional Amendment. Provides that the President and Vice President shall be chosen by popularly elected electors.

H.J. Res. 126. January 11, 1977. Post Office and Civil Service. Authorize the President of the United States to designate October 17 to October 23, 1977, as "Anne Sullivan Week."

H.J. Res. 127. January 11, 1977. Judiciary. Constitutional Amendment. Provides for the direct popular election of the President and Vice President of the United States

H.J. Res. 128. January 11, 1977. Judiciary Constitutional Amendment. Provides for the prompt election of a Vice President whenever there is a vacancy in the office of the Vice President by reason of the succession to the office of President of a Vice President who was nominated and confirmed under the 25th Amendment.

H.J. Res. 129. January 11, 1977. Banking, Finance and Urban Affairs. Establishes the National Commission on Housing for the Elderly which shall have responsibility for investigating specified aspects of Federal

housing for the elderly.

H.J. Res. 130. January 11, 1977. Judiciary Constitutional Amendment. Amends the Constitution to require Congress to assure that the total expenditures of the Government, during any fiscal year, do not exceed the total receipts of the Government during such fiscal year. Permits an exception to such requirement in time of declared national emergency, but states that expenditures shall never exceed recipts by more than ten percent. Provides a schedule for the institution of such requirement.

Sets forth a schedule for the elimination

of the federal indebtedness.

H.J. Res. 131. January 11, 1977. Government Operations. States that it is the general policy of the U.S. Government to rely upon private commercial sources for goods and services required to meet Government needs, and that this policy shall be administered by the Office of Federal Procurement Policy.

H.J. Res. 132. January 11, 1977. Banking, Finance and and Urban Affairs. Authorizes the President of the United States to recognize Marian Anderson through award of an appropriately designed gold medal.

H.J. Res. 133. January 11, 1977. Judiciary. Constitutional Amendment. Prohibits abortion after the fetus' heart begins to beat except to save the life of the mother.

H.J. Res. 134. January 11, 1977. International Relations. Proposes that the President seek a treaty or appropriate international agreement to establish criteria for tanker safety and to take whatever other steps may

be necessary to protect international waters from further pollution.

H.J. Res. 135. January 12, 1977. Post Office and Civil Service. Requests the President of the United States to issue annually a proclamation designating the week beginning with the third Monday in February as "National Patriotism Week."

H.J. Res. 136. January 13, 1977. Armed Services. Directs the President of the United States to issue a citation restoring to Doctor Edwards Walker the Congressional Medal of Honor which was awarded to her in

1865 and revoked in 1917. H.J. Res. 137. January 13, 1977. Post Office and Civil Service. Requests the President of the United States to issue a proclamation designating the week beginning October 9, 1977, and ending October 15, 1977, as "National Gifted Children Week.'

H.J. Res. 138. January 13, 1977. Judiciary. Constitutional Amendment, Provides for the direct popular election of the President and Vice President of the United States.

H.J. Res. 139. January 13, 1977. Judiciary. Constitutional Amendment. Allows the people of the District of Columbia to elect two Senators and the number of Representatives to Congress to which the District would be entitled if it were a State.

H.J. Res. 140. January 13, 1977. Judiciary. Constitutional Amendment. Requires the President and the Speaker of the House of Representatives to review Government revenues and expenditures at specified times and to determine a surtax rate when expenditures exceed revenues to insure that receipts will equal outlays.

Authorizes the suspension of such measures in the case of a grave national emer-

gency declared by Congress.

H.J. Res. 141. January 13, 1977. Ways and Means; Interstate and Foreign Commerce. Establishes a nine-member National Commission on Social Security. Requires the Commission to study and investigate titles II (Old-Age, Survivors, and Disability Insurance) and VIII (Medicare) of the Social Security Act.

H.J. Res. 142. January 13, 1977. Judiciary. Constitutional Amendment. Allows the people of the District of Columbia to elect two Senators and the number of Representatives to Congress to which the District would be entitled if it were a State.

H.J. Res. 143. January 13, 1977. Judiciary. Constitutional Amendment. Permits prayer in public places or institutions. Permits religious instruction in public places or institutions if such instruction is given under private auspices.

H.J. Res. 144. January 13, 1977. Judiciary. Constitutional Amendment. Provides for the direct popular election of the President and Vice President of the United States.

H.J. Res. 145. January 13, 1977. Judiciary. Constitutional Amendment. Permits any State to regulate or prohibit abortion.

H.J. Res. 146. January 13, 1977. Judiciary. Constitutional Amendment, Prohibits assignment of public school students to a particular school based upon their race, creed, or

Grants Congress the power to enforce this Amendment by appropriate legislation.

H.J. Res. 147. January 13, 1977. Judiciary Constitutional Amendment, Permits persons to participate or to decline to participate in voluntary prayer or meditation in public buildings or places supported by public

H.J. Res. 148. January 13, 1977. Judiciary. Constitutional Amendment. States that nothing in the Constitution shall empower any official or court of the United States to issue any order requiring or encouraging, or directing or permitting any funds to be used or withheld or require or encourage, the transportation or busing of students from one school to another or one school district to another or to force any student or students attending any elementary or secondary school in their own neighborhood, where such school is not established purposely to perpetuate segregation, to attend any other against his or her own choice, the choice of his or her parents, parent or guardian, in

order to accomplish any objective or purpose, express or implied, under the Constitution.

H.J. Res. 149. January 17, 1977. Judiciary. Constitutional Amendment. Provides for the direct popular election of the President and Vice President of the United States.

H.J. Res. 150. January 17, 1977. Judiciary. Constitutional Amendment. Increases the term of office of a Representative of Congress to four years. Sets forth the procedures applicable when a Representative becomes candidate for the Senate.

EXTENSIONS OF REMARKS

BROWNSTOWN TOWNSHIP TO CELE-BRATE 150TH BIRTHDAY

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 5, 1977

Mr. FORD of Michigan. Mr. Speaker, I would like to bring to the attention of you and my colleagues the approaching sesquicentennial of the township of Brownstown, in my 15th Congressional District, of Michigan.

Brownstown Township will be 150 years old next Wednesday, April 12, and the people of this fast-growing community are planning a year-long celebration

of this historic event.

On April 12, 1827, Brownstown was one of the original nine townships created in Wayne County, in what was then the Territory of Michigan. Tradition relates that the community was named for Adam Brown, who was captured by the Wyandot Indians in 1764, when he was 8 years old, and grew to manhood among the Indians. He married an Indian wife and became a highly respected man, among both the Indians and early white settlers.

Among the prized possessions preserved in the Brownstown Township Hall is the original township minute book dating back to 1827. It lists the original township officers, and gives a fascinating picture of daily life in that far-off era.

Brownstown originally covered 43 square miles, but has since been reduced to its present 24 square miles by the incorporation of four cities from the original area-Gibraltar, in 1961; Rockwood, in 1964, and the cities of Flat Rock and Woodhaven in 1965.

From the few scattered settlers and trappers of the 1820's, the township today has grown to a thriving community

of some 16,000 persons.

Among the early settlers was George Busenbark, who in 1837 received from the general land office in Detroit the deeds to two 40-acre tracts in Brownstown. These deeds, signed by President Martin Van Buren, are in the possession of Mr. Busenbark's great-great-granddaughter, Mrs. Bernice Thomas, who has presented copies to the township. Her father, John Busenbark, aged 83, still lives in the com-

Among the other early settlers were Michael Vreeland and Henry Woodruff, whose names live on in Brownstown Township roads, and B. F. Knapp, George C. and P. T. Clark, William Munger, John Forbes, Dr. John Leteur, and Col. Nathaniel Case.

The first township officers included Moses Roberts, supervisor; James Vreeland, clerk; Jacob Knox, William Hazard, and David Smith, assessors; Elias Vreeland, William Fletcher, and Isaac Taylor, constable and collector, and Freeman Bass, poundmaster.

Arthur Rurak and Garrett Vreeland were directors of the poor; Herman Hecox, Clyde Compeau, William Fletcher, Isaac Thurston, John Conrad, and Thomas Long were fence viewers, and George Clark and Isaac Taylor were

highway overseers.

From the old township minute books, local officials have compiled a list of all top township officials from 1827 down to the present

The township administration today includes W. Curt Boller, supervisor; Mrs. Rose Legg, clerk; Steve C. Berecz, treasurer; Phoebe Stromp, Charles Galdes, Edmund E. Lazar, and Charles R. Starkey, trustees, and Milton A. Coop, Edward A. Lezotte, Patrick LaFede, and Bradford G. Porath, constables. Gerald A. Mc-Nally and Mrs. Audrey Stroia are judges for the 33d district court.

Mr. Speaker, Brownstown Township is planning a yearlong celebration to mark this historic milestone in the community

A committee to plan and carry out the celebration is headed by Mrs. Louella Machcinski, and also includes Mrs. Clara Sypes, Mrs. Andree Jones, Craig Seger, Virginia LaPointe, Mrs. Irene Starkey, Mrs. Yvonne Boller, Mrs. Joanna Loeschner, Raymond Michaels, Mrs. Gloria Cooper, and Gilbert and Betty Flotte.

A kickoff festival is planned for April 12, the actual birthday date, followed by a birthday cake program in May, and an elaborate Township Field Day celebration in August. Included will be the publication of a Brownstown memorial booklet by the local Jaycees; the presentation of awards to long-time residents, and the sale of souvenir patches, bumper stickers, and glasses.

Local historians are conducting research to locate other descendants of the first settlers, particularly descendants of the first township officers.

The commitee, and the township administration, are striving for an all-out community effort to make the Brownstown Sesquicentennial an event that will long be remembered.

I am proud, Mr. Speaker, to help publicize this historic observance, and to bring it to the attention of my colleagues here in the House.

A GALLANT DEFENSE OF LIBERTY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977

Mr. KEMP. Mr. Speaker, one of the most heroic examples of a free people's

highway commissioners; Isaac Taylor, fight against tyranny during World War II was that of the resistance movement in Poland in 1939

> The gallant fight of the Polish people was witnessed by other free peoples around the globe, and the hearts of the West were with them. In September of that year, 19 days after the Nazi invasion of Poland had begun, the people of Great Britain sent the following message to the defenders of Warsaw:

> The entire world admires your courage. Poland once again became a victim of ag-gression by her neighbors. Through her heroic struggle against the aggressor she once again became the standard bearer of Europe's freedom. We, your allies, shall continue the war to restore your liberty.

> Mr. Speaker, I enter into the RECORD at this time a letter to the editor of the Washington Star from Mr. Walter Zachariasiewicz, president of the American Counsel of Polish Cultural Clubs, in which Mr. Zachariasiewicz recounts the last days of free Poland:

> > A GALLANT DEFENSE OF LIBERTY

I read with great interest Alan Simons' "Q and A" interview with Dan Kurzman (Jan. 25). Mr. Kurzman's book is a moving testimony to the heroic Polish Jews who died in the ruins of Warsaw's ghetto, hoping that their sacrifice would shake the conscience of the world. It rightfully pays justice to the indomitable spirit and courage of men and women who refused to be enslaved and debased.

I am, however, puzzled as to why, in ex-tolling the undeniable virtues of the defenders of the Warsaw ghetto, Mr. Kurzman chose to denigrate another historic example of unparalleled human fortitude and patriotism. "When you consider that all of Poland fell to the Nazis in a few days," he said, "you can realize what this means for the Jews to have held off these Germans for about a month, at least."

Even if this statement were true, I fail to see the necessity for any comparison to illustrate the dimensions of the ghetto battle. The unfortunate truth, however, is that Mr. Kurzman grossly distorted the facts surrounding this tragic period of Polish history. Poland was first to challenge Hitler's Germany, but it did not fall in a few days, and when it did fall, not all of it fell to the Nazis. Poland fell to two aggressors: Germany and Soviet Russia.

The first German motorized detachment, part of three German invading armies, reached the suburbs of Warsaw on Sept. 8, 1939 (the invasion started on Sept. 1). After three weeks of battle and furious, uninterrupted bombing by the Luftwaffe, Warsaw without water, light, food and ammuni--was forced to capitulate. That was Sept. 29.

Ten days earlier, while Warsaw was continuing its heroic resistance, the following message was sent from the people of Great Britain to the gallant defenders of Warsaw: "The entire world admires your courage. Poland once again became a victim of aggression by her neighbors. Through her heroic struggle against the aggressor she once again became the standard bearer of Europe's freedom. We, your allies, shall continue the war to restore your liberty.

Mr. Kurzman chose to pass over lightly these testimonies to Poland's gallant defense of her liberty and human dignity. He also ignored the crucial fact that, on Sept. 17, Soviet armies had invaded Poland from the East. This was the triumph of the treacherous Ribbentrop-Molotov collusion to impose their reign of terror on the bleeding and suffering nation. Even at that hopeless moment, however, armed resistance continued in many parts of Poland.

Finally, attacked front and rear by the joined armies and huge air forces of two superpowers, the Poles were forced to give ground to their oppressors, continuing their heroic resistance underground until the end

of the war.

Thus Hitler had to wait an entire month—not "a few days"—for his armies to enter the proud Polish capital. And during the 1944 Warsaw uprising, it took the Nazis 63 days to reign there once again supreme. This Nazi victory, however, took place on the smoldering ruins of the totally destroyed city, amidst the graves of 200,000 Poles who gave their lives so that future generations would see no holocaust of war, no Warsaw ghetto, no Oswiecim, no Dachau, nor any new, perfidious versions of mental coercion.

WALTER ZACHARIASIEWICZ,
President, American Counsel of Polish
Cultural Clubs.

WASHINGTON, D.C.

TWENTIETH ANNIVERSARY OF THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. FISHER. Mr. Speaker, during all my years in public office, both as a member of the Arlington County Board in Virginia and as a Member of the Congress, I have always participated in the activities of the Metropolitan Washington Council of Governments.

I represented my county on the COG board of directors for nearly 10 years. I also was privileged to serve as the president of COG and as its chairman of the

board.

COG has never been an organization to seek publicity for publicity's sake. Because it is a voluntary and cooperative organization at the metropolitan level, it does not set our tax rates or collect our trash or operate our buses and subway or put out fires and direct traffic on our streets. As a result, COG is not always as well known as other organizations, but its record is there—and it is a record of which COG can be proud and for which the rest of us can be grateful.

This month COG is 20 years old. Its record is one of achievement in behalf of our local governments and compiled by our elected officials through COG, their own regional organization. Through transportation improvements, police and fire agreements, the obtaining of additional housing funds, a regional air quality program, the first coordinated effort to clean up the Potomac River, cooperative purchasing by our local governments to save money, and so many other programs and projects, COG has shown its worth.

All of these accomplishments have been achieved on a strictly voluntary, cooperative basis, with the city and county officials of 16 jurisdictions working together through their own regional organization, the council of governments, for the betterment of their own communities in particular and the metropolitan community in general.

No new layer of government was necessary or even desired, no "super government" was established or even sought, no traditional local authority was surrendered or even threatened.

It is a record, Mr. Speaker, of which the late Virginia State senator, Charles R. Fenwick of Arlington County, would be particularly proud and which he anticipated with his sense of vision in his role as one of COG's founders 20 years ago. And it is a record which another distinguished Virginia public official, Mayor Harold L. Miller of Falls Church, is continuing today as chairman of the board of COG.

All of us can be proud of COG and grateful for its presence, and its accomplishments, Mr. Speaker. And we can be equally proud of and grateful to the 20 years of local elected officials who have made it so.

RAILROAD RETIREMENT BENEFITS FOR CERTAIN SPOUSES

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. FRASER. Mr. Speaker, the 1974 amendments to the Railroad Retirement Act were aimed at putting the railroad retirement trust fund on a sounder financial base. However that law also contained a provision to permit spouses of retired workers to collect benefits at age 60, instead of having to wait until age 65. This liberalization, however, was not retroactive. As a consequence, spouses of railroad retirees who retired before July 1, 1974, must continue to wait until age 65 to receive benefits.

A railroad pensioner who retired before that date and whose wife is not yet 65 brought this inequity to my attention. I agree with my constituent that his wife and the approximately 25,000 other spouses in this situation, mostly women, deserve the same liberalization.

Accordingly, I am introducing a bill that would permit the spouses of workers retired before July 1, 1974, to receive benefits when they reach 60 years of age. Those between the ages of 60 and 65 whose spouses retired before that 1974 date would no longer have to wait to collect these benefits.

The cost of removing this inequity of the Railroad Retirement Act is not expensive. In 1977, the added cost would be \$11 million and that figure will decline as the group receiving this liberalization decreases.

The railroad retirement trust fund cannot pay many additional benefits because it is still in precarious shape. But neither can it afford unfair and arbitrary discrimination in benefits.

I understand that the Commerce Committee has decided not to take up legislation affecting railroad retirement pro-

grams until 1978. At that time I hope that the first priority of the committee will be to consider the arbitrary distinctions made in the 1974 act. My proposal will eliminate one of those distinctions which has caused a hardship to retired workers and their families.

VOTER REGISTRATION CAMPAIGN

HON. THOMAS F. EAGLETON

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Wednesday, April 6, 1977

Mr. EAGLETON. Mr. President, last year on July 29, the Senate passed resolution No. 498—"to invite and encourage this Nation's private sector to initiate an extensive effort to increase voter registration and voter turnout in the 1976 General Election."

That resolution also provided:

It is the further sense of the Senate that the private sector, acting as individual entities, through committees, associations and organizations, and utilizing valuable resources such as the Advertising Council Incorporated, can greatly contribute to the increase of the Nation's voter participation rate.

With Senate passage of the resolution on July 29, the Advertising Council already had a volunteer advertising agency standing by to contribute its services to create the public service advertisements, as it had in earlier elections—1972, et cetera. These PSAs would then be offered to the various communications media—television and radio stations, magazines, newspapers, outdoor and the transit industry—for the information of the American people.

The American Revolution Bicentennial Administration agreed to act as the sponsor of the campaign and cover all of the out of pocket expenses. ARBA Administrator John W. Warner formally requested Ad Council President Robert P. Keim to undertake a register and vote campaign—because, as ARBA felt, it would be "the Bicentennial thing to do."

When this "go ahead" was given to the Ad Council, it immediately put its task force into action. This included its volunteer advertising agency, Needham, Harper & Steers, Inc., of New York City; a volunteer coordinator, Walter L. Olesen, manager, advertising and promotions, Xerox Corp., Stamford, Conn.; and a campaign manager, Collingwood Harris of the Ad Council staff in Washington. This production team began work accelerating "normal" immediately, lead-time timetables. In a report to me the Ad Council indicated that voter registration and voter turnout mailings went to every newspaper and every radio and television station in the country and to over 400 major transit advertising companies.

The National Broadcasters Association asked all of their member stations to fully utilize the advertisements. The Secretary of State's association also asked their members to encourage the airing of the spots.

The response by the media follows: Based on reports received from TV

stations-29 percent of the 796 in the United States-it is estimated that the typical TV station in the Nation carried at least 13 PSA's during the last 6 weeks of the national election.

Likewise, reporting radio stations-31 percent of the 5,517 in the Nationbroadcast an average of 23 PSAs during the last 6 weeks of the national election.

Reports from the Nation's newspapers—also show striking results. Of 105 newspapers that reported, it is estimated that, if all of the ads printed were put in one newspaper the size of the Washington Post or Star, it would total more than 18 pages, to say nothing of the many newspapers that ran council messages but did not report their usage. Put another way, if all the newspapers in the Nation contributed an equal amount of space it would add up to 295 full pages.

The transit industry's response was equally impressive. The ad council provided a total of 96,512 car cards and/or posters which were carried by buses, trains and seen on wall posters through-

out the Nation.

I am confident that the slowing of the decline of voter participation that we saw in the last election is in large part due to the media campaign carried out by the Advertising Council, Inc., and the American Revolution Bicentennial Administration.

CAUSE OF BALANCE OF PAYMENTS DEFICIT: OIL IMPORTS

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. VANIK. Mr. Speaker, if it were not for oil imports, last year, the United States would have had a trade surplus of \$25.9 billion. Instead, because we paid \$31.8 billion in valuable goods, produce, and cash for oil, we ended up with a deficit of \$5.9 billion. The last several months have seen even higher levels of energy imports as a result of the excep-

tionally cold winter.

If it were not for oil, the position of the United States in world trade would never have been better. In 1974, 1975, and 1976, we had a surplus in nonmanufacturessuch as agricultural goods-of \$35.8 billion. In manufactured goods, we sold an incredible \$41.8 billion more than we bought. In other words, in the areas where people work to produce something, during the past 3 years we exported \$77.6 billion more than we imported. For the United States of America, world trade is intensely job-producing.

The following statistics which I have just received from the Department of Commerce vividly prove the value of international trade to our total economy.

But these statistics also point out that

there are serious problems:

First. The need for oil imports and a way to pay for those imports means that we need to keep our other exports as high as possible. It also means that we are trading over \$30 billion per year of the wealth of our land, much of it in the form of capital goods, for oil which is burned away, often in inefficient and wasteful processes. The need for energy conservation and the development of new sources of energy is crucial;

Second. Despite the overwhelmingly successful performance of American industry and agriculture in selling overseas, there are sectors of the American economy in which foreign trade is costing jobs-such as the shoe industry and the color television industry. Ways must be found to support such essential industries and their workers without disrupting the world trade which creates so many jobs for Americans.

Third. The enormous industrial and agricultural surpluses piled up by America become our trading partners' deficits. When our trading partners also have to import expensive oil and absorb the industrial and agricultural surpluses of the United States, it is obvous that their economic situation must be bleak. Because of the oil crisis, the world trading economy is in a very fragile condition. The United States, as a nation which does not have to import all of its energy and which has surpluses in its trade. must play a leadership role in the world economy-there is no one else who can.

The Department of Commerce statistics follow:

U.S. TOTAL TRADE AND TRADE IN PETROLEUM, OTHER NONMANUFACTURES, AND MANUFACTURES, 1965-76

(In billions of dollars)

Year	Total			Petroleum and products			
	Ex- ports	Im- ports	Bal- ance	Ex- ports	Im- ports	Bal- ance	
1965 1966 1967 1968 1970 1971 1972 1973 1974 1975 1976	26. 7 29. 5 31. 0 34. 1 37. 3 42. 7 43. 5 49. 2 70. 8 97. 9 107. 1 114. 8	21. 4 25. 6 26. 9 33. 2 36. 0 40. 0 45. 6 55. 6 69. 5 100. 3 96. 1 120. 7	5.3 3.9 4.1 .8 1.3 2.7 -2.0 -6.4 1.3 -2.3 11.0 -5.9	0. 4 .4 .5 .5 .4 .5 .5 .4 .5 .5 .4 .5 .5	2.1 2.1 2.3 2.6 2.8 3.3 4.3 7.6 24.3 24.8 31.8	-1.7 -1.6 -1.8 -2.2 -2.3 -2.8 -3.9 -7.1 -23.5 -30.8	

	Nonmanufactures excluding petroleum			Manufactures			
Value of	Ex- ports	Im- ports	Bai- ance	Ex- ports	Im- ports	Bal- ance	
1965 1966 1967 1968 1969 1970 1971 1972 1973 1974 1975 1976	8. 4 9. 2 8. 9 9. 0 9. 1 11. 3 11. 0 13. 3 23. 2 30. 2 31. 1 32. 3	7. 4 8. 2 8. 0 9. 1 9. 1 10. 0 10. 4 11. 9 15. 1 18. 5 17. 7 21. 6	1.0 1.0 .9 1 1.3 .6 1.4 8.1 11.7 13.4 10.7	18. 4 20. 4 21. 8 24. 7 28. 0 30. 8 32. 0 35. 3 46. 6 66. 1 74. 1 80. 0	12. 0 15. 3 16. 8 21. 8 24. 3 27. 2 31. 9 39. 4 46. 8 57. 5 53. 6 67. 3	6. 4 5. 1 5. 0 2. 9 3. 7 3. 6 1 -4. 1 2 8. 6 20. 5 12. 7	

Note: Values for total exports, imports, and the balance are the official U.S. f.a.s. figures published by the Census Bureau. These include reexports and exclude military grant-aid. Exports of the 3 commodity categories do not add to the total because they relate only to domestic merchandise, excluding reexports, and including military grant-aid shipments. Figures do not always add because of rounding.

PERSONAL EXPLANATION

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. DRINAN. Mr. Speaker, I was unavoidably detained on official business

yesterday and consequently missed the vote on final passage of the Federal Water Pollution Control Act Amendments of 1977, H.R. 3199. I was detained at the White House, where I and other member of the Massachusetts congressional delegation met with President Carter with regard to Fort Devens, which is located in my district.

Had I been present for the vote on final passage of H.R. 3199, I would have

voted "yea."

PRIDE OF OUR SHORELINE: THE U.S. COAST GUARD

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. BAUMAN. Mr. Speaker, during the recent winter crisis which caused great difficulty for all waterborne traffic of vital energy resources on the Chesapeake Bay, the economic and physical well-being of the people of Maryland might have been permanently impaired were it not for the excellent work of the U.S. Coast Guard. Their ingenious and courageous work made it possible to deliver these badly needed supplies by maneuvering ships up the bay and its tributaries during the most inclement weather and hazardous conditions. During the crisis, I was pleased to work with a number of fine leaders who serve the Coast Guard as well as they serve their country. Six men especially come to mind, men who went to all lengths to handle emergency assistance for people in my area. These men are:

Rear Adm. Julian Johansen, Commander, 5th Coast Guard District, Nor-

folk, Va.

Capt. Raymond Wood, Chief of Staff, 5th Coast Guard District, Norfolk, Va. Lt. Robert Sitton, Officer in Charge,

U.S. Coast Guard Group, Chicoteague, Va.

Lt. Gary Bird, Commander, U.S. Coast Guard Cutter, Red Cedar.

Lt. George Naccara, Commander, U.S. Coast Guard Cutter, Red Birch.

Lt. John A. Gaughan, U.S. Coast Guard, liaison officer.

We should take every opportunity to celebrate the service and duty of such men, and to let them know how much we appreciate them. In this regard, I call to your attention a WBOC-TV editorial of March 13 which I am pleased to insert into the RECORD:

THE COAST GUARD

It wasn't too long ago that we were working in offices hardly warm enough for per-sonal comfort. We would go home at night to houses with thermostats turned way back . and we had the additional worry about how much oil was left in our tanks, and whether there was enough fuel in the area to give us a refill. The weather has improved . . . the crisis hopefully is a thing of the past . . . and we think it in order to express a commendation to a branch of the service we often take for granted . . . the United States Coast Guard. Without the Coast Guard, needed fuel supplies would never have gotten up the Nanticoke and Wicomico rivers . . . and it was an around the clock 24 hour a day vigil they maintained.

Lt. Robert Sitton happens to be the man

in charge for he is the commander of the Coast Guard group based at Chincoteague ... the group which oversees the coast from Ocean City to Cape Charles, and from Cape Charles to Vienna. During the emergency their icebreakers escorted over 50 convoys without a single oil spill or major vessel damage. And while we can sit back and consider the crisis only a memory, the Coast Guard still has a major task of replacing the many navigational aids uprooted by the ice . . not only on the rivers but in the Chesapeake Bay. This is something that can't be done overnight.

We owe the Coast Guard not only a vote of thanks, but an expression of sincere gratitude for a tough job well done. The Coast Guard lived up to its motto of Semper Paratus . . . meaning always ready. And they still live up to their creed which is . . . you have to go out. You don't have to come back.

ENERGY, WATER, AND CLIMATE

HON. GEORGE E. BROWN. JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. BROWN of California. Mr. Speaker, the links between energy and broad environmental concerns like those of climate are particularly noteworthy when large economic impacts are involved. In hearings this week before the Subcommittee on the Environment and the Atmosphere, testimony on the proposed National Climate Program Act of 1977 has again reinforced the importance of better understanding and forecasting regional climate in order to plan for energy supply and demand situations.

In one aspect, Federal Energy Administration head John O'Leary has said that the bitter weather this winter cost Americans between \$4.3 and \$7.8 billion in extra-high heating bills. With better advance warning, more timely decisions on energy supply allocation and transportation could have been made.

Another aspect of relating climatic fluctuations and anomalies to energy considerations is reservoir management. Water is stored for hydroelectric power, as well as for use in generating electricity in other types of powerplants. Where the premium on water is high, as in the West, skillful reservoir management becomes very critical.

Mr. Speaker, I submit two articles to be inserted in the Record, exploring the present ability of reservoirs to store water for hydroelectric power generation in the face of multiyear water shortage and exploring particularly the effects of drought on water supply in the West.

It is the hope of the sponsors of national climate program legislation that better understanding of climate, and with it better planning information and forecasting, will lead to refinement of our water/energy management capabilities.

The articles follow:

[From the New York Times, Apr. 5, 1977] DROUGHT IN NORTHWEST PERILS HYDRO POWER

(By Steven Rattner)

San Francisco.—The continuing drought, which has blanketed the Northwestern section of the United States, has raised the

specter of widespread power losses as the reservoirs on which this region depends for much of its electricity become depleted.

much of its electricity become depleted.

Hydroelectric power, where available, is the least expensive and most environmentally acceptable type of electricity. Over the years it has provided as much as 80 percent of the region's electric power.

Great dams along the Columbia River, the Snake River and a host of smaller waterways store millions of gallons of water, sending it through turbines—Northern Callfornia alone has 64 such generating stations.

But in Northern California, for example, which is now in the midst of its second year of drought, rainfall totaled only 19 inches from Oct. 1, 1976, to last March 28, compared with normal precipitation of 57.6 inches. As a result, the giant reservoir at Shasta, which usually has about 1.3 billion gallons of water in storage, now has less than half that amount.

And more trouble is on the way. The utilities depend for their stored water on the spring runoff as the snow melts on the mountains. But in the Feather River area of California, where there was 70 inches of snowpack at this time last year, there is only 22 inches this year.

"We'll need substantial imports of energy," said Barton W. Shackelford, senior vice president of the Pacific Gas and Electric Company, the nation's second-largest investor-owned electric utility. "In the absence of any major equipment breakdowns, we should barely make it."

Because of the ability of hydroelectric plants to, in effect, store electricity in the form of water, the crunch will not suddenly materialize on the hottest day this summer nor on the coldest day next winter, but rather over a period of time as the water gradually runs out.

Experts expect the impact will be felt next fall and into the winter, as the full effect of the sparse runoff this spring is felt. Some executives are already predicting cutbacks.

executives are already predicting cutbacks. "If we continue to draw out of our reservoirs until they're dry, we'll only be able to serve 50 percent of our load," said Hector J. Durocher, power manager of the Bonneville Power Authority, a Federal agency that operates several massive projects across the Northwest. "If voluntary curtailments don't work, we are looking at mandatory curtailments this fall."

To try to avoid serious disruptions of service the utilities have developed a strategy that includes avoiding use of hydro generators during periods of low demand to save water, importing as much as possible from regions with surpluses and trying to inspire conservation.

One such instance would be the sending of excess natural gas by Pacific Gas to the municipal utility in Los Angeles, which would burn it in a now-mothballed generator and send the power back to San Francisco.

Whether or not the region is successful in avoiding serious blackouts, consumers throughout the Northwest face the prospect of sharply higher electricity bills. Buying power from outside sources and turning on old, inefficient oil-burning generators are both far more expensive than the free-flowing hydro power they will replace. In normal years, about 28 percent of California's power is generated by water; this year, the figure is likely to be 12 percent.

Pacific Gas alone estimates that consumer bills will rise by \$500 million this year some estimates for the region points towards \$1 billion.

AIM IS TO BURN GAS AND OIL

"The cost will become variable," said Richard Maullin, chairman of the California Energy Commission, "but the general strategy is clear—to burn as much gas as we can get and as much oil as we have to."

The effect of the drought will vary for

different utilities. On the one hand, the Bonneville Power Authority—whose business is selling bulk power—is estimating that revenues will be about \$80 million short of original projections. But Pacific Gas and most other utilities can recover higher power costs through fuel-adjustment charges and are not expected to be seriously affected.

"The drought will have no net effect on our earnings estimate (for Pacific Gas) of \$3.10-\$3.25 but only on cash flow," Merrill Lynch, Pierce Fenner & Smith, the broker-

age firm, reported recently.

The economic impact has already begun to be felt in the Northwest, where service has been reduced to the electricity-gobbling aluminum industry in accordance with certain "interruptible" power-supply contracts. The result is that virtually all of the dozen plants, which together produce one-third of the nation's aluminum have laid off several hundred workers and cut back production more sharply.

Beyond the aluminum industry, reductions in electricity use have not been ordered, nor, according to utility officials, does a comprehensive plan exist for sharing in a shortage. When the natural gas crisis struck last winter, a rationing plan was already in place, as a result of past Federal Power Commission actions on gas. But in the case of electricity, opinion seems to be divided over whether homes or factories should be cut off first, particularly if the shortage appears in milder months.

"There's only way that a utility can handle an absolute shortage and that's through rotating blackouts," said Mr. Maullin.

So far, voluntary conservation has been pushed with only the most modest success. The power authority called for a 10 percent reduction in use and got about 3 percent. The Tower Building in the heart of downtown Portland is still outlined every evening by strings of incandescent bulbs and skepticism is rampant.

"What drought?" said Lawrence Sanders, a 59-year old hardware store owner in Portland on a rare damp day last month. "Can't you see it's raining?"

Despite the agonizing water shortage, at least one group is finding its wellbeing safe-guarded. Recently the governors of the four Northwestern states agreed to release 3.66 million acre-feet of water—enough for electricity to heat 300,000 homes for a year—to carry baby salmon over the top of the dams so they would not be sucked into the turbines.

[From The New York Times, March 15, 1977] DESPITE DROUGHT YEAR, 6 HUGE RESERVOIRS ON UPPER MISSOURI RIVER ARE NEARLY FULL

(By Seth S. King)

OMAHA, March 10.—While many of the great reservoirs that produce hydoelectric power and irrigation water for the Pacific Northwest are now dangerously low, the six huge "mainstream" reservoirs on the upper Missouri River are filled today close to capacity.

In addition, many of the 18 smaller, tributary reservoirs on the east slope of the Rocky Mountains and in the Great Plains have enough water in them now to last through a summer of drought.

These storage levels have been maintained despite the driest autumn on record along the Missouri itself and despite Rocky Mountain snows, which run off into these reservoirs, that are only 37 percent of normal depths. The amount of water on hand in these areas guarantees a normal navigation season on the Missouri as far up as Sioux City, Iowa, for the next eight months.

With each passing year, shipping on the Missouri has become more essential for the export of grain and soybeans downriver into the Mississippi and the Gulf of Mexico. This shipping also moves large dry cargoes of fertilizers and other agricultural chemicals to corn-belt farmers. Last year more than three million tons of these cargoes moved up or down river between Sioux City and St. Louis.

ENOUGH WATER IN THE PLATTES

Today's reservoir storage levels also mean that despite continuing drought there should be enough irrigation water in the Platte River reservoir system to keep stream flows near normal on the North Platte and at least adequate on the South Platte for the rest of the growing season. These stream flows on the Platte will mean enough irrigation water for hay and corn crops with which Nebraska and Colorado ranchers can sustain their herds if their range grass is stunted by the drought.

There is even a modest account of reservoir water in supplemental storage on the upper Colorado River system to provide emergency supplies for the orchards and vegetable and small grain crops near Grand Junction, Colo.

And when a transfer station is completed soon near Scottsbluff, Neb., it will be technically possible to transfer a small amount of hydroelectric power from the Missouri drainage dams to the Pacific Northwest in an emergency.

The six mainsteam dams on the Missouri, completed in the 1950's as part of the Pick-Sloan plan for development of the Missouri River Basin, now create long, narrow lakes that stretch almost continuously from the southeast corner of South Dakota all 'the way into eastern Montana.

Here at the headquarters of the Army Corps of Engineers' Missouri River Division, the charts illustrating the reservoir system fill all of one wall of the central briefing room.

FOR POWER AND FLOOD CONTROL

The mainstem dams at Gavins Point, Fort Randall, Big Bend and Oahe in South Dakota, Garrison in North Dakota, and Fort Peck in Montana were built for the primary purposes of flood control and power generation.

Diversion canals for the irrigation of cropland east of Oahe have been started. But a larger diversion system from Garrison Dam into the Souris River in North Dakota was among the 19 projects the Carter Administration has postponed.

Water from rains over the Great Plains and from snows in the Montana Rockies is stored in these mainstem reservoirs during the spring flood season.

In the last years before the reservoirs were created by the dams, the Missouri fell to a trickle in the summer. Now the water stored behind the dams is released into the Missouri after the spring floods, maintaining a nine-foot-deep channel for the barges of grain and fertilizer that are pushed up and down the river from April until November.

The generators in the six mainstem dams and those in the two smaller tributary dams built by the Bureau of Reclamation have been producing an average of 10 billion kilowatt hours of electricity annually. This would be more than enough to light up all of Nebraska if this state had no other source of power except the mainstem dams.

SUFFICIENT FOR NAVIGATION

"Even though the Great Plains suffered a severe drought in 1976, the snowfall at the upper end of the system was above normal and we had an above average inflow into the reservoirs," Elmo W. McClendon, chief of the reservoir control center at the Omaha headquarters, told a recent visitor.

"As a result, we're full and there is enough water in the mainstems, regardless of how little more we get this spring, to supply a normal navigation season. We'll also have more than enough to maintain power generation for the rest of the year."

The Bureau of Reclamation, which administers the sale of power from all generators in

the Missouri drainage system, is completing a switching station at Scottsbluff.

The electrical grid system from the dams can be hooked into other grids to the east and those leading to the Pacific Northwest, William Plummer, assistant regional director of the bureau's Region 7 in Denver, explained.

"This would provide a weak link to the Northwest, but the opportunity is there to transfer power to that area," he added. "We are studying the possibilities now."

SUPPLIES STILL AMPLE

The Colorado-Big Thompson project, which diverts water from Lake Granby on the west side of the Continental Divide through the mountains, supplies the headwaters of the South Platt system. Its supply reservoirs on the west slope are still ample from last year, and with stored water from the bureau's reservoirs on the North Platte in Wyoming and Nebraska, there should be enough irrigation water for normal farming throughout the summer.

To the south, the snow melt supply for the Arkansas River drainage in southeastern Colorado and Kansas is only a little more than half the normal today. The Frying Pan-Arkansas diversion project is not completed, and the bureau's water experts expect problems for Irrigators along that system this summer.

But the Ruedi and Green Mountain reservoirs on the west slope, built to supplement water diverted into the Arkansas, are now filled enough to provide emergency irrigation water to the Grand Junction area this summer if it is needed.

LITHUANIAN INDEPENDENCE DAY

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. MIKVA. Mr. Speaker, I would like to join my colleagues in commemorating the occasion of Lithuanian Independence.

On February 16, 1918, the Lithuanian people proclaimed their independence, a goal for which they had been striving for over a century. Lithuanians have a long tradition as an enlightened and freedom-loving nation, contributing significantly to the development of European civilization. Upon achieving independence, their passion for freedom, education and toleration was amply demonstrated. The Lithuanians based their state on democratic principles and made great social, economic and cultural strides.

Tragically, her period of independence lasted for only two decades. Despite her efforts to remain free, she fell victim to Soviet aggression and forced annexation. The personal and civil liberties which she had so diligently provided for her people were abrogated. At times the very survival of the Lithuanian culture has been threatened, yet they have remained faithful to their religion, language, and traditions.

Having recently celebrated our own Bicentennial of freedom from foreign oppression and democratic government, we must not forget that there are others who have not been so fortunate. In commemorating Lithuanian Independence, we wish to assure the people of Lithuania and Americans of Lithuanian descent

that their struggle for political, cultural and religious freedom is not forgotten. Our refusal to recognize the forcible incorporation of Lithuania into the Soviet Union reflects the continuing U.S. support for their cause.

As Americans, we can appreciate the meaning of freedom. We must strive to make its meaning known to all. On this occasion, we reaffirm our pledge to uphold the Lithuanians' aspiration toward this just goal.

UNIONS AND THE ARMED SERVICES

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 6, 1977

Mr. McDONALD. Mr. Speaker, the U.S. armed services can have only one allegiance, to the country they serve. Some labor unions are viewing the armed services as an area for recruiting large numbers of dues paying members which would enhance their power and influence. Although certain union leaders have asserted that military unions would voluntarily renounce strikes in time of war, the risk of insubordination and refusal of legitimate orders would be present for every military action short of formal war.

An article in a recent edition of the Information Digest, a newsletter on security matters, provides a review of attempts by U.S. revolutionaries to organize military unions and notes problems of insubordination experienced in European countries with unionized armies. The article follows:

UNIONIZING THE MILITARY

Since the summer of 1975, efforts have been underway by a variety of groups including the American Federation of Government Employees (AFGE), the National Maritime Union (NMU), the Teamsters Union, and the Center for National Security Studies (CNSS) to establish programs for unionizing the members of the Armed Services.

While bills to prohibit the unionizing of the U.S. Armed Services are pending in both the Senate and the House, with Senator Strom Thurmond (R-SC) taking a leadership role, the AFGE states it is "Pretty much ready to go." It has been reported that efforts are being made to sign up military personnel at Fort Dix, McGuire Air Force Base, Fort Bragg, and Fort Devens.

The concept of military unions as labor organizations, rather than as professional or fraternal associations, appears to have originated in Sweden in 1932 when the Swedish Officers Union, a professional organization, assumed some roles usually taken by a labor union. This concept has taken root in five other European countries—Norway. Denmark, Belgium, the Netherlands and West Germany which with Sweden now have more than sixty military associations.

In the U.S., demands for military unionization emerged during the Vietnam era from the "G.I. Movement" largely motivated by organizers from Students for a Democratic Society (SDS) and the National Lawyers Guild (NLG) who used the concept as a means of opposition to U.S. involvement in Indochina.

The U.S. organization that received most

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media publicity during this period was the American Servicemen's Union (ASU), founded in December 1967 by Andy Stapp, a member of the militant Trotskyite communist Workers World Party (WWP). Stapp, who had burned his draft card at an SDS Penn State rally in 1965, joined the Army in 1966 "believing I could be more effective joined the Army and organized from within."

Stapp's ASU had an 8-point program which included demands for enlisted men's control over court martial boards, collective bargaining, election of officers by enlisted men, and "the right to disobey illegal and immoral orders." Following two court martial trials and a Field Board Hearing on charges of "subversion and disloyalty," during which Stapp was represented by Michael Kennedy of the National Emergency Civil Liberties Committee (NECLC), Stapp given an undesirable discharge and continued with his military organizing as a civilian

Radical proponents of U.S. military unions consider the Dutch army unions as impor-tant models, particularly the VVDM, founded in 1966, which represents 60% of all conscripts and which receives assistance from the Dutch government. During its eleven year history, the VVDM has used mass pro-test demonstrations and petition campaigns to secure change. These changes have ranged from regulations on hair length and saluting [both now optional] through distribution of revolutionary literature, to major revisions in the military penal code and increases in pay and overtime compensation.

A little publicized result of the VVDM's organizing was the granting of conscientious objector status to conscripts who refused take part in a 1975 counter-terrorist

operation.

Terrorists seeking Dutch support for South Moluccan independence from Indonesia seized a train and the Indonesian Embassy in December 1975. In the train attack, two persons were killed initially and a third was in an explosion. Fifty persons were held hostage for twelve days. Dutch Army conscripts had to be replaced by Marines when some of the Army draftees refused to accept orders.

The AFGE does not advocate the refusal of orders by unionized military personnel. Indeed, its unionization program has been attacked by the extremists of the Center for National Security Studies whose chief "expert" on military unions is David B. Cort-

right.

Cortright first emerged as a leader of the anti-Vietnam movement as a speaker for the Fifth Avenue Peace Parade Committee April 5, 1969 Moratorium. His military service was from 1970-71. Cortright and his former wife, Monica Heilbrunn, were leaders of GI's for Peace at Fort Bliss, TX, and served on the staff of the group's antiwar newspaper, Gigline. In January 1971, Cortright participated in the founding of the National Coalition Against War, Racism and Repression (NCAWRR), the successor to the New Mobilization Committee which soon changed its name to the People's Coalition for Peace and Justice (PCPJ).

In January 1972, Cortright joined the staff of the Institute for Policy Studies (IPS) on the joint research and internship program of IPS and the Union Graduate School of Antioch College. At IPS Cortright was a protege of IPS co-director Marcus Raskin. Upon completion of his book, "Soldiers in Revolt: GI Resistance and the Decline of the Military" [Doubleday, 1974], in mid the Military" [Doubleday, 1974], in mid 1974, Cortright joined the staff of CNSS, as did a number of IPS alumni.

In addition to IPS figures such as Marcus Raskin "my principal adviser," Richard Barnet, Ralph Stavins, Leonard Rodberg, and Joe Collins, the principal credits for the ideas in the book, an encyclopedia of anti-military organizing and sabotage which argues that widespread drug abuse and racial hatred in the armed forces were the principal cause of U.S. abandonment of Southeast Asia, are given to David Addlestone, National Lawyers Guild member and principal attorney for the ACLU's Lawyers Military Defense Committee (LMDC); George Schmidt, formerly of the Chicago Area Military Project; and Max Watts, "friend of resisters in Europe."

Memoranda from the AFGE's legal and research departments in June and December 1976 suggest that the military "locals" should voluntarily agree to restrain their activity and should only become involved in "noncombat" matters. Strike action options are to be renounced and representation termi-

nated in time of war.

Generally, AFGE, a non-militant, relatively conservative union, intends to limit its activities to "playing a positive role and assisting management by identifying sources of friction before they become larger problems and by improving the attractiveness of the all-volunteer force."

While these views may appear reasonable, AFGE's reasons for wishing to organize military personnel are suspect. According to the AFGE National Secretary, Nicholas J. Nolan, "What is important to the government and to our own status within the labor movement is that we have this weapon in the holster."

AFGE National Vice President Allen H. Kaplan has further stated, "We now have a professional army. It is subject to very little * *. The rank and file in the milicontrol * tary have their associations which are quite broad and quite extensive, but they weak * * *. The Congress have very The Congress have very little check on what happens in the military."

From these statements of the AFGE leadership it is implied that the AFL-CIO may be seeking to usurp control of the military which rightfully belongs to the President and

Congress

On January 18, 1977, Senator Thurmond, with 34 co-sponsors, introduced Senate Bill 274 which would prohibit unionization of the armed forces. S. 274 would provide criminal sanctions against both those in uniform and civilians who attempt to unionize the military

In introducing the Bill, Senator Thurmond

"For the President, as Commander-in-Chief, and the Congress to share civilian control of the military with union bosses would make the beginning of the end of a sound defense force in this Country. We cannot permit this Our nation cannot afford to put service personnel in the position of deciding whether their first allegiance is to the union boss or to their commanders and Country."

However, within the Administration support for the AFGE and AFL-CIO attempts to gain unionization of the two million members of the U.S. armed services may be provided by Secretary of Labor Ray Marshall who during his Senate confirmation hearings stated his support for military unionization.

BUYING OF ELECTIONS

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. ERLENBORN. Mr. Chairman, today I am introducing a bill to ban all special interest group contributions from Federal election campaigns.

The reason for such a measure is ob-

vious: the American public now believes that Congressmen are for sale: that Capitol Hill is a playground for special interest groups. It is hard to refute this when more than \$22 million in special interest contributions flowed into congressional campaigns last year. It is difficult to say with a straight face that this money was not meant to buy influence when most of it went to incumbents and most special interest groups targeted their money to Members of House or Senate committees handling legislation affecting them.

I am not alone in believing that this practice crowds out the voter and individual campaign contributor in the election of our national legislators. President Carter has proposed that the present system be changed; so has Common Cause. However, both of them have proposed public financing, which as we saw from the Presidential election last year. is an imperfect solution at best.

The most flagrant flaw is that public financing did not eliminate special interest contributions. The National Journal recently reported that the Carter ticket spent its full allotment of \$21.8 million. but labor kicked in at least another \$8.5 million in exempted campaign activity. Spending for the Ford ticket was no different.

I have two other objections to public financing. One involves the kindred principles of political and religious freedom. Just as we do not use Government funds to support religious philosophies, so too should we not support political philosophies with taxes.

Make no mistake about it, public financing last year did have the effect of frustrating third party candidates and perpetuating the two-party system. As the Chicago Tribune pointed out recently, the public financing provisions of 1974 had the effect of writing into law the two-party political tradition.

Sure, this problem could be remedied by making it easier to obtain the funds, but then we will have a huge number of nonserious candidates taking advantage of the law to promote their issues. I, for one, am not interested in requiring the taxpayers to subsidize the Save the Snail Darter Candidate for President, for example.

There are no such problems in my bill. It would encourage people to participate in the political process as individuals and eliminate bulk-rate influence buying of

Therefore, I urge my colleagues to give this measure serious consideration as a viable alternative to public financing.

WHY TAX RATE REDUCTIONS HIS-TORICALLY LEAD TO INCREASES IN TAX REVENUE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. KEMP. Mr. Speaker, Andrew Mellon is considered by many to be the greatest Secretary of the Treasury the United States has ever had. His greatest accomplishment was passage of a substantial tax rate reduction following World War I. He argued that high rates of taxation do not produce increased revenues, but simply increase the incentive for leisure or to find tax shelters. Consequently, a reduction of high marginal tax rates will actually lead to an increase in the tax base, and therefore tax revenues.

In the following extract from his book, "Taxation: The People's Business," Mellon explains the reasons why tax rate reduction leads to increased tax revenues—which is exactly what happened in the 1920's, and again in the 1960's when President Kennedy did the same thing:

TAXATION: THE PEOPLE'S BUSINESS FUNDAMENTAL PRINCIPLES

The problem of the Government is to fix which will bring in a maximum amount of revenue to the Treasury and at the same time bear not too heavily on the taxpayer or on business enterprise. A sound tax policy must take into consideration three factors. It must produce sufficient revenue for the Government; it must lessen, so far as possible, the burden of taxation on those least able to bear it; and it must also remove those influences which might retard the continued steady development of business and industry on which, in the last analysis, so much of our prosperity depends. Furthermore, a permanent tax system should be designed not merely for one or two years nor for the effect it may have on any given class of taxpavers, but should be worked out with regard to conditions over a long period and with a view to its ultimate effect on the prosperity of the country as a whole.

These are the principles on which the Treasury's tax policy is based, and any revision of taxes which ignores these fundamental principles will prove merely a makeshift and must eventually be replaced by a system based on economic, rather than political, considerations.

There is no reason why the question of taxation should not be approached from a non-partisan and business viewpoint. In recent years, in any discussion of tax revision, the question which has caused most controversy is the proposed reduction of the surtaxes. Yet recommendations for such reduchave not been confined to either Republican or Democratic administrations. My own recommendations on this subject were in line with similar ones made by Secretaries Houston and Glass, both of whom served under a Democratic President. Tax revision should never be made the football either of partisan or class politics but should be worked out by those who have made a careful study of the subject in its larger aspects and are prepared to recommend the course which, in the end, will prove for the country's best interest.

I have never viewed taxation as a means of rewarding one class of taxpayers or punishing another. If such a point of view ever controls our public policy, the traditions of freedom, justice and equality of opportunity, which are the distinguishing characteristics of our American civilization, will have disappeared and in their place we shall have class legislation with all its attendant evils. The man who seeks to perpetuate prejudice and class hatred is doing America an ill service. In attempting to promote or to defeat legislation by arraying one class of taxpayers against another, he shows a complete mis-

conception of those principles of equality on which the country was founded. Any man of energy and initiative in this country can get what he wants out of life. But when that initiative is crippled by legislation or by a tax system which denies him the right to receive a reasonable share of his earnings, then he will no longer exert himself and the country will be deprived of the energy on which its continued greatness depends.

This condition has already begun to make itself felt as a result of the present unsound basis of taxation. The existing tax system is an inheritance from the war. During that time the highest taxes ever levied by any country were borne uncomplainingly by the American people for the purpose of defraying unusual and ever-increasing expenses incident to the successful conduct of a great war. Normal tax rates were increased a system of surtaxes was evolved in order to make the man of large income pay more proportionately than the smaller taxpayer. If he had twice as much income, he paid not twice, but three or four times as much tax. For a short time the surtaxes yielded a large revenue. But since the close of the war people have come to look upon them as a business expense and have treated them accordingly by avoiding payment as much as possible. The history of taxation shows that taxes which are inherently excessive are not paid. The high rates inevitably put pressure upon the taxpayer to withdraw his capital from productive business and invest it in tax-exempt securities or to find other lawful methods of avoiding the realization of taxable income. The result is that the sources of taxation are drying up; wealth is failing to carry its share of the tax burden; and capital is being diverted into channels which yield neither revenue to the Government nor profit to the people.

Before the period of the war, taxes as high as those now in effect would have been thought fantastic and impossible of payment. As a result of the patriotic desire of the people to contribute to the limit to the successful prosecution of the war, high taxes were assessed and ungrudgingly paid. Upon the conclusion of peace and the gradual removal of war-time conditions of business, the opportunity is presented to Congress to make the tax structure of the United States conform more closely to normal conditions and to remove the inequalities in that strucwhich directly injure our prosperity and cause strains upon our economic fabric. There is no question of the fact that if the country is to go forward in the future as it has in the past, we must make sure that all

retarding influences are removed. Adam Smith, in his great work, "Wealth of Nations," laid down as the first maxim of taxation that "The subjects of every state ought to contribute toward the support of the Government, as nearly as possible, in proportion to their respective abilities," and in his fourth and last maxim, that tax ought to be so contrived as both to take out and to keep out of the pockets of the people as little as possible over and above what it brings into the public treasury of the state," citing as one of the ways by which this last maxim is violated a tax which "may obstruct the industry of the people, and discourage them from applying to certain branches of business which might give maintenance and employment to great multitudes. . . . While it obliges the people to pay, it may thus diminish, or perhaps destroy, some of the funds, which might enable them

more easily to do so."

The further experience of one hundred and fifty years since this was written has emphasized the truth of these maxims, but those who argue against a reduction of surtaxes to more nearly peace-time figures cite

only the first maxim, and ignore the fourth. The principle that a man should pay taxes in accordance with his "ability to pay" is sound but, like all other general statements, has its practical limitations and qualifications, and when, as a result of an excessive or unsound basis of taxation, it becomes evident that the source of taxation is drying up and wealth is being diverted into unproductive channels, yielding neither revenue to the Government nor profit to the people then it is time to readjust our basis of taxation upon sound principles.

It seems difficult for some to understand that high rates of taxation do not necessarily mean large revenue to the Government, and that more revenue may often be obtained by lower rates. There was an old saying that a railroad freight rate should be "what the traffic will bear"; that is, the highest rate at which the largest quantity of freight would move. The same rule applies to all private businesses. If a price is fixed too high, sales drop off and with them profits; if a price is fixed too low, sales may increase, but again profits decline. The most outstanding recent example of this principle is the sales policy of the Ford Motor Car Company. Does anyone question that Mr. Ford has made more money by reducing the price of his car and increasing his sales than he would have made by maintaining a high price and a greater profit per car, but selling less cars? The Government is just a business, and can and should be run on business principles.

Experience has shown that the present high rates of surtax are bringing in each year progressively less revenue to the Government. This means that the price is too high to the large taxpayer and he is avoiding a taxable income by the many ways which are available to him. What rates will bring in the largest revenue to the Government experience has not yet developed, but it is estimated that by cutting the surtaxes in half, the Government, when the full effect of the reduction is felt, will receive more revenue from the owners of large incomes at the lower rates of tax than it would have received at the higher rates. This is simply an application of the same business principle referred to above, just as Mr. Ford makes more money out of pricing his cars at \$380 than at \$3,000.

Looking at the subject, therefore, solely from the standpoint of Government revenues, lower surtax rates are essential. If we consider, however, the far more important subject of the effect of the present high surtax rates on the development and prosperity of our country, then the necessity for a change is more apparent. The most noteworthy characteristic of the American people is their initiative. It is this spirit which has developed America, and it was the same spirit in our soldiers which made our armies successful abroad. If the spirit of business adventure is killed, this country will cease to hold the foremost position in the world. And yet it is this very spirit which excessive surtaxes are now destroying. Any one at all in touch with affairs knows of his own knowledge of buildings which have not been built, of businesses which have not been started. and of new projects which have been abandoned, all for the one reason-high surtaxes. If failure attends, the loss is borne exclusively by the adventurer, but if success ensues, the Government takes more than half of the profits. People argue the risk is not worth the return.

With the open invitation to all men who have wealth to be relieved from taxation by the simple expedient of investing in the more than \$12,000,000,000 of tax-exempt securities now available, and which would be unaffected by any Constitutional amendment, the rich need not pay taxes. We violate Adam Smith's first maxim. Where these high surtaxes do

bear, is not on the man who has acquired and holds available wealth, but on the man who, through his own initiative, is making wealth. The idle man is relieved; the producer is penalized. We violate the fourth maxim. We do not reach the people in proportion to their ability to pay and we destroy the initiative which produces the wealth in which the whole country should share, and which is the source of revenue to the Government.

In considering any reduction the Government must always be assured that taxes will not be so far reduced as to deprive the Treasury of sufficient revenue with which properly to run its business with the manifold activities now a part of the Federal Government and to take care of the public debt. Tax reduction must come out of surplus revenue. In determining the amount of surplus available these factors control: the revenue remaining the same, an increase in expenditures reduces the surplus, and expenditures remaining the same, anything which reduces the revenue reduces the surplus. The reaction, therefore, of the authorization of extraordinary or unsound expenditures is twofold—it serves, first, to raise the expenditures and so narrow the margin of available surplus; and, second, to decrease further or obliterate entirely this margin by a reduction of the Treasury's revenues through the disturbance of general business, which is promptly reflected in the country's income. On the other hand, a decrease of taxes causes an inspiration to trade and commerce which increases the prosperity of the country so that the revenues of the Government, even on a lower basis of tax, are increased. Taxation can be reduced to a point apparently in excess of the estimated surplus, cause by the cumulative effect of such reduction, expenses remaining the same, a greater revenue is obtained.

High taxation, even if levied upon an economic basis, affects the prosperity of the country, because in its ultimate analysis the burden of all taxes rests only in part upon the individual or property taxed. It is largely borne by the ultimate consumer. High taxation means a high price level and high cost of living. A reduction in taxes, therefore, results not only in an immediate saving to the individual or property directly affected, but an ultimate saving to all people in the country. It can safely be said, that a reduction in the income tax reduces expenses not only of the income taxpayers but of the entire 110,000,000 people in the United States. It is for this basic reason that the present question of tax reform is not how much each individual taxpayer reduces his direct contribution, although this, of course, is a powerful influence upon the individual affected; the real problem to determine is what plan results in the least burden to the people and the most revenue to the Government.

FEDERAL WATER POLLUTION CONTROL ACT AND SEAFOOD PROCESSORS

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. Aucoin. Mr. Speaker, yesterday I joined in a colloquy with my distinguished colleagues from Minnesota, Mr. Oberstar, and Alaska, Mr. Young, concerning the impact of the Federal Water Pollution Control Act on the Nation's seafood processors.

The point of the colloquy was to underscore the fact that seafood processing effluent, unlike industrial effluent, is a natural, nontoxic, organic, biodegradable material. When adequately dispersed in tidal waters these fish wastes are not harmful to marine life. In fact, some opinions hold that they are beneficial to marine life inasmuch as they add nutrients to the water and are consumed as food by fish and other organisms. For this reason, I believe fish wastes should be treated differently than industrial effluents under the law.

I also want to state for the record that some seafood processors in my district have already spent hundreds of thousands of dollars to have the required pollution control technology installed. The problems they are facing now is what to do with those fish wastes which have been collected. It is conceivable that allowing these wastes to accumulate on land will pose a far greater health hazard to the surrounding community than would allowing the release of these wastes into the marine environment. I hope that the Administrator of the Environmental Protection Agency will be sympathetic and responsive to this problem and will work closely with these companies to help them overcome the

Finally, I would like to share with my colleagues a statement on the potential effects of fish wastes on the marine environment which was prepared for me by Prof. J. J. Gonor of the School of Oceanography at Oregon State University. Professor Gonor's well-known commitment to the protection of the marine environment give his remarks added meaning and I commend them to my colleagues' attention.

STATEMENT ON THE POTENTIAL EFFECTS OF SEAFOOD PROCESSING WASTES ON ESTUARINE ENVIRONMENTS

(By J. J. Gonor)

After processing, presently unused or inedible parts of crabs, shrimp, fish and other seafoods remain as liquid and solid wastes. They are natural organic materials differing mainly in concentration from similar animal matter resulting from ecological processes such as natural deaths, feeding by predators and moiting by crustaceans. Like such naturally occurring materials, they can be assimilated into marine and estuarine ecosystems through decomposer and detrital food chain processes.

Seafood wastes become problems in marine waters when they are disposed of by being dumped in quantities which concentrate decomposing matter in poorly flushed areas faster than natural water circulation can disperse or oxygenate it. These problems could be more effectively managed by controlling the discharge quantity and method on a caseby-case basis rather than by categorically banning all seafood waste discharge regardless of local conditions.

When areas of estuaries with good tidal flushing and circulation are available, some seafood wastes could be adequately dispersed in a form appropriate for effective absorption into natural systems. Wastes could be ground and pumped into a high flow seawater waste discharge system delivering greatly diluted material by pipe to a well flushed region of the estuary. To aid dispersion, effluent pumping could be restricted to ebb tide periods. If quantities were controlled and dispersion were effective, seafood processing wastes could enter the detrital food

chain as does naturally occurring animal debris, rather than causing environmental problems. Feasibility, load limits and appropriate disposal methods would have to be determined by local conditions.

HUMAN RIGHTS IN NICARAGUA

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. BRODHEAD. Mr. Speaker, today the House of Representatives is debating the question of human rights in connection with major foreign policy legislation. I have recently received an English translation of the pastoral letter issued by the Bishops of Nicaragua which alleges the denial of human rights in that country. Government censorship prevented the letter from being published in Nicaragua although it was read from the pulpits of the Catholic Churches in January and February.

According to the Nicaraguan bishops, the Government of President Anastasio Somoza Debayle has denied human rights by initiating a reign of terror which includes arbitrary arrests, torture, execution without trial, and interference with the right to worship freely. An American foreign policy which supports governments that terrorize citizens and deny religious freedom cannot be justified. I bring the Nicaraguan situation to the attention of my colleagues in the hope that this Nation will use its power and influence to insure human rights for the people of this Nation and all the nations of the world. A copy of the English translation of the pastoral letter of the Bishops of Nicaragua follows:

PASTORAL LETTER

As Bishops of Nicaragua placed at the service of the People of God to teach, govern and sanctify their Church, we feel the obligation of announcing the Good News of Salvation, concretizing its message in order to renew the sense of justice in our country. The events and situations of the present time oblige our consciences as pastors to give you this message of hope and love.

Our duty of freely preaching the message of the Gospel (Ev. Nunt. no. 78) at all times and in all places is not completely fulfilled without renewing the joys and hopes of mankind.

In inviting you to live a new year more in accord with the Gospel which we announce, we wish to reflect with you on some problems which are very disturbing to Christian consciences and to citizens in general.

WE CONDEMN ALL TYPES OF VIOLENCE

The suffering of our people distresses us very much, be they urbanites or campesinos, rich or poor, civilians or military, who cry to God seeking the protection of the right to life and to the peaceful enjoyment of the fruits of their work.

Unfortunately, much of the sufferings are provoked and caused by our own Nicaraguan

brothers.

With no partisan political intentions, we present and recall here some of the many facts with the sole intention of obtaining a sincere conversion in each one and in all of us who are committed to the search for peace.

The state of terror obliges many of our campesinos to flee in desperation from their homes and farm lands in the mountains of Zelaya, Matagalpa and Las Segovias.

The arbitrary accusations and subsequent arrests because of old grudges and personal envies continue to disturb the peace.

The investigations of those under suspicion continue employing humilating and inhuman methods from tortures and rapes to executions without previous civil or military trial.

It has been verified that many villages have been practically abandoned; houses and personal belongings have been burned and the people desperate and without help have fled.

These happenings, far from bringing any justice, rather enflame passions and greatly upset the public order. They tend to make government officials consider themselves beyond the jurisdiction of the institutional laws of the nation and outside the sane principles of public order. In a word, these ministers become marginalized.

And what is worse, there looms a certain lawlessness not unlike that fostered by so called freedom movements which also stir passions, lead to personal vendettas and end up in "new lords" who take charge of government but without regard for human

We make this overall, global summary of the problem which disturbs us not with the intention of exhausting its every aspect but with the aim of promoting a serious, constructive and shared reflection. The grave moral and social consequences which actually are undermining public order urgently demand it.

As a practical result of these facts, confusion and the ills of the Nation are growing:

On the one side the accumulation of lands and riches in the hands of a few is increasing.

On the other, the powerless campesinos are deprived of their farm lands through threats and are taken advantage of because of the state of emergency.

Many crimes go unpunished, which hurts the respect for fundamental rights.

The number of prisoners who have not been presented for trial and who cannot have legal recourse is increasing.

INTERFERENCE IN THE RELIGIOUS REALM

Another violation which disturbs the exercise of the fundamental freedoms is the interference in the religious order.

In some towns of the Segovias the commandants demand special permission for each religious meeting of Catholics. In other places in the mountains of Ze-

In other places in the mountains of Zelaya and Matagalpa, the patrols have occupied the Catholic chapels, using them for barracks

Some Catholic Delegates of the Word of God have been pressured to suspend their cooperation with the missionary priests.

There are cases in which Delegates of the Word have been captured by members of the army, have been tortured and some have disappeared

Some directors of the committees of the rural communities have suffered the same fate.

HUMAN DIGNITY

All these practices and others like them, in themselves contrary to human dignity and to the fundamental rights of man, degrade civilization and are totally contrary to the plan of God. Christ's words are decisive: "What you did with one of these the least of my brothers, you did to me." (Mt. 25:40)

Let us reflect: whom does this situation of terror and unjust extermination benefit?

Do we perhaps wish to usurp God's right and make ourselves the lords of life and death?

Can the mere personal convenience of a few be the criterion for harassing one's neighbor? Can violence be the remedy or the path for a renewing change of our institutions?

"To take away life, is to take away peace."
To violate rights and the constitutional laws of the Nation is to provoke institutional disorder.

To destroy man unjustly is to tempt God.

CHRISTIAN HOPE

Christian faith constantly demands a change of attitudes, conversion in subjection to God's laws and a better co-existence with our neighbor. "The time has come. The Kingdom of God is close at hand. Repent and believe the Good News." (Mark 1:15)

We all want to earn a living and our daily bread without disturbance from repressive forces. We don't want to feel ourselves fenced in; we want to feel ourselves free to serve God and our neighbor with love and dedication.

It is true that while we live on earth we cannot fully realize a life of justice and love; but at least let us lay the fundamental bases, so that in respect and mutual esteem we can build a working country, and try to carry out the Christian task of living in love without destructive hatreds.

CONCLUSION

The prospect of a new year invites us to review seriously our deeds and our present social order, which are fruits of the attitudes of our consciences.

Peace is born in the intimacy of our conscience. Pope Paul VI tells us in his call to peace for the year 1977, "If you desire peace, defend life." As Christians, as citizens, we have the unescapable obligation to seek this peace, building it up out of the depths of our hearts.

We sum up this call to the conscience of all Nicaraguans and to our governmental authorities in three petitions. Concretely we ask for:

 Guarantees of life and of work and a return of civil rights.

Proper trials for common crimes as well as for so-called political crimes.

Freedom to promote a more just and equitable order.

These, we emphasize, can only be had where there is freedom of expression and religious freedom.

To all we impart our blessing in the words of the Apostle St. Peter, "There is no need to be afraid or to worry about them. Simply reverence the Lord Christ in your hearts, and always have your answer ready for people who ask you the reason for the hope that you all have." (1 Peter 3:14-15)

Given in Managua on the eighth day of January in the year of the Lord 1977.

Signed by Manuel Salazar E., Bishop of Leon & President of Episcopal Conference; Salvador Schlaefer B., Bishop of Vicariate of Bluefields & Vice President, Episcopal Conference; Leovigildo Lopez F., Bishop of Granada; Miguel Obando Bravo, Archbishop of Managua; Julian L. Barni S., Bishop of Matagalpa; Pablo A. Vega, Bishop—Prelate of Julgalpa; and Clemente Carranza L., Bishop of Esteli & Secretary of Episcopal Conference.

IN TRIBUTE TO JESS NEVAREZ

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. ANDERSON of California. Mr. Speaker, it is not often that a man, through his inherent generosity and goodness of nature, leaves a mark on his community that will last as long as his memory in the hearts of his family and

friends. Jess Nevarez of Gardena, Calif., was such a man, and on April 23, 1977, the city and people of Gardena will hold a memorial dance in his honor.

Jess Nevarez would have been pleased. He was a person who enjoyed life to the fullest, who rejoiced in the company of the people whom he loved. A dance is truly a fitting memorial to him, because he was at his happiest when bringing joy and comfort to others.

Born in El Paso, Tex., on December 26, 1920, Jess lived with his family in Texas, Mexico, and Los Angeles, before becoming a resident of Gardena over 40 years ago. After his graduation from Gardena High School, Jess joined the Army Medical Corps in 1942, receiving his discharge from the service in 1946. Soon afterward he opened his own dental laboratory in Gardena, which he operated for 27 years until shortly before his passing this January.

As an active, involved citizen whose heart went out to help others, Jess was without a peer. He was an active parishioner at Saint Anthony's Church, and it was through his efforts that a weekly Spanish language mass at the church was initiated. In addition, he was the first president of the Guadalupano Child; and was an active member of the Knights of Columbus.

Jess became active in organizations with the full intent of performing some task for the benefit of others. Once an Indian reservation was in desperate need of water. As a member of the American Legion Post 187, Jess raised the money to drill a new well to meet the Indians' daily needs.

One of the activities that Jess was especially devoted to was the Gardena Sister City program. When the city of Huatabampo, Mexico, was hit by a disastrous hurricane last year, the people of Gardena collected the supplies needed to aid their strickened sister city. Despite poor health, Jess Nevarez helped deliver the provisions to the city almost 2,000 miles to the south. On his return, he found his place of business destroyed by fire

Despite that, and his increasingly poor health, Jess continued to help gather supplies for another trip to Huatabampo, a trip he was destined never to make. Shortly after being admitted to the hospital for a series of tests, Jess Nevarez suffered a heart attack and passed away last January.

Jess Nevarez was a man of unfailing good humor and cheerfulness. He enjoyed riding a motorcycle cross country, and was planning to take a trip through Baja California in the near future. Those whose lives he touched will remember not only his community activities, but the thousands of acts of kindness that he performed daily to help his neighbors.

My wife, Lee, joins me in expressing our most sincere condolences to Jess' lovely wife, Millie, and their children, Christine Mallet and Charles. They are fortunate indeed to have known this great man more than anyone else, and for having shared their lives together over the years. The warm, fond memories he left behind will be cherished by many through the years ahead.

VETERAN BENEFITS FOR INDIVID-UALS WHO SERVED IN CIVILIAN CAPACITY IN THE ARMED FORCES

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. TEAGUE. Mr. Speaker, there is currently pending before the Veteran's Affairs Committee a series of bills, H.R. 3277, 3321, 5087, 5171, 5211, 5666, and 5718 which seek to provide veterans status for women who served in the Women's Air Force Service Pilots-WASPS-in World War II. These are very important bills, and the subject matter deserves the most careful scrutiny before the Congress acts upon any one of these proposals. It has a long, interesting history; and if legislation of this type should be enacted, it would, in my judgment, be a mistake and one which would inevitably create a precedent for use of groups and organizations which might not have such a list of prestigious sponsors as the WASPS proposal.

The most recent activity in this field occurred when the substance of the proposal was included as an amendment to H.R. 71, 94th Congress, a bill which dealt with providing health care for certain groups allied with the United States during periods of war. The WASP bill was not considered by any committee of the other body, but was added as an amendment to this bill by the senior Senator from Arizona on the Senate floor. At that time, the chairman of the Veterans' Affairs Committee, the gentleman from Texas, the Honorable Ray ROBERTS, and the ranking minority member, the gentleman from Arkansas, the Honorable John Paul Hammerschmidt, advised the Senator that if a bill incorporating the provisions of this amendment is introduced in the next Congress-95th-appropriate agency reports will be obtained and the subcommittee with jurisdiction would hold hearings. The chairman of the Committee on Veterans' Affairs advises me that agency reports are being requested from the Veterans' Administration, the Department of Defense, and the Department of Labor.

Now a little bit of history-

The rapid military and industrial mobilization during the early days of World War II placed considerable strain on all available manpower resources. Naturally, one of the areas affected by this mobilization was aircraft pilots. In order to ease the strain of this shortage, the Women's Auxiliary Flying Squadron-WAFS, and later the Women's Air Force Service Pilots-WASPS-were established. They were activated in 1942. The WASPS were civil service appointees and they received \$150 a month for maintenance and after assignment, \$250 per month. After student status in ungraded positions, they received the amount I have indicated, \$250 per month plus \$36.25 overtime based on a 48-hour workweek. In contrast it should be pointed out that a private in the Army in 1942 received a base pay of \$50 per month. In the early days of World War II, sergeants assigned to the Air Force were pilots before the concept of having officer pilots only was established. A staff sergeant in 1942 received \$110 per month and a second lieutenant received \$150 per month.

They-WASPS-were civil servants with war service appointments subject to the National Retirement Act and Civil Service leave regulations. They paid for their own housing and food at \$1.65 per day. They wore clothing which had been issued to them and later were issued a type of dress uniform. They were supervised by civil service establishment officers. They had a right to resign at any time, and most important of all, it should be noted that they were not subject to any form of military discipline. They were not subject to normal military command. As civil servants, they were not entitled to medical care at an Army installation.

The WASP program was deactivated on December 20, 1944. The military situation in Europe had changed substantially with the successful invasion of Normandy. With the slakening of demand for pilots, it was agreed that there would be no specific justification for a training program for women noncombatants. Arrangements were made with the Civil Aeronautics Administration to recognize flying experience of WASPS in the issuance of commercial pilots licenses. In 1948, the Air Force offered all former WASPS who met tstandards and qualifications commissions in the Air Force or the Air Force Reserve in a nonflying status. However, such WASPS service did not count toward either reserve or regular retirement. An unknown number of former WASP pilots availed themselves of this opportunity.

In early 1944 a proposal to militarize the WASPS was introduced in the House and was favorably reported by the then Military Affairs Committee. The Appropriations Committee report referred to the belief of their subcommittee that the WASPS should be militarized. Despite this favorable action, the bill failed of passage. The House report on H.R. 4219. 78th Congress, March 22, 1944, stated:

In recognition of these principles, the Army Air Forces now employ as Federal civilservice employees over 500 women pilots. These women are engaged in piloting all types of aircraft within the continental limits of the United States.

It should be pointed out that those individuals who were injured on duty were not eligible for service-connected compensation from the Veterans' Administration, nor were they eligible for retirement based on disability but rather were compensated as other civilian employees of the Federal Government are today and always have been by the office of workers' compensation program. formerly known as the Bureau of Employees' Compensation, Department of Labor, a civilian agency.

Mr. Speaker, there are many individuals and groups of individuals, all classified as civilians, who over the years from at least the time of the Spanish-American War down to and including World War II have made claims for veterans' benefits and felt that they were entitled to consideration on the part of Congress

to amend existing veterans' laws. In the 75th Congress, the Committee on Pensions compiled a list of individuals who had asked for veterans' status which included:

Civil War. Civil War Slaves. Military Telegraph Corps. State Troops. Missouri Militia. Montell Guards. Confederate Veterans.

Indian Wars.

Packers, teamsters, surgeons, and civilian scouts.

Deputy Marshals. Scouting Service. Indian Scouts.

Spanish War, Nurses, male, Surgeons, assistant and contract. Veterinarians, contract. Teamsters.

World War I

American Red Cross.

American Secret Service, State Department, Treasury, women citizens and welfare workers.

Adjutants general, United States Property and disbursing officers' service.

Civilian clerks, Engineer Department. Civilian employees as defined by War Department.

Civilian employees and contract surgeons. Secretaries, dieticians, bacteriologists. Customs Intelligence Bureau, Port of New

Draft Board, appointment under Selective Service Law.

Draftees, induction not completed prior to Nov. 30, 1918.

Engineer field clerks.

Employees, Engineer Department. Field clerks.

Enlisted men accepted and assigned to educational institutions.

Merchant Marine, U.S. Shipping Board vessels in war zone.

Midshipmen and cadets. Nurses, student, Army.

Nurses, students, and reconstruction aides. Postal Service employees of American Expeditionary Forces in Europe and Asia. Russian Railway Service.

Signal clerks at large, service overseas in Signal service and Air service. Telephone operators, Signal Corps.

Training Corps, Students, Army. Warrant officers. Women who served with American Expedi-

tionary Forces. Women who served in base hospitals.

Since, the 75th Congress suggestions have been made to include:

Aviation Midshipmen. Merchant Marine Service. Civil Defense Workers.

Civilians serving aboard troop ships operated by U.S. Army.

Army Indian Scouts. Russian Railway Service Corps. Draftsmen and Clerks, Engineer Corps. Auditors of War Department.

Contract Nurses with Army Contract Medical or Dental Personnel Serving with Armed Forces.

State Guards During WW II. The American Field Service. Accredited War Correspondents. Civilian Engineers, Department of the

Army. Students, Army Training Corps, WW I. Civilian employees engaged in and about the construction of the Panama Canal.

Red Cross ambulance drivers Persons who served on the U.S. Revenue Service in the Arctic-1898.

Security Patrol Force of Guam-WW II. Telephone Operators—WW I.

its significance.

Teamsters in Spanish-American War and

Individuals who served in the Army but who were placed on agricultural furloughs, Coast Guard Reserve.

Others, I am sure, could be added to this rather lengthy list.

I want to close these remarks by pointing out that this is not a simple question. It is not a matter which should be considered favorably or not favorable because all of those involved happen to be women. It should be considered on the basis of logic and the facts, which in my judgment would indicate it not be approved because the individuals, WASPS, were not in the military and not under military discipline. If we ever depart from this basic rule which has been the hallmark of veterans' benefits, then I submit that there will be no logical stopping place, and we will degrade the meaning of military service and reduce

I would not be among those who do not appreciate the service of the WASPS during World War II, nor would I in any way want to criticize the merchant seamen who risked their lives to get men and cargo to distant places in World War II. I would not in any way criticize the role of the thousands of members of the American Red Cross who did yeoman service in World War I and II in serving with our troops, nor would I in any way want to do anything but praise the role of the entertainment world which performed for our troops at various Army and Navy stateside installations, nor the thousands of topflight performers who gave shows on or near the battlefield in order to maintain the morale of our fighting forces. But these individuals were individuals, like the WASPS, serving the Government and their Nation on a patriotic basis. They were not subject to military discipline, which meant they could come and go as they pleased. In most instances they received far more rights, rewards, salary, and other benefits than individuals who were serving in the Army or Navy in the enlisted status or on the officers level. I applaud them all and others that I cannot mention at this time. But if we let down the standards for the WASPS, we must in equity do the same for all who serve on a similar basis. For these and other reasons, I am opposed to the favorable considera-

tion of this legislation. Mr. Speaker, it should be noted that some who served in the Women's Air Force Service Pilots—WASPS—in World War II do not support legislation to grant veterans benefits for such service. I recently received a copy of a letter with attachments from Ms. Virginia F. Wise, of Tallahassee, Fla., which was sent to the distinguished senior Senator from Arizona, the Honorable BARRY GOLD-WATER, with reference to pending bills in the House and Senate. I think the feelings expressed by Ms. Wise are similar to those of hundreds of thousands of dedicated Americans who served their country during World War II in a civilian capacity:

TALLAHASSEE, FLA., March 16, 1977.

Re Senate Bill S. 247; House Bills H.R. 3321 and H.R. 3277.

DEAR SENATOR GOLDWATER: At the risk of losing valued friendships, I feel I must con-

vey to you my feelings on the militarization of the WASP.

So as not to repeat myself. I am enclosing copies of correspondence forwarded to our President and another WASP active in promoting this.

I sincerely feel, I must put my country's economic security above personal security or recognition and hope you will try to understand my position.

Respectfully,

VIRGINIA F. WISE.

TALLAHASSEE, FLA. March 10, 1977.

Mrs. Frankie Bretherick. Sarasota, Fla.

DEAR FRANKIE: I appreciate hearing from ou about the Senate Bill S. 247 and about Pappy Boyington's show about the WASP. I can readily see you are quite concerned about getting the G.I. benefits for us.

I too, am quite concerned but it's along other lines. First, President Carter has just added another 20 billion dollars to an already deficit 1977 budget. Having been an independent business woman for 20 years, I can truthfully say, "that's no way to run a show!"

Secondly, and most important, I am grateful to my fellow countrymen for the very unique and rare opportunity to receive such a wonderful experience as the WASP, that I do not have the heart to add to their already unreal tax load. And, down deep in my heart I cannot believe that is the path to our desired recognition. Pappy Boyington did more for us in one hour than any government handout ever could. I agree with my classmate (encl.) we are indeed a unique group so why can't we turn the tide in this country and retract our outstretched hands. It might stun many people into facing reality and truly give us recognition.

Perhaps those of us who don't look upon this move with pride is the reason for your lack of response.

If there are any of our group in need what a wonderful opportunity for us to be truly Christians and to give instead of receive.

Please don't feel badly with me. I just happen to have an opposite view.

Yours very sincerely,

VIRGINIA F. WISE, Realtor.

However, before I fall asleep, I do wish the Waspies would shape up & retract their outstretched hands. Think how they could revolutionize the country—setting an example of "we don't want anything from the govt." Guess I don't understand the problem. Maybe if they are seeking only recognition & hospitalization, they should state their case more positively as to what they don't want. Other benefits whatever they might be. After all there was a whale of difference between being stuck in the Service & being able to quit whenever you wanted.

Oh well that's heretical, but as I say I guess I don't understand the problem. Yesterday was yesterday & today is today. Why are we fighting yesterday's grievances? I don't remember being shot at or tramping in anything but Texas mud.

Enuff—happy real estating.

May Florida get warm & Washington get

A. B.

TAX CREDIT FOR VIETNAM COMBAT VETERANS

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. WALSH. Mr. Speaker, I would like to express my support for a bill to be

introduced in the House which would grant a \$1,000 tax credit over a 3-year period to those men who served in a combat zone during the Vietnam era and received an honorable discharge.

I already have joined with my colleagues who have denounced the administration's plan to upgrade bad conduct military discharges received during the Vietnam era, and I continue to feel the move is a grave insult and a great disservice to those men who served our country honorably and as decreed by the armed services, often at great personal expense.

The blanket criteria set up by President Carter makes upgrading of the discharge virtually automatic rather than setting up a comprehensive review of each case individually, and that means few discharges will remain in a category that is less than honorable. That also will open the door for those who either refused to serve their country or carried out their duty under less than minimal standards to claim veteran's benefits that are paid by the hard-earned money of American taxpayers. I feel this is morally wrong, especially when, as a Nation, we are hard-pressed to meet the needs of many causes which are more deserving.

The taxpayers of this country should not be required to pay up to \$1 billion in veteran's benefits to men who either refused to serve or left the defense of their country under less than honorable circumstances. We owe them no debt for not performing what was required or expected of them.

I join in support of this bill, because it excludes veterans whose discharges are upgraded under the Carter plan and because it is an expression of the gratitude the American people feel to those men who carried out their duties in Vietnam.

TRIBUTE TO RICHARD J. NEUTRA

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. WAXMAN. Mr. Speaker, I have the privilege to bring to your attention the honoring of a distinguished former resident of my district, Richard J. Neutra, who has been selected to receive the highest honor which can be bestowed by the American Institute of Architects: its Gold Medal.

This medal, awarded only 38 times during the 71 years since its first presentation has been received only twice before by Californians, both from San Francisco. The Gold Medal is an international award presented only when the institute identifies an exceptional candidate. Last presented in 1972, this year's award will mark the first time this honor has gone to a southern California architect in the history of the American Institute of Architects. The medal will be presented during the AIA annual convention in San Diego in June, and will be received on behalf of his father by Dion Neutra, architect, who began his long association with his father in the early 1940's and continues the firm known as Richard and Dion Neutra Architects and Associates which celebrated its 50th year of practice in 1976.

Richard Neutra, who died in 1970 at the age of 78, gained a worldwide reputation as one of the developers of "California style." One of the first architects to make a conscious application of the findings of biology and the behavioral sciences to the design of human environments, he was also a pioneer in the use of modern industrialized building materials and techniques. His work has had a profound effect on architectural thinking for the past 50 years and his timeless buildings testify to the enduring significance of his achievement.

Born in Austria, Neutra grew to maturity in the lively cultural atmosphere of early 20th century Vienna. One of his earliest mentors was architect Adolf Loos, whose rejection of the highly ornamented beaux arts style laid the groundwork for Neutra's characteristic clarity and simplicity of form.

Neutra came to the United States in 1923, worked briefly in New York and in Chicago, and in 1924 went to Taliesin where he studied and worked with Frank Lloyd Wright.

In 1925 he settled in southern California which had long attracted him because of its widely diversified climate and range of natural environment which provided the setting and the inspiration for much of his work.

His spectacular "health house" constructed in 1929, brought him immediate international recognition. With its revolutionary steel frame construction and use of prefabricated elements, this "floating house" on its steep hillside established his reputation as an innovative architect and was the first of the numerous private residences in which he developed and refined his philosophy of "nature near" design.

Like its successors, this glass and steel house reflects his overriding concern with the creation of environments encompassing human needs in balance with natural surroundings.

During the 1930's Neutra became firmly established as a designer of residences, most of them in California. Not all were luxurious dwellings for wealthy clients. Many of the houses were completed on minimal budgets; yet in each he devoted great care to understanding the lifestyles and individual needs of the families for whom he built.

Also during this decade Neutra began to design apartments and multiple housing projects. Among the most significant of these was Channel Heights, a Federal public housing project completed in 1942. This was the first project in which his son Dion, just completing high school, engaged in a meaningful way, acting as a field draftsman supporting the construction process.

Notable among the Neutra works of the 1940's was the "desert house" in Palm Springs. Here the architects created a remarkable oasis that protects its inhab-

is fully open to its natural setting.

Throughout their half century of practice, the Neutras designed a wide range of building types, from the homes and schools by which they first became known, to office buildings, churches, clinics, libraries, college facilities, and museums.

Many of their major works were designed for public clients: The U.S. Embassy in Karachi, Pakistan: The Lincoln Memorial in Gettysburg, Pa.: The Los Angeles County Hall of Records, and Orange County Courthouse are outstanding examples.

As a consultant to the government of Puerto Rico, Neutra designed extensive systems of schools and health facilities for the entire island. This commission led to further work in the field of design for tropical climates, suited to the economic constraints faced by developing countries.

Perhaps the most prolific writer among contemporary architects, Neutra was the author of numerous articles and several influential books on his philosophy of design. These include: "How America Builds," 1927; "New Buildings in the World," 1930; 'Architecture of Social Concern," 1948; "Mystery and Realities of the Site," 1951; "Survival Through Design," 1945; "Life and Human Habitat," 1957; "Realismo Biologico," 1958; "World and Dwelling," 1962, and an autobiography, "Life and Shape,"

His wife Dione, who worked closely with him throughout his career, is presently preparing a biography based on their correspondence.

Neutra pioneered in attempting to find more secure-and even scientificbasis for design decisions.

Neutra's concern with Earth's limited resources and the danger of Man's ever increasing technology without due regard for natural limits has accompanied his writing and thinking almost from the beginning. He was a true pioneer in the "ecology movement."

Neutra's own view of the role and task of the modern architect illustrates the abiding concern for human beings that gives his architecture its continuing impact. He wrote:

The architect is by his professional tradition a coordinator, a "charmer of special-ists." By intuition he has felt himself on occasion into other human beings. In future he will cultivate this skill and be helped in it by the increasing amount of current research

The future architect may emerge from being the assemblyman of well-advertised material novelties, from being a mechanistic constructivist. He must enthusiastically become an "applied physiologist," a "biological realist," full of sympathy for man, whom he endeavors to recognize in his indivisible individuality, in his wonderful organic responses and life processes, all fused with one another.

It gives me great pleasure to ask the Members to share in honoring this man who has contributed so greatly to our country's culture.

itants from the harsh desert climate yet HON. JOHN M. MURPHY OF NEW YORK ON THE MARINE FLEET MERCHANT THE

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. ZEFERETTI. Mr. Speaker, the American merchant marine fleet and the American maritime industry have reached a crossroads in our Nation's history. What the House Merchant Marine Committee and the Congress do in the 95th Congress could very well determine the future of the U.S.-flag merchant marine and our shipbuilding industrial base.

The chairman of the Merchant Marine and Fisheries Committee, John M. MURPHY of New York, has given a series of speeches outlining a program for the House Merchant Marine Committee which many of us hope will mark a turning point in the downward spiral of the U.S.-flag fleet. In a speech on February 18, 1977, before the AFL-CIO maritime trades meeting in Miami, Fla.. Mr. Murphy outlined in great detail a part of his program to guarantee that the United States has a strong merchant marine fleet before the last half of the 20th century. I commend this speech to my colleagues and urge that they study it so that they can understand the issues involved when appropriate legislation is reported from the full Merchant Marine Committee to the House floor which will help achieve America's historic place on the high seas:

REMARKS OF THE HONORABLE JOHN M. MURPHY

Thank you, Paul, for that very kind introduction.

It is an honor for me to be with you today. I appreciate the opportunity to give you my thoughts on some subjects that vitally affect the future of us all.

I am speaking to you today not only as an old friend, but as the Chairman of the House Merchant Marine and Fisheries Committee. Because of my intense interest in the American merchant marine I worked hard to become chairman, and was gratified to have received the overwhelming support of my colleagues in the House of Representatives. And you can be sure that I will work just as hard at the job of being chairman as I did to get it.

There have been attempts in the pastand one very recent attempt—to eliminate the Merchant Marine Committee from the Congress, I vigorously fought these attempts and along with a few colleagues we have thus far been successful in staying alive.

I intend to see that that is the last time the future of this committee—and the maritime industry—is put in jeopardy. And make no mistake about it up until today these have been very real possibilities. The com-mittee survived the Bolling reform movement and the recent moves within the Democratic study group. Now the industry must overcome the Ford administration away present—an attempt to sabotage the operating differential subsidy program. With your support I was successful in stopping the efforts of those who sought the end of the Merchant Marine Committee in Congress and I am convinced that with no "Ford in our future" we can be just as effective with the Carter administration concerning the operating-differential subsidy program.

In view of the forces opposing our merchant marine industry I make this pledge

to you this morning.

I did not serve in Congress and on the Merchant Marine and Fisheries Committee for 14 years and become chairman of that committee to preside over its demise or the demise of the maritime industry. I guarantee that both will survive and thrive in the future.

But if I am to accomplish this and get done what must be done in the 95th Congress, I will need the unified support of the entire maritime industry. I am here to request your assistance on several pieces of legislation that are not only vital to the future well-being of the United States, but would also result in increased employment for American workers at a time when unemployment is at an intolerable level—

about 8 percent.

First, I will comment briefly on where we are going with respect to ocean mining. As you know, this subject is the major source of controversy before the United Nations Law of the Sea Conference. At the present time, the United States is the only nation with the technical expertise to engage in deep seabed mining. The underdeveloped nations do not have this expertise, but can and do-out-vote us at the conference. They want to control these operations through an international seabed authority which could very well lead to an international cartel similar to the organization of petroleum exporting countries. Equally disturbing to me has been the position of the Ford administration, which appeared willing to give up anything just to reach an agreement. I do not think that the recent appointment of Elliot Richardson as chairman of the American delegation indicates a continuation of such a policy by President Carter.

If it does however, I will do everything in my power to reverse the "give-away" hand that the American Government has followed in the past. At the present time there is too much uncertainty about the LOS negotiations for American companies to start deepsea mining operations, and it is no secret that I strongly favor unilateral legislation to permit United States companies to com-

mence such operations.

Are you aware that in 1973, the United States imported 82 percent of its nickel, 77 percent of its cobalt, 82 percent of its manganese, and 5 percent of its copper? If the United States were to move ahead and mine the seabed, we could become totally independent in the production of copper, nickel, and cobalt by the early 1990's, and would be importing only about a quarter of our manganese requirements.

I introduced legislation in the last Congress that would give American companies the investment climate they need to finance such operations. The bill was approved by the subcommittee, but due to pressure from the Ford administration, never got out of

the full committee.

But now it is time for the Congress to act.
While we were waiting for some action by
the Ford administration, and while the ocean
mining industry geared down because of the
uncertainty of the future, foreign competitors have been rushing to catch up with the
United States.

Congress can no longer sit back and watch this erosion of our technical lead.

We can no longer sit back and watch the State Department bargain away U.S. interWe can no longer sit idly by and watch as a secure source of minerals evaporates before our eyes. We must enact legislation that will enable the U.S. ocean mining industry to commence these vital operations with American workers,

Therefore, on February 10, 1977 I introduced a bill, H.R. 3350, that would establish an interim program to create a stable investment climate for the American ocean mining industry. The bill contains a number of technical provisions to achieve this result until—if ever—a law of the sea treaty becomes binding upon the United States. Of particular interest, however, is the fact that all vessels engaged in the transportation of these minerals to the United States would have to be U.S.-flag vessels, manned by American citizens, and my bill stipulates that all processing of recovered minerals would be performed in the United States thereby guaranteeing us from being "held up" by any international cartel—any international gang if you will—in the area of these vital minerals.

I have no doubt that this will be one of the more controversial issues to come before the Merchant Marine Committee and the 95th Congress, and I will need your strong sup-

port

Now—to move on to another important piece of controversial legislation—my amendments to the Outer Continental Shelf Act. At the suggestion of your Washington representatives, I have modified the amendment so that it will now generally require that any vessel, rig, or platform, used in the exploration, development, or production of oil and gas on the shelf must be manned by U.S. citizens. As you know, at the present time there is no such restriction, and as the American offshore business begins to accelerate, we face the possibility of being over-run with foreign operated rigs.

You may be assured that the so-called Murphy amendment will be offered again in the 95th Congress, as I continue to be of the firm belief that if we are to retrieve our own petrochemical resources in the OCS, then we should assure that the exploration occurs in such a way as to bring the maximum in benefits to our economy and to

American workers.

On this one, I could use a little more help than I received the last time such an amendment was brought up on the floor. I am hopeful that with the modification we have made, this time the amendment will be adopted.

I will now comment on the current status of the U.S.-flag merchant marine.

It is obvious that the American maritime industry is at a cross-roads. What we do in the 95th Congress—together—may very well determine the future role of the U.S.-flag merchant marine and our shipbuilding industrial base.

The maritime industry has just about been studied to death.

We all know that the fundamental problem is the lack of cargo for U.S.-flag merchant vessels.

It is time for action and I intend to get such action.

Since the enactment over 40 years ago of the Merchant Marine Act of 1936, the United States has traditionally looked to the commercial marketplace to provide the U.S.-flag merchant marine required by the military during periods of national emergency—critical times such as World War II, the Korean war, and the Vietnam war. And, of course, it looks to the commercial marketplace during peacetime to protect our legitimate economic interests as the world's greatest trading Nation.

The act of 1936 recognized that U.S.-flag merchant vessels cannot effectively compete in the commercial marketplace with lower cost foreign-flag vessels without some form of assistance. Therefore, to insure that we will have U.S.-flag vessels, the Government provides the following aids:

Construction and operating subsidies that are meant to place our merchant vessels on a rough sort of cost parity with foreign-flag

competitors:

The capital construction fund that is designed to offset, in part, the virtual tax-free

world of international shipping;

And, finally, the title XI guarantee program that is designed to assist U.S.-flag merchant vessel operators to obtain needed capital to replace and/or expand their fleets at reasonable rates of interest.

These half-way measures are no big "give-away" as our critics would have the Ameri-

can people believe.

Construction subsidy can be no more than half the vessel construction cost. Recently, it has been much lower than half; reaching a low of about 16 percent for the construction of certain LNG vessels. And operating subsidy generally covers only about 20 percent of the U.S.-flag operating costs. During the first 5 years after the Merchant Marine Act of 1970, the average annual outlay construction subsidy was about \$180 million, and the average annual outlay for operating subsidy was about \$246 million. The tax deferral provisions of the capital construction fund do not represent a cost to the Government, but can be construed as resulting in a tax loss to the Nation of about \$40 million a year. The title XI guarantee program operates at no cost to the Government, and currently has a profit of about \$88 million.

Offsetting these costs are the economic benefits which naturally result from the construction and operation of U.S.-flag merchant vessels. I refer, of course, to balance of payments benefits, increased employment, increased taxes, and the ocean transportation service that facilitates our international trade. For what they provide, the net cost of these Government programs is miniscule—a mere pittance in the overall picture. Given this limited assistance, the U.S.-

Given this limited assistance, the U.S.-flag merchant vessel operator is expected to find his own profit so as to maintain and expand his fleet that contributes so much to the well-being of the United States—both in peacetime and during times of national emergency. And it is the construction and repair of U.S.-flag merchant vessels that supports our shipbuilding industrial base so that it will be available in times of national emergency.

It's a good deal for the U.S. Government.

And it's a good deal for the American people.

The U.S.-flag operator is required to commit most of the capital required for the vessel, and then earn a profit if he can. Subsidy insures neither cargo nor profit; yet cargo is basic to staying in business, much less earning a profit.

Profit is not a dirty word.

And Government subsidy does not guarantee profit

Profit is a function of cargo. Without profit, the United States cannot maintain a merchant marine. And without the new construction generated by such profit, the United States cannot maintain an adequate shipbuilding industrial base.

For a number of reasons, the existing subsidy system and the commercial market-place have not been successful in providing for the merchant marine we require—and

the time has come to admit it.

In times of normal trading, such as now exist, the U.S.-flag merchant marine has been almost completely shut out of certain markets by means of various devices, exposed to

predatory rate practices by certain foreign-flag carriers such as the Soviets, and increasingly frustrated as the world of international free trade evolves into a world where some form of cargo reservation is rapidly becoming the rule rather than the exception. Unable to secure the cargo necessary for the profit required to replace and expand our fleet, the capability of the U.S.-flag merchant marine remains at a dangerously low level. As a result, the number of U.S.-flag merchant vessels available to the Department of Defense in a major conventional war would not be adequate, and we would be forced to rely on foreign-flag merchant vessels.

These problems directly impact on U.S. shipyards

I repeat that without cargo, there can be

no profit. Without profit, new vessels will not be constructed.

And without new construction, our shipbuilding industrial base is seriously en-

All of the capacity of the 13 large commercial shipyards now engaged in the construction of ships for the Navy and for commercial operators, with or without subsidy, would be needed to meet minimum critical requirements for a long-term war. If subsidized construction were eliminated from these yards, about five or six would be eliminated from the business of ship construction. The failure of the building program provided by the Merchant Marine Act of 1970 has resulted in five of these shipyards re-

quiring new contracts now.

Traditionally, the United States has been committed to the so-called "free trade" con-cept, according to which vessels of all nations are eligible to compete for cargoes moving in the foreign commerce of the United States. The most glaring defect in our national maritime policy since the enactment of the Merchant Marine Act of 1936 has been the failure of the United States to give recognition to the growing practice of many other nations to guarantee their flag vessels some part of their international trade. These cargo reservation measures by foreign nations generally reflect the growing worldwide philosophy that the ocean transportation of a nation's cargo is a privilege and not a right. Although these measures have rendered the "free trade" concept of international shipping increasingly less meaningful, the United States has generally adhered to this out-moded policy to the detriment of the U.S.flag merchant marine.

Therefore, even before I move the authorization bills for the Maritime Administration and the U.S. Coast Guard out of the way, I intend to commence action on legislation that would institute certain cargo reservation measures for U.S.-flag vessels to insure that we will have the merchant marine, the shipbuilding industrial base, and the skilled American personnel for both, required both in times of peace and during periods of na-

tional emergency.

The first thing I intend to do is hold hearings on legislation that would initially require 20 percent of oil imported into the United States to be carried in U.S.-flag tankers; increasing to 30 percent after 2 years. This is essentially the so-called "Energy Transportation Security Act" that was pocket-vetoed by former President Ford in what was basically a politically motivated and orchestrated move in late 1974.

As the need and desirability for this type of legislation has already been demonstrated. there is no reason why we cannot proceed to move it to President Carters desk at once. As we all know, many countries already have such oil cargo reservation measures. Swift action is required, as the Arab oil-producing

countries are actively expanding their merchant fleets, and there is every likelihood that cargo reservation measures will be instituted for these vessels.

It is bad enough being dependent upon these countries for oil.

To be dependent upon them for oil and ocean transportation would be a disaster!

Perhaps the single most important reason for the failure of the United States to maintain a fleet of U.S.-flag tankers and dry bulk vessels after World War II is the concept of "effective U.S. control" against which charges have been made characterizing it as a legal fiction. And during these hearings I intend to find out once and for all the truth about the availability of these vessels.

The doctrine of effective control is based upon contracts and agreements between the U.S. Government and the American owners of "flags of convenience" vessels. In view of the established principle of international law that allows only the country of registry to seize a vessel on the high seas, some argue the United States does not have sufficient legal authority to gain control over EUSC

vessels in an emergency.

With respect to the international law aspects of the EUSC theory, the argument that nations promoting "flags of convenience" would never exercise their right to control vessels of their registry was finally laid to rest on November 2, 1973, when President William Tolbert of Liberia issued an executive order prohibiting any vessels flying the Liberian flag from participating in the riage of arms to the Middle East, regardless of ownership.

Aside from the purely legal questions of international law, there are other practical factors that cast serious doubt on the availability of EUSC vessels in a crisis:

The physical size of many EUSC "flags of convenience" vessels is too large for all existing U.S. Atlantic and Gulf ports;

About 80 percent of the EUSC "flags of convenience" tanker fleet is employed in tanker fleet is employed in shipping vitally needed petroleum to Western Europe and Japan. Thus, in an emergency, it appears unlikely that the United States could exercise its option to withdraw very many of these tankers from this service without creating serious economic and political consequences. Further, any with-drawal of tankers from Europe could have an adverse impact on the petroleum supplies which support military and civilian needs of the European countries of the NATO Alliance; and, finally,

Although the owners of EUSC "Flags of convenience" vessels have pledged that in an emergency their vessels will revert to the U.S. flag, this concept has never been tested. Whether these ships are "effectively U.S. is a function of where they are controlled" registered, the nationality of the crew, nature and type of emergency, and their location at the time of the emergency.

In short, it has been charged the doctrine of "effective U.S. control" is pure sham. I promise you today that I will determine early on in my chairmanship if this is the

While the hearings on the oil bill are going on, I intend to pry cut of the Maritime Ad-ministration and the Department of Defense some accurate figures on the amount of dry bulk commodities moving in our foreign commerce. During the past few years, there has been a growing awareness that the United States has in many respects become a nation deficient in raw materials. of these commodities are essential to fueling the U.S. economy, particularly in times of war or other types of national emergency. In all, there are over 70 stra-tegic raw materials that must be imported

by ship. At the present time, there are only 16 active U.S.-flag dry bulk vessels, and this fleet accounts for only 1.6 percent of our trade in dry bulk commodities.

Foreign-flag merchant vessels carry over 98 percent of these strategic materials. In my judgment this is a national dis-

gracel

When the Merchant Marine Act of 1936 was originally enacted, the preponderence of our foreign trade was breakbulk cargo transportable by liner vessels. As a result, operating-differential subsidy was limited to liner vessels. Later, the nature of our foreign trade changed so that by 1970, the great preponderence of our exports and imports, in tonnage, was in bulk commodities. The Merchant Marine Act of 1970 gave belated recognition to this change in the composition of our foreign trade. The 1970 act was supposed to have provided us with dry bulk

But it has been an almost total failure in this regard.

Cargo is the name of the game, and if cargo reservation measures are required for dry bulk commodities-so be it. But as the exact configuration of the problem is not known at this time, I intend to give the Maritime Administration and the Department of Defense only a brief period of time to come up with some numbers before introducing any legislation.

That leaves U.S.-flag liner vessels to be dealt with. It is clear that the percentage of our foreign commerce transported by U.S.flag liner vessels is substantially more than that moved in U.S.-flag tankers and dry bulk vessels. However, as I mentioned, U.S.flag liner vessels are currently not adequate to meet the requirements of the military during emergencies. Some of the cargo problems adversely impacting on the orderly growth of the U.S.-flag liner fleet are again—the predatory rate practices of the Soviet Union, the growing trend of cargo reservation measures throughout the world, and the inability of the Federal Maritime Commission to effectively regulate foreignflag liner vessels operating in the foreign commerce of the United States.

Subsidy alone cannot provide cargo for U.S.-flag liner vessels if the controller of the cargo finds it desirable to institute irregular commercial practices favoring his own flag vessels. Therefore, our maritime policy should acknowledge that the traditional free enterprise approach to cargo solicita-tion used by U.S. shipping lines is ineffec-tive when confronted by foreign discriminatory practices, and encourage cargo sharing arrangements with our trading partners when necessary to ensure U.S.-flag participation in those trades. Serious consideration, therefore, should be given to a maritime policy which promotes so-called bilateralism. And I can assure you that I will be looking into this element of the overall prob-

In these remarks, I have attempted to touch on three of the major areas where the Merchant Marine and Fisheries Committee will be concentrating its efforts durour collective efforts in these areas will

not only strengthen the United States as a world power, but also result in thousands of

badly needed jobs for American workers; Jobs in shipyards which are generally located in areas of chronic unemployment;

Jobs aboard ship; and,

Countless jobs in various supporting industries that rely on the construction and operation of U.S.-flag vessels. The social and economic benefits that will naturally result from the legislative measures that I have mentioned are enormous.

The United States is a great nation be-

cause our citizens came from sterner stockpeople who had the powerful motivation to leave their lands of origin to settle in a new continent.

We are also great because we have vast

natural resources to work with.

But these resources would have been of little value without the second and third generation citizen workers to hammer out the country we have today.

You men and women here realize the significance of the action I plan to take during

the 95th Congress.

With your help, there is no way this industry and this Nation can lose.

IN TRIBUTE TO FRANCES P. BOLTON

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. SARASIN. Mr. Speaker, Frances P. Bolton, a former Member of this body and a truly great American, passed away recently, to the great sadness of her many friends and admirers. Daughter of a distinguished American family, first woman to represent Ohio in the Congress, a pioneer in legislation advancing the causes of women and children, of health, educational and social legislation, and an expert in foreign affairs, Mrs. Bolton left a legacy few could equal.

A champion of world peace, member of the U.S. delegation to the United Nations and a leader of her party, this estimable lady was in the forefront of almost every important cause for well over two decades. I regret that I did not have the personal privilege to know Mrs. Bolton, but I would like to offer for inclusion in the CONGRESSIONAL RECORD a tribute by another distinguished American who served with her in this Chamber.

The Honorable John Davis Lodge, who represented a portion of Connecticut in this Chamber during Mrs. Bolton's incumbency and who went on to serve as Governor of Connecticut and as a U.S. Ambassador, formed a lasting friendship with this great lady.

He penned this heartfelt tribute which I offer for your consideration:

HON. FRANCES PAYNE BINGHAM BOLTON

(A Tribute By A Former Colleague, Hon. Davis Lodge)

The disappearance from our earthly scene of Frances Bolton shortly before her 92nd birthday truly leaves "a lonely place against the sky". Exemplary wife, mother, and grandmother, she devoted some thirty years of her life to notable public service.

A woman of great wealth, she could have avoided the bloody arena of American politics with its harsh ordeals and its gruelling struggles and spent her time enjoying her family, her fortune, and her friends.

Instead, she served in the Congress for many years, and with great distinction. She performed constructive and lasting service as a member of the Foreign Affairs Com-mittee. She was ahead of her time in her understanding of the importance of Africa and the significant implications of the profound changes occurring there. She had an abiding sense of responsibility for the great **EXTENSIONS OF REMARKS**

American community. She was generous and kind to many people, Democrats as well as members of her own party. She was a woman of high intelligence and noble purpose. She lived her life on an elevated plane of thought and action. She was a considerable and helpful colleague. She was a devoted friend.

Some two years ago, she invited my wife and me to lunch on the beautiful terrace of her handsome house in Palm Beach, We looked out over a huge well-kept lawn and beyond to the eternal sea. She was not well but she had lost none of her verve-none of her interest in life-none of her faculties. She still radiated goodness and high erected thoughts. After lunch, she escorted us to the edge of her property and waved good-bye though she had a premonition that it might be the last time.

I now wave good-bye to Frances Bolton, an outstanding public servant of her time, a distinguished lady, a dear friend, a great American. We shall not look upon her likes

DECOMMISSIONING OF NUCLEAR FACILITIES

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

BROWN of California. Speaker, I have introduced a bill today which requires a study by ERDA on the environmental, health, safety, and economic consequences of the decommissioning, disposal, and decontamination of all elements involved in the utilization of nuclear energy. An understanding of the problems and costs of decommissioning and disposal of nuclear facilities and waste products is of the utmost importance. Already we are provided with examples of the difficulties which arise from not properly taking into account the final disposition of these facilities. The Nuclear Fuel Services reprocessing plant in West Valley, N.Y., is a prime example, where radioactive waste have been left to the State of New York and the bill for disposal and decommissioning has been estimated at \$500 million. Also, I am sure all of you are aware of problems with radioactive wastes at several sites involved in the military weapons program. My bill would require a study by ERDA of these issues for all facilities, both civilian and military, including reactors, mill tailings, radioactive wastes, reprocessing plants, et cetera. Also, ERDA would be required to study other organizational, financial, and institutional means for handling these problems, including the possibility of an independent waste handling corporation financed by current fees or preposted bonding procedures. The degree to which ERDA is helping to meet State enacted requirements on decommissioning, disposal, and decontamination must also be included in the report. The purpose of my bill is to insure that all environmental and economic costs of decommissioning, disposal, and decontamination are included in the societal decisions regarding the utilizaton of nuclear energy. CIVIL ENERGY FROM LASER FU-SION: A GROWING REALITY

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. PURSELL. Mr. Speaker, today I am inserting my sixth installment regarding laser fusion. You will note that on April 4, Mr. RINALDO shared with us, his and 18 of our colleagues' response to President Carter's cut of \$80 million in the fiscal 1978 budget for fusion power research. Today, I would like to share the letter that I and 10 other Members sent to Mr. GIAIMO; chairman of the Budget Committee, and Mr. Latta, ranking minority member of the Budget Committee, urging them to support an increase in fusion energy funding over the amount recommended by President Carter. The text of my March 30 letter follows:

Washington, D.C., March 30, 1977.

Hon. ROBERT J. GIAIMO,

Chairman, House Budget Committee, Washington, D.C.

Hon. DELBERT L. LATTA, Ranking Minority Member, House Budget Committee, Washington, D.C.

DEAR COLLEAGUES: The Budget Committee will play a major role in determining the future of fusion energy development. urge that you support an increase in fusion energy funding over the amount the President has recommended.

President Carter has proposed a cut of approximately 25% in the fusion funding recommended by President Ford. Ironically, the prospects for fusion energy have never been more promising. Both laser and magnetic fusion have made important steps forward in recent months.

Perhaps the President is so intent upon short term solutions that he has failed to recognize that without development of longer term alternatives, tomorrow's crisis will be even greater.

What is needed today is a strong Federal commitment to develop fusion power. Fusion has the potential for providing abundant, environmentally clean energy—both electric power generation and synthetic fuels—from an inexhaustible source, seawater.

We hope you will give your strongest support to an increase in fusion funding over what the President has proposed. The nation can ill afford to slow down the development of these highly promising technologies by denying adequate research support.

Sincerely, Carl D. Pursell, Thomas N. Kindness, Matthew J. Rinaldo, David F. Emery, Paul N. McCloskey, Robert E. Badham, Edward J. Derwinski, Claude Pepper, Frank Thompson, Jr., Dan Daniel, Bob Traxler, Edward W. Pattison.

Also, I would like to share with you. Mr. James R. Schlesinger's, Assistant to the President on Energy Matters, letter of March 3, asking our citizens to share their ideas regarding the U.S. efforts to attain energy independence. Following Mr. Schlesinger's letter is one response from Dr. Henry J. Gomberg, president of KMS. Fusion, Inc., in which he comments on the importance of laser fusion in our quest for energy independence:

THE WHITE HOUSE, Washington, D.C., March 3, 1977.

DEAR FELLOW CITIZEN: President Carter plans to submit to the Congress a proposed comprehensive National Energy Plan that will seek to assure that the United States will become energy sufficient in the years ahead and avoid the problems so recently witnessed this year.

Many of the country's outstanding experts are working daily to solve the energy problems that now confront the Nation, but often some of the best solutions have come from the people themselves. For this reason, as well as to ensure that the American people have a more direct line into their government, your comments on the energy situation are welcomed and needed.

Inside is a reprint of a Public Notice that appeared in the March 2, 1977, edition of The Federal Register requesting recommendations. Since you may not have seen the Notice, please take the time now to read and send us your thoughts on it. It is your opportunity to comment on one of the most critical problems this Nation faces and to relay your recommendations to your government.

The President needs your response before March 21 in order for it to receive due consideration. Due to the short time involved, a number of mailing lists had to be used so you may receive more than one copy of this Notice. We apologize for any inconvenience this may cause you.

We look forward to receiving your comments.

Sincerely,

JAMES R. SCHLESINGER, Assistant to the President.

KMS Fusion, Inc., Ann Arbor, Mich., March 21, 1977. Hon. James R. Schlesinger, Assistant to the President,

Washington, D.C.

Dear Dr. Schlesinger: You have asked for my comments and recommendations as to goals and actions for inclusion in a comprehensive national energy program. Your invitation is a welcome opportunity. It indicates to me that the Federal Government is now prepared to reexamine existing programs and goals in light of the worsening

energy supply picture.

My comments and recommendations relate to the national program for research and development of Laser fusion. Laser fusion has the potential for making a major contribution to our energy supply system by 1990. The unique characteristics of the laser fusion process make it possible through nucleo-chemical cycles to produce hydrogen from water, establishing a base for the synthetic fuels industry. Experimentation at KMS Fusion, Inc. under sponsorship of the Texas Gas Transmission Corporation indicates that laser fusion can be the first nuclear process to make a direct contribution to our gaseous and liquid fuel requirements.

The basic laser fusion research program has made significant progress over the last few years. Its direction and control, however, have been in the ERDA nuclear weapons complex. Program goals reflect the priorities and requirements of the weapons program, with emphasis upon the immediate and near term benefits in weapons testing and development. Civilian applications have secondary priority.

I do not question the merit of the na-

I do not question the merit of the national laser fusion program as it applies to nuclear weapons development. It is an important part of our national security effort, and the program structure currently being administered by the Assistant Administrator for National Security appears ideally suited for this objective.

Civil energy is also an important goal vital to national security. Laser fusion should have the opportunity to contribute to this goal as promptly and fully as possible. Aggressive pursuit of civilian energy goals with appropriate funding and effective cooperation among government, university and industry laboratories can lead to the introduction of laser fusion energy into our supply system in the mid 1980's.

A constructive immediate move would be establishment of administrative control and support for the civil aspect of laser fusion energy within a cognizant organization concerned with civil development of nuclear energy and its applications.

We have proposed in the past and are prepared to present again a program for reduction of laser fusion energy to civilian practice in the shortest time and, we believe, most effective manner.

Sincerely,

HENRY J. GOMBERG.

EDDIE EDGAR

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. PURSELL. Mr. Speaker, this past weekend the city of Livonia, Mich., honored one of the truly fine gentlemen of my home area, and a man who has had a great influence in my life: W. W. "Eddie" Edgar. On April 2, 1977, Eddie was appropriately honored and given a lasting tribute through the official naming of the former Ford athletic center and ice arena as the "Eddie Edgar Sports Arena."

This is a very fitting accolade for one of the founders of Livonia, a city which has been one of the most dynamically growing areas of our country since Eddie helped bring it to life a quarter century ago; and to a man universally respected and loved in the sports world and in his community.

I would like my colleagues to know of my personal esteem for Eddie Edgar. And I would like to take this opportunity to congratulate Eddie on this latest honor, and congratulate the Livonia city officials responsible for this fine tribute.

The following are articles by Leonard Poger in the Observer and Eccentric newspapers—where Eddie is continuing his outstanding journalistic career—of November 15, 1976, and Sam Hudson in the April 1975 edition of the Detroiter magazine, outlining some of the many accomplishments and highlights in the exemplary life of Wilson William "Eddie" Edgar:

[From the Observer and Eccentric Newspapers, Nov. 15, 1976]

EDDIE'S 79TH BIRTHDAY MARKED BY NEW HONORS

(By Leonard Poger)

W. W. "Eddie" Edgar received an unusual and unexpected birthday gift this week.

The Livonia pioneer who helped build St. Mary Hospital and incorporate the city will have the Ford athletic center and ice rink at Ford Field named after him to honor his long-time contributions to the city and sports in Michigan.

The city council is expected to discuss tonight the suggestion of Councilman Bob Bishop to rename the center as the "Eddie Edgar Sports Arena."

The council will formally take action on the proposal the following week.

Edgar, who will be 79 years old Friday, Nov. 19, has been a newspaperman for 56 years, the last 10 as an Observer reporter, editor and columnist and winner of numerous awards for his popular "The Stroller" column.

He also worked for the Detroit Free Press sports department for more than 20 years and was the newspaper's sports editor in the 1930s and '40s.

Edgar has been active in the Plymouth community for many years serving in the Plymouth Rotary Club and providing the leadership for a "sister city" exchange with Plymouth, England, which marked the Michigan Plymouth's 100th anniversary as a city.

a city.

Bishop said he first thought of the honor last summer when talking with Edgar about the early days of Livonia's city government, which was organized in 1950 after charter approval.

The two also discussed Edgar's background in sports, which goes back to the 1920s when he was a Free Press sports writer and later sports editor.

"Here's a Livonian who is active and contributing and participating in the community," Bishop said.

Bishop admitted that he hadn't informed Edgar of his suggestion to rename the Ford athletic center in his honor.

athletic center in his honor.
"But I'd tell Eddie to his face that 'we love you and want to express our sincere appreciation for what you've done.'

"What better way to honor him than to be surrounded by the cheers of youngsters," the councilman said.

Edgar, a Livonia resident for 38 years, has had three careers, two involving sports during his 79 years.

He started out as a sports writer and during his career with the Free Press, conducted Detroit's first Golden Gloves boxing tournament. During that same period, he was one of the first to discover Joe Louis who went on to become heavyweight champion of the world, a title he held for 11 years.

He became interested in bowling in 1938 and initiated numerous major tournaments which were ultimately copied throughout the country. He also started a junior bowling program in the Detroit area and organized a youth association which now has 36,000 members.

Edgar started after-school bowling leagues for youngsters and with his leadership. Livonia has the largest school league in the country.

He left the Free Press and headed the state's bowling proprietors' association and used the sport to benefit numerous activities. Edgar, in 1954, was named national bowling chairman for the March of Dimes campaign and set up a countrywide tournament which raised an estimated \$2 million in eight years.

raised an estimated \$2 million in eight years. Edgar also organized the Detroit Bowling Hall of Fame, the first of its kind in the country.

He was eventually inducted into the hall of fame in 1962 and given a testimonial dinner attended by bowling officials from all over the nation.

He was also inducted into the University of Michigan Media Hall of Fame in 1971 for his support of that school's athletic program.

His career in sports was also recognized when he was inducted into the Michigan Amateur Hall of Fame in 1974 in honor of his 50 years of service to amateur sports in the state.

When leader of a drive to incorporate Livonia Township as a city, Edgar was at the front to urge voters to approve a city charter and organize the community's first government. He served on the charter commission and was on the first city council.

was an organizer of the community's chamber of commerce in 1948 and helped the chamber lobby for an independ-

ent post office.

Recognizing the need for a hospital in the city, he contacted the Felician Sisters, convinced them of the need, and served as chairman of their hospital advisory committee and helped in fund-raising campaigns.

Not content with the hospital, Edgar also talked the sisters into doing something more for Livonia—like creating Madonna College

and later Ladywood High School.

Edgar has had the title of "Mr. Livonia" for many years and the city council will give him an additional honor for his work in the community through the renaming of the Ford athletic center.

[From the Detroiter, April 1975] EDDIE KEEPS GOING (By Sam Hudson)

A flair for putting thoughts on paper got Wilson William Edgar into the University of Michigan Media Hall of Fame. An article he wrote with several other newsmen would have earned him a share of the Pulitzer Prize if he hadn't opened his mouth at the wrong time. A Free Press magazine article about him entitled "Livonia's Legendary Newsman" got him into the Congressional Record, via Congresswoman Martha Griffiths, who called "one of the best writers in the business

Yet, Eddie Edgar got barely past the eighth grade, and insists that he has never read a

book in his life.

There are other surprises in the long career of Eddie Edgar, one of the best known news-

men in the state of Michigan.

At age 77, for example, he earns his living in a field where youth predominates. Probably the oldest working newsman in the state, holder of card No. 1 in the Michigan chapter of the Baseball Writer's Association, Edgar is on the job every day as a columnist newswriter and occasional fill-in editor. He works for a chain of suburban newspapers. the Observer-Eccentric Group, in Livonia.

Edgar is now on what he calls his "third career." He began this one in 1966, at 69, an age when most men are content to hang up their track shoes. His first career, as a feature writer and sports editor for the Detroit Free Press, spanned the golden age of sports, from the 1920s to the late '40s. His second began in 1948 when he became executive secretary of the Bowling Proprietors of Greater Detroit. He was the area's Judge Landis of bowling until he "retired" in 1966.

Edgar was also one of the first sports announcers in Detroit. In 1924, he was drafted by the station manager of Free Press radio station WCX (now WJR) to read the sports news. For the past 20 years, he has been heard every Friday night on Bob Reynold's evening broadcast on WJR. Edgar gives bowling news.

'I believe Bob Reynolds and I make up the oldest radio team, in point of service, in the state," says Edgar. He began the association when Reynolds asked him to tape a March of Dimes bowling tournament in 1955.

At 77, Edgar is still collecting writing awards. A few years ago, the Observer Group won seven prizes in the Michigan Press Association's competition for weekly newspapers. Three of them were garnered by Edgar. His column, "The Stroller," won first place in the weekly newspaper column class. One of his feature stories also took a first. And he received second place for a combination picture and feature story about the theater fire in Plymouth. In the 100-year history of the Michigan Press Association, Edgar

is the first newsman ever to win three prizes in the same year.

When his father died, Edgar, age 13, left school in Catasauqua, Pennsylvania to become a machinist's apprentice. The newspaper business called him, however, and he soon got a job on an Allentown newspaper. He was assigned to write sports but as a cub reporter he made the front page in 1919 with an impromptu interview with William Jennings Bryan. Edgar met Bryan on a railroad station platfrom. The silver-tongued Senator said he never gave interviews because he was too often misquoted. Edgar persisted and Bryan, taking pity on the neophyte wrote a three-page statement for him.

Edgar got his second break a few weeks later. Sent to interview Boise Penrose, the Mr. G.O.P. of his time, Edgar was in Penrose's hotel room when the political boss placed the phone call that eventually made Warren

Harding President.

Edgar came to Detroit through a chance meeting with Edgar Guest, who was then writing poetry for the Free Press. Impressed with Edgar's sports writing, Guest spoke of him to Harry Bullion, Free Press sports editor. Bullion wired Edgar.

"How soon can you report for duty and how much money do you want to start?

Edgar settled for what seemed to him to be a big salary—\$2,500 a year—and got the job on two weeks' trial. Years later, when Edgar was leaving the Free Press, John S. Knight asked him why he was quitting. Edgar quipped, "I've been waiting 28 years for someone to tell me my two weeks are up."

Edgar's first day on the job in Detroit was a dilly. Assigned by Bullion to write a rou-tine sports story, he turned his copy in. The editor drew a blue pencil through it and handed it back to him without comment. He rewrote the story twice more, each time having it blue-penciled and returned to him without any explanation. In Allentown, the editor had explained what was wrong when he rejected a story. Bullion was like a sphinx.

Finally, Edgar said, "I don't know any other way to write the story, Mr. Bullion. What's wrong with it?"

"We don't allow colloquialisms at the Free Press," Bullion responded.
"Unfortunately," recalls Edgar, "I didn't know what a colloquialism was. I saw one of the older writers by the water jug. He seemed to have a sympathetic face so I told him my problem."

"Go back and take out all of the slang words, kid. He'll take it then."

Edgar had no trouble getting the story

past Bullion the next time.

When it was time to eat, some of the men in the department asked Edgar if he would like to join them at a Chinese restaurant. Edgar had never eaten Chinese food. On someone's advice he ordered chow mein. When it was placed before him, he says he couldn't stand to look at it, much less eat the concoction. He was spared the ordeal when one of the newsmen got into an argument with the proprietor, who ejected the entire crew.

When the shift was over, the newsmen suggested that Edgar go with them to a blind pig on Grand River. That, they told him, was where he would meet many of the sports figures he would be dealing with in the future. Edgar never drank, but he accepted the invitation.

Once at the watering hole, someone suggested a game of Indian dice for drinks. Edgar didn't know how to refuse but he was worried about the expense. The few dollars in his pocket were not sufficient to buy a round of drinks if he lost.

For several games he was lucky. He was eliminated early in the game. Finally, however, a game resolved into a contest between Edgar and his boss, Harry Bullion. Everyone else had been eliminated.

Both won a horse. On the first roll of the tie-breaking horse, Bullion threw five fives and was jubilant. Edgar began to sweat. If he lost on this one roll he didn't have enough money to buy a round. Finally, he shook the dice box, turned it upside down, and asked Bullion to pick up the box, exposing the dice. Bullion did, uncovering six sixes!

The editor, widely known for his sudden bursts of temper, immediately threw the box directly at Edgar, cutting his lip. It required stitches. Bullion burst into tears and was all apologies for his impulsive action.

After a first day like that, Edgar wasn't sure he had made the right decision when he left Allentown for the big city. But he stayed with the Free Press over a quarter of a century, meeting and interviewing most of the great sports figures of the '20s and the '30s. He has almost total recall of his experiences with Babe Ruth, Lou Gehrig, Joe DiMaggio, Ty Cobb, Mickey Cochrane, Gus Dorais, Jack Dempsey, Gene Tunney, Joe Louis, Gar Wood, Wilbur Shaw and many others.

His first brush with a champion occurred at the age of ten. The meeting came about because of Edgar's skill with a pool cue. His father had installed a pool table in his small restaurant and Edgar became a whiz at the game. When Ralph Greenleaf, age 15, visited Catasauqua, someone matched the local boy against the future billiard champion. Edgar almost beat him.

Twenty-four years later, in Detroit, Edgar met Greenleaf in the Recreation Building. Greenleaf asked Edgar to practice with him for his upcoming defense of the billiard title. He also asked him to help perform a stunt Fox Movietone News had cooked up. Greenleaf had agreed to play billiard's in a Ford Tri-motor plane, the old "tin goose," while it circled over the city of Detroit.

"I can't get anyone to go up in the plane and play billiards with me. Will you do it?" Edgar agreed. The plane was equipped with a miniature pool table and kleig lights. The

aim was to demonstrate the plane's stability. "We boarded the plane at Ford Field, where the Dearborn Inn is now," said Edgar. "For an hour and a half we circled over Detroit. playing pool. Ralph was scheduled to defend his championship the same night. He should have been in his hotel room, relaxing not performing up in the sky for the movies. But that night he beat Frank Taberski in the title match, setting a new world's record of 126 points."

Edgar no longer takes on all comers in

"I stopped playing when I got my first pair of bi-focals.'

In the early '30s, Edgar watched tight-fisted Ty Cobb play "a big overgrown kid" named Babe Ruth in a golf exhibition at Grosse Isle. Both were good golfers. After a 14-hole tie the match was called because the crowd was getting too large to handle.

"When it came time for them to pay their caddies," Edgar recalls, "I saw Ruth peel off a \$20 bill and give it to his boy. Then I heard Cobb say to his caddie:

What is the caddle fee for 18 holes?'

'\$1.50,' the kid answered.

'Well, we only played 14 holes,' said Cobb. 'Here's \$1.25.' '

Edgar says Cobb was the greatest baseball player he ever saw, and the closest man with dollar he ever met.

In 1932, Edgar set up the Golden Gloves program in this area for the Free Press. In that year a big black youth walked into his office to ask for an application to enter the events. That was Eddie Edgar's introduction to Joe Louis, whom he virtually managed as an amateur, before John Roxborough became Louis' professional manager. Edgar was at ringside at Chicago in 1937 when Louis won the heavyweight championship.

Among Edgar's possessions is a book pub-

lished in 1936 entitled Joe Louis, Man and Superfighter. Written by Edward Van Every, it is dedicated to "John Roxborough and Julian Black, and W. W. Edgar and Michael S. Jacobs who had a part in the making of Joe Louis and of his book."

Edgar hasn't missed an opening day Tiger

game in the past 50 years.

"A few years ago I was sitting at Tiger Stadium with the wife," Edgar recalls, "and I said to her, 'I can close my eyes and see as plain as day Mickey Cochrane sliding into home plate on Goose Goslin's blooper second to win the 1935 World Series.' Then, when I opened my eyes, it dawned on me that not a soul on either team playing today-except Al Kaline-was born then.

During his tenure with the Bowling Proprietors of Greater Detroit, Edgar "helped to bring bowling out of the saloons and on to the main corner." He also helped to establish the Bowling Hall of Fame. Among the hall's plaque is one, dated 1962, which reads:

"Wilson W. Edgar, writer, promoter and executive.: Originated the Detroit Hall of Fame. Brought national acclaim to Detroit with plan for employment of minors during the dark days of the war, promoted many events that became part of the national bowling picture, built up nationally recognized junior programs, is Michigan's first bowling coordinator. Also secretary of the Proprietor's Association and was on Mayor's committee to design Cobo Hall."

On November 20, 1974, one day after he celebrated his 77th birthday, Edgar was honored by being inducted into his third Hall of Fame. This time it was the Michigan Amateur Hall of Fame. Edgar was especially pleased on this occasion when a couple of bus loads of his neighbors showed up at the banquet to demonstrate their support and

affection for him. Edgar's boss, Phil Power, co-publisher of the Observer-Eccentric newspapers says of Edgar: "He's got countless contacts; he's a magnificent writer. But more than that, he has as fine a sense for a story as anyone I

ever knew."

Edgar lost a share of the Pulitzer Prize in 1931. Drafted from the sports room by managing editor Malcolm Bingay, he was part of a team of reporters which covered the American Legion Convention in Detroit that year. Edgar wrote two columns of the composite story. When he heard that the article was to bear a community by-line of six names, Edgar opposed the idea. "Take my name off it," he told the editor "We'll be the laughing stock of the business to have so many names on a story.'

The article won the Pulitzer. Edgar got no part of the glory or the prize money. "I had no one to blame but myself," he says, with

no apparent regret.

KEROP ARAKELIAN-"MAN OF THE YEAR"

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. DANIELSON. Mr. Speaker, the Armenian American Citizens' League at their State convention on April 16, will honor Kerop Arakelian as "Man of the Year."

Kerop Arakelian's life story is one which would inspire most Americans. Twenty-five years ago a young, virtually penniless Armenian immigrant in Mexico City borrowed the equivalent of \$4 in pesos to pay a month's rent on a garage. There, working alone, he built

high chairs, took them to the gates of the city's Chapultepec Park and hawked them on a street corner. Several years ago he and his wife, Nellie, became permanent residents of the United States and now reside in Beverly Hills, Calif.

Recently he presided at the opening of the finest toy store in Mexico City. He has run his borrowed \$4 into Mexico's

largest toy operation.

Kerop Arakelian has dedicated his life to the betterment of the Armenian-American youth by establishing educational and sports programs throughout the United States. He is presently serving as the president of the Western United States Executive Committee of the Armenian General Athletic Union, Homenetmen, an international youthsports organization. He is an outstanding supporter, both with energy and money, of the Boy Scouts of America.

Kerop Arakelian has earned the respect of the entire Armenian-American community. I am sure that the evening honoring him as "Man of the Year" will be a great source of pride to him and his

STIMULATING MINORITY BUSI-AMERICAN NESSES IN THE **ECONOMY**

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. RANGEL. Mr. Speaker, minority groups in the United States currently constitute 17 percent of the population. Over the years they have contributed richly to the social, cultural, and political life of our society.

But there also exists a gap in the role minorities have played in business: only 4 percent of the Nation's business firms are minority controlled, and these account for only 1 percent of the gross business receipts nationally. Recently, in testimony before the House Ways and Means Committee, of which I am a member, Malcolm L. Corrin, president and chief executive officer of the Interracial Council for Business Opportunity—ICBO—called for the Government's participation in stimulation and economic growth of minority business.

The ICBO was started in 1963 as a full-service business development agency, giving financing, management, and marketing assistance to minority firms for expansion and growth. Mr. Corrin's testimony outlined several steps designed to relieve the structural unemployment now affecting minority businesses. I would like to share with my colleagues pertinent quotes from Mr. Corrin's testimony that I feel my colleagues will find of exceptional interest. They follow:

ICBO HEAD CALLS FOR MORE FED LEGISLATION TO AID MINORITY BUSINESS

"I would urge the enactment of tax incentives or other measures designed to encourage the majority business sector to be yet more active in stimulating minority business growth," Mr. Corrin testified.

"Such activity by the private sector in-

cludes investment in existing minority firms, investment or technical help to enable minority men and women to acquire corporatespin-offs or other existing business, buying from minority vendors, and loaning manage-ment technical personnel to assist minority

Mr. Corrin stated that the "majority" business community already has a good record in assisting minority business development, but said he believed "tax incentives would result in much much more help."

On urging the Congress to favorably consider increasing available funds through the Department of Commerce, Small Business Association and other agencies to spur the growth in size and number of minorityowned firms, Mr. Corrin pointed out the present appropriation for minority business assistance is only 48 million.

He compared this with \$5 billion "which I understand to be CETA's (Comprehensive Employment and Training Act) funding for 1977.

Mr. Corrin stated that the work of minority development, "to be done at a level that meets the need, deserves more governmental funding for capital, guarantees, bonding, and other assistance programs.

'The Office of Minority Business Enterprise, within the Department of Commerce, should be funded at a level of \$500 million to \$1 billion a year," he said. "SBA levels and amounts for direct loans, loan guarantees, and bonding help should be increased several fold.'

Finally, Mr. Corrin urged that when the Committee considers job legislation and appropriations, that special provisions be made under CETA or other auspices to subsidize hire-and-train programs specifically in mi-

nority-owned business firms.
"Not only would the trainee success rate probably be higher than in such programs overall," he stated. "In addition, the subsidy itself, and added manpower, are badly need ed in minority-owned firms, which are small in American corporate terms."

Mr. Corrin stated that since ICBO's main task is to improve the economic status of minorities his organization favors modification of the personal income tax structure" such as to help restore consumer and business confidence and spending, especially among those in low and middle income groups."

He said also that ICBO favors modification of the corporate tax rate, "or other incentives to stimulate business investment, restore economic momentum, and reduce cyclical unemployment."

ICBO gives financing, management, and . marketing help to start and expand minority services. It has aided over 14,000 such businesses and has developed over \$100 million in financing for its clients. It has a national office in New York City and locals in New York City; Newark, N.J.; St. Louis, Mo.; Los Angeles, Calif.; New Orleans, La.; Atlanta, Ga.; and Dallas, Texas. An outreach office is located in Waco, Texas and an affiliate, the Chicago Economic Development Corporation, in Chicago, Ill.

COMPETITION REVIEW ACT OF 1977

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. UDALL. Mr. Speaker, I am sure my colleagues are familiar with my distress at the trend toward economic concentration in this country. Industry after industry, market after market is dominated by a narrowing circle of powerful firms. The free enterprise system that businessmen and politicians extol has largely disappeared from vast sectors of our economy.

Today I am reintroducing a measure I proposed in the last Congress-H.R. the Competition Review Act. It is a rather modest proposal, in comparison with some, but it recognizes that there may be unique circumstances in different areas of business enterprise, calling for unique policies and programs to achieve a maximum of competition.

Under this proposal, a special Competition Review Commission would undertake a 3-year study of those bell-wether industries that set the pace for our economy and our society. The Commission would investigate the present state of competition in those industries, and the impact of Federal policies. In line with our basic commitment to free and competitive enterprise, the Commission would report back to us with recommendations for changes in Federal law and policy wherever we could help bring the discipline of competition to bear. The remedies might be relatively mild: A change in Federal contracting or procurement policies to favor independent entrepreneurs; revision of the tax code to remove biases toward merger and conglomeration. In other industries, more stringent action may be called for, such as removing antitrust exemption. stiffening antitrust enforcement policies, temporarily subsidizing new entrants, or even legislating the breakup of monopolistic combines. And of course, there will be fields where no Federal action is required.

This bill goes beyond my previous version in one particular. I have added 'newspaper publishing and communications" to the list of industries to be examined. I do this knowing that it may provoke cries of intimidation from journalistic circles, and I want to emphasize that the Commission would in no way be empowered to tread on first

amendment rights.

My concern is with the institutional importance of the locally owned newspaper in our American communities—and the rapid disappearance of such local ownership in the past few years. In a recent issue of the Columbia Journalism Review, the highly respected editor and critic Ben Bagdikian commented on these changes at some length. He documented the astonishing speed with which chain operators are snapping up independent newspapers, and now are in turn being swallowed by larger chains.

I find this trend alarming, not because these chains necessarily wield overwhelming national economic leverage, or because I smell some sinister plot by a handful of editors to manipulate our channels of communication. danger is the removal of an important element in the chemistry of our local public life—the hometown publisher, the fellow who has a personal as well as financial stake in the community, who is not just the manager of a local branch store. I do not pretend that they are saints or crusaders-like any other profession, publishing has its share of mediocrities and even a few scoundrels to balance out the best ones. But they all share a commitment to the future of their communities that is lacking in the accountants and tax lawyers in a corporate headquarters 1,000 miles away.

Congress has recognized the importance of independent journalistic voices in the past. In the late 1960's I fought for the Newspaper Preservation Act, which legalized joint printing ventures for separately owned, competing local papers. There were two such papers in my hometown of Tucson, owned by flercely independent publishers who were not afraid to argue with city the business establishment-or each other. Less than a decade later. one of those papers has been sold to the Pulitzer interests from St. Louis, and the other was just recently bought up by the Gannett chain out of Rochester, N.Y. As Mr. Bagdikian's article makes clear, this is not an isolated case. Indeed it simply reflects the national trend.

I urge my colleagues to read this article, and to give thought to this road we are traveling toward chain store food. chain store gas, chain store pharmacies, and now chain store newspapers.

Excerpts from the article follow: NEWSPAPER MERGERS-THE FINAL PHASE

(By Ben H. Bagdikian)

In 1887 a twenty-three-year-old Canadian factory owner named George Gough Booth married the daughter of a Detroit newspaper publisher, a union whose descendants in 1976 played leading parts in the last act of the decline and fall of the independent daily newspaper in the United States.

He and his brother, Ralph, were lively entrepreneurs and they bought eight other

dailies in Michigan.

By 1976 the heirs of George and Ralph Booth were doing very well. The eight papers, owned by Booth Newspapers, Inc., were monopolies in sizable cities outside Detroit. covering almost 40 percent of the entire Michigan newspaper audience. Through interlocking shares and directors, pretty much the same people controlled The Evening News Association, owner of, among other things, *The Detroit News*, which covers 22 percent of the Michigan audience. Both corporations make lots of money.

But two things were fated to end the family dynasty. First, fecundity; second, the Booth Newspapers' old-fashioned ways of business: the concern ran a tight operation, made profits, and saved some of

it money for a rainy day.

An excess of heirs has always created problems for family owned newspapers and it did for Booth. By 1976, there were 125 descendants and in-laws of George and Ralph taking

money out of the corporation.

Thirty-seven of the descendants held 1,320,000 shares of Booth Newspapers, Inc., or 18 percent of the company. Their dividends came to about \$1 million a year, or an average of \$27,000 each. But the thirty-seven were unhappy. Modern newspaper companies, they had heard, are not supposed merely to pay handsome dividends. They are supposed to be financially "aggressive," which means squeezing profits from existing papers in order to buy other payers in other places. It means borrowing on assets for tax purposes and to help speed acquisitions. It means trading in "funny money" instead of cash, swapping unissued stock certificates fromthe company safe for smaller corporations. By such means are formed the diversified conglomerates favored by Wall Street in-

vestors, who then buy up the stock and provide even more money to buy even more papers. As the largest single organized block of stockholders in Booth, the unhappy thirtyseven accused their management of violating these rules of the game.

And, indeed, the Booth managers had sinned. They had saved \$50 million in the bank and they had amassed \$130 million in assets on which they had failed to borrow a dime. In the modern corporate game this is like leaving an unshackled ten-speed bicycle in the doorway of a reform school. The unhappy thirty-seven warned that they could liquidate the newspapers, piece by piece, and make a profit of \$23 million, or an average of \$621,000 each. Confronted with this threat, management

made one move toward modernity. It entered the funny-money business. In 1973 it agreed to give John Hay Whitney's Whitcom Investment Company 18 percent of Booth stock and three seats on the Booth board in a swap for Whitney's Parade magazine, supple-

ment for 113 Sunday newspapers.

There are varying theories on why Jock Whitney sold *Parade*, just as there still are on why he bought and disposed of the old New York Herald Tribune. Whatever the motives, bad blood developed between the old directors and the new directors

The scene now shifts to Samuel I. Newhouse, the country's most aggressive buyer of newspapers and a man extraordinarily sensitive to newspapers' family squabbles. He is the leading volunteer family counselor to troubled journalistic households. He has consistent advice for estranged family members: sell. He always has generous amounts of money for relieving siblings of burden-

Whitcom shareholders went secretly to Counselor Newhouse, sobbing that Big Daddy Booth was a stick-in-the-mud who wouldn't let Whitcom come out and play adult games like all the other kids. Newhouse gave them comfort, advice, and \$31 million for their shares. His urge to console unabated, he bought up another block of Booth stock from a foundation and in February 1976 emerged with holdings of 25.5 percent. He issued a statement, possibly from a file kept ready for such occasions, declaring that he had no intention of taking over Booth Newspapers, Inc.

Booth management, in a state of alarm, made a defensive move. They paid U.S. Senator Howard Metzenbaum and a partner \$5 million for ComCorp, Inc., an outfit that owns ten weekly newspapers in the Cleveland area. They knew that among Samuel I. Newhouse's properties (twenty-two newspapers, five magazines, six TV stations, four radio stations, and twenty cable systems) was The Plain Dealer, Cleveland's morning newspaper and now a competitor with Booth's newly acquired weeklies. The Booth management expected that the new Booth properties in Cleveland would create an antitrust barrier against Newhouse control of Booth.

The Antitrust Division of the U.S. Department of Justice occasionally comes out of its slumber to murmur in protest when direct, profitable competitors enter into a notoriously public relationship. But in this instance the Department of Justice continued its beauty sleep and Newhouse continued to tighten his embrace.

With the help of profits from his other newspapers and a loan of \$130 million from the Chemical Bank of New York, he had ready money. He came up with \$47 a share and took over Booth in the single biggest newspaper deal in history, estimated at \$305 million, or \$592.88 a reader, according to an

estimate in *The Nation*.

This is not a morality story of virginal Booth against an evil old Sam Newhouse. Booth, while better than many other chains,

was not outstanding in its journalism. One of its papers, The Jackson Citizen Patriot, was founded by Wilbur F. Storey, the man who said, "It is the duty of a newspaper to print the news and raise hell." But after newspapers joined the Booth chain they usually raised no hell. The papers had a reputation for efficient business management and intelligent use of modern technology, but when it came to news they generally made few local waves. Booth, although more conservative in its business methods and acquisitions, had been in the same chain game as Newhouse: the chief difference between Newhouse and most other chain builders is that he is faster and less pretentious.

The approaching end of the independent daily is not the result of a conspiracy among media barons. It is a largely impersonal process, operating in harmony with the rest of the American economy. In that sense, newspaper companies are no different from concerns that deal in oil, automobiles, pharmaceuticals, or underarm deodorants.

Today 71 percent of daily newspaper circulation in the United States is controlled by 168 multiple ownerships. Concentration of control over daily news is accelerating. In 1930, chains controlled 43 percent of circulation; in 1960, 46 percent. In terms of control of individual newspapers, the share held by chains has grown even more sharply: 16 percent in 1930, 30 percent in 1960, 60 percent today. The approaching disappearance of even small independent newspapers is not only economically but politically important, because almost all dailies are local monopo-lies, exerting substantial influence in their congressional or state legislative districts. Most of the dailies still independent can be found among those with less than 10,000 circulation, a size that has a cash flow too small to attract major chain operators.

And the trend goes on. The employee-held Kansas City Star and Times has announced that it has accepted an offer of more than \$100 million from Capital Cities Communications, a conglomerate based in broadcasting. The Oakland Tribune, once a major influence in California Republican politics, recently announced that it was up for sale, too.

The top chains in number of papers owned as of December 31, 1976, according to data collected by Paul Jess of the University of Kansas, are:

Gannett	73
Thomson	57
Knight-Ridder	34
Walls	32
Newhouse	30
Freedom	25
Harte-Hanks	24
Scripps League	20
Worrell	19
Cox	18
Stauffer	18

In terms of daily circulation, the leading chains are:

Knight-Ridder	3, 725, 000
Newhouse	3, 530, 000
Chicago Trib	2, 995, 000
Gannett	
Scripps-Howard	1, 750, 000
Times Mirror	
Dow Jones	1,700,000
Hearst	1,550,000
Cox	1, 200, 000
N Y Times Co	1. 005, 000

Three related developments have intensified concentration of control over news in America:

Among chains, the big are getting bigger. Thomson newspapers started 1976 with fiftyone U.S. dailies and ended the year with fifty seven; Newhouse began with twenty-two and ended with thirty; Gannett, the biggest collector of papers, began the year with fifty and ended it with seventy-three. In 1960, the twenty-five biggest chains controlled 38 percent of all circulation; in 1976 the top twenty-five had 52 percent.

Now that practically all the financially attractive individual newspapers have been bought by groups, the process of concentration is taking the form of chains buying other chains. In 1976 four big chains bought six smaller chains, the two most notable cases being Newshouse's purchase of Booth and Gannett's of Speidel's thirteen dailies.

While fewer owners control more newspapers, almost all newspapers are now monopolies in their own communities. Of the 1,500 cities with daily papers, 97.5 percent have no local daily newspaper competition. In 1920, there were 700 United States cities with competing papers; today there are fewer than fifty. The reader has no choice even of absentee owners.

A particularly disturbing form of concentration in the news business is the conglomerate-the collection under one corporate roof of many different kinds of companies. In such a setting, news can become a mere by-product and there is maximum potential

for conflict-of-interest pressures.

The New York Times Company, one such communications conglomerate, suffered its moment of truth in 1976. The Times Company has twenty-seven subsidiaries, including Tennis magazine, Goif Digest, Family Circle, ten Florida newspapers, three North Carolina dailies, one radio station, one television station, and three publishing houses. Among the properties the company bought from another conglomerate, Cowles Communications, Inc., was a group of seven specialized journals in the health field, headed by Modern Medicine. In 1976 The New York Times-a daily paper published by the conglomerate-ran a series of articles on medical incompetence. In retaliation, medicine-re lated industries threatened to withdraw advertising, not from the Times, for which they provided only insignificant revenue, but from Modern Medicine, in which the medicine industries were major advertisers. The threatened withdrawal of 260 pages of advertising placed the Times Company in a position to lose half a million dollars. Not long after, the Times Company decided to sell the magazines to Harcourt Brace Jovanovich, the book-publishing conglomerate, which bargained for them on the ground that they would create constant conflicts for the Times the Times company. One wonders whether Harcourt Brace Jovanovich will now think twice before publishing an otherwise acceptable manuscript if it contains material displeasing to the advertisers who are now a source of the concern's revenues. One wonders, moreover, if other newspaper conglomerates would have been as willing as the Times Company to get rid of such property; it would strike many as simpler not to assign reporters to stories that might offend someone doing business with a subsidiary.

(Incidentally, the comparatively low recent profits from The New York Times have led some observers to conclude that companies acquire subsidiaries to prop sagging news papers. In practically all conglomerates, their newspapers are highly profitable.)

In broadcasting, also, concentration of control over the news function by networks means control by conglomerates, whose nonjournalistic subsidiaries represent potential conflicts with independent news.

The RCA Corporation, for example, owns NBC. The parent corporation does more than \$5 billion of business a year, of which NBC represents less than 20 percent. RCA owns Random House, the book publisher, together with its subsidiaries which include Ballentine Books, Alfred A. Knopf, Pantheon, Vintage, and Modern Library. It owns the Hertz Corporation. It is a major defense industry, producing military radar, electronic-warfare equipment, laser systems, instruments that guide aerial bombs to targets, hardware that

does intelligence processing, guidance for surface-to-air missiles, and it has wholly owned subsidiaries around the world. It controls telecommunications among 200 nation states through its RCA Global Communica-Inc. RCA is also a subcontractor on the Alaska pipeline project, and it has produced guidance systems for Apollo and Skylab spacecraft. One wonders what might have been lost to RCA in its multimillion-dollar Apollo and Skylab space contracts if its wholly-owned broadcasting arm, NBC, had produced a convincing documentary against spending all that money on space explora-

Throughout the Vietnam War, CBS, too, was involved in defense contracting. In 1975 it sold its high-technology government-contract business to Espco, a Massachusetts concern with a German branch. Now the company owns X-acto tools, Steinway pianos, Creative Playthings, the publishing house Holt, Rinehart and Winston, Field & Stream magazine, Road & Track, World Tennis, Cycle World, and Popular Library paperbacks. It has businesses in thirty foreign countries, while subsidiaries make and sell recordings in twenty countries. It recently bought Fawcett Publications, adding to its stable the magazines Woman's Day and Mechanix Illustrated, a mass-market paperback opera-

tion, and a printing company.

American Broadcasting Company, Inc., is an entertainment and amusement-park conglomerate, as well as a major purveyor of national news. It owns 277 theaters in eleven states. It is a major manufacturer and producer of recordings under a number of popular labels, and owns a water-bottling company, and Word, Inc., of Waco, Tex., a major producer of religious records, tapes, music sheets, and books that is doing especially well during the recent vogue of evangelism. In a recent year, Les Brown reported in The New York Times, the ABC network's newsdocumentary budget was cut to make up for unsatisfactory profits in the unrelated amusement and recording subsidiaries of the parent corporation.

Even conglomerates that have no obvious corporate connection to American news or-ganizations still may have an impact. An American oil company, Atlantic Richfield, recently acquired a 90-percent interest in the influential London Observer. The Observer's news service is distributed by the New York Times News Service to fifteen American newspapers. Mobil only buys ads. Arco

bought the paper.

As large American corporations become increasingly multinational in scope, foreigners are showing that they can return the favor by penetrating United States markets. The company of the Canadian-born Lord Thomson of Fleet, who died in 1976, owns fiftyseven newspapers in the United States (many of them weeklies), thirty magazines in South Africa, and is a partner in oil exploration with Occidental and Getty oil companies and Allied Chemical.

A spectacular entry from abroad is Rupert Murdoch of Australia, who recently bought the New York Post for more than \$30 million. According to news stories, he then tried to hire some writers from The Village Voice and the writers declined, saying they would not work for a sex-and-sensation peddler. later, Murdoch bought The Voice in a deal with New York magazine that gave him both those publications plus New West. Murdoch now owns eighty-eight newspapers in Australia, England, and the United

Nothing on the horizon indicates that the trend toward concentration of power in the news business and the mixing of news with other enterprises will diminish. All the present signs are that consolidation will increase.

The existence of monopoly in local markets and the stable, high profits monopoly papers enjoy have made American newspapers prime

targets for big investors. Foreign investors seem to be more candid than their American corporate cousins. Rupert Murdoch has said, "You pay three times the revenue because it's a monopoly and a license to steal money forever." Lord Thomson once said, "I buy newspapers to make money to buy more newspapers to make more money. As for editorial content, that's the stuff you separate the ads with."

Chains traditionally have enjoyed savings simply by virtue of their owning several papers in several places: they provided consistent, centralized management; they could bargain more effectively for the paper, equipment, and news services; they had better access to credit; and they could sell ad space more easily. But these advantages were limited because the American newspaper is a local enterprise and newspaper chains could not consolidate their several small production centers into one big, efficient central factory, as could the makers of automobiles and steel.

The electronic automation of newspapers has now given chains new economies of scale, an incentive to become larger. Crucial to automation is the computer, and with the decreasing cost of communications through satellites and microwave towers, papers can now have central computers serving several papers. Booth became a target for takeover partly because it had so completely automated that in four years it doubled its productivity per employee. As centralized functions develop, profits will become even larger and the sound of huge fish swallowing big fish that have already gulped several little fish will become ever louder.

Adding to the rush to concentration is the trend for newspaper companies to be traded on the stock market. As recently as 1962 no paper was publicly traded. Today thirteen companies offer their stock to the public and these companies control a fifth of all daily circulation. As newspaper operations get bigger, they will be publicly traded to avoid taxes and inheritance duties.

From 1970 to 1976, fifty-two daily papers were bought with thirteen million pieces of paper printed by the winning chains. For example, the Times Mirror Company bought the Dallas Times Herald for 1.8 million shares of Times Mirror stock; Dow Jones bought the Ottaway chain of newspapers for a million shares of Dow Jones; Gannett bought the Federated chain of papers for 1.5 million shares of Gannett; Knight merged with Ridder for 5 million shares of Knight; and Gannett bought the Speidel chain for 4.3 million shares of Gannett. If cash had been used in these and other newspaper deals, half a billion dollars would have changed hands.

Size and money-making by themselves are not contrary to good journalism. Some of the best papers are the big ones. And unless they are profitable they will not remain in business or, if they do, they will not remain free. But the present concentration of power over the news reduces the diversity of voices in the marketplace of information and ideas. As companies get bigger they are able to in-crease their influence over the rules of the marketplace and make government policy sympathetic to themselves and harder for smaller competitors. A daily newspaper publisher always has disproportionate access to politicians. But if, like Gannett, the publisher controls papers in twenty-eight states, that access is obviously greater. In the United States Senate, for example, voting on a bill in which Gannett, as a corporation, has a lively interest, will naturally have special meaning for the fifty-six senators who come from states with Gannett papers.

Growing size means more conglomerates. It is too late to apply antitrust laws literally. Too many consolidations have already taken place, and the giants in the business are too influential in policy to make likely corrective action by any forseeable govern-

ment. The Internal Revenue Code lets newspapers set aside profits at special tax advantages in order to buy other papers, calling it a "necessary cost of doing business." Even it that strange code should be abandoned, the most attractive papers are already in chains.

There is, in my opinion, one small thing that can be done here-namely, to make disclosure of ownership public in a meaningful way. The United States Postal Service grants special mailing privileges to news-papers on the ground that they are educational. In the past, secret owners ran what should have been paid propaganda as news. To prevent this, the postal service requires each publication using the second-class mailing privilege to publish the names of all owners of 1 percent or more interest. Postal regulations should be amended to require what the Securities and Exchange Commission does of traded companies—the listing of the exact holdings of each major investor and officer, and the listing of all other significant holdings in other enterprises by the owners. The postal service should make this listing public in the local post office. The Minneapolis Star, privately owned, voluntarily produced a complete disclosure of who owned the evening Star and the morning Tribune and all relevant financial informa tion, as well as for other media operations in the city. The papers survived the experiment and continue to run annual financial state-

Growing conglomerates also mean potential corporate conflict of interest in the news. And this calls for a more profound change. It is time for professional staffs of American newspapers and broadcasting stations to choose their own top editor, to have a delegate on the company board of directors, and to have access to the committee that allocates the annual news budget. This is done on a number of quality European papers, including Le Monde.

Broadcast and newspaper news is too important an ingredient in the collective American brain to be constantly exposed to journalistically irrelevant corporate policy. There are still crude operators who issue high-level orders to cheat on selection of news. But, as Warren Breed and other social scientists have shown, management usually socializes news staffs by the more subtle methods of selection through hiring, granting or withholding promotions and pay increases, decisions on what goes into the paper and what stays out, playing up some stories and playing down others.

Staff autonomy in the newsroom has not been the ordinary way of running business, even the news business. But there is no reason to expect that a person skilled at building a corporate empire is a good judge of what the generality of citizens in a community need and want to know. Today, news is increasingly a monopoly medium in its locality. its entrepreneurs are increasingly absent ones who know little about and have no commitment to the social and political knowledge of a community's citizens. More and more, the news in America is a by-product of some other business, controlled by a small group of distant corporate chieftains. If the integrity of news and the full information of communities are to be protected, more can be expected from autonomous news staffs than from empire builders mainly concerned with other businesses in other places.

Frank Munsey was a turn-of-the-century Maine Yankee who learned how to buy, sell, and liquidate newspapers. In 1903 he said: "In my judgment, it will not be many years—five or ten perhaps—before the publishing business in this country will be done by a few concerns—three or four at most."

Munsey was wrong. It is taking longer. But he did his best to hasten the day and when he died, another kind of publisher, the Kansan William Allen White, wrote in his Emporia Gazette:

"Frank Munsey, the great publisher is dead. Frank Munsey contributed to the journalism of his day the great talent of a meat packer, the morals of a money changer, and the manners of an undertaker. He and his kind have almost succeeded in transforming a once noble profession into an eight per cent security. May he rest in trust."

Munsey was a piker. It is now a 15-percent

security.

AUTOMOBILE AIR POLLUTION CONTROL

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. FORD of Michigan. Mr. Speaker, many of us in Congress are keenly aware of the limited time left for final legislative action on the issue of the automobile emission control standards for the upcoming 1978 model year.

coming 1978 model year.

I am pleased to insert today a discussion of this timing problem and the need for swift enactment of an environmentally and economically balanced schedule of such auto emission standards as contained in a March 30, 1977, speech by my colleague, Congressman John D. DINGELL of Michigan.

THE CLEAN AIR ACT AND AUTOMOBILES: BAL-ANCING ENVIRONMENTAL, ENERGY CONSER-VATION, AND CONSUMER PROTECTION OBJEC-TIVES

(By Hon, John D. DINGELL)

I am sincerely pleased to have this opportunity to address your Air Pollution Control Association government affairs seminar today. Your scheduling of this conference and the subject matter could not be more timely when one views the current Capitol Hill attention to clean air issues. Whoever picked this date is to be complimented—and I wish to thank Richard Grundy for his timely and kind invitation to speak.

You will recall that the House of Representatives acted overwhelmingly last year in voting 224 to 169, to adopt our amendment which at that time was referred to as the Dingell-Broyhill (Train) amendment. It was so named because the auto emission standards in the amendment had been recommended to the Congress a full year earlier by the head of the U.S. Environmental Protection Agency, Administrator Russell Train.

My good friend, Russ Train, who of course

My good friend, Russ Train, who of course has now left EPA with the beginning of the new Carter administration, perhaps did not realize how accurate and on the mark he and his staff was back in 1975 when he passed auto recommendations on to the House and Senate subcommittees holding hearings on amendments to the Clean Air Act.

That was a full two years ago. The auto emission issue remains unresolved although several of us in the House and Senate are striving to settle the score this year. It has to be done and done soon regarding automotive mobile source clean air standards and other related automotive issues affected by the law.

Maybe I really don't need to mention it to this seminar today, but for the record the auto manufacturing cycle is about to be interrupted if certain legislative bodies on the hill do not act promptly. The 1978 model year cars begin production in mid-summer but at the same time that is to occur, if Congress sets a new auto emission schedule into law with a signature from the White House, the auto industry has to begin applying for EPA certification of the 1979 model year cars.

And, automakers and their suppliers should be well into engineering planning for 1980

and later year autos.

This truly sounds like a repeat of where we were last year when Jim Broyhill and I and our numerous supporters were working diligently to get the 1976 Clean Air Act amendments bill on the floor of the House—and the Senate was not pushing its version any faster. You will recall the unmanageable delays the amendments of last year underwent before the full House finally had a chance to work its will and adopted our original emission amendment.

Both House and Senate subcommittees with jurisdiction of the clean air legislation took all of 1975 to hold hearings and markup sessions for what became the Clean Air Act Amendments of 1976. It was last year, early in 1976, before either Chamber's full committee—interstate and foreign commerce in the House and Public Works in the Senate—truly got started into the committee amendatory process on the respective bills. Granted, these were both comprehensive and controversial bills dealing with the very lifeblood of a major portion of this nation's environmental concern and with the very lifeblood of major industry and its many related businesses and all the people they employ.

nesses and all the people they employ.

But, delay after delay beset both House and Senate bills—delays that had no pinpointed reason for occurring. The Senate committee reported its bill in early spring and the Commerce Committee voted its bill out March 18, 1976—but the delays really then began. It was not until May 15, the deadline for authorization bills last year, when the Commerce Committee sponsors of the old bill reported the measure and its accompanying committee report to the floor

of the house for action.

Then the long hot summer, and long wait for full House and full Senate action. The clean air Bill of 1976 began to look like a terminal case. As it turned out, it ended up dead. Late in the summer though, August of 1976, after automotive industry timetables had been screwed back, the Senate action occurred and finally, House action got started. But, the House action was on again, off again, and finally, on September 15, the auto emission vote occurred with Dingell-Broyhill (Train) in the success column.

It was to no avail. The majority of the House conferees caved in to Senator Muskie and voted in conference to accept what almost was the original Senate-passed bill auto emission control schedule, a schedule that Jim Broyhill and I were able to pinpoint as much too stringent. It would have been devastating to the industry, the Nation's energy finances and resources, the Nation's consumer pockets, and did little to improve air quality from mobile sources when compared to Dingell-Broyhill. Nevertheless, the Senate took up the conference report and—well—the rest is history. It died.

Now, there are no luxuries nor any softness in the Congressional timetable this year. The Nation—its economy and workers—cannot afford such delays of 1975 and 1976 this time. We must, and I urge each and everyone of you in this room today, to work as effectively as you can to secure final action on the auto emission issue. There are numerous industries both directly and indirectly involved in auto production.

The Dingell-Broyhill/Riegle-Griffin auto emission standards pending in Congress today carry the same weighty, supporting arguments for their enactment as did our emission schedule of last Congress that the House adopted. The emission levels in our bill this year, H.R. 4444 and S. 919, the mobile source emission control amendments of 1977, are just slightly more stringent, but still achievable by automakers, than were our successful Dingell-Broyhill (Train) standards of 1976.

Thus, our new schedule is even more en-

vironmentally sound. It has been carefully and tediously worked out with input by certain technicians of the administration, the engineers from foreign and domestic auto manufacturers, and the United Auto Workers Engineer and Counsel.

I want you to know, and also Members of Congress and the administration, the public and the press to know; that we have literally stripped from every available document we know of all the facts pertinent to automotive issues confronted in the clean air law and

pending legislation.

By thorough research and analysis we have been able to conclude, with several other participating groups who now support our legislation, H.R. 4444 and S. 919, that our bill contains emission levels to provide the best possible mix of environmental controls, energy conservation goals and the assurance of the production of fuel efficient autos, along with keeping consumer purchase and maintenance costs in check so autos will be affordable.

The emission schedule in our legislation is indeed balanced—it is reasonable—it is assuredly believed to be sufficient for public health protection—it will help produce improved fuel economy gains in autos—and the automakers will have the technology to achieve the standards each year so that the so-called bottom line pollution control levels will be reached by 1982.

The urgency which demands final congressional and White House action within just a few weeks is due to the fact that the 1978 statutory standards are unattainable.

Certain congressional sponsors of extremely stringent standards have said, "Well, Volvo

can do it, why can't the others?"

Volvo did not meet the statutory standards and could not have been certified by EPA. Volvo representatives have testified to the fact that their car could not be certified to statutory standards. In the just completed congressional hearings in the House health and environment subcommittee, Volvo's Dan Werben, manager, project engineering and development, testified in response to a question on the Volvo technology—and I quote—

"... It is important to note that the very low emission figures which have recently been quoted for the Volvo Lamda-Sond system are the average results from the four 4,000-mile certification test vehicles with 4-

cylinder in-line engines.

"It should also be noted that during the 50,000 mile durability portion of the EPA test procedures, the durability vehicle equipped with Lamda-Sond exceeded the statutory limits, according to the Federal certification procedure. Thus, we could not have been certified to the statutory emission levels."

Volvo went on to testify—and I quote—
"Volvo has recommended that U.S. exhaust

emission levels be set at 0.9/9.0/2.0 grams per mile for HC, CO and NO_x respectively for model years 1978 through 1982."—End of quote.

No congressional sponsors of auto emission legislation are pushing for statutory standards the next model year nor is anyone that we know of in the administration. It is widely agreed, we believe, that the statutory standards truly are not necessary at any point in the next several years. We believe the schedule in our legislation to be the most acceptable and balanced.

Our bill would continue the current 1977 model year standards of one-point-five hydrocarbons, fifteen-point-0 carbon monoxide, and two-point-0 grams per mile of oxides of nitrogen through model year 1979. The 1978 auto certification by EPA at those levels is for all intents and purposes, completed. Government and auto makers assumed those levels would be in law for the coming model year.

This is based on the fact that the statutory standards were dropped by Congress during last year's deliberations, Additionally

the lead-time engineering and planning for the 1979 model cars has been lost so the 1977 standards likewise must be established for 1979.

In 1980 under Dingell-Broyhill/Riegle-Griffin, we tighten down the standards for two years with a 90 percent reduction required for hydrocarbons, point-four-one; a tighter, 60 percent reduction, carbon monoxide standard of nine-point-0; and we retain the oxides of nitrogen level at two-point 0 grams per mile NOx. That's for 1980 and 1981. It is important that these standards be set at least for two years at a time.

We believe our documentation solidly substantiates these standards for 1980 and 1981.

Allow me to elaborate.

We have established the point-four-one HC standard as early as 1980 in response to concerns about hydrocarbon emissions generally—even though calculations using Environmental Protection Agency methodology show that this will change the health impacts by less than 1 percent.

This minimal change is because California cars in the area where the photochemical oxidant problem is acknowledged to be most serious, are already meeting and will continue to meet the more stringent standard.

Present estimates for manufacturers indicate that the fuel economy penalty of a point-four-one HC standard in 1980 is between 2 percent and 10 percent. I continue to be concerned that this is a high price to pay for these slight gains in air quality. However, of the three pollutants, automotive HC emissions are strongly implicated in smog formation; and if any clean-up should be accelerated, it is agreed that HC control is probably the priority.

The revision to the ultimate CO standard

The revision to the ultimate CO standard is based on recent data that indicates that the original three-point-four grams per mile standard is not needed for health reasons. Technical data shows that three-way catalyst systems may have great difficulty attaining both low NOx levels and the three-point-four grams per mile CO standard. On the health side, there is increasing evidence that a nine gram per mile standard is more than adequate to protect public health.

The State of California has recently decided that a carbon monoxide standard of nine grams per mile is sufficient for its needs.

Before completing my discussion on our new standards, I must comment on the serious concern that is held regarding the three-way catalytic converter. This device, that is not in mass production, shows some sign of being able to achieve somewhat lower emission levels than those currently in effect. The three-way converter, planned to be placed on some new cars, is to be combined with an overall complex system of emission control devices which may not have durability even for the EPA 50,000 mile certification test.

There is no indication though that the motorist would have incentive to have the three-way catalyst repaired. Also, there is the question of the availability of repair services for the device that would be sufficient to maintain the Federal fleet emission standards.

It is also known that the three-way converter will require excessive amounts of rhodium at this stage of its development. Rhodium is a rare and expensive metal, a by-product of platinum whose only known sources in any amounts today are South Africa and the USSR. These are questionable sources. This is a fact that could lead to short supplies of rhodium, especially in consideration of mass produced vehicles, ten million a year.

The final emission level, thus the standards that would become statutory in 1982 model year under Dingel-Broyhill/Riegle-Griffin, is the change in oxides of nitrogen. While the point-four-one HC standard and the nine-point-0 standard for CO continues

through 1982 and beyond, our bill permits EPA the authority to set the NO₂ standard in the range of one to two grams per mile. This appears to be the range that will ultimately represent a balance of fuel economy and air quality goals.

Factors to be considered in determining the ultimate NOx include technical availability and practicability, impact on fuel consumption, and cost of compliance. If these factors determine that the NOx standard should be revised upwards toward two-point-0 grams per mile, the revision will occur if it will not endanger public health.

Also the Administrator may grant a waiver up to two-point-0 grams per mile NO_x for innovative technology that is shown to be extremely fuel efficient and if the waiver upwards to two-point-0 would not endanger public health. I cite the diesel, the CVCC, stratified charge, and lean burn as some examples.

Also, our basis for this NOx standard beginning in 1982, to range from one- to two-point-0 grams per mile, is due to the continued debate over what level of control oxides of nitrogen is needed for health reasons—and because of the concern that a final standard for NOx that may be too stringent could preclude a number of technologies I have just mentioned that show real promise of achieving both air quality and fuel economy improvement.

In my opinion, the original 1976 Dingell/ Broyhill (Train) bill offered a reasonable balance among the objectives of air quality and full economy improvement, minimized cost and stable auto employment. It appears that the new proposal we sponsor is technologically achievable and offers good balance.

I will further cite that another analysis that has contributed to the auto emission debate is the three-way interagency analysis produced at my request last Congress by the EPA-Federal Energy Administration and the Department of Transportation.

That is the April 8, 1976 document that showed, without a doubt, that the original Dingell-Broyhill (Train) standards of last year were far more advantageous when compared to the great fuel penalty and higher consumer costs associated with the House committee or Senate committee standards of 1976.

The analysis, which became widely quoted in our debate, pinpointed that there would be no statistically significant air quality improvements under the House committee or Senate committee stringent standards when compared to Dingell-Broyhill.

Because our revised Dingell-Broyhill/Riegle-Griffin bill this year only slightly tightens up on the standards, but still not to the unnecessary stringent degree of the current Senate committee bill, nor the bill pending in the House Health Subcommittee; we can determine that the fuel saving advantages and consumer cost saving advantages of our new emission schedule remains the better and most balanced choice for the Nation's overall best interest.

And, they are environmentally sound, thus fulfilling the objectives of the Clean Air Act.

In our current effort we have requested of the Carter administration an update of the 1976 analysis to include our revised emission schedule and compare it with other pending emission schedules in the Senate and House, along with last year's defunct conference report standards.

Our fear is that our request for the update is getting crossed-up in the attempt within certain agencies of the administration to produce environmental recommendations to the White House, which, of course, must be accomplished. But, we in Congress are most anxious for that interagency analysis we requested to be fully completed for committee and full House and Senate floor consideration.

In our pending request we have again asked

that the air quality, fuel economy and consumer cost comparisons be made. A premature document did arrive inadvertently on the Hill earlier during a Senate Environmental Subcommittee clean air hearing. The document was incomplete as it did not contain the air quality and health impact data. However, from the fuel economy and consumer cost data, it is determined that again, the original Dingell-Broyhill standards of 1976, were more advantageous in fuel and consumer savings than other, tighter schedules.

Both the current and advanced automobile technology cases in the incomplete document, which had a date of February, 1977 on it, gave our original standards the edge. One of the major advantages for our schedule under that study, and which we believe would be true for the revised Dingell-Broyhill/Riegel-Griffin UAW schedule, is that definite fuel savings would result.

For example, our schedule saves the diesel engine, a known energy saver with potential for an over 20 percent fuel economy improvement in the Federal fleet of cars. That's an engine technology that must not be put out to pasture due to too stringent auto emission standards.

One standard for one of the pollutants has to be discarded and it is a standard that does not appear in our legislation. That is the original statutory point-four NO_x standard, upon which there has been great controversy. Analytical data to date does not prove point-four NO_x is necessary to control emissions from automobiles and it severely penalizes fuel economy. It is contained in the House bill under consideration by the Health and Environment Subcommittee of the Commerce Committee and would establish point-four NO_x as early as 1981. That must be defeated.

The Senate committee has wisely discarded point-four NO_x as a standard for the near future.

Congressman Broyhill and I, when we first worked out the provisions of the new bill, sought to produce a complete bill capable of being enacted on its own, if necessary, dealing directly with only mobile source emission control issues.

Therefore, we have included several provisions dealing with different segments of the automotive industry. These sections of the bill are intended to preserve a competitive situation and thus safeguard the rights of the consumer as well as of the independent businessman.

Specific provisions address the "after market" parts industry as well as the thousands of independent repair and maintenance stations upon which we all depend.

The 1970 Clean Air Act included a provision which has diminished competition in the automobile aftermarket and which threatens to have an even greater anti-competitive effect in the near future.

Our bill would provide that the maintenance instructions must include notice to consumers that they might have their service performed at independent service centers. It would also reduce the warranty to 18,000 miles or 18 months so as to lessen the anticompetitive effect and reduce consumer cost.

Another section of H.R. 4444 and S. 919 concerns language substantially similar to that which the House and Senate enacted last year to provide for high altitude auto emission performance adjustments. This is to assist consumers and auto dealers in high, mountainous regions of the country where certain adjustments are necessary for performance of the car and meeting auto emission standards.

Our legislation is a complete package dealing with mobile source issues. Depending on progress of the House subcommittee timetable and full Commerce Committee action,

and progress of the Senate bill, the other cosponsors and I will be seeking to amend the comprehensive clean air legislation where it deals with mobile source provisions.

It appears now that neither the full House Interstate and Foreign Commerce Committee nor the Senate floor will have the opportunity to act on the comprehensive bills until after the upcoming congressional district work period, April 7 through April 17. Action must move swiftly upon our return to the Capitol.

The point will soon be reached when the determination will have to be made by automakers regarding whether or not they will begin production this summer of 1978 models.

Likewise, in Congress, the determination soon will have to be made as to whether or not there will be a comprehensive bill or a bill, like H.R. 4444 and S. 919, to deal with the urgent issues of automotive emission controls and other mobile source provisions.

There can be no dilatory tactics imposed on clean air legislation this year such as the legislation suffered last year. If there are, the other cosponsors and I, and those supporting our efforts, will be carefully considering an auto only bill and methods to achieve its enactment.

DR. ARIE J. HAAGEN-SMIT

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. ROGERS. Mr. Speaker, a giant has passed: Dr. Arie J. Haagen-Smit, the biochemist whose love of life and the organisms that inhabit the Earth, led him to discover the cause of smog, died in Pasadena, Calif., on Thursday, March 17.

This noble man preferred a life of scholarly research at California Institute of Technology, where he taught for 34 years until his retirement in 1971. But in 1950, his intellectual curiosity and concern for his environment led him to discover the interrelationship of hydrocarbon and oxides of nitrogen and their byproduct—smog.

Additionally, Dr. Haagen-Smit identified the oil and automobile industries as the major source of smog, and challenged them to correct this. He was thus thrust centerstage into the political arena where he was to be a prime mover in the struggle to control airborne pollutants and clean the air we breathe.

In 1968 he became a member of the California Motor Vehicles Pollution Control Board, the precursor to the State Air Resources Board and served as its chairman until 1973. He was also chairman of the committee which sets air quality standards for the Nation, the National Air Quality Criteria Advisory Committee for the Environmental Protection Agency. A member of the Committee on Motor Vehicle Emissions for the National Academy of Sciences, Dr. Haagen-Smit also served on President Nixon's Task Force on Air Pollution in 1970. Combining the skills of the scientist with the concerns of the humanitarian, Dr. Haagen-Smit earned the respect of ally and adversary alike in his quest and received numerous awards from his contemporaries in recognition of his service. We will miss him.

Mr. Speaker, I submit for the RECORD two articles that more fully chronicle this remarkable man's accomplishments. [From the Washington Post, March 20, 1977]

ARIE J. HAAGEN-SMIT, 76, DIES; SMOG SCIENTIST, POLLUTION FOE

PASADENA, CALIF.-Dr. Arie J. Haagen-Smit, who discovered how smog is formed and then tried to force the oil and auto industries to clean up urban air, died Thursday of cancer at his home. He was 76.

His laboratory creation of smog in 1950 at California Institute of Technology marked a breakthrough in the understanding of how sunlight acts on pollutants to form the brown haze that often blankets urban areas.

The biochemist had been ill for several years with cancer of the colon, which apparently spread to his lungs, said Graham Berry, spokesman for Caltech.

Dr. Haagen-Smit retired from Caltech in 1971, after having taught and conducted research there for more than 20 years.

After discovering how smog is created, he turned his efforts toward getting the auto and petroleum industries to build cleaner cars and refineries. His efforts were met with

attempts to discredit his work.
"I felt I was competent in chemistry but not in government," he once said. "However, the job had to be done. I never walk away from anything."

He joined the Motor Vehicles Pollution Control Board which became, in 1968, the state Air Resources Board, and served as chairman until 1973.

He was chairman of a committee which sets air quality standards for the nation, the National Air Quality Criteria Advisory Committee for the Environmental Protection Agency. He was also a member of the Committee on Motor Vehicle Emission for the National Academy of Sciences, and he was on former President Nixon's Task Force on Air Pollution in 1970.

A native of Utrecht, The Netherlands, Dr. Haagen-Smit graduated from the University of Utrecht and received a Ph.D. in 1929. In 1936 he lectured at Harvard, then in 1937 joined the faculty at Caltech, where he taught until his retirement.

He is survived by his wife, Maria; four children, and a sister.

[From the Los Angeles Times, Mar. 6, 1977] THINK OF HIM WHEN SKY IS BLUE, AIR SWEET

(By Al Martinez)

"We will always have some bad days," he said, coughing and trying to smile.

there are so many more good days now . ."

The battle for clean air has been long and difficult for the man who never intended to fight a war in the first place.

All that Dr. Arie Haagen-Smit ever intended to do was indulge his curiosity. He wanted to know why trees grow, and why they died.

As a biochemist, life was his essential interest-its beauty and its processes.

And then one day, as a friend tells it, he stepped out of his ivory tower at the California Institute of Technology in Pasadena, and discovered air pollution.

That was more than a quarter of a century ago. It has never been the same for the man they call, with some irony, "the father of smog."

He was abruptly taken from the scholarly ambience of his scientific workshop into the chaotic public arena at a time when there were no winners on the ecological front.

Environmentalists fought him with the

same ferocity as private industry.
"It was a case," says Haagen-Sm says Haagen-Smit today. "of being handed your own death certificate There was simply no point in arguing with anyone."

His simile has some chilling aspects. The Holland-born scientist, winner of all but the Nobel Prize-and there isn't one in ecology is a dreadfully ill man.

A serious lung condition that causes spasms of coughing has sapped his strength and confined him mostly to his quiet and lovely home on a tree-lined street of Pasa-

But it has not clouded the mind or crimped the humor of the "gentle European," nor has it dampened his optimism.

What Dr. Haagen-Smit, the man they call "Haggy," did back in 1950 was discover the sources and processes of air pollution and create them in a test tube.

No one had done that before ("Although someone would have done it eventually," he says modestly), and the subsequent attention was life-changing.

Haagen-Smit not only laid out in scientific principle what smog is-hydrocarbons and oxides of nitrogen-but also pointed a finger at who caused it. The prime sources, he told the world, were the oil and automotive industries. Then he waited for their

"At first," he said, "they were very quiet." Haagen-Smit leaned back in a contour chair and stared at the ceiling, half-smiling, remembering.

"Then they laughed at me and tried to discredit me." He brought the chair forward to face his interviewer. "Then there was a

He entered that war reluctantly. To be a hero, and a target, in the environmental movement had not been the gentle European's intention.

"But I suppose," he mused, "It was not the intention of the fly to catch the flypaper either, if you know what I mean."

Such was the impact of his discovery that Haagen-Smit, then a professor of biology at Caltech, was to become in 1968 chairman of the California Air Resources Board, a post he held until 1973, and a leader in the fight for clean air.

That the air remains polluted, to a lesser degree than it was 27 years ago, is no cause for distress, he says. What matters to him is that "the show is on the road."

'We will always have some bad days," he said, coughing and trying to smile. "But there are so many more good days now . . ." Arie Haagen-Smit is 76. He recevied his

Ph.D. in chemistry in the Netherlands and came to the United States for the first time in 1936 to lecture at Harvard.

A year later he was invited to join the faculty at Caltech, and was there until his retirement in 1971.

His primary concern was biochemistry. "I was interested in the problems of nature," he would tell a reporter. "Why does a plant grow? Why does a fly have red eyes?"

It was an interest based in his youth. He

remembers running through the fields of Holland, picking flowers and trying to determine what they were.

'My interest was in life," he said, "and in the chemical processes that sustain it.'

That interest was expanded in 1949 to include air pollution. The compelling force, he says simply, was curiosity.

"No one could miss smog in those days," Haagen-Smit said. "I felt it would not be difficult to find out what it was. And so I began."

The result was what some have termed "Haagen-smog"—that is, air pollution in a test tube. He had isolated the recipe for goop in the air."

The first announcement of his achievement was carried inconspicuously in the press, and was greeted initially with only passing interest.

To Haagen-Smit,, pollution was an affront to beauty, a stinking cloud that rolled across the landscape every afternoon. But to most it was a Jack Benny joke, a kind of Los Angeles

symbol that no one was taking too seriously back then.

The mild response to his discovery did not trouble the slightly built Dutch scientist. He had satisfied his curiosity.

"As far as I was concerned," he said in a clipped accent, "it was then up to others to do the dirty work. I went back to the lab-

He was not to remain in peace much longer, however. The industries he had named as major polluters were beginning to react.

"They said my work was not scientific," Haagen-Smit said, never too concerned about their efforts to discredit him. "But major studies which cost much more than mine were undertaken and they all reached the same conclusion."

Then he added, not so much immodestly as factually "You can't beat the truth."

As the impact of his discovery Haagen-Smit ("A scientific Don Quixote," an industrialist once sneered) edged into center stage.

From a Chamber of Commerce scientific committee he stepped up to the state level, joining the new Motor Vehicle Pollution Control Board-a stepchild of his discovery

It was an uneasy venture into public life. felt I was competent in chemistry, Haagen-Smit said, sipping water to control his cough, "but not in government. However, the job had to be done. I never walk away from anything."

That was to be his pervasive philosophy over the next several years, but he was never at ease in the uncertain environment of pub-

"I guess I'm just not a government man," he told an interviewer in the heat of one battle. "You can't let your hair down in government, and they can't just look at me and say, 'You're getting old, Haggy . . . '" -

In 1968, the Motor Vehicles Pollution Control Board became the 14-member Air Resources Board and Haagen-Smit was its chairman.

The battle heated. Industry criticized him on one hand for being too tough, and the environmentalists were on him for being too

But the shouters, he said with a small shrug, never influenced him one way or the

'They got awfully excited, but I just stayed quiet. It's better not to talk back. You always lose."

What Haagen-Smit was doing instead was approaching the top men in the petroleum and automobile industries to get something done.

"I have found," he said, "that it does no good to go to anyone unless he is in charge. All a company president has to do to get something done is send out a little memo

The results of the "little memos"-and some legislative muscle-were gratifying to Haagen-Smit, and he is quick to compliment both industries for the actions they have taken to reduce air pollution.

He estimated in 1953 that they were each responsible for pumping 800 tons of pollutants into the air daily. The oil industry, he points out now, is down to about 150 tons a day and the auto industry down to 300 tons.

"It just proves," he says, "that if you give people time there is no reason to be pessimistic. The oil and auto industries learned

Meanwhile, pressure was mounting for the unwieldly ARB to be reorganized, and it was. In 1972, the agency was reduced from a 14-member to a five-member board.

Haagen-Smit, who had retired from Caltech the previous year, wanted to quit the state job too but was prevailed upon to continue—still as board chairman.

"Let's face it," one member would say

later. "His prestige alone was holding the whole thing together."

Haagen-Smit reached his decision to stay by facing a simple truth. "The public has a right to clean air. Perhaps I can help.'

Despite high praise, an increasing number of scientific honors and the best of motives, they were not halcvon days for the softspoken Dutchman.

He was even accused of letting speakers ramble on too long at public meetings.

To such criticism, after one man had talked for 45 minutes, Haagen-Smit replied, "He's a human being. He would feel badly if no one listened."

That attitude continues today. "If they are public meetings," he asks simply, "should not the public be allowed to speak?"

He thinks about that for a moment and then adds: "My work was not so perfect, but I did the best I could."

At the time, Haagen-Smit conceded that perhaps it was time for someone else to take his place on the board—"someone with the ability to knock heads together in an acceptable manner."

Some agreed, some didn't. One board member liked the persuasive style of the "foxy grandpa." A national magazine said of him, "He undoubtedly knows more about airborne pollutants' than, anyone else in the world."

Once more, however, Haagen-Smit made his own decision, and that decision in 1973 was that he'd had enough. He retired from the ARB.

"I'm just an old sailor," he said, "who is fading away."

He didn't fade far. He was honored at an international symposium in Geneva, given the prestigious Smithsonian Medal, awarded the \$50,000 Alice Tyler Ecology Prize and the Rhineland Award for Western Europeall in recognition of his work on behalf of clean air.

More recently, a building at an ARB facility in El Monte was named after Haagen-Smit, to which he puckishly observes,

"Everyone ought to have a pyramid."

He has no regrets about his time of public service. "They were exciting years," he says softly, "although they may have lasted a little too long."

Nor does he regret the intensive lab work that went on for years after his discovery, often with himself as the guinea pig in a smog chamber built to study the effects of air pollution on plant life.

Haagen-Smit is adamantly opposed to the that the tests had anything to do

with his critical lung allment. He said then, "Smog is an aesthetic and economic nuisance that should be fought as such. Don't believe the stories that death in the form of smog stalks the streets of Los Angeles."

hasn't changed Haagen-Smit's Illness mind. He holds to the original contention and adds, "A chemical laboratory is never a paradise of odors and chemicals. Sometimes I've had the skin peel off my hands from chemicals, and I've had to say to myself 'I must be more careful."

Is he satisfied now that the battle for clean air will one day be won?

Arie Haagen-Smit leaned back in his contour chair and thought about it.

"If the goal is zero smog," he finally said, we'll never reach it. There will always be some contamination. But our air on the average is 50% cleaner than it was in 1970. We have made progress.

"From now on, progress will be slower," he added, thumbing absently through scientific journals on a table at his side. "The first gains are always easier. The battle will go on."

His own battle now is a lonelier one, far from the noisy public arena, in a chair by a window on a sunlit day. He fights the war against failing health with the love of his wife, four grown children, and six grandchildren.

Beyond that-beyond the solitary nature of his struggle-he has become a towering figure in both scientific and political circles.

Charles Heinen, an executive with the Chrysler Corp. in Detroit, who has known Haagen-Smit as adversary and friend for 25 years, said:

'He was once my judge and jury, because I am an automobile company man. But never did I doubt his competence, integrity or humanity. Never did I question his dignity.

"All that I am trying to say is that Haggy

is a special person . .

One whose concern in a private way is what his concern has always been in a public way. Life.

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS CELEBRATES 20TH ANNIVERSARY

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. FAUNTROY. Mr. Speaker, as the central city in this metropolitan area, with over 3 million people living and working in the Nation's Capital and its suburbs, the District of Columbia has always been a proud partner in the Metropolitan Washington Council of Govern-

I am happy to note that today the Council of Governments observes its 20th anniversary. It was 20 years ago this month that this respected organization was founded under the leadership of a District of Columbia official and two suburban officials at a meeting in the District Building. The President of the District of Columbia Board of Commissioners. Robert E. McLaughlin, joined two suburban officials in bringing some 40 local officials together for the first time.

In the 20 years since, the District of Columbia has continued its participation in COG. Other District officials have served in COG's leadership posts right up to the present. Our Mayor, Walter Washington, has served as the president of COG, and the chairman of the District of Columbia City Council, Sterling Tucker, was elected to two terms as chairman of the board of COG.

This participation has produced rewards for the District of Columbia. COG has helped obtain millions of dollars for the city of Washington in Federal housing funds. Major transportation improvements in expanded bus service and fringe parking have made it easier for our citizens in the South Capitol Street corridor to get to and from work. They were accomplished through a special COG proj-

The District of Columbia was facing a refuse disposal crisis of severe dimensions when its officials, working with their colleagues in three suburbs, established one of the few regional sanitary landfills in the Nation. The vehicle for solving this extreme problem was the Council of Gov-

As the Member of Congress representing the city of Washington, I am pleased to serve as a member of COG, along with my colleagues in this body from the portions of suburban Maryland and northern Virginia which combine with the District of Columbia to form Metropolitan Washington. Our colleagues in the Senate representing Maryland and Virginia also enjoy membership in the Council of Governments.

For all these reasons, Mr. Speaker, I am happy to join other elected officials and the news media in paying tribute to the Metropolitan Washington Council of Governments for the unique and effective role which it has played in our behalf over 20 years. It can be said with accuracy that COG is the reason that 16 cities and counties, 2 States, 10 Congresses and 6 Presidents have been able to cooperate toward a better Metropolitan Washington for all of us.

FW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM UTAH WINNER

HON. GUNN McKAY

OF UTAH

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. McKAY. Mr. Speaker, I am pleased to submit for the RECORD the winning script from the State of Utah, as delivered by Mr. Richard Martin Geiger for the 1976 VFW Voice of Democracy Scholarship program, I congratulate Mr. Geiger and commend his essay to my colleagues for their consideration:

VFW VOICE OF DEMOCRACY SCHOLARSHIP PRO-GRAM UTAH WINNER

(By Richard M. Geiger)

I have been alive about eighteen years . The United States of America have lived for two hundred. That's just more than ten times as long as I lived. But is 200 years so long in the life of a nation? Just as eighteen years is only the beginning of my life, two hundred is just the beginning of the life of our country. The eighteenth year of my life will be a turning point for me. I will begin to assume the responsibilities this country assigns to its adult citizens, I will have the responsibility of casting my vote in the next election for President. The vote is part of the heritage handed down to me.

I will use that vote, and other channels of democracy to help institute necessary change, for as in the first years of my life, democracy the first years of my country's life have been, at times, turbulent. Just as I have made mistakes, and will continue to make them, so has and so will the United States. But it's my responsibility to do everything I can to protect and preserve the aspects of my heritage that I believe in. It's also just as important to try and rid my country of any aspects I feel are not right. That is the responsibility of a democracy, and no other system of government asks as much from its people.

The means I can use to imput my voice into this democracy are all parts of my heritage. If the freedoms of speech, religion and press are violated or abused, I must act to preserve that heritage.

Another part of my heritage is the responsibility to keep a watch for violation of others' rights. I must act to insure against future Kent States and Watergates.
At times I will be a dissenting voice, and

that, too is a part of my heritage. The birth of our nation was conceived in dissent.

In striving to improve the United States we must all never forget the mistakes of the past, and we must fight to maintain the good things we have. In remembering the Thomas Jeffersons we must also remember the Joe McCarthys and Richard Nixon.

Perhaps Millard Fillmore said it best in his

message to Congress in 1850:

"I believe no event would be hailed with more gratification by the people of the United States than the amicable adjustment of some questions of difficulty, which have,

for a long time, agitated the country."
So just as my life is only beginning, and I turn my eyes to my past then look to the future, so must all Americans search the past to find a path to the future, and there is no more fitting a time to do this than this, the two-hundredth anniversary of the Declaration of our Independence. But as we celebrate our first two hundred years, we must look forward to our next two hundred years, and be willing to lend our hands to the molding of the future with as much care and energy as those before us. Let's make sure that we will be around to celebrate in two hundred more years.

SCHOOL LUNCH REFORM

HON. CHARLES ROSE III

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. ROSE. Mr. Speaker, I rise today to take note of a recent editorial presented by Mr. Young H. Allen, superintendent of Robeson County Schools in North Carolina's Seventh Congressional District.

Mr. Allen's remarks specifically relate to the present school lunch program and the inequities and absurdities which sometimes result from it. Whatever position Members of the House may take on the school lunch program, I feel the following article will be informative.

It is a pleasure, therefore, to commend this reading to my colleagues:

> SCHOOL LUNCHES FOR ALL (By Young H. Allen)

One of the most perplexing tasks in public school operation is that of carrying out the free or reduced-price school lunch policy. School administrations fully recognize that they are administering a program they know to be unfair, unrealistic, and in the long run, detrimental to public support of the public

First, let's make it clear that there is almost unanimous agreement that every child needs a nourishing meal at noon to prepare his body and mind for development taking place during the school day. This is probably more pertinent today than in the past as research shows that fewer children are getting a good breakfast, partly due to working mothers, and partly due to the fad of snacks all during the day, rather than three substantial meals. Therefore, the school lunch is a wholesome addition to the school program and is here to stay.

The school lunch program began some years ago primarily as a means of disposing of surplus agricultural products. It proved not only to serve that purpose, but to meet the nutritional needs of millions of school children throughout the nation. Bascially, it is a program supported and controlled by the federal government. When you as a citizen receive or see an announcement of the school lunch policy adopted by your county or city Board of Education, you are only seeing a rubber stamped" policy. The only input the local boards of education have in the policy is name and address of the Board of Education and the date of formal adoption.

The policy on free or reduced-price lunches is so structured as to encourage some parents to certify untruths about their family income, and thus to contradict the foundations of self-respect and wholesome self-

When a parent files application for his child or children to be given a free lunch, the school official (principal) will notify the parent or guardian within a reasonable period of time of acceptance or denial of the request. Schools are not staffed with sufficient personnel to make in depth or thorough investigations, and attorneys advise us that if a child should be denied a free or reducedprice lunch without justifiable cause, school official is subject to a personal libel suit. The risk is hardly worth the effort. As a result, here in the Robeson County Unit, almost 90 percent of our school children receive either a free or reduced-price lunch. The 10 percent who do pay the full price are not necessarily those most able to.

The problems as stated above seem to point out an impossible situation with no solution. This is not the fact-there is an answer. The answer is simply-serve every student a tax paid lunch. We accept the premise that a midday meal for developing our youth is wholesome, if not a necessity. If we have the responsibility of all children ages 5-18 for seven hours of the day, ministering to the needs of their developing minds, then why are we not also responsible to minister to their physical needs with a daily nourish-

ing meal?

In reality, there is no such thing as a free lunch. Someone is paying and possibly the parents who do send money for their child's lunch are also paying through taxes for many

of those so-called "free" lunches.

The present lunch program, while serving a good purpose, is creating mistrust and negativism towards the public school. The time has come when a positive action should be faced reasonably by serving all children a noonday meal, just as we provide them an English, math, or physical education course.

Such a change can come about only through action of the Congress of the United

TRIBUTE TO THE NEW ARTEF PLAYERS

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. WAXMAN. Mr. Speaker, we are fortunate, in southern California, to be enriched by a Jewish repertory company called the New Artef Players. Named after a Yiddish theater ensemble active in the 1920's and 1930's, this group of actors, writers, designers, and musicians, led by Paul Bennet, its administrative director and Armand Volk as artistic director, is contributing greatly to the cultural life of the communities it reaches. In the most exciting manner, the traditions of Jewish consciousness are preserved and fostered for the enjoyment of Jews and non-Jews alike. The company performs at synagogues, college campuses, and has a special education program for children which is presented at public schools.

On April 30, 1977, the New Artef Play-

ers will open a new and original play at Temple Emmanuel of Beverly Hills, titled, "Passions," the production explores Jewish life during the medieval period, Jewish-Christian relationships, and the roots of anti-Semitism. The date marks the 1-year anniversary of the opening of "Survivors," a chronicle of the emotional aftereffects of the European holocaust of World War II. The company, in a lighter vein, also has in its repertory, "The Tales of Chelm," colorful adapta-tions of old Eastern European folk tales about the legendary town of fools.

I am happy to be the means of bringing this exceptional theater group to the attention of the House, so that we may join in the New Artef Players anniversary

celebration.

A SOLAR ENERGY BILL

HON. JIM LLOYD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. LLOYD of California. Mr. Speaker, today, I am introducing a solar energy bill which provides incentives to both builders of solar heating and cooling units and to taxpayers who install these units in their homes.

I realize that more than 60 similar bills have been introduced this session and I am happy to see such enthusiastic support among my colleagues. However, my bill is unique, because it combines both tax credits for taxpayers and loans to builders to form a package that will stimulate the growth of this infant industry.

Since the initial cost of a solar heating and cooling system is high, my bill provides tax credits which will assist taxpayers who wish to make this purchase. Taxpayers will receive a credit of 25 percent for all solar energy equipment ex-

penditures up to \$8,000.

Studies show that those who wish to build homes that utilize solar energy may have difficulty financing the home. Consequently, the bill I am introducing today provides loans to help builders finance homes that use solar energy. Builders may obtain low-interest loans of up to one-half of the cost of installing solar energy equipment.

The Sun's energy is inexhaustible and consequently can provide many economic advantages. If only 1 percent of the Nation's buildings are heated by the Sun. 30 million barrels of oil will be saved each

As I have stated, my bill directs its aid to the solar home and this may significantly conserve energy, since 25 percent of our Nation's energy is consumed by residences.

Moreover, the future price of fuel is an indication of the great economic return from the use of solar energy. Rising prices of fuel may soon make solar energy the most practical energy source available. Immediate economic impact can be felt as this burgeoning industry provides jobs for installers, plumbers, carpenters, and other construction workers as well as architects, engineers, and other professionals.

Clearly, the Sun is a great untapped energy source and it will become more attractive once solar energy equipment installation becomes less expensive for both builders and homeowners. So, by cutting down this expense my bill provides help where it is needed most.

LITHUANIAN INDEPENDENCE

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. RINALDO. Mr. Speaker, last February 16, Lithuanians throughout the world commemorated the 59th anniversary of Lithuanian independence. This anniversary is a celebration of heritage. But it is just as importantly a rededication to the struggle for a new day of freedom.

Since 1940, Lithuanians have lived under the repression of the Communist regime in Moscow. They have withstood attacks on their language, their religion, their culture, and their civil and political liberties. They have witnessed Soviet leaders from Stalin to Brezhnev endorse international agreements—the latest being the Helsinki Final Act—guaranteeing human rights, only to suffer from the systematic denial of those rights.

Yet they are no less strong. Their patriotism, their strength in the face of adversity, and their spirit of ultimate victory are testimonials to people throughout the world who suffer from tyranny.

On January 28, the Lithuanian Americans of Linden, N.J., representing many of my constituents, adopted a resolution reaffirming these beliefs. In my judgment, this resolution succinctly and eloquently testifies to their endurance and their unflagging commitment to liberty.

I would like to insert this document as an official part of the RECORD.

The resolution follows:

RESOLUTION

We, the Lithuanian-Americans of Linden and vicinity assembled this 28th day of January, 1977, at the Lithuanian Liberty Park Hall, 340 Mitchell Avenue, Linden, New Jersey, to commemorate the restoration of Lithuania's independence, do hereby state as follows:

That February 16, 1977 marks the 59th anniversary of the restoration of independence to the more than 700 year-old Lithuanian State, which was restored by the blood sacrifices of the Lithuanian people during the wars of independence of 1919-1920, and recognized by the international community of states;

That the Republic of Lithuania was forcibly occupied and illegally annexed by the Soviet Union in 1940, in violation of all the existing treaties and the principles of international law;

That while so many countries under foreign colonial domination have been given the opportunity to establish their own independent states, Lithuania is still exposed to the most brutal Russian oppression and is nothing more than a colony of the Soviet Empire;
That although the Soviet Union, through

programs of resettlement of peoples, intensirussification, suppression of religious freedom and political persecutions, continue in its efforts to change the ethnic character of the population of Lithuania, the Soviet invaders are unable to suppress the aspirations of the Lithuanian people for self-government and the exercise of their human rights.

Now, therefore, be it resolved

That we demand that the Soviet Union withdraw its military forces, administrative apparatus and the imported Russian colonists from Lithuania and allow the Lithuanian people to govern themselves freely;

That we demand the immediate release of all Lithuanians who are imprisoned for political reasons and religious reasons and who for years have been lingering in various Soviet jails and concentration camps or kept

in psychiatric wards;
That, meanwhile, we protest against the degradation of the Lithuanian people by the Soviet rulers in proclaiming that Lithuanians shall be grateful to the Soviet Union for their "liberation" and that we further protest against the corruption of the minds of the Lithuanian people by the preaching of lies about all kinds of human rights in occupied Lithuania which in fact do not exist.

That we are deeply grateful to the 94th Congress of the United States for passage of new resolutions expressing the sense of the Congress relating to the status of the

Baltic states.

That in expressing our gratitude to the United States Government for its firm position of non-recognition of the Soviet occupation and annexation of Lithuania, we request an activation of the non-recognition principle by stressing at every opportunity in the United Nations and other international forums the denial of freedom and national independence to Lithuania and other Baltic States.

That copies of this Resolution be forwarded to the President of the United States, to the Secretary of State, to the United States Senators and Congressmen from our state

and the news media.

EDWARD PODLECKIS, Secretary, Lithuanian-American Council, Linden Division.

TRIBUTE TO RALPH L. WILLIAMS

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mrs. BURKE of California. Mr. Speaker, today, I would like to bring to the attention of my colleagues the many outstanding contributions of Mr. Ralph L. Williams, of Los Angeles. As one of the founders of the Southwest Comprehensive Medical Corp., Mr. Williams was instrumental in securing the corporation's first contract from the county of Los Angeles for the treatment of alcoholics in the city's southwest area. Soon after this, Ralph Williams was chosen to be the corporation's first executive administrator. In this capacity, he secured the corporation's second program, the minidetoxification treatment and referral program, set up to meet the critical needs of alcohol abusers in Greater Southwest Los Angeles.

In 1972, Mr. Williams assumed the position of chairman of the Southwest Health Council. Since that time he has negotiated with the Los Angeles County board of supervisors and the department of health services to remodel the Southwest Health Clinic.

In addition to these noteworthy accomplishments, Mr. Williams has the distinction of being the first black American in California to actively serve on the California State Alcoholism Advisory Board.

I ask my colleagues in Congress to join with me in tribute to a great American, Mr. Ralph L. Williams, for his outstanding contributions to the fight against alcoholism in the city of Los Angeles and throughout the State of California.

THE QUIET DEATH OF THE VIETNAM VETERANS JOBS PROGRAM

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Ms. OAKAR. Mr. Speaker, last January, President Carter's announcement of a program to provide 200,000 jobs for unemployed Vietnam veterans in 1977 and 1978 received banner headlines. I was particularly interested in his proposal, as 1 week earlier I had proposed my own bill for more jobs for veterans. sought was a special provision for Vietnam veterans in the economic recovery program, so that the terribly high rate of unemployment among these men and women might be reduced. Both President Carter's proposal and my proposal envisioned providing more of the public service jobs created under the Comprehensive Employment and Train-Act-CETA-to Vietnam veterans. My bill, H.R. 2847, would have required that 20 percent of all the new jobs be given to unemployed Vietnam veterans.

Last Tuesday, however, the House effectively closed the door on such a program for the coming year. It did so, without fanfare or even a recorded vote, by approving, without any special provision for veterans, the only bill that could have served as the vehicle for providing more public service jobs for Vietnam veterans. Much to my regret, this bill, H.R. 2992, merely extends the CETA programs through fiscal year 1978 and does not

amend them at all.

Frankly, it seems to me that once the White House announcement splashed over the newspapers, a bare minimum was done for the purpose of seeing that the Vietnam veterans proposal would be enacted. The House Employment Opportunities Subcommittee held only one hearing on the matter, on March 16, and at that hearing it heard only one witness, Ernest Green, the As-

sistant Secretary of Labor.

I understand that it was not until a short time before this hearing that the subcommittee even received a proposed bill from the administration embodying its Vietnam veterans jobs proposal. Incidentally, despite all of the newspaper commentary that the administration proposal would provide 145,000 public service jobs to Vietnam veterans, the bill did nothing of the kind. Rather, it would have amended the law to establish a 'preference" for Vietnam veterans in filling public service jobs, and the 145,000 figure was to be only a "national goal." But the House Education and Labor Committee did not see fit to include even this provision, which is more limited than the proposal I offered, in H.R. 2992.

Of course, the administration has stated that it will pursue employment of Vietnam veterans with all the means currently at its disposal, and the Subcommittee on Employment Opportunities has indicated its intention to study closely the problem of unemployment among veterans and to find solutions to it. I support both of these efforts, and I hope they will succeed.

But I do not believe that these actions accord the problem the urgency it deserves, and I am certain that the approach embodied in my bill H.R. 2847, would have been far more effective in providing jobs to the men and women who served in our Armed Forces during the Vietnam war. Thus I am deeply disappointed that this approach was not adopted now, and I will continue my efforts to see that it will be enacted.

EXPLANATION OF VOTE ON H.R. 4477

HON. JIM GUY TUCKER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. TUCKER. Mr. Speaker, on the 16th of March the House voted to amend the supplemental appropriations bill to include an additional \$200 million for the purpose of aiding those poor families who were unable to pay increased home heating bills caused by the unusually cold winter. I voted against that amendment, and I believe the people of my district deserve to know why.

I voted against this program, because neither on the floor during debate nor since that time have I found anyone who could provide details about how this \$200 million is going to be spent. Even the amount of money going to each of the States is unknown. The best answer the Comunity Services Administration can give is that Arkansas will get between \$1.67 and \$1.86 million—over a 10-percent variation.

What is going to be done with this money once it is determined how much each State gets? The answer is that it is to be turned over to the Governors of each of the States who, in the words of the sponsor of this amendment, "* * * would then decide on the best way to distribute the funds to those most in need * * *." The Governor of my State is a fine individual, as I am sure are the Governors of the other 49 States, but they are not charged with the constitutional responsibility of seeing that, "No money is drawn from the Treasury, but in consequence of appropriations made by law."

Even setting aside that objection, the Governor of each State is left to decide not only what method to use in distributing these funds, but also to decide who gets the money and how much. The maximum grant is \$250 and there is obviously not enough money to give every eligible person or family that amount. The eligible elderly in Arkansas are estimated to

number 365,000. If Arkansas got the maximum amount of funds each of these persons could get just over \$5.

Mr. Speaker, no Member of this body is more concerned about the effects of the unusually cold winter we have just gone through than I. I know how the people of the Second District and Arkansas generally suffered both physically and economically through it. But I cannot believe that appropriating \$200 million to be spent in an as yet undetermined fashion is going to be of any real assistance to them. For that reason I voted against the amendment to the supplemental appropriations bill.

OPPORTUNITIES FOR ADOPTION ACT OF 1977

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mrs. BURKE of California. Mr. Speaker, I recently introduced the Opportunities for Adoption Act of 1977 (H.R. 5550), to improve the prospects of adoption for more than 100,000 children now considered unadoptable because of the lack of clear direction and objectives in our many public and private adoption agencies. Many of these are "special needs" children, generally defined as those who have not been adopted due to their age—usually over 6 years—race, ethnic group, mental, physical or emotional disability, or because they are members of a sibling group.

For those who could not attend the April 4 Senate hearings on the companion bill, S. 961, which was introduced by Senator Cranston, I am placing into the CONGRESSIONAL RECORD today an article written by the distinguished columnist, Mary McGrory of the Washington Star-News. Her reporting of the poignant testimony of several adoptive parents of special needs children provides valuable insight into the problems of the present adoption system. I recommend this article highly to my esteemed colleagues in the Congress and to all those interested in helping special needs children find the love and security of permanent homes.

THE U.S. GOVERNMENT SHOULD HELP SAINTS (By Mary McGrory)

"You really are absolute saints," Sen. Alan Cranston, D-Calif., told the six people who were seated before him in the hearing room.

The is not something that senators usually say to witnesses, but there was nothing usual about the three young couples who had come to testify about his adoption subsidy bill—which is, incidentally, opposed by the Health, Education and Welfare Department because it would, as a spokesman said, "fragment the delivery of social services."

It is hard to see how the efforts of the adoptive parents could have been more "fragmented." Red tape, jurisdictional tangles and begrudged information had impeded seriously their quests to become parents of children nobody wanted.

The three couples, one from Pennsylvania, two from Virginia, had persevered, and insisted on taking children the professionals regarded as unadoptable, children whose

afflictions ranged from sickle-cell anemia to functional blindness, deafness and severe emotional disturbance.

"My admiration for you," Cranston told them, "is matched by my outrage at the bureaucracy, so I find it hard to ask questions."

Allen and Meg Tucker of Great Falls, he a cheerful mathematics professor at Georgetown, she a lively, black-haired former French teacher, have adopted Brian and Jenny, and would have taken two more if they could have counted on some outside financial help.

Jenny, at age 3 could not see and would not talk when she came to them. She also had serious birth defects. She had been in eight foster homes, taken to a new one after each of the numerous operations required for her eyes and her deformed hands. The sight of a suitcase made her hysterical.

Jenny's medical bills were so high that the Tuckers "seriously" considered giving her up. The difficulty was that Jenny had been taken from New York and became ineligible for the state's adoption subsidies when she went to Virginia. Both states claimed she was the other's responsibility.

Jenny was initially diagnosed as retarded.

Jenny was initially diagnosed as retarded. Her father diffidently took the microphone to boast to Cranston: "Despite the diagnosis of retarded, Jenny is now at the top of the second grade."

Ruthann and Henry Haussling have adopted five children, all but one of them with severe physical or emotional problems. They are black. The Hausslings are white. Mrs. Haussling is the president of the local Council for Adoptable Children.

The Flynns, Laurie and Joseph of Lancaster, Pa., are no less remarkable. They have five children of their own and acquired five more, including one 9-year-old black, half-Vietnamese boy, adopted "unexpectedly" during the Vietnam baby lift.

They insist that there are thousands of other Americans who are dying to take on the challenge—and rewards—of taking so-called "difficult" children home with them for good.

Two months ago, the Flynns tried to organize a modest service for would-be adoptive parents. They were not well received by the professionals. At the local Children's Bureau, Joseph Flynn said, he and his wife were viewed as "somewhat threatening." Besides, the prevailing social service wisdom is that children who have been in foster home care for three years are unadoptable. The Flynns have two teen-age boys who had been in foster homes for six years.

What emerged from the touching testimony was a pattern. Children are sent to foster homes almost casually, and moved around—"bounced around" is more like it—to whatever is available, then often forgotten. Adoption is still a rigid and difficult procedure, and subject to wild variations in rules and standards from state to state.

The federal government currently spends \$700 million to provide foster care for children.

The Cranston bill would authorize \$20 million in its first year, to promote adoption—impose federal standards, provide a subsidy for hard-to-place children, eliminate barriers on exchange of medical and personal information between states—and would retrain social service workers to think adoption for long-term foster-care children.

Mrs. Hausseling reported that 85 people turned up at a recent meeting sponsored by the Council on Adoptable Children in Arlington. But there is one social worker for adoption cases in Arlington County and the difficulties of making the necessary "case studies" prove sometimes insuperable.

The three couples say they are not so special in their desire for "special needs children." Cranston's bill would make it possible

to prove it. The lack of administration support for his bill does not deter him. HEW wants to delay any action until it has completed its welfare reform study.

But Cranston believes that if people want to be saints, the federal government should not only allow it but actively encourage them. The way it is now, the hard-to-place are shuffled around indefinitely.

"That only aggravates their problems, doesn't it?" asked committee member Don Riegle, D-Mich. The answer is yes, and no-

body disputes it.

TRIBUTE TO BRUCE CORWIN

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. WAXMAN. Mr. Speaker, Bruce Corwin, whom I am proud to call my friend, and whom California is proud to have as a citizen, will be honored as Man of the Year by the Brotherhood of Temple Israel of Hollywood at a dinner on

April 27, 1977.

It is difficult to enumerate all of the accomplishments that this young man of 37 already has to his credit. Bruce was born and reared in Los Angeles. At 12. Bruce was president of the student body at John Burroughs Junior High School. At 17, Bruce served as president of the Los Angeles High School student body. Continuing this pattern of leadership. Bruce held the presidency of his senior class at Wesleyan University in Connecticut. In 1974, he completed a 3-year term on the board of trustees of Wesleyan University, the youngest trustee every named to the board in the 144-year history of that distinguished institution.

Bruce also became the youngest president of Temple Israel of Hollywood in its 50-year existence, serving with distinction for two terms in 1973 and 1974.

At the age of 30, Bruce Corwin succeeded to the presidency of Metropolitan Theatres Corp., the third generation of his family to be involved in the theater business. He is also president of the National Association of Theater Owners of California, and of the Spanish Pictures

Exhibitors Association.

Despite Bruce's heavy business responsibilities, his concern has always been with people and their needs. After the disastrous Watts riots in Los Angeles he. with—then—Councilman Tom Bradley, brought into existence "People. Incorporated" to give the residents of Watts a low-cost movie theater and entertainment center. He was cochairman of the NAACP Legal Defense Fund, an intern and later chairman of the board of trustees of the Coro Foundation, a nonprofit public affairs group. As a member of the executive committee of the Variety Boys Club of East Los Angeles, Bruce has been instrumental in helping the club award annual scholarships to nine young men to finance their first year in college. The Spanish Pictures Exhibit-Association, under Bruce Corwin's leadership, also maintains a scholarship fund for meritorious young men of Mexican-American heritage.

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Following Mayor Bradley's election, Bruce Corwin was appointed a member of the mayor's Blue Ribbon Committee of 40. He was also appointed to the Los Angeles City Fire Commission and was subsequently elected president of that commission, serving for two terms. The achievement of which he is most proud. as president of the fire commission, was the increasing of paramedic ambulances in the city from 7 in 1973 to 35 in 1976, giving Los Angeles the largest fleet of paramedic ambulances in the world. He now serves on the Los Angeles County Paramedic Commission, to coordinate the program throughout the county. Bruce has chaired fund drives for the theatrical division of the United Jewish Welfare Fund since 1972, and also occupies the Western U.S. cochairmanship of the movie industry's annual Will Rogers Hospital Fund.

Bruce Corwin is also a political activist. He held a top leadership post in the Carter for President campaign in California. and served as a delegate to the 1976 Democratic National Convention. He has been a campaigner for innumerable Democratic candidates at every level from local to national office, and is the newly elected southern California chairman of the Democratic State Central Committee.

Bruce and his wife, Toni, an alumna of USLA, have two sons, David 8, and Daniel 5. The Corwin family deserves the gratitude and admiration of the country at large. I ask the Members to join me in recognizing the many contributions made by Bruce Corwin to his community and for fellow human beings.

YOUTH EMPLOYMENT AND TRAIN-ING ACT OF 1977

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. HAWKINS. Mr. Speaker, I rise today to introduce legislation prepared by the administration along the lines of President Carter's message on youth employment. I am joined in this effort by the distinguished chairman of the Committee on Education and Labor, the Honorable CARL PERKINS.

This legislation has three parts. The first part would establish a National Young Adult Conservation Corps similar to the YACC Act which passed the House last session. The second part would establish a community service jobs program primarily for urban areas. The third part would initiate comprehensive employment and training programs targeted to low-income, unemployed youth, including innovative programs.

The Subcommittee on Employment Opportunities will consider this measure along with the various youth employment and training proposals currently before the subcommittee. The subcommittee intends to continue our series of hearings on these various proposals in order to obtain information on the scope of the youth unemployment problem and the effectiveness of the solutions suggested to this problem.

We will be hearing testimony from the administration, manpower experts of national stature, representatives of State and local government, public interest groups, and community-based organizations concerned with employment and training matters.

It is the intention of the Subcommittee on Employment Opportunities to act expeditiously on this proposal in order that young people may be enrolled at

the earliest possible date.

ANTARCTIC CRIMINAL LEGISLATION

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. MILFORD. Mr. Speaker, today I am introducing legislation to amend title 18 of the United States Code to include offenses committed in Antarctica by U.S. nationals and certain foreign nationals.

Mr. Speaker, the Committee on Science and Technology, on which I serve, has long been concerned about the lack of legislation dealing with criminal con-

duct in Antarctica.

This concern arises from the committee's jurisdiction over the National Science Foundation-the civilian organization most heavily involved in Antarctic exploration.

Presently, the United States has five year-round stations on the Antarctic Continent with a summer population of about 3,000 persons and a winter population of about 300. In addition, 10 other countries maintain another 25 stations supporting another 1,000 people in the summer and 400 in the winter.

Aircraft, traxcavators, underground stations, and other modern devices—including a nuclear reactor—have replaced

sled dogs and puptents.

It is obvious that the various nations are in Antarctica not only to stay, but to multiply their efforts.

With the increase in population, as well as improvements in safety and comfort to Antarctic life, comes the attendant increase in social interrelationships.

Whether we wish to or not, we must face up to some of the grimmer implications of such increased interrelation-

Under existing conditions, it is very doubtful that American civilians committing a crime on Antarctica are covered by U.S. criminal law. However, such a person would still enjoy his constitutional guarantee of due process of law. Thus, a person who commits arson, assault and battery, or even homicide, may not be technically criminal; even worse, restraining such a person who commits such an act may constitute a violation of his right to due process of law and grounds for a tort action for assault, false imprisonment, or false arrest.

Legislation is needed to clear up this

ambiguity, to help deter possible crimi-

nal conduct, and to permit the orderly handling of such incidents that may arise.

Mr. Speaker, this is the purpose of the legislation I am introducing today.

This legislation amends chapter 1 of title 18, United States Code, by adding a new section, section 16, dealing with offenses committed in Antarctica by U.S. nationals and certain foreign nationals.

The legislation makes punishable as a crime any offense committed in Antarctica by a U.S. national, a foreign national who is a member of a U.S. expedition, or a foreign national with respect to the person or property of a U.S. national, member of a U.S. expedition, or the U.S. Government.

In recognition of provisions of international law, the legislation does not apply to persons exempt from U.S. jurisdiction under the Antarctic Treaty or to any foreign national over whom jurisdiction has been asserted by his state of nationality.

Mr. Speaker, this legislation is very similar to legislation that was introduced in previous Congresses—H.R. 10548 and its predecessor H.R. 5248.

However, I feel that it is a significant improvement upon these former bills.

The legislation I am introducing today is the result of input and refinements of the Congressional Research Service, the State Department, the Justice Department, and the National Science Foundation.

All have unofficially agreed that this is the legislation needed to protect our people in Antarctica.

I commend it to my colleagues and hope that the House will act expeditiously in its consideration of this legislation.

I am pleased that Mr. TEAGUE, chairman of the Committee on Science and Technology, has joined me in sponsoring this legislation.

LAW ENFORCEMENT EDUCATION CENTER NEAR TALLAHASSEE IS MODEL FOR NATION

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. FUQUA. Mr. Speaker, a bold and innovative concept in educational training of law enforcement personnel has opened in my district and I'am proud to call this fact to the attention of the law enforcement profession and to the Congress.

It is the Lively Law Enforcement Education Center and Frank Stoutamire Law Library, located 13 miles west of Tallahassee, Florida's capital city, in a rolling field and wood in Gadsden County.

The center is a division of the Lively Vocational Technical School in Tallahassee. The first classes were held in January of this year. Courses are offered to prepare a person to work in law enforcement as a sworn officer, as well as programs in specialized and advanced areas.

I am told that this is the only institution of its kind in the Southeast and I am confident that those in the law enforcement profession will hear more of its work in the days to come. It is my hope that this good work can be duplicated elsewhere as a valuable tool in combatting the horrendous rise in the rate of crime in these United States.

Most law enforcement centers do not have the capability, equipment or property to carry out the program which is envisioned for this facility. Most have not had the dedication and drive of those who have made all of this possible through a series of legislative acts, land swaps, and an upheaval of plans that started with a modest dream and resulted in a new classroom center and a sophisticated firing range.

The academy is to draw recruits from a six county area, including local, county and municipal law enforcement officers.

In addition to the police standards and training commission recruit course, specialized and advanced training will be offered to officials throughout the State along with courses for civilians.

It is a remarkable facility consisting of a 15,000-square-foot building equipped with four large classrooms, laboratories, library, and dark room.

One classroom is outfitted as a motel room to simulate crime scenes enabling instructors to place students in an active situation, rather than using a podium to teach investigation techniques.

Officials of the facility are excited about the concept for its firing range. It provides not only the conventional range, but also two pistol or defensive training ranges.

I am told that it will enable fire-don't-fire situations where an officer is confronted with a man with a gun or a woman with a baby situation to test the response.

If you will pardon a very personal reference, the center recognizes one of the finest men I have ever known and in whose honor the library at the academy is named. He was the late Frank Stoutamire whose family gave \$25,000 to Lively for law enforcement training. In so doing, it was in keeping with the man and his beliefs.

Frank Stoutamire served 35 years in the Leon County sheriff's office, 6½ as a deputy, and 28½ as sheriff. That would have been enough of a contribution for anyone but upon his retirement, he was prevailed upon to take over the Tallahassee Police Department as its chief. For the next 15 years he served in that office, again a model of administration for his fellow law enforcement officers.

His 50 years of service are not only a landmark in law enforcement for its length but for its quality. Frank Stoutamire was a leader who inspired. It was never by force nor intimidation, but by example and inspiration, that he led and became a legend in law enforcement in his own time.

Might I add that I am one of those who he inspired to do just a little better, to try a little harder, to contribute a little more. He was a remarkable person, a beloved friend, a loving father and family man, and will always live as an in-

spiration to all of us who knew and loved

Everything about this new facility is remarkable. Not only will it make a tremendous contribution to the area it serves, but in a larger sense its contributions will be in demonstrating what can be done.

To all those who have played a part in establishing the center I express my congratulations. To all those interested in law enforcement education, I call your attention to this new concept and facility. It is my hope that it is the foreunner of many more. If so, it will surpass all of the dreams of so many who have worked so hard to make it a reality.

JAMAICA FALLING TO CASTRO'S SURVERSION

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 6, 1977

Mr. McDONALD. Mr. Speaker, in recent weeks there has been increasing speculation about the possibility of establishment of diplomatic and trade relations between the United States and the Castro regime in Cuba. One of the claims made by supporters of such a move is that the Cuban Communists have long ceased to export revolution in the Western Hemisphere. This is totally misleading and contrary to the experience of many nations in Latin America and the Caribbean. Even in our own country, the Cubans have supplied training and other support for the Weather Underground, the Puerto Rican FALN, and other terrorist groups.

Castro has also targeted the English-speaking countries of the Caribbean and Central America. The government of Prime Minister Michael Manley of Jamaica has veered sharply to the left and has become alined with the Cuban Communists. Manley has declared a "state of emergency," and jailed and otherwise harassed the leaders of the opposite Jamaican Labour Party. This has given rise to the fear that Manley may be planning an Allende-style "autocoup."

During 1976, prior to the elections, Manley received considerable support from U.S. Castroite media figures such as Daniel Schechter of Boston and admitted propagandist Saul Landau, successor to Orlando Letelier as director of the Institute for Policy. A special attraction for the Manley circus was an appearance by CIA turncoat Philip Agee who had stopped off in Moscow possibly to obtain "research" materials.

The distinguished journalist and commentator M. Stanton Evans has written a highly perceptive analysis of the political degeneration of Jamaica and its rush toward communism. As Mr. Evans has pointed out in his Human Events article, while America's attention has been turned toward the Middle East, Africa and Europe, "a Red wind is rising in Jamaica."

I commend Mr. Evans' article to the urgent attention of my colleagues.

RED WIND IN JAMAICA (By M. Stanton Evans)

While the attention of American diplomats is focused on problems in far-off Africa, the United States has massive trouble brewing in

its own back yard.

To wit: The island nation of Jamaica, sitting athwart the sea lanes to the Panama Canal, is rapidly being converted into a Marxist police state. Given its commanding posture in the Caribbean, and its key importance as a source of bauxite and aluminum, a pro-Communist Jamaica would pose a major strategic danger to the United States.

The facts are slow in penetrating the American media, but those available so far suggest Prime Minister Michael Manley is following, almost to the letter, the course pursued by Salvador Allende in Chile. And Manley makes no secret of the fact that his political model is the Communist state di-

rectly to the north in Cuba.

Jamaica by all accounts is swarming with Cuban operatives, as many as 3,000 by one estimate. Many of these are members of the Cuban secret police, engaged in training Marxist cadres in Jamaica. In addition, several hundred Soviet "advisers" are present on the island. A triangular exchange of students is reportedly occurring among Jamaica, Cuba and the Soviet Union, and Jamaican intelligence types are being trained in Cuba and Guvana.

As Arnaud de Borchgrave reports in a recent Newsweek, Manley's electoral power derives in part from "the direct support of Cuba's secret service, the Dirección General de Intelligencia (DGI).... Cuba has the biggest embassy in town, and two-thirds of its staff are said to be DGI agents. Cuban airliners shuttle in and out at all hours, loading and unloading crates and people with no questions asked and no records kept."

Manley flaunts his Marxist sympathies, apparently stemming from a meeting with Castro back in 1975. During an interview with Izvestia, Manley praised the Soviets for their "rich experience in building a new society," talked of selling aluminum and bauxite to East European Communists, and said "we are actively supporting the national liberation movement of the African people and fully approve of the fraternal aid of friendly Cuba to the Angolan people."

According to Jamaican refugees, internal opposition to Manley's People's National party is being systematically rooted out or silenced by a variety of strong-arm techniques. An emergency order is in effect that permits detention of troublesome opponents, and some 500 of these, including many leading backers of the opposition party, are now in jail. In addition, the refugees tell of mounting vandalism and violence, gerrymandering of electoral districts, and efforts to control the Jamaican media.

These tactics helped Manley win 48 of 60 seats in the Jamaican parliament last December, and he has proceeded since then to consolidate increasing power in his own hands. In a particularly Allende-like move, he is organizing a "people's militia" that will outnumber the Jamaican regular army and police forces put together. Also, Jamaicans trained by Cuban intelligence are being deployed to "politicize" the uniformed serv-

ices in Manley's behalf.

True to the Marxist model, Manley's government has been working steadily to take control of economic life as well. U.S. aluminum companies operating in Jamaica will henceforth be 51 per cent controlled by the government, the banks are in process of being nationalized, smaller private businesses are also being taken over. People travelling out of the country are not permitted to take more than \$50 with them.

more than \$50 with them.

All of this comes on top of disruptive economic measures recounted on these pages a year ago (Judge Wanniski, "Dismantling an Island Paradise," Human Events, March 20, 1976). These include punitive taxes (60

per cent on \$12,500 of annual income), a money-losing Jamaican airline, rent rollbacks, price controls, harassment of builders, landlords and professionals and what amounts to a program of land confiscation.

The predictable result of this activity is that Jamaica is experiencing serious economic problems. Skilled professionals are leaving the island; according to one estimate, as many as one-third of the doctors, one-half of the lawyers, and a majority of independent entrepreneurs have left. Foreign capital is understandably reluctant to come in, and tourism, scared off by the increasing violence, has dropped off to perhaps a quarter of its previous level.

As almost always occurs in such situations, Manley blames his problems not on his own policies, but on the American CIA, thereby using his self-created emergency to push the country even further into Marxism. As he put it to Izvestia, "imperialism bears the main guilt for all the economic difficulties, for the exploitation and suppression and robbery of natural resources of Jamaica and other developing countries, and this is precisely why we are speaking out for a new world order. . . ."

In short: While we direct our energies elsewhere, a Red wind is rising in Jamaica.

CAMPAIGN MAIL DISCARDED

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. AuCOIN. Mr. Speaker, I believe it would be safe to guess that every Member of this body has heard from his constituents about problems with their mail service. My own constituents write and call frequently—and more than 5,000 residents of Beaverton, Oreg., once sent me a petition to protest plans of the Postal Service for downgrading their post office.

Among the complaints made against the Postal Service in my district were those alleging that third-class campaign mail was discarded last fall even though it proved—upon recovery from a trash heap—to have been adequately addressed.

The Postal Inspection Service made a thorough investigation but concluded the "trashing" of deliverable mail was all inadvertent, and the problem was min-

Now, however, the postal district manager for Portland reveals that he did, indeed, have a problem, and that campaign mail was, indeed, discarded. This is troubling, inasmuch as some local elections were so close that they could have been decided by the presence—or absence—of mailed campaign literature.

Mr. Speaker, I would like to share with my colleagues in the U.S. House of Representatives a news story from the Oregonian, published April 1, 1977, in Portland, Oreg., which I believe demonstrates how seriously we must review, this year, the operation and management of the U.S. Postal Service. While corrections are said to have been made in Portland, we should pay heed to the district manager's comment that discarding of deliverable mail "is nothing unique to Portland."

The article follows:

SOME POLITICAL LETTERS SAID POSSIBILY
JUNKED

Portland Postmaster Benjamin Luscher told The Oregonian Thursday that as much as 2 percent of properly addressed and deliverable political mail could have been destroyed by postal officials at the time of last November's general election in Oregon.

Several political candidates have complained that some of their mailings were destroyed as undeliverable mail, even though

they were properly addressed.

Until Thursday, Luscher and other postal officials had contended that they could find no instances in which deliverable third-class mail had been destroyed. Luscher attributed most of the undelivered mail to outdated mailing addresses, mailings to apartment houses without listing apartment numbers or mailings to homes from which former occupants had moved.

But Thursday, he told The Oregonian: "We knew that we had a small error rate of about 2 per cent, and we knew there was some of this type of mail (third-class and political mail) going to our waste. . . A few pieces slipped through our quality control. But this is nothing unique to Portland."

He said the Postal Service's quality control system has been greatly improved since the 1976 general election period. "Now the operation is just about 99.99 per cent pure."

On a Channel 2 television newcast Thursday night, Luscher told reporter Dean Jones:

"I'd known for at least six months when this started that we had a real problem, and I didn't realize prior to that it was such a high percentage rate of mail. But since then, we have expanded our quality control and we have reduced this to practically nothing."

At the time of the general election mail problem, Jones scrounged one of the mail dumps. He said of the 1,000 pieces of third-class mail he retrieved, 100 of the pieces proved to be properly addressed and deliverable.

Jones added he has since been informed by Jim Finch, assistant postmaster general, that as much as 5 per cent of destroyed thirdclass mall in Portland may have been properly addressed and deliverable.

HEROES OF THE MOVEMENT

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 6, 1977

Mr. YOUNG of Alaska. Mr. Speaker, today, I would like to submit for the RECORD an article recently published in the Wall Street Journal about the in-creasingly high cost of environmental protection to the working people of this Nation. Although the need to protect our quality of life in the physical environment is certainly great, there is also an important responsibility to improve the economic and social well-being of our people. As shown in this article, projects are being delayed and canceled on questionable environmental grounds while our unemployment increases and production declines. As Alaska's Representative in Congress, and the Representative of the people of Homer, Alaska, I again call for the need to strike a balance between environmental protection and the production so important to our survival as a nation. I urge my colleagues to carefully consider this article and join with me in the effort to reach this balance:

[From the Wall Street Journal, Feb. 22, 1977] Heroes of the Movement

Jack B. Weinstein, a federal district judge in Brooklyn, decided last week that there hasn't been enough environmental paperwork—only 4,043 pages—on the sale of federal oil and gas leases off New Jersey last August. So he voided the \$1.1 billion deal.

A few days before, Interior Secretary Cecil Andrus, an Idaho environmentalist, canceled the sale, scheduled for tomorrow, of oil and gas leases in the lower Cook Inlet of Alaska. He plans an environmental and geological "review" of this and five other lease sales scheduled by the previous administration.

If we go back a little further, there is the injunction granted against completion of a \$116 million TVA hydroelectric project on the Little Tennessee River by a federal judge in Cincinnati on grounds that it threatened a little fish called the Tennessee snail dearter.

And before that there was the \$2 billion Seabrook nuclear power project in New Hampshire, first approved by the government and then held up by an EPA man in Boston over some implied threat to clam larvae, and

still pending in Washington.

Then there was the proposed \$700 million Dickey-Lincoln hydroelectric project on Maine's Upper St. John River, stalled by a controversy over environmentalist claims that it would threaten 30 specimens of a plant called the Furbish lousewort. And before that, Appalachian Power's proposed New River hydroelectric project in Virginia and North Carolina, was scotched when the U.S. declared the river a "wilderness" area.

Then there are those oil shale projects in Utah and Colorado. They may not have panned out economically, but it will be some time before we know for sure, because they too are stalled on environmental grounds. Finally, there was that famous Kaiparowits coal fired electric plant in Utah, scrapped last year by the utilities that had proposed to build it. During the 13 years the project was being considered, estimated costs increased sevenfold to a prohibitive \$3.5 billion and the utilities spent \$5 million on paperwork alone. In that case, it was the black-footed ferret, the kangaroo rat and several other species in the vicinity of the project that supposedly would have been threatened.

The ideas that man should never again disturb the environment for his economic ends, that after eons evolution shall end and even the most insignificant species shall never again vanish, that nothing shall go forward until the most remote danger to the environment is resolved through an endless judicial process, are responsible for the billions in economic losses represented in the above projects. It may be time to ask if that is truly a rational way to address the future.

It is certainly time to ask whether anyone can honestly believe that the energy shortages now besetting the nation are the result of a lack of natural resources. And time to ask whether the heroes of the environmentalist movement—the men and women who blithely damage the future prospects for millions of American workers and their families on dubious grounds—are as heroic as their admirers think.

YOUNG PEOPLE AND THE MINIMUM WAGE

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. ERLENBORN. Mr. Speaker, as we in Congress and the people we represent

worry about our 3 million-plus young people who are unable to find jobs, the Subcommittee on Labor Standards is moving to increase the minimum wage. Whatever good may be said of the minimum wage, we need only to look at statistics to see that as the minimum wage goes up so does unemployment among teenagers and young adults.

We can also look around us. Seldom do we find young people bagging our groceries. When we go shopping or out to eat, we wait to be served; and getting our prescriptions or our groceries delivered to our homes is a part of the past. These jobs—jobs that give people a chance to get experience and to learn good work habits—are simply disappearing.

What we need to slow this disappearance of jobs is a two-tiered minimum wage, one for those who have worked and another, lower level for the young and inexperienced.

An organization whose prime concern is the youth of our Nation endorses this concept. Mr. Speaker, I urge our colleagues to read the following letter from the National Association of Secondary School Principals, urging that Congress establish an apprentice wage for young people:

NATIONAL ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS, Reston, Va., March 14, 1977.

Hon. John Erlenborn,
Ranking Minority Member, Subcommittee
on Labor Standards, House of Repre-

on Labor Standards, House of Representatives, Washington, D.C.
DEAR CONGRESSMAN ERLENBORN: We were

very interested to read of the Subcommittee's recent hearing on H.R. 3744, at which the suggestion was reportedly made to make certain exceptions from the minimum wage requirements concerning youth employment.

As the largest organization of educational administrators, NASSP is vitally concerned with the improvement of the economic welfare of youth, and particularly with provision of an orderly transition from youth to adulthood. Accordingly, while we understand and accept the purposes of the minimum wage law, we believe the time has come to make some exceptions to that law if our young people are to be able to find entry into many parts of the world of work.

As long ago as 1973 the Panel on Youth of the President's Science Advisory Committee recommended that a careful review be conducted of the occupational restrictions and administrative procedure designed to protect youth from adult exploitation. The panel then went on to specifically recommend that there be broad experimentation with a dual minimum wage, lower for youth than for adult workers.

We are aware that current regulations administering the minimum wage law provide for payment of a reduced wage to student employees participating in a formal cooperative education program. Nevertheless, we feel that this is not enough. Many young people are unable to participate in such programs. The high unemployment rates for youth, and particularly urban youth, are clear evidence of the need to do more to bridge the gap between school and work.

We would recommend serious consideration by the Subcommittee of Title V of S. 3784 introduced in the last session of the 94th Congress as a means of meeting this problem. The bill provided for a reduced minimum wage for young people, but limited its application to those who are in their first six months of full-time employment, or who are still full-time students. These limitations should meet the concerns of those who might otherwise fear that the change in the law would weaken the protections it

is intended to provide. The bill afforded further protection against abuse by placing regulatory authority in the Secretary of Labor, should it be needed.

We believe that the enhancement of youth opportunity through the modification of the minimum wage law should not be a partisan political matter, and were therefore pleased to hear that sympathetic interest was expressed at the hearing by members from both sides of the aisle. We would hope that the Subcommittee could accept this proposed change as an amendment to H.R. 3744 when it is reported to the full House of Representatives.

Yours most sincerely,

Executive Director.

THE PART-TIME CAREER OPPORTUNITY ACT

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mrs. BURKE of California. Mr. Speaker, today I am reintroducing legislation which will significantly increase the employment opportunities in the departments and agencies of the Federal Government for those persons who are unable to work the standard 40-hour workweek such as women with young children, students, the handicapped and retired persons.

The Part-Time Career Opportunity Act will encourage agencies of the Federal Government to make available parttime positions in responsible positions up and down the career ladder and across the spectrum of Federal agencies.

At the heart of my legislation is the requirement that, except where an agency can show that converting positions to part time would either impairis efficiency or adversely affect current full-time employees, part-time positions in each agency be increased to 10 percent within 5 years. This would be accomplished by providing a 5-year phase-in period during which 2 percent of Federal jobs would be restructured each year by attrition until a maximum of 10 percent is reached.

Part-time working opportunities in the Federal Government are now few in number and limited mostly to low-level positions. At the same time, the demand for such opportunity has grown rapidly. Between 1963 and 1972, the number of people working part time grew from 7.8 million to 12.6 million. A major New York placement agency reported that it receives "five times as many responses for a part-time job as for a comparable full-time job" and that "for many jobs, the best people on the market are people who want to work part time." As the demand for part-time employment grows, the Federal Government will lose access to a significant source of talent if it fails to promote flexible hours scheduling.

By helping to end the discrimination imposed by the basic pattern of working hours in our society, my bill would also benefit working parents, particularly working mothers, men and women approaching retirement age, students and the handicapped whose special needs may preclude them from working the standard workweek.

By increasing the available quantity of part-time positions, the Government will expand its access to segments of the work force now beyond its reach. Married women with children, many of whom hold impressive professional credentials, could qualify for part-time Federal employment. Many highly experienced, expensively trained civil servants approaching their final years of Government service would choose to stay on in less than full-time capacity rather than retire early. By providing employment opportunity to people continuing their education, the Government would gain increased access to new ideas as they evolve in the various academic disciplines.

There have already been a number of successful experiments with programs to provide part-time work opportunities at professional levels in the Atomic Energy Commission, the Veterans' Administration and the Department of Health, Education, and Welfare. A study by Margaret A. Howell and Marjorie G. Ginsberg entitled, "Evaluation of the Department of Health, Education, and Welfare," published in the February 1973 issue of Public Personnel Management. assessed the effectiveness of the HEW part-time program for professionals on the basis of the opinions of supervisors. Some of the key findings are as follows:

First, 77 percent of the supervisors found no difficulty or slight difficulty in terms of availability for conferences or consultations;

Second, 86 percent of supervisors thought many jobs could be part time;

Third, 100 percent felt women could handle high-level policymaking jobs and should be given the opportunity for such jobs.

Current full-time employees need not feel threatened by my bill. It provides several explicit prohibitions against the creation of part-time work opportunities at the expense of full-time employees.

First, the bill specifically prohibits the creation of part-time jobs where it would be necessary to force full-time employees into a position of choosing either to work part time or not at all.

Second, it provides for a gradual phase-in of part-time jobs at the rate of 2 percent per year for 5 years. The part-time employment now extant in the civil service will count toward the percentage targets and annual attrition is more than sufficient to permit the adaptation of full-time positions to part-time positions with no loss of employment by those employed full-time.

Finally, it includes a mechanism by which an agency can request and obtain a waiver from the percentage target when, for reasons of a major reduction in force, a hiring freeze or other major personnel action, it is not possible to attain the target percentage without adversely affecting full-time employees.

A meaningful system of part-time employment in the United States would provide jobs for those who are presently unemployed, would increase productivity and efficiency in Government and serve

as a model for private industry and other public employers. My Part-Time Career Opportunity Act would do this and more; it would help lead the way in opening up the work force at all levels to groups that are presently excluded.

SUPPORT THE CONSUMER FOOD LABELING ACT

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 6, 1977

Mr. MOAKLEY. Mr. Speaker, the Consumer Food Labeling Act performs an important service for all Americans, by letting our consumers know exactly what they are eating and exactly how they should care for the foods they buy. This bill, which requires labeling foods to disclose all ingredients, nutritional content, accurate weight data, storage informatrue manufacturer-packer-distributor identity, uniform product grading, unit prices, and ingredient changes and to bar misleading brand names is an integrated set of rules which leads to complete public information on the content of food products.

The benefits of such labeling information are multiple. First of all, those Americans with allergies, dietary problems, religious or personal food preferences can avoid those food products which they find harmful. Second, the requirement for dating perishable foods and listing optimal storage procedures for them, insures that the consumer buys fresh food and stores it properly. Morethe requirements for printing weight data, uniform grading information, and ingredient changes combine with the perishable food precautions to advance further our national concern for improving our food supply. Finally, the manufacturer-packer-distributor identity requirement and the ban on misleading brand names similarly encourage a responsible attitude toward providing our consumers with healthy, fresh food.

The information we wish to make available to the consumer through labeling is not, however, geared solely toward inducing a greater sense of responsibility within the producers of our food supply. It is also directed toward the consumers. Science tells us that to be healthy and alert, we need a nutritionally balanced diet. Through research, it has become increasingly evident that the links between good food and disease-prevention, emotional stability, and a general sense of physical and mental wellbeing, are vital ones. Nutritional education, then, must be viewed as an important goal for the general welfare of all our constituents. But before we learn to follow sensible eating rules, we must be able to gage the nutritional content of the individual foods we buy. Congress-man Rosenthal's bill specifically requires such a listing, and so prepares the way for a more nutritionally conscious populance.

Both sectors of the food industry, the producers and the consumers, need to develop greater awareness of our food supply. Fresh healthy food must be available, ingredient and storage data evident, and nutrition information listed, so that Americans can improve their diets and thus, their health. I urge you to vote for the Consumer Food Labeling Act which provides these necessary services.

OPPOSITION TO H.R. 3199

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 6, 1977

Mr. STEERS. Mr. Speaker, I did not vote for H.R. 3199. I feel that we could have streamlined the process of getting money to the States without sacrificing our environmental quality. Specifically, I am referring to the removal of the Army Corps of Engineers as the regulator of the Nation's waterways. Without proper safeguards, I feel we have left the inland waterways open to environmental abuse and degradation. These inland wetlands comprise 80 percent of all of the Nation's wetlands and are havens for wildlife. While some States protect these wetlands very well, others would allow for the destruction of wetlands, destruction that is abhorrent to me.

I feel that if the House version of water pollution control amendments are accepted, the original intent of the 1972 act may well be lost, and it will be much more difficult to make our waterways clean in the future. It is my hope that some of the amendments offered unsuccessfully in the House will be adopted in conference.

SEEKS RELIEF FOR LOW-INCOME ELDERLY AND VETERANS

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. APPLEGATE. Mr. Speaker, today I am introducing two bills designed to grant relief to the low-income elderly of this Nation. These are the people who have contributed so much to this Nation, but now must live in poverty due to unfair laws.

One of these inequitable laws concerns the limit imposed on social security recipients for earning outside income. By doing this, we not only place our citizens in a low-income bracket, but also essentially prevent them from seeking meaningful gainful employment. Therefore, I am introducing legislation to remove the outside earned income limitation.

Another bill I have introduced deals with an inequity in the veterans' pension law. Most of us have heard from our veteran constituents on this problem. The inequity centers around the inability of a veteran, who is receiving a pension, to realize an increase in social security. My bill provides that the recipient of a veterans' pension or dependency and indemnity compensation

will not have the amount of such pension or compensation reduced because of cost-of-living increases in social security benefits.

The purpose of my two bills is to help those on low, fixed incomes, particularly the elderly. During these trying economic times, we must assure these individuals every deserving break.

PERSONAL EXPLANATION

HON. MARTHA KEYS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mrs. KEYS. Mr. Speaker, on Monday, April 4, 1977, I was unavoidably absent from the House. Had I been present, I would have voted on matters coming before the House as follows:

"Yea" on House Resolution 469, roll No. 123 the rule under which the bill, H.R. 5294. Debt Collection Practices Act, was to be considered.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee-of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur. As an interim procedure until the com-

puterization of this information becomes operational, the Office of the Senate Daily Digest will prepare such information daily for printing in the Extensions of Remarks section of the Congressional

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, April 7, 1977, may be found in the Daily Digest section of today's RECORD.

The schedule follows:

MEETINGS SCHEDULED APRIL 8

9:00 a.m.

Governmental Affairs

To continue hearings on S. 826, to establish a Department of Energy in the Federal Government to direct a coordinated national energy policy.

APRIL 11

10:00 a.m.

Governmental Affairs

Subcommittee on Governmental Efficiency To receive testimony on a GAO study alleging inaccurate financial records of the Federal flood insurance program. 6226 Dirksen Building

APRIL 18

8:00 a.m.

Energy and Natural Resources Public Lands and Resources Subcommittee To mark up S. 7, to establish in the Department of the Interior an Office of

Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations. 3110 Dirksen Building

9:30 a.m.

Appropriations Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear Members of Congress.

1114 Dirksen Building

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development and Independent Agencies, to hear public witnesses.

1318 Dirksen Building

Banking, Housing, and Urban Affairs

To hold hearings on proposed housing and community development legisla-tion with a view to reporting its final recommendations thereon to the Budget Committee by May 15.

5302 Dirksen Building

Energy and Natural Resources To hold a hearing on the nominations of Joan Mariarenee Davenport, of New Jersey, to be an Assistant Secretary of the Interior, and David J. Bardin, of New Jersey, to be Deputy Administra-tor Federal Energy Administration. 3110 Dirksen Building Environment and Public Works

Water Resources Subcommittee

To resume hearings on national water policy in view of current drought sitnations.

4200 Dirksen Building

Judiciary

To hold hearings on S. 825, to foster competition and consumer protection policies in the development of product standards.

2228 Dirksen Building

APRIL 19

9:30 a.m.

Appropriations Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and Related Agencies, to hear public witnesses.

1114 Dirksen Building

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for the Department of State.

1318 Dirksen Building

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Aviation Administration.

1224 Dirksen Building Commerce, Science, and Technology

Science, Technology, and Space Subcommittee

To hold hearings on S. 126, to establish an Earthquake Hazards Reduction Program.

5110 Dirksen Building Energy and Natural Resources

To resume hearings on S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental

3110 Dirksen Building

Environment and Public Works

To resume hearings on the proposed replacement of Lock and Dam 26, Alton,

4200 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To continue hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.

5302 Dirksen Building

Commerce, Science, and Transportation

Consumer Subcommittee

To hold oversight hearings on activities of the Consumer Product Safety Com-

235 Russell Building

Energy and Natural Resources

Enery Research and Development Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for ERDA.

Room to be announced

Governmental Affairs

Subcommittee on Reports, Accounting and Management

To hold hearings to review the process by which accounting and auditing practices and procedures, promulgated or approved by the Federal Govern-ment, are established.

6202 Dirksen Building

Judiciary

To continue hearings on S. 825, to foster competition and consumer protection policies in the development of product standards.

2228 Dirksen Building

2:00 p.m.

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of State.

S-146. Capitol

Appropriations

HUD-Independent Agencies Subcommittee To continue hearings on proposed budg-et estimates for fiscal year 1978 for the Department of Housing and Urban Development, to hear public witnesses. 1318 Dirksen Building

APRIL 20

9:30 a.m.

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for the Department of Commerce

1224 Dirksen Building Environment and Public Works Water Resources Subcommittee

To continue hearings on the proposed replacement of Lock and Dam 26, Alton, Ill.

4200 Dirksen Building

10:00 a.m.

Appropriations Interior Subcommittee

To continue hearings on proposed budg-et estimates for fiscal year 1978 for the Department of the Interior and re-lated agencies, to hear public wit-

1114 Dirksen Building

Banking, Housing, and Urban Affairs To continue hearings on proposed housing and community development leging and community development tegs islation with a view to reporting its final recommendations thereon to the Budget Committee by May 15. 5302 Dirksen Building

Commerce, Science, and Transportation Consumer Subcommittee

To continue oversight hearings on activities of the Consumer Product Safety Commission.

235 Russell Building

Energy and Natural Resources To consider pending calendar business. 3110 Dirksen Building

Governmental Affairs

Subcommittee on Governmental Efficiency

To receive testimony on a GAO study alleging inaccurate financial records of the Federal flood insurance program. 6226 Dirksen Building

Joint Economic Committee

To hold hearings to receive testimony on issues the United States will present at the upcoming economic summit conference in London on May 7. 6202 Dirksen Building

Judiciary

To continue hearings on S. 825, to foster competition and consumer protection policies in the development of product standards.

2228 Dirksen Building

Select Small Business

To hold hearings on S. 872, to authorize the Small Business Administration to make grants to support the development and operation of small business development centers.

424 Russell Building

2:00 p.m.

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

To continue oversight hearings on proposed budget estimates for fiscal year 1978 for the Department of Commerce. S-146, Capitol

APRIL 21

9:00 a.m.

*Energy and Natural Resources

Subcommittee on Parks and Recreation To hold hearings on S. 658, to designate certain lands in Oregon for inclusion in the National Wilderness Preservation System.

Room to be announced

Judiciary

Subcommittee on Juvenile Delinquency To hold hearings on S. 1021 and S. 1218, to amend and extend, through fiscal year 1980, programs under the Ju-venile Justice and Delinquency Prevention Act.

2228 Dirksen Building

10:00 a.m.

Appropriations Interior Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies, to hear public witnesse

1114 Dirksen Building

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for the Arms Control and Disarmament Agency, Board for International Broadcasting, USIA, and the Commission on Civil Rights.

S-146, Capitol

Banking, Housing, and Urban Affairs

To continue hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15. 5302 Dirksen Building Commerce, Science, and Transportation

To hold hearings on the nominations of Langhorne McCook Bond, of Illinois, to be Administrator, and Quen-tin Saint Clair Taylor, of Maine, to be Deputy Administrator both of the Federal Aviation Administration.

Commerce, Science, and Transportation

Consumer Subcommittee

To continue oversight hearings on activities of the Consumer Product Safety Commission.

5110 Dirksen Building

Environment and Public Works Subcommittee on Resource Protection

To hold hearings on proposed legislation authorizing funds to the States to extend the Endangered Species Act through 1980.

4200 Dirksen Building

Governmental Affairs

Subcommittee on Governmental Efficiency To receive testimony on a GAO study al-leging inaccurate financial records of the Federal flood insurance program. 6226 Dirksen Building

Governmental Affairs

Subcommittee on Reports, Accounting and Management

To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government are established.

3302 Dirksen Building

Joint Economic Committee

To hold hearings to receive testimony on issues the United States will present the upcoming economic summit conference in London on May 7. 6202 Dirksen Building

2:00 p.m.

Appropriations State, Justice, Commerce, Judiciary Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the EEOC, FTC, and SBA.

S-146, Capitol

APRIL 22

10:00 a.m.

Appropriations State, Justice, Commerce, Judiciary Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Maritime Commission, Foreign Claims Settlement Commission, International Trade Commission, and the Legal Services Corporation.

S-146, Capitol

Banking, Housing, and Urban Affairs

To continue hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to Budget Committee by May 15. 5302 Dirksen Building

Energy and Natural Resources

To continue hearings on proposed budget estimates for fiscal year 1978 for ERDA. 3110 Dirksen Building

Governmental Affairs

Subcommittee on Governmental Efficiency To receive testimony on a GAO study alleging inaccurate financial records of the Federal flood insurance program. 6226 Dirksen Building

Joint Economic Committee

To hold hearings to receive testimony on issues which the U.S. will present at the upcoming economic summit conference in London on May 7. 1202 Dirksen Building

2:00 p.m.

Appropriations

State, Justice, Commerce, Judiciary
To continue hearings on proposed budget estimates for fiscal year 1978 for the Marine Mammal Commission, Rene-

gotiation Board, and the SEC. S-146, Capitol

APRIL 25

9:30 a.m.

Appropriations Interior Subcommittee

To resume hearings on proposed budget

estimates for fiscal year 1978 for the Forest Service.

1114 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs Consumer Affairs Subcommittee

To hold hearings on S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.

5302 Dirksen Building

Commerce, Science, and Transportation Merchant Marine and Tourism Subcom-

To hold hearings on proposed budget estimates for fiscal year 1978 for the Coast Guard.

5110 Dirksen Building

Energy and Natural Resources

To resume hearings on S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.

3110 Dirksen Building

Environment and Public Works

Subcommittee on Water Resources

To hold hearings on proposed legislation to authorize funds for fiscal year 1978 for river basin projects.

4200 Dirksen Building

Judiciary

To resume hearings on S. 825, to foster competition and consumer protection policies in the development of product standards.

2228 Dirksen Building

APRIL 26

9:30 a.m.

Appropriations

State, Justice, Commerce, Judiciary Sub-

To hold hearings on proposed budget estimates for fiscal year 1978 for the Department of Justice.

1318 Dirksen Building

Committee on Human Resources

Subcommittee on Labor

To hold hearings on S. 995, to prohibit. discrimination based on pregnancy or related medical conditions. 4232 Dirksen Building

Select Small Business

To hold hearings on problems of small business as they relate to product liability. 1202 Dirksen Building

Select Small Business

To resume hearings on S. 972, to authorize the Small Business Administration to make grants to support the development and operation of small business development centers.

424 Russell Building

10:00 a.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.

1224 Dirksen Building

Banking, Housing, and Urban Affairs Consumer Affairs Subcommittee

To continue hearings on S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.

5302 Dirksen Building

Commerce, Science, and Transportation Merchant Marine and Tourism Subcommittee

To hold hearings to receive testimony in connection with delays and conges-tion occurring at U.S. airports-ofentry.

235 Russell Building

Environment and Public Works Subcommittee on Water Resources

To hold hearings on projects which may be included in proposed Water Resources Development Act amendments.

4200 Dirksen Building

2:00 p.m.

Appropriations

State, Justice, Commerce, Judiciary
To continue hearings on proposed budget
estimates for fiscal year 1978 for the

Department of Justice.

S-146, Capitol

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.

1224 Dirksen Building

APRIL 27

9:30 a.m.

Committee on Human Resources

Subcommittee on Labor

To continue hearings on S. 995, to prohibit discrimination based on pregnancy or related medical conditions. 4232 Dirksen Building

10:00 a.m.

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.

1224 Dirksen Building

Banking, Housing, and Urban Affairs

Consumer Affairs Subcommittee To continue hearings on S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abu-

sive practices by independent debt collectors.

5302 Dirksen Building Commerce, Science, and Transportation

Consumer Subcommittee

To hold hearings on S. 403, the proposed National Product Liability Insurance

5110 Dirksen Building

Energy and Natural Resources

To consider pending calendar business. 3110 Dirksen Building

APRIL 28

10:00 a.m.

Appropriations Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.

1224 Dirksen Building Commerce, Science, and Transportation

Consumer Subcommittee To continue hearings on S. 403, the proposed National Product Liability Insurance Act.

5110 Dirksen Building

Energy and Natural Resources

Energy Research and Development Sub-

To resume hearings on S. 419, to test the commercial, environmental, and social viability of various oil-shale technologies.

3110 Dirksen Building

Environment and Public Works

Nuclear Regulation Subcommittee

To resume hearings on proposed fiscal year 1978 authorizations for the Nuclear Regulatory Commission.

4200 Dirksen Building

APRIL 29

10:00 a.m.

Appropriations State, Justice, Commerce, Judiciary Subcommittee

To hold hearings on proposed budget estimates for fisacl year 1978 for the Judiciary and F.C.C.

S-146, Capitol

Commerce, Science, and Transportation Consumer Subcommittee

To continue hearings on S. 403, the pro-posed National Product Liability Insurance Act.

5110 Dirksen Building

Energy and Natural Resources

Subcommittee on Parks and Recreation To hold hearings on S. 1125, authorizing the establishment of the Eleanor Roosevelt National Historic Site in Hyde Park, N.Y.

3110 Dirksen Building

MAY 3

9:00 a.m.

Veterans' Affairs

Subcommittee on Housing, Insurance, and Cemeteries

To hold hearings on S. 718, to provide veterans with certain cost information on conversion of government supervised insurance to individual life insurance policies.

6202 Dirksen Building Until: 12 noon

10:00 a.m.

Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. mone-

tary policy.

5302 Dirksen Building Commerce, Science, and Transportation Consumer Subcommittee

To hold hearings on proposed legislation amending the Federal Trade Commission Act.

235 Russell Building

Energy and Natural Resources

Energy Conservation and Regulation Subcommittee

To hold hearings to receive testimony on Federal Energy Administration price policy recommendations for Alaska crude oil.

3110 Dirksen Building

MAY 4

10:00 a.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Highway Administration

1224 Dirksen Building

Banking, Housing, and Urban Affairs To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendation thereon to the Budget Committee by May 15.

5302 Dirksen Building Commerce, Science, and Transportation Consumer Subcommittee

To continue hearings on proposed legislation amending the Federal Trade Commission Act.

235 Russell Building

MAY 5

9:00 a.m.

Veterans' Affairs

Subcommittee on Housing, Insurance, and Cemeteries

To continue hearings on S. 718, to provide veterans with certain cost information on conversion of government supervised insurance to individual life insurance policies.

6202 Dirksen Building Until: 12 noon

10:00 a.m.

Banking, Housing, and Urban Affairs

To consider all proposed legislation under its jurisdiction with a view to re-porting its final recommendations thereon to the Budget Committee by May 15.

5302 Dirksen Building Commerce, Science, and Transportation

Consumer Subcommittee

To hold hearings on S. 957, designed to promote methods by which controversies involving consumers may be resolved.

5110 Dirksen Building

MAY 6

10:00 a.m.

Banking, Housing, and Urban Affairs.

To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.

5302 Dirksen Building

MAY 9

9:30 a.m.

Commerce, Science, and Transportation Communications Subcommittee

To hold oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.

235 Russell Building

MAY 10

9:30 a.m.

Commerce, Science, and Transportation

Communications Subcommittee

To continue oversight hearings on the broadcasting industry, including network, licensing, advertising, violence on TV, etc.

235 Russell Building

10:00 a.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimate for fiscal year 1978 for the Federal Railroad Administration (Northeast Corridor)

1224 Dirksen Building

Banking, Housing, and Urban Affairs

To resume oversight hearings on U.S. monetary policy.

5302 Dirksen Building

Governmental Affairs

Subcommittee on Reports, Accounting and Management

To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal government, are established.

6202 Dirksen Building

MAY 11

9:30 a.m.

Commerce, Science, and Transportation

Communications Subcommittee To continue oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.

235 Russell Building

MAY 12

10:00 a.m.

Governmental Affairs

Subcommittee on Reports, Accounting and Management

To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.

6202 Dirksen Building

MAY 18

10:00 a.m.

Appropriations

Transportation Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.

1224 Dirksen Building

2:00 p.m.

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.

1224 Dirksen Building

MAY 24

10:00 a.m. Governmental Affairs

Subcommittee on Reports, Accounting and Management

To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.

6202 Dirksen Building

MAY 26

10:00 a.m.

Governmental Affairs

Subcommittee on Reports, Accounting and

Management

To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.

6202 Dirksen Building

JUNE 13

9:30 a.m.

Commerce, Science, and Transportation Communications Subcommittee

To hold oversight hearings on the cable TV system.

235 Russell Building

JUNE 14

9:30 a.m.

Commerce, Science, and Transportation Communications Subcommittee

To continue oversight hearings on the cable TV system.

235 Russell Building

9:30 a.m.

Commerce, Science, and Transportation Communications Subcommittee

To continue oversight hearings on the cable TV system.

235 Russell Building

SENATE-Thursday, April 7, 1977

(Legislative day of Monday, February 21, 1977)

The Senate met at 2 p.m., on the expiration of the recess, and was called to order by the Acting President pro tempore (Mr. Metcalf).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, our Father, bless all who serve in and with this body. Be with us in our work, in our homes, in our worship, in our travels, in our dealings with our colleagues, and in our dealings with ourselves. Be with us in our coming in and in our going out. Wherever we are, whatever we do, may we never forget Thee. And if we should forget Thee do not forget us, for in Thee we live and move and have our being. When this day is done and we depart, we pray Thee to bring us back strengthened to do Thy will.

In the Redeemer's name we pray.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of yesterday, Wednesday, April 6, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, there are various nominations on the Executive Calendar, I believe all of which have been cleared on both sides of the aisle.

I ask unanimous consent that the Senate go into executive session to consider the nominations on the Executive Calendar.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The second assistant legislative clerk read the nomination of Harry K.

CXXIII—685—Part 9

Schwartz, of Pennsylvania, to be an Assistant Secretary of Housing and Urban Development.

Mr. BAKER addressed the Chair. The ACTING PRESIDENT pro tem-

pore. Without objection— Mr. BAKER. No, Mr. President.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

Mr. BAKER, Mr. President, I sought recognition a moment ago to say that the majority leader is correct in announcing that all of these nominations on the Executive Calendar today have been cleared on both sides. I am referring to three nominations for the Department of Housing and Urban Development, and two nominations for the Securities and Exchange Commission.

There is no objection to their confirmation on this side of the aisle.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all nominations on the Executive Calendar be considered and confirmed en bloc.

The second assistant legislative clerk read the nomination of Donna Edna Shalala, of New York, to be an Assistant Secretary of Housing and Urban Development; and Geno Charles Baroni, of the District of Columbia, to be an Assistant Secretary of Housing and Urban Development.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en

SECURITIES AND EXCHANGE COMMISSION

The second assistant legislative clerk read the nomination of Harold Marvin Williams, of California, to be a member of the Securities and Exchange Commission for the remainder of the term expiring June 5, 1977; and for the term expiring June 5, 1982.

The ACTING PRESIDENT pro tempore. The nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nominations were confirmed en bloc.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask that the President be immediately notified of the confirmation of the nominations.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORIZING DISTRICT COURT TO BE HELD AT CORINTH, MISS.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 68 which has been cleared on both sides of the aisle.

Mr. BAKER. Mr. President, there is no objection to the disposition of this matter by unanimous consent on this side.

There being no objection, the bill (S. 662) to provide for holding terms of the District Court of the United States for the Eastern Division of the Northern District of Mississippi in Corinth, Miss., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the third sentence of section 104(a) (1) of title 28, United States Code, is amended to read as follows:

"Court for the eastern division shall be held at Aberdeen, Ackermann, and Corinth.".

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-87), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to authorize an additional place for holding court in the Eastern Division of the Northern Judicial District of Mississippi.

STATEMENT

This bill is identical to S. 2412 of the 94th Congress, which was reported by the Committee on the Judiciary and passed the Sen-

ate as reported on May 11, 1976.

The State of Mississippi is divided into two judicial districts, denominated as the Northern and Southern Districts. The Eastern Division of the Northern District consists of 13 counties in the northeastern corner of the State of Mississippi and extends in a north-south direction of approximately 140 miles. The principal place of holding court for this division is Aberdeen, Mississippi, which is located approximately 60 miles from the southern boundary of the division. Ackerman, Mississippi, which also designated as a statutory place of hold-ing court in the Eastern Division, is approximately 91 miles southwest of Aberdeen. However, no trials are held at Ackerman, which was included in the statute primarily as a location where chambers are provided for a circuit judge from the State of Mississippi. The designation of Ackerman was required since section 142 of title 28 of the United States Code specifies that the General Services Administration can provide court quarters only at places where regular terms of court are authorized by law to be held.

The City of Corinth, which this bill would add as an additional place for holding court in the Eastern Division of the Northern Judicial District, is located in the extreme northern part of the Eastern District, approximately 85 miles north of Aberdeen. Corinth has a population of approximately 15,000 residents and is a principal commercial center in that part of the State. Litigants and counsel from 5 of the 13 counties can more conveniently attend court located at Corinth than at Aberdeen, which is the sole place of holding court. One of the judges of the court is a resident of Corinth. Since the closest Federal courthouse is at Aberdeen, 85 miles away, the judge must spend 4 hours of travel time for each trip from his residence to the court chambers at Aberdeen. If Corinth is designated as an official place for holding court, the General Services Administration, pursuant to section 142 of title 28, United States Code, would be authorized to provide chambers for the judge at Corinth. It is not proposed to provide a courtroom at Corinth. The committee is advised that the Federal post office building at Corinth has vacant space on the second floor of the building which at relatively small expense can be remodeled to provide suitable chambers for the judge. These chambers will be used by the judge for study, research and preparation of orders and opinions. The judge will also hear motions and conduct certain pretrial and posttrial proceedings at Corinth in cases where the parties and their counsel are located closer to Corinth than they are to Aberdeen.

It has been the policy of the committee to refrain from creating new courts or from authorizing new places for court to be held, unless such change has been approved by the Judicial Conference of the United States. When this bill was introduced, the committee requested the views of the Judicial Conference of the United States. In addition Corinth, Mississippi, as a place of holding court, has been approved by all judges of the Northern Judicial District and by the Judicial Council of the Fifth Circuit. This bill was approved by the Judicial Conference of the United States at its semiannual meeting on April 7, 1976, as indicated in the following letter.

[Communications]

ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS,

Washington, D.C., April 8, 1976. Hon. James O. Eastland,

Chairman, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in further reference to your letter of October 7, 1975, transmitting for comment S. 2412, a bill "To provide for holding terms of the District Court of the United States for the Eastern Division of the Northern District of Mississippi in Corinth, Mississippi."

The Judicial Conference of the United States, at its session on April 7, 1976, considered the provisions of S. 2412 and voted its

approval of the proposal. Sincerely.

> WILLIAM E. FOLEY. Deputy Director. COST

No authorization for appropriation is contained in this bill. The committee has been advised that, through normal budgetary procedures, the cost of remodeling and equipping a three-room suite of offices in an existing Federal building at Corinth can be accommodated in the funds already appropriated for fiscal year 1977 for the Federal judiciary. The committee estimates that cost at \$90,000.

SECTIONAL ANALYSIS

Section 1 of the bill amends section 104(a) (1) of the title 28, United States Code, by adding "Corinth" as a designated place of holding court in the northern judiciary district of Mississippi.

COMMITTEE MEETINGS ON APRIL 18 AND 19, 1977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Special Committee on Aging be authorized to meet during sessions of the Senate on Monday, April 18, between the hours of 1 and 3 p.m., and on Tuesday, April 19, between the hours of 1 and 3 p.m.

This request is necessary because ofthe inability of the Special Committee on Aging to secure hearing rooms on the mornings of the respective dates.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object to this request which was very kindly cleared on our side of the aisle-I might say for the benefit of the majority leader and for others of our colleagues that from time to time during our consideration of the tax bill, particularly the principal amendments to it, it may be necessary for me to object to committees meeting while the Senate is in session other than as provided under the resolutions and Standing Rules of the Senate. I simply wanted my colleagues to be

on notice that I may do that from time to time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I appreciate what the distinguished minority leader has said. I hope it will be possible for him and myself to discuss this matter so that I can be alerted as far in advance as he would possibly do it with respect to the particular amend-ments he has in mind. This would enable us to get consent for the committees to meet on days other than on those days and hours when those specific amendments are before the Senate, and I think it would be only fair to the committees if we could alert them to the days on which they can or cannot meet as far in advance as possible.

Mr. BAKER addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senate will receive a message from the President of the United States.

Mr. BAKER. Could the Chair withhold just 1 minute so that I may reply to the distinguished majority leader?

I simply wanted to say that I will indeed try to supply as much in advance as possible and, of course, as has been my pattern in the past, I intend to confer thoroughly and frequently with the majority leader in that respect.

I am not sure I can always give much advance notice, but I will do the best I can. It is not my intention to try to slow down the committee processes but rather to focus attention on important legisla-

tion when it is on the floor.

I might also say, Mr. President, I hope the majority leader might consider and pursue his pattern of earlier weeks of possibly setting aside a day here and there when the committees can meet for extended periods of time without being in conflict with the sessions of the Senate, But, in any event, I certainly intend, and will try, to cooperate with the ma-

jority leader in this regard.

Mr. ROBERT C. BYRD. Yes, it will be my intent, as in the past and, when possible, to convene the Senate as late as possible without imposing upon Members of the Senate so as to allow committees as much uninterrupted time as possible to conduct their business as far into the Senate session as is possible which, of course, as we get further into the session becomes more difficult, and especially with respect to certain legislation as it comes upon the floor like the tax bill, where it will be more difficult to come in in the afternoon when measures like that are pending, more difficult than might otherwise be the case.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield 2 minutes of the time allotted to me under the order to Mr. EAGLETON.

Mr. EAGLETON. I thank the distin-

guished majority leader.

Mr. ROBERT C. BYRD. Mr. President, and may I do this first, I ask the distin-guished minority leader if he needs time for himself prior to my yielding to Mr. EAGLETON?

Mr. BAKER. No. Mr. President. I 'thank the majority leader. I do not.

Mr. EAGLETON. I thank my colleagues.

DUDLEY MILES

Mr. EAGLETON. Mr. President, on the evening of April 5, I was stunned to learn of the death of Dudley Miles, the staff director of the Appropriations Agriculture Subcommittee. I was designated as chairman of that subcommittee earlier this year and since that time I have gotten to know Dudley Miles very well. He was a marvelous, marvelous personable, conscientious, thorough and many other equally complimentary things. As a new subcommittee chairman, I am frank to say that I valued and relied heavily upon his expertise. I repeat, he was a marvelous human being.

Mr. President, I would like at this point to summarize very briefly Dudley

Miles' career.

Dudley Miles was born in Youngstown, Ohio, and moved to Wyoming at an early age and attended public schools there. He was graduated by the University of Wyoming College of Law in 1953. He served as the county attorney in Rawlins, Wyo., until 1961 when he moved to Washington, D.C., to become research director on the staff of Senator Gale McGee. He remained in that capacity until 1971 when he joined the staff of the Senate Committee on Appropriations. He was director of the Agriculture and Related Agencies Subcommittee.

And he was only 51 years of age when

he suddenly died last Tuesday.

He served in the Army Air Corps during World War II and was a member of the BPOE and a Shriner in the Masonic Lodge. He is survived by his wife Rayma; a daughter, Julie, two sons, Daniel and Dudley, Jr., all of Fairfax, Va. He is also survived by his father, John Miles of Cheyenne, Wyo.; a brother, Daniel, of Douglas, Wyo., and three sisters, Myrtal Miles, Mrs. Joan Lore, and Mrs. Percy Hawkins, all of Douglas, Wyo.

Finally, Mr. President, I know I speak the sentiments of my colleagues in the Senate when I say that all of us have suffered a great loss by reason of Dudley Miles' death. May God be good to him

and his family.

Mr. President, I ask unanimous consent that additional tributes to Dudley Miles, specifically one from Senator John STENNIS, of Mississippi, one from Ambassador Gale McGee, and one from the Secretary of Agriculture, Mr. Bob Bergland, be printed in the Record.

There being no objection, the tributes were ordered to be printed in the RECORD,

as follows:

STATEMENT BY SENATOR STENNIS

I am deeply saddened by the sudden passing of Dudley Miles. He will be greatly missed by all of us who are members of the Senate Agricultural Appropriations Subcommittee, and I am sure by all other members of the Senate as well. Every Senator has agricul-tural production in his state, and an interest in agricultural problems. Dudley was unfailingly helpful to each member who came to him for information, advice, or assistance.

He was a tremendously hard worker, dedicated to his duty, and it may well be that by working so hard and so fast, at this particular time of stress, with several ap-propriation bills pending, he injured his health. He enjoyed being responsive to the demands of his work, and being good at it. He had all the best of qualities-intelligence, a fine personality, a cheerful disposition, and built-in dynamic energy. It is a shame that such a fine and competent person should be taken so young.

We who have been associated with Dudley Miles in his work will miss him professionally and personally. My deepest sympathy is extended to his family in their great loss.

STATEMENT OF AMBASSADOR GALE MCGEE

On Tuesday, April 5, 1977, the Senate of the United States lost one of its most dedicated and talented experts. On that date, Mr. Dudley D. Miles, the Staff Director of the Senate Agriculture Appropriations Subcommittee, was fatally stricken with a heart at-

This loss comes as a deep shock to me personally, Mr. President; for not only have I known Dudley Miles on a personal friendship basis for more than thirty years, but I had the opportunity of knowing him well in many particular categories of special achievementfirst, as an outstanding student of mine and an honor graduate from the College of Law from the University of Wyoming as well as many years as a practicing attorney in the State of Wyoming. In addition, for ten years he was my legislative chief in the Senate. And then, when I was honored to serve as Chairman of the Agriculture Appropriations Subcommittee beginning in 1971, he took over as Chief Clerk. It was during this last six-year period that Dudley Miles demonstrated in the finest way the talents of a truly dedicated public servant. His integrity and expertise lent dignity to the legislative

Coming fresh to the subcommittee assignment from my own office staff. Dudley quickly immersed himself in the details of learning the job and then, in turn, of educating me on the results. Endless numbers of government agency and department witnesses who came before our subcommittee were quick to recognize that Dudley had—in a very short time-become a master of the intricacies of responsible budget management.

In those days we had many a squabble with our counterparts in the House of Representatives as we went to conference concerning our differing versions of the budget. And I recall how delighted I was, after the conclusion of our very first conference agreement, with the praise that was showered upon our "committee staff man, Miles" by our House of Representatives counterparts.

One of the enigmas of our existence on this earth is our inability to answer the question why a man such as this is taken from us at the very prime of his life career leaving, as he does, his loving wife, Rayma, and three growing children who cherished his attention and his love-his daughter, Julie,

and his two sons, Danny and Dudley.

This weekend will be a poignant one for the Miles family and all who know them. But it is also a weekend dedicated to the Resurrection and the Life; and I am confident that, just as the Good Lord has ex-tended his comfort and mercy to Dudley Miles, He will do so likewise to the members

of the Miles family.

We have lost a personal friend. We've also lost an exemplary public servant. His many acquaintances on Capitol Hill will miss him greatly. And the numerous members of the Senate and the House who have long relied

on his counsel will miss him, too.
But Dudley Miles will not be forgotten, Mr. President; for he left his mark on this body as an employee with a record and an example to be emulated by those who follow him. Loraine and I join the Members of this body in extending our deepest sympathy to the family of Dudley Miles.

STATEMENT OF THE SECRETARY OF THE DEPART-MENT OF AGRICULTURE, ROBERT BERGLAND, IN MEMORY OF DUDLEY MILES

I was shocked and saddened to hear of Dudley Miles' sudden death. One of the very first items which required my attention during the past two months was the develop-ment of the Carter Administration's budget for the Department. During this period, I had an opportunity to work with Dudley and with the members of the Committee. I was tremendously impressed with his ability, helpfulness, and with the professional

quality of his work.

As Secretary, and previously as a Congressman, I was aware of the work that Dudley and the Senate Appropriations Committee had been doing for several years. They have made an impressive contribution to American agriculture. Speaking for those in the Department who have worked closely with Dudley, want to express to Mrs. Miles and their three children our tremendous sense of grief at their loss; and, on behalf of all Americans who benefited from those programs which we administer, I would like to express to Rayma, Julie, Daniel, and Dudley our ap-preciation for the enormous contribution which Dudley made during these past six

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. EAGLETON. I yield to the distinguished chairman of the Committee on Appropriations.

Mr. McCLELLAN. Mr. President, it is with a deep sense of sadness and regret that I note the sudden and unexpected passing on Tuesday of Dudley Miles, clerk of the Subcommittee on Agriculture and Related Agencies of the Committee on Appropriations.

We, as Members of the Senate, are particularly fortunate to have the services of dedicated staff members to aid and assist us in carrying out our duties and responsibilities to the American

people.

Dudley Miles was one of the leading members of this small group of dedicated public servants whose labors are often unknown to the public at large, but who play an important role in making our system of government responsive to the American people.

As clerk of the Subcommittee on Agriculture and Related Agencies since 1971, Mr. Miles had the responsibility of helping prepare one of the most important pieces of legislation to come before

this body each year.

It not only affects those engaged in agricultural pursuits, but every American. All have lost an intelligent and efficient supporter of their interests.

Dudley Miles was born in Youngstown, Ohio, and moved to Wyoming at an early age, where he attended the public schools. After service in the Air Force during World War II, he was graduated from the University of Wyoming College of Law in 1953, and served as county attorney in Rawlings, Wyo.

Mr. Miles came to Washington in 1961 to become research director on the staff of former Senator Gale McGee, of Wyoming. He served in this post until joining the Committee on Appropriations in 1971.

I am certain that all Members of the Senate join me and Mrs. McClellan in extending our deepest sympathy to Mrs. Miles, her daughter Julie, and her two sons, Daniel and Dudley, Jr.

sons, Daniel and Dudley, Jr.
Mr. HATFIELD. Mr. President, will

the Senator yield?

Mr. EAGLETON. I yield to our colleague from Oregon.

league from Oregon.

Mr. HATFIELD. I thank the Senator

from Missouri for yielding.

Mr. President, it is with profound sadness that I join with the Senator from Missouri (Mr. Eagleton) and others of the Subcommittee on Agriculture of the Committee on Appropriations, especially, and all others who knew Dudley Miles, expressing not only profound sadness but a sense of personal loss.

In the 6 years he has served with the committee, I grew to admire and respect his intelligence, his ability and his warmth. Moreover, I came to regard him as a colleague and a friend in a common

endeavor.

Dudley Miles was born in Youngstown, Ohio, in 1926, as has been mentioned, moving to Wyoming at an early age. After graduating from the University of Wyoming College of Law, he served as county attorney in Rawlins, Wyo. In 1961, Dudley came to Washington to serve as research director on the staff of our distinguished colleague, Senator Gale McGee. In 1971, he was appointed to the Appropriations Committee staff and served in that post under Senator McGee and now under Senator Eagleton.

Dudley was admired by all who worked with him in the committee, and will be sincerely missed. It will be difficult to find an individual of equal ability, professionalism and spirit to serve as our

next clerk.

I wish to extend my deepest sympathies to his three children, and to his beloved wife, Rayma.

I thank the Senator.

Mr. EAGLETON. I thank my distinguished colleague from Oregon.

Both he and I relied very heavily on Dudley Miles to give us wise counsel and advice in this very technical area of agricultural research, et cetera, and his loss is shared, I know, by all Members on both sides of the aisle.

Mr. HANSEN, Mr. President, will the Senator yield?

Mr. EAGLETON, I yield.

Mr. HANSEN. Mr. President, a coworker and close friend to many of us, Dudley Miles, died suddenly Tuesday evening of a heart attack. We are saddened by this tragedy, and we join today with his many friends and colleagues to extend heartfelt sympathy to his widow, Rayma, his children, Julie, Daniel, and Dudley, Jr., and to others in his family.

As most Senators know, Dudley served

for a number of years with former Senator Gale McGee. More recently, he had served as chief clerk of the Appropriations Subcommittee on Agriculture. He was an uncommonly dedicated and knowledgeable man, and he will be sorely missed.

Dudley Miles lived much of his life in Wyoming, where he attended public schools and earned his law degree from the University of Wyoming. He embarked on a distinguished career of public service, having served in the Army Air Corps, as county attorney in Carbon County, Wyo., as a top assistant to a U.S. Senator from Wyoming, and as the chief adviser to the members of the Senate subcommittee charged with deciding how much money the Government should spend for a broad range of Federal programs and functions.

He was a devoted husband and father, and a faithful friend. I was honored to have known him, and I mourn his pass-

ing.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. EAGLETON. I yield.

Mr. BELLMON. Mr. President, it is with much sorrow that I pay tribute to Dudley Miles who passed away this past Tuesday night. I join with my colleagues in conveying our deepest condolences to his wife, Jay, and to his three children, Julie, Daniel, and Dudley, Jr.

Dudley was a dedicated public servant in the truest sense of the term. Since graduating from the University of Wyoming College of Law in 1953 he served as the county attorney in Rawlins, Wyo., until 1961 when he came to Washington, D.C., to join the staff of our former colleague, and now Ambassador to the Organization of American States, Gale McGee.

In 1971, Dudley joined the staff of the Committee on Appropriations and served as the clerk of the Agriculture and Related Agencies Subcommittee.

Mr. President, Dudley Miles was the epitome of the Capitol Hill professional. He served in relative anonymity, but the sum total of his contribution to the quality of our work and to the welfare of the people of our country is significant and a guide by which we all can benefit in following.

In the years that I have had the pleasure of working with Dudley, he was always a man we could depend on as a source of uncommon wisdom, of impecable integrity and true dedication. He brought to his responsibilities a love of country and a profound respect to the institution of government which we all serve.

Mr. President, every Member of the Senate is fully aware of the absolutely vital role which is filled by the able, hardworking, professional members of the committee staffs. These individuals devote their lives to gaining the depth of knowledge and understanding demanded by the legislative process. It is largely their work and their expertise which makes the operation of the legislative branch of Government possible. Dudley Miles was regarded by all who

knew him as among the ablest, most knowledgeable and most dedicated of those who serve our Nation in this essential role.

Mr. President, the sorrow we all feel at the passing of Dudley Miles can be tempered by the knowledge that he served his country and its citizens faithfully and well. He loved his work and he excelled. He will be greatly missed as a friend who was resourceful and trusted in a highly responsible position in our Nation.

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my

Mr. BAKER. Mr. President, I have no request for time under the standing order and no requirement on my own behalf, and I yield back all of my time under the standing order.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, with statements therein limited to 15 minutes.

A CRITICAL NEED FOR THE PERSONAL INCOME TAX REBATE

Mr. MUSKIE. Mr. President, I address my remarks this morning to the rebate on personal income taxes proposed by the President and provided for in the third concurrent resolution on the budget for fiscal year 1977.

We are in the midst of recovery from the worst economic recession since the 1930's. The recovery has been underway for 2 years, but has proceeded too slowly to cut deeply into unemployment or unsed industrial capacity. Unemployment remains at unacceptable levels. Seven million persons, including 2½ million family heads, are still out of work.

In my home State of Maine, for example, unemployment remains above 10 percent, a figure essentially unchanged from a year ago, despite our hopes for a speedier recovery. And it is a measure of the seriousness of the recession that analysts concluded that 1976 was a relatively good year for Maine's economy, even though 1 worker in 10 did not have a job.

The pace of the recovery slowed down in mid 1976. The Budget Committee recognized this slackening when we proposed the fiscal policy embodied in the second concurrent resolution for 1977. We stated in our report to the Senate that we were prepared to consider a subsequent concurrent resolution early in 1977 if the economic data received by then did not indicate that the recovery was proceeding satisfactorily.

President Carter shared our sentiments. As a candidate for the Presidency, he promised to provide a fiscal policy that would stimulate the economy and reduce unemployment.

Soon after taking office, he sent his stimulus proposals to Congress. The Budget Committee also recognized the

economic recovery.

need for immediate additional stimulus early this year. In response to the President's proposals and our own recognition of the slowdown in the recovery, we reported the third concurrent resolution to the Senate. Congress reduced the revenue floor for fiscal year 1977 in order to provide additional economic stimulus as quickly as possible.

The need for the stimulus is still critical. The rebate we are now considering provides about 60 percent of the stimulus provided for in the third budget resolution for fiscal year 1977. We adopted the budget resolution with utmost speed in order to facilitate rapid enactment of the stimulus proposals. A month has now passed since the resolution was adopted; we have lost too much time already. If we fail to adopt the rebate we will fall even further behind in our schedule for

Mr. President, the worst possible mistake that could be made in fiscal policy would be to decide, at this late date, that the economy is in fine shape, that effective stimulus is no longer required in 1977, and that the rebate can be abandoned. Policymakers in this country and others have been justly criticized for a lack of steadiness in policy, for stop-go policies. To abandon this revenue reduction now, after it has been incorporated into the spending plans of millions of households and businesses, would be a flagrant example of go-stop policy.

We adopted the third budget resolution because we decided that additional stimulus was necessary as soon as possible. Let us stick to our plans. Let us not attempt to fine-tune the economy. We cannot allow our policies to be guided by every small movement of the economic statistics. Should we propose stimulus during the slowdown, oppose it when Christmas sales turn up, propose it again when the severe winter descends, and once again oppose it when spring raises the temperature and our spirits?

Some say we do not need additional stimulus in 1977 because we can expect strong growth in the second and third quarters. The economy will make up for ground lost during the severe cold and gas shortages of the winter. But these catch-up effects do not add to total employment and output during 1977—they merely redistribute it. They provide no substitute for the steady fiscal policy contained in the 2-year stimulus package originally proposed by the administration and anticipated in the third budget resolution.

What will happen if we reject the stimulus provided by the rebate? The econometric models are virtually unanimous on the point-growth will be slower in the remainder of this year. The data resources model estimated that over onehalf point of real growth-almost \$12 billion of output-will have been lost by the end of 1977, 250,000 fewer jobs will have been created, and unemployment will be higher. Is this the way to signal American business that the demand for their products will be strong in 1978, and that commitments to expand capacity will be rewarded with higher sales? The rebate was needed—and is needed—because the growth in final sales has been slow throughout the recovery, averaging only 4.3 percent. There is still no evidence that business investment will accelerate by itself. Investment waits for solid evidence of continued growth in sales. We need to support steady, solid growth at this point in the recovery, not to undermine it.

Mr. President, some of those who have opposed the rebate have done so not because they believe that additional stimulus is unnecessary, but because they do not believe it will work. I would like to speak briefly to that question as well.

It has been argued that the rebate will not increase consumption expenditures because it will go into savings instead. In particular, it is said that the rebates will simply be used to replenish savings which were used to pay fuel bills. But that is precisely the point. That is the strongest possible argument for the rebate.

How will families pay those fuel bills, and restore their savings, if the rebates are not provided? They will have to reduce other expenditures. Indeed, there is considerable danger of reduced household spending during the rest of the year for just this reason. Preliminary estimates suggest that the savings rate fell sharply in the first quarter, down nearly to 5 percent, as the fuel bills came in. Household savings were about \$17 billion lower than they would have been at last year's savings rate.

The danger is that the savings rate will now move sharply upward, and the growth of spending will be slow. The rebate provides a quick and effective way to improve the financial position of low- and middle-income families and allow them to maintain their accustomed expenditure. The February survey of consumer attitudes done by Michigan's Survey Research Center found higher confidence among consumers who expected a tax reduction than among those who did not. I have no difficulty understanding this finding, although it seems that some of my colleagues do.

I have never been able to understand why American families would treat the tax rebate very differently from any other small change in their incomes. Economists are very good at telling us what we already know, and one of the things they tell us is that people who receive very large windfalls do not spend it all very quickly. Now that is a very good theory for the winners of State lotteries and the heirs of large fortunes, but I do not see what it has to do with the average American family. For the median family the rebate would be only about 1% percent of annual income.

For once the economists have something useful to tell us, for their studies indicate that small temporary changes in income, such as rebate, get treated much like any other income. They show that the rebate should have a substantial and pronounced effect on consumption expenditure for several quarters after it is paid, which is exactly what it was intended to do.

Dr. Thomas Juster, the director of the Institute for Social Research of the Uni-

versity of Michigan, has recently done a study of the effects of permanent and temporary tax changes on consumer spending and saving. He found no significant difference between permanent and temporary tax changes.

Prof. Saul Hymans at Michigan examined the effects of the 1975 tax rebate and tax cuts on consumer purchases. He found a huge increase in purchases of furniture and household equipment associated with the additional purchasing power arising from the tax reductions.

Arthur Okun of the Brookings Institution, in studying the 1968 tax surcharge, found that the experience confirmed "the general efficacy and continued desirability of flexible changes in personal income tax rates—upward or downward, permanent or temporary."

Still other studies have confirmed the difference in the effects on spending of large and small temporary income changes to which I referred previously.

Mr. President, I do not believe we should withhold the economic stimulus this country needs because of a misapplication of economic theory, or a failure to recognize the abundant evidence which supports the use of the rebate.

I do not believe that future tax revenues should be mortgaged when the new administration is less than 3 months old, and still formulating its programs, if a clear alternative is readily available. I do not believe that we should go further in attempting to devise permanent tax reductions before we have given the administration an opportunity to present its proposals for tax reform.

Mr. President, the way to get the economy moving again is not to put up a stop sign. When the Senate returns from recess on April 18 it will immediately consider the tax bill reported by the Finance Committee. I urge my colleagues to declare themselves in support of a steady fiscal policy and continued economic recovery by supporting the fiscal stimulus provisions, including the rebate, as recommended by the Finance Committee.

One closing point, Mr. President. On yesterday the Senate Budget Committee completed its consideration of the first concurrent budget resolution for fiscal year 1978. That resolution is not directly relevant to the \$50 tax rebate, except to this degree: that if it is not enacted, it will affect the revenues we can expect to flow from the Federal tax structure in 1978.

If the \$50 tax rebate is not approved, or if in lieu thereof Congress should enact into law the permanent tax reductions proposed by several Republican Senators—and it is their prerogative to do so—revenues that we can anticipate in 1978 will be lower than those provided for in the resolution adopted by the Budget Committee yesterday. The effect will be a larger deficit, lower revenues, lesser ability to deal with tax reform later this year, and the effects on the economy which I have taken the last few minutes to describe here for the benefit of the Senate.

So for all those reasons, Mr. President, it makes sense to enact into law this fea-

ture of the President's economic stimulus proposal.

I yield the floor.

Mr. HARRY F. BYRD, JR. Mr. President, the Senator from Virginia would like to express a contrary view to that so ably and eloquently expressed by the splendid Senator from Maine, Mr. MUSKIE.

I disagree with those who feel the answer to our Nation's economic problems is more and more spending and more

and more deficits.

The Senate Budget Committee has proposed expenditures, to use round figures, of \$460 billion for fiscal 1978. The Senate Budget Committee estimates a deficit at \$63 billion. The House Budget Committee estimates a deficit of \$64

Whether it be a \$63 billion deficit or a \$64 billion deficit, that will be coming on top of a \$70 billion deficit for fiscal 1977; namely, the current fiscal year.

In my judgment, Mr. President, this

is totally irresponsible.

What the Congress has been doing. what the preceding administrations did, what the present administration is doing, is to pile deficit upon deficit.

What the Congress has been doing, what the previous administrations did, and what the present administration is doing is to say to the people of this country, "We can spend all the money we want and no one needs to pay for it. All we need to do is to add it to the national

Mr. President, in the long run, I do not think that is a sound proposition at all. Government spending must be paid for either by direct taxation or by inflation. And inflation is a hidden tax but a cruel one-hitting hardest those in fixed income and those in the lower and middle-economic brackets.

The able Senator from Maine discussed the \$50 rebate proposal of the Carter ad-

ministration.

The administration proposes to give \$50 to many who paid taxes last year as a tax refund, and to give \$50 to those who did not pay any taxes at all last year.

The total amount involved will be \$11.4 billion. The interest on that \$11.4 billion will be \$800 million a year. That interest charge will go on for at least 100 years.

Before expressing my own view on the rebate, I want to relate to the Senate the view of a taxi driver in the city of Nor-

folk. Va.

The Senator from Virginia spoke in Norfolk recently. In taking a taxi from the airport to the hotel, the taxi driver recognized me, and he said: "Senator, are you guys in Washington going to give us our \$50?"

I said, "Well, I think the Congress is going to pass it. I am not sure that I am going to vote for it, but I think the Congress will pass it. May I ask you, what do you think about that proposal?"

The taxi driver said: "Well, the way I look at it, the Federal Government is heavily in debt, and it does not make any sense to me for the Government to go out and borrow money in order to give money back to people who have already paid it into the Treasury."

I have always felt that taxi drivers had a lot of sound, commonsense, I might say, I would like to see more of that kind of taxi driver in the Congress.

Like the Norfolk taxi driver, it does not seem logical to me for the Government to borrow \$11.4 billion in order to scatter \$50 bills all around the Nation. It may be a good political gimmick, but it is very poor economics.

I believe the present administration and the Congress have their eyes on the wrong ball. The ball they should be watching is the ball of inflation. I am convinced that the greatest long-range threat to the people of the United States is inflation. Yet, nearly every action that the Congress takes is action which stimulates inflation.

The deficits of the Federal Government are ever recurring and they are accelerating in magnitude. This inevitably adds to inflation and adds to the cost of living. The best thing the Congress could do for the individual citizen of this Nation is to get its spending under control. I am convinced we will not get the

cost of living under control until we get the cost of Government under control.

I might say that neither the administration nor the Congress has shown any imagination in dealing with the economic problems of our Nation. As a matter of fact, the present economic stimulus program is just more of the same. We have been trying this for years and years now-more and more spending and more and more deficits. All we have done is to dig ourselves deeper into the financial hole.

What this country needs more than anything else are policies emanating from Washington which will give confidence to the American people and confidence to the business community.

I submit the so-called economic stimulus proposal submitted by the Carter administration cannot and will not inspire confidence. It is based on the old, discredited theory put before the Congress on the advice of the same "experts" who have been advocating deficit-spending through the years. It is as old as Lyndon Johnson and Richard Nixon.

As a practical matter, and as a matter of fact, the Carter spending and tax program is putting the economy on a more unsound basis than it has been in the past.

Mr. President, I believe the Federal Government is very much like someone who might drink too much whisky at night. The next day he must do one of two things: Either take the discomfort of a hangover or start drinking again.

What the Congress has done, what succeeding administrations have done, and what the present administration is doing, is to try to solve the hangover problem by more and more drinking or. in this case, more and more spending.

I believe it to be totally unsound.

The able Senator from Louisiana, the chairman of the Finance Committee (Mr. Long) expressed it so well when he said of the \$50 rebate proposal:

It is like throwing \$50 off the Washington Monument and hoping it will do some good.

The people of our Nation are in for some real headaches-and heartachesif the politicians do not begin to show some degree of responsibility in handling the government's finances. Unfortunately, the Congress has shown no inclination along this line.

Mr. President, I ask unanimous consent to have printed in the RECORD, a table showing unified budget receipts, outlays, and surplus or deficit for fiscal years 1958-78, inclusive.

There being no objection, the table was ordered to be printed in the RECORD. as follows:

Unified budget receipts, outlays and surplus or deficit for fiscal years 1958-78, inclusive (Prepared by Senator HARRY F. BYRD, JR., of Virginia)

[Billions of dollars]

year R	79.6	Outlays	cit (-)
1050			
1900		82.6	-3.0
1959	79.2	92.1	-12.9
1960	92.5	92.2	+0.3
1961	94.4	97.8	-3.4
1962	99.7	106.8	-7.1
1963	106.6	111.3	-4.7
1964	112.7	118.6	-5.9
*1965	116.8	118.4	-1.6
1966	130.8	134.6	-3.8
1967	149.5	158.2	-8.7
1968	153.7	178.8	-25.1
1969	187.8	184.6	+3.2
1970	193.8	196.6	-2.8
1971	188.4	211.4	-23.0
1972	208.6	231.9	-23.3
1973	232.2	247.1	-14.8
1974	264.9	269.6	-4.7
1975	281.0	326.1	-45.1
1976	300.0	366.5	-66.5
Trans. Qtr	81.8	94.8	-13.0
1977*	349.4	417.4	-68.0
1978*	401.6	459.3	-57.7
Deficit estimated			
by administra-			
tion			-57.7
Deficit estimated			
by Senate			
Budget			
Committee			-63.2
Deficit estimated			
by House			
Budget			
Committee			-64.3

^{*}Estimated figures.

Sources.-Office of Management and Budget and U.S. Department of the Treasury.

THREE VIRGINIANS

Mr. HARRY F. BYRD, Jr. Mr. President, it was 60 years ago yesterday that the United States declared war against Germany. I comment on that today because of the part played by three Virginians. In 1917, the President of the United States was Woodrow Wilson, a Virginian; the majority leader of the U.S. Senate was Senator Thomas S. Martin, a Virginian, of Charlottesville, Va.: and the chairman of the House Foreign Affairs Committee was Congressman Henry D. Flood of Appomattox, Va. Congressman Flood, incidentially was my grandmothers brother. Congressman Flood introduced the war resolution in the House of Representatives and Senator Martin introduced it in the U.S. Senate. It was recommended by and approved by President Wilson, another

The Senate approved the resolution by

a vote of 86 to 6; the House approved it by a vote of 373 to 50.

I point this out not to suggest that Virginians are warlike people in any sense, but to point out the role in Government that three great Virginians had at that crucial moment, 60 years ago yesterday, when the United States entered World War I.

It is rather disconcerting to recall also that, in that short span of 60 years, the United States has been involved in four major wars—World War I, World War II, the war in Korea, and the Vietnam war. Let us pray that no other President and no other majority leader of the U.S. Senate and no other chairman of the House Foreign Affairs Committee will need to recommend a declaration of war.

APPOINTMENTS BY THE VICE PRES-IDENT AND THE CHAIRMAN OF THE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

The ACTING PRESIDENT pro tempore. The Chair, on behalf of the Vice President, in accordnace with title 14, section 194(a) of the United States Code, appoints the Senator from Rhode Island (Mr. Pell) to the Board of Visitors to the U.S. Coast Guard Academy, and the Chair announces on behalf of the chairman of the Committee on Commerce his appointments of the Senator from South Carolina (Mr. Hollings) and the Senator from Alaska, (Mr. Stevens) as members of the same Board of Visitors.

APPOINTMENT BY THE VICE PRESIDENT

The ACTING PRESIDENT pro tempore. The Chair, on behalf of the Vice President, pursuant to Public Law 83-420, appoints the Senator from Tennessee (Mr. Sassen) to be a member of the Board of Directors of Gallaudet College.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unapimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

POSTPONEMENT OF EFFECIVE DATE OF CHANGES IN THE SICK PAY EXCLUSION

Mr. LONG. Mr. President, I assume that there is now at the desk the tax bill, H.R. 1828, that was passed on yesterday, involving the sick pay exclusion and section 911 of the Internal Revenue Code. Is that correct?

The ACTING PRESIDENT pro tem-

pore. The Senator is correct.

Mr. LONG. Mr. President, I am not going to ask the Senate to consider that matter at this time. I am told that there would be objection on the other side of the aisle, but I doubt that we on this side of the aisle would want to try to move it at this time, anyway. The fact is that

we had been led to believe—and I am sure that that information was conveyed to the Senator from Louisiana, the Senator from Connecticut, and others in complete good faith—that the amendment by the Senator from Connecticut to move forward the date of the provision in the Tax Reform Act of 1976 with regard to the exclusion of income for workers overseas—as was being done with regard to the sick pay amendment—would be agreed to in the House.

Obviously, no one can speak with certainty with regard to 435 Members of the House of Representatives, any one of whom may object; and, of course, one did object. So that, to satisfy the single objector, the chairman of the Ways and Means Committee moved to strike from the bill the Ribicoff amendment involving section 911.

Mr. President, when the House returns, we shall seek a conference with the House at which time I hope that we can reach some agreement with regard to this matter. It is my understanding however, that a conference agreement may not be the end of it, because the administration has opposed postponing the effective date of sick pay provisions and also the Ribicoff amendment. When I say the "administration," I mean the officials in the Treasury Department are so recommending.

That being the case, if the bill goes to the President with those two provisions and little more on it, the probabilities are that the President will seriously consider vetoing the bill and might, in fact, do so. So whether we can provide the relief that is recommended by the Senate or even that recommended by the House is somewhat dubious under the circumstances.

Mr. RIBICOFF. Will the Senator yield at that point?

Mr. LONG. I yield.

Mr. RIBICOFF. I think that, in all fairness to Chairman Ullman, Chairman Ullman talked with me on the telephone. It was a matter of embarrassment. He was willing to accept the Ribicoff amendment.

I point out, it was not just my amendment. Senator Bartlett of Oklahoma felt very strongly, Senator Matsunaga of Hawaii felt very strongly about it, Senator Griffin felt very strongly about it. Twelve Senators traveling abroad, talking to Americans, sort of had a moral commitment to those people to correct it.

Representative Ullman did say that in conference he would work for adoption, the acceptance of it.

But it is unfortunate that the other body adjourned when there was unfinished business before the Congress. I am sure if they had stayed through this day, as we have, we could have had conferees within half an hour straighten it out, but they did go home and we are here.

Mr. LONG. It is very unfortunate that this is the situation, because if the House were here, I would move that we disagree to the House action, that we insist on all our amendments, and appoint conferees. I would name the Senator from Connecticut as one of the con-

ferees because his amendment is the principal amendment in disagreement between the two Houses. We would go to work together and resolve this matter.

Unfortunately, the House has adjourned and they will not be back until after the recess. So we are simply confronted with an ultimatum.

We would like to be able to have a conference with them to discuss the differences, but we cannot, since they are not here. We will simply have to wait until after the recess.

Mr. HEINZ. Will the Senator yield? Mr. LONG. I yield to the distinguished

Mr. HEINZ. I certainly have no objection to what the Senator proposes. I think the explanation is very clear. But I do have a question as it affects all our constituents who may have concerns about the sick pay exclusion.

April 15 is the day that all of us, Senators and constituents alike, have to fill out our income tax forms and get them postmarked to the Internal Reve-

nue Service.

My question to the Senator from Louisiana, the distinguished chairman of the Finance Committee, is, What advice should we give our constituents who have to calculate their tax liability and write out a check in the appropriate amount between now and April 15?

Mr. LONG. The only thing they can do, of course, referring to those who would otherwise be able to claim the sick pay exclusion, is file their returns without claiming the advantage of the law that existed prior to the Tax Reform Act. So they would have to file their tax returns without claiming any relief that would have been provided by this measure.

If we are able to pass the measure to move forward the date on sick pay, they could file an amended return and have the benefit of the old law with regard to sick pay.

With regard to the workers overseas, of course, they would have another 60 days, until June 15, anyway to file their tax returns. So, in their case, I would advise them, to just wait to file their return. In that event, Congress may have acted favorably to their advantage and, hopefully, the President might sign the bill.

Mr. HEINZ. If the Senator will yield further, with respect to the people who are affected by the sick pay exclusion, I think it is correct to say that the legislation we have before us yesterday passed rather overwhelmingly in both Houses; is that not correct?

Mr. LONG. Yes.

It was unanimous here.

Mr. HEINZ. That would satisfy anyone's definition of overwhelmingly, I think.

Mr. LONG. The sick pay bill also passed the House unanimously, 404 to 0.

Mr. HEINZ. So it passed both Houses unanimously. Yet in spite of that, those people who may be affected by the 1976 Tax Reform Act will in all probability be forced to overpay their taxes this April 15; is that not correct?

Mr. LONG. They will have to pay what they owe under existing law and

they would not receive any benefit at all from this bill we passed in the Senate yesterday

Mr. HEINZ. Yet if the bill becomes law, then they will be required to file for a refund, is that not correct?

Mr. LONG. They are not required, but would be well advised to file amended returns to receive a tax refund.

Mr. HEINZ. They would be well advised.

Mr. LONG. They would have the money coming to them.

Mr. HEINZ. If they wanted to get their money back, they would be required to file a return.

Mr. LONG. Exactly.

Mr. HEINZ. I am sure the Senator

from Louisiana does agree.

Is there any method by which those people affected in that way may choose to avoid overpaying, since the Internal Revenue Service is sometimes a little slow at refunding money to us if we overpay?

Mr. MATSUNAGA. Will the Senator

from Louisiana yield? Mr. LONG. Yes.

Mr. MATSUNAGA. I may have a response which the Senator from Pennsylvania may be seeking. That is, for those who did receive sick pay during the reporting period, they have good reason for filing for an extension of time in which to file the return, and I would think that if they would request an extension of a month, this matter would be settled, in which event they would not need to file for a refund.

So I think that would be the best advice which we could give to those who did, in fact, receive sick pay during the

year 1976 reporting period.

Mr. HEINZ. I thank the Senator, my good friend and distinguished colleague from Hawaii, for bringing up that point.

I wanted to try and make the record clear to that effect because one is, under certain circumstances, well within one's rights to ask for an extension. But I was particularly interested in whether the chairman of the Finance Committee, my distinguished colleague from Louisiana, would agree with that as a proper mechanism for those so affected in this case?

Mr. MATSUNAGA. I say to the Senator from Pennsylvania, with this colloquy in the RECORD, the Internal Revenue Service people will take note.

Mr. HEINZ. I certainly hope so. I thank the Senator from Hawaii.

I am wondering further, Mr. President, if the Senator from Louisiana does concur in that?

Mr. LONG. I regret to say that my attention was directed to the House Record of yesterday, at which time this matter was taken up and sent back without a Senate amendment on it. I believe the RECORD is incomplete, however. That is what I was noting at that moment. But I am told that when the permanent Rec-ORD is published, it will show it was Mr. STARK who objected to this matter and that, therefore, it had to be modified in the fashion it now appears at the desk so that it could be agreed to with the deletion of Senator RIBICOFF's amendment and accepted with a unanimous

That presents us with the impasse that we find at this moment.

I did not have the opportunity to hear the Senator explain what his view of the tax consequence would be. Would the Senator mind repeating it? I wanted to make it clear about yesterday's RECORD, which will have to be corrected. The REC-ORD of the House on 10796, I regret to say, is incorrect. I hope the permanent RECORD will be corrected.

Mr. MATSUNAGA. If the Senator from Louisiana will yield, in response to the question put by the Senator from Pennsylvania, in what way should we advise our constituents who did, in fact, receive sick pay during the reporting period, because of the impasse? I suggested that we might advise them to file for an extension of time during which they may file their return, in which event they would not need to file for a rebate subsequently.

Mr. LONG. It is my understanding that even if they file for an extension, they must have paid their taxes by April 15.

The extension is only to extend the period of time during which one is to file the return. That is my understanding, as advised by the staff. One must pay his taxes on time. The extension granted is only to permit one to file the return later. If you do not pay the taxes that are due, then you owe the interest on what you owe.

Mr. MATSUNAGA. That is correct. However, normally, those who do take sick leave and receive sick leave pay are those who have had regular deductions made monthly. So that if, in fact, they do owe additional tax imposed by the Reform Act of 1976 on the sick pay, if they do not pay on it, after Congress acts they will be relieved of this additional tax.

So that I would think that by filing the tax after April 15, most of them, even without paying any additional taxes, would be covered.

Mr. LONG. What the Senator says is correct, if the bill becomes law. But even when a measure has had a unanimous vote in both Houses, I have seen measures fail to become law, even though they have the unanimous support of both Houses at one time or another.

It is absolutely beyond the power of any human mind to assess the various ways that something which appears destined to become law can fail to become law, but it happens all the time.

Mr. HEINZ. Mr. President, I thank the distinguished Senator from Louisiana for yielding, even if the news is not as good as I hoped it would be for those who are affected by the sick pay exclu-

Does the Senator have any further advice that he might recommend we give to our constituents in this matter?

Mr. LONG. I would have to suggest to constituents to follow this legislation and hope it becomes law. It is not our fault that it did not happen. We passed the bill and agreed to what the House did. We added some matters that we had been led to believe would be accepted without any difficulty in the House. Difficulties can always arise, and we have this problem that is presented to us.

When we return from the recess, we will try to resolve this matter. Unfortunately, the House has gone home, and it leaves us no choice but either to bend our knee in a fashion that we believe would not be appropriate or to ask for a conference; and the House is not here to confer with us.

Mr. HEINZ. It does appear that all those affected adversely by our ability to come to a timely agreement with the House-because the House has gone out of town before we could express our will to them or have a conference-will have

to pay the tax.

I suppose it is a reasonably accurate prediction that we will pass the bill, including the sick pay exclusion, and that there will be many people who will want to file for a refund from the Internal Revenue Service.

I mentioned to the Senator from Louisiana a moment ago that sometimes it is hard to get a refund check from the Internal Revenue Service. As I am sure the Senator from Louisiana knows, we have had many problems, particularly in States such as Pennsylvania, Ohio, and New York, with increased fuel bills, and that little extra money is quite important.

Is there anything the chairman thinks we can do to prompt the Internal Revenue Service, should the scenario I have described come to pass, to be more prompt in their refund of overpayments

by taxpayers?

Mr. LONG. We can do our best to request that they expedite it, and I am sure they will, to the greatest extent possible, if the bill becomes law.

I say to the Senator that we do not have any assurance that the bill will become law, however. The President may veto the bill. I would not be the least bit surprised if the Treasury recommends a veto. In fact, I would say that the odds are very good that that will in the case of this bill. If that should happen, then we will be confronted with the problem of overriding the veto. Many people may be reluctant to override the veto of a new President in his first few months in office. It may be that the whole thing would fall by the wayside.

So that we really cannot say for certain what is likely to happen with something like this. All I can say is that we, in good faith, have done our part in the process and will do the best we can to persuade the House to do the samewhen we have the House to talk to.

Mr. HEINZ. I certainly hope that the President would not veto this measure. I think it would be a bad way for him to start off. I speak for myself when I say that I would not have much hesitancy to vote to override such a veto. Of course, we have no way of knowing for sure whether he will or will not veto it. The Senator is quite correct in saying that we never know what is going to happen to a bill until it does pass.

I thank the Senator from Louisiana for yielding.

S. 1269—CAMILLA A. HESTER

Mr. ALLEN. Mr. President, Mrs. Hester has been denied a civil service survivor's annuity as a result of a highly technical application of 5 U.S.C. 8341 which defines a widow for purposes of qualification for a survivor's annuity as a person who is the surviving wife of a civil service employee who "(a) was married to—the employee—for at least 2 years immediately preceding his death; or (b) was the mother of issue by that marriage."

Mr. President, Camilla Hester married John Hester, a civil service employee, on May 20, 1961. She had two children by that marriage who were born in 1961 and 1963. However, in 1972 Mrs. Hester discovered that her original marriage to Mr. Hester in 1961 was void because she had not been finally divorced from a previous husband, even though she is good faith believed that a final decree divorcing her from her previous husband had been issued prior to her marriage to Mr. Hester.

Mr. President, immediately upon learning that her marriage in 1961 to Mr. Hester was void, Mrs. Hester took necessary steps to secure a final decree from her previous husband and again married Mr. Hester, thereby giving full legal validity to her status as a wife. Mr. President, several months later Mr. Hester died. Mrs. Hester, his wife for 11 years, with his two minor children to raise, made application to the Civil Service Commission for a widow's pension. Incredibly, she was denied survivor's benefits on the theory that she was not a widow of 2 years' standing and that her two children were not the issue of her marriage.

Now, Mr. President, I find that decision not only harsh but totally devoid of any proper exercise of good judgment. The Commission could have easily determined that the two children involved were the issue of the marriage since the mother was Mrs. Hester and the father was Mr. Hester and Mr. and Mrs. Hester were married. Yet, Mr. President, the Commission in its wisdom somehow determined that the two children—although the offspring of Mr. and Mrs. Hester—were not the issue of the marriage of Mr. and Mrs. Hester.

Mr. President, Mrs. Hester appealed the Commission's decision to the U.S. District Court for the Southern District of Alabama, and I regret to say that the court also denied relief.

In its decision, the court stated as follows:

Whatever reason employed by the Congress in fashioning this law, it is apparent that the legislature has considered problems such as ours before for it has been the subject of other and further relief in other aspects of compensation law. It is not, therefore, the province of this Court to act as some super legislature and change the expressed provisions of the law in order to afford an equitable relief where it might seem to be otherwise due. See 62 Cases of Jam v. United States, 340 U.S. 593 at 596; United States v. Great Northern Railroad, 343 U.S. 562 at 575; Story v. Snyder, 184 F. 2d 454. cert. den. 340 U.S. 866; Crooks v. Harrelson, 282 U.S. 55 at 60."

Mr. President, the court went on to give the following recommendation to Mrs. Hester:

The issue of this union are to be distinguished from the claimant for recovery pur-

poses. The plaintiff is not without her remedies in the matter for she may petition Congress for relief. Though this approach may appear harsh in its requirement, it is the appropriate relief within the present scheme of things and this Court will not, even if it could, substitute its approach to logic for that of the collective wisdom of the Congress.

So, Mr. President, I am today introducing legislation which would afford appropriate relief in this case.

I believe a serious injustice has been done Mrs. Hester, and I regret very much the difficulty—indeed the indignities—she has been required to face in seeking the survivor's annuity to which she is entitled.

Mr. President, Mrs. Hester has been seeking the money justly due to her for almost a full 4 years. In the last Congress I also introduced a bill for her assistance, S. 3790, which was passed by the Senate and by the House of Representatives but which, unfortunately, was vetoed by President Ford. The President did not agree with my view that it was appropriate to award special compensation to Mrs. Hester because of the very long delay involved in obtaining the pension which is rightly due to her. Specifically, the President objected to the provisions in the bill which would have paid interest at the rate of 6 percent per annum retroactive to 1972 and which would have required the Treasury to pay \$5,000 to Mrs. Hester to compensate for her prolonged efforts to secure that which is rightfully and equitably hers. However, the President very clearly stated that should the objectionable provisions be removed, he "would be pleased to consider legislation for Mrs. Hester that would provide appropriate relief." I have, therefore, revised the measure to eliminate any payment for damages suffered as a result of the delay experienced. The new bill I am today introducing provides simply that Mrs. Hester be deemed a widow within the terms of title 5, United States Code, section 8341, and that back payments due to her under that section be promptly paid.

Mr. President, in view of the very prolonged nature of the efforts involved in securing to Mrs. Hester what is justly due and since the substance of the bill has already once passed both Houses, I ask unanimous consent that the bill be considered as having been read twice, and that it be placed on the calendar. A similar measure has already been introduced in the House of Representatives by Congressman Jack Edwards of Mobile, Ala., and I understand the prospect is good that the House will take early action on the measure he introduced. I am hopeful that we will soon again be able to present to the President an act of Congress designed to correct this obvious injustice.

I have cleared the matter with the distinguished majority leader and the distinguished minority leader, and the distinguished majority leader inquired of me if the matter had been approved by Mr. EASTLAND, chairman of the Judiciary Committee. I told him it had not because the distinguished Senator is not in the Chamber today, but I agreed that if it was not entirely satisfactory to Mr.

Eastland that I would request that the bill go to the Judiciary Committee and, on the Senator's approval I would ask that the bill be considered by the Senate.

Mr. President, I ask unanimous consent that a copy of President Ford's veto message with respect to this bill be printed in the RECORD.

There being no objection, the veto memorandum was ordered to be printed in the Record, as follows:

VETO OF BILL FOR THE RELIEF OF CAMILLA
A. HESTER

The President's memorandum of disapproval, October 12, 1976

I have withheld my approval from S. 3790, a private bill which would authorize a civil service survivor annuity retroactive to September 28, 1972, to Mrs. Camilla A. Hester as the widow of the late John A. Hester.

While I am sympathetic to Mrs. Hester's circumstances, S. 3790 unfortunately contains two precedent-setting provisions which I consider very undesirable, not only for future private relief legislation, but also for ordinary claims under the Civil Service Retirement System.

The first would require the Civil Service Commission to pay interest at 6 percent per annum retroactive to 1972 on the survivor's benefit which would be authorized by S. 3790. The second would require the Treasury to pay Mrs. Hester \$5,000 as compensation for her successful effort to be awarded the benefit. Neither of these provisions are appropriate, in my judgment, in bringing Mrs. Hester equitable relief.

For these reasons I am unable to approve S. 3790. I have signed other private relief legislation during the 94th Congress designed to rectify the inequitable circumstances arising from the "length of marriage" requirement in the civil service retirement law. However, these bills did not contain the objectionable provisions contained in S. 3790. I would be pleased, however, to consider legislation for Mrs. Hester that would provide appropriate relief without the objectionable features discussed above.

GERALD R. FORD.

The PRESIDING OFFICER (Mr. MOYNIHAN). Without objection, the bill will go to the calendar.

Mr. ALLEN. I thank the Chair.

APPOINTMENTS BY THE CHAIR

The PRESIDING OFFICER (Mr. MOYNIHAN). The Chair, on behalf of the Vice President, in accordance with title 46, section 1126(c), of the United States Code, appoints the Senator from New York (Mr. MOYNIHAN) to the Board of Visitors to the U.S. Merchant Marine Academy, and the Chair announces on behalf of the chairman of the Committee on Commerce, Science, and Transportation (Mr. Magnuson) his appointments of the Senator from South Carolina (Mr. HOLLINGS) and the Senator from Alaska (Mr. STEVENS) as members of the same Board of Visitors.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate com-

(The nominations received today are printed at the end of the Senate pro-

ceedings.)

REPORT OF THE FEDERAL COUNCIL ON AGING—MESSAGE FROM THE PRESIDENT—PM 65

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States which was referred to the Committee on Human Resources:

To the Congress of the United States:

I am transmitting herewith the annual report of the Federal Council on Aging in accordance with Section 205(f) of the Older Americans Act (P.L. 93-29).

This report was prepared based upon activities of the Federal Council on Aging prior to my term of office.

JIMMY CARTER.

THE WHITE HOUSE, April 7, 1977.

MESSAGE FROM THE HOUSE

At 2:09 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its clerks, announced that:

The House disagrees to the amendment of the Senate to the bill (H.R. 3843) to authorize additional funds for housing assistance for lower income Americans in fiscal year 1977, to extend the Federal riot reinsurance and crime insurance programs, and for other purposes; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. REUSS, Mr. ASHLEY, Mr. MOORHEAD of Pennsylvania, Mr. St Germain, Mr. Mitchell of Mary land, Mr. Patterson of California, Mr. AUCOIN, Mr. BLANCHARD, Mr. BROWN of Michigan, Mr. Stanton, and Mr. Rous-SELOT were appointed managers of the conference on the part of the House.

The House agrees to the amendments of the Senate numbered 2, 3, and 4 to the bill (H.R. 1828) relating to the effective date for the changes made by the Tax Reform Act of 1976 to the exclusion for sick pay; that the House disagrees to the amendment of the Senate numbered 1; and that the House agrees to the amendment of the Senate to the title.

The House agrees to the amendments of the Senate to the resolution (H. Con. Res. 142) urging the Canadian Government to reassess its policy of permitting the killing of newborn harp seals.

The Speaker has appointed as members of the U.S. Delegation of the Mexico-United States Interparliamentary Group Mr. WRIGHT, Chairman, Mr. Nix, Vice Chairman, Mr. Udall, Mr. DE LA GARZA, Mr. WHITE, Mr. KAZEN, Mr. ALEXANDER, Mr. YATRON, Mr. ROUSSELOT, Mr. GILMAN, Mr. LAGOMARSINO, and Mr. RUDD.

The House has passed the following bills in which it requests the concur-

rence of the Senate:

H.R. 7. An act to authorize a career education program for elementary and secondary schools, and for other purposes;

H.R. 130. An act to provide for the protection of franchised distributors and retailers of motor fuel and to encourage conserva-tion of automotive gasoline and competition in the marketing of such gasoline by requiring that information regarding the octane rating of automotive gasoline be disclosed to consumers;

H.R. 5262. An act to provide for increased participation by the United States in the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Asian Development Bank, and the Asian Development Fund, and for other purposes.

The House has agreed to the concurrent resolution (H. Con. Res. 191) to correct the enrollment of H.R. 3365.

ENROLLED BILLS SIGNED

The Speaker has signed the following enrolled bills:

H.R. 3365. An act to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions.

H.R. 5717. An act to provide for relief and rehabilitation assistance to the victims of the recent earthquakes in Romania.

The enrolled bills were subsequently signed by the Deputy President pro tempore.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H.R. 7. An act to authorize a career education program for elementary and secondary schools, and for other purposes; to the Committee on Human Resources.

* H.R. 130. An act to provide for the protection of franchised distributors and retailers of motor fuel and to encourage conservation of automotive gasoline and competition in the marketing of such gasoline by requiring that information regarding the rating of automotive gasoline be disclosed to consumers; to the Committee on Energy and Natural Resources

H.R. 5262. An act to provide for increased participation by the United States in the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Asian Development Bank and the Asian Development Fund, and for other purposes; to the Committee on Foreign Relations.

COMMUNICATIONS FROM EXECU-TIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated:

EC-1087. A letter from the Deputy Director of the Office of Management and Budget, Executive Office of the President, transmitting pursuant to law, a report that the Federal Crop Insurance Fund has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations. EC-1088. A letter from the Deputy Direc-

tor of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report that the appropriation to the Department of Justice for 'Support of United States Prisoners" for the fiscal year 1977 has been reapportioned on a basis that indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations.

EC-1089. A letter from the Deputy Director of the Office of Management and Budget, Executive Office of the President, transmitting pursuant to law, a report on the reapportionment which will permit use of the existing appropriation at an accelerated rate to provide for the purchase of enough thermal power to meet SPA's contractual commit-ments; to the Committee on Appropriations.

EC-1090. A letter from the Secretary of the Interstate Commerce Commission transmitting, pursuant to law, notice of a request for a 3-month extension with respect to Investigation and Suspension Docket No. 9139 concerning lumber and forest products; to the Committee on Commerce, Science, and

Transportation.

EC-1091. A letter from the Federal Cochairman of the Four Corners Regional Commission, transmitting, pursuant to law, the 1976 annual report of the Four Corners Regional Commission (with an accompanying report); to the Committee on Environment and Public Works.

EC-1092. A letter from the Administrator of the Environmental Protection Agency, transmitting a draft of proposed legislation to extend certain appropriation authorizations of the Federal Water Pollution Control Act, as amended, for fiscal year 1977 (with accompanying papers); to the Committee on Environment and Public Works.

EC-1093. A letter from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled Security at Nuclear Powerplants-at Best, (with an accompanying re-Inadequate" port); to the Committee on Environment and Public Works.

EC-1094. A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Better Management of Spare Equipment Will Improve Maintenance Productivity and Save the Army Millions" (with an accompanying report); to the Committee on Governmental Affairs

EC-1095. A letter from the Director of the Administrative Office of the United States Courts, transmitting a draft of proposed legislation to amend the Jury Selection and Service Act of 1968, as amended, by revising the section on fees of jurors and by providing for a civil penalty and injunctive relief in the event of a discharge or threatened discharge of an employee by reason of such employee's Federal jury service (with accompanying papers); to the Committee on the Judiciary.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions which were referred as indicated:

POM-126. Resolution No. 152 adopted by the Council of the City of Philadelphia, Pa., memorializing the Congress of the United States of America to hold open hearings on the proposed "Consumer Communications Reform Act of 1977"; to the Committee on Commerce, Science, and

Transportation.
POM-127. Resolution adopted by the Senate of the Commonwealth of Puerto Rico expressing the pride and joy of the Senate Puerto Rico upon the celebration next March 2 of the 60th anniversary of the granting of the American citizenship to the Puerto Rican people; ordered to lie on the

"RESOLUTION

"STATEMENT OF MOTIVES

"On March 2, 1917 the Congress of the United States of America granted the American citizenship to the Puerto Rican people. Sixty years have already elapsed since that glorious date so significant for the well-being and destiny of Puerto Rico.

"We all know and cherish the Indian origin of our beautiful Island which, though simple and primitive, is the undisputable root our personality. Also, all of us know and love our ties with Spain, which colonized us, bequeathed its language and its customs to us and, through four centuries imprinted on us that Hispanic seal we are proud of. But neither can we forget that the historical destiny of Puerto Rico changed in the year 1898 and that since such date we are united a great nation of extraordinary ideals which we should also know and love because it is the only one that will lead us to our final identity. We have the right to respect and to cherish the past with all the fervor of our hearts, but we also have the duty to look into the future with our utmost reasoning.

"Independently of the noble separatist ideal some Puerto Ricans avow, the majority of our people have always been not only proud of the American citizenship but also have consistently expressed themselves in favor of our permanent union with the United States of America. The great patrician Luis Muñoz Rivera, although of proindependence ideals, expressed himself thus in his political will subscribed in the year 1916, shortly before his death: 'About politics I have very little to tell you. I have already told you everything in my speeches, in my letters, in everything you know about me, spoken or written. The course is firmly traced. The future of Puerto Rico consists in strengthening, in consolidating its politics within a sincere friendship and frank compenetration with the people of the United States. Although the finality of the problem is the independence of our native land, we must have confidence and absolute faith in the great nation under whose influence and under whose protection our fate is to be decided. Great are the problems stirring in the political life of Puerto Rico and many are the enemies that surround us creating difficulties to our efforts. We need the help of the United States to solve them, to shield ourselves behind its strength and to shelter ourselves in its great institutions.' And on May 6, 1917, the Unionist Party, under the presidency of the illustrious Puerto Rican, Antonio R. Barceló, approved a declaration of principles which in part stated: 'That it accepts and receives as a high honor for the political dignity of the country, the American citizenship which solves the situation of Puerto Rico within the national and international law, without prejudice to the definite determination of our status'. And finally, the Republican Party, under the direction of its chief leader, José Celso Barbosa, approved on May 14, 1917 a program which in part stated: 'The Republican Party publicly states that the new Organic Act enacted by Congress completes the first stage of our political evolution and accomplishes the first part of the Party's platform, in so far as it defines the status of Puerto Ricans collectively, as citizens of the United States, separates the executive functions and establishes an elective Senate'.

"Many years have elapsed since that memorable date when we were granted the American citizenship. The excelling process of our people has been arduous and slow, but little by little we have obtained more guarantees and many rights. We have shared the happiness and the sorrows of the great American nation. We have sent our sons to the battlefields in defense of the democratic institutions and ideals. We are part and parcel of that great nation that represents and defends us in the international forum.

"We forebode where are we going and what do history and fate hold for us. But we do have the firm conviction and the faith that the American citizenship we cherish today with pride is a guarantee and a certainty that

the future must be very good for our people.
"The Senate of Puerto Rico, that also celebrates next March 2 the sixtleth anniversary of its creation, feels more than proud and joyful of sharing its anniversary with the glorious anniversary of the granting of the American citizenship to the Puerto Rican people. And it is indispensable to state so to all the people of Puerto Rico.

"Be it resolved by the Senate of Puerto Rico:

"Section 1 .- To express the pride and joy of the Senate of Puerto Rico upon the celebration next March 2 of the sixtleth anniversary of the granting of the American citizenship to the Puerto Rican people.

Section 2.—A certified copy of this resolution shall be sent to the news media of

the country for its publication.

"SECTION 3.-Certified copies of this resolution duly translated into English shall be sent to the President of the United States of America, Honorable Jimmy Carter, to the President of the Senate, Honorable Walter Mondale, and to the Speaker of the House of Representatives, Honorable Thomas

POM-128. Senate Concurrent Resolution No. 4040 adopted by the Legislative Assembly of the State of North Dakota urging Congress to require federal agencies to enhance lands under their control with woody plantings and utilize other soil and water conservation practices, including the control of noxious weeds; to the Committee on Environment and Public Works.

"SENATE CONCURRENT RESOLUTION No. 4040

"Whereas, activities of federal agencies in the operation of lands under their control in North Dakota cause adverse environmental impacts in the form of soil erosion. damage to vegetation, and the spread of noxious weeds; and

Whereas, current water management practices cause soil erosion and the consequent addition of silt to surrounding water:

"Whereas, wildlife concentrations in an area cause significant damage to vegetation;

"Whereas, noxious weeds on federal lands remain uncontrolled and therefore spread to lands owned by private landowners who are required by state law to control such noxious weeds; and

"Whereas, other activities on federal lands extend beyond the borders of those lands and affect surrounding private landowners;

"Now, therefore, be it resolved by the Senate of the State of North Dakota, the House of Representatives concurring therein:

That the United States Congress is urged to require federal agencies to enhance lands under their control with woody plantings and to utilize other soil and water conservation practices, including the control of noxious weeds; and

'Be it further resolved, that the Secretary of State forward copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, to the Secretary of the Interior, Secretary of Agriculture, and Secretary of Defense, and the North Dakota Con-gressional Delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHURCH, from the Special Committee on Aging:

A report entitled "Developments in Aging," parts I and II (Rept. No. 95-88).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated.

By Mr. ALLEN:

S. 1269. A bill for the relief of Camilla A. Hester; placed on the Calendar. By Mr. LONG:

S. 1270. A bill to amend the Internal Revenue Code of 1954 to provide for the refunding of so much of a taxpayer's investment credit as exceeds his liability for income tax; to the Committee on Finance

By Mr. TOWER:

S. 1271. A bill to authorize the waiver of section 27 of the Merchant Marine Act, 1920, in the interest of friendly relations with Mexico and Canada; to the Committee on Commerce, Science, and Transportation. By Mr. CHURCH (for himself and Mr.

MELCHER):

S. 1272. A bill to reform the food stamp program; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. ALLEN:

S. 1273. A bill to authorize the Administrator of General Services to renegotiate the provisions of any contract for the benefit of the Government of the United States for the lease of real property which is under the authority of the Administrator or subject to his supervision in order to make adjustments for increased utility costs for the operation of such premises; to the Committee on Governmental Affairs.

By Mr. HOLLINGS: S. 1274. A bill to provide the Attorney General of the United States with authority to contract with State and local authorities for the safekeeping, care, and subsistence of all Federal prisoners; to the Committee on the Judiciary.

By Mr. CRANSTON (for himself and

Mr. BENTSEN):

S. 1275. A bill to establish office accounts for Senators, to require public disclosure of expenditures from such accounts, and for other purposes; to the Committee on Rules and Administration

By Mr. HEINZ:

S. 1276. A bill to amend the Internal Revenue Code of 1954 to permit the current expensing of amounts expended in connection with the construction or erection of pollution control facilities; and

S. 1277. A bill to amend the Internal Revenue Code of 1954 to provide for the rapid amortization of noise pollution control facilities; to the Committee on Finance.

By Mr. PACKWOOD:

S. 1278. A bill to facilitate the coordination of programs for the protection, management, and control of wild free-roaming horses and burros, and other resources, and for other purposes; to the Committee on Energy and Natural Resources

By Mr. BURDICK (by request):

S. 1279. A bill to provide temporary authorities to the Secretary of Commerce to facilitate emergency actions to mitigate the impacts of the 1976-77 drought and promote water conservation; to the Committee on Environment and Public Works.

By Mr. CLARK:

S. 1280. A bill to provide for the maintenance or enhancement of the quality of water in rural areas; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HART:

S. 1281. A bill to establish a program to provide assistance to local governments for solid waste disposal programs; to the Committee on Environment and Public Works.

By Mr. KENNEDY:

S. 1282. A bill to amend the Older Americans Act of 1965 to provide assistance for legal services projects for the elderly; to the

Committee on Human Resources. S. 1283. A bill entitled "The National Home-Delivered Meals for the Elderly Act"; to the Committee on Human Resources.

By Mr. CRANSTON:

S.J. Res. 46. A joint resolution to establish a national policy for the taking of predatory

or scavenging mammals and birds on public lands, and for other purposes; to the Committee on Environment and Public Works.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LONG:

S. 1270. A bill to amend the Internal Revenue Code of 1954 to provide for the refunding of so much of a taxpayer's investment credit as exceeds his liability for income tax; to the Committee on Finance.

REFUND OF EXCESS INVESTMENT CREDIT

Mr. LONG. Mr. President, I am introducing today a bill (S. 1270) to make the investment tax credit refundable. I shall refer to this as a long overdue improvement of the investment tax credit.

What do I mean in proposing to make the investment tax credit "refundable"? I mean that a tax incentive subsidy payment by the Federal Government to stimulate businesses' expenditure of money to buy equipment and create jobs, which is what we have in the investment tax credit that was enacted in 1962 at the urging of President Kennedy "to get the economy of the country" moving again-should be paid to any person who makes the expenditures we are trying to stimulate, whether or not he is rich enough to have to pay Federal income tax. In other words, whether the purchaser is a successful company in a profit period, whether a freshly hatched small business, whether a business in a fast growth period, or a temporary downswing-all could rest assured that the credit promised would bear fruition. In short, they could count on it. That is basically what I mean by the concept of refundability.

My idea of making the investment tax credit refundable is one I remember publicly suggesting as far back as July of 1975, when the Senate Committee on Finance was working in public hearings on that year's energy tax bill (H.R. 6860).

That idea, I respectfully submit to my colleagues, is one whose time for translation into law, and its economic reality, should arrive later this year and next when we do the work we are planning to reform our Nation's Federal tax laws.

I introduce my bill today, expressing my idea of refundability in specific legislative form, for the purpose of permitting, and indeed encouraging, my concept of the refundable tax credit to be seriously, yet deliberately, considered over the next few months by my colleagues here in the Senate and in the House, by our new President and his tax and economic advisers, and by the public at large.

This, I should point out, is not the first time I have laid before the entire Senate a specific legislative proposal to make the investment tax credit refundable. In the Tax Reform Act of 1976, as first reported to the Senate in June of last year (H.R. 10612, 94th Cong.), there was a provision—section 802—sponsored by myself, by the ranking Republican, Mr. Curtis, and my other like-minded committee members—which would have moved toward making the investment tax

credit refundable. Opposition on the Senate floor to that provision, in part because of budgetary considerations, unfortunately led to its removal from the bill. Nevertheless, the problem of unused and expiring tax credits to which the refundability concept was addressed at that time, was recognized by the Congress, but dealt with only a stop-gap basis. This was done in provisions in the Tax Reform Act, which for the next few years permit faster utilization by certain federally regulated capital intensive industries of the investment tax credit by removing the 50 percent of tax liability limitation.

There also are other occasions on which I have urged upon this distinguished body the importance of making tax credits refundable. As early as 1972, as part of the Social Security Amendments Act of that year, I led the charge, and was supported by a majority of my Senate colleagues, for the enactment of the "earned income" tax credit. This credit, which was finally enacted in 1975, was made refundable to insure that its benefits would flow to the poor and low-income individuals having little or no income tax liability.

In 1975, I also led the Finance Committee in adopting the refundability concept in connection with the tax incentives provided in the energy tax bill, approved by the committee that year. Among the incentives adopted at that time was a refundable tax credit for home insulation expenditures, a refundable credit for installation of solar or geothermal energy equipment; and, a refundable credit for installation of residential heat pumps. These refundable credits were subsequently included in the tax reform bill of 1976 as title 20 which passed this body last year, only to be deleted by the conference because of budgetary consideration.

I should also point out to my colleagues that this proposed improvement of the investment tax credit has broad bipartisan support. The administration, of President Ford, after thinking over my idea of making the credit refundable, recommended to the Congress in October of 1974 that the investment credit be made refundable, to eliminate the discrimination and unfairness that results from providing the benefits of the investment credit only to profitable, taxpaying businesses.

Again, Treasury Secretary Simon on April 13, 1976, during the hearing on the tax reform bill, discussed the administration's earlier recommendations on refundability. The Secretary and I agreed wholeheartedly on the concept of making the investment tax credit refundable at the earliest possible time. There was extended discussion by Secretary Simon and Finance Committee members of how best to implement such a provision. That discussion was another step in the developing consensus for the investment tax making credit refundable.

Moreover, if you believe as I do, that the investment tax credit is a tax subsidy that the Congress is voting to help people buy new equipment, the way to provide real certainty to the prospective purchaser whose immediate profit picture is unclear, is to make the credit refundable as part of permanent tax law. In that way, the purchaser of capital equipment will know automatically that upon purchase he will receive the credit.

I am proud to note that the distinguished Senator from Massachusetts (Mr. Kennedy) has recently come out strongly for making the investment tax credit refundable. The Senator and I have had many heated, but I hope enlightening, debates on tax reform issues. It is particularly pleasing to find that our minds coalesce on this question of refundability, the needed improvement of the investment tax credit, originally advanced by his brother, the late President John Kennedy.

Mr. President, obviously, I am not asking that we act today. We have a new President and a new administration. We must give them a fair chance to consider this proposal seriously. We also must not ask for too much too soon. To be responsible, we best have budgetary considerations in mind. We may, when we take up tax revision, decide that we want to phase in a refundable tax credit proposal. Similarly, we must be cautious about going too far; for example, in extending an investment credit to tax exempt organizations.

Mr. President, we in the Senate have affirmed our belief in the merits, and the fairness, of making tax credits refundable. We have stated our concern for the "have nots" as well as the "have." It is now time for us to urge our new administration, our colleagues in the House and the public at large, to give serious consideration to joining in support of action in the 95th Congress to eliminate this discrimination against the less fortunate in our economic society. The correction of this discrimination is long overdue.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1270

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REFUND OF EXCESS INVESTMENT CREDIT.

(a) GENERAL RULE .-

(1) REFUNDABILITY.—Section 6401(b) (relating to amounts treated as overpayment) is amended—

(A) by inserting "39 (relating to investment in certain depreciable property)," after "(relating to tax withheld on wages)", and

(B) by inserting "38," after "sections 31,".
(2) ASSESSMENT AUTHORITY.—Section 6201
(a) (4) (relating to assessment authority) is amended—

(A) by striking out "section 39 or 43" in the caption and inserting in lieu thereof "section 38, 39, or 43", and (B) by inserting "section 38 (relating to

(B) by inserting "section 38 (relating to investment in certain depreciable property)," before "section 39".

(b) TECHNICAL AND CONFORMING AMEND-

(1) TERMINATION OF LIMITATION BASED ON AMOUNT OF TAX.—Subsection (a) of section

46 (relating to general rules) is amended by inserting immediately after paragraph (3) the following new paragraph:

(3A) TERMINATION OF LIMITATION BASED ON AMOUNT OF TAX .- The provisions of paragraph (3) do not apply to any portion of allowed by section 38 attributable to-

(A) property to which subsection (d) does not apply, the construction, reconstruction, or erection of which is completed by the taxpayer after December 31, 1977, to the extent of the basis thereof attributable to construction, reconstruction, or erection after December 31, 1977,

(B) property to which subsection (d) does not apply, acquired by the taxpayer after December 31, 1977, and

"(C) property to which subsection (d) applies, to the extent of the qualified inestment (as determined under subsections (c) and (d)) with respect to qualified progress expenditures made after December 31,

(2) CARRYOVER AND CARRYBACK PROVISIONS NOT TO APPLY TO FUTURE INVESTMENT .- Subsection (b) of section 46 (relating carryover and carryback of unused credits) is amended by adding at the end thereof the following new paragraph:

"(4) TERMINATION OF CARRYOVER AND CARRY-BACK PROVISIONS.—The provisions of this sub-section do not apply to any amounts at-

tributable to-

"(A) property to which subsection (d) does not apply, the construction, reconstruction, or erection of which is completed by the taxpayer after December 31, 1977, to the extent of the basis thereof attributable to construction, reconstruction, or after December 31, 1977,

"(B) property to which subsection (d) does not apply, acquired by the taxpayer after December 31, 1977, and
"(C) property to which subsection (d) applies, to the extent of the qualified investment (as determined under subsections (c) and (d)) with respect to qualified progexpenditures made after December 31,

SEC. 2. EFFECTIVE DATE.

The amendments made by this Act apply with respect to-

property to which section 46(d) of the Internal Revenue Code of 1954 does not apply, the construction, reconstruction, or erection of which is completed by the taxpayer after December 31, 1977, but only to the extent of the basis thereof attributable to construction, reconstruction, or erection after December 31, 1977,

(2) property to which section 46(d) of such Code does not apply, acquired by the taxpayer after December 31, 1977, and

(3) property to which subsection 46(d) of such Code applies, but only to the extent of the qualified investment (as determined under subsections (c) and (d) of section 46 of such Code) with respect to qualified progress expenditures made after December 31,

By Mr. TOWER:

S. 1271. A bill to authorize the waiver of section 27 of the Merchant Marine Act, 1920, in the interest of friendly relations with Mexico and Canada; to the Committee on Commerce, Science, and

Transportation.

Mr. TOWER. Mr. President, a very important aspect of our foreign policy in this hemisphere involves our relationship with Mexico. In rapid succession, however, new problems have surfaced even while our two countries have been attempting to resolve other matters of mutual concern. Our country has a vital interest and role in this relationship: the border States, and my State in particular.

also have a vital interest in a relationship which is both sound and mutually satisfactory.

In Brownsville, Tex., recently, a crisis arose in the city's port as a result of a negative determination which the U.S. Customs Service made under section 27 of the Merchant Marine Act, 1920, as amended (U.S.C: 883). Customs Service had no choice under the act. As a result. it refused a request to permit the transportation of fuel oil stored at one point in the port of Brownsville to another point also in the port.

The request was made to Customs Service by Pemex, the decentralized Mexican oil company which reportedly provides our country with most of its exportable oil and gas. Pemex was under an emergency to place fuel oil from one of its own storage terminals located in the port to another of its terminals in the port for transfer to Mexican rail tank cars. It was then to be shipped to the emergency site within Mexico's interior.

Pemex would have used its own oil tanker to transfer the fuel oil. The reason for trying to use its own tanker was that no American bottoms suitable for that purpose were available in the port of

Brownsville.

Mr. President, officials of the port of Brownsville and Treasury Department officials who clearly understood and appreciated the reason for the Pemex request acted swiftly to reduce and then repair any damage to the relationship with the Mexican oil company which the Brownsville community had established. I certainly commend all who participated for their efforts to restore that sensitive border relationship to its previous level of mutual trust.

At present the port of Brownsville is moving quickly to develop details for possible construction of a pipeline connection between the two fuel oil terminals belonging to Pemex. In the interim, however, a similar emergency could recur. As matters stand now, the Treasury Department, and therefore the Customs Service, still has no legal authority under which it can even consider action to waive compliance with section 27 of the Merchant Marine Act of 1920, as amended.

Mr. President, the Brownsville community and the entire south Texas community in general already have been severely affected by the devaluation of Mexico's currency and a disastrous drop in retail sales; an unusual wet winter season which has set back the area's farm and grower economy; and reduced job opportunities for migrant and seasonal farmworkers who make their homes in the area and who have been affected by drought conditions in other parts of the country. In view of these conditions, this community deserves the Senate's consideration of possible relief from the strict limitations of the Jones act in the event of another unforeseen emergency.

I am today introducing legislation to authorize the Secretary of Treasury to waive compliance with section 27 of the Merchant Marine Act, 1920, as amended. Under no circumstances will this legislation weaken the purposes of the Jones act. It does recognize, however, the critical interdependence which exists between our two countries.

I urge my colleagues to enact this legislation at the earliest possible date.

> By Mr. CHURCH (for himself and Mr. MELCHER):

S. 1272. A bill to reform the food stamp program; to the Committee on Agriculture, Nutrition, and Forestry.

NATIONAL FOOD STAMP REFORM ACT FOR THE ELDERLY

Mr. CHURCH. Mr. President, on behalf of Senator Melcher and myself, I introduce for appropriate reference the 1977 National Food Stamp Reform Act for the Elderly.

Recent statistics released by the Bureau of Labor Statistics show that lowincome-\$4,501 and below-elderly couples residing in urban areas spend about 31.7 percent of their income for food. When this amount is added to shelter costs, which are usually the elderly's highest expense, more than one-half of the typical low-income aged couple's budget is earmarked for food and housing.

These statistics show the critical need for effective income maintenance programs and social services for our indigent elderly. Time and time again, the Committee on Aging has heard elderly witnesses testify that they must skimp on medical and food costs in order to meet their escalating housing, utilities and transportation costs. Poor health care and eating habits can only intensify the elderly's problems. In the long run this will force more and more older Americans into institutions.

Over the past several years, programs which supplement the elderly's food budget have become increasingly important. Nutrition programs for older Americans have become popular in every State. Quite often the meal provided at a senior center is the only nutritious meal that the elderly person will have

all day.

The 1976 poverty report of the Bureau of the Census revealed that one out of seven persons 65 and older live in poverty-having incomes below \$2,752 for a single aged person and \$3,232 for elderly couples. All in all 3.3 million elderly live in poverty. This does not include, however, the 2 million "hidden" poor who are not counted because they are institutionalized or reside in the homes of others with sufficient incomes to raise them above the poverty line. Yet, USDA figures tell us that only about 6 percent of all food stamp participants are elderlyapproximately 1 million persons 65 and older. Yet, perhaps 3 to 4 million poor elderly could possibly benefit from the food stamp program. And this figure may be conservative.

Why are these poor elderly not participating in a program which could help to supplement their food budgets? That is a question that the Senate Committee on Aging has been studying for some time. The committee has held hearings all around the country on how the esca-lating cost-of-living affects older Americans. I have heard elderly people testify that they are not aware of food stamps;

they cannot afford to pay the \$25 to \$40 purchase price at one time; they are unable to travel to and from the welfare office to be certified and to pick up their coupons; and they are unwilling to put themselves through what they consider a demeaning process to apply for the benefits.

The bill Senator MELCHER and I introduce today would help to alleviate these obstacles so that the elderly poor can have greater accessibility to the food

stamp program.

First, our bill would eliminate the purchase requirement in order that participants could receive their stamps without making a payment based on their income. In effect they would receive the bonus value of the food stamp coupon above their purchase requirement. This provision would be very helpful to the poor elderly who frequently are unable to buy their way into the food stamp program. Since many live on limited fixed incomes they find it difficult to make a larger outlay for food stamps once a month. Our bill would assist in bringing some of the poorest elderly into the program by doing away with the purchase requirement and allowing them to receive their bonus value in stamps based on their incomes and household size.

Second, the National Food Stamp Reform Act for the Elderly would allow supplemental security income, SSI, and social security beneficiaries to apply for food stamps in their local or district social security offices. This would be accomplished by housing State assistance personnel in the social security offices. These individuals would have responsibility for assisting SSI and social security beneficiaries concerning application procedures for the food stamp program and any questions they may have. Our bill would allow the applicant to supply a simplified affidavit at the social security office and be certified on the basis of income and asset information in their SSI and social security files. This provision would enable the elderly poor to participate more readily in the food stamp program and without the redtape in the existing program. This simplification of the application process would also assist in educating more older Americans about the program, minimizing their difficulties in traveling from office to office and encouraging their participating in the program.

Third, our bill would allow for annual means that aged recipients need only go to the assistance or social security offices once a year to be certified unless they have a change of income in excess of \$25 per month. Most SSI and social security beneficiaries could be certified for the entire year since their incomes would usually not change except for the annual July cost-of-living adjustments. If the recipients adjustments exceeded \$25 a month, they would be required to report that change in income to the food stamp office. This allowance for annual recertification would help considerably to eliminate the financial and physical barriers which the elderly must overcome when traveling to and from their assistance or social security offices.

Mr. President, I endorse the need for food stamp reform. While the Congress is considering various food stamps bills. I do not want the special needs of the elderly overlooked. Without such attention, genuine reform simply would not be possible.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "1977 National Food Stamp Reform Act for the Elderly".

EFFICIENT CERTIFICATION

SEC. 1. Section 10 of the Food Stamp Act of 1964, as amended, is amended by adding

at the end thereof the following:

"(j) The Secretary, in conjunction with the Secretary of Health, Eucation, and Welfare, shall promulgate regulations permitting households in which all members are recipi-ents of Supplemental Security Income to apply for participation in the food stamp program by executing a simplified affidavit at the Social Security Office and be certified for eligibility based on information contained in files of the Social Security Administration.

"(k) The Secretary, in conjunction with the Secretaries of Health, Education, and Welfare and Labor shall prescribe regulations permitting applicants for and recipients of social security or unemployment compensation benefits to apply for food stamps at social security or unemployment compensation offices and be certified for food stamp eligibility in such offices in order that the application and certification for food stamp assistance may be accomplished as efficiently and conveniently as possible."

"(1) Households containing one or more elderly persons, but no wage earners, shall be certified for a period of one year; provided that a member of any such household shall report any change of income in excess of

\$25 per month."

ELIMINATION OF PURCHASE PRICE

SEC. 2. (a) The first sentence of section 4(a) of the Food Stamp Act of 1964, as amended, is amended to read as follows: "The Secretary is authorized to formulate and administer a food stamp program under which, at the request of the State agency, eligible households within the State shall be provided with a supplement to their incomes, through the use of a coupon allotment, sufficient to provide such households with an opportunity to obtain a nutritionally adequate diet.".

(b) The section head of section 7 of the Food Stamp Act of 1964 is amended by striking out "AND CHARGES TO BE MADE".

(c) Section 7(a) of such Act is amended by striking out that portion preceding "adjusted semiannually." and inserting in lieu thereof the following: "The face value of the coupon allotment which State agencies shall be authorized to issue for any period to any household certified as eligible to participate in the food stamp program shall be in such amount as the Secretary determines to be the cost of a nutritionally adequate diet, reduced by an amount equal to 30 per centum of such household's income: Provided, That the minimum allotment shall be \$10 and the coupon allotment shall be adjusted semiannually.".

(d) Sections 7(b) and 7(d) of the Act are repealed.

(e) Section 7(c) is redesignated as 7(b) and the following is deleted: "which is in

excess of the amount charged such household for such allotment".

(f) (1) Clause (6) of the second sentence of section 10(e) is repealed.

(2) Clause (7) of the second sentence of section 10(e) is redesignated as (6) and is amended to read as follows: "(6) notwithstanding any other provisions of law, the institution of procedures under which any household participating in the program shall be entitled to have its coupon allotment distributed to it with any grant or payment to which such household may be entitled under title IV of the Social Security Act, except in areas in which the Secretary determines that such distribution of coupons is impractical because of the risk of theft of coupons, or of danger to mail carriers, and". (3) Clause (8) of the second sentence of

section 10(e) is redesignated as (7). (4) Section 10(g) of the Food Stamp Act

of 1964 is amended to read as follows: If the Secretary determines that "(g) there has been gross negligence or fraud on the part of the State agency in the certification of applicant households, the State shall, upon request of the Secretary, deposit into a separate account established in the Treasury a sum equal to the face value of any coupon issued as a result of such negligence or fraud. Funds deposited into such account shall be available without fiscal year limitation for the redemption of coupons."

(g) (1) The third sentence of section 16(a) of the Food Stamp Act of 1964 is amended to read as follows: "Such portion of any such appropriation as may be required to pay for the value of the coupon allotments issued to eligible households shall be transferred to and made a part of a separate account maintained in the Treasury of the United States and such deposits shall be available, without limitation to fiscal years, for the redemp-

tion of coupons.".

(2) Subsections (b) and (c) of section 16 of such Act are repealed and subsection (d) is redesignated as subsection (b).

(h)(1) Subsection (m) of section (3) of the Food Stamp Act of 1964, as amended, is

amended to read as follows:

"(m) The term 'issuance authorization card' means any document issued by the State agency to an eligible household which shows the face value of the coupon allotment the household is entitled to be issued on presentment of such document.".

Subsection (b) of section (14) is amended by deleting the words "authorization to purchase cards" wherever such words appear and inserting in lieu thereof the words "issuance authorization cards".

By Mr. ALLEN:

S. 1273. A bill to authorize the Administrator of General Services to renegotiate the provisions of any contract for the benefit of the Government of the United States for the lease of real property which is under the authority of the Administrator or subject to his supervision in order to make adjustments for increased utility costs for the operation of such premises; to the Committee on Governmental Affairs

FEDERAL PROPERTY LESSOR ASSISTANCE ACT

Mr. ALLEN. Mr. President, the Arab oil embargo of 1973 triggered the national energy crisis for which we are now still seeking a solution. Certainly, all in this Chamber are hopeful that the national energy program to be announced by the President will provide a basis for resolution of the crisis. But, Mr. President, many thousands of additional problems have arisen as an indirect result of the energy crisis in areas not specifically associated with energy pro-

duction and distribution.

So, Mr. President, I am hopeful that the President's program will provide a framework in which we can seek remedies for the dilemma we now face. But, Mr. President, there is one problem which I do not believe the President intends to address and which ought not to wait any longer for congressional attention. Although thousands of individuals are not involved, the injustice suffered by those few who are involved is so great that I believe Congress should act to

provide specific relief. Mr. President, the General Services Administration has taken the position that it is prohibited by an opinion of the Comptroller General (26 Comp. Gen. 365), from renegotiating the provisions of a fixed-term office space lease notwithstanding the fact that the lease terms are ruinous to the lessor as a clear result of the unforeseeable utility rate increases which have occurred since the Arab oil embargo. As I am sure most Senators recognize, leases now negotiated with the General Services Administration ordinarily contain an escalation clause to protect the lessor from the erratic and skyrocketing costs of utilities. Unfortunately, prior to the oil embargo many leases were negotiated without a provision permitting such 2scalation. As a result, the unforeseeable

I am convinced the General Services Administration has misapplied existing statute and case law in refusing to consider a renegotiation of office space leases in order to take account of these radically changed circumstances; however, inasmuch as the General Services Administration has taken that somewhat obdurate position, I believe Congress ought to clarify the matter and ought to give to the Administrator clear-cut authority to take the action he now asserts he is not authorized to take.

action of these foreign states has brought

many of those involved to the brink of

bankruptcy.

Accordingly, I am today introducing a bill which, if enacted, ought to make crystal clear the Administrator's authority to renegotiate Federal property leases in order that the changed circumstances which have occurred in the past years and months could be taken into account. The bill would thereby help to correct a major injustice by taking from the shoulders of a few individual citizens the concentrated and heavy burden of massive utility cost increases which in the last analysis were caused primarily by an unforeseeable foreign response to the international policies of the same Federal Government on whose behalf the Administrator now refuses to act.

By Mr. HOLLINGS:

S. 1274. A bill to provide the Attorney General of the United States with authority to contract with State and local authorities for the safekeeping, care, and subsistence of all Federal prisoners; to the Committee on the Judiciary.

Mr. HOLLINGS. Mr. President, last Friday when the Senate considered the Supplemental Appropriations Act, 1977, as the chairman of the Subcommittee on State, Justice, Commerce, the Judiciary, and related agencies, I was compelled to offer a \$10 million amendment to cover a deficiency incurred by the Bureau of Prisons for support of prisoners. As I indicated in my remarks, this account is relatively uncontrollable, because the costs are a function of the number of prisoners being held and the contracts that the Federal Prison System negotiates with the local jails.

This situation is further aggravated by the current division of authority and responsibility between the U.S. Marshals Service and the Bureau of Prisons for services provided under the "Support of United States Prisoners" appropriation. One organization, the Bureau of Prisons, receives the appropriation, while another, the U.S. Marshals Service, actually operates most aspects of the program. This situation violates good management principles and contributes to the uncontrollability of costs under the appropriation.

I am introducing this bill to enable the Attorney General to assume authority for the custody and care of all Federal prisoners, those awaiting trial and those serving sentences of imprisonment. It is contemplated that the Attorney General can then, by appropriate orders, aline the functions and responsibilities for the program between the Bureau of Prisons and U.S. Marshals Service to assure unity of control and accountability. It would be necessary for the Department of Justice to seek approval of implementing budgetary transfers when the Attorney General has approved an appropriate division of functions.

I urge the Committee on the Judiciary to give early and favorable attention to this bill so that the necessary adjustments can be accomplished in the 1978 budget estimates which I would expect to be marking up sometime in June.

By Mr. CRANSTON (for himself and Mr. Bentsen):

S. 1275. A bill to establish office accounts for Senators, to require public disclosure of expenditures from such accounts, and for other purposes; to the Committee on Rules and Administration.

OFFICE ACCOUNT LEGISLATION

Mr. CRANSTON. Mr. President, I am introducing today a bill which proposes revisions in the consolidated office allowance to give Senators greater flexibility in using funds in the allowance, to provide a mechanism for yearly cost-of-living adjustments in the allowance, and to require annual public disclosure of the expenditures by each Senator from his allowance.

Under section 301 of Senate Resolution 110, which the Senate adopted last Friday, the Committee on Appropriations is charged with studying the adequacy of amounts and permissible uses of current senatorial office allowances. With 120 days, the committee will be reporting out legislation to adjust the funding and uses of the allowances. It is my intention that the measure which I am now introduc-

ing be considered as part of the committee's study.

It has long been my feeling that a Senator's office should operate under the principles of sound business management, in the same manner which most private companies are run. The manager of a business has the ability to shop in the open market for the tools, machinery, and systems which will enable him to accomplish his goals most efficiently. Unfortunately, that has not been the case in the Senate.

The Rule XLII accounts, which are abolished by Senate Resolution 110, came into existence for various reasons: The uses to which senatorial allowances could be put were too tightly defined and often inconsistent: the allowances themselves were inadequately funded; the priorities for types of official expenditures for a Senator's office were set by Senate employees rather than by the Senator himself. And a Senator finding himself unable to be reimbursed officially for an expense he determined was necessary for the conduct of his official duties forced to pay for these items out of personal funds—including honoraria he earned—or excess campaign funds or the Rule XLII accounts.

Since 1969 when I first came to the Senate, some of the allowance inequities have been removed—and the pressures for outside funds to pay for a Senator's nonreimbursed official expenses have eased slightly.

The consolidation of a few senatorial office allowances in 1973 was an important initial step on the road toward modern office management. It has afforded Senators the ability to prepare a budget for some of the expenditures in their offices and some flexibility in fitting allowances to the special constituent and legislative requirements of each State and its people.

To a limited extent, the population of a State is now a factor in setting the amount of each Senator's consolidated allowances. The tradition that each Senator is equal even in regard to office allowances—regardless of his State's population—is changing. But the variable is minor, and in no way proportionate to the actual differences in the size of our various constituencies.

One of the biggest hurdles still remaining is the permissible use of official office allowances.

I cite a number of problems I have had to wrestle with in my own operation:

When my foreign policy assistant travels to California to discuss foreign trade problems and foreign military sales with Californians, his travel can be paid by the Senate. However, if that same assistant travels to the United Nations for a conference on world trade which is equally important for the people of California, his travel to New York, under present regulations, cannot be reimbursed by the Senate. A Senator would need some kind of unofficial office account to pay for these expenses.

When a Senator travels to and within his home State, on official business, the actual transportation expenses are paid by the Senate. The expenditures for food and lodging are not. A Senator must travel in his home State if he is to fulfill his responsibilities to his constituents. He has no choice in the matter. These expenses, again, must come from an unofficial office account.

I am able to subscribe to any number of newspapers and magazines which are helpful to my Senate duties, the cost of which the Senate will reimburse. However, should I need books, reports, directories-or even additional copies of the CONGRESSIONAL RECORD-my honorarium account must bear the cost. It is possible, of course, to charge these purchases to my field office allowances, because the restrictions on field office expenditures are not as strictly defined. But it would clearly be a case of circumventing Senate rules.

And finally there are those expenditures which are not reimbursed simply because no one thought to put them on the list. For example, I cannot use Senate funds to purchase official lists of registered voters to use in sending out my newsletter, because mailing lists are not

a prescribed item.

The examples can go on and on. We have such problems, because the Senate in the past has attempted to enumerate in minute detail every official use for which these allowances can be spent. In drawing up such definitions, little consideration has been given to the varia-tions in Senators' needs, styles, and habits. Thus each allowance carries with it a rigidly defined list of what it can be spent for. Any item not on that list now is disallowed for reimbursement, even though for tax purposes the IRS would consider it to be a perfectly legitimate and deductible business expense.

My bill seeks to do way with this inefficient practice of trying to establish a definitive list of official expenditures. Instead it permits the Senators themselves to manage their own offices and to determine their necessary business expenses. It encourages Senators to adopt the principles of sound management under which we expect private businesses

to operate.

The requirement in my bill that the Secretary of the Senate annually disclose expenditures from a Senator's office allowances would act as a safeguard against frivolous spending. The spotlight of public and press examination coupled with the potential criticism for any unreasonable or extravagant expenditure would work strongly against the unnecessary or wasteful use of public moneys.

The bill does not permit Senators to purchase furniture or equipment with office allowance funds. However, it does give Senators the option of selecting equipment and furniture which is offered by the General Services Administration for governmentwide use. Such flexibility recognizes the diversity in Senator's

work habits and style.

The bill provides a yearly cost-of-living adjustment in the consolidated allowance to assure that expenses will be adequately covered. Otherwise, the bill is silent on the question of how much the consolidated office allowance should be. I anticipate that the Legislative Appropriations Subcommittee will be making recommendations about additions to the office allowance which are necessary now that rule XLII accounts are abolished.

Finally, the unspent moneys from a Senator's field office space rental fund are included in the consolidated office

allowance.

The abolition of the rule XLII accounts and the limitations placed on outside earned income require that we take an immediate and serious hard look at budgeting and management of a Senator's office.

The Commission on the Operation of the Senate has recommended that one of the ways to modernize this body is to "establish a simplified and uniform system of budgeting and accounting. The system should: * * * Consolidate all funds into a single amount for each."

Senate Resolution 110 has given us the impetus for considering that recommendation. I hope the measure I introduce today will be the vehicle for effecting the change.

By Mr. HEINZ:

S. 1276. A bill to amend the Internal Revenue Code of 1954 to permit the current expensing of amounts expended in connection with the construction or erection of pollution control facilities;

S. 1277. A bill to amend the Internal Revenue Code of 1954 to provide for the rapid amortization of noise pollution control facilities; to the Committee on Finance.

> ENCOURAGING THE INSTALLATION OF POLLUTION CONTROL EQUIPMENT

Mr. HEINZ. Mr. President, I am today introducing two bills designed to further encourage the installation of pollution control equipment by industry.

Our growing public awareness of environmental problems over the past 10 years has produced a series of laws relating to air, water, solid waste, and noise designed, in short, to clean up America. This recognition that the quality of our lives and our surroundings are as important as the quantity of our goods is a development that all Americans support.

We must recognize, however, that there is a cost to achieving that objective that must be paid. According to Survey of Current Business, July 1976, business spent \$6.5 billion in 1975 for new plants and equipment to control air and water pollution and to dispose of solid waste. That figure represented a 17-percent increase over 1974-\$5.6 billion. This \$900 million increase accounted for almost 60 percent of the increase in total new plant and equipment expenditures-\$1.6 billion

In addition, the ninth annual Mc-Graw-Hill Survey on Pollution Control Expenditures estimates \$9.46 billion for similar expenditures in 1976, and a grand total of \$30.6 billion as the cost of bringing all existing business facilities into compliance with present pollution control standards.

Obviously this is an expensive task, one that will become more so as environmental standards are broadened and improved. Only recently, for example, the Government has begun to issue regulations for control of noise, another form of pollution, the control of which will add significantly to the investment load of many key industries.

In examining this investment, it should be made clear that it is not "productive" in the classic sense of investment that contributes to improvements or increases in production or reduction in product costs, et cetera. While investment in pollution control facilities helps produce cleaner factories and neighborhoods and in some cases cleaner-or quieterproducts, it does not, in the strictest sense, contribute to the economic growth of the companies installing it. Obviously these are not investments that earn a monetary return to the investor. To the contrary, in addition to the cost of capital, pollution control investments usually cost a considerable amount to operate and maintain and it goes without saying that the billions invested in pollution control are not available for other job creating investments.

Thus there is clearly a price to be paid for our increased efforts to fight pollution, but there is no question in my mind that this is a price worth paying, and that we should continue to pay it to clean up our environment.

These efforts will be more successful, more quickly accomplished, and ultimately more consistent with economic growth if we provide appropriate incentives to industry to install pollution control equipment promptly and effectively. Obviously our environmental laws mandate compliance, and without a doubt compliance will occur. Since the Federal Government is imposing the burden, however, and all the taxpayers share in the benefits, it is appropriate that we absorb some of the cost more directly and more equitably than through higher consumer prices.

We have already moved in this direction to some degree through section 169 of the Internal Revenue Code which provides for the amortization over 5 years of qualified pollution control facilities, but this is really insufficient as an incentive to deal with the expenditures required. I am proposing instead to reduce the 5-year period to 1 year, allowing the facilities' cost to be expensed as regular business deductions.

Let me emphasize that this proposal is not an effort to use tax policy solely as an incentive to obtain socially desirable actions, though that is a part of it.

Rather it is an effort to move away from the overtaxation and overregulation that business-particularly small business-feels has been imposed on it, and to insure that sufficient capital remains available for economic growth. This legislation will be particularly relevant to small businesses, many of which suffer from chronic cash flow problems and find the burdens of Federal regulation simply impossible to meet financially. By providing this incentive we are easing those burdens without at the same time lowering our environmental standards.

The figures I cited earlier as pollution costs included installation of plant and equipment to deal with air and water pollution and solid waste disposal. The passage of the Noise Control Act in 1972, however, added a new element to the antipollution field, and the increasing by rapid promulgation of noise regulations by the Environmental Protection Agency and the Occupational Safety and Health Administration promises significant future financial liability for industry and business-more than \$300 million estimated annual cost for noise regulations promulgated thus far.

As a result I am also introducing today legislation to include certain noise pollution control facilities in the definition of qualified facilities in secton 169

of the Internal Revenue Code.

The would permit certain equipment to qualify for the rapid amortization provisions. This bill limits qualifying equipment to that which ameliorates work place environment noise or product noise, excluding transportational products-aircraft, autos, trucks, trains, et cetera. Transportation noise sources are excluded not because they should be discriminated against, but because the magnitude of the expense that may ultimately be involved suggest that a tax approach may not be the wisest course of action.

Both these bills will reaffirm our determination to promote strong environmental standards and will provide business with the incentive necessary to meet those standards despite the short-term costs involved. I ask unanimous consent that the texts of both bills appear at this point in the RECORD.

There being on objection, the bills were ordered to be printed in the RECORD, as follows:

8. 1276

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

(a) IN GENERAL.—Section 169 of the Internal Revenue Code of 1954 (relating to amortization of pollution control facilities) is amended to read as follows:

"Sec. 169. POLLUTION CONTROL FACILITY EX-PENSES.

"(a) ALLOWANCE OF DEDUCTION.—Every person, at his election, shall be entitled to treat amounts paid or incurred in connection with the acquisition, construction, or erection of certified pollution control facility (as defined in subsection (b)) as items not chargeable to capital account. The election shall be made in such manner, and such form, and within such time, as the Secretary may by regulations prescribe. A taxpayer which has elected under this subsection to take the deduction allowed by the first sentence of this subsection may, at any time after making such election, discontinue the deduction with respect to the remainder of the amounts paid or incurred with respect to such facility. Any such discontinuance shall begin at the beginning of any month specified by the taxpayer in a notice in writing filed with the Secretary before the beginning of such month.

"(b) DEFINITIONS .- For purposes of this

"(1) CERTIFIED POLLUTION CONTROL FACILrry.—The term 'certified pollution control facility' means a new identifiable treatment facility which is used, in connection with a plant or other property in operation before January 1, 1976 to abate or control water or atmospheric pollution or contamina-tion by removing, altering, disposing, or preventing the creation or emission of pollutants, contaminants, wastes, or heat in which

"(A) the State certifying authority having jurisdiction with respect to such facility has certified to the Federal certifying authority as having been constructed, reconstructed, erected, or acquired in connection with the State program or requirements for abatement or control of water or atmospheric pollution or contamination;

(B) the Federal certifying authority has certified to the Secretary (i) as being in compliance with the applicable regulations of ederal agencies, and (ii) as being in furtherance of the general policy of the United States for cooperation with the States in the prevention and abatement of water pollution under the Federal Water Pollution Control Act (33 U.S.C. 466 et seq.), or in the prevention and abatement of atmospheric pollution and contamination under the Clean Air Act (42 U.S.C. 1857 et seq.), and

"(C) does not significantly-

"(i) increase the output or capacity, extend the useful life, or reduce the total operating cost of such plant or other property (or any unit thereof), or "(ii) alter the nature of the manufac-

turing or production process or facility.

STATE CERTIFYING AUTHORITY.-The term 'State certifying authority' means, the case of water pollution, the State Water Pollution Control Agency as defined in section 113(a) of the Federal Water Pollution Control Act and, in the case of air pollution. the Air Pollution Control Agency as defined in section 302(b) of the Clean Air Act. The term 'State certifying authority' includes any interstate agency authorized to act in place of a certifying authority of the State.

"(3) FEDERAL CERTIFYING AUTHORITY.—The term 'Federal certifying authority' means, in the case of water pollution, the Secretary of the Interior and, in the case of air pollution, the Secretary of Health, Educa-

tion, and Welfare.

"(4) NEW IDENTIFIABLE TREATMENT FA-CILITY .-

"(A) In general.-For purposes of paragraph (1), the term 'new identifiable treat-ment facilities' includes only tangible property (not including a building and its struccomponents, other than a building which is exclusively a treatment facility) which is of a character subject to the allowance for depreciation provided in section which is identifiable as a treatment facility, and which is property-

the construction, reconstruction or erection of which is completed by the tax-

payer after December 31, 1968, or

(ii) acquired after December 31, 1968, if the original use of the property commences with the taxpayer and commences after such

In applying this section in the case of prop erty described in clause (i) there shall be taken into account only that portion of the basis which is properly attributable to construction, reconstruction, or erection after December 31, 1968.

(B) CERTAIN PLANTS, ETC., PLACED IN OPER-ATION AFTER 1968.—In the case of any treat-ment facility used in connection with any plant or other property not in operation before January 1, 1969, the preceding sentence shall be applied by substituting 'December 31, 1975' for 'December 31, 1968'.

"(c) PROFIT-MAKING ABATEMENT WORKS,

The Federal certifying authority shall not certify any property under subsection (b) (1) (B) to the extent it appears that by reason of profits derived through the recovery of wastes or otherwise in the operation of such property, its cost will be recovered over its actual useful life.

DEPRECIATION DEDUCTION .preciation deduction provided by section 167 shall, despite the provisions of subsection (a), be allowed with respect to the portion of the adjusted basis for which a deduction is not taken under subsection (a).

"(e) LIFE TENANT AND REMAINDERMAN .the case of property held by one person for life with remainder to another person, the deduction under this section shall be computed as if the life tenant were the absolute owner of the property and shall be allowable to the life tenant.".

(b) TECHNICAL AND CONFORMING AMEND-

MENTS.

(1) The table of sections for part VI of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 169 and inserting in lieu thereof the following:

"Sec. 169. Pollution control facility expenses.".

(2) Paragraph (5) of section 46(c) of such Code (relating to applicable percentage in case of certain pollution control facilities) is amended by striking out "(after the application of section 169(f)) constitutes the amortizable basis for purposes of section 169" and inserting in lieu thereof the fol-lowing: "(after the application of section 169(d)) constitutes the adjusted basis for purposes of section 169(d)".

(3) Subsection (f) of section 642 of such Code (relating to amortization deductions) is amended by striking out "for amortiza

tion"

(4) Subparagraph (B) of section 1082(a) (2) of such Code (relating to exchanges subject to the provisions of section 1081(b)) is amended by striking out "for amortization".

(5) Subsection (a) of section 1245 of such Code (relating to general rule for determining gain from dispositions of certain depreciable property) is amended-

(A) by striking out "169 or" in subpara-

graph (D) of paragraph (2) thereof,
(B) by striking out "169," each place it appears thereafter in paragraph (2), and
(C) by striking out "169," in subparagraph

(D) of paragraph (3) thereof.

(6) Paragraph (3) of section 1250(b) of such Code (relating to depreciation adjustments) is amended by striking out "169,".

EFFECTIVE DATE.-The amendments made by this Act apply with respect to amounts paid or incurred after December 31, 1977.

S. 1277

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (1) of section 169(d) of such Code (relating to definition of certified pollution control facility) is amended—

by striking out "water or atmospheric pollution" and inserting in lieu thereof

'noise, water, or atmospheric pollution" each place it appears.

place it appears,

(2) by inserting "noise," before "pollutants,",

(3) by inserting "in the control of noise pollution under the Noise Control Act of 1972 (42 U.S.C. 4901 et seq.)," after "with the States" in subparagraph (B), and

by adding at the end thereof the

following new sentence:

"No item shall be taken into account for purposes of this section in connection with noise pollution other than an item which relates to the abatement or control of work place environment noise or product noise levels (excluding any transportational product 'items) as determined by the Secretary after consultation with the Administrator of the Environmental Protection Agency."

(b) Paragraph (2) of section 169(d) of such Code (relating to States certifying authority) is amended by inserting after "means," the following: "in the case of noise pollution the State noise pollution control agency designated by the Administrator of the Environmental Protection Agency,".

(c) Paragraph (3) of section 169(d) (re-

lating to Federal certifying authority) is amended by inserting after "means," the following: "in the case of noise pollution, the Administrator of the Environmental Protection Agency,

SEC. 2. The amendments made by this Act apply with respect to property placed in service after the date of enactment of this Act.

By Mr. PACKWOOD:

S. 1278. A bill to facilitate the coordination of programs for the protection management, and control of wild freeroaming horses and burros, and other resources, and for other purposes; to the Committee on Energy and Natural Resources.

TRANSFER OF TITLE TO EXCESS WILD HORSES AND BURROS

Mr. PACKWOOD. Mr. President, Western States, plagued by ever increasing wild horse and burro populations, are seeking relief. In Oregon alone, during the past 6 years the number of wild horses has increased from 2,800 to 8,000. There appears to be no relief from this 25 percent per year increase in these animals unless Congress provides the Bureau of Land Management the authority to gather and sell the excess animals to private parties.

Last year, we were successful in pro-viding for the roundup of excess animals by helicopter, but since then we have discovered that unless the Bureau of Land Management is given the authority to transfer title of the animals to private parties, considerable Federal expense will be required in feeding and caring for the animals prior to delivery under the adopt-a-horse program. The adoptions of animals have not occurred as rapidly as necessary, resulting in prolonged periods of time in which the horses and burros have to be placed in Federal holding pens, cared for, and fed.

Under the legislation I introduce today, the Bureau of Land Management would be permitted to transfer title of the animals to private parties. The Bureau has requested this authority in order to adequately control the horse population in Western States at reasonable expense to the Federal Treasury. In this fiscal year, \$176,000 was allocated to Oregon to protect, manage, and control these wild horses. But Oregon has approximately 5,500 horses beyond the approved population for horse management plans. We need to remove these animals from the range as soon as possible. They are in direct competition with domestic livestock. Not only do the excess animals consume precious forage remaining to domestic animals, but they add to the destruction of range plants at a much greater rate than controlled grazing by cattle and sheep. With the added urgency of the drought in Western States, grazing by wild animals can cause permanent damage to range plants. The drought has also resulted in feed supply shortages resulting in even greater Federal expense in caring for the wild horses.

With this as a framework it is imperative that we provide the Bureau of Land Management with this authority to dispose of wild horses and burros. I have contacted a number of environmental organizations and they, too, agree that the situation is serious enough that this legislation is required. I ask unanimous consent that two documents be entered at this point in the RECORD. One is a letter from the Malheur County Public Lands Drought Committee. The other is the text of the bill I propose for enactment. I ask for unanimous consent that both of these documents be printed at this point in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 1278

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That a new subsection (f) is added to section 2 of the Act of December 15, 1971, 85 Stat. 649, 16 U.S.C. 1332 (Supp. V, 1975) to read as fol-lows: "'excess animals' means wild free-roaming horses or burros which must be removed from an area in order to preserve and maintain the habitat in a suitable condition for continued use, while also maintaining a thriving use relationship in that

SEC. 2. Subsection (b) of section 3 of the Act of December 15, 1971, 85 Stat. 650, 16 U.S.C. 1333 (Supp. V. 1975), is deleted in its entirety and a new subsection is added as follows:

"(b) The Secretary may order wild free roaming horses and burros to be captured and removed in a humane manner when in his judgment:

(1) they are excess animals: or

(2) they are old, sick or lame; or

(3) it is an act of mercy.

SEC. 3. Subsection (d) of section 3 is deleted in its entirety and a new subsection is added as follows:

"(d) The Secretary is authorized to sell or donate excess animals on written assurance that such animals will receive humane care and handling and that humane methods will be used in the disposal of such animals. The Secretary shall establish procedures which give priority to persons seeking excess animals to keep and maintain for domestic use.

SEC. 4. A new subsection (e) is added after subchapter (d) of section 3 to read as

follows:

"(e) Upon destruction, as provided in subsection (c) of this section, or sale or donation, as provided in subsection (d) of this section, animals shall lose their status as wild free-roaming horses and burros and shall no longer be considered as falling with-in the purview of this Act."

March 17, 1977.

Senator ROBERT W. PACKWOOD, New Senate Office Building, Washington, D.C.

DEAR SENATOR PACKWOOD: The Vale district is experiencing the drought that is affecting the entire western United States.

Long range forecasts by the weather bureau predict similar conditions will continue for several months.

Recent and ongoing evaluation of livestock forage and water in the district shows a serious situation. Soil moisture is very low. Many reservoirs normally containing considerable water are completely dry.

weaker springs have already stopped running. To further complicate this crisis on our public lands, we have a rapidly increasing wild horse herd, increasing at the rate of approximately 23% a year. There appears to be no relief from this situation as Congress has not properly funded the Bureau of Land Management to take care of this problem, nor has it enacted legislation that would enable a much lower gathering and placement cost.

The Malheur County Public Lands Drought Committee is deeply concerned and wishes to recommend the following:

1. Provide immediate funding for gathering and placing enough wild horses to bring their number within reasonable ecological

2. Change placing procedure from an adoption method to a clear title method which will eliminate future government expenses after adoption. Under the present adoption program, the Government gets many horses returned to them when the adopters realize the cost of maintaining the animal. These returned horse numbers will accelerate as more horses are adopted in the future.

3. Restructure present laws to allow the excess horses to be captured and maintained by reasonable means for a reasonable expense. The \$400.00 plus, per head, presently for the gathering and adoption is prohibitive. These horses should be kept for a maximum of 30 days in captivity and then sold at public auction, with these funds returned to the maintenance of the wild horse herds.

We believe that these recommendations, if acted upon, would eliminate the diversion of energy and efforts by the Bureau of Land Management and other land management groups and agencies that are now required, and allow them to get back to multiple land use management as established by Congress through the wishes of the public.

MALHEUR COUNTY PUBLIC LANDS DROUTH COMMITTEE

Interest represented, members, and address:

Recreation, Helen Conner, Rt. 1, Box 270,

Fruitland, ID. 83619 Local government, Roy Hirai, 409 So. 8th,

Nyssa, OR. 97913 Wildlife, Gary Clark, P.O. Box 636, Vale,

OR. 97918

Minerals & Energy, Richard G. Bowen, 852 NW Albermarle Terrace, Portland, OR. 97210

Livestock, Robert H. Skinner, Jordan Valley, OR. 97910

Livestock, John Bishop, Rt. 1, Box 151, Vale, OR. 97918 Land Use Planning, Merle Cummings,

Cunningham Realty Co., 301 A St. E., Vale, OR. 97918

Environment, Stephen W. Cox, 225 NW 3rd Ave., Ontario, OR. 97914

Business, W. B. (Benny) Schlupe, 386 Yakima So., Vale, OR. 97918 Cultural, Mike Hanley, Jordan Valley, OR.

97910

Agriculture, Darrell Standage, Rt. 1, Box 168, Vale, OR. 97918 Finance, Keith Gressly, Baker Prod. Credit

Assn., 201 SW 2nd, Ontario, OR. 97914 Agriculture, Herb Futter, Soil Conserva-tion Service, Ontario, OR. 97914

Fish & Game, Vic Masson, Hines, OR. 97738 Fish & Game, Cecil Langdon, Ontario, OR. 97914

By Mr. CLARK:

S. 1280. A bill to provide for the maintenance or enhancement of the quality of water in rural areas; to the Committee on Agriculture, Nutrition, and Forestry.

SOIL CONSERVATION

Mr. CLARK. Mr. President, I am today introducing a bill to amend the Rural Development Act of 1972 by adding a new title, title VII, to authorize a new, voluntary, soil conservation cost-sharing program designed to help farmers and rural areas meet the ever more stringent requirements of the State and areawide water quality plans authorized and required by section 208 of Public Law 92-500—the Environmental Quality Act.

That legislation provides for State or local water quality management agencies to carry out a water management program, utilizing a regulatory mode, if necessary. The Federal Government, through the States and some local jurisdictions is developing increasingly strict legal requirements for water quality—rules that mag require farmers and other rural landowners to make substantial investments, in many cases, to control or restrain runoff from their land. Those who do not make the required investments may be subject to legal action.

This bill would provide cost-sharing and technical assistance to help rural landowners pay for the investments re-

quired by section 208 plans.

There are a number of reasons why it is in the public interest to assist rural landowners with such cost-sharing and technical assistance programs. First of all, society and not farmers alone reaps substantial benefits from clean water. Therefore, society would be willing to share the considerable cost of improving and maintaining water quality.

Second, in rural areas water quality and soil conservation are opposite sides of the same coin. Farmers and the public alike are concerned, on the one hand, with the sediment, pesticides, fertilizers, and other pollutants that come into our streams from our farm and forest lands. And, farmers in particular are even more concerned with the loss of topsoil from our productive agricultural lands—a loss which is occurring at a rate too great to be sustained over the long term. This loss must be reduced, Mr. President, if we are to continue as a great and prosperous Nation.

Third, we have spent billions of dollars each year to help cities clean up the municipal wastes that foul so many of our rivers and lakes. Simple equity demands that the Nation stand ready to provide parallel assistance to the farmers who must make costly investments to meet similar kinds of rules.

The link between soil conservation and water quality is important. We have a powerful case for an adequately funded national investment in a more effective soil conservation program irrespective of the national priorities for water quality. Since we have both priorities, the case for soil conservation is strengthened immeasurably. The link between these two national priorities lends urgency to the bill I am proposing today. It will, at the same time, support our rural water quality program and it will also give us a new and more effective soil conservation program.

While sediment is the result of a continuous natural process and less harmful to water quality than most industrial and municipal pollutants, it is the Nation's largest pollutant by volume. Some 50 percent or more of the sediment in our streams comes from agricultural lands. We cannot face up fully to our water quality problem without also facing up to our soil conservation problem. Both are truly national problems, fully deserving national attention.

In a recently completed report by the Government Accounting Office, it is estimated that Iowa farmland is losing topsoil at a rate of 10 tons per acre per year, on the average—twice the rate that can be sustained without loss of productivity. On unprotected sloping lands, the loss is 30 percent greater, or 13 tons per year. This amounts to nearly three times the rate at which new topsoil is formed under normal circumstances. Soil scientists estimate that much of the now productive sloping land in Iowa will be virtually barren within 50 to 100 years unless effective measures are taken to protect these soils.

The goals of soil conservation are essentially the same as those of water quality enhancement—to keep the soil and the essential chemicals we use in modern agriculture where they belong, and out of the lakes and rivers. The logical answer to both soil conservation and water quality problems is to control the rate and course of water runoff from the land.

The legislation I am introducing today would provide assistance to farmers and rural areas parallel to that available to cities to enhance water quality. It would do this by helping farmers and others with long-term investments in soil conservation.

This program would differ from existing programs in three important ways: First, it would be limited to investments in control measures with long-term benefits; second, it would include both technical assistance and cost-sharing in a single program; and third, it would be specifically tailored to link local soil conservation efforts to local water quality plans and requirements.

The bill specifically recognizes the responsibilities of the Environmental Protection Agency in approving the section 208 State and areawide water quality plans. It authorizes the Secretary of Agriculture to develop and implement a national program of voluntary cost-sharing and technical assistance to local farmers and other rural landowners, based on the expertise of USDA programs. These local USDA program activities are considered to be the most effective system available to accomplish this job.

In my view, Mr. President, the fact that the water quality activities of the Environmental Protection Agency have never included the U.S. Department of Agriculture as a full partner has been a serious limitation. The mechanisms in place in USDA can aid EPA and the States immeasurably in their water quality efforts. USDA is well equipped to provide to all local sponsoring organizations. as outlined in the bill, the technical and financial help to get the job done. Congress should now take the initiative to provide direction and funding to utilize existing USDA resources to advance both the Nation's water quality and soil conservation objectives.

The Secretary of Agriculture has two large and effective soil conservation programs now in operation; the Soil Conservation Service conservation operations program, and the Agricultural Stabilization and Conservation Service agricultural conservation program. This bill envisions that the Secretary would focus both of these proven and effective programs in a new, better coordinated and funded effort to provide long-term conservation assistance in addition to their

basic, ongoing functions. It should be emphasized that this legislation is not intended to in any way disrupt or retard the basic, ongoing functions of these programs, such as cost-sharing for individual farm conservation projects not linked to long-term conservation agreements. These basic, ongoing program functions are an important part of the total conservation effort, and should be continued. Although it is not within the scope of this legislation to do so, I would hope that funding for these basic, ongoing functions could also be considerably increased, to further assist in the overall effort to combat soil conservation problems.

There are many options open to the Secretary in terms of how he could organize to meet his new responsibilities under this bill. One logical way would be to use the Soil Conservation Service to provide needed technical assistance and the ACP program with its county committees to handle the cost-sharing efforts.

Mr. President, this bill is presented for discussion and comment. I do not regard it to be final or unchanging at this time. I would expect a number of hearings and discussions would be needed to hammer it into final form, and I would be particularly interested in specific recommendations that Secretary Bergland will have. Only after considering such a range of comment and reaction will I consider that we are ready to go forward with a final draft bill.

Finally, Mr. President, the costs of the activities authorized by this bill are considerable. It would begin in 1979 with an expenditure of \$130 million and increase to an expenditure of \$1 billion annually by 1983 and continue at that level for

the next 7 years.

This is truly an awesome cost, and we should not retreat from that fact. We have spent \$14.8 billion on USDA soil conservation programs since 1935—much of that during earlier times so that in terms of today's dollars, the total would be several times as great. This multibillion-dollar expenditure notwithstanding, the GAO study on soil conservation released last month found that on a nationwide sample of farms participating in current soil conservation programs, 84 percent had soil losses too great to be sustained without serious losses in soil productivity.

This is not because the programs are not effective, but because the tank is so difficult and so great. The importance of this task is exemplified by the fact that we have lost one-half of the topsoil over the last 100 years in my own State of Iowa. We all know of the devastating impact on regions and cultures which lost their topsoil and the productivity of their principal agricultural resource. That is the danger we risk in the United States today and in the future. Even an expenditure as great as that proposed is small compared to the cost of a significant decline in the productivity of our soil.

Mr. President, I ask unanimous consent that a summary of the bill be printed in the Record.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SECTIONAL ANALYSIS OF THE RURAL SOURCE
WATER QUALITY BILL

FINDINGS

Sec. 701 states the nature of existing rural water quality problems, why the Nation should solve these problems, and how past soil and water conservation programs have contributed toward improving water quality and can be further used to accelerate the enhancement of our Nation's waters. The institutional arrangements which can and should be used in a program of rural water quality is the U.S. Department of Agriculture cooperating with those directly or indirectly concerned with the rural water quality problems. The Department of Agriculture through its many agencies has the expertise and delivery system and is presently in direct contact with and assisting state and local agencies and individual land owners and operators who will act to carry out the water quality program in rural America. It is not necessary to develop a new Federal agency at the field level.

POLICY

Sec. 702 states that the intent of Congress is to have the Department of Agriculture provide the assistance needed to farmers, ranchers, and other land users involved in the production of food, forage, fiber, and forest products which create activities that impair water quality. There are other activities in the rural areas that create erosion and sediment and are to be included in the assistance program. Some examples would be soil disturbing activities associated with road building, construction of buildings, airports, sewage treatment facilities, housing developments, and others.

RURAL SOURCE WATER QUALITY PROGRAM

Sec. 703 directs the Secretary of Agriculture to implement a nationwide rural source water quality assistance program to maintain or enhance water quality in rural areas. The program would contain four major elements as follows:

- (a) A determination of the location and extent of the water polluting problems in rural areas. From this inventory, which will include all existing data especially data included in the Sec. 208 water quality management plans, the Secretary will decide which pollution causing activities he will provide assistance on. The Secretary will give priority to those causing the greatest problem.
- (b) The Secretary will provide cost-sharing and technical assistance for those activities he has determined to be eligible in above paragraph (a). The method of making this assistance available will be as provided in Sec. 704 of this act.
- (c) The present measures that have been proven to control erosion and sediment are basic to solving the rural water quality problem. There are measures which could be used to effectively reduce pollutants entering our Nation's waters. To find and develop these measures the Secretary will conduct a research, development, and testing program. As these new methods are developed, they will become part of the package for solving water pollution problems.
- (d) The Secretary as he determines appropriate can use state or local units of government including conservation districts to help carry out the program. It is essential that this program be coordinated with other water quality programs involving the Federal Government. The Secretary is to consult with those agencies involved in these activities and involve the advisory board in developing his program.

APPLICATION OF THE PROGRAM

Sec. 704 specifies the type sponsor eligible to submit a rural source water quality plan and elements to be included in the plans. Portions of plans prepared under Sec. 208 of

P.L. 92-500, where available, are to be used as a basis in developing the rural source water quality plans to eliminate duplication and insure consistency. These plans to be locally initiated and developed with technical-Federal assistance as needed, will foster local planning responsibility and strengthen voluntary and economic incentives for improving rural water quality. The plan will outline cost-sharing to be provided; however, individual land owners and operators assistance will be provided by long-term agreements between the Secretary and those participating. There are several programs in USDA that provide assistance to land owners and operators for soil and water conservation. These programs are directed toward the protection of soil resources for the sustained production of food and fiber. Some programs' are oriented to agricultural production. These programs are important to the Nation's welfare and should continue. These programs also are contributing toward the of water quality. The program called for in this act is directed toward rural water quality and is to be in addition to ongoing programs and not a substitute.

ADVISORY BOARD

Sec. 705 allows the Secretary to establish an advisory board to advise and consult on matters involved in the implementation of this act.

REPORT

Sec. 708 would have the Secretary prepare in fiscal year 1979 and annually thereafter to 1990 a report on the progress being made in carrying out the act. The report will include certain measurements and changes needed in the program or new legislation.

FUNDING

Sec. 709 authorizes funding necessary to carry out this act.

TERMINATION

Sec. 710 provides that the Act will terminate September 31, 1991.

By Mr. HART.

S. 1281. A bill to establish a program to provide assistance to local governments for solid waste disposal programs; to the Committee on Environment and Public Works.

NATIONAL MATERIALS POLICY ACT OF 1977

Mr. HART. I am today reintroducing the National Materials Policy Act, a bill which takes an entirely new approach to the enormous problems created by the growing quantities of refuse, or solid waste. The Senate Committee on Public Works' Panel on Materials Policy held preliminary hearings on a draft copy of this bill last year, and the results were encouraging. It is my hope that the committee will have an early opportunity this year to further probe into the subject of recycling of municipal solid wastes as it considers this bill.

The National Materials Policy Act of 1977 is designed to reduce the costs and burden of waste disposal on municipalities and at the same time provide an incentive for increased recycling of post-consumer wastes.

This objective would be achieved by levying a charge on those industries which create these solid wastes in the first place, and reducing the charge on these same industries in proportion to the amount of postconsumer wastes they use in their manufacturing process. Revenues collected from the charge will be available for distribution to localities

to offset their tremendous solid waste management costs.

Last year, the Congress took an important step towards solving this Nation's solid waste problem by passing the Resource Conservation and Recovery Act. But, we have been reluctant to act on the subject of recycling because this subject involves complex jssues including the use of our natural resources, the economics of recycling, as well as the environmental degradation which results from our failure to conserve and

Mr. President, we are doing an admirable job of recycling those waste products commonly referred to as home scrap and prompt scrap. These wastes are generated at the production and fabricating stage, and are recycled, in many cases, at a rate of between 90 and 100 percent. Although a number of factors facilitate this high recycling rate, it is primarily because these wastes are economical to recycle and need little sorting, decontamination, or shipping.

Where we find ourselves in real trouble is in the area of mixed municipal wastes. These wastes—hundreds of millions of tons a year—are not presently recycled because of high costs associated with the necessary collection, sorting, decontamination, and transportation. What we have with respect to these wastes is a one-way materials flow, with the cities at the bottom of the line, literally holding the bag.

Mr. President, this one-way materials flow, this use-it-once-and-throw-it-away system has been fostered and encouraged by the fact that many of the costs involved with these products are neither paid by the manufacturer nor directly by the consumer.

These costs are borne instead by society in general, and are usually paid out of local taxes. The present cost to local governments for simply collecting and disposing of municipal solid waste is nearly \$6 billion a year—a national average of \$26 per ton.

The results are two-fold. First, the costs of collection and disposal are a tremendous burden on the local tax base. But, perhaps more important, the exclusion of these costs from the market price of products acts as a subsidy for the manufacturer, and provides a sizable financial disincentive to recycling. Why should a manufacturer buy recycled materials and substitute them for virgin materials if the local government is going to pick up the tab for collection and disposal?

The National Materials Policy Act will attack both problems by placing a weight or unit-based charge on the manufacturer of those products which end up in the municipal solid waste stream. The charge would be \$26 per ton, the average national cost of handling the product at the local level, for paper and flexible packaging, and 5 cents per container for rigid containers.

The proposed charge would be reduced in proportion to the amount of postconsumer wastes used in the manufacture of the product, creating a powerful incentive to use postconsumer materials in order to avoid the charge. And, finally, it is intended that revenues collected from this program would be returned to local governments to alleviate the financial burden of operating municipal solid waste systems.

Mr. President, the EPA has made some preliminary investigations into the effects of this type of disposal charge. These studies indicate the possibility of a major increase in the present rate of recycling as a result—50 percent for aluminum containers and 27 percent for paper, to cite two examples.

Mr. President, since I introduced this bill in the 94th Congress, the concept embodied in the legislation has received substantial support, and has been recommended by the National Commission on Supplies and Shortages as one of the few promising strategies to significantly increase the recycling of municipal solid

I ask unanimous consent that a short chapter entitled "Internalizing Disposal Costs," taken from the National Commission on Supplies and Shortages' report, "Government and the Nation's Resources," and a speech made last year by the chairman of the citizen's advisory committee on environmental quality, Henry L. Diamond, be printed in the Record.

There being no objection, the excerpt and speech were ordered to be printed in the RECORD, as follows:

INTERNALIZING DISPOSAL COSTS

Governments discourage the recycling of containers and paper products by assessing the cost of discarding such materials against general revenues rather than against the price of the containers and paper products. As recently as 1960, 95 percent of the soft drinks and 50 percent of the beer were sold in returnable containers; the price of the beverage included the cost of distributing containers, collecting them after use, cleaning them and placing them back in service. Now the most common form of beverage container is the no deposit-no return bottle or can; the price does not reflect collection and disposal costs, which are borne not by the consumer but by society at large.

The 94th Congress considered legislation requiring EPA to establish standards of control for products which "may use an unreasonable amount of energy or of materials identified by the President as critical to national security or in short supply." Another bill would have imposed a schedule of national solid waste disposal charges on the sale or transfer at the bulk production level, of rigid consumer containers (at 0.5¢ per container), and of flexible consumer packaging and paper (at 1.3¢ per lb.); the charge would have been introduced over a ten-year period, starting at zero and increasby 10 percent per year; it would have been reduced by the percent of secondary materials content in the product. A third bill would have required a refundable deposit of at least five cents on carbonated beverage containers to take effect in five years.

The first bill is inconsistent with the general principle that the rate of recycling should reflect the true costs of materials; the bill proposes a regulatory approach similar to that of the Clean Air Act or the Federal Water Pollution Control Act. These acts establish regulatory schemes which require businesses to install the best demonstrated or available control technology. The definition of such technology for a multiplicity of industries and plants has proved a difficult regulatory task. Businesses have delayed substantial costs by engaging in protracted

litigation against regulations. Perhaps such an approach should be reserved for those situations where it is difficult, if not impossible, to estimate external costs. It is relatively easy to estimate disposal costs.

The second bill would incorporate disposal costs into the prices of products. It would leave to individual businesses the decision on how to increase recycling or reduce waste in order to obtain the greatest progress at the least cost. Accumulating tax liability would eliminate an incentive to use litigation as a delaying tactic. The bill would cover packaging and paper products which make up almost one-half of the total waste stream and 80 percent of all product-type wastes. A study prepared for EPA suggests that such a system of product charges could double present rates of paper recycling and provide a marginal incentive for more efficient use of materials in production. Administration costs have been projected at about one-half of 1 percent of the revenue raised. Gradual imposition of a disposal charge would allow time for implementing regula-tions embodying suggested "fine-tuning" changes, such as adding the costs of complying with environmental controls on disposal the base cost, or establishing a separate rate of charge for plastic containers, such as that proposed by the City of New York. It would also be appropriate to exempt con-sumer packaging which carried a refundable deposit from such a disposal charge.

A mandatory deposit on carbonated beverage containers, proposed in the third bill, would also internalize external costs. Such a deposit has been tested in the State of Oregon where it has greatly stimulated recycling and reduced the amount of roadside litter while leaving beverage prices essentially unchanged. Detailed projections of the national impact of a mandatory deposit system have been made by the Department of Commerce (which is opposed to such a system), by the Tederal Energy Administration (which not taken a position) and by the Environmental Protection Agency (which favors such a system). The average of capital cost estimates by Commerce and by FEA is \$1-\$4 billion; all three agencies predict a modest net gain in employment, but with a shift of 40,000 to 80,000 jobs from container industries to retailing and distribution. Given a 90 percent return rate (not unrealistic in light of Oregon's experience), all three agencies predigt energy savings of 150-200 billion Btu per year, somewhat less than one day's national energy consumption; EPA predicts savings of about 13 billion pounds materials. Commerce predicts a reduction in municipal solid waste of slightly less than 5 percent by weight; EPA predicts a reduction of about 20 percent by volume in municipal solid waste; FEA predicts that the value of materials thus removed from the waste stream would have no substantial effect on municipal decisions to landfill or to recover resources. Sweden is putting into effect a similar mandatory deposit system for auto-mobiles: there is a tax of SwKr 300 (\$65) on the purchase of a car; the tax is refundable when the car is turned in to a scrap yard. This system merits further study in the United States.

The Commission recommends that the Government take steps to internalize the cost of disposing of materials; means of accomplishing this include mandatory deposits on beverage containers, excise taxes on non-returnable containers, and product disposal charges on other consumer packaging and on paper.

Two Modest Proposals

I am extremely pleased to be a part of your 6th Annual Eco-Technic Recycling Conference. As a long time environmentalist and as a former operating bureaucrat, I am well aware of the contributions of your industry to environmental quality.

There are a lot of people who are out talking about resource recovery, but many of you have been out there doing it for years and sometimes even making it pay. Incidentally, I believe that that is the basic solution to recycling—making it economically attractive.

For instance, we found that there was no trouble recycling copper when it was up around \$1.00 a pound. In fact, we found cases where copper piping was recycled the night after it was installed.

Recycling has been something of a stepchild in the environmental effort. There has been a good amount of lip service paid, but in fact very little incremental use of secondary materials has been brought about by environmental rhetoric or regulation. There are two reasons for this:

First, once the initial idea is articulated, the mechanics of the marketplace are really extremely difficult and complex. The issue is not a neat, dramatic one like water pollution or air pollution where one can identify the bastards and lean on them. Recycling is a complicated systematic problem that doesn't lend itself to headlines about villains or new federal largesse.

lains or new federal largesse.

Secondly, I suspect that in some quarters recycling is thought of down deep as sort of un-American. This country grew and grew great by conquering its wilderness and turning its forests into cities and extracting wealth from the earth and turning it into useful products. These processes generated gross national product and the idea of not doing more of the same is suspect. There is still a feeling that 100% virgin material, whether it be in a sweater or a truck, is somehow more desirable, aesthetically and economically.

economically.

We need a major national change of the set of mind about how we use all raw materials, but today I would like to focus on one commodity in which some of you are involved. That is wastepaper. I believe that this commodity offers special and immediate promises for important increases in recycling.

The Citizens' Advisory Committee on Environmental Quality, which I chair, addressed itself in recent months to the recycling of paper. The Committee is a 15 member group appointed by the President to advise him on environmental matters. Its members include people like Laurance Rockefeller, Tom McCall, San Diego Mayor Pete Wilson and industrialist Willard Rockwell.

The Committee became interested in recycling of paper because we found citizens becoming frustrated in their effort to collect wastepaper for recycling. This was one of those relatively rare endeavors where seemingly a citizen could take direct action to help his environment. Enthusiasm was stirred up and the Boy Scouts and others were turned out to collect paper. Suburban station wagons of a Saturday morning were filled with kids, old newspapers and good intentions.

Some paper was recycled, but a lot of it ended up back in the town incinerators or the land fill having gone through the loving hands of householders and concerned collectors for naught.

This wasted effort can bring great citizen frustration and loss of faith—commodities in which we are already oversupplied. If good efforts end up but in dust, who can we trust? Nationally the failure of the paper recycling system adds up to the disappointing statistics that show that the United States recycles not only less paper than other developed societies, but less than we ourselves used to.

The Citizens' Advisory Committee on Environmental Quality decided, with the encouragement of President Ford, to approach this problem in the same manner as we have

others with some success. We asked a group of particularly knowledgeable individuals to join our Committee in a short but focused study. Paper industry people, government officials, paper users such as newspapers and the phone company and citizen leaders Your colleague agreed to help. Stovroff was one of the principal idea givers. Some people prepared papers and others reacted to those papers in a conference held last May.

The result was a series of recommendations which the Committee has presented to the President. Because the Committee felt that the ideas generated by the papers and at the meeting were important and potentially useful, we decided to publish a report on the conference.

I am pleased that we are using the occasion of your meeting today as the publication booklet. It is available here for you and I hope that it contributes to your

deliberations.

Let me share some of the findings with you. First, we found the obvious. The United States does not recycle very much paper. Last year the recycling rate was 23%. This means we burned or buried three tons of paper for every one we reused. And it cost some one taxpayer or consumer about \$26 a ton to bury or burn.

If we did recycle more, a lot of good would

come from it:

Local governments would have less solid waste to contend with and costs and environmental damage would go down. Governments now spend some \$11/2 billion to burn or bury wastepaper.
Forest resources would be conserved and

be available for higher uses such as building

materials.

We'd save some energy as making recycled paper requires less than making virgin fiber. We would improve the balance of pay-

ments by importing less pulp and exporting

more wastepaper.

Most experts agree, however, that unless some changes in the basic system are made, we really won't recycle much more. The tax structure and the long term investments of the papermaking industry simply don't cre-ate a favorable climate for recycling. The American Paper Institute says that the recycling rate will drop to 17% by 1985 unless there is some favorable government action. With favorable government action, the best rate API sees is 26%, still less than our World War II rate.

The Committee report urges that the federal government ought to come down on the side of recycling and urges that it take a leadership role. The Committee urges national priorities that run this way for waste-

paper: First, try to recycle it; second, store it, and third, burn it for fuel in an enivron-

mentally sound way.

The Committee says that the government should (1) rectify the inequitable relationship between recycled and virgin fibers, and (2) place the federal research emphasis on better recycling instead of higher pulpwood production.

The Committee did not specify just how the federal government should intervene in the marketplace, but I would like to express my personal view on what I consider to be two specific federal actions which hold promise-a disposal tax and a stockpiling

The disposal tax is basically an approach which would include the cost of environmentally sound disposal in the original cost of the product. Somebody eventually has to pay for disposal and the disposal charge is a concept which places the cost as part of the product itself. Economists call this "internalizing."

Politicans call it tricky. But I believe it has substantial merit. It would work basically this way. The tax would be levied by weight on products at their point of origin. Twenty-six dollars a ton has been suggested as the true cost of municipal collection and disposal and thus an equitable level for the tax. If a paper mill used 100% virgin fiber in its process, the full \$26 a ton tax would apply. However, if, for example, 50% recycled fiber were used, the tax would be cut proportionately and would be \$13 a ton.

The proceeds from the tax would be recycled as well. That is, these proceeds would be ear-marked for a grant-in-aid program for municipal waste treatment systems. That program, in turn, could be structured to give higher percentages to those communities recycling systems rather than

traditional ones.

While there are political and administra tive difficulties involved, I believe that this plan can work. It is being thought through carefully by the federal government and many local governments, and their national associations are supporting it. It does two important things at the same time: it creates real incentive for recycling, and it provides money to local governments for environ-mentally sound solid waste programs.

The second concept developed from formation supplied mainly by Haskell Stovroff during our conference. A chronic problem plaguing the paper recycling industry is the widely fluctuating demand for its products. Traditionally, wastepaper has been used only to supplement supply when demand is high. When overall demand for paper drops off, mills rely on their virgin sources and don't buy waste. It makes environmental and economic sense to stockpile whatever wastepaper we can recover in a manner that will make it readily available for at least three purposes:

(1) as a low cost raw material for the recycling industry-to be drawn upon as the

demand dictates:

(2) as an export commodity to foreign countries-where virgin fiber resources al-

ready are inadequate, and
(3) as a source of fuel for United States industrial and electric power plants-when the first two demands are inadequate to utilize the available supply.

Although the details of applying a federal subsidy for the storage of discarded papers have not been worked out, a logical means of operating such a program would be through the established wastepaper dealers and processors now operating in the private sector. Stockpiling requires some management and some money, but it is no arcane art. When we have needed to, we have stockpiled everything from feathers to peanuts. There is no reason we can't do the same with wastepaper.

Both these measures, disposal charging and stockpiling, require increased government involvement in the operation of what we like to think of as a free market society. Most of us are becoming concerned about the cumulative effect of government intervention in that society and the tendency of Washington to try to solve everyone's every problem.

In the case of recycling wastepaper, however, what is involved is an adjustment of heavy intervention that has already taken place rather than a new government initiative. The most significant barrier to increased paper recycling is the institutional arrangements, responsive to tax law and freight tariffs, which have grown up to protect the use of virgin paper.

Large paper companies and large newspapers own trees. They make money by cut-ting down those trees and selling them as toilet paper or the Sunday New York Times.

When someone comes along and says let's change the way we do this and use waste-paper instead of trees, years of corporate planning are interrupted. Carefully thoughtthrough investments and tax structures are challenged. Corporate executives, like other bureaucrats, don't want to change the way they are doing things.

If it is important to this country to recycle paper, and I think that it is, we then have to change the rules of the game to make it more attractive to recycle or at least less attractive to concentrate on virgin materials.

I have focused my remarks today on the recycling of paper because the Citizens' Committee has been active in this area recently and because we think we have something to say about it. However, the recycling of many other commodities is just as important.

It is only a matter of time until we learn the fundamental lesson that this earth is only a relatively large space ship with limited resources. The limits that apply to small satellites apply to large ones as well. The day of reckoning may be longer in coming on the larger one but it is just as inevitable if resource limits are not heeded.

Therefore, our society, as you have, must learn to think in terms of recovery and reuse. The rules of the game have long been slanted to stimulate exploration and ex-

ploitation.

Now the ecological arithmetic is clear that we must no longer reward depletion and penalize conservation. We must give that same kind of encouragement to recovering resources instead of burning or burying them. This modest program to encourage paper recycling can be a start in that direction. I hope you, who have been practicing the art so well for so long, will lead us to other initiatives in the near future.

Mr. HART. Mr. President, as the national debate on recycling has escalated in the last few years, much opposition has been raised to various approaches by the beverage industry and by labor organizations, who feel that any recycling strategy must necessarily mean "source reduction" and will involve a decrease in industrial output and jobs. This is not the case with respect to the disposal charge approach. This legislation does not attempt to cut back on waste generation, but simply encourages the manufacturer to substitute recycled materials for virgin materials in his production process.

Finally, Mr. President, I have been increasingly alarmed by the proliferation of Federal regulations designed to solve pollution problems. The regulatory approach to air and water pollution was chosen for a number of reasons. But, I suspect, it was chosen in part because we let the problems reach crisis proportions before acting, and this crisis orientation precluded any real consideration of economic alternatives.

I look to the future and see regulations for solid waste as well. And, with regulation comes the necessity for massive Federal grants to State and local governments to help them cope with the new and unfamiliar Federal requirements.

I offer the National Materials Policy Act as an alternative.

This proposal will provide a significant incentive for recycling by adding the pollution costs to society to the manufacturing decision process where it belongs; by offering a competitive advantage to the manufacturer who uses postconsumer wastes in his product; and by alleviating the local financial burden associated with solid waste management at absolutely no cost to the Federal Treasury.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1281

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Materials Policy Act of 1977".

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FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds and declares that-

(1) municipal solid waste management costs are not reflected in the market prices of those materials and products entering the municipal waste stream, and that these costs have largely been borne by the general taxpayer resulting in severe financial stress to the local tax base;

(2) as a consequence materials and products that unnecessarily waste natural resources, and which contribute to environmental degradation at both the extractive and the discard stages of the materials use cycle, are placing a serious burden on interstate commerce;

(3) there is a need to reduce this burden through economic incentives to discourage inefficient, wasteful and unnecessary material use through increased recovery, reuse, and recycling of waste materials, and by designing products that are inherently less wasteful; and

(4) there is a need to provide financial assistance to local governments which have borne the environmental and fiscal costs of this excessive material use:

(b) The Congress hereby declares that the purpose of this Act, therefore, is to establish a national solid waste product charge system which will-

(1) alleviate the financial burden that the rapid increase in solid wastes and unit solid waste management costs have imposed on local government:

(2) provide incentives for the establishment of markets for materials recovered from solid waste in order to promote environmentally sound manufacturing processes and to encourage the conservation of vital natural resources;

(3) internalize the costs of collecting, transporting, and disposing of materials and products by producers and consumers in order to promote market efficiency and to enable consumers who so wish to make value comparisons based on minimizing the overall economic and environmental burdens associated with such products; and

(4) provide adequate time for producers and consumers to adjust their production and consumption practices.

DEFINITIONS

SEC. 3. As used in this Act the term-

(1) "Administrator" means the Administrator of the Environmental Protection Agency;

(2) "Secretary" means the Secretary of the Treasury;

(3) "commerce" means commerce among the several States or with foreign nations or in any State or between any State and foreign nation:

(4) "solid waste management costs" means the economic cost (measured in dollars per standard unit) of collecting and processing solid waste, obtained from a solid waste management cost survey of representative domestic solid waste management systems meeting environmental standards;

"environment" includes water, land, all living things therein, and the inter-

relationships which exist among these;
(6) "Fund" means the Environmental Quality Assistance Fund established under section 103 of this Act;

(7) "person" means any individual, government, corporation, partnership, association, trust, or organized group of persons

whether incorporated or not;

(8) "municipality" means (A) a city, town, borough, county, parish, district, or other public body created by or pursuant to State law, or an Indian tribe or authorized tribal organization or Alaska native village or organization, with responsibility for the supervision or administration of solid waste management of municipal and commercial solid waste generated within its political boundaries, and (B) includes any rural community or unincorporated town or village or any other public entity which has assumed such responsibility and for which an applicafor assistance is made by a State or political subdivision thereof;

(9) "State" means any State, the District of Columbia, the Commonwealth of Puerto Rico and any organized territory or posses-

sion of the United States;

(10) "solid waste management system" means a system for the collection, storage, transportation, treatment, recovery, utilization, processing, or final disposal, including conversion into energy, of residential or commercial solid waste;

(11) "secondary materials" means material that has already appeared in the form of a bulk or finished good and has been recovered for reuse, and includes industrial scrap generated in the fabrication and conversion of bulk material into finished goods and also any material obtained from products discarded by the final consumer;

(12) "post-consumer secondary material" means materials or products that have been used by an ultimate consumer and which would typically enter the commercial or residential solid waste stream, but excludes waste or scrap created in a manufacturing or converting operation, and m recovered outside the United States: and material

"commercial solid waste" means all (13) types of solid wastes generated by stores, restaurants, warehouses and other nonmanufacturing activities, and nonprocessing wastes generated at industrial facilities such as office and packing wastes which are stored separately from processing wastes:

(14) "residential solid waste" means the wastes generated by the normal activities

of households, including but not limited to, food wastes, rubbish, ashes, and bulky wastes;

(15) "charge" means a Federal excise tax; (16) "prevailing charge schedule" means e updated schedule of charges for the various product categories calculated by the Administrator in his periodic adjustments of the initial base charge to reflect inflationary factors, environmental pollution control requirements, and the changes in solid waste management practices;

"paper" means all kinds of matted or felted sheets of fiber (usually vegetable, but sometimes mineral, animal, or synthetic), including paper and paperboard products used for printing, writing, packaging and

sanitary purposes;

"flexible packaging" means all non-(18) paper products used to package or wrap consumer goods and includes (A) flexible plastic including cellophane, polyethylene, polypropylene, collapsible tubes, plastic sheet, and plastic closures, and (B) flexible and semi-flexible consumer aluminum products, including aluminum plates, collapsible tubes, foil, and closures; and

(19) "rigid containers" includes all nonpaper packages used to contain consumer products that retain their structural configuration after the contents are removed and includes rigid plastic containers, steel cans including aerosol cans, aluminum cans,

and glass jars and bottles.

TITLE I—ENVIRONMENTAL QUALITY AS-SISTANCE AND NATURAL RESOURCE MATERIAL CONSERVATION INCENTIVES

SOLID WASTE PRODUCT DISPOSAL CHARGE SYSTEM

Sec. 101. (a) (1) Within one year from the date of enactment of this Act, the Administrator, following consultation with the Secretary, shall prescribe and shall from time to time revise such regulations as are necessary to establish a schedule of national solid waste product charges which shall include a charge on the sale or transfer at the bulk production level of rigid containers, flexible packaging, and all paper products with the exception of building, construction, and industrial grades.

(2) The initial base charge schedule shall include a charge of 1.3 cents per pound (\$26 per ton) for paper and flexible packaging and a charge of 0.5 cents per container (\$5.00 per thousand containers) for rigid containers, adjusted for that fraction which would normally be lost in any subsequent produc-

tion stage.

(3) The Administrator shall establish a national solid waste management cost survey indexing procedure to revise the base charge periodically to reflect changes in solid waste management costs. Such periodic adjustments shall be no more frequent than every two years nor no less frequent than every four years.

(4) The charge will be introduced over a ten year period according to the following schedule: zero percent of the charge established in the initial charge schedule in the first year during which such charge is established, and 10, 20, 30, 40, 50, 60, 70, 80, 90, and 100 percent of the charge in the prevailing charge schedule specified by the Administrator in the second, third, fourth, fifth, sixth, seventh, eighth, ninth, tenth, eleventh and all subsequent years.

(5) For any product subject to the charge, the Administrator shall establish procedures to reduce the prevailing charge for each producer by the per centum of post-con-sumer secondary materials incorporated in the product.

(6) The Administrator shall from time to time but no less than every four years consider whether the purposes of this Act would

be served by modifying this section, and shall so inform Congress in the report prepared pursuant to section 202(b)(3).

Any charges established by the Administrator under this title shall, in accordance with regulations prescribed by the Secretary of the Treasury, be levied on and paid by the person who manufactures, produces, imports the product in either its bulk or finished form as determined by the Administrator. In making this decision as to who shall pay the charge, the Administrator shall take into account the number of establishments that would have to be monitored, the difficulty of making the adjustment for secondary material content, the ability to distinguish the product stream to be charged, and such other factors as affect the administrability and equity of the charge. How-ever, it is the intent of this Act that the charge be levied at the earliest practical the product's manufacturing of sequence.

EXPORTS

SEC. 102. After consultation with the Secretary of the Treasury, the Administrator shall establish procedures to insure that products exported prior to final use do not bear the charge pursuant to section 101. The Administrator may satisfy this requirement by a rebate to the exporter or by adjusting the product charge paid by the manufacturer.

ENVIRONMENTAL QUALITY ASSISTANCE FUND

SEC. 103. (a) There shall be established in the Treasury of the United States an Environmental Quality Assistance Fund which shall be available to the Administrator and the Secretary as trustees of the Fund, to carry out the purposes of this Act.

(b) All sums received as charges under this title shall be deposited in the Fund.

(c) The Fund shall be available as provided in appropriation acts to the Administrator and the Secretary to defray the costs of administering this Act: Provided, That not more than one-half of 1 per centum of the sums accruing to the Fund over any five year period shall be available for such purpose during that five year period.

(d) Amounts in the Fund in any fiscal year in excess of those required for the purposes of subsection (c) shall be available for appropriation for the purpose of this subsection. The amount so appropriated in each fiscal year shall be allotted by the Administrator among all the municipalities in each State. Such allotments shall be made among the States in the ratio that the population in each State bears to the population in all of the States and among all the municipalities in each State in the ratio that the population in each municipality bears to population in all of the municipalities within the State of such municipality. A municipality's allotment pursuant to this section shall be available for expenditure for solid waste disposal programs within the guidelines established pursuant to subsection (f).

(e) The Administrator shall establish guidelines for municipalities receiving funds under this section that will ensure efficient and environmentally sound solid waste management practices. Such guidelines will be consistent with section 209 of the Solid Waste Disposal Act, as amended.

(f) The Administrator shall report on the distribution and use of such funds in his report pursuant to section 302.

PENALTIES

SEC. 104. (a) Any person who knowingly attempts in any manner to evade any charge pursuant to this title, or the payment thereof, shall, in addition to other penalties provided by law, be guilty of a felony and, upon conviction thereof, shall be fined not more than \$10,000, or imprisoned not more than five years, or both, together with the costs of prosecution.

(b) Any person required under this title, or regulations prescribed thereunder, to collect, account for, and pay over any charge imposed pursuant to this title who knowingly fails to collect or truthfully account for and pay over such charge shall, in addition to other penalties provided by law be guilty of a felony and, upon conviction thereof, shall be fined not more than \$10,000, or imprisoned not more than five years, or both, together with the costs of prosecution.

(c) Any person required under this title to pay any charge, or required by this title or by regulations prescribed thereunder, to make a return or statement, keep any records, or supply any information, who knowingly fails to pay such charge, make such return or statement, keep such records, or supply such information at the time or times required by law or regulations shall in addition to other penalties provided by law be guilty of a misdemeanor, and, upon conviction thereof, shall be fined not more than \$10,000, or imprisoned not moer than one year, or both, together with the cost of prosecution.

(d) Any individual required to supply information or keep certain records under this title, or regulations prescribed thereunder, who knowingly supplies false or fraudulent information, or falsifies such records shall, in addition to any other penalty provided by law, upon conviction thereof, be fined not more than \$500 or imprisoned not more than one year, or both.

(e) Any person who pursuant to this title, or regulations prescribed thereunder, knowingly delivers or discloses to the Administrator, the Secretary, or their delegates any list, return, account, statement, or other document which is fraudulent or false as to any material matter shall be fined not more than \$1,000 or imprisoned not more than one year, or both. Any person required pursuant to this title, or regulations prescribed thereunder, to furnish any information to the Administrator or the Secretary, or any other person who knowingly furnishes for the purpose of this title or such regulations, to the Administrator or such other person any in-formation which is fraudulent or false as to any material matter shall be fined not more than \$1,000, or imprisoned not more than one year, or both. Any person who for the purposes of this title or such regulations-

(1) knowingly makes and subscribes to any return, statement, or other document which contains or is verified by a written declaration as having been made under the penalties of perjury and which he does not believe to be true and correct as to every material matter; or

(2) knowingly aids or assists in, or procures, counsels, or advises the preparation on or presentation under, or in connection with any return, affidavit, claim, or other document, which is fraudulent or is false as to any material matter, whether or not such falsity or fraud is with the knowledge or consent of the person authorized or required to present such return, affidavit, claim, or document; or

(3) removes, deposits, or conceals, or is concerned in removing, depositing, or concealing any goods or commodities for or in respect whereof any charge is or shall be imposed, or any property upon which levy is authorized under this title, with intent to evade or defeat the assessment or collection of any charge imposed pursuant to this title; shall be guilty of a felony and, upon conviction thereof, shall be fined not more than \$5,000 or imprisoned not more than three years, or both, together with the costs of prosecution.

TITLE II-GENERAL PROVISIONS

STATE REGULATION

SEC. 201. Nothing in this Act shall be construed to preclude or deny any State

or political subdivision of a State the right to adopt or enforce any standard or regulation relating to the reduction of solid waste volume, the character of such waste, or the reuse or recycling of such waste, which is more stringent than standards or regulations imposed under this Act.

RECORDS, REPORTS, AND INFORMATION

SEC. 202. (a) Each manufacturer of a product to which this Act is applicable shall—

(1) establish and maintain such records, make such reports, provide such information, and make such tests as the Administrator or the Secretary may, at his discretion, reasonably require to enable him to determine whether such manufacturer has acted or is acting in compliance with this Act;

(2) upon request of an officer or employee duly designated by the Administrator or the Secretary, permit such officer or employee at reasonable times to have access to such information and the result of such tests and

to copy such records; and

(3) to the extent required by regulations of the Administrator or the Secretary, make products coming off the assembly line or otherwise in the hands of the manufacturer available for testing by the Administrator: Provided, That the Administrator or the Secretary shall require only the minimum number of products needed to conduct such tests as he finds necessary to further the purposes of this Act.

(b) (1) All information obtained by the Administrator or the Secretary, or a representative pursuant to subsection (a) of this section, which information contains or relates to a trade secret or other matter referred to in section 1905 of title 18, United States Code, shall be considered confidential for the purpose of that section except that such information may be disclosed to other Federal officers or employees, in whose possession it shall remain confidential, or when relevant to the matter in controversy in any proceeding under this Act, but only where such disclosure is essential to the conduct of such proceeding.

(2) Nothing in this subsection shall authorize the withholding of information by the Administrator or the Secretary, or by any officer or employee under the control of either, from the fully authorized committees of the Congress.

(3) The Administrator shall from time to time, but no less frequently than annually, report on the progress of this Act to the President and the Congress.

REGULATIONS, PROCEDURES, AND JUDICIAL REVIEW

Sec. 203. (a) At his own initiative, or upon the petition of any person, the Administrator and the Secretary of the Treasury are each authorized to issue regulations to carry out the purposes of this Act and to amend or rescind such regulations at any time.

(b) The Administrator or the Secretary of the Treasury shall publish any regulations proposed under this Act in the Federal Register at least sixty days prior to the time when such regulations shall become final. The Administrator or such Secretary shall also publish in the Federal Register a notice of all petitions received under subsection (a) and, if such petition is denied, the reasons therefor. Such notice shall identify purpose of the petition and include a statement of the availability of any data submitted in support of such petition. If any person adversely affected by a proposed regulation files objections and requests a public hearing within forty-five days of the date of publication of the proposed regulation, the Administrator or such Secretary shall grant such request. If such public hearing is held, final regulations shall not be promulgated by the Administrator or such Secretary until after the conclusion of such hearing. public hearings authorized by this subsec-tion shall consist of the oral and written

presentation of data or arguments in accordance with such conditions or limitations as the Administrator or such Secretary may

make applicable thereto.

(c) Proposed and final regulations issued under this Act shall set forth the findings of fact on which the regulations are based and the relationship of such findings to the regulations.

(d) Any judicial review of final regulations promulgated under this Act shall accordance with section 701-706 of title 5, United States Code, except that with respect to relief pending review, no stay of an agency action may be granted unless the reviewing court determines that the party seeking such stay (1) is likely to prevail on the merits in the review proceeding, and (2) will suffer irreparable harm pending such proceeding

(e) If the party seeking judicial review applies to the court for leave to adduce additional evidence, and shows to the satisfac-

tion of the court either-

(1) that the information is material and was not available at the time of the proceeding before the Administrator or the Secretary of the Treasury; or

(2) that failure to include such evidence in the proceeding was an arbitrary or capricious act of the Administrator or such

Secretary, the court may order such additional evidence (and evidence in rebuttal thereof) to be taken before the Administrator or the Secretary, and to be adduced upon the hearing, in such manner and upon such terms and conditions as the court may deem proper. The Administrator or the Secretary may modify his findings as to the facts, or make new findings, by reason of the additional evidence so taken, and his recommendation, if any, for the modification or setting aside of his original order, with the return of such additional evidence.

By Mr. KENNEDY:

S. 1282. A bill to amend the Older Americans Act of 1965 to provide assistance for legal services projects for the elderly; to the Committee on Human Resources.

LEGAL SERVICES FOR THE ELDERLY

Mr. KENNEDY. Mr. President, I am introducing today legislation to expand the Federal support for legal services programs serving older Americans.

This bill will fund specific programs to provide legal services to the elderly across the Nation. It will complement existing legal services corporation programs serving the elderly poor.

It will reach out to those elderly poor who are not reached today by legal services programs because of the corporation's limited funds. It will reach as well toward those elderly, living on fixed social security incomes and other limited sources of income who may barely exceed the poverty standards.

Hearings which I have held over recent years on behalf of the Senate Committee on Aging have demonstrated without question the growing need for legal protections for the Nation's elderly.

Upon reaching retirement age, older Americans increasingly rely upon Federal programs-such as social security, medicare, supplemental security income, food stamps, veterans' pensions, railroad requirement, and others.

All too frequently regulations, guide-lines, applications certifications and oth-

er requirements produce a maze that leaves many elderly bewildered.

Many simply give up and accept decisions which affect their rights without knowing the remedies available to them or even what their rights actually are.

Witnesses-including elderly clients, legal services attorneys, senior citizen leaders and others-emphasized that many old Americans now find themselves in an impossible situation when a legal problem arises.

In Boston, Dr. James Peace, the Massachusetts Director for the American Association of Retired Persons, gave this

The elderly also experience legal problems that are unique to them; for example, age discrimination in employment, protection with respect to nursing home care, involuntary commitment, enforcement of pension rights, and eligibility for special tax relief programs. The most prevalent and serious problem, however, is one that may not even be perceived as a legal one; namely, the inability of many older persons to obtain sufficient resources on which to live decently.

The elderly have legal rights to food, medical care, and money payments; things under a complex network of local, state and federal programs, including Social Security, Medicare, Medicaid and food stamps. The elderly may forfeit their legal rights because they do not recognize that they have legal problems. They may be too proud to seek what they consider 'free' help or are anxious somewhat about the uncertainties of obtaining an attorney. More importantly, the elderly at times, forfeit their rights because they are unable to obtain legal assistance.

Lessie Hill, an attorney with the Senior Citizens Advocate Center in Camden. N.J., also stressed the elderly's special need for legal services. She stated:

Often senior citizens failed to realize that a lot of their problems were legal in nature and that legal services were there to serve them. Even those that knew the problems could be solved by an attorney hesitated to contact an attorney because they could not afford one or they felt they couldn't contact legal services because lawyers, just like doctors nowadays, don't make house calls.

Elderly witnesses told the committee about their frustrations concerning erroneous social security and SSI payments; rent and utility increases without adequate notice; informal denials when applying for SSI, food stamps, and social services; and their inability to under-stand "all the fine print." Some older persons, however, were aware of legal services, and they were grateful. As Mrs. Cecilia Fennessey, of Dorchester, Mass., put it-

What would we do if we didn't have someplace to go for advice? It would only be impossible for us.

Despite these pressing needs, the elderly have been underrepresented in legal services programs. This point was made very emphatically during a hearing I conducted for the Committee on Aging last September.

Legal services offices, with their limited budgets and limited professional staffs, simply have lacked the resources to provide the degree of representation older Americans need.

Moderate-income elderly persons also experience difficulty. They have too much income for the legal services program. Yet, they cannot pay a private attorney \$40 or \$50 an hour or whatever the going

Moreover, most private attorneys are not that well versed on legal issues affecting older Americans.

Very few have had any formal legal training in social security, medicare, SSI, or other programs of direct importance to the elderly.

The net impact is that the aged client is least likely to obtain effective representation at a reasonable cost in situations where it is needed most—in complex cases involving technical issues where the outcome is uncertain and the remuneration for the attorney is modest.

Fortunately, some positive actions have occurred in recent years.

Since 1975, the Older Americans Act has provided some funding for legal services for the elderly under the model projects program.

State agencies have used this money to place an attorney on their staffs to promote and develop legal services activities. However, this attorney has no program funds. In some States, the attorney has no special legal services activities for the elderly to coordinate.

The Administration on Aging has also funded 11 legal services programs during the past 2 years. The centers provide technical assistance to State and area agencies on aging to promote the development of legal services programs for the elderly.

In addition, title III area planning and social services funding under the Older Americans Act has supported legal services programs for the elderly. In most cases, the local office on aging contracts with Legal Services Cooporation programs to provide one or two attorneys who can become aging specialists.

Mr. President, many of these existing legal services efforts on behalf of the elderly have been very successful, and I applaud them. However, they fall short of the demonstrated need. Funding is also discretionary and uncertain. Model projects are ususally short-lived demonstration projects which either prove or disprove the need for the specific service being "tested."

The bill I introduce today builds upon these demonstration projects by creating a new legal services provision under the Older Americans Act. This section would assure the continuation of a structured legal services program for the elderly. I am hopeful that it will encourage other legal services providers to give more emphasis to the elderly

My bill would authorize grants to State agencies on aging to support a staff person within the agency to oversee and coordinate the delivery of legal services to the elderly and provide legal advice and technical assistance on a wide range of issues. This person would also provide direct client representation when necessary. Additionally, funding would be authorized for area agencies on aging to contract with local or statewide legal services corporation programs in most cases, or other providers of legal services

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where the Legal Services Corporation programs are unavailable.

The Legal Services for the Elderly Act would allocate 80 percent of the funding for State and area agencies on aging and 20 percent for national legal services resource centers. These resource centers would provide technical assistance to groups providing legal services for the elderly.

Mr. President, legal assistance can be an effective linking service for elderly persons. It can assist them in obtaining urgently needed services, such as, transportation, housing, health care, and income maintenance benefits. Legal services can enhance the Older Americans Act's No. 1 responsibility: to provide the elderly with an effective advocate at the Federal level.

Mr. President, I am hopeful that this bill can be enacted promptly.

By Mr. KENNEDY: S. 1283. A bill entitled "The National Home-Delivered Meals for the Elderly Act"; to the Committee on Human Resources.

HOME-DELIVERED MEALS FOR THE ELDERLY ACT OF 1977

Mr. KENNEDY. Mr. President, I am pleased to introduce the National Home-Delivered Meals for the Elderly Act of 1977. This bill will expand the "meals on wheels" segment of the nutrition for the elderly program.

It will mean thousands more homebound elderly will receive meals each day. It will build on a program which has demonstrated its effectiveness. It will maximize existing nutrition programs that know where the homebound are and how to provide meals to reach them.

In 1971, I introduced a bill that created the nutrition for the elderly program, establishing a new title VII in the Older Americans Act. The title VII program was passed by Congress overwhelmingly in 1972. It provides at least one hot meala day to senior citizens in congregate meal sites. It has provided both nutritious meals and a social setting that draws isolated elderly back into the mainstream of community life.

The title VII program also permits the delivery of meals to the homebound elderly. However, the funding restraints, even with the more than \$200 million current level of appropriations, have permitted only a token effort to meet the nutritional needs of the homebound elderly.

The need for a program that will provide meals to the homebound-often called a meals-on-wheels program-was underlined by the Senate Nutrition Committee's 1974 national nutrition policy study. That study brought together a number of panels for a series of hearings on vital nutrition issues. One of these panels, consisting of nutritionists, economists, community representatives, and low income people, studied several recommendations for nutrition initiatives. That panel's first priority for the elderly was the passage of legislation that would establish a meals-on-wheels program.

I have worked closely with the Chairman of the Senate Nutrition Committee,

Senator McGovern, in this area. He has helped the effort to improve the nutrition for the homebound elderly. I joined with him to cosponsor S. 519 to deal with this problem. I believe that the approach taken in the legislation I am introducing today will permit the Senate Aging Subcommittee to examine the best way to deliver these services to the homebound elderly.

There are approximately 3 to 4 million elderly who are confined to their homes and are unable to participate in present Government nutrition programs. These unfortunates, many of whom are impoverished elderly, suffer from a high level of anemia, mental depression, subclinical pellagra and protein deficiency, as well as high rates of illness and longterm institutionalization. Indeed, studies carried out by gerontologists in numerous localities consistently show that 10 to 40 percent of nursing home residents are not in need of institutional care, and evidence indicates that a large percentage of these people might be able to avoid costly institutionalization if they were receiving home-delivered meals.

I believe that the National Home-Delivered Meals for the Elderly Act of 1977 can serve as a major step in alleviating the plight of the homebound elderly, particularly the elderly poor, and in avoiding the tragedy and high cost of institutionalization for many of our senior citizens. It is with this concern and conviction that I introduce his bill.

I am pleased that the National Council on Senior Citizens, the American Association of Retired Persons, the National Council on Aging and others are strongly urging action on a bill of character to improve services to the homebound elderly.

Under this legislation, title VII of the Older Americans Act of 1965 would be amended specifically to encourage the delivery of meals to the homebound elderly with a separate authorization. There are authorized to be appropriated for the purposes of this section \$80 million in fiscal year 1978 and \$100 million in fiscal year 1979.

Funds made available under this act would be distributed to the States in accordance with the current title VII formula. State Offices on Aging administering the act would give funding preference to congregate projects and presently existing meals-on-wheels projects operating in those areas of the State that contain the highest incidence of low-income individuals, and to the extent possible, projects operated by, and serving the needs of: minority, Indian and limited English-speaking eligible individuals, in proportion to their numbers in the

The act provides that, whenever possible, program funds should be provided in conjunction with congregate meal sites in order to promote an integrated nutrition system, and where home-delivered nutrition services exist without a congregate meal site, State agencies should encourage the development of complimentary congregate services.

The act also provides that in instances where presently existing meals-on-

wheels groups receive program funding, these groups must have demonstrated: a need for their services; an assurance that they will maintain, to the maximum extent possible, their previous level of non-Federal resources; and an assurance that conditions and regulations of title VII congregate meal programs, where applicable, will be met.

Any nutrition project applicant seeking funds for congregate meal programs or meals-on-wheels programs, whose application has been denied, must be afforded an opportunity for an impartial hearing before the State agency.

The act also provides that State agencies shall administer both title VII congregate meal programs and meals-onwheels programs at the least possible administrative cost, which cost cannot exceed 5 percent of the funds allotted for these programs. In addition, the act provides that the value of volunteer services, contributions, etc., provided in either of these programs, can be counted as non-Federal resources to meet title VII's requirement of 10 percent non-Federal matching funds.

Mr. President, I am hopeful that this bill can be enacted promptly.

I ask unanimous consent to have the bill printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1283

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Home-Delivered Meals for the Elderly Act of 1977".

SEC. 2. Section 706(a)(1) of the Older Americans Act of 1965 is amended by inserting "(A)" immediately after "(1)", by inserting after the semicolon the words "and, or", and by adding after such section the following new subparagraph:

"(B) to establish a project (referred to herein as a 'nutrition project') for the elderly which, five or more days per week, provides at least one home-delivered hot meal which assures a minimum of one-third the daily recommended dietary allowances as established by the Food and Nutrition Board of the National Academy of Sciences—National Re-search Council.'

SEC. 3. (a) Section 706(a) of the Older Americans Act of 1965 is amended by adding at the beginning of paragraphs 3 and 6, the following: "With regard to nutrition projects as described in subsection (a) (1) (A) of this section,"; and by striking out "and" at the end of paragraph (10), by redesignating paragraph (11), and all references thereto, as paragraph (13), and by inserting immediate ately after paragraph (10) the following new paragraphs:

"(11) With regard to nutrition projects as described in subsection (a) (1) (B) of this section, to make assessments at least quarterly of individuals receiving assistance under (a)(1)(B) of this section to determine their need for additional services or for a continuation of services, provided that, where feasible, the assessment shall be made by a professional with experience to make such assesment."

"(12) With regard to nutrition projects as described in subsection (a) (1) (B) of this section, to the maximum extent possible, to seek and utilize volunteer personnel, with preference given to the elderly, for the provision of home-delivered meals, and to compensate such personnel when appropriate for transportation expenses incurred in the de-

livery of such meals; and."

SEC. 3(b). Section 706 of such Act is further amended by striking out subsection (b) and redesignating such subsection as subsection (c), and by adding immediately after subsection (a) (13) a new subsection 706(b) as follows:

"(b) (1) In allotting funds for projects under (a) (1) (B) of this section, the grantor agency shall give preference to congregate projects and meals-on-wheels projects that are operating in those areas of each State that contain the highest incidence of low income individuals, and, to the extent feasible, projects receiving allotments shall be operated by, and serving the needs of, minority, Indian, and limited English speaking eligible individuals in proportion to their numbers in their State, provided that the grantor agency is also encouraged to make awards to projects, such as meals-on-wheels groups, which demonstrate an ability to operate such services efficiently and reasonably, if such groups—

"(A) are able to demonstrate the need for the services furnished by such groups; and "(B) provide reasonable assurance that the

"(B) provide reasonable assurance that the nutrition project for which assistance is sought will maintain, to the maximum extent possible, its level of funding from non-Federal resources for the fiscal year prior to the year for which the determination is made under title VII of this Act; and

"(C) provide assurance that the conditions and regulations of Title VII, where they are applicable to meals-on-wheels projects, will

be met by such groups;

"(2) In making awards under clause (a) (1) (B) of this section, the State agency shall assure that home-delivered nutrition services should be provided in conjunction with congregate meal sites whenever possible to promote an integrated nutrition system. Where meals-on-wheels or other home-delivered nutrition services exist without a congregate meal site, State agencies are encouraged to develop complimentary congregate services.

"(3) Title VII projects currently using funds made available under section 708(a) of this Act for home-delivered meals are encouraged to continue using such funds for the same purposes even after receiving funds for home-delivered meals under section 708

(b) of this Act.

"(4) The Commissioner, in consultation with representatives from the American Dietetic Association, the Association of Area Agencies on Aging, the National Association of Title VII Project Directors, the National Association of Meals Programs, Incorporated, the National Association of State Units on Aging, an organization representing rural areas, and any other appropriate groups, shall develop minimum criteria of efficiency and quality for the furnishing of home-delivered meal services for such projects. Such criteria shall take into account the ability of well established meals-on-wheels programs to continue such services without major alteration in the furnishing of such services."

"(5) No contract may be entered into and no grant may be made for a project under clause (a) (1) (B) of this section unless the contract or the agreement evidencing the grant includes provisions designed to assure that the furnishing of such services complies with the minimum criteria established under

this subsection."

SEC. 4(a). Section 705(a) of the Older Americans Act of 1965 is amended by inserting immediately after paragraph (5) the

following new paragraphs:

"(6) provide assurances that within its awards to Title VII projects, contracts or subcontracts shall be made, to the maximum extent feasible, with existing meals-on-wheels organizations to, at a minimum, deliver the meal service."

"(7) provide that the State agency shall require that any nutrition project applicant

whose application for approval has been denied and any nutrition project whose application for renewal has been denied, shall be afforded an opportunity for an impartial hearing before the State agency, which hearing and hearing decision, in the case of nutrition projects denied a renewal of funding, shall be provided prior to the time when the prior funding period for such nutrition project will have expired."

SEC. 4(b). Section 705(a) (2) (B) of the Older Americans Act of 1965 is amended by striking the entire subsection (B) and inserting in lieu thereof the new subsection

designated:

"(B) to provide for the proper and efficient administration of the State plan at the least administrative cost. Not to exceed 5 per centum of the funds allotted to a State under Section 708 of such Act may be used for the administration of the State plan pursuant to this section. In administering the State plan the State agency shall—"

SEC. 5(a) (1). Section 708 of the Older Americans Act of 1965 is amended by inserting "(a)" after the section designation.

(2) Section 708(a) of such Act (as redesignated by paragraph (1) of this subsection) is amended by inserting "and paragraph (1) (B), (11), and (12) of section 706(a)" after "section 707(c)" in the parenthetical.

Sec. 5(b). Section 708 of such Act is amended by adding at the end thereof the

following subsection:

"(b) (1) In addition to the sums authorized by subsection (a), there are authorized to be appropriated \$80,000,000 for the fiscal year 1978, and \$100,000,000 for the fiscal year 1979 for the purpose of providing homedelivered meals pursuant to section 706(a) (1) (B).

(2) Sums appropriated pursuant to paragraph (1) of this subsection shall be obligated and expended during the fiscal year for which they are appropriated, provided that sums appropriated pursuant to this section, shall, notwithstanding the provisions of any other law, continue to remain available until expended."

Sec. 6, Section 701(b) of the Older Americans Act of 1965, is amended by adding after the period following the word "services" the

new sentences:

"In addition, the national policy should provide home-delivered meals and other social services to those elderly who are home-bound and unable to attend a congregate center, however, it is not intended that such meals and services serve to foster dependency on the part of those who are able to attend a congregate site."

SEC. 7. Section 703(a) (2) (c) of the Older Americans Act of 1965, is amended by adding at the end thereof the following sentence:

"Voluntary contributions or services provided to projects described in Section 706 (a) (1) of this Act, shall be counted as non-federal resources for the purposes of meeting the requirements of this provision."

By Mr. CRANSTON:

S.J. Res. 46. A joint resolution to establish a national policy for the taking of predatory or scavenging mammals and birds on public lands, and for other purposes; to the Committee on Environment and Public Works.

A NATIONAL POLICY ON PREDATORS

Mr. CRANSTON. Mr. President, I introduce for appropriate reference a bill to establish a national policy for the taking of scavenging mammals and birds on public lands, and for other purposes.

Mr. President, the hour is fast approaching when Senators will leave Washington for the nonlegislative period that occurs yearly at Easter. With this

in mind, I wish to introduce my bill regarding predator-prey relationships so that Senators, their staffs, and others might have an opportunity to review the measure prior to resumption of legislative activities on Monday, April 18. Because the time is short, I will defer extended comment on the bill until the Senate reconvenes.

In brief, the bill I introduce today addresses three critical issues in national wildlife management, especially management policies as they relate to predators and prey. One is the need to establish, within the broad parameters of wildlife management policies, a clear understanding and recognition of the interdependency of predator and prey; a second is the need to establish a national policy for the taking of wolves and other predators or scavengersmammals or birds-on public lands, a policy that reflects a thorough understanding of these interdependent relationships; and a third is the need to set forth a series of clear, statutory procedures for the taking of predators on public lands that is truly responsive to the right of all Americans to know how wildlife management policies relevant to predators are being carried out on lands that are owned by the public and managed in the national interest.

Mr. President, I ask unanimous consent that the text of my resolution be printed at this point in the Record.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 46

Whereas, Article IV, Section 3, Clause 2 of the Constitution vests authority in the Federal Government to "make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States," and

Whereas, predators and scavengers are indispensible to the health and stability of natural ecosystems and to prey species in

particular, and

Whereas, the extermination of predators has resulted in dramatic instability of prey populations and attendent habitat deterioration, and

Whereas, there is no evidence that non-human predation alone is a cause of extinction of prey, and

Whereas, organisms tend to be closely adapted to their environment by evolution, whereby their survival ability is greatest, and

Whereas, evolution can occur relatively slowly in response to changing environmental parameters, including the living and nonliving components of the ecosystem, and

Whereas, a thorough understanding of the interdependent relationship between predator and prey is essential to sound wildlife and land use planning at all levels of government, and furthermore,

Whereas the Convention on International Trade in Endangered Species of Wild Fauna and Flora, as ratified by the U.S. Senate, stipulates that native species of wildlife should be maintained throughout their range at a level consistent with their role in the ecosystems in which they occur

Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

All taking of wolves and other predators or scavengers naturally occurring on public lands for all or part of their life cycles is hereby prohibited unless such taking is approved according to the requirements of Sections 3 or 4 of this Joint Resolution. SEC. 2. For the purpose of this Act, the

following definitions apply:

WOLVES include any individuals of the species name Canis lupis and Canis rujus found naturally on the continent of North America.

PREDATORS include individuals of any species of bird or mammal that regularly capture or consume other vertebrate species.

WILDLIFE includes all species of the animal kingdom (persisting for all or part of their life cycles on ecosystems of the United States, its coastal waters, or adjacent is-lands) which are covered by the provisions

PUBLIC LANDS means any lands belong ing to the United States of America on which regulations regarding taking of wildlife covered by this Act are or may become less restrictive than those herein provided.

SPECIES includes any subspecies of wildlife covered by this Act and any other group of wildlife covered by this Act of the same species or smaller taxa in common spacial arrangement that interbreed when mature.

PERSON means an individual, corporation, partnership, trust, association, or any other private entity, or any officer, employee, agent, department or instrumentality of the Federal Government, of any State or political subdivision thereof, or of any foreign gov-

ernment.

TAKE means to harass, harm, pursue, hunt, shoot, wound, kill, trap, capture, or collect, or attempt to engage in any such conduct for purposes of sport, obtaining food or the collection of bounties on any wolf, predator, or other form of wildlife covered by this Act, excluding taking for subsistence purposes

SCAVENGERS include individuals of any species of bird or mammal that naturally feed upon the remains of dead vertebrate

species.

An ECOSYSTEM is the basic ecological unit including the living organisms, the nonliving environment, and the interactions between individual organisms, between specles, and between organisms and the envi-

A SECRETARY is the head of a federal agency having land management responsibilities, including the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Defense, the head of the Tennessee

Valley Authority, and others.

Sec. 3. Proposed actions by any person involving the taking of any wolves or other predators or scavengers naturally occurring on public lands of the United States may be carried out (unless prohibited by other statute or regulations) even though the taking can be reasonably expected to have significant impacts on the specific wildlife covered by this Act, other species of wildlife covered by this Act, or the ecosystems of which the wildlife is a part, if proposals for such actions:

(a) are submitted to the Secretary having primary jurisdiction over the public land on which the taking will occur at least 120 days prior to the date such taking is to com-

mence; and

(b) are described by notice in the Federal Register, allowing at least 60 days for public

comment; and

(c) will, if carried out, maintain that specles at a level consistent with its role in the ecosystem in which taking is to occur, protecting and maintaining the indispensible relationship between predator and prey species and the ecosystem, and be in overall public interest;

(d) are approved in writing by the Secretary after consideration of public comment and consultation with the President's Council on Environmental Quality and with the Director of the U.S. Fish and Wildlife Service before any taking is carried out.

Sec. 4. The Secretary shall enforce the provisions of this Act and shall, in consultation with the President's Council on Environmental Quality, promulgate such regulations as he deems necessary and appropriate to carry out the provisions, including enforcement, of this Act;

Provided that all mammals or birds shot

or captured contrary to the provisions of this section, or of any regulation issued hereunder, and all guns, aircraft, and other equipment used to aid in the shooting, attempting to shoot, capturing, or harassing of any mammal or bird in violation of this section or of any regulation issued hereunder shall be subject to forfeiture to the United States:

Provided further that the Secretary or head of any Federal agency who has issued a lease, license, permit, or other agreement to any person who is convicted of a violation of this Act or of any regulation issued hereunder may immediately cancel each such license, permit, or other agreement. The United States shall not be liable for the payment of any compensation, reimbursement, or damages in connection with the cancellation of any lease, license, permit or other agreement pursuant to this section.

SEC. 5. Nothing herein shall be construed in any way to amend or otherwise alter the requirements of the National Environmental Policy Act of 1969, the Marine Mammal Protection Act of 1972, or the Endangered Specles Act of 1973, as amended.

SEC. 6. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

ADDITIONAL COSPONSORS

S. 2

At the request of Mr. MUSKIE, the Senator from Delaware (Mr. Biden) was added as a cosponsor of S. 2, to require authorizations of new budget authority for Government programs at least every 5 years.

At the request of Mr. Domenici, the Senator from Arizona (Mr. DECONCINI), the Senator from Texas (Mr. TOWER), and the Senator from Idaho (Mr. Mc-CLURE) were added as cosponsors of S. 21, a bill to amend the OSHA to provide additional consultation and education services to employers.

S. 49

At the request of Mr. Mathias, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 49, a bill to establish a Small Business Administrative Review Court.

S. 196

At his own request, the Senator from Idaho (Mr. McClure) was added as a cosponsor of S. 196, to amend the Internal Revenue Code of 1954.

S. 297

At the request of Mr. Packwood, the Senator from Indiana (Mr. Bayh) was added as a cosponsor of S. 297, relating to imported meat and dairy products.

S. 394

At his own request, the Senator from Texas (Mr. Tower) was added as a cosponsor of S. 394, to provide a comprehensive bridge replacement program.

S. 530

At the request of Mr. Hansen, the Senator from Delaware (Mr. Roth) was added as a cosponsor of S. 530, the Consumer Communications Reform Act of 1977.

8. 664

At the request of Mr. BROOKE, the Senator from Georgia (Mr. Nunn) was added as a cosponsor of S. 664, the Young Families' Housing Act.

S. 708

At the request of Mr. CLARK, the Senator from Oklahoma (Mr. BARTLETT) was added as a cosponsor of S. 708, a bill to amend title XVIII of the Social Security Act to provide payment for rural health clinic services.

S. 1240

At the request of Mr. ALLEN (for Mr. DOLE), the Senator from North Dakota (Mr. Young) was added as a cosponsor of S. 1240, relating to national marketing quota for wheat for the marketing year beginning June 1, 1978.

S.J. RES. 29

At the request of Mr. BURDICK, the Senator from Idaho (Mr. McClure), the Senator from Utah (Mr. HATCH), and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of S.J. Res. 29, to designate National Family Week.

SENATE RESOLUTION 138-SUBMIS-SION OF A RESOLUTION RELAT-ING TO "FAIR HOUSING MONTH"

(Referred to the Committee on the Judiciary.)

Mr. MATHIAS (for himself, Mr. ABOUREZK, Mr. ANDERSON, Mr. BROOKE, Mr. Case, Mr. Heinz, Mr. Humphrey, Mr. JAVITS, Mr. McGovern, Mr. PROXMIRE, Mr. RIEGLE, Mr. STAFFORD, Mr. STEVENS, Mr. Weicker, Mr. Bayh, Mr. Bellmon, Mr. Haskell, Mr. Inouye, Mr. Metzen-BAUM, Mr. MOYNIHAN, Mr. PELL, Mr. NELson, Mr. Stone, Mr. DeConcini, and Mr. WILLIAMS) submitted the following resolution:

S. RES. 138

Whereas it is the policy of the United States to guarantee to every citizen the right to fair housing; and

Whereas this right and the responsibilities attendant on it are set forth in the National fair housing law, title VIII of the 1968 Civil Rights Act; and

Whereas since 1968, the month of April has been set aside each year for commemoration of the fair housing law: Now, therefore,

be it

Resolved, That the Senate recognizes the month of April as Fair Housing Month and that it hereby rededicates itself to the promulgation and practice of the letter and spirit of the fair housing law so that fair housing will become a right that can be realized by every American.

PAIR HOUSING MONTH

Mr. MATHIAS. Mr. President, the month of April marks the ninth anniversary of the enactment of the Fair Housing Law known as title VIII of the Civil Rights Act of 1968.

Title VIII directly prohibits discrimination in the sale or rental of housing because of race, color, religion, national origin, or sex. It further requires Federal agencies "to administer their programs and activities . . . in a manner affirmatively to further the purpose of this title."

Over 80 percent of the Nation's housing is covered by the fair housing law, while the remainder is covered by the Civil Rights Act of 1866 with respect to racial discrimination.

Title VIII of the Civil Rights Act of 1968 prohibits the following acts if based on race, color, religion, national origin,

or sex:

First, refusing to sell or rent to, or deal or negotiate with any person;

Second, discriminating by advertising that housing is available to persons of a certain race, color, religion, national origin, or sex;

Third, discriminating in terms or conditions for buying or renting housing;

Fourth, denying or requiring different terms or conditions for home loans by commercial lenders such as banks, savings and loan associations, and insurance companies;

Fifth, denying that housing is available for inspection, sale, or rent when

it really is available.

Sixth, denying to any person the use of any real estate services, such as brokers, organizations, multiple listing services, or other facilities relating to the selling or renting of housing;

Seventh, "blockbusting" for profit by persuading owners to sell or rent housing by telling them that minority groups are moving into the neighborhood.

Title VIII covers single family housing owned by a private individual who uses discriminatory advertising in its sale or rental or who uses a broker to sell or rent his home. It applies to multifamily housing of five or more units and to multifamily units of four or less if the owner does not reside in any of the units.

The remedies for the aggrieved person, however, place a substantial burden on the individual to fight his way through a HUD complaint and conciliation process and, or, Federal court litigation. Only where a pattern of discrimination can be shown, can the Attorney General file suit in Federal court.

Thus, the individual complainant must bear the financial and time burden of protracted Federal court litigation. To ease this burden and expedite the settlement of legitimate complaints, I, along with Senator Glenn, have introduced a bill, S. 571, which would authorize HUD to enter Federal suits for individual relief on behalf of individual complainants. I believe this legislation would provide HUD with some enforcement "teeth" in housing discrimination cases while assuring that acts of discrimination are redressed in a timely manner, and equally important, deterred.

Last year, the Department of Housing and Urban Development reported some notable progress in reducing its fair housing complaint backlog. During fiscal year 1976 HUD processed 4,807 title VIII complaints and substantially reduced both its backlog and processing time. At the end of the fiscal year, there were 758 cases pending with 57 of them over 150 days old.

Presently HUD has substantial investigatory, subpena, and hearing powers but no authority to issue cease and desist orders. It, therefore, has no power

to maintain the status quo of a property in question while it attempts to resolve the complaint through conciliation.

I think the time has come for HUD to take an aggressive lead in the area of fair housing and equal opportunity through enactment of S. 571.

Responsibility for implementing title VIII is delegated to the HUD regional offices. Each regional office has an assistant regional administrator for equal opportunity who have staffs for compliance, field support, and evaluation. A little over half of this staff's time is spent on enforcement of title VIII and practically all that effort relates to processing of complaints.

The HUD Secretary is further directed by this title to conduct studies relating to discriminatory housing practices, provide technical assistance to groups seeking to prevent discrimination, cooperate with industry, Government, and others to develop and implement voluntary compliance programs, and to develop an affirmative marketing policy and program.

Many of these things have been done by HUD and we have now reached the point where the additional authority to

enter Federal suits is needed.

There is a new twist to the fair housing scene this year with the recent Arlington Heights Supreme Court decision. By a vote of 5 to 3, the Supreme Court ruled on January 11 that the village of Arlington Heights, Ill., refusal to zone a tract of land for low-income, multifamily housing was not racially motivated and thus did not violate the equal protection clause of the 14th amendment to the Constitution.

The Court did, however, remand the case back to the lower court for arguments on whether the refusal to rezone violated the Fair Housing Act of 1968. By remanding the case, the Court is implicitly recognizing that the Fair Housing Act's standard of what constitutes proof of racial discrimination may be less stringent than the 14th amendment.

Persons concerned with fair housing will continue to watch this case closely for its long-term implications for the cause of civil rights and equal opportu-

nity.

Mr. President, the resolution I am submitting today, recognizes the month of April as fair housing month and calls upon the Nation to be mindful of the goals expressed in the Civil Rights Act of 1968.

We must continue to be vigilant about fair housing so that our Nation's institutions are no longer complacent about this issue, but instead are affirmative leaders in providing fair housing and equal opportunity.

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENT OF ENERGY—S. 826
AMENDMENT NO. 186

(Ordered to be printed and referred to the Committee on Governmental Affairs.)

Mr. KENNEDY (for himself, Mr. Metzenbaum, Mr. Abourezk, Mr. Bayh, Mr. DURKIN, Mr. McIntyre, Mr. Metcalf, Mr. Nelson, and Mr. Riegle) submitted an amendment intended to be proposed by them jointly to the bill (S. 826) to establish a Department of Energy in the executive branch by the reorganization of energy functions within the Federal Government in order to secure effective management to assure a coordinated national energy policy, and for other purposes.

Mr. KENNEDY. Mr. President, our Nation is at a crossroads in determining how we will deal with what is now the No. 1 concern of most of our citizens: How we will be able to fuel our home heating furnaces, our means of transportation, our places of business and industry, and our economy generally. In short, we have for the past few years been mired in the midst of an energy crisis. President Carter and the 95th Congress are determined to do something about it.

The paths we have before us are both rocky and the road not always clear. One involves continuation and expansion of Government regulation in every aspect of energy production, transportation, distribution, financing, retailing, and even use. The other involves loosening wherever possible the bonds of bureaucratic regulatory apparatuses in favor of more flexible and responsive regulation by the marketplace—characterized by informed consumers obtaining products from competitive producers.

No one can deny the importance of energy to the national economy. Nor also can the concentration of power in the hands of a few major vertically and horizontally integrated multinational corporations be underestimated. It seems to me that injecting competitive goals and mechanisms into our national policymaking and regulatory machinery cannot be left to the occasional congressional pronouncement or Antitrust Division pleading. Rather, we must give force and direction on a daily, ever-present basis to our often-reiterated declarations that our basic economic policy lies in reliance on the forces of free competition.

That is why today I am joining with eight cosponsors in introducing an amendment to the President's proposed Energy Reorganization Act (S. 826) to create an Office of Assistant Secretary for Competition and Consumer Affairs within the new Department of Energy. The Assistant Secretary would be nested with both responsibility and authority to promote and protect competition in energy industry activities and to insure that the best interests of the American consuming public are not ignored in governmental regulatory and policymaking processes.

Congress has frequently stated and restated our national policy to promote free and open competition in the marketplace of our country. This policy was given its basic formulation over 70 years ago in the Sherman Act, which the Supreme Court has described as a "charter of freedom" with "a generality and adaptability comparable to that found to be desirable in constitutional provisions." One recent case has held it to be fundamental policy binding on all officials of the Government.

In energy matters, particularly, Congress has in recent years emphasized and reemphasized the "priority objective" to "restore and foster competition in the energy industries."

The Atomic Energy Amendments of 1967, the Emergency Petroleum Allocation Act, the Trans-Alaskan Pipeline Act, the Energy Policy and Conservation Act, the Defense Production Act Amendments, the Deepwater Ports Act, all make strong reference to a national policy of promoting competition. It is, however, fair to say that these statements of policy have suffered the usual fate of general exhortations and have had little impact upon our energy policy.

The problem, to a large extent, has been that no one in particular has been responsible for energy competition policy. The forces dedicated to the enforcement of competition have been few and

scattered.

Now, with the creation of this new Department, we have an opportunity to remedy this problem, without new substantive legislation, by merely collecting in one office responsibility for giving effective administrative voice to our frequent, but unheeded, legislative exhortations regarding antitrust policy.

The form of this new Department makes this an exceptionally important matter. S. 826 centralizes in one vast organization a host of regulatory responsibilities over all aspects of energy supply and pricing. Years of history teach, however, that agencies with regulatory responsibility quickly and surely develop an institutional hostility to competition and free market solutions which remove or reduce the bureaucrat's ability to exercise omnipresent control over activities of the private sector. Given the immediacy, importance, and scope of energy control, there is inevitably an overwhelming temptation for a Government official to rely on planning, organization, and slide-rule regulation, rather than the more responsive and uncontrolled forces of competition.

The process is not a new one—over two decades ago Prof. Louis Schwartz described regulators with telling accuracy:

Often they will be men who find congenial the routine security of office and the reliable deference of the small group of important businessmen and counsel who regularly appear before them. They will naturally be responsive to plans for making business life more orderly and secure through integration and price regulation. Unplanned and ruthless commercial rivalry will be distasteful to them. On the other hand, small victories over those whom they regulate will suffice to maintain their self-esteem, while large issues can be postponed or avoided.

The Assistant Secretary for Competition and Consumer Affairs would be in a position to argue forcefully for the role of competition in relation to the new Energy Department's actions. This would effectively supplement, but not duplicate, the functions of the Antitrust Division of the Department of Justice. While that Division can supply antitrust advice to other agencies, it is rarely in a position where it can do so effectively—most especially in energy matters. Even where, as in the Deepwater Ports Act, statute explicitly requires that the Antitrust Di-

vision be consulted, the recent Loop and Seadock licensing decisions by the Secretary of Transportation reveal the need to supplement Antitrust's advice by internal policymaking machinery. There Attorney General Levi delivered an opinion apparently detailing the anticompetitive aspects of these joint ventures in energy transportation. The Attorney General's involvement in this matter, however, began after the basic decision had already been made. The Justice Department was not involved in the decision that the deepwater ports had to be constructed, owned and operated by integrated oil companies. The Attorney General was left with the role of recommending measures to mitigate the consequences of this decision. And not only did the Secretary depart from General Levi's recommendations, but classified his opinion as confidential-despite Justice assurances that it was not.

The problem is not with the quality of antitrust advice rendered by the Department of Justice, though the Antitrust Division is considered to have foresworn any aggressive pursuit of competitive goals in energy matters generally. The problem is that Justice is an outsider: an advocate with no client; a representative with no consistency. It is rarely admitted to the internal policymaking process, and then usually after the critical decisions have been made. The traditional role of the division as advocate for competition policy in administrative proceedings should be continued, but it has clearly proved inadequate in the

Under my amendment, the new Assistant Secretary for Consumer Affairs would be empowered to put competitive considerations up front-and from the inside. Antitrust review would be internalized in the agency's operations, not brought in as an afterthought. It would be part of the on-going inside decisional process, not a sudden confrontation from outside the Department. And, from his seat within the Department of Energy, the Assistant Secretary for Competition would be in a position to enlist the aid of the antitrust agencies, both the Justice Department and the Federal Trade Commission, when those agencies' broad enforcement powers are required to achieve the free enterprise competition which is our national objective.

If we are to make the fostering of competition a daily reality as well as a policy objective, then the institutional framework for decisionmaking must be changed. This is especially important in dealing with the energy industries and in particular the petroleum industry. This industry has a singularly successful record of manipulating Government institutions for anticompetitive purposes. John O'Leary, the new Federal Energy Administrator, has most accurately summarized the history of the process for the Antitrust Subcommittee:

... the oil industry maintains a formidable level of political activity. It understandably uses its economic and political strength to advance its own interests and those interests do not always coincide with those of the public at large.

... the oil industry has an extremely long tradition of seeking the development, par-

ticularly at the raw material end of the business, of institutions that essentially eliminate price competition.

The first application of NRA, back in the 1930's the subsequent passage of the Connelly Hot Oil Act, and the wave of State conservation statutes, particularly those relating to proration of production to market demand, are early examples of this tradition. Later, when imports threatened the market price stability created by prorationing, the petroleum industry was able to mount and sustain an effort that extended, through Federal action, the prorationing concept to imports. Thus, I think it is clear that for reasons that may be perfectly valid for the oil industry, that the industry used its political strength to create, by statute, a result that other industries only could have approximated by collusive action.

The Assistant Secretary for Competition should have three basic functions. First, he or she should be involved in the development of all aspects of energy policy which affect competition. And, as the principal officer in charge of competition, the Assistant Secretary should have the responsibility of continually monitoring the effects of such policies on the welfare of the consuming public. To perform this function, the Assistant Secretary must have access to all phases of the decisionmaking process in the department and the ability to get recommendations before the Secretary.

Second, the Assistant Secretary should be responsible for setting standards and procedures which will insure that grants. licenses, and contracts issued by the Department have a procompetitive effect. For example, such things as the research grants given by ERDA have the potential of shaping the structure of the energy industry for many decades in the future. He should be responsible for promulgating rules to insure that such grants not lead to or aggravate economic concentrations. At the same time he must insure that the technology developed by such subsidized research not become the basis of such concentration.

The Assistant Secretary should also perform a similar function regarding energy related activities of other departments. He should have the responsibility of intervening in proceedings involving energy transportation, such as the licensing of deepwater ports or tanker constructions. He should be a party in the proceedings to license nuclear reactors and should supplement the role now played by the Antitrust Division in reviewing the competitive implications of reactor licensing.

Third, the Assistant Secretary should be responsible for participating on behalf of consumer interest or promoting and funding direct consumer participation in formal proceedings. The Assistant Secretary's function should be to protect the interest of the consuming public and to insure that energy regulation interferes with competition no more than is necessary.

more than is necessary.

It is not clear under S. 826 how the decisions on crude oil and natural gas pricing are to be made. Whatever procedure is finally adopted, it is essential that there be no one official in the Department with full responsibility to intervene to protect the competitive system and the interest of the consuming

public. Ancillary to this responsibility, the Assistant Secretary should also have the ability to encourage and, where appropriate, finance direct public involvement in such proceedings

Finally, but not least, the Assistant Secretary for Competition should be authorized to investigate and required to report on the state of competition both within the field of energy as a whole, and within each of the energy industries.

The creation of the office would do a great deal to bring the rhetoric about competition, both from the Congress and the Executive, closer to reality. Obviously this measure by itself will not insure competition in the energy industries, nor will it save us from repeating past errors. It can, however, insure that competitive considerations have a hearing in the formulation of our energy policy. Had this been consistently done in the past, we might well have been spared some of the worst aspects of our present energy dilemma.

TAX SIMPLIFICATION AND REDUC-

AMENDMENT NO. 187

(Ordered to be printed and to lie on the table.)

Mr. PACKWOOD. Mr. President, I am today submitting an amendment to delete the rebate from the Tax Reduction and Simplification Act of 1977. The rebate—a "Pump Now, Pay Later" proposal—is ill-suited to the economy in 1977. I think the American people know that approval of the rebate constitutes economic and legislative irresponsibility.

Approval of the rebate would be economic irresponsibility because the rebate is the wrong economic stimulus at the wrong time. It would provide a jolt to the economy when we do not need it, and when we may not be able to withstand its effects. The rebate provided for in this bill will not create permanent jobs. According to the Congressional Budget Office, most rebate-induced hiring is undone after 1 or 2 years, and even these short-term jobs cost \$32,000 in Federal revenue each. It will not stimulate the economy through increased consumer spending. Rather, according to a recent Harris survey, a substantial majority of Americans will simply put the rebate in the bank or use it to pay off old debts. Furthermore, according to Chase Econometrics, it would be twice as inflationary as a permanent tax cut. It will not provide the kind of steady stimulus found in other alternatives such as a permanent tax cut.

No one said it better than President John F. Kennedy, who, in his 1963 State of the Union address, advocated a permanent tax cut:

No doubt a temporary tax cut could provide a spur to the economy—but a long-run problem compels a long-run solution.

Approval of the rebate would be legislative irresponsibility because the Congress has a higher obligation than to be a mere rubber stamp for Presidential initiatives. I do not know how many times I have heard Members of Congress say,

I know a tax rebate is bad economic policy, but I feel that I have to give the President the benefit of the doubt on this one.

I say that if the rebate is bad on the merits, the Senate should say "no," in clear, unmistakeable terms, Presidential honeymoon or no Presidential honeymoon.

Mr. President, I ask unanimous consent that my amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 187

On page 3, beginning with line 11, strike out all through page 26, line 2.

On page 26, line 3, strike "Sec. 114" and insert "Sec. 101".

AMENDMENT NO. 188

(Ordered to be printed and to lie on the table.)

Mr. DOMENICI. Mr. President, I am sending to the desk an amendment to H.R. 3477, the so-called economic stimulus measure. This amendment is identical to S. 1014 which I introduced on March 17, 1977.

My amendment would create a \$250 tax credit or a \$1,000 tax deduction for individuals who maintain within their homes a dependent aged 65 or older. The objective of this amendment is to help us meet the critical shortage of decent housing for our older citizens.

NOTICES OF HEARINGS

NOMINATIONS BEFORE THE COMMITTEE ON THE

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, April 19, 1977, at 10 a.m., in room 2228 Dirksen Senate Office Building, on the following nominations:

William M. Hoeveler, of Florida, to be U.S. district judge for the southern district of Florida, vice Peter T. Fay, elevated.

Howell W. Melton, of Florida, to be U.S. district judge for the middle district of Florida, vice Gerald B. Tjoflat, elevated.

Any persons desiring to offer testimony in regard to these nominations shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

This hearing will be before the full Judiciary Committee.

SPECIAL COMMITTEE ON AGING HEARINGS

Mr. CHURCH. Mr. President, I wish to announce that the Senate Committee on Aging will conduct hearings on "The Effectiveness of Food Stamps for Older Americans" on April 18 and 19 at 1 p.m., in room 322, Russell Senate Office Building

The committee will hear testimony from elderly food stamp participants, representatives from national senior citizen organizations, the administration, and the Food Research and Action Center. Senator Melcher will chair the hearings for the committee.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. CANNON. Mr. President, the Committee on Rules and Administration has scheduled hearings for May 4 and 5, 1977. on first, S. 1072, to establish a universal voter registration program, second, S. 926, to provide for public financing of Senate primary and general elections, and third, S. 15, S. 105, S. 962, S. 966, and proposals by President Carter and the Federal Election Commission and others to amend the Federal Election Campaign Act of 1971. The hearings will be held in room 301, Russell Senate Office Building, beginning at 10 a.m. The hearings may be continued to subsequent dates, should additional time be required.

Any persons wishing to submit written statements for inclusion in the hearing record should send them to the Committee on Rules and Administration, attention Edwin K. Hall, room 310, Russell Senate Office Building, Washington, D.C. 20510 (telephone: 202-224-5647).

COMMITTEE ON RULES AND ADMINISTRATION

Mr. CANNON. Mr. President, I wish to announce that the Committee on Rules and Administration has scheduled hearings for May 2 and 3, 1977, on resolutions authorizing Senate committees' funds for inquiries and investigations for the period July 1, 1977, through February 28, 1978.

These hearings will be held in room 301, Russell Senate Office Building, beginning each day at 10 a.m. Staff directors desiring information on scheduling their chairmen to testify on such resolutions, please contact Peggy Parrish, Assistant Chief Clerk, extension 4–6352.

NOMINATIONS

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, April 19, 1977, at 10 a.m., in room 2228 Dirksen Senate Office Building, on the following nomination:

Leonel J. Castillo, of Texas, to be Commissioner of Immigration and Naturalization Service, vice Leonard F. Chap-

man, Jr., resigning.

Any persons desiring to offer testimony in regard to this nomination shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

This hearing will be before the full

Judiciary Committee.

ADDITIONAL STATEMENTS

HOW STAFF UNDERMINE THE NATION'S LEADERS, THE PUBLIC'S INTEREST, AND NATIONAL SECURITY

Mr. HATCH. Mr. President, this week's issue of U.S. News & World Report carried a special report on the increasing power wielded by congressional staff. This growing power is no doubt real, and we all have occasion to feel it. But the growing power of staff to affect both politicians' and the public's interests is

not unique to the Congress. The Congress and its problems are often singled out for special attention as if they were unique. However, the same problem of irresponsible staff power afflicts the Ex-

ecutive as well.

For example, the April 5 editorial in the Wall Street Journal explains how President Carter's and Secretary Vance's posture in the SALT negotiations with the Russians has been undercut by their own aides. The editorial refers to the newsstories quoting aides and experts in Secretary Vance's traveling party on the return plane from Moscow criticizing their superiors for miscalculating and misjudging the Soviet mood and for failing to offer the Kremlin more concessions. It was all enough to prompt the Journal to ask, and I quote from the editorial, "Who was it on Mr. Vance's plane who came back from Moscow arguing the Russian case?"

This is a good example of how staff power makes itself felt, in this case through the press, and how it undermines the negotiating posture of the President and his Cabinet Secretary and also the Nation's security by causing the news media to respond to Soviet intransigence with accusations of alleged American miscalculation. With executive branch aides and their contacts in the media placing the blame for the breakdown in the arms negotiations on the United States, the field is cleared for the advancement of the Russian's interests.

The Russians already have the upper hand in the negotiations. They have learned over the decades how to play on our news media and competing political interests, and how to take advantage of open institutions. They are also under less pressure for an agreement than President Carter is. We certainly do not need executive branch staff arguing the Russian's case and putting our President in an even worse box than he is already in.

In view of the pitiful negotiating posture that staff and media have constructed for our Nation's elected leader, U.S. Senators certainly should not support further cuts in President Carter's already weakened defense budget. One cannot imagine any greater political idiocy at this time than for Senators to support further cuts in an already weakened defense budget. If we respond to Soviet intransigence by blaming ourselves and further cutting our defense budget, our President will re-enter the SALT negotiations with not just one hand tied behind him, but with both hands tied behind him and a gag in his mouth as well.

Mr. President, I ask unanimous consent for the editorial to be printed in the

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MISCALCULATION

"Miscalculation" seems to be the spreading code word for putting the blame for the breakdown of the strategic arms talks on the Americans instead of the Russians. President Carter and Secretary of State Cyrus Vance are being asked to affirm or deny that they

"miscalculated" in framing the offer the Kremlin so crudely rejected.

Mr. Carter and Mr. Vance may have mis-

calculated in choosing their staff, since the "miscalculation" code word got started on Secretary Vance's airplane coming back from Moscow. Stories quoting "aides" and "experts" in the traveling party said that the Americans had misjudged the Soviet mood, repeated the Soviet objections to the American proposal, and suggested that instead Mr. Carter should have offered the Kremlin the concessions former Secretary of State Kissinger was stopped, by a rebellion within the U.S. government, from giving them a year

Who was it on Mr. Vance's plane who came back from Moscow arguing the Russian case? The question does not seem to have escaped Mr. Carter's people, since press spokesman Jody Powell specifically denied the stories, saving they were "inaccurate accounts based

on a misinformed source.'

The stories are also, though, an accurate reflection of the proclivity of a U.S. bureaucracy to respond to Soviet intransigence by negotiate with itself. For some starting to reason which has always been mysterious to us, arms negotiators have trouble entertaining the possibility that the Soviets are not interested in an even-handed deal but in advantages for themselves. If you start with the assumption of Soviet good faith, you can always figure an agreement is merely a matter of giving a little more here and asking a little less there.

If on the other hand you are trying to find out whether the Soviets are interested in an even-handed deal you do what Mr. Carter did-offer them one and stick to it. If they don't think the deal is truly even-handed they can always counter-offer. But instead they rejected it outright, and are now waiting to see if the U.S. comes back with a better one. They calculate that they can win the negotiations because they are under less pressure for an agreement than Mr. Carter is.

They may be right, unless Mr. Carter gets a good grip on both his staff and his courage. For the "miscalculation" stories show again the kind of logic that has been so prevalent on the American side of the negotiations: If the Russians rebuff our offers, there must be something wrong with our offers. Perish the thought that there is something wrong with the Russians.

THE BATTLE AGAINST INFLATION

Mr. HUMPHREY. Mr. President, the Congress and the country are still faced with the problem of high unemployment and a sluggish recovery coupled with a persistent inflation. What can be done about it? Walter Heller, Chairman of the Council of Economic Advisers under Presidents Kennedy and Johnson and currently a regents' professor of economics at the University of Minnesota, has just taken an insightful look at the problem and proposes a number of specific measures the present Congress and administration can take.

Dr. Heller is careful to point out that the continued inflation does not result from too much overall demand. Unemployment is still at a 7.3-percent rate and capacity utilization rates remain low. Dr. Heller notes that the leading public and private models of the economy show that at least 80 percent and possibly as much as 88 percent of any fiscal stimulus will result in growth in real GNP. In other words, prudent fiscal and monetary policies could bring us 4 to 7 percentage points growth in GNP while adding only 1 percentage point to the current rate of inflation.

With still ample reserves of unused resource, restrictive monetary or fiscal policies will simply not bring inflation under control. As Dr. Heller points out, we need a whole range of specific policies designed to contain the wage-price spiral, anticipate bottlenecks, guard against rapid increases in raw material prices, increase competition, and foster more rapid growth in productivity.

The entire list of suggestions made by Dr. Heller commands our consideration. Mr. President, I ask unanimous consent that the full text of Dr. Heller's article, "The Battle Against Inflation," which appeared in the April 6, 1977 edition of the Wall Street Journal, be printed in

the RECORD

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE BATTLE AGAINST INFLATION (By Walter W. Heller)

President Carter, the Congress and the country are about to consider a renewed campaign against inflation. This calls for both a hard look at the battle-worthiness of the traditional monetary-fiscal weapons of demand management and a new look at the less orthodox weapons aimed at the costpush forces, supply constraints and structural factors that make up the hard core of inflation.

What comes through with distressing clarity at the outset is that the steep price we are paying in unemployment and wasted capacity is buying us little or no progress

in unwinding the price-wage spiral.

During the past 24 months, unemployment has averaged 8% of the labor force (closer to 10% if one adjusts for discouraged workers and the part-time unemployed). Operating rates in manufacturing have ranged between 70% and 80% of capacity. Yet, leaving out the erratic factors of food and fuel, one finds basic inflation orbiting in a 51/3% to 61/2 % range, with no discernible trend up or down during the past two years. Thanks to falling food prices, the Consumer Price Index seemed to be breaking out on the low side of that range in 1976, but this illusion has now been dispelled.

Wage and salary advances show a similarly stubborn pattern. Average hourly compensation rose at a 7.8% rate during 1975 and an 8.2% rate during 1976 (including an 8.4% rate in the fourth quarter).

Clearly, the harsh "discipline" of high unemployment and weak markets has done little to moderate wage and price advances in this period. Because 1977 inflation is at bottom a cost-push phenomenon-no exdemand or critical bottlenecks are in sight, and winter's freeze and drought are largely broken-the failure of weak product and labor markets to unwind the wage-price spiral sends a pregnant message to policymakers. Restraining aggregate demand by a Spartan monetary and fiscal diet might eventually bring inflation to bay, but it would be a painfully slow and bitterly costly process.

CUTS BOTH WAYS

The foregoing record transmits another and more immediate message as well. The sluggish wage-price response cuts both ways. Just as inflationary salvation won't be found in running the economy way below par, so perdition does not lie in modestly stepping up the pace of expansion.

It is a safe bet that the price-wage spiral won't speed up appreciably if real GNP advances at a 5% or 6% rate this year instead of chugging along at the 4% growth rate of the past 12 months. The most respected economic models, both governmental and private, tell us that at present utilization rates in the economy, at least four-fifths—some go as high as seven-eighths—of any given fiscal or monetary stimulus will express itself as higher real GNP and only one-fifth as inflation. That means trading off one point of added inflation for four to seven points of extra GNP.

Yet in the present state of jangled nerves in the financial markets, every uptick in the inflation rate—however clearly traceable to bad weather or cost-push pressures—seems to trigger new fears and criticisms of expansionary policies and specifically, the Carter stimulus package. It seems ironic that the business and financial community, partly owing to a misreading of the inflation signs, should be directing its critical fire at the very moves that would generate stronger markets for their goods and services, higher operating rates, and consequent lower unit costs and stronger incentives for capacity expansion.

But misdirected or not, the state of nerves is an economic fact of life. It is contributing to malaise in the stock market, to a "wait-and-see" attitude on business capital spending and to delays in enacting Mr. Carter's modest proposals for fiscal stimulus.

And more fundamentally, the fact of today's 6%-plus inflation and the fear of accelerating it as we take up economic slack remain an important barrier to policies for bringing aggregate demand and business activity up to the full potential of the U.S.

Well-modulated demand management through fiscal-monetary policies remains a necessary condition for non-inflationary expansion. But it is by no means sufficient.

To remove the inflationary roadblock to full employment also requires direct action to forestall supply shortages and bottlenecks, to promote competition and reduce cost pressures, to overcome structural unemployment and improve productivity, and most urgently, to de-escalate the wage-price spiral. We need to take anti-inflation steps like these, as Mr. Arthur Okun artfully puts it, "to make the world safe for prosperity."

"to make the world safe for prosperity."

Among the measures that Mr. Carter might well consider for the longer pull are the following:

Buffer stocks: To protect both consumers and industry from the 1973-74 type of shortages and resulting price explosions—and to limit the power of foreign commodity cartels—our economic stabilization policy should include a careful build-up and management of buffer stocks of oil, food, primary metals and other strategic raw materials.

metals and other strategic raw materials.

Bottlenecks: To spot bottlenecks and shortages in the making, an expert staff should monitor such key industries as aluminum, steel, paper and chemicals. Measures ranging from modification of import regulations and defense procurement schedules to accelerated amortization might be drawn on to help break impending bottlenecks.

Energy: It will be vital to manage the energy program so as to (1) neutralize as much of the inflationary impact of necessary tax and price increases as possible through innovative measures to deploy energy tax revenues in cost-reducing ways (see "Tax policy" below) and (2) retard the rise in energy costs over the longer run by inhibiting wasteful use and stimulating production.

Structural unemployment: Converting the structural or hard-core unemployed—broadly defined as those who can't get decent jobs even in a high-unemployment economy—into

productive contributors to society can help reconcile high unemployment and low inflation. Public policy needs to equip the disadvantaged with training and experience through a large-scale and sustained program of publicly assisted private-sector jobs.

Productivity stimulus: Apart from upgrading of the human agents of production, we need to step up the investments in plant and equipment, technology, research and development that are needed to expand capacity, improve efficiency, and cut costs.

prove efficiency, and cut costs.

Tax policy: When further opportunities arise to cut taxes, they should be used to buttress anti-inflation objectives. Examples: "buy out" state and local taxes that enter directly into the Consumer Price Index, cut the employe payroll tax as part of a bargain or compact to de-escalate wage claims.

Moving to measures that can arbitrarily be classified as having a shorter fuse—and are prime candidates for inclusion in Mr. Carter's immediate anti-inflation program—one can catalog the following:

Stimulate competition: Intensify antitrust activities and the dismantling of regulations that throttle competition and prop up costs and prices. Reduce trade barriers.

Government self-monitoring: Step up efforts by a strengthened Council on Wage and Price Stability (COWPS) to assess the inflationary impact of government programs and regulations. COWPS has recently weighed in against selected protectionist measures, overly burdensome regulations and farm price supports.

The use of government leverage: As a purchaser, for example, government should reexamine cost-plus contracting. As a source of grants to state and local governments, it should call on them for cost-reducing actions. As a subsidizer of medical and health care services, it can call for cost controls and price restraint.

Price-wage monitoring: Instead of pronouncing its benedictions or maledictions on major wage and price decisions after the fact, COWPS should be visible and audible during the decision-making process. Pointing out the inflationary and non-inflationary alternatives in wage negotiations and pending price decisions could have a healthy effect without any coercion.

This brings us, finally, to the prickly instrument of wage-price restraint. When all is said and done, unless Mr. Carter can deescalate that self-propelling price-wage spiral—and its sidekick, the wage-wage, spiral—his near-term anti-inflaiton program will come to little.

BATTLE-SCARRED TERRAIN

This is much ploughed and battle-scarred terrain. In the early skirmishes, Mr. Carter has retreated from pre-notification to "advance discussion" of major wage-price decisions, from jaw-boning to "little chats," and from guideposts or guidelines to "guiding principles."

What can he do with what's left? Probably more than meets the eye. Among other things he can (1) assert the government's presence in wage and price matters. (2) set a convincing example of government self-discipline in all matters inflationary, (3) ask big business and big labor to follow suit and "reason together" with them to develop guiding principles that will ease basic inflation down from, say, 6% to 4% and spell out the need for restraint on profit margins and a gradual move from 8% hourly earning boosts to around 6%, (4) use tax inducements, as indicated above, to lubricate this proces and help develop a social compact with business and labor.

But will it work? On one hand, one should not underestimate the power of persuasion, especially if it is underscored by government self-policing and self-restraint, if it is backed

up by heads-up staff work, and if it is put into a logically air-tight framework of goals and guiding principles.

At the same time, if it is too gingerly and gentle, it will not carry conviction. If it treads on eggshells, the eggs will hatch, and the inflationary chickens will eventually come home to roost.

If that happens, the Carter administration might well be thrown back on the old-time religion of slow growth, high unemployment and economic slack as the anti-dote for inflation. In turn, a lot of cherished goals—jobs for the disadvantaged, vigorous capacity expansion, a balanced budget, and health and welfare reform—would go down the drain. Mr. Carter's—and the country's—stake in a successful broad-gauged anti-inflation program is high indeed.

HUMAN RESOURCES CENTER

Mr. JAVITS. Mr. President, I commend to the attention of my colleagues Human Resources Center, of Nassau County, one of New Yorks best examples of model innovation. The center is busy evaluating, training, and employing physically disabled people in business and industry throughout the county.

Founded in 1952 by internationally known rehabilitation pioneer Dr. Henry Viscardi, Jr., who has been an adviser to every President since Franklin Roosevelt, the center today consists of three major coordinated units: Human Resources Research and Program Development Institute, with its many demonstration employment projects involving the participation of bankinsurance, and manufacturing; Abilities, Inc., the center's original work facility which serves as the model for 51 similar versions throughout the world; and the Human Resources School, chartered by the Board of Regents of the State of New York, which provides tuition-free, fully accredited education to some 230 severely disabled students from infancy through senior high.

Recently, several House and Senate professional staff members visited the center. I am advised by the minority counsel to the Human Resources Committee that the staff site visit concluded that the center's broad spectrum of programs could well serve as a national model for severely disabled persons' job training and placement, academic and vocational education, independent living, research, and information dissemination.

I ask unanimous consent that a report on the Human Resources Center 1976 programs and activities be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

HUMAN RESOURCES CENTER PROGRAMS AND ACTIVITIES, 1976

INTRODUCTION

This is a report on Human Resources Center's activities during 1976. Success during the past year in efforts to provide the disabled with access to economic, educational, and social opportunities reflect the belief of dedicated individuals, organizations, corporations, and foundations who have supported the Center.

The Center now offers comprehensive

programs for severely disabled individuals from infancy through adulthood. New programs focus increased attention on facilitating the transition from the school environment to the world of work, both for the vocationally directed high school graduate, and the disabled college student seeking postgraduate employment.

The Center's participation in the White House Conference on Handicapped Individuals and the Industry-Labor Council has resulted in increased concentration on programs designed to disseminate information and project models to communities

throughout the nation.

The progress reports that follow are iljustrative of future directions the Center is taking. Several of those described are pilot projects now reaching stages where they can be disseminated to other communities; others are just beginning, and underscore an increased sensitivity to the Center's national leadership role in the special education and vocational rehabilitation of America's handicapped.

THE WHITE HOUSE CONFERENCE ON HANDICAPPED INDIVIDUALS

On November 28, 1975, President Gerald R. Ford announced the appointment of Dr. Henry Viscardi, Jr., Founder and President of Human Resources Center as Chairman of the White House Conference on Handicapped Individuals.

The mission of the White House Conference on Handicapped Individuals encom-

passes three goals:

To provide a national assessment of problems and potentials of individuals with mental or physical handicaps;

To generate a national awareness of these

problems and potentials:

To make recommendations to the President and Congress which, if implemented, will enable individuals with handicaps to live their lives independently, with dignity, and with full participation in community life to the greatest degree possible.

The Industry-Labor Council

On September 16, 1976, John R. Opel, President of IBM Corporation, George Meany, President of AFL-CIO, and Dr. Henry Viscardi, Jr., Chairman of the White House Conference on Handicapped Individuals, convened the first meeting of the Industry-Labor Council. Mr. Opel and Mr. Meany are Co-Chairmen of this body.

The Industry-Labor Council will participate fully in activities leading to a formal report to the May 1977 White House Conference, and ultimately submit recommendations to the President and Congress. In addition, the Council will design and disseminate guidelines to both labor and industry for the formation of national policies on the training and employment of the

handicapped.

The first of four national meetings of the Industry-Labor Council took place in Chicago on November 18, 1976. The remaining meetings will be held in San Francisco, Atlanta, and New York. This last will take place at Human Resources Center in March of 1977.

AFFIRMATIVE ACTION

In April, 1976 the U.S. Department of Labor issued Affirmative Action for the Handicapped regulations based on the Rehabilitation Act of 1973. These regulations require most federal contractors to implement affirmative action plans to insure the recruitment, promotion, and accommodation of the disabled in industry. In anticipation of this, the Center conducted a two-day conference in March of this year to help guide industry toward successful implementation of affirmative action plans. Over 50 corporations and agencies attended, including AT&T, Bankers Trust, Chesebrough-Pond's, European-American Bank, Exxon, General Electric, Gulf Oil,

LILCO, IBM, Metropolitan Life, NBC, Purolator, Western Union, and many others. In addition to this, the Center's staff made field

visits to 44 companies.

A special Consulting Service for Employment of the Handicapped has been developed by Human Resources Center for companies that want to meet the federal requirements. It includes a series of programs which endeavor to promote a more cooperative and fruitful interaction between business and rehabilitation.

PROJECTS WITH INDUSTRY

This is one of our most important programs in that it best illustrates Human Resources Center's thrust in the field of employment of the severely disabled. Established with the cooperation of the U.S.D. of Health, Education, and Welfare, this project was designed to provide employment opportunities for the severely handicapped with special emphasis on helping them to secure jobs with future advance-ment opportunities.

Projects with industry has evolved two major areas of expertise. The first involves the development of sophisticated methods in evaluation, counseling, training, and placement of disabled individuals. The evolution of comprehensive programs of com-munication with industry to help prepare employers to accept disabled workers com-

prises the second area.

In 1976, an Advisory Council consisting of representatives from various industries was established to maintain communication between the project and employers. The Advisory Council provides valuable information on employment market trends. It aids the project staff in conducting conferences and workshops to educate the business community on Affirmative Action and rehabilitation techniques. The Council is also instrumental in involving new companies in the project.

HUMAN RESOURCES SCHOOL

Human Resources School offers tuitionfree education to over 230 severely disabled children. Chartered by the Board of Regents of the State of New York, it provides a full academic curriculum and extra-curriculum program to previously homebound children from pre-kindergarten through high school level, as well as a summer camp.

Among the members of the Human Resources School Class of 1976 were two youngsters who entered the School in 1962, the

year of its founding.

The Class of 1976 distinguished itself in many ways. Two of our seniors were awarded New York State Regents Scholarships based on their performance on a statewide examination. Three seniors were inducted into the National Honor Society in recognition of their academic achievement. Graduates are attending Princeton, New York Polytechnic Institute, St. John's, State University of New

York at Farmingdale, and other institutions. Among the 73% of our graduates who are now attending college, career goals include Data Processing, Medicine, Engineering, Psychology, and Business Administration. Most of those not attending college have entered career preparation programs conducted at the Center to prepare them for entry into

the world of work.

The faculty and research staff of Human Resources School has completed a three-year study of Health Education for Physically Handicapped Children. This project, undertaken in cooperation with the U.S. Depart-ment of Health, Education and Welfare has resulted in the publication of several curriculum guides to be distributed to school districts throughout the nation.

We are currently developing several new

innovations in special education:

Independent Living and Home Management Program, to be conducted in two new facilities, will encompass all areas of personal self-sufficiency. This program will be manifest on all grade levels from pre-school through senior high, culminating in an actual independent living experience.

We are also undertaking a major effort in

Industrial Arts Education for the disabled

We have completed construction of the Junior High School Pavilion. This new fa-cility is designed to integrate all phases of funior high education in one comprehensive multi-learning environment.

WORK ORIENTATION PROGRAM FOR SEVERELY DISABLED COLLEGE STUDENTS

The Work Orientation Program provides disabled college students with actual work experience related to their fields of study. The program is valuable in bridging the gap in the transition from student to employee, and in providing the work experience and contacts needed by the disabled student in order to obtain gainful employment upon

During the first year of the program (1973–1974), 20 students were placed. This figure increased to 50 in 1974–75, and to 75 in 1975–

Below is a listing of just a few of the placements made through the College Student Program between September 1, 1975 and June 30, 1976.

Three students, including a graduate student from Albany OVR, were placed in the Department of Commerce in Washington,

Two students, one majoring in chemistry and the other in engineering, were assigned to Brookhaven National Laboratories in Suffolk County.

One graduate stduent from Albany Law School is doing legal research for FDIC in New York City.

Two students are working as teacher's aides in Nassau County for Operation Outreach.

PREVOCATIONAL EVALUATION

This program, initiated in Fall 1975, provides a prevocational diagnostic evaluation for severely disabled individuals referred to us by the New York State Office of Vocational Rehabilitation (OVR), students of Human Resources School, and other agencies.

Utilizing three highly sophisticated systems of evaluation designed to simulate actual on-the-job skills and physical requirements, the program assesses the disabled individual's capacity to learn specific work tasks related to certain occupations, and measures vocational aptitudes.

The program exposes the disabled to work and job samples in skill areas like small engine repair, gauges, meters, paramedical professions, drafting, heating and air con-

ditioning, among others.

Once competency and vocational interest are determined, the individual and his counselor set up an individualized training plan that will eventually lead to successful job placement

The program is also designed to provide private business and industry with a means of evaluating their disabled employees for possible upward mobility potential, as well as to evaluate those employees, who were recently disabled, prior to returning to work.

PRESIDENT'S MESSAGE

Human Resources Center is on the brink of realizing a dream that I have cherished for many years. Ever since I founded the Center in 1952, it has been my hope that we would someday become a national resource for ideas and information on the employ-ment of the handicapped—that we could reach out to communities and agencies throughout this nation and effect positive change in the lives of America's disabled.

We have now taken the first step toward realizing this dream. Our newest effort, Programmatic Research on Employment Preparation for the Handicapped (PREP), has received the approval and support of the U.S. Department of Health, Education, and Welfare. PREP will be the most comprehensive analysis ever undertaken of career preparation. It will study the potentials of career education at the earliest age levels, including pre-school. Every facet of processes that eventually lead to what we call "job readiness" will be researched, and new programs to meet all needs will be developed.

Eventually, PREP will encompass training programs for professionals in rehabilitation and special education, the packaging of multi-media learning modules in career preparation, nationally circulated publications and monographs, and a data bank to serve industry, schools, and individual communities.

The past year has been a most dramatic one for the Center. Our involvement in the White House Conference on Handicapped Individuals and the Industry-Labor Council has greatly broadened the horizon of our responsibilities. The future, as we enter the next quarter-century of activity, promises to offer even greater challenges. I am confident that with the continued support of all of those who have stood by us, we continue to bring dignity and independence to America's disabled.

A NEW ERA FOR "THE ACTION AGENCY"

Mr. CRANSTON. Mr. President, last month Sam Brown and Mary King were confirmed by this body and sworn in as the new Director and Deputy Director, respectively, of the ACTION Agency.

During their nomination hearings before the Senate Human Resources Committee, Sam Brown and Mary King discussed their views with respect to the future of the ACTION Agency, and emphasized their commitment to strengthening the individual programs which are the life blood of the Agency—VISTA, the Peace Corps, the university year for ACTION program, UYA, and the older American volunteer programs, foster parents, senior companions, and the retired senior volunteer program, RSVP.

The newly established Subcommittee on Child and Human Development of the Human Resources Committee will be responsible for directing the Senate's monitoring of the ACTION Agency's implementation of the Domestic Volunteer Service Act of 1973, as amended—the statute providing legislative authority for the domestic volunteer programs of the ACTION Agency. As the chairman of the new subcommittee which is the successor to the Human Resources Subcommittee of the predecessor Committee on Labor and Public Welfare, I look forward to continuing my efforts in this area and to working with Sam Brown and Mary King in pursuing the goals of these fine programs under their new, exciting, and productive leadership.

Mr. President, for the benefit of my colleagues, I ask unanimous consent to have printed in the RECORD the statements made by Sam Brown and Mary King at the hearings on their nominations before the Human Resources Committee.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF SAM BROWN

Mr. Chairman, Members of the Senate Human Resources Committee, while the immediate question before this Committee is "why Sam Brown?", I'd like to use these few opening remarks to talk about a prior question—"why ACTION?", or more particularly for the purposes of the Committee, why VISTA, Retired Senior Volunteer Program, Foster Grandparent and other domestic programs of the agency? It is a question I have thought about a geat deal since I came under consideration for this position.

The answer is not "because they are there."
Too many institutions continue to function for that reason. I believe we have an obligation—certainly I do as one who has been asked to head the agency—to satisfy ourselves that there continue to be compelling answers to that question, and ones that make sense in today's terms, and not merely in terms of the country as it existed when the programs were created.

In thinking about that question over the past several weeks, I have reached the firm conviction that the domestic programs of ACTION are not luxuries, nor can our country afford to do without them.

We need VISTA as much today, if not more, than when it was created twelve years ago.

We need VISTA for several reasons. We need it because there are millions of people in this country who are struggling each day to keep their heads above water. It should not be forgotten that the mission for which VISTA was created was to work against poverty and powerlessness. But we have a different, and I think better, understanding of those problems today than we did when the program was created.

We know that poverty and powerlessness will not be overcome by pitting black against white, young against old, Anglo against Hispanic. We know that those divisions only serve to keep things the way they are and that the real issue is economic justice for all people who have not shared in this country's success.

We know that poverty and powerlessness do not stop at some official government dividing line. It is not just those with incomes under \$5,000 or \$6,000 a year for whom America has not worked well. There are millions of Americans above those lines as well who aren't making it, who feel trapped, and who have come to the conclusion that their government is at best indifferent, and at worst a willing conspirator in their troubles.

And we now know that we cannot impose solutions from above. We know that we cannot tell people what is best for them, but that we can help them develop the tools—individual ones and collective ones—to compete more fairly for the distribution of our nation's economic and political rewards.

That sharper focus has a number of very practical implications for an organization like ACTION. It means programs that put volunteers to work helping people make it on their own—giving them support with the overwhelming daily burdens that the rest of us can buy our way out of. Like child care, so that parents can work and children can learn. Transportation for older people, so that they can get to the doctor, or simply get out of their homes. Programs for kids that give them something more to do than just hang around. In general, programs that give people more power and control over their day-to-day lives.

It also means programs that help people to build their own communities and neighborhoods. It means programs that help them to initiate and influence the decisions that determine whether and how their communities and neighborhoods live or die. Programs that help them define their own problems, set their own goals and deal effectively with the huge economic and political institutions that often unilaterally shape their lives. If

ACTION is to maintain its domestic purpose, its agenda must be set by the local communities and neighborhoods it serves.

Our better understanding of the nature of these problems also means that we must expand the base from which volunteers are drawn. Upper-middle-class college students are a source of great idealism and energy for our country. But they are not the only Americans who are idealistic.

There are millions of young people from working neighborhoods, in their late teens and early twenties, who have dropped out of school, can't find a decent job, and want to get involved. ACTION can be their vehicle.

And it is essential that ACTION be seen as an effective vehicle for blacks, Hispanics and Native Americans to serve their own communities.

VISTA and the other domestic programs of ACTION are as important to the people who serve as they are to the people who are served.

I have spent a good part of the past ten years doing the kinds of work I have just described. I know from that experience the great satisfaction that comes from helping someone else to live a little more freely. There is no faster way to grow than by getting involved with others who haven't shared your opportunities.

I do not believe that the people of this country have lost their idealism or their appetite for the hard work of building a better future for our country. There is a great reserve of human energy in this country. But it cannot be conscripted. People will not serve for the sake of serving. They will not respond to their government's call beause their government is calling. They will not believe they can make a difference unless they really can make a difference.

ACTION will spring to life again when our people start to feel good about their government again. I feel confident about that happening now. But if ACTION is to stay afloat, even in a rising tide, it must first clean up its own problems.

The agency has been badly pummelled in recent years. It has been politicized. It has been bureaucratized. It has seen its purpose obscured. It is a tribute to the resiliency of the idea, to the commitment of the Congress, and to the many of those who continued to work in the agency, that it ever survived.

work in the agency, that it ever survived.

The first task of a new director is to attract to the leadership of the agency and to its programs people who are firmly committed to those programs and who share the idealism and energy of those who will serve as volunteers.

The new leadership must restore the identity of the individual programs that make up ACTION. I have never met a person who volunteered to work for ACTION. People join VISTA and the Retired Senior Volunteer Program and Foster Grandparents. Each of those programs must have an identity of its own and leadership of its own.

own and leadership of its own.

We must restore the local perspective to the agency. ACTION is one agency in Washington that should think of the nation, not in terms of the nation, but in terms of the communities and neighborhoods where people live. It should be looking for many small answers, and not a few big ones.

We must operate the agency so that its resources are spent, not on bureaucracy in Washington, but in the cities and towns and rural areas where the volunteers are working. ACTION should be an agency that is not afraid to experiment, to try new ideas. At the same time, we must assure that its resources are spent effectively and not squandered. As one who has served for the past two years as Treasurer of the state of Colorado, I know those objectives can be met.

rado, I know those objectives can be met.

We are entering an upbeat time again
for our country. We have gone through a
period of great national unhappiness. We

were agonized over a war that did not make sense. We were depressed by the realization that our leaders would betray their public trust. But now we have an opportunity to collect ourselves, to regain our balance, to start working again on our real problems, and to start thinking about our future.

I believe ACTION has an important role to play in that new beginning. If I am confirmed by this body, I look forward with great enthusiasm to the challenge and the oppor-

STATEMENT OF MARY E. KING

Mr. Chairman, members of the committee: Much of my life has been spent working for civil rights, an end to poverty, betterment of public health and equal rights for women. I feel a deep empathy with people who want and work for responsible social

The separate programs of ACTION were born out of the strong traditions of idealism and collective voluntary endeavor that created America. In the first decade of their existence, the Peace Corps and VISTA were a source of substantial material help to many thousands; of hope and inspiration to millions. Volunteers at home and abroad worked long and hard to help alleviate the twin burdens of poverty and powerlessness.

Now there is hope for a new climate of restoration and positive action. Inspiration is replacing negation in our country. As the principal federal vehicle for Americans who want to get involved to help solve their own problems, ACTION can and should capitalize

on this feeling of renewal.

Every government agency likes to call itself a people's agency, but ACTION precisely fits this description. Through such programs as RSVP and Foster Grandparents, it directly delivers services to people who need them most. As such, ACTION is not a bureaucracy of elitists trying to impose solutions from above but the federal agency uniquely centered on the conviction that, given the proper support, people can best solve their own problems. An agency such as ACTION, in the pursuit of its larger goals, must care about people helping themselves. It must foster and support innovative, responsive efforts by those who want to gain greater control over their individual and collective lives.

A revitalized ACTION agency can do much to help restore the validity and integrity of self-help and hard work, both here and

As you may know, the President has also appointed me as Special Adviser on Women. All of ACTION's concerns have a direct link here. For instance, the principal activities of Peace Corps volunteers are in agriculture, health and education. Worldwide, women are the chief producers and preparers of food, and dispensers of primary health care. Their lack of education puts a burden on all society. The Peace Corps can substantially upgrade the status of women because its voluneers are in intimate daily contact with their lives and problems. Domestically, VISTA volunteers can have a similar impact

Volunteers have made a significant dif-ference in the past, whatever their programs, wherever they have served. But what of the future? If we are to be effective, if we are to use our financial and human resources wisely and productively, we must have programs that reflect the needs of local communities and creative plans that respond to their problems and their hopes.

We must also broaden the volunteer base to include and involve those who may now feel left out of our complex society: the elderly, the unemployed teenager, the for-cibly retired, displaced homemakers, the very poor and the illiterate.

In my estimation, the major question we face as a society is what kind of people are

we? When we are at peace; when we have relative domestic tranquillity; even after our basic values have withstood severe testing and have survived? The programs of ACTION provide some of the answers to these ques-

Volunteer activism is one of our richest heritages. I hope to see the agency become one catalyst for redefining our sense of purpose and for helping renew our national priorities. Perhaps in the future, successful ACTION programs may serve as models for a people dedicated to volunteer service at all levels of our national life.

I hope that I, too, working with you and Sam Brown, can help regenerate that unique spirit of voluntary action upon which Amer-

ica was founded.

HOW TO SAVE ISRAEL IN SPITE OF HERSELF

Mr. BELLMON. Mr. President, the current visit to this country by President Anwar Sadat of Egypt coupled with the recent visit by Prime Minister Rabin of Israel clearly points out the vital role the United States must undertake in working out a lasting peace in the Middle East. It is rare in history for the counsel and support of one government to be so eagerly sought by two separate nations which have historically been at odds. Both Israel and Egypt are now obviously eager for settlement and equally eager for the United States to act as mediator.

As a member of the Senate delegation which recently visited both these countries, I join with others in urging President Carter to act before the opportunity for peace passes by. At no other time since the creation of the modern State of Israel have all the elements in the Middle East been so favorable for negotiation of a peace acceptable to all the involved countries.

The economies of both Israel and Egypt demand a lasting peace and neither country can afford another outbreak of hostilities. The leadership of the involved nations is strong, enlightened, and moderate and any future changes are likely to be for the worse. The tensions, while still high, are considerably lessened and the opportunity for peace with respect is excellent.

George Ball, the distinguished former Under Secretary of State, has written eloquently on this subject many times. His most recent article appeared in the Washington Post on Sunday, April 3. Secretary Ball's analysis of the current situation is excellent. I ask unanimous consent that a copy of his article, "How To Save Israel in Spite of Herself" be printed in full in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BELLMON. Mr. President. the purpose of my remarks is to urge the Carter administration to move with a high sense of urgency toward settlement of the differences between Israel and the Arab world which have led to four wars in the Middle East since 1948. There is no other international question of such urgency. Neither the current breakdown of the SALT talks nor any other matter should be allowed to deter the Carter administration from the responsibility of taking a vigorous initiative toward arriving at a permanent peaceful settlement of the age-old controversies which have caused such heartache and hardship to all our friends in the Middle East in the years past.

EXHIBIT I

[From the Washington Post, Apr. 3, 1977] HOW TO SAVE ISRAEL IN SPITE OF HERSELF (By George W. Ball)

Most Americans approach the problems of the Middle East with a pro-Israeli bias-and rightly so. The desire of a dispersed people for a homeland cannot help but enlist the sympathy even of those with no Jewish roots; nor can any sensitive man or woman fail to be moved by the countless tales of valor and self-sacrifice in the years both preceding and following the creation of Israel. Set against the grim background of the Holocaust, the story of Israel is a continuing chronicle of grit and enterprise.

Not only must Americans admire Israel; there can be no doubt that we have an interest in, and special responsibility for, that valiant nation. So the question is no longer whether the United States should contribute to assuring Israel's survival and prosperity, but rather how we Americans can best fulfill our responsibilities to Israel, to ourselves and to other nations whose well-being could be endangered by further conflict.

By expending substantial effort and political capital, we can probably overcome the technical impediments to a reconvened Geneva Conference, principally the question of representation for the Palestine Liberation Organization. Thus, by sometime next fall, Arabs and Israelis will presumably sit down around a green baize table or tables.

Yet, unless we are prepared to act more incisively than in the past, that conference will be the prelude to disaster. Neither side has altered its formal positions in any significant way. The Arab nations still demand that Israel withdraw from all territoy occupied since the 1967 war, while refusing unequivocal assurances of full recognition of Israel. Israeli leaders, on their part, insist that their security requires the retention of substantial areas of their post-1967 terri-

The critical significance of this stalemate cannot be overemphasized; a breakdown of the conference would set in motion ominous forces, resulting, first of all, in the radicalization of the Arab front-line states. In Egypt, President Sadat has staked his politifuture on the belief that the United States holds the key to peace and is prepared to turn it. In Syria, President Assad's policles of moderation will be critically undermined if Geneva fails.

And even Saudi Arabia, though currently the most effective force for Arab reasonableness, will, in the event of renewed warfare, be compelled by the dynamics of Arab politics to impose an oil embargo. Indeed, if the Geneva Conference disintegrates, it may even feel forced to use its oil weapon before hostilities begin.

So we dare not regard the projected Geneva Conference as merely another episode in the long-playing Middle East movie serial. If it ends with a whimper, it will be followed by a bang. The leaders of the front-line Arab states will concentrate on building fighting forces to attack Israel as soon as they can approach military parity. Faced with that prospect, the beleaguered Israelis may well

However it begins, another Arab-Israeli war will be far more destructive than any in the past. Because both sides now possess sur--to-surface missiles, cities and civilian populations will almost certainly be targets, while the prospect for superpower involvement will be much greater than in earlier conflicts.

Yet, although the relatively impotent governments in the key Arab countries and in Israel can never by themselves devise a compromise solution, the conventional wisdom still rejects any suggestion that the United States should lay out proposed terms of a settlement. Instead—we are told—the parties must be left to find their way by palaver to some common meeting ground near the center of a no man's land studded with land mines of hatred, religion, vested interests and rigid doctrines of military necessity, in bland disregard of the fact that the conditions essential to an effective negotiation do not exist.

First, there is no unanimous desire for peace on either side. Although weakened by events in Lebanon, the Rejection Front—which totally rejects the concept of Israel's right to exist—remains an influence in Arab politics, while in Israel some politicians still wish to avoid any negotiation in the wistful hope that Israel can hang on permanently to the territories seized in 1967.

the territories seized in 1967.

Second, neither the Israelis nor their Arab neighbors believe that their side can gain as much as the other side by a major concession. Lacking even a minuscule quantum of mutual trust, each side views its own concessions in the narrow focus of the other's gains.

Third, the governments on both sides are politically too insecure to be able to offer the concessions requisite to a solution.

Finally—and most important—the positions of the parties are so far apart that they can never, by themselves, find their way to a compromise in the context of a total settlement.

For her own security, Israel can accept nothing less than an unequivocal Arab commitment to peace and full recognition, together with adequate safeguards; yet, in view of the primacy of the issue in Arab politics, leaders of the key Arab nations can give no such commitment without the assurance of an Israeli withdrawal from the territories taken in 1967.

WITHDRAWAL FOR RECOGNITION

Thus, to bring about a settlement, the missing preconditions to negotiation must either be provided or rendered unnecessaryand this can be accomplished only by an assertive United States diplomacy. This means that our government must advise the more moderate Arab states-Saudi Arabia, Syria, Egypt and Jordan—that it will use its leverage in the search for peace but not unless those states make clear their acceptance of Israel's sovereignty. At the same time, Israel must be made to understand that a continuance of the present stalemate is more dangerous than the concessions required for peace. Finally, America must play the indispensable role of relieving the political leaders on both sides of the need to make politically unpalatable decisions by enabling them to yield with cries of outrage under relentless outside pressure.

I am not proposing at all that the United States lay down arbitrary terms of peace. Rather, we must insist that both sides carry out the United Nations Security Council Resolution 242 of 1967 (affirmed in 1973 by Resolution 338), which so far neither side has been willing to do.

To make progress possible, we must translate the principles embodied in that resolution into a comprehensive plan of settlement. That plan should establish as a firm precondition that Israel's neighbors explicitly recognize her as a Jewish sovereign state and that they commit themselves unequivocally to respect freedom of navigation in the waterways of the area for Israeli ships as well as cargoes, permit free movement of peoples and trade and take other specified measures to assure full political, economic and cul-

tural intercourse. They must accept arrangements through leasehold or otherwise to provide Israel control over access to the Gulf of Aqaba by the maintenance of an adequate garrison at Sharm el Sheikh, accept the demilitarization of the Golan Heights and agree to the injection of neutral forces into that area and into other appropriate buffer zones under conditions where they cannot be withdrawn without agreement on both sides. To mitigate Israeli apprehensions of a West Bank Palestinian state, the front-line Arab states should commit themselves to discourage acts of violence or terrorism against Israel. Some formal link of Palestine to Jordan, as recently proposed by President Sadat, might go far to assure a responsible govern-

The principal powers supporting the proposal—the United States, Great Britain, France and, one may hope, the Soviet Union—would guarantee the inviolability of the boundaries as finally determined. In addition, we should seek agreement with the other guaranteeing powers to limit the flow of arms to both sides.

What chance does the United States have of persuading the Arab leaders to accept such commitments? There is accumulating evidence that Yasser Arafat, and such elements of the PLO as he can control, are moving toward the acceptance of a partitioned Palestine and, as the price for the return of the West Bank, would agree to recognize the sovereignty of Israel within her pre-1967 borders.

Moreover, the current leaders of Saudi Arabia, as well as of Syria and Egypt, desperately need a settlement to escape radicalization and the increase of Soviet influence in the area, as well as the high cost of maintaining Arab military might in an environment of hostility. Since the Saudis will be the principal source of financing for a Palestinian state, they should be able to exercise considerable discipline over whatever regime administers that state and to restrict the development of its military capability.

PRESSING THE ISRAELIS

But if we are to persuade the Arabs to accept these commitments, we must insist categorically that Israel withdraw from the territories occupied in 1967-subject to the negotiation of minor border rectifications. We must preserve the principle that there can be no territorial aggrandizement by force, as President Eisenhower made clear in 1956. Faced, in the aftermath of the Suez affair, with the Israeli refusal to withdraw from the Sinai territories in defiance of the U.N. Security Council resolution of Feb. 16, 1957, he responded with clarity and promptness. If the Israeli government did not comply, the United States would not merely suspend governmental assistance, but would also eliminate essential tax credits and take other administrative action to restrict the flow of cash gifts and bond purchases from American private citizens.

That Israel today is far more dependent on United States help than in 1956 is shown by the fact that her gross national product is only slightly larger than her budget. Last year, our public sector aid alone amounted to \$2.34 billion, which means more than \$600 for every man, woman and child in Israel. A similar amount is in view for the current fiscal year, so that our contribution to a country of 3.2 million people will again be a very high percentage of our total foreign aid expenditures. Rarely before have so many done so much for so few. Yet the aid should not be begrudged if it works for the longrange interest of the Israeli people.

Thus, the national decision Americans must make is not whether we should try to "impose" an unpalatable peace on the Israeli people, but, rather, how much longer we should continue to assist Israel to maintain policies that impede progress toward peace,

with all the dangers war holds not only for Israel but for the United States and other countries. Put another way, how much longer should we go on subsidizing a stalemate that is manifestly dangerous for all concerned?

The unhappy dilemma of Israel is that, so long as she refuses to relinquish the territorial gains from her 1967 conquest and thus prevents possible progress toward peace, she must continue as a ward of the United States. Already economically overstretched, Israel could not maintain anything like her present level of military capability without the continued infusion of something approaching \$2 billion a year from the American treasury, to say nothing of the cash amounts provided by the generosity of the American Jewish community under American laws and regulations that facilitate such contributions. Even with that huge subsidy, it is doubtful she can long continue as a garrison state. With 36 percent of her GNP committed to defense—equivalent to a U.S. defense budget of \$560 bililon-with inflation running at 35 percent, with the interest rate on bank loans ranging between 25 and 35 percent, and with very nearly the world's highest tax rates, her economy slowed to an annual real growth rate of only 1 percent a year in 1975 and 3 percent last year, while in 1976 her balance of trade deficit amounted to more than \$3 billion.

Beleaguered Israel is no longer the land of bright promise it was a few years ago; last year not only did her emigration exceed immigration but, in spite of strenuous efforts to encourage new immigrants, 60 percent of the Jews permitted to leave the Soviet Union for Israel chose not to go there but moved by way of Vienna to such Western countries as the United States, Canada and France.

Despite these foreboding developments, however, many still passionately contend that America should not undertake to turn Resolution 242 into a full-fledged plan of settlement, since only the Israelis are competent to decide what they need for their own security and we have no right to interpose our own judgment. Yet that assumes that the Arab-Israeli conflict involves the interests of only the direct participants, whereas, if a war with sophisticated weapons should crupt in the Middle East, the dangers for America and for world peace and prosperity would be appalling.

Let us suppose that Israel's arms should prevail and an Israeli column were moving on Damascus. Would the Soviet Union once again accept the humiliation involved in the defeat of its clients and again write off the expensive armaments it has poured into the area? Or would it feel compelled to drop a paratroop division or two into Syria? In its present mood, would the United States respond by force? Merely posing that question would tear our country apart—reawakening latent prejudices and creating bitter divisions.

Or, as a possible alternative, assume that Arab arms were triumphant and Israel was in imminent danger of invasion. Would the United States use its military might on Israel's behalf? Imagine the searing debate that issue would provoke! Nor can one ignore the possibility that, threatened with destruction, Israel might use, or at least threaten to use, nuclear weapons.

Even if none of these fearsome developments occurred, war would still mean catastrophic losses for the non-Communist nations. Not only would the dynamics of Arab politics require the oil-producing states to impose another oil embargo, but this time it would almost certainly be more destructive than the last. Nothing could more tragically undermine the solidarity of the West than an embargo applied in a consciously discriminating fashion.

FEARS AND NEEDS

It is hardly surprising that many Israelis believe they cannot, under any circumstances, trust their Arab neighbors, who, as see it, are committed to Israel's destruction. Thus, one can well understand their fear that a West Bank Palestinian state would menace Israeli security. Yet, that is a circular argument. Irredentism for the Palestinians is a compelling abstraction not dissimilar to the Jewish desire for a national home. So long as there is no part of old Palestine which Palestinians can call their own and to which they can, in principle, return, so long, in other words, as they are denied the possibility of building their own nation in that part of old Palestine represented by the West Bank and the Gaza Strip, resentment, terrorism and excessive rhetoric are inevitable.

Unhappily, Israel's relations with the Arab world are so distorted by history and hardship and the deep emotional commitment of her people to what is, at the same time, both a nation and a spiritual concept as to disable many Israelis and their American supporters from anything approaching objectivity. As a pro-Israeli friend replied when I recently mentioned the apparent inability of the Jerusalem government to face the hard realities of its own situation. "Don't you think they are entitled to their paranoia?"

It was not a flippant comment; instead, it reflected the fatalistic acceptance of a possibly grim evolution of events. When the historic agonies of the Jewish people and their understandable yearning for a national home are viewed against the background of the Holocaust, can one wonder at the fierce tenacity with which they seek to maintain, and even to enlarge, their Israeli homeland, and the suspicion with which they regard their Arab neighbors who, they fear, threaten that very concept?

Yet, no matter how much we may sympathize with what my friend calls Israeli "paranoia," how far dare we let it determine American policy? How far, in other words, should we go in continuing to subsidize a policy responsive to Israeli compulsions which does not accord with the best interests—as we see it—either of Israel or the United States, but is a threat to world peace?

The fact we must reluctantly acknowledge is that the national interest of the United States and of Israel cannot, in the nature of things, be precisely congruent; there will necessarily be situations in which our policies must diverge from those of the Israeli government if our country is to be true to itself. Israel is a power with only regional interests, and the very intensity of her long struggle to survive has produced an excessive preoccupation with her own quite limited range of concerns—or, in other words, has forced her to view the world in short time spans and with severely limited horizons.

America's view of the world and her responsibility for world developments are of a wholly different order. We must appraise the evolution of the Arab-Israeli dispute in a world setting, taking account not merely of what certain policies might do for, or to. Israel in the short run, but also of what consequences they might hold for other countries and for the peace and well-being of the world as a whole.

SOVIET SUPPORT?

I have suggested that, prior to the reconvening of the Geneva Conference, we should seek quietly to obtain the agreement of our Western allies, France and Great Britain, as well as of the Soviet Union, to support a carefully developed settlement plan.

Although the Soviets cannot by themselves bring about a solution, they can probably frustrate any settlement. Yet, even though the Kremlin voted for Resolutions 242 and 338 and the proposed plan

would merely put flesh on the bare skeleton provided by those resolutions, would the Soviet Union go along with an American proposal to bring peace to the Middle East?

Today there is reason to believe that as an alternative to the maintenance of tension and turbulence—entailing irksome expenditures for arming the Arab countries as well as the danger of a superpower confrontation—the Soviet Union would elect to support—or, at least, not to sabotage—a peace proposal that accorded with Resolution 242, especially if it were given some recognition for its peacekeeping role. This is, at least, a reasonable hypothesis given credence by recent Soviet statements, and, although some may regard it with skepticism, it has not recently been tested.

To be sure, America once tried to make peace by expanding the principles of Resolution 242 in the so-called Rogers Plan. But those proposals could not have been floated at a less auspicious moment. In April 1969, Nasser had launched his War of Attrition; by October, Israel was heavily bombing Egyptian artillery positions, Egyptian casualties had reached high levels, her army's morale had fallen disastrously and over 1 million civilians had been evacuated from the Canal cities. Thus, when Secretary of State William P. Rogers launched his plan, the Israeli government was rapidly escalating the air war, feeling in strong position to impose its will and in no mood to bargain. The Egyptians, on the other hand, were smarting at their deteriorating military position and quite unwilling to negotiate when their power and prestige were at such a low ebb.

That was eight years ago. Today the Arabs have largely regained their self-respect in the light of their military achievements during the early days of the October 1973 war. Developments in Lebanon have reduced the authortly of extreme Palestinian elements within the PLO. For the moment, there are responsible leaders in all the key Arab capitals, while Saudi Arabia, the central treasury for Araby, seems determined to press toward peace, although—at least for negotiating purposes—it may try to hold to Sadat's definition of peace as "a state of peace" excluding for this generation diplomatic relations and trade.

But without a settlement, these favorable conditions will not long prevail, for time is not working on the side of either Israel or peace. That the balance of strength will ultimately shift to the Arabs seems almost in-evitable, not merely because there are 100 million Arabs opposed to 2.9 million Jewish Israelis, but because Arab financial resources and economic power have immeasurably increased since 1969 and are still expanding. Thus, because of the "logic of numbers," as well as the intolerable economic burden of maintaining a garrison state, Israel will, absent a settlement, almost certainly lose ground, despite the fact that, for the moment-but for the moment only-she holds military superiority due to the inflow of sophisticated United States weapons.

SAVING ISRAEL FROM HERSELF

Thus, the time is ripe for the United States to take a strong hand to save Israel from herself and, in the process, try to prevent a tragic war that could endanger the economies of the major non-Communist powers, separate the United States from its allies, precipitate a divisive domestic debate and pose a serious danger of a clash with the Soviet Union.

Up to this point, President Carter has not yet fully revealed his Middle East strategy, and the time is probably not yet ripe for him to do so. But he has, by publicly suggesting some of the elements of a final settlement, clearly departed from the more passive line rigorously pursued by the Ford administra-

tion. What is now to be hoped is that, as a probable reconvening of the Geneva Conference approaches, he will develop those views into a full-fledged solution that takes into account the security interests and other legitimate claims of both sides, then seek the agreement of the French, British and Russians—those permanent members of the Security Council that originally approved Resolution 242—to unveil the terms of a settlement the major powers would collectively support.

To carry through such an initiative, President Carter must be prepared to overcome formidable political opposition and to act with the same incisiveness President Eisenhower displayed in 1957. That will not be easy, for in the years since then Israeli supporters have greatly increased their political power in Washington.

Yet such a line of action would be responsible leadership by a great nation, while anything less would be highly dangerous.

YOUTH EMPLOYMENT AND TRAINING ACT

Mr. HUMPHREY, Mr. President, I am very pleased to join Senator Nelson and Senator Javits as a cosponsor of the administration's Youth Employment and Training Act of 1977. This is a very timely piece of legislation that has been developed through the cooperation of the administration with those of us in the Senate who have worked actively on youth employment legislation. This mutual understanding and cooperation has given us a bill that can be enacted swiftly, so that we can provide our Nation's young people with the jobs, training, and counseling that they need and deserve. I want to commend President Carter and Labor Secretary Ray Marshall for the role they have played in this and the support they have shown for the young people of this country.

Now, more than ever, the youth of our Nation need help. All across the country, unemployment has dealt a devastating blow to the hopes and aspirations of our young people.

In March, the unemployment rate among teenagers 16 to 19 years old was 18.8 percent, compared to 5.1 percent among adults 25 years old and over. Among black teenagers, the unemployment rate was 40.1 percent and, in many of our central cities, disadvantaged youths experience an unemployment rate that exceeds 60 percent.

There are 3.4 million young Americans under the age of 25 who want to work today, who are knocking on doors that remain closed to them. Ready, willing, and able to work, they have no jobs.

This is a national tragedy and unconscionable waste of one of our Nation's most valuable resources. Almost every teenager and young adult I have met wants desperately to work and to be accepted as a productive and useful member of our society. They want jobs, they want to be productive, they want to earn their way, they want to be given a fighting chance.

Unemployment cheats them out of all this. Joblessness tells our young people that there is no productive role for them. It tells them that they will have to wait—often for years—before we will admit them to adulthood, years before they

can earn their own income and become contributors to our national economic

Joblessness denies them the opportunity to develop the basic work skills and work habits needed for employment

while they are adults.

In addition, youth unemployment is a major source of crime. In 1973, the last year for which we have comprehensive figures, 55 percent of all those arrested for crimes were under the age of 25, 75 percent of arrests for serious crime involved youths under the age of 25. Youth made up 60 percent of those ar-rested for rape, 75 percent of those arrested for arson and robbery, and 85 percent of those arrested for vandalism, burglary and auto theft.

Most often, these crimes are committed by young people who have nothing valuable or productive to do and who have been totally alienated from the mainstream of our society and our economy. Young people who do not have productive jobs turn to the "shadow economy" of the dark streets and the back alleys in order to get by. They get into trouble. They destroy their own lives, and become a lethal social cancer. There is no way that we can reduce or eliminate crime in this country until we solve the problem of youth unemployment.

The most direct and rapid way of alleviating youth unemployment through specially targeted youth employment programs. Economic recovery alone

will not be sufficient.

Too many young people live in decaying central cities or in rural areas where there are just no jobs to be had by youths or adults.

Many youth have failed in, or been failed by, our educational institutions, and have no marketable job skills and

no way of obtaining skills.

The decline in small business, and the use by employers of artificial educational or experience requirements for jobs, also have worked to eliminate youth jobs.

Even if new employment opportunities open up as the economy improves, these structural problems will continue to plague our youth and deny them the jobs and work they need and deserve.

Only by creating useful and productive jobs that are specifically targeted at unemployed youth can we break the vicious cycle that denies jobs to young people because they are inexperienced or

have poor skills.

On January 11, I introduced a bill that would provide young people across this Nation with the programs they need to break that vicious cycle-S. 170, the Comprehensive Youth Employment Act of 1977. Senator Javits coauthored that bill, and a number of my colleagues cosponsored it. Congressman Paul Simon, Democrat of Illinois, introduced it in the House (H.R. 1731) with more than 60 cosponsors.

The Comprehensive Youth Employ ment Act contains a number of special youth employment and training programs, including a youth community service program, a youth opportunity in private enterprise program, a work experience for in-school youths program,

an occupational information and career counseling program, a National Conservation Corps, and an expansion of the Job Corps.

I am very pleased that many of the programs in the Comprehensive Youth Employment Act have been adopted in the administration's bill. Although the administrative procedures are different, the goals and the purposes of many of the administration's proposals are totally consistent with those of the Comprehensive Youth Employment Act, including the National Young Adult Conservation Corps provision, the youth com-munity initiatives program, and the youth employment and training programs contained in part C of the administration's bill. The administration, of course, had a tight schedule for developing these proposals, and they are, in my view, not perfect. They will be improved in hearings and markup before the Human Resources Committee. But the bill takes the first giant step toward providing our young people with the help they need with the job market.

Overall, I am very pleased with this bill, but I do have the same concern as that expressed by Senator Javits. That fact that the administration's bill focuses entirely on the job market needs of youths who are out of work and out of school ignores the job needs of millions of youths who are still in school and making job and career plans. These young people need work experience and job information as part of their educations, if we want to prevent them from becoming future unemployed dropouts in need of more costly programs. An inschool program should be part of our overall package of employment and training programs for youths, and I will join in cosponsoring Senator JAVITS amendment to correct this deficiency.

FARMERS DONATE LAND ON NEW RIVER IN NORTH CAROLINA

Mr. HELMS. Mr. President, on September 11, 1976, the President signed into law H.R. 13372, making 26.5 miles of the New River in North Carolina part of the National Wild and Scenic Rivers System.

On two occasions. Mr. President, the Senate approved legislation introduced by me to preserve this, the oldest river in our hemisphere, from threatened impoundment. The first time around, my bill died in the committee in the House of Representatives when it became ensnarled in a nonrelated controversy. The second try was successful. Because so many Senators participated in efforts to save the ancient homes and farmsteads of this beautiful river valley, I wanted to advise them that the people of the New River Valley are, themselves, freely giving parts of their own lands through easements and outright gift to help preserve their homeland in its present natural condition.

Mr. President, the Winston-Salem Journal of March 26, 1977 details the generosity of these small farmers. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered printed in the RECORD as follows:

LAND DONATED FOR STATE PARK ON NEW RIVER

(By Lenox Rawlings)

RALEIGH.—The state has received gifts of property easements and land that total nearly 58 acres along the New River in Ashe County.

The 10 gifts, which make up almost six miles of frontage along the river, represent about 12 percent of the frontage planned for a state park on the river.

The state intends to acquire, through purchases and donations, land and easements along a 26.5-mile stretch of the river in Ashe and Alleghany counties. That part of the river has been included in the National Wild and Scenic Rivers System.

Howard N. Lee, secretary of Natural and Economic Resources, said yesterday that about \$26,000 in the current budget has been set aside for buying the first major access point on the river and other properties.

"Negotiations for that acquisition have already begun," Lee said.

The state is in the process of obtaining two more gifts, including a substantial tract

Rep. P. C. Collins, D-Alleghany, and some other residents in his county have indicated a willingness to donate other properties.

The donations announced yesterday included one land gift and nine easements. Under a conservation easement, which can be bought or donated, the land owner agrees to maintain his property in essentially its present condition.

The land gift announced yesterday totals 8.81 acres in Ashe County near the Alleghany County line. The land was donated by Sidney B. Gambill, Myrtle R. Gambill, Brice Gambill and Thelma W. Gambill.

Easement gifts were donated by: Russell B. Bard and the late Virginia D.

Bard, 9.35 acres.

The late Joseph W. Davis, 1.98 acres.

Clarence C. Absher and Jessie L. Absher, 4.19 acres.

Sidney B. Gambill, Myrtle Gambill, A. D. Gambill and Carmon Gambill, 4.72 acres. Paul H. Bare and Hazel P. Bare, 2.96 acres.

George Hoff, Muriel Hoff, Archie Strauss, Nita Strauss, Elliott Pearlman, Joan Pearlman, Frank Weiner and Shelly Weiner, 7.87

Elmer Poe and Doris Poe, 3.65 acres.

Elmer Poe, Doris Poe, Paul Poe and Paulette Poe, 3.32 acres.

Lee said his department has received approval from the U.S. Bureau of Outdoor Recreation for grants matching the dollar value of the 10 gifts.

Final appraisals of their value has not yet been made, he said.

Lee also said Gov. James B. Hunt Jr. is studying a proposal to increase the amount of acreage the state may obtain. The limit is now 400 acres.

The department's projected spending for acquisitions along the river in the next two fiscal years has not been determined, Lee said. Another source indicated that the total may reach \$200,000, which is the amount sought by the National Committee for the New River.

Lee quoted from the annual report of Appalachian Power Co., which was denied the right to build a twin-dam hydroelectric power project on the river when the river was included in the National Wild and Scenic Rivers System: "Thus the Blue Ridge matter is ended."

Lee paraphrased another segment of the annual report that said the company thinks it has been deprived of a valuable property and will seek compensation through the U.S. Court of Claims.

THE RURAL HEALTH CLINIC BILL

Mr. CLARK. Mr. President, the Rural Development Subcommittee of the Committee on Agriculture, Nutrition, and Forestry held hearings on March 29 on S. 708, a bill Senator Patrick Leahy and I introduced which would provide reimbursement under medicare for care provided by nurse practitioners and physicians' assistants in rural clinics.

Senators Leahy, Bumpers, Bellmon, and Dole joined me at the hearing and made very perceptive and useful comments on the problems facing rural States in obtaining health care.

We were pleased to receive written testimony from hundreds of people and groups around the country—doctors, clinic directors, health care providers, and users of the clinics; local officials, State health departments, medical schools, and universities; and organizations involved in health care. In addition we received excellent testimony from some of my Senate colleagues, Members of the House of Representatives, and Governors who have an interest in this bill, which I would like to share with other Members of this body.

Both the oral and written testimony which the subcommittee received pointed out the need for legislation to help medicare beneficiaries in rural areas obtain access to adequate medical care. S. 708 should help provide medical care for these people, as well as provide enough support for rural clinics to remain viable.

The 46 Senators who cosponsored the bill agree that S. 708 is one way to begin to alleviate the doctor shortage in small towns and rural areas.

Mr. President, I ask unanimous consent to print the following statements in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR WENDELL R. ANDERSON

Mr. Chairman, I am very pleased to have the opportunity to submit testimony to the Subcommittee concerning Medicare reimbursement for rural health clinic services. As a cosponsor of S. 708, I hope to work with you and the members of the Subcommittee in developing and refining legislation to meet the health needs of medically underserved rural populations.

Since over one third of Minnesota's population, or close to 1,300,000 people, is concentrated in rural areas, providing rural health care services is critically important in our State. Studies indicate that there are disproportionately high numbers of elderly people residing in rural locations who can benefit greatly from services provided by physicians assistants and nurse practitioners in rural health care clinics. Under the present Medicare law, coverage for health services provided by physicians assistants and nurse practitioners is prohibted unless a physician is present. In Minnesota where there are 297 rural towns with no doctor at all, and 62 such communities with only one physician, this prohibition can seriously limit sources of basic health care for rural Minnesotans.

In addition to the important medical services provided by rural health clinics, there is a continuing need for screening, preventive and referral services in these areas. One way of meeting these needs is through mobile health units such as the one in Polk County, Minnesota, which averages about 4,000 rural

patient visits per year. Some of the services that can be provided by these units are blood pressure checks, health and nutritional counseling, glaucoma screening, hemoglobin screening and diabetic testing.

Such services can be made available to people in remote rural areas who may have limited access even to the rural clinics we've been discussing today. Through such programs, basic health education and screening so essential to maintaining good health can be provided to rural Americans who might not otherwise have use of them. I would be pleased to work with you and the members of the Subcommittee to explore ways of providing coverage for these and other preventive programs, perhaps by establishing a mechanism through which they can become affiliated with rural health clinics.

In conclusion, I would like to commend you and the Subcommittee members for your leadership in increasing the availability of health services to rural Americans, and will look forward to working with you in this effort.

STATEMENT BY SENATOR HOWARD W. CANNON CONCERNING S. 708

Mr. Chairman: Thank you for this opportunity to present my views on S. 708, which would amend Title XVIII of the Social Security Act to provide payment for rural health clinic services.

As a co-sponsor of S. 708, it is a pleasure to provide some of my perspectives on what this legislation will mean to the patients of rural Nevada who are eligible to receive Medicare. I would also like to express my gratitude to Nevada health officials for their cooperation and assistance in the preparation of this analysis of the needs of my state's rural residents. I would like to particularly thank Dr. William M. Edwards, Chief of the Bureau of Community Health Services, Nevada State Division of Health and Dr. Wilford W. Beck, Director of Clinical Services, Rural Clinics, Nevada State Department of Human Resources.

The basis for this legislation is the state of the present Medicare program which disallows reimbursement for care provided by primary health clinics which happen to be located in less populous areas and do not have a full-time doctor on the premises. The reason for this situation is that many rural communities simply cannot afford to support a full-time physician, but they can support nurse practitioners and physician's assistants. The Social Security Act does not recognize this economic reality of our rural areas and penalizes rural citizens by excluding them from Medicare coverage.

This result has been an unconscionable discrimination between urban dwellers and rural dwellers in the delivery of Medicare benefits. This situation must be rectified and S. 108 will accomplish that goal.

The vast stretches of rural land in the beautiful state of Nevada encompass 96,000 square miles in which 112,000 Nevadans live. While those fifteen rural counties support approximately 19 percent of the total state population, rural residents only have 5.6 percent of the licensed physicians of the state.

Some individuals must drive up to 240 miles to reach the nearest, organized outpatient department offering medical care. Consequently, most rural Nevadans do not seek physician level primary health care services; they wait until an illness occurs before going to a doctor.

According to recent statistics, Nevada's population of senior citizens is increasing at the most rapid rate in the United States. However, the number of primary care physicians is barely holding even in Nevada's 15 rural counties. We must make better use of our physician extenders if we intend to meet the health care needs of the elderly. Removing the Medicare reimbursement restriction

would certainly aid in better utilization of health care providers in a more efficient health program.

For the past three years, the Orvis School of Nursing at the University of Nevada, Reno has conducted a program to prepare tered nurses as Rural Nurse Practitioners. Unfortunately, very few of these nurses are currently involved in an organized primary health care program. The existing federal regulations requiring the presence of an onsite physician for reimbursement for services is a definite hindrance to organizing primary health care programs in Nevada. This legislation would provide the incentive to establish rural health clinics, making health care in Nevada more cost-efficient, sensible, and accessible. Moreover, it is nonsense to be producing qualified rural nurses for Nevada and then having no place for them to go to serve the people of Nevada.

Because of the rigidity of the present Medicare system and despite assurance of quality care from a licensed, certified registered nurse practitioner, last fall a clinic in Wells, Nevada had to disassociate itself from its parent institution, Elko General Hospital, 50 miles to the east. The clinic has since degenerated. Such results are patently unreasonable and undermine what should be a national commitment to keeping our people healthy and well.

Dr. Edwards, head of Nevada's Community Health Services, agrees with the idea that nurse practitioners should work in collaboration with licensed physicians, but disputes the notion that a physician need be watching over at all times. We can assure the people of Nevada that nurse practitioners can provide certain high quality health care services without direct physician supervision. The safeguards built into S. 708 will ensure that rural health services are maintained at a high quality.

I would also like to bring to the attention

I would also like to bring to the attention of the subcommittee another aspect of rural health care that is seemingly ignored in this legislation. That is the matter of mental health services.

Although Part A hospital coverage under Medicare will allow care in a psychiatric hospital and Part B medical insurance grants limited coverage for outpatient treatment of mental illness, it is not clear under this rural health bill as to whether rural mental health clinics are also covered. If they are not, they should be.

Rural mental health clinics, such as the seven located in Nevada, experience much the same problem that physical health care providers have in terms of low-income families. Many families in rural areas lack the financial resources to obtain adequate health and mental health care. This problem is most acute for the elderly on fixed incomes.

Until recently, the National Institute of Mental Health (NIMH) had given rural Nevada poverty area designation. As a consequence, the mental health program as well as other health care efforts, were able to obtain a more favorable match of federal funds and thus provide a greater amount of service. Changes in the NIMH formula for poverty areas has resulted in the loss of the poverty designation for rural Nevada, although its people are no better off financially.

Legislation enabling rural citizens to use Medicare to benefit their total health picture is very appropriate. Oftentimes, one's physical health is dependent on one's mental health as well.

While the proposed amendment to the Social Security Act, S. 708, focuses more on physical health care, I strongly endorse inclusion of a mental health service provision.

Professional staff employed by rural mental health clinics in Nevada include Psychologists, Psychiatrists, Psychiatric Social Workers, Psychiatric Nurses, and Mental Health Technicians. A psychiatrist travels to each of the centers on a regular basis to provide services as required. The State of Nevada minimum qualifications for eligibility for the professional staff positions are as follows:

Psychiatrist.-Board certification or written confirmation that applicant possesses the necessary qualifications to be admitted to the certification examination of the American Board of Psychiatry & Neurology.

Psychiatric Nurse.-Graduation from an approved school of nursing and one year of professional experience. Must be registered as a professional nurse in the State of Ne-

Psychologist.—A masters or doctoral degree in psychology from an accredited college or university, or satisfactory completion of the course requirements for the doctoral degree, plus experience in a psychological service

capacity.

Psychiatric Social Worker.—A master's degree from an approved school of social work and two years of casework experience, or a bachelors degree and four years of casework experience.

Clinic Director.—A masters degree and two years of clinical and community mental health practice.

Any or all of these professionals, with or without additional requisites, are equivalents in terms of mental health care to the physician extenders in physical health care. The medical care that these mental health specialists could perform include inpatient care for emotional problems, partial/transitional care, and emergency mental health care.

The matter of coverage for rural mental health clinics deserves the careful attention of this committee. Provision under Medicare for meeting the mental health needs of persons living in the Hinterlands should be of the same availability as that which is already offered in the Metropolis.

In closing, I would like to compliment the committee for its efforts to correct shortcomings in the Medicare programs as affect rural health care. Passage of S. 708 is of vital concern to the rural citizens of Nevada and the millions of Americans who are interested in better health care delivery.

STATEMENT OF SENATOR MIKE GRAVEL FOR HEARING ON RURAL HEALTH CLINICS REIM-BURSEMENT, S. 708

I want to commend the initiatives of Senator Clark and Senator Leahy in introducing legislation to extend Medicare reimbursement to rural health clinics. The staff have done an exemplary job of drawing upon the experience of special interest groups and persons in the health field in developing this long-overdue legislation.

In Alaska the extension of Medicare re-

imbursement to rural health clinics will be significant. In an effort to address the dif-ficulties imposed by distance, geography and weather, Alaskans have relied extensively on rural health clinics and physician extenders to provide consistent quality health care.

The passage of the Indian Health Care Improvement Act last year opened new vistas to the Indian and Alaska Native popula-tions by allowing the Indian Health Service to be reimbursed for services provided to Medicare and Medicaid eligibles. Admittedly, the Medicare population among the Alaska Natives is not large. But it will increase, and the opportunity to receive reimbursement will enhance the financial viability of the rural health clinics in Alaska. In addition, the role of 3rd party reimbursement will improve the ability of Native Alaskans to manage the clinics independent of Federal control as provided in the Indian Self-Determination Act.

There are, however, several minor recommendations I would like to present to the Committee for its consideration. Although they would not substantively alter the bill, I think they would clarify terms and im-

prove the future applicability of the legis-

The term "rural health clinic" includes the qualification that "only a facility which is not located in an urbanized area (as defined by the Bureau of the Census) where the supply of medical services is not sufficient to meet the needs of individuals residing therein (including such rural areas as are designated by the Secretary as areas having medically underserved populations under section 1302 (7) of the Public Health Service Act, and clinics that receive a majority of their patients from rural medically underserved areas)" will qualify for reimbursement. While this language is broad and would include most of the Indian Health Service or tribal clinics, some would not be clearly eligible. Confusion over eligibility could cause unnecessary problems both for governmental agencies and intermediaries. To avoid this problem I recommend that all ambulatory facilities, either owned or leased by the Indian Health Service, i.e. health clinics, health stations, mobile clinics, school health centers, or similar and Alaska Native programs be specifically included as eligible. This would not abrogate satisfaction of the other rural health clinic definitional requirements.

One of the definitional requirements for reimbursement as a rural health clinic pro-viding services to Medicare recipients is arrangements for utilization review. The term 'utilization review" has traditionally defined the monitoring of hospital in-patient services. I question the applicability of this term

to ambulatory programs.

In an ambulatory rural health clinic quality control involves medical audit, not utilization review as it has come to be known. It is desirable to monitor the medication prescriptions, the laboratory tests, and in a multidisciplinary ambulatory facility, the activities of allied personnel, i.e. social workers, nutritionists, lab technicians, and physician extenders. Therefore, I think it would clarify the intent of the review if a more applicable term were used to indicate a medical audit or peer review.

The term "physician extender" as defined in the bill is a practitioner certified by the National Commission on Certification of Physician's Assistants or the American Nursing Association. I understand that the issue of adequate criteria for certification of physician extenders is still evolving.

Although the above organizations provide sound guidelines for certification, I would suggest that it would be preferable to allow the Secretary greater discretion. Undoubtedly, he would refer to the criteria established the two designated organizations, but he might also wish to include individuals certified as qualified physician extenders by the Civil Service Commission or accept State certification when it documents equivalent competency with national standards. By granting the Secretary discretion in certification the possibility of a more restrictive standard being adopted by the organizations would not pose any problem to the stability of the program.

STATEMENT OF SENATOR GARY HART ON S. 708

Mr. Chairman, having cosponsored S. 708, would again like to indicate my earnest support for this measure, which will increase the access to primary health care services for rural medicare beneficiaries. This is a very necessary piece of legislation, and I hope that the Finance Committee members will also act as immediately as their busy schedule allows.

S. 708 addresses a sizeable problem. Over 35 million Americans live in areas that are medically "underserved," that is, areas in which health status and physician supply are low. More than half of those areas are rural. Health care needs in rural areas vary significantly from urban centers. For some examples of this, let's look at the following characteristics of rural or remote areas.

When compared with their urban counterparts, a larger proportion of rural citizens have acute or chronic illnesses. This is largely due to the high concentration of poor and elderly people in rural areas. These are individuals who typically have extensive health care needs.

Rural areas suffer from serious geographic maldistribution of health personnel and facilities. Certainly, quality health care requires the availability of a wide variety of health care personnel and the resources to support them.

Additionally, because almost half of this country's poor live in rural communities, many rural residents are not able to afford the services they need. It is this problem of inability to pay for health care services and the problem of maldistribution of personnel that are the focus of our efforts here today.

The lack of physicians in rural areas can be attributed to a number of factors, including professional isolation, overwork, lack of continuing education, and inadequate support systems. Additionally, rural practices often make poor use of a physician's time. These problems have combined to make the country doctor a thing of the past.

Coincident with the disappearance of the country doctor, however, has been the development of a new form of health care delivery, the "primary health care" clinic. This term is used to describe the common elements of those health care provider groups that meet the basic needs of a given community. Primary health care programs employ many non-traditional approaches, but they are essentially organized substitutes for the country doctor. They provide individuals with diagnosis and treatment of routine health problems, and arrange for specialist care where necessary.

Because of the shortage of physicians in rural areas, these clinics are often staffed by a new kind of health professional known as a physician extender. Physician extenders include physicians' assistants, nurse clinicians, nurse midwives, nurse practitioners, family health associates and others of similar title who have been specifically trained in diagnosis and treatment for primary and emer-

gency medical care.

While rural citizens have come to rely on these clinics, many of the services provided by the centers are not eligible for reimbursement under Medicare. Part B of Title XVIII of the Social Security Act, which essentially addresses the payment of doctors' bills and coverage of a variety of related services, is biased against the physicial ex-tender. While physicians practicing in primary care clinics are reimbursed by Medicare for their own services, physician extenders are not. Services provided by extenders are reimbursed by Medicare only when a physician gives direct supervision of these services.

This policy effectively excludes primary care clinics from Medicare reimbursement. And, as a result, Medicare beneficiaries in rural areas are denied the benefit of the clinics. The bill being discussed here today will help correct this debilitating problem by permitting Medicare reimbursement of qual-

ified physician extenders.

One final point. Over the years, the federal support for medical manpower development has been heavily oriented toward improving geographic and specialty distribution. Unfortunately, these efforts have achieved relatively little success. Doctors who go to rural areas rarely remain as an integral part of the community. The physician extender offers one of the most economical and possibly one of the most effective techniques for providing health care in remote areas.

The time has come for the development of the extender role, and to include primary health care clinics in the Medicare system. Such steps will greatly increase the financial access of the elderly to much needed health care services.

STATEMENT BY SENATOR DANIEL K. INOUYE ON LEGISLATION TO PERMIT MEDICARE REIM-BURSEMENT TO RURAL HEALTH CLINICS FOR PRIMARY HEALTH SERVICES

Mr. Chairman, members of the Rural Development Subcommittee, I greatly appreciate the opportunity to present testimony on this proposal to provide Medicare reimbursement for rural clinic services.

I believe that there is an urgent need for legislation of this kind. Statistics show that there is a large discrepancy between Medicare expenditures for rural and urban areas. Medicare reimbursements are lowest for non-metropolitan counties with reimbursements per person averaging \$33.33 for metropolitan areas and only \$23.36 for nonmetropolitan counties.

Though there are various reasons for this difference, undoubtedly a major one is simply lack of health care services in many of

our rural regions.

This legislation would help to improve that situation by providing for payment under Medicare for services of health care providers other than physicians. Unless some change is made, the current inequity between Medicare expenditures for urban and rural citizens can only increase.

We are all deeply troubled by the continuing escalation in health care costs. Yet many rural and other citizens find that health care services are virtually unavailable to them at

any price.

I commend the chairman and the subcommittee for your recognition of the need for action on this issue. I have been concerned for some time about the restriction on reimbursements in the Social Security law which inhibits the full use of well qualified health care personnel and the development and expansion of health care services that are so badly needed.

I believe, however, that this restriction should be removed not only for rural clinics, but for other kinds of health services and in urban as well as rural areas. However, S. 708

is a big a step forward.

I would also object to the provision which makes reimbursement for nurses practitioner services contingent on physician "supervision." I think this is an unnecessary restriction that would curtail the benefit of the legislation. I believe that nursing services should be reimbursable and that physician supervision should not be required for payment. In fact, I have introduced legislation for that purpose. S. 104 would provide for the inclusion of the services of registered nurses under Medicare and Medicaid and would eliminate the requirement that such services be under the supervision of a physician.

The nursing profession has been rapidly broadening its traditional role. There are many clinics run by nurses both in rural and inner city areas of the country. Experience has shown that up to 80 and even 90 percent of the patients can be effectively managed by nurse practitioners. Many states already have amended their nurse practice acts to accommodate the nurse practitioner role.

And, as is recognized in S. 708, the American Nurses' Association has established a program to certify nurse practitioners. The response to that certification program has been impressive. It was begun only last year, and more than 1,000 nurses already have entered the certification process.

Fuller utilization of these practitioners

could greatly expand the availability of pri-

mary health care. It is ironic that our present system and reimbursement methods obstruct rather than foster the expansion of health care services.

I believe that making this change also would contribute to the containment of health care costs. In many cases services now performed by a nurse practitioner, are reimbursable once they are recommended by and/or provided under the supervision of a physician. It seems logical that there would be a reduction in present costs, because of elimination of the physicians' fees which, in most cases, are paid only for supporting the claims for payment. A recent study conducted at the Veterans Administration outpatient clinic in Los Angeles, showed that using nurse practitioners in adult ambulatory care facilities could increase the quality and volume of care at a cost considerably lower than for care provided by physicians.2 The study also showed a high degree of acceptance of the nurse practitioner by the patients and by the physicians who were involved in the project.

I strongly support changes in Medicare reimbursement policies which this legislation advocates. However, insofar as it relates to nurse practitioners, I would recommend that it be amended to identify nurse practitioners separately from the "physician extender" and to remove the requirement for physician supervision for the services of nurse

practitioners.

The nurse would, of course, work in collaboration with physicians, consulting and referring patients as appropriate. This is what actually happens now. To make this change would only be recognizing what exists.

Again, I thank you for the opportunity to testify before the committee. I stand ready to work with you in any way that I can to bring about changes in Medicare reimbursement policies which will contribute to better health care for all the people in the country.

TESTIMONY OF SENATOR THOMAS J. MCINTYRE

Mr. Chairman, thank you for the opportunity to testify before you today on this most important issue.

Let me first say that I am proud to be associated with S. 708 as a cosponsor, and I applaud these efforts by my distinguished colleagues Senator Clark and Senator Leahy to improve health service to rural areas. I have always been committed to providing quality health care for every individual in every region of our country. Unfortunately, under the present reimbursement regulations, many rural Americans are being discriminated against by the very programs designed to bring them quality care.

There are more than 15 million Americans who live in rural areas which are designated as medically underserved. This is compounded by the fact that the country doctor is on the wane as the great majority of medical students are being lured to the more lucrative surroundings of urban America.

In New Hampshire, as in many other areas of the country, the rural health clinic is an invaluable source in dealing with the shortage of physicians. These clinics, staffed primarily with physician extenders, provide health services to many areas which are unable to support a full time physician. Without a proper method of reimbursement for extender services, the rural health clinic could well be placed in jeopardy at a time when the residents of these communities are becoming more and more dependent on their services.

One of the greatest injustices of the pres-

ent reimbursement procedure is the additional hardship it places on our rural elderly. The elderly comprise a large proportion of the rural population and many of these individuals have no reimbursable primary health care services within easy reach of their homes. These people find themselves paying for Medicare Part B benefits only to turn around and be billed for the services performed by a physicians extender at the health clinic. This places an additional burden on those individuals who are most in need of these services and least able to afford them.

Mr. Chairman, if we are seriously attempting to build a health care system to provide quality care for every person, maximum use must be taken of the skills and training of the physician extender and the services performed by the rural health clinic. With the escalating cost of health care in the past few years, alternative measures must be examined and utilized. It is unnecessary to require the attendance of a physician for minor medical procedures when these services can be competently performed by trained physician extenders. I also believe that the emphasis which the extender places on preventive care can provide an effective means by which we can ultimately control costs.

I have received a number of letters from my constituents in New Hampshire and from concerned individuals throughout the country urging my support for this legislation. These individuals have reiterated the potential effect this legislation would have in providing quality health care for so many rural

Americans.

I am hopeful that Congress will act quickly and responsibly to end the present discriminatory reimbursement policy which affects thousands of communities throughout the country.

STATEMENT OF CONGRESSMAN JAMES T. BROYHILL

Mr. Chairman, I want to thank you and the members of the Senate Rural Development Subcommittee for the opportunity to speak in behalf of legislation to ensure that physician extenders can be reimbursed under Medicare for their services. As you may be aware, I have worked for the past several years in the House to make certain the implementation of such legislation, and I am glad that my colleagues in the Sneate are now examining this issue.

Our government has been committed to training physician extenders for the past 10 years. Since that time, we have spent over \$70 million in the training of physician assistants and nurse practitioners. And, President Carter has requested \$9 million to carry on the work already started in these programs. However, when our elderly or disabled citizens seek the services of those physician extenders, they cannot receive reimbursement from the government under Medicare unless the physician was actually present at the clinic or facility where the services were performed.

In many cases, citizens are really paying twice for these services. Once, when they make their monthly payment for the optional Part B Medicare coverage, and again when they must reimburse the provider for services performed by trained professionals who have been recognized by the local community, the medical community, and the state and federal governments. This does not even include their tax dollars which have gone toward the training of the extenders.

North Carolina has been vitally involved in developing programs to train and utilize physician extenders. Through the Office of Rural Health Services, the state aided local communities in establishing primary care clinics, to be staffed by physician assistants and nurse practitioners. However, under state law the financial commitment to these

¹ Source: SSA, ORS, Health Insurance Statistics, Dec. 5, 1973, page 11.

² The Nurse Practitioner in an Adult Outpatient Clinic, DHEW publication (HRA) 76-29. January 1976.

clinics was for only three years, and funding has begun to run out in many clinics. The life of these, as well as dozens of other privately- and federally-funded extender clinics, such as those established by the Appalachian Regional Commission, may very well hang in the balance of this legislation.

The Congress has become increasingly aware of the need to deliver adequate health care to all segments of our population, but we are faced with the critical problem of the geographic maldistribution of physicians. This maldistribution has been especially notable in the rural and inner city areas. In the State of North Carolina during 1974, it has been estimated, 67 out of 100 counties possessed less than one primary care physician under age 60 for each 4,000 in population

As you may be aware, I have introduced legislation in the House of Representatives which would provide that the services of physician extenders be reimbursable under Medicare. I am proud to say that, as of this date, 45 other members have joined with me

in cosponsoring this legislation.

My approach calls for reimbursement under existing mechanisms, rather than creating a new system of payment in Medicare reimbursement. And, it ensures that all legally-recognized extenders will be covered, whether they work directly for a physician or for a clinic, in an urban or a rural setting. To be reimbursable, a physician extender must be accredited by a federally-recognized accrediting body, and also be recognized by the state in which he or she practices. This will guarantee a quality control in that we can ensure extenders are qualified to practice and are working within the guidelines

My bill calls for a simple amendment to Medicare law, creating no new level of bureaucracy and no confusion in administration. The federal government will not be injected into the day-to-day management and

operation of rural clinics.

set by the respective states.

The chronic problems of access and cost of medical services for our elderly and disabled can best be solved through the increased use of extender-staffed clinics. Study after study has shown that—not only does health service improve with the use of these clinics, but total medical costs, including Medicare costs, actually decrease. I am sure my colleagues are aware of the studies carried out by Dr. John W. Runyan, Jr., reported in the Journal of the American Medical Association (JAMA January 20, 1975) and by Karen Gordon of Yale University School of Public Health and Gertrude Isaacs of the Frontier Nursing Service in Heyden, Kentucky, which support this conclusion.

With the use of physician extenders, doctors are freed to perform more complex and time-consuming services. Extenders can perform to their fullest capacity. The patient, the physician, and the extender all benefit. These benefits, I believe, are being proven at this very time in clinics throughout the

country.

Part B of Medicare was enacted before the use of physician extenders became widespread. It was not possible to foresee extender reimbursement as a necessity until physician extender services became firmly rooted in our health care delivery system. I feel it is important that we selze this opportunity to establish our government's policy with regard to health care in general and physician extender services in specific. We will move one glant step closer toward our goal of adequate health care for all Americans with the enactment of legislation to reimburse physician extenders under Medicare.

STATEMENT OF HON. RAY BLANTON, GOVERNOR OF TENNESSEE

Primary care centers in over 30 counties in rural Tennessee utilize physician extenders with physician back-up services in order to provide primary medical care in areas where severe physician shortages exist. The legislation before your Committee would recognize the medical skills of the physician extenders and allow for much needed reimbursement for their services whether or not the physician is on the premises.

Although studies have indicated the costeffectiveness of extender-staffed primary care clinics in rural areas unable to obtain and/or support physicians, these clinics are penalized by inequitable reimbursement practices that make self-sustaining clinic operations difficult. In Tennessee, we have funded through the Appalachian Regional Commission 19 of these physician extender-staffed clinics. The first of these clinics to reach the five-year ARC funding limitation is in Clairfield. We now know that this clinic will not be able to continue services when federal funding ceases unless reimbursement policies and legislation are changed. Medicare reimbursement to physician extenders will not solve all financial problems of these clinics. The citizens served are often on fixed incomes or underemployed. However, reimbursement on a cost-of-services basis would significantly contribute to the support of extenders. It would also allow the elderly take full advantage of the services currently offered in or near their home communities.

Difficulties of access to medical care in Appalachian Tennessee are compounded by multiple problems of isolation, poverty and inadequate transportation, as well as by the lack of available physicians and dentists. Forty-three of the Tennessee Appalachian counties are or recently have been on the HEW medically underserved area list. While Tennessee is addressing as a high state priority the training and retention of family practice physicians, the immediate need for medical care in much of rural Tennessee is being met by physician extenders. These extenders practice using protocols jointly developed with their supervising physicians and have physician guidance available to them at all times. The increasingly important role of these extenders in educating rural residents in preventive aspects of health care is an added benefit provided by the clinics' staff. Senior citizens on fixed incomes need the full range of preventive, maintenance and primary medical care provided by the physician extenders; yet they are reluctant to utilize these services when medicare, usually their primary means payment, cannot be utilized as payment for physician extenders service.

I personally instructed my ARC staff to work in coordination with other state ARC staff members to coordinate the development of a resolution concerning medicare reimbursement of physician extenders. I cosponsored this resolution which was passed by the ARC on June 8, 1976. Our resolution is based on experience obtained in more than 87 primary care centers staffed by physician extenders and supported by ARC (19 of these in Tennessee). We have found primary care services provided by these extenders to be of commendable quality. We have also found that services provided in this manner help to prevent cost escalation for health care services provided to medicare beneficiaries.

We support reimbursement for physician extender services only when the extender is acting under written standing orders agreed upon by a fully licensed physician and when such physician assumes full legal and ethical responsibility as to the propriety and quality of the services rendered. We further maintain that reimbursement should be provided on the basis of the services rendered whether rendered by physicians or physician extenders and that the reimbursement should be made on a cost of services basis and paid to the clinic or sponsoring organization.

The primary reason for original funding

of these primary care clinics by the ARC was to extend the availability of physician supervised medical services to rural citizens who otherwise would not be able to obtain adequate health care. Unless reimbursement under medicare can allow coverage for services provided by physician extenders, this goal cannot be realized. We appreciate your interest and concern regarding the problems of financing rural health care.

Appalachian Regional Commission Resolution No. 407, a Resolution Concerning Medicare Reimbursement of Physician Extenders

Whereas, the 1972 Amendments to the Social Security Act, P.L. 92-603 directed the Secretary of the Department of Health, Education and Welfare to examine the quality, cost and range of health care that can be appropriately delivered by non-physician providers, and to determine the constraints that should be imposed in order to permit Medicare reimbursement for services provided by such persons: and

Whereas, in Senate Report 94–278 accompanying the 1975 Amendments to the Appalachian Regional Development Act, the Public Works Committee of the Senate noted, as a serious problem, that present Medicare regulations do not recognize or permit reimbursement for primary health care services provided by a nurse practitioner or other physician extender, unless a physician is physically present; and urged consideration of this problem by the Senate Finance Committee and the appropriate Committee of the House; and

Whereas, the Appalachian Regional Commission, together with the Tennessee State Health Department, the North Carolina Office of Rural Health Services, the Kentucky Health Resources Development Institute, the Frontier Nursing Service, the West Virginia Regional Medical Programs, the Tennessee Valley Authority, the United Mine Workers Health and Retirement Funds, the Southern Labor Union, and the Vanderbilt Center for Health Services, among others, have found by trial and careful testing, that physician extenders do provide appropriate primary health care, especially to persons in medically underserved areas, who otherwise would have limited ability to exercise their entitlement to Medicare services; and

Whereas, physician extenders are physician assistants, nurse practitioners, nurse clinicians, or other trained practitioners, who have successfully completed a program of study approved by the National Board of Medical Examiners, or who are licensed or otherwise recognized by a State as qualified to provide primary health care services in the State in which such services are rendered; and

Whereas, the Commission and other sponsoring agencies above mentioned have also found the services provided by these physician extenders, who function in organized systems of care (whether or not performing in the office of, or at a place at which a physician is physically present), to be of commendable quality; and

Whereas, the above-mentioned agencies have also found that services provided in this manner help to prevent escalation of health care costs for Medicare beneficiaries; and

Whereas, Section 102(a) (3) of the Appalachian Regional Development Act authorizes the Commission to review Federal, State and local public and private programs, and where appropriate, recommend modifications to increase their effectiveness in the Region;

Now, therefore, be it resolved, that:
The Appalachian Regional Commission recommends that Title XVIII of the Social Security Act, Part B Supplemental Medical Insurance (42 USC 1305), and all such other medical entitlement programs be amended to permit:

(1) Reimbursement for primary health care services provided by physician extend-ers, as defined above, when the following safeguards are met:

(a) The physician extender is functioning

in an organized system of care;

(b) The physician extender is acting under written standing orders agreed upon by a duly licensed physician (whether or not such services are performed in the office of, or at a place at which such physician is physically present at the time of the specific service); and

(c) The physician providing the written orders assumes full legal and ethical responsibility as to the necessity, propriety and

quality thereof;

(2) Such reimbursement be provided at a rate commensurate with the service provided rather than according to the provider of care; and

(3) Such reimbursement be made to the clinic or sponsoring organization.

PAY RAISES AND ETHICS

Mr. PERCY. Mr. President, last December, when the Commission on Executive, Legislative, and Judicial Salaries made its recommendations for pay raises for officials of the Federal Government, it coupled its pay recommendations with a strong call for a new code of public conduct for those officials, specifically including financial disclosure.

The pay raises have now been implemented and I supported them, including pay raises for Members of Congress. I believe that they were justified. I would have voted for them if there had been a vote. The salary raises recommended by President Ford and endorsed by President Carter were based on the fact that the Federal officials receiving pay increases had a pay increase of only 5 percent in the last 8 years, during which time the cost of living went up 60 per-

I understand the anger about the pay raises felt by many Americans, including a good number of my constituents who expressed themselves directly to me, but I do not think this anger is wellfounded.

Many also believe that Congress ducked the issue of whether or not to accept the pay raise by allowing it to go into effect without a vote, instead of voting on it directly and I do agree that Congress should vote on its pay raises.

To respond to this concern, I voted on March 30 for an amendment to the unemployment compensation bill to require that in the future each House of Congress shall specifically and separately vote on salary recommendations for Members of Congress, other officials of the legislative branch, Federal judges and executive branch officials. This amendment passed both the House and Senate. In the future, each Member of Congress will specifically be recorded on how he or she voted on pay raises recommended by the Commission on Executive, Legislative, and Judicial Salaries.

On March 10, I voted for S. 964, a bill to deny the annual comparability increase this October to various officials of the Government, including Members of Congress, who received pay increases in February. The bill passed in the Senate 93 to 1.

As for the Commission's recommendation for a code of ethics for Government employees to accompany the pay increases, the Senate has now taken final action to establish a long overdue code of ethics for itself. This follows by a few weeks adoption of a code of ethics by the House of Representatives. The next step will be consideration of legislation to make a code of ethics uniformly applicable to all three branches of Gov-

I am pleased that the chairman of the Governmental Affairs Committee, Senator Ribicoff, plans to proceed with such legislation in the next few weeks, with the intention of reporting such legislation to the Senate no later than May 15.

I supported the Senate ethics code resolution and voted for it on April 1, when it passed the Senate by a vote of 86 to 9. Although I feel that parts of the code are imprecise and in some cases unnecessary, I believe overall that the resolution provides a standard of conduct that can and should be followed by all Senators and those Senate employees covered by the resolution.

As passed by the Senate, all Senators and Senate employees whose annual salary is over \$25,000 shall file annual financial disclosure statements reporting all sources of income and all assets and debts. These reports shall be made public and copies will be made available upon request to any individual.

A Senator's financial report will be subject to an audit by the General Accounting Office at least once every 6 years and 5 percent of the Senate employees will have their statements audited at

random each year.

Senators, Senate employees and their spouses and dependents are prohibited from accepting any gifts aggregating more than \$100 in a year from any person, organization or corporation having a direct interest in legislation, unless the Ethics Committee grants a waiver. The prohibitions on gifts do not apply to gifts from relatives, or to gifts of less than \$35 or personal hospitality. Gifts shall include payments, food, services, entertainment, transportation, or anything of value.

No Senator or senior Senate employee shall receive outside earned income exceeding 15 percent of his or her salary. For Senators, this sets an effective outside earned income ceiling of \$8.625.

No Senator or Senate employee shall engage in outside business or professional activities in conflict with his or her official duties. Senate employees shall receive permission from their supervisors before engaging in any outside activity. Senators or in some cases Senate staff who leave the Senate employ shall not lobby in the Senate for 1 year after leaving the Senate.

No political contribution shall be converted to the personal use of a Member. No Senator while still in office, shall engage in foreign travel at public expense after a successor is chosen either because of defeat in an election or retirement.

Mass mailings are prohibited for 60 days before an election by Senators seeking reelection. I voted on the Senate floor to extend this imitation to 180 days before a general election, but that amendment was defeated.

The new Senate Ethics Committee is empowered to investigate allegations against Senators and employees and to recommend appropriate sanctions where warranted, including dismissal from the Senate.

I believe these and other provisions of the ethics code will shed the light of public scrutiny on the finances of Senators and Senate employees so the public and the press can make their own judgment as to whether or not a Senator or Senate employee has a conflict of interest. Further, the specific sanctions on gifts from individuals with a direct interest in legislation should insure that Members of the Senate and Senate employees will not be swayed by favors, monetary or otherwise, from people with a vested interest in legislation.

During the course of the debate on the ethics code, I offered six amendments to the legislation, five of which were accepted and one which was withdrawn upon the assurances of the managers of the bill that my concern was already covered by the ethics code.

The amendments that I offered which

were accepted were as follows:

First. To prohibit discrimination in Senate employment on the basis of age. The original ethics resolution which was reported from the Ethics Committee prohibited discrimination in Senate employment on a number of grounds, but did not include the basis of age. I was pleased when this amendment was accepted.

Second. I offered an amendment to require that confidential financial information, including tax returns, be treated confidentially. The resolution does not require that tax returns, for example, be made public, but that tax returns can be examined during the course of an investigation by the Ethics Committee. I believe that some information in tax returns, such as charities contributed to. should be confidential.

Third. I also offered an amendment requesting that the Appropriations Committee study the adequacy of Senate office allowances. The new recordkeeping requirements of this ethics code might result in additional expenses for each office. The Senate Appropriations Committee will study the need for additional resources by Senators to meet the requirements of the ethics code.

Fourth. I offered an amendment which was also accepted which would allow the netting out of gifts exchanged between a Senator or Senate employee and an outside party. The resolution, as it was written, prohibits gifts from individuals with a direct interest in legislation of more than \$100 in a calendar year and requires that gifts of over a certain amount from other individuals be reported. However, families often exchange gifts of greater value. My amendment states that the value of a gift given to someone on the outside could be subtracted from the value of the gift given to the Senator or Senate employee before determining whether or not the prohibited threshold was crossed or a report must be made.

Fifth. The ethics resolution as originally written, in addition to financial disclosure and a limit on earned income of 15 percent of one's salary, also flatly prohibited Senators and Senate employees from engaging in certain lines of work. Some outside pursuits mentioned in the bill included the work of a lawyer, doctor, or consultant. However, there was no overall definition of what occupations an employee or Senator could or could not pursue. I felt that the financial disclosure provisions and the limit on earned income were sufficient and that there was no practical way to flatly prohibit outside activities in certain selected areas. For example, the bill as originally written would have prohibited a lawyer on the Senate staff from writing a will for a friend on a weekend and accepting any fee for this. However, he could bartend over the course of the weekend for \$200. My amendment eliminated the flat prohibition on certain activities but did retain the financial disclosure provisions and the limit on outside earned income. I felt that financial disclosure would allow the public to decide whether or not the public servant had a conflict of interest. This amendment was also accepted by the Senate. This amendment, as accepted by the Senate, allows such professions to be practiced to the degree of the 15-percent limit on outside earned income and only during nonoffice hours.

Sixth. The last amendment I offered was designed to limit the amount of time a Member of the Senate or a Senate employee might spend on acquiring "unearned" income. I was reassured by the managers of the bill that any excessive amount of time spent on investments would be a violation of the code because it would interfere with the official performance of one's duties. With that assurance, I withdrew the amendment.

There were a few other amendments that came up during the course of the debate that I would like to comment on. On the last day of debate, Senator BAKER offered an amendment that would have put a "sunset" provision in the resolution, providing that the resolution would expire in 3 years unless renewed by the Congress. I voted for this provision believing that because of the scope of the code of ethics, it would be wise to review the code in 3 years and evaluate its effectiveness. If the code needed to be strengthened at that time, then we could do so. If there were certain provisions that were too burdensome or were not serving the purposes for which they were intended, such provisions could be modified. Of course, provisions of the code could be amended at any time, but I would have preferred a guaranteed review of all the provisions of the code at a specific time. The Baker amendment failed, but I plan to recommend appropriate changes to the code as its implementation takes full effect and we are able to see whether it is accomplishing its intended purpose.

Senator Muskie also offered two amendments that generated a great deal of controversy. The first amendment would have extended the 15-percent limit on earned income to unearned income. This would have included a limit on the

amount of money a Senator or Senate employee could earn from interest on savings accounts or dividends on stocks. I voted against this amendment as I felt that such income was in no way a conflict of interest with one's Senate duties, but rather was a return on investments and earnings made before Senate service. My only concern was that time spent on managing personal investments not conflict with Senate duties. Therefore, I offered the amendment described earlier.

Senator Muskie then offered an amendment, which I voted for, which would have removed the 15-percent limitation on all sources of income. I voted for this amendment because I felt that the ethics code discriminated against Senators who have only outside earned income. I believe that financial disclosure was sufficient and a specific limit on earned income, so long as it did not interfere with the conscientious performance of a Senator's duties, was not needed.

The ethics code is now in operation as far as the Senate is concerned. Certain provisions will phase in over the next year or so but a large part of the code is already effective. I intend to support the letter and spirit of the code and do my best to help assure that the ethics code succeeds.

HEARINGS ON PUBLIC LAW 480

Mr. HUMPHREY. Mr. President, I wish to share with this body some of the statements presented by witnesses testifying on the Public Law 480 program on April 4, 1977, before the Senate Subcommittee on Foreign Agricultural Policy, on which I serve as chairman.

The lead-off witness at the first day's hearing was Mr. Howard Hjort, director of agricultural economics, at the Department of Agriculture. He was followed by Kathleen S. Bittermann, who serves as coordinator of the Office of Food for Peace with AID.

This hearing was designed to develop in greater detail the issues which our committee faces in reaching decisions on extending the Public Law 480 program. I was particularly impressed by the issues raised and the candor with which both of these administration witnesses were prepared to face the need to tie our food assistance more closely to our developmental goals. At the same time, it was clearly indicated that our food assistance does and should further the goals of developing future markets for our agricultural products while at the same time supporting our U.S. foreign policy objectives.

The witnesses dealt with a number of major issues, such as the link between food aid and food reserves, and the emphasis on providing our food assistance to the most needy countries by maintaining the 75–25 allocation of our food aid. This formula will be in some need of adjustment in light of the worldwide inflation.

The testimony also dealt with the relationship between the title II and title I programs and whether it would be desirable to change the existing ratio between the two programs.

We also dealt to some extent with my

bill, S. 1169, in terms of how we can encourage the reprograming of local currencies through a new title III to encourage increased agricultural production and rural development in the food deficit countries.

Mr. President, I ask unanimous consent that the statements of Dr. Hjort and Ms. Bittermann, as well as my own remarks, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the Record, as follows:

STATEMENT OF SENATOR HUBERT H. HUMPHREY

It is a pleasure for me to welcome you to these hearings on the future of our food assistance program. Senator Clark and I felt it would be useful to hold these two days of oversight hearings on the Food for Peace Program in order to examine past problems and future prospects before we make our decisions on extending the program for another five years.

When I introduced S. 1169 on March 29 to extend and improve the program, I said

"Every activity requires periodic review. The successes of Public Law 480 are no reason why continued imagination cannot yield ways to further strengthen and improve this program. And occasionally time or circumstance uncovers certain deficiencies in our food for peace activities."

You will recall the concern and attention given to the program during the food crisis of 1974. The 1974 food shortages brought about a new awareness throughout the world of the longer term food needs of less developed countries and resulted in a heightened awareness of the crucial need to expand agricultural production in those countries.

We have increasingly become aware of the relationship between this program and food production in the developing countries.

But with the recent easing in the worldwide food supplies, public and Congressional attention to the size, operation and direction of the program seems to have declined, although there have been some challenging articles on the program and continuing studies by Congressional staffs.

If public concern has diminished, the problem of sufficient food supplies and nutrition in less developed countries and the role of food aid in helping to ensure adequate supplies has not gone away. Recent reports by the staff of the World Bank and the International Food Policy Research Institute are projecting enormous grain import needs for the less developed countries by 1985 of 75 to 100 million metric tons in grain imports, compared with around 35 million tons for the same countries in 1974. However, there seems to be little disagreement among food experts that the world is capable of producing enough grain to fill these projected needs. We are not facing the Malthusian specter of being physically unable to feed ourselves

What we may well be facing if the projections are correct, is a distributional problem for less developed countries in 10 years time. How are the less developed countries going to pay for their imports, and how can food supplies be moved to the areas of need?

How much domestic investment, critical for development, will have to be foregone if this food deficit continues to grow? What will happen to the growth rate in these countries? What are the implications if we have poor weather and even larger grain imports are needed than those projected in recent studies? How does our food aid program fit into finding a solution to these problems?

While the primary program emphasis today is on humanitarian goals, our food assistance also serves foreign assistance and market development goals. We need to recall that the program was developed largely to help dispose of our food surpluses. These purposes are still part of the program, and we have growing food supplies today—particularly wheat and rice.

In introducing S. 1169, I suggested:

"Of course no transaction under Public Law 480 is entirely for market development, foreign policy or humanitarian purposes. There is or should be some element of each in every activity conducted under this act."

The second day's hearings will examine our foreign policy objectives and market development as they impact on the PL 480 program. While it is difficult to relate these different objectives, they need to be raised and particularly in relation to the future of U.S. food aid.

Of course, we realize that food aid programs can only be a part of developed countries' efforts to help less developed countries rerease their agricultural production and growth. The magnitude of the potential food problems of less developed countries emphasizes the need to have well integrated and designed aid programs to deal with the the food problems of poor countries.

These hearings will focus only on food aid, a part—but an important part—of U.S. development assistance. We want to look at our Food for Peace program today in the context of these potential long-run problems for less developed countries. We have an important stake in how these countries deal with their food and development problems.

We have a fine group of witnesses with broad experience in the agricultural and development fields generally and with the food aid program in particular. We have with us today Howard Hjort, director of agricultural economics at the Department of Agriculture, to lead off.

STATEMENT BY HOWARD HJORT

The Administration has proposed a fouryear continuation of the food aid program. Over its lifespan the P.L. 480 program has maintained and stimulated U.S. farm exports and in general has had positive effects for the recipient countries. It has: helped meet emergency and other food import requirements; generated local currencies to finance economic development and agricultural self-help projects; raised nutritional levels, particularly of the youngest population groups; and contributed to political stability and furthering U.S. foreign policy interests.

The President has decided that a detailed study of the food aid program is due. We want to determine more clearly the extent to which we are achieving the various objectives and to identify more explicitly what emphasis we should place on each of the objectives. A thorough review should help us plan and administer an even-handed program that is consistent from year to year in meeting the needs of recipient countries. We want to avoid the variability that has occurred in recent years. For example, shipments of major grains under P.L. 480 declined from 7.6 million metric tons in FY 1972 to a low of 2.3 million tons in FY 1974 and then increased to 3.7 in FY 1975.

[Amounts in millions]

	Wheat, rice, and coarse grains		Tabl
Fiscal year	Metric tons	Dollars	Total (dollars)
1972 1973 1974 1975 1976	7. 6 5. 5 2. 3 3. 7 3. 3	567. 8 551. 7 547. 9 735. 9 538. 9	1, 058 954 867 1, 101 907

The United States has been and remains the world's major donor of food aid, mainly through P.L. 480. However, as food aid has increased from Canada, Japan and several European countries since 1968, the U.S. share of developed donors' disbursements of food aid dropped from over 90 percent during 1960-68 to a low of 48 percent in 1974 and up to 59 percent in 1975.

U.S. shipments of agricultural commodities under specified Government-financed programs (mainly P.L. 480 and small amounts under Mutual Security/AID programs) totaled \$28.5 billion during fiscal 1955 through September 1976. This amounted to about 40 percent of all U.S. economic aid. During 1970-75, the food aid share of U.S. economic aid declined to about 26 percent.

There have been many changes made in the P.L. 480 program since its inception in 1954. P.L. 480 was created in 1954 primarily as a temporary measure to bypass foreign exchange shortages of foreign nations and to dispose of U.S. surpluses. The Food for Peace Act of 1966 shifted the primary emphasis to encouraging agricultural and overall economic development abroad. combating hunger and malnutrition, promoting commercial markets for U.S. products and supporting U.S. foreign policy objectives.

The International Development and Food Assistance Act of 1975 amended P.L. 480 and placed additional stress on the contribution of food ald to economic development with particular encouragement for local food production in recipient countries. A major provision to this end is the authorization that up to 15 percent of the total value of Title I, P.L. 480 agreements can be "granted back" to recipient countries for approved projects for agricultural development, rural development, and population planning. Further emphasis was given to the poorest countries by the requirement that at least 75 percent of all Title I food tonnage be made available to countries with annual per capita GNP's of \$300 or less.

Agricultural development is a complex, slow process, requiring many years of difficult adjustments before satisfactory production gains can occur. During the development period, many countries experience serious food shortages and have limited foreign exchange reserves. These countries need assistance to meet shortfalls in production, reduce extreme internal price fluctuations detrimental to growth and help to avoid uneconomic short-term measures to meet deficits. At least part of this assistance can be provided in the form of food aid.

We have made several proposals for improving the effectiveness of the program in meeting its objectives. These are in the Administration Farm Bill that Secretary Bergland discussed with the Congress last month. A major substantive proposal deals with the requirement that at least 75 percent of Title I commodities be allocated to countries with a per capita GNP of \$300 or less. We have proposed an amendment to provide that the poverty criterion be the level established for the World Bank's International Development Association (IDA) credits.

The World Bank updates its IDA poverty criterion periodically. This is being increased from a per capita GNP of \$375 to \$520 (in 1975 U.S. dollars) to account for inflation between 1973 and 1976.

Other proposals are covered in the answers to your questions or are procedural in nature and I will not repeat them here.

The remainder of my statement is addressed to the specific questions you submitted to me.

1. A number of recently published studies have projected large grain import needs for less developed countries by 1985—grain import on the order of 75 to 85 million metric

tons compared with approximately 34 million metric tons in 1974. Has USDA done any studies of its own on this topic? Does USDA have any evaluation of the implications for less developed country income and growth of these potentially large grain import needs? What should the purpose of the U.S. Food for Peace program be in 1985 in the light of these projections? Should we begin thinking about revising the program in any substantial ways?

A number of studies have appeared recently on the world food situation, and more specifically the food situation in the less developed countries (LDC's). USDA analyses have appeared in several regular departmental publications including the World Agricultural Situation, World Economic Conditions, etc. A special USDA report—The World Food Situation and Prospects to 1985—appeared in 1974; two subsequent studies—Alternative Futures in the World Grain-Oilseed-Livestock Economies and an updated World Food Situation—are scheduled for

publication later this year.

Despite the different approaches and objectives of recent studies, there appears to be a general consensus that the grain import gap-i.e., the difference between total consumption and indigenous productionin the LDC's is likely to increase. Actual estimates of the LDC's 1985 grain import requirements range from somewhat above the present 30 million ton level to around 100 million tons. This wide range in estimates of 1985 grain import gaps is due largely to variations in rates of income, population and productivity growth. USDA assumptions of 2.7 percent population, 3 percent per capita income, and 2.7-3.0 percent productivity growth rates imply a likely gap of 50 to 70 million tons. Measuring the size of the LDC's import requirements, however, is not equivalent to measuring LDC food aid needs.

The implications of these "grain gap" projections for economic growth in the LDC's, and for U.S. food aid are mixed. While much of the LDC's projected demand growth is tied directly to population increases, a large part of increased import demand is linked to growth in income. This income induced growth in import demand is most apparent in the higher income countries of North Africa, the Middle East, and parts of East Asia. Up to %'s of the LDC's grain imports are expected to be concentrated in these more affluent countries with limited agricultural capacities.

The increase in grain imports of these countries can be seen as a measure of both population growth and increased welfare. U.S. food aid to these countries could best be geared to meeting development goals. Only on occasions of marked production shortfall or natural catastrophe would famine relief be called for.

In many of the poorer Asian and African developing countries, slower rates of overall economic growth limit their ability to import while lagging growth in food pro-duction increases their need for foreign food. Sizeable imports are likely to be limited to years of significant production shortfall. The cost of even limited commercial purchases, however, are likely to slow economic growth considerably. Given the size of the calorie gap in most of these poorest countries and their large populations, U.S. food aid to this second group of countries could best used to meet hunger and malnutrition needs arising from production shortfalls or nat-ural catastrophes and secondarily to promote overall development. A U.S. commitment to improving nutrition would require development assistance aimed at speeding up growth in indigeneous agricultural and non-agricultural production.

The implications for the size of the U.S.

P.L. 480 programs depend on broader national and international grain reserve questions, and on the degree of U.S. committo improve diets in the developing countries. Adequate national or international stocks could minimize both the cost and the size of future U.S. food aid shipments. A U.S. goal of significantly improving nutrilevels in the developing countries, would expand the size of U.S. P.L. 480 program sharply. Effective use of food aid as a development tool would also be likely to expand the size of the U.S. program.

2. In using food aid in the future for economic development purposes, where should our program emphasis be—in expanding the Title II nutrition intervention purposes and food for work activities; or can we make a greater contribution to economic development in less developed countries by expanding the larger Title I program of government to government transfers? What changes could be usefully made in the administration of the Title I program or in the P.L. 480 legislation generally to improve further its effectiveness as a development tool?

Title I may be superior to Title II in terms of its effect on overall economic development. Title II may be superior in terms of its effect on overall social developments. The benefits from Title I sales come from its immediate impact on the recipient country's budget. The local currencies generated the sale of P.L. 480 commodities enable the recipient government to expend more resources in a non-inflationary manner on various development projects. Each Title I sales agreement details the "self-help" projects which should be promoted by the recipient government. Other benefits from Title I sales include the diversion of vital foreign exchange to imports of other essential goods, since the agricultural commodities received under P.L. 480 can be repaid over a 20-40 year period. Stockbuilding and the addition of P.L. 480 agricultural commodities to supplement domestic supplies on the market also reduce inflationary pressure and help keep consumer prices lower or more stable.

The effectiveness of Title I could be improved by multi-year programming, giving the "self-help" projects a stronger role, allowing more administrative flexibility to target food aid to where it is most needed, using "grantback" provision of forgiving the new a part of the repayment obligation to recipients that use the generated currencies for approved development projects, and co-ordinating P.L. 480 activities with overall

U.S. development assistance.

Title II can play an important role in helping to develop countries by improving the well-being of the most vulnerable groups. Title II is considered to have the greatest potential in improving the diets and health of preschool children (most critical years of a child's development are before five) and expectant mothers and supporting self-help development and community projects in rural areas (development of roads, schools, housing, health centers, flood control, irrigation, reforestation, etc.). Title II donations accounted for about 22 percent of all P.L. 480 exports through fiscal year 1976.

It is likely that Title II programs could be increased in various areas. The Administration is proposing that the annual maximum allocation for Title II be increased from \$600 million to \$750 million. This level would be adequate, in our opinion, to meet requirements up to 1.5 million metric tons. particularly with the authority to carry over the prior year's unused funds. However, due difficulties of distributing much amounts of donations, it is unlikely that Title II could be increased anywhere near the extent of Title I without significant im-provements in administrative procedures and distribution facilities in recipient countries. Thus, primary emphasis may still have to be placed on Title I, but the degree of priority given to the two types of programs could vary from place to place.

3. How much of a problem is the price and agricultural production depressing impact of Title I commodities in major re-cipients? What can be done to reduce or

eliminate this problem?

Since the mid-1960's, there have been few studies on the impact of P.L. 480 on agricultural production and prices in recipient countries. In some cases, food aid along with economic, political and social pressures within developing countries may have caused some disincentive effects on agriculture and government postponement of measures to promote development. However, generally measures have been taken by the United States and recipient governments to mitigate any disincentive effects of food aid. internal factors such as price and credit policies have generally been far more powerful in influencing developing coun-tries' programs than the availability of food

Most recipient governments have maintained strict controls over food grain imports and the internal distribution and pricing of imported and domestically-produced grains. For example, some govern-ments sold lower-priced grain imports at the higher level of domestic prices and used the markups to help defray marketing and other agricultural costs. Other governments that subsidized imported grains to low-income consumers may have had little direct effect on producer prices. Before food aid began, it was the policy of many governments to restrain consumer price increases. Thus without P.L. 480, government price and marketing controls might have intensified to prevent severe price increases. Food aid in most cases can be distributed in such a way as to avoid a disincentive effect on domestic agriculture. Also the positive income and development effects would probably in-crease the demand for food in the longer-

Several amendments to P.L. 480 encourage countries to promote their own agriculture and reduce population growth as a condition for receiving Title I commodities. Some major self-help measures specified in the law are improvement of storage and distribution facilities, development of small family agriculture and increasing food supplies to the poor. The 1975 law also encourages countries to use local currency proceeds for programs of rural development, nutrition, population planning and farmer-to-farmer activities. Generally, the United States has programmed Title I commodities to meet a country's needs after its domestic shortages have been estimated, thus reducing disincentive effects.

Since the world food crisis in the early seventies many countries have given greater priority to agricultural development. As long as recipients and the United States continue to emphasize that major efforts to promote development must come from within the developing countries themselves, and food aid carefully programmed, it should be possible to avoid disincentive effects.

4. How can we avoid wastage of food aid even disruption of recipient country prices, trade and production when food aid is used to dispose of U.S. agricultural surpluses?

To minimize wastage, the quantity and timing of food aid shipments must reflect need and handling capacity within the recipient country. To help answer the key questions of how much and when, an acurate assessment of the recipient country's food situation should be made with regard to the specific need for concessional food aid, including the capacity of the country to handle food imports. This should be done with a minimum of political influences either

from within the United States from pressure groups or from the recipient country government eager for the revenues that result from the sale of concessional food imports. assessment should consider the special circumstances of each individual country including contingency plans for emergency needs and reduced levels of production.

Limited storage and management capabilities, the difficulty of quick movement of food stocks, and the unstable nature of the food supply are characteristic of many of the countries that receive food aid. To overcome these problems as they relate to the supply of food aid imports requires a judicious scheduling of all arrivals. Considerable time is required for delivery of a P.L. 480 food shipment. After an agreement is negotiated and a purchase order issued, six to eight months may pass before food arrives at the local market where it is needed. If the U.S. is to make its food aid programs more responsive and timely, we need to make continuing efforts to shorten the time involved. The coordination and cooperation of all donor countries with the appropriate agencies in the recipient country government is essential. Overall coordination of a country's food program and food aid might be accomplished by the establishment of a coordinating agenwithin the government of the recipient country

Within the recipient country, storage and handling facilities should be improved to provide sufficient capacity to handle the requirements of government food distribution programs such as ration, procurement, pric-ing policies, and emergency reserves. Stock management training is necessary for personnel to properly handle food stocks and distribution programs. Pest control, bulk handling, inventory control, and equipment maintenance would be topics of importance. The physical improvemets can be accomplished by building new storage facilities and/or rehabilitating old facilities. U.S. AID technical assistance could be directed toward the above programs. Revenues from the sale of P.L. 480 concessional food could be allocated to finance these efforts to decrease wastage. Additionally needed stock protection chemicals and equipment could be programmed at the appropriate levels for each P.L. 480 agreement. This would guarantee the adequacy of pest control supplies when and where they are needed.

To reduce waste, the quantity programmed for P.L. 480 should reflect a scheduling of arrivals to meet the recipient country need, handling capacity, proposed aid levels from the other donor countries, and commercial imports. Each P.L. 480 agreement should be flexible enough to allow quantity and timing adjustments should they become necessary due to stock buildup, production shortfalls, or emergency conditions within the recipient country.

5. After nearly 20 years of providing an average of nearly 13 million tons of food aid annually, in 1973 and 1974, the U.S. cut its food aid program sharply due largely to food shortages and high food prices. These cuts came precisely when less developed countries needed the food aid the most. Is there any way we can avoid in the future having to cut back food aid when recipient countries need it most?

The 1974 World Food Conference recommended that donors adopt the concept of "forward planning" or multiannual commitments of grain aid. As of February 1977, Can-ada was the only major food aid donor to formally make multiannual commitments of

bilateral grain aid. Advantages to multiyear allocations of aid are that it could provide greater continuity in the flow of aid to countries whose needs are fairly regular and avoid the disrupting effects of wide fluctuations in grain prices. A disadvantage could be that foreseeable changes in donor supply and demand levels would make it difficult to meet the donor's advance aid commitment. This problem could be alleviated by creation of an international coordinated system of national reserve stocks. We will continue in negotiations with other nations to establish some sort of an international food security system. Meanwhile, we have recommended that we begin with a food grain reserve program in the United States. The Department is also looking closely at Senator Humphrey's proposal for a small government owned reserve to insure meeting food aid commitments.

Assurance of adequate food aid supplies over a long period will require that principal food aid donors work more closely in coordinating their food aid programs and sharing responsibilities for providing assistance.

Making global assessments and projections of food production and needs, as required annually by the 1975 amendments to P.L. 480, should also help in planning for future adequate supplies of aid commodities. The requirement in 1975 legislation of a minimum tonnage level for Title II programs was another attempt to solve this problem, though the 1.3 million ton minimum is only a small part of U.S. total food aid.

However, at present the USDA is required to meet the "availability criteria" before programing for food aid shipments so domestic food supply and domestic and commercial export demand conditions determine the levels available for food aid. We have proposed that the criteria for determining availability of commodities be amended to provide the Secretary specific authority for making commodities available in times of limited supplies so as to meet disaster needs and multi-year commitments to foreign nations for humanitarian food needs.

6. What past successes and future prospects do you see in using food aid to develop markets abroad for U.S. agricultural exports?

To the extent that food aid exports have helped promote economic development, they have also helped develop commercial markets abroad. As developing countries have increased their growth and improved their foreign exchange position, they have tended to increase their commercial purchases from the United States and reduce or terminate their need for food aid.

U.S. agricultural exports have increased to most principal developing country recipients of food aid. Commercial sales of farm products to developing countries totaled over \$5.8 billion in fiscal 1976. This represented about 28 percent of total U.S. commercial sales and 85 percent of all U.S. farm exports to developing countries, compared with 16 percent of the total and 40 percent to developing countries a decade earlier.

For example, the Republic of China (Taiwan) and Brazil graduated from being principal Title I recipients in the mid-1960's to being the 11th and 13th major commercial market for U.S. farm exports in fiscal 1976. U.S. commercial sales also increased considerably to several current major P.L. 480 recipients, such as the Republic of Korea, India, Indonesia, Israel, and Egypt. In fiscal 1976, India was the 8th largest commercial market for U.S. farm products—up from 18th place in 1974. Since fiscal 1972, Korea has been one of the 10 leading commercial customers for U.S. farm products.

Food aid should be considered as a means of breaking the food barrier to economic progress. Relief feeding in an emergency is a prerequisite to economic development, but workers must have sufficient food for sustained effort on development projects. Food aid can prevent debilitating diseases that reduce worker productivity. In those cases where production in the developing countries is not likely to respond fast enough, food aid has a unique place in an integrated program to accelerate economic growth. The P.L. 480 program is more than simply a food

transfer on easy terms. It is also a transfer of resources, in that the agricultural commodities sent out under P.L. 480 can be sold by the recipient government and the local currencies generated then used for economic development projects. As the economies of the recipient countries develop they outgrow the reliance on food aid.

STATEMENT BY KATHLEEN S. BITTERMANN

Mr. Chairman and Members of the Committee, I am pleased to appear before you to-day to discuss U.S. food aid and its relationship to economic development.

As you no doubt are aware, U.S. food aid under Public Law 480 began in 1954. Title I of the Act authorizes sales of U.S. agricultural commodities on long term concessional loan terms to friendly countries. Title II authorizes donations of food for disaster relief and for other feeding activities such as maternal child welfare, food-for-work and school lunch.

Since 1974, the United States has provided each year between 50 and 60 percent of the annual goal of 10 million tons of food set by the World Food Conference. For FY 1977 the level of U.S. food aid will be about 6 million tons and for FY 1978 we are projecting 6.3 million tons. Of this amount, approximately 75 percent will be under Title I and the balance under Title II.

Although P.L. 480 is a multi-purpose statute that includes trade expansion, development of markets and other foreign policy concerns among its objectives, the program has provided strong support to U.S. economic development objectives.

First, a strong link to economic development is the improved nutrition which both the Title I and II programs provide. Ironically, this factor is often overlooked, as food aid and nutrition activities are more often associated with humanitarian rather than development objectives. It is clear, however, that an adequate level of nutrition is essential to development. Conversely, malnutrition increases susceptibility to debilitating disease and serious malnutrition has direct debilitating consequences, especially for the young. Both effects have negative consequences for development.

Second, food sales under Title I provide resource transfers which enable scarce foreign exchange holdings to be channeled into development efforts.

Third, Title I assistance provides a backup resource which can encourage developing countries to undertake new policies aimed at increasing food production which might otherwise be risky without an assured supply of food.

Fourth, proceeds generated from the sale of Title I commodities may be used by developing nations to finance programs of agricultural production, rural development, nutritional improvement and population planning.

Finally, under the donation program (Title II) food provided as part payment of wages in public works programs helps construct and expand infrastructural facilities such as rural roads, wells, irrigation, etc. that are a vital part of programs designed to increase agricultural production.

On balance over the years P.L. 480 programs have had a strong positive impact on development. This is not to say, however, that there are no aspects of the P.L. 480 program which conflict with or hinder the realization of development goals. For example:

U.S. crop cycles and/or commodity availabilities do not always mesh well with the import needs of developing countries.

Uncertainties as to supply availability can limit the integration of P.L. 480 programs with other development efforts.

Effective use of local currencies requires a degree of involvement by the U.S. in budgets and expenditures that may be regarded by some countries as unwarranted interference in internal affairs.

Large long-term food aid may create dependence and foster disincentives to local agricultural production efforts.

These are factors which can but do not have to inhibit development.

Developing governments' policies regarding food imports, pricing incentives, agricultural production, etc. are fundamental to the effective use of P.L. 480 programs as a positive development tool. In the cases of Japan, Taiwan and Korea large scale imports of P.L. 480 commodities were complementary to successful efforts to increasing agricultural productivity. The record in Pakistan and India has been mixed but by no means negative. Although in many instances the United States has limited ability to influence other governments' policies in the area of food production, we must make every effort to insure that food aid programs work in tandem with our dollar assistance activities and with the development efforts of recipients themselves.

Looking to the future, in our judgment, a continued food aid program will be essential. While estimates vary somewhat depending upon such assumptions as population growth, levels of inputs, etc. most experts agree that the grain deficits in LDC's will grow significantly, perhaps as much as three or four fold by 1985, unless appropriate food production and population measures are taken. The ultimate solution to this problem will be to increase food production in the LDC's. Food aid will be crucial as part of a development strategy which seeks a better balance between food production and population growth. In this context food aid would initially help bridge the food gap and over the long term will help provide a degree of certainty in food supply which is essential to a strategy of development.

While the need for a continued food aid program is clear, the development impact of the program can be further strengthened. In order to accomplish this the President has directed that a study be undertaken within the Executive Branch to determine ways in which the development link can be improved.

Some initial steps have been taken in the recent past:

Interagency approval of a new system designed to integrate Title I programs with other development assistance was obtained.

A new program concept was devised whereby a "core" quantity of commodities would be offered to countries on a priority basis when a significant link could be demonstrated between food aid and development objectives.

Instructions were sent to the field on the use of the "loan forgiveness" authority contained in Section 106(b) (2) of P.L. 480. This provision permits the reduction of dollar indebtedness under P.L. 480 Title I in the equivalent amount of local currency that is effectively "used" in support of agricultural development, rural development, nutritional activities or family planning.

A.I.D. revised its policies on the use of local currency generations under Title I in order to permit where appropriate a more collaborative style of programming the use of the currencies.

Based on the minimum tonnage established for Title II a longer range planning effort with U.S. voluntary organizations and recipient governments has been permitted. We are also attempting to integrate Title II activities more closely with ongoing A.I.D. projects—particularly those which relate to nutrition, population and agricultural development.

In the near future we will be looking at such questions as:

How the P.L. 480 program can be more effectively linked to A.I.D. efforts to concentrate upon the small farmer and landless laborer.

How the nutritional impact of both Title I and Title II can be improved.

Whether the Food for Peace program can be targeted to reach poor people not now covered by either Title I or Title II.

What the relative size and concentration of Title I and Title II programs should be.

How P.L. 480 programs can relate to the development of a worldwide grain reserve system.

The terms under which Title I food assist-

ance is provided.

In summary, we believe that the Food for Peace program has made a strong contribution to development in the past and with strengthening can make even a greater contribution in the future.

THE ROLE OF INSULATION IN OUR OVERALL ENERGY POLICY

Mr. MATHIAS, Mr. President, as the American people finally begin to confront the reality of our energy situation, it is clear that each and every person is going to have to make sacrifices: that everyone will have to reevaluate his or her lifestyle, and that, where necessary, higher energy costs will have to be accepted. But there is one area where it has been consistently shown that great amounts of energy can be saved at a minimal cost: That is in the appropriate use of insulation.

"Retrofitting" homes and commercial properties holds the promise of being one of our most effective conservation tools. Moreover, the necessary technology already is available, on line, and in operation, Millions of dollars in excess energy consumption can be saved through this relatively simple and comparatively cheap method of conservation

In the forefront of the effort to establish standards for the expected demand in this area is the Insulation Contractors Association of California. They have recognized the key role that industry representatives can play in educating the public about the needs of insulation and about potential pitfalls. They have highlighted the need for qualified installers to insure safe installation in conformity with various State and local codes. They have brought to the attention of those in Government the necessity for increased production of basic insulation materials. And, to their credit, they have emphasized the need for standards for products to provide maximum consumer protection.

This group has made important recommendations to the President of the United States and his energy staff which I think warrant consideration by my colleagues, and I ask unanimous consent that those recommendations be printed in the RECORD at this point.

There being no objection, the recommendations ordered to be printed in the RECORD, as follows:

RECOMMENDATIONS BY THE INSULATION CON-TRACTORS ASSOCIATION WITH REGARD TO A PROPOSED NATIONAL RETROFIT PROGRAM

That current creative and effective marketing programs by utilities and manufacturers be encouraged and continued because of their obvious success in moving the public voluntarily to reinsulate their homes

2. That rigid standards be established for insulation products manufactured, sold or otherwise distributed in order to provide maximum consumer protection. This would help to remove from the marketplace both contractors and manufacturers who do not meet appropriate requirements.

3. That high priority for energy be given to those manufacturers who are either expanding present facilities or building new facilities to manufacture products to meet requirements of the projected program.

4. That the Federal Government provide its good offices for guidance and counsel in working with the combined insulation industry to develop incentives that will be equitable for all consumers.

5. That the Federal Government turn its focus to assisting the industry in developing enforceable codes of performance standards to provide maximum consumer protection.

That the Federal Government, utilities, contractors and manufacturers coordinate efforts to insure that those in lesser economic situations are adequately served.

7. That all parties to this important effort cooperate to develop effective job-training programs to provide skilled personnel in an orderly fashion related to annual growth

8. That a key ingredient of this massive undertaking be the immediate establishment of an emergency task force made up of all elements of the insulation industry to recommend such actions as would implement the above proposals. This task force should be charged with a specific mandate and a specific deadline for presentation of its recom-

Mr. MATHIAS. Recently, Joseph J. Honick, executive director of the Insulation Contractors Association of California, testified before the California Public Utilities Commission. His remarks, I think, demonstrate the degree to which this group has been leading a major effort to assist the American people in coping with the growing energy dilemma. I ask unanimous consent that his testimony be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

PREPARED TESTIMONY OF JOSEPH J. HONICK

I am Joseph J. Honick, Executive Director of the Insulation Contractors Association, an organization representing contractors throughout the State of California, offices at 15910 Ventura Boulevard, Encino, California. With me is Mr. Anthony Di Angelo, of Redwood City, President of the Association's Northern California Chapter and a Director of the State Association.

For the information of the Commission. our Association became a State entity in the summer of 1976 and was formally incorporated in the fall of the same year. It is, however, the amalgamation of representative chapters in Northern and Southern California of much longer standing. We are pleased to note also that other chapters have been organized in the San Diego area and now in the Fresno-Bakersfield area.

According to the best information available to us, our members perform in excess of 80% of the residential insulation contracting business for both new construction and retrofit in the State.

The goals of the Association include both the advancement of our industry and the development of programs that will insure the consumer of quality performance standards and ethical sales methods.

We are here today as a very interested party to comment in constructive fashion regard to the Commission's Order #86983, amending Case #10032, which proposed specific alternative approaches by to reinsulate all appropriate residential units in the State.

We wish to compliment the Commission for its determined efforts to achieve maximum energy conservation. By the time, it is no longer necessary to document the critical situation that has led to this juncture. It is, however, vital that whatever approach is taken be measured against the total impact it may have in the longer run.

Before moving to specifics regarding the proposals before you, we would like to comment that one of the greatest deterrents to voluntary massive residential retrofit has been the overly-publicized suggestions that someone will do the job for free or through some other subsidized means. Not only has this pervasive publicity tended to distort an orderly free market accommodation of public need, but it has in many areas slowed down what had been accomplishing the Commission's . . . and indeed the generally expressed goal: rapid and certain energy conservation through simple and cost-effec-

In consumer newsletters, for example, grandiose statements have been printed like this one from the Moneyletter of March 1977, datelined Washington, D.C.:

"Knock, knock: It's your gas company come to insulate your house, free." "It sounds far-fetched, but if yours is one of the 34 million U.S. houses heated with gas, your utility may offer to not only insulate your house, but also to install an automatic thermostat and improve your furnace efficiency-at no direct cost to you.

The article concludes by noting that the stumbling block may be the guy down the street who's just insulated his house and can't understand why he should pay for his neighbor's. The sensitive retort from the plan's proposer, Dr. William G. Rosenberg, is that "the guy should realize that it's cheaper for him to buy the gas his neighbor saves, at the current price, than for his gas comto have to buy costlier gas from Algeria."

Moneyletter is only one example of many such publications and their impact is multibecause the sensationalism of their statements is wonderful filler and feature material for radio, television and the general press who communicate daily to a public grown confused by what is and what is not valid in the energy crisis dialogue.

Because of such publicity, the Commission was requested by the staff on March 7, 1977, to issue an order that would inform consumers who reinsulated as of February 15, 1977, that they would share in any ultimate incentives, bonuses or other benefits developed at some future time. Reason: so many consumers had begun to postpone voluntary reinsulation because they had read or heard of some potential benefit that had only obliquely promised and based on only the most subjunctive statements.

This would seem to set the scene for our presentation today.

The proposals before us today would have the utilities either absorb all of the costs of a massive retrofit program, or absorb a significant portion with the customer paying the balance as a surcharge for service.

We oppose both of these measures and will try to present what we believe to be a constructive alternative.

The first approach—that a utility cover the entire cost of the program flies in the face of a free market which already is doing much to meet the requirements called for by the Commission. Such an approach can only be inequitable because of the financial demands on the entire rate base. It would penalize the foresighted and reward the procrastinator. It would penalize the family that bought a new home already insulated under new prescriptive standards. It would certainly burden those of lesser economic means who are even now hard-pressed to meet ordinary living costs.

Finally, it would create unwarranted constraints upon orderly distribution methods in the marketplace.

As to the utility absorbing a significant portion and the customer paying the balance as a surcharge, we are merely confronted with a reasonable facsimile of the first proposal with only a variation on the theme. Beyond this, the expressed desire to

achieve substantially complete retrofitting of all residential units within a five to seven year period would appear to be unrealistic in light of current supply circumstances.

Heavy demand for product to meet new residential construction standards will not abate. Thus, requiring that the program be completed within a five to seven year time frame may well exacerbate the supply situation and force prices upward to manufacturers, utilities, contractors and ultimately consumers that could be intolerable.

Yet, there is a very positive point over-looked in the total dialogue of energy conservation in California. The fact is that, to a substantial degree, the industry ... including manufacturers, utilities and contractors ... already has been meeting the goals desired by the Commission, and indeed most public bodies who understand the effectiveness of insulation.

While it is certainly difficult to settle on any one set of statistics, we do have some legitimate measure of what is taking place and could logically develop over the next several years, without disruption to the orderly and careful expansion of the indus-

try and the marketplace.

For example, figures reported for the Pacific Gas & Electric Company service area indicate that about 58,000 owner-occupied residences were insulated during 1975, 100,-000 in 1976, and it is anticipated that around 150,000 will be retrofitted in 1977. Though we probably cannot extend that kind of progression indefinitely, we can confidently expect that the momentum will be sustained so that, over seven years, it would be possible to retrofit at least 600,000 units just in the PG&E service area.

In the Southern California Gas Company service area, it is our understanding that the utility projects 90,000 units will be retrofitted in 1977, a substantial increase over the previous year. Assuming even a modest 20% annual growth rate, this could provide retrofit for about 1.1 million units over seven years.

Combined with the conservative projections mentioned for the PG&E area, we would already move to the desired goals, but without the inequities that would be created under the proposals before us today.

Admittedly, growth rates in the marketplace are not symmetrical. Nor can we guarantee that these projections will be sus-tained. But, then, neither can anyone guarantee any projections. We must work with what we have and what we know by experience. Given this, we can say with confidence that the greater proportion of need will be handled without the all-encompassing ap-proaches we are reviewing today.

What, then, must we all do together to insure that the goals are met with the minimum impact on the free market?

Respectfully, we suggest the following for your consideration:

1. That current creative and effective marketing programs by utilities and manufacbe encouraged and continued because of their obvious success in moving the public voluntarily to reinsulate their homes.

2. That the Commission provide its good offices for guidance and counsel in working with the combined insulation industry to develop incentives that will be equitable for all consumers.

3. That the Commission and other public bodies turn focus to assisting the industry in developing enforceable codes of performance standards to provide maximum consumer protection.

4. That the Commission, utilities, contractors and manufacturers coordinate efforts to insure that those in lesser economic situations are adequately served.

5. That all parties to this important effort cooperate to develop effective job-training programs to provide skilled personnel in an orderly fashion related to annual growth.

I am pleased to report that an informal survey of members of the Insulation Contractors Association indicates an already present capability for substantial expansion based on product availability and providing a stable and orderly approach is taken in this great endeavor. As key participants in overall energy conservation, and as the final focal point in the insulation process, the members of ICA are ready to do their parts. We all have a tremendous opportunity to carry out a positive program. We also have an exacting responsibility to avoid distortion of something that is already working effec-

There is little question that what the State of California does will set the pattern for much of the Nation. We therefore urge the Commission not to adopt the proposals set forth in the amendment to Case No. 10032 and to lend its substantial wisdom, credentials and counsel to each segment of the insulation industry to improve the present system and provide such incentives that will be clearly and broadly equitable to all consumers.

In this way only will we be able to look back at the conclusion of the program and see not just a successful effort, but one that will have laid the foundation for public confidence in all such programs intended to preserve our precious national energy resources.

WHY ATTACK ON INTELLIGENCE AGENCIES?

Mr. ALLEN. Mr. President, Mr. Ernest I. Harrison, of Birmingham, Ala., has contacted me to express his concern that serious damage may be done to the intelligence agencies of the Federal Government if attacks on those agencies continue unabated. Mr. Harrison has writ-ten a letter to the editor which was published in the Birmingham News which sets forth in greater detail his views on this subject. I ask unanimous consent that his letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

VOICE OF THE PEOPLE-WHY ATTACK ON IN-TELLIGENCE AGENCIES?

I hope this article can be printed as it represents about thirty-five years of careful thought, twenty-five of which were spent working for our nation's intelligence community in Washington, D.C.

The question raised here for your analysis is whether the Washington Post is in effect, an arm of the Soviet Union's propaganda machine or simply the mechanism of a group

of irresponsible liberals.

We cannot state that they are in the pay of our enemies or that the USSR has control of the publisher or influence over the editorial staff. We can state, however, that the activities of the Post have injured the reputation of the United States government,

its business community and its citizens.

The destruction or weakening of the Federal Bureau of Investigation and the Central Intelligence Agency has been for many years the prime objective of the Soviet propaganda and courier-espionage apparatus. The Washington Post with its powerful television and

radio satellites located in the Washington area, focused directly on our nation's leaders, have done more to accomplish these objectives than our admitted enemy.

The recent attack on the CIA, alleging payments to the King of Jordan as well as the heads of other friendly nations will-true or false-do much to cripple our intelligence gathering and to disrupt our friendly relations with the nations implicated. Most thinking Americans would admit that payment for valuable intelligence is a worthwhile program, but the implication that these leaders were converting these funds to their personal use can cause great damage to the reputation of these men and lay groundwork for a take-over by opposition factions—possibly Communist controlled.

The reports on the immediate reaction from President Carter appeared to say, "We do not know anything about it but we plan to stop CIA payments to these foreign lead-

ers."

If true, this was not a well thought out response but represented all two clearly the hysteria generated among our nation's leaders by a communications medium which has all too strong an influence on all branches of government.

POLICY RECOMMENDATIONS ON ENERGY CONSERVATION

Mr. PERCY. Mr. President, I recently wrote to President Carter to give him my views on items to be included in the conservation component of his forthcoming April 20 energy message. In order to share those ideas with my colleagues, I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD,

as follows:

WASHINGTON, D.C., April 5, 1977. President JIMMY CARTER, The White House, Washington, D.C.

DEAR MR. PRESIDENT: The Alliance to Save Energy was officially launched last Friday when we held the founding meeting of the Board of Directors. The support that Hubert Humphrey and I have received has been extraordinary and due in no small measure to you and Jim Schlesinger's early and active endorsement of the Alliance and its goals.

For that we are deeply grateful to you. At the meeting on Friday, Jim Schlesinger outlined the importance of conservation to the nation, and Henry Kissinger described what he intended to do as Chairman of

ASE's Advisory Board.

I have been very pleased to learn that your April 20 energy message will make conservation the cornerstone of our national energy policy. As you know, I have urged a much stronger role for conservation than it has had in the past.

You have asked for ideas for consideration in your forthcoming energy policy statement. I am pleased to submit my own views on one aspect, namely conservation energy. They would no doubt be concurred in by many members of the Alliance but they have not yet been submitted to the Board for their consideration. Therefore, I speak here as an individual and not as Chairman of the Alliance to Save Energy.

1. GENERAL

Support the gradual reduction of production subsidies such as the oil depletion allowance and loan guarantees which undermine conservation by making energy cost less than its true value.

Create an Energy Extension Service to

facilitate implementation of energy conservation measures at the State and local level. Support comprehensive public education programs with a conservation message, including programs specifically directed at schools

Strengthen the enforcement of current energy conservation laws, including the Energy Policy and Conservation Act and the Energy Conservation and Production Act.

Intensify Government energy conservation

R D & D programs.

Support an effective effort to reduce all Federal, State and local Government energy

Study the effects of a refundable deposit on bottles and cans to encourage reuse.

Encourage Government to adopt stiff energy efficiency criteria as part of their procurement policies.

2. BUILDINGS

Expedite development of a building efficiency performance standard by HUD, and make this standard both mandatory and stronger.

Provide tax credits for insulation and other

energy-saving equipment.

Enlarge the program of direct grants to pay for insulating houses of low-income families. Support local efforts to improve residen-

Support local efforts to improve residential building codes to improve energy efficiency.

Urge utilities to insulate homes and to recover costs through monthly utility billings.

3. APPLIANCES

Support stringent appliance efficiency standards, and both mandate and strengthen the standards now on the books.

Support energy efficiency labelling for all major consumer appliances.

4. INDUSTRY

Encourage, through loans or loan guarantee programs if necessary, the use of waste heat and process steam to generate electricity.

Make the existing voluntary industrial

program mandatory.

Support programs to stimulate energy efficiency in industrial production (e.g. target setting, loans for energy improvements, tax credits, energy audits of individual companies, provision of information to small companies.)

5. UTILITIES

Require states and local utilities to redesign electricity rates to encourage conservation. For example, time-of-day pricing which makes peak-load power more costly.

Support policies and programs to improve the efficiency of electrical generation such as thermal storage, peak load policy and other load management techniques.

6. TRANSPORTATION

Gradually increase the Federal gasoline tax each year and combine this with a rebate program to low-income groups.

Enforce and strengthen EPCA fuel efficiency standards, i.e., raise the 1985 average fuel efficiency target of 27.5 mpg.

Penalize those States which do not enforce 55 mph by withholding highway funds.

Impose a Federal parking tax on all government employees using government property for parking

erty for parking.

Develop a system of excise taxes which places a special charge on the purchase of a car with poor fuel economy and provides a rebate to the buyer of a more fuel efficient

Encourage programs to increase load factors on transportation modes with excess capacity (e.g. car pools, public transportation).

Abolish the Highway Trust Fund, and create a unified transportation fund.

Place priority for Government funding on energy efficient public transport (e.g. rail, bus) rather than on less energy efficient modes (e.g. air travel, highway construction).

Support Government funding of both advanced auto engines and electric vehicles.

7. GOVERNMENT ORGANIZATION Support the creation of an Under Sec-

retary for Conservation within DOE.
Support the designation of an Assistant
Secretary in DOC, HUD, DOT, GSA and DOD
to be responsible for conservation in these

Î hope you will find these suggestions helpful. If your staff would like to discuss them with me, I will be here until Thursday when I leave on a personal trip abroad. Chris Palmer (224-1462) of my staff will be available to cooperate and work with them in any way that would be helpful.

Thank you again for your help and support in launching the Alliance to Save Energy.

Warmest personal regards,
CHARLES H. PERCY,
U.S. Senator.

REFUGEE RESETTLEMENT IN THE UNITED STATES

Mr. KENNEDY. Mr. President, yesterday representatives of the American Council of Voluntary Agencies in New York testified before the Appropriations Subcommittee on Foreign Operations regarding the resettlement of refugees in the United States. The council's statement, which I fully support, recommends that any funds appropriated, to assist the voluntary agencies in resettling refugees, equally benefit all refugees, regardless of race, religion, or nationality. As council's statement suggests, this simple humanitarian guideline has not been reflected in our national policy toward the reception of refugees, and a remedy is long past due.

I commend the council for its excellent statement, and hope that Congress and the administration will support any needed legislative remedies to bring a greater measure of equity in our treatment of the homeless who came to our

shores.

Mr. President, I ask unanimous consent that the full text of the council's statement be printed in the Record.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF JOHN E. MCCARTHY

I am John E. McCarthy, Chairman of the Committee on Migration and Refugee Affairs of the American Council of Voluntary Agencies for Foreign Service, Inc. I also serve as Director of Migration and Refugee Services of the United States Catholic Conference, which is a member agency of the Committee.

I am delighted with the opportunity of appearing before you today on behalf of the voluntary agencies of the United States who are engaged in the movement and resettlement of refugees, escapees, and displaced persons from all parts of the world.

Mr. Chairman, the American Council of Voluntary Agencies for Foreign Service is an association of 44 organizations in this country which serve as the channel for American voluntary response to need overseas, including disaster aid, social development, and refugee assistance.

On various occasions representatives of the American Council have had the privilege of appearing before this Committee to express convictions and make suggestions on a wide range of their humanitarian concerns. Today my colleagues and I appear before you in reference to one segment of that concern, the movement of refugees eligible for resettlement in this country.

These voluntary agencies, several of which are represented here today, are:

American Council for Nationalities Service;

American Fund for Czechoslovak Refugees; Church World Service:

Hebrew Immigrant Aid Society; International Rescue Committee;

Lutheran Immigration and Refugee Service:

Migration and Refugee Services, United States Catholic Conference;

Tolstoy Foundation.

They have been engaged for nearly the past half century in assisting with the sponsorship and resettlement of over a million persons. This unique cooperative humanitarian endeavor between the United States Government and its volunteer citizen component is a model of effective and efficient action on behalf of persons who are displaced, without regard to their race, religion, or national origin.

We have been somewhat concerned, Mr. Chairman, over recent testimony before this Committee and other Committees of Congress about the true role, endeavors, and concerns the voluntary agencies who are engaged in this specific effort. It must be kept in mind in the forefront that our endeavors relate largely to the care and processing of refugees overseas destined to be resettled in the United States and other countries of the world. When refugees arrive in the United States, the voluntary agencies assume responsibility for securing housing, employment, education, and orientation activities to assist in making them productive members of their new communities.

Of prime evidence of the effectiveness of this cooperative endeavor are resettlement programs carried on on behalf of those who have fled Southeast Asia. It was possible, through the effective use of this voluntary structure, to find housing, employment, and job opportunities for something in excess of 100,000 people within a period of approximately eight months. It must be well remembered that in this endeavor we were dealing with refugees whose mores, culture, and language had no parallel in the resettlement communities.

It was therefore necessary for the voluntary agencies to carry out ongoing programs to assure that everything possible is being done to provide these new arrivals with every opportunity to become involved and constructive members of the cities and towns where they are now establishing their new lives.

Fortunately, the voluntary agencies, through their churches, synagogues, and civilian components were able to call on the resources of tens of thousands of volunteers to make these programs and others like them as effective as possible. There is no question but that it costs money to provide these resettlement opportunities, and the expenditures on each case differs.

With the present-day spiraling costs, the expenditures run from hundreds to thousands of dollars for the resettlement of each refugee. I will be delighted to provide the Committee with some examples of these expenditures.

In the past, the large part of the total cost of the resettlement endeavor was borne by the voluntary agency supporting such service in the United States. Unfortunately, however, with the recent massive refugee movement, the voluntary agencies are looking to Government structures for some minimal fiscal assistance in these joint humanitarian endeavors. There is no question but that in the very lifeblood of our nation the word "humanitarian" stands out. However, the fact remains that the movement and resettlement of refugees is also a foreign policy concern. In a recent statement before the House Judiciary Committee, a State Department representative attested:

". . there are solid foreign policy reasons why we should involve ourselves substantially and regularly in resolving refugee problems . . U.S. humanitarian assistance for refugees . . . serves as a glowing exam-

ple of the purposes and processes of the free democracy with we are, and of the free society which makes such assistance possible.

"The flight of refugees into countries of first asylum places economic and political burdens upon such countries...and, as often happens when large numbers of refugees are involved, the economic burden alone is severely oppressive and this tends to threaten the stability of the host country. The political factors...frequently lead to controversy and problems for the asylum countries, especially with respect to the governments of the countries from which the refugees have fled. Our efforts coupled with the broader efforts of the International Community... contribute to the political as well as the economic stability of countries of first asylum.

"Mr. Chairman, refugee problems can be and frequently are a threat to peace. Refugee problems if left unattended can quickly bring human deterioration fostering local frictions, ferment, political tension and even terrorism. On the other hand, the provision of timely refugee assistance can lead to . . . the reduction of tensions, the solution of broader issues and the preservation of peace itself."

We have discussed the matter of limited funding assistance with the appropriate offices of the Department of State. Following is a portion of a letter just received relating

to this request:

"As you know, the subject of further assistance to the Voluntary Agencies in the form of reception and placement grants has arisen on several recent occasions during our congressional budget hearings for FY supplements and for FY 1978 budget. In this context, we have testified that the Department was precluded from including requests for funds for such grants because of Departmental budget ceilings. During recent years, reception and placement grants have been paid to the Voluntary Agencies only for Soviet and Indochinese refugees from special appropriations. We have also repeatedly testified that we recognize the need of the Voluntary Agencies for such grants and that we agree in principle that they should receive them; however, we have strongly opined that as and when funds are made available for this purpose, the grants should be paid to the Voluntary Agencies for all USRP eligible refugees being resettled in the United States, not merely those from the Soviet Union as has been the case for the past several years."

In light of the above, Mr. Chairman, we have no recourse but to review the matter further with your Committee. Our Churches, Synagogues and voluntary agencies do respond, and will continue to respond, to this refugee need. Unfortunately, with rising costs and other commitments, a total funding is now not available from our voluntary structures to completely provide the resources necessary to carry on resettlement activities in the manner we believe is most advisable to our nation and local communities.

We do, therefore, need some overall support or grant for all the refugees resettled in the United States by the voluntary agencies without regard to race, religion, or nationality of those being resettled. Your Committee has forthrightly brought up the matter of what appears to be differences in expenditures on behalf of refugees from various areas of the world. We all join you in these concerns but, unfortunately, it has never been possible for us through our work, discussion and cooperative endeavors with the administrative structures of our Government, to have any viable (across the board) program worked out. Because of this, it is necessary for interested parties (or the Department of State itself) to appear before your Committee requesting grants or supplements for individual groups or refugees. This unorganized and often emotional approach to the matter of humanitarian and foreign

policy concerns could be eliminated if the State Department budget could be so arranged to provide for a modest grant to assist with resettlement of those refugees whom our Government officials deem admissible to this country under our immigration and nationality laws.

At this time a minimum figure would be \$400, which is much below the average cost of resettling a refugee. Without such support the voluntary agencies would be compelled to eliminate some services which are essential to get refugees on the road to self-support. Our common objective is to make them self-supporting, contributing members of our society. A small investment of Federal funds at the start would pay rich dividends for both the refugees and the United States.

As the Congress considers the appropriations for the Department of State for Fiscal Year 1978, the resettlement agencies urgently recommend that you consider the possibility of resettlement grants for all refugees eligible for movement to the United States. We understand that some funds in this direction have been earmarked at Congressional initiative for the present fiscal year, and we strongly applaud this step. We now express our strong conviction that there is desperate need to broaden this policy to all refugees resettled in this country.

resettled in this country.

This has been further eloquently attested to by Senator Kennedy of Massachusetts, who stated on the floor of the Senate on April 1, 1977 during the discussion of the

supplemental appropriation bill:

"Mr. President, on another matter, I would like to commend the action of the Appropriations Committee, and the leadership of the Chairman of its Foreign Operations Subcommittee, Senator Inouye, in supporting the supplemental requests for the migration and refugee assistance account. I believe the action of the committee was both wise and timely in full funding these requests.

"At a time when our country is making a fresh beginning under President Carter in support of our Nation's traditional concern for human rights and humanitarian affairs, I believe it is important that we act in support of these efforts. The response of the committee in providing increased financial support to the migration and refugee assistance account is further evidence to all that the United States is taking seriously its concern for the horseless and the needless.

for the homeless and the needy.

"I also want to commend the committee for its action in eliminating the narrow focus of the funding for refugees—for broadening the scope of the migration and refugee assistance account beyond refugees only from the Soviet Union and Eastern Europe. The elimination of this narrow wording is a step in the right direction—toward treating all refugees entering the United States equally."

Mr. Chairman, the resettlement agencies deeply appreciate the opportunity to bring our concerns to you and your distinguished Committee. We shall be delighted to answer any questions you may have or provide any additional documentation that would be helpful to the Committee.

BRIDGE REPLACEMENT AND REHA-BILITATION ACT OF 1977

Mr. TOWER. Mr. President, I want to thank my colleagues, Senator Randolph and Senator Culver, for their foresight in introducing, S. 394, the Bridge Replacement and Rehabilitation Act of 1977, which will significantly enhance this Nation's efforts to upgrade and maintain the vital bridge links in our transportation system.

Particularly in rural areas, bridges across the Nation have fallen into disrepair on an unanticipated scale. Ac-

cording to information recently made available to this body, the cost of repairing or replacing existing bridges in the United States today exceeds \$10 billion.

The capital for such repair and replacement is far beyond the capability of the Highway Trust Fund, from which most bridge replacement moneys, now come. Unless we provide the essential additional capital to reverse the present trend, the condition of bridges on and off the Federal aid system is likely to deteriorate beyond our ability ever to catch up.

I believe the bill which Senators Ran-DOLPH and CULVER have introduced will have a positive impact on the current situation if enacted. I know that in my own State of Texas, the work which would be brought about under this bill is vitally needed.

Accordingly, I am pleased to cosponsor S. 394, and would urge the Senate to give this legislation its most serious attention.

ACTIVITIES OF THE JOINT ECO-NOMIC COMMITTEE

Mr. HATCH. Mr. President, a very interesting editorial appeared in today's Wall Street Journal, which I draw to your attention because of what it says about the activities of one of my committees, the Joint Economic Committee.

The editorial, entitled "The Grocery Trust!" points out fatal weaknesses in a JEC study which tried to convince us that supermarket chains are gouging American consumers and engaging in monopoly pricing tactics. By quoting some prices and market shares of various supermarkets in various cities some years ago, the authors of the study found that some prices are higher in cities where concentration exists. Ignoring the fact that costs and taxes were also higher in the same cities, the authors of the study cooked up a \$662 million figure for the amount they allege we are being overcharged.

The Wall Street Journal editorial rightly points out that other factors are at work in high supermarket prices; taxes, rent, labor, shipping and construction costs in some cities are so high that marginal stores have been forced out of business and the remaining efficient ones still have to charge enough

to cover their costs.

All this being said and done, my only comment is that it is a pity this exercise had to take place at all. The committee members who supported the conclusions of this report—as well as the report's authors—are surely grasping at straws, trying to promote a conspiracy theory of economics that ignores market pressures, differential costs, relative tax burdens, and the fact that if you do not make a profit you do not stay in business. They would have come up with something more substantial if they had even settled for straws.

In fact, on reading this editorial, I commissioned my staff to do an exhaustive study on the price of straws in the District of Columbia metropolitan area. What they came up with would, I believe, be extremely interesting to all of my esteemed colleagues in the Senate.

My staff concluded, first, that there is no price collusion among the larger grocery trusts that sell drinking straws. Comparative shopping at Safeway, Georgetown, the A. & P., 48th and Yuma Streets NW., and Giant, yielded price spreads for a box of 50 straws from 39 cents—A. & P.—to 27 cents—Giant. Surely this illustrates that even the major trusts cannot get together on straws.

But surprisingly, my staff also found that the little stores were not price disadvantaged. The North Hampton Shopping Mall branch of Pantry Pride matched Giant penny for penny—50 straws for 27 cents. And, Cook's Supermarket—Cherry Hill Road, Bethesda branch—even undercut that by 2 cents—surely a courageous act in this day of grocery trusts and multinational corporations.

Now, I realize that the analogy is not entirely accurate. The expression "grasping at straws" refers to wheat, barley or oat straw, the kind of stuff you find on farms. They do not raise drinking straws on farms—but then again, you do not find cow manure at supermarkets.

I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection the editorial was ordered to be printed in the RECORD, as follows:

THE GROCERY TRUST!

Five economists of the University of Wisconsin, whose names we will not mention out of sympathy for their families and friends, have come to the astounding conclusion that the big grocery chains have a "monopoly over charges" in many U.S. cities, and customers are being gouged to the tune of \$662 million a year. The economic quintet divulged this dynamite news to the Joint Economic Committee of Congress last week, obviously with the fervent hope that some trustbusting will be done.

What they did, you see, was to study prices, profits and market shares of 17 food chains in 32 metropolitan areas. They found some very neat correlations. Prices varied as much as 14 percent, city to city. And in those cities where prices were highest, the biggest four firms had the greatest market shares, which surely must mean that there is less competition in these areas than where prices are lower and markets are fractured. Doesn't

There is one little tricky problem with this astonishing theory, however. Profits. They are no higher where prices are being dictated by the monopolists than where the free market is keeping them down via competition. But the Wisconsin economists will not let this point stand in the way of an otherwise perfectly good theory. Consumers, they say, are paying the bill for "inefficiencies and excessive costs that so frequently are the handmaidens of shared monopoly situations."

Now, all the Wisconsin Five have to show is that these inefficient monopolies that somehow fail to benefit from their shared power are keeping efficient supermarkets from invading their turf. If consumers are being overcharged \$662 million, that is precisely the amount that efficient supermarkets could carve up with consumers, say \$331 million for the grocers in higher profits and \$331 million for consumers in lower prices. Why is this bonanza being spurned?

Our own theory of why grocery prices are higher in some cities than in others probably would not appeal to many members of the Joint Economic Committee. Senator Proxmire of Wisconsin and Representative Reuss of Wisconsin, both JEO members, have been complaining about grocery monopolies for two years.

Grocery prices are higher in City A than in City B because the tax burden and public debt is higher in City A than in City B. All the costs of doing business are higher in City A, not only the wages of the checkers and boxboys, but also the costs of rent, construction, shipping and utilities, all of which absorb current taxes. Capital costs are also higher because investors see the public debt looming as future taxes. Because of this, unemployment is probably higher in City A than in City B, and the pilferage rate is probably higher, too. Food chains have higher market shares in City A than in City B because, as relative tax burdens have widened, marginal supermarkets have either folded or spurned entry into the market.

The reason the folks on the Joint Economic Committee do not like this theory is that they are the kind of politicians who don't like to talk about the ill effects of taxation. They are the same sort who have arranged things so that direct taxes are excluded from the consumer price index. This leaves them freer to tax all the citizens for the purpose of handing out funds and favors to some of the citizens likely to vote for you know who.

Sorry Senator Proxmire. Sorry Mr. Reuss. Sorry Wisconsin Five. We know you desperately need an economic theory other than ours to explain grocery prices. But this Giant Inefficient Grocery Trust Theory is pretty weak stuff. We don't know what you paid for it, but we'll almost bet we know where you can get better ones for a 14-percent discount.

SCHLESINGER COMMENTS ON ENERGY PROGRAM

Mr. PERCY. Mr. President, James Schlesinger, chief energy adviser to President Carter, was interviewed last Sunday, April 3, 1977, on the ABC News radio and television program "Issues and Answers." The subject of the interview was the forthcoming energy program of the Carter administration.

Mr. President, I ask unanimous consent to have the text of this timely and informative interview printed in the

There being no objection, the text was ordered to be printed in the RECORD, as follows:

ISSUES AND ANSWERS

Guest: James Schlesinger, Chief Energy Adviser to The President.

Interviewed by: Bob Clark, Issues and Answers chief correspondent, and Sam Donaldson, ABC News White House correspondent.

Mr. CLARK. We have heard a lot of talk in recent weeks about the sacrifices the President is going to ask the American people to make as he lays his energy program before Congress. Is his program really going to be as tough as we have been given to expect? Is it going to force Americans to change their lifestyles?

Mr. Schlesinger. It will be tough but in a sense it will not force a change in our lifestyles. We will go on living in suburban communities for the most part and driving automobiles but there will be well-insulated homes, fuel efficient, and the automobiles will be fuel efficient.

Mr. Clark. We want to talk to you more later about automobiles, but there is some concern in the oil and auto industries and in financial circles that a really tough energy program could offset the President's efforts to stimulate the economy and even

trigger a new recession. Is there reason to be concerned about this danger?

Mr. Schlesinger. Of course, in the abstract that is a possibility, but we are very mindful of that possibility and the program that will be put together will be balanced in terms of price increases offset by price decreases elsewhere so as to maintain a reasonably stable cost of living and aggregate demands will be held in such a way that we should not have any tendency towards recession.

Mr. Donaldson. Dr. Schlesinger, is it pretty well set there is going to be some effort made to make it difficult for Americans to buy big gas-guzzling automobiles and some effort made to induce them to buy a similar, more efficient automobile.

Mr. Schlesinger. We already have that effort under way. As you know, Congress has mandated that by 1980 the average car entering the fleet should go in in about 20 miles per gallon and in 1985 cars entering the fleet should average 27.4 miles per gallon. We may have some measures to reinforce the legislation already on the books.

Mr. Donaldson. Well, it is widely reported you are considering a large tax on these cars that use a lot of gasoline.

Mr. Schlesinger. That certainly is under consideration.

Mr. Donaldson. If I may just follow this up, a lot of people in the automobile industry are horrified, and they say that such a government effort to change the buying habits of Americans so quickly would put people out of work in Detroit. Not to put too fine a point on it, the chairman of General Motors said this was one of the most simplistic, irresponsible and short-sighted ideas ever conceived.

Mr. Schlesinger. Well, I guess what is good for General Motors is still not necessarily what is good for the United States.

Mr. Donaldson. You think there was just self-interest in a statement like that?

Mr. Schlesinger. Well, I think it requires some adjustment to a new type of condition in which the world just is generally running out of oil and gas, and that is going to require us to make these kinds of adjustments. It is uncomfortable both for the consumers, and it may be somewhat uncomfortable for the producers. But through appropriate measures, we will be able to keep Americans in automobiles, but they must be fuel-efficient automobiles.

Mr. CLARK. You talk about appropriate measures in your personal view is the best way to reduce gasoline consumption by raising the price of gasoline and the tax on gasoline or by putting a stiffer tax on new cars, the big gas guzzlers.

Mr. Schlesinger. I don't think one can draw a clear line of distinction with regard to the measures. We are going to need a mix of measures.

I indicated the legislation already on the books—and we will have to consider both of those kinds of techniques in order to see which is the most effective package, but I think the main point is to challenge the American people with regard to the very high use of gasoline at the present time.

Mr. Clark. You say we are going to need a mix of measures. Doesn't that strongly imply there will be both an increase in gasoline taxes and stiffer taxes on new cars?

Mr. Schlesinger. Well, I wouldn't draw a final conclusion on that. You are welcome, of course, to draw that inference.

Mr. Donaldson. You are saying the President hasn't made any decision?

Mr. Schlesinger. No. we have not reached a final decision on certain aspects of the program.

Mr. Donaldson. Because the President did promise, I think, there wouldn't be any stiff gasoline tax, at least in the range of twentyfive cents; that hasn't changed?

Mr. CLARK. Some of the experts say you are simply not going to get people to stop wasting gasoline unless you make gasoline too expensive to waste. Can you give us your general philosophy on that and on the other side of that argument that if you raise the tax on gasoline too high and let the price of gasoline stay high, you put an unfair burden on the working person?

Mr. SCHLESINGER. Well, let me take the latter part of it first. Obviously we are going to face higher prices in energy. Right now, prices are far below the replacement costs

of energy. Oil and gas notably.

Over the longer haul, prices must go up, but they should go up in a way that preserves equity among income groups and avoids the kinds of macro-economic effects, unemployment, unstable prices, rising prices, that you referred to earlier.

Whatever we do in this area will be designed in such a way as to avoid undue burden on particular economic groups and particularly the lower income groups. Mr. Donaldson. You imply if the price

of gasoline rises somehow there will be some factor which will enable the poor to absorb that cost. Can you give us some idea

of how that might be done?

Mr. Schlesinger. Well, I don't want to deal with particular components of the marketbasket such as gasoline. What we intend to do is to preserve the real standard of living of individuals and particularly of the lower income groups. They will face higher prices in some areas, but they will all be offset by lower prices or lower taxes elsewhere.

Mr. Donaldson. If I might just pursue it, you mean if they face higher prices for gasoline they might face lower prices for heating their home or for electricity. Is that

what you are saying?
Mr. Schlesinger. Not necessarily in the energy sector. One can adjust other taxes downward, for example, and preserve the overall consumer price index through that means.

Mr. Donaldson. What other taxes?

Mr. Schlesinger. One could adjust payroll taxes or sales taxes as the case may be.
Mr. Clark. Certainly the federal govern-

ment has no control over sales taxes. Are you seriously talking about a reduction in Social Security taxes for instance?

Mr. Schlesinger. No, I was just giving an illustration of the kinds of adjustments in taxes. We are considering a whole range of alternatives, including such tax adjust-ments, in order to offset the penalty on lower income groups in particular of the major adjustments in price relationships that must come over a period-

Mr. Donaldson. An income-tax rebate or particular credit for a low income group?

Mr. Schlesinger. That sort of thing, yes. Mr. Clark. And, Dr. Schlesinger, there have been some scare stories recently, as you know I am sure, about a possible critical shortage of electrical power later this year in some parts of the country. Is the situation really that serious in your view?

Mr. SCHLESINGER. The conditions in the West are quite marginal. The Northeast and California in particular, and that is due to the drought. Much of the power out there is hydro power and with the drought that means that they are going to have severe problems in keeping up the flow of power during the summer months. I think they may be able to make it but the condition

is rather touchy.

Mr. Clark. And public utilities companies complained to Congress again this about the high cost of converting week plants from natural gas or oil to coal; they say they are going to have to have more government aid and higher rates. Are they

going to get them?

Mr. Schlesinger. I think that there may be some mechanisms to permit that transition from oil and gas to coal in terms of adjustments in the tax laws. The rates, of course, will be determined by the Public Service Commissions of the various states and I presume that those commissions will give appropriate rates so that the costs are covered.

Mr. CLARK. Doesn't this also mean then that the American family using electricity can expect to pay in one way or another for the conversion of electric power plants to

Mr. SCHLESINGER. The cost of the conversion may not be taken up by the direct consumer, but obviously somebody will have to pay those costs and to facilitate conversion from oil to coal will require some resources. That may be taken care of by general tax

measures or the equivalent.

Mr. Donaldson. I would like to go back to the price of gasoline. Do we really know at what point we would significantly cause people to stop buying gasoline and save a lot? Is it at 80 cents? Is it a \$1? What is the elasticity of the demand figure that you are

Mr. Schlesinger. The elasticity of demand for gasoline is very low. The chief impact, I think, is the impact on consideration as to the next automobile, whether and when and

what type of engine efficiency.

Once again, that is a mechanism to reinforce the choice of automobiles. But the increase in the price of gasoline in relatively small ranges does not have that much effect on driving habits.

Mr. Donaldson. And you are talking about

relatively small ranges then.

Mr. Schlesinger. We have been considering what you would regard as relatively small ranges.

Mr. CLARK. Do you have a goal in mind for reducing American dependence on foreign oil-and I believe this past winter we are now getting about 50 percent of our oil from foreign sources?

Mr. Schlesinger. We would like to reduce it so we are down in the one-third range, and that will take a considerable period of time. Right now we are importing ten million barrels a day and we are using about 19 million barrels a day. We would expect some

growth in demand.

We would expect to save considerable amounts of oil, perhaps as much as a million, a million and a half barrels a day, in the transportation market by 1985. We will save a million and a half barrels a day approximately through better insulation of homes and public buildings and factories finally we hope to achieve about four million barrels a day switched to coal and that might get us down into the range of 15 million. 16 million barrels a day. But we are not going to achieve energy independence in the sense that we are going to do without imports.

Mr. CLARK. We are going to take a short break here and be back in a moment with more issues and answers. (Announcements)

Mr. Donaldson. You just said a moment go that the goal might be to reduce our dependence on foreign oil to about a third of our total usage. Yet once upon a time, after that Arab embargo government was saying that we had to reduce it completely or else we would be held hostage-another possible embargo.

What has changed? Do we no longer fear that or are you simply confessing we can't

do anything about it?

Mr. Schlesinger, Well, I think it would be very hard to go all the way and it is unnecessary. What we want to do is to eliminate our vulnerabilities and we can do that by reducing the level of imports and by having a storage plan that would permit us to ride

out any interruption. About half perhaps of our annual imports. And through these means we can take advantage of readily available foreign oil but not be so independent on that foreign oil that we are vulnerable. We are the great stabilizing power of the West and it is necessary for us to be beyond pressure.

Mr. Donaldson. What percentage of that one-third, by the way, would be Arab oil?
Mr. Schlesinger. Oh, I would say approxi-

mately a third of that would be oil from the Middle East.

Mr. Donaldson. So you think if you achieved the goal you have just described, then another embargo would not seriously cause us to have to think about war or some other countermeasure?

Mr. Schlesinger. That would be the intent; we would not want to be vulnerable we would not want to be pressured into taking action simply because of shortage of

supply.

Mr. Clark. Do you have a goal in mind for the total use of energy in this country which is still rather surprising because of-despite all the dire warnings of recent years, is still increasing? How much would you like to at least reduce the amount of increase in energy consumption?

Mr. Schlesinger. Well, the rate of increase has been running approximately four percent, which means that our energy use doubles every 17 years. We would like to reduce it to two percent or less than would mean that we would double every forty years. That is a very significant change.

Mr. CLARK. Former President Nixon had a plan in mind to make us totally energy-de-

pendent by 1980-

Mr. SCHLESINGER. That is slippage.

Mr. CLARK. That was too optimistic. But we did go through a couple of years up until the last year or so, when there was an actual reduction in the total amount of energy consumed. Since we do consume twice as much energy as even the more affluent nations of the world, why can't we reduce overall energy consumption?

Mr. Schlesinger. The reason that we have had the reduction in energy use in recent years is because of the recession in the United States. There is some short-term relationship between use of energy and the level of national income, the level of jobs.

We do not want our conservation plan, which will be the keystone of the President's energy message, to constrain jobs. We want jobs to increase; we want productivity to increase, and that is not the means to conserve. But we can squeeze out the waste to which you referred. We are using 30 percent more energy today than we need to maintain roughly the standard of living. We have this great advantage that we have been so wasteful in the past, that we have the opportunity over the next decade of squeezing out that waste.

Mr. Donaldson. When President Ford proposed a pretty tough energy program from the standpoint of conservation, Congress just wouldn't pass it. What makes you think that Congress is any more likely to pass the one

that President Carter presents?

Mr. Schlesinger. The Congress passed a number of tough conservation measures. The Ford Administration's philosophy on these matters was quite different from that of the Congress and I think that there will be agreement between the Congress and the Carter Administration that now we must be serious about energy conservation. We are running out of oil and gas; unless we begin to conserve now, we will run flat out of it in 20 or 25 years. By the early 1990s, the world oil production will be on the downward slope and we must make that adjustment now, slowly, or we will make it more painfully at a later point.

Mr. Donaldson. But it is the means, of course. We have just talked earlier about Detroit's view of the possibility of a large tax on large cars that consume a lot of gasoline. Mr. Dingell from Michigan has already said he has some reservations about that. How are you going to get something like that through?

Mr. Schlesinger. I think that there will always be some element of the plan that the President presents that will be objected to for regional interests or sectional interests or economic interests.

Mr. Donaldson. Well, these are jobs, Dr. Schlesinger. These are jobs in Detroit.

Mr. Schlesinger. Now, you understand that the guidepost for the plan will be a long-run increase in productivity. Conservation program means jobs. It means more work in the building trades for example. Just to provide appropriate insulation in our homes and factories. There will be adjustments. There is no major alteration in the economy that can occur without having some adjustments.

Mr. Clark. But aren't you bound to have at least a temporary loss of jobs in the auto industry, and probably a fairly substantial loss if you pressure the industry into moving from building big cars to small cars? Statistics this last year or two have shown the American people simply will not buy small cars unless they are forced to or won't buy them in large numbers.

Mr. Schlesinger. No. I believe that the automobile industry can flourish by making fuel-efficient clean automobiles. There is nothing about the automobile that suggests that it can only be profitable if it lacks those characteristics.

Mr. Clark. But there are things that suggest it has to be a large automobile in order to reach a mass sales market.

Mr. Schlesinger. I think that the American public now recognizes that we must have fuel-efficient cars and that implies that the characteristics of the automobile market are indeed going to change. It is quite possible, it seems to me, to persuade people that they do not have 350 horsepower under the hood. Of course, the advertising has all been in terms of "our car has greater power under the hood than our rival's car" and that tends to stimulate an interest in fuel-efficient cars, but that has to change. Unless the automobile industry faces a future in which there will be no gasoline supplies and no market for automobiles at all.

Mr. Donaldson. Are you going to be willing to compromise with Congress—

Mr. Schlesinger. Absolutely.

Mr. Donaldson. I say that because of the President's negotiating technique in some other areas. He seems to state publicly, as he said he will on this idea, the energy proposal, what he is going to do, and then, as he says, "hang tough."

Mr. Schlesinger. No. I think your reference there is to his position with respect to the Soylet Union.

Mr. Donaldson. Or the Corps of Engineers. Mr. Schlesinger. The President will make his proposals, the Congress will review them, but I think that in the energy area that we are going to need a national consensus that something must be done, that Congress and the President will come together and be supported by the state governments, by the municipalities, by labor unions and business, because no program on energy conservation can be mandated from Washington. It must be supported out there.

Mr. Donaldson. You are prepared to trade a little bit, give up this, and get that, if you can.

Mr. Schlesinger. In principle. I am not going to say what can be traded away, of course. We would like to have the whole program that the President suggests.

Mr. Donalbson, Let me ask one question:

Mr. Donaldson. Let me ask one question: Are you going to have this ready by April 20? Mr. Schlesinger. That is our intention. We are driving for that date. There is a little bit of a problem, of course, in that the Congress will go into recess shortly, and it will only come back a few days before the April 20 date.

Mr. Donaldson. Might the program slip a little bit?

Mr. Schlesinger That is not our intention at this time, but I would not make any firm commitments on that.

Mr. Clark. You mentioned that the President is "hanging tough" with the Soviet Union, so it emboldens me to ask a question in an area other than energy. As Secretary of Defense, you were involved with arms control. As head of the CIA, you had to appraise Russian motives. Do you have a theory as to why the Russians reacted so angrily to President Carter's arms control plan?

Mr. Schlesinger. Well, I was not surprised that the Soviets indeed did turn down those proposals. They have proceeded over the years in a way in which, if they rejected certain proposals that the Americans became more accommodating, and I think that they overshot very clearly in this case.

Mr. Clark. Did we make a tactical mistake in laying too tough an arms control program before the Russians at this staye?

Mr. Schlesinger. Not in my judgment.
Mr. Clark. Or in pressing too hard on human rights?

Mr. Schlesinger. Not in my judgment.

Mr. CLARK. Why?

Mr. Schlesinger. The human rights question is one which reflects American values, and the President is quite right, that a foreign policy, particularly in a democracy, must reflect broadly accepted values for people that he represents.

Mr. Donaldson. What would be your guess, then, that the Russians, in May when Mr. Gromyko and Mr. Vance meet in Geneva, will come back and say, "We have studied your proposal; there may be some things we accept", or do you think the present Vladivostok agreement will simply expire in October with nothing new—I mean the SALT I?

Mr. Schlesinger. I am not sufficiently involved in those negotiations to offer a com-

Mr. Donaldson. We want to get in one quick question about nuclear power. You were a very strong advocate of nuclear power. Mr. Schlesinger. I don't recall that.

Mr. DONALDSON. As head of the AEC, were

Mr. Schlesinger. I said at that time that I much preferred to have the country sitting on a vast pool of natural gas but, unfortunately, we were not that lucky.

Mr. Donaldson. There is confusion in the public utility industry as to whether the Carter Administration is going to encourage or discourage the building of more nuclear power plants. Can you enlighten us on that?

Mr. Schlesinger. We have to get off oil and gas, and that means that utilities will have a choice of coal or nuclear. We have no alternative but to make use of both. We will separate the light water reactor from the plutonium economy and separate it from such issues as the reprocessing and the breeder, and in that way, I think, much of the opposition to the present generation of nuclear reactors will fade.

Mr. Clark. I am sorry we are out of time. Thank you very much for being with us on Issues and Answers.

NOTICE OF THE DETERMINATION AND WAIVER UNDER RULE XLIII BY THE SENATE COMMITTEE ON ETHICS

Mr. STEVENSON. Mr. President, it is required by paragraph 4 of rule XLIII that I place in the Congressional Record this notice of an employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign education or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

On application of Mr. Allen W. Neece, Jr., legislative counsel to the Select Committee on Small Business, the Select Committee on Ethics, on April 7, 1977, finds, on the basis of facts stated in his letter to the committee of April 6, 1977, that his participation in an educational conference in Sydney and Melbourne, Australia, is in the interest of the Senate and the United States.

The itinerary involves air flight on April 13 for Toronto, leaving Toronto on April 14 for Sydney, leaving Sydney on or about April 19 for Melbourne, and returning to Washington, D.C., on April 22.

The committee stated in replying to Mr. Necce's letter that the committee's letter is "without any precedential value, because rule XLIII only recently was adopted and the committee has had no opportunity to study all its implications."

WELFARE

Mr. HATCH. Mr. President, social welfare payments, public assistance, and other relief reflect a heritage going back to Elizabethan England and to some extent to ancient Rome. Most of the specific programs being used in our country find their roots in the activities of an individual or group advocating the cause of some neglected or unfortunate aspect of society and seeking publicly financed relief for its miseries. These causes, at various stages of our country's history, were typically undertaken first on the private, then the local, then the State, then the national level, thus crating an administrative nightmare which is still reflected today. Political and administrative overlapping has greatly complicated the struture of public assistance and our social welfare programs.

Public assistance programs have become so widespread in our society that there now exists an overlapping of administrative responsibilities at each governmental level. At the Federal level, for example, many of the agencies under HEW's umbrella continue to operate independently, and other major administrations, including DOL, Department of Agriculture, and DOD oversee significant welfare programs. It is little wonder that in a system this complex a concerted effort has succeeded in discovering the means of consolidating welfare programs to insure that those truly in need, and only those individuals, are afforded help.

I know within the near future that the Congress and the administration are committed to restructuring our welfare system to accomplish the purposes for which our welfare policies were first created. In the consideration of various proposals to streamline our welfare system I hope that we do not make the mistake of overlooking those valuable State and local run programs which have made an inroad in their areas in reducing the welfare rolls and providing former wel-

fare recipients with the dignity of holding a job.

One such program which I have read about is an operation in Milwaukee which requires able-bodied welfare applicants to take specially created city or county jobs instead of collecting relief checks. This program has received praise from many as a human alternative to welfare and I agree with their views. While the program, which is paid for out of Milwaukee County property-tax revenues, only affords about 600 individuals jobs at any one time at \$2 an hour for a 32hour week, many in the program are far happier to be drawing their relatively small paychecks rather than accepting relief.

I think the vast majority of all Americans who accept some form of welfare would reject that way of life if an adequate job was available for them. Most people want a hand-up and not a handout. I think it is the obligation of the leaders of our society to provide the opportunities for this step up into the mainstream of this society.

The Milwaukee experience clarifies and attempts to work out the income relationship between jobs and welfare support programs. There are other questions that should be asked in this area prior to a reformulation of our policy. These questions include:

What could be done to provide better manpower services to welfare recipients?

What work incentives could be built into income support systems such as welfare?

What work tests should be used, who is employable, and could one work test be used for all manpower programs?

Can the unemployment insurance program be recriented to provide manpower serivces for recipients needing such services?

What are the manpower and employment implications of a negative income tax approach to basic income support?

For the information of my colleagues I ask unanimous consent that the article in the April 4, 1977, edition of U.S. News & World Report entitled "In Milwaukee: If You Don't Work, You Don't Eat," be printed now in the RECORD. The article clearly sets out the rationale for the program and its operations.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IN MILWAUKEE: "IF YOU DON'T WORK,
YOU DON'T EAT"

MILWAUKEE.—While officials in Washington dream up multibillion-dollar schemes for tackling unemployment, a far more modest program here is putting jobless people to work.

The locally run venture, paid for out of Milwaukee County property-tax revenues, requires able-bodied welfare applicants to take specially created city or county jobs instead

of collecting relief checks.

The idea dates back to the depression years of the 1930s when the county first adopted a local work-relief system. But William O'Donnell, Milwaukee County's chief executive, says the concept goes back a lot further—to the days of Capt. John Smith and the first American colonists who were told, "If you don't work, you don't eat."

"We aren't handing out cash to every Tom, Dick and Harry who walks in and demands it," O'Donnel declares. "When some people find out they have to work, they either don't show up for the job or they quit after a short time. It weeds out the welfare rolls."

FEW SKILLS NEEDED

People in the Pay for Work Program work principally at such places as the courthouse, the sheriff's department, the city street department and a Veterans Administration hospital. They pick up trash, dish up food, shovel snow, answer the telephone and do other tasks to aid permanent employes.

Some 60 individuals who can't hold regular jobs because of handicaps work in a special sheltered shop putting together toys for day-care centers, making silk-screen draperies for county offices and mending

overalls worn in prisons.

The whole program gets praise from some as a humane alternative to welfare. Others, particularly labor-union officials, contend it is creating a pool of "slave laborers" who are not getting the help they need in meeting personal problems.

The current budget for the program is about 2.3 million dollars. About 600 individuals hold jobs at any one time, but since there is considerable turnover, as many as 2,400 may be put to work during the year. That is almost half of all the people who apply for general welfare assistance in the county in a year's time. A typical job candidate is under age 30 and single. About half the applicants are white, half nonwhite. A great many are recent widows with no previous work experience or job training.

An individual assigned to a job draws \$2 an hour for a 32-hour week. Take-home pay averages about \$175 a month after the county has deducted taxes and Social Security and the worker has paid for transportation and other job-connected expenses.

THE "NO-SHOWS"

Only half of those assigned to the work program show up for an orientation session, says Kenneth E. Deal, the director. Another half of those who get orientation never report for work. Most who get jobs leave after three months; only a small number remain on jobs for the full year they are permitted to work.

The county is prevented by law from firing someone for not showing up for work. However, it can withhold pay and assign the individual immediately to another job. Then the dropout must wait two weeks for the first paycheck.

For the various government agencies involved and a few private employers, the work

program means free labor.

Jerome Melloch, personnel manager at the VA hospital, says he has taken on 75 Pay for Work people because he gets much-needed extra help without cost to his budget. However, he adds, these employes must be given special attention. Often he puts up with problems—alcoholism, emotional handicaps, physicial disabilities—that would lead him to fire a regular worker.

Some private businesses hire people off the program for permanent jobs. Richard Sem, vice president of Wisconsin Industrial Police, a security organization, has two former Pay for Work individuals on his payroll. "They try harder than some other employes because they have a lot to prove and a lot to lose," he comments.

One man Sem hired had been told as a child that he was retarded. "The man has turned out to be dependable, hardworking and entirely capable," says Sem. "Frankly, I don't believe he was retarded at all—he just had never been given a chance to prove himself."

Many in the program are far happier to be drawing the relatively small paychecks rather than accepting relief. Janet Halboth, 23, is one of these. She is assigned to the central supply department of the VA hospital—running errands, answering the phone, putting through orders.

"I was going bananas sitting at home," says Halboth. "I was recently divorced and found myself frustrated trying to find a permanent job. I'd reached the point where I just couldn't go on with the job search."

Others are grateful for their pay, but find their jobs unsatisfactory. For example, Cynthia Rowe, a mother with a 4-year-old son, gets \$212 a month for working in a hospital, setting up trays for surgery. She lives with her mother, sharing a bedroom with the child because she can't afford her own apartment.

"A two-bedroom apartment would cost me \$225 a month, plus electricity, heat, phone, transportation and babysitting," says Rowe. "The program isn't a solution to my problems at all."

Members of the American Federation of State, County and Municipal Employes in Milwaukee County also see serious drawbacks.

DISPLACED PERSONS

Joe Robison, director of the union local, says 550 members have had their full-time jobs terminated by the county this year. They have been replaced by 60 Pay for Work people in county offices. The union members had been making a median salary of \$5.51 an hour, and had full hospitalization and a retirement plan. "It's going to be very difficult for those people to find work," Robison declares. "Many of them may end up applying for welfare."

Despite criticisms by labor-union officials, the Milwaukee system has won the approval of at least one prominent political figure.

Senator William Proxmire (Dem.), of Wisconsin says: "The Milwaukee County work requirement for those on general relief should be applied Statewide and nationwide. If Milwaukee County can find the work—and they do, with a little imagination—every other county in the country should be able to do likewise."

CITIZEN PARTICIPATION

Mr. MATHIAS. Mr. President, I was pleased to learn yesterday that President Carter has announced his administration's support for S. 270, the Public Participation in Federal Agency Proceedings Act of 1977. This bill, which Senator Kennedy and I introduced in January, is designed to facilitate increased citizen participation in agency proceedings and in court actions for review of agency decisions, and to promote agency responsiveness to the needs and concerns of the public.

Senate hearings on this legislation were completed in February, and the Judiciary Committee will be considering it shortly after the Easter recess. In this connection, I thought that Members of the Senate and their staffs would be interested in the remarks of Senator Kennedy last week before the House Judiciary Subcommittee on Administrative Law and Government Organization.

This subcommittee, under the chairmanship of Congressman Danielson of California, is conducting hearings on H.R. 3361, the companion bill to S. 270. The bill is sponsored in the House by Congressmen Rodino and Koch, together with nearly 100 cosponsors.

Mr. President, I ask unanimous consent that the testimony of Senator Kennedy be printed in the Record.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR EDWARD M. KENNEDY
I want to thank Chairman Rodino for his

leadership in the House—together with Congressman Koch—in sponsoring this legislation.

I would also like to thank you, Mr. Chairman, and the members of this subcommittee, for moving as rapidly as you have toward consideration of this bill. I am told the bill has nearly a hundred co-sponsors already, and that two of them—Congresswoman Jordan and Congressman Mazzoli—are members of this subcommittee.

Last year the Judiciary Committees of both Houses of Congress spent a good deal of time on legislation to increase citizen access to the courts by authorizing awards of attorneys' fees to successful plaintiffs in suits brought under a number of Federal civil rights statutes. That bill as passed also authorized fee awards to defendants in certain kinds of tax cases. In addition, we enacted the Hart-Scott-Rodino Antitrust Improvements Act, which among other things provided for recovery of fees in private injunctive actions brought under section 16 of the Clayton Act. The efforts of Chairman Rodino and Congressmen Flowers, Kastenmeier, and Drinan were crucial to the passage of all of these significant statutes.

These bills consumed an enormous amount of time and energy. They were the subject of no less than three full-fledged Senate filibusters in the closing months of the 94th Congress. It is therefore obvious that none of us should expect to have an easy time in pressing Congress to enact additional bills to assure full citizen representation on other areas of government where it is so desperately needed. With these difficulties in mind, I am especially pleased to see that both the House and Senate Committees are moving so quickly on this legislation in the present Congress. There is a developing consensus that the problem of inadequate citizen representation in federal agency proceedings is the next issue which we must face.

Chairman Rodino has stated well what this legislation does and why it is so badly needed. And the subcommittee will be hearing shortly from a number of other witnesses who can explain to you—based on their own extensive experience—why the bill will strengthen and improve the federal regula-

tory process.

My own exposure to the need to bring the public more fully into the federal decision-making process spans the past eight year period in which I chaired the Senate Subcommittee on Administrative Practice and Procedure. My first act as chairman in 1969 was to send a questionnaire to government officials and to persons who deal with the agencies. I wanted to find out how responsive agencies were to public concerns and needs. I also wanted to know which agencies were actively trying to encourage public participation in their proceedings.

participation in their proceedings.

The results of that survey, and the hearings which followed over the next few years, were very disheartening. In one agency after another, we saw how little attention was being paid to promoting and responding to direct public involvement in administrative decisionmaking. The agencies all seemed to regard public participation as an annoyance to be tolerated, rather than as a resource to be cultivated. The public likewise voiced frustrations and even anger at the cavalier attitude federal bureaucrats often displayed toward the concerns they expressed.

While there have been some scattered improvements in some agencies over the past eight years—particularly the appointment of public counsels and the recent establishment of some direct financial assistance programs—the level of citizen involvement is nowhere near what it should be.

I think it is clear, Mr. Chairman, that in our Nation's third century we can not ask or expect the American people to tolerate a system of government in which decisions over their lives are made by isolated bureaucrats through dimly understood processes in which most citizens can play no part. "Regulatory reform" is one of the slogans of a new order. People are demanding—and Congress and the President are starting to give them—financial disclosure laws, lobbying reform, conflict-of-interest rules, deregulation of certain segments of the economy, and "Government in the Sunshine."

But the ideals of "open government" or "equal access to justice" will never be fully realized unless we find a way to infuse the ongoing concerns of citizens into the daily functioning of our government. We have learned over a long period of time that agencies simply cannot fulfill their fundamental purpose of regulating in the public interest unless they insure that the public itself has a direct and meaningful voice in agency proceedings.

Over a decade ago the federal courts began to take steps to insure that people affected by agency decisions could participate in the proceedings in which those decisions were made. But few citizens have been able to take advantage of this, since the costs of participation are so high. Merely increasing access to the agencies is not enough. Citizens must be given more direct support to enable them to participate effectively in governmental processes.

Many citizens have demonstrated that they can contribute significantly to agency proceedings. They can bring to official attention information and viewpoints that agency staffs either can not or do not provide. In many cases their contributions have substantially affected to outcome of agency decisions. But it is hardly fair to continue to require in effect that a few individuals or

require, in effect, that a few individuals or groups should have to bear the full costs of prompting agency actions from which all of us benefit.

Despite the contributions which citizens have proven they can make to agency proceedings, most of them have to forego participating in important proceedings because of the sizable costs involved.

Let me give you some examples:

In West Virginia, an environmental action group tried to be heard when a power company proposed to locate what the group felt was an unneeded electrical plant in their area. They were able to scrape together some funds to put their views before the Federal Power Commission, after an environmental impact statement had been filed. But, even though they were going to be affected by the Commission's decision as directly as the power company itself, the group ran out of money before the FPC even began hearings.

Here in Washington, there is a group of experts on food and nutrition issues which has organized consumers, published materials, and has been well-equipped to provide the Food and Drug Administration with enlightened, scientific views on food issues. But over a year ago this group had to give up filing petitions before the FDA because it could no longer afford the costs.

An environmental action group in Michigan, which testified at our hearings last year, had to abandon its efforts to force the Atomic Energy Commission to adopt stricter procedures for the distribution of highly radio-active plutonium to private industry. The agency kept the group tied up in litigation for almost 7 years, bouncing the issue back and forth between the courts and the agency, until finally the group ran out of money and had to give up. In seven years of fighting, they never even got the agency to reach the substantive issues in the proceedings. And now we hear that the Carter Administration is considering delaying commercial use of plutonium fuel because of the potential dangers involved.

A Virginia group tried to fight siting of a

power plant which they felt would have disastrous environmental consequences. They raised all of the \$55,000 it cost to convince their state public untility commission that they were right, but they had no money left when the utility brought the matter to the Federal Power Commission.

Only a single citizen's group asked to participate in hearings on liquor labeling—in opposition to over a hundred industry participants—which the Bureau of Alcohol, Tobacco, and Firearms announced a couple of years ago. The Bureau later cropped its proposal to require informational labeling of liquor because it found "insufficient consumer interest" in the subject.

Even the success stories are discouraging. A year ago the FDA finally banned the use of Red Dye Number 2 in food products. The agency's action was due in large measure to the efforts of the Health Research Group, which had been involved in the FDA proceedings from the beginning. Even though it did participate, the group did not have the funds to present testimony from its own experts. It was forced instead to limit its participation to cross-examination of industry expert witnesses. Had they been able to build their own case—the public's case—in that proceeding, one more cancer-causing substance might have been removed from the market three years earlier.

To my mind, Mr. Chairman, there is little doubt that these are the kinds of issues, information, and veiwpoints which agencies must have a chance to consider before they can attempt to formulate regulations which are in the best interests of the American public. Many agency officials are of the same opinion. Several agencies have already begun their own programs to aid citizen participation in their proceedings. They are doing so because they feel that they cannot wait any longer for Congress to establish a uniform, Government-wide program. In announcing rulemaking proceedings to frame regulations for implementing these programs, these agencies made several important comments which Congress would do well to heed.

According to the Department of Transportation's National Highway Traffic Safety Administration, it is "difficult for some consumer, environmental, and other groups of citizens that are either widely dispersed or poorly financed to bear the cost of participating in Federal regulatory proceedings. By contrast, better financed and organized groups, frequently representative of the regulated industry, are often able to participate vigorously and effectively."

The Consumer Product Safety Commission went even further: "In order for public participation to be meaningful, it must be of sufficient technical competence and presented in such a way that the Commission can rely on it to properly balance the input of the regulated industry. Although the Commission has throughout its existence consistently encouraged public participation in all of its activities, the high cost of meaningful participation in regulatory proceedings often excludes such participation."

And the Environmental Protection Agency

And the Environmental Protection Agency stressed why agencies find public participation to be of such great value. It noted a general consensus that citizen representatives do have significant technical abilities, and that they have made substantial contributions to better agency decisions. According to the EPA: "They have often provided facts and arguments relevant to the statutory purpose that would not otherwise have been urged on the agency and which the agency might not have uncovered or fully appreciated on its own."

I do not think that any of us could make a stronger case for H.R. 3361 than these agencies themselves, by their actions and their statements, have already made. We now know that public participation programs can work. We know that these programs can expose agencies to information and viewpoints that would not otherwise be available to them.

The program at the Federal Trade Commission, according to Chairman Collier's testimony before our subcommittee in February, has worked better than anyone imagined it would. Indeed, agency staff members, as well as citizen representatives who have participated in FTC proceedings with Magnuson-Moss funds, agree that the program is a success. There is no reason why this basic authority should not be extended to other proceedings and other agencies.

This legislation embodies neither a radical nor a novel approach to promoting a greater citizen participation in agency proceedings. Not only have we had the experience at the Federal Trade Commission and the examples of the other agencies which have initiated programs of their own, but last Fall Congress expressly authorized the EPA to provide financial compensation to public participants in proceedings conducted under the Toxic Substances Control Act.

Mr. Chairman, the bill that is now before you reflects the concerns of numerous interests which have been involved in this issue for many years. It is the product of our Senate hearings last year and this year, and the suggestions we have received from business and citizen groups, and from judges and agency officials themselves. It is modest, well-focused, and tightly drafted, as legislation establishing any new Federal program must be. In this regard, let me stress the following:

First, the bill will not cause additional delays in agency proceedings. This is one of the greatest myths surrounding this bill and it should be laid to rest. Studies have shown that citizen intervention is an insignificant factor in overall regulatory delay, even in nuclear plant construction proceedings. Indeed, a number of experts-including several Federal judges-have said that public participation may actually speed up a proceeding. It means that more complete records will be made in an agency proceeding, insuring that all interested persons have an opportunity to be heard. There will be less likelihood of reversal of the agency's action in the courts for procedural unfairness. It also means a greater likelihood of public acceptance for agency decisions in which citizens can participate.

Furthermore, the bill provides that agencies may withdraw awards from public participants who delay or obstruct proceedings.

Second, the reimbursement program established by H.R. 3361 is experimental. The authorization will expire after three years, and Congress will have a chance at that time to evaluate the program's effectiveness and to make needed changes. In addition, the bill requires agencies and the courts to make detailed annual reports to Congress on the number and amounts of awards that are sought and made, so that we will have a solid record on which to base any decisions as to

Third, the bill has only limited application to adjudicatory proceedings. The Senate Judiciary Committee last year took the position that since most adjudications involve disputes solely among private parties which have no significant public impact, no purpose would be served by promoting greater public participation in these proceedings. The types of adjudications which are included—health, safety, civil rights, environmental concerns, and consumer pocketbook issues—have traditionally been the focus of broad public interest. Agencies should be permitted to fund participation in such adjudications, where the agencies conclude it is appropriate.

Fourth, the authority the bill provides is largely discretionary with the agencies, according to the criteria which are set forth as guides to the exercise of that discretion.

It does not require agencies to provide funds for all those who may wish to participate.

for all those who may wish to participate.

And Fifth, these kinds of programs are both consistent with and complementary to the proposed Consumer Protection Agency. We should remember that the new agency, when established, will only be able to address "consumer" concerns. It will not reach the wider range of citizen interests in the environment, public safety, minority rights, and other issues in which diverse segments of the public also need to be represented. Furthermore, the new agency will not always be able to protect the interests of consumers in all situations. This is especially true in proceedings which may affect only small numbers of consumers, for example, in communities located far from Washington, or where there are differing views on what the consumer position in a given proceeding should be.

To sum up, Mr. Chairman, I believe that H.R. 3361 is long overdue. Congress has for decades been delegating to Federal agencies decisions on difficult technical and administrative matters. It has given the agencies authority to hire their own legal and technical experts to assist them in resolving the complex problems which confront them on a daily basis. But Congress has not given the agencies adequate authority to reach out the kind of information which would enable them better to understand the impact of their actions on the very people whose interests must be their primary concern. If agencies are truly to be able to act in the public's interests, we can no longer deny the public an effective voice in agency proceedings.

When we began our Senate hearings on this legislation over a year ago, we facedin addition to skepticism and resistance on the part of some agencies-a decided lack of enthusiasm on the part of the Ford Administration, despite positive and helpful testimony by Assistant Attorney General Rex Lee. Now we have a new Congress and a new Administration, both determined to direct the machinery of the Federal Govern-ment to serving the needs of its citizens. We also have a new Attorney General whoat his confirmation hearings expressed an enlightened understanding of the importance of effective public representation in agency proceedings. Attorney General Bell also said he believes that attorneys' fees awards in public interest litigation is in the national interest, and that steps must be taken to insure that these kinds of lawsuits continue to be brought.

And now we have a President who is clearly committed to the ideals this legislation embraces. President Carter's campaign stressed his commitment to openness in government. He has often stated his intention to insure that the views of citizens are listened to before decisions on major policy issues are made.

Yet both Congress and the President want to do even more to promote responsive government. We want to see fundamental changes on the part of government officials towards citizens whose interests they are responsible for protecting. We want to ensure that government once again becomes the servant of its people, and to enable all Americans to feel that they have a real voice in how they are governed.

I firmly believe that enactment of H.R. 3361 will enable our government to restore meaning to the words "equal access to justice," and will rededicate the federal administrative process to the ideals of fundamental fairness which form the bedrock of our democratic tradition.

MOSCOW'S NEXT TARGET IN AFRICA

Mr. MORGAN. Mr. President, there has been much debate in this chamber

and throughout the Nation regarding Communist intervention and troop movements within the African nations.

There was a full-page article recently reprinted in the Washington Post from the London Sunday Telegram which addressed the Soviet and Cuban strategy in Africa, focusing on what the author calls the ultimate target: South Africa.

I believe that the American people should know about the political and military realities existing in Africa today, and the roles which our country is playing, and not playing, in that critical area of the world.

I therefore ask unanimous consent that the article, entitled "Moscow's Next Target in Africa," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Moscow's Next Target in Africa: Paying the Price for Angola

(By Robert Moss)

Can the West learn from Angola's tragedy, or are we condemned to relive the experience? What the Russians learned from Angola is that war by proxy pays off. They will be strongly tempted to use the same technique in other places—and almost certainly in the assault on Rhodesia and South-West Africa.

The Cubans are Moscow's all-purpose mercenaries, but they are not the only proxy soldiers who are being deployed in the widening war for southern Africa.

The Nigerians are said to be heavily involved in Angola. Western intelligence sources report that Nigerian troops were present at battalion strength when the MPLA and the Cubans pushed south last/year. According to UNITA sources in Paris, the Nigerian strength has since been reinforced

UNITA sources claim to have tapes of radio intercepts showing that at least 5,000 Nigerian troops have been deployed in Angola. They are operating as far south as Mocamedes, and are also based in Lobito, Luanda and the eastern diamond mining town of Henrique de Carvalho. UNITA claims to have intercepted radio communications in English (the common language between the Nigerians the Cubans and the MPLA), in the Ibo, Hausa and Yoruba dialects, and in a form of pidgin Creole that could indicate the presence of forces from Sierra Leone as well.

An intriguing sidelight is that UNITA also claims that a British shipping line played a key role in ferrying Nigerian troops and military supplies to Angola. Nigeria, rich in oil and boasting an army of some 210,000 men, can clearly afford to be more than rhetorical in its backing for the guerrilla movements of southern Africa.

The Tanzanians have also moved into the region. President Nyerere has put 1,400 of his troops into northern Mozambique to help the FRELIMO Government to suppress the major revolt of the Makonde tribes led by Lazaro Kavandame. Mozambique's army is largely recruited from the warlike Makonde.

Yet another African army is reported to have sent units south: Somali troops are said to be quietly moving into Mozambique. Rhodesian guerrillas in Maputo have bragged to Portuguese correspondents that Somali tanks will be used in future operations against Ian Smith's forces. The story may not be as bizarre as it sounds. Somalia, like Cuba is a Soviet satellite whose armed forces and intelligence services operate under the direct supervision of Russian officers. though the Somali army is small (some 25,-000 men), it is well-endowed with Soviet armour and has performed well in border skirmishes with the Ethiopians. The Somalis have 200 Soviet-made T-34 tanks and about 50 T-54s.

The black expeditionary forces' task may be to free the Cubans for a future offensive against Rhodesia, South-West Africa-or Zaire, which is also a prime target for the Russians. But the Cubans in Angola still have their hands full in coping with the continuing guerrilla war, and the total number there has probably been increased since the end of the South African campaign; some estimates range as high as 22,000.

There are more than 1,000 Cuban advisers and "technicians" in Mozambique, nominally assigned to the Senna sugar plantations or to the port of Beira. Many are believed to be military instructors for the ZIPA guerrillas from Rhodesia and the FRELIMO forces.

In Somalia, at least 600 Cuban instructors are attached to the Somali army and the pro-Somali guerrillas from Diibouti-the Frenchcontrolled port on the Red Sea that is expected to become independent later this year. The Cubans are also active in Equatorial Guinea, where President Macias has established one of the bloodiest dictatorships in black Africa. Some 200 Cuban instructors train his paramilitary forces and his personal bodyguard. There are another 300 Cuban advisers in Sékou Touré's Guinea.

In Sierra Leone, Cubans are training an internal security unit, and Cuban "technicians" have also been sent to the strategi-cally-placed former Portuguese possessions in West Africa: Guine-Bissau, the Verde Islands, and Sao Tome e Principe.

The Cubans are particularly well-entrenched in Congo-Brazzaville, the main staging-point in their invasion of Angola. They maintain at least 400 men at the Pointe Noire docks and the Maya Maya air base, and there are reports that reinforcements have recently been moved in from Angola in preparation for an attempt to put renewed pressure on Zaire's President Mobutu, whose supply routes to the Atlantic are now endangered. In Tanzania there are at least 150 advisers and "technicians," some of them attached to the Tanzanian People's Defence

All in all, it is not a bad effort for a Caribbean sugar-cane republic of eight million people. Of course, someone else is picking up the tabs. The Russians have not only been subsidising the Cuban economy to the tune of more than \$1 million a day; they invested over \$500 million in the Angolan campaign, and are believed to have supplied weaponry and equipment to Angola worth more than \$350 million in the year since the South Africans pulled out.

But Cuba's role as a Soviet proxy is even more striking if you take account of the Cuban presence in the Caribbean (where Castro's men are training Jamaican police) and in the Middle East (where 150 Cuban instructors are training international terrorists in Iraqi camps), not to mention the Cubans' efforts to take control of the nonaligned countries' news pool and the role of the Cuban intelligence service, the DGI, in orchestrating the activities of Latin American exile groups and transnational terrorists in Western Europe. Is it possible to imagine an anti-Communist country of the same size acting on the same scale today?

The strategic effect of the loss of Angola is summed up by two statements that oddly coincide: one from the Soviet paper Izvestia, in a major article last August: the other from South Africa's Prime Minister, Mr. Vorster, in his New Year's message. Izvestia said that "revolutionary events have seized southern Africa-the last strong bulwark of colonialism and racism-and the speed of the spread of the flame attests to the huge supplies of 'explosive material' accumulating there." Mr. Vorster, in simple but chilling words, showed that the message had not been lost on him: "The storm has not struck yet. We are only experiencing the whirlwind that goes before it."

Were the effects of the Cuban victory foreseen by the men who sat down in the American Senate on December 17, 1975, to debate whether or not they should vote to cut off all United States support to the anti-Soviet movements in Angola? With a few honourable exceptions, it seemed that the Senators were talking about another war. Senator after Senator recalled the anguish of Vietnam, the peril of getting sucked into another quagmire, the hopelessness of trying to shape events in a far-off place of which Americans knew nothing.

CONTINUING FIGHT AGAINST MARXISTS

Hubert Humphrey caught the prevailing mood: The "United States better start taking care of things it knows how to take care of. We know so little of Africa, the 800 and some tribes that make up Africa . . . I say it is like a different world.'

Senator McGovern jumped up to argue that it made no difference which of the black movements won anyway. Senator Tunney thought the rival Angolan movements were only nominally pro-Soviet or pro-American. At heart, all of them were "basically pro-Angolan, Socialist and highly nationalistic." Most of the Senators who spoke that day found it difficult to believe that the Russians would be able to establish a secure foothold in Angola, and some suggested that Angola could prove to be Russia's Vietnam.

It was not a wholly absurd idea. To this day, three anti-Soviet guerrilla movements continuing the struggle in Angola: UNITA in the south and centre of the country, the FNLA in the north, and the secessionists of FLEC in the Cabinda enclave. Unlike Left-wing revolutionaries other countries who fly off to university sinecures or their Swiss bank accounts after suffering defeat on their home ground, Jonas Savimbi is carrying on the battle deep inside Angola.

He has claimed that UNITA has 22,000 armed supporters, although Western intelligence sources believe that the figure is probably no more than 6,000. It is virtually impossible to get reliable information on the guerrillas' military capacities, but one index of UNITA's ability to harrass the regime is the fact that no train has been able to cover the whole length of the Benguela railway—from the Zambian border to the coast—since the beginning of the war. UNITA's political base is still largely intact, and the MPLA has had little success in building up support among the Ovimbundu people's traditional UNITA sympathisers.

This means that it might well be possible for UNITA and the other anti-Soviet groups to inflict a serious humiliation on the Cubans and the MPLA-if they could count on effective outside support. But no Western Power is disposed to play the part of arrourer and adviser to UNITA in the way that the Russians and the Chinese played it for the Vietcong.

Now that the MPLA regime has been admitted to the United Nations, backing

UNITA has become diplomatically trickyalthough some Western governments are more strait-laced than others. The French were ahead of the stampede to recognize the MPLA back in February, 1976 (much to the annoyance of their EEC partners, who had expected to be consulted) but this did not inhibit them from remaining deeply involved

with UNITA and the FNLA.

SOUTH AFRICANS MAINTAIN CONTACTS

Zambia's President Kaunda has come under intense pressure from his "frontline" colleagues to sever all links with UNITA, and finally had to ask Jorge Sangumba, UNITA's chief foreign spokesman, to leave his customary haunt, the Intercontinental Hotel in Lusaka. Jorge now gives his patronage to the Intercontinental Hotel in Kinshasa.

The South Africans maintain contact with the anti-Soviet movements, and there is large colony of white Angolan refugees. But they are inhibited by their desire not to provide a pretext for a Communist-backed invasion of South-West Africa.

Ironically, if any outside power is ready to "forward policy" in Angola, it could still prove to be China. The Chinese have backed both the FNLA and UNITA in the past. Many UNITA leaders, including Savimbi's number two, Miguel Nzau Puna, have received training in China. Puna complained to me when I last saw him about the rigours of the Chinese training schedule (which continued into the night with political indoctrination sessions). The Chinese cut off support to UNITA at the end of 1975. when hard evidence of South Africa's in-volvement seeped out.

But the Chinese are angry that they have lost nearly every point to the Russians in the contest for power in black Africadespite the fact that they have spent considerably more in economic aid. So renewed contact with UNITA is a possibility, if a remote one.

With or without outside backing, UNITA's proven survival capacity worries the Russians. The Soviet ambassador in Luanda, Boris Vorobyev, is said to have been in-structed to press the MPLA to do a deal with UNITA. President Neto and the Cubans are reluctant, but the biggest stumblingblock is that neither Savimbi nor any other of the top-ranking UNITA leaders has been ready to accept the idea of a deal with the MPLAwhich, in current circumstances, would amount at best to a conditional surrender. KGB agents have therefore been trying to sound out UNITA representatives abroad to discover whether it is possible to create a rift between Savimbi and lower-level cadres, so far without notable success.

Angola today cannot be objectively described as an independent country. Control of its armed forces, its secret police, its economy, its civil administration and its educational system is in the hands of Russians, Cubans and East Europeans, and the MPLA itself is being remoulded into an orthodox Communist party. The Cuban garrisons are the basic guarantees that the régime will not only survive but toe the line.

The Cubans have divided Angola into six military regions, with garrisons in the major towns. Five major mopping-up operations have been launched against the anti-Communist forces since the South Africans withdrew, but despite the savagery with which the Cubans and the MPLA have dealt with the civil population large swathes of Angola are still contested zones.

The continued flight of refugees over the 1,200-mile border of South-West Africa is an eloquent comment on the way the people of southern Angola regard their masters. Some 10,000 have been absorbed into South-West Africa.

conservative intelligence estimate has 3,700 Cuban troops currently in the centralwestern region, embracing Lobito, Huambo (formerly Nova Lisboa) and Bie (formerly Silva Porto); 2,000 in each of the northern, eastern and southern regions; and 3,000 in the Cabinda enclave, where some of the flercest fighting is taking place. There are at least 1,500 Cuban troops in Luanda.

This gives a total of about 14,000 of whom

6,000 are infantry. The Cuban forces include an armoured regiment with 120 T-54 and T-34 tanks and 1,900 men, an armoured car regiment with 70 Soviet-made BRDM vehicles and 1,600 men, an anti-aircraft battalion and five regiments equipped with multi-barrelled rocket-launchers.

The Cubans are also the key element in the new Angola air force. They pilot all of the MPLA's Soviet-supplied planes, which include a dozen MiG-21s, 10 MiG-17s, helicopters, and Antanov-2 light transport planes. They also pilot some of the scores of light aircraft that were bequeathed by the Portuguese forces. Cubans command the air bases throughout Angola, and are supervising the construction of new air bases at Huambo, Mocamedes and Cabo Lindo and the extension of existing air fields. This could be the prejude to a Soviet attempt to use Angola as the base for a major offensive against South-West Africa.

But Cuba's involvement is not restricted to troops. The Cuban ambassador in Luanda is Oscar Oramas, one of the architects of Cuba's invasion, a senior figure in the Cuban Communist party, an old Africa hand (who was formerly ambassador in Conakry) and, most important of all, a key operative of the Cuban intelligence service, or DGI, a satellite of the KGB directly supervised by a KGB general and his Soviet staff. The new Angolan intelligence service, the DISA, is directly controlled by the DGI.

CUBANS TRAINING UNION LEADERS

Similarly, Cuban advisers have assumed key positions throughout the civil service, and notably in the Interior Ministry, the Education Ministry, and in the supervision "political of the MPLA's programme of mobilisation," which is supposed to drum up support for a "mass Marxist-Leninist party." The Cubans are training Angolan trade union leaders, and the syllabus on offer at the Lazaro Pena trade union college in Marianao includes Marxist philosophy and Cuban history. The Cubans are strongly represented on President Neto's staff, and he is said to have entrusted his personal security to them. They share control of the Finance Ministry and the Bank of Angola with the Russians. The recent measures to establish a new Angolan currency, the kwanza, set an example to any other Government that might wish to wipe out its middle class at a stroke. Angolan families are allowed (on a one-forone basis) to exchange the old Portuguese Angolan escudos for kwanzas, but only up to the limit of 20,000 kwanzas. Anyone who has more than that stashed away has to accept that his savings have been turned into worthless paper.

Last July, Angola became the first African country to join the Soviet-controlled Council of Mutual Economic Assistance (CEMA). Since Neto's visit to Moscow in October, the trickle of East European technicians, agricultural scientists and managers has become a flood.

Between them, the Cubans and the Russians, now decide who can enter and leave Angola, what civil liberties (if any) individuals and organisations will be allowed, what the country will export and import, and how much money will be printed. On the coffee plantations, Cuban supervisors are said to operate a system of forced labour: workers are shifted from one place to another, or from one job to another, without notice or appeal.

These are examples of what "satellisation" means. But foreign troops and advisers can be shown the door.

The Russians remember what happened in Egypt in 1972, when Sadat turned against them, just as the Cubans remember the eviction of their mission from Brazzaville in 1968, before Marien Ngouabi seized power. So an effort is being made in Angola, as in Mozambique, to transform the ruling movement into an orthodox Communist party.

Soviet writers have described in detail how this effort should proceed. The classical text is a book entitled "Political Parties of Africa," published in Moscow in 1970. Its main editor is Vassily Solodovnikov, now Soviet Ambassador in Lusaka.

Solodovnikov accepts that it is unrealistic to expect to create a Communist society in Africa overnight. It will be necessary to begin by working though "revolutionary democratic parties," like the movements that came to power in Guinea, Congo and Tanzania, and like the MPLA in Angola. These movements may start out as a mish-mash of nationalism, Marxism and tribalism, but they includes activists "who are inspired by the ideas of scientific Socialism"—in plain words, Communists.

Solodovnikov's thesis is working out in Angola. During his visit to Moscow last October, Agostinho Neto signed a 20-year friendship treaty with Russia that provided for regular exchanges between the MPLA and the Soviet Communist party. Soon after his return, the MPLA announced that Angola was to be described officially as a "Marxist-Leninist republic."

It is perhaps a toss-up whether the MPLA in Angola or FRELIMO in Mozambique has gone further towards achieving Sovietisation. The MPLA does not seem, as yet, to have matched FRELIMO's regulations that dictate the maximum thickness of the soles (and the heels) of shoes, according to the age and

sex of the wearer.

Both President Podgorny and Leonid Brezhnev are expected to visit Africa this year. Their main ports of call will be Maputo and (probably) Dar-es-Salaam. The message could be that the West is on the retreat and that Russia is becoming the dominant power in Africa. Their strength is that they are acting according to a global strategy—while Western leaders are not.

The ring of naval and air facilities that the Russians have acquired around the African coast, and the deep-water harbours where they now have the opportunity to create new naval bases, include Luanda and four excellent ports in Mozambique: Maputo, Beira, Nacala and Porto Amelia. Somalia, Congo and all of what used to be Portuguese Africa now have Governments that can be called Marxist, and Soviet-bloc military advisers, troops and intelligence officers are present throughout most of the continent.

THREAT TO CAPE ROUTE

A leading Soviet Africanist, E. Tarabrin, predicts that the West's dependence on African raw materials will increase rapidly over the rest of the decade, and that imports of chromites (from Rhodesia and South Africa) will double. Soviet experts also stress that much of Africa's mineral wealth lies in the southern half. The gold, diamonds, platinum, copper and other industrial metals are rich stakes to play for.

Geography is just as important as natural resources. If the Cape route—which carries about 70 per cent of the strategic materials required by NATO countries—could be denied to the West, the world could be cut in half vertically by the closing of the Suez Canal as well. There is no alternative to the Cape route, not just because the Suez Canal can be closed overnight and Western Europe is so dependent on Middle Eastern oil, but because technology has bypassed the Canal; the supertankers cannot get through it.

The Communist invasion of Angola was a step toward the fulfilment of Russia's grand design: the domination of the whole of Southern Africa.

By giving up in Angola, the Western Powers threw away a unique opportunity to hold the line against Soviet expansion in southern Africa. Why unique? Because in Angola, the reality of the Soviet threat was not obscured by racial sentiment—at any rate, not until Marxist propagandists set about trying to turn the South Africans into the villains of the piece.

The war in Angola was not a war of black men versus white men. It was a war between rival black guerrilla movements and their foreign helpers. It presented a clear-cut choice between a pro-Soviet group that promised to turn Angola into a MarxistLeninist republic and its pro-Western opponents who promised democratic elections and guarantees for private investors.

Learning from Angola, the Russians are determined to ensure that if they can engineer the removal of the white Government in Salisbury, there will not be a subsequent battle for the spoils between pro-Soviet and anti-Soviet blacks, which might again divide black Africa. How can they ensure that? The spade-work has already been done. The bulk of the black guerrilla forces have been united by the Nkomo-Mugabe alliance, under the umbrella of the Patriotic Front.

The five neighbouring African Governments—which were at logger-heads during the Angolan war—have been persuaded to give their support to Nkomo and Mugabe. Britain and America say they will refuse to accept any settlement that is rejected by these two, even though they patently cannot claim to speak for the majority of black Rhodesians and the only hope of a civilised solution in Rhodesia lies in an agreement between Ian Smith and more representative black leaders such as Bishop Muzorewa.

But the most important thing to grasp about the Soviet design for southern Africa is that it is essentially negative; it has been accurately described, in an admirable paper from the Institute for the Study of Conflict as "a strategy of denial"—denial, that is, of raw material and communications.

The Soviet calculation—which seems to be paying off so far—is that the assault on southern Africa will be tolerated, if not aided and abetted, by the West, so long as it is carried out in the name of "majority rule". The fact that for most of black Africa, "majority rule" means one-party dictatorship or primitive despotism is conveniently ignored.

THE WEST'S LOST CHANCE

But what is still less excusable is the neglect by Western politicians of one of the abiding lessons of Angola: that if "majority rule" means government with the consent of the people, then it can only survive in Africa if it is defended against Communist aggression.

Now Britain and America say that they will not accept a settlement worked out between blacks and whites inside Rhodesia—or, for that matter, South-West Africa. The Marxist guerrilla leaders must be included; it seems that it does not matter over-much to either Western Government if the whites have any say.

If Angola is any guide—and I am convinced that it is—this is a prescription for another Marxist dictatorship, imposed by force of arms, which would provide the base for black guerrillas and Soviet proxy troops to attack the ultimate target: South Africa.

EXEMPTION OF CERTAIN AGRICUL-TURAL AIRCRAFT FROM THE AIR-CRAFT USE TAX

Mr. McCLURE. Mr. President, today I am cosponsoring S. 196, a bill to exempt certain agricultural aircraft from the aircraft use tax. Since enactment of the Airport/Airways Development Act of 1970, agricultural aircraft owners have had to pay a yearly tax of 2 cents per pound on agricultural aircraft and 7 cents per gallon on aviation fuel.

The revenue collected is placed into the airport-airways trust fund—a trust fund which currently has a surplus of \$2 billion—for the development, research, and improvement of public airports. However, the agricultural aviation industry makes little use of the public airport/airways system. Most agricultural aviators use private, not public, airways.

A study conducted by the Department of Transportation demonstrated that the agricultural aircraft use of the Federal system amounted to less than one-half of 1 percent. Yet the agricultural aviation industry pays 4 percent of the taxes paid on fuel for the entire aviation industry

Mr. President, the agricultural aviation industry—an industry which performs an invaluable service of treating, seeding, and fertilizing more than 250,-000,000 acres per year—is not compensated in any way for paying this aircraft use tax. Consequently, the tax is passed on to the farmer in the form of higher costs for his services. This discriminatory tax should be readily addressed, and I urge the swift passage of this legislation

NEED FOR CAUTION IN USING TAX INCENTIVES FOR ENERGY CON-SERVATION

Mr. KENNEDY. Mr. President, one of the major issues in connection with the Carter administration's forthcoming energy package is the question of the inclusion of tax incentives as a device for achieving national goals such as energy conservation and the development of new or alternative energy sources.

I have reservations about this approach, primarily because such tax incentives are essentially untried and have received so little serious scrutiny in the past by Congress and the administration with respect to basic economic questions like the efficiency and cost-benefit ratio of such incentives. In deciding how to spend scarce Federal dollars to achieve our important energy goals, both Congress and the administration have an obligation to insure that the approach we take is sound and economically justified.

In the coming weeks, Congress will have the opportunity, working with the administration, to develop an effective energy program that will serve the Nation well in the years ahead. Tax incentives may have an appropriate role to play in the energy program, but they must first survive the same close scrutiny that Congress routinely gives to direct spending programs of the Federal Government.

Mr. President, in a letter today to the President's energy adviser, Dr. James R. Schlesinger, I have expressed some of these concerns and urged the administration to proceed with caution in embracing tax expenditures as part of the energy package. I ask unanimous consent that my letter and also pertinent material may be printed in the Record.

There being no objection, the following letters and proposals were ordered to be printed in the Record, as follows:

APRIL 7, 1977.

Hon. James R. Schlesinger,
Assistant to the President, The White House,
Washington, D.C.

DEAR DR. SCHLESINGER: I am writing to express my concern over reports that the President's energy package, due April 20, may contain recommendations for various energy related tax incentives. My concern arises both from my commitment to a rational and effective energy policy for the country, and my

interest in reform of the Federal income tax system.

In assessing proposals for the use of tax incentives in the energy package—such as tax credits for home and business insulation, for solar enery, or for the cost of conversion from oil to coal—I hope that you will direct your attention to the basic questions that must be answered satisfactorily before the nation embarks on the route of these or other new tax expenditures.

When the federal government decides to adopt a financial incentive program, it always has the choice of financing the program in two ways—either directly, through the authorization-appropriation process, or indirectly through the tax system.

Too often in the past, Congresses and Administrations have given uncritical acceptance to unproved tax expenditures, regardless of the relative inefficiency—or even the outright waste—of many such tax incentives. But things are changing, partly in response to heavy budget pressures that demand better value from the expenditure of federal dollars, and partly in response to more vigorous analysis by Congress, the Treasury and other experts of the efficiency of tax incentives.

If serious consideration is being given to tax measures in addition to, or in lieu of, direct outlay programs in the energy package, I urge you to give the same close scrutiny to such tax expenditures as you would give to direct spending programs. Among the questions that must be answered are the following:

Is a tax expenditure at least as efficient as, or more efficient than, a direct expenditure in achieving the federal goal? Will the nation derive at least a dollar of benefit for every Federal dollar expended?

What alternative forms of federal subsidy should be considered, such as direct grants, loans, loan guarantees, or interest subsidies? Could such programs be structured more efficiently, or targeted more directly to meet the need?

If a tax incentive program is adopted, is it designed so that its benefits are distributed equitably among income groups? If tax credits are used, are they made refundable, so that the federal tax subsidy will be available to those who do not otherwise incur tax liability?

I urge that, before tax incentives are embraced as part of the Administration's response to the energy challenge, an effort should be made to provide responsible answers to the above questions, so that Congress can be assured that the benefits outweigh the costs, and that any tax incentives proposed are the best means of providing financial assistance.

For your information, I am enclosing two recent studies questioning the use of tax credits in the energy area. The studies were prepared for me and a group of other Senators interested in such issues as part of the Senate debate on tax reform last year. These studies indicate that the tax credits proposed at that time for home insulation costs and solar energy costs flunked all or almost all of the tests suggested in the above questions. Although the Senate voted to approve some of the tax incentive proposals last year, the provisions were dropped in the conference with the House and remain quite controverstal.

As you will see from the paper on the tax credit for home insulation, for example, one of the more disturbing criticisms of the credit is its waste and inefficiency. According to the enclosed paper, it may cost the Treasury over \$42 to save a \$12 barrel of oil. In large measure, such tax benefits are not incentives at all, but windfalls to taxpayers for activities they would undertake in any event.

Recently, raising similar concerns, I wrote

to Secretary of HEW Califano to obtain his department's views on pending proposals in Congress to provide tax credits for college tuition expenses. In his reply, Secretary Califano raised a number of serious objections to such a tax credit, and termed it a "radical departure" from federal education policy. I am also enclosing copies of my exchange of correspondence with Secretary Califano.

If adequate studies have not yet been undertaken of proposals for energy tax incentives, I would hope that recommendation of such proposals by the Administration would be deferred until the Executive Branch is satisfied that such tax incentives actually represent a wise response to our energy problems and are more than just a shot in the dark toward the goal we all share of encouraging energy conservation.

As a related matter, I am sure you are aware that tax simplification is one of the major themes in the comprehensive reform effort now being undertaken by the Administration and by Congress. The introduction of energy related tax incentives into the Internal Revenue Code is, of course, directly contrary to the goal of tax simplification. New tax incentives will necessarily be complex, and will involve additional lines and schedules on the already complex tax forms. I would hope that before such complications are added in the form of tax incentives for energy, Treasury officials and others involved in preparing the Administration's tax reform proposals will be closely consulted, so that tax reform efforts will not be hindered by the energy proposals.

I appreciate your consideration of these concerns, and I look forward to working with you to develop the most effective and equitable energy program that we can produce for the nation

Sincerely,

EDWARD M. KENNEDY, Chairman, Subcommittee on Energy, Joint Economic Committee.

FEDERAL TAX REFORM FOR 1976 (By Stanley S. Surrey, Paul R. McDaniel, and Joseph Puhman)

THE TAX CREDIT FOR HOME INSULATION

The proposal for a tax credit for insulation of a home may appear attractive at first glance, but on analysis it turns out to be seriously defective. The proposal is Inefficient, because to save one barrel of

Inefficient, because to save one barrel of oil (worth about \$12) will cost the Treasury \$42.35:

Inequitable, because the well-off homeowner will get far greater benefits than a lower-income homeowner;

Complex, because the tax return and the audit process will be further complicated; and

Expensive, because the Treasury will lose nearly \$288 million per year as a result of the credit, with no corresponding public benefit.

The House-passed conservation and conversion bill (H.R. 6860) provided for an individual income tax credit for home insulation equal to 30 percent of insulation expenditures up to \$500. Thus, the maximum credit is \$150. The Senate Finance Committee tentatively decided in 1975 to provide a similar credit, but under the committee proposal the credit would have been refundable, and the maximum amount of expenditures would not have been reduced on account of expenditures by a prior owner. In contrast, the House bill provided a non-refundable credit and the \$500 maximum would have been reduced by prior owners' insulation expenditures.

expenditures.

The idea of an insulation tax credit was born out of the energy crisis and concern

Footnotes at end of article.

for energy conservation. Conservation is important, of course, but so are other considerations, such as the need to keep the federal deficit under control. Fiscal responsibility demands that we ask whether the insulation tax credit is the best means of encouraging energy conservation. The insulation tax credit must be examined like any other tax expenditure to see whether it is an equitable, efficient way to save oil and other fuels.

The insulation credit is inefficient. The insulation credit is premised on the belief that people will buy more insulation if the federal government makes it cheaper by grant-ing a tax credit of 30 percent to purchasers. How much more insulation will be purchased depends on what economists call the elasticity of demand.2 Usually, when the elasticity of demand is unknown, as is the case here, economists feel that it is safest to presume that the elasticity of demand is -1.0. This means that a 30 percent decrease in prices will result in a 30 percent increase in purchases. In order to be generous, however, the Treasury in analyzing this credit has presumed an elasticity of demand of 2.0, that is, a 30 percent reduction in cost will result in a 60 percent increase in insulation. Even with this generous presumption, the 30 percent credit will only save 6.38 million barrels of oil per year (see Table 13).3 U.S. oil consumption is running about 20 million barrels a day; hence a saving of 6.38 million barrels of oil a year (see footnote h to Table 13) is very small indeed—an eight-hour supply of oil at a cost of almost \$300

TABLE 13.- ESTIMATED ANNUAL HOME INSULATION ACTIONS, COSTS, AND INCREMENTAL THERMAL SAVINGS 1

200		(thousands)	Btu/year per unit (millions)	Total Btu/year (trillions)
200	130	250	35.0	
75 30 70 50 100	130 188 450 70 100 22	250 960 - 5,770 400 770 85	1. 0 2. 2 15. 0 10. 0 5. 0	1
	70 50 100	70 70	70 70 400 50 100 770 100 22 85	70 70 400 15.0 50 100 770 10.0 100 22 85 5.0

1 The elasticity of demand for retrofit materials is —2—that is, a 30 percent reduction in cost (the size of the credit, without allowance for nontaxable homeowners and the delay in credit recoupment) will result in a 60 percent increase in thermal retrofits.

2 The ceiling insulation base-level activity rate (in absence of credit) is 400,000 homes per year (this is consistent with the FEA estimate of 1974 activity, and with pre-1974 industry estimates, given the sharp increase in fuel prices).

3 The base-level storm-door and window installation activity is taken to be twice the number of homes that insulate ceilings.

4 The clock thermostat and weatherstripping base levels are as conjectured by FEA.

5 The "other" insulation activity level is the same as for ceilings.

The other insulation activity level is the same as for ceilings.
 Less than ½ trillion.
 Maximum annual credit: 0.30×\$960,000,000 equals \$288,000,000 (this ignores the possibility that the cost to taxpayer may exceed \$500).
 This is equivalent to 6,380,000 barrels of oil a year, because the energy content of oil is 5,-800,000 British thermal units (Btu) per barrel.

Source: Office of Tax Analysis, Treasury Department.

The Treasury Department has shown that the Federal Energy Agency incorrectly estimated that a 15 percent credit for home in-sulation would reduce home-heating fuel consumption by the equivalent of 95,000 barrels of oil a day. The FEA attributes to the credit all of the fuel conservation caused by all the insulation while the credit is in effect. The FEA does not attempt to figure out how much additional insulation will be installed as a result of the credit, and how much fuel this additional insulation will conserve. The FEA analysis makes about as much sense as saying that a depositor caused his bank to make a million-dollar loan because he put a \$500 deposit into the bank. The FEA also based its estimate on the total possible production of insulation, rather than on the likely amount of purchases. But total possible production does not necessarily equal total output, let alone total sales.

Under the Treasury's assumptions about elasticity of demand for insulation, the revenue loss is \$288 million per year. Simple division shows that every barrel of oil saved by the insulation tax credit will cost the Treasury \$42.35. This "price" would make even the international oil cartel blush. The federal government could buy and distribute free almost four times as much oil through direct expenditures as it will save through an insulation credit.

The insulation credit is also inefficient because it rewards those who would install insulation anyway. To encourage more people to use insulation, the credit pays for 30 percent of the new purchasers' costs. But it does the same for homeowners who would have installed insulation even if there was no credit. In their case, the 30 percent credit is simply wasted. It is impossible to measure with precision how many people fall in this category, but the increased price for oil has increased the incentive to install insulation, so the number of people who already plan to install insulation is bound to be large.

The insulation credit is inequitable. Although tax credits are generally more equitable than deductions,4 many homeowners who are not well off are not going to be able to

spend \$500 on insulation. Even if they know they would get \$150 back from the federal government, they would still be \$350 out of pocket. As a result, only those able to afford the full \$500 of insulation expenses will get the full advantage of the credit. Lower income homeowners will get few benefits, even if the credit is refundable. Thus, those who most need help to insulate their homes will get the least aid—and those who don't need aid will get the most.

What has just been said assumes that the worst inequities of the insulation credit will be removed by making it refundable. If not refundable, those homeowners below income tax exemption levels would receive no benefit from a credit against tax, since there would be no tax against which to apply the credit. But there is no assurance that Congress will adopt a credit with a refundable feature. Even though the Senate might pass a refundable insulation tax credit, it is likely that the refundable aspects of the credit will be dropped in the conference, because of oblections from the House conferees. That would make the credit an even more unfair piece of legislation.

The insulation credit is complex. Besides being inefficient and inequitable, the tax credit for insulation will add more complexity to the individual income tax return and to the audit process. The Commissioner of the Internal Revenue Service apologized to taxpayers for sending them such a complicated tax return form this year. If this insulation credit provision is adopted, the tax reutrn will become even more complex.

In addition, many taxpayers will be unaware of this provision before getting their return form. As a result, they will not keep the necessary records that the Internal Revenue Service will demand for substantiating credit claims. If the credit is reduced because of insulation expenditures by the prior owner of the house, the record-keeping process will even more difficult. Since the credit saves little oil, the added complexity is not worth the trouble it will inflict on taxpayers and the added audit costs to the Internal Revenue

The insulation credit should not be enacted. The Senate should reject any proposal for a home insulation credit. Increased oil prices have already made clear to consumers

that they should start insulating their houses. If they can save money on their fuel bill by insulating their homes, the market mechanism provides a strong incentive to insulate. In fact, it has been estimated that average home insulation costs are recovered in about three years, through the resulting reduction in heating and cooling costs, by those who install their own insulation.5 There therefore, no need for government subsidies in the form of tax expenditures

The credit is grossly inefficient. It will cost the federal government \$42.35 in tax revenue to save one \$12.00 barrel of oil. Even imported oil is a better buy than this credit. Moreover, the insulation credit is inequitable because it is more likely to be used to its full extent by the well-off homeowner than by those who really need help to insulate their homes. The credit will also make it more difficult to administer the revenue

THE SOLAR ENERGY TAX CREDIT FOR HOMEOWNERS

The proposed solar energy tax credit for homeowners is inadvisable. This is so for several reasons: (1) the technological problems blocking solar energy development cannot be solved by tax credits for purchasers of home equipment; (2) solar energy heating is much more expensive than alternative sources of energy, (3) the well-off individual will gain the greatest benefits from the credit; (4) tax returns, and the audit process, will be further complicated by the credit; and (5) the credit will cost as much as \$30 million a year by 1980, and could become a fiscal time bomb thereafter.

The basis for these and the following statements is the House-passed energy conservation and conversion bill (H.R. 6860), which provides a credit against income tax liability to individuals who install solar energy equipment in their homes. The credit is allowable for 25 percent of the first \$8,000 of solar energy equipment expenditures, up to a maximum allowable credit of \$2,000. The Finance Committee tentatively decided in 1975 to provide a refundable income tax credit for solar energy equipment amounting to 40 percent of the first \$1,000 of expenditures, plus 25 percent of the next \$6,400, for a maximum credit of \$2,000.

The solar energy credit is ineffective. Solar

Footnotes at end of article.

energy today is not an economical source of energy in most parts of the United States. The technological problems involved in recovering solar energy at reasonable cost have not been solved. If the government is to get involved in the effort to develop solar energy, it should do so through direct appropriations that can be focused on a search for answers to the technological problems that now block the recovery and use of solar energy.

Granting tax credits for the installation of home solar energy equipment is not an effective way to spur a research and development effort under government auspices. Most of the benefit of the credit will be wasted on individuals who are fortunate enough to live in areas with a large number of sunny days each year, and who already find the use of solar energy to be practical. They will get a government tax subsidy for doing what they would have done anyway. Meanwhile, the research and development programs that are needed to make solar energy practical in the rest of the United States will not be undertaken, or will not be adequately funded.

The way to develop solar energy is to concentrate on the technical problems that actually block its use. The proposed tax credit is ineffective because it falls to do so.

The solar energy credit is inefficient. Use of solar energy is a worthy goal, but it should be pursued in an efficient manner. Before the invention of small electric motors and the incandescent lamp, it would have made little sense to grant government incentives to encourage people to put electricity into their homes. The parallel statement on solar energy is equally copent today.

ergy is equally cogent today.

The Treasury Department has examined the cost effectiveness of various heating systems and has found solar energy to be the least efficient of (see Table 14). Among other things, solar energy requires installation of an alternative heating system for use as a backup, when the sun does not shine.

TABLE 14.—COST OF HEATING AN 1,850-SQ FT HOUSE OVER A 20-YEAR PERIOD 1

	Homeowner's marginal tax rate				
Type of heating system	20 percent	50 percent			
Solar	\$12, 907 5, 440 4, 968 3, 659 2, 582	\$12, 068 5, 363 4, 906 3, 546 2, 525			

¹ Present value of installation and operating costs assuming (1) investor's after-tax rate of return is 10 percent, and (2) 80 percent of cost is financed by an 8-percent loan, the interest on which is deductible,

Source: Office of Tax Analysis, Treasury Department.

For a homeowner in a 20 percent marginal tax bracket, the total costs over a 20-year period of heating an average home are shown by the Treasury study to be \$12,907 for a solar system, \$3,659 for an oil system, and \$2,582 for a gas system. Thus, the solar system is from three and a half to five times as expensive as alternative systems. Since the benefits of each system are similar, one can say that the solar system is one-fifth as cost-effective as gas heat and less than 30 percent as cost-effective as oil heat.

Assuming a solar system with an electric baseboard backup system, a 20 percent marginal tax bracket homeowner would need a 69 percent credit to make solar heat competitive with oil, and a 77 percent credit to make it competitive with gas. If a credit were allowed only on the solar system (and not on the backup system as well), the corresponding figure jumps to 83 percent for a 20-percent bracket taxpayer considering gas heat as an alternative. The need for such absurdly high tax credits shows clearly the costly, inefficient character of a solar heating system. There is no justification for

federal tax subsidies for costly, inefficient systems.

The solar energy credit is inequitable. To take full advantage of the proposed solar energy credit, a homeowner must spend at least \$8,000 under the House bill. It is true that a taxpayer with sufficient tax is eligible to get \$2,000 of this cost back from the government, but who except the well-off homeowner can generally afford to spend so much money for solar equipment? The credit clearly becomes a subsidy to the well-off homeowner who is likely to install the equipment even without the credit. The benefit of the credit will be confined to a small group of homeowners in the upper brackets, and hence it will be government assistance upside down.

The solar energy credit is complex. Taxpayers are having more difficulties every year filling out the tax return form, and the Internal Revenue Service is having greater difficulty auditing returns. Enactment of the solar energy credit will require yet another line on the tax return, even if the credit is claimed by only a few individuals, causing confusion for most taxpayers. Tax returns need to be simplified, not made more complex.

The solar energy credit is expensive. The staff of the Joint Committee on Internal Revenue Taxation estimates that the revenue loss from the House-passed solar energy credit will be small (under \$5 million) in the first three years. The cost will be minor because the credit will be almost totally ineffective. But, by 1980, the revenue cost is expected to climb to \$30 million a year because more people will buy solar energy equipment as the technical problems of solar energy are solved. From then on the revenue losses from the solar energy credit could be-come very large. Thus the credit, which fails to spur energy research now when we face difficult technological problems, constitutes fiscal time bomb set to go off as soon as those problems are solved and government help is no longer needed.7

The solar energy credit should be rejected. By failing to concentrate on the problems that demand a solution if the sun is ever to become a practical source of energy, the solar energy credit wastes government funds. The credit is inefficient, because it spurs a form of heating that is currently much more expensive than any other form. The credit is inequitable because it will benefit only homeowners who can afford to buy solar

energy equipment.

If energy conservation and development measures are needed, they should be funded through direct appropriations. As the Manhattan Project and the Apollo Program demonstrate, projects funded through direct appropriations show results, and outlays are cut when the project has achieved its objective. In contrast, programs funded through the tax system to go on and on, and there is never any review of the results, or any end to the costs. The proposed credit for solar energy equipment should be rejected.

FOOTNOTES

¹The legislative history of the insulation credit confirms this point. A majority of the Ways and Means Committee voted in favor of the credit in committee, but after additional time for serious reflection, a majority of the committee opposed the credit on the floor of the House.

² If elasticity of demand is high, a small decrease in prices will result in a large increase in purchases. If the elasticity of demand is low, a large change in prices will have little effect on purchases.

³ Plausible Estimates of the Home Insulation Credit Revenue Cost and Implicit Conservation Savings, Office of Tax Analysis, U.S. Department of the Treasury, April 30, 1975.

Deductions, because they are subtracted from adjusted gross income, are worth more

to those in the top brackets than to those in lower brackets. A \$100 deduction is worth \$70 to a person in the highest tax bracket, while it is worthless to a person who uses the standard deduction, as do most lower income individuals. A tax credit of 30 percent. on the other hand, is worth the same amount to all taxpayers no matter what tax bracket they are in, but only as long as they do pay taxes. Hence, those homeowners whose come is below exemption levels would not benefit even from a tax credit. However, if the tax credit is refundable, it will also help those who are too poor to pay taxes. Thus on equity grounds, a refundable tax credit is more equitable than the House's non-refundable credit. Both are to be preferred to a tax deduction. But even if a credit approach is used, the proposal remains grossly ineffi-

⁵ Analysis of Energy Supply, Conservation, and Conversion House Bill (H.R. 6860) and Possible Alternatives: Business Use Tax, Tax Treatment of Railroads, Home Insulation, etc., Prepared for the use of the Committee on Finance by the Staff of the Joint Committee on Internal Revenue Taxation, July 22, 1975, p. 7.

"Solar Heating," Office of Tax Analysis, U.S. Department of the Treasury, April 8,

1976.

Technically, of course, the House bill scheduled the credit to expire in 1981. However, Congress has regularly renewed similar credits, despite expiration dates. The problem is that any tax benefit creates a constituency automatically, which then fights to prevent the termination of the tax benefit. There is no reason to think that a solar energy credit would be any different.

THE SECRETARY OF HEALTH,

EDUCATION, AND WELFARE,

Washington, D.C., March 31, 1977.

Hon. Edward M. Kennedy,

U.S. Senate, Washington, D.C.

DEAR SENATOR KENNEDY: I am writing in response to your request for an analysis of proposals for the use of tuition tax credits to provide aid to families with college age students.

There is no question but that college costs are rising and that many families must make hard choices to finance a college education. Reduction in the family's standard of living or increased borrowing is often necessary to meet educational expenses. However, there are many combinations of grant and loan programs which would deal with that problem better and more fairly than a program of tuition tax credits, by distributing assistance according to the severity of the particular family's problem. For example, a highly paid professional sending his child to a low-tuition community college would get as large a benefit under some proposals as a blue collar worker sending his child to an expensive private college with no other aid. family with income so low that it pays no tax would receive no aid at all. The lution" proposed by such legislation by proposed by such legislation badly matches the problem.

This, of course, implies an answer to your question regarding whether such a program would target Federal funds to those, who need assistance. Such grants would have little relationship to need because almost all students, even those attending low-tuition public institutions, incur sufficient tuition charges and other expenses to be eligible for the maximum credit. A reduction in the allowable credit would occur only where the student received grant or scholarship assistance, and, since today most grants and scholarships are awarded on the basis of need, such a reduction would almost always result from receipt of a need-based grant or scholarship.

A direct, targeted grant program in which

both family ability to pay and costs of attendance determine the amount of the student's grant is a desirable way of equalizing educational opportunities, and is highly complementary to loan programs. However, for many of the upper-middle income families which would likely benefit from a grant program such as the tax credit proposal, I suspect a loan program would be preferable. What they need most is to spread college costs over an extended number of years, as is currently done under the Guaranteed Student Loan program. I think most of these families, when faced with large college costs in a particular year, would prefer a \$2,500 long term 7 percent loan to a \$250 to \$500 grant. Where the issue is not ability to pay, but convenience, I believe the loan alternative becomes the more desirable.

The distribution of benefits under a grant program patterned after some proposals would appear to be inequitable among income groups. Benefits would be largely the same, despite differences not only in college costs, but also in income. We estimate that at least 60 percent of tax credit benefits would probably go to families with incomes of \$18,000 or more—which are considerably better off than the national average. Further, only 30 percent of the benefits would go to families sending children to private colleges, although they have almost 60 percent of the financial need of all families likely to benefit from the credit.

You ask whether the proposed program would be consistent with policies underlying present direct Federal expenditures for education. It would be a radical departure. Two factors presently determine the amount of aid a student receives from Office of Education programs: the family's ability to pay, and the cost of the chosen college. When ability to pay is subtracted from cost, we have need, and in this sense all the Office of Education programs are need based. Perhaps, as some argue, different ways of determining need should be considered, or assignment of responsibility for meeting need among different programs could be improved. I cannot, however, imagine endorsing a student grant program which would completely discard need as a relevant factor in the manner of some tuition credit proposals.

Sincerely, JOSEPH A. CALIFANO, Jr.

U.S. SENATE,
Washington, D.C., March 8, 1977.
Hon. Joseph A. Califano, Jr.,

Secretary, Department of Health, Education, and Welfare, Washington, D.C.

Dear Secretary Califano: I am writing to request your Department's analysis of the proposed tuition tax credit for education expenses. As you know, this proposal was passed by the Senate last year in its consideration of the Tax Reform Act of 1976. Although the provision was dropped by the Senate-House Conference Committee, there is a continuing interest in the proposal, and it may well be offered as a rider on the Senate floor to the Administration's tax bill.

I believe that it is important for the proposed tax credit to be analyzed as a Federal education program. I would therefore appreciate receiving your comments on the measure, viewing it as a Federal program to provide financial assistance for education. It would be helpful if your analysis could recast the proposed tax credit as a direct federal grant program, equivalent to the tax expenditure, and then address such questions as:

Is there an overall need for the program?
Are the federal funds targeted to the persons that need federal assistance?

Is the form of the program—direct grants—more desirable than other forms of aid, such as loans?

Is the distribution of the benefits equitable among income groups?

Would the proposed program be consistent with the policies underlying the benefits provided by existing direct federal expenditures for education?

In sum, I would like your view as to whether the Department would support the education program contained in the proposed tax credit if it had been proposed as a direct program to be administered by HEW.

Unfortunately, there is some urgency to the proposal, since it may be offered as a rider to the tax bill coming soon to the Senate floor.

With best wishes, and I look forward to hearing from you.

Sincerely,

EDWARD M. KENNEDY.

ABANDONED SCHOOLS—A NATIONWIDE PROBLEM

Mr. HEINZ. Mr. President, recently I introduced legislation designed to help communities that are burdened with the growing problems of abandoned school buildings.

S. 792 and S. 793 are companion bills similar to the Surplus School Conservation Act I introduced during the last Congress. Since proposing this concept, I have received numerous phone calls, letters, and newspaper clips from all over the country supporting this proposal and demonstrating the extent that this problem exists in other States. I am convinced that surplus schools is a community problem faced by every State in this country.

Mr. President, I would like to share with my colleagues examples of some of the comments I received since first introducing the Surplus School Conservation Act. I ask unanimous consent that the following material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From Education Daily, May 11, 1976]

Don't Just Close a School, Recycle It,
Heinz Says

When a school district closes a school building it runs into a lot of maintenance and public relations problems, and the best solution is to get the building open again under new sponsorship, says Pennsylvania Congressman John Helnz III.

Concerned about 144 schools closed in Pennsylvania last year and an estimated 120 scheduled to be added to the list before the end of the current school year, Heinz has introduced two bills that would give some Federal help with the recycling idea. One, called the "Surplus School Conservation Act of 1976" (H.R. 13575), would authorize the Department of Housing and Urban Development to make grants on a limited and competitive basis to communities that want to convert unused school buildings for "efficient, alternate" uses in the fields of educational and social services. That could include things like resource centers, libraries, health centers, county offices, housing for the elderly, college classrooms, or more administrative space. Heinz points out.

trative space, Heinz points out.

His other proposal, the "Surplus School Conversion Act" (H.R. 13561), takes a different tack by offering tax incentives to private industry to purchase school buildings and turn them into private enterprises. Heinz has a list of towns that have sold school buildings to private developers for museums, hospitals, apartments, commercial offices,

and hotels. Claremont, California, even turned an old school into a shopping center. Light industry and warehouses might be interested too, Heinz points out. His tax break for the purchasers would take the form of an amendment to the Internal Revenue Code to speed up amortization, meaning the buyer could write the building off for tax purposes in 15 years instead of 30, for example.

The private-enterprise route has an advantage for the community in that school property goes back on the tax list, Heinz says, and that's better than "mothballing" an unused building. "Boarding up windows preserves neither the building nor the real estate values of its neighborhood. . The best way to protect property is to fill it with people."

Heinz notes closed schools are a "psychological thorn in parents' sides." They look at the empty building and say, "Why can't our children go there?" and that's bad public relations for the school district and everyone else, he points out.

[From Spectator, National Association of Elementary School Principals, August 1976]

NEW LIFE FOR OLD SCHOOLS?

"The best way to protect property is to fill it with people," says Representative John Heinz III (R-Pa.), who has recently introduced into Congress two bills that are designed to "recycle" surplus schools. Empty schools are not only a maintenance headache for the school district, Heinz says, but they are bad PR as well. His proposed legislation would help get unused buildings open again under new sponsorship.

H.R. 12947, the Surplus Schools Conservation Act of 1976, would authorize the Department of Housing and Urban Development to make limited grants to communities that want to renovate unused school buildings for "efficient alternate" uses in the fields of educational and social services. Heinz has in mind such facilities as libraries, community colleges, housing for the elderly, health clinics, and the like.

H.R. 12948, the Surplus Schools Conversion Act, would provide tax incentives for commercial purchase of school buildings by accelerating the depreciation write-off to fifteen years instead of the usual thirty. This option has the advantage of putting school property back on the tax list, and a number of towns have already sold their empty schools to private developers for shops, museums, apartments, and commercial office space.

If declining enrollments are forcing your district to close a building or two and you think they ought to be put to good use, write your congressman and let him know that you support H.R. 12947 and 12948. (As of this writing, both bills were still in committee, and hearings had not yet been scheduled.)

[From the Long Island Press, Mar. 3, 1977] UNWANTED SCHOOLS: ABANDONED BUILDINGS HARD TO SELL

Boarded up, battered and unguarded school buildings dot the city, awaiting rare buyers.

Of the 65 buildings given up by the Board of Education in the last two years, the Board of Estimate has taken over no more than 24, and the city Municipal Services Administration has been able to auction off only four.

"If we had a booming business climate, I'm sure these schools could be used for a whole variety of purposes. But with the economic recession, it is difficult," said a spokesman for Municipal Services Administrator John T. Carroll.

Those most often interested in the surplus buildings—community oriented or nonprofit groups—tend to lack the purchase and maintenance funds, and even private developers think twice about the cost of demolition, he added.

Also, the budget-strapped city agency cannot afford extra security guards to protect the buildings after the school system formally surrenders them. The spokesman said the problem is being discussed with Hugh McLaren, the board's executive director of buildings

The city official cited P.S. 27 in College Point as one illustration. The three-floor 79-year-old building at 14-14 College Point Blvd. nearly went up for auction last March at an opening price of \$65,000. Queens Borough President Donald Manes wisked the structure off the block when surrounding residents demanded it be turned into a community

As of two weeks ago, a neighborhood committee was still searching for needed funds. Another meeting is set for Sunday. Estimates of the annual operating cost range from \$63,276 to \$372,000.

A \$200,000 price tag repelled bidders when the school system's old central kitchen in Long Island City went up for sale last November. The real estate department is barred from slashing prices for a variety of reasons, th spokesman said.

Of the 65 buildings shutdown citywide, only seven in Queens were affected. In addition to P.S. 27 and the kitchen are P.S. 3 at 108-55 69th Ave., Forest Hills: P.S. 1 at 21-01 46th Road, Long Island City; and school for the handicapped; J.H.S. 93 P.S. 110 at 174-10 125th in Jamaica. P.S. 187, at 61-26 Marathon Parkway in Little Neck, was converted to a school for the handicapped; J.H.S. 93 annex was transferred from District 26 headquarters and used as annex for severely crowded District 24.

The heaviest crunch came in 1975 when Mayor Beame and the Board of Estimate cut maintenance funds for 43 schools from the budget. Of those, only 37 were actually closed, according to board figures.

[From the Long Island Press, Mar. 3, 1977] FEAR ADDICT HAVENS IN SHUTTERED SCHOOLS

(By Howard Reiser)

There will not likely be any more closings of New York City public schools, unless the city can guarantee that a building about to be shut would subsequently be utilized in some manner.

During the past two years, some of the 30 or so schools ordered shut down have been used, says Deputy Schools Chancellor Bernard Gifford, but for all the wrong reasons. He complains they have been turned into hangouts by drug addicts and derelicts and have "eyesores" for people living in or become passing through the area.

Testifying yesterday before joint budget hearings conducted by the City Council and Board of Estimate, Gifford said he would recommend against closing any more schools unless "there is a guarantee that a user is available" once the school shuts its doors.

After participating in a compatible give and take with questioning legislators, Gifford told newsmen he expected his suggestions to be followed by Board of Education officials.

I have no reason to doubt that the board will listen to what I am saying," he said, "I've done my homework. I'm not saying that schools shouldn't close under any circumstances. I'm saving they shouldn't close if their future use is not known.'

In his testimony at City Hall Gifford agreed that a strong effort must be made to combat school crime and said he felt the \$40 million in cuts urged by Mayor Beame could be made without touching the teachers in the classrooms.

Under the current plans, 15 to 20 schools face closing by September. The position out-

or most, of the shutdowns.

While Gifford said more than once that there are "no villains here," he mentioned even more often that the decision to close schools came from the mayor's office, not from the Board of Education.

"We've been criticized for permitting schools to be vandalized," he said at one point. "But the policy was based on erroneous assumptions made by the mayor. The assumptions made two years ago-that the city could find alternative uses for the buildings don't appear to be valid."

A better solution to the city's fiscal woes as well as the under-utilization of the schools could be the closing of sections of a particular school rather than the entire facility, Gifford said. This will be among the formal recommendations he will make to the board. he said, noting that such a step would achieve some savings to the city and at the same time continue the operations of a neighborhood

With regard to the question of crime in the schools, Gifford says he's as familiar with the problems as anyone else could be.

'My 12-year-old son has been ripped off four times this year," he told the members of the board and city council. "He's often afraid to take any money to school."

Gifford hopes federal funds could be obtained by the city for the use of hiring school

"We want to cut down on the crime," Gifford said

[From the Report Compliance Issue, Advisory Council on Historic Preservation, April 1976]

RECENT LEGISLATIVE ACTION

RECYCLING UNUSED SCHOOL BUILDINGS

Two bills, H.R. 12627 and H.R. 12628, have been introduced by Representative H. John Heinz III (R.-Pa.) in response to the growing national problem of underutilization of existing school facilities. Throughout the United States, many elementary and secondary school buildings have been closed due to decreasing enrollment, shifts in population, consolidation of school district programs, and budget cutbacks resulting in the abandonment of buildings that are often recyclable by virtue of their structural soundness, central location, or potential for rehabilitation. Many of these school buildings are also valuable as historic resources. Therefore, although H.R. 12627 and H.R. 12628 do specifically mention historic school buildings, the potential applicability of the two bills is of importance to preservationists.

H.R. 12627, the Surplus School Conservation Act, would authorize the Secretary of Housing and Urban Development, to award grants to communities to pay up to eighty percent of the costs for renovating unused school buildings for other productive purposes. Funds can be used to help defray the expenses for preparing drawings and specifications, for remodeling, altering, and inspecting and supervising construction. H.R. 12628, the Surplus School Conversion Act, would amend the Internal Revenue Code to entitle the purchaser of an unused school building to a deduction with respect to the amortization of the property based on a period of 180 months (15 years), rather than the usual period of 360 months (30 years). The tax deduction will be applicable both to the cost of purchase of the school building and the cost of renovation.

H.R. 12627 has been referred to the House Committee on Banking, Currency, and Housing. H.R. 12628 has been referred to the House Committee on Ways and Means. No hearings

have been scheduled for either bill. (The Council is an independent unit of the Executive Branch of the Federal Government

lined by Gifford yesterday could prevent all, charged by the Act of October 15, 1966, to advise the President and Congress in the field of Historic Preservation.)

> [From the Decatur (Illinois) Review, Oct. 11, 1976]

OLD HIGH SCHOOL, ELDORADO MAY GET FEDERAL FACELIFT

Stephen Decatur High School and Eldorado School could get facelifts or new occupants under terms of two bills expected to be reintroduced to Congress.

The two bills, the Surplus School Conservation Act and the Surplus School Conversion Act, were introduced into the last session of Congress by U.S. Rep. H. John Heinz, R-Pa.

Under the proposals, communities or businesses could receive aid for renovating and converting abandoned schools into other uses.

Although Congress took no action on the proposals, a spokesman for Heinz said he exepcted the bills to be reintroduced in the next session.

One reason for the bills, he explained, is that as school enrollment declines, more and more districts are having to close down school buildings. And national trends show that enrollment will continue to decline over the next 10 years.

The Decatur School District closed the old high school in 1975 when students were moved into the new Stephen Decatur High School, 1 Educational Park.

Eldorado School also was closed in May, 1975, along with Excelsior South School, and both were replaced by Baum Elementary. Excelsior South was purchased by the Macon County Historical Society, which plans to convert the school into a children's musuem.

Heinz's spokesman said that under the proposed conservation act, communities could compete for Housing and Urban Development grants that would pay 80 per cent of

the cost of renovating vacant schools.

The schools could then be changed into community recreation centers, day care facilities, counseling centers or other uses of benefit to the community, he said.

The Surplus School Conversion proposal would encourage businesses and industry to purchase closed schools by helping with repayment plans and providing a tax break.

Businesses then could convert the schools into offices, new plants or other uses.

They're (abandoned schools) costing the tax payers money and they're not adding anything back," said Heinz's spokesman. "These bills would help to get empty schools back on the tax rolls."

All told, more than 100 schools in Illinois are either partially or fully closed, according to statistics from the Illinois Office of Education.

Other schools in the area that have been closed are Westervelt Elementary School in Westervelt and Taylor Springs Elementary School in Montgomery County.

All four schools are at least 35 years old. The Westervelt school was built in 1924, Taylor Springs and Stephen Decatur were built in 1911 and Eldorado was built in 1938.

> SOUTHWEST IOWA LEARNING RESOURCES CENTER Red Oak, Iowa, March 9, 1977.

Senator John Heinz, U.S. Senate.

Washington, D.C.

DEAR SENATOR HEINZ: You were "on target" last year when you introduced the idea of utilizing abandoned school buildings for vocational manpower training and adult education purposes. I understand you have now proposed S-792 that Federal grants would be available to local governments and counties for use with certain innovative projects. Several months ago I visited with

Congressman Ron Sarasen about this very idea and made some specific recommendafor converting abandoned buildings into becoming a Career Assess ment Education Center. We have been working on this concept here at the Southwest Iowa Learning Resources Center since 1970. We have created and produced packages which simulate jobs so that clients can begin to explore, in a meaningful way, career options. As we developed the program, word has passed around the country and already several hundred exploration installations are in operation. However, the complete picture must include the assessment and exploration. That's why your proposal makes so much sense because of the need for a facility exactly like a school building. Last month we also visited with Educational Facilities Laboratory in New York City to discuss the idea, and they were most enthusiastic.

I want to congratulate you on your initiative in attempting to solve two major problems at once. I would be happy to visit with you in Washington at any time to spell out the program and our efforts in more detail. Our Washington representative will be in touch with your office regarding an appropriate time and place for such a meeting.

Sincerely.

WILLIAM A. HORNER,
President.

BILLS WOULD AID SCHOOLS IN RECYCLING SPACE

Washington, D.C.—Federal legislation has been introduced to help with the recycling of our many unused school and public buildings. The "Surplus School Conservation Act of 1976" (H.R. 13575) would authorize grants to help communities convert school space into other useful community purposes. Another bill (H.R. 13561), "Surplus School Conversion Act," would provide tax incentives to private industry to return school space to the tax rolls.

A third federal bill "Public Buildings Cooperative Use Act" (H.R. 15134) would permit renting space in federal buildings for "cultural, educational or recreational activities". These bills underscore the fact that school buildings are flexible structures and also that education can be conducted in spaces designed for other purposes.

In 1975, New York City's borough of Manhattan had more than 250,000 square feet of space in underused schools. at the same time, four city agencies were paying over \$1 million annually to rent slightly less than 250,000 sq. ft. More than half of the rented space was used for: child care, recreation, counseling and social services.

Many communities are rediscovering the fact that school spaces can be shared; that surplus school spaces can be leased or rented to compatible tenants; and that schools and other agencies can jointly own and manage facilities which neither could afford separately.

School spaces are doubling as public libraries, university classrooms, recreation centers and bases for other public agencies. Schools are receiving income from rents, fees and leases for the use of parts of buildings and from program participants.

Some school buildings have been returned to the tax rolls and others have been converted to commercial or residential properties. New educational spaces are being created through partnership arrangements with other public agencies to spread costs, provide program integration, or to gain better use of physical and economic resources.

More than half of the states permit school buses to be used for nonschool purposes such as transporting elderly persons and for preschool and recreation programs. Wisconsin

laws authorize schools to provide meals from school kitchens to anyone over 60 years old, and even subsidizes them. Schools in other states—Massachusetts, Virginia, Washington, to name a few—are using their heavy investment in school kitchens to serve senior citizens while providing counseling, recreation and other social services. Many such patrons become school volunteers and provide necessary and desirable services without cost.

This concept, which consolidates human service delivery systems saves capital investments, land, and operating costs. It permits those services to be closer to the clients and, therefore, the services are more likely to be more responsive to the particular needs of those clients. It produces closer and better intergovernmental relationships since smaller units of the larger agencies must deal with each other on a more frequent basis and for more practical reasons. The common building goes under the heading of Community/Schools but the underlying framework is built upon "interagency programs".

Motivation for interagency programs generally lies in the need to reduce capital costs when new buildings are planned; or in the need to "find" space for new programs when new construction is out of the question; or in the need to find a partner to share space and underwrite a portion of the operating costs. Other motivations include program improvement and social purposes,

Lower Merion Township, Pa., included a public library in an elementary school, designed to serve both the community and the children. The township claims to have saved \$500,000 in addition to more than \$20,000

per year in operating costs.

Washington, D.C. found that enrollment projections were too high and fewer pupils would report to an elementary shool under construction. Panic? No, the extra space (second floor) was made available for a public branch library. Separate access by an outside elevator, some partition changes and restroom modifications cost \$163,000, but annual operating costs will be less for each agency.

A recent publication "Surplus School Space: Options & Opportunities" (Educational Facilities Laboratories, 850 Third Avenue, New York, N.Y. 10022, \$4.00) describes numerous reprogrammings of schools to other purposes. Another book released recently, "Community/Schools and Interagency Programs" (Pendell Publishing Co., Box 1666, Midland, Mich 48640, \$9.50) describes the process for developing interagency partnerships which permit more productive use of public buildings and encourages coordition of essential community services.

JOSEPH RINGERS, Jr.
Asst. Superintendent of Schools.
Arlington County, Va.

[From Chicagoland's Real Estate Advertiser, Sept. 17, 1976]

ABANDONED SCHOOL PROBLEM GROWS
(By Fred L. Bernheim)

When a viable community is forced to close its school, the repercussions go far beyond the minor inconvenience of a child's daily commuting time.

Parents who have invested a great deal of volunteer time into their school through work on committees and advisory groups lose the influence and acceptance they have achieved through this involvement, Teachers who have established themselves in one setting face the period of adjustment in a new setting if they are transferred—or the very real fear of job loss. Principals lose all or part of a supportive staff, a familiar parent group and a student body made up of siblings moving up through the grades.

moving up through the grades.

And perhaps most important, the com-

munity is left with an abandoned shell of a once-useful building, which at best symbolizes a sad loss and at worst becomes a target for vandals.

Recent legislation introduced in the U.S. House of Representatives proposes one answer to the problem of declining school enrollments and resultant abandoned school buildings. Sponsored by Cong. John Heinz of Pennsylvania, the two bills are the Surplus School Conservation Act of 1976 (H.R. 12947) and the Surplus School Conversion Act of 1976 (H.R. 12948).

The former provides grants, on a limited and competitive basis, to communities that wish to renovate unused school buildings for productive purposes. It would provide 80% of the estimated cost of renovation to a local agency to convert buildings for productive purposes, including senior citizen, day care or community centers; preschools; community colleges or vocational schools; walk-in centers for counseling; medical or dental facilities: or recreational centers.

H.R. 12948 encourages private industry to purchase these buildings for conversion to alternate revenue-producing purposes—when the communities no longer have use for them—by providing rapid amortization of the buildings.

Both bills are now in separate committees: H.R. 12947 in the Committee on Banking, Currency and Housing; and H.R. 12948 in the Committee on Ways and Means. If passed, they would be important tools for an increasing number of communities each year who must deal with changing demographics in their school systems.

The problem of too many schools for too few children has caused concern at all levels of government. When the first decline in national public school enrollment occurred in 1972, planners began watching for a downward trend. Their suspicions were confirmed as the figures dropped steadily in succeeding years.

The U.S. Office of Education predicts an enrollment decline of over four million during the next 10 years. As Cong. Heinz pointed out when introducing the two bills. "Shrinkage and how to cope with it have become as much a theme of the 1970's as growth was for the 1950's and 1960's."

The city of Chicago closed 16 schools or sections of schools at the end of the 1975-76 school year, and another 13 elementary schools did not reopen in suburban Cook County this year.

For many of these schools, rehabilitation would be possible and practical. For the past five years, my firm has been involved in a major rehabilitation program for the Chicago Board of Education. We are, at the present time, in various stages of rehabilitating some 14 public schools (\$6.5 million) most of which date back to the late 1800's and early 1900's. From this experience, we can verify the structural worthiness of these buildings.

The schools are being recycled as schools, utilizing today's materials in terms of wall finishes, flooring, lighting, heating, and contemporary furnishings. They could just as easily be recycled for a multitude of other uses: the point is that there is always use for existing structures if they are located in a viable community.

Rehabilitation compares favorably to construction in the area of cost, running 30-40% less than the investment in a similar new building. If the citizens of a community have taken pride in their school program, they will usually be gratified to see a people-serving program in its place, utilizing the same building.

Studies have shown that the most important element in a successful school closing is involvement of the community very early in the process. At the first announce-

ment of declining enrollment, the citizenry must be enlisted to help.

They should, along with the school board and the school's staff, review the facts, research possible solutions, and prioritize their alternatives if the decline continues. Public hearings are essential. Then, when it becomes clear that a decision regarding the future of the school must be made, the school board will have the support of the community people who have been involved in the planning process all along.

Cong. Heinz' bills offer a community a wise

Cong. Heinz' bills offer a community a wise alternative to consider in their planning process. However, at the present time, H.R. 12947 stipulates that the school building must be closed and not in use as of the date of application for the funds to renovate.

I would like to suggest that this bill be amended to allow a community to apply for the funds prior to the school closing, just after the decision to close is determined. In the interim period, the grant will be in process—with the hope that the money will be approved about the time that the school closes.

This way, a school board will be able to accompany its negative announcement of the school closing with a positive report of the plans for use of the building. The community will avoid the bad effects of a vacuum in the use of the building and the vandalism which

I encourage community leaders in educations, architecture and social services, and other interested citizens, to write to their elected officials about this important legislation. Federal money for the rehabilitation of abandoned school buildings can help a community turn the crisis of a school closing into a real opportunity for new kinds of services.

WARRANTY PROVISIONS OF THE MOBILE SOURCE EMISSION CON-TROL AMENDMENTS OF 1977

Mr. RIEGLE. Mr. President, as many Members know, Senator Griffin and I have introduced S. 919, the Mobile Source Emission Control Amendments of 1977. Among other things, the aim of our legislation is to establish what we believe is a sound schedule of automobile emission controls.

While our legislation seeks to provide the automobile industry with workable yet environmentally sound pollution standards, Members should also know it deals with several other aspects of the Clean Air Act which affect different segments of the automotive industry, namely, the aftermarket parts industry.

I recently inserted in the Record-April 5, pages 10519-10522—a comprehensive explanation of section 6 of our bill, which deals with warranties and motor vehicle parts certification. I refer my colleagues to that statement to clarify any questions they may have about this section of S. 919.

To further facilitate understanding of section 6, I am placing in the Record to-day a short section-by-section summary of our bill as well as answers to the questions which have been asked most often regarding S. 919 and the automotive aftermarket parts industry.

tive aftermarket parts industry.

Mr. President, I ask unanimous consent that this material be printed in the

There being no objection, the material was ordered to be printed in the RECORD, as follows:

QUESTION AND ANSWERS ON CLEAN AIR ACT WARRANTY LANGUAGE CONTAINED IN H.R. 4444/S. 919 "THE MOBILE SOURCE EMISSION CONTROL AMENDMENTS OF 1977" BY REPRE-SENTATIVES DINGELL AND BROYHILL AND SEN-ATORS RIEGLE AND GRIFFIN

Question: If we reduce the length of the performance warranty as specified in H.R. 4444/S. 919 how can Congress assure that the vehicle Manufacturers will continue to produce durable emission systems?

Vehicle manufacturers will still be required to produce a durable system in order to pass the 50,000 mile EPA certification test under the production warranty. We propose no change in length of the production warranty. We propose no change in length of the production warranty. Under the production warranty, the EPA not only certifies that the car's emission control system will last for 50,000 miles, but if a substantial number of systems fall during their onthe-road operation, the EPA can recall the entire lot for repair at the manufacturer's expense. Reduction of the performance warranty will not let the manufacturers off the hook regarding their requirement to produce a durable emissions system.

Question: Doesn't the performance warranty guarantee that the emissions system will perform for five years/50,000 miles?

No, it only attempts to define who will pay for repairs if the system does not perform. Question: Will consumers lose protection they now enjoy under the performance parameter?

No, consumers do not now have, nor have they ever had, any protection under the performance warranty. In fact, only the EPA, the industry and some concerned attorneys even know this warranty is planned. It has never been implemented because the EPA has not yet developed a correlatable "short test." If it is not significantly altered before it is implemented, consumers will react as they did to the seat belt interlock requirement when they are told that their cars must be repaired at the more expensive dealerships for their first five years of operation.

Question: How does the production warranty work?

If the EPA learns that five or more systems have malfunctioned due to defects in materials or workmanship (as opposed to improper maintenance), it will instigate an investigation which could lead to a recall of all of that model or engine type. This protects the consumer against shoddy workmanship or the possibility that the engines actually produced do not replicate the engine originally certified.

Question: Why doesn't Congress just insist that the Manufacturers accept parts and labor from anyone as satisfying the maintenance requirements of the performance warranty?

Because the vehicle manufacturer has a legitimate legal right to protect his contingent liability under the warranty by demanding that adequate replacement parts be used and that they be properly installed. While the issue was being fought out in the courts, consumers would protect their interests by following the maintenance instructions to the letter and the aftermarket would be crippled, perhaps fatally. In addition, it is likely the courts would sustain the manufacturers on this point. It is difficult to believe that the courts would hold that the vehicle manufacturer could be held liable for service work done outside the franchised dealership where a mechanic either put on the wrong part or put it on up-side-down.

Question: Why not just delegate the authority to correct this problem to the EPA?

Because the EPA has not shown any sensitivity to this threat and because it would just be ducking the issue on the part of

Congress. EPA thinks the problem can be corrected with a parts certification program. It can't.

Question: Won't a parts certification program completely solve the problems of the aftermath industry?

No. In fact, the House Small Business Committee found that the certification program itself was anti-competitive. Their objections: the great cost of even self-certifying will destroy many smaller manufacturers: the vehicle manufacturers could control certification to limit competition; there are expensive problems of due process; and it would require at least partial exemption for the industry from present antitrust laws. Industry has been working with the EPA since 1972 trying to develop a workable vol-untary parts certification program. The EPA effort to get a voluntary parts certification program off the ground has been hampered by EPA's proposal to include 430+ parts in its definition of the emission system.

Question: Section 9 of H.R. 4444/S. 919 defines an "emission control device or system" for both the production and performance warranties. Why?

In November, 1976, EPA issued a proposed rule which seeks to circumvent the will of Congress by using a "backdoor" approach through regulations under the production warranty which would in actuality make it into a performance warranty. EPA's intent is clearly expressed in its proposed production warranty regulations when it stated "(the production warranty) could potentially be applicable in some cases where no specific defect was identified; in essence becoming a type of performance warranty. (Federal Register, November 16, Page 50567). By carefully defining an "emission control device or system" the intended applications of the warranties by Congress are made clear.

Question: What evidence exists that the present 50,000 mile performance warranty has added to the cost of most cars, and has proved anticompetitive, and has induced business away from the independent dealer?

There can be no answer to this question until the 5 year, 50,000 mile performance warranty is implemented by the EPA. The fact is that there is no present 5 year, 50,000 mile performance warranty. The Act provides that when a feasible short test is developed, the EPA shall issue regulations mandating the performance warranty. Since this has not been done, there cannot be said to be any additional cost added to the vehicle that would be attributable to the performance warranty nor can any anti-competitive effects be measured by something that is not implemented.

We have heard from many different sources that the problems posed by the warranty have not occurred even though the warranty has been on the books for six years. The reason for this is too often overlooked. There can be no problem until the EPA implements the warranty, and this has not been done as at this date. Thus, there has been no effect on competition, nor can there be until the warranty is implemented, but ASIA submits that this in no way means that the problem is not there.

Question: It has been six years since the 50,000 mile performance warranty was written into law. What percentage of the aftermarket business do the non-original equipment dealers presently hold?

This question is closely intertwined with the previous question. The 5 year, 50,000 mile performance warranty has been a part of the Clean Air Act for six years but, and this is vitally important—it has not been in operation for a single day—because it has not been implemented by the EPA, there can be no valid comparisons of the respective shares of aftermarket business before such imple-

mentation. At the present time, without the performance warranty in effect, free market conditions have the aftermarket doing 75 to 80% of all the repair work in the nation. After implementation of the performance warranty, the consumer loses his freedom of choice and a government mandated monopoly replaces that free market. Immediate remedial legislative action to eliminate this monopolistic effect is vitally needed.

Question: Since the performance warranty has not yet been implemented by EPA, is it a "real" problem to the aftermarket and consumers?

Indeed, the problem hangs very "real" over the head of the independent automotive aftermarket waiting to strike once the EPA develops the short, feasible test required for implementation of the warranty. Make no mistake about it, once the warranty is implemented, the result will be disaster for the independents and monopoly over all parts and services by the vehicle manufacturers. The consumer will suffer tremendously both from substantially increased costs of his vehicle and what parts are used. The economic fact of life is that the vehicle manufacturer, once he is faced with the tremendous legal obligation of the performance warranty must include the cost of that obligation in the price of the vehicle and the consumer who must pay that price has no choice except to return to the vehicle manufacturer.

APPROPRIATIONS FOR THE MU-SEUM SERVICES ACT

Mr. BROOKE. Mr. President, one of the appropriations for fiscal year 1978 now being considered by the Interior Appropriations Subcommittee is that for the new Museum Services Institute, authorized only last year. This is an important act with an important constituency. There are over 5,000 museums in America. There are over 700 million visits paid to our Nation's museums each year. I take special pride because 300 of these museums are in Massachusetts, 24 in Boston alone. And although New England has only 5 percent of the Nation's population, it has 13 percent of its museums.

And yet, Mr. President, our museums are in precarious straits, forced to reduce their exhibitions and services at the very time public demand is escalating. President Carter, however, has requested an appropriation of only \$3 million out of an authorization of \$25 million. On April 6 I testified before the subcommittee requesting the total authorization of \$25 million. I would like to share with my colleagues my testimony detailing the need for that appropriation and ask unanimous consent that it be printed in the Record.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF SENATOR EDWARD W. BROOKE

Mr. Chairman, I testify today in favor of the full authorization of \$25 million for the new Museum Services Act enacted last year. I am proud that I was one of the early cosponsors of this Act, for public support of our museums, great and small, is not only badly needed but richly deserved.

There are now more than 5,000 museums in our country. It is estimated that there are more than 700 million visits to museums each year. And the demand is rising in this current renaissance of the arts in America. New museums are springing up; in Texas alone, for example, 140 museums are either planned or under construction, often, as in other sections of the country, in areas never graced by a museum. And existing museums are trying to enlarge and expand services in order to meet growing public demand, not only for their traditional exhibits but also for more educational services for students and the population as a whole.

In addition, museums continue to extend their services and delights beyond the traditional museum goer to the community as a whole, with a new emphasis on the elderly, the inner city resident and schoolchildren. Where museums once interested primarily the rich, these institutions are increasingly assuming the central role in their communities that public libraries did in the late 19th century. The overwhelmingly massive attendance figures and the long, patient lines at the recent King Tutankhamum exhibit at the National Gallery here in Washington are vivid evidence of the growing interest our citizens feel for making the arts a part of their lives.

President Carter during the last Presidential campaign expressed the role of the arts well when he said, "Arts in America are not simply a luxury; they are a vital part of the fiber of American life and deserve strong support from the Federal government. If I am elected President, they will receive that support."

Heartened by this strong commitment, all of us who appreciate the vital role of museums in our national life were severely disappointed when the President requested only \$3 million for fiscal year 1978 out of an authorization of \$25 million for the new Museum Services Institute. This is a token, almost meaningless amount in view of the great and well documented need of museums all across the country. One survey alone has indicated that its museum sample recorded a need of approximately \$100 million.

Thus by any reasonable standard \$25 million authorized is a reasonable and justified figure.

When questioned about their needs, a broad and representative group of all kinds of museums in all locations replied that their first and overwhelming priority is for assistance in meeting their basic operating costs. Their second priority is conservation of their irreplaceable treasures. And their third priority is assistance with their exhibition costs and the expenses of educational programs.

Thus the assistance provided by the National Endowment for the Arts—grants for special projects and exhibitions only—is no longer adequate as museums struggle for funds simply to keep open and not raise admission costs beyond the means of too many of their present and hoped for constituents.

The present precarious and curtailed position of museums is not due to irresponsible management on their part. It stems first of all from the recent escalating attendance at museums. In 1939 attendance was approximately 50 million visits per year. In the mid-1950's there were over 100 million visits per year. By 1962, there were 200 million visits. And as I noted earlier museum attendance is now estimated at 700 million visits per year.

This growing demand for museum services raised costs as did spiralling inflation. The result of this dual pressure on museum budgets is shown by a 1976 survey by the Council on Foundations which reported that museum expenditures had risen 45 percent over the five-year survey period. In my own state of Massachusetts the operating expenses of five of our principal museums rose 36 percent from 1972 through 1976. The costs of energy

alone, a big budget item, quadrupled during this period.

Museums have made a sustained effort to cope with these greatly increased costs. Special exhibits have been cut. The development of new programs demanded by the public have been deferred. Days and hours during which museums are open to the public have been reduced, thus making it more difficult for working people to attend. Staff has been reduced. Needed salary increases have been drastically reduced or eliminated. Physical plant repairs have been postponed. Many museums, hithertofore free to the public, have been forced to institute admission charges. And many museums have been forced to substantially increase these charges. In my home state of Massachusetts five of the principal museums had to increase their admission charges by 25 percent between 1972 and 1976. However, despite these cost-cutting efforts the financial position of too many museums remain strained.

Despite the fact that their earned income is projected by the Council on Foundations have grown 40 percent over the past 5 years, reflecting the institution of and increase in admission charges, the earnings gap of museums will have grown 48 percent during that same period. Those legally required by law have balanced their budgets by limiting services and hours. For others, deficits ever an immediate crisis. For significantly, museum deficits rose drastically: an increase of 160 percent over the survey period of the past 5 years. To cite but two examples with which I am well acquainted: in large part due to its attendance increase from 528,000 to 820,000 in the past ten years, the Boston Museum of Science deficits now amount to \$500,000 to \$700,000 per year. And another world renowned museum, the Boston Museum of Fine Arts, is operating at a deficit of more than a half million dollars per vear.

Private philanthropy and endowments, until recently the mainstay of museums, can no longer subsidize museum programs and deficits alone. State and municipal aid is sporadic and therefore not able to reduce these deficits alone. And recorded increases in corporation, foundation, and individual gifts (90 percent of museums in a recent survey report gains in private memberships) are also inadequate to answer the needs of American museums without help from the Federal budget.

It was to cope with the needs of museums beyond that for special projects that the Museum Services Act was passed last year. This landmark act provides:

Assistance to aid museums in developing and maintaining competent staffs;

Assistance to provide education programs and conservation of art objects:

Assistance to help carry out specialized programs for such underserved segments of the public as inner city neighborhoods, rural areas and Indian reservations.

Assistance to develop and finance traveling exhibitions.

Assistance to the full range of museums, some of which like science and technology museums do not receive aid from the National Endowment on the Arts.

But foremost and most important, the Museum Services Act provides grants to all museums for operating expenses and ongoing programs, where the funds are most urgently needed. Thus if adequately funded, the Museum Services Act can be instrumental in answering the concerns and priorities of our museums.

And may I add that it will not only answer the concerns of those famous established giants whose names immediately come to mind, that 5 percent of museums with an-

nual budgets of \$1 million or more. It will also concern itself with those more modest, if often equally excellent, often new, often struggling museums which add so much to communities. For we must remember tnat almost half of our museums have annual budgets under \$50,000.

At this time when museums should be working to fulfill their full educational potential, they too often are struggling simply to maintain their present programs. At this time when museums should be available to all, they are being forced to raise admission charges. It is estimated that an admission charge of \$3 to \$4 would be necessary if museums were to support themselves from this source. Such a charge would price museums beyond the means of many, many families. We cannot make enjoyment of our museums an elitist recreation, a by-product of wealth. We must instead make it possible for those who would appreciate museums, who want the joy and fulfillment bring-of any and all incomes-to participate in American museum activities.

A recent poll indicated that 64 percent of adults in the United States would be willing to contribute \$5 over the amount of their taxes to the arts; 47 percent would contribute \$25 and 36 percent would be willing to contribute \$50 or more.

Thus the American people in overwhelming numbers acknowledge what a great difference the arts can make in their lives. It was in deference to this support and in recognition of the central role which museums play in the cultural life of our nation, that the Congress last year enacted the Museum Services Act. It is now time to fulfill the promise we made when we voted for that law. And despite the many demands on our federal budget, of which I as a member of the Appropriations Committee am also too well aware. I believe that a \$25 million appropriation for the Museum Services Institute is a wise and widely supported investment. The Federal government subsidizes many areas of our national life at far greater cost with far less benefit and far less justification. Mr Chairman. I ask for favorable consideration of the full authorization of \$25 million for the Museum Services Institute.

RESOURCE RECOVERY

Mr. CASE. Mr. President, one of our colleagues, the distinguished Senator from West Virginia, Mr. RANDOLPH, spoke at a Committee for Resource Recovery luncheon in my State of New Jersey earlier this week.

I believe Senator RANDOLPH's remarks will be of interest to my colleagues and, therefore, I ask that his speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR JENNINGS RANDOLPH

This meeting provides the opportunity for environmentalists, government and business to come together to better understand a mutual objective which they share and which serves the common good.

Malcolm Borg and his Bergen Record have our commendation for conceiving this conference. It is a real service to the community, the New Jersey Committee for Resource Recovery with its vision and energy, and the mayors and township officials who participate in the beginning of this interesting venture as they counsel to best benefit their constituents. The Hackensack Meadowlands Development Commission is especially to be commended for the forward-looking attitude and flexible approach of Bill McDowell, its executive director.

Gathered here are the elements necessary to solve one of the most onerous burdens of our urban society-the problem of disposing of our solid waste. We must do it in such a way that it stops the growth of dumps and at the same time provides energy which our country sorely needs. We must also return to useful life the raw materials which we must use in our producing system.

In the past six years the citizens of our Nation have become more aware, sensitive and committed to environmental protection. I believe the majority of our people today stand behind programs dedicated to clean air and clean water, because our efforts have shown that we can have a clean and healthy. as well as a productive society.

But clean air and water will not alone assure this country's solidarity into and beyond the next century. We continue to face complex problems arising from the interdependence of materials, energy and the environment that calls for a unified national materials and energy policy. As seen in the recent past, production of many essential materials has been hindered by lack of sufficient energy supplies. On the other hand, often when ample energy was available shortages in raw materials have delayed the production of industrial and consumer goods.

For many years, I have been advocating the development of a national energy policy consistent with a materials policy based on resource recovery. The passage of the 1970 Resource Recovery Act and the Resource Conservation and Recovery Act of 1976 has given us a national basis for the establishment of solid waste programs. To comple-ment this effort, the Carter Administration is strongly committed to the creation of a systematic national energy program and will submit its plan to the Congress on April 20.

The point is this—we must establish a different approach to our management of materials. Emphasis on production, use and disposal has led to a lack of high-quality raw resource, and huge quantities of waste materials requiring immediate attention.

The challenge of solid waste management has often been described as one of preventing an increasingly urban society from dis-appearing under its own garbage. With our country now 70 per cent urban, mere survival makes this a vital issue.

Perhaps equally important is the reality that we may be unable to sustain our society unless we extend the energy conservation ethic to other materials resources. We must eliminate the word "waste" and stress the word "conservation."

Solid wastes are the by-products of our society. Today every American generates about 1,300 pounds of garbage a year. Urban wastes amount to 230 million tons annually, creating a major problem for local governments. Nearly half of our cities, some 46.5 per cent, anticipate running out of current landfill capacity before 1978. Moreover, solid waste disposal is the third largest expenditure funded solely from local revenues. The national cost of urban waste management is expected to approach \$10 billion in a few years. Part of this expense can be recovered by a recycling process that channels raw materials back into our economy. A recent editorial indicated that a nationwide resource recovery program in 150 major metropolitan areas could save taxpayers approximately \$3.6 million daily in solid waste disposal costs.

The 4.4 billion tons of solid waste we gen erate annually can constitute a threat to public health that must be removed. Of equal importance is the need to recognize that these same solid wastes are a virtually untapped source of useful materials. For example, I recently introduced the Synthetic Fuels Act of 1977 which would provide Federal loan guarantees for commercial demonstration of energy recovery from solid waste and other new energy technologies such as coal gasification and liquification.

Waste materials recovery has historically been performed principally by the private sector and is subject to the limitations in market demand for reclaimed materials. Fluctuations in the demand levels and prices for reclaimed materials have been the primary factors constraining an expansion of resource recovery activities. According to a recent study, if the solid waste in our 150 metropolitan areas were reclaimed:

10,570 construction jobs of 10 years duration would be created, along with 25,700 permanent jobs:

\$1.5 billion in revenues would be realized

through the sale of recovered ferrous metal. aluminum, glass and paper; and

The equivalent of 123 barrels of crude oil a year would be generated by recovery plants in the form of heat.

To realize these benefits will require a commitment not just from industry, business and special interests, but from government. The Resource Conservation and Recovery Act of 1976 commits your Government by creating an Office of Solid Waste within the EPA to promote increased recovery and recycling of waste materials, improve management of hazardous wastes, provide assistance to State and local governments, and provide for increased research, development and demonstration of resources recovery technology and facilities.

Many months were required to develop this bill. There were times when I was frankly doubtful that a solid waste measure would be adopted in the 94th Congress. I appreciate the help provided by many groups and individuals. Their concern and cooperation greatly contributed to our ability to pass a well-reasoned bill and make it a realistic and workable law.

There were those persons who did not want Congress to write a new solid waste bill. Some of those individuals who adopted this attitude apparently felt that anything we do would be heavily weighted in favor of industry. The law that was enacted, however, proves again that balance can be achieved the legislative process to accommodate various viewpoints. It took time to reach the necessary consensus that brought this measure into reality. Our work is not completed, for much remains to be done to assure the correct implementation of the Resource Conservation and Recovery Act of 1976. So I urge you to join in the next round of our campaign to establish a realistic approach to solid waste management.

The Act is a major commitment of Federal assistance to State and local government efforts to meet these problems in a comprehensive and effective manner. This commitment is supported by authorizations of \$70 million for States and communities to plan and implement solid waste programs.

In developing this legislation we recognized that solid waste is a uniquely local problem and that programs should be developed and managed at the local government level.

This is not an area which lends itself to planning and operation from the Federal level. If solid waste management is to remain a local function, the Federal government must limit its involvement. Even had we desired to infuse large amounts of Federal money into local activities, it is doubtful that those funds would have been made available.

An important feature of the Act is the ban on open dumping which is to be fully implemented in five years. The Congress provided \$25 million to help money-short rural communities comply with this prohibition.

Concern with energy supplies has led us to look at solid wastes as a potential fuel source of great importance. The Environmental Protection Agency has identified about 50 major metropolitan areas where energy recovery from solid wastes that cannot be recycled seems feasible.

Of the 190 million tons of major metalspaper, glass, rubber and textiles—consumed annually in this country, only about onefourth is obtained from recovered resources. Virtually all of these come from industrial and manufacturing activities and less than one per cent of the potential is being recovered from available municipal wastes.

Resource recovery for most local authorities is a long-range prospect. Large scale waste processing plants are expected to be operating in approximately 25 metropolitan areas within the next decade. At that time, however, it is unlikely that no more than ten per cent of the expected 200 million tons of municipal refuse will be reclaimed.

A major impediment to accelerated resource recovery has been the difficulty in finding commercial markets for recycled materials. A major challenge is to promote the development of markets for resources recovered from municipal wastes.

I am gratified that the citizens meeting

today are meeting this challenge.

The growing mountains of garbage and the rapidly increasing costs of materials make it imperative that we use the new statute to further our national commitment to the wise utilization of our resources. At the present time, we recover far too little of the solid waste generated in this country. Obviously we must and can do better. The people and the institutions of northern New Jersey are setting a good example. By working together, we can solve our solid waste problems, and in doing so we shall build a better America.

DISCOURAGING WORD

Mr. McCLURE. Mr. President, the Washington Star, in its April 6, 1977, editorial titled "The Noise Makers" takes me to task for my concern over reported efforts of the administration to announce a sweeping change in the use of offroad vehicles on public lands. I do not know what the President plans to say in his environmental message, but the draft material being circulated by the Council of Environmental Quality has made many Westerners hopping mad over the possibility of a legitimate use being denied on the vast majority of our public lands. In Idaho, where two-thirds of the State is in Federal ownership, such a wholesale ban is an onerous as the Stamp Act was to those who fomented the "Boston Tea Party" early in our country's history. I do not relish the thought of more than 100,000 off road vehicles from Idaho, plus uncounted numbers from other public land States descending on Washington, D.C.
I suggest the Washington Star in-

vestigate the statistics which show that primitive and wilderness areas in Idaho and other Western States have hundreds of thousands of acres which are not open to motorized vehicles, but that are open to back packers for hiking solitude. I have tried to stress my support for responsible use of offroad vehicles as a wholesome family sport, and I disapprove of their improper use. After all, each of us disapprove of the misuse of autos, but none of us would want to ban them.

To suggest that snowmobiles smash tree seedlings indicates that the editorial writer ignores the fact that from 2 to 6 feet of snow covers these seedlings from the caressing tracks of snowmobiles. I appreciate the fact that the Star has recognized a western issue and brought it to the attention of its readers. I hope the facts can be put in proper order so that intelligent decisions can be reached.

I ask unanimous consent that the Washington Star editorial be printed in the RECORD, followed by a list of the fallacies appearing in the editorial.

There being no objection, the editorial and comments were ordered to be printed in the RECORD, as follows:

THE NOISE MAKERS

The snowmobilers, the motorbikers, the dune buggiers and the four-wheeled jeepers are screaming that their rights are being violated because President Carter plans to keep them from tearing up environmentally sensitive public lands.

Well, what about the rights of other citizens? Don't they have the right to expect that publicly owned property will not be abused—that seedlings won't be smashed by snowmobiles in the forests, that the fragile desert ecology isn't upset by motorcycles, that the grasses that protect beaches against erosion aren't destroyed by dune buggies?

Don't other citizens have a right to places where they might seek surcease from modern civilization's roar, where they might meditate free of the noise and stink of motor vehicles?

Sen. James McClure of Idaho says President Carter's proposal to prohibit use of off-road vehicles on public lands where they might endanger the environment a lack of understanding of the use of public lands in the Western United States smacks of Eastern establishment thinking." Not that we have anything against Westerners, but who gave them sole right to decide what's good for lands owned by all the taxpavers?

Furthermore, it's stretching things to suggest that Mr. Carter, a former peanut farmer from Georgia, is a member of the "Eastern establishment." We daresay that there are plenty of Westerners, Senator McClure's statement notwithstanding, who object to snowmobiles and motorbikes roaring up, down, in and over public lands.

Besides, President Carter does not intend to ban vehicles from all public lands, just environmentally sensitive portions.

Mr. Carter ought to stand his ground against the noisy crowd.

COMMENTS

Fallacy No. 1: Complaints are not against efforts to safeguard "environmentally sensitive public lands" but against blanket closures where no damage is occurring.

Fallacy No. 2: "Seedlings won't be smashed by snowmobiles in the forests."

All National Forests have in existence plans which safeguard such critical areas as reforestation zones, tree plantations and animal winter yarding areas. The Forest Service will verify that seedlings are not being "smashed"—even the Council on Environmental Quality has confirmed that they are aware of no significant adverse resource impact occurring on public lands caused by snowmobiles. CEQ is responsible for monitoring this issue, incidentally, under Executive Order 11644, issued in February, 1972.

Fallacy No. 3: All citizens have the right to nondestructive, high quality recreational experiences on public lands. Zoning has been accomplished on all Federal lands used by snowmobilers, 4 wheel drive vehicles and motorcycles to mitigate social conflicts.

Off road vehicle operations do not seek to ban other recreationists from public lands. nor do they expect to have anything close to complete usage of all public lands.

Fallacy No. 4: To my knowledge, President Carter has never taken a position on this matter; the proposal for eliminating snowmobiles and other motorized vehicles from public lands was developed by the Council on Environmental Quality.

I believe it is a valid point that those drafting the proposal are unfamiliar with the realities of western living—especially in states where 50 percent and more of the land is Federally owned.

The question is not whether westerners have the right to "decide what's good for lands owned by all taxpayers" but whether all prime recreational lands should be closed to an activity with no measurable environmental impact.

Fallacy No. 5: I did not defend uncontrolled ORV ir. my statement.

Fallacy No. 6: The CEQ proposal does not mention "environmentally sensitive por-tions" of public lands. It directs that land managing agencies "shall immediately close lands where ORV—presumedly any type of ORV use—"may cause" undue adverse effects on soil, vegetation, wildlife, wildlife habitat, historical and cultural resources.

Fallacy No. 7: President Carter has not announced his position on this proposal.

Fallacy No. 8: The Star editorial refuses to acknowledge facts given to the paper on April 4, 1977. It is clear from these materials that ORV users are protesting:
Language which would result in a blanket

closure of public lands to their sport;

A proposal which would adversely affect 7,000,000 Americans although no evidence exists that their sports are causing any measurable adverse impact;

A proposal which would void the results of participation by millions of Americans in a massive Forest Service planning process over a four year period which put into effect management plans for snowmobile operation: and

A decision-making process which prevented public participation

Fallacy No. 9: The editorial continues the erroneous lumping of all motorized recreational groups into a single category. They are radically different vehicles operated in very different ways. Responsible public land planning cannot be based on such a characterization.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

George J. Mitchell, of Maine, to be U.S. attorney for the district of Maine for the term of 4 years vice Peter Mills, term expired.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Thursday, April 14, 1977, any representations or objections they may wish to present concerning the above nomination with a further statement whether it is their intention to appear at any hearing which may be scheduled.

(This concludes additional statements submitted today.)

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, it is obvious that the supplemental appropriation conference report will not be disposed of now until after Easter. It is equally obvious that the conference report on the public works employment measure will not be disposed of until after Easter. I had brought the Senate in today hopeful that perchance there might be an opportunity for the Senate to work its will finally on either or both of these conference reports, but that cannot be done now.

CORRECTIONS IN THE ENROLL-MENT OF H.R. 3365—HOUSE CON-CURRENT RESOLUTION 191

Mr. ROBERT C. BYRD. Mr. President, I believe there is a message at the desk, House Concurrent Resolution 191. I have cleared this with the other side of the aisle, with the distinguished minority leader.

I ask unanimous consent that the Chair lay before the Senate a message from the House on House Concurrent Resolution 191. This is for the purpose of correcting the enrollment of H.R. 3365, in which there are some errors.

The PRESIDING OFFICER laid before the Senate House Concurrent Resolution 191 to correct the enrollment of

Mr. ROBERT C. BYRD. I yield to the distinguished Senator from Pennsyl-

Mr. HEINZ. I thank the distinguished majority leader for yielding.

I have checked with our Members on the minority side, and I understand there is no objection to this resolution. I understand it makes a correction, a necessary one, and we have no objection.

The PRESIDING OFFICER. Without objection, the resolution will be considered and agreed to.

ORDER FOR ROUTINE MORNING BUSINESS ON MONDAY, APRIL 18, 1977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, April 18, after the two leaders or their designees have been recognized under the standing order, that there be a period for the transaction of routine morning business, without resolutions coming over under the rule, and that the period be limited to 30 minutes with statements therein limited to 10 minutes

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ALL COMMITTEES TO MEET

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees be allowed to meet all day on April 18, 1977; when the Senate returns from its nonlegislative period. This request has been cleared with the distinguished minority leader, Senator BAKER, who has no objection.

The PRESIDING OFFICER. Without objection it is so ordered.

ORDER FOR RECORD TO REMAIN OPEN UNTIL 5 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Record may be left open until 5 p.m. today for insertions in the Record by Senators of statements, bills, petitions, memorials, and resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

ARGUMENTS SUPPORTING CON-TINUING NEED FOR REBATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to print in the RECORD a memorandum of arguments titled "Arguments Supporting the Continuing Need for the Rebate."

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

ARGUMENTS SUPPORTING THE CONTINUING NEED FOR THE REBATE

- 1. Rebate will help those most in need. It will provide added purchasing power for low and middle income persons. Over 60% will go to families earning less than \$15,000 and another 23% to those between \$15,000-\$20,000. A working family of four will get \$200. The program also covers senior citizens and working families who have no tax liability. For a family of four earning \$10,000 this will mean a 30% reduction in their tax liability. Combined with our proposal to increase the standard deduction, their tax liability would be reduced by 50%.
- 2. The economy still needs fiscal stimulus to maintain strong growth rate and keep unemployment moving down steadily over the rest of this year.
- (a) Recent pickup in economic activity partly reflects natural rebound from the depressing effects of the cold weather and business rebuilding inventories. These influences on the economy will be temporary.
- (b) To date the federal government has unexpectedly spent less and collected more than we anticipated, to the tune of about \$10 billion. This will certainly slow down the recovery unless we do something about it. The \$11 billion tax rebate is the only way we can offset this economic drag now. It is the only fair way to do so for the American taxpayer.
- 3. Continued growth and reduction in unemployment depends on strong consumer spending. In the absence of the rebate, consumer spending could weaken in 1977. Added fuel bills and rising food prices will siphon off some consumer purchasing power.
- 4. The rebate will work. It is a tested method for stimulating consumer spending.
- (a) About 60% of the 1975 rebate was spent. The proportion could be higher in 1977 because consumer confidence is stronger now.
- (b) The rebate will affect the economy quickly. The jobs and public works programs we have recommended will take some time to
- get underway.
 5. The rebate means 250,000 more jobs and \$15 billion in added GNP by the end of the

year. Without the rebate, we will lose these jobs and the added income.

- 6. The rebate preserves options for the future.
 - (a) For permanent tax reform.
- (b) For expansion of other needed programs.
- (c) For balanced budget by FY 1981.
 7. With present levels of high unemployment and idle capacity, rebate should not add significantly to inflationary pressures.
- 8. Without the rebate, too large a proportion of the tax reduction would be going to businesses and not enough to consumers.

THE BENEFITS OF FLOOD CONTROL

Mr. ROBERT C. BYRD. Mr. President, today I have received a telegram from the Corps of Engineers in Huntington, W. Va.. which reads as follows:

We wish to inform you of the operational effects of the R. D. Bailey Lake project dur-

ing the recent April 1977 flood.

Based upon elevation-damage data in our files without benefit of detailed field surveys, the R. D. Bailey project provided reductions in flooding along the Guyandot River ranging from 5½ to 9 feet. These reductions in flood elevations resulted in flood damage prevention of almost \$20,000,000 to roads, railroads, utilities and other structural improvements within the Guayandot River basin.

Mr. President, 20 years ago, when I was a Member of the House of Representatives, there was a very damaging flood that occurred along the Guyandot River in the area of Wayne, Logan, Chapmanville, and other communities in the southern part of West Virginia. As a Member of the House of Representatives, I took action at that time to stimulate engineering studies that might lead to the construction of a reservoir to protect the residents of that area from the recurring floods.

Senators Revercomb and Kilgore in the Senate at that time initiated the same efforts in this body.

same efforts in this body.

Over the 20 years that have passed since 1957, the people of the Logan County, Lincoln County, and adjacent areas have had visited upon them recurring damaging floods, sometimes with loss of life, and on all occasions with great destruction of property. During recent days there has been much flooding in that area.

The R. D. Bailey Lake project, which is the reservoir that has culminated from those efforts that began in both the House and the Senate 20 years ago, is just about complete. In recent days, there has been a good deal of talk about water projects in the various States. I take this occasion to point to the fact that here is one such water project which has benefited the people of those affected counties in southern West Virginia—Lincoln County, Mingo County, Logan County, and Wyoming County—time and time again.

Even prior to the ultimate completion of the project, it has been beneficial time and again in holding back some of the flood waters which would otherwise have visited disaster upon the homes and families of the coal mining people who live in those areas.

Mr. President, this shows the wisdom of trying to provide in time against the disastrous floods which seem to occur all too often, especially in recent years, in those narrow valleys and hollows in the coal mining regions of southern West Virginia. Logan County, McDowell County, Mingo County, and Wyoming County are among the greatest coal producing counties in the United States, and I am sure that our colleagues and the public have been reading about, and seeing on television, the terrible pictures and accounts of the recent flooding in Welch, W. Va., which is in McDowell County; in Williamson W. Va., in Mingo County; and in counties just across the river in Kentucky.

So, Mr. President, I think it is well that I lay into the Record this statement by the Army Engineers, which indicates that the work they have done and the work that Congress has done during the years, the appropriations that have been made by Congress, and the hearings and the work that have gone forward by the Public Works Committees of the two Houses in the past, are indeed going to repay—and have already repaid—many-fold to the taxpayers of the country and to the people in these energy producing regions the moneys that such reservoirs have cost.

This story can be repeated in other instances, I am sure, but especially in the light of the flood situation that is now existing in southern West Virginia, parts of Kentucky, Virginia, and other States. It is well to be reminded that these reservoirs—which do cost a great deal of money and which require many, many years in the design, planning, and construction thereof—in due time do return to the people benefits by way of lives saved and property and homes not destroyed.

SENATE ACHIEVEMENTS, 95TH CON-GRESS, JANUARY 4 TO APRIL 7, 1977

Mr. ROBERT C. BYRD. Mr. President, before adjourning in observance of Easter and the subsequent nonlegislative period, I would like to review, in part, the work the Senate has done during the first 3 months of the 95th Congress.

In this short period of time, the Senate acted on a number of significant pieces of legislation but, most importantly, the Senate faced up to two thorny issues which involved changes in the Rules of the Senate and which affect the ability of Senators to carry out their constitutional responsibilities. I refer, of course, to the reordering of committee jurisdictions and the adoption of a code of official conduct for Members, officials, and employees of the Senate.

One of the first items of business for this Congress was the resolution of the Temporary Select Committee To Study the Committee System recommending a more effective alinement of committee

jurisdictions.

The select committee, which was ably chaired by Senator Stevenson, worked assiduously to make its recommendations available prior to the mandated

deadline, and we are indebted to Senator Stevenson and members of his committee on both sides of the alse, and also to Senator Cannon and the members of the Rules Committee, for the thorough consideration that they gave this matter.

As adopted by the Senate in early February, this rationalization of committee jurisdictions has, to a considerable extent, clarified and equalized the legislative responsibilities of standing committees. By reducing the number of committee and subcommittee assignments that a Senator may hold, the legislative workload has been shared more equally, and the load borne by each Member has been spread among a larger number of Senators.

Further improvements will occur at the beginning of the next Congress when additional limitations on subcommittee chairmanships will go into effect.

Other changes important to efficient Senate scheduling were embodied in the committee reorganization resolution. A computerized committee scheduling system was utilized to help committees avoid scheduling conflicts. Rules were changed to allow all committees to meet during the first 2 hours of a Senate session without special leave.

In addition, the leadership has endeavored to leave mornings free for committee meetings. In fact, out of 52 days in session this year the Senate has met on only 16 occasions before noon.

The leadership has also been experimenting with a 4 p.m. convening hour on some days so that committees may meet virtually for a full day without interruption by rollcalls or other floor activity.

I have had meetings with the top staff directors of the various legislative committees, together with the staff of the Democratic Policy Committee, in the effort to expedite the flow of business and in the effort to work out procedures whereby scheduling conflicts among committees can be avoided as much as possible, thus allowing Senators who wish to attend their various committee assignments to do so in more instances than have otherwise heretofore been the case, when so often a Senator has attended a committee meeting, and the Senator finds it impossible to be in two places at once, and is unable to attend both committees. He attends one committee, he is absent from the other committee and, in many instances, this makes it impossible for some of the committees to assemble quorums without considerable delay.

So the effect of these changes appears to have improved the flow of legislation reported from committees.

The Senate, I am pleased to say, has encountered a fewer number of rollcall votes in this session thus far than was the case in 1976, 1975, 1974, or 1973. I think this is a healthy sign and I hope that it will continue throughout the session. I hope Senators will restrain themselves as much as possible and avoid demanding rollcalls whenever they can. This saves the Senate much time. Last year there were 700 rollcall votes, an alltime record, and too much of the Senate's time was consumed thereby.

Last Friday, the Senate adopted an official code of conduct that calls for full financial disclosure, a limit on outside earned income of 15 percent of a Member's salary, and additional safeguards against improprieties or seeming improprieties. As recommended by the temporary Special Committee on Official Conduct under the very able chairmanship of the distinguished Senator from Wisconsin (Mr. Nelson) with the great and courageous help of the distinguished Senator from South Carolina, who is the ranking minority member (Mr. THURMOND), and most ably assisted, may I say, by the distinguished senior Senator from Connecticut (Mr. RIBICOFF), and other Senators, these provisions, I think, should indicate to the American people that the Senate is at this time looking inwardly at itself. We are trying to perceive ourselves as others perceive us. And, following the exemplary work by the very able Senators on that committee, these provisions were diligently considered by all Members of the Senate as evidenced by the extensive floor debate.

We know that conduct is impossible to legislate. But I feel that the Senate has established a good code of conduct which will be helpful in avoiding the appearance of impropriety, dishonesty, or fraud.

Among other achievements already this year, Congress promptly enacted, at the President's request, an emergency national gas measure, authorizing him to make allocations to deregulate prices in emergency gas shortage situations.

We recently cleared, for his signature, legislation to reinstate the authority of the President to propose reorganization or consolidation of Federal agencies. Here, I compliment the distinguished senior Senator from Connecticut (Mr. Ribicoff) and the ranking member of the Committee on Governmental Affairs (Mr. Percy) on the excellent cooperation not only between the two, but also among the other members of the committee in expediting the handling of that legislation in committee and on the floor.

The Senate repealed provisions of the law which allowed the United States to import chrome from Rhodesia in violation of U.N. sanctions. I did not vote for that measure. Nevertheless, it is a measure which has been enacted by the Senate and I think it should be mentioned at this point.

The Senate has also sent to conference with the House of Representatives a measure authorizing additional funds for an expanded public works employment program. Earlier this week, Congress sent the President an act to extend the unemployment compensation program as a means of aiding those people who are unemployed because of the depressed economic situation.

We also cleared a measure to alleviate the effects of the severe drought in the Western States.

Upon the Senate's return on April 18, we will be considering the President's tax package

The status of proposals advanced by the President in his message to Congress is contained in a report prepared at my request by the staff of the Democratic Policy Committee, and at the conclusion of my remarks I shall ask unanimous consent that that report and the report on Senate legislative achievements, which contains the summaries of all the bills that the Senate has passed, be printed in the Record.

I call attention just now to the fact that the average attendance of the Senate has been good this year. It is 88.53 percent, which is better than last year, 1976. Last year's attendance up until Easter was 87.15 percent. It is not quite as good as that of a year before when the percentage was 91.72, but it is better than the year before, 1974, when the percentage was 88.24; it is better than 1973 when the percentage of attendance was 85.48.

Alluding again to the fact that I have endeavored to bring the Senate in before noon as seldom as possible, I should state that the Senate has convened before 12 noon this year only 16 times as against 32 times last year as of the Easter holiday, 20 times the year before, 28 times the year before that, and 19 times the year before that, to wit, 1973.

The Senate has convened 25 times this year at the hour of 12:15 p.m. or later, which I think cannot be equaled

by any previous session of the Senate within the years of my memory. The Senate has convened, in all, 36 sessions out of the 52 sessions this year at 12 noon or later.

There have been no Saturday sessions this year thus far. There was a Saturday session in 1975 and two Saturday sessions in 1973 by the time we had reached the Easter holiday.

The Senate has confirmed more nominations this year than in any year subsequent to and including 1973. The Senate has confirmed 22,607 nominations already this year. Last year by Easter, the figure was 14,461; the year before that, 8,372; the year before that, 10,443; and the year before that, 15,700.

In the matter of rollcall votes, as I say, we are already below that of previous years as of the Easter period.

As to the number of hours in session, the Senate has been in session—as of the close of business yesterday—241 hours, which is a figure that is less than any year with the exception of 1975 when as of Easter the Senate had been in session 225 hours and 34 minutes. But compared with last year, the Senate has been in session roughly 45 fewer hours this year than last year up to this time.

Mr. President, I ask unanimous consent to print in the Record a list of convening hours—through April 5, 1977, days in session, and convening times.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

CONVENING HOURS—THROUGH APRIL 5, 1977
DAYS IN SESSION—50

Convening times:

9:15 a.m., 1 day; 9:30 a.m., 2 days; 9:45 a.m., 2 days; 10:00 a.m., 4 days; 10:15 a.m., 1 day; 10:30 a.m., 2 days; 11:00 a.m., 4 days; 12:30 p.m., 3 days; 1:00 p.m., 7 days; 1:15 p.m., 1 day; 1:30 p.m., 1 day; 1:45 p.m., 1 day; 2:00 p.m., 7 days; 3:00 p.m., 2 days; 4:00 p.m., 2 days; 8:00 p.m., 1 day.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to print in the Record the table which shows the 5-year comparison of Senate legislative activity by the time the Easter recess had arrived, together with a memorandum showing the Senate legislative achievements and also an analysis of each of the various measures that have been passed to date during this session.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

5-YR COMPARISON OF SENATE LEGISLATIVE ACTIVITY, AS OF EASTER

	1973	1974	1975	1976	1977		1973	1974	1975	1976	1977
Days in session	55 253:13 149 103 19 5 15, 700	263:19 141 138 16 2	43 225:34 89 117 11 8, 372	52 286:08 213 150 60 5 14, 461	52 243:33 131 100 17	Senate average attendance (percent) Sessions convened before 10 a.m. Sessions convened before noon Sessions convened at noon. Sessions convened after noon. Sessions which continued after 8 p.m. Saturday sessions.	85. 48 2 19 36	88, 24 3 28 19	91, 72 7 20 23	87. 15 13 32 20	88, 53 5 16 11 25 4

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(Prepared by Senate Democratic Policy
Committee ROBERT C. BYRD, Chairman)

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Joseph A. Califano, Jr. to be Secretary of
HEW.

Peter F. Flaherty to be Deputy Attorney General.

Ray Marshall to be Secretary of Labor.

Paul C. Warnke for Rank of Ambassador for SALT Negotiations and to be Director of the Arms Control and Disarmament Agency. Andrew J. Young to be U.S. Representa-

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Sick Pay Exclusion H.R. 1828).

SENATE LEGISLATIVE ACHIEVEMENTS 95TH CONGRESS, 1ST SESSION

(Prepared by Senate Democratic Policy Committee, ROBERT C. BYRD, Chairman)

SENAIE ACTIVITY	
Days in session	52
Hours in session	
Total measures passed	
Private laws	0
Public laws	17
Treaties	0
Confirmations	
Record votes	

Symbols: (VV)-Passed by Voice Vote; numbers in parentheses indicate number of record vote on passage, conference report, or reconsideration.

AGRICULTURE

Grain inspection: Amends the United States Grain Standards Act to facilitate and improve the implementation of the amendments made in 1976 (Public Law 94-582); establishes a temporary 12-member committee (representing farmers, consumers and all segments of the grain industry) to advise the Administrator of the Federal Grain Inspection Service (FGIS) on the implementation of the 1976 act, and provides for its termina-tion 18 months after the date of enactment; eliminates the requirement that grain merchandisers and elevator operators using grain inspection or weighing services maintain certain itemized types of records of their operations for a five-year period and requires them instead to keep only such records as the Administrator may prescribe for administration and enforcement; repeals, effective October 1, 1977, the authority for the charging of fees for Federal supervision of grain inspection and weighing and provides instead for funding of these activities through the regular appropriations process; makes several technical amendments; and prohibits effective May 1, 1977, subclassing of the hard red winter wheat on the basis of color, kernel content, or percentage of dark, hard and vitreous kernels. S. 1051—Passed Senate March 30, 1977. (88)

Land and water resources conservation: Establishes a mechanism for making longrange policy to encourage the wise and orderly development of the Nation's soil and water resources; requires the Secretary of Agriculture to (1) prepare an appraisal of the Nation's land, water and related resources and (2) develop a national land and water conservation program setting forth the direction for future soil and water conservation efforts on the Nation's private and non-Federal lands by December 31, 1979, and to update them each fifth year thereafter; re-quires that the appraisal and the program together with a detailed statement of policy intended to be used in framing budget requests for Soil Conservation Service activities be transmitted to Congress on the first day it convenes in 1980 and at each 5-year interval thereafter; requires that programs established by law be carried out in accordance with the statement of policy unless either House adopts a disapproval resolution within 90 days of receipt; provides that Congress may revise or modify the statement of policy, and that the revised or modified statement of policy shall be used in framing budget requests; requires, beginning with the fiscal 1982 budget, that requests sent by the President to Congress governing Soil Conservation Service activities express the extent to which the projected programs and policies meet the statement of policy approved by Congress; requires the President to set forth reasons for requesting Congress to approve a lesser program or policy where budget recommendations fail to meet the established policy; and requires the Secretary to submit to Congress beginning with fiscal 1982, an annual report evaluating the program's effectiveness. S. 106—Passed Senate March 23, 1977. (VV)

Wheat producers assistance: Provides temporary emergency assistance to wheat producers who planted prior to January 1, 1977, in order to prevent further increases in carryover stocks resulting from record U.S. wheat production and decreasing U.S. exports; requires the Secretary of Agriculture to carry out, through the Commodity Credit Corporation, a special wheat acreage grazing and hay program for the 1977 crop whereby a wheat producer who elects to participate may designate an acreage of cropland on his farm, of not to exceed 40 percent of the wheat acreage allotment, for grazing purposes or hay production only; requires that the producer designate the specific acreage on the farm to be so used; directs the Secretary to pay any participating producer an amount determined by multiplying the number of acres placed in the program times the projected yield established for the farm times \$1; makes the producer ineligible for any other payments or price supports, including deficiency payments and disaster payments under section 107 of the Agricultural Act of 1949, on that portion of the wheat allotment placed in the program; provides that such acreage shall be deemed to have been planted for harvest for the purposes of wheat acreage history; and authorizes the Secretary to issue the necessary regulations to carry out this act. S. 650—Passed Senate March 16, 1977. (60)

APPROPRIATIONS

Fiscal 1977-

Continuing: Extends the continuing resolution (Public Law 94-473) which expires on March 31, 1977, until April 30, 1977, to provide financing authority for the following programs traditionally funded under the Departments of Labor, and Health, Education, and Welfare Appropriations Acts: higher education; National Health Service Corps; home health services; emergency medical services; library resources; teacher corps; alcohol abuse and alcoholism prevention, treatment and rehabilitation; health professions educational assistance; D.C. medical and dental manpower; activities under title VI of the Comprehensive Employment and Training Act: vocational education: and National Institute of Education; and amends the resolution to provide such amounts as necessary for the calendar quarter ending March 31, 1977, for general revenue sharing payments to State and local governments. H.J. Res. 351-Public Law 95-16, approved April 1, 1977. (VV)

Supplemental: Makes \$32,880,485,710 in supplemental appropriations for fiscal year 1977. H.R. 4877-Passed House March 1977; passed Senate amended April 1, 1977; conference report filed. (98)

Urgent disaster supplemental: Makes urgent supplemental appropriations of \$200 million for fiscal year 1977 for disaster relief activities resulting from the severe weather conditions prevalent throughout the nation. H.J. Res. 269-Public Law 95-13, approved March 21, 1977. (VV)

Urgent power supplemental: Makes urgent power supplemental appropriations of \$6.4 million for fiscal year 1977 for the Department of the Interior, Southwestern Power Administration, for power purchases caused by critically low stream flow conditions in the area served by the Administration; and removes the restrictions in Public Laws 94-355 and 94-373 which limit the use of funds appropriated to ERDA subject to enactment of authorizing legislation to assure the continued funding of essential energy research, development and demonstration programs. H.J. Res. 227-Public Law 95-3, approved February 16, 1977. (VV)

BUDGET

Rescissions-

Helium purchases: Rescinds \$47.5 million in contract authority for helium purchases under Public Law 87-122 as recommended by the President in his message of September 22, 1976, for which purchase contracts were terminated by the Interior Department in 1973 and the contract authority therefore is no longer needed. H.R. 3347-Public Law 95-10, approved March 10, 1977. (VV)

Second budget rescission: Rescinds \$644,-050,000 of the \$941,278,000 in budget authority recommended by the President in his message of January 17, 1977, as follows: Department of Defense, Military—\$143.6 million in retired pay, \$452.6 million in Naval shipbuilding and conversion because of the decision not to procure the fourth nuclear powered aircraft carrier (CVN-71) or convert the nuclear powered cruiser USS Long Beach to the Aegis air defense weapons system, and \$145.35 million for Air Force procurement because of termination of the Advanced Logistics System (ALS); \$41.5 million in funds appropriated to the President for foreign military credit sales; and \$12 million for the Department of State contributions for international peacekeeping activities because of the lower budget levels established by the General Assembly; and disapproves \$277,228,000 as follows: Department of Commerce-\$525,000 for salaries and expenses of the U.S. Travel Service and \$1.5 million for operations, research and facilities of the National Oceanic and Atmospheric Administration to continue surveys, mission and cost analysis and initiation of design and engineering studies for OCEANLAB; and \$6,803,-000 for the Department of Transportation for retired pay for the Coast Guard. H.R. 3839—Public Law 95-15, approved March 25, 1977. (VV)

Resolution-

Third budget resolution: Revises the Second Budget Resolution (S. Con. Res. 139) for fiscal year 1977 setting the level of reve nues at \$347.7 billion, outlays at \$417.45 billion, deficit at \$69.75 billion, budget authority at \$472.9 billion and public debt at \$718.4 billion; contains an adequate funding level to permit enactment of up to \$13.8 billion in tax legislation stimulus as proposed by the administration and \$3.7 billion in increased outlays to produce jobs in areas of high unemployment; sets a level of budget authority at \$1.1 billion and outlays at \$760 million for EPA construction grants, railroad and highway construction and improvement in recreational facilities; sets the following levels of funding for the relief of individuals and families hard hit by the recession and the harsh winter: (1) 1.8 billion in budget authority and outlays for direct payments to recipients of social security, SSI, and railroad retirement, or any similar stimulus proposals, (2) \$508 million in budget authority and \$508 million in outlays to extend the Federal supplemental benefits program for the unemployed, and (3) \$200 million in budget authority and \$200 million in outlays for Federal assistance to low- and moderateincome families to help them meet fuel costs during the winter emergency; includes adequate levels of budget authority for housing to support increased reservations for a total of 360,000 dwelling units for low- and moderate-income families; and makes the following revisions to the totals for budget authority and outlays contained in the Second Budget Resolution to reflect savings which have been achieved and additional costs which have arisen under existing programs (in billions of dollars):

National Defense-BA: \$108.8 instead of \$112.1, O: \$100.1 instead of \$100.65; International Affairs—BA: \$7.9 instead of

\$8.9. O: \$6.8 instead of \$6.9:

General science, space, and technology— BA: \$4.5 instead of \$4.6, O: \$4.4 instead of \$4.5:

Natural resources, environment, and energy-BA: \$18.7 instead of \$18.2, O: \$17.2 instead of \$16.2;

Agriculture-BA: \$2.3 instead of \$2.1, O:

\$3.0 instead of \$2.2;

Commerce and transportation-BA: \$17.3 instead of \$17.2. O: \$16.0 instead of \$17.4; Community and regional development-BA: \$14.8 instead of \$9.55, O: \$10.55 instead

of \$9.05:

Education, training employment and social services-BA: \$30.4 instead of \$24.0, O: \$22.7 instead of \$22.2:

Health-BA: \$40.6 instead of \$40.5, O: \$39.3 instead of \$38.9;

Income Security-BA: \$170.9 instead of \$155.9, O: \$141.3 instead of \$137.2;

Veterans benefits and services—BA: \$18.9 instead of \$20.3, O: \$18.1 instead of \$19.5;

Law enforcement and justice-BA: \$3.5. O: \$3.6;

General Government-BA: \$3.5 instead of \$3.6, O: \$3.5;

Revenue sharing and general purpose fiscal assistance—BA: \$7.6, O: \$7.7;

Interest-BA: \$38 instead of \$39.6, O: \$38 instead of \$39.6:

Allowances-BA: \$0.8 instead of \$0.7, O: \$0.8:

Undistributed offsetting receipts—BA:
-\$15.6 instead of -\$16.8, O: -\$15.6 instead of -\$16.8.

S. Con. Res. 10-Action complete March 3, 1977. (38)

CRIME-JUDICIARY

U.S. district court terms: Amends section 104(a) (1), title 28, U.S.C., to provide for holding terms of the U.S. District Court for the Eastern Division of the Northern District of Mississippi at Aberdeen, Ackerman, and Corinth. S. 662-Passed Senate April 7, 1977. (VV)

CONGRESS

Congressional Campaign Committee employees retirement credit: Amends title V, U.S.C., to provide that a congressional employee may credit not to exceed 10 years of service as an employee of the Democratic Senatorial Campaign Committee, the Re-publican Senatorial Campaign Committee, the Democratic National Congressional Committee or the Republican National Congressional Campaign Committee for Civil Service Retirement purposes provided the required deposits for such service are made to the fund; and makes the provisions of this act applicable to an employee who retires on or after the date of enactment. S. 992-Passed Senate March 5, 1977. (VV)

Joint Committee on Atomic Energy abolishment: Abolishes the Joint Committee on Atomic Energy and provides for the disposition of its staff and the transfer of its statutory functions and authority to other congressional committees having jurisdiction over the development, utilization or application of atomic energy; establishes, until March 31, 1979, an Office of Classified National Security Information under the policy direction of the Majority and Minority Leaders and the administrative direction of the Secretary of the Senate which shall be responsible for safeguarding national security information and other restricted data; authorizes the office to classify and declassify information within the guidelines developed for restricted data by the responsible executive agencies and to establish a central repository in the Capitol for safeguarding such data; directs the Office, within 30 days of enactment, to furnish the Senate Armed Services, Energy, Environment and Foreign Relations Committees with a listing of all records, data, charts, and files to be transferred and to indicate which committee may

have jurisdiction; directs the chairmen of the committees involved to resolve any jurisdictional problems which may arise; makes necessary conforming amendments to certain laws which pertain to the Joint Committee on Atomic Energy; and provides that this act shall become effective on the tenth day after the date of enactment. S. 1153-Passed Senate March 31, 1977. (VV)

ECONOMY-FINANCE

rates (regulation Q)-Federal Interest credit unions: Extends from March 1, 1977, until December 15, 1977, existing authority (commonly known as Regulation Q) under the Interest Rate Control Act by which Federal financial regulatory agencies set interest rate ceilings on deposits in financial institutions under their respective jurisdictions; extends until August 31, 1977, the Treasury Department's authority to borrow funds from the Federal Reserve System;

Modernizes the powers of Federal credit unions under the Federal Credit Union Act in order that they may provide more con-temporary financial services to their members; considers demand deposit accounts of state chartered credit unions as member accounts, if they qualify pursuant to state law, thus making them eligible for Federal share insurance; establishes varying self-replenishing lines of credit to member borrowers: removes the distinction between secured and unsecured loans and raises the maximum loan maturities to 12 years (currently 5 years on unsecured loans and 10 years on secured loans); empowers the board of directors to establish their own loan maturity and collateral requirements; removes the \$2,500 maximum amount for unsecured loans; provides the necessary flexibility to meet members' needs in accordance with the applicant's creditworthiness and the credit union's soundness rather than arbitrary loan ceilings; permits real estate loans with maturities up to 30 years; and includes the following restrictions on such lending authority: (1) loans must be secured by a first lien, (2) loans must be for a one-to-four family dwelling, (3) the dwelling must be the principle residence of the borrower, and (4) the sales price must not exceed 150 percent of the median sales price of residential real property to be determined on a market area basis; allows loans with maturities of up to 15 years for the purchase of mobile homes used as the member's residence, or for the repair, alteration or improvement of a member's residence; permits Federally guaranteed or insured loans, such as the VA guaranteed mobile home loans, with maturities as specified in those statutes: increases the officials' borrowing limit on unsecured loans from \$2,500 plus pledged shares \$5,000 plus pledged shares and permits them to guarantee or endorse up to the same amounts without board approval; clarifies the existing provisions regarding the penalty for excess interest and the provision regarding loan amortization; ensures that a member may repay his or her loan prior to maturity with no penalty; authorizes loans to other credit unions and credit union organizations; and contains other provisions. H.R. 3365—Public Law 95-, approved, 1977. (VV)

Securities and Exchange Commission authorization: Amends the Securities Exchange Act of 1934 to increase the authorization for fiscal year 1977 from \$55 million to \$56.5 million. S. 1025—Public Law 95-, 1977. (VV) proved

Small business loan ceilings: Amends the Small Business Act to increase the fiscal year 1977 authorization ceilings for the following SBA financial assistance programs: Business Loan and Investment Fund from \$6 billion to \$7.4 billion, Economic Opportunity Loans from \$450 million to \$525 million, and Small Business Investment Company Program from

\$725 million to \$887.5 million; and amends the Small Business Investment Act of 1958 to increase the fiscal year 1977 ceiling on the Surety Bond Guarantee Program from \$56.5 million to \$110 million. H.R. 2647-Public Law 95-14, approved March 24, 1977. (VV)

White House Conference on Small Business: States as the sense of the Senate that the President should convene a White House Conference on Small Business to develop recommendations that will increase public awareness of the importance of small business; identify the problems of new, small, and independent business enterprise; and suggest appropriate governmental actions to encourage and maintain the economic interests and potentials of the small business community in order to strengthen the overall economy of the Nation. S. Res. 105-Senate agreed to March 28, 1977. (VV)

EMPLOYMENT

Emergency unemployment compensation: Extends the Emergency Unemployment Compensation Act to October 31, 1977, to provide a maximum of 13 weeks of emergency benefits (which combine with the 26 weeks of regular and 13 weeks of extended benefits for a total of 52 weeks of unemployment benefits) in States where the insured unemployment rate is 5 percent or more, with a phase out under which individuals eligible before October 31, 1977, may continue to receive benefits until January 31, 1978; extends until April 30, 1977, the 65 week program now in effect in order to avoid terminating benefits for certain participants in that program; provides that the cost of emergency unemployment compensation paid after March 31, 1977, be met from nonrepayable general revenues without the present law requirements that the costs ultimately be met from Federal Unemployment Tax;

Provides that, in addition to any eligibility requirements of State law, an individual would be disqualified from receiving emergency benefits for failing to (1) actively seek work, (2) apply for any suitable work which was referred by the State agency, or accept any offer of suitable work; defines suitable work as that which (1) is within the capabilities of the claimant, (2) meets conditions of present Federal law, (3) meets conditions of State law and practices pertaining to suitable or specific disqualifying work, such as unreasonable travel distance or threat to morals, health, or safety, (4) pays wages equal to Federal or State minimum wage, (5) pays gross average weekly remuneration equal to the individual's weekly unemployment benefits plus any Supplemental Unemployment benefits he might be entitled to, and (6) was listed with the State employment service or offered in writing; allows a State to waive these requirements if an individual furnishes satisfactory evidence that prospects for obtaining work within a reasonable period of time in his or her occupation are good;

Establishes new statutory authority and procedures for the treatment of fraud and erroneous payments; disqualifies applicants submitting false or erroneous information; requires States with certain exceptions, to recover any overpayments made to individuals; makes fraud in connection with the program a Federal crime and imposes a fine of up to \$10,000 and imprisonment for up

to 5 years;

for State implementation Provides changes made by this act; requires each State to enter into a modification if its present agreement within 3 weeks after the Secretary of Labor proposes the modification to the State; provides that if modification is not entered into, the Unemployment Compensation Program in that State would expire within the last week which ends on or before March 31, 1977; permits Kentucky, which does not have a scheduled meeting of its legislature during 1977, to defer until 1979 compliance with certain requirements of the act;

Simplifies administration by terminating an individual's entitlement to emergency benefits two years after the date of the benefit year for which regular benefits were payable; extends for 2 years through 1979, moratorium under which the Federal unemployment tax is automatically increased to recapture any loan to a State which is unpaid after 2 years; prohibits benefits to an individual who was illegally working at the time he earned his eligibility; allows States to deny unemployment compensation to teachers during brief mid-year vacation periods if the teacher was employed by the school system immediately before the start of the vacation and has reasonable assurance of the employment continuing at the conclusion of the vacation; makes clear that groups of local governments are to be provided the same options for financing unemployment compensation as those provided to single government units; extends from September 30, 1979, to March 31, 1980, the provision contained in Public Law 94-566 which requires States to reduce the unemployment benefits of an individual by the amount of any public or private pension including social security and railroad retirement annuities in order to conform this enactment date with the final reporting extension granted the National Commission of Unemployment Compensation; extends the time by which the National Commission on Unemployment Compensation must submit its interim report from March 31, 1979, to September 30, 1979, and the time by which it must submit its final report from January 1, 1979, to July 1, 1979; and amends present law to require an affirmative vote of the Senate and the House to make effective the President's quadrennial recommendations regarding the salary increases of Members of Congress, the Federal judiciary, Cabinet officials an other top Federal personnel. H.R. 4800-1977. (82)

Public Law 95- , approved Public works employment: Authorizes an additional \$4 billion to extend the program of grants to State and local governments to provide jobs through construction in places with the most distressing levels of unemployment as originally authorized under Title I of Works Employment Act of 1976; the Public provides that 65 percent of the funds be allotted on total numbers of unemployed and 35 percent on the basis of the relative severity of unemployment, with States participation in the 35 percent allocation only if their unemployment rates exceed 6.5 percent for the most recent 12 month period; provides that no State shall receive less than threefourths of 1 percent nor more than 12.5 percent; requires that within a State 85 percent or more of the funds be spent in areas with rates of unemployment above the national average and 15 percent for areas with rates below the national average but above 6.5 percent; contains a 2½ percent set-aside for Indian and Alaskan Natives projects to insure a substantial fund for such projects while permitting high-unemployment non-Indian communities a competitive chance to be awarded projects in States with Indian communities; continues the authorization of \$900 million, in Title II, through fiscal year 1978 for water pollution control programs and authorizes \$4.54 billion for each of fiscal years 1977 and 1978 for grants for the construction of waste treatment facilities with no State receiving less than one-third of 1 percent of the total allotment; and mandates, in Title III, the obligation of funds for water resource projects for fiscal 1977 (with the exception of the Meramec Dam in Missouri) and states congressional intent not to uphold any prospective budget rescissions or deferrals re garding these projects. H.R. 11—Passed House February 24, 1977; Passed Senate amended March 10, 1977; House concurred in Senate amendment with a substitute amendment

which includes water pollution control provisions; In conference. (48)

ENERGY

ERDA authorization: Authorizes a total of \$1,639,913,000 for the Energy Research and Development Administration (ERDA) most of the nonnuclear programs and nonnuclear scientific research for fiscal year 1977; includes: \$461,801,000 for fossil energy; \$286.2 million for solar energy; \$65.7 million for geothermal energy; \$221 million for conservation research and development; \$10 million for a high Btu pipeline gas demonstration plant; \$5 million for a fuel gas low Btu demonstration plant; and \$10 million for solar energy projects; contains authorizations for capital equipment not related to construction to replace obsolete or worn-out equipment and to purchase certain new equipment to meet the needs of expanding programs and new technology at ERDA installations; provides an additional \$50 million for the clean boiler fuel demonstration plant authorized by Public Law 94-187 and \$15 million for the 5 megawatt solar thermal test facility authorized by Public Law 94-187; provides guidelines under which funds for fossil energy programs may be utilized; deauthorizes authorized fossil energy projects which were not appropriated within 3 full fiscal years; allows the Administrator to assist in the demonstration of the production of synthesis gas, methane, methanol, anhydrous ammonia, and similar energy intensive products from municipal waste by entering into agreements with units of local government or persons proposing to construct facilities for the manufacture of such products; provides authority by which ERDA may reprogram funds between major program areas; directs ERDA to relate the funds authorized and appropriated in annual authorization and appropriation measures to the objectives and goals of the various enabling legislation under which the Agency operates; amends the Federal Nonnuclear Energy Research and Development Act of 1974 to transfer responsibility for preparation of demonstration project water assessments from ERDA to the Water Resources Council; requires the Administration to classify the recipients of ERDA contracts into various categories including: Federal agency, non-Federal governmental entity, profitmaking enterprise, non-profit enterprise, and nonprofit educa-tion institution; authorizes the establishment of a small grants program to promote the research, development, and demonstration of energy related systems and technologies appropriate to the needs of local comrequires the Administrator, in consultation with EPA, to report to the Congress on the environmental monitoring, asassessment and control efforts related to its various energy demonstration projects;

Authorizes \$347,542,000 for work in biomedical and environmental research, operational safety, environmental control technology, the materials sciences, and molecular mathematical and geosciences portion of the basic energy sciences program and program support; provides \$26,700,000 for plant and capital equipment obligations including construction, acquisition, or modification of facilities, land acquisition, and acquisition and fabrication of capital equipment not related to construction; prohibits ERDA from starting projects if the current estimated cost exceeds the original estimated cost by more than 25 percent;

Authorizes ERDA to transfer sums from its "Operating Expenses" to other agencies for work for which the moneys were appropriated; authorizes "Operating Expenses" and "Plant and Capital Equipment" as no year funds; authorizes any Government-owned contractor operated laboratory, energy research center or other laboratory performing functions under contract to ERDA to use a

reasonable portion of its operating budget for funding employee suggested research projects up to the pilot plant state of development; permits ERDA to contract for advanced architect/Administrator services for construction projects essential to meet the needs of national defense or the protection of life, property, health or safety prior to congressional authorization; requires any officer or employee of ERDA in a policy making position to report certain known financial interests in various energy technologies and re-lated resources; directs the Administrator to develop regulations that would avoid conflicts of interest in ERDA contracts with private persons or organizations involved energy research and development; and authorizes the establishment of a National Energy Extension Service. S. 36—Passed Senate April 4, 1977, (VV)

ERDA loan guarantee program: Amends the Federal Nonnuclear Energy Research and Development Act of 1974 to establish a loan guarantee program to be administered by the Energy Research and Development Administration (ERDA) whereby the Administrator may guarantee the payment of interest and principal of bonds, debentures, notes, and other obigations issued for the purpose of financing the construction and initial operation of commercial-sized demonstration facilities for the conversion of biomass into synthetic fuel or other useable forms of energy; authorizes guarantees of up to 75 percent of the total project cost and, during the construction and start up period, up to 90 percent; limits the total outstanding indebtedness that may be guaranteed any one time to \$300 million; requires ERDA before approving an application, to notify the appropriate State and local governmental officials and to give the Governor of the State an opportunity to make his recommendation respecting the facility; prohibits ERDA from guaranteeing a project if the Governor recommends against it; authorizes the Administrator, in the event of default, to complete the project and assume management of the facility including the authority to sell the products or energy produced; provides that any patents and technology resulting from the facility will be treated as assets in cases of default and requires that the guarantee agreement contain a provision assuring their bility to the Government if needed to complete the facility; and requires ERDA to submit a report of the proposed guarantee and facility to the appropriate committees of Congress which shall have 90 days to disapprove by passage of a disapproval resolution, S. 37-Passed Senate March 31, 1977.

Natural gas emergency: Authorizes the President to declare a natural gas emergency if he finds that a severe shortage exists or is imminent in the United States which would endanger the supply of natural gas for high-priority uses and the exercise of his authorities is reasonably necessary to assist in meeting requirements for such uses; provides that these authorities shall terminate when the President finds that shortages no longer exist and are no longer imminent;

Emergency Allocation: Authorizes the President, during a declared natural gas emergency, to require (1) any interstate pipeline to make emergency deliveries or transport interstate natural gas to any other interstate pipeline or a local distribution company served by an interstate pipeline; (2) any intrastate pipeline to transport interstate natural gas from one interstate pipeline to another or to any local distribution company served by an interstate pipeline; or (3) the construction and operation by any pipeline of necessary facilities to effect deliveries or transportation; directs the President, in issuing such orders, to consider the availability of alternative fuel to users

of the interstate pipeline ordered to make deliveries and to determine that they would not have an adverse effect on the natural gas supply or exceed the transportation capacity of the pipeline; provides that these authorities shall terminate by April 30, 1977, or after the President terminates the emergency, whichever is earlier;

Emergency Sales at Deregulated Prices: Authorizes interstate pipelines or local distribution companies to purchase supplies of natural gas for delivery before August 1, 1977, from intrastate pipelines at unregulated prices as reviewed by the President for fairness and equity; provides that these purchases could be delivered from intrastate pipelines and any producer of natural gas not affiliated with an interstate pipeline unless such natural gas was produced from the Outer Continental Shelf, and the sale of transportation of the gas was not, immediately prior to the date of the contract for purchase of the gas, certificated under the Natural Gas Act; authorizes the President to require, by order, any interstate or intrastate pipeline to transport gas and operate facilities necessary to carry out emergency purchase contracts;

Miscellaneous: Authorizes the President to subpoena information to carry out his authority under the Act; contains antitrust protection provisions available as a defense against civil or criminal action brought against any person for violation of the anti-trust laws with respect to actions taken pursuant to a Presidential order; gives the Temporary Emergency Court of Appeals exclusive jurisdiction to review all cases including any order issued or other action taken under this act; imposes civil penalties of up to \$25,000 a day for violations of orders and \$50,000 a day for willful violations: directs the President to require weekly reports which shall be made available to the Congress on prices and volume of natural gas delivered, transported or contracted for, and to report to Congress by October 1, 1977, on all actions taken under this act; and authorizes the President to delegate all or any portion of the authority granted to him to such executive agencies or officers he deems appropriate. S. 474-Public Law 95-2, approved February 2, 1977. (21)

Radiation exposure: Extends the program of the Energy Research and Development Administration (ERDA) to provide financial assistance to limit radiation exposure resulting from the widespread use of sand containing mill tailings in the construction of approximately 500 public and private buildings in the Grand Junction, Colorado area; calls for a cooperative arrangement with the State of Colorado whereby ERDA is authorized to provide 75 percent of the costs of the program; extends the deadline for applying for remedial work under the program from 4 to 7 years; provides that property owners who removed mill tailings at their own expense prior to the date of enactment and without the administrative determination required may apply for such reimbursement within first year of enactment; permits the State of Colorado to waive the requirement that it perform the remedial work; and increases the authorization therefor from \$5 million to \$8 million, S. 266-Passed Senate April 4, 1977. (VV)

FISHERIES

Fishery conservation zone transition: Gives Congressional approval of the fishery agreements between the United States and the People's Republic of Bulgaria, the Socialist Republic of Romania, the Republic of China, the German Democratic Republic, the Union of Soviet Socialist Republics, and the Polish People's Republic; provides that these agreements wil enter into force on the date of enactment of this joint resolution; waives the 60-day Congressional review period;

limits to 7 days the 45 day period for review and comment on application permits required of the Regional Fishery Management Councils created under the Fishery Conservation Zone Act during 1977 for those applications received by the Council on or the date of enactment and those received by the Council from the Secretary of State after the date of enactmnet to provide for an orderely transition from the 12 mile to 200 mile fishing limit; waives, until May 1, 1977, the requirement that foreign fishing vessels have a valid permit on board and permits the Secretary to waive the fee required before fishing permits may be issued if he is satisfied that the foreign nation will pay the fee before May 1, 1977; and repeals, effective March 1, 1977, the Northwest Atlantic Fisheries Act of 1950. H.J. Res. 240—Public Law 95-6, approved February 21, 1977. (VV)

Gives Congressional approval of the fishery agreements between the United States and Spain, Japan, South Korea, and the countries of the European Economic Community (Iceland, France, Italy, Luxembourg, the United Kingdom, Denmark, Belgium, West Germany, and the Netherlands); contains essentially the same provisions as H.J. Res. 240 (Public Law 95-240) to provide for an orderly implementation of foreign fishing within the 200mile fishery zone of the United States after March 1, 1977, including the 7-day period of comment by the Fishery Management Councils and the public with respect to applications for permits, the May 1 extension of time for the payment of fees and permit requirements, and waives the 60-day Congressional review period. H.R. 3753-Public Law 95-8, approved March 3, 1977. (VV)

GENERAL GOVERNMENT

GAO audits of IRS and ATF: Amends the General Accounting and Auditing Act of 1950 to provide that the General Accounting Office may conduct management and financial audits of the Internal Revenue Service and the Bureau of Alcohol, Tobacco, and Firearms; contains provisions to insure the confidentiality of information Congressional oversight and penalties for unauthorized disclosure; and requires the Comptroller General to submit to the Senate Finance and Governmental Affairs Committees, the House Ways and Means and Gov-ernment Operations Committees, and the Joint Committee on Taxation, every six months, the names and titles of GAO employees having access to tax returns and information; to submit as frequently as possible results of the audit; and to submit annually a report of his findings and recommendations which must also include the procedures established for protecting the confidentiality of tax return information and the scope and subject matter of the audit. S. 213-Passed Senate March 11, 1977. (VV)

Kennedy Center authorization: Increases from \$3.1 million to \$7.6 million the fiscal year 1977 authorization for the John F. Kennedy Center for the Performing Arts with the additional \$4.5 million to remain available until expended for the Secretary of the Interior, acting through the National Park Service, to correct leaks in the roof, terraces, kitchen, and, East Plaza Drive and the damage which has resulted from these leaks; and authorizes \$3.7 million for fiscal year 1978. S. 521—Passed Senate February 24, 1977; Passed House amended March 4, 1977; In conference. (VV)

Presidential reorganization authority: Extends for three years from the date of enactment, the authority of the President under chapter 9, title 5, U.S.C., to submit reorganization plans to Congress proposing the reorganization of agencies in the executive branch; expresses Congressional intent that the President provide appropriate means for public involvement in reorganization; requires that the President, on a continuing

basis, examine the organization of all agencies of the executive branch and determine what changes are necessary to accomplish the purpose of the statute;

Provides that reorganization plans may: create new agencies, transfer or consolidate the whole or part of agencies or their functions to other agencies, abolish all or part of the functions of an agency except any enforcement function or statutory program, change the name of an agency, authorize an agency official to delegate any of his functions, and provide that the head of an agency be an individual, commission or board with a fixed term not to exceed 4 years;

a fixed term not to exceed 4 years;
Requires that each plan be based upon a
Presidential finding stated in a message to
Congress that the proposed action is necessary to accomplish one or more of the purposes of the statute; requires that the message specify, with respect to each plan, the
reduction of or increase in expenditures
likely to result from the plan, as well as any
improvements in the effectiveness or efficiency of the government anticipated as a
result of the plan;

Prohibits the use of reorganization authority to: create a new executive department, abolish an executive department or an independent regulatory agency, abolish any function mandated by Congress through statutes, increase the term of an office beyond that provided by law, create new functions not authorized by pre-existing statutes, or continue a function beyond the period authorized by law:

ized by law; Requires the President to submit each plan, which must deal with only one logically consistent subject matter, to both Houses of Congress simultaneously for referral to the Senate Governmental Affairs Committee and the House Government Operations Committee; requires the Chairman of the respective committee to introduce a disapproval resolution whenever a reorganization plan is submitted to assure that there will be a resolution for the Committee to act on and to report either favorably or unfavorably a disapproval resolution for each proposed plan; provides that plans shall become law at the end of 60 calendar days of continuous session of the Congress or if specified, at a later date, unless either House passes a resolution of disapproval or prior to that time if both Houses defeat a approval resolution; requires the committees in both Houses to file recommendations on each plan with the full House within 45 days and provides, if the committee has not done so, the resolution will automatically be discharged from further consideration and placed on the calendar; specifies that no more than three reorganization plans may be pending in the Congress at any one time;

Allows the President to (1) amend a plan within the first 30 days after submission if neither committee has ordered reported a disapproval resolution or made any other recommendations on the plan, or (2) withdraw a plan at any time prior to the conclusion of the 60 day period;

Provides that, any member may move to proceed to consider a disapproval resolution once it has been reported or discharged; limits to 10 hours floor debate on a disapproval resolution and on appeals and motions made in connection therewith, and makes motions to postpone consideration or amend the resolution out of order;

Provides that suits brought against an agency affected by a reorganization plan, or regulations or other actions taken by an agency under a function affected by the plan shall not abate as a result of the plan, except in the case where the function is abolished; specifies that plans may provide for the transfer or other disposition of affected records, property, and personnel, and for the transfer of unexpended appropria-

tions if the funds will be used for their original purpose; and requires that unexpended funds revert to the U.S. Treasury. S. 626—Public Law 95-17, approved April 6, 1977. (40)

GOVERNMENT EMPLOYEES-FEDERAL OFFICIALS

Federal salary increases: Denies the October 1 cost-of-living increase to Members of Congress, the Supreme Court Justices and other members of the Judiciary, Cabinet officials, and top Executive personnel who just received the March 1 quadrennial pay increase under which salaries were increased as follows: Members of Congress from \$44,600 to \$57,500; Cabinet officers from \$63,000 to \$66,000; the Vice President, Speaker, and Chief Justice from \$65,000 to \$75,000; the President Pro Tempore and Majority and Minority Leaders from \$52,000 to \$65,000; circuit court judges from \$44,600 to \$57,500; district judges from \$42,000 to \$54,500; subcabinet assistants from \$44,600 to \$57,500: and other top Federal personnel from \$42,000 to \$52,000. S. 964-Passed Senate March 10,

Secret Service protection of former Federal officials: Authorizes the Secret Service to continue to furnish protection to certain former Federal officials (Secretaries Kissinger and Simon and Vice President Rockefeller) or members of their immediate families who received such protection immediately preceding January 20, 1977, if the President determines that they may be in significant danger, and provides that such protection shall continue for a period determined by the President but not beyond July 20, 1977, unless otherwise permitted by law. S.J. Res. 12—Public Law 95–1, approved January 19, 1977. (VV)

HOUSING

Supplemental housing authorizations: Authorizes additional funds for housing assistance for lower income Americans in fiscal year 1977; extends the riot insurance and crime insurance programs; and establishes a National Commission on Neighborhoods;

Increases, in title I, the authorization for section 8 rental assistance, the major housing program for lower income Americans, by \$378 million for a total of \$1,228,050,000; increases operating subsidy funds for public housing projects by \$19.6 million to pay for this winter's unexpectedly high heating costs; extends the contract period for new, privately developed section 8 housing from 20 to 30 years in order to attract more private financing; authorizes such appropriations as may be necessary for reimbursement of the FHA general insurance fund for losses on the sale of foreclosed properties from the FHA inventory; contains a \$10 million increase for a total of \$15 million for the HUD urban homesteading program as a means of attracting additional rehabilitation funds into neighborhoods and disposing of the HUD inventory of foreclosed properties: provides for a billion ceiling for losses incurred by the Federal Housing Administration; extends HUD's authority to write crime insurance and riot reinsurance policies through April 30, 1978, and authorizes continuation of policies in force before September 30, 1978, through April 30, 1981; and

Authorizes, in title II, \$1 million for the establishment of a National Commission on Neighborhoods to assess existing policies, laws and programs having an impact on neighborhoods and make recommendations regarding investment in city neighborhoods, community government participation, economically and socially diverse neighborhoods, rental housing, and rehabilitation of existing structures, among other issues. H.R. 3843—Passed House March 10, 1977; Passed Senate amended April 5, 1977; In conference. (VV)

INDIANS

American Indian Policy Review Commission: Extends from February 18, 1977, to May 18, 1977, the period of time in which the American Indian Policy Review Commission must submit its final report to the Congress and increases the authorization therefor from \$2.5 million to \$2.6 million. S.J. Res. 10—Public Law 95–5, approved February 17, 1977. (VV)

INTERNATIONAL

Abu Daoud: States as a sense of the Senate that the release by France of Abu Daoud, a known terrorist who is accused of having planned the murder of Olympic athletes in Munich in 1972, is harmful to the effort of the community of nations to stamp out international terrorism; further states that the United States should consult promptly with France and other friendly nations to seek ways to prevent a recurrence of a situation in which a terrorist leader is released from detention without facing criminal charges in a court of law; and directs the Secretary the Senate to provide a copy of this resolution to the Secretary of State for transmission to the Government of France. S. Res. 48-Senate agreed to January 26, 1977. (13)

Harp seal killings: Urges the Canadian Government to reassess its present policy of permitting the killing of newborn harp seals in Canadian waters which is considered by many citizens of the U.S. to be cruel and, if continued at the current high level, may cause the extinction of that species of seal. H. Con. Res. 142—Action complete April 6, 1977 (UV)

1977. (VV)

Portugal military assistance: Modifies the existing statutory limitations on the allocation of military assistance funds for fiscal year 1977 contained in section 504(a) (1) of the Foreign Assistance Act of 1961, as amended, to add Portugal to the list of eligible countries and specify that \$32.25 million be allocated to that country to upgrade its armed forces which were debilitated as a result of prolonged colonial wars in Africa. S. 489—Passed Senate March 15, 1977; passed House amended March 22, 1977; Senate agreed to House amendment with an amendment April 6 1977 (VV)

ment April 6, 1977. (VV)
Rhodesian chrome: Amends the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome by nullifying the effect of Section 203 (the so-called Byrd amendment) of the Armed Forces Appropriations Act of 1972. Public Law 92-156. which permitted the importation into the United States of chromium and other strateminerals from Rhodesia, despite mandatory U.N. sanctions against trade with that country which the United States supported by its vote in the United Nations Security Council and by Executive Order 11419; prohibits the importation into the United States of Rhodesian commodities and products as specified in that Executive Order, of July 29, 1968, as well as steel mill products containing Rhodesian chromium in any form: establishes an enforcement mechanism which requires a certificate of origin for these products confirming that they do not contain chromium from Rhodesia; and authorizes the President to suspend the act if he determines that it would encourage meaningful negotiations and further the peaceful transfer of government from minority to majority rule in Rhodesia., H.R. 1746-Public Law 95-12, approved March 18, 1977. (59)

Romanian earthquake: States as a sense of the Senate that the United States should join with other nations and international, public, and private organizations to assist the people of Romania following the earthquake which has just affected them; and expresses deepest sympathy to the victims and their families on behalf of the people of the United States. S. Con. Res. 12—Action complete March 17, 1977. (VV)

Romanian earthquake authorization: Authorizes \$20 million to the President for fiscal year 1977, to remain available until expended, for the relief and rehabilitation of refugees and other earthquake victims in Romania;

requires the President to transmit a report to the Foreign Relations Committees of the Senate and House 60 days after enactment and quarterly thereafter on the obligation of authorized funds; and states that nothing in this act shall be interpreted as endorsing any measure undertaken by the Government of Romania which would suppress human rights as defined in the Conference on Security and Co-operation in Europe (Helsinki Declaration) Final Act and the United Nations Declaration on Human Rights or as constituting a precedent for or commitment to provide development assistance to Romania and requires that the Romanian Government be so notified. H.R. 5717-Public , approved 1977. (VV)

Soviet expulsion of George A. Krimsky: States as the sense of the Senate that: (1) the Soviet expulsion of Associated Press reporter George A. Krimsky is contrary to the spirit of the Helsinki Declaration respecting the rights of journalists; (2) the decision serves only to obstruct the implementation of the free flow of information provisions contained in the Declaration; (3) the action only invites and justifies steps of a reciprocal nature by the U.S. Government; and (4) the U.S. and Soviet Governments should seek greater communication in this area to prevent similar events of a counterproductive nature from occurring in the future; and directs the Secretary of the Senate to transmit a copy of this resolution to the President for the Department of State to convey directly to General Secretary Leonid Brezhnev of the Central Committee of the Soviet Communist Party. S. Res. 81-Senate agreed to March 4, 1977. (VV)

Soviet freedom of emigration: Conveys to the Soviet Government the sustained interest of the American people regarding Soviet adherence to the Helsinki Declaration, including their pledge to facilitate freer movement of people, expedite the reunification of families, and uphold the general freedom to leave one's country. S. Con. Res. 7—Action complete March 22, 1977. (39)

Vietnam POW's and MIA's: Directs the President, as Commander in Chief of the Armed Forces, to require an accounting of all military personnel presently categorized on personnel rosters of the various branches of the U.S. Armed Forces as prisoner of war, missing in action, or killed in action in Southeast Asia; directs the President, by executive order, to require the Secretary of State to pursue enforcement of the Paris agreement of January 27, 1973; states that the Congress, having passed Public Law 88-408 authorizing the deployment of U.S. Armed Forces for the maintenance of international peace and security in Southeast Asia, recognize a corresponding duty and obligation to determine the fate of missing or unaccounted for Americans; requires that the President, through the Secretary of State, hold the Democratic Republic of Vietnam and the Provisional Revolutionary Government of the Republic of South Vietnam responsible to account for and provide information not otherwise available to satisfactorily dispose of the POW/MIA problem in accordance with the Paris agreement or seek alternatives that might resolve the question; and requires responsible officeholders in the executive and legislative branches to address the authority of their office toward a satisfactory resolution of the problem, make a public accounting, and remove any question as to the integrity of their function. S. Con. Res. 2—Senate agreed

to February 21, 1977. (VV)
States as a sense of the Congress that the honor of those Americans who upheld the dignity of the law and served in the U.S. Armed Forces should be reaffirmed and that the Government should do everything possible to address the problems of those who served during the Vietnam war; and urges that there be established, in view of the re-

cent issuance of a general pardon for U.S. draft evaders of the Vietnam war era, a Presidential Task Force on Missing in Action and Prisoners of War to propose courses of action to achieve the fullest possible accounting for all Americans listed in a missing status in Southeast Asia, including the return of remains, and to make recommendations concerning Federal policies relating to POW's and MIA's. S. Con. Res. 3—Senate agreed to February 21, 1977. (VV)

MEMORIALS, TRIBUTES AND MEDALS

Alex Haley: Honors and pays tribute to Alex Haley for his exceptional achievement in producing *Roots* and extends to him the highest praise of the Senate. S. Res. 112—Senate agreed to March 14, 1977. (VV)

Francis R. Valeo: Commends Francis R. Valeo for his long, faithful and exemplary service as an employee of the Senate and his ten years of service as Secretary of the Senate. S. Res. 133—Senate agreed to April 1, 1977. (VV)

Gerald R. Ford Building: Names the Federal building located at 110 Michigan Avenue, N.W., in Grand Rapids, Mich., the "Gerald R. Ford Building". S. 385—Passed Senate February 11, 1977. (VV)

Jaycees International Conference: Commends the "Old Sourdough Jaycees" of Anchorage, Alaska, the U.S. Jaycees, and the Jaycee International for bringing together Jaycee leaders around the world who have contributed to the betterment of mankind, S. Res. 137—Senate agreed to April 6, 1977. (VV)

Marian Anderson medal: Authorizes the President to award to Marian Anderson, in the name of the Congress, a gold medal with suitable emblems and inscriptions in recognition of her highly distinguished and impressive career; provides that bronze duplicates of the medal shall be coined and sold under regulations prescribed by the Secretary of the Treasury; and authorizes therefor \$2,500. H.J. Res. 132—Public Law 95-9, approved March 9, 1977. (VV)

Philip A. Hart, death of: Expresses the sorrow of the Senate over the death of Senator Philip A. Hart, of Michigan. S. Res. 15—Senate agreed to January 4, 1977. (VV)

President and Mrs. Ford: Congratulates and commends President and Mrs. Ford on their exemplary conduct as President and first lady and for their dedicated public service to the Nation during their entire career of public service. S. Res. 22—Senate agreed to January 10, 1977. (VV)

President Ford: Commends President Ford for the manner and integrity with which he carried out his responsibilities and wishes him Godspeed in his new and active life. S. Res. 38—Senate agreed to January 18, 1977.

President-elect Carter: Extends best wishes to President-elect Jimmy Carter and to all those who will serve in his administration. S. Res. 23—Senate agreed to January 10. 1977. (VV)

St. Patrick's Parish anniversary: Commemorates the people of St. Patrick's Parish, in Pottsville, Pennsylvania, who this year are celebrating the 150th anniversary of the founding of the parish. S. Res. 116—Senate agreed to March 17, 1977. (VV)

Vice President Rockefeller: Commends

Vice President Rockefeller: Commends Vice President Rockefeller for the manner and integrity with which he carried out his responsibilities and wishes him Godspeed in his new and active life. S. Res. 37—Senate agreed to January 18, 1977. (VV)

William O. Douglas: Dedicates the canal and towpath of the Chesapeake and Ohio Canal National Historical Park to Justice William O. Douglas; directs the Secretary of the Interior to provide the necessary identification to inform the public of the contributions of Justice Douglas and to erect

and maintain within the exterior boundaries of the Park an appropriate memorial; and authorizes such sums as necessary to carry out the act S. 776—Public Law 95-11, approved March 15, 1977. (VV)

NATURAL RESOURCES

Drought emergency authority: Provides temporary authorities to the Secretary of the Interior to facilitate emergency actions to mitigate the impacts of the 1976-77 drought conditions affecting irrigated lands in the western States; authorizes the Secretary, acting through the Bureau of Reclamation and the Bureau of Indian Affairs, to; (1) study available means to augment, utilize, or conserve Federal reclamation and Indian irrigation projects water supplies and to undertake construction (which must be completed by November 30, 1977), management, and conservation activities to mitigate drought damage, (2) acquire water supplies by purchase from willing sellers and redistribute the water to users based upon priorities he determines, and (3) undertake evaluations and reconnaissance studies of potential facilities to mitigate the effects of a recurrence of a drought emergency and make recommendations to the President and Congress; provides that payment for water acquired from willing sellers be at negotiated prices; directs the Secretary to determine the priority of need in allocating the acquired or developed water; authorizes the Secretary to defer without penalty, the 1977 installment charge payments, including operation and maintenance costs, owed to the U.S. on Federal reclamation projects, with the costs to be added to the end of the repayment period which may be extended if necessary; requires that this program be coordinated, to the ex-tent practicable, with emergency and disaster relief operations conducted by other Federal agencies under existing provisions of law; requires the Secretary to report to Congress by March 1, 1978, on all expenditures made under this act; authorizes the Secretary to make interest-free five year loans to individual irrigators for construction, management and conservation activities or acquisition of water; authorizes \$100 million to carry out the water purchase and reallocation (water bank) program of which 15 percent shall be available to carry out other programs authorized by this act; and provides that up to 15 percent of fiscal 1977 funds available to Secretary for the Emergency Fund Act may be used for non-Federally financed irrigation projects, 5 percent for State Government drought emergency programs, and \$10 million for the purchase of water. S. 925— Public Law 95-, approved , 1977. (54)

Nominations

(Action by rollcall vote)

Griffin B. Bell, of Georgia, to be Attorney General: Nomination confirmed January 25, 1977. (10)

Joseph A. Califano, Jr., of the District of Columbia, to be Secretary of Health, Education, and Welfare: Nomination confirmed

January 24, 1977. (7)
Peter F. Flaherty, of Pennsylvania, to be Deputy Attorney General: Nomination con-

firmed April 5, 1977. (99)
Ray Marshall, of Texas, to be Secretary of
Labor: Nomination confirmed January 26,
1977. (12)

Andrew J. Young, of Georgia, to be U.S. Representative to the United Nations: Nomination confirmed January 26, 1977. (14)

Paul C. Warnke, of the District of Columbia, for rank of Ambassador for SALT negotiations and to be Director of the Arms Control and Disarmament Agency: Nominations confirmed March 9, 1977. (41 and 42)

SENATE

Commission on the Operation of the Senate: Extends for an additional 30 days, until

April 1, 1977, the Commission on the Operation of the Senate. S. Res. 93—Senate agreed to February 24, 1977. (VV)

Committee Reorganization: Amends the Standing Rules of the Senate to reorder and rationalize the jurisdictions of Senate committees, effective February 11, 1977, among 15 standing committees and 6 other special, select or joint committees: abolishes the Aeronautical and Space Sciences Committee and transfers its jurisdiction to a newly created Committee on Commerce, Science, and Transportation; abolishes the District of Columbia Committee and the Committee on Post Office and Civil Service and transfers their jurisdictions to a newly created Committee on Governmental Affairs; transfers the jurisdiction of the former Interior Committee to an Energy and Natural Resources Committee; transfers the jurisdiction of the former Public Works Committee into a new Environment and Public Works Committee; transfers the jurisdiction of the former Labor and Public Welfare Committee to a new Human Resources Committee; continues the existence of the Special Committee on Aging with membership reduced to 9 in the next Congress; continues the existence of the Select Committee on Nutrition and Human Needs until December 31, 1977, after which its jurisdiction will be transferred to the Committee on Agriculture, Nutrition and Forestry; establishes a temporary Select Committee on Indian Affairs to consider all legislation relating to Indians for the duration of the 95th Congress after which its jurisdiction will be transferred to the Human Resources Committee:

Limits the number of committee and subcommittee memberships a Senator can hold generally to two major or class "A" committees and one class "B" committee and eight subcommittees thereof: prohibits committees from establishing subunits other than subcommittees; permits the Majority and Minority Leaders to temporarily increase the sizes of committees to ensure majority party control: allows Senators to serve on joint committees where such service is required to be from members of a committee on which such Senator serves; prohibits Rules Committee members from serving on any joint committee unless the Senate members of such committees are required by law to be from the Rules Committee; exempts members of the Budget Committee during the 94th Congress from certain assignment limitations during the 95th Congress; continues grandfather rights for Senators who are serving on three standing committees as a result of an exemption in the Legislative Reorganization Act of 1970 to continue to do so during the 95th Congress; allows the chairmen ranking minority members of the Post Office and Civil Service Committee and the District of Columbia Committee to serve on the Governmental Affairs Committee and two other committees of the same class, as long as their service on Governmental Affairs remains continuous; prohibits a Senator from serving as Chairman of more than one standing, select, special, or joint committee unless the jurisdiction is directly related to that of the standing committee he chairs; prohibits Senators from serving as chairman of more than one subcommittee of each standing, select, special or joint committee; limits members to two class A committee or subcommittee chairmanships and one class B committee or subcommittee chairmanship, effective at the beginning of the 96th Congress; requires that not later than July 1, 1977, the appropriate standing committees shall report gislation terminating the statutory authority of the Joint Committees on Atomic Energy, on Congressional Operations and on Defense Production; requires that the appropriate standing committees report recommendations not later than July 1, 1977, with

respect to the Joint Committees on the Library and on Printing; allows Senators to serve on joint committees considered for termination pending final disposition of the issue:

Provides for sequential and joint referral of bills that cross jurisdictional lines based on motions by the Majority and Minority Leaders, instead of by unanimous consent; provides for a computerized schedule of committee meetings by the Rules Committee; permits committees to meet without special leave until the conclusion of the first 2 hours of a meeting of the Senate or 2:00 p.m., except for the Appropriations and Budget Committees which may meet at any time without special consent; requires that morning meetings of committees and subcommittees be scheduled for one or both of two periods, one ending at 11:00 a.m. and a second beginning at 11:00 /a.m. and ending at 2:00 p.m.; provides for continuous review of the committee system by the Rules Committee in consultation with the Majority and Minority Leaders; prohibits consideration of committee amendments to bills when the amendments are not in the jurisdiction of the committee proposing them; requires committee reports to contain an evaluation of the regulatory impact which would be incurred by individuals and businesses in carrying out the provisions of the bill; provides for the transition of staff from abolished or realigned committees to the new committees and provides for salary and tenure of committee staff during a transition period; provides that committee staff reflect the relative numbers of majority and minority members and that one-third of the committee staffing funds be allocated to the minority members for compensation of minority staff; provides that such adjustment be made over a fouryear period beginning July 1, 1977, with not less than one-half being made in 2 years; provides for funding of increases in the expenditures of new committees resulting from this resolution; incorporates provisions of S. Res. 60 of the 94th Congress relating to individuals appointed by Senators to assist them with committee work; provides for the rereferral of measures according to the realigned jurisdictions; and provides that legal references to old committees are to be construed as referring to their successors. S. Res. -Senate agreed to February 4, 1977. (36)

Deputy President pro tempore: Establishes, effective January 5, 1977, the Office of Deputy President Pro Tempore which shall be held by any Senator who is a former President or Vice President of the United States; authorizes the President Pro Tempore and the Deputy President Pro Tempore each to appoint an administrative assistant, a legislative assistant and an executive secretary; authorizes the Sergeant at Arms to provide and maintain an automobile for use by the Deputy President Pro Tempore and to employ a driver-messenger; and authorizes the Secretaries of the Conferences of the Majority and Minority each to appoint two staff assistants in each office. S. Res. 17-Senate agreed to January 10, 1977. (VV)

Names Hubert H. Humphrey of Minnesota Deputy President Pro Tempore of the Senate, effective January 5, 1977. S. Res. 27—Senate agreed to January 11, 1977. (VV)

Senate ethics code: Amends the Standing Rules of the Senate to create a Code of Official Conduct; amends Senate Resolution 338, the original resolution establishing the Select Committee on Ethics, to provide for additional procedures for enforcing the new Code as well as other laws and rules of the Senate; and directs other Senate committees to study certain matters related to this resolution;

Public Financial Discolsure: Requires Sen-

ators, candidates for the Senate, officers and employees of the Senate earning in excess of \$25,000 per year to file a report listing their earned income and the sources and categories of value of their income, other than earned income, and all other interests, assets, and holdings held for the purposes of investment or income production;

Gifts: Prohibits knowingly accepting a gift or gifts having an aggregate value of over \$100 during a year from any individual or organization defined as having a "direct interest in legislation;

Outside Earned Income: Limits outside earned income of a Senator, officer or employee earning over \$35,000 to 15 percent of the person's salary; limits each honorarium to \$1,000 for Senators and to \$300 for officers and employees; allows Senators or staff to accept honoraria up to \$25,000 if immediately donated to a tax-exempt charity;

Conflict of Interest: Bars the use of one's official position to introduce or aid the progress of legislation the principal purpose of which furthers one's own financial interest; allows Members or staff who earn over \$25, 000 from providing professional services for compensation if not affiliated with a firm or association and if their work is not carried out during regular Senate office hours; directs committee employees earning over \$25,-000 to divest themselves of any holdings which may be directly affected by the actions of the Committee for which they work unless permitted by their supervisor and the Ethics Committee; prohibits Senators from lobbying the Senate for one year after leaving the Senate; applies a similar prohibition to employees lobbying the Committee or office for which they work;

Unofficial Office Accounts: Abolishes unofficial office accounts, those accounts defined as not including personal funds of a member, official funds, political funds and reimbursements:

Foreign Travel: Prohibits "lame duck" travel by a defeated or retiring member; prohibits receipt of counterpart funds where there has been reimbursement from another source; restricts per diem allowance to food, lodging and related expenses and places the responsibility on the person receiving the per diem to return any unused funds;

Franking Privilege—Radio-TV Studio—Senate Computer: Prohibits mass mailings and use of the radio-TV studios within 60 days of an election; requires the use of official funds to purchase paper, to print, and prepare mass mailings under the frank; requires a Senator to register mass mailings annually for public inspection; prohibits the use of the Senate computer to store names identified as campaign workers;

Political Activity by Officers and Employees: Restates the present ban on staff soliciting or receiving campaign contributions; allows a Senator to name one assistant each in his Washington and district office to receive and handle campaign funds;

Discriminatory Employment Practices: Prohibits discrimination on the basis of race, color, religion, sex, national origin, or state of physical handicap in employment practices in the Senate;

Enforcement: Sets forth procedures for the Select Committee on Ethics in investigating complaints of violation of the Code and enforcing its provisions;

Further studies: Requires the Appropriations Committee to report within 120 days regarding an adjustment of official allowances; requires the Finance Committee to report within 120 days on the tax status of funds raised and expended to defray ordinary and necessary expenses of Members; directs the Rules Committee (1) to report within 120 days on the desirability of promulgating rules providing for: (a) periodic

audits by GAO of all committee and office accounts; (b) a centralized recordkeeping system of accounts, allowances, expenditures and travel expenses of all committees and offices; (c) suggested accounting procedures for committee and office accounts; and (d) public disclosure and availability of information on the accounts of all committees and offices in a form which segregates the allowances and expenses of each committee and office; (2) to report within 120 days on the desirability of requiring that only official Senate funds may be used to pay for any expenses incurred by a Senator in the use of the radio-TV studios; and (3) to study laws relating to contributions made by officers or employees as well as on proposals to prohibit the misuse of official staff in election campaigns and report thereon within 180 days; requires the Governmental Affairs Committee to report (1) within 180 days regarding employee discrimination complaints and the desirability of establishing rules requiring "blind trusts" by members, officers and employees of Senate and (2) within 120 days regarding the use of simplified form of address for franked mail; and directs the Foreign Relations Committee to report in 90 days on the problem of travel, lodging and other related expenses provided members and staff paid by foreign governments where it is not possible to procure transportation, lodging or other related services or to reimburse the foreign government for those purposes. S. Res. 110-Senate agreed to April 1, 1977 (94).

Special committee on official conduct: Establishes a temporary Special Committee on Official Conduct composed of fifteen members appointed by the President pro tem-pore of the Senate (eight appointed upon the recommendation of the majority leader and seven upon the recommendation of the majority leader and seven upon the recommendation of the minority leader, with the chairman designated by the majority leader and the vice chairman by the minority members) to conduct a complete study of all matters relating to standards of conduct of Members, officers and employees of the Senate in the performance of their official duties including standards for: (1) annual public disclosure of income, assets, debts, gifts, and other financial items; (2) restrictions on, or the elimination of, outside income from honoraria, legal fees, gifts and other sources of financial or in-kind remuneration; (3) conflicts of interest arising out of investments in securities, commodities, real estate, or other sources; (4) office accounts, and excess campaign contributions; (5) Senate travel; and (6) engaging in business, professional activities, employment, or other remunerative activities, so as to avoid any conflict with the conscientious performance of official duties; requires the Committee to submit a report of its findings by March 1, 1977, together with a resolution setting forth, by way of proposed amendments to the Standing Rules of the Senate, a Code of Official Conduct for Members, officers, and commit are out of order;

Provides that on March 1, 1977, after the conclusion of routine morning business, the resolution shall become the pending business of the Senate under a 50 hour time limitation with a 2 hour time limitation on amendments thereto and 1 hour on amendments in the second degree, debatable motions or appeals; provides that amendments not germane to the bill will not be received; states that motions to limit debate are not debatable and that motions to table or recommit are out of order:

Authorizes the Committee to utilize the facilities and services of the staff of any other committee and provides that expenses of the Committee shall be paid from the contingent fund of the Senate. S. Res. 36—Senate agreed to January 18, 1977. NOTE: (On March 3, 1977, the Senate, by unanimous consent, extended until midnight, March 7, 1977, the time for the Committee to file its report and provided that the leadership may call the resolution up on March 8, 1977, or any time thereafter.) (VV)

TAXATION

Sick pay exclusion: Delays for one year, to taxable years beginning after December 31, 1976, the changes made by the Tax Reform Act of 1976 with regard to the exclusion of "sick pay" from income; makes a similar delay of the effective date of the provisions regarding the tax treatment of income

earned abroad by U.S. citizens; modifies the withholding requirement enacted in the 1976 Tax Reform Act on proceeds of wagers placed in parimutuel pools with respect to horse races, dog races, and Jai Alai requiring a 20 percent withholding tax on winnings of \$1000 or more only if the odds are 300 to one or more; extends for one year the provisions of the Internal Revenue Code to allow State legislators to treat their place of residence within their legislative district as their tax home for purposes of computing the deduction for living expenses; and waives the interest and penalties with regard to certain errors regarding underpayments of estimated tax and withholding that might be made in the tax returns for 1976. H.R. 1828—Passed House April 4, 1977; Passed

Senate April 6, 1977. House agreed to Senate amendments with amendment which omitted the provisions regarding tax treatment of income earned abroad by U.S. citizens April 6, 1977. (100)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a memorandum entitled "Status of Major Messages and Communications of the President, 95th Congress, First Session," which has been prepared by the Senate Democratic Policy Committee, be printed in the Record.

There being no objection, the memorandum was ordered to be printed in the Record, as follows:

STATUS OF MAJOR MESSAGES AND COMMUNICATIONS OF THE PRESIDENT, 95TH CONG., 1ST SESS.

[By Senate Democratic Policy Committee, Robert C. Byrd, chairman]

Message or communication title, bill No.	Action	House action	Conference or other action	Date approved	Public Law No
PM 21 (Jan. 17, 1977)—Budget rescission (\$452,600,000 for Nimitz-class nuclear car-					95-15
rier and Aegis) H.R. 3839. PM 22 (Jan. 17, 1977)—Top Level Executive, Legiative and Judicial Salary Increases. PM 22 (Jan. 17, 1977)—Ethics code	Senate tabled Allen, et al. amendment to S. Res. 4 disapproving pay recommen-	House twice objected to request to consider disapproval resolution, H. Res. 115,	X	Feb. 20, 1977 be- came effective.	
PM 22 (Jan. 17, 1977)—Ethics code	S. Res. 110 (Senate Ethics Code. P/S, Apr. 1, 1977.	H. Res. 287 (House Ethics Code) P/H Mar. 2, 1977.		House code becameeffective Mar. 2, 1977, Senate code became effective Apr. 1, 1977.	
EC 441 (Jan. 26, 1977)—Emergency Natural Gas Act S. 474 (administration bill).	P/S, Jan. 31 ,1977	P/H, amended Feb. 2, 1977	Conference report P/S, Feb. 2, 1977, P/H, Feb. 2, 1977.	Feb. 2, 1977	95-2
PM 32 (Jan. 31, 1977)—Economic Recovery: (a) Economic Stimulus Appropriations (Public works jobs, revenue sharing, and public service employment) H.R. 4876.	Appropriations Committee reported Mar. 17, 1977, Calendar No. 49.	P/H Mar. 15, 1977			
(b) Public Works Jobs (\$4,000,000,000 increase) H.R. 11.	P/S amended Mar, 10, 1977		amendment contain- ing provisions of H.R. 3199; water pol-		Jan 118
mentionals (increase in standard	Floor debate will begin Apr. 18, 1977				
(d) Business tax reduction, H.R. 3477 (e) Tax rebate and payment to Social	do	do			
PM 33 (Feb. 4, 1977)—Presidential reorganization authority, S. 626.					95–17
PM 40 (Feb. 21, 1.977)—19 Water Development Projects rescission.	H.R. 11 to insure funding for water				
PM 41 (Feb. 22, 1977)—Budget Revisions PM 42 (Mar. 1, 1977)—Creates Cabinet De- partment of Energy, S. 591 and S. 826 (administration bill).	projects. Budget Committee markup complete Apr. 6. Government Affairs Committee hearings, Mar. 7, 9, 15-18, 22, 24, 25, 29-31, Apr. 8.	Budget Committee report filed Apr. 6. Government Operations Subcommittee on Legislation and National Security hear- ings on H.R. 4263, Mar. 28, 29, Apr. 5, 6			
rm 45 (mai. 4, 1977)—Airline deregulation	ings on S. 292 and S. 689 Mar. 21-25,	ings schedule Apr. 18.			
(a) \$342,000,000 increase for Job Corps	Human Resources Committee hearings on S. 1242, Apr. 20–22.				
(b) 1-yr extension of CETA, H.R. 2992	Human Resources Committee hearings Apr. 20-22.	P/H Mar. 29, 1977			
(c) New title to CETA	Human Resources Committee hearings on				
PM 51 (Feb. 17, 1977)—Foreign aid	S. 1242, Apr. 20-22. Foreign Relations markup, Apr. 19	International Relations Subcommittee hear-			
PM 52 (Feb. 17, 1977)—Oil tanker spills	Commerce Committee hearings on S. 687, S. 182, S. 568, S. 682, and S. 715, Mar. 8, 10, 15-18,	Merchant Marine and Fisheries Subcommittee on Coast Guard markup on H.R. 3711, completed Apr. 5.			
PM 55 (Mar. 22, 1977)— (a) Voter registration	Rules Committee hearings not yet scheduled on S. 1072.				
(b) Campaign financing	do	Administrative Committee hearings not yet scheduled on H.R. 5157.			
(c) Electoral reform	Judiciary Committee hearings on S.J. Res. 1, 8 and 18 Jan. 27, Feb. 1, 2, 7, 10.	Judiciary Subcommittee on Monopolies and			
PM 56 (Mar. 23, 1977)—Drought assistance	Hearings not yet scheduled; water bank objectives contained in S, 925 which became Public Law 95- endorsed by administration.	Commercial Law hearings not yet sched- uled on H.J. Res. 33, 118 and 350. Agriculture Subcommittee on Conservation hearings on drought assistance Mar. 15, 16, 30; Livestock Feed Program provi- sion in H.R. 4295; markup Mar. 23, 30; reported to full Committee.			
PM 64 (Apr. 6, 1977)—Agency for Consumer Advocacy.	Government Affairs Committee hearings on S. 1262 Apr. 19, 20.	reported to run Committee.			

Mr. BAKER. Mr. President, I shall not prolong the proceedings today except to say that I, too, feel that the conduct of the Senate so far has produced significant and important legislative results, and once again to reiterate my remarks on yesterday and on previous days that I commend the distinguished majority leader for his diligence to the calendar and to the work of the Senate, and to observe that the business of the Senate is virtually complete, as reflected by the calendar of business and the executive calendar at the desk of every Senator.

I think that is a truly remarkable achievement at this point in the session.

Mr. ROBERT C. BYRD. Mr. President, thank the distinguished minority leader. May I take this moment to express my deep gratitude to him for the fine spirit of cooperation that he has consistently manifested toward the majority leader throughout the days of this session. I look forward to our continuing work together, and wish to express the hope, as we leave for the nonlegislative day period of Easter, that the minority leader and his family will have a very pleasant Easter holiday.

Mr. BAKER. I reciprocate the Senator's feelings, and I am sure that we will return refreshed from that time.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene on Monday, April 18, at 12 meridian. After the two leaders or their designees are recognized under the standing order there will be a period for the transaction of routine morning business of not to exceed 30 minutes with statements limited therein to 10 minutes each and with no resolutions coming over under the rule, after which the Senate will take up the tax rebate bill H.R. 3477. Rollcall votes could occur during the afternoon in relation thereto and in relation to conference reports or other matters which could come up.

RECESS UNTIL MONDAY, APRIL 18, 1977

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the provisions of House Concurrent Resolution 186, that the Senate stand in recess until the hour of 12 o'clock noon, Monday, April 18, in this year of our Lord 1977.

The motion was agreed to; and at 3:41 p.m. the Senate recessed until Monday, April 18, 1977, at 12 meridian.

NOMINATIONS

Executive nominations received by the Senate April 7, 1977:

GENERAL SERVICES ADMINISTRATION

Jay Solomon, of Tennessee, to be Administrator of General Services, vice Jack M. Eckerd, resigned.

> GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

John Howard Dalton, of Texas, to be President, Government National Mortgage Association, vice David M. deWilde, resigning.

NEW COMMUNITY DEVELOPMENT CORPORATION

William J. White, of Massachusetts, to be member of the board of directors of the New Community Development Corporation, vice Otto George Stolz, resigned.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Ruth Prokop, of the District of Columbia, to be General Counsel of the Department of Housing and Urban Development, vice Robert R. Elliott, resigned.

DEPARTMENT OF DEFENSE

Alan J. Gibbs, of New Jersey, to be an Assistant Secretary of the Army, vice Harold L. Brownman, resigned.

FEDERAL ENERGY ADMINISTRATION

Leslie J. Goldman, of Illinois, to be an Assistant Administrator of the Federal Energy Administration, vice William G. Rosenberg, resigned.

DEPARTMENT OF JUSTICE

George J. Mitchell, of Maine, to be U.S. attorney for the district of Maine for the 4 years vice Peter Mills, term expired.

DEPARTMENT OF STATE

W. Tapley Bennett, Jr., of Georgia, to be the U.S. Permanent Representative on the Council of the North Atlantic Treaty Organization, with the rank and status of Ambassador Extraordinary and Plenipotenti-

Philip Henry Alston, Jr., of Georgia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Australia.

Anne Cox Chambers, of Georgia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Belgium.

Kingman Brewster, Jr., of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Kingdom of Great Britain and Northern Ireland.

Robert F. Goheen, of New Jersey, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to India.

William H. Sullivan, of Rhode Island, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States

of America to Iran. Samuel W. Lewis, of Texas, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Israel.

Michael J. Mansfield, of Montana, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Japan.

Wilbert John Le Melle, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Kenva.

Wilbert John Le Melle, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Seychelles.

George S. Vest, of Maryland, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Pleni-potentiary of the United States of America to Pakistan.

IMMIGRATION AND NATURALIZATION SERVICE

Leonel J. Castillo, of Texas, to be Commissioner of Immigration and Naturalization vice Leonard F. Chapman, Jr., resigning.

PUBLIC HEALTH SERVICE

The following candidates for personnel in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

1. For permanent promotion:

To be medical director

Maurice B. Burg Lawrence F. Jack Butler Dietlein, Jr. Vivian Chang Eugene J. Gangarosa Herschel C. Gore, Jr. William R. Martin Peter Gouras Robert I. Gregerman Andrew F. Horne David W. Johnson Emery A. Johnson Michael W. Justice

Peter D. Olch Carroll B. Quinlan Jack C. Robertson Gordon S. Siegel Robert W. Weiger John R. Trautman

Bernard R. Marsh

John D. Millar

Jack D. Poland

Porvaznik, Jr.

Donald L. Randall

Franklin D. Roller

Michael B. Sporn

David W. Templin

Richard B. Uhrich

Christfried J. Urner

Theodore W. Thoburn

Heino Rubin

John T.

James E. Maynard

Kenneth R. McIntire

David M. Neville, Jr.

To be senior surgeon

Robert S. Adelstein Scott I. Allen Arnold B. Barr William Chin Roy G. Clay, Jr. George B. Deblanc Arnold Engel Frederick V. C.

Featherstone Robert A. Fortuine Joseph F.

Fraumeni, Jr. Ernest Hamburger Alphonse D. Landry, Jr. Richard B. Lyons

To be surgeon

Ronald R. Honkins Rice C. Leach

Bernard E. Schatz

To be dental director

Howell O. Archard Edward M. Campbell Anthony A. Rizzo William A. Gibson James J. Laubham,

James R. Nixon Selvin Sonken Gunnar E. Sydow

To be senior dental officer Donald C. Boggs Meade E. Butler John L Butts Richard L. Christiansen David A. Dutton

Gresham T. Farrar, Weston V. Hales

Charles W. Hayden Warren V. Judd Larry K. Korn Loren F. Mills Donald L. Popkes Thomas W. Ragland John R. Stolpe Powell B. Trotter III James H. Greene, Jr. Edward D. Woolridge, Jr.

To be dental officer

Donald G. Burks Pedro G. Colon, Jr. Robert C. Fielder

George B. Fink Albert D. Guckes

Te be nurse director

Geraldine L. Ellis Marie Herold Jean F. Kaplan

Dorothy C. Calafiore Betty J. Klingenhagen Barbara T. Lanigan Vivian R. Mercer

To be senior nurse officer

Claire M. Coppage Margaret A. McCombs Pawnee L. Creson Susan E. Milman Marjorie A. Greene Katheryn E. Renny Elizabeth L. Iddings Pietrina R. Siciliano

To be nurse officer

Ann J. Eades

To be senior assistant nurse officer Bernice M. Sextro

To be sanitary engineer director Ian K. Burgess Robert H. Neill Henning W. Eklund Joseph P. Schock

To be senior sanitary engineer Vernon E. Andrews Andre F. Leroy John G. Bailey John A. Cofrancesco

Norman J. Petersen Albert H. Story Gary D. Hutchinson Charles F. Walters

To be sanitary engineer

Thomas A. Bartholomew Philip J. Bierbaum Robert G. Britain Bruce M. Burnett Virgil E. Carr Dean R. Chaussee Warren W. Church Wayne T. Craney Bobby L. Dillard Thomas P. Glavin Grady T. Helms, Jr. Joseph W. Janick

Richard E. Jaquish

Douglas L. Johnson John N. Leo Gary S. Logsdon Joseph F. Mastromauro Leonard W. Nowak John R. O'Connor Billy F. Pearson

William S. Properzio Malcolm B. Reddoch Dale A. Stevenson Robert N. Snelling

EXTENSIONS OF REMARKS

To be scientist director

Donald S. Boomer Robert J. Ellis Vernon J. Fuller Herbert F

William F. Hill, Jr. William A. Mills George E. Thompson Kenneth W. Walls

Hasenclever

To be senior scientist

John C. Feeley Joseph W. Lepak James E. Martin James D. Moore McWilson Warren

To be scientist

Donald A. Eliason Lawrence A. William H. Kroes Yamamoto James C. McFarlane

To be sanitarian director

Alfredo Castavelez Virgil D. Grace Jack H. Lair

Elmert D. McGlasson Joe L. Perrin Thomas J. Sharpe

To be senior sanitarian

Maurice Georgevich George W. Hanson, John L. Kreimeyer Gene W. McElyea

Gail D. Schmidt John G. Todd Richard J. Vantuinen Bert W. Mitchell

To be sanitarian

Billy D. Jackson James A. Kraeger

To be veterinary officer director Anton M. Allen

Kenneth D. Quist Paul Arnstein Richard A. Tjalma Denny G. Constantine

To be senior veterinary officer

Kirby I. Campbell William A. Priester, Jr. Glen A. Fairchild

To be veterinary officer

Joseph E. Pierce

To be pharmacist director

James E. Bleadingheiser

Thomas D. Decillis Richard A. Hall

To be senior pharmacist

Linton F. Angle Edward E. Madden, John T. Barnett Robert P. Chandler Samuel Merrill Bernard Shleien Robert Frankel Harry A. Hicks Jimmie G. Lewis Leonard C. Sisk Donald H. Williams

To be senior assistant pharmacist Gordon R.

Baldeschwiler Michael S. Brown Ira J. Fox Gill D. Gladding

Paul Vincent McSherry William M. Singleton, Jr. Joseph A. Tangrea

To be senior dietitian

Mary E. Ferrell

Betty J. Shuler

Robert L. West

To be senior assistant dietitian

William J. Jajesnica

To be therapist director

John B. Allis Forrest N. Johnson James C. Hufsey

To be senior therapist

Helen L. Wood Kenneth L. Bowmaker Ronald E. Laneve Joel H. Broida

To be therapist

George H. Hampton Peter T. Langan Joseph B. Hayden Roger M. Nelson Richard E.

Hetherington

To be health services director

Howard L. Kitchener Ernest D. Ficco

To be senior health services officer

Lawrence T. Barrett Robert Jacobs Robert H. Bradford Patrick W. Samson Robert H. Bradford Richard E. Gallagher

To be health services officer

Frederick C. Churchill Thomas O. Harris James E. Delozier Allen R. Forman Richard W. Peterson George L. Raspa Terrence L. Rice Aubrey M. Hall, Jr.

To be senior assistant health services officer Jon P. Yeagley Kenneth R. Bahm Laurence W. Grossman

CONFIRMATIONS

Executive nomination confirmed by the Senate April 7, 1977:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Harry K. Schwartz of Pennsylvania, to be an Assistant Secretary of Housing and Urban Development.

Donna Edna Shalala, of New York, to be an Assistant Secretary of Housing and Urban Development.

Geno Charles Baroni, of the District of Columbia, to be an Assistant Secretary of Housing and Urban Development.

SECURITIES AND EXCHANGE COMMISSION

Harold Marvin Williams, of California, to be a Member of the Securities and Exchange Commission for the remainder of the term expiring June 5, 1977.

Harold Marvin Williams, of California, to be a Member of the Securities and Exchange Commission for the term expiring June 5,

The above nominations were approved subject to the nominee's commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

MR. HASTINGS IS NEW SECRETARY-TREASURER OF NATIONAL ASSO-CIATION

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. CHAPPELL. Mr. Speaker, rural electrification has exerted a vital influence in the development of Florida, and now Florida is making an important contribution to the future of rural electrification throughout America.

I refer to the new leadership my district and Florida is providing in the national organization of rural electric utilities. The newly elected secretary-treasurer of the National Rural Electric Cooperative Association is Mr. Angus S. Hastings whose farming-ranching operations are headquarters in the Fourth Congressional District at Fort McCoy in Marion County.

Over the years, Mr. Hastings has devoted a large amount of his time and energy to rural electrification work in our State and Nation. He was elected as a trustee of Clay Electric Co-op, Keystone Heights, in 1965 and became vice president of the co-op in 1973. Also in 1973, he became vice president of the statewide association of rural electric systems, the Florida Electric Co-op Associations, and was elected by the Florida systems to represent them, beginning in 1974, on the board of directors of the national association. He has been serving as chairman of the national board's government relations committee.

This great American is well known in Florida for his Masonic activities. He is Knight Commander of the Court of Honor, Scottish Rite, and last year was senior grand stewart of the Grand Lodge of Florida. He is a member and past master of Marston Lodge No. 49, Fort McCoy. He has served as a district deputy grand master and president of the Ocala Shrine Club.

As an officer of the National Rural Electric Cooperative Association, Mr. Hastings has responsibilities involving more than 1,000 rural electric systems participating in the rural electrification program in 46 States. These systems own and operate more than 4 out of every 10 miles of electricity-distribution line in the Nation.

Florida alone has 18 such systems. While 25 States have more systems, Florida's electric co-ops deliver more electricity to their consumer members than do those of all but 11 other States. Thus, in kilowatt hours of electricity delivered, the Florida systems rank in the top one-fourth of the States.

This is one indicator of the importance to Florida of rural electrification, and reflects the vital role its leadership plays as manifest in Mr. Hastings' contributions.

Florida is happy to be able to look bevond its own borders and provide inspirational national leadership in furtherance of rural electric service throughout the Nation.

It is unselfish and dedicated citizens such as Angus Hastings who have made our Nation the greatest in the world. We congratulate him and wish him well in meeting his new responsibilities as secretary-treasurer of the National Rural Electric Cooperative Association.

VOLUNTEERS OR DRAFTEES

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. STEIGER, Mr. Speaker, on March 15, I placed into the Extensions of Remarks an article from the Denver Post summarizing comments made by Maj. Gen. DeWitt Smith, Jr., commandant of the U.S. Army War College, at the Civilian-Military Institute's First National Symposium, held recently at the Air Force Academy.

General Smith was quoted by the Denver Post as saying today's military "is far better" than the conscripted force of World War II. Since placing that article in the RECORD, I have gotten a transcript of General Smith's remarks, and an editorial he wrote for the Carlisle, Pa., Sentinel on March 19. The editorial and excerpts from his speech bear thoughtful consideration by all Members of Congress.

General Smith acknowledges that his initial private reaction to the volunteer armed force proposal was negative.

By now-

He says in his editorial-

I am persuaded that my early skepticism was unwarranted, and the heavy criticism of some others unjustified.

He notes questions of quality and discipline that have been raised and responds thusly:

The quality, insofar as we can measure it, is better than it was in the great Army I accompanied to Normandy long ago. The motivation is better than any other peacetime force of which I am aware. And the discipline in today's Army is far better than it has been in many years.

The general told those attending the Air Force Academy conference that while he is prepared to support whatever type of forces the people decide on, he has come to the private conclusion that—

The ultimate democratic act is to volunteer. To draft is coercive and, in actual practice, it has also proved to be inequitable. Except in an extremity, when large numbers would clearly be needed, it seems to me that compulsory public service is an alien instrument within a free land.

There is little I can add to General Smith's superbly stated thoughts. His experience and his present position give him an excellent perspective to evaluate today's volunteer force in comparison to its draft-induced counterpart. I commend his comments to the attention of all who read the RECORD:

[From the Carlisle (Pa.) Sentinel, Mar. 19,

VOLUNTEERS OR DRAFTEES

The issues related to volunteer armed forces have suffered more from heat than they have benefited from light in recent times. These are issues related to the very nature of our society. In differing ways, they touch the lives of nearly all citizens. They affect the wallet, and bear directly upon the nature, quality and competence of our armed forces. Issues this fundamental call for factual and dispassionate analysis.

The determination of which course we shall follow is the proper business of American citizens and the responsibility of civilian leaders.

My initial private reaction to the volunteer armed force proposal was negative. I believe we all share a responsibility for both the welfare and the security of America, and I wished to see this responsibility widely shared. I was also concerned that volunteer forces might drift away from the rest of society, be less representative, and be less attuned to its fundamental values. Lastly, I was not certain that we could attract the numbers and quality of people which the more complex forces of today require, and which our country deserves to have representing it.

Others added the concerns of cost, discipline, motivation and competence. Some even equated volunteers with mercenaries, predicted that volunteers would be dangerously responsive to unprincipled civilian leadership, or become an allen force in our midst.

By now, I am persuaded that my early skepticism was unwarranted, and the heavy criticism of some others unjustified. While not flawless, the volunteer forces work—work well, and perhaps better than draftee forces.

They are of good quality, suit their present purpose, and, with certain caveats, are numerically sufficient except for times of extended, major emergency. In light of presentday facts and experience, my necessarily summary conclusions concerning volunteer armed forces are these:

The ultimate democratic act is to volunteer, to draft is coercive. Both civilian and military responsibility are best shouldered voluntarily in a free society—compulsory public service is an alien in a free land.

To equate "volunteers" with "mercenaries" is to insult the decent and patriotic people serving our armed forces voluntarily today. These two words are antonyms, not synonyms!

The volunteer forces are widely representative of America. They come from every state, nearly every school, and from a broad cross cut of the diverse economic, ethnic, social and regional segments of American society. They are not precisely representative. There are somewhat fewer college educated people the enlisted ranks, but then none of those from the lower mental categories, or those having poor behavior records are eligible for entry. They are not precisely reprentative in point-to-point ratio to our population, but then neither is our House of Representatives, nor the press, nor the clergy nor any other group. And who, in a free society, is to establish the quotas to make any institution so?

The active forces have acquired "the numbers" most of the time. So have they acquired the requisite "quality." Such problems as now exist are curable if recruiting and retention efforts are adequately funded. The reserve forces pose a more serious problem and special programs will be necessary to support them. This is perhaps the critical issue.

Armed forces do cost money; so do life insurance programs. But the key point is that they cost money whether volunteer or draftee. Most young people have responsibilities or are married. We should not try to buy them "on the cheap." It is treating those in the military as most other citizens are treated, plus inflation, which have raised costs. We are, in a sense, paying for some 190 years of previous pay inequitire.

years of previous pay inequity.

Finally, the questions of "quality" and discipline. The quality, insofar as we can measure it, is better than it was in the great Army I accompanied to Normandy long ago. The motivation is better than any other peacetime force of which I am aware. And the discipline in today's Army is far better than it has been in many years.

There remain substantial questions. The possible impact of full-employment economy on recruiting. The numbers of reserves. The ability to gear-up rapidly should a major emergency arise. But these are problems which public-spirited people, working together can solve.

I make no plea for any special type of military forces. I do believe they should be the concern of all citizens. And the issues related to them deserve open, factual and informed consideration.

EXCERPTS OF REMARKS BY MAJ. GEN. DEWITT C. SMITH, JR., COMMANDANT, U.S. ARMY WAR COLLEGE, AT THE FIRST NATIONAL SYMPOSIUM OF THE CIVILIAN-MILITARY INSTITUTE, COLORADO SPRINGS, FEBRUARY 12, 1977

Perhaps most of all today, we have old fears intruding into the present, old prejudices ignoring present reality when the volunteer armed forces are discussed. Substantial problems remain in this area: the possible impact of a full-employment economy on recruiting; how to acquire sufficient volunteers for the reserve components; the numerical adequacy of forces to meet major emergencies; and the degree to which support will be provided to assure recruitment

and retention. But, while addressing them, we should not also have to face unfounded criticism and non-facts which have been repeated so often they are assuming a self-sustaining momentum. There also needs to be a clearing of the philosophical air.

For instance, to equate "volunteers" "mercenaries," as some do, is not only insulting to those in service but it begs the English language as well. These words are antonyms, not synonyms, in terms of both spirit and dictionary. Another example is the new found infatuation of some with the illiberal concepts of a draft or universal service. While I am prepared to give affirmative professional support to whatever type of forces the people decide upon, I have come to the private conclusion that the ultimate democratic act is to volunteer. To draft is coercive and, in actual practice, it has also proved to be inequitable. Except in an extremity, when large numbers would clearly be needed, it seems to me that compulsory public service is an alien instrument within a free land.

That, however, is a personal point of view or philosophy. There are some impersonal facts which bear emphasis because the nonfacts on these issues have acquired such fashionable currency.

One concerns the quality of the volunteer Army. While the quality requires constant working at, and constant support, it is better than that of any Army I have known. In speaking of quality, I include such measures as mental levels, education, physical condition, civilian records, trainability and discipline. And I speak as a two-time private of Canadian and American infantry who, like all middle-aged men, might like to think that yesterday was better. It wasn't. Rose-colored glasses just make it seem so.

Another issue concerns the composition of today's volunteer Army. Contrary to the fashionable cliché, it is widely representative of America. The representation is not in precise, point-to-point ratio, but neither is it so in any other institution-the Congress, the Civil Service, the press or the professions, for instance. The people in this Army stem from our society, and come from all economic and social and regional segments in reasonable proportion. They are slightly unbalanced in ethnic composition, but that is because the Army truly offers equal opportunity. Our people are not static, remote, or in any sense unusually susceptible to misleading by arrogant civilian authority. They are with the rest of America; they "go home again." Moreover, who, in a free society, is to establish the quotas to compel any institution to be exactly "representative"? Is anyone prepared to say that black is bad and white is good? Certainly I am not; it's not true!

Another question, that of cost, is an important factor for us all to consider. But the conventional wisdom, repeated ad nauseum, is that it's the voluntary nature of our forces which makes the costs of people so high. That, I think, is largely false or at least misleading. The "personnel costs" are up because, in a sense, we are paying an overdue bill for some 190 years of inequity. For that long, we bought servicemen and women on the cheap. Now, belatedly, we are trying to measure rough comparability with other work in our society, and to pay and support our military people comparably. Additionally, we include in our present "personnel costs many of the debts incurred in the past as well as substantial costs which could be charged to other agencies. Armed forces do cost money; so does life insurance. People especially are costly, but people are our primary resource, our main investment in na-tional security. I believe that there are changes in some of our systems which good conscience, good management, and changed circumstance dictate. But the key fact remains that armed forces are a costly necessity, and they will be costly whether draftee or volunteer.

Lastly, with respect to volunteer forces, one often hears of alleged indiscipline. That is simply untrue. The disciplinary record of the Army today, for instance, is far better than that of the year 1944 when an historic army entered Normandy. A disciplined military is, of course, absolutely essential in a free society. The Army today is better disciplined than any I have known, and that should be a source of national satisfaction rather than a target for misinformation.

Those, then, are some examples of attitudes and issues on which present reality casts brighter light than was anticipated in the fears of yesteryear. My hope is that, whatever the issues we address in the days to we will address them in present perspective and from a platform of established

empirical evidence.

These successes in avoiding or overcoming earlier fears are really latter-day examples of what, in a larger and historical sense, I choose to call a democratic success story. This is a story too little understood, and too seldom told. And it is a success for which all segments of America can take credit. I speak of the success story of the American military, an institution not without warts, but an institution which, for 200 years and more, has remained loyally and effectively within the constitutional framework wisely devised by our forefathers. I know of no full parallel for this in any other land.

We have had no "man on horseback," no "garrison state," no militarization of society. Rather, we have had a military which has protected rather than suppressed the people, and has given equally scrupulous attention to safeguarding individual liberties and col-

lective security.

Americans in the volunteer armed forces stem from the society they serve. They share its values and aspirations. Theirs is the same transcendent vision of a free land of free people. Their purposes are the nation's pur-

Especially significant, the leadership of the American military is also broadly representative and in touch with the country. It stems from no single school, no one region, no single social or economic segment, no one ethnic source-and it holds no single point of view. Moreover, it is schooled in the wise and responsible use of military power, within a constitutional framework, and under proper civilian authority. American military officers have been, and remain, advisors on the use of power but not advocates of its use.

This is a success story of, and for, all Americans; it has been an important element in the progress the American people have made in realizing their initial dream.

INTRODUCTION OF LEGISLATION TO PROVIDE CONGRESSIONAL AUTHORIZATION OF CUSTOMS SERVICE APPROPRIATIONS

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVE 3 Wednesday, April 6, 1977

Mr. VANIK. Mr. Speaker, last Thursday, March 31, Congressman Jim Jones of Oklahoma, and myself introduced legislation to provide for annual authorizations for appropriations to the U.S. Customs Service beginning fiscal year 1980. The bill would allow a 2-year authorization, thus insuring that the Congress reviews, at least every other year, the operations of the Service on an indepth basis.

I am introducing this legislation because I believe it can be a useful step toward zero base budgeting-ZBB-for one of the oldest line agencies in the Federal establishment. Obviously, ZBB and "sunset laws" are impractical for a major revenue collecting and border protecttion agency such as Customs. But, the passage of authorization legislation will bring a new element of review and oversight to an agency whose rules and regulations have all too often escaped congressional review.

As the new chairman of the Ways and Means Trade Subcommittee, I have just begun my study of the Customs Service. It is already clear, however, that some areas of the Service need close examination. Among the questions which a regular authorization could help resolve are such issues as:

How many imports are really examined?

How accurate are customs statistics? What variations occur in classification and valuation among ports?

What variations occur in the imposi-

tion of penalty provisions?

Does the level of service vary from port to port, causing inconvenience to some shippers and travelers while those in other regions receive immediate service?

What is the level of cooperation between Customs and other agencies concerned with international trade in areas such as agriculture, the control of dangerous drugs, firearms, explosives, and so forth?

The introduction and passage of this authorization legislation will serve as a discipline to the Congress to insure that we review on a regular basis for the full operations of this agency which collects over \$5 billion in revenue annually and which receives an appropriation of nearly \$400 million a year for operating ex-

The introduction of this legislation is just part of a major effort being made by the Trade Subcommittee to review Customs administration and improve the basic laws governing the operation of the Customs Service.

NATIONAL COMMISSION ON SOCIAL SECURITY

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. MOAKLEY. Mr. Speaker, I rise to support Congressman Levitas' bill on social security reform, because I see real trouble in the near future with respect to our present system. In 1975, we paid out \$1.5 billion more than we took in on social security payments. According to estimates made this past spring, in 1976 we will have paid out \$4.4 billion more than we received. In 1978, that figure jumps to \$5.1 billion, and in 1979, it is estimated we hit \$6 billion. At this pace, our trust funds will soon be depleted. We cannot continue to support our national disability, survivorship, and retirement programs when our expenditures exceed our revenues by such enormous amounts. Something must be done to supplement those funds.

Yet the solution to this dilemma strikes as a cure worse than the disease, when increasingly high taxes are proposed to fill the monetary gap. Already, 5.85 percent of every paycheck up to the first \$16,500 of income goes to the coffers of the Social Security Administration, with very few exceptions permitted. To raise this percentage, or to increase other taxes, is to violate President-elect Carter's conception of the tax-relief the American people actually require at this time. But what are we to do, then, about the continuing depletion of social security trust funds? This is a question affecting Americans in all walks of life.

The distinguished gentleman from Georgia directly addresses the problem in his bill calling for a National Commission on Social Security. This Commission of nine private citizens, free of past social security entanglements, would explore the plight of trust fund depletion in both its short- and long-range aspects. First, it would be required to make a series of reports and recommendations to solve pressing financial problems after only an interim period. This measure would provide us with more time to avert the pending monetary collapse of the

social security program.

Second, the Commission would gather data and impressions from across the country in order to evaluate the present social security system and to formulate suggestions for appropriate changes. A final report gaging fiscal adequacy of the program, covert inequities or discriminations inherent within the payment or compensation plans, and possible alternatives to the system to allow greater personalization, less mandatory participation and perhaps different means of revenue and collection, would different be due at the end of 1981. We could then begin direct, long-term revision of the national program.

Our social security system is malfunctioning, and we need to overhaul the works before we get in serious trouble. Congressman Levitas proposes to investigate the problem thoroughly, and I, for

one, heartily support his efforts.

WHAT THE HATCH ACT MEANS

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. ERLENBORN. Mr. Speaker, I wish to share with my colleagues the following constituent letter concerning the proposal to remove from the Hatch Act the

protection of Federal employees from political pressure.

This articulate letter, by Mr. Charles D. Story of Elmhurst, Ill., is worth sharing because it comes not from someone with a self-serving, special interest, but from a grassroots American with a concern for clean government. In addition, the author, a retired civil service employee with 30 years' experience, writes with firsthand knowledge of this subject. The letter follows:

ELMHURST, ILL., April 5, 1977.

Hon. JOHN N. ERLENBORN, U.S. Representative,

Washington, D.C.

DEAR MR. ERLENBORN: The news media is reporting that President Carter is proposing to modify the Hatch Act to permit some political activity on the part of federal employees.

As a retired federal employee, I can say from first-hand experience that the Hatch Act is one of our strongest safeguards for a professional career civil service. In only one instance in over 30 years of service was I asked to obtain political clearance in order to obtain a different federal job, and I rejected that proposal-with impunity. I was never subjected to political intimidation on the part of a superior, although this is the normal situation in jurisdictions where politics is allowed. I was never asked to contribute to a particular political candidate or to work for a party. I feel that I was hired for my abilities, not for my political loyalties, and that I was allowed and expected to devote full time to the duties for which I was

Contrast this with employment in private industry (as I once was), or in other governjurisdictions (such as Chicago or mental Cook County), where one's political power or influence creates obligations, intimidations, unhealthy attitudes or intrigues which are not related to job performance. The taxpayer expects and deserves a federal employee's full concentration on his job duties. He should not be asked to subsidize the building of a political career or influence for an employee who wants to get into politics.

I never felt that I was a second-class citizen because of the restrictions of the Hatch Act. I could always resign or request a leave of absence if I wanted to run for office. In fact, I always felt proud to be a federal employee, free from political requirements or intimidation. Let's face it, there are many shortcomings in working for the federal government, but I have always been glad that political considerations was not one of them.

I beg you to do all in your power to preserve the protections of the Hatch Act, and to resist all efforts to weaken it.

Very truly yours,

CHARLES D. STORY.

TEXAS AND COAL SLURRY PIPELINES

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. TEAGUE of Texas. Mr. Speaker, the State of Texas has long been an energy producer because of its natural gas and oil resources. But we have become all too well aware in recent years of the limited nature of those resources. Texas, like other States, is now beginning to look to other resources, and one attractive alternative is coal. However, transportation of coal out of many regions of the country will be required. One interesting possibility which is aleady being used in Arizona is the coal slurry pipeline. The following editorial from the March 12, 1977, Houston Chronicle lays out the choices involved in the building of a coal slurry pipeline.

AN ENERGY OPPORTUNITY

Bills before the Texas House and Senate would grant coal slurry pipeline companies the power of eminent domain in laying their lines to provide an alternate energy source to Texas.

The power would not be unique: Oil and natural gas pipeline companies, among others, evercise this right, which enables them to pay fair market value for right of way across property, even if the owner ob-

With this power, the coal slurry pipeline companies will be able to secure right of way that otherwise might be denied them and thereby prevent construction of the lines. For instance, the railroads, which generally oppose the lines, could prevent them from crossing railroad right of way if the legislation is not passed.

The Association of American Railroads argues that railroads now carry about twothirds of all coal produced, is now taking steps to expand railroad coal-carrying capability and that the pipelines would siphon off much of the new coal traffic to the detriment of the railroads.

would not want to see the railroads hurt; they are critical to our economy. But Texas cannot afford to let this opportunity

slip by without acting.
As petroleum reserves decline and the demand for alternate energy supplies increase, Texas will need coal in such quantities that there should be plenty of business for both the railroads and the coal slurry pipelines. We agree with Jon Newton of the Texas

Railroad Commission that research into and development of alternate energy sources must be encouraged as a means of assuring adequate energy for the continued economic health of Texas.

As Newton said: "It is time for policymakers to give energy its proper priority."

Texas must have sufficient energy supplies, and our reserves of oil and natural gas, upon which we depend so heavily now, are limited. We must look at energy in all its forms and steer a realistic course that takes into consideration the realities of today and the needs of tomorrow.

EDITORIAL COMMENT ON PAY CABLE DECISION

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. WIRTH. Mr. Speaker, the U.S. Court of Appeals recently handed down a decision on the Federal Communication Commission, FCC, ability to regulate pay cable television. In its decision, the court vacated the FCC's rules limiting the movies and sports programing which could be shown on pay cablefinding them to be anitcompetitive and without merit.

Specifically, the court held as follows: First. The FCC's pay cable rules were overbroad and not based on proper evidence showing actual harm to the public:

Second. The FCC can only regulate cable television where the ends or purpose to be achieved are set forth in the Communications Act of 1934 or where the ends are consistently applied to broadcast regulation as well;

Third. A different first amendment standard must be applied to cable than to broadcasting where there is scarcity

of frequencies and potential for conflict among speakers;

Fourth. If restraints are to be placed on cable consistent with the first amendment, they must be clearly justified and as narrowly drawn as possible; and

Fifth. There were improper ex parte contracts between industry representatives and FCC Commissioners and staff which prevented the court from reviewing the "full administrative record."

This decision has sent reverberations through the communications community and has been the subject of many press reports and commentaries. The Street Journal hailed the decision, observing that-

The FCC has all too often infringed on both the antitrust laws and the First Amendment guarantee of free speech.

The New York Times commented:

Free enterprise has been ill served by loading the odds against a major innovation before it could get started.

The Washington Star, Washington Post, and San Diego Tribune have also commented on this decision. So that my colleagues may share in the observations I include the editorials at this point in the RECORD.

[From the Wall Street Journal, Mar. 29, 1977] CHIPPING AT THE FCC

Few federal agencies engage in more dubious activities than the Federal Communications Commission, and that's saying a lot. In the exercise of its congressional mandate it has all too often infringed on both the antitrust laws and the First Amendment guarantees of free speech.

It is thus gratifying to see that a federal appeals court in Washington has declared unconstitutional and improper certain FCC restrictions on the type of program materials cable TV companies can acquire. It is to be hoped that this will be the first step in a thorough rollback of the FCC's authorityand, more importantly, congressional interference—in the program content of electronic forms of communication.

The FCC itself has had some misgivings in recent years about how much power it should have over program content. The FCC com-missioners have been in a better position than anyone to see the constitutional difficulties that arise when Congress tries to set up a mechanism for restricting the exercise of free speech in a limited area of communications. The concept that the airwaves belong to the public is a justification for technical regulation of broadcasting but wears thin as rationale for rules on program content. When it comes to cable TV there is not even the public ownership argument, except to the extent-not at issue in this case that cable companies pull some of their programming from broadcasts on the airwaves.

The FCC restrictions on cable that the appeals court rejected are very remote indeed from the public airwaves doctrine. They are mainly designed to protect on-the-air broadcasters from direct competition from cable companies for programming material. They limit the ability of cable firms to bid for first-run movies and certain major sports programs.

In part, the decision rested upon a failure of on-the-air broadcasters to demonstrate that they would in fact be damaged by greater competition from cable TV for program material. The court held that the FCC had taken no pains to find out what the effect of open competition would be.

But it also held that the FCC rules infringed on the constitutional guarantee of free speech and this finding, to the extent

that it is upheld by the Supreme Court and extended to other specific actions by the federal government has importance well be-

yond the television industry.

The rights of free speech is not a guarantee to broadcasters, newspapers, magazines and the like but to the American people. As electronic communications technology advances, opening up ever more ways of communicating, it becomes increasingly important to avoid government infringement with the free flow of information. Cable TV offers some special opportunities for communication, as do a number of other electronic forms. Congress finds it almost irresistible to try to make its influence felt in this area. It is hoped the courts will continue to erect barriers to that urge.

[From the New York Times, Mar. 30, 1977] ON FREE SPEECH AND PAY TV

After two decades of controversy, neither the promise nor the threat of pay television has been realized. But now, a decision by the Court of Appeals for the District of Columbia

may bring both a bit closer.

Generally speaking, to receive a pay-TV show, a set owner must live in an area serv iced by cable television, which delivers its images through coaxial cable instead of over the airwaves. He pays a monthly fee to hook his set to the cable. If he wants certain special programs, he must pay an additional then he has pay cable-TV. Of this country's 70 million television households, only one million have so far got hooked on pay cable.

One reason for the lack of interest is clear. The Federal Communications Commission, most recently in a 1975 ruling, has discourcable television from offering such popular fare as movies and major sports events. It is this restriction that the Court of Appeals has just knocked down. The court said the commission has exceeded its authority over cable TV and found its rules to be inconsistent with the freedom-of-speech guarantees of the First Amendment.

The commission, reflecting the views of the TV networks and channels, maintains that its 1975 restrictions were designed to protect "free TV." Without the restrictions, the argument runs, pay-TV could "siphon" away the programming cream that viewers now enjoy through the courtesy of advertisers. In New York City at present, about 47,000 households signed up with a pay cable operation called Home Box Office can see, at a charge of about \$20 a month, new movies long before they are shown on the networks. Under the F.C.C. regulations, however, pay cable has not been permitted to bid for the rich market of feature films between 3 and 10 years old. The F.C.C. contends that if pay cable were let loose it would outbid the networks for popular shows, which would then be unavailable to people who can't afford pay TV.

The broadcasting industry made its case to high F.C.C. officials in numerous private meetings. Cable representatives had private meetings, too, as did movie and sports representatives and spokesmen for public interest groups. The Court chided the F.C.C. for

its bad old ex parte habits.

Appeals will be forthcoming-to Congress as well as to the Supreme Court. Up to now, commercial broadcasters have been remarkably successful in sparing themselves competition from other forms of television. There is, of course, no such thing as "free TV"-only alternative ways of paying for it. Public TV, for example, relying on a combination of tax money, foundation and corporation grants and audience contributions, has attracted a loyal audience and had an important impact on commercial program-

The standards of the stations that make their money from the sale of advertising are rarely as high as their profits; they have scarcely earned monopoly status. The Court of Appeals found insufficient evidence that pay cable would, in fact, siphon off popular shows from commercial outlets. And no one suggests that pay cable is likely to woo away from the networks such spectaculars as the World Series, the Super Bowl or the Kentucky Derby. If pay cable should usurp certain programs that millions have come to expect without charge, public annoyance and public policy would surely impel new regulations or legislation. In any case, free enterprise has been ill served by loading the odds against a major innovation before it could get started. The F.C.C.'s protectionism has been, at least, premature.

Pay cable has the potential to provide communities with dozens more channels than are now available. It could bring a variety of specialized programs to specific audiences that want them enough to pay for them. But it cannot be expected to take such chances unless it has a healthy financial base-and for this it will need some popular shows. By preventing pay cable from competing with the now dominant TV broad-casters, the F.C.C. may have been blocking the development of new, useful forms of television. The pay cable interests are not public benefactors; they are businessmen, with profit on their minds. Still, the nation deserves a chance to see what they can do.

[From the Washington Post, Mar. 30, 1977] PAY TELEVISION'S FUTURE

For a long time now, pay television has been lurking just outside the main arena of entertainment and communications. It has never been able to break into serious competition with regular television, partly because of its own early economic problems and more recently because of restrictions placed on it by the Federal Communications Commission. But the United States Court of appeals here set those restrictions aside last Friday and ruled that the FCC cannot regulate cable television to the same extent it regulates stations that use the airwaves. If that decision stands, pay television may be in your house sooner than you think.

What is involved is the kind of home television system that will be available in the country during the next two or three decades. The networks and existing stations want things to remain much as they are now. They would continue to provide most of the programming. Operators of cable systems would be able to try to sell you a product that provides better reception of existing channels and some additional programming, most of it local in origin. The proponents of pay cable systems, however, want to do much more than that. They want to be able to try to sell you a system that offers in addition, and at a higher fee, exclusive feature movies and sporting events without commercial interruption. The networks argue that if cable operators can do that, they will buy up the best movies and sporting events. This would remove those things from the existing 'free' stations and make them available only to those who live in areas where pay cable systems exist and are willing to pay for them.

This argument has been going on since the days when pay television involved a regular broadcast signal and a special device at tached to a home television set to permit viewing of its offerings The FCC limited sharply the kinds of programs such stations could carry and the courts have upheld that limitation. When pay television switched to cable systems, the FCC attempted to apply same kinds of limitations. Last week's decision distinguishes between the two delivery systems, partly on constitutional grounds, and appears to put quite narrow limits on the power of the FCC to regulate what goes out over cables.

This distinction may be a useful one, al-

though it seems sure to cause a considerable stir among lawyers and television people. The court equates cable systems with newspapers in terms of the kind of regulations government can apply. It puts stations originating over-the-air signals in a different category. Such a distinction could provide constitutional base on which to rest radio and television regulations dealing with program content. It would also free the programming of cable operators from FCC scrutiny.

Beyond this legal issue, however, is the policy question about the access of the public television programming on a Whether the court decision "pay" basis. stands or not on appeal, Congress will undoubtedly be asked again to take a serious look at pay cable systems. It ought to do so. If the decision stands, framing any kind of limits on cable programming will be difficult. If it is reversed, deciding what kind of regulations are appropriate will be equally difficult, particularly in view of the amounts of money at stake. Matters of this magnitude need to be resolved by Congress, not the FCC, and this decision moves the whole subject in that direction.

[From the Washington Star, Apr. 3, 1977] FREEING CABLE TELEVISION

If the nation's commercial television establishment suffers any pinch of the pocketbook nerve from last week's U.S. Court of Appeals decision on cable television, the pain will be

largely self-inflicted.

The "over-the-air" television industry has for years battled to obstruct the development of cable television and the Federal Communications Commission ultimately adopted rules for cable TV reflecting its point of view. (For example, cable companies could buy and show first-run movies only within three years, or after 10 years, of their release.)

The Court of Appeals here in Washington found this and other rules defective and directed the FCC to fashion new ones. The new rules will surely be less restrictive, less biased in favor of "over-the-air" television, and more closely attuned to competitive and free-speech principles.

The broadcasters' war against the coaxial cable-which greatly expands the potential number of television channels—was a study in overreaching.

The commercial broadcasters had arguedand the FCC substantially adopted the view—that cable TV (whose subscribers get the service in return for a monthly fee ranging from \$6 to \$10) ought to be "ancillary" 'supplemental" to broadcast programming. They had argued that unrestricted bidding by cable-TV companies for special features (e.g., sports events and first-run movies) would "siphon" away the best programming. Cable TV, they suggested, would then become an elite service for those who could afford it while stripping all the good stuff from "free" commercial televisionall to the hurt of the poor and rural areas where the per capita cost of cable development might be prohibitive.

As the court found, these arguments are less than overpowering; and the FCC rules based on them raise First Amendment and anti-trust problems.

The argument that conventional commercial television is a "free" service (in contrast to the fee-based cable) is unpersuasive. Advertising fees that sustain "free" commercial television are, of course, passed to the consumer. A Florida television critic even submitted the following ingenious calcula-tion: "If we figure our time is worth the minimum wage, then watching what we don't want to see (i.e., the commercials) for a typical 181/2-hour 'free' television day can cost us a phantom total of \$9.09 per day."

Since the FCC rules also deny cable television the right to carry advertising, and thus lower iees for the convenience of those too straitened to afford it, the Court of Appeals concluded: "... If the Commission is serious about helping the poor, its regulations are arbitrary; but if it is serious about its rules, it cannot really be relying on harm to the poor."

The further contention that pay cable television, unthrottled, would "siphon off" the best features the Court of Appeals simply found to be unsupported by the record. The court noted that average profitability at the networks—more than twice that of American industry as a whole-hardly leaves them without resources to bid for the best features against the cable impresarios.

The fundamental miscalculation of the commercial broadcasters, however, was their failure to reckon on the anti-regulatory mood of the country—especially when regulation seems to play favorites. When cable rules of the FCC came under judicial scrutiny, cable had in its corner not only the Justice Department's antitrust division and the House communications subcommittee but a number of independent observers such as the Committee for Economic Development.

In throwing out the present restrictive rules the other day, the court did not say that cable television is a candidate for wholesale deregulation. It did insist that the FCC write rules consistent with the First Amendment and with fair competitive ideals. And it insisted that if any restrictions are to be based on the "siphoning" scare, they must stem from demonstrable need rather than speculation.

We are confident that the FCC, taking the Court of Appeals decision in Home Box Office v. FCC as its guide, can frame rules that free cable television to compete on an equal footing with over-the-air television. We are not, that is, among those who view the court's decision as a pretext for Congress to replace the FCC as the writer of regula-

Indeed, in scolding the FCC for permitting undisclosed "ex-parte" influence in its rule-making procedure, the Court footnoted an interesting revelation by a network senior vice president. In 1974, when the FCC was considering a modification of pay-cable rules, "we (that is, the commercial network) took the leadership in opposing these proposals with the result that key members of Congress made it known in no uncertain terms that they did not expect the Commission to act on such a far-reaching policy matter without guidance. The Commission got the

If that is how "key members of Congress" deal with weighty issues of television regulation, we fail to see why the rule-making process should be shifted from the FCC and the courts into their hands.

[From the San Diego Tribune, Mar. 30, 1977]
LIBERATING PAY TV

Cable television offering subscribers programs for pay has nearly been strangled in the crib by unreasonable regulation.

The courts are moving to the rescue, but it is the responsibility of Congress to rewrite the law to make sure it doesn't happen again.

Commercial television has feared it might lose a significant segment of its audience if viewers had a choice of pay television programs. The broadcasters have the ear of the Federal Communications Commission.

Thus FCC imposed such ridiculous rules on pay television as a prohibition against showing feature films more than three but less than 10 years old.

A U.S. appeals court has nullified the rules, saying the FCC indulged in mere

speculation and innuendo when it bought the industry's scare talk.

But a more basic remedy can come from Congress, which is engaged in rewriting the FCC law. Rep. Lionel Van Deerlin, D-San Diego, one of the leaders in Congress in this legislature area, has championed the cause of cable TV and should continue to do so.

TERRORISM

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for April 6, 1977 into the Congressional Record:

TERRORISM

The experts say that terrorism will increase, and they urge government officials at all levels to prepare plans for dealing with emergencies.

Such predictions are disquieting. In Washington, we recently experienced the sheer power that a few armed people can exert over the life of a city, capturing a President's and even a nation's attention. Most of us just cannot understand why people turn to terrorism. The secrecy in which the terrorist operates, the strange names of terrorist groups, the agony of waiting, the intense media coverage and the sometimes tragic conclusion are all part of these puzzling and frightening events.

Why do terrorist acts occur? How should officials respond to them? To what extent do television and newspapers encourage these events? How do we preserve individual freedom and yet maintain adequate security amid the increasing incidents of terrorism?

There is no sure-fire way of dealing with terrorism, but we know now more than we did even a few years ago. The terrorist apparently wants to instigate fear and command attention. He has certainly accomplished that. Authorities who must deal with the terrorist are caught in a terrible dilemma-it seems that they must choose between preserving the lives of hostages by capitulating to him or risking the lives of hostages by confronting him. Preventing of such harrowing incidents is perhaps impossible, but preparations can be made to deal with them and reduce the dangers of a bloody outcome. The usual technique employs restraint, patience, sensitivity, and negotiating skills. The idea is to outwit the terrorist rather than to outfight him. Force is assiduously avoided. Negotiators seek to learn all they can about the terrorist, play for time with soothing, tireless talk, work to develop rapport between the terrorist and the victim. negotiators try to promise as little as possible to secure the release of the hostages; they also try to deliver as much as possible afterward. They let the terrorist go public with his grievances and they make modest concessions. Hopefully, as time goes on, the desire of the terrorist to kill fades. There is general, but not unanimous, belief that saving lives comes first. There is controversy about the kinds of concession that should be made. Negotiators must remember that the incident which concerns them will not the last act of terrorism; they must always consider precedents and the expectations they are generating.

Acts of terrorism are usually committed to publicize a particular group's cause. Sometimes the goal is public and sometimes it is private. Terrorists come from the political right and left, though their number are

usually small. Some of them claim responsibility for violence; others do not. Some want to avoid injuries; others want to cause death. Some elude the authorities; others are caught quickly. As a general rule, international terrorists often escape without penalty while local terrorists do not.

Government is taking action, domestically and internationally, to deal with terrorists. Groups responsible for terrorism in recent years are being carefully observed. The location of the training areas of such groups, their patterns of activity and their means of support are becoming known to specialists here and abroad.

New anti-hijacking procedures have already proven effective, and security is being tightened in other public facilities, such as nuclear power plants, which might be inviting targets. The FBI is training a group of agents to deal with terrorists and civil authorities are being asked to draw up contingency plans. Protection for foreign diplomats and dignitaries has been increased. Police cooperation among nations is being widened and international agreements are being sought which would permit the prosecution and extradition of terrorists and those who protect them.

Much rethinking of the problem of terrorism is going on within government circles. The old policy was one of confrontation, not negotiation. The new policy tends to emphasize the safe release of hostages without concessions; it also acknowledges the importance of treating each case on its own merits. "A tough policy with flexibility," is the way one official describes it.

It is probable that the publicity surrounding one terrorist act incites others to terrorism. Yet, to restrict the coverage of such events by law raises the question of censorship: Who is to be trusted with the power to censor and when should it be applied? It is usually better to know the facts than the rumors. While the truth may not be good, the rumors are generally worse. Journalists across the country do not want censorship, but they differ in their views as to whether coverage of terrorist activities requires reform.

"SEXPLOITING" KIDS—AN ABUSE OF POWER

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 6, 1977

Mr. KILDEE. Mr. Speaker, I should like to bring to the attention of my colleagues an article written by Ellen Goodman, which appeared recently in the Washington Post, discussing the exploitation and abuse of young children who are being used in pornography.

As a chief sponsor, along with our colleague, John Murphy of New York, of the legislation to stop this abuse, I should like to make it clear to my colleagues that we are not dealing with censorship or first amendment rights, as the opponents of this legislation would have us believe. Our bill is aimed at preventing the physical and mental abuse of small children by those who care only about the profits they are reaping at the expense of their innocent victims.

Mr. Speaker, for those who may have missed it, I recommend Ms. Goodman's excellent article as very worthwhile reading:

"SEXPLOITING" KIDS—AN ABUSE OF POWER (By Ellen Goodman)

Boston.—There is almost a sense of relief in talking about it. At last, a simple matter of right and wrong. There is no "redeeming social value" for "Lollitots" with its sex shots of little girls. There is surely no "community standard" left unviolated by "Moppets" with its children posing in adult fantasies.

No. Finally there is an unequivocal villain. Finally a group we can pursue with a clear sense that "This, we know, is wrong."

After being force-fed the "heroics" of a creep like Larry Flynt, after pondering the defense of an obtuse sexual gymnast like Harry Reems, the question of kidporn is refreshingly uncomplicated.

Our reaction is equally direct: Stop it! Already there are two federal bills and half a dozen pieces of state legislation designed to stop the use of children's bodies as sexual capital.

The speed with which child pornography has become a national concern says a great deal about our gut feelings about pornography in general. Kidporn is just a distillation of the worst of the genre: the perversion of the healthy, the rape of the natural, the sale of people.

But it has been dangerous and difficult to ban the trafficking among "consenting adults"—those who pose and those who peer. The Supreme Court's notion—to determine what is pornographic by "community standards"—is so flexible and flaky that 12 jurors in a remote village could sentence Masters and Johnson to jall.

But the children cut through all of the murkiness. This is not a First Amendment issue. It is not a matter of legislating the sexual fantasies of adults. It's a matter of protecting the real lives of the young models.

We can take kidporn out of the realm of

We can take kidporn out of the realm of sex and into the realm of power, where it belongs. The children are victims, and kidporn is the exploitation of the powerless by the more powerful. That exploitation is as common to the history of adult-child relationships as is protection.

Children have always been the dependent subjects of adults. Until recently they were the objects as well. For centuries, parents simply owned them as property, and only gradually has society modified that power.

Now adults are not allowed to abuse their children, at least not badly, and not allowed to send them to work, at least not hard work or long work.

Yet it's estimated that thousands of children are killed every year by their "guardians" and that two million are "abused." In the home, the majority are merely "hit." In the schools, others are administered "corporal punishment." In the fields, thousands are put to work beside desperate migrantworker parents.

Numerically, there are far, far fewer cases of sexploitation than of other forms of misuse. But now the federal legislation against kidporn will appear under two peculiarly appropriate categories. One has been filed under child abuse, the other under child labor statutes. These are the areas that already legislate restraint.

If we take this issue, and look at it as a matter of the abuse of power rather than of sexual deviance, we may begin to look at adult-child relationships more intently and more generally. We can continue to sort out and deal with our own confused notions of what is the appropriate use of power by adults over children. How should we use it

and how should we further limit it?

At least on the kidporn question we are sure. As a Village Voice writer noted: "Even Lolita, a teenage 'seductress,' was finally a powerless child. In the novel, after her

mother dies, Lolita goes to the bed of the obsessed Humbert, who explains: 'You see, she had absolutely nowhere else to go.'"

PHILIP AGEE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. McDONALD. Mr. Speaker, two U.S. citizens, Philip Burnett Franklin Agee, 41, and Mark Hosenball, 25, are appealing deportation proceedings in Great Britain. Agee and Hosenball have been openly active in providing exposés of Central Intelligence Agency operations and alleged personnel to the Organizing Committee for a Fifth Estate—OC-5—for its magazine Counter-Spy. Former CIA Director Colby charged that Agee's work for Counter-Spy was responsible in part for the assassination of Richard Welch, the CIA Chief of Station in Athens in December 1975.

Last year the British Home Office moved to deport Agee and his associate under the provisions of Britain's Immigration Act of 1971, stating that Agee:

A. Has maintained regular contacts harmful to the security of the United Kingdom with foreign intelligence agents:

with foreign intelligence agents;

B. Has been and continues to be involved in disseminating information harmful to the security of the United Kingdom; and

C. Has aided and counseled others in obtaining information for publication which could be harmful to the security of the United Kingdom.

Agee and Hosenball have appealed their deportation orders which have been upheld in each appeal so far. In February, three U.S. Lawyers traveled to London to make statements to the Appeals Board on Agee's behalf. The three were former U.S. Attorney General Ramsey Clark, now a "cooperating at-torney" with the Center for Constitutional Rights which is an offshoot of the CPUSA's National Lawyers Guild and National Emergency Civil Liberties Committee; Morton Halperin of the Center for National Security Studies, an antiintelligence project staffed by the Institute for Policy Studies and National Lawyers Guild; and Melvin L. Wulf, former legal director of the American Civil Liberties Union also affiliated with the NLG.

In the appeals process, Mark Hosenball has sought strenuously to disassociate himself from Agee. According to reports in the British press, his partial success has been due in part to the efforts of his father, S. Neil Hosenball, a distinguished attorney who serves as general counsel to the U.S. National Aero nautics and Space Administration-NASA. Mark Hosenball has been associated with a new left journal, Time Out, and with leaders of the Trotskyite Fourth International which is involved in terrorism in England and Ireland. The Fourth International has been cooperating with the Cubans in international terrorism since the early 1960's.

Since Agee defected from the CIA in 1969 in Mexico City, he has made a new career of exposing CIA operations. It is interesting that Agee has exposed not only those operations which were known personally to him as a case officer, but also those that were ongoing in Greece, Britain, Portugal, southern Africa and other areas. During the past 2 years he has apparently been able to expose new alleged CIA operations in Portugal, Italy and, after a visit to Moscow perhaps for "research," Jamaica.

Agee has been denouncing the deportation order as "political persecution" and demanding to be presented with all evidence against him. Agee claims now to have no idea why the British Government would consider him a threat to their internal security. However, in a January 28, 1977, interview in the New York Times, Agee stated he believed his deportation order "had something to do with exposing a Western spy ring in Poland." Agee denied having done this.

Nevertheless, there is public evidence to the contrary. In April 1976, Jerzy Pawlowski, a Polish UNESCO official and member of the 1968 Polish Olympic fencing team, was sentenced to 25 years imprisonment for espionage. According to official accounts in Polish newspapers, Pawlowski "had entered into collaboration with the intelligence of one of the NATO states in 1964," and had until his April 1975 arrest provided military information on the Warsaw Pact to the West.

The official Polish version concluded with the claim that:

During the investigations * * * Pawlowski confessed * * * and disclosed numerous details and circumstances. * * * this fact alone * * * induced the court not to pass the supreme sentence.

That comment is false propaganda. The facts indicate that Agee had betrayed Pawlowski years earlier, and that the Communists had allowed Pawlowski to continue his operations so that his entire network of contacts and agents could be rolled up. There have been some press reports that more than 100 people believed to have supplied the West with intelligence have been arrested.

According to Agee's book, "Inside the Company: CIA Diary," at the 1968 Olympic Games in Mexico City, Philip Agee as a CIA officer was working as a U.S. representative on the Olympic Organizing Committee with a special responsibility in the Soviet operations section and "with a chief interest on spotting and assessment of new access agents." The book contains a "shopping list" of intelligence information Agee was seeking at the time. From that list it is difficult to doubt that Agee had become aware of Pawlowski's work for NATO at that time.

David Phillips, a former CIA officer who is president of the Association of Former Intelligence Officers, had more informative comments in the AFIO's newsletter, Periscope:

Whether Philip Agee is a paid agent of the Cuban Intelligence Service—a surrogate of the Soviet KGB—is almost beside the point. By definition, his role has been that of an "agent of influence" responsive to Cuban control. He has made five hugger-mugger expeditions to Havana of which I am aware. His declared mission has been to dismantle the CIA by identification, exposure and neutralization of its people abroad * * *." The degree of his effort in this aspect * * has been the subject of debate. * * * Agee * * * shrugged off the Welch tragedy, and others yet to come, as the breaks of the intelligence game. As late as January 9 [1977] Agee told the London Observer that he was being deported because the British government believed him responsible for the death of two British agents in Poland. * * *

In his book, Agee openly gave credit to representatives of the Cuban Communist Party and to the resources of the Cuban Government for providing him with support and material. While living in France and England, Agee has admitted being in frequent contact with Cuban diplomats. He said in an interview:

Whether they were Cuban intelligence officers or not, I don't really care.

In February, Lord Chief Justice Widgery and two other judges upheld the Home Secretary's deportation ruling against Agee and Hosenball. Following the ruling, three British alleged members of the Agee-Hosenball network were arrested under the Official Secrets Act for disclosure of secret defense related material. Two were New Left "journalists," and the third from the military.

Hosenball's appeal to the British High Court was denied on March 29. The High Court's decision by Lord Denning, Master of the Rolls, supported by two Lord Justices, is a masterful statement of the need for a government formed and supported by reasonable men to protect itself against subversion. Excerpts from the High Court's decision were reported by the London Daily Telegraph on March 30, 1977:

In war-time everyone is aware of possible danger to the State, said Lord Denning. "Times of peace hold their dangers, too. Subverters and saboteurs may be mingling among us, putting on a most innocent exterior.

"If they are British we will tell them that, and will deal with them here.

"If they are foreigners they can be deported. This is in no way contrary to the rules of natural justice.

"This is a case in which national security is involved. Our history shows that when the State itself is in danger, our cherished freedoms may have to take second place.

"Even natural justice itself may suffer a setback. Time after time Parliament has so indicated, and the courts have followed loyally."

CONFLICTING INTERESTS

It was for the Home Secretary to hold the balance between the conflicting interests of national security and the freedom of the individual. He was answerable to Parliament, and not the courts.

"The public interest is so great that the nature of the information must not be disclosed if there is any risk that it would lead to the sources being discovered—not even to the House of Commons."

Lord Denning had no reason to doubt that Mr. Rees, Home Secretary, had carefully considered the case.

Lord Justice Geoffrey Lane and Lord Justice Cumming Bruce agreed with Lord Denning in upholding Lord Widgery's decision.

"Translated into plain English," the Home Secretary's reasons for making the order were that he believed Mr. Hosenball to be a danger to the country and that he was no longer welcome here," said Lord Denning.

"I would like to say at once, if this were a case where the rules of natural justice had to be applied, some criticism could be made of the Home Secretary's reasons."

Mr. Hosenball had not been given sufficient information to enable him to answer the charges against him. "But this is no ordinary case."

The British High Court also determined that the Hosenball appeal was without merit and denied further appeal to the House of Lords. However, Hosenball's solicitors said that deportation may be delayed until May because they intend to petition the House of Lords Judicial Committee to request a hearing.

The Agee/Hosenball appeals have been delaying tactics designed to prevent Agee's deportation to the United States where the Justice Department's Criminal Division, then under Assistant Attorney General Richard Thornburgh, was considering charges against Agee for violation of the Espionage Act.

Agee's supporters have been working behind the scenes to insure that the renegade intelligence officer can return to this country to carry out his stated goal as a revolutionary socialist: destroy-

ing our intelligence agencies. Morton Halperin and the elite legal group carrying out the attack on America's intelligence agencies want Agee back to serve as their star attraction for the campaign against government spying. Agee's appeals will probably be exhausted in May, and a support group of Americans for the British members of his team has already appeared. Two of Hosenball and Agee's comrades from Time-Out, Crispin Aubrey and Duncan Campbell, and John Berry, an Army signal corpsman, are facing charges. Berry's position was analogous to that held by Counter-Spy editor Perry Fellwock, aka Winslow Peck, in the U.S. Army and involved analysis of electronic intelligence.

During the past week the North American S.W.—Socialist Workers—Defense Appeal, 635 Sixth Avenue, second floor, New York, N.Y. 10011 made its appearance. The fundraising letter is signed by Philip Agee; Noam Chomsky; James Weinstein, the Trotsky and Castro-oriented editor of a new socialist newspaper, Common Sense; Stanley Aronowitz; William Kunstler; and Stan Weir.

Agee, as an American citizen, has a right to return whether or not he faces prosecution. However, the woman who calls herself Angela Agee but is not his legal wife does not have a right to a U.S. visa. She has admitted in press interviews to membership in the Revolutionary Communist Party of Brazil—PCBR—which has involved in terrorist activities. She has said:

There will have to be an armed struggle. This has happened in every country where there has been a revolution.

But now the way has been cleared for Agee's return to the United States without the threat of prosecution, thanks to the U.S. Department of Justice. On March 18, 1977, after Agee's lawyers Mel Wulf and Ramsey Clark had met with Benjamin R. Civiletti, newly appointed

head of the Criminal Division, it was announced that Agee will not face prosecution if he returns.

According to Agee's lawyers, they had received a letter from Mr. Civiletti reporting that Agee was no longer under investigation, but that the Justice Department "could not guarantee that it might not reopen the matter if additional evidence came to light that would suggest a violation of Federal law."

I maintain that this is an outstanding example of why Congress needs a Committee on Internal Security which would have the responsibility of investigating areas where our security protections are weak or outdated and of drafting new legislation to meet these new and changing situations. Past excess use of "secret" stamps by Government officials does not excuse the current wholesale leaking of necessary defense and diplomatic secrets both directly to our enemies and to the media.

As a basic first step, let us join together to reestablish the House Internal Security Committee.

CAMPAIGN FINANCING ACT OF 1977

HON. THOMAS L. ASHLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. ASHLEY. Mr. Speaker, I am pleased to add my name to the growing list of cosponsors of the Campaign Financing Act of 1977, a bill whose time has come. In past years, like so many of my colleagues, I have had serious reservations about the various forms this legislation has taken. I have balked at the exclusivity of the public funding called for, and I have hesitated over the enforceability of several provisions. I am persuaded, however, that the current version combines the best features of public and private campaign financing. It preserves the concept of participatory democracy while sharply reducing both the possibility and the probability of fundraising abuses.

Recent political history has shown us that a modified form of public campaign financing does work, and it is time to extend this experiment to the congressional sphere. In so doing, we must bear in mind that public campaign financing is very much an evolving concept in this country. We must regard this bill as something of a pilot program which will undoubtedly be further shaped with the perspective gained in future elections. Notwithstanding, I am convinced that this bill is a thoughtful effort to inject a tone of rationality into the often irrational business of campaign financing.

The chief provisions of the bill are straightforward. Congressional candidates will be entitled to \$50,000 in public, matching funds—on a dollar-for-dollar basis—for all private contributions up to \$100 per contribution. Thus, for each candidate accepting matching funds, there would be available a potential pool of \$100,000 comprised only of public moneys and contributions from individual supporters.

By accepting public matching funds. each candidate must agree to abide by a \$150,000 spending ceiling, regardless of source. Of this aggregate amount, the individual candidate could contribute up to \$25,000 of his own money-\$35,000 in the case of a senatorial candidate Within the confines of the spending limit, it would be up to the individual candidate to apportion his campaign moneys.

The provisions of the Campaign Financing Act are not all-inclusive. An individual candidate may decide not to accept matching funds and thereby escape the operation of the \$150,000 spending ceiling. Such a decision, however, will automatically free his opponent of the stricture on spending, notwithstanding any matching moneys already received

It is thus conceivable that a candidate might buy an election under this legislation. There must be some sort of upper limit on spending, regardless of the acceptance or nonacceptance of matching funds. And, I would favor consideration being given to making the operation of this act mandatory on all candidates.

The final and crucial provision of this bill is the slashing of the permissible contribution by special interest groups from \$5,000 to \$2,500. Inevitably this change will greatly affect the influencereal and assumed-of these groups. In my opinion, this special interest limitation is the hallmark of the entire bill, and makes it supportable, notwithstanding minor disagreements.

The net effect of the Campaign Financing Act of 1977 is to make the funding of political campaigns more manageable and realistic. It will help free both Congressmen and candidates for more important tasks, and should lead to more meaningful and issue-oriented campaigns. It is by no means a panacea, but

it is a good starting point.

It is also a fair bill. I have heard it criticized as unduly favoring incumbents. Recent political history, however, suggests its basic fairness. A modified public financing system permitted Ronald Reagan to mount a ferocious attack on an incumbent President, and it allowed a national political unknown by the name of Jimmy Carter to sweep into the White House.

By establishing modest qualifications for matching funds, and by circumscribing the role that can be played by special interest groups, any unnatural favoritism toward the incumbent is eliminated in my opinion. This bill has done that. I urge its support.

PETROLEUM MARKETING PRACTICES ACT

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. DODD. Mr. Speaker, yesterday, April 5, the House passed the Petroleum Marketing Practices Act, H.R. 130, by the overwhelming margin of 322 to 90. I

strongly supported the legislation as I feel it guarantees the franchise rights of the Nation's fuel distributors and service station owners. The bill basically addresses two problems; it establishes Federal standards governing the termination and nonrenewal of franchise relationships in the marketing of motor fuels and it establishes standards requiring the disclosure of octane rating of automobile gasoline to the consumer.

Title I of the bill establishes protection for motor-fuel marketing franchises from arbitrary or discriminatory termination or nonrenewal of their franchise. The title prohibits a franchisor from terminating a franchise during its term and from failing to renew the relationship unless it meets certain requirements as outlined in the legislation. No longer will service station owners who have worked for years at building a business be able to be arbitrarily stripped of their franchises by the franchisor. The burden of proof will be placed on the franchisor if he wishes not to renew a franchise. Service station owners will at last be protected and the independent owner-operator will no longer have to fear that at any time his franchise may be revoked. I feel this measure is a major step forward in insuring an independent energy market-one in which competition is able to flourish.

In addition, the legislation has a very important consumer protection provision. H.R. 130 requires the testing and certification of octane ratings of automobile gasoline and that these ratings be posted at the point of sale. Thus we will have a national standard which will allow the consumer to compare the octane ratings of different brands of gasoline and help to insure that he can get the best buy possible. I view this provision as another step in our efforts to obtain a free and competitive energy mar-

I am pleased that the House has passed this very important energy legislation and am hopeful that it may soon become law. Only through the protection of our energy distributors, like service station owners, and fair consumer practices, such as the posting of octane ratings, can we hope to guarantee a competitive energy industry that will meet America's future energy needs.

RISK-BENEFIT APPROACH NEEDED ON DOUBTFUL FOODS

HON. SHIRLEY N. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mrs. PETTIS. Mr. Speaker, as a co-sponsor of legislation to halt the proposed ban of saccharin by the Food and Drug Administration, I was particularly interested in the following article which appeared in the Los Angeles Times on Sunday, April 3, 1977.

I am sure that the hundred or so other cosponsors will also find this item interesting in light of its conclusion that the FDA and other agencies should be allowed the flexibility of making a judgment on whether products like saccharin pose greater benefit than harm to the population.

The Los Angeles Times article follows: RISK-BENEFIT APPROACH NEEDED ON DOUBTEUL FOODS

(By Barry Commoner)

The controversy over the decision by the Food and Drug Administration to ban saccharin raises the question of whether the risk of a carcinogen to people ought to be evaluated against its benefits.

For example, what is the benefit of a carcinogenic dye that makes hot dogs red? If the social purpose of hot dogs is to nourish people, then-leaving aside the argument about what contribution the hot dog itself makes to human nutrition—the dve has no value at all. If "market research" shows that people are more likely to buy red-dyed hot dogs than a competitive brand which is not dyed, then the only social value of the dye is to enable the first company to sell more hot

In the same way, the social benefit derived from preservatives is that they help make possible the production of foods at large, centralized factories from which they are shipped over large distances. If a food preservative turns out to be carcinogenic, then the risk must be evaluated not against the benefit of buying "fresh" food, but against the relative benefits of preserving food for long shipment, or arranging to produce it

locally and to deliver it fresh.

It can be seen, therefore, that once the attempt is made to weigh the risk against the benefits of a food additive-or of any of the numerous synthetic chemicals introduced into the environment by the petrochemical industry-very far-reaching economic, social and even political questions are raised. In practical terms, then, when a substance has been designated as a "carcinogen" through the only practical method that we have available-animal tests-a decision regarding whether and how human exposure to it is to be controlled is inescapable. Such a decision can be made in two alternative ways.

The first is the absolute approach (the Delaney Amendment). Given the disastrous health effects of cancer, no benefit from a particular substance is worth the risk, no

matter how small it may be.

In effect, then, this approach involves no further evaluation by society, other than the assertion that no risk of cancer to people is ever, under any circumstances, to be deliber-ately induced. No evaluation of benefits is

undertaken in this approach.

The second is the relative approach (riskbenefit evaluation) now being urged in opposition to the Delaney Amendment. This method asserts that action should be based on the socially perceived balance between the carcinogenic risk of exposure to a sub-stance, and the benefits to be derived from using the substance. However, balancing the benefits against the risks belongs not to the domain of science, but to society. The assessment is a value judgment-a social rather than a scientific process.

For example, if saccharin is essential in the diet of a diabetic, it has the considerable benefit of extending human life. In contrast, saccharin used in the massive marketing of "diet soda," which for most people could be replaced by another product, can be assigned a much lower benefit.

Similarly, the social benefit of an antileukemia drug which is itself carcinogenic may be quite high, whereas the social benefit of a carcinogenic food dye is very low.

In the same way, the use of polyvinylchlo-ride—from which the carcinogen vinyl chlo-ride may leach—may have a high social value in an artificial heart valve, because there is no substitute for this essential function. In contrast, the use of the same polyvinylchloride in food packaging has a much lower social value, because safer substitutes, such as

glass or paper, are available.

Thus, if we choose the option of balancing the risks and benefits of carcinogens, we face a rather unusual situation: while it is possible to attach a wide range of values to the various possible benefits of using a carcinogen, about all that can be said about the risk is that it does or does not exist. Given this situation, the practical course of making the social risk-benefit judgment can take one of the following general forms:

If, balanced against the fact that the risk of cancer from a particular substance is greater than zero, it is determined that the associated benefit is essentially zero, then the substance would be banned. For example, carcinogenic food dyes would be banned on the grounds that they contribute nothing to nutrition, which is the social value of

food.

At the other extreme, if the social benefit associated with the use of a carcinogen is judged to be so great—for example, saving a life that would certainly be lost otherwise—that it warrants even a large carcinogenic risk, the substance would be approved—for that social use. For example, saccharin might be approved for use by diabetics who have no alternative way to achieve an acceptable diet, but banned for massive use in diet soda, on the grounds that there are equally or more effective ways to control weight.

In intermediate cases, it would again be necessary to reach some judgment of the benefits associated with the use of the substance, so that its social value can be balanced against the evidence that it creates some risk of cancer. Such a judgment would be more difficult than the first two, but not impossible.

These arguments apply not only to the carcinogenicity of chemicals, but also to most of the toxic effects of chemicals, since these are often as difficult to assess quantitatively.

In effect, then, if the risk-benefit approach is adopted, it means that society must undertake to determine, on the basis of their value to society, what chemical substances are to be produced, and are permitted to come into contact with people. This will require social governance of decisions—about what chemicals to produce and for what purposes—which, in our present economic system, are governed not by social, but by private interests.

INTRODUCTION OF A BILL TO AMEND THE INTERNATIONAL TRAVEL ACT OF 1961 TO PROVIDE FOR THE COOPERATIVE REGULA-TION OF THE TRAVEL AGENCY INDUSTRY

HON. FRED B. ROONEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. ROONEY. Mr. Speaker, by request I am introducing the following proposal to establish a regulatory program for the travel agency industry.

This proposed legislation would require persons engaged in the business of conducting a travel agency to obtain a registration certificate from the Travel Agent Registration Board, a five-person unit to be established in the Department of Transportation.

In order to obtain a travel agent registration certificate, an applicant would

have to make an adequate showing of minimum qualifications, as established by the Board, to engage in the business of operating a travel agency. These qualifications would include ethical business conduct, adequate training and experience, and financial responsibility. The certificates would be issued and renewable for 2-year periods.

The following classes of persons are exempted from the provisions of the bill: common carriers and their employees; the owner or employee of a hotel, motel, inn, et cetera, when making reservations in his own or other such establishment, and when making arrangements for local sightseeing tours; a person making travel arrangements for his employees; and tax-exempt religious, charitable, educational or fraternal organizations when arranging for its members travel that is directly related to the purpose of the organization, provided that the organization receives no fee for the travel arrangements. All other classes of persons who engage in the solicitation or sale of travel reservations or accommodations are covered by the provisions of this bill.

At this time, I am not fully convinced that circumstances warrant further legislation in this area. Existing laws and regulations, if vigorously enforced, may be adequate to deal with any abuses that may exist. On the other hand, they may

At this time my subcommittee is working with the Senate Subcommittee on Merchant Marine and Tourism of the Committee on Commerce, Science, and Transportation to complete a national tourism policy study. At a future unspecified date in this 95th Congress, my subcommittee will hold hearings on this legislation.

In addition, the Federal Trade Commission is currently investigating the travel agency industry to discover whether unfair business practices exist, and, if they do, their extent, and the adequacy of the Commission's authority to deal with any widespread problems. Testimony from the Commission at our hearings would be very important in exploring the issues and possible solutions.

The subcommittee hearings would also explore the extent of current regulation of the travel agency industry, whether additional legislation is necessary, and, if so, what form it should take. Testimony from all affected and interested parties will be requested on the issues at that time. At the conclusion of the hearings the committee will make whatever recommendations it deems appropriate based on the hearing record and its own determinations.

FANNIE LOU HAMER—BEACON FOR HUMAN RIGHTS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. STOKES. Mr. Speaker, in recent months the term "human rights" has been very much in vogue. Yet there was a time in our history when it was perilous if minorities or others spoke or fought for "human rights". It was at this period in America's human rights struggle that Fannie Lou Hamer was most vocal and active. Thus, it is with great sadness that I must report that Fannie Lou Hamer died of cancer on March 16, 1977, in Mount Bayou Community Hospital in Mississippi. Though but 60 years old when cancer ended her life Fannie Lou Hamer enjoyed a fruitful and productive life.

After leaving her toils as a sharecropper on a cotton plantation at age 45 Mrs. Hamer joined the Student Nonviolent Coordinating Committee in 1961. As a result of her efforts to register Southern blacks she was harassed, beaten, thrown off her land, and jailed. Yet, this did not deter her efforts to secure human rights. In fact it motivated her and renewed her faith in the belief that her struggles were righteous. Mr. Speaker, what many of us remember Fannie Lou Hamer most for was her challenge to Mississippi's all-white delegation to the 1964 Democratic National Convention. Mrs. Hamer pleaded to be seated at the Democratic National Convention in a forceful and eloquent manner. Her tearful utterances electrified the television audience by reminding them that she had been brutally beaten in order to participate in the political process.

Mr. Speaker, though Fannie Lou Hamer's 1964 challenge to Mississippi's all-white delegation was unsuccessful she has been credited with the partial seating of blacks at the 1968 convention, the displacement of white delegates at the 1972 convention, and the merger of the black and white Democratic Parties in 1976.

Mr. Speaker, in a 15-year period, Fannie Lou Hamer accomplished more than most persons accomplish in a lifetime. Mr. Speaker, I think that Mrs. Hamer's accomplishments were in no small measure attributable to the simple fact that she refused to be intimidated, for as Fannie Lou Hamer put it, "People respect me, because I respect myself." Mr. Speaker, Fannie Lou Hamer will be dearly missed.

TRIBUTE TO WAYNE ELLSWORTH, SUPERINTENDENT OF TRIPP HIGH SCHOOL

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. PRESSLER. Mr. Speaker, as a young student growing up in Humboldt, S. Dak., I frequently heard of Mr. Wayne Ellsworth, because at that time he was the band director of Montrose, which is 7 miles away from Humboldt, S. Dak. Mr. Ellsworth is now the superintendent of Tripp High School and is retiring after 41 years of service to South Dakota students. While he was at Montrose High School, Mr. Ellsworth had a champion-

ship band for several years. He was known to me because I played in the Humboldt band and also played basketball, and I would frequently come across him either at band contests or at basketball games where his band was performing.

Few educators can claim as varied an education background as Mr. Ellsworth has. Born and educated in South Dakota, Mr. Ellsworth first taught at Montrose, S. Dak. From 1936 to 1961, Mr. Ellsworth served as band director and science instructor, teaching chemistry, physics, and math. During the last 10 years there, he served as high school principal.

In 1961, Mr. Ellsworth became superintendent of Tripp Public Schools. Under his leadership, Tripp High School has won many State honors in athletics, vocal and instrumental music, and high school forensics, to name just a few.

His educational colleagues have recognized Mr. Ellsworth's talents. In 1960, he was elected to the American School Band Directors Association; in 1972, he was chosen Outstanding Educator of the Year by the University of South Dakota/Springfield; and he has received several grants from the National Science Foundation.

In addition to his educational activities, Mr. Ellsworth has been involved in civic and religious organizations.

Mr. Ellsworth is retiring this year. But the impact he has had on education will continue as his students go on to do other things, and leave their marks on the world. For that, he and his family can be very proud. For that, South Dakota can be grateful.

Mr. Speaker, I am happy to insert into the Congressional Record a tribute to this great man on his retirement after service for 41 years.

VICTORY FOR FORT DEVENS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. DRINAN. Mr. Speaker, I was delighted to be able to announce yesterday to the people of Massachusetts that Fort Devens no longer faces the dismal prospect of closure or severe reductions. At that time, I and other members of the Massachusetts congressional delegation personally met with President Carter and representatives of the Department of Defense at the White House.

To the relief and applause of the Massachusetts delegation, it was disclosed that the Secretary of the Army had decided to terminate the reduction studies which were being conducted for Fort Devens.

As the Speaker well knows, this announcement came after a year of hard work, frustration, and uncertainty for those of us who have sought to insure that the decision on Fort Devens would be fair and equitable. Although the decision was not scheduled to be released for some time, the economic analysis which was done was so overwhelmingly

on the side of continuing Fort Devens that it was released earlier than expected.

I think that it is important to emphasize that Fort Devens is being saved because the installation is economically justified. In our meeting at the White House, the President indicated that this was the first military installation in his administration that had been saved from closing or severe reductions after initially being targeted by the Pentagon. The President said:

But there is no political credit which is due to me. The analysis was done on a strictly business basis. The base stood on its own merits. It is a great credit to the people of Massachusetts that they have built a Fort which has stood on its own merit.

The actual economic analysis on Devens was disclosed to the Massachusetts congressional delegation by the Deputy Secretary of Defense, Charles Duncan, and the Secretary of the Army, Clifford Alexander, who also attended the meeting at the White House, Mr. Duncan stated that it would have cost \$156.4 million to transfer the functions of the fort to other military installations. Balanced against the fact that only \$5.8 million would be saved on an annual basis through moving Devens, it was overwhelmingly clear that there would be no savings to the taxpayer if Devens was closed or reduced. Indeed, it would have taken over 25 years to even recoup the initial cost of the move, a fact which strongly argued against the proposed reduction.

Mr. Speaker, the above figures showed that Fort Devens is fully capable of standing on its own based on military considerations. Yet these very impressive statistics did not even include the local and State economic impacts which would have been experienced had Devens been closed or severely reduced. There are more than 7,600 military and civilian employees who work at Fort Devens. The combined payroll of these individuals total more than \$70 million, while contracts from the fort reach nearly \$40 million. In addition to other local dollar impacts, the Fort Devens presence in Massachusetts and New England as a whole reach nearly \$130 million. Obviously, the loss of such an installation would have entailed a great deal of hardship for our State.

Neither can we underestimate, Mr. Speaker, the individual cases of hardship which a closure at Fort Devens would have entailed. Men and women who have laboriously built up their businesses for many years in the Ayer, Fitchburg, and Leominster areas and who are dependent on the fort would have had their livelihoods rudely interrupted. In many cases, individuals would have lost their businesses and their life savings through the transfer of Devens. This was poignantly brought to my mind again and again as I met with business owners, school teachers, town officials, and homeowners in the central Massachusetts region, who would have been adversely affected by a closure or reduc-

During our briefing yesterday, I was especially pleased to hear the President say that during his campaign for the

Presidency he acquired a "special awareness of the spirit of the people of New England." Mr. Carter also mentioned that he was aware of the special economic problems which we face in our region. Fortunately, Fort Devens did stand on its own merits such that additional economic problems will not be experienced as a result of a major transfer of functions. Nevertheless, I feel that we must face up to the fact that Devens must be made more cost efficient in the future. There are many things which could be done to effect greater efficiency. as suggested by the Arthur D. Little report and other studies. I therefore feel that in the future we must do all that we can to see to it that the fort is made increasingly cost effective.

One of the prime ways of doing this would be to expand the intelligence training and Morse code functions which are presently ongoing at the fort. By increasing the size of these schools we could lower the cost of overall training and increase the efficiency of Devens. This option has been recommended quite a number of times, and I feel that it is time that such recommendations are implemented. The Defense Department does want to review the intelligence functions, and I would strongly urge that this be an option which is given great attention.

Another option which could be pursued involves reducing the substantial energy costs which are experienced at Fort Devens. Due to the fact that many of the buildings at the fort are not properly insulated, significant energy waste does occur. I would therefore suggest that the Army give serious attention to insulating and weatherizing many of their buildings. This activity could perhaps save as much as one-third of the energy which is now used to heat the fort's facilities. I would also raise the possibility of installing solar equipment at the base. With the great amount of space which is available on post, Fort Devens could be used to foster a major solar demonstration program to test the feasibility of solar power equipment and devices. This could be accomplished in cooperation with the regional Federal solar institute which will be located in the New England area.

Mr. Speaker, by insuring that the cost efficiency of Fort Devens is continuously improved we can protect the investment which the taxpayers have in this important military installation. We can also see to it that Fort Devens continues as an important component of the U.S. defense effort. In view of the fact that the fort is the last major Army installation in New England, this is one way in which we can work to strengthen our local and regional economy.

I am delighted by the final decision which has been reached with regard to Fort Devens. The fort has shown that it can stand on its own, and we have avoided the very substantial impacts which would have been experienced by individuals affected by closure or reduction at Devens. However, the fight has not ended. We must now do all in our power to insure the efficiency and capability of the fort. In this way, the victory for Fort Devens will not be a short-

lived one for the residents of Massachusetts.

Mr. Speaker, I would now like to include in the Congressional Record the information sheets which were provided to Members of Congress by the Defense Department in announcing the termination of realinement studies at Fort Devens:

[Information for Members of Congress]
TERMINATION OF REALIGNMENT STUDY FOR
FORT DEVENS

OFFICE OF THE SECRETARY OF THE ARMY, Washington, D.C., April 6, 1977.

The Secretary of the Army has decided to terminate the realignment study of Fort Devens, Massachusetts, announced on 1 April 1976. The objective of the study was to determine the feasibility of reducing Fort Devens to semi-active status and incorporated previously directed studies concerning realignment of all or a part of the U.S. Army's Intelligence and Morse Code Training.

Study of the reduction action has revealed unacceptably high relocation costs coupled with a low annual amortization rate. In keeping with the Army's earlier announced intention to stop realignment studies at any point if continuation is clearly not beneficial, the Secretary of the Army has made this decision.

While reducing Fort Devens to a semi-active installation has been judged infeasible, the Army will be reviewing the Morse Code and Intelligence Training functions, presently at Fort Devens, as part of a Defense-wide initiative to establish a leaner, more economical base structure.

FORT DEVENS BASE REALIGNMENT STUDY

APRIL 4, 1977.

94.1

On 1 April 1976 the Army announced that Fort Devens would be studied for possible reduction to semi-active status, with Reserve Components support retained. The FORSCOM draft study of that alternative has produced data shown below. The data has been validated and the Case Study and Justification Folder is still being refined.

(In millions of dollars) Military Personnel (movement, household goods, dislocation allowances) _______ 2.8 Civilian Personnel (termination, severance, relocation, overtime) _____ 3.0 Transportation (movement of equip-

ment and supplies) 1.0

Other (deinstallation/reinstallation of some equipment; packing and crating; put some buildings in "mothballs") 9.8

MCA (FYDP construction—barracks,

tions and dining facilities—includes EM barracks and academic facility at Ft. Huachuca @ \$51.5 and EM barracks at Ft. Lewis @ 15.5)

Family Housing

admin, maintenance, communica-

Family Housing 74.9
Construction avoidance at Fort
Devens (29.3)

Estimated Cost 156.4

Recurring Annual Savings (net reduction in base operations costs—largely personnel) 5.8

Amortization Period—14.1 years.*

* Family housing not included in amortization calculation.

CONSUMER EDUCATION IS A GOOD INVESTMENT

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. REUSS. Mr. Speaker, this summer the House of Representatives will consider appropriations for fiscal 1978 for the Department of Health, Education, and Welfare. The Labor/HEW Subcommittee of the Appropriations Committee has just completed its hearings and will soon begin markup on this legislation.

A small but important part of that budget will be the Carter administration's request for \$3,135,000 to continue funding for HEW's Office of Consumer Education.

Helen Nelson, director of the University of Wisconsin's Center for Consumer Affairs in Milwaukee, has just sent to me the December 5, 1976, article by Sidney Margolius, as published in the St. Paul Sunday Pioneer Press. The article describes the important work being done in some of the 66 projects funded by the Office of Consumers' Education, and presents a forceful argument for continuing these programs. I want to share that article, entitled "Consumer Education Good U.S. Investment," with my colleggies:

CONSUMER EDUCATION GOOD U.S. INVESTMENT
(By Sidney Margolius)

New YORK.—The \$3 million the U.S. Office of Consumers' Education is spending to finance 66 grass roots projects around the country may well be the best money the government ever spent, both in immediate and future returns.

This is the first year of this broad effort at consumer education authorized by Congress in the Education Amendments of 1974.

The diversity of the first 66 projects funded by a combination of federal grants and local resources is especially striking. From lonely Indian reservations to teeming inner city neighborhoods, pilot groups are beginning classes, information clinics and service activities aimed at developing consumer skills needed to cope with their special problems

The groups include senior citizens, handicapped people, minority groups, teen-agers, industrial workers, and low-income families. They all share common consumer problems, of course, but have unique problems.

As immediately useful as the services flowing from these exploratory projects may be to their communities, their real value is what the country as a whole is going to learn about specific consumer information and service needs. The community groups and educators running these projects will learn as much from the people being educated as they will from the teachers.

In fact, and very encouragingly, some of the projects are aimed at training school teachers and community agency representatives in consumer information so they in turn can teach the students and other people

There are few more worthwhile educational efforts in this age of widespread consumer problems with their often harmful effects on individuals and families, and on our national economy and community life.

It is increasingly apparent that a waste of personal and family resources is, on a large scale, a waste of national resources. In almost every type of consumer expenditure noticeable waste of resources is taking place.

The projects themselves have been designed so that the methods and materials they develop can be used in other towns and schools around the country.

The Office of Consumers' Education (OCE), which helped develop these projects is part of the U.S. Office of Education. OCE sees its effort as different from much of the traditional consumer education in schools that was, and often still is, related mainly to homemaking, business education or industrial arts.

In this new concept, school students would get consumer education in a wide variety of subject areas. But as significantly, the OCE program includes consumer education for adults, and especially for those with particular needs or who are trying to manage on relatively small incomes.

Just over half the projects are being run by traditional educational institutions such as local school systems, colleges and state agencies, reports OCE Director Dustin Wilson, Jr. The others are conducted by communitybased public or private nonprofit agencies.

Several of the community-based projects seek to teach consumers their legal rights. One, operated by the Tampa (Fla.) Legal Services helps answer individual legal questions but also tries to educate the public through group discussions of rights and responsibilities. Another project, in Flagstaff, Ariz., is zeroing in on consumer legal education for low-income people.

A number are aimed at helping seniors with their many and often acute consumer problems. Virginia Polytechnic Institute is developing a financial counseling program for the elderly. Catonsville Community College in Baltimore, Md., is concentrating on "Senior Survival in the Marketplace."

In Detroit, the United Auto Workers Union is working on consumer education materials for industrial workers and also is training a number of workers to provide consumer education for other workers.

Several projects are helping native Americans and Spanish-speaking groups solve urgent consumer problems. In the West, the Coalition of Indian Controlled School Boards is developing a consumer education program for reservation schools.

In Massachusetts the Boston Indian Council is developing a program for adult low-income Native Americans recently coming in to the city from reservations and rural communities. A number of projects are aimed at helping handicapped consumers, such as the deaf.

Also noteworthy are projects being developed to help people returning to society. The Southern Illinois University Dept. of Family Economics is planning consumer education for prison residents and parolees.

The University of Alabama is sponsoring a consumer education project for prerelease mental patients.

PROTEST OF PAY RAISE TO MEMBERS OF CONGRESS

HON. BOB GAMMAGE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. GAMMAGE. Mr. Speaker, I recently received a letter from Mr. Jerry

Jircik, president of the Alvin Chamber of Commerce, informing me of the protest the Alvin, Tex., Chamber of Commerce has lodged in reference to the pay raise recently granted Members of this House as well as officials in the judicial and executive branches of Government.

For the benefit of my colleagues, I would like to insert in the Congressional RECORD, Mr. Jircik's letter regarding the congressional pay increase, and would recommend that my colleagues study what the business community of Alvin, Tex., has to say about the salaries of Members of Congress.

The letter follows:

ALVIN CHAMBER OF COMMERCE, Alvin, Tex., March 10, 1977.

Hon. BOB GAMMAGE, U.S. Congressman, District 22 Washington, D.C.

DEAR CONGRESSMAN GAMMAGE: The Public Affairs Committee of the Alvin Chamber of Commerce have studied and discussed the recent automatic increase in salaries for members of the House and the Senate and others in government. The committee reported their findings to the Board of Directors of this Chamber of Commerce recommending that this body protest to members the House and Senate for allowing this salary increase to become effective without opposition.

The Board of Directors have agreed unanimously to take such action taking into consideration that the administration of the United States has urged that all inflationary trends be curtailed. We do not feel that congressional raises amounting to \$12,000 or \$13,000 a year automatically are in keeping with the movement to curb inflation

It is the feeling of this Board of Directors that certainly, efforts to curtail the infla-tionary spiral should be led by the members of our Congress.

We would appreciate this protest going into the records of both the House and the

Very truly yours,

JERRY JIRCIK. President.

INDIA'S REMARKABLE ELECTION

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. SOLARZ. Mr. Speaker, all of us who are interested in the protection of human rights and the expansion of democracy around the world can only rejoice in the splendid election campaign which has recently been concluded in India. To the surprise of many inside and outside that country, India has once again reclaimed its title as the world's largest democracy, a title which she held since independence from Great Britain after World War Two and until a state of emergency was proclaimed in 1975.

While many held the belief that democracy is the plaything of India's intellectuals and the urban elites, or that democracy can be maintained only in a developed country, the millions upon millions of rural and urban poor who turned out at the polls and dismissed the Indira Gandhi government were clearly reveling in the return to democ-

India has been one of the few developing countries which has maintained a vibrantly free legal system, parliament and perhaps most important, a free press. With the election returns in, it is a cause for great happiness that the state of emergency has been eliminated. The victorious Janata Party has promised to end the remaining restrictions on liberty and to free those political pris-

oners still held.

While the greatest praise has to be heaped upon the people of India who responded so eloquently through their votes to the challenge of the past 2 years, credit is also due Prime Minister Gandhi who true to her word permitted elections after 18 months of emergency-and then resigned to make way for the new leadership. Whatever mistakes and miscalculations that Mrs. Gandhi may have made in restricting India's freedom, her government has always pledged a return to free elections, a pledge which has led to her sudden fall from power.

It is now clear, if it was ever in doubt, that democracy has an appeal to massive numbers of poor and illiterate people around the globe, and that millions prefer the freedom from human restraints that democracy brings to the rigid restrictions and conformity that dictator-

ships demand.

A New York Times editorial of March 22 makes an important point concerning the importance of the election to the United States:

Of particular importance to the United States is the expected shift in foreign policv. The attitude of the Congress Party, which has ruled since independence, has varied from a self-righteous edginess toward the West to a chilliness bordering on hostility. All indications from the victorious alliance, known as Janata, are that a friendly attitude can be expected toward the United States, with a noticeable cooling of feelings for the Soviet Union.

Whatever its foreign policy, India has begun to earn a new claim on American sympathies, and perhaps aid.

I believe that Congress should keep these words in mind as we begin to consider assistance programs for India both through bilateral as well as multilateral aid programs, particularly through the International Development Association. Those who previously expressed a desire to slash aid to India should consider the events of the past few days as a hopeful portent for the future of United States-India relations and of democracy in the world.

Mr. Speaker, I include the editorial in the Record at this point:

INDIA RECLAIMS ITS FREEDOM

The news from India is an inspiration to all democracies. A people repressed by Prime Minister Indira Gandhi through 18 months 'emergency" seized a moment of freedom to turn on her Government and party, even though they were subject to the threat of further suppression. An impoverished people rejected the siren song of authoritarians everywhere that bread must be bought at the price of freedom. This historic election will

reverberate through many lands; even some Americans had begun to despair of the fate of democracy before the seemingly inevitable march of tyranny.

At the height of her power, Mrs. Gandhi must have felt the stigma of illegitimacy that arose from her people's democratic instincts. To her credit, the election she called when she thought she would surely win turned out to be fair and open, as promised. Ironically, nothing less than her defeat could fully demonstrate the return of democracy that had been her proclaimed aim.

India's future course is by no means clear. But the election showed that Mrs. Gandhi was wrong in judging democracy important only to intellectuals and middle-class citizens. Her stunning defeat, along with that of her son, Sanjay, and of her Congress Party, have badly tarnished that widely held theory.

It is apparent now that the Prime Minister was herself taken in by it, as dictators are so often taken in by counselors who tell them what they want to hear. Otherwise she would probably have tried to rig the election just as her fellow-authoritarian in neighboring Pakistan rigged his recent election, using armed power to make the results stick.

There were, of course, other ingredients in Mrs. Gandhi's defeat. There was revulsion against Sanjay Gandhi for his ruthless ambition and disregard for the elders of Indian politics who tried to block his drive to power. In the final weeks of the campaign he was recognized as a burden on the Congress Party and proved it by pulling his mother down to defeat even in her own district.

There was also deep resentment against the Government's handling of its sterilization program, and a fear that it would become compulsory after two children. The policy was actually confined to only one state but rumor had it spreading soon. Moslems could not accept the practice, on religious grounds, and many Hindus rejected it, partly on philosophical grounds and partly because they feared it would give the future to Moslems. Population control remains essential to the salvation of the country, but the use of compulsion outraged the population to the point of rioting. Education, voluntary controls and a higher standard of living, however slow, seem to be the only tolerable means of achieving a reduction of population; such an approach should be congenial to a more democratic regime than Mrs. Gandhi's.

What next for India? The patchwork coalition that so unexpectedly brought Mrs. Gandhi down may well fly apart as the moment of responsibility approaches. No leader has appeared who seems vigorous and respected enough to pull together that politically, racially, religiously and culturally variegated land. But that does not necessarily point to anarchy, as the fearful predict. The newly constituted Parliament may well produce a leader younger than Moraji Desai and more inspiring than Jagjivan Ram. the two chief contenders. And if not, India still has institutions—the army, the civil service, the state governments-stable enough to provide a more or less orderely transition to the country's next stage.

Of particular importance to the United States is the expected shift in foreign policy. The attitude of the Congress Party, which has ruled since independence, has varied from a self-righteous edginess toward the West to a chilliness bordering on hostility. All indications from the victorious alliance, known as Janata, are that a friendly atti-tude can be expected toward the United States, with a noticeable cooling of feelings for the Soviet Union.

Whatever its foreign policy, India has begun to earn a new claim on American sympathies, and perhaps aid. All who love freedom are measurably safer today than before the Indian election and they have an obligation to encourage the spread of the democratic habit.

DROUGHT EMERGENCY RELIEF **ACT OF 1977**

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. PANETTA. Mr. Speaker, today, I am introducing the Drought Emergency Relief Act of 1977 in the hope that it will provide the Federal Government with new powers to deliver more appropriate emergency assistance to drought areas.

The Drought Emergency Relief Act pays particular attention to the unique needs of our agricultural sector since current predictions of loss in farm production caused by drought can be translated into even more alarming statistics for rising unemployment, increasing consumer prices, and additional government spending. In California, this multiplier effect means that predictions of \$6.3 billion loss in agriculture-related industries add up to the loss of 144,000 jobs outside of agriculture and \$18 billion loss to our State economy.

During a day-long hearing recently held in my district, local officials, farmers, and cattlemen presented a sobering picture of the situation we face in California. To date, we have had from onethird to one-half of our normal rainfall. Many reservoirs are at 10 percent of their capacity. We have serious overdrafting problems and subsidence is extending 3 to 6 feet. Where subsidence occurs, the soil has less capacity to store water and wells dry up. In areas close to the coast, we have salt water intrusion into our wells as a result of pumping overdrafts. These wells are no longer usable for irrigating vegetables.

Every day there is more public outcry for new wells to be dug. Wells that were once dug at 200 to 300 feet are now down to 800 to 900 feet, requiring 150 to 170 horsepower engines to pull the water out of the ground. This leads to additional use of energy at a time when estimates show that inadequate water supplies in streams will cause a substantial loss of

hydroelectric power.

So there is an energy crisis built into today's water crisis in the West. We also have the threat of extreme fire hazards, severe cutbacks in crop production, and the prospect of increasing numbers of farm acres being sold to developers, thus forcing many of our small farmers out of business. The tale goes on and on. And the end is not in sight. Weather forecasters anticipate the drought to continue for 1 and possibly 2 to 3 more years. If this is the case, it is essential that the Disaster Relief Act of 1974 be amended now to provide emergency assistance to drought areas.

Current programs simply do not provide assistance that is flexible, timely, or

relevant. There is too much administrative redtape, with very little effective coordination, sometimes delaying the delivery of relief over 2 to 3 months.

Noting that droughts, unlike other types of natural disasters, occur over extended periods of time, often resulting in severe long-term economic damage, the Drought Emergency Relief Act of 1977 provides for a specialized program for Federal assistance. Along with the provision for the appointment of a Federal coordinator to serve in the affected area, my bill provides for emergency funding for the following types of services: Water conservation programs for farmers, businesses, and Government entities; regional water supply investigations for agricultural and domestic needs; improved irrigation practices; water transportation and expansion of water sources; training for farmers to develop alternative crops that conserve water; employment and manpower training programs; and temporary mortgage or rental payments when individuals have received notice of foreclosure or cancellation of a contract as a result of a drought. Two additional provisions allow for the reduction of interest rates to 1 percent for emergency small business and farmers home loans.

Mr. Speaker, the present crisis is serious. I do not think it is being overestimated in any way. In my area of the country, as well as in others, people are suffering severe economic hardships as a result of the drought. It is the intent of my legislative proposal to enable these people to benefit from the same funds to which victims of floods, hurricanes, and earthquakes are now entitled, and to provide both immediate and long-term as-

sistance to drought areas.

It is my hope that Congress will respond favorably to this urgent appeal for action by approving passage of the Drought Emergency Relief Act of 1977. I include for the RECORD the text of the

H.R. 6156

A bill to amend the Disaster Relief Act of 1974, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Drought Emergency Relief Act of 1977."

TITLE I-AMENDMENTS TO THE DISAST-ER RELIEF ACT OF 1974

SEC. 101. Section 101(a) of the Disaster Relief Act of 1974 (42 U.S.C. 5121(a)) is amended by striking out "and" at the end of paragraph (1), and by adding after paragraph (2) the following:

"(3) droughts and other similar noncataclysmic disasters may cause the same kinds

of loss and disruption: and

"(4) droughts occur over extended periods of time, causing severe long-term economic damage, and, therefore, require special Federal attention and Federal assistance;"

SEC. 102. Section 303 of the Disaster Relief Act of 1974 is amended by redesignating subsections (b) and (c) as (c) and (d), respectively, and adding a new subsection (b) as follows:

"(b) Upon his declaration that an emergency exists, and after a request by the Gov-ernor of the affected State, the President

shall appoint a Federal coordinator to operate in the affected area.".
SEC. 103. Section 306 of the Disaster Re-

lief Act of 1974 is amended by redesignating subsection (b) as subsection (c) and adding

a new subsection (b) as follows:

"(b) In any major disaster or emergency caused by drought, Federal agencies are hereby authorized, on the direction of the President, to provide assistance by performing on public or private lands or waters any emergency work or service essential to avoid the loss of lives and to protect and preserve property, including, but not limited to-

(1) conservation practices, including, but not limited to, emergency tilling, fencing,

and range seeding;

(2) improved irrigation practices, including but not limited to, installation of irrigation pipes;

in-depth regional water supply in-"(3) vestigations for agricultural and domestic needs:

"(4) education, training, and assistance for farmers, businesses, and other affected persons or government entities covering appropriate conservation techniques;

(5) assistance for water and other essential needs, including the movement of water, supplies, and persons, and including the drilling for or expansion of water sources;

training and assistance for farmers in the production of alternative crops which require less water for growth;

"(7) establishing comprehensive employment and manpower training programs; and

"(8) making contributions to State and local governments for the purpose of carrying out the provisions of this paragraph.'

SEC. 104. Section 310 of the Disaster Relief Act of 1974 is amended by adding the words "or drought emergency" after the words "major disaster" in both places in which it

SEC. 105. Section 408 of the Disaster Relief Act of 1974 is amended by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively, and inserting after subsection (b) a new subsection (c) as follows:

"(c) The President is authorized to make a grant to a State for the purpose of such State making grants to meet necessary penses or needs of individuals or families adversely affected by either a drought emergency or major disaster caused by drought in those areas where such individuals, or families are unable to meet such expenses or needs through assistance under other provisions of this Act.".

SEC. 106. Section 414(a) of the Disaster Relief Act of 1974 is amended by

(a) striking the comma and adding the ords "or drought emergency." after the words "result of a major disaster"

(b) adding the words "or drought emer-ency" after the words "fiscal year in which

the major disaster"; and
(c) adding the words "or drought emer-'after the words "full fiscal year period following the major disaster"

Sec. 107. The Disaster Relief Act of 1974 is amended by adding at the end of title IV a new section as follows:

"MORTGAGE AND RENTAL ASSISTANCE

'SEC. 420. The President is authorized to provide assistance on a temporary basis in the form of mortgage or rental payments to or on behalf of individuals and families who, as a result of financial hardship caused by drought, have received written notice of foreclosure on any land, equipment, mortgage, or lien, cancellation of any contract of sale, or termination of any lease, entered into prior to such a drought. Such assistance shall be provided for a period of not to exceed one year, or for the duration of the period of financial hardship, whichever is longer.".

TITLE II-AMENDMENTS TO THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

SEC. 201. (a) Section 801(b) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3231) is amended by adding the words ". or drought emergency" within the quotation marks after the words "major disaster".

(b) Sections 802, 803, 804, and 805 of such Act (42 U.S.C. 3232-3235) are each amended by inserting "or drought emergency" after "major disaster" each place it appears.

SEC 202. Section 804 of the Public Works

and Economic Development Act of 1965 is amended by striking the words "facilities (including machinery and equipment) for industrial and commercial usage" and in-serting in lieu thereof "facilities (including machinery, equipment, or supplies) for industrial, farm, or commercial usage".

TITLE III-MISCELLANEOUS PROVISIONS

SEC. 301. Section 7(a) (1) (A) of the Act of September 30, 1950 (Public Law 874, Eightyfirst Congress, as amended, 20 U.S.C. 241-1 (a) (1) (A)), is further amended by inserting or has suffered drought emergency" after

"other catastrophe".

SEC. 302. Section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b) (2)) is amend-

ed by-

striking the semicolon at the end (1) thereof and inserting in lieu thereof ", or";

(2) adding a new subparagraph (C) as

"(C) an emergency caused by drought, as determined by the President under section 102(1) of the Disaster Relief Act of 1974 (42 U.S.C. 5122(1)), in which case the interest rate on the Administrator's share of any loan made under this subparagraph shall not exceed 1 per centum per annum;"

SEC. 303. Section 324 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1964) is amended by adding at the thereof the following new sentence: "Notwithstanding any other provision of this section, any loan made or insured under this Act as a result of an emergency caused by drought, as determined by the President un-der section 102(1) of the Disaster Relief Act of 1974 (42 U.S.C. 5122(1)), shall be at an interest rate not in excess of 1 per centum per annum.".

BYELORUSSIAN INDEPENDENCE DAY

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Ms. OAKAR. Mr. Speaker, on March 25. I joined with Americans of Byelorussian heritage in Cleveland in celebrating Byelorussian Independence Day. On that historic date in 1918, the Byelorussian people declared their independence and established the Byelorussian Democratic Republic.

The independence of these gallant people was short lived, for before the end of that year the Bolshevik army overran this country. But there is no doubt that the spirit of freedom and independence among the Byelorussian people lives on. In 1944, when an opportunity for independence again presented itself, the Second All-Byelorussian Congress met in Minsk, reapproved the

declaration of independence, and elected a Byelorussian Central Council. While this effort, too, was soon overcome by force, it served notice to all the world that the Byelorussian people want their independence and will stand up for it in spite of all the odds.

Mr. Speaker, I am proud of the stand our country has taken in behalf of human rights in oppressed lands, and I intend to do all I can to see that we continue to stand with the Byelorussian people in their struggle for freedom.

RICE

HON. JIM GUY TUCKER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. TUCKER. Mr. Speaker, Arkansas is the largest rice-producing State in the Nation. Last year, Arkansans grew 31 percent of the U.S. rice crop and led the Nation in producing rice for export. My district, the Second, alone grows approximately 11 percent of the Nation's total rice crop each year. In addition, 60 percent of our total rice crop, 14 percent of which is grown in Arkansas, is exported. Those exports amount to one-third of all world trade in rice. But the United States grows only 1.5 percent of the world rice crop.

I suggest that we take a new look at our Nation's rice program with three goals in mind: First, assuring an equitable and stable price for farmers, second, meeting domestic and international market demands with a fair price for consumers, and, third, replacing the current stop-and-go rice production policies with a coordinated, long-term rice program incorporated into a total farm

Under present conditions, target price legislation coupled with loan and allotment programs is designed to provide a reasonable level of protection for established ricegrowers. However, disagreement has risen in my district, as well as in others, between allotment holders on the one hand and new growers on the other, who, under the 1975 Rice Production Act, are free to cultivate as much rice as they can grow. These new growers sell their crops on the open market without the benefit of Government loan or target price protection. The conflict between new and old growers needs to be resolved through long-range planning to give all rice farmers equal treatment and a better basis for judging what types of allotment programs and price supports, if any, will be available 2, 3, or 5 years from now. To achieve this end, I support extending the existing rice program for 1

The key to stability in our rice program lies in expanding the markets for rice, both internationally and here at home. Rice is a major food product. In addition to relying on its traditional uses, we should develop new outlets for

its consumption. Along these lines. I am asking the Department of Agriculture to review outdated regulations that exclude rice as an approved food in federally subsidized school lunch programs. Interim regulations allowing school lunch credit for rice are scheduled to go into effect by September after which a period for public comment will be set aside before the final regulations are promulgated.

International markets are vital if the rice farmer is to receive a fair price for his rice at home. Foreign markets provide a profitable as well as a humanitarian outlet for surplus rice. In addition to lessening world food needs, rice exports have helped keep our balance of payments in line, particularly with the OPEC nations where rice has played an important role in partially offsetting the tremendous outpouring of U.S. dollars for oil. Agricultural commodities accounted for 5 percent, or \$23,273 billion, of our total \$114,807 billion exports in 1976. Rice valued at \$629 million made up 37 percent of the agricultural goods exported last year and accounted for 1.8 percent of our total exports in 1976.

The populations of underdeveloped and developing areas-where rice is the principal food staple-are growing at rates much greater than the 1.8 percent annual world growth rate. Last year. Southeast Asia's population increased by 2.4 percent. Population in Africa grew at a rate of 2.6 percent, while the Middle East and tropical South America both increased their populations by 2.9 percent in 1976. These countries have made great efforts to expand rice production. but still must struggle, even under the extremely favorable weather conditions of the past 3 years, to meet the nutritional needs of their people. As we know too well, weather is notoriously unreliable and cannot be expected to support bumper world rice crops much longer.

Our friends in other lands look to the United States to meet their growing rice needs. Several formerly major rice exporting countries, such as Iran, Korea, Vietnam, and Cambodia, must now import large quantities of rice. The rice exporting capabilities of others have decreased significantly in recent years. Burma has dropped from exporting 2 million tons of rice to exporting less than 500,000 tons annually. Likewise, Thailand's annual export level has declined from an average 1.7 million tons to about 1 million tons. It is our moral duty to increase our rice exports and assist these developing nations to upgrade their rice growing capabilities to avert a tragic world food shortage.

Public Law 480, the food-for-peace program, provides an excellent opportunity for expanding our rice exports and for assisting in meeting the nutritional needs of others if utilized to its fullest potential. Six hundred and seventyseven million tons of rice have been allocated under title I of Public Law 480 for the current fiscal year, and a 600 million ton projection has been made for fiscal year 1978. The majority of this rice is sold to Bangladesh, Indonesia, and South

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Korea with lesser amounts going to Sri Lanka, Senegal, Syria, Lebanon, and

Our technology and resources are such that we can continue to move ahead as a major rice exporting nation without restricting the domestic availability of rice at a reasonable price. I was told recently by a rice farmer from DeWitt, Ark., that years ago the average rice yield was 45 bushels per acre. Now the average yearly crop is just over 100 bushels per acre. I am convinced there will continue to be an abundant international need for all the rice we can conceivably produce. Within the past 4 years alone, our rice exports have more than doubled, increasing from \$16 million in 1973 to \$38 million in 1976.

The best course of action is to extend our present rice program through crop year 1978. At that time, we can review the situation and legislate a long-term farm program that recognizes rice as an integral part of a national food policy. Such reliable guidelines will aid farmers in planning their crops to meet the market demand for rice both here and abroad.

JUVENILE JUSTICE DELINQUENCY AND PREVENTION AMENDMENTS OF 1977

HON. IKE F. ANDREWS

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 6, 1977

Mr. ANDREWS of North Carolina. Mr. Speaker, on April 6, I introduced a bill to amend the Juvenile Justice Delinquency and Prevention Act of 1974. The essential section of this bill would extend the authority of the Law Enforcement Assistance Administration to administer the act through fiscal year 1980.

This bill is identical to the proposal recommended by the Attorney General of the United States. While the pressures of time require the placing of this proposal before the Congress for consideration, I do so with reservations regarding certain provisions of the bill. Therefore, my action today should not necessarily be interpreted as foreclosing avenues of change to improve and strengthen the proposal's impact on the problem of delinquency among our youth.

Clearly, juvenile delinquency remains a serious national problem. The fact that over 43 percent of all serious crime in this country is committed by persons under the age of 18 portrays the magnitude of the problem of juvenile delinquency. It is not surprising, therefore, that Attorney General Griffin Bell re-cently observed that, "If we are going to do anything about crime in America, we have to start with the juveniles." This bill would encourage the States, units of general local government, and private nonprofit agencies, organizations, and institutions to continue their efforts to reduce juvenile delinquency and improve the juvenile justice system.

PORPOISES AND TUNA FISH

HON. DANIEL K. AKAKA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. AKAKA. Mr. Speaker, one of the most serious problems facing Congress this session deals with the tuna-porpoise issue. This issue has a great deal of emotional support on both sides, from the fishermen and the environmentalists. I believe, however, that a solution can be worked out that will satisfy both interests. The Honolulu Advertiser in its April 4, 1977, issue, printed an excellent analysis of this complex problem. I believe that all Members of Congress could benefit by this commentary, and I include it in the Record, as follows:

PORPOISES AND TUNA FISH

Last week The Advertiser published a fullpage advertisement from Friends of Animals, calling for stringent public action against the tuna fishing industry, in order to save the porpoises killed by fishermen netting yellowin tuna.

It represents probably the strongest position of the environmentalists in this matter. But, while we are generally sympathetic to the aims of those who would stop all porpoise killing, there is also another side to the question.

A large share of the tuna eaten by Americans is yellowfin, caught "on porpoise" as they put it in the industry. That is because the yellowfin swim with porpoises and it is by spotting porpoises in the proper waters, that the fishermen find their fish, just as in Hawaii waters, fishermen for aku (skipjack) and ahi (yellowfin) find their fish by watching seabirds.

The modern method of catching yellowfin is the purse seine. Last year the 130-boat American tuna fleet brought home 332,000 tons of tuna, most of it yellowfin. Much of this yellowfin is caught off the South American coast, and that is where conditions are

proper for purse-seining.

(No purse-seining is done in Hawaii waters. They are too warm, and too clear. The ahi would swim down deep enough to escape the net. They do not in colder waters because they do not like cold water, and visibility is poor.)

Last year, those purse-seiners also killed about 100,000 porpoises. The fleet has been laid up since November, when the Department of Commerce held that the porpoise kill had been exceeded. That figure was established under the Marine Mammals Protection Act of 1972, to be reviewed and changed by the Department of Commerce.

The Department of Commerce has just set a figure of 59,050 porpoises, which may be sacrified in the fishing for tuna.

The fleet is still laid up because of the manner in which that fishing can be done. Fishing is prohibited "on porpoise" where the varieties of porpoise are mixed—to protect the rare eastern spinner porpoise, which often swims with the common spotted porpoise.

The fishermen have elected to stay in port because they say it is impossible to make a profit with so many restrictions. That issue has yet to be resolved.

Friends of animals and other environmental groups want the porpoise kill put at zero. As things stand that would mean an end to American purse-seining for vellowfin.

American purse-seining for yellowfin.

It would not, however, mean an end to

porpoise slaughter. Several other nations seine for tuna. There is an immense market for canned tuna the world over. The disappearance of the U.S. fleet would simply mean more for the others.

Through industry and Federal financing, remarkable progress has been made in reducing the porpoise kill in recent years.

Last fall several scientists went out with the purse-seiner Elizabeth C.J. Using new techniques, the fishermen brought home a catch of 550 tons of tuna. They threw out their seine 31 times. They caught in it an estimated total of 20,000 porpoises. The scientists counted only four killed in the whole operation.

To be sure, Elizabeth C.J. had the most modern experimental equipment aboard. But the captain and crew proved to the satisfaction of the scientists that they could do the job with almost zero porpoise kill.

job with almost zero porpolse kill.

Now the question is to get this system into general use. The easiest and quickest way to do this is for the Federal government to subsidize changeover to the equipment and system used by Elizabeth C.J.

Such an example by the American fleet would be of far more effect in stopping other nations from killing porpoises than quitting the purse-seine method.

Here in Hawaii it has not seemed to be an issue. Our own Coral brand tuna is skipjack, caught on lines.

Bumblebee brand, also packed by Castle & Cooke, is generally yellowfin, also sometimes caught on lines. But Castle & Cooke has a 12-boat purse-seine fleet, serving its several canneries, and some of the Bumblebee brand is actually caught off South America "on porpoise."

The environmentalists say we must save the porpoise and stop the slaughter. They note some six or seven million porpoises have been killed by purse-seiners since the technique was developed in the late 1950s. The story was virtually unknown until 1971, when environmentalists suddenly became aroused.

The 1977 porpoise kill quota of 59,000 seems far too high to those who would save the porpoise. It seems almost punitive to the tuna industry, but some fishermen say it is within the realm of possibility.

There must be compromise between the environmentalists and the industry on this matter. The public wants to save the porpoise, but it also wants to keep food prices down

There, in essence, is the argument. The combined efforts of science, industry and government can resolve it. That much is now plain.

DEAR AMERICA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. LAGOMARSINO. Mr. Speaker, the following is a patriotic essay by my constituent, Mrs. Catherine Mervyn of Oxnord, Calif.

Often we Americans are so deeply concerned with the faults of this Nation that we become blind to its greatness. Mrs. Mervyn's essay exemplifies the true spirit of America—a proud nation founded on freedom and opportunity:

MARCH 28, 1977.

DEAR AMERICA: For a very long time now I've wanted to talk to you and tell you that I love you. In a way, this is sort of a love

letter to you because I feel that when a person has good, strong feelings about something, or someone, he should say so, especially when the time to do it in . . . is getting shorter, faster. So . . . here it is . . . America, for everyone to hear . . . I love you!

It seems hardly a breath away since I first stepped upon your mystic, crowded shores! Filled with frightening wonder, I could not see the great, blue sky that burst out, far beyond the eminence of your colossal, concrete piles. The eyes of youth do not penetrate the depths of freedom's grandeur 'til time and life mold us into what we are. I am older now and know your magic power, the power of freedom, whose blade-sharp edge forever scores its imprint upon the human soul.

I love you, America!

I love you for all your many temples where people can stand, kneel, or sit to worship the Maker of us all. We can discuss the pros and cons of evolution and still believe that in one God there lies salvation for us all.

'One nation under God ..." "God Bless America!"

May you be blessed for my life's partner whose constant love, comfort and compan-ionship, inspire me to thought and action on things that bring fulfillment to my otherwise empty life.

I love you, America!

I love you for the opportunities you've given me, and I tremble with joy when teaching young children the intricacies of you whose faults I can lay bare, but balance each

with greatness beyond compare.

I love you for their young sounds when tonelessly they recite, "I pledge allegiance . . .". Their voices are eternally etched iance . . upon my heart, and a tomorrow surely will be here when they, too, will feel the tingle of your sublim nobility. And come it will, as long as I discharge my duty to my God. . . . and you!

I love you, America!

I love you for the vastness of your countryside; the brown, the green and purple mountains whose peaks lift my spirit to lofty, glorious heights, yet dwarf me to nothingness . . . a tiny creature, whose dependence upon God is everlasting. I love you for times upon your sandy shores

and seas whose depth and breadths can move me to dream of goals that I may never reach,

yet can always strive for.

I love you for memories that thoughts of you evoke, for words of heroes who profoundly spoke:

"So a man can stand!"

"Give me liberty, or give me death!"

"With malice toward none. . . ."

The chain is endless with maximus to honor and be proud, and I know in thanking you, I am truly thanking God.

WHY BREIRA? PART II

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. McDONALD, Mr. Speaker, yesterday, I placed in the RECORD part I of "Why Breira?" by Joseph Shattan. We may not all agree with every formulation of Mr. Shattan, but his scholarship and expertise are clearly shown in this article. Mr. Shattan, who recently received his doctorate at the Fletcher School of Law and Diplomacy, has provided us with valuable information on

a support appartus for Middle East terrorism. Part II follows:

WHY BREIRA? PART II

Even before Mrs. Isaac's pamphlet appeared there were signs of friction within Breira over the activities of its full-time staff. At least a few of those whose names were listed on Breira's masthead had begun to feel they were being used, in effect, as window-dres ing. One such person was Rabbi Joachim Prinz, a well-known Zionist and former president of the American Jewish Congress, and one of Breira's "stars," who in June 1975 sent a letter of objection to Loeb about a statement denouncing Israeli foreign policy which Breira was planning to issue at a press conference. Rabbi Prinz complained: "The Advisory Committee, of which I am a member, has never met [!], and so decisions are left to you and Arthur [Waskow], after some superficial consultations with one of us or with none of us." (At the time Waskow was nowhere even listed as a key figure in Breira.) Rabbi Prinz subsequently resigned from the organization, but it was some time before his name, and thus the appearance of his endorsement of Breira, was removed from its stationery.

In recent months, controversy over Breira has intensified both inside and outside the organization. A number of prominent people who had joined or supported the group have resigned—notably Nathan Glazer and Jacob Neusner*—and others who had con-templated joining are reported to have had second thoughts on the matter. (No doubt some have also been drawn to Breira precisely because of the adverse publicity.) One neewspaper, the Jewish Week, has waged a lengthy out-and-out campaign of denunciation against Breira, but has also opened its pages to rebuttals by Loeb and others.

As for the established Jewish organizations, their reaction to Breira and to the controversy surrounding it has ranged all the way from alarm—one or two agencies have enjoined members of their own staff from publicly espousing positions contrary to those officially adopted by the organizations employing them-to diplomatic silence. And as a consequence of all the charges and countercharges, Breira itself, at its national conference held in late February, released a series of platform resolutions which clearly reflect a moderating tendency on a number of key issues and a desire to create as broad a base as possible by clinging to the lowest common

* Neusner, a professor of Jewish studies at Brown University and one of Breira's early members, has written recently that he joined the organization hoping it would provide a forum for the free discussion of the whole spectrum of issues facing American Jewry and contribute some "important and serious thought on the definition of Zionism and the tasks of Zionism in the [Diaspora]." But, he says, it has done nothing of the kind. Instead, "Breira is an organization with a single obsession, which is not Zionism, not peace in the Middle East, not any of the great issues of that world-but the West Bank and the evils of Jewish settlement thereon. Its principal interest is to tell the Israelis what to do in connection with what is (alas) only one of the man aspects of policy they have to work out." Another early member of the organization, who has subsequently disaffiliated himself, Alan Mintz, says in a recent article that he missed in is (alas) only one of the many aspects of "ahavat Yisrael, unconditional love for the Jewish people"; following Israel's setbacks in the Yom Kippur War, Mintz notes, the mood in Breira "can only be described as inhilant.

ideological denominator its members can agree upon.

It remains to be seen whether, in the effort to broaden its appeal—which will mean, and has already meant, issuing strong declarations of support for a secure Israel, endorsing aliyah, and, above all, muting the preoccupa-tion with the PLO—Breira will dilute itself out of fashion. But whatever the future shape of the organization, the significance of Breira as phenomenon transcends the particular issues it finds to concentrate upon, and in the end it is the phenomenon itself which remains to be understood.

Breira came into existence and has gained strength and adherents during a period when the political fortunes of the state of Israel have reached perhaps an all-time low. Before 1973 Israel was, to be sure, isolated in its immediate geographical vicinity and surrounded by enemies sworn to its physical destruction. Since 1973, however, Israel has become increasingly isolated in the world as a whole, shunned even by many of its former friends and treated as a pariah by the community of nations. The reasons for Israel's new and more complete isolation are of course in the first instance political, having to do with the need to insure the supply of oil from Arab countries to the West. But what political considerations demand, moral considerations have come to justify. Hand in hand with the withdrawal of political support for Israel on the part of a dependent and weakened West has gone a withdrawal of sympathy, of moral support. The campaign of vilification against the Jewish state, initiated by the Arabs and the Soviet Union, and participated in enthusiastically by many Third World nations, has met with only token opposition from Israel's friends and allies.

The resolution of the UN General Assembly equating Zionism with racism, the ceaseless accusations that Israel is an outpost of imperialism in the Middle East, a "white" colonial power bent on thwarting the legitimate national aspirations of a people whose land it took away by force—these lies and others like them may or may not be accepted in their entirety in the West, but less and less is anyone inclined to refute them. It has increasingly come to be accepted as true that the fundamental cause of justice in the Middle East is on the side of the Arabs, the fundamental cause of injustice on the side of Israel: indeed, a serious question has been raised as to the very legitimacy of Israel, its right to exist.

Now, this idea—that Israel is the source of the problem in the Middle East—has not only come to inform the political thinking of Western governments intent on wringing concessions from Israel in order to placate Arab oil-producing nations, but it has also come to permeate public opinion as wellprogressive opinion, enlightened opinion, liberal opinion. With the success of the worldwide campaign against Israel's legitimacy, liberal support for Israel can no longer be taken for granted-certainly not in Europe, and not even in the United States. And if liberal support cannot be taken for granted, the once-solid front of American Jewry is also beginning to show serious signs of a split. If the economic and geopolitical interests of the United States in the Middle East and the interests of Israel should diverge further, that split may become more pronounced.

Breira is a symptom of that split, a vivid demonstration of the inroads made into the American Jewish consciousness by the campaign to delegitimize Israel. In its monthly newsletter, in its public pronouncements, even in the newly "even-handed" resolutions passed at its national conference, Breira tacitly and often not so tacitly endorses the idea that the "problem" in the Middle East is not the decades-old Arab refusal to recognize and make peace with Israel, but rather Israel "intransigence."

One might expect to find, in the publications of a group nominally supportive of Israel, the utmost skepticism concerning Arab intentions toward the Jewish state, yet in Breira's publications it is not the Arabs but the Israelis who are always and willfully assumed guilty until proved innocent—guilty of mistreating their Arab minority and brutalizing the Arabs in the occupied territories, guilty of expansionism, guilty of military vainglory and arrogance, guilty of economic exploitation, guilty, in short, of imperialism and racism.

The Arab nations, on the other hand, are assumed in these same writings to be, if not quite innocent, then certainly well-intentioned. Breira spokesman have made a positive habit of attributing to Arab leaders a burning desire for peace that the Arabs themselves would be surprised to learn they possessed-certainly one they have never bothered to express publicly in anything but the vaguest and most hedged-about terms. Yet to judge from Breira literature, some Arab countries have already recognized Israel, while others are just waiting for the chance to be allowed to follow suit. Thus according to a resolution adopted at the national conference for which no documenta-tion was provided, "certain Arab countries and Palestinian leaders are willing to recog-nize Israel's right to exist." Arthur Waskow in his Op-Ed piece in the *Times* stated as fact that the PLO leadership was ready to accept the legitimacy of Israel, and was only restrained from doing so publicly for fear of by hardliners inside the terrorist organization. The PLO itself, of course, has repeatedly taken pains to assure the world that it continues to adhere rigidly to the Palestinian National Covenant calling for Israel's elimination.

The effect of these and other such deconfrontation is to place the moral burden of proof on one side only, and the weaker side to boot. This, to say the least, is a peculiar position for a "Zionist" organization to assume. Is Breira, then, "anti-Israel"? There is no doubt that there are some associated with the organization who can be objectively so described, for it would be impossible otherwise to explain their preoccupation with a terrorist organization whose first principle is the dismantling of the state of Israel. Even if one's main concern in the Middle East were the fate of the Palestinians, and one's main hope the satisfaction of their aspirations to national self-determination, one would hardly need to insist, as Loeb and Waskow and others in Breira have done, that these aspirations can be satisfied through the PLO and the PLO alone—especially when even a number of Arab leaders, including President Sadat of Egypt, have suggested such alternative non-PLO solutions to the Palestinian problem as a co-federation with Jordan (not to mention other solutions proposed by Israel and the friends of Israel). But so fixated on the PLO is this faction within Breira that it continues to insist on the centrality of that organization at a time when the PLO has been decimated in size and influence by the power politics, and the bullets, of its Arab "brothers," and when many observers are coming to believe that, to quote a recent report in the New York Times, the PLO's role in Middle East history may "be at an end."

In addition to its pro-PLO faction, however, Breira is made up of rabbis and liberal Jewish intellectuals and academics who may well form a majority, and who are far from being "anti-Israel" in any simple sense of the term. Yet these people too have lent their support and prestige to a movement that seeks to "solve" the Middle East conflict by placing the burden of proof on Israel. One

might speculate endlessly about the motives of these Jewish men and women. Liberal guilt, a desire to be on the side of "liberation" 'progress," a weariness at having to uphold Israel's cause when that cause has gone out of odor or has come to seem hopeless, even an unconscious and paradoxical wish to be, for once, on the side their own government may be leaning toward-whatever the particular impulse, it is clear that, as they do not in fact wish Israel harm, they must find convincing reason to advocate the course they do, and persuade themselves that following it will lead away from danger and toward peace. It is here that the reassuring notion comes to hand-a notion invented by necessity if ever one was-that the Arabs themselves are ready and willing to make peace with Israel and have already said as much if one only succeeds in interpreting their words properly.

That in addition to mere wishful thinking there is a hint of unconscious racism in this last idea cannot be discounted altogether; Breira's pronouncements are in general characterized by an appallingly patronizing attitude toward the Arabs, a refusal to take them or anything they say seriously. But as Rael Isaac points out, what strikes the observer above all in such mental maneuvers is the unspoken desire, born, perhaps, of the feeling that Israel has become an intolerable burden, to distance oneself as a Jew from Israel's fate. Because this desire cannot be confronted honestly, reality is denied or redefined, one's intentions become cloaked in the language of moral rectitude, and a conviction takes hold that the "solution" to Israel's dilemma is both simple and at hand.

But the motives and intentions of the sundry and various elements in Breira are one thing, the ends the organization serves, whether it wishes to or not, are another. In spite of its recent protestations to the contrary, what Breira has primarily managed to do is to lend a seal of Jewish approval to the idea that the party at "fault" in the Middle East is not the 100 million Arabs who vowed once to throw Israel into the sea and now, after thirty years, actually stand within halling distance of achieving that aim, but the 3 million Israelis, who for thirty years have sued for nothing but the opportunity to live among their neighbors in peace.

Breira furnishes an "address," inside the Jewish community, to which anyone in government or in the world of public opinion may appeal who is seeking to promote a policy of one-sided pressure on Israel and needs to overcome the opposition which American Jewry has heretofore offered to such action. As Mark Bruzonsky, a supporter of Breira, put it candidly and approvingly in a recent article, Breira's "hope is so to weaken American support for current Israeli policies as to force policy changes, by U.S. Imposition if necessary." In other words, by breaking the united front of the Jewish community, Breira may contribute toward making it possible for the United States to impose terms on the Israelis from which everyone will benefit but the Israelis themselves, and they may pay dearly indeed.

Both Mrs. Isaac's pamphlet and the reaction of some established Jewish organizations to Breira have been characterized by the group's defenders as a "witch-hunt" and an attempt to suppress legitimate dissent within the Jewish community. The truth, however, is that far from being suppressed, Breira has attracted many members and financial supporters from the heart of the American Jewish "establishment" itself, including staff members of the major defense agencies and leaders of the rabbinate. Indeed, the whole issue of "dissent" is a bit disingenuous. Neither Breira nor its supporters have been notable in demanding that the Jewish Defense League (which may be thought of as Breira's counterpart on the Right) be given a fair hearing by the "establishment"—de-

spite the fact that this dissenting organization has evoked much greater hostility than Breira has.

The reason for the hostility both to Breira and to the JDL is that the overwhelming majority of American Jews, and the organizations representing them, believe neither in the latent peaceful intentions of the PLO toward Israel nor in the annexationist policies advocated by the JDL. Accordingly, anyone espousing either of these positions must expect to be met with criticism and opposition. Considering that the literal survival of the state of Israel is at stake, it is not to be wondered at that the criticisms should sometimes be harsh and the opposition passionate.

As for the charge of smearing and witch-hunting, which has been leveled by (among others) Alexander Cockburn and James Ridgeway (writing in the Village Voice, March 7, 1977) and by Irving Howe in a letter to the Jewish Week: to describe as a witch-hunt the scrupulous documentation of the political history of individuals and groups undertaken by Rael Isaac is itself to perpetrate a smear. In addition, it might be pointed out that charges of witch-hunting and of conducting a smear campaign come with ill grace from the likes of Cockburn and Ridgeway, who do not hesitate to characterize the Jewish Defense League as "parafascist," and from Irving Howe, who has spoken of a "mixture of Stalinist and McCarthylte methods" [!] being brought to bear by the Jewish Week against Breira.

In a recent article in the Nation, Arthur Waskow likened the role of Breira today to the role of the anti-war movement of the 60's. Just as the anti-war activists of the 60's. he wrote, initiated contracts with Hanoi and the Vietcong and so helped bring "peace" to Vietnam, so Breira has initiated and participated in meetings between representatives of the PLO and American Jews in the hopes of bringing about an end to conflict in the Middle East. Waskow chided American Jewish leaders, many of whom had opposed the American intervention in Vietnam, for not recognizing the parallelism of the two situations and for turning their backs on today's "peacemakers." He concluded:

"We know now that those who criticized the policy of the U.S. government in Vietnam were right... Why is it so hard for the American Jewish leadership to learn this lesson from its own experience...?"

There are several interesting facets to this argument. One is what Wastok should so cavalierly overlook the fact that American Jews do not stand in relation to the government of Israel, which is after all the concerned party here, as they did in relation to their own government when it was a party to the conflict in Vietnam; they do not hold Israeli citizenship, and they have neither the rights nor the obligations thereof, the latter including emphatically the obligation to fight and perhaps to die for the decisions the Israeli government must make. But what is most arresting about the analogy Waskow draws is something else again. The proper term for the "peace" that was finally brought to Vietnam is not peace but, for the one side, victory, and, for the other side, defeat. The "peace" that came to South Vietnam for which Waskow now takes credit in behalf of the antiwar movement of the 60'swas the peace of obliteration, the peace of the grave; the country called South Vietnam no longer exists.

This is, indeed, precisely the sort of "peace" which the Palestine Liberation Organization and, as the weight of all the evidence strongly suggests, every self-respecting Arab government in the Middle East have in mind to bring to Israel as well. To work knowingly for such a "peace," to lend one's support to those who work for it, may be easy to reconcile with an attitude of enmity toward Israel; it is not so easy to reconcile with any more positive

EXTENSIONS OF REMARKS

CENTRE DAILY TIMES MARKS 43d ANNIVERSARY

HON. JOSEPH S. AMMERMAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 6, 1977

Mr. AMMERMAN. Mr. Speaker, the Centre Daily Times, published in State College, Pa., and serving Centre County, the largest county in my district, marked its 43d anniversary on Saturday, April 2.

I would like to share with you the CDT's editorial noting its anniversary and recalling its history:

THE CENTRE DAILY TIMES IS 43 YEARS OLD

The Centre Daily Times is 43 years old today.

It was on April 2, 1934, that The State College Times (founded May 12, 1898) made the difficult conversion from weekly to daily publication.

And despite the period—in the midst of the worst depression in the nation's history—the move proved to be a most successful one.

From a tiny four- and six-page edition with some 1,300 subscribers, the newspaper grew steadily to the present when nearly 20,-000 Centre Countians buy the product and the daily page average exceeds 32.

And in step with that progress have been physical and startling technological advance-

ments.

A new building was erected in downtown State College in 1940 and a twice-that-size plant was constructed near Dale Summit in 1973; press size increased from 8 pages in 1934 to 16, then 32 and now to 56.

Personnel multiplied, too, from a handful to nearly 80 fulltime and more than 300

parttime employes.

Statistics, however, can't begin to tell the story.

For The Times' growth is a testimony to the loyalty and devotion and interest and keeness of its readers and the support and

success of its advertisers.

Reader's and advertisers, in reality, determine the success or failure of any publication. And for a newspaper to succeed, it must combine its own offerings with those desired and expected by and delivered to its customers.

More important than mere growth is improvement. And if The Times has attained the latter, it's because its readers and advertisers, through all the years have guided its contents and responded to its efforts.

The primary task of a newspaper is to continue to present news, views and features of interest and importance to its readers, along with advertising messages which will assist readers.

But as the Centre County area and the nation and the world grow more complex and face critical problems such as exist today—and which have occurred repeatedly in the past 43 years—additional efforts are needed.

And that is to go beyond the headlines, to look beneath the surface, to dig out the background, to explain the meanings of all the events which combine to make life what it is today and what it will be tomorrow.

The assignment is a difficult one. But with the knowledge gained in 43 years, with the well-trained and dedicated personnel who blend the steadiness and knowledge of veterans with the enthusiasm and skills and innovations of comparative newcomers. The Times enters its 44th year today confident that it can meet its responsibilities and be more than a match for its obligations.

With the help and guidance and support, of course, of its constantly increasing and impressively devoted readership and advertisers—the people from every section of Centre County.

On this, our own birthday, we wish them health and prosperity and the will to overcome the problems which beset us all. Together, we will work around the clock for the next 365 days and beyond to continue to try to make Centre County an even better place in which to live.

THE IMPORTANCE OF CAPITAL FORMATION

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. LENT. Mr. Speaker, our economy is in a state which can best be described as "stagflation." Most of our efforts to date have been centered on a short term solution, such as the \$50 rebate, and I believe we have so far given too little attention to ways to keep our economy healthy over the long run.

The key to the future economic wellbeing of the United States lies in increased capital formation, that is, the investment of savings in factories, equipment and new technology. These are productive investments, and are the

source of jobs and income.

Recent studies of U.S. capital needs agree that the demand for capital will be increasing dramatically in the next 10 years—we will need \$4.5 trillion or \$21,000 for every man, woman and child in the United States. This capital is needed to modernize and expand our industrial base and to meet the Nation's environmental requirements.

Thus, if the U.S. economy is to grow and prosper, we need new and efficient technology and increased productivity. The resulting efficiency will reduce inflationary pressures by keeping costs down. Lower costs mean that the individual's income will buy more, because he has a higher real income. Individuals with higher real income will increase their personal expenditures for goods and services, and jobs will be created to fill that demand.

Currently, tax laws discourage investment by taxing some income from investment twice—first taxing the corporation and then taxing the stockholder on the same income. Present tax laws often do not allow businessmen to recover their investments since provisions concerning depreciation allowances and capital gains are too restrictive.

In light of the benefits that a high rate of capital formation can produce, it is necessary to ask what can be done to encourage capital investment. One way is to eliminate the bias in our tax laws to insure that our productive capacity is increased enough through savings and investment to create full employment and to reduce inflationary pressures. This bias can be eliminated by:

Ending double taxation of corporate dividends. The present corporate tax is paid by consumers in higher prices. Corporations do not pay taxes, they are merely a form of doing business—people pay taxes.

Making depreciation allowances fair-

er and more realistic. Depreciation allowances for business under the tax code do not reflect the true cost of replacing plant and equipment; that is, capital goods. Because of inflation, the cost of capital goods increases while the depreciation allowance reflects the original cost-a printing press today costs far more than the same press purchased 10 years ago, but depreciation is allowed only on the "old" cost, not replacement cost. Thus, firms often have insufficient reserves to replace worn out or obsolete equipment, or to expand their facilities. A more realistic approach would be to permit business to "catch up" with inflation by permitting depreciation based on the cost of replacement.

Encouraging firms to invest in productive activities through a tax credit given to those firms who invest in capital goods. If the "Investment Tax Credit" is raised to 12 percent, made permanent and made fully refundable—that is, a cash rebate for those firms whose tax credit exceeds their tax liability—it would reduce the cost and increase the supply of capital—and in so doing, provide jobs and promote economic growth.

Finally, more equitable capital gains tax rates would make investment in productive assets more attractive. A smaller portion of the gain should be taxed the longer the asset is held to reflect inflation and to reward the investor for saving instead of consuming. Such an approach would help free locked-in capital, encourage new investment, and treat long-term investors and small businessmen more equitably.

These recommendations are only a few ways by which the health of free enterprise can be encouraged in the United States. Through the increased production of real goods and services resulting from increased capital formation, we can reach full employment without inflation.

For these reasons, I support the recommendation of the Republican Policy Committee for a permanent across-theboard cut in the tax rates, and the Jobs Creation Act authored by my colleague, Congressman Jack Kemp. These are realistic approaches to improving our Nation's economy, and not an exercise, as Milton Friedman described the proposed \$50 plan, in "throwing money out of an airplane."

PUBLIC SERVICE EMPLOYEES

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. MURPHY of Illinois. Mr. Speaker, the time is long overdue for all of us to pay tribute to those people who give their time and lives to our well-being. I am speaking, of course, of those public servants who day in and day out work to make our lives more livable.

Law enforcement officers, firemen, and teachers are the backbone of our society. These people are dedicated individuals working under trying conditions often with little or no acknowledgment for their untiring efforts.

Law enforcement officers put their lives on the line every working day. When things go wrong, they cannot take the easy way out by not getting involved. They do not turn their backs and ignore the problem. Instead, they work to make life a little safer for all of us. Unfortunately, their reward is too often community abuse, community ostracism, and calls of police brutality.

Firemen, too, place their lives on the line in answering their call to duty. They cannot be spectators. Their jobs require them to be on call any time of the day or night, sacrificing their own lives so

that others may live.

Another segment of our society too often overlooked is the teacher. The education of our young people is an awesome responsibility. The teacher must not only be an educator but also a disciplinarian. Enough cannot be said in praise of the work done by the teachers in this country. They deserve the support of their community and the country.

We can run the gamut of public service jobs and we will find men and women with families trying to cope with everyday living and everyday problems. But on the job they perform necessary services and make sacrifices for our wellbeing. We can be proud of these men and women who work to make our lives more

safe, sane, and secure.

MAYOR THOMAS BRADLEY URGES EMPHASIS ON ALTERNATIVE EN-ERGY SYSTEMS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

BROWN of California. Mr. Speaker, yesterday my good friend, Tom Bradley, was reelected mayor of Los Angeles. This event is noteworthy primarily because it seems so natural. Yet there was once a time in this country, and even in Los Angeles, when the election of a black in a city that was mostly nonblack was simply not possible. This election was not without subtle racial overtones; busing for purposes of integration was a major campaign issue. But Tom Bradley earned his reelection by sticking to the important issues which face the cities of America.

Among the most important issues is energy. As a sample of the quality of work that Mayor Bradley produced, and because the suggestions are so sensible, I wish to place the text of a recent letter sent to the President's energy adviser, James Schlesinger by Mayor Bradley.

The letter follows:

CITY OF LOS ANGELES. Los Angeles, Calif., March 29, 1977. Dr. JAMES R. SCHLESINGER,

Assistant to the President, The White House, Washington, D.C.

DEAR DR. SCHLESINGER: I applaud your program to obtain citizen input for the Carter

Administration's energy policy. I respond to you as a citizen and as the elected representative of almost three million citizens who were immediately and directly threatened by the insecurity of the nation's energy supplies in 1973.

I endorse the Administration's increased emphasis on energy conservation. The concept of conservation must be defined and pursued as a very broad concept that includes accelerated development and commercialization of a full range of technologies that promote more efficient use of fossil fuels by end-users as well as alternatives which substitute for fossil fuels.

In tune with this theme, following are some of my thoughts on areas of needed change in the national energy policy:

Large scale demonstrations of available technology which have potential to solve real

problems immediately:

Many technologies which have the potential for greater end-use energy efficiency or as substitutes for fossil fuels are commercially available or close to it. Examples are direct applications of solar energy for space and water heating, on-site electricity generation with waste heat recovery; energy recovery from solid waste and sludge; and wind generation.

Typically they are not economic for private individuals, companies, local governments, or public utilities at the present time.

There is currently an extensive program to demonstrate commercially available technologies. The funding for this program is insufficient in the area of both conservation and renewable energy sources. Moreover, the criteria for selecting demonstrations emphasizes esoteric technical considerations. Selection should be redirected toward problem areas that exist at the local level. Demonstrations should be large enough to have an immediate impact on real problems. Example: energy/resource recovery technologies which have potential to use a large proportion of solid waste and sludge generated by Los Angeles are on the market or close to it. Some of these technologies produce gaseous fuels that burn clean enough for use in local power plants. Our power plants can no longer obtain natural gas, although it is critically needed to reduce power plant emissions. However, the energy recovery from waste processes do not appear to be even close to being economically competitive with available and proven alternatives, with the result that they are unlikely to play a role in solving solid waste, energy, or air quality problems in this basin for a very long time.

The situation indicates the appropriate role of the federal government in demonstrating and advancing these new technologies. It is to bridge the gap between what is in the national interest and what is cost/ effective and prudent for individuals, local governments, and other end-users of energy. To the extent that the federal government does not play this role, it will be asking end-users to subsidize everyone else in the nation who will benefit from the acceleration and refinement of energy alternatives. My office has produced a memorandum on the issue of appropriate cost/benefit analysis for energy conservation investments at the local level. Since it is relevant to this point, I am including it as an attachment to this letter.

Financing of new technologies:

The need for federal government assistance in the financing of new energy development has been well recognized in Washington. However, proposed programs have markedly preferred fossil fuels and nuclear power fossil fuels and nuclear power. Technologies which promote end-use efficiency, solar energy, and other renewable

energy sources should get at least equal emphasis. Subsidized loan programs that enable end-users to finance solar or energy conservation at least as easily and cheaply as public utilities can finance power plants is needed and not yet available.

I would suggest that the Administration

consider very carefully the suggestion of Professor Barry Commoner regarding creating of Energy Banks at the local level that would finance both solar energy systems and insulation with low-cost loans.

These funds could possibly be administered through existing public utilities or new "solar utilities" which would be created by local governments for the purpose of not only financing solar systems and insulation but also for installing, maintaining, and guaranteeing such systems in order to increase their acceptances by the public.

Technical information should be inde-

pendent:

In recent years we have repeatedly learned that the making and enforcement of laws which regulate the private sector in the lic interest are hampered by a lack of reliable and complete technical information. Perhaps the most grievous example has been the laws which have attempted to limit both air pollution and fuel waste in motor vehicles.

Current ERDA programs aimed at developing alternative automotive engines that are both low in emissions and high in mileage do not seem to be funded at a level which can quickly make up for the years we have lost in relying on Detroit to do this work for us. Worse, some of these programs are being done in conjunction with automobile or manufacturers.

We should commit ourselves to spending whatever is necessary to resolve our present predicament of dependency upon a transportation technology that is ruining air quality in major cities throughout the country and increasing our reliance on foreign sources of energy. We should realize that it is very likely that the government will never be able to move forcefully into regulating both waste and pollution caused by motor vehicles until it has a research and development program that will give law makers absolute confidence as to what can be done technically and how soon.

Energy independence through better crisis

contingency planning:

The establishment of the Strategic Petroleum Storage Program is an excellent start toward the only kind of energy independence that may make sense in the foreseeable

A great deal more must be done in this The 1973-74 Los Angeles experience with mandatory energy conservation in a crisis situation suggests that public support for carefully planned and equitable reductions in energy use in crisis situations is very great. Equitable distribution of sacrifice can only be achieved through careful, advance planning for this reduced consumption.

It is clear that the petroleum storage program plus a carefully planned emergency conservation program could increase this nation's security from future political embargoes of its energy supplies. Such an approach to energy independence is more realistic and cost/effective than the previous Administration's emphasis on increased domestic production at any cost from the nation's diminishing reserves.

I wish you and your associates greatest success with the difficult and critically impor-tant task which the President has entrusted to you. We in Los Angeles stand ready to help in any way possible.

Very sincerely yours,

TOM BRADLEY, Mayor. YOUNG PLAYED KEY ROLE IN ST. LOUIS AIRPORT FIGHT

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. GEPHARDT. Mr. Speaker, last week, in a momentous decision for the St. Louis region, Secretary of Transportation Brock Adams dropped extensive plans for a new southern Illinois airport and ruled that the St. Louis airport would remain as the area's principal air facility. The decision is a major boost for Missouri residents, insuring economic stability for a large area around the airport and guaranteeing continued easy access for air travelers. Many citizen groups, media representatives, businessmen and government officials had an impact on the decision; they rightfully have been cited for their contributions. It was clearly a team effort. But I believe that special thanks are due to a colleague who, as much as anyone else, laid the groundwork for Secretary Adams' announcement.

For nearly a decade, first in the Missouri Senate, and, since January, in the House of Representatives, Bob Young of Missouri's Second District has worked without fanfare to strengthen Lambert-St. Louis International Airport and head off its replacement by an Illinois airport. While Young has had long involvement in the fight to save Lambert, his efforts intensified in 1970 after the announcement of plans to build an Illinois air port. Young, then a State senator, proposed a committee to study possible alternatives. He also called for a voter referendum. The referendum, conducted in 1972, found an overwhelming majority of Missouri residents—92 percent—in favor of retaining Lambert. That 1972 vote undoubtedly was a highly significant factor in the decision by Secretary Adams, who noted the strong public opposition in Missouri to phasing out of Lambert.

Young led the drive to create the Missouri-St. Louis Metropolitan Airport Authority, shepherding the enabling legislation through the Missouri General Assembly in 1972. He worked to extend the life of the authority in 1974 and 1976, playing an important role in the funding process as chairman of the Senate Ap-

propriations Committee.

Young made a formal presentation to former Secretary of Transportation William Coleman at the Department's hearings on the airport question in January 1976, then drafted a joint resolution of the Missouri Legislature calling for retention of Lambert Field. After Coleman's decision to build an Illinois airport. Young was appointed chairman of the Joint Committee to Study the St. Louis Airport. The committee issued an extensive report that outlined a blueprint for Lambert's survival. Included was a recommendation calling for development of a so-called reliever airport for general aviation traffic currently handled at Lambert.

Young assumed his House seat in January determined to work for a reversal of the Coleman decision. He pressed for an early effort by the Missouri congressional delegation to meet with the new Secretary of Transportation to present the Missouri position. The meeting, held in February, appears in retrospect to have been a turning point in the long struggle to save Lambert. Secretary Adams' de-

new facility in Illinois followed. As Missourians celebrated their victory, many who had been involved in the tireless fight recognized the crucial lead-

cision to reverse the plans to establish a

ership of Bob Young.

NEW ROCHELLE MODEL CONGRESS

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. OTTINGER. Mr. Speaker, during the weekend of April 15, 16, and 17, New Rochelle High School will host its annual Model Congress. I am pleased to have been associated with the students and faculty who have given so tirelessly of their time and I look forward to being with participants again this year. It is a pleasure to share with my colleagues at this time the following description of the program:

MODEL CONGRESS

Representing every region in the country, young men and women assemble in New Rochelle High School on April 15, 1977. The delegates take their seats before the podium. The galleries fill with spectators and members of the press from the entire New York Metropolitan area. The Speaker of the House bangs the gavel-Model Congress is now in session. For the next three days, as far as these legislators are concerned, they are the governing body of over 211 million Americans.

These students are carefully selected, being the most politically active in their com-munities, they represent the full scope of American thought. Assuming Senatorial and Representative roles, the students participate in a simulation of the legislative process. Legislation is written, sponsored and debated in many committees such as Foreign Affairs and Ways and Means. This is followed by exciting debate in the House of Representatives and Senate.

At the opening ceremonies Friday morn-CBS News Commentator Dave Marsh will address the students. On Friday evening the distinguished guest will be James Earl Carter, III better known as Chip, President Carter's son.

Perhaps the most beneficial aspect of the weekend will be the exchanging of ideas, attempting to solve major problems confronting Congressmen and to President Carter to convey to them the opinion of the youth they are representing.

Years ago, John F. Kennedy charged that "Political action is the highest responsibility of a citizen." As future voters, American high school students must be exposed to the intricacies innate in the operation of our government. They must build an acute awareness of the give and take inside and outside those notorious smokefilled rooms. They must have understanding, not cynicism

of our political machinery and must be able to repair it when breakdown occurs. Above all, months of Watergate have confirmed that if our government is to function properly, each and every citizen must be informed and active.

As an exercise in democracy Model Congress offers students the opportunity to fami-liarize themselves with the procedures of government. This national student forum, modeled after the United States Congress, allows delegates to express their opinions in a meaningful manner in the hope of solving the problems facing our country today. Assuming the roles of Senators and Representatives, delegates extensively debate their own bills. Upon passage by their committee they may sponsor this legislation on the floor of the House or Senate.

The experience and insight gained from participating in mock sessions and floor fights cannot be duplicated elsewhere. This reenactment of virtually every aspect of the legislative branch introduces the student to the art of debate with all the pomp and parliamentary procedure practiced in Congress itself.

There is great similarity to the U.S. Congress in terms of the literal rainbow of opinions expressed in debate. The ideological spectrum of students from all over the nation is vast. Through personal encounters and informal discussions with students of diversified backgrounds delegates are encouraged to reassess their regional differences and expand their horizons.

In recreating the legislative branch, we also recreate the unavoidable necessity for politics. Whether drawing support for procedural votes that can kill a bill or maneuvering major votes on a particular issue, the art of compromise is essential. Through skillful diplomacy in the legislative process, and personal exchange, the great schism of misunderstanding between radical left and far right

Studying Congress from a civics textbook is not enough! Such perspective is limited and often distorted. Model Congress brings the legislative scene into sharper focus, better enabling young Americans to fashion the future of their country.

INSIDE OUR SMOKE-FILLED ROOMS .

To fully re-create the atmosphere of this country's highest lawmaking body, Model Congress engages a staff of official pages and runners for the convenience of its hardworking Senators and Representatives. A copy of the New York Times is supplied each morning to keep the Congress informed. Delegates are provided with lounges for relaxing, working, snacking and meeting with other students. Also at the delegates' disposal is our own 20,000 volume Congressional Library. Although not in possession of every publication in the United States, our "Library of Congress" serves a vital role when passage of a bill is contingent upon research of perhaps one particular subsection.

Experienced Congressional assistants, and former Washington interns, aid delegates in their work. As each classroom becomes the scene of legislative action, New Rochelle High School is transformed into the Youth Capitol, composed of the capital youth of this country.

THE WEEKEND . . .

Upon registration, Friday morning April 15, each delegate receives a private portfolio containing all necessary stationery and legislative supplies for the weekend.

The delegates then attend a joint session of the House and Senate featuring an address by a prominent national political figure. In the past notable speakers such as Assemblyman Andrew Stein, Congresswoman Bella Abzug, Congressman William L. Hungate and

New York City Mayor John V. Lindsay have

addressed our group.

After this reception and a catered lunch, delegates organize their own political parties and draft platforms. The afternoon is spent in committee sessions. The twenty committees range in scope from Foreign Affairs to Public Health and Welfare. Here students are introduced to parliamentary rule and the legislative process. During these hours of debate problems in delegates' bills are ironed out. Political parties become powerful as they threaten to hold up legislation in committee. In the face of such political realities radical ideas are compromised.

While dinner may satiate the stomach of our delegates, we never seem to satisfy their appetite for debate. The legislators labor in committee session until late in the evening, and deal with as much of their busy agenda as possible. After this long legislative day New Rochelle members of this organization and other concerned residents open their doors and refrigerators to visiting delegates. Breakfast is served at the host's home, while other meals are catered in the high school's dining room. A minimal delegate fee covers all food expenses.

In the frantic rush before committees are called to order Saturday morning new bills marked up Friday are placed at the end of the proper committee's agenda. Delegates realize the urgent need to debate all the important bills on their agenda so that they can be further discussed in the House or Senate sessions later that day. Following a luncheon parties meet. Delegates work on party strategy and caucus for support from other parties for or against the bills to be debated. Saturday afternoon the House and Senate convene. Agreements and friendships made between students now gain importance as party lines are drawn and power struggles commence. As legislation is argued on the floor, delegates see a true test of their ideas and political manipulation. Having mastered public speaking and parliamentary rule in committee, debate takes on a new air of excitement. This first exhilarating session

is finished early that evening.

Under consideration for the Saturday night entertainment programs are a Mock State Dinner, a Broadway show, a feature movie

and a Splash Party.

Sunday morning, the delegates meet again in House and Senate to debate, in full fury, more controversial bills. This affords students the opportunity to share their ideas with over three hundred, by this time, experienced demagogues. In honor of these outstanding speakers, there is a gala banquet, at which time, accolades for excellence in debating are awarded.

But be you an eloquent statesmen, a stumbling spokesman, or just a conscientious listener and tricky questioner, you will have a memorable, educational experience at the Model Congress Weekend—one in which the House will become your home.

OUR FOUNDING FATHERS . .

For over a decade, New Rochelle High School Model Congress has set the pattern for a dramatic concept in America education—political analysis by high school students. As an outgrowth of a one day mock Political Convention in 1964, Model Congress has been faithfully nurtured by Mr. William P. Clarke, faculty advisor for the over 100 students who work year round on this after school activity. Thanks to their tremendous efforts, New Rochelle's Model Congress has earned its reputation as the largest, most diverse activity of its kind. In its reproduction of the legislative branch, Model Congress Weekend provides the intensive debating sessions necessary to perfect parliamentary procedure. The noise produced during three full days of fast debate is the call of reveille for many students in attendance—awakening potential acumen in politics.

DICKEY-LINCOLN HYDROELECTRIC PROJECT

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 6, 1977

Mr. McKINNEY. Mr. Speaker, yesterday I joined 11 of my colleagues in forwarding a letter to President Carter expressing our disappointment over the removal of the Dickey-Lincoln hydroelectric project from among those to be reviewed. Whether or not the environmental impact study is completed, we feel that an investment of close to \$1 billion in this project would be an unwise expenditure of tax dollars. It would be a travesty environmentally, economically, and overall, it would provide too little of New England's energy needs. For the benefit of my colleagues I would like to include as a part of the RECORD a copy of that letter. The letter follows:

House of Representatives, Washington, D.C., April 5, 1977.

President JIMMY CARTER,

The White House, Washington, D.C.

DEAR MR. PRESIDENT: We are as disappointed by your decision to remove the Dickey-Lincoln project from your list of projects recommended for deletion of funding in FY 1978, as we were supportive of your original action February 21.

The Dickey-Lincoln project has been, is and will continue to be economically and environmentally unacceptable, regardless of what stage it is in. In size, in cost, and in damage to the environment, the project is enormous. We oppose any further funding of Dickey-Lincoln on economic, energy, and environmental grounds.

ECONOMICS

1. The cost of the project has tripled since it was authorized twelve years ago in 1965. The Corps of Engineers now estimates that it would cost \$669 million to construct at 1976 prices; other estimates go higher.

2. An updated analysis of the benefits and costs of Dickey-Lincoln, based on the latest figures available from the Corps of Engineers and the Federal Power Commission, was completed this spring by A. Myrick Freeman, Professor of Economics at Bowdoin College, Maine. (Enclosed) His report states: "One surprising conclusion which emerges from this new data is that despite rising oll prices the economic case for Dickey-Lincoln is getting weaker . . . the benefit-cost ratio is declining because the costs of building Dickey-Lincoln are rising faster than the costs of building and operating alternative sources of power."

At the time the project was authorized, its benefit-cost ratio, as computed by the Corps of Engineers, was 1.81 to 1.00. A recent benefit-cost ratio by the Corps, using the discount rate of 6% % applied by the federal government in evaluating new water resource projects, shows a ratio of 1.2 to 1.0. A Corps economic efficiency analysis shows a comparative ratio of only 1.02 to 1.00.

parative ratio of only 1.02 to 1.00.

3. A major economic resource will be destroyed: 106,000 acres (166 square miles) of prime timber land. Seven Islands Land Company, which manages most of this land for private owners, estimates that approximately 200,000 cords of wood could be produced annually on a sustained yield basis. The estimated value of this resource to the state's economy is \$40 million per year. If this figure were included in the project's cost-benefit ratio, the ratio would

fall below 1 to 1, even if the 31/4 % discount rate were used.

ENERGY

The proponents of the Dickey-Lincoln project justify its enormous cost on the grounds that it will provide needed electricity to New England. This argument is faulty for several reasons:

1. Dickey-Lincoln will generate very little electricity for its size and cost. Since the St. John River has a low flow for most of the year, the Dickey dam will have only a 15% annual capacity factor. This means that it can be operated an average of only 3-4 hours per day; if it ran continuously it would run out of water in 35 days. The total electricity output of Dickey-Lincoln would be only about 1% of the electricity generated in New England in 1986, when the project would be fully operational.

2. The growth rate of peaks in energy demand is slowing, according to NEPOOL (New England Power Pool) because of higher prices and energy conservation programs, including rate structure changes, thus reducing the need for peaking generators such

as Dickey-Lincoln.

3. Most important, Dickey-Lincoln will not be needed even in 1986. A NEPOOL forecast dated December 31, 1976 states that New England has a present reserve margin of 49% above peak demand. (Peak demand in 1976 was 14,000 MGW, capacity was 21,000 MGW). The forecast predicts that in 1986 the Pool will have a reserve margin of 30% over peak demand, vithout Dickey-Lincoln. (The report predicts a 24,000 MGW peak demand and a 31,800 MGW capacity. Furthermore, Dickey-Lincoln would only offer about 800 MGW of peaking power).

4. Other hydropower alternatives which

4. Other hydropower alternatives which are economically feasible and environmentally sound exist in New England. An Army Corps of Engineers survey counts over 3,000 already existing dams in the region, very few of which currently produce elec-

tricity.

Some study and field work have been completed by the Mitre Corporation and the Maine Hydroelectric Corporation which indicate that small site dams could be retrofitted with turbine generators for \$600-\$2000 per kilowatt.

ENVIRONMENTAL CONSEQUENCES

The Dickey dam would be 2 miles long and 335 feet high. In total volume it would be the eleventh largest dam in the world, larger than Egypt's Aswan Dam. In addition to the two dams, five dikes would be constructed to prevent the reservoir from spilling over into adjacent watersheds. Total acreage required is 127,000 acres. Numerous studies have documented the environmental consequences of the Dickey-Lincoln project:

 It would destroy finally and irrevocably the great free-flowing St. John, the longest

wilderness river in the Northeast.

Some of the best white-water canoeing, surpassing the already overused Allagash Waterway in its magnificent rapids, would be lost forever.

3. It would wipe out some 267 miles of streams, including the outstanding brook trout fishery of the upper St. John, the Little Black and the Big Black Rivers.

4. It would inundate 17,600 acres of deeryards, critical winter habitat for over 2,000 deer, with the attendant disruption of as many as 30,000 hunter days each year.

It would flood the habitat of moose, bald eagles, and many rare and endangered

species of plants and animals.

6. The project would create a 57-mile long, 88,000 acre reservoir, whose water level would fluctuate approximately 22 feet in an average year, with a 17,700 acre (27 square mile) "bathtub ring". At minimum lake level, there would be 50 square miles of bathtub ring. Maine already has over 3,000 lakes, many of superlative quality; the rec-

reational value for the reservoir was considered so lowly by the Northeast Regional Office of the Bureau of Outdoor Recreation that it declined to do serious recreational studies for the project.

PUBLIC AND POLITICAL OPPOSITION

1. A survey conducted in 1975 by Congressman Emery of Maine disclosed that two-thirds of his constituents opposed the project. Petitions in opposition circulated by the Maine Natural Resources Council have been signed by over 30,000 persons, including 17,000 Maine residents.

2. The President of the Maine Senate, Joseph Sewall (Mr. Sewall requested he be quoted as follows: "Unless it were proven by competent engineers that Dickey-Lincoln was essential to the development of tidal power"), and the Maine Senate Minority Leader, Gerard Conley, both oppose the

project. 3. The Maine Young Democrats and the Americans for Democratic Action adopted

resolutions against the project. 4. The Boston Globe, the major newspaper of New England, the Bangor Daily News, the Kennebec Journal, and the Maine Times, all have taken editorial positions against Dic-key-Lincoln, the Globe reversing its former position supporting the project.

5. All major American, Canadian, local and regional environmental groups oppose the project, including:

LOCAL AND REGIONAL GROUPS

Appalachian Mountain Club.

Conservation Law Foundation of New England.

Federation of Western Outdoor Clubs. Maine Natural Resources Council—the "umbrella" environmental coalition in Maine, with 28 Statewide and 98 Regional and Local Affiliates.

Massachusetts Council of Sportsmen's Clubs.

Massachusetts Forest and Park Asso-

Northeast Audubon Society. Sierra Club—New England Chapter.

NATIONAL GROUPS

American Canoe Association. American Rivers Conservation Council. Environmental Policy Center. Friends of the Earth. Friends of the St. John (Coalition). National Audubon Society. National Wildlife Federation. Sierra Club. Trout Unlimited. Union of Concerned Scientists. The Wilderness Society.

INTERNATIONAL GROUPS

· Alberta Wilderness Associates Canada-United States Environmental

Council Canadian Coalition for Nuclear Responsi-

bility, Ontario Canadian Environmental Law Association

Canadian Nature Federation

Conservation Council of New Brunswick Energy Probe, Ontario

Greenpeace Foundation National Survival Institute

Saskatoon Environmental Society, Saskatchewan

Save Tomorrow Oppose Pollution, Alberta Societé Vaincre la Pollution, Quebec SPEC (Society for Pollution and Environmental Control), British Columbia

Yukon Conservation Society

Respectfully yours, Paul E. Tsongas, David F. Emery, Toby Moffett, Robert F. Drinan, Edward J. Markey, Christopher J. Dodd, Silvio O. Conte, James M. Jeffords, Stewart B. McKinney, James C. Cleveland, Robert N. Glaimo, Gerry E. Studds, Members of Congress. bers of Congress.

LOAN GUARANTEE CATALOG

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. MOORHEAD of Pennsylvania, Mr. Speaker, the Subcommittee on Economic Stabilization is examining the subject of loan/loan guarantee commitments of the Federal Government. The total amount of credit provided under these auspices has risen rapidly during the past decade and plays a significant role in allocating and reallocating our Nation's resources. Analysis of their impact and the distribution of benefits from such assistance is almost nonexistent and is a major concern of the subcommittee.

The types and volume of guarantees, as well as measurement of their effectiveness to redirect resources in the fashion sought by the Congress, is a matter of examination through our effort. With the assistance of the Congressional Research Service, we have undertaken the task of preparing a Loan Guarantee Catalog, much in the manner the grantin-aid device was compiled earlier. A compilation and descriptive statement on all such programs is expected to be completed by late May of this year and is intended to be of use and value to the Members.

While only a listing of these programs is currently available. I believe it may be of use and interest at this time. I should stress that the list is tentative inasmuch as new loan guarantee programs are continually being discovered. For the moment, the number of federally insured and federally guaranteed loans totals 147. The listing follows:

LOAN GUARANTEE CATALOG DEPARTMENT OF AGRICULTURE

1. Farm Credit Administration.

2. Farmers Home Administration-Emergency Loans.

Farmers Home Administration-Farm

Labor Housing Loans and Grants.
4. Farmers Home Administration—Farm Operating Loans

5. Farmers Home Administration—Farm Ownership Loans.

6. Farmers Home Administration—Grazing Association Loans.

7. Farmers Home Administration—Irriga-tion, Drainage and Other Soil and Water Conservation Loans.

Farmers Home Administration-Low to Moderate Income Housing Loans.

9. Farmers Home Administration—Rural Housing Site Loans.

10. Farmers Home Administration-Recreation Facility Loans.

Farmers Home Administrationsource Conservation and Development Loans.

12. Farmers Home Administration-Rural Rental Housing Loans.
13. Farmers Home Administration—Soil

and Water Loans.

14. Farmers Home Administration-Water and Waste Disposal Systems for Rural Communities.

15. Farmers Home Administration-Watershed Protection and Flood Prevention Loans

16. Farmers Home Administration-Business and Industrial Loans.

17. Farmers Home Administration-Indian Tribes and Tribal Corporation Loans.

18. Farmers Home Administration-Community Facilities Loans.

19. Farmers Home Administration-Emergency Livestock Loans.

20. Farmers Home Administration-Federal Crop Insurance Corporation.

DEPARTMENT OF COMMERCE

21. Bureau of Indian Affairs-Indian Loans, Economic Development.

22. National Oceanic and Atmospheric Administration-Fishermen Reimbursement of

23. National Oceanic and Atmospheric Administration—Fishing Vessel Obligation

Maritime Administration-Maritime War Risk Insurance.

Administration-Federal Maritime Ship Financing

26. Trade Adjustment Assistance for Firms. 27. Trade Adjustment Assistance for Com-

28. Economic Development-Business Development Assistance.

DEPARTMENT OF HEALTH, EDUCATION AND WELFARE

29. Health Maintenance Organization De-

velopment. 30. Nursing School Construction Assistance Direct Loans, Grants Guarantees and In-

terest Subsidies 31. Higher Education Act Insured Loans.

32. Student Loans.

33. Academic Facilities Loan Insurance. 34. Academic Facilities Loan Insurance.

35. Student Loan Marketing Association.

36. Hospital Construction Loan Program. DEPARTMENT OF HOUSING AND URBAN

DEVELOPMENT 37. Federal Insurance Administration: Flood Insurance.

38. Federal Insurance Administration: Urban Property Insurance.

39. Federal Insurance Administration: Crime Insurance.

40. Housing Production and Mortgage Credit: Interest Reduction Payments-Rental and Co-op Housing for Lower Income Families.

41. Housing Production and Mortgage Credit: Interest Reduction Acquisition and Rehabilitation of Homes for Resale to Lower Income Families.

42. Housing Production and Mortgage Credit: Interest Reduction and Mortgage Insurance for Homes for Lower Income Families.

43. Housing Production and Mortgage Credit: Interest Reduction and Mortgage Insurance for the Rehabilitated Homes for Lower Income Families.

44. Major Home Improvement: Loan Insurance for Housing Outside Urban Renewal Areas

45. Mortgage Insurance: Mobile Homes.

46. Mortgage Insurance: Construction or Rehabilitation of Condominium Projects. 47. Mortgage Insurance for Development

of Cooperative Housing Projects. 48. Mortgage Insurance for Group Practice **Facilities**

49. Mortgage Insurance for Home Purchases

50. Mortgage Insurance for Homes for Cer-

tified Veterans. 51. Mortgage Insurance for Homes for Dis-

aster Victims.

52. Homeownership Mortgage Insurance for Low and Moderate Income Families.

53. Mortgage Insurance for Homes in Outlying Areas.

54. Mortgage Insurance for Homes in Urban Renewal Areas. 55. Mortgage Insurance for Housing in

Older Declining Neighborhoods.

Mortgage Insurance for New Communities.

57. Mortgage Insurance for Management-Type Cooperative Projects.

58. Mortgage Insurance for Hospitals. 59. Mortgage Insurance for Mobile Home Courts and Parks.

60. Mortgage Insurance for Nursing Homes and Related Care Facilities.
61. Mortgage Insurance for Purchase of

Sales-Type Cooperative Housing.

62. Mortgage Insurance for Purchase by Homeowners of Fee Simple Title from Les-

63. Mortgage Insurance for Purchase of Units of Condominiums.

64. Mortgage Insurance for Rental Hous-

ing. 65. Mortgage Insurance for Rental Hous-

ing for Moderate Income Families.
66. Mortgage Insurance for Rental Housing for Low and Moderate Income Families, Market Interest Rate.

67. Mortgage Insurance for Rental Housing for the Elderly.

68. Mortgage Insurance for Rental Housing in Urban Renewal Areas.

69. Mortgage Insurance for Special Credit Risks

70. Property Improvement Loan Insurance for Improving All Existing Structures and Buildings of New Non-Residential Structures.

71. Property Improvement Loan Insurance for Construction of Non-Residential Farm Structures.

72. Property Insurance Loans for Existing Multifamily Dwellings.

73. Property Insurance Loans for Construction of Non-Residential or Non-Farm Struc-

Supplemental Loan Insurance for 74 Multifamily Rental Housing and Health Care Facilities.

75. Mortgage Insurance for Experimental Homes

76. Mortgage Insurance for Experimental Projects Other Than Housing.

77. Mortgage Insurance for Experimental Rental Housing.

78. Mortgage Insurance for the Purchase or Refinancing of Existing Multifamily Housing Projects.

79. Community Planning and Develop-ment—New Communities Loan Guarantees. 80. Single Family Home Mortgage Coinsur-

ance. 81. Multifamily Housing Coinsurance.

82. Mortgage Insurance for Graduated Payment Mortgages.

83. Aid to Indian Housing—Annual Contributions to Pay Off Bonds and Notes.

84. College Housing Debt Service Grants. 85. Mortgage Insurance for Armed Service Housing in Impacted Areas.

86. GNMA Mortgage-Backed Guarantees. 87. GNMA Special Assistance Mortgage Purchases.

88. Mortgage Insurance for One to Four Family Homes.

89. Homeowner's Emergency Relief to Assist Homeowners in Danger of Foreclosure— Coinsurance.

90. Mortgage Insurance for Multi-Family Rental Housing.

91. Low-Income Public Housing Contributions for Payment of Bonds and Notes.

DEPARTMENT OF THE INTERIOR

92. Indian Loan Guarantees.

93. Indian Loan Insurance.

DEPARTMENT OF TRANSPORTATION

94. FAA-Aviation War Risk Insurance.

95. National Capital Transportation Act.

96. Rail Passenger Service Act.

97. Regional Rail Reorganization Act.

98. Aircraft Loan Guarantee Program. 99. Emergency Rail Guarantee Program.

100. Guarantee Program for Washington Metropolitan Area Transit Authority Obligations.

101. Passenger Rail Improvement Program.

102. United States Railway Association (acquisition and Modernization loans).

103. Emergency Assistance for Railroads Operating Passenger Service.

DEPARTMENT OF STATE

104. Worldwide and Latin American Housing Guarantee Program.

105. Protection of Ships from Foreign Seizure.

106. Agricultural and Productive Credit and Self-Help Community Development Program

107. Foreign Housing Investment Guarantees.

EXPORT-IMPORT BANK

108. Loans Sold with Recourse.

109. Medium Term Guaranties.

110. Certificates of Loan Participation.

111. Medium Term Insurance. 112. Short-Term Insurance.

SMALL BUSINESS ADMINISTRATION

113. Displaced Business Loans.

114. Economic Injury Disaster Loans. 115. Economic Opportunity Loans for Small Businesses.

116. Lease Gurantees for Small Businesses.

Physical Disaster Loans. 117.

118. Small Business Loans.

119. Small Business Investment Companies.

120. State and Local Development Company Loans.

121. Coal Mine Health and Safety Loans. 122. Bond Guarantee for Surety Companies.

Meat and Poultry Inspection Loans.

124. Occupational Safety and Health Loans. 125. Base Closing Economic Injury Loans.

126. Handicapped Assistance Loans. 127. Handicapped Assistance Loans.

128. Emergency Energy Shortage. 129. Strategic Arms Economic Injury Loans.

130. Water Pollution Control Loans.

131. Air Pollution Control Loans.

132. Loans to Minority Enterprise Small Business Investment Companies.

133. Small Business Loan Program.

134. Pollution Control Financing Program. OVERSEAS PRIVATE INVESTMENT CORPORATION

135. Foreign Investment Insurance. 136. Foreign Investment Guarantee.

VETERANS ADMINISTRATION

137. Mobile Home Loans. 138. Veterans Insured Loans for Residential Housing.

139. Veterans Guaranteed Loans for Residential Housing.

ADDITIONAL

140. Emergency Loan Guarantee Board.

141. Defense Production Act.

142. Foreign Military Credit Sales. 143. Federal National Mortgage Associa-

144. Farm Credit Administration Banks for Cooperatives.

GENERAL SERVICES ADMINISTRATION

145. Federal Building Loan Guarantee.

146. Guaranteed Loans.

147. Real Property Guarantees.

TUNA AND PORPOISE CONTROVERSY

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. McCLOSKEY. Mr. Speaker, I have today introduced a bill to try to resolve the tuna/porpoise controversy. The bill seeks to solve the problems facing the U.S. tuna industry as a result of conflicting court decisions interpreting the Marine Mammal Protection Act of 1972

It has become increasingly clear in remonths that administrative changes in the regulations of the Department of Commerce will not be able, in themselves, to end the prospect of further litigation seeking to interpret the act.

Also, after 4 years of operation, several new problems have arisen in the tuna industry, particularly with respect to foreign fishing operations.

It has also become clear that despite a good faith negotiating effort on the part of representatives of the industry, the environmentalists and the Government, there are still differences amongst the parties which can only be resolved by Congress. I hope the bill introduced today will provide a framework for our early action following the spring recess.

We have passed emergency legislation to assist foreign fishing fleets to operate in accord with our own 200-mile fisheries law. It seems appropriate that we should do the same for our own fishing industry.

Briefly, the bill provides for the fol-

lowing:

First. Confirms the "immediate near-zero mortality goal," but specifies that this goal is to be reached by December 31, 1981 through progressively lower quotas set by the Department of Commerce.

Second. Redefines "take" to exclude

safe settings on porpoise.

Third. Requires an observer on every tuna vessel of 400 tons or larger, the cost to be borne by the permit applicant; provides for penalties against shippers failing to exercise due care; permits withdrawal of the observer when a skipper has demonstrated consistent skill and success in achieving the nearzero mortality requirement of the law.

Fourth. Allows the taking of eastern spinner porpoise to a maximum of 5,000 until December 31, 1981.

Fifth. Bans the importation of all fish and fish products from a country or vessel which does not follow U.S. standards with respect to the act, including

acceptance of an observer. Sixth. Requires approval of the Secretary of Commerce for transfer of a tuna vessel, with a bond to be posted to secure compliance with U.S. law.

The full bill follows:

HR.

A bill to amend the Marine Mammal Protection Act of 1972 to allow the commercial tuna fishing fleet to continue operations while exercising due care to reduce incidental porpoise mortality to insignificant levels approaching near zero

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Amendments to the Marine Mammal Protection Act of 1972."

SEC. 2. Section 2 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1361), is amended by adding a new finding as follows:

"(7) While the tuna fishing industry has used, and should be able to continue to use, the technique of setting purse-seines on porpoise, a duty of due care should be imposed on the industry in connection with purse-seine tuna fishing in order to reduce porpoise mortality to insignificant levels approaching zero in the near future, allowing, however, for accidental porpoise mortality in cases of unforeseeable failures of gear or weather.

SEC. 3. Section 3(13) of the Marine Mammal Protection Act of 1972 (U.S.C. 1362(13)) is amended by inserting immediately before the period at the end thereof the following:

"but in the case of purse-seines setting on porpoise for the purpose of fishing for tuna when such setting is carried out in accordance with regulations prescribed by the Secretary pursuant to Section 103 of this title and pursuant to a permit issued under Section 104 of this title, the term "take" shall mean to kill or attempt to kill any marine

SEC. 4. Section 101(a)(2) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371(a)(2)) is amended-

by striking out "immediate" in the

third sentence thereof:

(2) by inserting immediately before the period at the end of such third sentence the following:

"before December 31, 1981; such goal shall achieved through progressively lower quotas for each species and population to be established by the Secretary pursuant to Section 103 of this title."; and

(3) by amending the last two sentences to

read as follows:

"The Secretary of the Treasury shall ban the importation of commercial fish and products from fish from any foreign country which has under its jurisdiction or control any commercial fishing vessel which causes the incidental killing or incidental serious injury of marine mammals in excess of United States standards prescribed pursuant to section 103 of this title. After December 31, 1977, the Secretary of the Treasury shall ban the importation of fish or fish products from any foreign country which has under its control or jurisdiction such vessel if the fish from such vessel is not accompanied by a certification (in a form satisfactory to the Secretary) stating that such vessel taking such fish or the fish from which the products were manufactured had on board at the time of taking an observer who is required to perform functions substantially equivalent to those specified under section 111(d) of this title. The Secretary may duly waive this certification requirement for those commercial fishing vessels which do not cause the incidental kill or serious injury to marine mammals.

SEC. 5. Section 101(a) (3) (b) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1363(a)(3)(B)) is amended by inserting immediately before the period at the end

thereof the following:

; except that the Secretary may issue permits for the taking of the eastern stock of spinner dolphin, Stenilla longirostris, incidental to commercial fishing operations for yellowfin tuna until December 31, 1981, Provided, That the number of spinner dolphin from such stock authorized to be killed each vear shall not exceed 5.000 and shall be limited so as to assure, on the basis of virtual certainty, significant annual increases in such stock and the recovery of such stock to its optimum sustainable population as soon as possible and in no event later than December 31, 1981."

Sec. 6. Section 101 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1363)) is amended by adding a new subsection (d) as

follows:

"No commercial fishing vessel which has been operated pursuant to a permit issued under section 104 of this title authorizing the taking of marine mammals incidental to commercial purse seine fishing for yellowfin tuna or which was designed for or capable of such fishing may be constructed, repaired or transferred to any person for operation under the jurisdiction or control of a foreign

country without the prior approval of the Secretary. Such approval shall not be granted unless the transferee and foreign country both agree to operate said vessel consistent with United States standards for the incidental taking of marine mammals as prescribed under section 103 of this title and to allow observers approved by the Secretary to board and accompany such vessel in a manner consistent with section 111(d) of this title and a bond is filed with the Secretary in an amount and form determined by the Secretary to be necessary and appropriate to insure performance of such agreement.

SEC. 7. Section 104(e)(1) of the Marine Mammal Protection Act of 1972 (16 U.S.C.

1374(e)(1)) is amended-

(1) by adding the following:

"and may deny future permits or certifi-cates of inclusion under general permits to operators or individuals"

(2) by striking out "or" at the end of subparagraph (A);

(3) by redesignating subparagraph (B) as subparagraph (C); and

(4) by inserting immediately after sub-

paragraph (A) the following:

"(B) if the Secretary finds, on the basis of observer reports required under section 111(d) of this title, or other relevant information, that the permittee or any individual acting under such permit has not exercised due care in complying with the regulations or other terms and conditions applied under this Act for the purpose of reducing the incidental killing of marine mammals during commercial fishing operations, or".

SEC. 8. Section 104(g) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1374 (g)) is amended to read as follows:

"The Secretary shall establish and charge reasonable fee for permits issued under this section. A fee charged for permits issued with respect to the incidental taking of marine mammals may recover all or part of the cost of agents placed aboard commercial fishing vessels under section 111 of this title, and may be set on a basis which will provide an incentive to individual fishing operators to reduce the incidental taking of such mammals. All fees for permits issued under this section shall be deposited in a separate account or accounts which shall be used to pay directly the costs in-curred under section 111(d) of this title and in connection with the issuance of said permits or to refund excess sums when neces-

SEC. 9. Section 104(h) of the Marine Mam-mal Protection Act of 1972 (16 U.S.C. 1374 (h)) is amended by adding at the end there-

of the following:

"In the event that a general permit shall be issued for the incidental taking of marine mammals in connection with fishing for tuna, any certificate of inclusion hereunder shall be issued to the operator of the vessel and shall specify the names of all individuals qualified to operate the vessel setting on porpoise."

SEC. 10. Section 111(d) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1381 (d)) is amended to read as follows:

"Furthermore, if the Secretary determines that a reasonable probability exists that any commercial fishing vessel of over 400 gross tons will engage in the incidental taking of marine mammals in the course of fishing operations on a regular fishing trip, he shall, after timely notice to the vessel owner, direct individuals acting as agents of the Secretary to board and to accompany any such vessel on such trip for the purpose of conducting research, observing fishing operations, and monitoring for compliance with regulations and permits issued pursuant to this title. Such research, observation, and monitoring shall be carried out in such a manner which will minimize interference with fishing operations. No master, operator,

or owner of any vessel shall impair or in any way interfere with the research, observation, monitoring being carried out by agents of the Secretary pursuant to this section. Each observer shall submit to the Secretary a report of his observations in such form as prescribed by the Secretary. The Secretary may eliminate the requirement of observers and the cost thereof for those operators who have consistently demonstrated due care in meeting the requirements of this Act."

SQUIRREL POWER

HON. STEVEN D. SYMMS

OF TRAHO

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. SYMMS. Mr. Speaker, for several years the great energy debate has raged across America. Most frequently, we hear the complaint from all segments of opinion that we lack a national energy policy. But, Mr. Speaker, I submit that we do have a national energy policy-and that our policy amounts to making sure that nothing is done that might encourage energy production, while at the same time paying lipservice to conservation.

However, Government, as we all know, is very ingenious and creative—always has been-and it has been assumed that Government would solve our energy dilemma. Well, the expected breakthrough has finally come. The details are reported in the March 9, 1977, issue of Review of the News by Mr. John Brennan. The article describes a revolutionary new power source that may even attract the blessings of Ralph Nader and Environmental Action, Inc.

The article reads as follows: SQUIRREL POWER

The United States Government has begun a vast national roundup of a previously unused natural resource as the latest answer to the energy crisis. Teams of newly recruited inner-city youths are patrolling the countryside and parks of America's great cities to collect this live asset. Traveling in government-designed vans pulled by energy-saving oxen, they are searching for squirrels-now expected to be harnessed to wheels as means of providing this great country with vast quantities of needed energy.

An enormous squirrel farm, the first of many to be placed in strategic locations

throughout the country, has been erected just outside Plains, Georgia, and over 100,000 of the frisky, furry rodents are even now adjusting to captivity in a hygienic atmosphere there. The squirrels are being fed a vitaminenriched diet to prepare them for the task ahead, and a recording of Jimmy Carter telling the American people not to worry is frequently played to the captive energy source as both a complement to their diet of nuts and encouragement to do their best.

Secretary of the Interior Cecil Andrus kicked off the squirrel campaign several weeks ago by symbolically capturing a squirrel atop a 90-percent finished T.V.A. dam outside Knoxville, Tennessee. The squirrel, alleged by some to have been sedated for the event, was picked up gently by Secretary Andrus and placed in a brown paper bag for a flight on Air Force One to the government squirrel farm

A local official was interviewed after the ceremony and indicated that he would have preferred to have the dam completed, as it had already cost a hunderd million dollars and would have provided energy equal to that produced by 15 million barrels of oil a Ralph Nader, who was present at the rite, reminded the official that a completed dam would have further endangered the three-inch snail darter, a fish on the Endan-

gered Species List.

'Wait till you see what government squirrels can do!" cried Mr. Nader, who then called for the halting of construction of all nuclear power plants, all electrical energy production stations, all oil refineries, and an immediate return to the oar, the pedal, and the windmill. In this he was a bit late, for the federal government is already sponsoring construction of giant windmills in the Rockies.

In the billion-dollar squirrel scheme the Federal Energy Administration has relied on a report, prepared by Mr. Nader, showing how a healthy squirrel running on a wire wheel attached to a smaller generator might produce enough electricity to heat a six-room house while powering all the electrical appliances in the average household. Some skeptics complained that a tiny squirrel whirling in a cage could not possibly produce suf-ficient energy to do this, but experts from the Internal Revenue Service said that a properly motivated squirrel could do the job. They assured the nation they had the methods and the personnel to guarantee compliance.

The first squirrel-cage factory is due to open in Cambridge, Massachusetts, on April 1, 1977, and will be dedicated by House Speaker Thomas P. "Tip" O'Neill. Speaker O'Neill replied at a recent press conference that he saw no conflict of interest on the part of the Administration in the fact that the government squirrels will live on a diet of peanuts. Later in the week the White House announced that a squirrel farm will be constructed on the former site of the now defunct Harvard University, from which some 1,200 professors had fled in terror upon

learning of the squirrel roundup.

Bert Lance, President Carter's director of the Office of Management and the Budget, is overseeing the massive squirrel project in its initial stages. Lance stated that he is certain the squirrels will see America through her time of need, adding that the "same uncanny equilibrium that helps the squirrel maintain his balance high in the treetops might well be harnessed to help me achieve

a balanced Budget by 1980."

Mr. Lance estimates that approximately 276,989,436 squirrels will be needed to supply America's energy needs. Since the young people employed under the federally funded program known as Youth And Squirrels Save America's Heat (YASSAH) appear to be catching the furry little animals at the rate of 2.4 squirrels per youth per day, it appears that the goal of capturing 276,989,436 squirrels before next winter will not be met. The youth of YASSAH blame their relative lack of productivity on the slowness of the federally developed ox carts, originally designed by the L.E.A.A. as police patrol cars.

The government is meanwhile banking on the well-known ability of squirrels to reproduce in large numbers as a means of saving the program. A high Welfare official recalled just the other day that when his mother began handing out bread to two little squirrels in his backyard it was impossible to enter the yard after only two months without being beseiged by a pack of the persistent ravenous creatures. The problem was solved when his father purchased a large dog which he kept tied to a tree in the yard and fed sparingly. The Welfare official thus far has been disinclined to apply a similar solution to the problems of his agency, but he has presented abundant data to prove that subsidies for squirrels should produce abundant offspring.

The Congress of Racial Equality and the

American Indian Movement have meanwhile been watching the squirrel project with much interest. Indeed, both organizations threatened legal action when the squirrel search was orginally confined to gray squirrels because of their alleged superior energies. Red and black squirrels are now as welcome on the government squirrel farms as

the gray.

Ambassador Andrew Young, whose pronouncements have been getting him in difficulty, ran into more trouble this week when his limousine struck and killed a squirrel in Central Park. Ambassador Young was photographed tearfully holding the carcass of the dead squirrel by the tip of its tail. The picture was captioned "America's Friend Makes Ultimate Sacrifice," but was withheld from most newspapers as not being in the national interest. It was widely reproduced in foreign countries, however, and became the cause of unseemly merriment in the O.P.E.C. nations and South Africa. General' Idi Amin Dada telephoned Ambassador Young to say that Acts of Heaven will happen. Idi offered to replace the defunct squirrel with an anxiously running missionary.

Paul Warnke, whose nomination to head the arms control agency had such a stormy time in the United States Senate, is among those who are very interested in the squirrel energy program. He feels it is somewhat similar to his well publicized but little understood plan to replace the B-1 bomber with horse cavalry. Mr. Warnke also has an answer for those who say the squirrel might fail to run and turn his little wheel. He says the same motivational technique should be used when dealing with squirrels as he would use when dealing with the Russians. "Build a man-sized cage and I will get in it," says Warnke. "Once the squirrels see me running they will know I am sincere and I am sure they will then want to run in their own little cages."

A late development in the squirrel energy story has broken just as we go to press. According to Jimmy Carter's chief economic advisor, Lawrence Klein, a slight error has been found in Ralph Nader's initial calculations that had indicated the energy of one squirrel could provide enough electricity for the average household. The new government figures, says Klein, confirm that the original plan was correct in all respects . . . except that the squirrel would have to weigh 200 pounds. A crash federal program with cost overrides is now under way to develop a 200 pound squirrel, and President Carter believes that with the sacrifices and forbear-ance of the American people his dream of energy independence will soon be a reality.

ATTEMPTS TO FURTHER DIMINISH OUR INTERNAL SECURITY CAPA-BILITY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. McDONALD. Mr. Speaker, some of our colleagues have introduced a bill promoted by the American Civil Liberties Union and others to further diminish our Government's ability to prevent terrorism and other violent crimes by revolutionary groups. The March 19, 1977, Human Events has provided a valuable analysis of the bill which shows just how dangerous the present trend can be. Pressures on the legislative, executive, and judicial front have done

severe harm to our Nation at a time when terrorism and other subversive activities are on the increase. I commend the Human Events article to the attention of my colleagues. The article follows:

HOW FAR WILL CARTER GO IN CURBING FBI?

On the very day that the fanatical Hanafi Muslim sect began marauding through the Nation's Capital—shooting, killing and tak-ing hostages—it was learned that the Carter Administration was sympathetically looking at a proposed measure that would virtually eliminate FBI surveillance of militant domestic groups, many of whose members are advocates of terror and have close ties to terrorist groups abroad.

The 35-page explanation of the proposed bill, touted by former Atty. Gen. Ramsey Clark when he was in the Capital in mid-February, bluntly says: "First and foremost this proposed legislation seeks to end po-

litical surveillance."

The explanatory material makes plain that the measure looks toward putting a permanent ban on the use of undercover agents and informants for any purpose, even when employed to penetrate the Mafia or terrorist groups. "Informants and undercover agents are so prone to violating civil liberties," say the proponents, "that this Act requires Congress to examine their alternatives" within a year of passage.

The proposal would repeal such laws as the Riot Act, which permits the federal government to prosecute persons who cross state lines to promote violence, and would flatly prohibit all forms of electronic surveillance, no matter what the suspected crime, even in

kidnapping cases.

While the proponents contend they are opposed to "political" surveillance, it is obvious that they include in such a definition groups who support violence and even

swear allegiance to Moscow.

The proposed measure, for instance, flatly rejects an investigation of such groups as the Trotskyite Socialist Workers party, despite its official ties to the Fourth International which actively support terrorism on a worldwide scale. The Trotskyites in the U.S., moreover, not only look upon the Soviet Union as their guiding spirit, but harbor a faction which openly endorses terror. Yet the Clark proposal says any investigation of the SWP would be clearly outside the law.

"Nor," says the proposal, "could the FBI open a preliminary investigation, as it can under existing guidelines, solely on the basis of allegations or other information that an individual or group may be engaged in activities which involve the use of force.'

Other provisions would ban all record keeping aimed at "political" groups, eliminate FBI checks of government nominees (transferring this role to the Civil Service Commission), and establish an Inspector General post that would have unrestricted

access to all FBI files.

Called tentatively "A Law to Control the FBI," the proposal is sponsored by the American Civil Liberties Union, the Committee for Public Justice and the Center for National Security Studies. John Shattuck, the director of the ACLU's Washington office, told HUMAN EVENTS that Atty. Gen. Griffin Bell, and members of Carter's Domestic Council have looked with favor upon the proposal, though he does not insist they support it in all its details.

Shattuck says he has had several meetings with Bell, and believes he is quite sympathetic. Bell, himself, indicated in his confirmation hearings that he was interested in new measures to curb the FBI. Shattuck says the bill will be introduced in Congress in the next three or four weeks.

All three group sponsors of the measure have been in the forefront of those who want

to deal a knockout blow to the Bureau. In its 1970-71 annual report, the ACLU boldly announced: "The ASLU has made the dissolution of the nation's vast surveillance network a top priority. . . . The ACLU's attack on the political surveillance is being pressed simultaneously through a research project, litigation and legislation action."

The Committee of Public Justice is no less an opponent of Bureau activities. Founded in 1970 by Lillian Hellman, who has acknowledged she joined the Communist party in 1937, but has taken the Fifth Amendment when asked to discuss her CPUSA associates and activities, the CPJ burst into the media in 1971 when it launched an attack on the FBI's monitoring of violence-prone and subversive organizations. The Center for National Security Studies is the chief organizer of the freshly minted Campaign to Stop Government Spying. Yet the Bureau-crippling measure that this trinity of groups is sponsoring is reportedly being given serious attention by the Carter people.

What makes this even more disturbing is that the nine-member White House panel to select a new FBI chief is loaded with people whose views on internal security and domestic surveillance parallel those pressing for this ominous measure to emasculate the Bureau. At least five of the nine are believed to favor far greater curbs than now exist on FBI investigations. At least one, Charles Morgan Jr., who is well regarded in even conservative circles despite many of his leftish views, is a member of the Committee for Public Justice and acknowledged to Human Events that he endorses that part of the proposal to end FBI surevillance of domestic

Equally distressing is the fact that Mary Lawton of the Justice Department's Office of Legal Counsel is the executive director of the nine-member panel to secure a new FBI director. Ms. Lawton also chaired the group appointed by former Atty. Gen. Edward Levi to draw up the existing guidelines for FBI domestic security investigations.

The Levi-Lawton guidelines are themselves considered alarming, and, in many ways, form the basis for the proposed bill now being pushed on the Carter Administration. The proposed bill would, in fact, codify the guidelines, though it would add even further harmful restrictions as well.

Francis McNamara, a long-time expert in the security field, told Human Events that "her domestic security guidelines reversed directives of six Presidents-FDR, Truman, Eisenhower, Kennedy, Johnson and Nixon— by taking the FBI out of the 'poiltical' surveillance field, stripping it of authority to collect domestic intelligence, except in criminal cases.

"Running counter to the controlling Supreme Court decision on electronic surveillance, they deny the FBI the right to use warrantless wiretaps in certain security cases. Also, they flatly forbid the FBI, with or without a warrant, to listen to subversion and crime plotting by revolutionaries and radicals if one happens to be an attorney representing another in some case

"They are so completely unrealistic they force the FBI to cease surveilling the Socialist Workers party, the Trotsky Commu-nist group which has ties with foreign terrorists and some of whose members advocate that it undertake a program of terrorist

action in this country

"The informant guidelines prepared under Lawton's direction threaten the ability of the FBI to crack conspiracies, whether they are subversive or terrorist in nature, or of the organized crime type. They also endanger the lives of those willing to serve the government as informants in criminal and subversive groups."

And the Carter Administration may go

even further. Hence, there is a growing con-

cern within the police and internal security community about just what Jimmy Carter's plans are for the FBI.

GREATER HARTFORD RESOLUTION

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. COTTER. Mr. Speaker, in Februthe Lithuanian-American community celebrated the 59th anniversary of the modern Lithuanian Republic, and the 726th anniversary of the founding of the Lithuanian nation.

Today, however, the Lithuanian people are deprived of their right to national self-determination. Lithuanian culture and religion are suppressed by the Soviet Union's official policy of "Russification."

Mr. Speaker, I think it is important to mention the hardship and oppression of the Lithuanian people because our Government has recently embarked on a campaign to encourage the development of human rights around the world. The basis of this campaign has been the international agreements which bind signatory nations to basic human rights. agreements like the Universal Declaration on Human Rights.

Lithuania certainly is an example of the Soviet Government's cavalier attitude toward these agreements. While the Soviets are undertaking a campaign to suppress the Lithuanian people's ethnic identity, political freedom is non-existent and religious freedom is only minimally observed.

At this point, Mr. Speaker, I would like to insert a letter and resolution from the Hartford branch of the Lithuanian American Community of the U.S.A., Inc.:

LITHUANIAN AMERICAN COMMUNITY OF THE USA., INC., HARTFORD BRANCH.

East Hartford, Conn., January 20, 1977. Hon. WILLIAM R. COTTER, House of Representatives, Washington, D C.

DEAR MR. COTTER: The Lithuanian nation succeeded in reestablishing an independent state, having been oppressed by the old Russian Empire, at the end of WWI, on February 16th, 1918. Regretfully, the Republic of Lithuania enjoyed her independence for only twenty-two years when, in 1940, the Soviet Union invaded, occupied, and forcibly

annexed Lithuania into the Soviet Union. It is ironical that on July 12, 1920, a peace treaty was concluded between the Lithuanian Republic and the Soviet Union. The treaty included the following statement:

"Russia recognizes without reservation the sovereign rights and independence of the Lithuanian State, with all the juridical con-sequences arising from such recognition and voluntarily and for all time abandons all the sovereign rights of Russia over the Lithuanian people and their territory.

On September 21, 1921 Lithuania was admitted into the League of Nations and was thereby recognized by the world community of nations as rightfully enjoying national

independence and sovereignty.

Thus, it seems, that by virtue of the July
12, 1920 peace treaty, the people of Lithuania have the right to freely determine their political status and pursue their economic, social and cultural development-now!

From a moral point of view, the fate of Lithuania remains one gross act of international appeasement of the Soviet Union's imperialism by the Western powers after WWII, and continued today.

On February 16th, 1977, Americans of

Lithuanian origin and descent will commemorate the 9th anniversary of its independence, as well as the 726th anniversary of the founding of the Lithuanian State. It is in this spirit, that I invite you to join us and demonstrate your own just concern for the oppressed people of Lithuania by taking an active part in the commemoration of Lithuanian Independence Day in the US House of Representatives, and to insert your remarks in the Congressional Record.

Sincerely,

STEPONAS, ZABULIS, Chairman.

LITHUANIAN AMERICAN COMMUNITY OF THE USA, Inc., HARTFORD BRANCH, RESOLUTION

We, Lithuanian-Americans of the Greater Hartford, at a meeting held on February 13, 1977 commemorating the 59th anniversary of the reestablishment of the independent state of Lithuania on February 16, 1918, and the 726th anniversary of the formation of the Lithuanian Kingdom in 1251, send our warmest greetings to the people of the Sovietoccupied Lithuania and pledge our unwavering support for the restoration of Lithuania's sovereignty and unanimously adopt the following resolution:

Whereas in 1918 the independent state of Lithuania was reestablished by the free exercise of the right of self-determination by

the Lithuanian people; and

Whereas by the Peace Treaty of July 12, 1920 Soviet Russia officially recognized the sovereignty and independence of Lithuania and voluntarily renounced forever all rights and claims by Russia over Lithuanian soil and her people; and

Whereas until 1940 Lithuania was a sovereign nation, member of the League of Nations and a signatore of numerous international treaties with the Soviet Union: and

Whereas the Soviet Union during June 15-17, 1940 invaded and occupied Lithuania, and subsequently, forcibly annexed the Lithuanian Nation into the Soviet Union;

Whereas the Soviet Union continues to conduct a policy of colonization, Russification, ethnic dilution and religious and political persecution; and

Whereas the people of Lithuania to this day are risking and sacrificing their lives in deflance of the Soviet regime as most recently an untold number of Lithuanian and Russian dissidents have been arrested and imprisoned for the publication or dissemination of "The Chronicle of the Lithuanian Catho-

lic Church"; and Whereas the United States Government maintains diplomatic relations with the government of the Free Republic of Lithuania and consistently has refused to recognize the unlawful occupation and forced incorporation of this freedom-loving country into the Soviet Union: and

Whereas the 89th U.S. Congress unanimously passed House Concurring Resolution 416 urging the President to raise the question of the Baltic Nations status at the United Nations and other international forums; now therefore be it

Resolved, that we, Lithuanian-Americans will urge the President to vigorously implement the House Concurrent Resolution 416 to the fullest extent; and further

Resolved, that we urge the Secretary of tate, during the Belgrade Conference, in State, during the Belgrade Conference, in compliance with the humanitarian provisions of the Final Act of the European Conference on Security and Cooperation, to protest the

persecution and request the release of Nijole Sadunaite, Tomas Venslovas, Marija and Daina Jurgutis, Kestutis Jokubynas, and Antanas Terleckis, just to name a few, who have been illegally persecuted by the Soviets in defiance of the Final Act; and further Resolved, that copies of this resolution be

Resolved, that copies of this resolution be forwarded to the President of the United States, the United States Secretary of State, the United States Ambassador to the United Nations, the United States Senators, members of the House of Representatives, the Lithuanian Minister in Washington, D.C., the Lithuanian Consuls in New York City and Chicago, and the press.

DEFENSE DEPARTMENT SHUNS
NORTHEAST, MIDWEST ON PROCUREMENT EARMARKED FOR
AREAS WITH HIGH JOBLESSNESS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 6, 1977

Mr. EILBERG. Mr. Speaker, because of the involvement of the Vice President and the White House, most Americans have become aware of the severe economic problems inflicted on the Philadelphia metropolitan area as a result of the Defense Department's decision to close Frankford Arsenal.

For years, the arsenal was a favorite target of the "economizers" in the Nixon and Ford administrations. Their answer to achieving "savings" in Government was to take the meat-ax to this essential military installation. On the eve of the 1976 Presidential election, the Vice President gave the people of Philadelphia his solemn promise that, if the Carter-Mondale ticket were elected, the decision to close the arsenal would be reversed.

Since then, of course, the American people have have learned that, although the decision was reviewed by the Secretary of the Army, the decision to shut down this installation and throw thousands of people out of their jobs was not reversed. Therefore, we in Philadelphia are faced with the task of finding new job opportunities for these skilled employees. This would be a problem under any circumstances; it is aggravated by the fact that unemployment in Philadelphia already is perilously high—nearly 9 percent of the work force currently cannot find jobs.

Mr. Speaker, this is the fifth Government closing in the Philadelphia area in recent years. These closings have resulted in the loss of some 10,000 jobs. Some of the people disemployed have moved away, taking with them their contribution to the stable tax base of the city; many of the others have had to take jobs at lower skills and lower pay, eroding the taxable base still further:

Because of the high unemployment levels, Philadelphia has been looking to the Department of Defense for assistance in solving this crisis. DOD has responsibility for administering the economic adjustment program, which is designed to lessen the impact of base closure.

sures. And DOD has the responsibility for carrying out a program, instituted a quarter century ago, to funnel Government contracts into areas of serious unemployment.

Unfortunately, Mr. Speaker, this latter program has been a bitter disappointment to the industrialized areas of this country. The Northeast-Midwest economic coalition, with which I am proud to be affiliated, has just completed a study detailing the failures of this program to serve the needs of the major urban areas of America. I am indebted to my friend and colleague, the gentleman from Massachusetts (Mr. Harrington), who chairs the coalition, for making this study public.

In the interests of acquainting my colleagues with the gravity of this situation, I am placing in the Congressional Record two articles which appeared in newspapers in my area—the Philadelphia Bulletin and the Philadelphia Inquirer. These articles help to explain the enormity of the problem which we face in trying to provide jobs and economic support for economically hard-hit areas like Philadelphia. The text of these two articles follows:

[From the Philadelphia Bulletin, Apr. 4, 1977]

DEFENSE DEPARTMENT CRITICIZED ON APPROACH TO JOBLESS

(By Robert E. Taylor)

Washington.—The Defense Department has "undermined, ignored and forgotten" a 25-year-old policy to target procurement contracts to areas with high unemployment, a coalition of northeastern congressmen has charged.

Rep. Michael J. Harrington (D-Mass), chairman of the Northeast-Midwest Economic Coalition, made the point in a letter to Defense Secretary Harold Brown.

The report was the first major research effort by the coalition to document its charge that the Northeast and Midwest, despite high unemployment, receive a disproportionately small amount of federal spending.

The report traced implementation of a Defense Department policy, established in 1952, to channel contracts and purchases to areas with high unemployment.

The policy was reinforced by another order in 1968, but at no time over the past 15 years has even one percent of Defense contracts been awarded to companies certified as operating in high unemployment areas.

In 1975, the most recent year for which statistics are available, less than one fifth of one percent of the department's contracts were awarded on the basis of such preference, the report stated.

Harrington claimed the statistics showed that, "despite a series of Federal policy statements, the procurement practices of the Department of Defense contribute far too little to solving the chronic economic problems of the older urban regions of the nation, and may even make those problems worse."

Harrington said the policy had been ignored because economic factors "tend to favor regions outside of the Northeast and Midwest, and in part because of political alliances cemented between the Pentagon and influential politicians during the past

In 1976, Philadelphia had the third largest number of businesses certified to bid for contracts under the preference to high unemployment areas. New York and San

Francisco ranked first and second, respectively, according to the report.

Harrington urged the Carter Administration to make a greater commitment to awarding contracts to high-unemployment areas.

[From the Philadelphia Inquirer, Apr. 5, 1977]

DEPRESSED AREAS SLIGHTED BY PENTAGON (By Aaron Epstein)

Washington.—In 1952, the Defense Department issued a policy intended to stimulate economically depressed areas of the nation by trying to make more purchases in the areas of highest unemployment.

But in the 25 years since that policy went into effect, only a tiny portion (less than one-fifth of 1 percent) of the hundreds of billions of dollars in military purchases has been spent to relieve acute unemployment, according to a congressional study.

The study also shows that much of the money that was to be spent in economically troubled areas went to the wrong places.

As a result, the Northeast and Midwest especially in cities with high unemployment, such as Philadelphia—have been drastically short-changed.

The analysis was sponsored by a coalition of Northeastern and Midwestern congressmen headed by Michael J. Harrington (D., Mass.).

Harrington, in a letter to Defense Secretary Harold Brown, charged that the Defense Department, which is responsible for 73 percent of the federal government's annual procurement expenditures of \$60 billion, has "ignored and forgotten" this "targeting" policy.

geting" policy.

A large part of the reason, the study suggests, is the fact that since 1953 the Maybank amendment has been added routinely to defense appropriation bills.

That amendment prohibits paying higher prices on contracts to relieve economic stress "except where the Secretary of Defense has specifically determined that sufficient price competition exists to ensure a reasonable price to the government."

The amendment originated when former Sen. Burnet Maybank (D., S.C.) sought to prevent the Defense Department from paying more for New England textiles than it would pay for textiles produced in southern mills.

Behind the failure to implement the targeting policy, Harrington suggested, lie the "political alliances cemented between the Pentagon and influential politicians during the last 30 years."

This is an apparent reference to the members of the Congress from the South and Southwest who frequently head armed services committees and subcommittees and who sponsor Pentagon legislation. Sen. John C. Stennis (D., Miss.), Rep. George Mahon (D., Tex.) and Rep. Robert L. Sikes (D., Fla.) are three current examples

The study indicates that the South has benefited from the small amounts of money that have been spent under the Defense Department program of relieving economic hardship.

In 1974, for example, the Philadelphia area received \$5 million, or 7 percent, of all Defense Department targeted funds.

Although unemployment in the Philadelphia area rose the next year, the area's share dwindled to \$2.2 million, or 4.7 percent.

In contrast, the Atlanta region, where unemployment was far less severe, was getting \$15 million, or 21 percent, of all the targeted purchases in 1974 and even more—\$19 million or 39 percent—in 1975.

"The minimal use of (the targeting policy) can be attributed to some extent to the limitations imposed by the Maybank amendment," the study declares.

"No explanation can be found, however, for the existing regional disparity in the allocation of federal dollars under (the policy)."

Harrington and the coalition are asking the Carter Administration to enforce the 1952 policy rigorously by changing Defense Department practices, by training federal procurement officers and by minimizing the effect of the Maybank amendment.

THE URGENT NEED TO CURB GASOLINE WASTE

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. WAXMAN. Mr. Speaker, I would like to call to the attention of my colleagues, an article, by former Environmental Protection Agency Administrator Russell Train, that appeared recently in the Washington Post. Entitled "The Urgent Need To Curb Gasoline Waste," Mr. Train has skillfully crafted an exacting analysis of the automobile's role in national energy demand.

Fully 30 percent of U.S. refinery capacity is devoted to the manufacture of gasoline used in automobiles. With experts predicting petroleum imports to exceed domestic production in 1977, the time to put a stop to profligate energy waste is now. Trimming energy consumption by the automobile is a good place to start.

There is little doubt that the country's inordinately high demand for gasoline is due in large measure to the continued production of and continuing consumer preference for gas-guzzling cars. Mr. Train points out that in comparison with West Germany, the U.S. transportation sector uses approximately 3.7 times more energy. While allowing for varying lifestyles and differing government monetary policies, the figures do point to a significant conservation potential in U.S. transportation.

The 1973 oil embargo caused perceptible, if temporary, shifts in consumer preferences toward smaller, more fuel-efficient cars. Long lines at the pumps were significant incentives to consumers to alter their habitual attraction to bigger, faster, and more powerful cars.

When the embargo ended, and gasoline supplies loosened, demand for gasoline and bigger cars shifted back toward historical trends. The Congress, however. recognizing that although the embargo had faded, the totality of the energy crisis remained, enacted provisions in the Energy Policy and Conservation Act-EPCA-to mandate strict automobile efficiency standards. Under the provisions of the law, automobile manufacturers are required to achieve increasingly stringent fleet line mileage efficiencies beginning with the 1978 model year. By 1985, manufacturers will be required to achieve an average fleet line efficiency of 27.5 miles per gallon. Mr. Train estimates that the 1985 standards would result in fuel savings equivalent to 750,000 barrels per day. This deadline, however, is 8 years away and the efficiency standards are only fleet averages, and are not applicable to individual models. It is clear that the immediacy of the energy crisis requires additional action.

In his conclusion, Mr. Train raises an important issue concerning the necessity of a shared responsibility between industry and consumers toward increasing automobile efficiency. Train comments:

I recognize that it is much more palatable politically to design a conservation program that emphasizes requirements on auto manufacturers or charges on large car purchasers. These are important in themselves, but if we stop there, the program will tend to obscure the fact that any really effective energy conservation program is going to require personal effort and sacrifice on the part of all Americans. So long as we perpetuate the idea that national energy conservation can be achieved by someone else's sacrifice, we will be deluding ourselves and we will not solve the problem. We need to provide a signal that life-style changes are required.

While Congress must remain firm in maintaining strict automobile efficiency standards, serious attention must be given to Government-sponsored incentives for consumers to alter automobile buying habits. Mr. Train believes the most effective solution is a gradual increase in the gasoline tax combined with rebate provisions to equalize the disproportionate effect upon the poor. Any such tax proposal must provide for earmarking resulting revenues for non-energyintensive investments such as mass transit and the development of renewable energy resources. The energy savings from such an allocation would multiply and expand upon initial savings in reduced gasoline demand.

Whatever the final policy adopted, it is essential to get national energy policy off dead center and take action on unnecessary energy consumption.

Mr. Speaker, I include Mr. Train's article in the RECORD at this point:

THE URGENT NEED TO CURB GASOLINE WASTE (By Russell E. Train)

On the first Earth Day in April, 1970, on campuses across the nation, automobiles were buried to the accompaniment of appropriate funeral rites and oratory. While these tongue-in-cheek ceremonies obviously represented a simplistic solution to the problem of auto pollution—to say the least—the students were right on target in highlighting the contribution of the automobile to the environmental problems of the nation. While we have made substantial progress since 1970 in reducing auto emissions, the plain fact is that the automobile was then and remains today the single largest source of air pollution in most urban areas of the United States.

While environmental problems are still very much with us, we are now confronted as well by an energy crisis which continues to worsen and which threatens the security and economic stability of the country. And once again the automobile is front and center as the single largest source of energy waste in our society.

By our failure to act decisively, we have

By our failure to act decisively, we have squandered three years, and we can no longer afford to read and then forget the warnings. For we face a clear and present danger. If we move boldly to conserve gasoline by wise use of tax policy, by insisting upon fuel savings in new models and by changing our habits, we can take a giant step toward ending energy waste—or, by failing once more to do so, we can continue on our present gasguzzling way down the road to disaster.

Oil imports are now running at a mind-boggling rate projected at 8 million barrels a day in 1977, as compared to 7.1 million barrels per day in 1976 and only 3.4 million as recently as 1970. In 1975, 45 per cent of all domestic demand for oil in the United States was for autos and trucks. Of that amount, two-thirds went to fill the tanks of passenger cars and the balance to trucks. (These proportions remain relatively the same today.) Any national energy policy must give first priority to energy conservation, and no energy conservation program will succeed unless it deals comprehensively and effectively with the problem of the automobile.

How much of the gasoline consumption in autos represents waste is, of course, speculative and a matter of judgment. There is little doubt that a substantial proportion of that consumption is unnecessary. Comparison with European experience makes the point beyond dispute. Average fuel economy of the entire U.S. auto fleet in 1973 was 13.1 miles per gallon (15.6 mpg in 1975). In the same 1973 year, the average fuel economy of the Italian auto fleet was 25.8 and the average of other European countries ranged from 20 to 26—at a minimum, about 50 per cent better fuel economy performance than in the United States.

A broader-based comparison gives an even more startling picture. The United States uses approximately 3.7 times more energy per capita in the transportation sector than does West Germany—certainly an intensively developed nation with a high standard of living.

However one views these various figures, there is obviously a tremendous potential for improved automobile fuel economy in the United States.

TAKING CHARGE OF OUR CARS

What is the answer? Is it finally to make a reality of the 1970 Earth Day script and bury the automobile? Clearly not. Whatever penalties we pay in terms of air pollution, energy loss and otherwise for the use of our automobiles, the benefits in terms of individual mobility and freedom are so great that, we can assume, the individual transportation mode represented by the private auto is here to stay.

The need is to do a far better job of managing automobile transportation than we have in the past, to learn to enjoy its benefits without over-indulgence. We need to take charge of our cars and not permit them to mindlessly shape and structure our society for us. Of necessity, the time has come for us to ride our cars—not the other way around.

Clearly, there is no single or simple solution at hand. Any attack on the problem should probably involve a mix of approaches. And it does seem plain to me that jawboning the American public is not going to achieve significant results. The recent trend back to larger cars—contrary even to industry projections and in the face of repeated warnings—strongly suggests that we are going to indulge our taste for gas-guzzlers as long as we can get away with it.

An obvious place to start is with mandatory fuel economy standards for new cars, both domestic and imported. Congress has already made a beginning in this direction. The 1979 models must meet a fuel economy standard of 19 miles per gallon, and 20 mpg for 1980. The legislation likewise sets a "target" of 27.5 mpg for 1985.

The area where I feel the greatest concern is the period between 1980 and 1985 during which Congress has specified no standards and has left it up to the Department of Transportation (DOT) to set "interim" standards. Indeed, DOT has authority under certain circumstances to relax the 1985 "target" itself. My own experience at the Environmental Protection Agency with auto emission standards is that Detroit will work

hard to secure the most lenient fuel economy standards it can get. The industry has historically used fuel economy as an argument against higher emission standards, and it can now be safely predicted that stricter auto emission standards (which Congress must address in the near future) will be used as an argument for less strict fuel economy standards.

This is not to belittle the interrelationship between emissions and fuel economy. The link between the two objectives is very real and the challenge is to achieve an optimum mix. (In this connection, I think it clearly not in the public interest to shift the emissions responsibility designed to protect public health from EPA to DOT as some have proposed.) DOT is presently engaged in developing a proposal for fuel economy standards for the post-1980 years, and it is vitally important that these be as strict as possible.

AN INCENTIVE' FOR FUEL ECONOMY

One of the problems in this area is the inherent difficulty of making an accurate, advance judgment of what level of fuel economy can in fact be achieved in subsequent years. If such a judgment is based solely on technology known and available at the time the judgment is made, we are probably selling short the industry's real capacity for technological innovation under pressure.

Consideration, it seems to me, could well be given to a statutory system for the post-1980 years which sets 27.5 mpg as the standard for 1981 and succeeding years and imposes a set of progressively greater charges based on the gap in any given year between a manufacturer's actual average fuel economy performance and the statutory standard. Such a system would have a dual advantage: it would avoid the need for highly controversial and difficult administrative standard setting, and, at the same time, it would create a strong incentive for manufacturers to achieve substantially improved fuel economy as rapidly as possible.

A charge system applying only to fuel economy could create an imbalance with the emissions control program by weighing Detroit's priorities in favor of fuel economy at the expense of the fight against pollution. Depending upon the outcome of the current congressional consideration of auto emission standards for model years after 1977, thought might be given to introducing a system of charges for non-attainment of statutory emission goals.

These suggestions for a system of charges grow out of my own conviction in the environmental area that economic charges of various types can serve to reduce much of the rigidity inherent in a purely regulatory program while, at the same time, providing a strong market incentive for attainment of standards.

A related possibility which has been actively considered in earlier years and deserves fresh attention now is a system of excise taxes which would place a heavy charge on the purchase of a car with poor fuel economy (usually a larger car) and even provide a rebate to the buyer of a more fuel-efficient (usually smaller) car.

A major problem with all of these approaches directed to the design and purchase of new cars is that they can only be effective over a fairly extended period of time. Thus, the present mandatory fuel economy program will only be fully effective in 1985 (assuming no administrative relaxation of the standard), as which time it should produce a saving of about 750,000 barrels of oil per day.

HOW TO BEGIN

Such long-term approaches are absolutely essential but they do leave unanswered the question of what can we do right now to reduce significantly the current consumption of gasoline.

The most drastic step would conceivably be a system of gas rationing. Given the inequities and administrative nightmare inherent in gas rationing, it seems an unlikely option in the absence of a real threat to our foreign supplies. An alternative approach would involve a substantial increase in the present federal excise tax on gasoline, ranging from 25 cents to a dollar per gallon. This is the approach that brings cries of anguish from politicians.

I strongly suspect that fears of a voter revolt against higher gasoline taxes (properly distributed) are exaggerated and that public readiness to make reasonable sacrifices to improve the nation's energy situation are greatly underestimated. A recent Harris Survey showed overwhelming public support for a strong energy conservation program. Indeed, the poll reported that a 74-to-21 majority would support raising the price of gasoline by 50 cents.

The problems presented by a gas tax rise of this or comparable magnitude should not be overlooked. Necessarily, the burden would fall disproportionately on low income groups, and there would be much to be said for a system of rebates to help improve the equity of the tax.

Moreover, each cent of federal gas tax is estimated to produce about \$1 billion in revenue, meaning that a 50 cent tax increase would take \$50 billion out of the economy (using a simple linear projection which may not be entirely accurate.) A substantial portion of funds of this magnitude would have to be returned to the economy on a reasonably current basis if major disruptions, including a severe deflation, were to be avoided. Rebates not only to the poor but to states and local governments would seem in order. A major stepup in federal funding for mass transit programs would also seem an attractive option.

The impact of a gasoline tax increase on gas consumption is somewhat problematical. The indications seem to be that demand is relatively inelastic and that consumption would not be particularly sensitive to a small tax increase. When fully effective, a 50 cent tax increase would, it is estimated, reduce oil consumption by something on the order of 600,000 barrels per day (compared with the 8 million barrels per day we expect to import this year).

In any event, it seems clear that, before any decision is made to go forward with a major increase in federal gas taxes, careful consideration should be given to structuring such a tax in ways that mitigate the burden on the poor and avoid economic disruption. Further, I would assume that for political reasons, if no other, any very substantial gas tax increase should be phased in over a period of years, thus significantly reducing the immediate impact on consumption.

Whatever the decision on a major increase in gas taxes, I would urge a relatively small increase (5 to 10 cents) now. Such an immediate step would retain the option of further increases in later years.

Admittedly, such an increase would not have a significant effect on consumption. Nevertheless, it would provide a clear, tangible signal to our society at a time when such a signal—beyond mere rhetoric—is badly needed.

I recognize that it is much more palatable politically to design a conservation program that emphasizes requirements on auto manufacturers or charges on large car purchasers. These are important in themselves, but if we stop there, the program will tend to obscure the fact that any really effective energy conservation program is going to require personal effort and sacrifice on the part of all Americans. So long as we perpetuate the idea that national energy conservation can be achieved by someone else's sacrifice, we will

be deluding ourselves and we will not solve the problem. We need to provide a signal that life-style changes are required. Some immediate increase in gas taxes could help provide this signal.

There is, of course, much that the individual citizen can and should do: more carpooling, slower driving, grouping trips, avoiding unnecessary trips, using mass transit where available, among other steps. In the latter connection, it is important that the federal government help provide the funding that can make effective mass transit options more broadly available.

Regular engine maintenance is not only important to emission control performance but also to saving energy. A properly tuned engine should provide improved gas mileage. I would hope that thought be given to a federal program designed to assist states and local governments in setting up inspection and maintenance programs.

It can be taken for granted that any mandatory requirements that impact on individual consumers are going to be highly controversial. However, the American people are far readier to undertake personal sacrifices in this regard than is general assumed. It is clear that strong leadership is going to be required.

The time has come when energy conservation must become the keystone, the first priority of national energy policy. The statements by President Carter along these lines have been highly gratifying. I am confident that the American people are prepared to meet the challenge, and a good place to start is with our automobiles.

STEEL-JAW TRAPS

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. KOSTMAYER. Mr. Speaker, I rise today to inform my colleagues of the interest of a number of my constituents concerning the inhumane trapping of mammals and birds.

Two young citizens from my district, John and Beth Margaret Barton, were upset enough by the mistreatment of wildlife because of the use of the steel-jaw trap, that they circulated a petition in their Hilltown, Pa., community. The response they received was enthusiastic, for they gathered 200 signatures from people who were equally upset by the lack of regulatory controls over the trapping industry and more specifically, the steel-jaw trap.

I am inserting a copy of the letter which John and Beth Barton sent to me, as well as a list of the 200 names which they enclosed in their letter.

DEAR CONGRESSMAN KOSTMAYER: We are writing to you in regards to one thing, the outlawing of the steel-jaw trap. Here are some points that we are trying to get through: A, the outlawing of the trap so that all animals have a fair chance of surviving, B, that we think of the animals humanity as well as ours, and C, the adoption of more humane traps. We realize that there is a law saying that the trapper must check his traps every 36 hours, but how often does this really happen? We demand that something is done now please, not 10 or 15 years from now.

Respectfully,

BETH MARGARET BARTON.

JOHN BARTON.

John Barton, Beth Barton, Laurie Clemmer, Jeff Kuhn, Diana Ambolino, Chris Perry, Linda Oakey, Diana O'Neg, Julia Higgins, Kim Strohm, Tracy Longstreet, Sue Magau, Kris Marko, Donna Marsee, Maria Lysak, Barb Meyers, and Tracy Reese.

Jody Pritchard, Kelly Rantz, June Renner, Eric Overholt, Kevin O'Toole, Jo Ann Roth, Kelly Robison, Denise Munsell, Roger Green, Pat Robbins, Ruth Shirey, Diane Scholl, Roslyn Shaak, Jim Robison, Patty Scott, Tina Snyder, and David Viveras.

Glenda Whitman, Keith Godshall, Daniel Steich, Jim Detwoler, Keith Eitelgeorge, Rich Caraballo, Sandy Besch, Robin Croissette, Tim Cahill, Dean Dimming, Laurie Clemmer, Dawn Robbins, Mark Staw, Dave Korr, and Joel Andrews.

Bernie App, Karen Allen, Carl Hesehl, Missy Althouse, Joe Anderson, Kristen Ayers, Angela Arnavdo, Lisa Baum, Carl Akers, Dick Berger, Wendy Gross, Charlotte Hendirckson, Sandy Beyer, Keith Bishop, Stacey Ben-

ner, and Judy Benner.
V. Graham, Diane Detweiler, Maryane,
Karen Rupp, Sandy Devstine, Tasha Buser,
Kim Benner, Sharon Ziegler, Jane Carr,
Kathy Hall, Kurt Krause, Sue Barrows, Jenny

Buser, Carol Britt, Steve Bryan, and Kathy

Kevin Bodder, Paula Blosky, Rick Alderfer, Michelle Buckley, Janet Bischoff, Michele Bach, Mary Applegate, Denise Leahy, Tammy Laping, Donna Mahella, D. Rims, Pat Krauger, Sandy Myers, Debbie Myers, Sharon Bolle, and Sharon Schneider.

Anita Sandsy, Barry Schuler, Rolf Ritenour, Debbie Landis, Janice Richter, Kris Marko, Tracy Longstreet, Bobby Miller, Cheryl Michener, George Lewman, Walde Martin, Chris Galluppi, Lon Moyer, Beth Ewing, Dawn Graver, Sharon Ryan, and Lori Anne Graver.

Brenda Moore, Jolene Heacock, Barry Grebb, Andrea McMurtrie, Margeret Barton, Wendy Haberle, Sandy Boyle, Dawn Haldeman, Beulah Brewington, Laura Pinckney, Janet Becker, Louise M. Butcher, Janice O'Donnell, Wendy Hange, Julie Geyer, and Diane Malishauki.

Dan Corzier, Marh Crawford, John Montes Diane Engle, Lisa Moyer, Kelly Townsand, Lisa Schram, Nancy Gottshall, Barbara Rentschler, Chris Moore, Brian Conrad, Mike West, Kirsten Hughes, Laurie Gaylor, Andrea Pea-

cock, and Wendy Garrett.

Alicia Campbell, Chris Wertman, Barrie Detweiler, Tommy Moore, Theresa Ensle, Darlene Brewington, Donna Geib, Kristin Lindsey, Andrew Grin, Shawn Mathing, Sharon Anender, Donna Buehrle, Gary Anderson, Anthony Maudo, Lise Eisenlohr, Michele Nunevilla, and Pattie Doan.

Pam Derstine, Melanie Rennevig, Deirdre Beck, Mike Alkinson, Jeff Bleungh, Stacey Metzler, Chris Stiles, Roy Briton, Richard Duperry, Ms. B. Nostetler, Kathy Dansereau, Kevin Buzdygan, Tony Ciarco, Lucy Pelletier, Donald Roberts, Maureen Peucell, and Brant

Art Lockett, Chuck Holten, Lori Rice, Reggie Felt, Jane Hannes, Katherine Penley, Wendi Oreim, Linda Terri, Rita Klein, Tara Moore, Kelly Jones, Ellen Drees, Jamie Bleigh, Matthew Budd, Mike Franon, Rita Lesh, John Bunton, and Roger Beer.

Mr. Speaker, because of the magnitude of concern shown by these young citizens, 1 am cosponsoring Representative Glenn Anderson's bill, H.R. 5292, which calls for the strict regulation of the trapping of mammals and birds on al. Federal lands.

I urge, Mr. Speaker, that we heed the words and ways of our young constituents who know that the way we treat animals is a reflection of the way we treat each other.

GENERATION GAP—NONEXISTENT PROBLEM

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. STEIGER. Mr. Speaker, this morning's New York Times carried a very interesting story on the family of our colleague "Ham" Fish.

The long history of commitment to public service by the Fish family is re-

markable.

As one Member who has worked closely with and respects "HAM" FISH, JR., who has met but regrettably only briefly Mr. Fish, Sr., and who remembers well young "HAM" FISH during his student days. The saga of this family is well worth reading: [From the New York Times, Apr. 6, 1977]

GENERATION GAP-NONEXISTENT PROBLEM

(By Anna Quindlen)

In the clutter of his Park Avenue study, among the artifacts peculiar to distinguished men—worn oriental rugs, cracked leather-bound books, dusty busts, framed seplatoned photographs, treasured correspondence and old letter-openers—sits Hamilton Fish Sr., a happy man.

His new bride—his Thurdi—wants to build him a library-museum in his birthplace of Garrison, N.Y., with some of her substantial money. He recently appeared in Congress for the first time in 32 years to testify on his current preoccupation, what he views as the nuclear superiority of the Russians, before the House Armed Services Committee. Now the Library of Congress has requested his papers and those of his father so that it can begin to assemble the Hamilton Fish Family Papers division of the manuscripts collection.

He is 88 years old, but his voice—the voice of an orator—and his impeccable posture are years younger. "There are other families," he says, "outstanding families. There was the Adams family, for example, although they seem to have died out somewhat." And under his breath he added: "But not in direct line, and perhaps one would say not as well known. With a bit more money, perhaps. But we are indeed unique."

It is not a debatable conclusion.

Mr. Fish, who was a member of the House of Representatives for a quarter-century, and whose son, Hamilton Fish Jr., is now in his ninth year in the House, is a master of the nondebatable conclusion.

In this case, he is as right as he sounds, for the Ham Fishes of New York—who wearily say they have heard every joke about that name—have served in the House with a consistency unmatched by any other American family.

This is also a source of great satisfaction for Mr. Fish. Beginning with the 28th Congress in 1843, a Hamilton Fish always goes to Congress from the State of New York.

"Always has gone," said the sandy-haired

"Always has gone," said the sandy-haired young man in blue jeans, his form draped over a chair in an East Side apartment not far from his grandfather's study. "Always has," he repeated, with a smile and a nod. "Good."

This last word, coming as it does from Hamilton Fish, who is 25 years old, is meant to signal not approval but a kind of laissezfaire. It is accompanied by the avowal, "I have no political ambitions," and the admission that if he ever has a son, he would probably never name the child Hamilton. He insists he does not feel the accumulated weight of the four who have preceded him in direct line of descent: Hamilton Fish, Secretary of State under President Ulysses S. Grant as

well as Senator from 1851–1857, Governor of New York from 1848–1851 and, of course, member of the House of Representatives; Hamilton Fish, Speaker of the New York State assembly, elected to Congress in 1909; Hamilton Fish, ranking minority member of both the Foreign Affairs and Rules Committees, nationally known isolationist conservative who dogged Franklin D. Roosevelt's defense and social welfare policies with a snarl, member of the House from 1920 to 1945, author of five books, and grandfather of the youngest Mr. Fish.

And, of course, Hamilton Fish the current Congressman, 49 years old, Representative from a district that includes parts of West-chester, Dutchess and Putnam Counties, one of the seven Republican members of the Judiciary Committee who supported articles of impeachment against President Richard M. Nixon, and latest in the line begun when Col. Nicholas Fish named his first son after his close friend, Alexander Hamilton.

Hamilton Fish the youngest—he avoids a number after his name—has so far chosen a more entrepreneurial public role.

He has been director of finances for the Democrat Ramsey Clark's 1974 Senate race, head of a group of American backers who saved Marcel Ophul's documentary film "The Memory of Justice," from cutting-room mutilation and distributed it in its entirety worldwide, and is now organizer of a group of investors that will soon sign a binding purchase-option agreement to buy The Nation, which may be the country's oldest journal of opinion but goes nowhere near as far back as the Fish family does.

For all this, the youngest is still a Hamilton Fish. Like his father and his grandfather, he is tall, dignified, a trifie distant with strangers, and handsome in a way most often associated with the profile on the side of a

coin.

If a movie were ever to be made about the family—which the eldest would adore, the youngest might buy the rights to, and the middle one would probably have to sandwich between committee meetings—all three men could play the 88-year-old at different times in his life.

"I would like to see this young fellow run for Congress," said Mr. Fish Sr. of his grandson. "He's supposed to be a little too liberal, and he's a Democrat, but that doesn't bother me a bit. After all, I left the Republican Party for the Bull Moose party because I was a great admirer of Theodore Roosevelt. You do these things when you're young. I hope he'll come around, because this has always been so in our family."

The family, interviewed separately at different places, admits to the usual generation gaps. All three agree that the eldest is the most conservative, the youngest the most liberal. Mr. Fish Sr., who keeps up his correspondence with former President Nixon, publicly criticized his only son for voting to "impeach and destroy" the Republican leader, while the Congressman's son says his father's work on the Judiciary Committee in 1974 is "a source of great pride" to him.

Still, the eldest Mr. Fish says there will be

Still, the eldest Mr. Fish says there will be no problem finding his grandson a Congressional district: even the one now held by Ham Fish Jr. might be suitable, if that incumbent runs for the Senate in 1978 and becomes the second of the name to be elected to that chamber.

The present Representative himself is more circumspect about the future. Sitting on the stone wall that rings the Capitol, Mr. Fish expressed guarded interest in higher office and complete confidence in his son's own career decisions.

WOULDN'T "TELL HAMMIE" WHAT TO DO

"I would never tell Ham I wanted him to be a Congressman and my father never said he wanted me to be a Congressman," said Mr. Fish, smoking in the sunlight as tourists stopped to snap his picture, sure that he must be someone.

"I am doing exactly what I want to do," he said. "It's probably no different than if family of ministers or docyou were in a tors and wanted to follow in your father's footsteps. I was a great partisan at an early age; I can remember being 10 and booing Roosevelt in those Pathe newsreels."

Mr Fish appears to have sidestepped his father's shadow. At Harvard, where he was Class of '49, his father '07, and his son '74, he became a member of the crew. The eldest Mr. Fish was captain of the football team, and is the last surviving member of Walter Camp's All-Time All-America football team.

He is a different sort of personality than his somewhat flamboyant father, recently married to Alice Curtis Desmond, 79-year-old widow of another prominent Republican, State Senator Thomas Desmond, who made a fortune in the construction of ships and

skyscrapers.

At his wedding reception the eldest Fish praised Mrs. Desmond, a writer, for bringing money back into the family. He says: "It's a common misconception that we have a lot of money. I don't, my wife does. We marry

well—Chapins, Stuyvesants, Schuylers."

The current Congressman is amused by his father's candor, and says: "He's more sure of him than anyone I've ever known.'

Mr. Fish Jr. is steady, thoughtful, uncontroversial, and extremely popular in the 28th District, where in his last re-election effort he won 70 percent of the vote. His father while in office was outspoken, unswervingagainst what he called intervention in World War II, against the New Deal, against com-munism, he headed the first Congressional committee to investigate communism in the United States.

He was anathema to President Franklin D. Roosevelt, whose home district he represented, and who made him part of an oftquoted political slogan when he denounced him, along with Bruce Barton of Manhattan and Joseph Martin of Massachusetts, as the reactionary team of Congressmen "Martin, Barton and Fish."

'I remember," said Mr. Fish Sr., with a considerable sparkle in the blue eyes that are faithfully reproduced in both son and grandson, "when I once amended a draft bill Roosevelt wanted. And after they took it over to him, some of the men in Congress came to me and said, 'Ham, you almost killed the President last night. Because when he heard that his own Congressman put in that amendment, he almost had apoplexy.

The voungest Hamilton Fish, who has also sat between the Houdin busts of Benjamin Franklin and George Washington and heard these stories, said, "Yes, he is the most rethese stories, said, "Yes, he is the most remarkable man of 88. He is the most remarkable man of 50. I feel almost more like a student of his life than his grandson."

THE SUPPLEMENTAL SECURITY IN-COME AMENDMENTS OF 1977

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. CORMAN. Mr. Speaker, I am introducing today H.R. 6124 that provides for the administrative simplification and makes other improvements in the supplemental security income-SSI-program. The provisions in H.R. 6124 were approved by the House as part of H.R. 8911 during the 94th Congress, but were not acted on by the Senate. The following is an explanation of the provisions of the bill.

Section 2 is related to blind or disabled children ages 18 to 21. As the law stands a child aged 18 to 21 who is in school or taking a course or training is deemed to be a child up to age 21. However, if he does nothing he is treated as an adult at age 18. This has been criticized as a deterrent to further training for blind and disabled children. Obvious inequities arise from the provision which was tailored for the family assistance plan that never became law. This provision corrects this by placing all persons over 18 on the same basis and treating them as adults. At the same time we have carefully preserved existing exemptions for persons who are taking training beyond the age of 18. Through this provision we eliminate the attribution of family income to children who desire to take training after age 18.

Section 3 of the bill deals with outreach. There has been a great deal of complaint that the SSI program has left many persons who were eligible for its benefits without knowledge of the avail-

ability of the program.

Section 4 of the bill deals with the modification of existing requirements for payments to be made to a third party, when anyone is disabled as a result of alcoholism or drug addiction. This has been a very difficult requirement for the administrative agency to meet. In highly populated metropolitan areas there has simply been no one who would undertake to serve as a third party payee for large numbers of the persons involved. The bill would accordingly amend the law to provide that if the chief medical officer of the institution or facility where the individual is undergoing treatment certifies that payments of benefits directly would be of significant therapeutic value, and that there is substantial reason to believe that he would not misuse or improperly spend the funds, the payments can be made directly. It is believed that with these safeguards, direct payments can be made in some cases and that they may promote successful rehabilitation.

Section 5 deals with persons living on the border of the United States in areas where hospitalization is normally obtained across the Canadian or Mexican border. The section allows eligibility for SSI while the individual is hospitalized in the same way that provisions were made for such circumstances in the medicare program some years ago and which apparently are satisfactory.

Section 6 deals with the exclusion of certain gifts and inheritances from income. Normally receipt of gifts, inheritances, prizes, and similar items are counted as income in the month that they are received, whether or not they are in cash and to the extent that they are not expended in the calendar quarter in which they are received, they become resources in the next quarter. This has produced problems when an inheritance or gift is not in the form of cash. Inheritance of antique furniture from a relative might well disqualify the person from benefits, if the value were considered as income in the month the furniture is received and yet a reasonable cash value might not be available. In such an instance the individual or spouse might be deprived of food, because of his acquisition. The law makes provision for the orderly disposition of resources. The provision accordingly proposes to treat gifts or inheritances which are not readily convertible into cash only as resources and not as income. This is consistent with the treatment of other items under the program.

Section 7 would increase payments to presumptively eligible individuals. Existing law makes provision for an emergency payment of \$100 where an individual appears to be eligible. However, experience has demonstrated that it is frequently several months before an initial payment is made. This provision would increase the \$100 amount to the amount for which the applicant is presumptively eligible, and increase the time limitation to a period of 90 days.

Section 8 deals with emergency replacement of benefit payments. One of the most widespread complaints about the SSI program has been the number of persons who have been placed in desperate need by the failure of checks to arrive, due to their having been lost, stolen, or undelivered. I understand that the Treasury Department will soon have improved procedures and is in a position issue duplicate checks relatively quickly. However, even this lapse of time can cause serious hardships for a needy individual. This provision would change the law to provide that the duplicate check could be sent to a State agency which had an agreement with the Secretary and which had issued an emergency payment to replace the lost, stolen, or undelivered check. The same provisions would apply to checks for less than the correct amount. If the check itself is for a larger amount than the amount of emergency assistance which the State supplied, the balance would have to be transmitted promptly to the SSI beneficiary. The procedure is similar to the provisions enacted for reimbursement of a State for interim assistance provided to an individual who has applied for SSI benefits but has not yet been approved as eligible to receive ben-

Section 9 deals with termination of mandatory minimum State supplementation in certain cases. Public Law 93-66, enacted in 1973, provides that an individual is guaranteed the same amount of income which he received in December 1973, if his own needs and situation are unchanged. This has resulted in higher payments than would have otherwise been received for a substantial number of beneficiaries. This provision would eliminate the requirement that the December 1973 level of income be guaranteed for the indefinite future, would permit the Social Security Administration to stop maintaining such records when they are no longer beneficial to the individual. This might in a few instances prove detrimental because of future individual situations but it is believed that the administrative savings

and simplification of the program well warrant a very small risk.

Section 10 provides for the monthly computation for determination of SSI benefits. Under existing law benefits are determined for a calendar quarter-except the quarter in which an initial application is made-thus averaging income and expenses over a 3-month period. In some instances this represents a hardship to the individual beneficiary as a substantial change in situation may occur in the last month of the calendar quarter and not receive more than partial recognition. The longer the time period involved, the less sensitive the program is to the fluctuation in individual need. The Department of Health, Education, and Welfare, advises that it is entirely feasible to make the determination of benefits for each month rather than for a 3-month period. This does not imply that the actual determination would be made each month but rather that the computation will be made for a monthly rather than a quarterly period. This section provides for a monthly computation.

Section 10 deals with the eligibility of individuals in certain medical institutions. Under existing law, when an individual enters a hospital or other medical institution in which a major part of the bill is paid by the medicaid program, the benefit under SSI is reduced from its usual level to an amount not in excess of \$25 per month. This is intended to take care of personal expenses since the costs of maintenance and medical care are provided through other programs. In the case of individuals having other income such as social security benefits no SSI is payable when the total of such other income exceeds \$45 per month. It has been pointed out that an individual entering a hospital frequently has a household to be maintained if he is going to return to the community, expenses of shelter and other items do not stop, because an individual is institutionalized for a relatively short period of time. The existing provision which makes only a small benefit available for any full month that the beneficiary is in a medical institution can defeat its purpose and make more difficult the subsequent return to community living. It has also caused problems in the care of the mentally ill disabled who may need to enter a hospital for intensive treatment for a short period of time. The bill, accordingly, extends the period to "the period ending with the third consecutive month throughout which he is in such hospital or facility" except in cases where an individual is already in a medical institution at the time of initial eligibility for SSI benefits. During that 3-year period his eligibility and benefit amount would be determined as though he continued to live outside the institution under the same conditions that existed prior to his entry. Since the purpose of this provision is to make provision for needs which are ongoing during a short period of institutionalization. it is not the intent that the larger payment for the 3-month period be considered income for purposes of the medicaid program. Likewise, neither will the

larger payment level determined as a result of the amendment adopted last year to protect the benefits of an eligible spouse when the other member of the couple is institutionalized be considered income for purposes of the medicaid program.

Section 12 deals with the exclusion of certain assistance based on need. The original SSI law excluded from income assistance based on need, provided by the State or local public assistance agencies. A 1974 amendment extended this exclusion to support or maintenance provided by a nonprofit institution or by a charitable or philantrophic agency to an individual who is a resident of a nonprofit retirement home or similar institution. This section would extend the exclusion of income for charitable organizations which was provided on the basis of need to individuals whether or not they live in institutions. It would exclude such assistance furnished by any private entity described in section 501 (c) (3) of the Internal Revenue Code of 1954 which is exempt from taxation under section 501(A) of such code. The provision would not be applicable to situations in which the institution or agency has an obligation to provide such assistance. Such situations would be primarily those where for a monetary or other consideration the agency has undertaken to provide for full or partial lifetime care.

Section 13 of the bill would prevent the Social Security Administration from recovering any overpayment that was made to an SSI recipient prior to October 1, 1976, because they had benefited from Federal rent subsidies. This provision is complementary to a provision in the Housing Amendments of 1976. That provision prevents reduction in SSI benefits after October 1, 1976, if the recipient benefits from Federal rent subsidies

Section 14 provides for the effective dates for the provisions of the bill.

A provision of H.R. 8911 also approved by the House extended SSI to the residents of Puerto Rico, Guam, and the Virgin Islands. Legislation has already been introduced that deals with this issue and the Ways and Means Committee has recommended in their March 15 budget report that such a provision as contained in H.R. 8911 be enacted.

COMMODITY AGREEMENTS ARE AGAINST CONSUMER INTEREST

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 6, 1977

Mr. FINDLEY. Mr. Speaker, a policy objective clearly emerging in the Carter administration is the negotiation of a series of international commodity agreements aimed at setting prices advantageous to the more inefficient producers—particularly in the third world. When President Carter addressed the U.N. General Assembly 2 weeks ago, he said:

The United States is willing to consider, with a positive and open attitude, the negotiation of agreements to stabilize commodity prices, including the establishment of a common funding arrangement for financing buffer stocks where they are a part of individual negotiated agreements.

Allied with President Carter will surely be certain powerful financial interests and a number of U.S. banks. They have invested heavily in third world countries which lack petroleum resources and which, consequently, are heavily pressed by a combination of rising energy costs and the disadvantages which already existed as the result of their need for economic development and consequent inefficiency in competition with more advanced societies.

At the end of 1976, the nonoil less developed countries were in debt to U.S. banks and their foreign branches to the tune of \$45.2 billion. Among these nations are Brazil, Mexico, Korea, Taiwan, the Philippines, Argentina, Peru, Colombia, Israel, Chile, Thailand, Malaysia, Egypt, India, Zaire, and Zambia. The loans to Brazil and Mexico alone amount to \$23.3 billion.

What will be the effect of commodity agreements? The most obvious and immediate effect will be to raise the price of agricultural and other basic raw materials. In a word, higher consumer prices. It is possible—but far from certain—that U.S. producers will share in the higher prices. One thing is certain—all consumers, U.S. and foreign, of all economic status will pay the price.

It will be tantamount to a sales tax on food, which, of course, is the most regressive tax of all, hitting low-income people hardest. U.S. banks holding the \$45 billion in nonoil third-world debt will benefit, of course, because higher commodity prices will help their customers meet their payment schedules.

The beneficiaries in the third world are hard to identify precisely. As most of these countries function under dictatorships of one form or another, the benefits initially will go to the ruling clique. In such societies, benefits will reach the struggling poor only if it suits the rulers.

What is difficult to comprehend is why liberals in the United States would ever fall for international commodity agreements. In addition to aggravating our balance-of-payments problem, they will raise consumer prices on food, which is a massive step backward, hurting the poor of this country. International commodity agreements, by their very nature, are antipoor.

STAR-SPANGLED BLUEPRINT

HON. ROBERT S. WALKER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 6, 1977

Mr. WALKER. Mr. Speaker, it is an honor for me to call to the attention of my colleagues an outstanding speech by one of my constituents, Robert L. Madeira, executive director of the American

Association of the Meat Processors. The speech, entitled "Star-Spangled Blue-print," was selected by the Brook was selected by the Freedoms Foundation to win the Valley Forge Honor Certificate Award.

Mr. Madeira's remarks reveal a deep appreciation and understanding of our economic system and our American way of life. The remarks follow:

"STAR-SPANGLED BLUEPRINT"

(Speech delivered by Robert L. Madeira)

As we are met here in San Jose, California, on this first full day of Spring in 1976, we have a lot to be thankful for. Mary and I are thankful for the opportunity of getting away from the lingering cold weather on the eastern Seaboard. I'm sure that most of you are thankful for the chance to get away from the usual routine at home and to share ideas and good fellowship with your friends.

But, these are only superficial matters. I'd like to call your attention to some of the more basic things we too often take for

granted.

As a Christian, I believe in prayer. I know that many of you do also. I believe that giving thanks is an important part of prayer. I'm wondering . . . when is the last time you gave thanks for the great blessings of life you enjoy? When is the last time you really thanked the Lord for your health, your family, your home, your business, your freedom?

We take most of these things for granted though they just happened. But they didn't just happen. By God's grace and be-cause of the courage of our forebears, we here in America have inherited the most fantastic blessings ever showered on a people.

As we look back at the birth of our nation, our attention focuses on one of the most remarkable documents ever conceived by the minds and hearts of men . . . the Declara-tion of Independence. Written by Thomas Jefferson and adopted by the Continental Congress in 1776, this unique document ignited the torch of political freedom that has

lighted our pathway ever since. Another document published in 1776 is also of great importance to us. Although it is not nearly as well known as the Declaration of Independence, it has played a vital role in the development of our nation. I am referring to the "Wealth of Nations" written by Adam Smith. The doctrine presented in this great document promoted the concept of individual freedom of choice and action. It opposed government interference in economic affairs beyond the minimum necessary for the maintenance of peace and property rights. This philosophy became the basis for our economic system which we know as the free market or the free enterprise system.

Both the Declaration of Independence and the Wealth of Nations were great landmarks in human history. Both documents were similar in that they proclaimed freedom-one in the political sphere and the other in the economic sphere. It seems to me that these two documents, both born in 1776, have been the twin keystones upon which our great nation has been built. I like to think of them as a "Star Spangled Blueprint," a blueprint for building the greatest nation on earth.

I have had the great privilege, during my lifetime, of traveling to Europe, Africa, Asia and South America as well as to every in our nation. I've seen over 40 countries in the course of my travels and have established friendships with individuals in many different parts of the world. By no stretch of the imagination am I an international expert. But I've seen enough of the world and I'm in touch with enough people around the world to be convinced that we here in America have the greatest thing going that the world has ever seen.

It is no accident of history that Americans enjoy the highest level of affluence for the

greatest number of people. Ours has been a system of incentives. It has been a system that rewarded innovation, experimentation, new ventures and new investments. Our "Star Spangled Blueprint" has made it possible for any individual with an idea and the energy and gumption to make it and market it to go into business and succeed. Some failed, but many succeeded. Accordingly, ours has become the most viable and flexible economic system in the history of

Admittedly, this system isn't perfect, and sometimes its judgments and actions are harsh. But maybe in reality they are less harsh and more merciful than they might at first seem to be.

If we want to hear about a "perfect" sys tem, we can ask for a description from the theoretical analyst as he speculates on the efficiency of the all-powerful socialist state with central planning and central direction. Or, we might recall the "perfect" systems of Hitler's Germany and Mussolini's Italy where boasts were made that the trains "ran on time." The trouble with the state planner's Utopia is that something always goes wrong. The system never achieves perfection. The Achilles heel of the Soviets' highly touted "Five Year Plans" is their continuing inability to produce enough food or to provide enough consumer goods to meet the most modest standards of human comfort and satisfaction.

The trouble with having the trains "run on time" in Germany and Italy and the Communist nations is the price in terms of enormous loss of freedom. As Alexander Solzhenitsyn has told us, the imprisoned, the executed, or the malnourished don't really care whether or not the trains run on time.

Even as we celebrate the 200th anniversary of our independence. American political leaders are pursuing an age-old prescription for trouble. Let me cite an example. Democratic Senator Hubert Humphrey and Republican Senator Jacob Javits have introduced in Congress "The Balanced Growth & Economic Planning Act." Supported by prominent academics, intellectuals, labor leaders and businessmen, their proposal to plan the economic of the American people would lead us back to the mercantilism and economic stag-

nation of the 18th century

John Kenneth Galbraith, one of the backers of national economic planning, wrote a book recently entitled "Economics and the Public Purpose." After asserting that "Market arrangements in our economy have given us inadequate housing, terrible mass transportation, poor health care and a host of other miseries," he came right out and said that socialism is the answer. But it seems to me that Humphrey, Javits, Galbraith and company are dealing in fairly tales, not reality. Where have these guys been? Already I've lived several years longer than my life expectancy was when I was born. At that time, somewhere between a half and two thirds of our people lived in what we would describe as substandard housing. Today fewer than 10 percent do. Today 99 percent have gas and/or electricity in their homes; 96 percent have television and, thus, access to information. we have more churches, libraries, voluntary support for more symphonies, operas and nonprofit theatres than the rest of the world put together.

Yet, Humphrey, Javits, Galbraith and company incessantly beat the drums for central planning. For a sample of what they're proposing, we can take a look at the Soviet Union. The Kremlin has had nearly 60 years to make central planning work. We could be just like the Russians but it would take a bit of doing. We'd have to cut our paychecks back by more than 80 percent, move 33 million workers back to the farm, destroy 59 million television sets, tear up 14 out of every 15 miles of highway, junk 19 out of every 20 automobiles, rip up two thirds of our railroad track, knock down 15

percent of our houses and remove 9 out of every 10 telephones. Then, all we'd have to do would be to find a capitalist country that would be willing to sell us wheat on credit to keep us from starving!

We must never forget that individual human liberties are tied closely to economic freedom. Political freedom and economic freedom, as we know from our "Star Spangled Blueprint," go hand in hand. They are joined together in strength in democratic societies and they disintegrate in weakness in totalitarian societies. We can guarantee the political freedom granted in this nation's Bill of Rights only as long as our affluence is fairly well distributed among the entire population. This sort of distribution is best achieved with economic freedom-

The freedom of choice to work and live as we choose:

The freedom of choice to teach our children and educate ourselves as we please; and The freedom of choice in religion, political affiliation, occupation and friends.

In no other nation of the world have so many been able to share in unequalled abundance and opportunity as in the United States of America. After 200 years, we can only conclude that our "Star Spangled Blue-

print" really works!

Yet today we see a frightening trend that is smothering the wonderful economic flexibility and individual opportunity we have treasured for so long. This is a trend toward bigger centralized government and the concentration of enormous power in our nation's capital. We in the meat industry see it in meat inspection, Occupational Safety Health, Environmental Protection, Consumer Protection, etc. There is no reason in the world to believe that a huge bureaucracy can solve our problems better than we can as individuals. And yet, that's the way we're moving.

Take a look at the growth of our federal budget. In our 200 year history, it took 180 years to reach our first 100 billion dollar federal budget. That was in 1962. Only 9 years later, in fiscal 1971, the budget of the United States government passed the 200 billion dollar mark. In fiscal 1975, just four years later, the budget reached 300 billion dollars and now, in 1976, we're zooming by the 400 billion dollar mark. We're accelerating our spending as though there is nothing unusual about this game of doubling expenditures faster and faster. Our liberal spenders in Congress assure us that, in the end, this wild spending and ever bigger government will surely lead us to prosperity and Utopia!

The trouble is, every time we increase spending and enlarge our government, it places a heavier burden on the productive capacity of all of America. Nearly 40 percent of our present gross national product to some form of government already goes support. Within less than 10 years at present rate of increase, we will have half of the people in our nation working to

support the other half.

One of the clearest evidences of the tremendous size of our federal government is the unbelievable amount of paperwork it generates. According to Senator William Roth of Delaware, the government spent in excess of 18 billion dollars in 1975 to produce, handle and store its official papers. This does not include the cost to the public of filling out and filing the forms which, it is estimated, costs the economy as much as 40 billion dollars each year. In 1972 (four years ago). 7 million cubic feet of records were produced by the federal government. As of February a year ago, the official Office of Budget Management count of separate forms required by federal agencies to collect information from the public came to 5,695 forms.

We hear a lot about the need to create more jobs. Too often that discussion relates to what is politically popular rather than what is economically appropriate. In order to provide jobs, the American economy must earn enough profit to generate capital investment. Experts believe our industrial complex will need at least 4 trillion dollars (that's 4 billion times 1000) in new capital investment funds in order to adequately support the economy's growth in the next 10 years.

"The answer," according to Congressman Philip Crane of Illinois, "is not for the

Congress to appropriate public funds which we do not have for jobs which produce nothing of value but simply provide the illusion of problem solving."

Business Week notes that, "The U.S. Con-

gress is doing all the wrong things by discouraging corporate investment. Its failure to understand how jobs are generated worsens the difficult unemployment problem and threatens to put the United States on the same road that has led to the destruction

of British economic power.

"The only answer for the U.S.," continued Business Week, "is to create productive jobs in the private sector. To do that will take major surgery on the tax laws, which currently deter if not penalize investments and sop up money that could go into new products, new markets, and new plants. The biggest obstacle to job creation in the U.S. today is Congress, which has erroneously convinced itself that any moderation of business taxes is a rip-off."

One of the reasons the "Star Spangled Blueprint" works is because it has incentives built into it in the form of profit. Profit encourages productivity and ingenuity and investment. Profit is the traditional mainspring of our nation's economy. Unfortunately, in Congress, in the media and in public debate, critics are portraying profits as excessive and the profit motive as evil. There are calls to break up the big oil companies and reduce the power of concerns that dominate other industries. Some lawmakers are pushing to bring corporations under federal charter with public representatives on Boards of Directors. The country's profit-oriented market system is also being associated with round after round of high unemployment.

What is behind this attack on profits and

on the free enterprise system?

Well, mainly, ignorance. Many people have an erroneous idea of the size of profits. A major poll last year showed that the average respondent estimated manufacturer's profits at 33 percent of sales, compared to the actual 5.5 percent in 1974.

What is strange about the current criticism is that it comes at a time when profits account for a much smaller portion of the nation's income than in times past. And, with the spread of costly government regulations and the prospect of bigger demands from labor, the future holds the prospect of even

smaller earnings.

An analysis made by the U.S. Department of Commerce clearly shows the overall profit trend in our nation. In 1950, corporate profits before taxes represented 14.3 percent of our national income. In 1965, the figure had declined to 13.6 percent. But, in 1975, corporate profits before taxes represented only 8.4 per-cent of our national income.

In contrast to the profit decline, let's take a look at the compensation that employees received as a percentage of national income. In 1950, workers received 65.5 percent of the national income. In 1965 this figure had climbed to 70.1 percent. And, in 1975, workers received 76.2 percent of our national income.

It is time to remind ourselves that political freedom and economic freedom go hand in hand, that one cannot exist for long without the other. Those who would toss the Ameri-"Star Spangled Blueprint" overboard because it isn't perfect need to ask themselves some basic questions:

1. Why do Americans live longer and eat better than at any other time in history?

2. What happened to the "good old days" with their childhood diseases and short lifespans?

3. Why do we have more of our young people in schools and colleges than anyone else

4. How come our workers today have better working conditions and higher wages than any other group of laborers on earth?

5. How does it happen that Americans get their food for a lower percentage of their income than anyone else in the world . . . and better food too?

6. What happened to the "noble peasant" who was once tied to barest subsistence . . . a sod house or log cabin, and not enough bread to eat or money to adequately support his family?

7. Why is it that we have more cars and telephones and refrigerators and freezers and television sets and air conditioners and a long list of things per family than anywhere else?

8. Why is it that even our people on welfare live better than the top half of the population of most other nations in the world?

answer is individual productivity spurred by the incentives of our free enterprise system. Stated even more simply . .

profit; the opportunity to make a buck!
What about the future of our "Star
Spangled Blueprint?" Is it a past reality that will soon be only a dream? Our great system of political and economic freedom is under

heavy attack from many quarters

First of all, it is being attacked in college classrooms where the opponents of capitalism compare it to some abstract standard of perfection, and it falls short. Why don't they compare our system and its achievements to actual performance of other systems rather than judging it on the fantasy of perfection?

Our economic freedom is being attacked by big labor which, incredibly, fails to understand that business cannot surrender all its profits as well as management of the means of production and still provide jobs.

Our economic system is under attack from consumerists who, because of a misunderstanding of how the competitive system works to the benefit of the consumer, see every business transaction as a ripoff that should be rectified through litigation.

Our free economic system is under heavy attack from the news media which are quick to publicize business bribery and to find industrial scapegoats for rising prices and shortages but who take all the benefits of abundant production for granted.

Our economic system is under attack from politicians who, in the name of consumer protection and in order to win re-election are burdening business with layer after layer of government regulation which is stifling

growth and smothering initiative.

Can the free enterprise system survive? It can . . . but whether or not it will, I cannot say. I believe that the answer to this question will be decided in this election year of 1976. In fact, I believe that the question the very survival of the free enterprise system will be the number one campaign issue. It will be presented under many banners: High taxes, runaway spending, big government, and most important of all, inflation. But inflation is only a symptom of disease. The disease itself consists of over-regulation, over-spending and the unbelievable growth of government size and power.

Whether we like it or not, you and I and the members of the business community are the last lines of defense in this campaign.

We must get involved. We must speak up, every opportunity, on behalf of the principles that have made this country great, the principles embodied in our "Star Spangled Blueprint."

We must put aside party labels and must support candidates who understand how our market system works

We must elect to public office men and women who will put a halt to the wild spend-

ing of the past several decades and who will restore fiscal responsibility.

We must elect men and women who are not afraid to "bite the bullet" and say no to the free riders in our society. They've sponged on us long enough.

We must elect men and women who are capable of making decisions based upon the long view of what's good for our nation rather than on the short view of what'll be politically popular today.

We must elect men and women of integrity and honesty who will be concerned with what is true and right rather than what will insure their re-election.

The American Association of Meat Processors is dedicated to doing all it can to put an end to a lot of the craziness that is going on in Washington and to restoring government and a healthy climate for business. We are working and will continue to work toward this end. We believe that the battle can be won. We pledge to you our best efforts and ask for your continued support. Only with a total, all-out effort and a unity of purpose can the job be done.

Will our "Star Spangled Blueprint" survive? Unless we get it all together, we may well find ourselves someday in the same position as the Protestant pastor in Germany,

who said after World War II:

"The Nazis came for the Communists and I did not speak up, because I was not a Communist. Then they came for the Jews and I did not speak up because I was not a Jew. They came for the trade unionists, and I did not speak up because I was not a trade unionist. Then they came for the Catholics and I was a Protestant, so I did not speak up. Then they came for me. By that time, there was no one left to speak for anyone."

So, in closing, I ask you-

For whom the bell tolls? It tolls for you and me. It tolls for capitalism and for the free, It is struck by thee, and thee and me, Oh, how I wish we had an enemy we could see.

NORTHEAST—NORTHWEST DICHOTOMY

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. YOUNG of Alaska. Mr. Speaker, regionalism in our great Nation has existed from the days of our Founding Fathers. It reached its apex in the tragic conflict of the War between the States. But, it is regionalism that has contributed to the original character and strength of this country. United, the unique components of our Nation blend into a powerful force which serves as an example for all mankind.

In recent years, however, an insidious divisiveness has developed among the regions of this Nation on the issues of energy and conservation. The northeastern portion of this country consumes the lion's share of our energy production but has always exhibited a reluctance to have its own resources tapped. This section of the country readily consumes oil drilled in other parts of the country, but balks when plans are formulated to drill for oil off the northeast coast. Coal development has been tightly restricted to West Virginia and certain other parts of Appalachia. The most vocal critics of sound nuclear development seem to come from

this portion of our country. However, while the east coast demand increases, electric utilities in the east have been forced to cancel or defer their plans for increased nuclear generating capacity, partly because of unnecessarily prolonged licensing procedures, and, more importantly, an antinuclear development attitude by certain public spokesmen. Two good cases in point are the rejection by 31 communities in Vermont of nuclear power development within their boundaries, and the cancellation of two new nuclear development plants in Virginia. Another example is the ability of a small group of preservationists creating numerous delays and possible cancellation of the Searbrook, N.H., nuclear plant, despite the plant's potential to supply 80 percent of New Hampshire's energy

Perhaps the attitudes of this region would be affected if the facts were known. Everyone is aware of the crippling natural gas shortage which plagued various parts of the country during this past winter. Schools were closed, plants were shut down, and many workers were laid off. Yet it is not generally known that during the period from January 17 to 19 of this year many parts of the eastern United States were on the brink of a total blackout. Had this occurred, the results would have been far worse than those incurred from the natural gas shortage.

Eastern electric power utilities have agreements to supplement the energy capacity of individual member suppliers who are not able to meet emergency power demands of the regions they service. On January 17, continued cold temperatures throughout the East caused the interconnection's electric reserves to reach an all-time low. A number of power systems were in voltage reduction, and most companies were urging the public to conserve its use of electricity. In addition, systems in Ohio, Indiana, Illinois, Michigan, and in most southeastern States asked industry to voluntarily curtail its energy use.

On January 17, the Tennessee Valley Authority—TVA—the mainstay of the interconnection, fortunately was able to furnish 2,080 megawatts to various eastern utilities. But in doing so, TVA set an all-time generation record of 21,469 megawatts. It also met a total load of 23,306 megawatts which totally exhausted its reserves.

It appears that there were no reserves available along the entire interconnection during parts of the day of January 17. There were, in fact, some rotating blackouts in portions of the deep Southeast. This situation abated slightly in the next 2 days due, in part, to the return to service of certain large generators. Nevertheless, this 3-day period was unquestionably the worst that the interconnection ever had endured.

On January 17, approximately 15 percent of TVA's generating power was supplied by nuclear reactors. This figure roughly coincides with nuclear power's contribution that day throughout the East. TVA's Brown's Ferry Nuclear Plant alone supplied 3 million kilowatts on January 17—nearly as much power as TVA can get from all the dams it has built since 1933. Thus it would be an

understatement to say that the east coast of the United States needed nuclear power that day.

TVA has determined that electricity generated from nuclear powerplants, a proven technology, is safer, cheaper, and less detrimental to the environment than that generated from coal powerplants. Given nuclear power's proven record, it is not surprising that TVA has contracted to buy 14 new reactors costing around \$10 billion between now and 1986.

In contrast to both the serious energy deficiency and negative public attitude in the East, development in nuclear power seems to be progressing in stride in the Northwest. Although there was no electrical shortage in this region during the winter as a partial result of the successful operation of various nuclear reactors, utilities have planned the construction of an 11-plant nuclear power system that will produce more electricity than the Northwest will need in the future. In fact, power exports are being seriously considered.

Electricity for the Northwest historically has been supplied in abundance by hydroelectric power. Yet there are no remaining dam sites and, in this year of the drought, water is not viewed as a reliable electrical source for the future. Consequently, utilities have looked increasingly to nuclear power as their best guarantee against growing energy demands.

Mr. Speaker, what disturbs me most is an apparent blindness of certain regions of this Nation to the realities of our energy and development situation. There is a legislative movement afoot to "lock up" over 125 million acres of Alaska land in the name of conservation. Those acres can be the source of coal, uranium, oil, and gas for many decades. There is a move afoot to stop the development of new dam projects in the Northwest. There is a move afoot to abandon nuclear development as a resource available to this Nation. I submit that this is folly in light of the needs of this Nation and our hopes for progress. At the same time, those elitists who reject development have not explained to the public in their region the fact that a loss of energy security constitutes a loss of job security, education security, and the security of turning on your switch and receiving immediate electric power.

I, for one, am unwilling to leave as a legacy to my children and for that matter all children a nation in which jobs are scarce, energy resources are unavailable, and opportunity nonexistent. If we are to pursue the elimination of energy options, we will be the first generation to leave a legacy to our children of less of an opportunity rather than more in the history of the Republic.

It has not been my aim to castigate the people of any region of this Nation. We must all realize, however, that serious shortages of energy presently exist. Ironically, these shortages seem to exist most in those regions which are willing to develop least. To alleviate that shortage, many sacrifices, both large and small, will have to be made. Increased utilization of all five conventional sources of energy—water, oil, gas, coal, and uranium—is the only sensible approach to

minimize those sacrifices and allow us to endure as the most powerful nation on the Earth.

LABOR SECRETARY RAY MARSHALL PLEDGES TO CLEAN UP OSHA'S 6 YEARS OF NEGLECT

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 6, 1977

Mr. KILDEE. Mr. Speaker, our new Secretary of Labor, Ray Marshall, is an open and frank person who can express his feelings in words that need very little interpretation.

Recently, Mr. Marshall went to Philadelphia to spend a day with an OSHA inspector. He has pledged several times that he intends to make Government programs designed to help people work as Congress intended them to work.

In an article prepared by Press Associates, Mr. Marshall is quoted as saying "he intends to 'consult with business, labor, and the general public' in developing a strategy 'to change the agency's direction.'"

I know that many Members of Congress will be interested to know more fully how Secretary Marshall and his new Assistant Secretary of Labor for OSHA, Dr. Eula Bingham, will do these things.

I, therefore, ask unanimous consent that several articles from Press Associates be printed in the RECORD:

MARSHALL PLEDGES TO CLEAN UP OSHA'S "SIX YEARS OF NEGLECT"

Washington.—A top objective of Labor Secretary Ray Marshall will be to clean up "six years of neglect" in the enforcement of the federal job safety and health law. This announcement was made in a state-

This announcement was made in a statement following a six-week study of the Occupational Safety and Health Administration.

Marshall said that after the problem of unemployment, the nation's biggest domestic problem is for the government to make sure that "all workers have safe and healthful work environments."

The OSHA law, Marshall said, "is a good piece of legislation." He said his study had convinced him that within OSHA hundreds of "dedicated people... are working hard to improve the safety of America's factories and offices."

Marshall, reviewing the history of OSHA, noted that the law was "forced upon a reluctant administration by Congress." He charged that "in many ways the program has been sabotaged from the beginning."

Marshall noted that a Watergate-era document "reveals that OSHA officials contemplated using the enforcement of the Act as a political weapon." He said those responsible for enforcing OSHA "have never been given clear administrative guidelines."

"The result has been chaos," Marshall said.
Marshall cited as an example of OSHA "inadequacy" the inability "to prevent such disasters as the kepone tragedy in Hopewell, Va."

Marshall said he intends "to consult closely with business, labor and the general public" in developing a strategy "to change the agency's direction."

Marshall cautioned that OSHA's problems cannot be solved "with a stroke of a pen." The program, he said "is crying out for direction and strong leadership."

Marshall said the Labor Department "cannot undo the consequences of six years of neglect overnight." He asked that Congress, the public and the news media "give us a little breathing space."

Ittle breathing space."

Marshall said that "as part of my continuing effort to make myself more aware of the problems of this agency, I will be spending a day as an OSHA inspector" sometime soon.

The Secretary noted that organized labor and public interest groups have attacked OSHA for its slow pace of regulation and for the inadequacy of enforcement efforts.

the inadequacy of enforcement efforts.

He said he was "shocked and distressed" at reports showing that the Labor Department and even OSHA itself have falled to comply fully with the law. He questioned whether federal agencies are properly protecting the safety and health of government workers across the nation.

ONE MILLION AMERICANS AFFECTED: OSHA HEARINGS OPEN DEBATE ON WORKER EXPO-SURE TO LEAD

Washington.—Government hearings began here in mid-March on a proposal to reduce the amount of lead dust to which workers can be exposed. The outcome of the hearings will have a direct effect on the health of more than a million American workers and their families.

The hearings are being conducted by the Labor Department's Occupational Safety and Health Administration. OSHA is responsible for protecting the on-the-job health and safety of most Americans.

More than a million tons of lead are processed in the United States every year and the highly toxic substance is used in many industrial operations.

The most seriously endangered workers are those employed in primary and secondary lead smelters and battery plants, but workers in ceramics, plumbing, painting, gasoline production and nearly 100 other industries also face hazards.

Workers absorb lead into their bodies primarily through inhalation and ingestion. Over-exposure to the substance can lead to abdominal pain, loss of appetite, excessive tiredness and weakness, irritability and tremors, according to OSHA official Grover C. Wrenn.

At its worst, Wrenn said, too much lead in the system can bring on encephalopathy—a brain disease that can cause blindness or death.

Wrenn, deputy director of Health Standards Programs for OSHA, was the leadoff witness in the lead hearings. By the time they end, probably some time in late April or early May, more than 75 witnesses from government, labor and industry will have testified.

The labor witnesses will be calling for strict controls on worker exposure to lead. Industry, on the other hand, will be seeking looser standards.

At present, OSHA's rules allow workers to be exposed to 200 micrograms of lead per cubic meter of air over an eight-hour period. The new standard, being debated in the hearings, would reduce that maximum exposure by half.

OSHA says the 100-microgram limit would reduce blood-lead levels to 60 micrograms or less, but labor witnesses will be seeking a more stringent limit. Dr. Sidney Wolfe, director of the Health Research Group, will be arguing for a permissible blood-lead level of only 30 micrograms.

Many employers, on the other hand, say an 80 microgram level in the blood would be acceptable.

Employers are seeking a looser standard because of what they say will be the high cost of a stricter rule. One industry survey declared it would cost the industry \$1 billion in equipment and installation if the OSHA proposal becomes law.

Unionists say the industry cost estimate is much too high. In any event, they say, it's

impossible to put a price tag on the lives of a million workers.

OSHA will be faced with a number of questions aside from the main issue of how much lead exposure should be allowed:

* Should there be special treatment for women workers? Lead in a pregnant woman's blood can damage a human fetus, tests have shown.

* What should be done for workers who must be taken off their jobs to reduce lead levels in their blood? The OSHA proposal under consideration says nothing about transfers to safer jobs or guarantees against loss of earnings or seniority.

* What should be done about treatment for over-exposed workers? Some workers are routinely given special drugs to purge the lead from their blood systems, but many medical authorities say that approach is medically and morally unsound and want the practice banned.

Labor witnesses at the hearings will include representatives from the AFI-CIO and its Industrial Union Department, the Oil, Chemical and Atomic Workers, United Auto Workers, Coalition of Labor Union Women; Machinists; Teamsters; Steelworkers, and Rubber Workers.

New Priorities at Labor Department: Senate Human Resources Committee Okays Eula Bingham To Head OSHA

Washington.—The Senate Human Resources Committee on March 17 reported favorably the nominations of Eula Bingham and three other top officials of the U.S. Department of Labor. Easy Senate confirmation is expected.

Bingham, 47, is slated to become Assistant Secretary of Labor for Occupational Safety and Health, a post described at her hearings as "one of the few hotseats in government today."

At hearings before the Senate Human Resources Committee, Chairman Harrison Williams (D-N.J.) asked the nominees what they considered the highest priorities and chief concerns of their respective areas. This is how they responded:

* Bingham singled out "education" as the highest priority of OSHA. She said solutions to the problems of the workplace have "essentially eluded us." Success cannot be measured in terms of the number of health and safety workers or in citations or inspections, she said, adding: "Employers and workers have not been sufficiently educated."

She listed the second priority as a "lack of trained personnel." She said she intended to bring on board personnel trained in industrial hygiene and occupational medicine. She noted that OSHA had no physicians and she felt they were necessary to devise medical standards.

Bingham's third priority is health standards. "Somehow or other we must break the logiam of health standards," she told the committee. People must understand what they must do to comply and so standards are vital, she said.

Another problem, she said, is to simplify safety standards. She said the emphasis has been on the wrong things. She said Members of Congress also are concerned with OSHA requirements such as a hook on a toilet door or prescribing the width of a stairway. OSHA's aim, she stressed, "is to save lives and prevent illnesses."

When Senator Williams asked Bingham if OSHA had a role in cases where workers were exposed to such dangerous pesticides as Kepone, she replied: "Absolutely."

VERMONT STUDY SHOWS: CHILDREN OF BAT-TERY PLANT WORKERS SUFFER HIGH LEAD LEVELS IN BLOOD

BENNINGTON, Vr.—The government's Center for Disease Control, citing a study made among battery workers' children here, says it has documented evidence that a majority of

the youngsters are suffering from too-high levels of lead in their blood.

CDC said 15 of 27 children whose mothers or fathers work at the Globe-Union battery plant here apparently suffered the lead exposure when they came in contact with lead dust brought home in the clothing of their parents.

Scientists believe high blood levels can lead to kidney diseases, diseases of the blood-forming organs, nervous system disorders—some potentially fatal—and reproductive dysfunction, including increased risk of miscarriage.

Many of the workers also were found to have unacceptably high levels of lead in their blood, CDC said.

The findings were seen certain to have an impact on hearings scheduled for mid-March by the Occupational Safety and Health Administration, which is in the process of proposing a new standard to reduce worker exposure to lead.

The CDC said the Bennington study, finalized last September, showed that "household dust, contaminated with lead carried home on workers' clothing, was the apparent source of exposure."

The findings, according to CDC, are "quite similar" to a previous investigation of children of workers employed at a secondary lead smelter in Memphis.

In that study, CDC said, children's and workers' blood lead levels were higher than normal, and eight children required hospitalization. No children in the Vermont study were hospitalized.

CDC said the difference between the outbreaks "may be attributable to differences in work practices: All the workers in Vermont changed work clothes before going home whereas very few did so in Tennessee."

An estimated two million American workers come in contact with lead in the course of their work in battery plants, smelters, paint shops and other industries. There are about 250 battery plants in the country, employing from 50 to 250 workers each.

The Globe-Union workers are represented by Auto Workers Local 1371. The union reports a number of recent production line and air system changes have lessened lead exposure at the plant.

WHO'S BEHIND ABORTION IN THIS COUNTRY?

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. DORNAN. Mr. Speaker, on January 22, 1973, the Supreme Court ruled that an infant in the womb of its mother would no longer be protected by the State if she chose to kill it. In the 4 years since that decision, millions of babies have been relegated to the status of dead tissue, cut out, and tossed into the incinerator.

What has happened to America that her people would allow this to occur? What has caused this revolution in morality in the last 10 years? There are many answers.

Carra will ---

Some will say that it is the breakdown in the family unit, and they will be right. Some will say that it is the weakening of religion in our society, and they will be

Some will say that it is the increased availability of contraceptives, and they will be right.

Some will say that it is the popularity of the philosophy of individualism, and they will be right.

Some will say that it is the increased emphasis on selfish convenience and personal comfort, and they will be right.

But there may be less obvious reasons for the moral climate which has generated the Supreme Court decision and condones abortion. These possibilities are iterated in an article which has recently come to my attention.

In an editorial entitled "The Rockefeller Connection," which appeared in the National Catholic Register, March 6, 1977, charges are leveled against the Rockefeller Foundation which state that the foundation has been funding much of the proabortion, antilife movement. If the facts presented in this editorial are only partly true, it is, indeed, a damning article.

Although this editorial was written by a Catholic and published in the Catholic Press, the prolife sentiments it contains are universal. As Dr. Harold O. J. Brown, professor of theology at Trinity Evangelical Divinity School has said:

The overwhelming consensus of the spiritual leaders of Protestantism, from the Reformation to the present, is clearly antiabortion.

And as Rabbi Seymour Siegal, professor of theology at the Jewish Theological Seminary in New York stated:

The fight for life is not a Catholic issue; it is not a Protestant issue; it is not a Jewish issue. It is not even a religious issue. It is a human issue—for the struggle is to preserve the exalted position of our human existence—the humanity of man.

Mr. Speaker, the fate of the unborn babies is known to us, but what of the fate of the Nation that permits their murder?

A nation which has no respect for life loses its nobility and its own life force. Such a nation cannot long survive. And after this Nation has lost its life, many questions will be asked. How came this great civilization to its end? What cause of death should be written on its tombstone? There will be many answers to these questions, but I believe that on this Nation's tombstone will be written: "Roe v. Wade." The referred to article follows:

THE ROCKEFELLER CONNECTION

Who destroyed the unborn child in America? Who deprived him of his name and of his most basic right? Who made him a non-person?

Variations on these questions could be proliferated almost at will, yet all can be reduced to a single thematic question: who created our present abortion ethos?

It would be perfectly true to answer that the Supreme Court has done this—perfectly true but patently insufficient. It would be an insufficient answer because, according to the most basic rule of sociological jurisprudence, a whole sociological climate had to be generated before the Supreme Court could utter its absurd and subversive decision.

Who then created that climate, that Conditio sine qua non that public tolerance of abortion without which the Supreme Court could not have stripped the unborn child of his right to life unless all nine justices were ready to run for it?

The complexities of history rebel against exhaustive analysis. They are the complexities of man himself, as well as of the forces

both personal and impersonal he strives to shape to his will. Yet we are tempted to say that we can answer this historical question—who created our abortion ethos?—Not merely with strong probability but with certainty. The claim may seem rash, but here is our answer to the question of who brought abortion to these shores, and here is our demonstration.

We hold the Rockefeller Foundation chiefly responsible for the abortion incubus which is our national nightmare.

Here is how the Rockefellers have achieved this.

In the autumn of 1968 John D. Rockefeller 3rd, honorary chairman of the Rockefeller Foundation, delivered an address to an international conference on abortion held

an international conference on abortion held by the Association for the Study of Abortion. The reader of this address will be struck by the number of phrases, then fresh, which have since become hardened cliches of the abortionists:

The laws restricting abortion are "arbitrary," and based on a simple "belief" that abortion is morally wrong;

That "mental health" (a concept of wondrous elasticity) must constitute full legal justification for abortion:

That we ought not "restrict the moral issue to the question of the rights of the fetus" (for fetus is the term unfailingly used for the unborn child);

That this concentration on the child's right to life is a "limited view".

That in fact "the most fundamental rights of children" are "to be wanted, loved, and given a reasonable start" (not, surely, to live):

That prohibition of abortion has been scarcely more successful than was that other flirtation with prohibition:

That the reason for its failure is that it is an "attempt to legislate morality";

That women are "denied relief" because doctors are unable to "help."

We save for last the crowning work of John D. Rockefeller 3rd, phrasesmith. Women, he declared in this trailblazing speech before the Association for the Study of Abortion, must have "freedom of choice."

That speech was a blueprint for the semantical and psychological swindle that has saddled us with on-demand abortion.

Perhaps the most important strategy advanced therein was the simple one of pretending, with every show of sweet reason, that the wrongness of child-killing was a matter on which honest persons could differ. To deny this would be to deny the interlocutor's honesty (or perhaps his or her intelligence), which persons of civility cannot do. Obviously the law cannot justly impose somebody's mere opinion about right and wrong upon those who do not share that opinion. Civil dialogue on the morality of abortion must be pursued. But while such dialogue is proceeding let not one dare impose personal opinions about the immorality of abortion upon those who do not share those opinions.

This diabolically simple trap has ensared this nation and the Supreme Court. This same trap can be set to destroy almost any political principle, no matter how fundamental, but that is another matter.

Mr. Rockefeller assured his audience that the work of the Association for the Study of Abortion would continue. The Rockefeller Foundation has helped carry out this very confident prediction. (Now the Rockefeller Foundation has given a grant to the National Abortion Council to continue the work of the Association for the Study of Abortion, which disbanded early this year.) Alan C. Barnes, chairman of the Association for the Study of Abortion, is vice president of the Rockefeller Foundation.

This newspaper has already published the history of the decision by leaders of the Rockefeller Foundation to launch into the "reduction of human fertility," as the Foundation itself terms it in its own account of this history. According to the Foundation's own published report, Foundation leaders were reluctant to carry out this work openly because of "powerful opposition which might jeopardize their effectiveness in other areas." They decided, again according to the Foundation's report, to achieve the same end by backing the Population Council, which John D. Rockefeller 3rd had founded precisely for this purpose.

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By the early '60s, the public climate had changed and the Rockefeller Foundation emerged from its surrepititious role to work

openly in population control.

Since then, the Rockefeller Foundation has publicly financed the principal promoters of abortion in this country, with the single exception (so far as we know) of the Population Institute.

The Rockefeller Foundation has funded the Planned Parenthood Federation of America, the Population Reference Bureau, the Population Crisis Committee, the Sex Information and Education Council of the U.S. (SEICUS) and other proabortion agents and programs too numerous to list here.

One Rockefeller-funded group, the Association for the Study of Abortion, financed a brochure explaining the stand of catholics who refuse to accept Catholic teaching on abortion.

The Association for the Study of Abortion claims responsibility for the celebrated and widely influential statement by 100 professors of obstetrics favoring abortion and published before the Supreme Court decisions in the American Journal of Obstetrics and gynecology.

The Association for the Study of Abortion, according to its own report, "coordinated a successful effort to get influential groups and individuals to prepare and file amicus briefs" in the decisive cases of Roe v. Wade and Doe v. Bolton.

We could go on. This should be enough for now. Except that is for one crucial piece of evidence.

The major legal offensive against this country's long-established abortion laws was carried out by the James Madison Constitutional Law Center, now the Population Law Center, funded by the Rockefeller Foundation. This agency fought for abortion in the two revolutionary cases of Roe v. Wade and Doe v. Bolton, both (as hardly anyone can forget) decided by the Supreme Court on that baleful Jan. 22, 1973.

The Rockefeller-funded Population Law Center handled the entire appeal for Roe v. Wade, and filed the principal briefs in Doe v. Bolton.

Nor has this Rockefeller-funded agency rested on those laurels. Roy Lucas, who began it, was counsel in the Danforth case through which Planned Parenthood (another Rockefeller-funded group) made it the law of the land that no father has the right to protect his own child from the abortionist's knife. This of course cuts at the heart of the family, for if the father has no right to protect his child he cannot reasonably be saddled with any responsibility toward his child.

Mr. Lucas was counsel in *Baird v. Bellotti*, a case dealing with the right of a mother or father to save a young daughter from the abortionist's clutches.

Mr. Lucas is counsel in Taylor v. St. Vincent's Hospital, a suit to compel a Roman Catholic hospital to do sterilizations.

All this, dear reader, funded by the Rockefeller Foundation, whose chairman is Father Theodore Hesburgh of the Congregation of Holy Cross, president of Notre Dame University.

We think our assertion is well established: The Rockefeller Foundation has brought abortion to these United States. MEDICARE REIMBURSEMENT FOR RURAL HEALTH CLINIC SERVICES-

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 6, 1977

Mr. RUPPE. Mr. Speaker, I am pleased to join my distinguished colleague Mr. ROSTENKOWSKI, chairman of the Subcommittee on Health, in sponsoring H.R. 6043 to amend title XVIII of the Social Security Act to provide payment for rural health clinic services.

Because of the doctor shortage, health care in rural areas is in critical condition. In northern Michigan there is currently one physician for every 1,267 people in contrast to the State average of one physician for every 782 persons. The statistics are even more grim in some areas of the 11th District of Michigan. Mackinac County has one physician for every 3,737 persons while Keweenaw County has not one doctor for the entire county.

H.R. 6043 offers a solution to that problem by encouraging, through medicare reimbursement, the use of physician assistants, thus increasing access to primary care services for medicare beneficiaries living in rural areas.

Because of the shortage of physicians many rural communities have come to depend on local clinics. These clinics are staffed by specially trained health professionals, often called physician extenders, who are capable of diagnosing and treating primary and emergency care needs. These professionals may be nurses, former medical corpsmen, physician assistants or others who have had specialized training to serve patients with only indirect supervision by a physician.

However, under existing law, services by these medical professionals are not covered by medicare unless they are "incident to" and "on-site" with a supervising physician. Needless to say, in doctorshort areas this is not possible and nationwide many clinics are being forced to close because of a lack of funding.

The State of Michigan has recently passed legislation allowing and regulating physician assistants within the State. At the national level, however, because of the diversity of training and the possible variation in State laws, not all physician extenders may be suited for providing services in a rural health clinic. H.R. 6043, therefore, would allow the Secretary of HEW to determine what specific education, training, and experience requirements would be necessary. While a physician would not have to be a physically present when the services are provided, the bill sets forth certain requirements for the necessary degree of physician supervision.

I am pleased to join Chairman ROSTEN-KOWSKI in sponsoring this legislation and I am encouraged by the growing support for this efficient use of precious medical resources among my colleagues here in the House and from the medical community in my own Michigan district and nationwide. The use of physician assistants increases the access rural Americans have to primary care, the criteria for training and supervision insures quality medical care and surely the use of physician assistants is a cost-effective use of limited medical manpower and resources. To reimburse the services of physician assistants under medicare is a wise and necessary step toward insuring quality medical care in rural America.

THE LOUSEWORT AND THE LAW

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. UDALL. Mr. Speaker, lawyers and legislators are familiar with instances in which even the best of laws are carried to absurd and unintended extremes.

I fear that such may have happened with the Endangered Species Act, which I supported when it was enacted, and which I still believe has an important role to play in our conservation effort.

A recent editorial in the Washington Post commented on two instances in which that law has been invoked against major Federal water projects to protect little-known species on the endangered list. As the editors point out, whatever one's view on the merits of Dickey-Lincoln or Tellico Dam, it is preposterous to say that they should automatically be cancelled solely in order to save the furbish lousewort or the snail darter.

I commend the editors of the Post for their balanced, thoughtful approach to this controversy, and I urge my colleagues to read their observations.

The editorial follows:

THE LOUSEWORT AND THE LAW

The furbish lousewort may be a lovely plant, if you like scraggly snapdragons. And the snall darter may be more delightful than the average three-inch fish. But something is awry when a clump of louseworts along the Upper St. John River can louse up planning for the Dickey-Lincoln Dam—or when a federal court, to save the snall darter, stops the nearly-complete Tellico Dam down on the Little Tennessee River.

Misty-eyed environmentalists are delighted to see such obscure bits of nature hold sway over huge public works. They are also coming to regard the endangered species act as a weapon of last resort against projects that they oppose on broader grounds. The more pragmatic dam-fighters recognize, however, that many more snail-darter-type showdowns or more lousewort jokes can endanger the law itself. Already some members of Congress are grumbling that when they approved the act, they had in mind good causes such as saving bald eagles and keeping commercial foragers from ripping off great cacti in the West. They didn't mean to give automatic priority to a whole assortment of undistinguished flora and fauna with precarious existences and funny names.

What Congress should bear in mind as it considers changes in the law is that in almost all of perhaps 200 cases where endangered species and some project have seemed to collide, a means of coexistence has been found. Often all that's required is some care and redesign. Down on the Gulf Coast, after a great brouhaha, the last habitat of the Mississippi sandhill crane may be preserved by

rerouting Interstate 10. In California several types of butterflies may be saved by setting aside some small preserves, including parts of an oil refinery, Los Angeles airport and an Army rifle range. Some species, too, are more adaptable than you might think. One rare butterfly is hanging on amid the television towers of Twin Peaks in San Francisco, while some endangered birds are reported to be thriving along various freeway shoulders and medians.

The Tellico case is the first in which a choice seems to be unavoidable. Supporters of the project want Congress to exempt it from the law. Some opponents welcome hearings as one more chance to advance all of their arguments against finishing the dam. By taking that tack they are acknowledging that, in the rare instances in which accommodations cannot be worked out, a project should not be canceled just because of one endangered fish or flower. We have not reached a conclusion about the Tellico dam on its merits. But we do think the decision should not be dictated by the snail darter alone. The same applies to the lousewort and the studies of the Dickey-Lincoln project that are now under way.

TEN-FORTY

HON. DEL CLAWSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. DEL CLAWSON. Mr. Speaker, after I introduced House Concurrent Resolution 153 proposing that "every Member of Congress must prepare his own income tax return without assistance until Congress exercises its responsibility and prerogative to ease the burden that the complex and obtuse tax laws place on the taxpayer" our mail quickly revealed that I was not alone in thinking the idea had practical merit. In fact, it was soon apparent that the same inspiration had visited other Americans, including Mr. J. E. Prince, Jr., of Norfolk, Va. Fortunately, Mr. Prince was also visited by the poetic muse and we are indebted for his rendition in rhyme which, appropriately enough, is entitled "Ten Forty." Special thanks are in order to BILL WHITEHURST for forwarding his friend's poem. Under leave to extend my remarks at this point in the RECORD, I commend the "Ten Forty" to the attention of my colleagues:

TEN FORTY

Many think simplification and reform Cannot be expected as a norm. Taxation, the wise man reflects Must necessarily be most complex. Enter here, and on line 13b, The amount computed on Schedule T, But never less than twice line 9. Don't give up, you're doing just fine. Multiply number in item seven By dependent children under eleven. Unwed mothers and self-employed clerks, Stop, and read the Regulations' quirks. Others found in a similar fix, Follow Revenue Rule one six See instructions for form fifteen In the smallest print you've ever seen. How can we ever unsnarl this mess? There is a solution, I must confess. The plan is so simple it will astound. It starts in the halls where the trouble is

The Senate and House, they write the Acts, That over complicate the income tax. When it appears that it's time to file, IRS prepares their returns with a smile. You and I stand out in the street, Weary of mind and cold of feet; Forlorn, unhappy, under the gun. If we need help, we hire someone. So, now let's get one simple law Stuck into the legislator's craw. "Members of the Congress must now learn To prepare their own income return" Rules as plain as a schoolgirl's dimple Brief and clear—overwhelmingly simple. See how quick old laws will change. Thereafter, the rules won't seem so strange.

PANAL CANAL TREATY

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 6, 1977

Mr. LAGOMARSINO. Mr. Speaker, 2 weeks ago I traveled to Panama with other members of the Inter-American Affairs Subcommittee of Congress on an investigative study mission of the Panama Canal Treaty negotiations. From my 2 full days of talks with interested parties on both sides and my continued study of the issues involved I have renewed my conviction that the United States cannot afford to permit a change in the status of our operation and defense of the canal which would in any way jeopardize our vital interests in that area.

It is apparent from my talks with both the Panamanian and American negotiators that there are still broad areas of disagreement on what the final terms of a new treaty should be. But even in those areas where there appears to be general agreement, I am afraid that they are unacceptable to a majority of the American people

Mr. Speaker, for the purposes of discussion, I ask that the following text of an address by Dr. Carlos Alfredo Lopez Guevara, a member of Panama's negotiating team, be placed in the Record. It provides a clear presentation of Panama's position in these treaty negotiations. By looking at these points, it is easier to understand how our interests differ.

THE PANAMA CANAL QUESTION

(EDITOR'S NOTE.—Dr. Carlos Alfredo Lopez Guevara, a member of Panama's team negotiating a new Panama Canal treaty with the United States, was a guest speaker at the Panel Discussion held by the American Bar Association's Committee on World Order Under Law, held recently in Mexico City. He discussed the Panama Canal question. The text of his address follows.)

I. INTRODUCTION

The Government of Panama has accepted and thanks the obliging invitation of the American Bar Association Committee on World Order Under Law to express its view before this panel in connection with the Panama Canal Question.

It is heartening indeed to see the increasing number of organizations throughout the World which have shown a deep concern for the outcome of the ongoing negotiations between Panama and the United States pertaining to the future regime of the Panama

Canal, which started 13 years ago after clashes between Panamanian nationalists and U.S. Armed forces which took 22 Panamanian lives and 4 American lives.

The Panama Canal is wonder of the world. It shows how nature and technology can be best combined to serve mankind. American technology mastered the Chagres River and the Gaillard Cut and made it possible that the isthmian configuration of Panama and its superb location were used to make a reality Christophorus Columbus' dream of finding a shortcut between Europe and Asia. The Canal is and should be maintained as a public international service. It should be isolated from international political wrangles. This explains the growing awareness of influential circles spread over the Earth that a peaceful solution must soon be found so that the Panama Canal continues being a tool of commerce and peace as well as an instrument of Panama's progress and economic liberation.

II. WHY PANAMA STRUGGLES

Panamá was discovered in 1501 by Rodrigo de Bastidas. In 1513, Balboa traversed Panamá and discovered the Pacific Ocean. Since then all Powers have shown a deep interest in grabbing Panama. The importance of Panama was evidenced by the fact that the conquest of South and Central America was launched from Panamá. Thus, the personality of Panamá as a nation was formed quite early during the Colony and became independent from the Spanish empire in 1821 without the help of any nation. Bolivar rejoiced when he was advised that Panamá had broken the colonial yoke; but he did not send a single soldier to liberate Panamá.

Because Spain was still strong in South America (The Ayacucho Battle of 1823, which cancelled for ever Spanish domination in South America had not yet been fought) and glory of Bolivar was still untarnished overpowering, Panama voluntarily joined Gran Colombia, then composed of Colombia, Venezuela and Ecuador. But Panamá never lost its natural identity. Panamanian nationalism expressed itself with great vigor as early as 1830 to declare independence from Colombia. We tried again in 1831, 1840 and 1861. The ties with Colombia were so weak that in 1846, Colombia requested the United States to enter into what is now known as the Mallarino-Bidlack Treaty whereby the United States obtained free access through a neutral Isthmus for its citizens and cargoes and Colombia obtained from the United States the guarantee of its sovereignty over Panamá. Colombia felt it was imperative to seek a guarantor of its sovereignty on Panamá both against the Panamanian and the British.

In 1896, Mr. Thomas Adamson, U.S. General Counsul, wrote to the Department of State that three fourths of Panamá wanted independence and that they loved the Colombian appointed Governor as much as the Poles loved the rulers appointed by the Saint Petersburg Court.

There is not a single positive evidence of the Colombian rule in Panamá for 76 years. All that Colombia did was to collect taxes and scatter crosses all over Panamá. Therefore it was no secret that rebellion was in the heart of every Panamanian. It was not surprise to Colombia that Panamá became independent in 1903.

Panamanian nationalism and American interest to build a Canal in Panama coincided. But private French interests injected a nocive element in the negotiation of the Isthmian Canal Convention of 1903. Duneau Varilla, a Frenchman with a large investment in the bankrupt Canal Company, endeavoured to draft a treaty that the Senate would not reject. In blunt terms he wrotes in his memoirs that: "Therefore I reached the conclusion that in order to succeed it was necessary to

draft a new treaty so well adapted to the American requirements that it could defy any criticism in the Senate."

The Frenchman confessed that he improved the draft submitted by Secretary of State Hay in order to protect the American interest.

He prepared the counter proposal in 14 hours. In such a short time be delivered Panama bundled for enternity!

Panama bundled for enternity!

It appears clearly from the records that Panama was not properly represented during the negotiations; that Buneau Varilla betrayed the interest entrusted to him. The 1903 treath was neither negotiated nor signed by any Panamanian. That treaty frustrated the almost centenary quest for independence of Panama. This explains why from the very day it was signed, Panama has rebelled against that treaty. Lacking the Panamanian consent that treaty is null and void under International Law but there is no competent body to declare it.

III. INCOMPATIBILITY RETWEEN THE 1903 TREATY AND THE UNITED NATIONS CHARTER

In 1945 a new era started in international relations. The United Nations Charter was signed. Two principles embodied in that Charter sustain the right of Panama to free itself from the obligations imposed by the 1903 treaty. We refer to the Right of Self Determination (Art. 1(2) and the Respect for the Territorial Integrity of all States (Art. 2(4)).

In 1904 the Panamanian flag was lowered in the Canal Zone and our authorities and teacher's ejected therefrom. All this despite the fact that Article I of the Isthmian Canal Convention bound the United States to guarantee the indepedence of Panama, that is to say to respect its Government and territory. In 1914 a boundary convention was signed fixing the metes and bounds of the Canal Zone. This constitutes a defacto dismemberment of the Panamanian territory. Besides, the Canal Zone Government was established with its laws, courts and police. All this runs afoul of the United Nations Charter. Being that so, in accordance with Section 103 thereof, the 1903 Treaty must yield to the obligations contracted by the United States in the Charter to wit, to respect the right of self determination of Panama and its territorial integrity.

IV. PROMOTION OF HUMAN RIGHT, A UNIVERSAL DUTY

President Carter has stressed the need to promote and defend human rights. He opened wide avenues of hopes throughout the world when in his inaugural address he raised his voice over the horizons to deliver this promise:

"Because we are free, we can never be indifferent to the fate of freedom elsewhere".

We Panamanians welcome President Carter's concern for human rights. We want to receive the benefits of that statement. In the Draft Covenant of Human Rights,

In the Draft Covenant of Human Rights, approved by the U.N. Commission on Human Rights it is stated:

"Article 1.—1.—All people and all nations shall have the right of self determination namely the right to freely determine their political, economic, social and cultural status".

We Panamanians are being deprived of this right by the existence of the Canal Zone and of the Canal Zone Governments in Panamanian territory. The Canal Question is also a Human Right Question for Panama; nor for an individual but for the whole Panamanian nation.

We seek then the right to complete our process of independence; to reintegrate the Canal Zone to the rest of the Republic and to possess, own, administer and control the Panama Canal and to convert it into a tool for the economic and social progress of Panama, without impinging upon the

rights of the maritime interest to have access to the Canal on the basis of no discrimination, reasonable tolls and permanent neutrality.

V. WHAT IS PANAMA PROPOSING

1. To abrogate the unnegotiated treaty of 1903.

2. To enter into a new relationship with the United States in harmony with the new moral and juridical standards set up in the United Nations Charter.

3. To agree as the maximum duration of

the new treaty the year 1999.

4. To abolish the Canal Zone and the Canal Zone Government from the very first day of the entry into force of the new treaty.

5. To end all United States jurisdictional rights in Panama no later than 3 years after the new Treaty enters into force. That is to close the police force, courts, postal offices and all expression of a foreign government within that period.

6. To grant to the United States:

a) The right to administer the Canal also includes the right to fix tolls, issue transit regulations and determine labor conditions within the basic principles laid down in the new Treaty. This right should be shorter than the one on defense. Panama will act as a coadministrator although without a decisive vote nor a veto power.

b) The right to protect and defend the

b) The right to protect and defend the Canal with the cooperation of Panama. But again, for the duration of the treaty, the United States will have the decisive voice as to how and when to respond to any attack to the Canal. This right, for all purpose and effect must end not later than

1999, and

c) The right to use the necessary lands, water and air space to administer and defend the Canal. Therefore Panama is proposing to examine first the true requirements for these two functions in order to commit the use of its territory for the discharge of those two main functions. We want to avoid the present practice of having a tremendous portion of our territory without any use, just as a military reservations while Panama badly needs lands for urban development, ports and industrial programs.

7. To reintegrate the present Canal Zone to the political cultural and economic life of Panama. This means to recover our two historic deep sea water ports (Balboa and Cristobal) and build industrial and commercial complexes close to the Canal in order to exploit our geographical position.

8. To respect all labor rights of the employees, working with the Canal Administration and the U.S. Armed Forces, regardless of nationality. Those rights obtained after strenuous efforts by their unions will be pre-

served.

9. We want to modernize the present Canal in accordance with the needs of the users. But we prefer to do it ourselves, perhaps with international financing. Nevertheless we are open to consider any reasonable proposal from the United States. We do not want to consider option rights to be exercised by the United States when they may deem it most convenient to United States interest. Panama stresses the need to plan the best use of its geographical position. We cannot commit stretches of our lands to any foreign power. If the United States has any, specific plan to add a third set of locks to the present canal, we are willing to consider them in order to see, after all ecological questions are properly answered, if that proposal is convenient to Panama,

But for the time being we do not see the need for any major work to modernize the Canal. Traffic has been declining because the average tonnage of the ships transiting the Canal has been steadily increasing. Thus less ships transport more cargo and less lock-

age is required. Therefore, the water stored in the Gatun and Alajuela (Madden) lakes is better used.

10. Panama believes in arbitration and has proposed an arbitration clause to settle all disputes arising of the application and inter-

pretation of the treaty.

11. The rules of neutrality of the present canal are spelled out in the Hay-Paucefotte Treaty of 1901 entered into by the United States and Great Britain. That regime must be preserved. Panama has proposed that the United Nations guarantee that permanent neutrality. If the Canal renders an international service, the entire world must see to that the rules of permanent neutrality and equal treatment to vessels regardless of flag, in time of peace and war, be respected. The issue regarding the regime of neutrality after the United States ends its presence in Panama has become a stumbling block in reaching an agreement. The United States wants to be the sole guarantor and to reserve to itself the right to decide what is a threat or an attack against the security of the Canal and how to respond. We consider this to be perpetuity in disguise and the right of the United States to inter-vene unilaterally in Panama. This would mean that our struggle to end perpetuity by agreeing on a definite duration is a mockery. with such a clause would be repudiated by the Panamanian people which is adamant in his position not to pay again with perpetuity temporary advantages.

12. Revenues should accrue to Panama in proportion to the savings obtained by the users. Updated figures indicate that the users save 10 times what they pay as tolls. This gives a more accurate idea of the value of Panama's contribution to the existence and operation of the Canal and of the subsidy that Panama has been granting to the maritime nations for over 60 years. But we want to emphasize that Panama is not asking for any increase in tolls. Panama's participation in the economic exploitation of the Canal should not be attached to tolls but to a correct assessment of the value of its geographical position. If in 1973 the users saved US\$700 million by using alternative routes, it is obvious that the annuity of US\$2,320,000 that Panama has been receiving for all the rights granted to the United States bears no proportion to the benefits received by the United States and the maritime nations.

13. In short, we are proposing a peaceful solution to a colonial situation, without hatred, without crosses, in a civilized manner. And a process of negotiation which has lasted 13 years demonstrates without any scintilla of doubt that Panama is a mature nation. During this protracted, frustrating process we have never despaired in our search for a peaceful method of solution. In our search for solutions we are making reasonable proposals. A term of 23 more years appears reasonable to all Latin American Presidents and to many Heads of States of other areas. This formula envisages a gradual transition period to guarantee an orderly transfer of the administration of the Canal so that efficiency be never slackened.

The United States has controlled life in Panama since 1847 by virtue of the Mallarino-Bidlack Treaty. This means a presence in Panama without the consent of the Panamanians of over 130 years. Let us change the rules. Let us have a negotiated and consented presence for 23 more years and muster the friendship of the Panamanian people in order to build a trench of friendship around the Canal as the only means to pre-

serve it operating efficiently and safely.

The people of Panama and its Government have shown resoluteness in furtherance of a negotiated settlement. The Panamanian negotiations have shown a willingness to com-

promise, that is, to understand that a nego-

tiation advances when there are reciprocal concessions, when the interests of both parties are duly taken into account.

The Eight Principles Declaration signed by former Minister Tack and Secretary of State Kissinger on February 7, 1974, reaffirmed recently by former Minister Boyd and Secretary of State Vance contains a balanced compromise between our two nations. All that is required now is the political will to implement it fully. This demands statesmanship from our two Heads of Government. us hope that after unremitting efforts, the two negotiating teams will offer soon to the world a draft treaty as the formula for effacing once and for all the causes of conflicts engendered by the 1903 treaty, and containing also the formula for a modern relationship respecting the dignity of Panama, allowing Panama to secure the proper benefits from its main natural resource and preserving the Canal as an international waterway functioning efficiently, permanently neutral and with no discrimination whatsoever

Mr. Speaker, I think the Panamanians' main objections to the 1903 treaty are those related to articles II and III which permit the United States to act as "if it were sovereign" in the Canal Zone "in perpetuity." The Panamanians are seeking an immediate abolition of the Canal Zone and a phasing out of all United States jurisdiction there within 3 years, but allowing the United States to continue operating and maintaining the canal during the life of a new treaty, which would probably expire in the year 2000.

Apparently, American negotiators are willing to accept these demands despite the fact that many Members of Congress, and probably a majority of the American people, have indicated that these would not be acceptable.

It is obvious that the question of sovereignty in the Canal Zone is an issue on which there is great disagreement even among the parties on each side.

As you will recall, during the heat of the primary campaign last year, former California Gov. Ronald Reagan said, of the Panama Canal,

We bought it, we paid for it, we built it and we intend to keep it.

In careful study of that phrase, it does not completely address the problem of sovereignty in the Canal Zone, the United States did buy for \$40 million the assets of the French Canal Co., which had attempted to build a canal across the Isthmus in the late 19th century. But, it was for the "rights" to act "as if it were sovereign" over the zone for which the United States paid Panama \$10 million, plus an annual fee of \$250,000—which is now up to \$2.3 million—according to a 1976 study issued by the House Committee on International Relations.

In 1905, the Secretary of War William Howard Taft said.

The truth is that while we have all the attributes of sovereignty . . . the very form in which these attributes are conferred in the treaty seems to preserve the titular sovereignty over the Canal Zone in the Republic of Panama.

Also adding confusion to the issue are legal scholars who say the United States would not pay Panama an annual fee if it owned the zone outright. It paid no

such fees to France for use of the Louisiana Territory or to Russia for use of Alaska, for example. Also, children born in the Zone are not automatically U.S. citizens, another indication that sovereignty or "ownership" of the zone is not automatic.

As you can see, the principles involved in this issue of sovereignty are so complex that an agreement on the immediate dissolution of the Canal Zone and an elimination of the U.S. jurisdiction during the first 3 years is, in my opinion, unneces-

sarily hasty and unwise.

Just as important as sovereignty to a satisfactory resolution of the issue is the question of operation and defense of the canal. U.S. negotiators admit there is still disagreement on the issue of defense after the expiration of a new treaty. The Panamanians want the United States to withdraw all military presence from the Canal Zone after a new treaty ends. They say the U.N. Charter provides for nations to act unilaterally to preserve their own interests, and this would give the United States the right to reintroduce its forces to defend the canal. However, I believe the American military presence does serve as a deterrent to external and internal threats. If the U.S. Forces were to leave altogether, it would be extremely difficult to have them return under hostile circumstances.

A number of American military officials describe the difficulty of defending the canal against acts of sabotage. One well-placed explosive charge could knock out a lock or a dam, releasing the canal's water storage system, and effectively closing it for 2 years. Since the Panamanians would have as much to lose as we, I do not believe there is a real danger

from that source.

U.S. military representatives also told our study mission that they are in favor of a new treaty because the best way to insure the security of the canal is to see that the Panamanians have as great a stake in its continued operation as we do.

The argument that the canal is obsolete or at least outdated is an erroneous argument, in my opinion. All but 13 of our largest Navy ships can use the canal. and all our new ships are being built to fit the canal locks. And although in recent years following the Arab oil boycott, and reopening of the Suez Canal, there was a decline in traffic, the expectation by Canal Zone officials is that traffic will increase steadily during the next decade. The canal is also slated to play a key role in getting Alaskan oil to the east coast.

There are additional problems which I believe also have to be considered. The jungle watershed around the canal is being deforested in places, endangering the supply of fresh water needed to operate the 50-mile system of locks, lakes, and waterways. Every time a ship passes through the canal, 52 million gallons of

fresh water are lost to the sea.

While I was in Panama, I had the opportunity to talk with a Panamanian who is allegedly on General Torrijos' "enemy That individual said that even though most Panamanians would like to see a new treaty, there are many who do not want one negotiated as long as Torrijos is in power because it would only solidify his hold on the country.

There is another problem I see which concerns eventual Panamanian operation of the canal after a new treaty expires. Maintaining the canal requires continual investment of capital and labor, and I question the Panamanian commitment to that when the government would be facing, at the same time, demands for expenditures on housing, health, and education. I wonder if they would be able to resist the pressures to divert resources from the canal operation.

I am also concerned about commitment of our American negotiating team in preserving our interests in this vital area, especially when you look at the contradictory statements made by the President, whose guidelines set the policy for our negotiators. During the televised Presidential debate on foreign affairs,

candidate Carter said,

I would never give up complete control or practical control of the Panama Canal Zone, but I would continue to negotiate with the Panamanians . . . I believe that we could share more fully responsibilities for the Panama Canal Zone with Panama. I would be willing to continue to raise the payment for shipment of goods through the Panama Canal Zone. I might even be willing to reduce to some degree our military emplacements in the Panama Canal Zone, but I would not re-linquish practical control of the Panama Canal Zone any time in the forseeable future.

Contrasting that statement with what he said President during the telephone call-in session in early March leaves many of my constituents with the feeling that they were misled during the campaign. On March 5, the following exchange took place on the Panama Canal: TRANSCRIPT OF QUESTIONS AND ANSWERS IN

PRESIDENT CARTER'S CALL-IN NEGOTIATIONS WITH PANAMA

Caller No. 41 Moderator. Thank you, Mr. Kimble. Thank you, and the next call is from Mr. Johnie

Strickland, Fayetteville, N.C. Q. Good afternoon, Mr. President. This is Johnie Strickland from Fayetteville, N.C. I want to thank you for this opportunity to talk with you, and I would like to know what your sentiments are on the Panama Canal

1904 treaty and changing it.

A. O.K. It's good to hear from you, Mr. Strickland. My sister lives in Fayetteville, as you may know, and I am glad to answer your question. We are now negotiating Panama as effectively as we can. As you may or may not know, the treaty signed when Theodore Roosevelt was President gave Panama sovereignty over the Panama Canal Zone itself. It gave us control over the Panama Canal Zone, as though we had sovereignty. So we've always had a legal sharing the Panama Canal of responsibility over Zone. As far as sovereignty is concerned, I don't have any hangup about that. I would hope that after, and expect that after the year 2000 that we would have an assured capacity or capability of our country with guaranteeing that the Panama Panama Canal would be open and of use to our own nation and to other countries. So that's the subject of the negotiation now-it has been going quite a while—is to phase out our military operations in the Panama Canal Zone, but to guarantee that even after the year 2000 we would still be able to keep the Panama Canal open to the use of American and other ships

Q. I understand, and I certainly hope that

we are not too lenient, because we have lots of money invested in the Canal Zone and I really think the Canal Zone belongs to us. whole lot more than most people think it

Mr. Speaker, there is no question that this is a much more complex issue than is generally realized. The Canal Zone cuts Panama into two parts and represents a foreign presence to most Panamanians. Yet the canal itself and its continued operation remain Panama's chief asset and reason for being. Ideally, we should be able to work out a partnership operation to guarantee U.S. interests without infringing on Panama's sense of national sovereignty. It is largely a question of semantics.

The continuous round of meetings and on-site inspections during the 2-day trip have left me with a clearer understanding of the complex issues involved in the treaty negotiations. We are talking about issues of national pride on both sides. But I think we should seek a middle ground which protects both the United States and Panama's vital interests. Unfortunately, the present stage of treaty negotiations has not reached that middle ground, which is essential before any action can be expected in Congress.

THE BLUE COLLAR CAUCUS

HON. EDWARD P. BEARD

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES Wednesday, April 6, 1977

Mr. BEARD of Rhode Island. Mr. Speaker, yesterday was a significant day for the millions of people in this country who work with their hands. Indeed, these millions form the great bulk of our population. The "Blue Collar Caucus" was officially announced to the Nation and I was delighted to see 10 Members of this House join me in forming this unique

The charter of the Blue Collar Caucus outlines its aims and I submit this document today for the information and edification of this body:

CHARTER OF THE BLUE COLLAR CAUCUS

Whereas those who work with their hands in America constitute a majority of our Nation's population, and whereas their viewpoints, goals, and aspirations must have priority in the highest councils of government, and whereas our Founding Fathers clearly reflected their intent that everyone be provided an opportunity to participate in the democratic form of government, we the undersigned Members of the U.S. House of Representatives, meeting formally on Tuesday, the 29th day of March, 1977, do hereby form a Blue Collar Caucus within the House of Representatives to be composed of Members within the House of Representatives who labored with their hands prior to serving in the Congress and do hereby proclaim the following goals and objectives of this organiza-

(1) The caucus shall serve as a voice of America's common person in expressing legislative concerns, attitudes, and perspectives.

(2) The caucus shall provide inspiration, example, and hope for working persons all over America to encourage them to become more involved in their government.

(3) The caucus shall focus attention on and project the achievements and accomplishments of those Congresspersons formerly served as blue collar workers.

EDWARD P. BEARD (R.I.), housepainter, Act-

ing Chairman.

JOSEPH M. GAYDOS (Pa.), glass worker. PAUL SIMON (III.), printer. ROBERT A. YOUNG (Mo.), pipefitter. DALE E. KILDEE (Mich.), electrical worker. RAYMOND F. LEDERER (Pa.), warehouse

JOHN H. DENT (Pa.), rubber worker. Gus Yatron (Pa.), heavyweight pro. JOHN BURTON (Calif.), bartender. MICHAEL O. MYERS (Pa.), longshoreman. Don Young (Alaska), riverboat captain.

TIME TO RETHINK COMPULSORY RETIREMENT

HON. SHIRLEY N. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mrs. PETTIS. Mr. Speaker, as you are aware, I have introduced legislation to outlaw mandatory retirement at age 65 because of the detrimental effects present law has on our senior citizens. From all that I have read it appears that selection of age 65 was never really based on any careful consideration of the needs of senior citizens, but on political policies and archaic customs. I would like to insert for the RECORD a recent article featured in a prominent business magazine which concurs with my feeling that mandatory retirement costs too much, wastes talent, and may be dangerous to the health of millions of people over the age

The article follows:

TIME TO RETHINK COMPULSORY RETIREMENT

(By Suzanne Seixas)

On one of Gulliver's Travels, the hero of Jonathan Swift's satire comes across the Struldbruggs, a tribe of people who never die. Expecting to find them revered for their experience and wisdom, he learns instead that the larger community considers the Struldbruggs a nuisance, and treats them harshly during their endless dotage: "As soon as they have completed the term of 80 years only a small pittance is reserved for their support, and the poor ones are maintained at the public charge. . . . They are held incapable of any employment of trust or profit.'

Today, 250 years later, a fair number of the 23 million Americans who have reached 65 are getting the Struldbrugg treatment. Pushed from their jobs while they still have an average of 15 years to live (20 for women), they exist on Social Security and private pensions that together average half their prere-

tirement income.

THAT PASTURE BIRTHDAY

The problems caused by mandatory retirement have begun attracting the attention of Social Security actuaries and administrators, congressmen and corporations, pensioners and planners. They are finding that the practice is becoming impossibly expensive for business and government, each of which is paying out heftier pensions for longer peri-ods. It has spawned dissension in labor and discontent among taxpayers who must pay the ever-increasing maximum Social Security tax each year. And it is creating stress for retired people themselves, many of whom bitterly resent being put out to pasture on the basis of a birthday. It's beginning to look as if compulsory retirement is a good idea whose time has passed.

When it began, mandatory retirement was cheap. Pensioning off Germany's workers at 65 was part of a social-welfare program introduced in the 1880s by Chancellor Otto von Bismarck. "The catch," points out Harold Sheppard, a gerontologist at the American Institutes for Research, "was that in those days hardly anyone lived very long after 65."

Advanced for its time, the German program became a model for other nations, and in 1935 the brand-new U.S. Social Security Board adopted the retirement age from foreign welfare systems. When World War II wage controls forced industry to turn to nonwage compensation to attract personnel, private pensions proliferated, most of them structured on the assumption that employees would retire at 65 as the "normal"

retirement age.

Retirement was not always mandatory under such plans, but the compulsory aspect became popular with employers. The reasons were spelled out this January by Edward Reinfurt, a lobbyist for the 2,800-member Associated Industries of New York State, when he testified against a bill that would outlaw mandatory retirement in New York.
"We said it gives the employer an objective criterion for retiring employees," Reinfurt recalls. "The employer doesn't create ill feeling when he retires a guy. Also, orderly retirement allows him to plan for recruitment, training new people and promotion. If he big company, he probably has an affirmative-action program, and he must be able to promote minorities and women, especially into executive jobs—which are the jobs guys don't retire from. And while we don't like to pit the young against the old, mandatory retirement frees jobs for younger workers, who bring an infusion of new thinking and technological know-how into a company.

Sharon House, a researcher who studied the problem for the Library of Congress, says that younger workers are preferred by manbecause they believe that older ones can't learn new skills easily. What's more, says Chris McNaughton, vice president in charge of employee relations of the Kellogg abolishing mandatory retirement would put industry under pressure to provide jobs at both ends of the age spectrum."

Because they represent workers young, old and in between, labor unions take a stand that is really more of a bob-and-weave. Larry Smedley, associate director of the AFL-CIO's Social Security department, puts it this way: "We don't normally favor mandatory retirement. However, we've never supported legislation to outlaw it. We feel it should be left to collective bargaining."

At the local level, union members respond to the compulsory retirement question on an industry-by-industry basis. According Sidney Heller, president of Local 888 of the Clerks International in New City, "Resistance to it is greatest in furniture and carpet retail stores, where workers are older. The stores that want it most are ladies' wear. A youngster comes in to buy blue jeans, and the stores don't like a 60-year-old saleslady showing them to her."

Peter Voeller, administrative assistant to the Retail Clerks' president, says, "Most of our membership is in the supermarket industry. They usually start work at an early age and come 65, it's a pretty fast track for them to cut the mustard. They're glad to retire." Don Smith of the United Steelworkers says, "Most members in the basic-steel industry don't want mandatory retirement. The union's contracts with the 10 major steel companies, which cover 337,600 employees, specify no retirement age.

Many workers want to stay on the job be-

cause of inflation. Harold Sheppard of the American Institutes for Research says, "Soon a man won't be able to retire unless his pension plan calls for cost-of-living increases. But if it does, the company will balk at the expense."

CHEAPER ON THE PAYROLL

While many workers are finding it too costly to quit at 65, some employees are finding it increasingly expensive to allow them to. One reason is that people are living longer, which pushes up the aggregate of pension payments and can make comptrollers want to push up the retirement age as well. Murray Becker, an actuary with Johnon & Higgins, an employee-benefits consulting firm, hypothesizes that "if it went to 68, the employer would be paying the worker's salary for three more years and possibly giving him raises that could increase the amount of the eventual pension payments. But the company still has use of the pension money and its interest during those years. Assuming that the worker is worth what he's being paid, it would be cheaper to keep him on the payroll."

Even if a specific retirement age were eliminated altogether, employers wouldn't find pension payments fluctuating wildly. "You don't have to know when each person is leaving," says James H. Schulz, professor of welfare economics at Brandeis. "You work on averages. You would soon see how many people stayed on beyond 68 or 70. Then actuary could make a new set of projectionsthat's what they do all the time anyway.'

The government bears the chief financial brunt of compulsory retirement because of the Social Security benefits it must pay. And while the number of retired workers on Social Security is expected to grow-from 17.2 million in 1976 to 21.4 million by 1985-the agency's funds aren't keeping up. Social Security payments are already creating a deficit (see the chart at right) because the system is more generous than it can afford to be. Social Security retirement benefits are adjusted annually to keep pace with inflation. In addition, the taxable wage base is being adjusted upward annually. That means that although current retired persons' benefits only go up with the cost of living, workers still in the labor force will get not only the cost-of-living hikes once they retire, but also the advantages of the higher wage base they will be paying taxes on by that time. In some cases benefits will be more than the pensioner's salary was.

Furthermore, there will be fewer taxpaying workers to foot the bill for the retired generation. Since birth rates have fallen, the ratio of beneficiaries to workers is expected to rise from 31 per 100 this year to 52 per 100 by 2035. This could cause a ground swell against mandatory retirement among younger workers who otherwise would be more concerned with getting old bosses out of the way.

THE PSYCHIC EXPENSE

Among various approaches to the problem now being talked about-revising the way benefits are computed, raising the tax rate, dipping into general revenues—the idea of allowing the elderly to continue working and thus sharing the costs springs increasingly to planners' minds. Notes John L. Palmer, senior fellow at the Brookings Institution, "If Social Security were to move the retirement age up, it would have a major impact in causing companies to do the same." Palmer thinks the change will come, but not quickly-"it's probably 10 to 20 years down the road. The more immediate concern is for the mental health and outlook of the retired.

The psychic expense of mandatory retirement is a cause for disagreement among social scientists. The popular belief is that retirement hastens death. A soon-to-be-published study done by Suzanne Haynes at the University of North Carolina tends to corroborate the belief. She found that although the mortality rate for mandatorily retired employees of an Akron rubber company declined in the first two years of retirement, it shot up 30% higher than expected in the third year. She thinks the finding reflects "disenchantment." At first, she says, retired blue-collar workers are more satisfied than white-collar workers. "But a few years later it's the reverse, probably because they have fewer resources to cope with their situation."

On the other hand, a seven-year study by Gordon F. Streib of the University of Florida concluded that the only effect retirement has is perhaps to improve health. Streib attributes the hastened-death theory to the fact that many people who retire voluntarily do so because their health has already begun to fail.

A fight against mandatory retirement has been mounted by a handful of organizations, including the American Association of Retired Persons and the Gray Panthers, an activist group for the elderly. The Panthers want to get the upper age limit of 65 dropped from the Age Discrimination in Employment Act, because that would in effect outlaw discrimination against workers of any age. They are backing two House bills, one introduced Florida Democrat Claude Pepper that would eliminate the age ceiling for federal employees only, and one sponsored by Paul Findley, Republican of Illinois, that would do the same for everyone. The Supreme Court recently agreed to hear a case that was brought against United Airlines by an employee mandatorialy retired at 60. If the ruling of a lower court is upheld, no employee under 65 could be retired simply on the basis of his age.

Nobody gives the House bills much chance of passing this year—there's still too much fear of overcrowding the labor force. But many think that prospects will improve in a few years. Dr. Robert N. Butler, director of the National Institute on Aging in Washington, suggests that the age be upped progressively, first to 67, then to 70. "It'll have to come," he says, "because it's inflationary to provide money to people who are not contributing to the economy."

GOING STRONG AT 78

Alternatives to mandatory retirement are engaging the attention of the more ingenious members of the business community. Some companies already have retirement plans that are flexible at the upper end. At Polaroid, an employee can stay on after 65 merely by going through a simple annual review with a supervisor. Tektronix, a major lab-equipment corporation in Beaverton, Ore., doesn't require retirement at 65. "We have people here 78 or 79," boasts Guy Frazier, manager of employee development. Texas Refinery, a Fort Worth petroleum products manufacturer, has been hiring over-65 salesmen since the company started in 1922. Says Texas Refinery's Bob Phillips, assistant personnel director: "We couldn't operate as efficiently without our over-65-year-olds. The mature salesman has the patience to stay with a customer until he's sold." Their man in Anchorage, Kelly Williamson, is 78 and has no plans to quit. "What do I think of mandatory retirement?" he snorts. "I think it's

"KEEP CHICAGO CLEAN" ESSAY CONTEST

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 6, 1977

Mr. ANNUNZIO. Mr. Speaker, yester-day I announced the runners-up in the

essay contest sponsored by Mayor Bilandic's Citizens Committee for a Cleaner Chicago, myself, and Illinois State Representative William J. Laurino.

Inadvertently, through an error of the printer, one of the runner-up essays was left out. This essay was written by Tim Neja, 4427 North Kenneth Avenue, a fifth grader at St. Edwards School. Tim's essay follows:

CHICAGO THE BEAUTIFUL

Keeping our area beautiful would be a hard job. A good way to start would be to get some friends and tell them the importance of a clean Chicago. Then we could go around picking up garbage. If we keep the bottles, cans and papers, we could recycle them. After this we could use the recycling money to buy trees and plants to plant in vacant places. With the money left over we could buy garbage cans. On the cans a sign would say "Pitch in, Chicago's future depends on it."

After that we might get our parents to sign a petition to make all factories put filters in their chimneys.

We could get City Hall to destroy vacant, condemned buildings and build homes for the homeless in their place. They could make sure landlords treat their tenants fairly and make sure Gaylords and other groups of kids who ruin others property are justly punished. Some of the harder things I can't do but with the help of Mayor Bilandic and other government officials they would be done. This way Chicago's land, buildings and people are clean.

Don't worry, Mayor Bilandic, we will help make Chicago beautiful. Our Fifth Grade Class are with you all the way.

OCEAN TARIFF REFORM ACT

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. RUPPE. Mr. Speaker, today I am introducing legislation designed to correct certain deficiencies in the Shipping Act of 1916. Those deficiencies afford an unfair competitive advantage in the transportation of container cargo by certain steamship companies who, through their operating outside of the existing regulatory scheme set by the Shipping Act of 1916, cause the diversion of cargoes of U.S. origin or destination from U.S. ports to Canadian ports.

Presently, the Shipping Act of 1916 does not require steamship companies operating out of Canadian ports transporting cargo originating in or destined to the United States to publish or file tariffs with the Federal Maritime Com-mission. Many Canadian railroad and steamship companies are jointly owned and are thus able to absorb inland rail charges from United States-Canada border crossing points to Canadian ports. This arrangement, prohibited in the United States under the Interstate Commerce Act, enables Canadian steamship companies to undercut, by as much as half, the railroad tariff rates steamship companies directly serving the United States must file with the Interstate Commerce Commission. This inequity not only undermines the purpose of the

Shipping Act of 1916, but deprives the United States of income generated from the passage of tonnage through U.S. ports.

It is my understanding that as many as 5,000 loads of U.S. container cargo per month, over 40,000 container loads annually, are shipped from origins in the Great Lakes States, New England, and New York through Canada to Canadian ports for import to Europe and the Far East. This process also exists on the west coast where western cargoes bypass the ports of Seattle and Los Angeles in favor of the Canadian Port of Vancouver. The diversion arrangement covers U.S. imports as well, for a substantial volume of U.S. containerized imports are landed at Halifax, St. John's, Montreal, and Van-couver. In contrast, the volume of Canadian cargo handled in U.S. ports is considerably less. The loss of employment for U.S. longshoremen, seamen, and other port workers who would otherwise be called to handle the U.S. container cargo now diverted through Canada is significant.

My proposed Ocean Tariff Reform Act would amend the Shipping Act of 1916 by expanding the definition of "common carrier by water in foreign commerce" to include advertising, issuance of through bills of lading, or similar acts in the United States, directly or through agents in conjunction with the transportation of U.S. import or export cargo. The "common carrier" would therefore be subject to the jurisdiction of the Federal Maritime Commission and would be required to file tariffs under section 18 of the act.

I hope my colleagues will seriously consider the Ocean Tariff Reform Act not only as an attempt to establish equity among United States and Canadian shipping modes, but as a tool to stimulate U.S. port economies, to upgrade the rate of direct trade between the United States and foreign markets, and to enforce the objectives of the Shipping Act of 1916, the basic statute governing shipping in our foreign trades.

HENRY WINKLER: EXEMPLAR FOR OUR CHILDREN

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. DORNAN. Mr. Speaker, many Americans have become increasingly alarmed about the growing tendency among some of our young people to experiment with drugs. Most would agree that this tendency is due largely to the lack of guidance and the poor example given by their elders and those whom they respect. If their parents swill cocktails all evening and their media heroes glorify drug use, is it any wonder that many children succumb to peer pressure to try something "new" and "exciting"?

Often, the something "new" is a drug which has been around since time immemorial: alcohol. Studies have shown a rising incidence of alcoholism among grade school and high school students. Children as young as 10 are appearing in the classroom staggering drunk. Many parents are unaware of their children's activities or just do not care.

When the child turns on the television or goes to the movies, drunks are usually the comics, the clowns, whom everybody loves and laughs with. When they hear their rock heroes or see their favorite television personalities, drug use is sung about and praised. It is "cool" to get drunk or to "get high." The inferred message is, of course, if one wants to be famous—and few American children do not—be cool, get drunk, get high, get stoned, get down.

Because this attitude among some of today's television and radio personalities is so prevalent, it is indeed refreshing to learn of one star, a superstar, who does not encourage drunkenness or drug use. Henry Winkler, the lovable costar of TV's "Happy Days," "The Fonz," is

that star.

Mr. Winkler recognizes the fact that he is widely respected and imitated by our children. He knows that his fame is accompanied by a heavy responsibility to those same children. If they imitate his personal mannerisms, they may well imitate his personal habits. His awareness of this responsibility has led him to speak out against alcoholism among our young people.

On March 25, Mr. Winkler testified via telephone to the Senate Subcommittee on Alcoholism and Drug Abuse. His testimony is articulate and persuasive. So that the House of Representatives can learn of the efforts made by this fine young citizen and join me in commending him, I include his statement to the subcommittee at this point:

VIDEOTAPE STATEMENT OF HENRY WINKLER,
ACTOR

Mr. Winkler. Hi. I just want to say hello to everybody.

My name is Henry Winkler. I am here in Santa Rosa, California, on a beautiful day to talk about drugs, excessive drugs and excessive use of alcohol.

Now, I have no solutions to that. I only have some thoughts; because it seems to me that the individual himself will find the solution. It seems to me also that it behooves us to create an atmosphere so that those solutions can be formed on a positive basis rather than a self-destructive basis.

Let me say that there is a difference in my mind, in my sensibilities, between drinking, social drinking, and alcoholism. Abuse is

abuse.

The way I see it is that freedom is something that we take from ourselves. It is not something that is given to us. And addiction, slavery to a drug or to alcohol will never let you be free, will never let you take your own freedom. It will never let your will to create—whatever it is you want to do with your life—have its day in court.

It makes me very sad when I think of young people distorting their consciousness before they ever develop it. I just think in my own terms I know I wanted to be right here in Santa Rosa making this film called "Heroes," since I was seven years old, and now I am here. And if I had beat my brain cells and my body into submission with the excessive use of alcohol or chemicals, I could never have lived out my dream as I am doing now.

There is also peer pressure. It seems to me that we are now a very outer-directed society and that peers have a great influence over what their friends will do.

It seems to me that we need a reorganization of education so that somewhere along the line as students we are taught that we are okay; that we are enough the way we are; that we are worth it. In that way, it seems to me, that with a sense of self, we are not so easily intimidated by other people.

Another personal point. In college I belonged to a fraternity and we used to chug beer except I don't drink any alcohol—I don't like it in my body—and I would chug water. In the beginning, everybody made a lot of comments and then a few meetings later, my glass of water was there along with everybody else's can of beer. You can stand up for what you believe in. You can be who you are. And you find that it has a stronger result, a more respected result, than following the pack.

It just seems to me that alcohol, that excessive alcohol and excessive use of drugs is a symptom. And you can't take alcohol and drugs off the market and expect the problem to be solved. It seems that it is deeper en-

grained in us than ever before.

Last year I think there was a high school class or a junior high school class—eighth graders—and six percent of them were alcoholics. That is outrageous. But we have come to a point in our society where kids, where children, where young people have no foresight, cannot see future, cannot see what they can do with their lives. That seems to me to be where we have to focus.

And I think that is all that I know. If I were to talk about anything else at this moment, I would be talking through my hat, because I don't have the information. I am an actor. I understand that at this moment I have influence and that certain people do listen to what I say. And for that I say, think of yourself as a garden or think of yourself in terms of what it is you want to do.

Think of yourself with respect and grow up first and grow to your potential first. And then you can start to look for other possibilities, for other directions. But the one thing that sticks in my mind—and I said it before—it seems to me that you cannot rearrange your consciousness before you develop it.

Just be good to yourselves and take care of yourselves, you know. And you can't do that by poisoning yourself. And that is what you are doing.

Another problem it seems to me—and I just thought of it—is we sell pop wine on the radio like we sell glasses of water. They make that pop stuff like chocolate milk. The kids think they are taking candy And that is a bummer.

I hope that I have made sense. I hope that I am coherent. And I hope that what I say is useful for you.

And have a good day.

ORLANDO LETELIER-PART I

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. McDONALD. Mr. Speaker, as new information is developed week after week, it appears that Orlando Letelier, the Chilean Marxist-Leninist leader who was murdered in Washington, D.C., last September, was a high level paid agent of the Communists: An agent of influence responsive not so much to Cuban but to Soviet direction.

Friends and associates of Letelier in the media have endeavored to suppress the information, and to whitewash what has appeared in the press. When Accuracy in Media, a public-interest watchdog group, attempted to place a paid advertisement protesting the "non-news" of Letelier's activities, the Washington Post, the Washington Star and the New York Times all refused to carry the paid ad. However, recently the Star appears to have reconsidered its earlier policy and has published articles analyzing Letelier's operations by veteran investigative reporter Jerry O'Leary.

I intend to make the full public record on Letelier's activities a matter of record. The first part which follows is the story of the media whitewash from the Accuracy in Media newsletter for February 1977, volume VI, No. 4:

WHITEWASHING LETELIER

Orlando Leteller, the ex-minister in the Allende government who was killed in Washington last September, was not only getting money from Cuba but he had used it to help pay for a trip to Mexico by a U.S. Congressman. This was revealed in the syndicated column by Rowland Evans and Robert Novak on February 16. This was the first prominent mention in the major media of the story of the damaging documents found in Leteller's attache case since Jack Anderson and Les Whitten first broke the story on December 20.

In the January AIM Report (Part I), we dethe Anderson-Whitten revelation that Letelier's attache case contained a letter from Beatrice Allende, the wife of the No. 2 man in Cuba's Directorate General of Intelligence, informing Letelier that payments to support his work had been approved. The letter, dated May 8, 1975, said he would be getting \$1,000 a month in addition to a lump sum payment of \$5,000. According to Evans-Novak, the \$5,000 was actually enclosed in the letter, a fact that had not been made clear in the Anderson-Whitten column. This is significant, since it indicates that the payments to Letelier were in fact being made directly from Havana rather than being channeled through East Berlin as we had indicated in our January story.

NEW REVELATIONS

In our January story we showed that there was a shocking lack of interest in the secret Letelier documents on the part of the editors and reporters that we talked to at The Washington Post, The New York Times, The Washington Star and the wire services. Not only did these major purveyors of news fail to dig up and report new information about the contents of Leteliers' attache case, but they did not even run news stories on the information revealed by Anderson and Whitten.

Evans and Novak, however, obtained copies of the documents, which are still being withheld from the public by the F.B.I., and they found that they contained additional interesting information. They summed it up in the lead to their story this way: "Before his assassination in Washington last September, exiled Chilean Orlando Letelier was leading a campaign to 'mobilize' liberal congressmen against Chile's military government while concealing world Communist support for his movement—including funds from Cuba that helped finance a Congressman's trip to Mexico."

The Congressman was Rep. Michael Harrington of Massachusetts, an articulate critic of the present Chilean government. The Congressman had attended a meeting of the Commission to Inquire into the Crimes of the Chilean Military Junta in Mexico City in February 1975. This group is a creature of the World Peace Council, a Soviet-backed communist front that operates out of Hel-

sinki, Finland. According to one of the notes found in Letelier's attache case, Rep. Harrington had been paid \$380 from "Helsinki" and Letelier had given him \$174.26 from his own pocket.

Rep. Harrington's office, perhaps inadvertently, told Evans and Novak that this payment was for a November 1975 meeting in Mexico sponsored by the Institute for Policy Studies, a far-left Washington "think tank." This led Evans and Novak to wonder why expenses for an IPS meeting were being paid out of Helsinki, and they speculated in their column about "a secret money drop in the Finnish capital." Actually there was no mystery about the "Helsinki" reference. It obviously connotes a payment from the World Peace Council or its offspring.

The charge that Letelier was leading a campaign to mobilize liberal congressmen against Chile while concealing the world communist back of this effort is based on a March 29, 1976 letter from Letelier to Beatrice Allende in Havana. Outlining the strategy for the effort being made in the U.S. Congress to halt aid to Chile, Letelier said that he was seeking to maintain "an apolitical character, oriented exclusively to the problems of human rights." He said: "The object is to mobilize the 'liberals' (he always put the word in quotes) and other persons, who if they don't identify with us from an ideological point of view, are in it for what human rights reflects."

He warned against making it known that there was any link between this movement and Cuba, saying, "You know how these 'liberals' are. It's possible that one of the sponsoring congressmen might fear that they might be connected with Cuba, etc., and eventually stop giving his support to the committee." This is probably a reference to The National Legislative Conference on Chile, then being planned, which had as its prime objective the cutting off of all economic and military aid to Chile. The senators and congressmen included among its announced sponsors were: Senator James Abourezk (D., S.D.), Bella Abzug (D., N.Y.), George Brown (D., Calif.), Ron Dellums (D., Calif.), Michael J. Harrington (D., Mass.), George Miller (D., Calif.), and Toby Moffett (D., Conn.).

As if to make it clear that he was not one of these weak-kneed "liberals," Letelier closed his letter to the wife of the man whose job it is to see that all dissent is suppressed in Cuba with these words: "Perhaps some day, not far away, we also will be able to do what has been done in Cuba."

THE POST TRIES WHITEWASH

Having ignored for two months the exposure of Letelier's true colors and his receipt of money from Cuba, The Washington Post was spurred to action by the Evans-Novak column, which it carried. The day after the column appeared it responded with a story on page 3 under the headline: "Letelier Briefcase Opened to the Press." The story, written by Lee Lescaze, said that the associates of the late Orlando Letelier had "decided to make the briefcase public" because "leaks" about its contents had damaged Letelier's reputation.

Accuracy in Media was informed by the office of the Letelier attorney who has custody of the originals of the Letelier papers that the documents were actually shown only to the reporter for The Post. They were not opened to the press in general or to the public. Moreover, Mr. Lescaze does not have command of the Spanish language, which meant that he could not read the letters that were written in Spanish. He was briefed on their contents by the Letelier associates. He did have a Spanish-speaking reporter at The Post check the contents of one of the letters for him.

With this special briefing, which might also

be called a "leak," Lescaze proceeded to attack Anderson-Whitten and Evans-Novak for having put "the darkest possible interpretation" on the Letelier documents. In doing so, he quoted only one short sentence from the documents. Everything else was paraphrased.

One of the dark interpretations that Lescaze set out to lighten up was the evidence that Letelier was getting money from Cuba. Noting that Beatrice Allende had told Lethat he would be getting \$1,000 a month, Lescaze pointed out that the letter did not say where the money was coming from. He reported that one of Letelier's associates at the Institute for Policy Studies, Saul Landau, had denied that the money had come from the Cuban government. Mr. Landau had said that the funds of the Chilean Socialist party in exile were kept in Western Europe, implying, but not saying explicitly, that the payments to Letelier came from party funds in Western Europe.

Mr. Lescaze, however, neglected to men-tion that Beatrice Allende had enclosed \$5,-000 in her letter to Letelier, according Evans and Novak. This transfer of \$5,000 from Havana could not have been made without the approval of the Cuban government. Because of Cuba's exchange controls. it would be most extraordinary if funds lo-cated in Western Europe were transferred to anyone in the United States via Cuba. Mrs. Allende had refused to tell Les Whitten where the money came from, but it was clearly mailed from Cuba and it is most probable that it originated there. The fact that Lescaze totally ignored this \$5,000 is significant. To have mentioned it would have undermined the Landau implication that the money came from Western Europe, Since it could not be explained, it had to be omitted. Lescaze summarized Letelier's advice that the Chilean human rights campaign not be linked to Havana, and he quoted Letelier's statement, "Perhaps someday, not too far off, we will be able to do what has been done in Cuba." Unfortunately he seems to have missed completely the significance of the statement. He passed over it lightly, saying, "Letelier's desire for a social revolution in Chile and his socialist beliefs were well known." He apparently failed to see that Letelier's expressed hope for a totalitarian Chile in the Cuban mold showed that his "human rights" campaign was a cynical fraud. His true objective was not to restore human rights to Chile. It was to destroy them completely, and with secret Cuban help. Evans and Novak saw this clearly and they quoted Letelier to show that he was manipulating "idealistic, liberal congressmen" while concealing "world Communist support for his movement." The exposure of this fraud is perhaps even more important and instructive than the exposure of the money from Havana, but Lescaze seems not to have understood what Letelier was saying.

Finally, Lescaze endeavored to explain away the payment of Congressman Harrington's travel expenses. He pointed out that Evans and Novak had connected this payment with the wrong meeting in Mexico. He said that \$380 was paid to the Congressman by his hosts at the conference, The Commission to Inquire into Crimes of the Chilean Military Junta, saying that "Helsinki" was "shorthand" for that body, since it had held its first meeting in the Finnish capital.

What he failed to tell his readers was that the connection with Helsinki was a lot deeper than that. As we noted above, this is an obvious reference to the World Peace Council which is headquartered in Helsinki. If Lescaze had informed his readers of this, he would have made it clear that Rep. Harrington's trip was financed partly by a communist front group in Helsinki and partly by funds that Letelier obtained from Havana.

THE TOOTHLESS TIGERS OF THE PRESS

The Post went a step further with its whitewash the day after the Lescaze story appeared. They printed on their op-ed page a 700-word letter from Saul Landau, a Castroapologist and close associate of Letelier at the Institute for Policy Studies. Landau added little to what Lescaze had said the day before, repeating his claim that the money that Beatrice Allende sent to Letelier did not come from the Cuban government, but rather from the Chilean exile party. Not only did this lengthy letter appear in The Post with extraordinary speed, but it was accepted even though it essentially said what had already been printed in the news story the previous day.

By way of contrast, we can't forget that when Jack Anderson attacked AIM Chairman Reed Irvine in The Post and other papers two years ago, it took nine days and much prodding to get The Post to publish AIM's reply to the attack.

But what continues to amaze us about this case is the continued failure of the press, except for Anderson-Whitten and Evans-Novak, to report the story. The Washington Post, the tiger of Watergate, seems to be defanged and declawed. Mention Orlando Letelier and it purrs. The newspaper of record. The New York Times, has yet to breathe one word of this story to its readers, since it carries neither of the columns that discussed it. The wire services professed great interest in the story after the Evans-Novak column, but they do not seem to have been able to produce a story. The excuse that they lacked access to the documents will no longer hold, since the columnists have copies and Letelier's associates can hardly refuse access now that they have made them "public" to The Washington Post.

This is the most blatant coverup of an interesting and important story by the major media since they refused to print the facts about the prior knowledge of Watergate by high officials of the Democratic National Committee.

It seems safe to say that the information already revealed about the documents found in Letelier's attache case were only the tip of the iceberg. These were only the documents he was carrying with him. What did he do with the \$5,000 lump sum and the \$1,000 a month? What other expenses besides those of Rep. Harrington did he pay? Was he not in violation of the law for failing to register as a foreign agent? What business did he have with Julian Rizo, a top Cuban spy stationed at the U.N. whose name was listed in Letelier's personal telephone book? Has anyone taken his place as mastermind and paymaster?

It is true that Letelier is dead, the victim of a vile murder. But that is no reason to cover up what has been revealed about his significant operations, financed with foreign funds, to manipulate American policies in order to help bring to Chile the kind of dictatorship that Cuba now suffers under.

The Washington Post argues that the public's right to know dictated that the story about CIA payments to King Hussein be made public even though it might torpedo what Secretary of State Vance was trying to accomplish in the Middle East. It has a very different view of the public's right to know about the use that Orlando Letelier was making of the funds he received from Cuba.

WHAT YOU CAN DO

Accuracy in Media has written to the New York Times, The Washington Post, The Washington Star and to the three TV networks asking why they have not pursued the Letelier story. We have not as yet received any replies. You may wish to reinforce our inquiry. Address your letters to:

Mr Arthur Ochs Sulzberger, Chairman, The New York Times, New York, N.Y. 10036.

Mrs. Katharine Graham, Chairman, The Washington Post, Washington, D.C. 20071. Mr. Joe L. Allbritton, Chairman, The Wash-

ington Star, Washington, D.C. 20061.

Mr. Richard Salant, President, CBS News, 524 West 57th St., N.Y.C. 10019.
Mr. Richard Wald, President, NBC News, 30 Rockefeller Plaza, N.Y.C. 10020.

Mr. William Sheehan, President, ABC News, 7 W. 66th St., N.Y.C. 10023.

CONGRESSMAN FLOWERS RECOM-MENDS CONTINUED EMPHASIS ON ENERGY R. & D.

HON. DON FUOUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1977

Mr. FUQUA. Mr. Speaker, as a member of the Subcommittee on Legislation and National Security of the Committee on Government Operations, presently holding hearings on the administration's bill. H.R. 4263, which would establish a Department of Energy in the executive branch, I had the pleasure to hear the views of my colleague, the Honorable WALTER FLOWERS, of Alabama, who presented an in-depth and very perceptive analysis of the pending legislation. I feel this information will benefit all the Members of this body and therefore I take this opportunity to share these remarks with you:

TESTIMONY OF HON. WALTER FLOWERS

Mr. Chairman, I very much appreciate the opportunity to appear before your distinguished subcommittee this morning to testify on the Energy Reorganization bill, H.R. 4263 which would establish a Department of Energy in the Executive Branch. As Chairman of the Subcommittee on Fossil and Nuclear Energy RD&D of the Committee on Science and Technology, I am keenly interested in the legislation under consideration. Because of its potential impact on federal energy R&D programs, and specifically on the programs which are now administered by the Energy Research and Development Administration and the Bureau of Mines, wish to discuss several items that I feel merit special attention.

Today, energy policy is in a state of flux; the only issue which everyone seems to agree on is the requirement that we use more coal and the fact that conservation is absolutely essential in all sectors of our society. As our Subcommittee began its work this year on the authorization for FY 1978 for the ERDA I have been impressed again by the extreme importance of the decisions that we are making today for our national energy policy because these decisions will become the energy policy in the next decade and beyond. For that reason I would like to emphasize that the role of energy R&D must be fully recognized in the Department. R&D must be submerged within the Department of Energy. Mr. Chairman, we must do everything we can to set forces in motion today so that our future is assured and I feel that R&D policy making is key to this goal.

The ERDA was created by the Energy Reorganization Act of 1974 which was a prod-uct of the Committee on Government Operations. The decision to place nuclear and nonnuclear R&D in one agency was appropriate in my judgment and the ERDA has begun to fulfill the expectations of the Congress that an energy R&D agency would greatly assist in directing our national efforts for energy R&D policy.

In the two years that ERDA has been in existence much has been done, indeed the ERDA is really only now beginning to function as an agency. Mr. Chairman, I should point out that reorganization is a painful process for a bureaucracy and I am not opposed to it. What I am opposed to is anything that we do now which further slows down, confuses or delays in any way some of the things that we have done that make sense. Therefore, I would like to ask you to think of ERDA as a building block in the Department of Energy. If you find it necessary to chip off a corner of it or add another block to it. I'll approve. But to take a sledge hammer to the block and then to put its pieces together again makes no sense to me at this time. On that note, I brought along a chart this morning which I'd like to direct your attention to.

This chart explains the boxes in the bill that are labeled. When I went downtown for the briefing on this bill I received some backmaterial which contained a sheet with all the boxes filled in but that is only what somebody thought would look good. The leg-

islation is much less specific.

One of the basic concerns I have is that R&D which is very important for our energy policy goals doesn't appear to be given the strong and central role it deserves, either in the bill or the explanation. Let me take a moment to clarify what I mean here. Research and Development are logical steps in technological progress. Research often begins as an idea and is tested on a small bench unit which is a tool of the researcher. If the bench unit proves successful, applica-tions which are thought to have economic promise, as well as technological promise, are funded for a pilot plant. In the case of a coal facility this means a facility which receives between 50 to 200 tons of coal per day. The pilot plant is a very research oriented thing and it is built and operates to test out the theory that was made to work on the bench. The pilot facility has to be large enough to test out the economic and technical viability of the process. When this is done properly it can then be scaled up to what is called a demonstration sized unit at about two or three thousand tons of coal per day which could be built as part of a commercial size plant. Therefore, only after successful demonstration of a technology can the so called commercialization take place.

The chart that accompanys the bill separates the R&D from the demonstration. This is not the best way to develop technologies for two principle reasons. A successful R&D program includes demonstration, and it should be organized and managed this way. And as important as the R&D itself is the National resource that R&D is and should be. Residential and commercial users for example use tremendous amounts of resources. yet need help in understanding how new technological applications such as low-Btu gasifiers or heat pumps can help them. Keeping the R&D program together and emphasizing the national goals of conservation and coal use will take advantage of this resource more than on organization change which splits the people and changes their focus.

Next I would like to address the issue of the authorization process itself. The Energy Reorganization Act requires annual authorization in Sec. 305. Section 626 of H.R. 4263 eliminates entirely the requirements for any further authorizations. The language therefore removes the requirement for the annual authorizations which were incorporated in the Energy Reorganiztaion Act in Sec. 305 and removes any need for further authorizations. This bill in its present form simply guts the jurisdiction of our entire committee for energy R&D and reduces it to an oversight role. I find this unacceptable. Furthermore, I should point out that the annual authorization requirement is the legislative form of zero based budgeting which has received support in the new Administration. The annual authorization is required for NASA and for the Department of Defense, and the annual authorization was required for the ERDA in the Energy Reorganization Act of 1974. I urge the Committee not only to strike this particular section from the bill, but to give strong consideration to requiring an annual authorization for the entire Department of Energy.

My next comment relates to another issue raised by this bill which, if enacted, would greatly limit the ability of the Congress to perform its oversight role. I refer specifically to Sec. 308 of the Energy Reorganization Act of 1974 which incorporated the provisions of the Atomic Energy Act of 1954, as amended, a provision which requires that the Congress be kept fully and currently informed. Those words are words of art, and they greatly assist us in our work in this body. I would urge that the provision in the bill deleting this requirement should be removed so that Congress can carry out its role in overseeing and authorizing the important areas of energy

R&D technology development.

Now I'd like to address three other mafor problems created by this legislation. The Bureau of Mines R&D and resource information program has been split by the bill. In Sec. 302(e) certain functions of the Secretary of the Interior are transferred to the new Department of Energy. The transfer includes Bureau of Mines functions responsibilities for "fuel supply, demand and analysis data gathering," R&D "relating to increased efficiency production technology of solid fuel minerals," and "coal and analysis." The proviso then states that research relating to mine health and safety and research relating to the environmental and leasing consequences of the solid fuel mining should remain in the Department of the Interior. Mr. Chairman, I think that this bifurcation of the responsibilities of the Bureau of Mines is ill advised. The Bureau of Mines has the responsibility for mining research which includes health and safety, mine system engineering, resources development, and environmental protection. This is a systematic approach and must be kept together. Mining is a technology where the production and health and safety related issues go hand in hand. I do not think it wise to try to separate production from health and safety. To do so, in my opinion, is to place an added burden on our federal research effort and to further delay federal programs needed to safely produce more coal and do it in an environmentally sound way.

Mr. Chairman, the Bureau of Mines is one

of the few agencies that was split up in the last energy reorganization bill because a decision was made to leave mining R&D within the Bureau of Mines, whereas the rest of energy R&D was transferred to the new ERDA and this included the Research Centers of the Bureau. I think a strong case can be made that all of the Bureau of Mines should be transferred to the Department of Energy, and I personally prefer this approach. The question surrounding the mining technologies and coal production issues are as important as any other energy R&D area that we Without coal which is our nation's abundant fossil resource, we cannot meet our energy needs and have the flexibility to fuel our economy as our supplies

of oil and gas continue to dwindle.

Another item that comes up in examining this bill is the issue of Naval Petroleum Reserve Number 4 (Pet 4). The producing reserves, Petroleum Reserve one, two, and three and the Oil Shale Reserves could be left in the Department of the Interior, and Naval Petroleum Reserve 4 transferred to the Department of Energy. However, the reverse seems to have occurred. The producing reserves are to be transferred to the Department of Energy while Pet 4 is left behind in the Department of the Interior. Pet 4 in Alaska contains very large quantities of fossil reserves. It has been estimated that its resource constitutes up to \$1 trillion in resources. I would urge the Committee to consider placing Petroleum Reserve Number 4 together with petroleum reserve number one, two, and three, in the Department of Energy that the policy for these reserves can be uniform and to better assure that poor leas-

ing decisions are not made. Mr. Chairman, before completing my testimony, I wanted to touch on several other issues and identify them as problems as I see in this legislation before you. The first item the creation of an Energy Information Administration. We do need to better identify our energy information which is presently placed in several agencies, the Geological Survey, the Bureau of Mines, the ERDA, the FEA, the Commerce Department, the Federal Power Commission, and probably others, all maintain different information functions. I favor the segregation of responsibilities. However, I would urge this Committee which has a long standing interest in information to carefully examine this particular area because of the policy implications of understanding and knowing reserves, resources and resource data.

Secondly, the bill gives very broad powers in several sections such as Sections 606, 607, 608, 609, 611, 612, 616, and 625. Included in those sections is an additional 600 GS 18 level personel. This comes to a round figure of \$28.5 million a year. Additionally, the Secretary of the Department is exempted from the provisions of the Administrative Property Act, and Civil Service requirements, is able to use Armed Forces personnel, and indeed, pay his own volunteers in Sec. 611 which permits him to pay travel, per diem, and other expenses for as many volunteers as he desires. I would urge the Committee to examine each of these sections carefully.

to examine each of these sections carefully.

Lastly, Mr. Chairman, I would like to state that the patent provisions contained in Section 619 must be carefully reviewed. This appears to be an authorization in addition to the patent provisions contained in the Non Nuclear Act in Section 9, as well as the patent provisions contained in the Atomic Energy Act of 1954, as amended, the Department of the Interior authorities and any others which may be transferred. The patent issue is of tremendous importance development of technology because of the private investment which is at stake. A provision was worked out on the Non-Nuclear Act which seems to be generally acceptable. was based, as I understand it, on the NASA provisions. I believe that the Department needs its own patent policy and suggest that this Committee carefully consider an appropriate patent section. Thank you, Mr. Chairman.

THE NONNUCLEAR LANCE MISSILE

HON. ROBERT P. GRIFFIN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Thursday, April 7, 1977

Mr. GRIFFIN. Mr. President, I ask unanimous consent that a statement presented recently to the Committee on Appropriations be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE NONNUCLEAR LANCE MISSILE
(By U.S. Senator Robert P. Griffin)

Mr. Chairman, as you know, last year Congress appropriated \$74.6 million to fund procurement of non-nuclear warheads for our existing nuclear Lance missile battalions. This was intended as the first increment of Non-Nuclear Lance (NNL) procurement, to be completed in fiscal year 1978 with an appropriation of \$77.7 million. That final sum was included in the budget submitted in January by President Ford.

However, on February 22, 1977, Defense Secretary Harold Brown announced that this money was being deleted from the budget, and that the new Administration would terminate the Non-Nuclear Lance program.

In my view, this is a wasteful, ill-considered decision. It ought to be reversed by the Congress

At one time or another, Secretary Brown has raised five objections to the NNL program. Let's consider these arguments one by one.

IS LANCE ACCURATE?

When he appeared before the Senate Armed Services Committee on January 25, Secretary Brown opposed the Non-Nuclear Lance on the ground that it was not accurate enough.

Those who have closely followed the Lance program over the years were surprised by that argument. The record indicates, after more than 75 flight tests with non-nuclear warheads, that Lance has demonstrated better than twice the accuracy considered necessary by the Army

essary by the Army.

Three days after Secretary Brown's statement, the distinguished Chairman of the Appropriations Committee (Senator McClellan) noted that the Defense Department has assured Congress less than a year ago that Lance was sufficiently accurate for conventional roles. Senator McClellan asked Secretary Brown whether the "inaccuracy" he complained of had been disclosed by more recent tests.

In his written response, Secretary Brown admitted that the seven flight tests conducted during the past year "...confirmed that the missile and warhead have met or exceeded all stated accuracy and lethality goals."

Abandoning the accuracy argument he had used before the Armed Services Committee, Secretary Brown wrote to Senator McClellan: "My continuing concern rests less with missile accuracy than with the overall effectiveness of the weapon."

DOES LANCE DUPLICATE TACAIR?

In his February 22, 1977 statement to Congress on proposed budget amendments, Secretary Brown explained that the proposed NNL program termination was justified because "non-nuclear Lance duplicates our tactical air capabilities."

It is true that the roles planned for NNL are currently assigned to Tacair. But this would be a valid argument against Non-Nuclear Lance only if we assumed that our Tacair resources were adequate to perform NNL missions in addition to their other assigned jobs, and that Tacair was the most cost-effective method.

On the other hand, if our present Tacair resources are not clearly sufficient to carry out all of their assigned missions successfully, and if Non-Nuclear Lance can perform cost-effectively some jobs that would otherwise be assigned to Tacair, then the fact that both systems perform similar missions is of little significance.

That both Lance and Tacair can suppress enemy SAM sites is no stronger an argument against Lance than the fact that Tacair can be very effective against enemy tanks

justifies terminating our planned use of anti-tank mines, recoiless rifies or tanks themselves. These systems are complementary, not redundant.

One of the most important roles for Non-Nuclear Lance would be suppression of enemy air defense systems. Data from numerous tests indicate that conventionally-armed Lance missiles would be very effective—even in inclement weather—in destroying surface-to-air (SAM) missile installations, and in knocking out other anti-aircraft systems.

How important is this mission? Astronautics & Aeronautics reported in March 1977 that during the 1973 Yom Kippur War, nearly one-third of Israeli Tacair losses occurred on the very first afternoon because of the highly effective Arab air defenses. In fact, attacks on SAM and AAA positions had to be abandoned because of these severe losses. Throughout the entire war, Israeli Tacair elements suffered an attrition rate of between 1 and 2 per cent per sortie.

Although the Israeli Air Force reportedly achieved a 100 to 1 success rate in air-to-air combat, it was successful in ground attack roles against defended positions only after Israeli ground forces managed to suppress Arab air defenses.

While different observers reach conflicting conclusions about the decisiveness of Israeli airpower during the war, there is agreement on one point. As Astronautics & Aeronautics observed on page 21:

"From all accounts . . . comes a consistent message: For Tacair to be successful, the defenses must be suppressed and destroyed." (Emphasis in original.)

It should come as no surprise that Israel—one of many countries long interested in acquiring Non-Nuclear Lance missiles—already has purchased and made operational a large number of these missiles.

In view of Israel's 1973 experience with modern Soviet-made air defenses—and since the primary role envisioned for conventional Lance would be in the NATO theater—it seems to me that we ought to take a careful look at the conventional military balance in Europe.

Can NATO Tacair forces supress Soviet and Warsaw Pact air defenses—the strongest air defenses in the world—and at the same time fulfill the many other missions for which they have responsibility, such as air superiority, interdiction and close-air support?

Four months ago, the London-based International Institute for Strategic Studies reported that the Warsaw Pact has a better than 2 to 1 numerical superiority in tactical aircraft in the important Northern and Central European area.

Assessing this imbalance, Astronautics & Aeronautics observed:

"The outcome of an air battle tends to be dominated by the quality of equipment, tactics, and pilot skill. . . . The air-to-air training level and overall proficiency of U.S. tactical pilots are considered superior to their Soviet counterparts, and the F-15 and F-16 fighters coming into the inventory should increase the edge in air-combat ability that has been held by the F-4 over its contemporary Soviet opponents. The E-3A AWACS undoubtedly gives us the most capable system in the world for air-battle control. With these advantages, U.S. and other NATO Tacair forces should be able to win a contest of equal numbers and, to a point, overcome odds. But no one can define that point clearly. Soviet fighters and their avionics and air-to-air ordnance are improving, and it is a dangerous policy to let numbers go too far in the enemy's advantage in any conflict. Predictions that our side will be able to achieve lopsided kill ratios against the other side . . . should be looked on with skepticism.'

In other words, our Tacair assets in NATO may well have their hands full just dealing with Warsaw Pact aircraft. It follows that

any assistance we could provide to neutralize ground-based air defense would be vital.

How much of a threat are Soviet SAMs? The International Institute for Strategic Studies estimates the Soviet Union has 10,-000 surface-to-air missile launchers, located at more than 1,000 sites.

A year ago, Electronic Warfare magazine (March-April, 1976) reported that a Soviet Army—consisting of three to four divisions distributed along a front about 50 kilometers wide-would probably have the following air defense capabilities:

114 towed, twin-barrel 23 millimeter optically aimed Anti-Aircraft Artillery pieces;

128 ZSU-23-4 self-propelled radar and optically aimed Anti-Aircraft guns;

36 twin-barrel 57 millimeter ZSU-57-2 selfpropelled Anti-Aircraft guns;

138 toward radar-directed 57 millimeter

10 SA-6 triple-mounted, track-carried surface to air missiles, with a range of about 17 miles;

9 SA-4 twin-mounted medium-range SAM

launchers; 3 SA-2 surface-to-air missile launchers,

with a range of about 25 miles:

64 SA-9 SAM launchers.

In addition, the units would be equipped numerous SA-7 SAMS, and machine guns usable for air defense.

Given this alarming picture, it is not sur-prising that the International Institute for

Strategic Studies concluded:

The Soviet Union has always placed heavy emphasis on air defense, evident not only from the large number of interceptor aircraft . . . but from the strength of its deployment of surface-to-air missiles and air defense artillery both in the Soviet Union and with units in the field. These defences would pose severe problems for NATO attack aircraft drawing off much effort into defence suppression." (Emphasis added.)

Similarly, the March 1977 issue of Astronautics & Aeronautics concluded that:

[T]o match the increasing [Warsaw] Pact threat, much must be done, particularly in the critical area . . . of . . . defense suppression . . . including concepts for engaging battlefield targets quickly and effectively in adverse weather. To make the most of the new Tacair we have been creating, we must now design and apply modern systems for these tasks. We are just entering this phase of the defense of Europe." (Emphasis added.)

Non-Nuclear Lance is designed precisely for this role. Without it, the only tactical system presently in our inventory capable of neutralizing effectively Warsaw Pact air defense systems in adverse weather is the

F-111.

The evidence is thus overwhelming thatrather than being a shortcoming—Non-Nu-clear Lance's "duplication" of Tacair missions is precisely what is needed to meet the new Warsaw Pact threat.

It is not at all surprising that General David C. Jones, the Chief of Staff of the Air Force, has voiced his strong support for the Non-Nuclear Lance. In a letter to Chairman McClellan, dated August 6, 1976, General Jones said:

"I understand there may be some concern that the non-nuclear Lance would be duplicative of aerial delivered munitions. Although not an Air Force program, I would like to stress that Lance will provide a highly valuable complementary capability which will benefit both Air Force and Army forces. Against a variety of targets, including SAM defenses. Lance can contribute significantly to the mutually supporting firepower of the air-ground team.

"In view of Lance's complementary contribution to both U.S. and Allied conventional defensive capabilities, particularly in a highly intensive NATO conflict, the Air Force supports its introduction."

Given the much talked-about "inter-service rivalry," General Jones would have been an unlikely advocate of NNL if he felt current U.S. Tacair resources clearly were adequate to perform Lance missions without sacrificing in other areas.

DOES NNL ENDANGER NUCLEAR LANCE?

In his February 22nd budget amendments statement, Secretary Brown also argued that "the non-nuclear use could jeopardize the survivability of nuclear Lance by disclosing its location '

Without disclosing classified data, it is sufficient to say that Lance has been carefully designed to minimize its detectibility on the battlefield-before, during and after firing.

Among other things, it is a highly mobile Within three minutes of firing, the Lance launcher can be on its way to another position. Given the reaction time required for Soviet ground-based systems to fire if they do succeed in identifying a missile's point of origin, the chances are excellent that the launcher will be safely out of the area before the first return shots.

It is true that Lance launchers are vulnerable to enemy tactical aircraft-but this same vulnerability applies to Lance launchers armed only with nuclear warheads. This is a normal risk of war. But by helping to suppress enemy air defenses, Non-Nuclear Lance can free U.S. Tacair assets to counter enemy Tacair. The best way to protect Lance from enemy air strikes is to obtain allied air superiority early in the battle. If given a non-nuclear capability, Lance can contribute to that goal.

In addition, since some of the artillery and surface-to-surface missiles which might be used against Lance are beyond the reach of our own artillery, the greater range of Non-Nuclear Lance is needed to neutralize these weapons before they can be used against our Lance launchers. Rather than endangering Nuclear Lance, the additional non-nuclear firepower may well contribute to its survival for later use should nuclear weapons become

It is true that using Lance launchers in a conventional role might endanger a few of them. In that case, the nuclear munitions could be fired by surviving launchers should we be unsuccessful in keeping the level of conflict below the nuclear threshold.

On balance, however, the evidence suggests that there would be no significant degradation of the Lance nuclear mission if Lance were employed in the dual role. Indeed, that was precisely the conclusion of a March 1975 study performed by Science Applications, Inc. for the Defense Department.

One final point should be made on this matter:

Lance is not the only nuclear delivery system with a dual role. What about our 155 mm artillery, or for that matter the F-111?

If we refuse to use Lance in a non-nuclear roles for fear of endangering part of our nuclear retaliatory force, how can we justify using F-111s in a conventional role? Certainly they are more vulnerable flying over enemy territory trying to suppress sur-face-to-air missiles than they would be would be hidden away in hangers behind our own lines. And in view of their far greater cost and overall importance in our tactical nuclear plans, it hardly makes sense to use them in lieu of Non-Nuclear Lance against enemy air defenses.

IS NNL EFFECTIVE AGAINST MOVING TARGETS?

Another argument against the Non-Nuclear Lance was stated in an editorial in the Detroit Free Press on February 24, 1977: . . Mr. Brown's aides in the Pentagon point out that the missile's targets are almost all mobile-such as tanks-and that

Lance therefore would be far less effective than tactical aircraft firing conventional weapons."

It is true that conventionally-armed Lance is not an ideal weapon against moving tanks. It was never intended to be effective against heavily armored or highly mobile targets.

Would we seriously argue that since bayonettes and M-16 rifles are not effective against tanks, we should eliminate them from our arsenals? Of course not, because they do serve other useful purposes which justify their cost. The same is true of Non-Nuclear Lance.

Furthermore, NNL does increase our ability to destroy enemy tanks and other moving targets. By taking over numerous airdefense suppression missions from aircraft, NNL would make tactical planes aircraft, These Tacair resources could thus be used to attack armored and moving targets, and to guarantee allied air superiority over the battleground.

IS LANCE COST EFFECTIVE?

When he appeared before the House Armed Services Committee on March 2, 1977, Secretary Brown asserted that Non-Nuclear Lance is only cost effective when the attrition rate of aircraft is ten per cent or more.

This assertion is not supported by the studies done in recent years comparing Lance with the only Tacair weapon currently in Europe with an all-weather capability, the F-111.

Using an attrition rate of only one per cent (a rate 50 per cent lower than that experienced by the Israeli Air Force during the Yom Kippur War in 1973), Lance was demonstrated to be more cost effective than the F-111 against enemy artillery batteries. helicopters, Frog missiles, and SA-4 surfaceto-air missile sites.

Secretary Brown's ten per cent attrition requirement is called into question by simple mathematics. It costs approximately \$200,000 to deliver a Non-Nuclear Lance missile to its target.

That is a lot of money, but in comparing the cost-effectiveness of Lance with the F-111, we not only have to compare munitions costs-we also need to factor in aircraft attrition. An F-111 costs between \$12 and \$15 million. A ten per cent attrition rate-in terms of hardware costs alone-amounts to as much as \$1.5 million. That is more than the cost of 7 Lance missiles.

Furthermore, this does not include personnel costs. What value should we place on the two crew members lost with each F-111? Their training alone costs several hundred thousand dollars-and I find it impossible to place a dollar value on human life.

And what about the other personnel costs for the crews and support personnel for the F-111? We should recall that personnel costs comprise approximately 58 per cent of our defense budget. Should we not factor in these costs?

One of the benefits of the Non-Nuclear Lance is that it doesn't require additional personnel-it uses existing troops and equipment already in Europe for the Nuclear Lance.

There is another kind of "cot-effective-Studies comparing the cost of NNL with the cost of probable Lance targets in Eastern Europe show an overall cost ratio of 4 to 1 in our favor. And this is assuming that two Lance missiles are needed to knock out each target—the equivalent firepower of nearly fifty 155 millimeter howitzers firing simultaneously at the same target.

Finally, we reach the bottom line. In Janu-Senators Nunn and Bartlett reported on "NATO and the New Soviet Threat." In that report, they stated on the basis of their first hand inspection that "the Soviet Union and its Eastern European allies are rapidly moving toward a decisive conventional military superiority over NATO." They concluded that: "The principal task before the Alliance is improving the firepower and making better use of the forces it already has."

Those existing forces include more than 2,600 soldiers assigned to six nuclear-armed Lance battalions. Paying and supporting these soldiers is expensive, and yet at present they have no role to play in a European war unless someone decides to start using nuclear weapons. Is this cost-effective?

General Walter Kerwin reported to this Committee as Acting Chief of Staff of the Army last August 4 that:

". . . [I]f we were to consider the alternative of increasing our artillery forces, we find that we would need 72 additional Howitzers and over 2,000 combat and support personnel per division to provide the same increase in conventional firepower provided by existing Lance units if equipped with NNL."

Given the clear need for increased conventional firepower, and the ability to strengthen our firepower for just a ten percent additional investment in equipment with no added manpower requirement-it is apparent that Non-Nuclear Lance is cost-effective.

Indeed, given the facts, it is not surprising that last year the Senate voted by a margin of better than four to one in favor of procuring non-nuclear warheads for our Lance units.

I urge this Committee to support that decision and to include full funding for the Non-Nuclear Lance program in the FY 1978 Defense Appropriations Bill.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest-designated by the Rules Committee-of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare such information daily for printing in the Extensions of Remarks section of the Congressional

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Friday, April 8, 1977, may be found in the Daily Digest section of today's RECORD.

The schedule follows:

MEETINGS SCHEDULED

APRIL 11

10:00 a.m.

Governmental Affairs

Subcommittee on Governmental Efficiency To receive testimony on a GAO study alleging inaccurate financial records of the Federal flood insurance program.
6226 Dirksen Building

APRIL 18

8.00 am

Agriculture, Nutrition, and Forestry
To markup S. 275, to amend and extend through 1982 the Agriculture and Consumer Protection Act of 1973. 322 Russell Building

9:30 p.m.

Appropriations Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear Members of Congress

1114 Dirksen Building

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development and Independent Agencies, to hear public witnesses.

1318 Dirksen Building

Banking, Housing, and Urban Affairs To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.

5302 Dirksen Building

Energy and Natural Resources To hold a hearing on the nominations of Joan Mariarenee Davenport, of New Jersey, to be an Assistant Secretary of the Interior, and David J. Bardin, of New Jersey, to be Deputy Administra-tor, Federal Energy Administration. 3110 Dirksen Building

Environment and Public Works Water Resources Subcommittee

To resume hearings on national water policy in view of current drought sitnations.

4200 Dirksen Building

Judiciary

To hold hearings on S. 825, to foster competition and consumer protection policies in the development of product standards.

2228 Dirksen Building

1:00 p.m. Energy and Natural Resources

Public Lands and Resource Subcommittee To markup S. 7, to establish in the Department of the Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining opera-

3110 Dirksen Building APRIL 19

8:00 a.m.

Agriculture, Nutrition, and Forestry
To continue markup of S. 275, to
amend and extend through 1982 the Agriculture and Consumer Protection Act of 1973.

322 Russell Building

9:30 a.m.

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for the Department of State.

1318 Dirksen Building

Appropriations Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Aviation Administration.

1224 Dirksen Building Commerce, Science, and Technology

Science, Technology, and Space Subcommittee

To hold hearings on S. 126, to establish an Earthquake Hazards Reduction Program.

5110 Dirksen Building

Energy and Natural Resources

To resume hearings on S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.

3110 Dirksen Building

Environment and Public Works
To resume hearings on the proposed replacement of Lock and Dam 26, Alton,

4200 Dirksen Building 3:00 p.m.

Appropriations *Interior Subcommittee To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and Related Agencies, to hear public witnesses

1114 Dirksen Building

Banking, Housing, and Urban Affairs

To continue hearings on proposed housing and community development leg-islation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.

5302 Dirksen Building

Commerce, Science, and Transportation Consumer Subcommittee

To hold oversight hearings on activities of the Consumer Product Safety Commission.

235 Russell Building

Energy and Natural Resources

Energy Research and Development Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for ERDA.

Room to be announced

Governmental Affairs

To hold hearings on S. 1262, to establish an independent agency to protect the interests of consumers.

3302 Dirksen Building

Governmental Affairs

Subcommittee on Reports, Accounting and Management.

To hold hearings to review the process by which accounting and auditing practices and procedures, promulgated or approved by the Federal Govern-ment, are established.

6202 Dirksen Building

Human Resources

Education, Arts, and Humanities Subcommittee

To consider S. 469, to establish a commission to study proposals for estab-lishing the National Academy of Peace and Conflict Resolution; S. 602, the proposed Library Services and Construction Act amendments; and 701, the proposed Emergency Educational Assistance Act.

4232 Dirksen Building Until Noon

Judiciary

To hold hearings on the nominations of William M. Hoeveler, to be U.S. District Judge for the Southern District of Florida; and Howell W. Melton to be United States District Judge for the Middle District of Florida.

2228 Dirksen Building

10:30 a.m.

Judiciary

To continue hearings on S. 825, to foster competition and consumer protection policies in the development of product standards.

2228 Dirksen Building

1:00 p.m.

Energy and Natural Resources

Public Lands and Resources Subcommittee To continue markup of S. 7, to establish in the Department of the Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations.

3110 Dirksen Building

2:00 p.m.

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of State.

S-146, Capitol

Appropriations

HUD-Independent Agencies Subcommittee To continue hearings on proposed budg-

et estimates for fiscal year 1978 for the Department of Housing and Urban Development, to hear public witnesses. 1318 Dirksen Building

Agriculture, Nutrition, and Forestry To continue markup of S. 275, to amend and extend through 1982 the Agriculture and Consumer Protection Act of

322 Russell Building APRIL 20

9:00 a.m.

Human Resources

Employment, Poverty, and Migratory Labor Subcommittee

To hold hearings on H.R. 2992, to amend and extend the Comprehensive Employment and Training Act, and S. 1292, to provide employment and training opportunities for youth.

357 Russell Building Until 1 p.m.

9:30 a.m

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for the Department of Commerce

1224 Dirksen Building

Environment and Public Works Water Resources Subcommittee

To continue hearings on the proposed replacement of Lock and Dam 26, Alton, Ill.

4200 Dirksen Building

10:00 a.m.

Appropriations

Interior Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and re-lated agencies, to hear public wit-

1114 Dirksen Building

Banking, Housing, and Urban Affairs
To continue hearings on proposed hous-

ing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committe by May 15.

5302 Dirksen Building

Commerce, Science, and Transportation Consumer Subcommittee

To continue oversight hearings on activities of the Consumer Product Safety Commission.

235 Russell Building

Energy and Natural Resources

To consider pending calendar business 3110 Dirksen Building

Governmental Affairs

To continue hearings on S. 1262, to establish an independent agency to protect the interests of consumers. 3302 Dirksen Building

Governmental Affairs

Subcommittee on Governmental Efficiency To receive testimony on a GAO study alleging inaccurate financial records of the Federal flood insurance program.

6226 Dirksen Building

Human Resources

Labor Subcommittee

To consider S. 717, to promote safety and health in the mining industry.

ntil 1 p.m. 4232 Dirksen Building Until 1 p.m.

Joint Economic Committee

To hold hearings to receive testimony on issues the United States will present at the upcoming economic summit conference in London on May 7. 6202 Dirksen Building

Judiciary

To continue hearings on S. 825, to foster competition and consumer protection policies in the development of product standards.

2228 Dirksen Building

Select Small Business

To hold hearings on S. 872, to authorize the Small Business Administration to make grants to support the development and operation of small business development centers.

424 Russell Building

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

To continue oversight hearings on proposed budget estimates for fiscal year 1978 for the Department of Commerce. S-146, Capitol

APRIL 21

8:00 a.m.

Agriculture, Nutrition, and Forestry

To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of

322 Russell Building

9:00 a.m.

Energy and Natural Resources

Subcommittee on Parks and Recreation To hold hearings on S. 658, to designate certain lands in Oregon for inclusion in the National Wilderness Preservation System.

Room to be announced

Judiciary

Subcommittee on Juvenile Delinquency To hold hearings on S. 1021 and S. 1218, to amend and extend, through fiscal year 1980, programs under the Ju-venile Justice and Delinquency Pre-

2228 Dirksen Building

9:30 a.m.

Human Resources

vention Act.

To consider S. 725, authorizing funds through fiscal year 1982 for certain education programs for handicapped persons.

Until 10:30 a.m. 4232 Dirksen Building

10:00 a.m.

Appropriations

Interior Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies, to hear public witnesses.

1114 Dirksen Building

Appropriations

Foreign Operations Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs.

S-126, Capitol

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for the Arms Control and Disarmament Agencv. Board for International Broadcasting, USIA, and the Commission on Civil Rights.

S-146, Capitol

Banking, Housing, and Urban Affairs

To continue hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15. 5302 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on the nominations of Langhorne McCook Bond, of Illinois, to be Administrator, and Quentin Saint Clair Taylor, of Maine, to be Deputy Administrator both of the Federal Aviation Administration. 235 Russell Building

Commerce, Science, and Transportation Consumer Subcommittee

To continue oversight hearings on ac-

tivities of the Consumer Product Safety Commission.

5110 Dirksen Building

Energy and Natural Resources

To hold hearings to receive testimony on the President's Energy message. 3110 Dirksen Building

Environmental and Public Works Subcommittee on Resource Protection

To hold hearings on proposed legislation authorizing funds to the States to extend the Endangered Species Act through 1980.

4200 Dirksen Building

Governmental Affairs

Subcommittee on Governmental Efficiency To receive testimony on a GAO study alleging inaccurate financial records of the Federal flood insurance program. 6226 Dirksen Building

Governmental Affairs

Subcommittee on Reports, Accounting and Management

To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government are established.

3302 Dirksen Building

Joint Economic Committee

To hold hearings to receive testimony on issues the United States will present at the upcoming economic summit conference in London on May 7.

6202 Dirksen Building

10:30 a.m.

Human Resources

Employment, Poverty, and Migratory Labor Subcommittee

To hold hearings on H.R. 2992, to amend and extend the Comprehensive Employment and Training Act, and S. 1292, to provide employment and training opportunities for youth.

Until 2 p.m. 357 Russell Building

2:00 p.m.

Appropriations

Foreign Operations Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs.

S-126, Capitol

Appropriations

Legislative Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for the legislative branch, to hear J. Stanley Kimmitt, Secretary of the Senate, and F. Nordy Hoffman, Senate Sergeant at Arms.

S-128, Capitol

Appropriations State, Justice, Commerce, Judiciary Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the EEOC, FTC, and SBA.

S-146 Capitol

APRIL 22

8:00 a.m. Agriculture, Nutrition, and Forestry

To continue markup of S. 275, amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.

322 Russell Building

9:00 a.m.

Commerce, Science, and Transportation To hold hearings on the nomination of Jordan J. Baruch, of New Hampshire, to be an Assistant Secretary of Commerce.

5110 Dirksen Building

Human Resources

Employment, Poverty, and Migratory Labor Subcommittee

To hold hearings on H.R. 2992, to amend and extend the Comprehensive Employment and Training Act, and S.

1292, to provide employment and training opportunities for youth 4232 Dirksen Building Until 1 p.m.

10:00 a.m. Appropriations

Interior Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear public witnesses.

1114 Dirksen Building

Appropriations State, Justice, Commerce, Judiciary Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Maritime Commission, Foreign Claims Settlement Commission, International Trade Commission, and the Legal Services Corporation.

S-146, Capitol

Banking, Housing, and Urban Affairs

To continue hearings on proposed housing and community development legis-lation with a view to reporting its final recommendations thereon to Budget Committee by May 15. to the 5302 Dirksen Building

Energy and Natural Resources

To continue hearings on proposed budget estimates for fiscal year 1978 for ERDA. 3110 Dirksen Building

Governmental Affairs

To mark up S. 826, to establish a De-partment of Energy in the Federal Government to direct a coordinated national energy policy. 3302 Dirksen Building

Governmental Affairs

Subcommittee on Governmental Efficiency To receive testimony on a GAO study alleging inaccurate financial records of the Federal flood insurance program. 6226 Dirksen Building

Joint Economic Committee

To hold hearings to receive testimony on issues which the U.S. will present at the upcoming economic summit conference in London on May 7.

1202 Dirksen Building

2:00 p.m.

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Marine Mammal Commission Renegotiation Board, and the SEC.

S-146, Capitol

APRIL 25

8:00 a.m. Agriculture, Nutrition, and Forestry

To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.

322 Russell Building

9:00 a.m.

Human Resources

Employment, Poverty, and Migratory Labor Subcommittee

To hold hearings on proposed legislation authorizing funds for fiscal year 1978 for the Legal Services Corporation. Until 1 p.m. 4232 Dirksen Building

9:30 a.m.

Appropriations

lectors.

Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Forest Service.

1114 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs Consumer Affairs Subcommittee

To hold hearings on S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt col-

5302 Dirksen Building

Commerce, Science, and Transportation Merchant, Marine and Tourism Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for the Coast Guard.

5110 Dirksen Building

Energy and Natural Resources

To resume hearings on S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.

3110 Dirksen Building

Environment and Public Works Subcommittee on Water Resources

To hold hearings on proposed legislation to authorize funds for fiscal year 1978 for river basin projects.

4200 Dirksen Building

Judiciary

To resume hearings on S. 825, to foster competition and consumer protection policies in the development of product standards.

2228 Dirksen Building

APRIL 26

8:00 a.m. Agriculture, Nutrition, and Forestry'

To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.

322 Russell Building

9:00 a.m.

Human Resources

Employment, Poverty, and Migratory Labor Subcommittee.

To continue hearings on proposed legislation authorizing funds for fiscal year 1978 for the Legal Services Corporation.

Until 1 p.m. 424 Russell Building

9:30 a.m.

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for the Department of Justice

1318 Dirksen Building

Committee on Human Resources

Subcommittee on Labor

To hold hearings on S. 905, to prohibit discrimination based on pregnancy or related medical conditions

4232 Dirksen Building Select Small Business

To hold hearings on problems of small business as they relate to product liability. 1202 Dirksen Building

Select Small Business

To resume hearings on S. 972, to authorize the Small Business Administration to make grants to support the development and operation of small business development centers. 424 Russell Building

10:00 a.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.

1224 Dirksen Building

Banking, Housing, and Urban Affairs Consumer Affairs Subcommittee

To continue hearings on S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.

5302 Dirksen Building

Commerce, Science and Transportation Merchant Marine and Tourism Subcommittee

To hold hearings to receive testimony in connection with delays and conges-tion occurring at U.S. airports-ofentry.

235 Russell Building

Environment and Public Works

Subcommittee on Water Resources To hold hearings on projects which may be included in proposed Water Re-sources Development Act amendments 4200 Dirksen Building

Appropriations

Legislative Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Legislative Branch, to hear William A. Ridgely, Senate Financial Clerk.

S-128, Capitol

Appropriations State, Justice, Commerce, Judiciary Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of Justice.

S-146, Capitol

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.

1224 Dirksen Building

APRIL 27

8:00 a.m.

Agriculture, Nutrition, and Forestry

To continue markup of S. 275, to amend and extend through 1982 the Agriculture and Consumer Protection Act of 1973.

322 Russell Building

9:30 a.m.

Committee on Human Resources

Subcommittee on Labor

To continue hearings on S. 995, to prohibit discrimination based on pregnancy or related medical conditions. 4232 Dirksen Building

Veterans Affairs

To hold hearings on S. 1189, H.R. 3695, H.R. 5027, and H.R. 5029, authorizing funds for grants to States for con-struction of veterans health care facilities

Until: 12:30 p.m. 318 Russell Building

10:00 a.m.

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Judiciary.

S-146, Capitol

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.

1224 Dirksen Building

Banking, Housing, and Urban Affairs Consumer Affairs Subcommittee

To continue hearings on S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.

5302 Dirksen Building

Commerce, Science, and Transportation Consumer Subcommittee

To hold hearings on S. 403, the proposed National Product Liability Insurance

5110 Dirksen Building

Energy and Natural Resources

To consider pending calendar business. 3110 Dirksen Building

Human Resources

Health and Scientific Research Subcommittee

To consider S. 705, to revise and strengthen standards for the regulation of clinical laboratories.

ntil Noon 1318 Dirksen Building

Until Noon Rules and Administration

To mark up S. 703, to improve the ad-ministration and operation of the

Overseas Citizens Voting Rights Act of 1976, and to consider proposed authorizations for activities of the Federal Election Commission for fiscal year 1978.

301 Russell Building

2:00 p.m.

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

o continue hearings on proposed budget estimates for fiscal year 1978 for the Japan-U.S. Friendship Com-To mission, and the Office of the Special Representative for Trade Negotiations. S-146, Capitol

APRIL 28

8:00 a.m.

Agriculture, Nutrition, and Forestry

To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.

322 Russell Building

9:30 a.m.

Commerce, Science, and Transportation Science, Technology, and Space Subcom-

mittee To hold hearings on S. 1069 and 899, Toxic Substances Control Act Amend-

154 Russell Building

Human Resources

ments.

Child and Human Development Subcommittee

To consider S. 961, to implement a plan designed to overcome barriers in the interstate adoption of children, and proposed legislation to extend the Child Abuse Prevention and Treatment Act.

Until noon 4232 Dirksen Building

10:00 a.m.

Appropriations

Transportation Subcommittee

o continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety To Administration.

1224 Dirksen Building Commerce, Science, and Transportation

Consumer Subcommittee

To continue hearings on S. 403, the proposed National Product Liability Insurance Act.

5110 Dirksen Building

Energy and Natural Resources

Energy Research and Development Subcommittee

To resume hearings on S. 419, to test the commercial, environmental, and social viability of various oil-shale technologies.

3110 Dirksen Building

Environment and Public Works

Nuclear Regulation Subcommittee

To resume hearings on proposed fiscal year 1978 authorizations for the Nuclear Regulatory Commission

4200 Dirksen Building

Human Resources

Health and Scientific Research Subcommittee

To hold hearings on biomedical research programs.

Until 12:30 1202 Dirksen Building

APRIL 29

8:00 a.m.

Agriculture, Nutrition, and Forestry

To continue mark up of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.

322 Russell Building

Human Resources

Employment, Poverty, and Migratory Labor Subcommittee

To consider H.R. 2992, to amend and extend the Comprehensive Employment and Training Act, and S. 1242,

to provide employment and training opportunities for youth.

4232 Dirksen Building Until 2 p.m.

9:30 a.m.

Commerce, Science, and Transportation Science, Technology, and Space Subcommittee

To continue hearings on S. 1069, increasing authorizations for the Toxic Substances Control Act for fiscal years 1978 and 1979; and S. 899, to aid States which adopt assistance or indemnification programs to compensate citizens for injuries resulting from chemical contamination disaster.

6202 Dirksen Building

10:00 a.m.

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for the Judiciary and F.C.C.

S-146, Capitol

Commerce, Science, and Transportation Consumer Subcommittee

To continue hearings on S. 403, the proposed National Product Liability Insurance Act.

5110 Dirksen Building

Energy and Natural Resources Subcommittee on Parks and Recreation

To hold hearings on S. 1125, authorizing the establishment of the Eleanor Roosevelt National Historic Site in Hyde Park, N.Y.

3110 Dirksen Building

MAY 2

8:00 a.m.

Agriculture, Nutrition, and Forestry
To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.

322 Russell Building

10:00 a.m. Rules and Administration

To hold hearings to receive testimony in behalf of requested funds for activity of Senate committees and subcommittees.

301 Russell Building

322 Russell Building

MAY 3

8:00 a.m.

Agriculture, Nutrition, and Forestry To continue mark up of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.

10:00 a.m.

Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. monetary policy.

5302 Dirksen Building Commerce, Science, and Transportation Consumer Subcommittee

To hold hearings on proposed legislation amending the Federal Trade Commission Act.

235 Russell Building Energy and Natural Resources

Energy Conservation and Regulation Subcommittee

To hold hearings to receive testimony on Federal Energy Administration price policy recommendations for Alaska crude oil.

3110 Dirksen Building Rules and Administration

To hold hearings to receive testimony in behalf of requested funds for activity of Senate committees and subcommittees.

301 Russell Building

MAY 4

10:00 a.m. Appropriations

Transportation Subcommittee

To resume hearings on proposed budget

estimates for fiscal year 1978 for the Federal Highway Administration.

1224 Dirksen Building

Banking, Housing, and Urban Affairs To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendation thereon to the Budget Committee by May 15.

5302 Dirksen Building Commerce, Science, and Transportation Consumer Subcommittee

To continue hearings on proposed legislation amending the Federal Trade Commission Act.

235 Russell Building

Energy and Natural Resources

Parks and Recreation Subcommittee To hold hearings on H.R. 5306, Land and Water Conservation Fund Act amendments.

3110 Dirksen Building

Rules and Administration

To hold hearings on S. 1072, to establish a universal voter registration program, S. 926, to provide for public financing of primary and general elections for the U.S. Senate and the fol-lowing bills and messages which amend and Federal Election Campaign Act, S. 15, 105, 962, and 966, President's message dated March 22 and recommendations from the FEC submitted March 31.

301 Russell Building

MAY 5

10:00 a.m.

Banking, Housing, and Urban Affairs

To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.

5302 Dirksen Building Commerce, Science, and Transportation Consumer Subcommittee

To hold hearings on S. 957, designed to promote methods by which controversies involving consumers may be resolved.

5110 Dirksen Building Rules and Administration

To continue hearings on S. 1072, to establish a universal voter registration program, S. 926, to provide for the public financing of primary and general elections for the U.S. Senate, and the following bills and messages to amend the Federal Election Campaign Act, 1, 15, 105, 962, and 966; President's message dated March 22, and recommendations from the FEC submitted March 31.

301 Russell Building

MAY 6

10:00 a.m. Banking, Housing, and Urban Affairs

To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.

5302 Dirksen Building

MAY 9

9:30 a.m.

Commerce, Science, and Transportation Communications Subcommittee

To hold oversight hearings on the broadcasting industry, including net-work licensing, advertising, violence on TV, etc.

235 Russell Building

MAY 10

9:30 a.m.

Commerce, Science, and Transportation Communications Subcommittee

To continue oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.

235 Russell Building

10:00 a.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration (Northeast Corridor)

1224 Dirksen Building

Banking, Housing, and Urban Affairs

To resume oversight hearings on U.S. monetary policy

5302 Dirksen Building

Governmental Affairs

Subcommittee on Reports, Accounting and Management.

To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.

6202 Dirksen Building

MAY 11

9:30 a.m.

Commerce, Science, and Transportation Communications Subcommittee

To continue oversight hearings on the broadcasting industry, including net-work licensing, advertising, violence on TV, etc.

235 Russell Building

10:00 a.m.

Rules and Administration

To markup S. 1072, to establish a universal voter registration program, S. 926, to provide for the public financing of primary and general elections the U.S. Senate, and the following bills and messages to amend the Federal Election Campaign Act, S. 15, 105, 962 and 966, President's message dated March 22 and recommendations from the FEC submitted March 31.

301 Russell Building

MAY 12

10:00 a.m.

Governmental Affairs

Subcommittee on Reports, Accounting and Management

To continue hearings to review the processes by which accounting and audit-

ing practices and procedures, promulgated or approved by the Federal Gov-ernment, are established.

6202 Dirksen Building

MAY 18

10:00 a.m. Appropriations

Transportation Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.

1224 Dirksen Building

2:00 p.m. Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.

1224 Dirksen Building

MAY 24

10:00 a.m. Governmental Affairs

Subcommittee on Reports, Accounting and Management

To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.

6202 Dirksen Building

MAY 26

10:00 a.m.

Governmental Affairs Subcommittee on Reports, Accounting and Management

To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established. 6202 Dirksen Building

JUNE 13

9:30 a.m. Commerce, Science, and Transportation Communications Subcommittee

To hold oversight hearings on the cable TV system.

235 Russell Building

JUNE 14

9:30 a.m. Commerce, Science, and Transportation Communications Subcommittee

To continue oversight hearings on the cable TV system.

235 Russell Building

JUNE 15

9:30 a.m.

Commerce, Science, and Transportation Communications Subcommittee

To continue oversight hearings on the cable TV system.

235 Russell Building

3110 Dirksen Building

CANCELLATIONS

APRIL 18

8:00 a.m.

Energy and Natural Resources

Public Lands and Resources Subcommittee To mark up S. 7, to establish in the Department of the Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations.

MAY 3

9:00 a.m.

Veterans' Affairs

Subcommittee on Housing, Insurance, and Cemeteries

To hold hearings on S. 718, to provide veterans with certain cost information on conversion of government supervised insurance to individual life insurance policies.

6202 Dirksen Building Until 12 noon

MAY 5

9:00 a.m.

Veterans' Affairs

Subcommittee on Housing, Insurance, and

To continue hearings on S. 718, to pro-vide veterans with certain cost information on conversion of government supervised insurance to individual life insurance policies.

Until 12 noon 6202 Dirksen Building

HOUSE OF REPRESENTATIVES—Monday, April 18, 1977

The House met at 12 o'clock noon.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. WRIGHT) laid before the House the communication from the following Speaker:

WASHINGTON, D.C.

April 18, 1977.

I hereby designate the Honorable Jim WRIGHT to act as Speaker pro tempore for

THOMAS P. O'NEILL, Speaker of the House of Representatives.

PRAYER

The Chaplain, the Reverend Edward G. Latch, D.D., offered the following

The reverence of the Lord is the beginning of wisdom and they who live by it grow in understanding.-Psalms 111: 10.

Eternal Father of our spirits, in this sacred moment of quiet prayer we turn our thoughts to Thee and open our hearts to Thy Spirit that we may be wise in the decisions we make, understanding in our relations with each other, and faithful in our devotion to Thee and to our country. All through this day may we be mindful of Thy presence.

Bless the citizens of our land with Thy continual favor. May they be great enough in spirit, good enough in heart, and genuine enough in purpose to be a channel for peace, for justice, and for good will in our world and among people everywhere.

Lead us in Thy way this day for Thy name's sake. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and, without objection. announces to the House his approval thereof.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 662. An act to provide for holding terms of the district court of the United States for the eastern division of the Northern District of Mississippi in Corinth, Miss.

The message also announced that the Vice President, pursuant to Public Law 83-420, appointed Mr. Sasser to be a member, on the part of the Senate, of the Board of Directors of the Gallaudet College.

And that the Vice President, pursuant section 194(a) of title 14, United States Code, appointed Mr. Pell as a member, on the part of the Senate, of the Board of Visitors to the U.S. Coast Guard Academy.

The chairman of the Committee on Commerce, Science, and Transportation (Mr. Magnuson), under the above cited law, appointed Mr. Hollings and Mr. STEVENS as members of the same Board of Visitors.

And that the Vice President, pursuant to section 1126(c) of title 46, United States Code, appointed Mr. MOYNIHAN as a member, on the part of the Senate, of the Board of Visitors to the U.S. Merchant Marine Academy.

The chairman of the Committee on Commerce, Science, and Transportation (Mr. Magnuson), under the above cited law, appointed Mr. Hollings and Mr. STEVENS as members of the same Board of Visitors.

THE CASE OF PAUL COOPER ENGENDERS DISBELIEF

(Mr. ADDABBO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ADDABBO. Mr. Speaker, I have been following the developments of the case of Paul Cooper with disbelief.

Mr. Cooper, you may recall from news accounts, is the retired Army enlisted man who is dying of leukemia at the age of 43, some 20 years after being ordered to stand unprotected 3,000 yards from a nuclear test blast in the Nevada desert.

Mr. Cooper is seeking approval from the Veterans' Administration for a service-connected disability rating, contending that the disease is a direct result of his duty at the test blast. He particularly is concerned about the future welfare of his wife and three children he will leave behind when he dies.

The Veterans' Administration Appeals Board has ruled that the disease was contracted during his military service but has refused to determine that the exposure to the nuclear fallout was responsible.

Mr. Speaker, the generals who decided that over 1,000 young Army enlisted men ought to stand and watch an atomic blast less than 2 miles from ground zero are the contemporaries of those generals who decided they ought to use American citizens as bait in simulated chemical warfare games that we read about earlier this year.

The concept that we would stake out human beings close to atomic test sites just to see how they are affected is beyond concept to me. Mr. Cooper, it should be remembered, was ordered to stand there. It was his Government that placed him there.

Well, he is dying now, and while I am no doctor, it certainly seems logical to me that the heavy dosage of radiation suffered by Mr. Cooper at the test site could have played some role in bringing him to his present plight. If any man ought to qualify for a VA disability pension, it would appear to be him.

The VA obviously fears that if Mr. Cooper is successful, another 1,100 applications may be forthcoming. Well they might. But it is this Nation's policy to look after the families of servicemen killed in the line of duty.

According to the news reports I have read, Mr. Cooper is well aware that his days are limited, and wants to protect his family as best he can before he dies. He seems convinced that his disease is a direct result of his military service. Unless that contention can be outrightly disproven, I believe that the VA ought to give this ex-soldier the benefit of the doubt and provide him the benefits he seeks.

I have today so advised the Veterans' Administration of my views. I would hope other Members of the House would investigate this case for themselves. I believe you will come to the same conclusion as I have made.

UNITED NATIONS AMBASSADOR YOUNG SHOULD RESIGN

(Mr. MARTIN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MARTIN. Mr. Speaker, our new United Nations Ambassador Andrew Young is living proof that diplomacy is a delicate art.

In just 2 months Ambassador Young

First. Terrified our allies;

Second. Insulted the British and had to apologize;

Third. Insulted the Arabs and had to

Fourth. Made life miserable for the majority of black Angolans who wanted to be our allies;

Fifth. Misunderstood the rebellion in Zaire;

Sixth. Incited revolution in South Africa and Rhodesia;

Seventh. Accused the minority white government in South Africa of being "illegitimate" while endorsing the Cuban-dominated minority black government in Angola;

Eighth. Cubans are the only ones he has praised, as a "stabilizing factor" in Angola. They stabilize you up side the head;

Ninth. He has claimed he was expressing the inside view of the State Department which they have been forced repeatedly to deny; and

Tenth. The worst yet is his terrible slur on the integrity, honor, and loyalty of hundreds of thousands of our black servicemen, suggesting they would not do their duty. Perhaps he is advising them, but I think he should cease. In Vietnam, for example, they did not like fighting there either, but their record is as good as anybody's.

I think he should resign; and go look for another line of work.

I hesitate to say that. Andy Young is well liked. When he was in Congress, he was highly regarded by all.

He was regarded as temperate, moderate, and rational. When he spoke, we listened; now we cringe.

When he was nominated for U.N. Ambassador, I thought and said it is another supermove by President Carter. I had high hopes he would make us proud. I was confident he would represent us well: all of us.

I was wrong. It is time to admit it. Enough is enough.

Certainly, even an Ambassador is entitled to his own views and thoughts; but he is expected to advance our Nation's foreign policy. He has not done it.

Yes, I am glad he is opposed to the racial policies of South Africa. So am I opposed. Our policy there is to help bring about a peaceful and orderly transition.

What he is doing is like waving lighted sparklers around in a gasoline

I even considered calling on President Carter to fire him; and soon recognized that he cannot do that. Jimmy Carter would not be President but for Andy Young. To so many Americans, Ambassador Young is a great symbol of hope. Yet, surely President Carter understands how to handle symbols.

He could promote him out of that job, which he never really wanted. He could reassign him: make him a junior vice president, or give him an honorary degree or something quick, before he says something even he will regret, and get somebody hurt.

Ambassador Young says that President Carter has not asked him to restrain his statements. Well, it is time he did. If he will not, we should.

Young says Carter wants everybody to speak out freely on foreign policy ideas. OK; I just did.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

Washington, D.C., April 7, 1977.

Hon. Thomas P. O'Neill, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted on April 6, 1977, the Clerk has received this date the following message from the Secretary of the Senate:

That the Senate passed H. Con. Res. 191, directing the Clerk of the House to make corrections in enrollment of H.R. 3365.

With kind regards, I am,

Sincerely, EDMUND L. HENSHAW, Jr.,

EDMUND L. HENSHAW, Jr., Clerk, House of Representatives. By W. RAYMOND COLLEY, Deputy Clerk

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to announce that pursuant to the authority granted the Speaker on Wednesday, April 6, 1977, the Speaker did on Thursday, April 7, 1977, sign the following enrolled bills:

H.R. 3365. An act to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions; and

H.R. 5717. An act to provide for relief and rehabilitation assistance to the victims of the recent earthquakes in Romania.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

> Washington, D.C., April 15, 1977.

Hon. Thomas P. O'Nelll, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 1:45 p.m. on Friday, April 15, 1977, and said to contain a message from the President wherein he transmits the second in a series of reports that he will be submitting on the progress toward a solution of

the Cyprus dispute pursuant to Public Law 94-104

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr., Clerk, House of Representatives. W. RAYMOND COLLEY,

Deputy Clerk.

SECOND REPORT ON PROGRESS TOWARD SOLUTION OF CYPRUS DISPUTE—MESSAGE FROM THE THE UNITED PRESIDENT OF STATES (H. DOC. NO. 95-121)

The SPEAKER pro tempore laid before the House the following message from the President of the United States: which was read and, without objection, referred to the Committee on International Relations and ordered to be printed.

To the Congress of the United States:

As required by Public Law 94-104, this report describes progress which has been achieved during the last sixty days toward settlement of the Cyprus problem and the efforts the Administration has made to contribute to its resolution.

In my first report, dated February 11. I emphasized the high priority we place on this effort and reaffirmed our intention to work closely with the Congress in deciding on our future course. I promised that my Special Representative, Mr. Clark Clifford, would consult with you both before and after his trip to the area. He has done so. Before his departure. Mr. Clifford discussed the Cyprus question, and other pertinent matters, with a number of interested Senators and Congressmen. Leaving Washington February 15, he spent some two weeks visiting the eastern Mediterranean area to confer with leaders in Ankara, Athens and Nicosia. He also met with United Nations Secretary General Kurt Waldheim, under whose leadership the Cyprus intercommunal negotiations were subsequently reconvened. Returning from this series of intensive conversations, Mr. Clifford stopped in London to share his impressions with leaders of the British Government which, as current incumbent of the European Community Presidency as well as former administrator of Cyprus, maintains a special interest in finding a just and speedy Cyprus solution.

Upon his return, Mr. Clifford reported to me that the leaders of Greece, Turkey and Cyprus correctly saw his mission as a signal of the deep interest this Administration takes in the problems of the eastern Mediterranean. He came away convinced of their clear understanding that the United States is firmly committed to the search for a fair and lasting Cyprus settlement as well as to the improvement of relations with our two important and valued NATO allies, Greece and Turkey, and to the creation of a more stable atmosphere in the eastern Mediterranean.

The tasks I gave Mr. Clifford were to make a first-hand assessment of current problems and attitudes in the three countries so that we might better judge what contribution the United States might make toward encouraging progress in the long-festering Cyprus dispute: to identify ways in which the United States could improve its bilateral relationships with Greece and Turkey: and to gain a better insight into the sources of the tensions that exist between these two NATO allies.

In his visits to Ankara and Athens, Mr. Clifford held detailed discussions on a range of bilateral issues, as well as the subject of Cyprus. These talks were useful in creating a better understanding of the problems which have complicated our relations with Greece and Turkey. I was pleased to hear from Mr. Clifford that the leaders in Ankara and Athens support a serious attempt to negotiate a fair settlement of the Cyprus problem in 1977.

On Cyprus, Mr. Clifford had lengthy meetings with Archbishop Makarios and with the Turkish Cypriot leader, Mr. Rauf Denktash. These talks were frank and forthright. Both leaders recognized that what would be needed to move the Vienna talks forward were specific discussions of the two central issues of the Cyprus problem: future territorial arrangements and the division of responsibility between the central and regional governments. Mr. Clifford found a new willingness to face the difficult decisions which both sides must now make if a settlement is to be reached.

One indication of that willingness is the negotiations between the Turkish and Greek Cypriot representatives which took place in Vienna from March 31 through April 7. These meetings—the first such intercommunal negotiations in more than a year-were chaired for the first several days by U.S. Secretary General Waldheim and following his scheduled departure on April 4, the concluding sessions were held under the chairmanship of the Secretary General's Special Representative for Cyprus, Ambassador Perez de

We had not expected any dramatic breakthroughs at these meetings; and none occurred. The two sides are still far apart in their views. But the meetings did move forward the process of probing and clarification of each side's position by the other. Most important, in my view, is the fact that for the first time since 1974 concrete, detailed proposals were put forward by each side covering the two central issues. And finally the momentum achieved in these meetings has been preserved by the agreement of both sides to meet again in Nicosia about the middle of May to prepare for another round in Vienna and thus continue the process toward a peaceful Cyprus solution.

In my first report I promised that the United States will do all that it can to help achieve a negotiated settlement for Cyprus. I believe that the United States should continue to take a part in supporting the negotiating process revitalized by Secretary General Waldheim last month in Vienna. I believe that it is essential that we continue to work with the parties to encourage and insure a sustained and serious negotiating process and equally important that we work with our

Greek and Turkish allies to strengthen the ties of friendship and cooperation between our countries. Working in close liaison with the Congress, we will devote whatever efforts may be required to bring about a truly just and lasting peace in the eastern Mediterranean.

JIMMY CARTER. THE WHITE HOUSE, April 15, 1977.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON D.C.

Hon. THOMAS P. O'NEILL, Jr.,
The Spenker Tr. The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 12:28 P.M. on Tuesday, April 12, 1977, and said to contain the 1976 annual report on the administration of the Radiation Control for Health and Safety Act.

With kind regards, I am, Sincerely.

EDMUND L. HENSHAW, Jr. Clerk, House of Representatives. By W. RAYMOND COLLEY, Deputy Clerk.

THE 1976 ANNUAL REPORT ON THE ADMINISTRATION OF THE RADIA-TION CONTROL FOR HEALTH AND ACT-MESSAGE FROM SAFETY THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

I transmit herewith the 1976 annual report on the administration of the Radiation Control for Health and Safety Act (Public Law 90-602), as prepared by the Department of Health, Education. and Welfare for a period of time prior to the commencement of my term.

The report's only legislative recommendation is that the requirement for the report itself, as contained in P.L. 90-602, be repealed. All of the information found in the report is available to Congress on an immediate basis through congressional committee oversight and budget hearings. The Department of Health, Education, and Welfare has concluded that this annual report serves little useful purpose and diverts agency resources from more productive activities.

JIMMY CARTER. THE WHITE HOUSE, April 12, 1977.

COMMUNICATIONS FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C., April 7, 1977.

Hon. THOMAS P. O'NEILL, Jr.,

The Speaker, House of Representatives,

Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 1:50 p.m. on Thursday, April 7, 1977, and said to contain a message from the President wherein he transmits the third annual report of the Federal Council on the Aging.

With kind regards, I am

Sincerely,

EDMUND L. HENSHAW, Jr. Clerk, House of Representatives. By W. RAYMOND COLLEY,

Deputy Clerk.

ANNUAL REPORT OF THE FEDERAL COUNCIL ON AGING-MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor:

To the Congress of the United States:

I am transmitting herewith the annual report of the Federal Council on Aging in accordance with Section 205(f) of the Older Americans Act (P.L. 93-29).

This report was prepared based upon activities of the Federal Council on Aging prior to my term of office.

JIMMY CARTER. THE WHITE HOUSE, April 7, 1977.

AMERICAN LEGION NATIONAL COM-MANDER ROGERS EXPRESSES VETERANS' VIEWS TO PRESIDENT

(Mr. ROBERTS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ROBERTS. Mr. Speaker, I wish to call the attention of my colleagues to a letter to President Carter from National Commander William J. Rogers of the American Legion. In my judgment, this letter expresses the views of the overwhelming majority of veterans in this country.

I commend the letter to the attention of all Members of the House, regarding a subject of intense interest to all Ameri-

> THE AMERICAN LEGION, Washington, D.C., March 30, 1977.

The PRESIDENT. The White House. Washington, D.C.

MR. PRESIDENT: There has been brought to my attention, a document issued by the Secretary of Health, Education and Welfare, the Honorable Joseph A. Califano, Jr., as a statement of issues for public hearing, on the subject of welfare reform.

In the statement, Secretary Califano indicates that he has been directed by you to undertake a comprehensive study of welfare

In his statement of the issues, the Secretary proceeds to define the "welfare system" as an income maintenance system, including among other things social insurance, in the identification of which he specifically includes veterans compensation; and income assistance, among the elements of which he includes veterans pensions.

I must tell you Mr. President, that The American Legion emphatically objects to the placement of these two veterans programs under the umbrella of the "welfare system." Neither of these two programs were envi-sioned by Congress as welfare programs when they were established.

Veterans compensation is designed to replace, at least partially, the lost earning capacity of veterans who were disabled during, or as a result of service in the Armed Forces. I am sure the many thousands of combat disabled veterans who are among all those receiving compensation, would not react favorably to being told they are the recipients of welfare.

The veterans death and disability pension program was established by Congress to provide an income supplement to veterans and their survivors, who are totally disabled by reason of age or physical condition. This program, as differentiated from welfare, is a benefit provided by a grateful American people, through their elected representatives, for those who responded to the call to arms during a time of war or national emergency. The concept of veterans pensions is a time-honored institution in the history of

You will, I am sure, understand our alarm, when we tell you that we see this effort by the Secretary of Health, Education and Welfare to include the veterans compensation and pension programs in the "welfare sysas an initial move to secure the transfer of veterans benefits programs to the jurisdiction of his agency. Such an effort, if it develops, will be resisted by The American Legion, with all of its energies.

To maintain the confidence of American veterans in the continued independent administration of the benefit programs that have been established for them, we would appreciate having from you, Mr. President, a clear statement of your intention that veterans programs will not be considered by your Administration to be welfare programs, and that they will continue to be adminis-tered by the Veterans Administration. We sincerely believe it to be a matter of importance to your Administration, and to the security of the nation's veterans that you should set the record straight in this matter.

With our respectful and sincere wishes for

your continued success, I am Yours sincerely,

WILLIAM J. ROGERS. National Commander.

FBI DIRECTOR KELLEY DISRE-GARDS SERIOUS VIOLATION OF FOURTH AMENDMENT TO CON-STITUTION

(Mr. WEISS asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. WEISS. Mr. Speaker, I am greatly distressed by the views expressed by FBI Director Clarence Kelley concerning the indictment of former New York City supervisor of the bureau, John Kearney, for authorizing illegal break-ins and mail surveillance.

It seems to me that Mr. Kelley has totally disregarded the very serious vio-lation of the fourth amendment to the Constitution of the United States and the very bitter lessons of Watergate.

I have sent him the following letter which I commend to my colleagues for their attention.

The letter follows:

HOUSE OF REPRESENTATIVES, New York, N.Y., April 16, 1977.

Mr. CLARENCE KELLEY, Director, Federal Bureau of Investigation,

Washington, D.C.
DEAR DIRECTOR KELLEY: Your reaction to the criminal indictment of former FBI agent John Kearney was most distressing and indicates, in my view, a serious abdication of your responsibilities as a public official sworn to uphold the rule of law.

Your statement, coupled with the demon-stration yesterday by FBI personnel on the steps of the Federal courthouse in Manhattan, will serve to intensify public mistrust in our government's respect for its own statutes. You have explicitly stated that you will seek to use your influence with Attorney General Bell to have the FBI exonerated for past unlawful behavior in the same way that the CIA was similarly exempted from obedience to our laws.

Have you so quickly and so casually for-

gotten the lessons of Watergate?

Former agent Kearney may or may not be guilty of the felony charges lodged against him. That is a matter for a jury to decide, and he is most assuredly entitled to a presumption of innocence until a court of law finds otherwise. I bear no personal animosity towards Mr. Kearney or any other bureau employee. Rather, I am committed to the principle that ours is a government ruled by law, not by individuals.

You seem to imply that the merits of this case are not of primary concern. What is most important, you contend, is "morale of the FBI" and the assertion that Mr. Kearney was "motivated by the best of intentions."

I agree that the FBI should function with a high degree of commitment to its duties, and it may well be true that Mr. Kearney acted out of a belief that he was fulfilling some vital national purpose.

Would FBI morale not, however, be served better by its director's stated intention of having bureau agents abide by the same laws they seek to enforce? Your reaction to Mr Kearney's indictment is sadly and emphatically lacking in any such realization of the equal applicability of our legal system.

And do you really maintain that motivation excuses an individual from facing the consequences of his or her actions? This is a most curious interpretation of legal liability by a chief domestic law enforcement officer of our nation.

Your statement is also glaringly remiss in not noting that the crimes with which Mr. Kearney is charged were explicitly prohibited by your predecessor, J. Edgar Hoover in 1966 were again forbidden by the United States Supreme Court in 1972.

Nowhere in your statement is there any reference to FBI agents' duty to zealously respect the constitutional rights of Americans. Nowhere do you express a commitment to ensuring that the bureau does not again embark on an "era" of lawlessness. Nowhere do you as the Director of the FBI avow your determination to secure justice, fully and impartially, in this most serious case.

I strongly urge you not, as you have stated, "to use every means at my command to assure that his (Mr. Kearney's) current predicament is resolved as soon as possible." Mr. Kearney's fate is rightly in the hands of a jury of his peers. Any interference by you in the proper functioning of the trial process can only further undermine Americans' respect for the FBI and its top officer.

I also urge you not to act to prevent or impede the continuing investigation by the Justice Department of FBI actions during the period now under review. The bureau will be able to function as intended and agent morale and the morale of the American people will be satisfactorily high only if its overseers exercise without interference their obligation to insure FBI compliance with the

As a member of the subcommittee on government information and individual rights of the Government Operations Committee I intend to question continually any apparent disregard for constitutional guarantees and civil liberties whether by the FBI or any other federal agency. It is my firm belief that it is in the best interests of this nation that the trial of Mr. Kearney proceed expeditiously and fairly and the Justice Department continue to fulfill its responsibilities by providing oversight and review of bureau policies and actions.

I trust that you will reconsider your position and will immediately rectify the impression that you are more interested in protecting the FBI than in safeguarding our constitutional form of government.

Sincerely,

TED WEISS, Member of Congress.

REFORM OF UTILITY RATE STRUCTURES AND REGULATORY RULES

(Mr. ALLEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALLEN. Mr. Speaker-

We will support the reform of utility rate structures and regulatory rules to encourage conservation and ease the utility rate burden on residential users, farmers, and other consumers who can least afford it.

This, Mr. Speaker, was the solemn pledge we Democrats made to the people when we adopted the Democratic platform at the national convention in July of last year.

This same pledge was repeated as a personal pledge by Jimmy Carter, as the Democratic nominee, in his first debate with President Ford on domestic issues.

If in any proposal to reform utility rates, we fail to carry out our pledge to ease the "rate burden on residential users, farmers, and other consumers who can least afford it" the people will feel betrayed, and it will be with greatest difficulty that we muster sufficient support in the Congress to pass any meaningful "reform of utility rate structures and regulatory rules to encourage conservation" which is so badly needed. H.R. 6009, which I, along with 24 other distinguished Members of this body intro-duced on April 5, to be entitled, "Life-line and Electric Rate Reform Act of 1977," and H.R. 3317, to be known as "Natural Gas Reform Act of 1977," were introduced to carry out this solemn pledge we made to the people in the general election, last year.

I most earnestly solicit the help and active support of both the President and every Member of the 95th Congress in attaining these goals.

PROVIDING FOR A JOINT SESSION OF TWO HOUSES AT 9 O'CLOCK P.M. ON WEDNESDAY, APRIL 20, 1977, TO RECEIVE A MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

Mr. ALEXANDER. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 196) and ask for its immediate consideration. The Clerk read the concurrent resolution, as follows:

H. CON. RES. 196

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Wednesday, April 20, 1977, at 9 o'clock postmeridian, for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the

ADDITION TO LEGISLATIVE PROGRAM

Mr. ALEXANDER. Mr. Speaker, in addition to the program that was announced on Wednesday, April 6, 1977, I would like to advise the membership that on Tuesday there will be one additional suspension added to the program, to wit, S. 489, a bill to authorize supplemental military assistance to Portugal for fiscal year 1977.

AUTHORIZING SPEAKER TO DE-CLARE RECESSES ON APRIL 20, 1977

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent that on Wednesday, April 20, 1977, it may be in order for the Speaker to declare recesses at any time, subject to the call of the Chair.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, may we know what the purposes of that authority is?

Mr. ALEXANDER. Mr. Speaker, if the gentleman will yield, the purpose of that authority is to convene the House in order to take care of the business of the day and to recess thereafter in order to prepare for the message by the President of the United States.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

BUSINESS USE OF RESIDENCE FOR DAY CARE SERVICES

Mr. ULLMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3340) to amend the Internal Revenue Code of 1954 to allow a deduction for expenses allocable to the use of any portion of a dwelling unit in the trade or business of providing day care services whether or not such portion is exclusively used in such trade or business, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (c) of section 280A of the Internal Revenue Code of 1954 (relating to exceptions for certain business or rental use; limitation on deductions for such use) is amended by redesignating paragraph (4) as

paragraph (5) and by inserting after paragraph (3) the following new paragraph:
"(4) Use in providing day care services.—

"(4) USE IN PROVIDING DAY CARE SERVICES.—
"(A) IN GENERAL.—Subsection (a) shall not apply to any item to the extent that such item is allocable to the use of any portion of the dwelling unit on a regular basis in the taxpayer's trade or business of providing day care services to individuals.

"(B) LICENSING, ETC., REQUIREMENT.—Subparagraph (A) shall apply to items accruing for a period only if the owner or operator of the trade or business referred to in sub-

paragraph (A)—
"(i) has applied for (and such application

has not been rejected),

"(ii) has been granted (and such granting has not been revoked), or

"(iii) is exempt from having,

a license, certification, registration, or approval as a day care center or as a family or group day care home under the provisions of any applicable State law. This subparagraph shall apply only to items accruing in periods beginning on or after the first day of the first month which begins more than 90 days after the date of the enactment of this subparagraph."

(b) Paragraph (5) of section 280A(c) of such Code (as redesignated by subsection (a)) is amended by striking out "paragraph (1) or (2)" and inserting in lieu thereof

'paragraph (1), (2), or (4)".

(c) The amendments made by this section shall apply to taxable years beginning after December 31, 1975.

The SPEAKER pro tempore. Is a second demanded?

Mr. FRENZEL. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Oregon (Mr. Ullman) is recognized for 20 minutes, and the gentleman from Minnesota (Mr. Frenzel) is recognized for 20 minutes.

Mr. ULLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3340 deals with the income tax treatment of business expenses attributable to the use of a personal residence to provide day care services to children, handicapped individuals, and the elderly.

The Tax Reform Act of 1976 added a provision to the tax laws under which deductions attributable to the business use of a personal residence are not allowable unless the business use satisfies certain requirements.

One of the principal requirements is that the portion of the residence used for business purposes must be used exclusively and on a regular basis for business purposes.

The exclusive business use test will rarely be satisfied in the case of the use of a portion of a personal residence to provide day care services.

However, where a portion of a personal residence is used for personal purposes and to provide day care services, the furnishing of day care services will ordinarily result in incremental expenses being incurred beyond those which would have been incurred if the residence had only been used for personal purposes.

The bill would provide an exception from the exclusive use test for expenses attributable to the use of a portion of a personal residence used to provide day care services.

However, the deductible business expenses are to be limited by the amount of the gross income derived from day care services.

In this way, the business use of the personal residence will not result in generating a loss which could be used to shelter other income from income tax.

In addition, the expenses attributable to the residence which are allocable to the business use would be deductible only if the day care services satisfy any applicable licensing, registration, or approval, required under State law.

This requirement would apply only after the expiration of a transitional period to afford the day care operators a reasonable period to satisfy this requirement.

The amendment would apply to taxable years beginning after December 31, 1975

Mr. Speaker, I urge that the House adopt this bill.

Mr. FRENZEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I favor the prompt passage of H.R. 3340, as amended, to enable family day care providers to continue to deduct the legitimate expenses incurred from using their homes for business purposes.

The 1976 Tax Reform Act overlooked the special needs of day care providers when it required that the taxpayer must use a portion of the home exclusively for business purposes to qualify for a business tax deduction. Family day care providers cannot possibly meet this exclusive use requirement. It is neither desirable, nor possible, to confine small children all day to a single room or a limited portion of the home. Many licensing requirements preclude such a practice in any event. Yet having small children in a house or apartment takes an expensive toll in terms of higher maintenance and utility costs.

If the Tax Reform Act is not amended, we will be losing many day care providers. We know that some providers have already closed their doors. If adequate day care services are not readily available, or, if the cost increases, the working public will suffer. Dependable, safe and reasonably priced day care is an essential need in our society today. These services help American families achieve their aspirations with minimum family disruption and directly reduce welfare burdens on the taxpayers.

H.R. 3340 makes an exception to the "exclusive use" test for taxpayers who are in the trade or business of providing day care in their homes. Day care providers will continue to be allowed deductions for such expenses as repairs, maintenance, heat, electricity and other utilities, rent or depreciation and insurance. These deductions, like others for business use of homes, will be limited to the amount of gross income derived from the business. In addition, there will be an allocation of expenses based on the portion of the residence which is actually used for day care and the

amount of time that day care is being

provided. This allocation is then com-

pared with the time the residence is actually used.

I am pleased that the committee accepted my amendment, which can be found on pages 1 and 2 of the committee report. It will limit this deduction to only those day care providers who observe applicable State licensing, certification, registration or approval requirements. The committee did not think that anyone should get a tax break who is operating a day care service contrary to State laws established to protect the health and safety of children.

Because State standard and enforcement procedures vary widely, however, the bill allows the deduction to anyone who has applied for a license and has not been rejected, who has been granted a license which has not been revoked, or who is exempt from State licensing requirements. A 90-day grace period after enactment is provided to give these providers a chance to apply for licensing.

Therefore, the bill will allow all day care providers to be eligible for a deduction for taxable year 1976. Beginning in 1977, the deduction applies only to day care providers who have applied for or who are exempt from, or who have been granted a license or approval by the State. By retaining this provision, the committee upheld the original intention of the Tax Reform Act to close possible tax loopholes.

By tying the tax exemption to State law, the Federal Government would provide an added incentive for day care providers to comply with State requirements. The committee took advantage of this opportunity to encourage and support State efforts to enforce adequate standards and to improve the quality of day care services.

I believe that if we are going to provide encouragement for family day care business, we must also provide encouragement to the providers and to State enforcement agencies for these services to meet at least minimal quality standards.

The providers of family day care offer a valuable and indispensable service, often at little or no financial profit to themselves. For many, it must be a labor of love because they earn too little through their services. Without the deduction this bill would restore for the business use of their homes, most would realize no financial reward for their efforts and many might well have to discontinue their services.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from New Jersey (Mrs. Fenwick).

Mrs. FENWICK. Mr. Speaker, I ask only for time to associate myself with the gentleman's remarks and those of the chairman. I know from personal experience in my district how important this home care is. I am very grateful for this opportunity to support it.

Mr. FRENZEL. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I would like to note in passing that this measure as originally proposed did not contain a requirement that any day care center be licensed by the State in order to qualify for this tax treatment and that it was due to the very intelligent interventions of the gentleman from Minnesota that we got this provision in the bill. It now comes very close to a measure which the gentleman himself originally sponsored.

Mr. Speaker, I might say that this is a very important addition to the measure, because if the taxpayer has not complied with the State law, relative to the licensing, certification, registration, or approval of residences used as a day care center, I think we would lack an important safeguard.

May I say also that we have saved considerable revenue loss by putting a certification provision in the bill.

Mr. Speaker, for that reason the gentleman from Minnesota is to be very much commended for his additions, hard work, and the judgment that he has evidenced in seeing that this measure was changed into compliance with his own bill.

Mr. FRENZEL. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I have no further requests for time. I yield back the balance of my time.

Mr. ULLMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. Vento), one of the authors of the bill.

Mr. VENTO. Mr. Speaker, I would like to thank the Committee on Ways and Means for its very dilligent approach and prompt recognition of this oversight in the Tax Reform Act of 1976. This would have been an extreme hardship in terms of providing exclusive use tests on the conditions for home day care for the handicapped and for the elderly. This prompt action by the committee will be of significant benefit and continue to provide these day care services to many of the individuals that have need for them.

Mr. Speaker, I appreciate their support and urge support of the Members in its passage.

Mr. GLICKMAN. Mr. Speaker, as a cosponsor of legislation-identical to H.R. 3340 and one who has introduced similar legislation, I wanted to voice my strong support for this measure.

As you all know, child care is an increasingly important issue in American life. We must do all we possibly can to insure high standards of care for our children who, after all, are our future.

The Tax Reform Act of 1976 eliminated tax breaks for business in the home unless a portion of the dwelling was used solely for that business. While tightening up this portion of the law was, in general, I believe, a good idea, it did not take into consideration those business persons whole home business was day care.

Very few, if any, homes have separate rooms, bathrooms and kitchens that may be used exclusively by the children for whom day care services are provided. Subsequent to passage of the Tax Reform Act of 1976, these businesses were faced with the problem of low profit, inherent in such a business and no tax breaks on depreciation, utilities, or capital improve-

ments. In addition, certain State laws which govern day care homes, call for standards of safety, nutrition, et cetera. Under the Federal tax law, even those improvements such as mandatory fencing, would not be deductible.

During the recent Ways and Means Committee hearing held on this issue, several of my constituents, all day care providers, journeyed to Washington in order to express the dire nature of their

straits under the 1976 law.

Opon meeting with and talking to these people, I was incredibly impressed by their dedication to child care. I do not know if they are typical of day care providers throughout the country, but they

certainly were astonishing.

The financial rewards in this line of work, I was told, are minimal. A love of children and the reward of inner satisfaction were what motivated them to become day care providers. These women make on the average \$4 a day per child. They feed their charges, often guided by Federal nutrition standards; teach them, everything from tying shoes to proper eating habits; and offer them affection and a secure "homelife" during those hours in which they are separated from their natural parents. In addition, they provide working mothers with the opportunity to engage in gainful employment and in many instances stay off the welfare roles.

Day care providers under the 1976 law would not only be prohibited from deducting legitimate business expenses, but would, in many cases, be forced to give up rewarding businesses which they love.

We cannot logically expect any person, no matter how great his or her dedication, to continue in a business that is not only marginally profitable, but is, in fact, costing money. This is unheard of and stands in need of correction.

I therefore reiterate my strong support for this measure and urge my colleagues in the House of Representatives to echo this support through affirmative

Mr. FRASER. Mr. Speaker, the House today will vote on a piece of remedial tax legislation which corrects a problem created by the Tax Reform Act of 1976. In our attempt to limit deductions for business use of the home, we inadvertently placed a constraint on deductions

which one important home business, family day care, cannot meet.

votes.

I am very pleased that we are now taking action to exempt family day care providers from the exclusive use test. In this carefully honed bill we are not reopening a loophole. Instead, we are recognizing legitimate expenses, necessary for conducting the business of family day care

Although I would have preferred to leave the question of enforcing State regulations on approved homes up to the States, this bill takes into account the special problems many States have in making the needed inspections and approvals and does not penalize day care homes for delays in obtaining the required licensing, registration or approval. The bill allows 3 months after enactment of this legislation to submit an application for approval. With this grace period, family day care providers should

not have trouble in meeting the requirements for taking this deduction in tax years beginning after 1976.

Mr. Speaker, I support this piece of legislation and hope that my colleagues will indicate their approval of it. Inadvertently, we created a problem for a unique home business-family day care. Now we are acting to correct our mistake.

Mrs. KEYS. Mr. Speaker, it sometimes happens that the Congress passes an otherwise worthy piece of legislation which has an unintended impact upon a particular segment of the population. The law is not omniscient nor, unfortunately, are the legislators who write those laws. In this case, the Tax Reform Act of 1976 has the unseen consequence of discouraging family day care services to assist working parents, the elderly, and

the handicapped.

Last year, in an effort to reduce widespread abuse of our tax laws and simplify their application, the Congress revised the provisions regarding the business use of the home. No more can an individual who is writing the great American novel on his kitchen table charge the taxpayers for a portion of the cost of keeping up his home. The Tax Reform Act instituted a reasonable test to assure that there was actually some additional cost to the taxpayer of operating a business in his house. The law now prohibits the use of the deduction where the portion of the home used for business is also used as a residence.

Unfortunately, this rule has not proved workable when applied to family day care providers. It is one thing to require that an author, an accountant, or a dentist keep his pen, typewriter, or dentist chair in a single room; it is quite another to expect children to be confined to a corner of the house without use of the kitchen, bedrooms, or bath. In fact, some State day care licensing laws require that children have full use of these portions of the home.

Mr. Speaker, in offering this exemption for family day care providers, we are recognizing two simple facts-that good "family" day care requires a family setting and that there are indeed additional costs in keeping children in one's home. Those who are parents certainly remember the enormous extra wear and tear on furniture, floors, woodwork, and walls caused by children. Even the most wellbehaved child may make his first attempt at artistry by drawing on the living room wall or carving his initials in the woodwork. To argue that there is no additional depreciation or additional incremental cost keeping up a home in these circumstances is to ignore the realities of child rearing.

This bill recognizes the unique nature of family day care and offers a reasonable exception to this new rule of law. I hope my colleagues will see fit to lend their support to this measure.

Mr. CLEVELAND. Mr. Speaker, as a cosponsor of the bill before us today. which would amend the provisions of the Tax Reform Act of 1976 pertaining to the business use of residences for day care service. I strongly urge the passage by the House of Representatives.

It is most regrettable that the Congress

is forced to dwell on legislation to correct obvious inequities and deficiencies in the 1976 tax law. Unfortunately, this dilemma arises time and time again and is symptomatic of the lack of efficiency and commonsense employed by the Congress in meeting this Nation's critical

The Tax Reform Act of 1976, which is a perfect example of deceptive labeling. provides us with a glaring case of the chaos that can result from hasty congressional action-in the rush for adjournment-on complicated and broadscale legislation. As we well know, the version of the Tax Reform Act of 1976 that finally became law was the product of a House-Senate conference that reconciled vastly different bills passed by the two bodies. The conference committee's bill was presented to us as a reform bill, yet we had precious little opportunity to scrutinize its provisions, which amounted to a law of well over 500 pages in length. Each Member of Congress had to vote a simple yea or nay on this mammoth bill.

The business use of a home as it affects day care services is not an isolated case of an ill-conceived section of the 1976 law. To cite but one other example, Congress has yet to take final action on sorely needed legislation to do away with the unfair retroactive nature of the sick pay and disability provisions of the 1976 act. How much time must Congress spend correcting its own mistakes, such as the one before us today, which result from processes and procedures that discourage

full deliberation and debate?

Mr. Speaker, the bill before us today ought to be a warning to the Congress. All too frequently we have reacted in haste to issues and problems that need deliberate, painstaking attention. We have too often sought to reform for reform's sake, forgetting in our zeal many of the down-to-earth, real-life situations that get ignored or even made worse by our cosmetic surgery. It seems recently that for every "reform" brought about by these overwhelming bills, three new problems are created to take the place of the original. Let us hope that in the future the Congress will be a bit more narrowly focused, a bit more specific, and a bit more careful in its reform measures, and do away once and for all with the tomes now coming to us for review.

Mr. ULLMAN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. Ullman) that the House suspend the rules and pass the bill, H.R. 3340, as amended.

The question was taken.

Mr. FRENZEL, Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently

a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were-yeas 320, nays 1, answered "present" 1, not voting 111, as follows:

[Roll No. 135]

Abdnor Fisher Addabbo Alexander Flippo Allen Ammerman Flynt Anderson, Calif. Anderson, Ill. Fraser Andrews, N. Dak Fuqua Applegate Archer Armstrong Ginn Ashley Aspin AuCoin Gore Badham Bafalis Baldus Barnard Guyer Baucus Bauman Beard, R.I. Beard, Tenn. Bedell Benjamin Bennett Bevill Bingham Harris Blanchard Blouin Boggs Bonker Bowen Breaux Breckinridge Brodhead Holt Brooks Broomfield Brown, Calif. Brown, Mich. Brovhill Buchanan Burgener Burke, Calif. Burke, Mass. Burleson, Tex. Burlison, Mo. Burton, John Butler Caputo Kazen Kelly Carr Carter Kevs Cavanaugh Kildee Chappell Chisholm Clawson, Del Krebs Clay Cleveland Cochran Cohen Latta Coleman Collins, Tex. Conte Lent Convers Corcoran Corman Cornell Cornwell Lott Coughlin D'Amours Lujan Luken Daniel, Dan Daniel, R. W. Danielson Delanev Dent Derwinski Dickinson Dingell Downey Drinan Duncan, Tenn. Marks Eckhardt Edwards, Ala. Martin Edwards, Calif. Mathis Edwards, Okla. Mattox Eilberg Mazzoli Emery English Meeds Michel Erlenborn Mikva Ertel Miller, Calif. Miller, Ohio Evans, Colo. Evans, Del. Evans, Ga. Evans, Ind. Mineta Minish Mitchell, Md. Fascell Mitchell, N.Y. Fenwick Moakley

Findley

Moffett

Montgomery

YEAS-320 Moore Fithian Moorhead, Calif. Moorhead, Pa. Murphy, Pa. Murtha Myers, Gary Myers, Michael Fountain Fowler Frenzel Natcher Neal Gaydos Nedzi Gilman Nichols Nix Nowak Glickman Goodling O'Brien Obey Ottinger Gradison Grasslev Panetta Patterson Pattison Gudger Hagedorn Hall Perkins Hamilton Pettis Hammer-Pike schmidt Poage Hanley Hannaford Pressler Preyer Pursell Hansen Quayle Quie Harsha Hawkins Heckler Quillen Rahall Hefner Railsback Rangel Hollenbeck Regula Rhodes Horton Richmond Howard Hubbard Rinaldo Risenhoover Huckaby Ireland Roberts Robinson Jacobs Rodino Jenkins Rogers Jenrette Johnson, Calif. Johnson, Colo. Roncalio Rooney Rose Rosenthal Rousselot Roybal Runnels Ruppe Santini Sarasin Satterfield

Jones, N.C. Jones, Okla. Kasten Kastenmeier Ketchum Sawyer Kindness Scheuer Kostmayer Schroeder Schulze Krueger LaFalce Sebelius Seiberling Lagomarsino Sharp Shuster Leach Lederer Simon Lehman Skelton Smith, Iowa Smith, Nebr. Levitas Lloyd, Calif. Lloyd, Tenn. Long, Md. Snyder Solarz Spellman Spence St Germain Staggers McCloskey McCormack Stangeland Stanton McDonald Steed McFall Steers Steiger Stockman McHugh McKinney Stokes Madigan Stratton Studds Maguire Mahon Stump Markey Symms Taylor Marlenee Thompson Marriott Martin Thone Tonry Traxler

Treen

Trible

Udall

Uliman

Vanik

Vento Waggonner Walgren Walsh

Watkins

Waxman

Weaver

Whalen

Weiss

White Whitehurst Whitten Wiggins Wilson, Bob

Winn Wright Yatron Young, Fla. Wydler Wylie Young, Tex. Young, Mo. Zablocki Yates

NAVS-1

Volkmer

ANSWERED "PRESENT"-1

Duncan, Oreg.

NOT VOTING-111

Akaka Forsythe Murphy, N.Y. Myers, Ind. Ambro Andrews, N.C. Gammage Nolan Annunzio Gephardt Giaimo Oakar Ashbrook Oberstar Badillo Gibbons Goldwater Patten Beilenson Pepper Biaggi Gonzalez Pickle Boland Bolling Harkin Price Harrington Pritchard Bonior Hightower Reuss Brademas Roe Rostenkowski Hillis Brinkley Brown, Ohio Holland Holtzman Rudd Burke, Fla Hughes Russo Burton, Phillip Hyde Rvan Byron Cederberg Ichord Shipley Jeffords Sikes Clausen. Jones, Tenn. Jordan Skubitz Don H. Collins, Ill. Slack Kemp Cotter Koch Teague Crane Le Fante Thornton de la Garza Leggett Tsongas Dellums Long, La. Lundine Tucker Van Deerlin Derrick Devine McClory Vander Jagt Dicks McDade Walker Diggs McEwen Wampler Whitley Wilson, C. H. Wilson, Tex. Wirth Mann Metcalfe Dodd Dornan Meyner Mikulski Edgar Florio Milford Wolff Mollohan Flowers Young, Alaska Foley Moss Ford, Mich. Mottl Ford, Tenn. Murphy, Ill.

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Dodd. Mr. Milford with Mr. Gonzalez. Ms. Mikulski with Mr. Ichord.

Mr. Ambro with Mr. Charles H. Wilson of California.

Mr. Boland with Mr. Ryan. Mr. Brademas with Ms. Oakar. Mr. Teague with Mr. Mottl.

Mr. Van Deerlin with Mr. Long of Louisiana

Mr. Zeferetti with Mr. Leggett. Mr. Rostenkowski with Mr. Brinkley. Mr. Wolff with Mr. de la Garza.

Mr. Russo with Mr. Hightower. Mr. Wirth with Mr. Ashbrook. Mr. Price with Mr. Frey.

Mr. Phillip Burton with Mr. Jeffords.

Mr. Byron with Mr. Crane. Mr. Dicks with Mr. Hillis. Mr. Cotter with Mr. Devine.

Mr. Murphy of New York with Mr. Goldwater

Mr. Nolan with Mr. Kemp.

Mr. Le Fante with Mr. Brown of Ohio.

Mr. Jones of Tennessee with Mr. McClory. Ms. Holtzman with Mr. Hvde.

Mr. Hughes with Mr. Dornan Mr. Harrington with Mr. McDade. Mr. Giaimo with Mr. Burke of Florida.

Mr. Fary with Mr. McEwen. Mr. Florio with Mr. Rudd.

Mr. Ford of Tennessee with Mr. Skubitz. Mr. Badillo with Mr. Cederberg. Mr. Biaggi with Mr. John T. Myers.

Mrs. Collins of Illinois with Mr. Walker. Mr. Mann with Mr. Don H. Clausen. Mrs. Meyner with Mr. Pritchard.

Mr. Moss with Mr. Vander Jagt. Mr. Murphy of Illinois with Mr. Forsythe. Mr. Shipley with Mr. Young of Alaska.

Mr. Sikes with Mr. Wampler. Mr. Slack with Mr. Flowers. Mr. Roe with Mr. Tucker. Mr. Lundine with Mr. Akaka.

Mr. Bonior with Mr. Andrews of North Carolina

Mr. Metcalfe with Mr. Edgar. Mr. Dellums with Mr. Gephardt.

Mr. Diggs with Mr. Holland. Mr. Koch with Mr. Oberstar.

Mr. Patten with Mr. Pickle. Mr. Ford of Michigan with Ms. Jordan.

Mr. Foley with Mr. Reuss. Mr. Pepper with Mr. Charles Wilson of Texas.

Mr. Stark with Mr. Gibbons.

Mr. Harkin with Mr. Thornton. Mr. Tsongas with Mr. Whitley.

Mr. Mollohan with Mr. Beilenson.

Mr. Derrick with Mr. Gammage.

Mr. FOUNTAIN and Mr. PREYER changed their vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced

as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker. I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentle-

man from Oregon

There was no objection.

APPOINTMENT OF THE CHAIRMAN AND VICE CHAIRMAN OF THE FED-ERAL RESERVE BOARD

(Mr. MITCHELL of Maryland asked and was given permission to address the House for 1 minute, to revise and extend remarks and include extraneous matter.)

Mr. MITCHELL of Maryland. Mr. Speaker, today I am introducing a bill to provide for appointment by the President of the Chairman and Vice Chairman of the Federal Reserve Board at regular 4-year intervals. Appointments shall be made with the advice and consent of the Senate from among those serving as Governors of the Federal Reserve Board. beginning on February 1, 1982, and at 4year intervals thereafter. Vacancies which occur for reasons other than by expiration of term shall be filled for only unexpired portions of the term.

IMPORTANCE OF THE FEDERAL RESERVE AND THE CHAIRMAN OF THE BOARD OF GOVERNORS

The Federal Reserve manages our Nation's money and credit. Its decisions are crucial to our economy's overall performance. Nearly all economists now agree that though money is not all that mat-ters, it matters very much in determining our economy's employment, production, price, and interest rate trends. Inflation is exacerbated and interest rates pushed up when the Fed allows money supply to grow faster than our economy's potential to increase production. Production recedes and unemployment rises when the Fed slows money growth suddenly and sharply

The Board of Governors of the Federal Reserve supervises the System's activities. The Board reviews the determination of rates of discount, sets reserve requirements for member banks, oversees operations of the Nation's payments mechanism, and so on. Most importantly, the seven members of the Board of Governors serve as permanent members of the Fed's 12-man Open Market Committee: and the Chairman of the Federal Reserve Board is also chairman of the Open Market Committee. In turn, the Open Market Committee sets year-toyear targets for monetary growth and guides the day-to-day actions that control the growth of the monetary aggregates.

Thus, in every respect, the Chairman of the Federal Reserve Board is in charge of the Nation's monetary policy. His decisions and actions thereby strategically affect our employment opportunities and the prices we pay for the goods and services we buy. Few, if any, would deny the importance of the Federal Reserve or the Chairman of its Board of Governors. Few also would deny the importance of providing for both continuity of monetary policy and congruity with the fiscal and other economic policies of the President and the Congress. The former requires shielding monetary policy from sudden ephemeral political influences. The latter requires allowing new Presidents to appoint those in charge of monetary policy after they have had time to decide and put into effect their fiscal and other economic policies. My bill aims at achieving precisely this dual purpose.

HOW MY BILL AMENDS CURRENT PROCEDURE

My bill will not change the terms of office of the seven Governors of the Federal Reserve Board. They will continue to be appointed by the President to 14year terms, staggered so that one Governor is appointed on January 31 every even-numbered year. Also, of the persons thus appointed, the President, under my bill, will continue to designate, as he now does, one to serve as Chairman and another to serve as Vice Chairman, both

for 4-year terms.

My bill amends current procedure in two ways. First, it requires Senate confirmation of the President's Chairman and Vice Chairman designates. Second, it provides that the terms of the Chairman and Vice Chairman shall always begin on a date certain-1 year and 12 days after inauguration of the President, and that vacancies which occur for reasons other than by expiration of term shall be filled only for unexpired parts of the term. In contrast, under existing law both the Chairman and Vice Chairman are appointed to serve 4-year terms beginning when they are appointed, regardless of whether their predecessor has served a full 4-year term. The phasing of their terms in relationship to that of the President thus is now partly a matter of chance.

In consequence, in the past, Chair--and Vice Chairmen-have been appointed to serve 4-year terms at various times in the Presidential cycle. President Roosevelt appointed Eugene R. Black to serve as Chairman in May 1933 only 2 months after his first inaugural in March 1933. Marriner S. Eccles and Thomas B. McCabe were appointed in Presidential election years; Eccles in 1936, 1940, and 1944, and McCabe in 1948 McCabe resigned in March 1951, and Wil-

liam McC. Martin was appointed to his first 4-year term in 1951 and reappointed in 1955, 1959, 1963, and 1967; that is, always 2 years after inauguration of the President. Martin's term as Governor expired on January 31, 1970. His place both as Governor and Chairman was taken by Arthur Burns, whose first term as Chairman began on February 1, 1970. Dr. Burns was redesignated Chairman in 1974 and is eligible to be designated again in 1978 and 1982. His terms are phased to begin 1 year after inauguration of the President.

My bill will make permanent the current phasing of the Chairman's term to begin 1 year after the President is inaugurated, and apply the same phasing to the term of the Vice Chairman. It will, therefore, not affect Dr. Burns in any way whatsoever. He can be reappointed for a 4-year term in 1978. He also can be reappointed again in 1982; but if he is, he would serve only 2 additional years because his term as Governor expires in 1984. If Dr. Burns is appointed to serve as Chairman in 1982, then, under my bill in 1984 his successor would be appointed to fill the unexpired part of the 4-year Chairman's term and be eligible for appointment to his own 4-year term beginning February 1, 1986.

Under current law, if Dr. Burns retires as Chairman on January 1, 1984, a new Chairman could be appointed for a full 4-year term the next day or whenever the President chooses to fill the position. In considering this possibility, it is well to keep in mind that 1984 is a Presidential election year. There is a chance, then, under present law, that as early as 1984, appointment of the Fed Chairman could become an election issue. To assure that administration of the Fed is kept out of politics, we must eliminate this chance that a new Chairman will be appointed for a full 4-year term in 1984, a Presidential election year, and be up for reappointment in 1988 and 1992, also Presidential election years.

My bill eliminates the element of chance that now exists in determining when the terms of Federal Reserve Board Chairmen and Vice Chairmen begin. Under my bill, full terms always will begin one year after the President in inaugurated. They cannot begin, as now, in election years nor could they begin a few days after the President is inaugurated.

as they now also can.

SECTION-BY SECTION ANALYSIS

The proposed bill on the terms of the Chairman and Vice Chairman of the Board is titled "The Federal Reserve Act Amendments of 1977." Section 2 of this bill would require Presidents to designate the Chairman and Vice Chairman of the Board in a straightforward manner which eliminates chance playing a role as it now does in the phasing of their terms in relation to that of the President. Specifically, this section would provide for the designation of the Chairman and Vice Chairman beginning on February 1, 1982, and at every 4-year interval following that date. The President's designates for these two positions would be subject to Senate confirmation. Section 3 deals with appointments to fill unexpired terms of the Chairman and Vice Chairman.

The approach taken by this proposal is based on several reasons:

First. Under the provisions of the 1913 Federal Reserve Act, as amended, one vacancy among the Board of Governors occurs on January 31 in every even-numbered year. Under my bill, the 1982 vacancy and vacancies every 4th year thereafter, will permit the President to designate a new Chairman to a full term who is the most qualified individual in the country. He will not be limited to persons already serving as members of the Board. The new person can be appointed Governor January 31 and designated Chairman the next day. In contrast, under the law as it stands, the Chairman might have to be chosen from among already sitting Governors. This happened in 1955, 1959, 1963, and 1967. William McC. Martin's terms as Chairman expired in those years, and as they are odd-numbered years, no vacancy occured on the Board of Governors.

Thus, the President was required to choose the Board's Chairman from among a predetermined pool of just seven persons. Clearly, this constraint is unnecessary, unwarranted, and unduly

confining

Second. Under my bill, incoming Presidents will designate a Chairman and Vice Chairman 1 year after assuming office. This provides for the closest possible phasing of the terms of the Fed Chairman and Vice Chairman in relation to the President's term without amending provisions of the act with respect to the expiration of the Governors' terms of office. At the same time, this measure allows the President the widest possible choice in selecting the Chairman or Vice Chairman.

Third. The 1-year delay in designating the Chairman and Vice Chairman provides for reasonable continuity in monetary policy in periods when the Presidency changes party without, however, unduly restricting the President in conducting economic policy. By the time a new administration has formulated and put into place its fiscal and other economic policies, the President will be able to designate his choice as Chairman of the Federal Reserve Board, thereby assuring congruity-though not subordination-of monetary policy with his economic programs.

Fourth. Current law states that whenever a vacancy occurs among the seven members of the Board that a successor shall be chosen to fill the unexpired portion of his predecessor's term. This provision, though, does not specify the unexpired terms of the Chairman and Vice Chairman. Section 3 of the proposed bill makes it clear that should the chairmanship or vice chairmanship be vacated before expiration of the term that only the unexpired portions of the term would be filled by appointed successors. This eliminates chance in determining the phasing of the terms of our President and our top monetary policy officials, and clearly chance should play no role in the determination of this relationship.

Fifth: Although Senate confirmation is required for membership on the Board of Governors, the Federal Reserve Act does not require such confirmation for the President's designates as Chairman and Vice Chairman. The nature of these positions, however, warrants Senate confirmation as contained in section 2 of my bill.

MARY B. BURCH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. Rodino) is recognized for 15 minutes.

Mr. RODINO. Mr. Speaker, in every city and town there are a few people who leave an indelible mark of progress and compassion for others to follow. Such a person is my close friend, Mary B. Burch of Newark.

For nearly 30 years, Mary Burch has contributed her energy, her talent, her imagination, and her unshakeable faith in humanity to the young people of the Newark area.

In 1949, she and a handful of young people founded The Leaguers, an organization dedicated to stimulating an interest in education and cultural affairs. At first the group met in the home of Mary and her husband, Dr. Reynold E. Burch. When its membership outgrew that, the organization met in churches, schools, and businesses. Then, in 1959, Dr. Burch contributed \$500 for a scholarship fund and, later, the building that served as The Leaguers, Inc., Educational and Cultural Center.

After years of hard work and sacrifice, the organization and Mrs. Burch, supported by many civic and educational leaders, constructed the brick building that serves as the headquarters today.

Mr. Speaker, Mary Burch is a remarkable person with the rare ability to mold reality from a dream. With the help of people like her husband, the late Rev. John McNulty of Seton Hall University and others. Mrs. Burch raised funds for her organization and its scholarship program. Now, thousands of children are better men and women, serving their communities well, because of the help, the encouragement, and the wisdom given them by Mary Burch.

The contributions of this fine woman extend across the State of New Jersey. She was a founder of the United Women's League of New Jersey, a trustee of the Newark State College and Essex County College, where currently she is the board's vice chairman, a supporter and official of a host of civil, charitable, cultural, and human rights organizations.

tions.

I think that Mary Burch is best described by her own words, spoken during recent ceremonies at Essex County College in which the school's first annual Black History Week Festival was dedicated to her. She said:

All meaningful relationships must be tempered with giving, receiving and sharing. They must be dignified by responsibilities and mutual respect, thereby producing a maturity which will not only withstand the storms of life, but its rewards as well

Mr. Speaker, I should like to include at this point a few of the tributes to Mary Burch made during the dedication ceremonies that were led by J. Harry Smith, president of Essex County College.

Donald Payne, director, Essex County Board of Freeholders:

I would like to express my deep gratitude and strong, close feelings to Mrs. Burch because I am a product of The Leaguers. Mrs. Burch was certainly before her time and therefore has become a legend in her own time.

Peter Adubato, Essex County College Board of Trustees:

The force of her work in education has been a major factor in the development of our nation's character, because her Leaguers are in every walk of life in this country, from government circles in Washington to kindergarten circles on Clinton Avenue.

Harry Wheeler, representing Newark Mayor Kenneth Gibson:

Mary, the City of Newark, through its Chief Executive, salutes you on this magnificent occasion and says, may you continue, and may the continuance that you represent be part of the overall growth of black people in this country.

William S. Hart, mayor of East Orange:

Elbert Hubbard once said, "If I could make you think a thought, you may remember and you may not; but if I can make you think a thought for yourself, I have indeed added to your stature." Mrs. Burch has done that all these years—made people think for themselves.

Donald Tonic, president of the Essex County College Student Government Association:

Mrs. Burch has lived for something. She has done good and will leave behind her a monument of virtue that the storm of time will never distort. She has written her name in kindness, love and mercy on the hearts of thousands with whom she has come in contact year after year, and her name will never be forgotten.

Dr. Robert Spellman, vice president for academic affairs:

Her life is like a beautiful full orchard tree whose fruits grow with each sunrise and evening, a tree who stands above other trees with distinction, dignity and productivity.

Edison O. Jackson, vice president for student affairs:

The theme we have chosen for our celebration for Black History Week is "In Honor of Greatness." This theme was chosen particularly because it said best what we wanted to express about our honoree, Mary Burch.

Mr. Speaker, these are moving and fitting tributes to a truly great woman. But I am sure that all those who love and admire Mary Burch would agree that her greatest and most lasting monument is the thousands of people, black and white, old and young, whose lives have a new and richer meaning because of her. She has reached out and touched us all, and made us better than we were. I am proud to call her my friend.

LEGISLATION TO AVOID IMPROPER APPLICATION OF FAIR LABOR STANDARDS ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Aspin) is recognized for 5 minutes.

Mr. ASPIN. Mr. Speaker, I have been appalled to learn that the Civil Service Commission is attempting to thwart efforts by the Department of Defense to reduce the operating costs of the DOD commissaries. DOD has a mandate from the Congress to reduce operating subsidies. And yet, an order recently issued by the Civil Service Commission would add as many as 10,000 new employees to the payroll of the commissaries. Even worse, DOD would be required to assume a liability for payment of wages to these individuals dating back to May 1, 1974.

Many military personnel, retirees, and their dependents do their food shopping at commissaries operated by the military departments. At most of these stores there are persons who help the patrons bag and carry out their purchases and are paid tips by the patrons they help. The tips are their sole compensation. These men and women are sometimes offduty, low-ranking military personnel. Some of them are high school students. They are independent entrepreneurs offering their services according to their own convenience. They are not supervised by the commissaries and have never been considered commissary employees.

Last November the Civil Service Commission ruled that these baggers should be regarded as Federal employees for purposes of the Fair Labor Standards Act. Under this interpretation, the Department of Defense would owe these baggers back wages from the time the Federal Government became subject to the FLSA in May 1974. These costs, through the end of February 1977, are estimated at between \$35 and \$53 million. Payment of the back wages would be an undeserved windfall to baggers who have already received tips as full payment for their services. In addition, if the commissaries are to furnish this service it would be necessary to increase the current manpower at estimated annual costs of from \$12 million to \$18 million. To accomplish this would require all commissary patrons to absorb higher prices to pay for a service desired by only some of the patrons. As an alternative the increased costs could be borne by the taxpayers through an increase in the subsidies to the commissaries.

As for the retroactive order, I am advised that the Department of Defense will probably require new legislation to authorize the hirings and back wage pay-

Obviously, the Department of Defense cannot obey the Civil Service Commission order if it is to be responsive to the desires of the Congress. Upon reporting the fiscal year 1977 DOD authorization bill, H.R. 12438, the conferees directed "the Department of Defense to institute management improvements and operational efficiencies for the purpose of reducing the present operating subsidies of the commissaries." The chairman of the Armed Services Committee, the Honorable Melvin Price, called attention to this requirement in a letter he sent to the Secretary of Defense last November. He suggested that the Secretary appeal the CSC decision and ask the Commission for a stay pending detailed review of its ramifications by the DOD and the House Armed Services Committee. I understand that consistent with those instructions the DOD has asked the Attorney General to consider the question and the CSC has agreed to suspend its action pending his decision.

This is an appropriate time for the Congress to clarify apparent misunder-standings regarding its intentions in the application of the Fair Labor Standards Act to Federal Government employees.

The Fair Labor Standards Act sets minimum wage standards, overtime payment requirements, and prohibits oppressive child labor. Before 1974, the U.S. Government was expressly excluded from the act's definition of "employer" contained in 3(d), 29 U.S.C. 203(d). When the act was amended in 1974 by Public Law 93-259, public agencies were included in the definition of employer. The problem we have is the definition of employee. It seems logical that a Federal employee is one who meets the traditional standards of Federal employment set out in title 5, United States Code, section 2105. Certain characteristics are inherent in the position of employee of the United States and are described by this statute as including appointment in the Civil Service by a designated official and performance of a Federal function under the supervision of another Federal employee. This was the intended definition when the FLSA was broadened in 1974 to cover specified categories of Federal

It would be most incongruous to consider a person a Federal employee for purposes of the Fair Labor Standards Act when he or she does not meet the basic standards for employment and is an em-

ployee for no other purposes.

This bill will avoid the improper application of the Fair Labor Standards Act to individuals, including commissary baggers, that the Congress never intended to be included. At the same time, it will make the language of the FLSA compatible with a recent decision of the Supreme Court of the United States. Last June, in the case of National League of Cities et al. against Usery, the Supreme Court determined that the U.S. Constitution did not give authority to the Congress to apply the FLSA to employees of State and local governments. Accordingly, these employees are omitted from coverage under my proposed amendment of section 3(e) of the Fair Labor Standards Act, 29 U.S.C. 203(e).

The suggestion that part time baggers trying to pick up a little extra spending money be covered by all the paraphernalia associated with a career force is a

little ridiculous.

There is nothing I can find in the legislative history to indicate that anyone in the Congress had anything like this in mind when we amended the Fair Labor Standards Act.

If the CSC ruling goes through, next week some bureaucrat will want to have skill tests for prospective baggers. Then we will have baggers class 1 and baggers class 2—not to mention master baggers.

Employees deserve protection. But society also ought to make available some uncomplicated ways for citizens to pick up a little extra pocket money by working for tips without being weighted down by the forces of bureaucracy.

I have long been a critic of the almost \$400-million-a-year Federal subsidy to the commissary store system. I am not against commissaries. I am against commissary subsidies, I am also in favor of efficient commissaries. And an involved system of salaries for bag boys does not make for improved efficiency.

MODIFICATION OF THE ELEC-TRONIC VOTING SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. Thompson)

is recognized for 10 minutes.

Mr. THOMPSON. Mr. Speaker, as you know, the electronic voting system, which is used here in the Chamber to record Members' votes, has been modified many times in the past to comply with the requirements of the House. Today, the Committee on House Administration has placed in operation a modification to the system which will allow the broadcasting of in-progress voting information over the closed circuit television network being tested in the Chamber.

During a vote, the offices connected to the television network will be able to follow the progress of the vote by observing the summary display information on the screen consisting of vote totals by party affiliation. The voting information will be updated every 20 seconds during each

vote cycle.

The Committee on House Administration is pleased that it can continue to respond to requests for new features of the electronic voting system that will assist the leadership and the Members accomplish their responsibilities in a more efficient manner.

A STEP TOWARD UNIFYING THE WESTERN HEMISPHERE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Vanik) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, today I have introduced a bill cosponsored by a number of our colleagues in the House to permit the President, based on findings of national economic interest, to waive the restriction on extending benefits of the generalized system of preferences because of membership in the Organization of Petroleum Exporting Countries—OPEC—to any country in the Western

Hemisphere.

I have carefully reviewed developments in the past several years regarding the so-called OPEC exclusion in title V of the Trade Act of 1974 which provides for the generalized system of preferences. That provision was enacted during the Arab embargo at the height of reaction in this country to the careless and still damaging action of many of the members of OPEC to deny United States oil and which resulted in a quadrupling of the international price of petroleum.

My review of the matter has led me to believe that our action with respect to Venezuela and Ecuador should be reversed. My conclusion is based on several factors: Venezeula and Ecuador did not place an embargo on oil shipments, but indeed continued to provide United States needed supplies of oil during the embargo. Although both countries benefited by the great increase in oil prices, I am informed that they have made judicious use of their increased oil revenues, devoting a part of such revenues to the development of their own countries and providing financial assistance through the Inter-American Development Bank and other financial institutions to their Latin American neighbors who have been hard pressed by the increase in the price of oil.

Moreover, I think we must pay special recognition to the exemplary record on human rights that the Government of Venezuela in particular has demonstrated. In fact, that country has joined the United States in its concern for human rights in the Western Hemisphere. I believe that it is appropriate that the United States recognize the encouraging developments in the human rights area by removing a discrimination in our own law which in effect discriminates against two of our neighbors in the Western

Hemisphere.

I believe there is a need to work toward a trade policy for Latin America aimed at unifying the Western Hemisphere and meeting the demand to extend intercontinental trade, and to encourage economic cooperation throughout the Western Hemisphere. It is my hope that congressional action on the bill to amend the OPEC exclusion within the Western Hemisphere will rekindle that spirit of American solidarity much as it was ignited by the Alliance for Progress program of President Kennedy in the early sixties.

ABINGTON HIGH SCHOOL MARCH-ING BAND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. Burke) is recognized for 5 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, I would like to share with my colleagues the recent triumph of the Abington High School Marching Band.

Representing the Commonwealth of Massachusetts, the band under the competent musical supervision of Band Director Paul Smith, competed against bands from throughout the Nation in capturing first place for its performance in the Cherry Blossom Parade, Saturday, April 2, 1977.

Having had the pleasure of meeting with Mr. Smith and this outstanding group of dedicated young men and women, I would further like to pay tribute to the Abington High School Marching Band by inserting the following Brockton Daily Enterprise article into the Congressional Record:

[From the Brockton Daily Enterprise, Apr. 4, 1977]

CHERRY BLOSSOM TIME MUSIC TO THEIR EARS
(By Joe Purcell)

ABINGTON.—Chanting "We're Number One" some 150 boys and girls, members of the Abington High School Marching Band, ar-

rived back home here at midnight after winning top, national honors in Washington, D.C.

The unit, made up of 105 musicians, a 35-girl drill team, seven majorettes, a drum major and two banner-carrying girls swept its division in Saturday's Cherry Blossom Parade competition.

An elated Band Director, Paul Smith, who is also director of music for the Abington schools said it all when he observed: "I think the kids are super."

The youngsters, punched out by the long bus trip to and from the nation's capital and the pressures of competition, still managed a throaty "We're Number One," when their buses pulled up at the high school around midnight.

Parents and friends met them and drove them to their homes. There, the youngsters dropped into their beds, exhausted from the exhiliration of their big national win.

School officials took cognizance of the victory and its prestige and quickly ordered "no school" today for the happy but weary band unit.

Although there were 33 bands in the competition, Smith said, Abington competed against approximately 25 from as far away as California. Most of the bands in the competition were in the division category in which the Abington students competed. There was only one other division involved: Bands with more than 110 musiclans.

The Abington band menaced its competition with its precision, although the members know how to turn on the razzle-dazzle. Over the 1.2 mile course along Constitution Avenue the bands were judged in three separate categories of performance: Music, marching and general effect.

"Musicianship," Smith said, "is most important, but we're also fussy about snapping up instruments and the verticals and diagonals of the march."

It was at this point that the director got carried away and blurted out: "The kids are super."

Some 75 Abingtons journeyed to the Capital to see the youngsters perform and Smith indicated that it was probably the largest representative group from any state.

He said the band played "The Masterpiece" the Winter Olympics theme and "I Love Paris." Listeners said it was an oompahing joy to hear eight trombones, four French horns, two baritone horns, approximately 24 trumpets, eight souezaphones, 12 flutes, 11 multiple percussion instruments, bongoes, timbales, baritone tim-toms, a snare drum line, and some 22 clarinets.

The Abington unit took up 90 yards of music-marching space on the asphalt from the front line to the last.

Members of the Washington Downtown Jaycees chose the Abington Band to represent Massachusetts because of the awards the unit has picked up from time to time.

On the buses carrying them back home, Smith said, the youngsters kept screaming "We're Number One— We're Number One."

The same chant, muffled and sleepy, issued from 150 bedrooms where the kids, today, were sleeping off their victory.

TO INCREASE ACCESS TO PRIMARY CARE SERVICES FOR MEDICARE BENEFICIARIES IN MEDICALLY UNDERSERVED AREAS

(Mr. CARTER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CARTER. Mr. Speaker, I am introducing legislation to increase access to primary care services for medicare beneficiaries in medically underserved areas.

Briefly, this bill would permit prospective budget-based reimbursement under medicare to rural health clinics for the costs which are reasonably related to providing clinic services, including the services of physician extenders provided under the general supervision of a physician.

The term physician extender applies to health professionals who have been trained in diagnosis and treatment of primary and emergency health care needs.

Due to the shortages of physicians in certain areas, many communities have come to rely on small clinics staffed by these extenders in order to meet the primary health-care needs of their area. Presently, however, medicare places such tight restrictions on reimbursement of extenders' services that many people otherwise eligible for assistance under that program are denied access to medical care.

Under my bill, the costs of providing these services would be eligible for reimbursement so long as the clinic meets certain requirements outlined in the legislation.

Also, I want to point out that the scope of such reimbursable services would be expanded by this bill to include preventive health services.

Finally, because there are urban areas with medically underserved populations as well, my bill also includes a demonstration authority for urban clinics which otherwise meet the requirements for rural health clinics outlined in the bill

"Prospective budget-based reimbursement" is incorporated as the method of payment, because it provides a cost-conscious means of negotiating and paying for medicare services. Under this system, each clinic would be required to submit an estimate of its annual budget to the Social Security Administration. Payment then would be made to the clinic at the beginning of each quarter for the reasonable costs related to providing medicare services.

These, Mr. Speaker, are the major features and innovations of this bill, and I will detail them further. However, for those less familiar with the problems of access to health care which affect more than 45 million Americans, I would first like to discuss the background of this issue and the reasons why I am recommending the solutions which this bill offers.

I see the need for this legislation from three perspectives: as Representative of a rural district in southeastern Kentucky; as a member of the Health Subcommittee of the Interstate and Foreign Commerce Committee; and, as a physician who has practiced in a rural area.

As Congressman from Kentucky's Fifth District, I am acutely aware of the special health problems with which rural residents must contend, particularly the problem of access to medical care.

Many rural towns and communities simply do not have a physician. Often the nearest hospital is too far away to be of assistance for basic health care problems, and instead, is relied upon only for emergencies, when many neglected health problems have become critical. Even then, rural Americans find that transportation problems and rugged terrain can impose substantial barriers to obtaining sorely needed medical attention.

In other cases, where a physician is available in a community, the doctor usually is overworked and in need of additional professional assistance. I know from my own experience that it is not unusual for a rural physician to see as many as 100 patients a day. The demanding nature of rural practice, I might add, is not much of an incentive to attracting more doctors to such medically underserved areas.

In addition to these special charactertistics of rural areas which limit access to medical care, two of our major public financing programs, medicare and medicaid, actually discriminate against rural residents. Current medicare provisions make it difficult for rural clinics in at least two ways.

First, as the system presently operates, a clinic generally collects fees as billed by the physician. Those fees are set on a reasonable charge basis. However, this charge covers only the physician's service—and does so inadequately—and does not reflect the true cost of running the clinic. Thus, what medicare payment is received is generally inadequate.

Second, clinics have been unable to obtain medicare reimbursement for services provided by physician extenders, because a physician was not onsite at the time the extender performed the services. In fact, current law allows coverage for physician extender services only when they are provided under the direct supervision of a physician and only when they are of the kind traditionally performed as incident to a physician's service. The effect of this policy is to exclude from reimbursement the satellite clinics which are increasingly prevalent in rural areas and which are attempting to fill some of the gaps in our health care delivery system.

To correct these problems presented by medicare, my bill amends the law to allow medicare reimbursement on the basis of costs which are reasonably related to providing the clinic's services, thus allowing payment to cover more adequately the actual cost of providing care in a rural clinic setting. In place of the current policy of reimbursing only onsite directly supervised services of physician extenders my bill permits an arrangement which is more realistic for rural areas, and which allows periodic review of the extender's services as determined necessary by the physician.

Another feature of the present reimbursement system under medicare and medicaid which works against the interests of the very people these programs were designed to help is the practice of reimbursing rural physicians at a lower rate than doctors in urban areas for performing the same procedures. Nationally, rural doctors receive only 60 per cent of what urban physicians get for identical services under medicare and medicaid. This inequity concerns me greatly, and I am hopeful that the prospective budget-based reimbursement system I am proposing will help to equalize this differential for at least the

clinic-based services which doctors provide. Until remedied, this discrepancy in reimbursement will continue to exacerbate the already difficult task of attracting and retaining doctors in rural areas.

The second perspective from which I have developed this legislation is my experience on the Health Subcommittee. As a member of that panel for more than 12 years, I have been closely involved with legislation to improve the health care of all our citizens. It has been my pleasure during these years to work with Chairman Paul Rogers, whose commitment to improving health care for Americans is unsurpassed.

Yet, I would suspect that Chairman Rogers would be among the first to join in acknowledging that while we have accomplished a great deal, we have not

done all that is necessary.

One major piece of legislation developed by our subcommittee and enacted last year is the so-called health manpower law. It was designed to address a number of health manpower problems, and in particular, the need to improve the distribution of health professionals in medically underserved areas. Various approaches and funding provisions are included in the law to accomplish that objective.

For example, the legislation provides for substantially increased authorizations for the National Health Service Corps scholarship program. Under this program, health professions students agree to practice in medically underserved areas in exchange for Federal scholarships for their education. Although the potential of this program, if well-funded, is indeed great, its effect will not be fully felt for several years because of the timelag involved in actually training these students.

In addition to trying to solve distribution problems, our subcommittee has given a great deal of consideration to the training of health professionals. In fact, we are responsible for initiating programs to provide Federal support for the training and utilization of physician ex-

Since 1967, the Federal Government has spent more than \$70 million to educate and promote the use of physician assistants and nurse practitioners. Yet despite this substantial investment in the development of a new breed of health professional, we do not have any consistent policy with respect to reimbursement of their services. For example, a physician extender providing home care services under the auspices of a home health agency may be covered by medicare, but an extender providing primary care services in a clinic is not.

In my view, out of fairness to the physician extenders who are being trained for what is essentially an uncertain market, and out of fairness to the taxpayers whose dollars contribute to these training programs, we need to resolve this issue. I submit further that it is time to shift our focus from "input" to "output," or the actual delivery, of health services. We need to design legislation which assures that these professionals will be effectively integrated into the health delivery system in a way

which best serves the health care needs of our people. I am hopeful that the bill I am offering will accomplish these goals by providing an equitable, yet cost-conscious way of reimbursing physician extender services.

Besides being a Representative of a rural area and a member of the Health Subcommittee, I view the need for this legislation from the perspective of a doctor who practiced many years in a rural setting. I have seen firsthand the tremendous service which rural clinics can provide. For example, in Leslie County in my district, we are fortunate to have the world-renowned Frontier

Nursing Service.

Since 1925, when FNS was founded by Mary Breckinridge, the nurse-midwives have been providing needed care to residents in a surrounding area of about 700 miles including some of the most rugged terrain in Kentucky. It is no wonder that these nurses became known as the "horseback angels." Now, FNS has become a voluntary primary health care agency with several outpost clinics as well as a 40-bed hospital and a graduate program in family nursing and mid-

There are many other clinics in my district which I know are providing valuable service to the community through the use of physician extenders. The problem remains, however, that these clinics lack an adequately stable source of reimbursement for the services provided. Two clinics that I know of may even be forced to shut down simply because of insufficient funding. This would certainly prove catastrophic to the people who depend upon these clinics for their medical care, and I sincerely hope we can prevent such a disruption in service from occurring.

In addition to my concern about assuring access to medical care and providing reimbursement for services rendered. as a doctor I am concerned as well about the quality of that care. I believe this legislation does provide proper safeguards and standards to assure quality

First, under my bill the responsibility for care rests ultimately with the physician. It is the physician who determines the nature and extent of supervision required. It is the physician who prepares the medical orders for care and treatment of clinic patients, which outline the nature and limits of the physician extender's services. It is the physician who must agree to be available for consultation, guidance, referral, and emergencies. Clearly, without the responsible involvement of the physician, reimbursement under this legislation cannot be provided.

A second set of safeguards is found in the definition of physician extender. In addition to the requirement that the extender perform under the general supervision of a physician, the extender must be qualified either as a physician assistant by the National Commission on Certification of Physician Assistants, or as an adult-family nurse practitioner. as accredited by the American Nursing Association.

The examination for these certifications differ only slightly, with the nursing exam stressing the counseling role a bit more, but the stringent prerequisites to taking these tests are in themselves assurances of qualified personnel.

To qualify for the physician assistant examination, an applicant must have graduated from a program accredited by the Council on Medical Education of the American Medical Association or from a pediatric or family nurse practitioner program of at least 4 months duration at a nationally accredited school of medicine or nursing and which is funded by the Division of Health Manpower of the U.S. Public Health Service. Alternatively, an applicant for the physician assistant exam may produce documentation of having spent 4 years in full-time provision of primary care as a physician assistant or nurse practitioner in the United States or in the uniformed services.

For the adult-family nurse practitioner examination, an applicant must have graduated from a program of study approved by the American Nursing Association and have at least 2 years of practice as a nurse practitioner, 1 year of which may have been a preceptorship.

These two certification programs, therefore, provide sufficient screening to insure the safety of the patient. In addition to the training-certification requirement, the bill provides that extenders may perform only those services which they are legally authorized to perform in the State involved. There is no attempt through this bill to supersede State laws or regulations. The ultimate authority to determine the extender's role remains with the State and with the physician who has supervisory responsibility.

Yet, this is not to say that extenders are unable to perform quality services without immediate physician supervision. On the contrary, the intent of this legislation is to allow physician extenders to deliver primary care and emergency services without the requirement that a physician be onsite in order to receive reimbursement. The degree of independence given to the extenders will, of course, depend on the relationship between the physician and the extender. Together they should be able to work out an arrangement which best meets the health needs of the community and still assures that quality care is provided.

A third safeguard of quality care is found in the clinic-based approach provided in this bill. In order to help assure the quality of services for which medi-care payment is made, the participating rural clinics themselves must meet certain criteria. For example, a clinic must maintain clinical records on all patients and must have written policies that govern the operation of the clinic. Because these clinics serve as an entry point to the medical care system, each must have access to diagnostic services as well as arrangements for referral or admission of patients requiring inpatient services or specialized services not available at the clinic. Additional requirements are outlined in the bill, which are also designed to assure provision of quality care.

Mr. Speaker, other bills have been introduced in this Congress which recognize the need to improve access to health care in medically underserved areas and which would permit reimbursement for the services of physician extenders. I want to commend our able colleague, Dan Rostenkowski, who has taken the lead as chairman of the Health Subcommittee of the Ways and Means Committee in holding hearings on this issue of reimbursing rural health clinics for the costs of physician extenders' services. On the Senate side, Senator Dick Clark has also introduced a rural clinic bill for which he has generated a good deal of support.

I have modeled my bill after the "clinic approach," because I believe that it provides the best possible way to address concerns about quality of care. While other Members of the House and Senate may have supported different proposals, these bills all share a common objective: To improve access to medical care for rural Americans. This is a goal, which I, too, am pleased to support.

However, there are four features of my bill which distinguish it from the other legislation proposed thus far, and I would like to review these provisions briefly:

First, my bill would permit prospective budget-based reimbursement to rural health clinics for the costs which are reasonably related to provision of covered services.

Under this arrangement, clinics would submit annual budgets for review by the Secretary of HEW/Social Security Administration. Guidelines for reasonableness, which is the criterion for budget acceptability, would be defined by the SSA on the basis of experience. Capital expenditure, the primary cause of inflation in cost budgets, would be closely monitored. Overhead costs also would be subject to limitations. Clinics would be required to submit estimates of the amount of medicare services expected to be provided during the coming year. These estimates would be evaluated for productivity, using minimum productivity standards based upon the maturity and location of the clinics.

Once the budget is accepted, SSA would determine an annual payment to the clinic to be provided in quarterly installments. Adjustments would be made at the end of the year through appropriate audit procedures as determined necessary by the SSA.

Although such a mechanism appears to require a level of budget and cost reports not common to rural areas, it is actually less complicated than the current billing system. Once it is in place, it also would be a simpler, more efficient, and timely way to pay small clinics whose operation depends upon a regular flow of funds.

The second major innovation in my bill is that it would include physician-directed clinics as long as they meet the requirements in the bill. Two approaches would be permitted for reimbursing the cost of physician extenders' services. In cases where the physician employs the extender, payment would be made through the physician. In all other cases, it would be made to the clinic, which would in turn reimburse the extenders on the basis of their salaries. In addition,

the physician would be reimbursed for his services, including his supervisory duties, which would be included as costs of the clinic's operation.

Third, my bill expands the scope of medicare services to include preventive services. As a physician, I have long been aware of the value of preventive medicine, and I have supported various legislative proposals to promote this approach over the years. Particularly, when we are trying to address the health care needs of our elderly population, we find that preventive care and certain counseling services are needed.

My bill would provide medicare reimbursement for physical exams and for diagnostic services to help detect disease so it can be treated in its early stages. Health education services designed to prevent nutritional or other medical problems of the elderly also would be included under the definition of preventive services. Home health visits, preventive dental care, immunizations, physical therapy, and rehabilitative services, as well as services for illness management also would be covered.

When such preventive services are included as part of primary care in a clinic setting, it has been found that costly hospitalization can be reduced and that illness can be more effectively managed.

In fact, recent studies have shown that primary care in a clinic setting has reduced hospitalization among the elderly by more than 50 percent in several Memphis clinics, by 70 percent in Kentucky's Frontier Nursing Service, and by 35 percent in neighborhood health centers.

The reduction in hospitalization costs brought about by these reduced utilization rates may well provide significant savings under part A for the medicare trust fund. Furthermore, a recent study conducted by the Mitre Corp. for the Appalachian Regional Commission suggests that reduced hospitalization is characteristic of all those served by primary health care clinics, not just the elderly.

The fourth distinguishing feature of my bill is demonstration authority for reimbursement of clinics in urban areas which otherwise meet the requirements of the legislation.

While we know that there are millions of Americans living in medically underserved rural areas, we must not forget that there are comparable underserved areas in our inner cities. According to 1970 statistics, approximately 11 percent of the urban population falls into the category of being medically underserved. Of the population, more than 11 million persons are over 65 years old.

In my view, it is only fair to include urban areas in this proposal, in cases where these provisions could be helpful in providing a regular source of primary care.

Because of the newness of this approach, the predominant need in rural areas, and the continuing concern about increasing Federal expenditures, I am proposing to limit the urban clinic program to a demonstration authority. Should this approach prove its value for urban medically underserved areas, we could consider expanding the scope of this coverage.

I am pleased to report that there is support for the objectives of this legislation in many quarters.

At recent hearings before the Ways and Means' Health Subcommittee and the Senate Agriculture Committee's Subcommittee on Rural Development, the Department of HEW strongly endorsed reimbursement on a reasonable cost basis for the services provided by physician extenders in rural clinics. Funds for such reimbursement already have been included in the administration's budget for fiscal year 1978.

The Appalachian Regional Commission, as well as the National Rural Center and Rural America, also endorse this general approach. The Association of Physician Assistant Programs, the American Academy of Physician Assistants, the American Nurses' Association, and the American Hospital Association. have announced their agreement with the clinic-based approach. The American Medical Association has stated its support for recognizing medicare reimbursement for services performed by extenders under physician supervision whether at or away from the doctor's office. I think that this broad range of agreement on the goals of the legislation involving physician extenders should indicate the need for Congress to act on this issue.

I might add that it is not only organized associations which support the objective of improving access to primary health care by reimbursing the services of physician extenders. I sent a questionnaire to various clinics, doctors, and other health professionals in my own district to determine the sentiment on this very issue. That poll prompted strongly supportive responses in favor of amending medicare to permit reimbursement for physician extenders' services when such services are performed under the general supervision of a physician.

Mr. Speaker, in conclusion, I believe that this legislation represents an important step toward assuring that all Americans have access to quality medical care and that such access is not dependent strictly on where a person lives.

I believe also that this bill will make it possible for millions of medicare beneficiaries to actually obtain the medical care to which this Congress has agreed they are entitled.

I believe, further, that this bill includes adequate safeguards to insure that the medicare patients themselves receive quality medical care while protecting the taxpayers' interests through a reimbursement mechanism which pays for only reasonable costs of providing that care.

I submit that this is an issue which merits careful consideration, and I am attaching a summary of this legislation along with the actual text of the bill so that my colleagues will have complete information on which to base their judgments:

SUMMARY OVERALL PURPOSE

This bill amends Medicare Law to permit prospective budget-based reimbursement to rural health clinics for the costs which are reasonably related to providing clinic services, including the services of physician extenders, provided under the general supervision of a physician.

The bill also expands the scope of covered services to include preventive health services.

A comparable demonstration authority for selected urban areas is also provided in the

1. Definition of rural health clinic

The term "Rural Health Clinic" means a facility which is not located in an urbanized area (as defined by the Bureau of Census) but is located in an area where the supply of medical services is not sufficient to meet the needs of individuals residing therein.

This definition would include areas designated by the Secretary of H.E.W. as having medically underserved populations Section 1302(7) of the Public Health Service Act, and also clinics that receive a majority of their patients from rural medically un-derserved areas.

Also, in order to receive payment under this bill each rural clinic must:

(A) Be primarily engaged in providing

rural health clinic services;

- (B) Have an arrangement (consistent with state and local law) with one or more physicians for periodic review, (as determined necessary by the supervising physician) all services furnished by physician extenders; for supervision and guidance; for preparation by such physicians of such medical orders for care and treatment of clinic patients as may be necessary; and for the availability of such physicians for referral of patients; and for advice and assistance in the management of medical emergencies;
- (C) Maintain clinical records on all pa-
- tients;
 (D) Have arrangements with one or more hospitals for referral or admission of patients;
- (E) Have written policies to govern management of clinic and all services it provides:
- (F) Have a physician or physician extender responsible for the execution of such policies relating to the provision of the clinic's services;

(G) Have access to diagnostic services from facilities meeting requirements under

this title:

- (H) Have appropriate procedures or arrangements, in compliance with applicable state and federal law for storing, administering, and dispensing drugs and biologi-
- (I) Be governed by a board, a majority of which is composed of residents who live in the area served by the clinic and who are not the physician extender or supervising physician of the clinic;
- (J) And meet such other requirements the Secretary may find necessary in the interest of the health and safety of the individuals furnished services by the clinic.

2. Definition of "physician extender"

The term "Physician Extender" means a physician assistant, medex, nurse practitioner, nurse clinician or other trained practitioner who performs such services as he is legally authorized to perform in the state under the supervision of a physician and who is certified as a physician assistant by the National Commission of Certification of Physician Assistants (or successor organization) or is certified as an adult-family nurse practitioner by the American Nursing Association (or successor organization).

3. Definition of preventive health services

The term preventive health services

(A) Physical exams, and diagnostic services made in connection with any such exam, conducted for the purpose of assessing an individual's physical condition withregard to whether such individual has manifested symptoms of illness;

(B) Home health visits:

(C) Health education and counseling designed to prevent nutritional or other medical problems of the elderly, including counseling for conditions of terminal illness;

- (D) Rehabilitative and physical therapy services:
- (E) Immunizations and services related thereto:
- (F) Services for illness management designed to minimize handicapped and discomforting conditions due to a chronic illness;

(G) Preventive dental care

4. Prospective reimbursement

Each clinic which meets the requirements of the bill would submit an annual budget for review by the Secretary of HEW (in effect,

the Social Security Administration).
Each clinic would also be required to submit an estimate of the amount of Medicare services provided by that clinic in the com-

The budget shall be formulated and submitted in accordance with regulations developed by the Secretary of HEW.

Payment may not be made to the clinic until the Secretary has approved its budget.

Once the budget is approved, the Secretary shall estimate the amount to be paid for services covered by this title, and shall pay quarterly installments of that amount to the clinic at the beginning of each quarter.

Payment shall be made to the physician, in the cases in which the extender is an employee of the physician, and in all other cases, payment shall be made to the clinic.

Appropriate audit and settlement shall be made at the end of each year.

5. Demonstration authority

Section 2 of the bill authorizes the Secretary of Hew to initiate and carry out demonstration projects in selected urban areas where the supply of medical services is not sufficient to meet the needs of individuals residing therein. Otherwise, urban clinics must meet the requirements prescribed for rural health clinics to receive reimbursement under this authority.

H.R. 6259

A bill to amend title XVIII of the Social Security Act to provide payment for rural health clinic services, and for other pur-

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1833 of the Social Security Act amended by adding at the end thereof the

following new subsection:

"(i) With respect to rural health clinic services, payment shall be made, on behalf of an individual and in the manner described in section 1845 (after such section becomes effective), on the basis of costs reasonably related to providing such services or on the basis of such other tests of reasonableness as the Secretary may find appropriate."

(b) Section 1861 of such Act is amended by adding at the end thereof the following

new subsection:

(aa) (1) The term 'rural health clinic means such services and supplies services' as would otherwise be covered (under subsection (s)(2)(A)) if furnished as an incident to a physician's professional service and such additional services provided by a physician extender as he is legally authorized to provide in the jurisdiction in which he performs such services, so long as such services and supplies are furnished by a rural health clinic to an individual as an outpatient with respect to whom such services are periodically reviewed by a physician (as defined in section 1861(r)(1)). Such term also includes preventive health services furnished by a physician or physician extender (if such extender is legally authorized to perform such services) to an individual as an outpatient of such a clinic.

(2) The term 'rural health clinic' means a facility which-

primarily engaged in providing rural health clinic services;

"(B) has an arrangement (consistent with the provisions of State and local law relative to the practice, performance, and delivery of health services) with one or more physicians under which provision is made for the periodic review, as is determined necessary by the supervising physician, of all services furnished by physician extenders, the supervision and guidance by such physicians of physician extenders, the preparation by such physicians of such medical orders for care and treatment of clinic patients as may be necessary, and the availability of such physicians for such referral of patients as is necessary and for advice and assistance in the management of medical emergencies;

(C) maintains clinical records on all

patients;

"(D) has arrangements with one or more hospitals for the referral or admission of patients requiring inpatient services or such diagnostic or other specialized services as are not available at the clinic:

"(E) has written policies to govern the management of the clinic and all services

it provides;

(F) has a physician or physician extender responsible for the execution of such policies relating to the provision of the clinic's services:

(G) has access to diagnostic services from facilities meeting requirements under this

"(H) has appropriate procedures or arrangements, in compliance with applicable State and Federal law, for storing, administering, and dispensing drugs and biologi-

"(I) is governed by a board, a majority of which is composed of residents who live in the area served by the clinic and who are not the physician extender or supervising

physician of the clinic; and

(J) meets such other requirements as the Secretary may find necessary in the interest of the health and safety of the individuals who are furnished services by the clinic.

For purposes of this title, such term includes only a facility which (i) is not located in an urbanized area (as defined by the Bureau of the Census) but is located in an area where the supply of medical services is not sufficient to meet the needs of individuals residing therein (including such rural areas as are designated by the Secretary as areas having medically underserved populations under section 1302(7) of the Public Health Service Act, and including facilities in any area so long as the facility receives a majority of its patients from rural areas having medically underserved populations), and (ii) has filed an agreement with the Secretary by which it agrees not to charge any individual or other person for items or services for which such individual is entitled to have payment made under this title, except for the amount of any deductible or coinsurance amount imposed, with respect to such items or services, pursuant to subsections (a) and (b) of section 1833.

"(3) The term 'physician extender' means, for the purposes of this subsection, a physician assistant, medex, nurse practitioner, nurse clinician or other trained practitioner (A) who performs, under the supervision of a physician (as defined in section 1861(r) (1)), such services as he is legally authorized to perform (in the State in which he performs such services) in accordance State law (or the State regulatory mechanism provided by State law) and (B) who is certified as a physician assistant by the National Commission on Certification of Physician Assistants, or successor organization, or is certified as an adult-family nurse practitioner by the American Nursing Association, or successor organization.

"(4) The term 'preventive health services' means

"(A) physical exams, and diagnostic services made in connection with any such exam, conducted for the purpose of assessing an in-

dividual's physical condition without regard to whether such individual has manifested symptoms of illness:

(B) home health visits;

"(C) health education and counseling designed to prevent nutritional or other medical problems of the elderly, including counseling for conditions of terminal illness;

"(D) rehabilitative and physical therapy

services:

"(E) immunizations and services related thereto;

"(F) services for illness management designed to minimize handicapping and discomforting conditions due to a chronic illness and

"(G) preventive dental care."
(c) Section 1862(a)(3) of such Act is amended by striking out "in such cases" and inserting in lieu thereof "in the case of rural health clinics, as defined in section 1861(aa)(2), and in other cases"

Section 1861(s) of such Act is (d)(1)

amended-

(A) by striking out "and" after the semicolon at the end of paragraph (8);
(B) by striking out the period at the end

of paragraph (9) and inserting in lieu there-

(C) by inserting after paragraph (9) the

following new paragraph:

"(10) rural health clinic services."; and

(D) by redesignating paragraphs (10),

(11), (12), and (13) as paragraphs (11),

(12), (13), and (14), respectively. (2) Section 1864(a) of such Act is amended by striking out "paragraphs (10) and (11)" and inserting in lieu thereof "paragraphs (11) and (12)".

Section 1862(a) of such Act is (3)

amended-

(A) by inserting the following before the semicolon at the end of paragraph (1): "(except for preventive health services furnished as part of rural health clinic services)";

(B) by inserting after "physical checkups" in paragraph (7) the following: "(other than physical checkups furnished as part of rural health clinic services)"; and

(C) by inserting "(except for preventive dental care services furnished as part of rural health clinic services)" after "care" in paragraph (12).

(e) Part B of title XVIII of the Social Security Act is amended by adding the following new section at the end thereof:

"PROSPECTIVE BUDGETS AND PAYMENTS TO RURAL HEALTH CLINICS

"SEC. 1845. (a) Beginning as soon as practicable, as determined by the Secretary, after the effective date of this section, the Secretary may not pay any rural health clinic for services provided under this title in a fiscal year unless the clinic has submitted. and the Secretary has approved in accordance with this section, a prospective budget for the clinic for the fiscal year, including an estimation in such budget of the amount of services which are to be rendered by such clinic and for which payment will be made under this title. Such budget shall be formulated and submitted in accordance with

regulations submitted by the Secretary.

"(b) After subsection (a) is implemented, the Secretary shall, prior to the beginning of each quarter, estimate the amount to be services under this title for such paid for quarter to each rural health clinic whose budget has been approved under subsection (a). Such estimate shall be based upon such budget and the amount already paid for such services to the clinic for services during the fiscal year. After making such estimate the Secretary shall pay (at the beginning of such quarter and prior to audit and settlement by the General Accounting Office) to the clinic, or to the physician in the case of a clinic in which the physician extender is an employee of the physician, the amount of such estimate. At the end of each fiscal year, the Secretary shall determine, with respect to each rural health clinic, if any discrepancy exists between the payments made during such year to the clinic and the amount to which the clinic is entitled under this title for such year. The Secretary shall, then, make payments to, or receive payments from, such clinic in order to correct such discrepancy."

(f) The amendments made by this section shall apply to services rendered on or after the first day of the third calendar month which begins after the date of enactment

of this Act.

SEC. 2. The Secretary may initiate and carry out demonstration projects in selected urban areas where the supply of medical services is not sufficient to meet the needs of individuals residing therein. In carrying out such projects, the Secretary shall make payments on behalf of individuals for services described in section 1861(aa)(1) of the Social Security Act, except that such services shall be furnished to outpatients by health clinics located in the selected urban areas rather than by a rural health clinic. Such health clinics shall be primarily engaged in providing such services and shall meet the requirements of subparagraphs (B) through (J), and clause (ii) of the last sentence. of section 1861(aa)(2) of such Act. Eligibility for, the amount of benefits payable with respect to, and the manner of payment for such services shall be determined in the same manner as they are determined with respect to rural health clinic services under title XVIII of such

DO WE NEED THE PHILIPPINE BASES?

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, toward the end of its tenure, the last administration very nearly negotiated an agreement with the Government of the Philippines that would set new terms governing access and control of U.S. bases in that country. Concurrent with this agreement, the United States came close to committing itself to over a billion dollar pledge of military assistance to the Marcos regime.

The ultimate collapse of those negotiations has, I believe, been fortunate. A new administration and a new Congress now have a needed opportunity to give serious attention to U.S. security requirements that the bases supposedly fulfill. At the very least, we should question the necessity of maintaining current levels of U.S. forces and facilities in the Philippines. A hard-nosed review is particularly important given recent changes in U.S. policy toward the Southeast Asian region.

In the aftermath of the Vietnam war and a realinement of the U.S. military posture in the Western Pacific, it is highly doubtful that American forces will ever again be brought to bear in the manner it was previously in Southeast Asia. No country in the region appears to face a serious threat of conventional military attack beyond its own means of defense. On the other hand, should situations so warrant, the United States can mobilize and transport required air support and ground forces from bases well outside the region. We proved last August that F-111's can come from as far away as

Idaho in response to incidents in Korea. Where in Southeast Asia will we ever need a response as quick as that for Korea?

Even if we do manage to maintain our access to the bases in the Philippines, will we really be able to use them in all contingencies? The government there has taken a number of actions that bring into question the availability of the bases. Even during the Vietnam war, we did not take advantage of the proximity of Clark Air Force Base to that conflict and flew B-52's from Guam, hundreds of miles farther away, in order to protect Philippine sensitivities. The Philippines recently issued a joint communique with the Vietnamese that states that the Philippines will not allow the use of its territory for intervention against other countries in the region. Even if there was a situation in which we really had to rely on the bases to support our military actions in the region, would the Philippine Government allow us to do so?

Alternatively, United States and regional interests would appear to be adequately protected from facilities already established in Guam and elsewhere in the Pacific and Japan. On Guam, port facilities are underutilized and unemployment there has even been aggravated by U.S. military cutbacks. While officers at the Philippine bases complain of inadequate housing, new housing on Guam is underoccupied. Alternatives also exist for contracting ship repair needed to maintain a global fleet by using facilities under Philippine control

or in Singapore and Japan.

All of this is worth considering in light of the potentially hard negotiation position the Philippine Government has indicated it may adopt. If press reports are accurate, the Marcos government has already doubled the size of its armed forces and tripled its budget for defense since martial law was imposed, and now wants over a billion dollars in U.S. military aid. If we provide such foreign aid, it will be impossible for us to avoid complicity with the repressive aspects of the Marcos government, a government that has shown no inclination to ease restrictions on human rights, that expels reporters and priests, and follows legal practices abhorent to our society.

Mr. Speaker, all of these factors should be taken into account as the Carter administration focuses on the U.S. position in any renewed negotiations with the Philippines. Our rights to use these bases do not expire until 1991. It is difficult to understand under any circumstances why we should negotiate a new arrangement now, but if we are going to do so. I believe we must seriously consider the alternative of closing our Philippine

REORGANIZATION: MUCH MORE THAN MOVING BOXES

facilities.

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, as the Carter administration strives to reorganize the Federal Government in order to improve its efficiency and economy, it will have no stronger ally than our colleague, Jack Brooks.

Jack has been fighting for those objectives for many years. As chairman of the House Committee on Government Operations, he can be expected to assist the new administration significantly in its reorganization plans.

Yet, Chairman Brooks knows very well that simply rearranging the structure of the government cannot by itself produce all of the improvement to which the people of this Nation are entitled. It will also require greatly strengthened management, and a willingness to follow sound policies regardless of past priorities.

Fortunately, the Carter administration has displayed a determination to give a fresh look at the old ways of running our Government. In reforming governmental forms and functions, the administration's cause will be aided by a similar desire on the part of Chairman Brooks to make the government responsive to the needs of our people.

An article in the April issue of "Government Executive" describes the views of Jack Brooks on these issues. Because of his leadership in achieving better government, I am pleased to bring the article to the attention of our colleagues:

Reorganization: Much More Than Moving Boxes

Ask Rep. Jack Brooks (D-Tex.) anything about government reorganization and he whips out the following quote from Petronius, 210 B.C.

"We trained hard . . . but it seemed that every time we were beginning to form up into teams we would be reorganized . . . I was to learn later in life that we tend to meet any new situation by reorganizing and a wonderful method it can be for creating the illusion of progress while producing confusion, inefficiency and demoralization."

It would be a mistake to read into that quote any firm opinion on the merits of any reorganization plan by Jack Brooks as Chairman of the House Government Operations Committee. What it best illustrates is his deep skepticism that shifting functions, coordinating offices and moving boxes around on a chart basically means improvement.

"Waste and inefficiency in government can more often be traced to poor management than to improper objectives. Reorganization will not solve this problem and the reorganization efforts will fall in their objectives unless accompanied by management improvements in all agencies from the Office of Management and Budget (OMB) on down," says Brooks.

He goes a bit deeper. The areas that need attention, in his mind, include management information systems, budgeting, personnel policies procurement, program evaluation, fraud and abuse control, to name a few.

Jack Brooks was first elected to Congress in 1952 when he was 29. When he came to Washington he caught the attention and became a close friend of Sam Rayburn, who admired his capacity for hard work and his potential for leadership. Brooks has been a friend and supporter of all Democratic Presidents since Truman as well as an all-out opponent of Richard Nixon, the man and his principles from the time he first met him.

principles from the time he first met him.

He is an ardent Labor supporter who continues to maintain his union membership.

He was among the first deep south Congressmen to support Civil Rights. His political philosophy favors programs aimed at poverty, ignorance and disease. He is a strong advocate of proposals that increase the standard of living and the employment po-

tential of the working man. In summary, he has the unblemished credentials of a Liberal Democrat.

After 26 years service, stacked on top of two terms in the Texas Legislature (while he attended law school following overseas Marine duty in World War II), Brooks is a "power" in the House. He is chairman of the House Committee on Government Operations and its subcommittee on Defence and Legislation, and a ranking member of House Judiciary. He alternates the Chairmanship of the Joint Committee on Congressional Operations and also serves as permanent chairman of the Commission on Information and Facilities.

ALWAYS DECISIVE

Seniority may explain his ranking status on Judiciary and Chairmanship of Government Operations.

It does not account for his other leadership positions or the role he plays in those facets of the legislative process that fall within his areas of expertise, interest or jurisdiction. By temperament and experience he is an expert in the complex arts of the legislator and the politician which, in practical terms, are inseparable.

Brooks is probably not afraid of anything—least of all, making a decision or taking a position on a controversial issue. But he is not an abstract idealist. He refuses to tilt at windmills and he works hard, very hard, in preparing himself for the decisions he must make and defending the positions he feels he must take. In an arena where decisiveness and doing one's homework are not common virtues, Brooks stands out, in the eyes of those who know him, as a real tiger.

Tigers are often very difficult to understand and Brooks is no exception. He does not fit the image of the stereotype of the TV or Hollywood version of what a Congressman is supposed to be. He leaves few people neutral and, it was said, during his early years in Congress, because of his vigorous and decisive approach that Brooks had the respect of his colleagues but that he might not win a popularity contest. His approach to the duties of Congressman and Committee Chairman is made more difficult to understand by an almost automatic negative reaction to pressure of any kind.

As a born politician, Brooks knows, as Lyndon Johnson preached, that legislation is the art of the possible. He also knows that, at least to some degree, you must go along to get along. These are facts of life in any legislative environment where your most ardent rival on one issue may be your most dedicated supporter on another.

Brooks has a highly cultivated capacity for keeping issues separated. He bends some, but Brooks is about as hard as one can be in disposing of matters falling with his area of responsibility. Regardless of the magnitude of the issue, or who is involved.

For twenty years, as Chairman of a Government Operations Subcommittee, with jurisdiction over the disposal of surplus property, Brooks personally reviewed every negotiated sale of surplus government real estate. If the price and conditions of sale were not what he considered reasonable, he would object to the sale—and the objections would stand regardless of whose District the lands was located or who intervened.

Over the years this brought a steady flow of high priced lawyers and former White House aides to his office. Yet, the records will not indicate a single instance in which they prevailed. During this period he had only one loss.

DOLLAR WATCHER

As a result of these indepth reviews Brooks, by himself, improved the disposal program with a sizeable increase in the return the Government obtained from these sales. And, if the purchaser is a unit of state or local Government he would, if necessary, also watch out for the local citizens.

In the sale of the Brooklyn Navy Yard, for example, he found that the City knowingly was paying for ten acres of the Yard that reverted to the City under an 1801 deed when the property was "no longer utilized for defense purposes."

In examining a proposal to sell the Government's interest in a Grumman Aircraft plant on Long Island, it was found that the Government had an option that, under certain conditions, would allow the Government to purchase a large area of the Grumman plant at the pre-war purchase price. When a large Government contractor refused to pay the appraised value of a plant constructed on corporate land—a unique situation where there the corporation was the potential buyer, Brooks suggested that it was poor taste to try to put the Government over the barrel, and that the Government, as well as the contractor, might play this game in future defense procurements.

As a GSA official once commented. "We finally got to the point that we would tell prospective purchasers that we would not accept anything less than the appraised fair market value. It would be a waste of time because Jack Brooks would object."

In broader, more important issues the Chairman projects this same philosophy, If he believes he is right, then he is willing to fight. Brooks himself probably describes his attitude best when he says in his own colorful fashion, "If necessary I'll fight with the Devil, and though I might not win, all the blood on the floor won't be mine."

ONE BOSS

It is an oft-stated opinion that the Congressional staffs really run the Hill. That might be true in some cases. But Brooks, basically, probably would prefer to operate without any staff at all. Those who work for him are never allowed to forget who was elected, who has the responsibility and who is in control.

He expects total preparation by his staff on all legislative subjects of concern to him and his staff members can disagree with him. But they had better be well prepared or they quickly lose their audience.

Oddly enough he is not arrogant and not difficult to deal with. And this stems from a well-developed sense of fairness.

He has a history of doing his homework. He is invariably well prepared in committee hearings and those that face him from the Carter Administration in proposing any sort of a reorganization plan would be well advised to be equally prepared on the subjects at issue.

His historic clashes with the Federal Aviation Agency in the 1960's (he invariably knew more than those facing him) and his consummate skill in making the now famous Brooks Bill law are examples of his legislative ability.

There are many others. Yet, in spite of his constant involvement with so many elements of the government, his first priority has always been his District—he responds swiftly to the needs and demands of his constituents.

It is almost uncanny that a President who made improving the Federal Government's efficiency a top priority in his campaign, and after he was elected, should face a Congressman who has spent more than twenty years working the same problem.

Those years taught Brooks a great deal and he has forgotten nothing. "You cannot force good management from Congress onto the Executive," he says, "what you do is give those people the proper tools and some suggestions then pray for their success."

gestions then pray for their success."

It is Brooks' contention that if there is any management in the Office of Management and Budget, then it has been the best kept secret in Washington. Easily one of the most perplexing aspects of government operations to Brooks has been the continuing fail-

ure of OMB to fulfill its statutory responsibilities in the improvement of agency opera-

If the President and his principal and immediate staff ignore obvious management problems, then Congress is left with only the most brute force remedies.

STRUCTURED SYSTEM

Brooks has evolved a program—a unified concept. In essence it consists of the following elements:

Internal audit or inspector general systems in each department and agency-especially the larger ones.

A viable management program in OMB or the Executive Office of the President.

A program in the General Accounting Office that is tied into the Internal audit or inspector general activities at the department or agency level.

Continuing overview of this structured management improvement program by the House and Senate Government Operations

Committees.

The internal audit or inspector general system Brooks had in mind was modeled after a set of criteria the Comptroller General developed in 1957. The idea was that the Department or agency head have an independent unit reporting directly to him, without limit on its jurisdiction, that would work on a constant basis to identify, investigate, and report problem areas of waste and inefficiency.

As Brooks visualizes the concept, the unit would be protected from reprisal and hopefully would develop a "jugular vein" instinct in ferreting out waste and inefficiency.

ONE GOOD MANAGER

But Jack Brooks is optimistic about what the Carter Administration can do in improving government. Yet he is definitely cautious about reorganization.

what (HEW Secretary Joseph A.) "Look Califano is doing. He needed no legislation. This kind of managerial reorganization is periodically needed. It does not abolish programs or change statutes but simply makes a big department more manageable so it can deliver its services more efficiently," says

A former member of his staff tells of a tribute paid Brooks many years ago. Congressman William Dawson, a man of great compassion, wisdom and experience, the first black member of the Congress since the Reconstruction, was chairman of the Government Operations Committee. It was his practice to interview prospective staff before they were employed by any of the Subcommittee chairmen. Brooks decided to employ an attorney he had known in the Marine Reserve as an Associate Counsel for his Government Activities Subcommittee. An interview with Chairman Dawson was arranged.

After a conversation of about an hour it was time to leave. The Chairman, an elderly man who had lost a leg, stood up behind his desk. He then said, "Remember, if you work hard and fight for what is right you will always have my support regardless of who is involved. Fight for the people, fight for the people, fight for the people."

Then he paused—to regain his balance or possibly because he felt that he had become too emotional. He leaned forward as if to say something in confidence. The determined look on his face faded into a smile and he said quietly, "Of course, when you work for Mr. Brooks that's exactly what you will have to do.'

ADMINISTRATION FARM BILL

(Mr. JOHNSON of Colorado asked and was given permission to extend his re-CXXIII 694 Part 9

marks at this point in the RECORD and to include extraneous matter.)

Mr. JOHNSON of Colorado. Speaker, on Thursday, March 24, 1977, Secretary of Agriculture Bob Bergland presented testimony to the Committee on Agriculture concerning the expiring Agriculture and Consumer Protection Act of 1973.

Since that date, the administration has sent draft language to implement those recommendations.

To date, no Member of the House has chosen to introduce these legislative provisions in bill form.

The committee, however, is using this language in its consideration of new legislation, and there is obviously a great interest in the specific provisions advocated by the administration.

I, therefore, include in the RECORD at this point the complete text of the administration farm bill sent to the committee on March 30, 1977:

H.R.

A bill to establish more responsive programs for the benefit of farmers and consumers of farm products; to extend and improve the programs conducted under the Agricultural Trade Development and Assistance Act of 1954, as amended; and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Act of

TITLE I-PAYMENT LIMITATION FOR WHEAT, FEED GRAINS, SOYBEANS, RICE, UPLAND COTTON AND EXTRA LONG STAPLE COTTON

SEC. 101. Effective only with respect to the 1978, 1979, 1980, and 1981 crops, section 101 (1) of the Agricultural Act of 1970, amended, is amended by striking out Titles "IV, V, and VI of this Act" and inserting in lieu thereof "Title IV of the Agricultural Act of 1977"; by striking out "1974 through 1977" and inserting in lieu thereof "1978 through 1981"; and by striking out "\$20,000" and inserting in lieu thereof "\$50,000."

SEC. 102. Effective only with respect to the 1978, 1979, 1980, and 1981 crops, section 101 of the Agricultural Act of 1970, as amended, is amended by inserting after the words "compensation for" the words "disaster loss" and by inserting a comma before the word "resource."

TITLE II-DAIRY AND BEEKEEPER PROGRAMS

MILK MARKETING

Sec. 201. The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by striking in subparagraph (B) of subsection 8c(5) all that part of said subparagraph (B) follows the semi-colon at the end of clause (c) and inserting in lieu thereof the follow-"(d) a further adjustment to encourage seasonal adjustments in the production of milk through equitable apportionment of the total value of the milk purchased by any handler, or by all handlers, among producers on the basis of their marketings of milk during a representative period of time, which need not be limited to one year; and (e) a provision providing for the accumulation and disbursement of a fund to encourage seasonal adjustments in the production of milk may be included in an order."

SEC. 202. The Agricultural Adjustment Act as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by striking the period at the end of subsection 8c(17) and

adding in lieu thereof the following: "Providing further, That if one-third or more of the producers as defined in a milk order apply in writing for a hearing on a proposed amendment of such order, the Secretary shall call for such a hearing if the proposed amendment is one that may legally be made to such order. Subsection (12) of this section shall not be construed to permit any cooperative to act for its members in an application for a hearing under the foregoing proviso and nothing in such proviso shall be construed to preclude the Secretary from calling an amendment hearing as provided in subsection (3) of this section. The Secretary shall not be required to call a hearing on any proposed amendment to an order in response to an application for a hearing on such proposed amendment if the application requesting the hearing is received by the Secretary within ninety days after the date on which the Secretary has announced his decision on a previously proposed amendment to such order and the two proposed amendments are essentially the same."

SEC. 203. The Agricultural Adjustment Act as reenacted and amended by the Agricul-tural Marketing Agreement Act of 1937, as amended, is further amended by inserting after the phrase "pure and wholesome milk" in section 8c(18) the phrase "to meet current needs and further to assure a level of farm income adequate to maintain production capacity sufficient to meet anticipated future needs."

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND VETERANS HOSPITALS

Sec. 204. Section 202 of the Agricultural Act of 1949, as amended, is amended by changing "1977" to "1981" at both places it appears therein.

DAIRY INDEMNITY PROGRAM

SEC. 205. Section 3 of the Act of August 13, 1968 (Public Law 90-484; 82 Stat. 750), as amended, is amended by striking out "1977" and inserting in lieu thereof "1981."

BEEKEEPER INDEMNITY PROGRAM

SEC, 206, Section 804(f) of the Agricultural Act of 1970, as amended, is amended by striking out "1977" and inserting in lieu thereof "1981."

TITLE III-WOOL

SEC. 301. Section 702 of the National Wool Act of 1954, as amended, is amended to read as follows:

SEC. 702. It is hereby recognized that wool is a commodity which is not produced in quantities and grades in the United States to meet the domestic needs and that the desired domestic production of wool is impaired by the depressing effects of wide fluctuations in the price of wool in the world markets. It is hereby declared to be the policy of Congress in promotion of the economic welfare, to encourage the annual domestic production of wool by supporting market prices at levels which are fair to both producers and consumers in a manner which will have the least adverse effects upon foreign trade."

SEC. 302. Section 703 of the National Wool Act of 1954, as amended, is amended to read as follows:

'SEC. 703. (a) The Secretary of Agriculture shall, through the Commodity Credit Corporation, support the prices of wool and mohair, respectively, to the producers thereof by means of loans, purchases, payments, or other operations. Such price support shall be limited to wool and mohair marketed during the period beginning January 1, 1978, and ending December 31, 1981.

"(b) The support price for shorn wool for

the 1978 and each subsequent marketing year shall be at a level the Secretary determines will be fair and reasonable, after taking into consideration the prices of certain types of foreign produced wool, other major fibers used in the textile industry and other factors: Provided, however, That such support level shall not be less than 75 cents or more than \$1.00 per pound, grease basis.

"(c) The support price for mohair shall be established at such levels, in relationship to the support price for shorn wool, as the Secretary determines will be fair and equitable. The Secretary is authorized to support the price of pulled wool at such level and under such terms and conditions as he determines necessary to maintain normal marketing practices for pulled wool.

"(d) The Secretary shall, to the extent practicable, announce the support price levels for wool and mohair sufficiently in advance of each marketing year as will permit producers to plan their production for

such marketing year."

SEC. 303. Section 704 of the National Wool Act of 1954, as amended, is amended to read

as follows:

'Sec. 704. If payments are utilized as a means of price support, the payments shall be such as the Secretary of Agriculture determines to be sufficient, when added to the national average price received by producers, to give producers a national average return for the commodity equal to the support price level therefor. The payments shall be made upon wool and mohair marketed by the producers thereof. The payments shall be at such for the marketing year or periods thereof as the Secretary determines will return to producers the level of price support herein provided. No payment need be made to any one or all producers if the Secretary determines that the amount of the payment is too small to justify the cost of making such payments. The Secretary may make the payment to producers through the marketing agency to or through which the producer marketed his wool or mohair: Provided, That such marketing agency agrees to receive and promptly distribute the payments on behalf of such producers. In case any person who is entitled to any such payment dies, becomes incompetent, or disappears before receiving such payment, or is succeeded by another who renders or completes the required performance, the payment shall, without regard to any other provisions of law, be made as the Secretary may determine to be fair and reasonable in all the circumstances and provided by regulations."

TITLE IV—WHEAT, FEED GRAINS, SOY-BEANS, RICE, UPLAND AND EXTRA LONG

STAPLE COTTON

PRICE SUPPORT LOANS AND PURCHASES

SEC. 401. Effective only with respect to the 1978, 1979, 1980 and 1981 crops af wheat, feed grains, soybeans, rice, upland and extra long staple cotton, the Agricultural Act of 1949, as amended, is amended to add a new section 108 which reads as follows:

"Sec. 108. Notwithstanding any other pro-

vision of law-

"(a) The Secretary shall make available to producers loans and purchases on each crop of wheat at such level, not less than \$2.25 per bushel nor in excess of the cost of production of such crop as the Secretary determines will maintain its competitive relationship to other grains in domestic and export markets.

"(b) The Secretary shall make available to producers loans and purchases on each crop of corn, sorghum, oats, and barley, respectively, at the same level as the Secretary determines for wheat adjusted in such manner he finds fair and reasonable to maintain their competitive relationship to wheat, corn and each other in domestic and export markets.

"(c) If the average price of grain (wheat, corn, oats, barley, and sorghum), weighted on a poundage basis, received by producers in any marketing year is not more than 105 per centum of the minimum level of support for wheat, the Secretary shall reduce the minimum level of support for wheat not more than five per centum for the next marketing

years and appropriately adjust the levels of support for corn, sorghum, oats, and barley to maintain their competitive relationships to wheat and to each other in domestic and export markets: Provided, That if the average price of grain (wheat, corn, oats, barley, and sorghum), weighted on a poundage basis, in any marketing year thereafter is more than 105 per centum of the level of support for wheat, the Secretary shall increase the minimum level of support for wheat not more than 5 per centum for the next marketing year and appropriately adjust the levels of support for corn, sorghum, oats, and barley to maintain their competitive relationships to wheat and to each other in domestic and export markets.

"(d) The Secretary shall make available to producers loans and purchases on each crop of soybeans at such level as he determines appropriate in relation to competing commodities and taking into consideration domestic and foreign supply and demand

factors.

"(e) The Secretary shall make available to producers loans and purchases on each crop of rice at such level, not less than \$6.19 per hundredweight nor in excess of the cost of production of such crop determined in accordance with section 109(a) of this Act, as the Secretary determines will maintain its competitive relationship in domestic and export markets

"(f) The Secretary shall, upon presentation of warehouse receipts reflecting accrued storage charges of not more than 60 days, make available to producers loans on each crop of upland cotton at such level as will reflect Strict Low Middling one and onesixteenth inch cotton (micronaire 3.5 through 4.9) at average location in the United States the smaller of (1) 85 per centum of the average price (weighted by market and month) of Strict Low Middling one and one-sixteenth inches cotton (micronaire 3.5 through 4.9) as quoted in the designated United States spot markets during the preceding four marketing years, (2) 90 per centum of a price (adjusted as provided in this subsection) determined by averaging the daily average price quotations of the five lowest priced of ten growths of Strict Middling one and one-sixteenth inch cotton, c.i.f. Northern Europe for the first two full weeks of the month of October of the calendar year preceding the marketing year for such crop. Such price shall be adjusted downward by the difference between the average of the c.i.f. Northern European daily average price quotations referred to in this subsection for the period April 15 through October 15 of each year and the average of United States spot market quotations for Strict Low Middling one and one-sixteenth inch cotton (micronaire 3.5 through 4.9) for the same period. The loan level for any crop of cotton shall be determined and announced not later than November 1 of the calendar year preceding the marketing year for which such loan is to be effective, and such level shall not thereafter be changed. Loans provided for in this subsection shall be made available to producers for a term of not less than 10 months from the first day of the month in which the loans are made: Provided. That the Secretary may offer producers extensions of such loans on such terms and conditions as he may prescribe if he determines such extensions to be appropriate taking into consideration the domestic and foreign supply and demand for cotton.

"(g) The Secretary shall make available to producers loans and purchases on each crop of extra long staple cotton on the same terms and conditions as on upland cotton, at such levels as he determines will maintain its competitive relationship to upland cotton but at not less than 50 per centum nor more than 100 per centum in excess of the loan level established for upland cotton.

For purposes of this Act, extra long staple cotton means any cotton which is produced from pure strain varieties of the Barbadense species, or any hybrid thereof, or other similar types of extra long staple cotton designated by the Secretary having characteristics needed for various end uses for which American upland cotton is not suitable and which is ginned on a roller-type gin."

INCOME SUPPORT AND DISASTER PAYMENTS

SEC. 402. Effective only with respect to the 1978, 1979, 1980 and 1981 crops of wheat, feed grains, soybeans, rice, upland cotton and extra long staple cotton, the Agricultural Act of 1949, as amended, is amended to add a new section 109 which reads as follows:

"SEC. 109(a). For each crop of wheat, corn, sorghum, oats, barley, rice, upland cotton and, if designated by the Secretary soybeans, the Secretary shall determine income support levels. The income support level for 1978 for each of such crops shall be equal to the two-year average per unit cost of production. The cost of production for each of such years shall be determined by the Secretary on the basis of such information and data as he finds necessary and appropriate for the purpose and shall be limited to: (i) variable costs; (ii) machinery ownership costs; (iii) general farm overhead costs allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop; (iv) management charges allocated to the crops involved on the basis of the portion of the value of total production derived from each crop; and (v) land charges calculated as 11/2 percent of the cur-rent average price of land for agricultural purposes. The income support level for each of such crops shall be determined for subsequent crop years by adding the average of variable costs, machinery ownership costs, and general farm overhead costs for the last full years for which data are available to the two-year average of management charges and land charges determined by the Secretary in accordance with items (iv) and (v) of this subsection for 1978. The income support level for extra long staple cotton for each of the crop years 1978, 1979, 1980 and 1981 shall be at such level as the Secretary determines but at not less than 50 per centum or more than 100 per centum excess of the income support level established for upland coton.

(b) If the income support level determined for any such crops in accordance with subsection (a) of this section is more than the season average price of such crop for the marketing year, as determined by the Secretary, the Secretary shall make income support payments available to producers of any such crop computed by multiplying:
(i) the individual farm income support program acreage for the crop involved deter-mined by the Secretary for the farm in accordance with subsection (c) of this section; times (ii) the farm program payment yield for the crop involved established by the Secretary for the farm in accordance with subsection (d) of this section; times (iii) the income support payment rate for the crop determined by the Secretary in accordance with subsection (e) of this section.

"(c) (1) In the event an income support payment is required for any such crop under subsection (b) of this section, the Secretary shall determine a national income support program acreage for such crop. The national income support program acreage for such crop shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that he estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of any one or more of such crops are excessive or an in-

crease in stocks is needed to assure desirable carryover for any one or more of such crops, he may adjust the national income support program acreage for the crop or crops involved by the amount he determines will accomplish the desired increase or decrease

in carryover stocks.
(2) The Secretary shall determine a farm income support program allocation factor for each of such crops. The allocation factor (not to exceed 100 per centum) shall be determined by dividing the national income support program acreage for each of such crops by the number of acres which the Secretary estimates will be harvested for

each of such crops.

(3) The individual farm income support program acreage for each of such crops shall be determined by multiplying the allocation percentage by the acreage of wheat, corn, sorghum, oats, barley, rice, upland cotton, extra long staple cotton, and, if designated by the Secretary, soybeans, as the case may planted for harvest on the farms for which an individual farm income support program acreage is required to be determined.

"(d) The farm program payment yield for each of such crops shall be the yield established for the farm for each of such crops for the previous crop year for program purposes adjusted by the Secretary to provide a fair and equitable yield for each of such crops for the farm. If no farm program payment yield for any one or more of such corps has been established for the farm in previous years, the Secretary is authorized to determine such yields as he finds fair and reasonable. If the Secretary determines it necessary, he may establish national, State or county program payment yields for any one or more of such crops on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if data is not available, on his estimate of actual yields for the crop and year involved. In the event national, State or county program payment yields are established, the farm program payment yields shall balance to the national, State or county program payment vields.

(e) The income support payment rate for each of such crops shall be the income support level determined under subsection (a) of this section for each of such crops for the crop year involved minus the season average price received by farmers for each of such crops for the marketing year for which the rate is being determined. The Secretary is authorized to determine the season average prices received by farmers for each of such crops on the basis of such market data and information as he finds necessary and appropriate for the purpose. The total quantity on which income support payment is due a producer for any of such crops shall be reduced by the quantity on which any disaster payments are paid to such producer for the same

crop in the same crop year.

"(f) Notwithstanding any other provision of this Act, effective only with respect to the 1978 crop, if the Secretary determines that because of drought, flood, or other natural disaster, or other conditions beyond the control of the producers, the total quantity of wheat, corn, sorghum, barley, rice, upland cotton or extra long staple cotton which the producers are able to harvest on any farm is less than the result of multiplying 75 per centum of the farm program payment yield established by the Secretary for the farm for such crop on the farm during the current year times the acreage planted to harvest for such crop in such year, the Secretary shall make a farm disaster payment at a rate equal to 331/3 per centum of the income support the crop to the producers of such crop for the deficiency in production below 75 per centum for the crop."

SET ASIDE AND DIVERSION PROGRAMS

SEC. 403. Effective only with respect to the 1978, 1979, 1980 and 1981 crops of wheat, feed grains, soybeans, rice, upland cotton and extra long staple cotton, the Agricultural Act of 1949, as amended, is amended to add a new section 110 which reads as follows:

"SEC. 110(a) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of either wheat, corn. sorghum, oats, barley, rice, upland cotton, extra long staple cotton, and, if designated by the Secretary, soybeans, will in the absence of such set-aside likely be excessive taking into account need for an adequate carryover to maintain reasonable and stable supplies and prices of such crops and to meet a national emergency. If a set-aside of cropland is in effect under this subsection (a) for one or more of the foregoing crops, then as a condition of eligibility for loans, purchases and payments on such crops, the producers on a farm must set aside and devote to conservation uses an acreage of cropland equal to a specified percentage, as determined by the Secretary, of the acreage (i) planted to such crops (including any setaside or diverted acreage) in the preceding crop year, as adjusted by the Secretary to correct for abnormal factors affecting such acreage in the preceding year, or (ii) planted to such crop in the current crop year. The Secretary may limit the acreage planted to one or more of the crops of wheat, corn, sorghum, oats, barley, rice, upland cotton, or extra long staple cotton, and, if designated by the Secretary, soybeans. The setaside shall be devoted to conservation uses in accordance with regulations issued by the Secretary which will assure protection of such acreage from wind and water erosion throughout the current calendar year. The Secretary may permit producers to graze or harvest hay from the set-aside acreage.

"(b) The Secretary may make land diversion payments to producers of wheat, corn, sorghum, oats, barley, rice, upland cotton, or extra long staple cotton, and, if designated by the Secretary, soybeans, whether or not a set-aside for any such crop is in effect, if he determines that such land diversion payments are necessary to assist, in adjusting the total national acreage of any such commodity to desirable goals. Such land diversion payments shall be made to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under any such land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers the Secretary take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community."

MISCELLANEOUS PROVISIONS

SEC. 404. Effective only with respect to the 1978, 1979, 1980 and 1981 crops of wheat, feed grains, soybeans, rice, upland cotton, and extra long staple cotton, the Agricultural Act of 1949, as amended, is amended to add a new section 111 which reads as follows

SEC. 111(a) The Secretary shall provide for the sharing of payments under this Act among producers on a farm on a fair and equitable basis.

"(b) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated

under this Act precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

(c) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this Act.

"(d) The Secretary shall carry out the program authorized by this Act through the Commodity Credit Corporation.

"(e) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act, as amended (relating to assignment of payments) shall apply to any payments under this Act.

CONFORMING AMENDMENTS

SEC. 405. Sections 101(f), 103, 105 and 107 of the Agricultural Act of 1949, as amended, shall not be applicable to the 1978, 1979, 1980 and 1981 crops of upland cotton, extra

long staple cotton, feed grains and wheat.

SEC. 406. Sections 331 through 336, 338 through 339, and 379(b) through 379(j) of the Agricultural Adjustment Act of 1938, as amended, shall not be applicable to the 1978,

1979, 1980 and 1981 crops of wheat.

SEC. 407. Public Law 74, Seventy-seventh
Congress (55 Stat. 203), shall not be applicable to the 1978, 1979, 1980 and 1981 crops

SEC. 408. Sections 341 through 347 of the Agricultural Adjustment Act of 1938, amended, shall not be applicable to the 1978, 1979, 1980 and 1981 crops of upland cotton and extra long staple cotton.

SEC. 409. Sections 351 through 356 of the Agricultural Adjustment Act of 1938, amended, shall not be applicable to the 1978,

1979, 1980 and 1981 crops of rice.

Sec. 410. Notwithstanding any other pro-vision of law, section 385 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1385), is further amended, effective only with respect to the 1978, 1979, 1980 and 1981 crops.

to read as follows:

SEC. 385. The facts constituting the basis for any Soil Conservation Act payment, income support payment, disaster payment, payment under a land diversion program, loan, or price support operation, or amount thereof, when officially determined in conformity with the applicable regula-tions prescribed by the Secretary or Commodity Credit Corporation, shall be final and conclusive and not reviewable by any other officer or agency of the Government. In case any person who is entitled to any such pay-ment dies, becomes incompetent, or disappears before receiving such payment, or is succeeded by another who renders or completes the required performance, the payment shall, without regard to any other provisions of law, be made as the Secretary of Agriculture may determine to be fair and reasonable in all the circumstances and provide by regulations."

SEC. 411. Notwithstanding any other provision of law, (1) section 379 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1379) shall remain applicable for reconstitution purposes for the 1977 acreage allotments for corn, wheat, sorghum, barley, rice, upland and extra long staple cotton, and (2) the permanent allotments for the 1977 crops of corn, wheat, sorghum, barley, rice, upland and extra long staple cotton, adjusted for any underplantings in 1977. shall again become effective as preliminary

allotments for the 1982 crops.

SEC. 412. Notwithstanding any other provision of law, section 374(a) of the Agricultural Adjustment Act of 1938, as amended, shall be applicable to the 1978 through 1981 crops.

SEC. 413. Section 203 of the Agricultural Act of 1949, as amended, shall not be applicable to the 1978, 1979, 1980 and 1981

SEC. 414. Effective only with respect to the

1978, 1979, 1980 and 1981 crops, section 408 (k) of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"SEC. 408(k). References made in sections 402, 403, 406, 407, and 416 of this Act to the terms 'support price', 'level of support', and 'level of price support' shall be considered to apply as well to the level of loans and purchases under this Act; and references made to the terms 'price support', 'price support operations,' and 'price support program' in such sections and in section 401(a) of this Act shall be considered as applying as well to the loan and purchase operations under this Act.'

TITLE V-PEANUTS

SEC. 501. Subsections (a) and (e) of section 358 of the Agricultural Adjustment Act of 1938, as amended, shall not be applicable to the 1978 through 1981 crops of peanuts. Sec. 502. Effective for the 1978 through

1981 crops of peanuts, section 358 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding the following new subsections at the end thereof:

The Secretary shall, not later than December 1 of each year, announce a national acreage allotment for peanuts for the following crop taking into consideration projected domestic use, exports, and a reasonable carryover: Provided, That such allotment shall be not less than one million six hundred and ten thousand acres.

(1) The Secretary shall, not later than December 1 of each year, announce a minimum national poundage quota for peanuts for the following marketing year of the fol-

lowing amounts:

ear:	Tons
1978	 1,680,000
1979	 1,596,000
1980	 1,516,000
1981	 1,440,000

If the Secretary determines that the minimum national poundage quota for any marketing year is insufficient to meet total estimated requirements for domestic edible use and a reasonable carryover, the national poundage quota for the marketing year may be increased by the Secretary to the extent determined by the Secretary to be necessary

to meet such requirements.

"(m) For each farm for which a farm acreage allotment has been established, a farm yield for peanuts shall be determined equal to the average of the actual yield per acre on the farm for each of the three years in which yields were highest the farm out of the five crop years 1973 through 1977: Provided, That if peanuts were not produced on the farm in at least three years during such five-year period or there was a substantial change in the operation of the farm during such period, the Secretary shall have a yield appraised for the farm. The appraised yield shall be that amount determined to be fair and reasonable on the basis of yields established for similar farms which are located in the area of the farm and on which peanuts were produced taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

"(n) For each farm, a farm base production poundage shall be established equal to the quantity determined by multiplying the farm peanut acreage allotment by the farm yield determined in accordance with

subsection (m) of this section.
"(o) For each farm, a farm poundage quota shall be established by the Secretary for each marketing year equal to the farm base production poundage multiplied by a factor determined by the Secretary such that the total of all farm poundage quotas will equal the national poundage quota for such marketing year.

"(p) For the purposes of this title—
"(1) 'quota peanuts' means, for any marketing year, any peanuts which are eligible for domestic edible use as determined by the Scretary, which are marketed or considered marketed from a farm, and which do not exceed the farm poundage

quota of such farm for such year;

'(2) 'additional peanuts' means, for any marketing year, any peanuts which are marketed from a farm and which are in excess of the marketings of quota peanuts from such farm for such year but not in excess of the actual production of the farm acreage allotment; and

'crushing' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when au-

thorized by the Secretary.

"(4) 'domestic edible use' means use for milling to produce domestic food peanuts

and seed and use on a farm."

SEC. 503. Effective for the 1978 through 1981 crops of peanuts, section 358a of the Agricultural Adjustment Act of 1938, as amended, is amended by (1) striking out "in the same county" in subsection (a), (2) amending item (1) in subsection (b) to read: "(1) an allotment shall be transferred only to a farm in the same county or an adjoining county in the same state". (3) adding at the end thereof the following new subsection:

"(i) Notwithstanding any other provision of this section, transfers shall be on the basis of the farm base production poundage, and the acreage allotment for the receiving farm shall be increased by an amount determined by dividing the number of pounds transferred by the farm yield for the receiving farm, and the acreage allotment for the transferring farm shall be reduced by an amount determined by dividing the number of pounds transferred by the farm yield for the transferring farm."

SEC. 504. Effective for the 1978 through 1981 crops of peanuts, section 359 of the Agricultural Adjustment Act of 1938, as

amended, is amended by-

(1) deleting from the first sentence of section (a) the language "75 per centum of the support price for" and inserting in lieu thereof the language "the support price for quota";

- (2) inserting after the first sentence of subsection (a) the following new sentence: The marketing of any additional peanuts from a farm shall be subject to the same penalty unless the peanuts, in accordance with regulations established by the tary, are placed under loan at the additional loan rate under the loan program made available under section 112(b) of the Agricultural Act of 1949 and not redeemed by the producers or are marketed under contracts between handlers and producers pursuant to the provisions of subsection (j) of this section": and
- (3) adding at the end thereof the following new subsections:
- "(g) Only quota peanuts may be retained for use as seed or for other uses on a farm and when so retained shall be considered as marketings of quota peanuts. Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use. Seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible
- "(h) Upon a finding by the Secretary that peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality

than the peanuts that could reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by such handler from such crop for such marketing, such handler shall be subject to a penalty equal to the loan level for quota peanuts on the peanuts which the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

"(i) The Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 112(c) of the Agricultural Act of 1949. Quota and additional peanuts of like type and segregation or quality may, under regulations prescribed by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

(j) Handlers may, under regulations prescribed by the Secretary, contract with producers for the purchase of additional peanuts for crushing, export, or both. All such contracts shall be completed and submitted to the Secretary (or if designated by the Secretary, the area association) for approval prior to June 15 of the year in which the

crop is produced.

'(k) Subject to the provisions of Section 407 of the Agricultural Act of 1949, as amended, any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use in accordance with regulations established

by the Secretary."

SEC. 505. Effective for the 1978 through 1981 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting immediately before "all brokers and dealers in peanuts" the following: "all farmers engaged in the production of peanuts."

SEC. 506. Effective for the 1978 through 1981 crops of peanuts, title I of the Agricultural Act of 1949, as amended, is amended by adding the following new section which reads as follows:

"PEANUT PROGRAM

"SEC. 112. Notwithstanding any other provision of law

"(a) The Secretary shall make price support available to producers through loans, purchases, or other operations on quota peanuts of each of the following crops such levels as the Secretary finds appropriate taking into consideration the eight factors specified in section 401(b) of this Act, but at not less than the following support levels per ton:

1978	\$390
1979	375
1980	360
1981	345

- "(b) The Secretary shall make price support available to producers through loans, purchases or other operations on additional peanuts of each of the 1978 through 1981 crops. In determining support levels, the Secretary shall take into consideration the demand for peanut oil and peanut meal, ex-pected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets.
- "(c) In carrying out subsections (a) and (b) of this section, the Secretary may make warehouse storage loans available in each of the three producing areas (described in 7 CFR part 1446, section 1446.4 of the General Regulations Governing 1974 and Subsequent Crop Peanut Warehouse Storage Loans published by Commodity Credit Corporation) to a designated area marketing association of peanut producers which is selected and

approved by the Secretary and which is operated primarily for the purpose of conducting such loan activities. Such associations may be used in administrative and supervisory activities relating to price support and marketing activities under this section and section 359 of the Agricultural Adjustment Act of 1938. Such loans shall include, in addition to the price support value of the peanuts, such costs as such association may reasonably incur in carrying out such responsibilities in its operations and activities under this section and section 359 of the Agricultural Adjustment Act of 1938, as amended."

SEC. 507. Effective for the 1978 through 1981 crops of peanuts, section 358a(a) of the Agricultural Adjustment Act of 1938, as

amended, is amended by-

(1) striking out, "if he determines that it will not impair the effective operation of the peanut marketing quota or price support program"; and

(2) striking out "may" each place that term appears and inserting "shall" in lieu

thereof.

TITLE VI-PUBLIC LAW 480

SEC. 601. Section 111 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by striking out the first three sentences thereof and inserting in lieu thereof the following:

"Not more than 25 per centum of the food aid commodities provided under this title in each fiscal year shall be allocated and agreed to be delivered to countries other than those meeting the poverty criteria established for International Development Association financing and affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad, unless (1) the President certifies to the Congress that the use of such food assistance is required for humanitarian food purposes and neither House of Congress disapproves such use, by resolution, within thirty calendar days after such certification, or (2) the President certifies to the Congress that the quantity of commodities which would be required to be allocated under this section to countries which meet International Development Association poverty criteria could not be used effectively to carry out the humanitarian purposes of this title. A reduction below 75 per centum in the proportion of food aid allocated and agreed to be delivered to countries meeting International Development Association poverty criteria and affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad which results from significantly changed circumstances occurring after the initial allocation shall not constitute a violation of the requirements of this section.'

SEC. 602. Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by adding at the end thereof of a new section 112 as follows:

"Sec. 112. From the sales proceeds and loan repayments under this title not less than the equivalent of 5 per centum of the total value of commodities furnished under all agreements shall be set aside and made available to the Secretary of Agriculture to finance projects, in cooperation with the Agency for International Development and with other appropriate agencies, that will aid in the use, distribution, storage, transportation, or otherwise increase foreign consumption of and markets for all United States agricultural commodities: Provided, That these projects are not inconsistent with the assistance program being carried out by the Agency For International Development in the particular country involved, and Provided further, That the Secretary of Agri-

culture may release such amounts so set aside as he determines cannot be effectively used to carry out the purposes of this section."

SEC. 603. The first sentence of section 204 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by striking out "\$600,000,000" and inserting in lieu thereof \$750,000,000."

SEC. 604. Section 401 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by striking the period at the end of the last sentence thereof and inserting in lieu thereof a comma and the following: "unless the Secretary of Agriculture determines that some part of the supply thereof should be used to carry out humanitarian purposes of this Act."

SEC. 605. Section 403 of the Agricultural Trade Development and Assistance Act of 1954, as amended is amended by—

(a) adding "(a)" after "Sec. 403";

(b) deleting the period at the end of the last sentence of subsection (a), as designated herein, substituting a colon therefor, and adding the following after the colon:

"Provided, That expenditures under this Act attributable to the financing of the ocean freight differential between United States-flag rates and foreign-flag rates, when United States-flag vessels are required to be used in accordance with the Cargo Preference Act (46 U.S.C. 1241(b)), shall be classified as expenditures for maritime purposes and the Commodity Credit Corporation shall be reimbursed for such costs from funds made available to the Department of Commerce for such purposes, for which the appropriation of necessary amounts for payment of such costs incurred or to be incurred is hereby specifically authorized."

(c) and adding the following new subsec-

tion after subsection (a):

"(b) Notwithstanding any other provision of law, in determining the reimbursement due Commodity Credit Corporation for all costs incurred in connection with Title II programs, commodities from Commodity Credit Corporation inventory, which were acquired under a domestic price support program, shall be valued at the export market price therefor, as determined by the Secretary of Agriculture, as of the time the commodity is made available under this Act."

Sec. 605. Section 409 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended by deleting "1977" and inserting in lieu thereof

"1981."

REMOVING THE RECENCY-OF-WORK REQUIREMENT FOR SOCIAL SECURITY DISABILITY BENEFITS

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to in-

clude extraneous matter.)

Mr. OTTINGER. Mr. Speaker, during the 94th Congress I introduced legislation to eliminate the recency-of-work requirement for social security disability benefits. Under present law a worker disabled at age 31 or later must have at least 20 quarters of coverage during the 40-quarter period ending with the quarter of his or her disability in order to qualify for benefits. My proposal would retain the requirement that an individual be fully insured in order to receive benefits but eliminates any requirement that coverage be earned during a specific time period.

The 20/40 requirement arbitrarily

denies protection to those who have contributed to the social security system over a long peirod of time. I cannot understand the presumption that if a worker had not been paying into the trust fund immediately prior to the onset of disability, he or she would not really need the benefits. I suppose that in order to restrict outlays under the program it was felt wise to protect only those sudenly stricken with incapaciting conditions and removed from the work force.

I think it is quite obvious that 20/40 requirement discriminates against women, who frequently leave the labor force in order to raise families and care for the home and who thus have less continuous coverage under social security. I have heard this complaint several times, for example, from women in middle age who have become disabled and are not yet eligible for old-age benefits, yet are fully insured under social security. More often than not, these women left the labor force because of responsibilities at home and planned to return to work once conditions permitted. This is not to say that the problem does not affect men as well, individuals who may have been out of the country temporarily or who may have been unemployed for a period of time for one reason or another.

I am informed by the Social Security Administration that in calendar year 1975 nearly 166,000 persons were denied disability benefits on the basis of the 20/40 requirement. It is not possible to say how many of these would eventually have qualified for benefits because they were not subjected to the disability test. Unfortunately, statistics on the number of women affected by this re-

quirement are not available.

It is particularly distressing to think of the choices that face an individual who finds that due to some obscure provision of law he or she is not protected against disability. If the individual is not able to perform any work for wages and has no protection under some private program, the only resort may be the SSI program. I think it is unconscionable that persons who are otherwise fully insured would be required to subsist on SSI simply because they had the misfortune to become disabled at a period in time after they left the work force.

Mr. Speaker, last Congress the Social Security Administration estimated that. had my bill been enacted in the 94th Congress, the resulting amount of additional benefit payments in calendar year 1977 would have been \$1.6 billion. Unfortunately, the dollar costs of providing fair and adequate protection for all Americans under social security are invariably high. But we are talking here about our responsibility to persons who, through no fault of their own, are deprived of their livelihood. We are also talking about persons who have contributed to social security, many of them for long periods of time, through their own hard-earned dollars and who have a right to expect to be protected.

I am pleased to have the opportunity to again introduce this bill and hope it will receive favorable consideration this Congress. The text of the bill follows: H.R. 6275

A bill to amend title II of the Social Security
Act to provide that any fully insured individual may qualify for disability insurance benefits and the disability freeze if he
has 40 quarters of coverage, regardless of
when such quarters were earned, even if he
does not have 20 quarters of coverage during the 40-quarter period immediately preceding his disability

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 223(c)(1)(B)(i) of the Social Security Act is amended to read as follows:

"(i) he had not less than 40 quarters of coverage as of the close of the quarter in which such month occurred, or not less than 20 quarters of coverage during the 40-quarter period which ends with such quarter, or".

(b) Section 216(i) (3) (B) (1) of such Act

is amended to read as follows:

"(1) he had not less than 40 quarters of coverage as of the close of such quarter, or not less than 20 quarters of coverage during the 40-quarter period which ends with such quarter or"

quarter, or".

SEC. 2. The amendments made by the first section of this Act shall apply only with respect to disability determinations made, and benefits payable on the basis of disability determinations made, pursuant to applications filed on or after the date of the enactment of this Act.

NEW REVENUES SHOULD FINANCE SOCIAL SECURITY TAX CUTS, STARTUP OF NATIONAL HEALTH INSURANCE

(Mr. MOORHEAD of Pennsylvania asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, as we all know, on Wednesday President Carter will present us with his comprehensive energy proposals. I do not want to judge them in advance in any way. But I would like to call to the attention of the House that an energy program, though it inevitably will call for some sacrifice, also presents an unusual and largely unrecognized opportunity. The revenues from new energy taxes, including a gasoline tax, can be used to solve some major social and economic problems. Specifically, we have the opportunity to reduce the regressive and inflationary social security payroll tax, meet the gap in social security financing that has worried so many of our citizens, and later on to finance a system of national health insurance without raising taxes.

This House is fully aware of the troubled financial condition of our social security system. The gentleman from New York (Mr. Conable) has recently given us a full rundown of this situation, which is not yet an emergency but will have to be dealt with shortly. What is more, our constituents are worried, too. While some published reports on this complex matter have been alarmist and misleading, there is no doubt that many of our citizens, particularly retired citizens, are frightened.

With the new energy program, and its otherwise unpopular taxes, we have a chance to kill several birds with one stone. We can do so by the simple device of devoting the proceeds of the new en-

ergy taxes to the social security trust fund. With the revenues that now seem likely as a counterpart of the energy programs, we should be able to do the following:

First. Reduce moderately the present social security tax, which as we all know is greater for millions of workers than the income tax. This tax has moved only one way—up—and it is scheduled to rise again next year. Now we can stabilize it and even reduce it. A reduction of this payroll tax, quite apart from the fact that the tax is regressive, would have a very significant payoff on the anti-inflation front. This is because the tax on employers would be reduced along with that on workers, meaning a direct cut in labor costs.

Second. Meet the short-term gap in social security financing—meaning the gap that is emerging for the next approximately 20 years. Energy-based revenues should be readily sufficient to meet the gap and allow for a tax reduction as well.

Third. In the longer run, finance a new program of national health insurance without added taxes. Note that such a program would also have a major anti-inflation payoff because it would eliminate present employer contributions to health plans, as well as worker contributions, which show up now in deductions from the weekly or monthly paycheck.

This is not fiscal pie in the sky. We can take as an example a new gasoline tax starting at 5 cents a gallon the first year and rising to 50 cents after 10 years. Each penny of gasoline tax would raise \$1 billion in new revenues—an amount that would diminish but not vanish as consumption began to be curtailed.

The first 3 years of such a tax, with additional revenues in the third year of almost \$15 billion, would permit a reduction of a full percentage point in the combined present social security tax of 11.7 percent—a half percentage point for the worker and a half percentage point for the employer—and the start of a buildup again in the dwindling social security trust fund. Providing only that we earmarked the new taxes for the trust fund, we could solve the financing problem and cut the payroll tax as well.

In later years, the revenues could go for further payroll tax reduction or to finance health insurance. For the immediate future, the reduction in social security taxes should be made simultaneous with the gasoline tax, to ease the pain and to make sure there is no reduction in aggregate demand in the economy.

Mr. Speaker, I am prepared to introduce legislation along these lines at an appropriate time. At this stage, I believe it is important that we realize as we prepare to deliberate the energy program what a great opportunity exists—one that may do much more to slow inflation than jawboning or other Government efforts—to influence private wage and price decisions.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Akaka, for today and Tuesday,

April 18, on account of constituent commitments.

Mr. Devine (at the request of Mr. Rhodes), for today and the balance of the week, on account of eye surgery.

Mr. Dornan (at the request of Mr. Rhodes), for today and Tuesday, April 19, on account of personal reasons.

Mr. Forsythe (at the request of Mr. Rhodes), for today and until further notice, on account of surgery and recuperation.

Mr. Jeffords (at the request of Mr. Rhodes), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Steiger, for 60 minutes, on Wednesday, April 20, 1977, and to revise and extend his remarks and include ex-

traneous matter.

(The following Members (at the request of Mr. Pursell) and to revise and extend their remarks and include extraneous matter:)

Mr. Edwards of Oklahoma, for 60 minutes, April 26, 1977.

(The following Members (at the request of Mr. Lederer) and to revise and extend their remarks and include extraneous matter:)

Mr. Annunzio, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Rodino, for 15 minutes, today.

Mr. Aspin, for 5 minutes, today. Mr. Drinan, for 30 minutes, today.

Mr. Thompson, for 10 minutes, today.

Mr. Vanik, for 5 minutes, today.

Mr. Burke of Massachusetts, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Johnson of Colorado, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost \$1.610.

Mr. Carter, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost \$1,288.

(The following Members (at the request of Mr. Pursell) and to include extraneous matter:)

Mr. Robinson.

Mr. WINN.

Mr. LUJAN.

Mr. DERWINSKI in two instances.

Mr. BURGENER.

Mr. GILMAN.

Mr. EMERY.

Mr. Evans of Delaware.

Mr. WHITEHURST.

Mr. MICHEL.

(The following Members (at the request of Mr. Lederer) and to include extraneous matter:)

Mr. RODINO.

- Mr. Annunzio in six instances.
- Mr. Gonzalez in three instances.
- Mr. Anderson of California in three instances
- Mr. Brown of California in 10 instances.
 - Mr. Fraser in five instances.
 - Mr. TEAGUE in two instances.
 - Mr. HARRIS.
 - Mr. HAMILTON.
 - Mr. LEHMAN in two instances.
 - Mr. Aspin in 10 instances.
 - Mr. DENT.
 - Mr. WRIGHT.
 - Mr. PEASE.
 - Mr. CORMAN.
 - Mr. GLICKMAN.
 - Mr. MINETA.
 - Mr. KASTENMEIER.

 - Mr. STOKES.
 - Mr. McDonald in five instances.
 - Mr. OTTINGER in two instances.
 - Mr. THOMPSON.
 - Mr. VANIK.
 - Mr. Charles Wilson of Texas.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 662. An act to provide for holding terms of the District Court of the United States for the Eastern Division of the Northern District of Mississippi in Corinth, Miss.; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 3365. An act to extend the authority for the flexible regulation of interest rates on deposits and accounts in the depository institutions; and .

H.R. 5717. An act to provide for relief and rehabilitation assistance to the victims of the recent earthquakes in Romania.

ADJOURNMENT

Mr. LEDERER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to: accordingly (at 12 o'clock and 46 minutes p.m.), the House adjourned until tomorrow, Tuesday, April 19, 1977, at 12 o'clock

EXECUTIVE COMMUNICATIONS. ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1209. A letter from the Secretary of Agriculture, transmitting a report on Dutch elm disease, pursuant to section 20 of Public Law 94-582; to the Committee on Agriculture.

1210. A letter from the Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 2 years; to the Committee on Agriculture.

1211. A letter from the Director, Office of Management and Budget, Executive Office

of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of April 1, 1977, pursuant to section 1014(e) of Public Law 93-344 (H. Doc. No. 95-122); to the Committee on Appropriations and ordered to be printed.

1212. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the fiscal year 1977 appropriation to the Department of Justice for sup-port of U.S. prisoners has been reapportioned on basis which indicates the necessity for a supplemental estimate appropriation, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

1213. A letter from the Acting Assistant Secretary of Defense (Manpower and Reserve Affairs), transmitting a report covering calendar year 1976 on special pay to members of the Armed Forces designated as missing in action while in or over hostile fire areas, pursuant to 37 U.S.C. 310)d); to the Committee on Armed Services.

1214. A letter from the Acting Assistant Secretary of Defense (Manpower and Reserve Affairs), transmitting a report on the adequacy of pays and allowances of the uniformed services, pursuant to 37 U.S.C. 1008(a); to the Committee on Armed Serv-

1215. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of nine construction projects proposed to be undertaken by the U.S. Army Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Serv-

1216. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of five construction projects proposed to be undertaken by the U.S. Air Force Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

1217. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of five construction projects proposed to be undertaken by the Air National Guard, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Serv-

1218. A letter from the Acting Director, Defense Civil Preparedness Agency, transmit-ting a report on property acquisitions of emergency supplies and equipment covering the quarter ended March 31, 1977, pursuant to section 201(h) of the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

1219. A letter from the Acting Administra-tor of General Services, transmitting the stockpile report for July-September 1976, pursuant to section 4 of the Strategic and Critical Materials Stock Piling Act; to the Committee on Armed Services.

1220. A letter from the Secretary of Housing and Urban Development, transmitting an interim progress report on the energy conservation and renewable-resource demonstra tion program, pursuant to section 509(g) of the Housing and Urban Development Act of 1970, as amended (90 Stat. 1164); to the Committee on Banking, Finance and Urban Affairs.

1221. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions supported by Eximbank during February 1977 to Communist countries; to the Committee on Banking, Finance and Urban Affairs.

1222. A letter from the Chairman of the Board and President, Federal National Mort-gage Association, transmitting the organization's 1976 annual report; to the Committee on Banking, Finance and Urban Affairs.

1223. A letter from the Secretary of Labor, transmitting a draft of proposed legislation to provide employment and training opportunities for youth; to the Committee on Education and Labor.

1224. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual report on activities under the Runaway Youth Act, pursuant to section 315 of the act; to the Committee on Education and Labor.

1225. A letter from the Acting U.S. Commissioner of Education, Department of Health, Education, and Welfare, transmitting a proposed plan, and a timetable for its execution, for establishment of State student loan insurance programs, pursuant to section 421(c) of the Higher Education Act of 1965, as amended (90 Stat. 2100); to the Committee on Education and Labor.

1226. A letter from the Executive Secretary of the Department of Health, Education, and Welfare, transmitting proposed interim regulations governing grants to State agencies for programs to meet the special educational needs of children in institutions for neglected or delinquent children, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

1227. A letter from the Assistant Administrator, Office of Planning and Management, Law Enforcement Assistance Administration, Department of Justice, transmitting the report of the Advisory Committee to the Administrator on Standards for the Administration of Juvenile Justice, March 1977, pursuant to section 247 of the Juvenile Justice and Delinquency Prevention Act of 1974; to the Committee on Education and Labor.

1228. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of a proposed new system of records for the Department of the Army, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1229. A letter from the Executive Officer, U.S. Environmental Protection Agency, transmitting a report on the Agency's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552d: to the Committee on Government Operations.

1230. A letter from the Executive Secretary, Occupational Safety and Health Review Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552d; to the Committee on Government Operations.

1231. A letter from the Comptroller General of the United States, transmitting a report on the Federal advisory committee program (GGD-76-104, April 7, 1977); to the Committee on Government Operations.

1232. A letter from the President, American Academy and Institute of Arts and Letters, transmitting a report on the activities of the National Institute of Arts and Letters during calendar year 1976, pursuant to section 4 of its charter; to the Committee on House Administration.

1233. A letter from the Acting Assistant Secretary of the Interior, transmitting notice of the receipt of project proposals under the Small Reclamation Projects Act of 1956 from the Whitney Irrigation District, Nebraska, and the Glenn-Colusa Irrigation District, California, pursuant to section 10 of the act; to the Committee on Interior and Insular Affairs.

1234. A letter from the Acting Deputy Assistant Secretary of the Interior transmitting a copy of a proposed contract with the Colorado School of Mines, Golden, Colo., for a research project entitled "Rapid Excavation of Rock With Small Charges of High Ex-plosive," pursuant to section 1(d) of Public Law 89-672; to the Committee on Interior and Insular Affairs.

1235. A letter from the Acting Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with the Pennsylvania State University, University Park, Pa., for a research project entitled "Solution Mining of Sedimentary Uranium Deposits," pursuant to section 1(d) of Public Law 89-672; to the Committee on Interior and Insular Affairs.

1236. A letter from the Chairman, Lowell Historic Canal District Commission, transmitting the Commission's report and recommendations, pursuant to section 4 of Public Law 93-645; to the Committee on Interior and Insular Affairs.

1237. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 77–13, finding that it is in the national interest to waive the exclusion of Zaire from sales under title I of the Agricultural Trade Development and Assistance Act for the purpose of selling \$15.3 million worth of agricultural products, pursuant to section 103 (d) (3) of the act; to the Committee on International Relations.

1238. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the intention of the Department of State to consent to a request by the Government of the Netherlands for permission to transfer certain U.S.-origin defense articles and services to the Government of Denmark, pursuant to section 3(d) of the Arms Export Control Act; to the Committee on International Relations.

1239. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of major defense equipment sold commercially to Italy (Transmittal No. MC-27-77), purusant to section 36(c) of the Arms Export Control Act; to the Committee on International Relations.

1240. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by various Ambassadors-designate and their families, pursuant to section 6 of Public Law 93-126; to the Committee on International Relations.

1241. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by William H. Sullivan, Ambassador-designate to Iran, and Michael J. Mansfield, Ambassador-designate to Japan, and their families, pursuant to section 6 of Public Law 93-126: to the Committee on International Relations.

1242. A letter from the Administrator, Agency for International Development, Department of State, transmitting the annual report for fiscal year 1976 on military expenditures by recipients of U.S. economic assistance, pursuant to section 620(s) (2) of the Foreign Assistance Act of 1961, as amended (83 Stat. 820); to the Committee on International Relations.

1243. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to Public Law 92-403; to the Committee on International Relations.

1244. A letter from the Secretary of the Treasury, transmitting reports on foreign credits by the U.S. Government as of December 31, 1975, and June 30, 1976, pursuant to section 634(f) of the Foreign Assistance Act of 1961, as amended (87 Stat. 724); to the Committee on International Relations.

1245. A letter from the Fiscal Assistant Secretary of the Treasury, transmitting a report on the inventory of nonpurchased foreign currencies as of September 30, 1976, pursuant to section 613(c) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

1246. A letter from the Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to extend provisions of title XIV of the Public Health Service Act for 2 years; to the Committee on Interstate and Foreign Commerce.

1247. A letter from the Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to extend provisions of the Noise Control Act of 1972, as amended, for 2 years; to the Committee on Interstate and Foreign Commerce.

1248. A letter from the Administrator, Federal Energy Administration, transmitting a report on the pricing of Alaska North Slope crude oil, pursuant to section 8(g) of the Emergency Petroleum Allocation Act of 1973, as amended (89 Stat. 945); to the Committee on Interstate and Foreign Commerce.

1249. A letter from the Administrator, Federal Energy Administration, transmitting the annual report on the energy conservation program for consumer products other than automobiles, pursuant to section 338 of the Energy Policy and Conservation Act; to the Committee on Interstate and Foreign Commerce.

1250. A letter from the Administrator Federal Energy Administration, transmitting the annual report on the industrial energy conservation program, pursuant to section 375(c) of the Energy Policy and Conservation Act; to the Committee on Interstate and Foreign Commerce.

1251. A letter from the Acting Assistant General Counsel for International, Conservation, and Resource Development Programs, Federal Energy Administration, transmitting notice of two meetings related to the International Energy Program April 18–20 and April 19–21, 1977, in Paris, France; to the Committee on Interstate and Foreign Compared

1252. A letter from the Acting Director, Community Relations Service, Department of Justice, transmitting, the annual report of the Service for fiscal year 1976, pursuant to section 1004 of the Civil Rights Act of 1964; to the Committee on the Judiciary.

1253. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended (79 Stat. 915); to the Committee on the Judiciary.

1254. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act (66 Stat. 182); to the Committee on the Judiciary.

1255. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to amend the Federal Rules of Criminal Procedure to provide for appellate review of sentences; to

the Committee on the Judiciary.

1256. A letter from the executive director,
Military Chaplains Association of the United
States of America, transmitting the audit report of the Association as of December 31,
1976, pursuant to section 3 of Public Law
88-504; to the Committee on the Judiciary.

1257. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend Section 304 of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, to extend the authorization of appropriation; to the Committee on Merchant Marine and Fisheries.

1258. A letter from the Administrator, Environmental Protection Agency, transmitting

a draft of proposed legislation to extend the Marine Protection, Research, and Sanctuaries Act, as amended, for 2 years; to the Committee on Merchant Marine and Fisheries.

1259. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report on actions taken on the recommendations of the Advisory Committee on Federal Pay contained in its fifth annual report, dated September 14, 1976, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Post Office and Civil Service.

1260. A letter from the Chairman, Commission on Postal Service, transmitting the report of the Commission, pursuant to section 7(f)(1) of Public Law 94-421; to the Committee on Post Office and Civil Service.

1261. A letter from the Secretary of Transportation, transmitting a revised estimate of the cost of completing the National System of Interstate and Defense Highways, pursuant to 23 U.S.C. 104(b) (5) (H. Doc. No. 95-123); to the Committee on Public Works and Transportation and ordered to be printed with illustrations.

1262. A letter from the Secretary of Transportation, transmitting the seventh annual report on operations under the Airport and Airway Development Act of 1970, pursuant to section 24 of the act; to the Committee on Public Works and Transportation.

1263. A letter from the Acting Assistant Secretary of the Army (Civil Works), transmitting a supplement to the first annual report recommending deauthorization of certain projects, pursuant to section 12 of Public Law 93-251 (H. Doc. No. 95-124); to the Committee on Public Works and Transportation and ordered to be printed.

1264. A letter from the Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to extend certain appropriation authorizations of the Federal Water Pollution Control Act for fiscal year 1977; to the Committee on Public Works and Transportation.

1265. A letter from the Acting Administrator of General Services, transmitting a report on the building project survey for San Francisco, Calif., requested by a resolution of the House Committee on Public Works and Transportation adopted November 20, 1975; to the Committee on Public Works and Transportation

Transportation.

1266. A letter from the Acting Assistant Secretary of Defense (Installations and Logistics), transmitting the report of Department of Defense procurement from small and other business firms for October-November, 1976, pursuant to section 10(d) of the Small Business Act; to the Committee on Small Business.

1267. A letter from the Administrator, U.S. Small Business Administration, transmitting volume II of the agency's 1976 annual report; to the Committee on Small Business.

1268. A letter from the Secretary of the Treasury, transmitting the 1975 annual report on the operation and effect of the domestic international sales corporation legislation, pursuant to section 506 of Public Law 92–178; to the Committee on Ways and Means.

1269. A letter from the Fiscal Assistant Secretary of the Treasury, transmitting the 21st annual report on the financial condition and results of the operations of the highway trust fund, cowering fiscal year 1976 and the transition quarter, pursuant to section 209(e)(1) of the Highway Revenue Act of 1956, as amended (H. Doc. No. 95–125); to the Committee on Ways and Means and ordered to be printed.

1270. A letter from the Fiscal Assistant Secretary of the Treasury, transmitting the sixth annual report on the financial condition and results of the operations of the airport and airway trust fund, covering fiscal

year 1976 and the transition quarter, pursuant to section 208(e) (1) of the Airport and Airway Revenue Act of 1970, as amended (H. Doc. No. 95–126); to the Committee on Ways and Means and ordered to be printed.

1271. A letter from the Chairman, U.S. International Trade Commission, transmitting a special report on the probable impact on U.S. trade of granting most-favorednation treatment to the U.S.S.R., pursuant to section 410 of the Trade Act of 1974; to the Committee on Ways and Means.

1272. A letter from the Secretary of Agriculture, transmitting a report that no acquisition of lands or interest in lands have taken place within the Boundary Waters Canoe Area, Superior National Forest, Minn., pursuant to section 6(b) of the act of June 22, 1948, as amended (90 Stat. 1123); jointly, to the Committees on Agriculture, and Interior and Insular Affairs.

1273. A letter from the Secretary of Defense, transmitting a draft of proposed legislation to amend titles 10 and 5, United States Code, to disestablish one of the positions of Deputy Secretary of Defense and establish an Under Secretary of Defense for Policy, and for other purposes; jointly to the Committees on Armed Services, and Post Office and Civil Service.

1274. A letter from the Comptroller General of the United States, transmitting a report on ways to improve the Army's management of spare combat equipment (LCD-76-442, April 5, 1977); jointly to the Committees on Government Operations, and

Armed Services.

1275. A letter from the Comptroller General of the United States, transmitting a report on the pricing of noncompetitive contracts subject to the Truth-In-Negotiations Act (PSAD-77-91, April 11, 1977), jointly, to the Committees on Government Opera-

tions, and Armed Services.

1276. A letter from the Comptroller General of the United States, transmitting a report on the long-term fiscal outlook for New York City, pursuant to section 10 of Public Law 94-143 (PAD-77-1 April 4, 1977); jointly, to the Committees on Government Operations, and Banking, Finance and Urban Affairs

1277. A letter from the Comptroller of the United States, transmitting a summary report on the long-term fiscal outlook for New York City, pursuant to section 10 of Public Law 94–143 (PAD-77–1A, April 4, 1977); jointly, to the Committees on Government Operations, and Banking, Finance and Urban Affairs.

1278. A letter from the Comptroller General of the United States, transmitting a report on New York City's efforts to improve its accounting systems, pursuant to section 10 of Public Law 94–143 (FGMSD-77–15, April 4, 1977); jointly, to the Committees on Government Operations, and Banking, Finance and Urban Affairs.

1279. A letter from the Comptroller General of the United States, transmitting an assessment of New York City's performance and prospects under its 3-year Emergency Financial Plan, pursuant to section 10 of Public Law 94–143 (GGD-77–40, April 4, 1977); jointly, to the Committees on Government Operations, and Banking, Finance and Urban Affairs.

1280. A letter from the Comptroller General of the United States, transmitting a report on the financial condition of the Export-Import Bank of the United States as of June 30, 1976 (ID-77-23, April 15, 1977); jointly, to the Committees on Government Operations, and Banking, Finance and Urban Affairs

1281. A letter from the Comptroller General of the United States, transmitting the third in a series of reports on the Department of Labor's implementation of the Comprehensive Employment and Training

Act of 1973 (HRD-77-53, April 7, 1977); jointly to the Committees on Government Operations and Education and Labor.

1282. A letter from the Comptroller General of the United States, transmitting a report recommending improvements in the Federal Government's system for processing the individual discrimination complaints of Federal employees and job applicants (FPCD-76-77, April 8, 1977); jointly to the Committees on Government Operations, Education and Labor, and Post Office and Civil Service.

1283. A letter from the Comptroller General of the United States, transmitting a report on physical security systems at nuclear powerplants (EMD-77-32, April 7, 1977); jointly to the Committees on Government Operations and and Interior and Insular Affairs.

1284. A letter from the Comptroller General of the United States, transmitting a report on the continuing need for improved operation and maintenance of municipal waste treatment plants constructed under grants awarded by the Environmental Protection Agency; jointly to the Committees on Government Operations and Public Works and Transportation.

1285. A letter from the Environmental Protection Agency, transmitting a draft of proposed legislation to extend certain provisions of the Clean Air Act, as amended, for 2 years; jointly, to the Committees on Science and Technology and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUB-LIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Pursuant to the order of the House on April 6, 1977, the following reports were filed on April 7, 1977]

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 1403. A bill to authorize the Secretary of the Interior to convey the interest of the United States in certain lands in Adams County, Miss., notwithstanding a limitation in the Color-of-Title Act (45 Stat. 1069, as amended; 43 U.S.C. 1068); with amendment (Rept. No. 95-191). Referred to the Committee of the Whole House.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 2527. A bill to authorize the Secretary of Agriculture to convey certain lands in the Sierra National Forest, Calif., to the Madera Cemetery District (Rept. No. 95–192). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 5638. A bill to amend the Fishery Conservation Zone Transition Act in order to give effect during 1977 to the Reciprocal Fisheries Agreement between the United States and Canada (Rept. No. 95–193). Referred to the Committee of the Whole House on the State of the Union.

[Pursuant to the order of the House on April 5, 1977, the following report was filed on April 6, 1977]

Mr. PRICE: Committee on Armed Services. H.R. 5970. A bill to authorize appropriations during the fiscal year 1978, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of

the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes (Rept. No. 95–194). Referred to the Committee of the Whole House on the State of the Union.

[Pursuant to the order of the House on April 5, 1977, the following report was filed on April 11 1977]

Mr. MANN: Committee on the Judicary. H.R. 5864. A bill to approve with modifications certain proposed amendments to the Federal Rules of Criminal Procedure, to disapprove other such proposed amendments, and for other related purposes (Rept. No. 95-195). Referred to the Committee of the Whole House on the State of the Union.

[Submitted April 18, 1977]

Mr. ULLMAN: Committee on Ways and Means. Section 302(b) Allocation Report of the Committee on Ways and Means on the Third Concurrent Budget Resolution for fiscal year 1977 (Rept. No. 95–210). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRI-VATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DANIELSON: Committee on the Judiciary. H.R. 1413. A bill for the relief of Robert H. Glazier (Rept. No. 95-196). Referred to the Committee of the Whole House.

Mr. HARRIS: Committee on the Judiciary. H.R. 1427. A bill for the relief of Marie Grant; with amendment (Rept. No. 95-197). Referred to the Committee of the Whole House.

Mr. MAZZOLI: Committee on the Judiciary. H.R. 1436. A bill for the relief of William H. Klusmeier, publisher of the Austin Citizen, of Austin, Tex. (Rept. No. 95–198). Referred to the Committee of the Whole House.

Mr. MOORHEAD of California: Committee on the Judiciary. H.R. 1557. A bill for the relief of Franklin R. Helt; with amendment (Rept. No. 95-199). Referred to the Committee of the Whole House.

Mr. KINDNESS: Committee on the Judiciary. H.R. 1612. A bill for the relief of certain employees of the Naval Ordnance Systems Command; with amendment (Rept. No. 95-200). Referred to the Committee of the Whole House.

Mr. HARRIS: Committee on the Judiciary. H.R. 1613. A bill for the relief of certain postmasters charged with postal deficiencies; with amendment (Rept. No. 95-201). Referred to the Committee of the Whole House.

Miss JORDAN: Committee on the Judiciary. H.R. 2563. A bill for the relief of Velzora Carr (Rept. No. 95-202). Referred to the Committee of the Whole House.

Mr. DANIELSON: Committee on the Judiciary. H.R. 2952. A bill for the relief of M. Sgt. William E. Boone, U.S. Army, retired (Rept. No. 95-203). Referred to the Committee of the Whole House.

Mr. KINDNESS: Committee on the Judiciary, H.R. 3314. A bill for the relief of Tri-State Motor Transit Co. (Rept. No. 95-204); Referred to the Committee of the Whole House.

Mr. KINDNESS: Committee on the Judiciary. H.R. 3460. A bill for the relief of William J. Elder and the estate of Stephen M. Owens, deceased (Rept. No. 95–205). Referred to the Committee of the Whole House.

Mr. DANIELSON: Committee on the Judiciary. H.R. 3620. A bill for the relief of John A. Townsley (Rept. No. 95-206). Re-

ferred to the Committee of the Whole House. Mr. DANIELSON: Committee on the Judiciary. H.R. 3621. A bill for the relief of Joseph J. Andrews (Rept. No. 95-207). Referred to the Committee of the Whole House.

Mr. HARRIS: Committee on the Judiciary. H.R. 3622. A bill for the relief of Mr. and Mrs. Aaron Wayne Ogburn (Rept. No. 95-208). Referred to the Committee of the Whole House.

Mr. MAZZOLI: Committee on the Judiciary. H.R. 4533. A bill for the relief of Gary Daves and Marc Cayer (Rept. No. 95-209). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPIN:

H.R.6256. A bill to amend the Fair Labor Standards Act of 1938, as amended, and for other purposes; to the Committee on Education and Labor.

By Mr. BROOKS:

H.R. 6257. A bill to provide for the efficient and regular distribution of current information on Federal domestic assistance programs; to the Committee on Government Operations.

H.R. 6258. A bill to amend the Privacy Act of 1974 to extend the life of the Privacy Protection Study Commission to September 30, 1977; to the Committee on Government Operations.

By Mr. CARTER:

H.R. 6259. A bill to amend title XVIII of the Social Security Act to provide payment for rural health clinic services, and for other purposes; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. CORMAN:

H.R. 6260. A bill to amend title XVIII of the Social Security Act for the purpose of including community mental health centers among the entities which may be qualified providers of service for medicare purposes; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce

By Mr. CORNELL (for himself, Mr. COHEN, Mr. HUGHES, Mr. MARKEY, and Mr. NEAL):

H.R. 6261. A bill to revise the laws governing appointments to the service academies to relieve Members of Congress from the responsibility of making nominations for appointments thereto, and for other purposes; jointly, to the Committees on Armed Services and Merchant Marine and Fisheries.

By Mr. CORNWELL (for himself, Mr. MILLER of California, Mr. SHUSTER, and Mr. ROBERT W. DANIEL, JR.) :

H.R. 6262. A bill to provide for the exclusion of industrially funded personnel in computing the total number of civilian person-nel authorized by law for the Department of Defense in any fiscal year; to the Committee on Armed Services.

By Mr. CORNWELL (for himself, Mr. RAHALL, Mr. EILBERG, Mrs. MEYNER, Mr. KINDNESS, Mr. MURPHY of Pennsylvania, Mr. Young of Missouri, Mr. Fithian, Mr. Duncan of Tennessee, Mr. BENJAMIN, Mr. CORRADA, Mr. ED-GAR, Mrs. SPELLMAN, Mr. BAUCUS, Mr. CARNEY, Mr. GILMAN, and Mr. OT-TINGER):

H.R. 6263. A bill to amend the Disaster Relief Act of 1974 relating to assistance to be provided to States and local governments during any emergency, and for other pur-poses; to the Committee on Public Works and Transportation.

By Mr. FASCELL:

H.R. 6264. A bill to require authorizations of new budget authority for Government programs at least every 5 years, to establish a

procedure for zero-base review of Government programs every 5 years, and for other purposes; jointly, to the Committees on Rules, and Government Operations.

By Mr. JACOBS (for himself and Mr. WON PAT):

H.R. 6265. A bill to amend title 21 of the United States Code, the Federal Food and Drugs Act of 1906; to the Committee on Interstate and Foreign Commerce."

By Mr. KREBS (for himself and Mr.

SISK):

H.R. 6266. A bill to permit marketing orders to include provisions concerning marketing promotion, including paid advertiseof raisins and distribution among handlers of the pro rata costs of such promotion; to the Committee on Agriculture

By Mr. McCORMACK (for himself, Mr. BADILLO, Mr. BEDELL, Mr. BEILEN-SON, Mr. BENJAMIN, Mr. BEVILL, Mr. BLANCHARD, Mr. BRECKINRIDGE, Mr. EDGAR, Mr. FORSYTHE, Mr. HUGHES, Mr. JEFFORDS, Mr. MADIGAN, Mrs. PETTIS, Mr. RODINO, Mr. ROE, Mr. ROSE, Mr. RUNNELS, Mr. SCHEUER, Mr. STUDDS, Mr. TRAXLER, Mr. WAL-GREN, Mr. WEISS, Mr. CHARLES WIL-SON of Texas, and Mr. Young of Missouri)

H.R. 6267. A bill to encourage energy conservation in residences and in use of electric vehicles; to the Committee on Ways and Means.

By Mr. MARLENEE:

H.R. 6268. A bill to provide additional emergency credit for farmers and ranchers and to expand existing credit, and emergency credit authority available to farmers and ranchers under the Consolidated Farm and Rural Development Act; to the Committee on Agriculture

H.R. 6269. A bill to increase the maximum amounts of operating and real estate loans which may be made under the Consolidated Farm and Rural Development Act; to the

Committee on Agriculture.

H.R. 6270. A bill to suspend for 1 year the enforcement of certain restrictions on irrigation of private lands under Department of the Interior reclamation projects; to the Committee on Interior and Insular Affairs.

By Mr. MICHEL (for himself, Mr. ABDNOR, Mr. BEARD of Tennessee, Mr. Burgener, Mr. Broomfield, Mr. CLEVELAND, Mr. COLLINS of Texas. Mr. DERWINSKI, Mr. DORNAN, Mr. EDWARDS of Oklahoma, Mr. FREY, Mr. KEMP, Mr. KINDNESS, Mr. MILFORD, Mr. MITCHELL of New York, Mr. JOHN T. MYERS, Mr. ROBINSON, Mr. TREEN, Mr. WHITEHURST, Mr. CHARLES WILSON of Texas, and Mr. WINN):

H.R. 6271. A bill to provide for the personal safety of those persons engaged in fur-thering the foreign intelligence operations of the United States; to the Committee on the Judiciary.

By Mr. MICHEL (for himself and Mr.

RAILSBACK):

H.R. 6272. A bill to provide emergency drought assistance by authorizing the Secretary of Agriculture to pay certain costs of transporting water; to the Committee on Agriculture.

By Mr. MITCHELL of Maryland:

H.R. 6273. A bill to amend the Federal Reserve Act to provide for Senate confirmation of certain appointments, and for other purposes; to the Committee on Banking, Finance and Urban Affairs

By Mr. MONTGOMERY (by request): H.R. 6274. A bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans: to increase the rates of dependency and indemnity compensation for their survivors; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. OTTINGER:

H.R. 6275. A bill to amend title II of the Social Security Act to provide that any fully insured individual may qualify for disability insurance benefits and the disability freeze if he has 40 quarters of coverage, regardless of when such quarters were earned, even if he does not have 20 quarters of coverage during the 40-quarter period immediately preceding his disability; to the Committee on Ways and Means.

By Mr. PRICE (for himself and Mr. Bos Wilson) (by request):

H.R. 6276. A bill to amend section 409 of title 37, United States Code, to eliminate restrictions for transporting a house trailer or mobile dwelling by a member of the uni-formed services, and for other purposes; to

the Committee on Armed Services.

H.R. 6277. A bill to amend title 10, United States Code, to authorize reimbursement for expenses incurred in obtaining quarters by certain members of the uniformed services on sea duty who are deprived of their quarters aboard ship, and for other purposes; to the Committee on Armed Service

By Mr. QUIE (for himself and Mr. Baucus).

H.R. 6278. A bill to amend the Tariff Schedules of the United States to permit the free entry of Canadian petroleum (including reconstituted crude petroleum) and crude shale oil, provided that an equivalent amount of the same kind and quality of domestic or duty-paid foreign crude petroleum (including reconstituted crude petroleum) and crude shale oil has been exported to Canada; to the Committee on Ways and Means.

> By Mr. QUILLEN (for himself and Mrs. SCHROEDER):

H.R. 6279. A bill to amend title 38 of the United States Code to revise certain administrative requirements of the veterans' educational program, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. RUSSO (for himself, Mr. Mur-

PHY of Illinois, Mr. Hughes, Mr. Moakley, Mr. Derwinski, Mr. Brob-HEAD, Mr. TREEN, Mrs. COLLINS of Illinois, Mr. BONIOR, Mr. ROSTENKOW-SKI, and Mr. FARY) :

H.R. 6280. A bill to authorize the Comptroller General to audit the programs, activities, and financial operations of the Federal National Mortgage Association, and to amend certain housing laws for the purposes of improving Federal programs which insure home mortgages; to the Committee on Bank-ing, Finance and Urban Affairs.

By Mr. SARASIN (for himself, Mr. RICHMOND, Mr. ROE, Mr. ST GER-MAIN, Mr. SOLARZ, and Mr. WEISS) :

H.R. 6281. A bill to provide for the development and implementation of programs for youth camp safety; to the Committee on Education and Labor.

Mr. UDALL (for himself, Mr. Bv GUDGER, and Mr. EDWARDS of California):

H.R. 6282. A bill to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes; to the Com-

mittee on Interior and Insular Affairs.

By Mr. VANIK (for himself, Mr. STEIGER, Mr. JONES of Oklahoma, and

Mr. HOLLAND):

H.R. 6283. A bill to amend the Trade Act of 1974 in order to authorize the President to designate certain countries in the Western Hemisphere as beneficiary developing countries under title V of such act if the President determines that such designations are in the national economic interest; to the Committee on Ways and Means.

By Mr. VENTO:

H.R. 6284. A bill to provide that the salaries of certain positions and individuals which were increased as a result of the operation of the Federal Salary Act of 1967 shall not be increased by the first comparability pay adjustment occurring after the date of the en-actment of this act; to the Committee on Post Office and Civil Service.

By Mr. BROOKS (for himself and Mr.

JOHN L. BURTON):

H.J. Res. 391. Joint resolution to authorize the Administrator of General Services to accept land, buildings, and equipment, without reimbursement, for the John Fitzgerald Kennedy Library, and for other purposes; to the Committee on Government Operations.

By Mr. BROOKS:

H. Res. 489. Resolution to provide for the expenses of investigations and studies to be conducted by the Select Committee on Congressional Operations; to the Committee on House Administration.

H. Res. 490. Resolution to provide for re-printing of House Report 94-1688 and House Report 94-1757; to the Committee on House

Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

85. By the SPEAKER: Memorial of the Legislature of the State of Montana, relative to the conduct of political campaigns on the grounds of Malmstrom Air Force Base; to the Committee on Armed Services.

86. Also, memorial of the Legislature of the Territory of Guam, relative to increasing Federal aid to Guam for local educational agencies in areas affected by Federal activi-ties: to the Committee on Education and Labor.

87. Also, memorial of the Legislature of the State of Utah, relative to the placement of Navajo Indians; to the Committee on Interior and Insular Affairs.

88. Also, memorial of the Senate of the State of New Mexico, relative to the freedom and security of the Republic of China; to the Committee on International Relations

89. Also, memorial of the Legislature of the State of Idaho, relative to competition and interconnection of the telephone industry; to the Committee on Interstate and Foreign Commerce.

90. Also, memorial of the Legislature of the State of Nevada, relative to proposed amendments to the McCarran-Ferguson Act; to the Committee on Interstate and Foreign Commerce.

91. Also, memorial of the Legislature of the State of New Mexico, relative to deregulation of the oil and gas industries; to the Committee on Interstate and Foreign Commerce.

92. Also, memorial of the Legislature of the State of Hawaii, relative to providing financial assistance to States with large

numbers of foreign immigrants; to the Committee on the Judiciary

93. Also, memorial of the Legislature of the State of South Dakota, relative to requesting the Congress to call a constitutional convention for the purpose of proposing an amendment to the Constitution of the United States relative to the right to life: to the Committee on the Judiciary.

94. Also, memorial of the Senate of the State of Hawaii, relative to providing subsidies to U.S.-flag ships operating between the U.S. mainland and Hawaii; to the Com-

mittee on Merchant Marine and Fisheries. 95. Also, memorial of the Senate of the Commonwealth of Puerto Rico, relative to the Public Works Act of 1976; to the Committee on Public Works and Transportation.

96. Also, memorial of the Legislature of State of Hawaii, relative to canceling State debts for funds advanced for unemployment compensation benefits; to the Committee on Ways and Means.

97. Also, memorial of the Legislature of the State of Arkansas, relative to the development of offshore areas by the petroleum industry; to the ad hoc Select Committee on the Outer Continental Shelf.

98. Also, memorial of the Legislature of the State of Nebraska, relative to the development of the Outer Continental Shelf resources of oil and gas; to the ad hoc Select Committee on the Outer Continental Shelf.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. DICKINSON introduced a bill (H.R. 6285) for the relief of the John A. Peterson Charitable Trust, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

78. By the SPEAKER: Petition of John J. Eckhart, Seattle, Wash., relative to Forest Service plans to construct a highway through the Burgdorf townsite, Idaho; to the Committee on Interior and Insular Affairs.

79. Also, petition of the Chinese Consolidated Benevolent Association, Los Angeles, Calif., relative to continuation of U.S. diplomatic ties with the Republic of China on Taiwan and for upholding existing Mutual Defense Treaty between the United States and the Republic of China on Taiwan; to the Committee on International Relations,

80. Also, petition of Haitian Committee of Organization of the March on Washington, New York, N.Y., relative to human rights; to the Committee on International Relations.

81. Also, petition of the mayor of the city of Owensboro, Ky., relative to providing facilities to aid in the control of homeless animals; to the Committee on Interstate and Foreign Commerce.

82. Also, petition of the board of directors, Delaware County Chamber of Commerce, Media, Pa., relative to the proposed Consumer Communications Reform Act of 1977; to the Committee on Interstate and Foreign Commerce

83. Also, petition of Stanislaw Witek, Nowy Sacz. Poland, relative to his desire to visit his cousin in Chicago; to the Committee on the Judiciary.

84. Also, petition of the city council, New York, N.Y., relative to making Abraham Lincoln's birthday a national holiday; to the Committee on Post Office and Civil Service. 85. Also, petition of the board of trustees,

Food Employers Labor Relations Association and Retail Store Employees Union Health and Welfare Fund, relative to simplifying the paperwork required of participants in private retirement plans; jointly, to the Committees on Education and Labor, and Ways and Means.

86. Also, petition of the National Association of Regulatory Utility Commissioners, Washington, D.C., relative to expediting the schedule for authorization of the construction and operation of the Arctic Gas project; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows: H.R. 5840

By Mr. McKINNEY:

Page 12, immediately after line 18, insert the following new section 110 and redesignate existing sections 110 through 118 as sections 111 through 119, respectively:

"PROHIBITION OF CERTAIN PETROLEUM EXPORTS

"SEC. 110. Section 4 of the Export Administration Act of 1969, as amended by sections 107, 108, and 109 of this Act, is further amended by adding at the end thereof the following new subsection:

'(m) Notwithstanding any other provision of this Act and notwithstanding subsection (u) of section 28 of the Mineral Leasing Act of 1920, no domestically produced crude oil transported by pipeline over rights-of-way granted pursuant to such section 28 (except any such crude oil which (1) is exchanged in similar quantity for convenience or increased efficiency of transportation with persons or the government of an adjacent foreign state, or (2) is temporarily exported for convenience or increased efficiency of transportation across parts of an adjacent foreign state and reenters the United States) may be exported from the United States, its territories and possessions, during the 2-year period beginning on the date of enactment of this subsection.'."

SENATE-Monday, April 18, 1977

(Legislative day of Monday, February 21, 1977)

The Senate met at 12 meridian, on soms and buds, for fields and flowers, for the expiration of the recess, and was called to order by the Acting President pro tempore (Mr. METCALF).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer.

Let us pray:

Our Father-God, we thank Thee for the resurrection of springtime, for blos-

lush lawns and green meadows, for quiet brooks and cascading streams, for gentle breezes and the calm warmth of the sun, for high-sailing clouds and the starstudded night, for the lyric notes of the birds, and for all that speaks of the wonder and glory of Thy creation. As new life abounds about us may a new life arise within us. May our minds and hearts harmonize with the beauty of the world Thou hast given us for our home.

Forgive us for all the wrong we have done to Thy creation. Strengthen us to do what is right in the future. Bless us in our work here and bring us to evening at peace with ourselves with our fellowman and with Thee. Amen.

THE JOURNAL

Mr. ROBERT C. BYRD, Mr. President, I ask unanimous consent that the Journal of the proceedings of Thursday, April 7, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees be authorized to meet today during the session of the Senate.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Armed Services Committee be authorized to meet during the sessions of the Senate on April 18, April 19, April 20, and April 21, 1977.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Arms Control, Oceans, and International Environment be authorized to meet during the session of the Senate on Wednesday, April 20, 1977, at 2:30 p.m., to hear the Honorable Paul C. Warnke on authorizing legislation for the Arms Control and Disarmament Agency (S. 1190 and S. 1024), with possible markup to follow.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AGENDA FOR TODAY

The ACTING PRESIDENT pro tempore. The Senator from Tennessee is recognized.

Mr. BAKER. Mr. President, I ask the majority leader if he can give us some insight into the legislative agenda for today, what we might be doing, and particularly whether or not, as previously contemplated, we might move to the consideration of Calendar Order No. 55, the so-called tax refund bill, during the course of the day.

Mr. ROBERT C. BYRD. Yes.

Mr. President, in view of the President's decision last week to withdraw his support for the tax rebate, I have subsequently been in touch with the distinguished chairman of the Committee on Finance (Mr. Long) to ascertain what his wishes might be in this regard. I talked to him last week. I have talked to him again this morning. He is going to get back to me as soon as he can after consulting with others. Until that time, I am not in a position to respond to the distinguished minority leader. I assume that Mr. Long will be back to me within the hour.

Mr. BAKER. Mr. President, I thank the majority leader.

I might say that, as I said in Tennessee during the recent break, I commend President Carter for his judgment in withdrawing his recommendation for a tax refund. I think it is the right decision. I think it was timely made. The President and I may disagree on the origins of the proposal and its effect and certainly on the alternative Republican plan, which, I noticed in his press conference last week, the President indicated he would veto if we were to pass it. Notwithstanding those things, I think the President made the right decision

under the circumstances at this moment. I applaud him for it.

I notice that the distinguished ranking member of the Committee on Finance is here. I would like to yield to him at this time.

Before I yield to him, let me say that I look forward to working with the majority leader in attempting to determine a schedule of legislative activities that will accommodate the changed circumstances.

Mr. ROBERT C. BYRD. I thank the Senator.

ORDER FOR NO RESOLUTIONS TO COME OVER UNDER THE RULE THIS WEEK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, following routine morning business today, no resolutions be permitted to come over under the rule.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I make the same request for each day during the remainder of the week.

Mr. BAKER. Mr. President, reserving the right to object—I do not object.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I yield to the distinguished ranking minority member.

Mr. CURTIS. Mr. President, I thank the distinguished minority leader for yielding.

THE TAX BILL

Mr. CURTIS. Mr. President, I rise to commend President Carter on his action, taken in reference to the tax rebate. I believe that all people admire an individual who possesses such characteristics that he can change his mind; also, that he can display some qualities of leadership and exert the right to render a decision when the time is appropriate. I believe the country generally and the business community in particular have responded and will respond very favorably to the President's decision. I believe that what he has done has been in the best interest of the economy of our country.

As to the procedure on the tax bill, I have not had an opportunity to confer with my distinguished chairman, Senator Long of Louisiana. I do not know what his desires or plan will be in reference to the remaining sections of the bill. I am sure that he will make a decision that will be just and fair to all the Senators and to the majority and minority on the committee.

I would like to suggest, however, that it would seem to me that it would be the better part of wisdom if this bill, H.R. 3477, the tax bill, could go back to the committee for a few days so that we can take a look at it. There are some tax matters that are very urgent so far as some important groups are concerned. There are some things that need to be looked at in the light of the President's decision. So, while I shall gladly bow

to whatever arrangement the leadership makes in working with Senator Long, it seems to me—and I merely make the suggestion—that it might be well to have the Committee on Finance take a few days to see what these various proposals are on the drawing board and what may be considered.

Mr. BAKER. Mr. President, I thank the Senator from Nebraska.

Mr. CURTIS. I thank the distinguished minority leader.

Mr. BAKER. I yield to the Senator from New York.

Mr. JAVITS. Mr. President, when the President made his decision respecting this \$50 tax rebate, I was in Mexico on official business for the Committee on Foreign Relations. I issued a statement saying that I thought it was prudent and courageous, and I think it is.

I think that by agreement between the President and many of us in the Congress, we are now on quite a different track than we were before. That is, that the President has himself said that an increase in consumer confidence, insofar as it could have been engendered by the \$50 tax rebate, has been accomplished. Indeed, that was his opening statement as to why he felt that he should recede from that position.

He said:

The recent improvements in all the economic indicators, the recent reduction in unemployment, the recent increase in the inflationary indicators, and their prospective impact of the new energy proposals, all have convinced me, the leaders of Congress, our economic advisers, that we do not need to proceed in the Congress with a \$50 tax rebate, nor with the optional business tax credits.

He went on to say that he thought, and I quote:

It is now too late to do that as early as we had anticipated and the consumer confidence has returned, consumer spending is up.

So, Mr. President, the only reason now for a tax bill would be the effort to continue the previous tax cuts, a change in the standard deduction to simplify tax returns, and otherwise. We are on a new track, no longer the track of consumer confidence, but some way of dealing with the fundamental structural difficulties in the American economy which result in a completely unacceptable rate of inflation and the danger that it will increase and, what we all agree, an absolutely unacceptable rate of unemployment.

There are targeted bills for the purpose. Indeed, I and others have agreed with the President upon a youth bill which is now before us by Presidential message and can have action rather guidely.

There is a question raised as to whether a permanent tax cut for individual tax-payers would deal not only with the issue of consumer confidence—the President says that is done—but would deal also with the question of investment confidence, as well as the demand for big ticket items. A permanent income tax cut would improve the outlook for consumer demand, and would be an incentive for business firms to expand productive capacity.

The ACTING PRESIDENT pro tempore. The time allotted to the minority leader has expired.

Mr. ROBERT C. BYRD. Mr. President, I yield 5 minutes to the minority leader to use as he wishes, if he wishes to use it.

Mr. BAKER. Mr. President, I thank the majority leader, and I yield that time to the Senator from New York.

Mr. JAVITS. I thank the Senator.

These also include the possibility of various kinds of accelerated depreciation. They include the possibility of accelerated depreciation for placing industrial and business facilities in areas hard hit by unemployment and for Government incentives for housing, a critically important lack in our country to this very moment, and another reason for the serious recession.

In addition, we may have targeted measures to deal with other areas where unemployment is very high, especially among youths, minorities, and women.

A question I raise now is this, Mr. President. The President is going to give us an energy message on Wednesday, probably as portentous a message as Congress ever gets in peacetime because, in my judgment, and that of many of my colleagues and of the people in the country, this is a really grave crisis, equivalent almost to a war crisis for the United States.

Should not we all now-the President, ourselves, our committees, the experts in the country-take a look at the new situation which the President has himself signaled, to wit, that we no longer need to go the route of restoring consumer confidence. He says that we are on that road now, and I agree. But we have to go the different track now of dealing with a very grave and endemic unemployment problem, very unusual for us, in the economic recovery of this country; with structural problems in our economy which have been revealed by the recent recession; and with a very grave energy problem, and that a different tax package, perhaps, even for the Republican side-and I had the honor of being chairman of the subcommittee which drafted ours-should now be devised to deal with what the President himself has signaled as a new economic situation.

I strongly commend that to the leadership, to my friend and colleague, Senator Long, and the Finance Committee. It is something which should give us all thought.

I say to the Senator from West Virginia (Mr. ROBERT C. BYRD) that I do not think, with all respect, that it is a matter of pulling the rebate and whatever else out of the bill, taking a couple of days to eliminate what the President has already said he wants eliminated, and tossing it back in the maelstrom of a lot of senatorial controversy.

I think maybe 2 weeks would be more like it, to take a look at the economic situation, at what the President is offering, including the energy package, at what comes from this side-I think I know my colleague well enough to know that he will look at that objectively-and try to design what will then meet the new situation which the President himself has signaled.

I respectfully submit that as a point of view to my colleagues.

Mr. BAKER. Mr. President, I thank the distinguished Senator from New York for his remarks. If there is any other time, I yield it back to the majority leader.

ROUTINE MORNING BUSINESS .

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements therein limited to 10 minutes.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REMOVAL OF INJUNCTION OF SE-CRECY-EXECUTIVE H, 95TH CON-GRESS, 1ST SESSION: EXECU-95TH CONGRESS, 1ST TIVE I SESSION

Mr. ROBERT C. BYRD. Mr. President. as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Treaty with Canada on the Execution of Penal Sentences. signed at Washington on March 2, 1977 (Executive H. 85th Cong., 1st sess.); Extradition the Treaty Finland, signed at Helsinki on June 11. 1976 (Executive I, 95th Cong. 1st sess.), both of which were transmitted to the Senate today by the President, and that the treaties with accompanying papers be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's messages be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The messages are as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty between the United States of America and Canada on the Execution of Penal Sentences which was signed at Washington on March 2, 1977.

I transmit also, for the information of the Senate, the report of the Department of State with respect to the Treaty.

The Treaty would permit citizens of either nation who had been convicted in the courts of the other country to serve their sentences in their home country; in each case the consent of the offender as well as the approval of the authorities of the two Governments would be required.

This Treaty is significant because it represents an attempt to resolve a situation which has inflicted substantial hardships on a number of citizens of each country and has caused concern to both Governments. I recommend that the Senate give favorable consideration to this Treaty together with the similar treaty

with the United Mexican States which I have already transmitted.

JIMMY CARTER. THE WHITE HOUSE, April 18, 1977.

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty on Extradition between the United States of America and Finland, signed at Helsinki on June 11, 1976.

I transmit also, for the information of the Senate, the report of the Department of State with respect to the Treaty.

The Treaty is one of a modern series of extradition treaties being negotiated by the United States. It adds to the list of extraditable offenses the offenses of aircraft hijacking, narcotics, and conspiracy to commit listed offenses and. upon entry into force, will terminate and supersede the existing extradition treaty relationship between the United States and Finland.

This Treaty will make a significant contribution to the international effort to control narcotics traffic. I recommend that the Senate give early and favorable consideration to the Treaty and give its advice and consent to ratification.

JIMMY CARTER

THE WHITE HOUSE, April 18, 1977.

SPECIAL ORDERS FOR TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes it business today it stand in recess until the hour of 1 p.m. tomorrow.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. ORDER FOR THE RECOGNITION OF SENATOR

SCHMITT TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, Mr. SCHMITT be recognized for not to exceed 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. Mr. BAKER. Mr. President, will the

majority leader yield to me? Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. I point out that if the Senate convenes at 1 p.m. tomorrow, the regular meeting of the Republican policy committee, the policy committee luncheon, would be convening at 12:30. We can accommodate that schedule, of course, but it will necessitate some of us being absent from the policy luncheon at

I wonder if the majority leader will consider coming in at 2 o'clock instead?

Mr. ROBERT C. BYRD. Mr. President, suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. ORDER FOR RECESS UNTIL 12:15 P.M. TOMORROW

Mr. ROBERT C. BYRD, Mr. President. in response to the query from the distinguished minority leader, I would envision the possibility that some Senators on both sides of the aisle may or may not want to make speeches tomorrow on the President's message which will be delivered tonight, on the subject of that message.

Therefore, I ask unanimous consent that the Senate, when it completes its business today, stand in recess until the

hour of 12:15 p.m. tomorrow.

Mr. BAKER. Mr. President, reserving the right to object-and I will not object-I think that is a good arrangement. think the majority leader is correct. There probably will be the necessity for some time for that purpose, and that will suit our purpose on this side very well.

There is no objection.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. Mr. ROBERT C. BYRD. Mr. President, suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD, Mr. President. I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT RECEIVED DURING RECESS

Under authority of the order of April 6, 1977, the Secretary of the Senate, on April 8, 1977, received messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Serv-

Under authority of the order of April 6, 1977, the Secretary of the Senate, on April 12, 1977, received messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

Under authority of the order of April 6, 1977, the Secretary of the Senate, on April 15, 1977, received messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on April 8, 12, and 15, 1977, are printed at the end of the Senate proceedings.)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

REPORT ON THE ADMINISTRATION OF THE RADIATION CONTROL FOR HEALTH AND PUBLIC SAFETY ACT-MESSAGE FROM THE PRES-IDENT-PM 66

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I transmit herewith the 1976 annual report on the administration of the Radiation Control for Health and Safety Act (Public Law 90-602), as prepared by the Department of Health, Education, and Welfare for a period of time prior to the commencement of my term.

The report's only legislative recommendation is that the requirement for the report itself, as contained in Public Law 90-602, be repealed. All of the information found in the report is available to Congress on an immediate basis through congressional committee oversight and budget hearings. The Department of Health, Education, and Welfare has concluded that this annual report serves little useful purpose and diverts agency resources from more productive activities.

JIMMY CARTER. THE WHITE HOUSE, April 12, 1977.

REPORT ON SITUATION IN CY-PRUS - MESSAGE FROM THE PRESIDENT-PM 67

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

As required by Public Law 94-104, this report describes progress which has been achieved during the last sixty days toward settlement of the Cyprus problem and the efforts the Administration has made to contribute to its resolution.

In my first report, dated February 11, I emphasized the high priority we place on this effort and reaffirmed our intention to work closely with the Congress in deciding on our future course. I promised that my Special Representative, Mr. Clark Clifford, would consult with you both before and after his trip to the area. He has done so. Before his departure, Mr. Clifford discussed the Cyprus question, and other pertinent matters, with a number of interested Senators and Congressmen. Leaving Washington February 15, he spent some two weeks visiting the eastern Mediterranean area to confer with leaders in Ankara, Athens and Nicosia. He also met with United Nations Secretary General Kurt Waldheim, under whose leadership the Cyprus intercommunal negotiations were subsequently reconvened. Returning from this series of intensive conversations, Mr. Clifford stopped in London to share his impressions with leaders of the British Government which, as current incumbent of the European Community Presidency as well as former administrator of Cyprus, maintains a special interest in finding a just and speedy Cyprus

Upon his return, Mr. Clifford reported to me that the leaders of Greece, Turkey and Cyprus correctly saw his mission as a signal of the deep interest this Administration takes in the problems of the eastern Mediterranean. He came away

convinced of their clear understanding that the United States is firmly committed to the search for a fair and lasting Cyprus settlement as well as to the improvement of relations with our two important and valued NATO allies. Greece and Turkey, and to the creation of a more stable atmosphere in the eastern Mediterranean.

The tasks I gave Mr. Clifford were to make a first-hand assessment of current problems and attitudes in the three countries so that we might better judge what contribution the United States might make toward encouraging progress in the long-festering Cyprus dispute; to identify ways in which the United States could improve its bilateral relationships with Greece and Turkey; and to gain a better insight into the sources of the tensions that exist between these two NATO allies.

In his visits to Ankara and Athens, Mr. Clifford held detailed discussions on a range of bilateral issues, as well as the subject of Cyprus. These talks were useful in creating a better understanding of the problems which have complicated our relations with Greece and Turkey. I was pleased to hear from Mr. Clifford that the leaders in Ankara and Athens support a serious attempt to negotiate a fair settlement of the Cyprus problem in 1977.

On Cyprus, Mr. Clifford had lengthy meetings with Archbishop Makarios and with the Turkish Cypriot leader, Mr. Rauf Denktash. These talks were frank and forthright. Both leaders recognized that what would be needed to move the Vienna talks forward were specific discussions of the two central issues of the Cyprus problem: future territorial arrangements and the division of responsibility between the central and regional govenments. Mr. Clifford found a new willingness to face the difficult decisions which both sides must now make if a settlement is to be reached.

One indication of that willingness is the negotiations between the Turkish and Greek Cypriot representatives which took place in Vienna from March 31 through April 7. These meetings-the first such intercommunal negotiations in more than a year-were chaired for the first several days by U.N. Secretary General Waldheim and following his scheduled departure on April 4, the concluding sessions were held under the chairmanship of the Secretary General's Special Representative for Cyprus, Ambassador

Perez de Cuellar.

We had not expected any dramatic breakthroughs at these meetings; and none occurred. The two sides are still far apart in their views. But the meetings did move forward the process of probing and clarification of each side's position by the other. Most important, in my view, is the fact that for the first time since 1974 concrete, detailed proposals were put forward by each side covering the two central issues. And finally the momentum achieved in these meetings has been preserved by the agreement of both sides to meet again in Nicosia about the middle of May to prepare for another round in Vienna and thus continue the process toward a peaceful Cyprus solution.

In my first report I promised that the United States will do all that it can to help achieve a negotiated settlement for Cyprus. I believe that the United States should continue to take a part in supporting the negotiating process revitalized by Secretary General Waldheim last month in Vienna. I believe that it is essential that we continue to work with the parties to encourage and insure a sustained and serious negotiating process and equally important that we work with our Greek and Turkish allies to strengthen the ties of friendship and cooperation between our countries. Working in close liaison with the Congress, we will devote whatever efforts may be required to bring about a truly just and lasting peace in the eastern Mediter-

JIMMY CARTER.

THE WHITE HOUSE, April 15, 1977.

APPROVAL OF BILLS

A message from the President of the United States stated that on April 7, 1977, he had approved and signed S. 925, an act to provide temporary authorities to the Secretary of the Interior to facilitate emergency actions to mitigate the impacts of the 1976-77 drought;

And that on April 13, 1977, he had approved and signed S. 1025, an act to amend the Securities Exchange Act of 1934 to increase the amount authorized to be appropriated for the Securities and Exchange Commission for fiscal year 1977.

MESSAGE FROM THE HOUSE

At 1:42 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has agreed to House Concurrent Resolution 196, providing for a joint session of the two Houses on Wednesday, April 20, 1977, to receive a message from the President of the United States, in which it requests the concurrence of the Senate.

COMMUNICATIONS FROM EXECU-TIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated:

EC-1096. A letter from the Secretary of Agriculture transmitting, pursuant to law, a report on the acquisition of lands or interest in lands within the Boundary Waters Canoe Area, Superior National Forest, Minnesota.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication from the Secretary of Agriculture relative to a report on the acquisition of lands or interests of land within the boundaries of waters in the Superior National Forest be referred to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Energy and Natural Resources.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EC-1097. A communication from the Director of the Office of Management, Executive Office of the President transmitting.

pursuant to law, a cumulative report on rescissions and deferrals for the month of April 1977 (with an accompanying report); jointly, pursuant to the order of January 30, 1975, to the Committees on Appropriations; the Budget; Foreign Relations; Commerce, Science, and Transportation; Armed Services, Energy and Natural Resources; Environment and Public Works; Human Resources; Agriculture, Nutrition, and Forestry; Finance; the Judiciary; Governmental Affairs; Banking, Housing, and Urban Affairs; and the Select Committee on Small Business, and ordered to be printed.

EC-1098. A communication from the Administrator of the Environmental Protection Agency transmitting a draft of proposed legislation to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for two years (with accompanying papers); to the Committee on Agriculture, Nutrition, and Forestry.

EC-1099. A letter from the Secretary of Agriculture transmitting, pursuant to law, a report on Dutch elm disease (with an accompanying report); to the Committee on Agriculture, Nutrition, and Forestry.

EC-1100. A letter from the Administrator

EC-1100. A letter from the Administrator of the Rural Electrification Administration transmitting, pursuant to law, a report on the approval of an insured loan and a commitment to guarantee a non-REA loan to Chugach Electric Association, Inc., of Anchorage, Alaska (with an accompanying report); to the Committee on Appropriations.

EC-1101. A letter from the Deputy Assistant Secretary of Defense, Installations and Housing, transmitting, pursuant to law, notice of five construction projects to be undertaken by the U.S. Air Force Reserve (with an accompanying report); to the Com-

mittee on Armed Services.

EC-1102. A letter from the Secretary of Defense transmitting a draft of proposed legislation to amend titles 10 and 5, United States Code, to disestablish one of the positions of Deputy Secretary of Defense and establish an Under Secretary of Defense for Policy, and for other purposes (with accompanying pa-

pers); to the Committee on Armed Services. EC-1103. A letter from the Deputy Assistant Secretary of Defense, Installations and Housing, transmitting, pursuant to law, notice of nine construction projects to be undertaken by the U.S. Army Reserve (with an accompanying report); to the Committee on Armed Services.

EC-1104. A letter from the Deputy Assistant Secretary of Defense, Installations and Housing, transmitting pursuant to law notice of five construction projects to be undertaken by the Air National Guard (with an accompanying report; to the Committee on Armed Services.

EC-1105. A letter from the Director of the Selective Service transmitting, pursuant to law, a copy of the Semiannual Report of the Director of Selective Service for the period July 1, 1976 through December 31, 1976 (with an accompanying report); to the Committee on Armed Services.

EC-1106. A letter from the Acting Director of the Defense Civil Preparedness Agency transmitting, pursuant to law, the report on property acquisitions of emergency supplies and equipment for the quarter ending March 31, 1977; to the Committee on Armed Services

EC-1107. A letter from the Acting Secretary of the Air Force transmitting, pursuant to law, a report on the estimated fiscal, local economic, budgetary, environmental, strategic, and operational consequences of the closure of Webb Air Force Base, Texas (with accompanying reports); to the Committee on Armed Services.

EC-1108. A letter from the Acting Secretary of the Air Force transmitting, pursuant to law, a report on the estimated fiscal, local economic, budgetary, environmental, strate-

gic, and operational consequences of the closure of Craig Air Force Base, Alabama (with accompanying reports); to the Committee on Armed Services.

EC-1109. A letter from the Acting Assistant Secretary of Defense, Installations and Logistics, transmitting, pursuant to law, a report of Department of Defense Procurement from Small and Other Business Firms for October-November 1976 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

EC-1110. A letter from the President of the Export-Import Bank of the United States transmitting, pursuant to law, a report on loan, guarantee and insurance transactions supported by Eximbank during February 1977 to Communist countries (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

EC-1111. A letter from the Secretary of Transportation transmitting, pursuant to law, the seventh annual report of operations under the Airport and Airway Development Act of 1970 for fiscal year ended June 30, 1976 and the transition quarter (with an accompanying report); to the Committee on Commerce, Science, and Transportation.

merce, Science, and Transportation.

EC-1112. A letter from the Administrator of the Environmental Protection Agency transmitting a draft of proposed legislation to extend the Marine Protection, Research, and Sanctuaries Act, as amended, for two years (with accompanying papers); to the Committee on Commerce, Science, and Transportation.

EC-1113. A letter from the Secretary of Commerce transmitting a draft of proposed legislation to amend Section 304 of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, to extend the authorization of appropriations (with accompanying papers); to the Committee on Commerce, Science, and Transportation.

EC-1114. A letter from the Chairman of the Federal Trade Commission transmitting, pursuant to law, the sixty-second annual report of the Federal Trade Commission covering its accomplishments during the fiscal year ended June 30, 1976 (with an accompany report); to the Committee on Commerce, Science, and Transportation.

EC-1115. A letter from the Acting Deputy Assistant Secretary of the Interior transmitting, pursuant to law, a copy of a proposed contract with Colorado School of Mines, Golden, Colorado, for a research project entitled "Rapid Excavation of Rock with Small Charges of High Explosives" (with an accompanying report); to the Committee on Energy and Natural Resources.

EC-1116. A letter from the Acting Deputy Assistant Secretary of the Interior transmitting, pursuant to law, a copy of a proposed contract with the Pennslyvania State University, University Park, Pennslyvania, for a research project entitled "Solution Mining of Sedimentary Uranium Deposits" (with an accompanying report); to the Committee on Energy and Natural Resources.

EC-1117. A letter from the Acting Assistant General Counsel for International, Conservation, and Resource Development Programs transmitting, pursuant to law, notice of two meetings related to the voluntary agreement and plan of action and to implement the international energy program (with accompanying papers); to the Committee on Energy and Natural Resources.

EC-1118. A letter from the Acting Assistant Secretary of the Interior transmitting, pursuant to law, notice of the receipt of project proposals under the Small Reclamation Projects Act of 1956; to the Committee on Energy and Natural Resources.

EC-1119. A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, the annual report on the progress of the Energy Conservtion Program for Consumer Products (with

an accompanying report); to the Committee on Energy and Natural Resources

EC-1120. A letter from the Acting Administrator of the General Services Administration transmitting, pursuant to law, a report of a building project survey for San Francisco, California (with an accompanying report); to the Committee on Environment and Public Works.

EC-1121. A letter from the Administrator of the Environmental Protection Agency transmitting a draft of proposed legislation to extend provisions of the Noise Control Act of 1972, as amended, for two years (with accompanying papers); to the Committee on Environment and Public Works.

EC-1122. A letter from the Administrator of the Environmental Protection Agency transmitting a draft of proposed legislation to extend certain provisions of the Clean Air Act, as amended, for two years (with accompanying papers); to the Committee on Environment and Public Works.

EC-1123. A letter from the Acting Assistant Secretary of the Army, Civil transmitting, pursuant to law, concurrence with the recommendations of the Chief of Engineers in the report entitled "Projects Recommended for Deauthorization-First Annual Report, Supplement No. 3" dated February 2, 1977 (with an accompanying report); to the Committee on Environment and Public Works.

EC-1124. A letter from the fiscal Assistant Secretary of the Treasury transmitting, pursuant to law, the twenty-first annual report on the financial condition and results of the operations of the Highway Trust Fund for fiscal year 1976 and the transition quarter (with an accompanying report); to the Com-

mittee on Finance.

EC_1125 A letter from the Fiscal Assistant Secretary of the Treasury transmitting, pursuant to law, the sixth annual report on the financial condition and results of the operations of the Airport and Airway Trust Fund for fiscal year 1976 and the transition quarter (with an accompanying report); to the Committee on Finance.

EC-1126. A letter from the Chairman of the United States International Trade Commission transmitting, pursuant to law, a special report on East-West trade entitled Probable Impact on U.S. Trade of Granting Most-Favored-Nation Treatment to the U.S.S.R." (with an accompanying report); to the Committee on Finance.

EC-1127. A letter from the Fiscal Assistant Secretary of the Treasury transmitting, pursuant to law, the report on Inventory of Nonpurchased Foreign Currencies as of September 30, 1976 (with an accompanying report); to the Committee on Foreign Rela-

EC-1128. A letter, dated April 8, 1977, from the Assistant Legal Adviser for Treaty Affairs transmitting, pursuant to law, international agreements other than treaties entered into by the United States within the past sixty days (with accompanying papers); to the Committee on Foreign Relations.

EC-1129. A letter from the Chairman of the District of Columbia Law Revision Commission transmitting, pursuant to law, annual report of the District of Columbia Law Revision Commission (with an accompanying report); to the Committee on Governmental Affairs.

EC-1130. A letter from the Inspector General of the Department of Health, Education, and Welfare transmitting, pursuant to law, the order establishing the Office of Inspector General (with accompanying papers); to the Committee on Governmental Affairs.

EC-1131. A letter from the Deputy Direc tor of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a follow-up report on the recommendations of the Advisory Committee on Federal Pay (with an accompanying report); to the Committee on Governmental Affairs

EC-1132. A letter from the Acting Comptroller General of the United States transmitting, pursuant to law, a report entitled "Continuing Need for Improved Operation and Maintenance of Municipal Waste Treatment Plants" (CED-77-46) (with an accompanying report); to the Committee on Governmental Affairs.

EC-1133. A letter from the Acting Comptroller General of the United States transmitting, pursuant to law, a report entitled "Pricing of Noncompetitive Contracts Subject to the Truth-in-Negotiations Act" (PSAD-77-91) (with an accompanying report); to the Committee on Governmental Affairs.

EC-1134. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled Evaluations Needed to Weed Out Useless Federal Advisory Committees" (GGD-76-104) (with an accompanying report); to the Committee on Governmental Affairs.

EC-1135. A letter from the Comptroller General of the United States transmitting. pursuant to law, a report entitled Benefits to Jobless Can be Attained in Public Service Employment" (HRD-77-53) (with an accompanying report); to the Committee on Governmental Affairs.

EC-1136. A letter from the Chairman of the National Study Commission on Records and Documents of Federal Officials transmitting, pursuant to law, the alternate report of the dissenting members of the National Study Commission on Records and Docu-ments of Federal Officials containing its findings, conclusions and recommendations (with an accompanying report); to the Committee on Governmental Affairs.

EC-1137. A letter from the Administrator of the Environmental Protection Agency transmitting a draft of proposed legislation to extend provisions of Title XIV of the Public Health Service Act for two years (with accompanying papers); to the Committee on

Human Resource

EC-1138. A letter from the Chairman of the National Council on Educational Research transmitting, pursuant to law, an advance copy of the third annual report of the National Council on Educational Research entitled "Educational Research: Limits and Opportunities" (with an accompanying report); to the Committee on Human Resources.

EC-1139. A letter from the Chairman of the Student Loan Marketing Association transmitting, pursuant to law, the fourth annual report of the Student Loan Marketing Association for calendar year 1976 (with an accompanying report); to the Committee on Human Resources

EC-1140. A letter from the Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law, a copy a document sent to the Fed-Register entitled "Grants to State agencies for programs to meet the special educational needs of children in institutions for neglected or delinquent children" (with accompanying papers); to the Committee on Human Resources.

EC-1141. A letter from the Acting Commissioner of Education transmitting, pur-suant to law, a plan and timetable for a plan designed to encourage the establishment of a student loan insurance program by each State which does not have such a program covered (with accompanying papers); to the Committee on Human Re-

EC-1142. A letter from the Administrator of the Small Business Administration transmitting, pursuant to law, a report on the administration of the Freedom of Information Act for the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC-1143. A letter from the Executive Officer, Freedom of Information Officer, of the Environmental Protection Agency transmitting, pursuant to law, a report on the administration of the Freedom of Information Act for the calendar year 1976 (with accompanying report); to the Committee on the Judiciary.

EC-1144. A letter from the Executive Secretary of the Occupational Safety and Health Review Commission transmitting, pursuant to law, a report on the administration of the Freedom of Information Act for the calendar year 1976 (with an accompanying report); to the Committee on the

Judiciary

EC-1145. A letter from Director of the Administrative Office of the United States transmissing a draft of proposed legislation to amend the Jury Selection and Service Act of 1968, as amended, to make the excuse of prospective jurors from federal jury service on the grounds of distance from the place of holding court contingent upon a showing of hardship on an individual basis (with accompanying papers); to the Committee on the Judiciary.

EC-1146. A letter from the Assistant Administrator of the Office of Planning and Management, Law Enforcement Assistance Administration transmitting, pursuant to law, the report of the Advisory Committee the Administrator on Standards for the Administration of Juvenile Justice (with an accompanying report); to the Committee on

the Judiciary. EC-1147. A letter from the Acting Director of the Community Relations Service, Department of Justice, transmitting, pursuant to law, a report of the activities of the Community Relations Service for fiscal year 1976 (with an accompanying report); to the Com-

mittee on the Judiciary

EC-1148. A letter from the Commissioner of the Immigration and Naturalization Service. Department of Justice, transmitting, pursuant to law, copies of orders entered in 1,060 cases in which the authority contained in the Immigration and Nationality Act was exercised in behalf of such aliens (with accompanying papers); to the Committee on

the Judiciary. EC-1149. A letter from the Administrator of the Small Business Administration transmitting, pursuant to law. Volume II of the 1976 annual report on the activities and accomplishments of the Small Business Administration (with an accompanying report); to the Select Committee on Small Business.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions which were referred as indicated:

POM-129. Resolution No. 62 adopted by the Legislature of the Territory of Guam relative to expressing appreciation to the President and Congress of the United States for their support of a plan to reimburse the territory of Guam for any loss of income tax revenues resulting from changes in the present Federal Law; to the Committee on Appropriations:

"RESOLUTION No. 62

"Be it resolved by the Legislature of the Territory of Guam:

Whereas, the territory of Guam retains all income taxes from income earned within the territory; and

"Whereas, income taxes on territorial income constitute over fifty percent of all revenues collected by the government of Guam: and

Whereas, proposed changes in the income tax law, specifically a tax rebate plan and an increase in the standard deduction, would negatively impact on the government of Guam's tax revenues: and

"Whereas, any loss of income tax revenue seriously impacts on the ability of the government of Guam to provide needed services to the residents of the territory; and

"Whereas, by recognizing territorial dependence upon the income tax collected on territorial incomes, the House Ways and Means Committee has voted to fully reimburse territorial treasuries in the amount of \$15 Million for FY75 & FY76 losses caused by the rebate and deduction increase; and

"Whereas, the Virgin Islands has received assurances from a representative of the President that a federal grant to cover the cost to the Virgin Islands of any tax reduction will be supported by the Administration; and

"Whereas, with House Ways and Means support and, as a sister territory of the Virgin Islands, Guam can also be assured of Administration support for a reimbursement plan to cover any loss of income tax resulting from changes in the federal law; now, therefore, be it

"Resolved, by the members of the Fourteenth Guam Legislature that a sincere thank you and Si Yuus Maase is hereby extended to the President and House of Representatives for their concern and understanding of the special circumstances and needs of Guam and its sister territories by supporting a proposal to reimburse territorial treasuries for losses caused by the rebate and deduction increase proposal presently before Congress; and be it further

"Resolved, that the Fourteenth Guam Legislature respectfully requests the United States Senate to act favorably on the Amendment to add \$15 million to the Department of the Interior's FY77 supplemental budget to cover Guam's tax losses; and

be it further "Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President of the United States, the President Pro Tem of the Senate, the Speaker of the House of Representatives, Guam's Congressional Delegate, and to the Governor of Guam."

POM-130. House Joint Resolution No. 8 adopted by the House of Representatives of the State of Idaho requesting Congress to consider the effects of legislative action on telephone rates applicable to the general public; to the Committee on Commerce, Science, and Transportation:

"HOUSE JOINT MEMORIAL NO. 8

"We, your Memorialists, the House of Representatives and Senate of the State of Idaho assembled in the First Regular Session of the Forty-fourth Idaho Legislature, do hereby respectfully represent that:

"Whereas, increased competition within the telecommunications industry and its effect on basic residential telephone rates is a matter of great public concern; and

"Whereas, much discussion has been generated regarding the possible benefits of such competition to the large users of telecommunications services and to the manufacturers of customer-provided devices; and

"Whereas, it is pointed out in these discussions that the widespread use of private transmission services and customer-provided devices may cause increased costs for residual telephone service, with the result that much if not all the increased costs will, of necessity, be paid by the utilities' small business and residential customers, including persons in lower income groups and those on fixed incomes; and

"Whereas, it is the duty of every public utility serving Idaho customers to furnish adequate, efficient, just and reasonable service, instrumentalities, equipment and facilities as are necessary to promote the safety, health, comfort and convenience of its retross; and

"Whereas, it has come to the attention of the members of the Legislature that the United States Congress has had under its consideration legislation concerning possible limitations on competition in the telecommunications industry; now, therefore, he it.

"Resolved by the members of the First Regular Session of the Forty-fourth Idaho Legislature, the House of Representatives and Senate concurring therein, that the members do hereby express their interest and concern regarding the Congress' investigation into telephone competition and interconnection; and be it further

"Resolved that the Congress be requested to include in its deliberations a full inquiry into the possible economic impact of any action it may contemplate, with the view of providing complete assurance that its action will not have an adverse effect on telephone rates applicable to the general public, and particularly to low-income individuals and small business, so that the public interest will be served; and be it further

"Resolved that the Federal Communications Commission is requested to delay full implementation of its policies fostering competition until Congress has had the opportunity to complete its investigation and to develop national policy; and be it further

"Resolved that the Chief Clerk of the House of Representatives transmit copies of this resolution to the President, the President of the Senate and the Speaker of the House of Representatives of Congress, and to the Senators and Representatives from Idaho in the Congress of the United States, and to the Federal Communications Commission."

POM-131. House Concurrent Resolution No. 77 adopted by the General Assembly of the State of Arkansas endorsing the exploration and development of petroleum potential of offshore areas of the United States and urging the U.S. Congress to encourage such exploration and development; to the Committee on Energy and Natural Resources:

"H.C.R. 77

"Whereas, the shortages of natural gas in the United States have caused extreme hardship to many citizens of the State of Arkansas and throughout the nation, and have resulted in the closings of factories and schools, shortened work hours and personal suffering; and

"Whereas, the U.S. Geological Survey estimates that the Federal Outer Continental Shelf may hold the potential for discovery and recovery, under today's technology and economics, of up to 181 trillion cubic feet of natural gas and up to 49 billion barrels of crude oil: and

"Whereas, the capability to explore for and produce oil and natural gas in U.S. offshore areas has already been proved by U.S. oil companies, as testified to in the 20,000 wells drilled to date in U.S. waters and the worldwide recognition given to American offshore expertise, technology, equipment and manpower; and

"Whereas, this capability has been further proved in the safety record of offshore operations in U.S. waters and in the production from U.S. offshore wells, which currently provide 16 percent of our domestic crude oil production and 21 percent of our natural gas production: and

"Whereas, it is in the interest of all Americans that exploration and production of our nation's frontier areas in the Outer Continental Shelf be conducted as rapidly as prudent management of our natural resources admits to; now therefore, be it

"Resolved by the House of Representatives of the Seventy-First General Assembly of the State of Arkansas, the Senate Concurring therein."

That the General Assembly, in the interests of the citizens of the State of Arkansas and of the United States in its entirety, hereby strongly endorses the full and thor-

ough exploration and development of the petroleum potential of the offshore areas of the United States, and calls upon the Congress of the United States to move expeditiously in encouraging such exploration and development through the private enterprise petroleum industry; be it further

"Resolved That upon adoption of this Resolution, a copy hereof shall be transmitted to the presiding officer of the U.S. Senate and the U.S. House of Representatives, and to each member of the Arkansas Congressional delegation"

POM-132. Resolution No. 47 adopted by Legislature of the State of Nebraska urging that current regulations and restrictions be eased so that development of the Outer Continental Shelf resources of oil and gas be expedited for the benefit of the United States and its citizens; to the Committee on Energy and Natural Resources.

"LEGISLATIVE RESOLUTION 47

"Whereas, although the State of Nebraska has produced oil and natural gas since 1939, this production has not been great enough to make her self-supporting in energy; and

"Whereas, the production in Nebraska as well as production in surrounding states, from whom Nebraska imports her supply of oil and natural gas, is on the decline; and

"Whereas, the only hope for reversing the trend of 'sharing the shortage' is to promote development of nationwide expanded exploration, production, conservation and alternate sources of energy; and

"Whereas, the U.S. Geological Survey estimates that the Federal Outer Continental Shelf may contain the potential for discovery and recovery, under present technology and economics, of up to 181 trillion cubic feet of natural gas and up to 49 billion barrels of crude oil; and

"Whereas, there are at least three prime Outer Continental Shelf areas located on the eastern seaboard which if developed could supply eastern consumers with their average annual consumption of 4 trillion cubic feet of natural gas for 20 years. This natural gas now comes from Outer Continental Shelf wells in the Gulf-of Mexico. Rapid development of the East Coast Outer Continental Shelf gas reserves would release important quantities of natural gas for the states of the Middle West, including Nebraska, where natural gas is currently in serious short supply; and

"Whereas, activity on the Outer Continental Shelf has been impeded by numerous environmental restrictions imposed on the industry by governmental action and legislation (S. 9 and H.R. 1614) is being considered by Congress of the United States which would further delay the development of these much needed resources; and

"Whereas, the capability to explore for and produce oil and natural gas in the U.S. offshore areas has already been proven by the U.S. oil companies, as shown by the 20,000 wells drilled, to date, in U.S. waters and the worldwide recognition given the offshore expertise, technology, equipment and manpower of the American petroleum industry; and

"Whereas, this capability has been further proven by the safety record of offshore operations in U.S. waters; the wells of which currently provide 16 percent of our domestic crude production and 21 percent of our natural gas production; and

"Whereas, it is in the interest of all Americans, especially those in producing states, that the exploration and production in our nation's frontier areas of the Outer Continental Shelf be accelerated as rapidly as prudent management will permit; now, therefore be it.

"Resolved by the Members of the Eightyfifth Legislature of Nebraska, first session:

1. That they express their desire that

such legislation be seriously considered and defeated by the Congress of the United States and that the current regulations and restrictions be eased so that development of the Outer Continental Shelf resources of oil and gas be expedited for the benefit of the United States and its citizens.

2. That upon adoption of this resolution, a copy hereof shall be transmitted to the presiding officer of the U.S. Senate, the U.S. House of Representatives, and to each member of the Nebraska Congressional Delega-

POM-133. A substitute resolution of S.R. No. 65 and 68 adopted by the Senate of the Commonwealth of Puerto Rico endorsing the Federal public works legislation know as Public Works Act; to the Committee on Environment and Public Works:

"SENATE RESOLUTION OF S.R. No. 65 AND No. 68

"STATEMENT OF MOTIVES

"The Federal Congress, in its determination to reduce unemployment throughout the nation, approved the Public Works Act 1976. Under said legislation the states, cities and municipalities are provided funds to combat unemployment locally and de-

velop works of benefit to the community.
"Puerto Rico has received funds in the amount of eighty-nine million (89,000,000) dollars on proposals authorized by the Eco-nomic Development Administration of the Federal Department of Commerce. The Resident Commissioner, Honorable Baltasar Corrada del Rio, has obtained the support of Congressman Robert Roe, who is in charge of the public works legislation, so that there be extended to Puerto Rico the thirty-eight million (38,000,000) dollars pending adjudi-cation in the first round of appropriations under the Federal law. The Resident Commissioner and the Governor of Puerto Rico receive the one hundred twenty-seven million (127,000,000) dollars that would cor-respond to it in the second round of said legislation. To such effects letters have been sent to and meetings have been held with federal officials.

"As an example of this, the Director of the Economic Development Administration of the Federal Department of Commerce, John Corrigan, met with Governor Carlos Romero Barceló in Puerto Rico. It is possible that as a result of this meeting, Puerto Rico receive advances from the funds forming part of the reserve created and which have not been adjudicated in the first round of the aforesaid Federal legislation.

"Different municipalities of Puerto Rico have submitted projects to the consideration of the Economic Development Administration of the United States Department of Commerce under the same provisions of this act. Projects for the amount of ninety million (90,000,000) dollars have already been authorized and there remain another thirty seven million dollars pending final determi-

"Now the Congress of the United States in holding public hearings with a view to re-newing the provisions of this act with larger appropriations than the ones in force and as an additional special effort to combat unemployment throughout the nation in a more aggressive way. Puerto Rico could benefit from the new legislation with appropri-ations of between 250 and 300 million dollars. All of us who in one way or another discharge public responsibilities must exert the maximum effort and offer our support to a legislation of this nature, aimed at reducing the magnitude of a chronic problem in Puerto Rico, as is unemployment. It is known that Puerto Rico has traditionally sustained high rates of unemplyoment. At the present time the rate of unemployment of Puerto Rico is more than twice the national unemployment rate.

"Besides establishing priorities, the Com-

mittee is going to advise and inform applicant municipalities so that their proposals have the greatest probability of being approved.

'The officials of this administration are making every possible effort so that a third round of this legislation be approved in which Puerto Rico may obtain still larger appropriations.

'It is necessary that the Senate of Puerto Rico give all its official moral backing to the efforts being made by our official representatives for the benefit of the people of Puerto Rico

"Be it resolved by the Senate of Puerto Rico:

"Section 1.-The Senate of Puerto Rico hereby expresses its most decided endorsement to the Federal public works legislation (known as "Public Works Act" of 1976) and to its extension to future years, legislation that is intended to ease the pain and tribulation that unemployment represents for every American citizen.

ection 2.—To endorse the efforts that our official representatives are making so that the people of Puerto Rico obtain the maximum benefit from said legislation.

'Section 3 .- To ratify our interest in that there be made available to Puerto Rico the maximum funds whose authorization present and future legislation may permit.

"Section 4.—To acknowledge the effort be ing made by the Resident Commissioner of Puerto Rico in Washington, Honorable Balta-sar Corrada del Río and the Governor of Puerto Rico, Honorable Carles Romero Barceló so that Puerto Ricans achieve from this legislation the full participation and optimum benefit they are entitled by their condition as American citizens.

Section 5.—To send a copy of this Resolution to the Governor of Puerto Rico, Honorable Carlos Romero Barceló, to the Resident Commissioner of Puerto Rico in Washington, Honorable Baltasar Corrada del Río. to the presiding officers of both Legislative Chambers of the United States, and to the Chairman of the Committees and Subcommittees dealing with this measure in the Congress of the United States."

POM-134. Resolution No. 77-486 adopted by the Orange County Board of Supervisors, Orange County, Calif., supporting legislation for the extension of the Indochinese refugee assistance program.

POM-135. House Joint Resolution No. 503 adopted by the Legislature of the State of South Dakota making application to the Congress of the United States to call a convention for the purpose of proposing a human life amendment to the Constitution of the United States in accordance with article V of said Constitution: to the Committee on the Judiciary:

"H.J. RES. No. 503

"Whereas, millions of abortions have been performed in the United States since the abortion decision of the Supreme Court of January 22, 1973; and

"Whereas, the Congress of the United States has not to date proposed, subject to ratification, a human life amendment to the Constitution of the United States; and

Whereas, in the event of such congressional inaction, article V of the Constitution of the United States grants to the states the right to initiate constitutional change by applications from the Legislatures of twothirds of the several states to the Congress, calling for a constitutional convention; and

"Whereas, the Congress of the United States is required by the Constitution to call such a convention upon the receipt of applications from the Legislatures of two-thirds of the several states:

"Be it resolved, by the House of Representatives of the State of South Dakota, the Senate concurring therein:

That the Legislature of the State of South

Dakota does hereby make application to the Congress of the United States to call a convention for the sole purpose of proposing an amendment to the Constitution of the United States that would protect the life of all human beings, including unborn children; be it further

'Resolved, that this application shall constitute a continuing application for such convention pursuant to article V of the Constitution of the United States until the Legislatures of two-thirds of the states shall have made like applications and such convention shall have been called by the Congress of the United States; be it further

"Resolved, that certified copies of this res olution be presented to the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, the Clerk of the House of Representatives of the United States, and to each Member of the Congress from this state attesting the adoption of this joint resolution by the Legislature of the State of South Dakota.

REPORTS OF COMMITTEES SUB-MITTED DURING RECESS

Under authority of the order of April 6, 1977, the following reports of committees were received on April 12, 1977:

By Mr. MUSKIE, from the Committee on the Budget, without amendment:

S. Res. 126. A resolution waiving section 303(a) of the Congressional Budget Act with respect to the consideration of HR. 3477 (Rept. No. 95-89).

S. Con. Res. 19. An original resolution setting forth the congressional budget for the United States Government for the fiscal year 1978, together with supplemental and minority views (Rept. No. 95-90).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CANNON, from the Committee on Rules and Administration, with an amendment:

S. Res. 5. A resolution to amend the Standing Rules of the Senate, together with minority views (Rept. No. 95-91).

By Mr. KENNEDY, from the Committee on Human Resources, without recommendation:

H.R. 4991. An Act to authorize appropriations for activities of the National Science Foundation, and for other purposes (Rept. No. 95-92)

By Mr. KENNEDY, from the Committee on Human Resources, with an amendment:

S. 855. A bill to authorize appropriations for the activities of the National Science Foundation, and for other purposes, together with minority views (Rept. No. 95-93).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HUMPHREY:

S. 1284. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for the purchase and installation of certain energy conserving devices in a taxpayer's principal residence and in other buildings; to the Committee on Finance.

By Mr. DANFORTH (for himself and

Mr. EAGLETON):

S. 1285. A bill to designate certain lands in the Mark Twain National Forest, Mis-souri, which comprise about seventeen thousand five hundred and sixty-two acres, and

known as the "Irish Wilderness", as a component of the National Wilderness Preservation System; to the Committee on Energy and Natural Resources.

By Mr. METCALF:

S. 1286. A bill to designate certain lands in the Gallatin and Beaverhead National Forests, in Montana, as wilderness; to the Committee on Energy and Natural Resources. By Mr. GRAVEL:

S. 1287. A bill to provide housing and community development assistance for Indians and Alaska Natives; to the Committee on Banking, Housing, and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HUMPHREY:

S. 1284. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for the purchase and installation of certain energy conservation devices in a taxpayer's principal residence and in other buildings; to the Committee on Finance.

SOLAR ENERGY AND ENERGY CONSERVATION ACT OF 1977

Mr. HUMPHREY. Mr. President, I am introducing the Solar Energy and Energy Conservation Act. It has been introduced twice before and similar provisions have been twice passed by the Senate as amendments to tax legislation.

The bill establishes fiscal incentives for the acquisition and use of solar energy devices and energy conservation equipment and devices in homes, offices, and in industry. Such fiscal incentives are long overdue. In fact, to refresh my colleagues' memories, we passed similar provisions to those in my Solar Energy and Energy Conservation Act of 1977 in March of 1975—as a floor amendment sponsored by Senator Domenici and myself to a tax reduction bill. Unfortunately, the conferees on that bill deleted the solar/conservation fiscal incentive provisions.

Let me summarize this legislation: First, it establishes tax credits:

Of 25 percent—with a \$1,000 maximum—of the cost of acquiring and installing solar heating and cooling equipment in a taxpayer's existing principal residence or any new housing unit;

Of 25 percent—with a \$250 maximum—of the cost of acquiring and installing insulation and caulking—in excess of HUD's minimum property standards—and storm windows and doors on new housing units;

Of 25 percent—with a \$250 maximum—of the cost of acquiring and installing insulation, caulking, storm windows and doors plus other energy conserving devices in a taxpayer's existing principal residence;

Of 25 percent—with a maximum of \$5,000—of the cost of acquiring and installing solar energy heating and cooling equipment in a new or existing commercial building; and

Of 25 percent—with a maximum of \$1,000—of the cost of acquiring and installing insulation, caulking, storm windows and doors plus other energy-conserving devices in a commercial building.

There is a 3-year carryback and a 4-year carryforward provision for unused tax credits in this legislation; the credit is available to contractors as well as building owners, but not to both for the same structure.

Tax deductions for the cost of acquiring and installing solar heating and cooling equipment and energy-conserving materials and equipment are established by this legislation—they may be used as an alternative to the tax credits made available. Limitations on the deductions are \$4,000 for the solar equipment and conservation materials and devices, of which a maximum of \$1,000 can be applied to the latter.

The tax incentives are temporary—expiring in 1981—and are designed to temporarily reduce the cost of solar devices and energy-conserving improvements to homes and other buildings. As many of my colleagues now know, the major hurdle facing the rapid utilization of solar energy or energy-conserving materials and devices are their relatively high initial costs.

New solar heating systems now cost between \$5,000 and \$15,000; a complete set of storm windows and doors can run upwards of \$2,500 per residence.

While the installation of solar devices and energy conserving improvements is a sound investment—with payback periods of 10 years or less in most cases—many homeowners simply cannot afford their purchase. We have seen paychecks eroded by inflation since 1973 at a startling rate. Few working men and women, in fact, have managed since then to even maintain constant purchasing power. And fewer still have seen their real income increase.

Frankly, providing tax incentives for solar energy and energy conservation is a necessity if we are to effectively realize substantial energy savings in our buildings sector. And, I believe there is now little doubt that energy conservation—minimizing the growth in demand for fossil fuels—is the only real path our Nation can take to energy independence.

There have been several bills offered this session establishing fiscal incentive similar to those provided by my Solar Energy and Energy Conservation Act of 1977. And I have little doubt that the administration's energy package will contain similar provisions, as well.

There are two factors which generally differentiate my bill from others, and merit support.

First, energy conserving investments in caulking and insulation for new residences are eligible for tax assistance only to the extent such investment exceeds that required by HUD's minimum property standards. This provision, of course, is designed to avoid unnecessary tax losses for actions which will be taken as a matter-of-course anyway.

Second, the tax assistance provided by my legislation is available to owners or to building contractors. The major institutional hurdle to solar energy utilization and residential structures with good energy conserving features is that contractors have little or no incentive to install the necessary materials or devices. Their incentive is to minimize cost. And unless a specific promotional effort is warranted, that usually means no solar energy and relatively few energy conserving features.

That situation exists today despite the recent upsurge in energy costs and awareness of their impact on household budgets

Making the fiscal incentives provided in this legislation available to contractors as well as building owners will reduce this institutional hurdle. It should spark a modest rise in the utilization of more energy conserving features and solar heating and cooling equipment in new residential structures.

Mr. President, I ask unanimous consent that the text of the Solar Energy and Energy Conservation Act of 1977 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1284

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Solar Energy and Energy Conservation Act of 1977."

Sec. 2. (a) The Congress hereby finds

 present national energy sources are limited and the capacity of the national energy supply system to meet future demand is threatened;

(2) it is in the national interest to conserve energy by moderating the demand for fossil fuels and by improving the efficiency with which such fuels are used;

(3) significant energy savings for the Nation and the consumer may be achieved by applying existing methods of energy conservation to the thermal design of various residential units; and

(4) it is an important national objective to encourage sound investment practices which improve the thermal design of various residential units and increase the use of solar energy in heating, cooling, water heating and electricity production in such units.

(b) It is the purpose of this Act to establish a system of income tax credits and income tax deductions in order to promote the use of energy conserving techniques and devices in commercial and various residential units, and to promote the use of solar energy devices.

INCOME TAX CREDIT FOR CERTAIN EXPENDITURES
RELATING TO THERMAL DESIGN OF RESIDENCES
AND OTHER BUILDINGS

SEC. 3. (a) Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowed) is amended by inserting immediately before section 45 the following new section:

"SEC. 44B. EXPENDITURES RELATING TO THER-MAL DESIGN OF TAXPAYER'S PRIN-CIPAL RESIDENCE AND OTHER BUILDINGS

- "(a) GENERAL RULE.—There shall be allowed as a credit against the tax imposed by this chapter—
- "(1) an amount equal to the ordinary and necessary expenses paid by a taxpayer during the taxable year for the improvement of the thermal design of any existing principal residence by that taxpayer through the purchase of conventional materials or through the purchase of solar heating and cooling equipment;
- "(2) an amount equal to the ordinary and necessary expenses paid by a taxpayer, including a contractor, during the taxable year for the installation by that taxpayer, of insulation and caulking materials to the extent these materials exceed in the amount the specifications for such materials in the Department of Housing and Urban Development Minimum Property Standards, and storm windows, storm doors and solar heating and cooling equipment, in any new residential unit; and

"(3) an amount equal to the ordinary and necessary expenses paid by a taxpayer during the taxable year for the improvement of the thermal design of any new or existing commercial building by that taxpayer through the purchase of conventional materials or through the purchase of solar heating and cooling equipment.

GENERAL LIMITATION .- (1) The credit allowed by subsection (a) (1) and (a) (2)

shall be limited to-

"(A) 25 percent of any expense which qualifies for a deduction under section 220

(a); and (B) \$1,000 for the period during which the provisions of this section are in effect, no more than \$250 of which may be allowed as a credit for the purchase of conventional materials.

"(2) The credit allowed by subsection (a) shall be limited to (A) 25 percent any expense which qualifies for a deduction under section 220(a); and (B) \$5,000 for the period during which the provisions of this section are in effect, no more than \$1,000 of which may be allowed as a credit for the purchase of conventional materials.

"(3) No credit for expenditure from Federal funds.-This section does not apply to so much of any payment as is made by the taxpayer from amounts received in the form of a grant, loan, or loan guarantee from the

United States Government.

"(c) APPLICATION WITH OTHER CREDITS.— For purposes of subsection (a), the tax imposed by this chapter reduced by the sum of any amounts allowed as a credit under sections 33, 37, 38, 40, 41, 42, 44, and 44A.

"(d) CARRYBACK AND CARRYOVER OF UNUSED CREDITS .- If the amount of the credit determined under subsection (a) for the taxable year (including amounts carried over to that year under this subsection) exceeds the liability of the taxpayer for tax under this chapter for the taxable year (hereinafter in this subsection referred to as the 'unused credit year'), the excess shall be-

"(1) a credit carryback to each of the 3 taxable years preceding the unused credit

"(2) a credit carryover to each of the 4 taxable years following the unused credit year,

and shall be added to the amount allowable as a credit by subsection (a) for such years. The entire amount of the unused credit for an unused credit year shall be carried to the earliest of the 7 taxable years to which such credit may be carried, and then to each of the other 6 taxable years to the extent that such unused credit may not be added for prior taxable year to which such unused credit may be carried.

(e) DEFINITIONS-

"(1) CONVENTIONAL MATERIALS.-For purposes of this section, the term 'conventional materials' includes caulking materials and insulation, storm windows, storm doors, and such other materials as so defined by the Secretary of the Treasury, in cooperation with the Federal Energy Administrator and the Secretary of HUD.

"(2) SOLAR HEATING AND COOLING EQUIP--For purposes of this section, the term 'solar heating and cooling equipment' means any solar heating and cooling equipment, solar electric generation devices and solar en-

ergy assisted heat pumps which:

(A) meets the definitive performance criteria prescribed by the Secretary of HUD under section 8 of the Solar Heating and Cooling Demonstration Act of 1974 (Public Law 93-490; 88 Stat. 1073)."; or which

"(B) meets adequately definitive performance criteria to be certified acceptable for receipt of a tax credit or deduction by the Secretary of the Treasury in cooperation with the Secretary of HUD. The Secretary of the Treasury shall take such appropriate actions to accelerate the development of "adequately definitive" performance criteria to allow certification of such equipment by not later

than 180 days following enactment.

"(3) For purposes of this section the term 'residential units' shall include single family units and individual residential units within a multi-family structure.

"(4) PRINCIPAL RESIDENCE.—The term 'principal residence' has the same meaning as when such term is used in section 1034.

(f) SPECIAL RULES .-

(1) JOINT OCCUPANCY.—In the case of any dwelling unit which is jointly occupied and is used during the calendar year as the principal residence of two or more individuals-

'(A) the amount of the credit allowable under subsection (a) with respect to any qualified expenditures paid or incurred during the calendar year by any of such individuals with respect to such dwelling unit shall be determined by treating all such individuals as one taxpayer whose taxable year is such calendar year, and

"(B) each of such individuals shall be allowed a credit under subsection (a) for the taxable year in which such calendar year ends in an amount which bears the same ratio to the amount paid or incurred by such individual during such calendar year for such expenditures bears to the aggregate of the amounts paid by all such individuals during the calendar year for such expenditures.

(2) TENANT STOCKHOLDER IN COOPERATION HOUSING CORPORATION .- In the case of an individual who holds stock as a tenant stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such individual-

"(A) shall be treated as owning the dwelling unit which he is entitled to occupy as

such stockholder, and
"(B) shall be treated as having paid his tenant stockholder's proportionate share (as defined in section 216(b)(3)) of any qualified expenditures paid or incurred by such corporation.

(g) No REDUCTION OF BASIS.—The basis of any property shall not be increased by the amount of any qualified expenditure made with respect to such property to the extent the amount of any credit allowed under this section with respect to such expenditure.

INCOME TAX DEDUCTION FOR CERTAIN EXPENDI-TURES RELATING TO THERMAL DESIGN OF RESI-DENCES AND OTHER BUILDINGS

SEC. 4. (a) Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 220 as section 221, and by inserting immediately after section 219 the following new section:

'Sec. 220. Expenditures Relating to Ther-MAL DESIGN OF TAXPAYER'S PRINCIPAL RESIDENCE AND OTHER BUILDINGS

"(a) GENERAL RULE.-There shall be allowed as a deduction,

"(1) the ordinary and necessary expenses paid by a taxpayer during the taxable year for the improvement of the thermal design of any principal residence by that taxpaythrough the purchase of conventional materials (as defined by section 44B(e)(1)) or through the purchase of solar heating and cooling equipment (as defined by section 44B(e)(2)) and;

"(2) an amount equal to the ordinary and necessary expenses paid by a taxpayer, including a contractor, during the taxable year for the installation by that taxpayer of insulation and caulking materials to the extent these materials exceed in the amount the specifications for such materials in the Department of Housing and Urban Development Minimum Property Standards, and storm windows, storm doors, and solar heating and cooling equipment, in any new residential unit.

'(b) LIMITATION.—The deduction allowed

by subsection (a) shall be limited to \$4,000 for the period during which the provisions of this section are in effect, no more than \$1,000 of which may be allowed as a deduction for the purchase of conventional materials.

(c) ELECTION TO TAKE CREDIT IN LIEU OF DEDUCTION.—This section shall not apply in the case of any taxpayer who, for the tax-able year, elects to take the credit against tax provided by section 44B (relating to credit against tax for expenditures relating to thermal design of taxpayer's residence and other buildings). Such election shall be made in such manner and at such time as the Secretary of the Treasury or his delegate shall prescribe by regulations.".

(d) The table of sections for such part VII is amended by striking out the term relating to section 219 and by inserting in lieu thereof the following new items:

"SEC. 220. Expenditures relating to thermal design of taxpayer's principal residence and other buildings.

"SEC. 221. Cross references.".

"Sec. 5. (a) TERMINATION OF CREDIT .- The provisions of section (3) (a) and (4) (a) shall not apply with respect to any expenditure paid or incurred after December 31, 1981."

SEC. 6. TECHNICAL AMENDMENTS .- (a) (1) Section 6401(a) of such Code (relating to amount treated as overpayments)

amended-

(A) by inserting "and 44B (relating to expenditures relating to thermal design of taxpayer's principal residence and other buildings),"

(B) by striking out "and 43" each place appears and inserting in lieu thereof a

comma and "43 and 44B"

(2) Section 6201(a)(4) of such Code (relating to assessment authority) is amended-

(A) by striking out "39 or 43" in the caption and inserting in lieu thereof "39, 43, or 44B", and

(B) by striking out "or section 43 (relating to earned income)," and inserting in lieu thereof a comma and "section 43 (relating to earned income), or section 44B (relating to expenditures relating to thermal design of taxpayer's principal residence and other buildings),".

(3) Section 6096(b) of such Code (relating to designation of income tax payment to Presidential election campaign fund) is amended by striking out "and 44A" and inserting in lieu thereof "44A, and 44B".

(4) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting immediately before the item relating to section 45 the following new item:

"SEC. 44B. Expenditures Relating to Thermal Design of Taxpayer's Principal Residence and Other Buildings.

"Sec. 7(a). The amendments made by this section apply with respect to taxable years beginning after December 31, 1976, with respect to amounts paid or incurred after June 30, 1977."

> By Mr. DANFORTH (for himself and Mr. Eagleton):

S. 1285. A bill to designate certain lands in the Mark Twain National Forest, Mo., which comprise about 17,562 acres, and known as the "Irish Wilderness," as a component of the National Wilderness Preservation System; to the Committee on Energy and Natural Resources.

IRISH WILDERNESS ACT OF 1977

Mr. DANFORTH. Mr. President, I am pleased to introduce today on behalf of myself and Mr. Eagleton a bill that would further the purposes of the Wilderness Act, a law passed by Congress, some 13 years ago. The Wilderness Act, as you recall, granted authority to set aside designated geographic areas of our public domain and preserve them in their natural state for the recreation, education, and enjoyment of all Americans. Missourians are fortunate to have a great variety of land that would qualify for wilderness designation under the terms of the Wilderness Act. The bill we are introducing today will designate a tract of land, located in the southern Missouri county of Oregon and known as the Irish Wilderness as a component of the National Wilderness Preservation System.

Wilderness areas have both recreational and scientific value. Not only do wilderness areas provide camping and other high quality outdoor recreational opportunities, but they provide badly needed wildlife habitat and sites for wildlife, forestry, and water quality research. And, in a world which is increasingly insulted by modern technology, these wildlife areas will preserve a natural heritage of irreplaceable esthetic value.

The purpose of wilderness conservation and preservation is laudable—it is to protect certain areas of the public domain from changes wrought by man. Once land is designated as wilderness, it is to be left alone, not managed. Commercial operations are prohibited within wilderness areas, and neither roads, power lines nor even motor vehicles are allowed to intrude upon nature's domain. However, the compatible activities of man with nature—for instance, hiking, hunting, fishing, nature study, photography and horseback riding—are allowed.

My remarks, general in nature, are directly applicable to the reasons for designating the Irish Wilderness as part of this Nation's National Wilderness Preservation System. For the record, though, I would like to describe for you the beauty of the Irish Wilderness. Picture, if you will, a tract of wilderness, some 17,500 acres in size lying in the drainage area of two beautiful and scenic rivers, the Eleven Point and Current. The wilderness area itself is part of the National Forest System, and no permanent roads have been built within it.

Within the Irish Wilderness are numerous drainages, known in Missouri backland vernacular as hollows. These hollows start as little more than shallow washes in the upper woodlands of the wilderness area and meander throughout the wilderness, gradually deepening their valleys along the way until they reach a confluence with one of the rivers within the wilderness. Along these numerous hollows, one will find caves to explore, springs to drink from and sink holes to ponder.

The dense forest cover of the Irish Wilderness consists mainly of oak and pine and is supplemented throughout by an abundance of herb life. Also within the area is a diversity of animal wildlife, ranging from the salamander that frequents the springs and pond areas to reported sightings of both the American black bear and the eastern cougar.

Besides this natural beauty, the Irish Wilderness is steeped in history, folklore, and legend. Stories abound of courageous settlers, the existence of backwoods stills,

and marauding guerillas that frequented the area during the Civil War years. The Irish Wilderness obtains its name from Irish settlers who, in the mid-nineteenth century, led by one Father Hogan, descended upon the area to settle it. It is to Father Hogan that I turn, now, to summarize the beauty and vastness of this wilderness area and the necessity of preserving it for future generations. Father Hogan, in his description of the Irish Wilderness, stated:

The quiet solitariness of the place seemed to inspire devotion. Nowhere could the human soul so profoundly worship as in the depths of that leafy forest, beneath the swaying branches of the lofty oaks and pines, where solitude and the heart of man united in praise and wonder of the Great Creator.

Mr. President, I and Mr. Eagleton are introducing today this bill to designate the Irish Wilderness as a component of the National Wilderness Preservation System in hopes that this Wilderness will be preserved forever as it was originally seen and inhabited by Father Hogan and described so eloquently by him.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1285

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be known as the Irish Wilderness Act of 1977

SEC. 2. In furtherance of the purposes of the Wilderness Act (78 Stat. 890) and the Act of January 3, 1975 (88 Stat. 2096), the following area as generally depicted on a map appropriately referenced, dated April 1977, is hereby designated as wilderness and, therefore, as a component of the National Wilderness Preservation System—

(1) certain lands in the Mark Twain National Forest, Missouri, which comprise about seventeen thousand five hundred and sixtytwo acres, are generally depicted on a mapentitled "Irish Wilderness", dated April 1977, and shall be known as the Irish Wilderness.

SEC. 3. As soon as practicable after this Act takes effect, the Secretary of Agriculture shall file a map and a legal description of the Irish Wilderness area with the Energy and Natural Resources Committee of the Senate and the Interior and Insular Affairs Committee of the House of Representatives, and such description shall have the same force and effect as if included in this Act: Provided, however, That correction of clerical and typographical errors in such legal description and map may be made.

Sec. 4. The area designated as wilderness by this Act shall be administered in accordance with the applicable provisions of the Wilderness Act (78 Stat. 890) and the Act of January 3, 1975 (88 Stat. 2096), except that any reference in such provisions to the effective date of such Acts shall be deemed to be a reference to the effective date of this Act.

By Mr. METCALF:

S. 1286. A bill to designate certain lands in the Gallatin and Beaverhead National Forests, in Montana, as wilderness; to the Committee on Energy and Natural Resources.

SPANISH PEAKS WILDERNESS AREA

Mr. METCALF. Mr. President, I introduce for appropriate reference a bill to expand the Spanish Peaks Wilderness Area in the Gallatin and Beaverhead National Forests in Montana. This bill is

identical to S. 355, which my distinguished colleague, former Senate Majority Leader Mike Mansfield, and I introduced in the 94th Congress.

We are all aware of the enormous pressures which the march of "civilization" is putting on our remaining wilderness. The Forest Service has made final formal recommendations to Congress under its Wilderness Act mandate. There are many more areas which should have been included. One of the more prominent of these is the expanded Spanish Peaks area in Montana.

The Forest Service has recommended inclusion of some 63,000 acres as a Spanish Peaks wilderness. My bill would nearly double the area, adding land on all sides but principally in the Jack Creek area to the south. Past hearings conducted by the Subcommittee on Public Lands of the Senate Interior Committee, as it was known before the 95th Congress, have revealed overwhelming public support for the expanded area. Those hearings, conducted in Bozeman, Mont., solicited testimony from those who live closest to the proposed reserve and who know it best.

Mr. President, all the lands I wish to add to the Forest Service proposal are essentially unused rugged lands which belong naturally with the core area. Some private ownership is involved in the southern Jack Creek area, most of it by the Burlington Northern Railroad, Burlington Northern is an absentee owner, having acquired the land in a checkerboard pattern by trades for lands previously given the railroad through Federal subsidy. I continue to be hopeful that the company, which does not presently use the land, will be convinced that it could serve a high public good without prejudicing the company's vital interests. Officials of Burlington Northern have indicated to me a willingness to discuss arrangements whereby the company might vacate these and other "checkerboad" sections in the Gallatin area, and these negotiations will be pursued. In the meantime, I will reintroduce the Spanish Peaks Wilderness Act.

Mr. President, I ask unanimous consent that the proposed legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1286

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with section 3(c) of the Wilderness Act of September 3, 1964 (78 Stat. 890, 892; 16 U.S.C. 1132(c)), the following described lands in the Gallatin and Beaverhead National Forests, Montana, comprising about one hundred thirteen thousand one hundred and two acres and depicted on a map entitled "Spanish Peaks Wilderness", dated May 1971, are hereby designated as wilderness:

Beginning at the northeast section corner, section 32, township 4 south, range 4 east, M.P.M.; thence south along section lines approximately 1 mile to the southeast section corner, section 32, township 4 south, range 4 east; thence east along the township line approximately ½ mile to the north quarter section corner, section 4, township 5 south, range 4 east; thence south approximately 2 miles to the south quarter section corner, section 9; thence southeasterly approximated by the south quarter section 9; thence southeasterly approximated by the southeasterly approximately 2 proximately 2 proxima

mately 3½ miles to the east quarter section corner, section 26; thence south along section lines approximately 1 mile to the east quarter section corner, section 35; thence west approximately ½ mile to the center section 35; thence south approximately ½ mile to the south quarter section corner section 35, all in township 5 south, range 4 east;

Thence east approximately ½ mile to the northeast section corner section 2, township 6 south, range 4 east; thence south along section lines approximately 2 miles to the northeast section corner, section 14; thence southwesterly approximately 3½ miles to the center of section 28; thence south approximately ½ mile to the south quarter section corner, section 28; thence west along section lines approximately 2½ miles to the southwest section corner, section 30; thence north approximately 1 mile to the north-west section corner, section 30, all in township 6 south, range 4 east.

Thence west along section lines approximately 1 mile to the southwest section corner, section 24; thence north approximately 1/2 mile to the west quarter section corner, section 24; thence west approximately 1/2 mile to the center of section 23; thence north approximately 1/4 mile; thence west approximately 1/2 mile to the sixteenth section corner, section 23; thence north along section line approximately ¼ mile to the northwest section corner section 23; thence north along section line approximately 1/4 mile to the sixteenth section corner; thence west approximately ½ mile; thence north approximately ¼ mile to the center of section 15; thence west approximately 1/2 mile to the west quarter section corner, section 15; thence north along section lines approximately ½ mile to the northwest section corner, section 15; thence west approximately 1/2 mile to the south quarter section corner, section 9; thence north approxi-1/2 mile to the center of section 9; mately thence west approximately 1/2 mile to the west quarter section corner, section 9; thence north approximately 1 mile; thence west approximately 1 mile; thence south approximately 1 mile to the west quarter section corner, section 8; thence west approximately 1/4 mile to the Madison-Gallatin divide; thence southerly along said divide approximately 1/2 mile to the intersection of the section line common to sections 7 and 18; thence west along section lines approximately 34 mile to the northwest section corner, section 18; thence south along section lines approximately 1¼ miles to the inter-section of the Madison-Gallatin divide, all in township 6 south, range 3 east.

Thence southwesterly along the Madison-Gallatin divide approximately 2¾ miles to Lone Mountain in the southwest quarter of section 26; thence northwesterly along spur ridges approximately 4 miles to Fan Mountain in the center of section 19, all in town-

ship 6 south, range 2 east.

Thence northwesterly along spur ridges approximately 2½ miles to the northwest section corner, section 13; thence north along section line approximately 1 mile to the northwest section corner, section 12; thence west along section line approximately 1 mile to the southwest section corner, section 2; thence north along section line approximately 1 mile to the northwest section corner, section 2; thence east along section line approximately 1½ miles to the north quarter section corner, section 1; thence south approximately ½ mile; thence east approximately ½ mile to the sixteenth section corner, section 1, all in township 6 south, range 1 east.

Thence approximately 1 mile east to the sixteenth section corner, section 6; thence north along section lines approximately ¼ mile to the northwest section corner, section 5; thence east along the township line approximately ½ mile to the north quarter section corner, section 5, all in township 6 south, range 2 east.

Thence north approximately 34 mile; thence west approximately 1/2 mile to the sixteenth section corner, section 32; thence west approximately 1 mile to the sixteenth section corner, section 31, all in township 5 south, range 2 east.

Thence west approximately 2½ miles to intersection with the Beaverhead National Forest boundary in section 34; thence north along said boundary approximately 21/4 miles the north quarter corner, section 22; thence east along section lines approximately 1/2 mile to the northwest section corner, section 23; thence north along section lines approximately 1 mile to the southwest section corner, section 11: thence west along section lines approximately 1 mile to the southwest section corner, section 10; thence north along section lines approximately 1 mile to the northwest section corner, section 10; thence west along section lines, approximately 1 mile to the southwest section corner, section 4; north along section lines approximately 1 mile to the northwest section corner, section 4, all in township 5 south, range 1 east.

Thence north along section lines approximately 1 mile to the northwest section corner, section 33; thence east along section lines approximately 1½ miles to a point on the north section line of section 34 which is approximately ¼ mile west of the Madison-Gallatin divide; thence southeasterly approximately 1¾ miles through section 34 and 35 approximately ¼ mile west of the Madison-Gallatin divide to the south quarter section corner, section 35, all in township 4 south, range 1 east.

Thence southeasterly approximately 2½ miles through sections 2, 11, and 12, approximately ¼ mile west and south of the Madison-Gallatin divide to the sixteenth section corner on the east section line of section 12, all in township 5 south, range 1 east.

Thence northeasterly approximately ¼ mile crossing the Madison-Gallatin divide in the northwest quarter of section 7, township 5 south, range 2 east; thence northeasterly approximately 2 miles along the ridge dividing South Fork Cherry Creek and Alder Creek to the north quarter section corner, section 5, all in township 5 south, range 2 east.

Thence northeasterly approximately 2 miles along the ridge through sections 32 and 33 to the northeast section corner, section 33; thence east along section line approximately 3 miles to the northeast section corner, section 36, all in township 5 south, range 2 east.

Thence east along section lines approximately 1¾ miles to the sixteenth section corner, section 32; thence south approximately ¼ mile; thence east approximately ¼ mile to the sixteenth section corner on the east section line section 32; thence east approximately ¼ mile; thence north approximately ¼ mile to the sixteenth section corner, section 33, all in township 5 south, range

Thence east along section line approximately 5¾ miles to the point of beginning. SEC. 2. The wilderness area designated by

SEC. 2. The wilderness area designated by or pursuant to this Act shall be known as the "Spanish Peaks Wilderness" and shall be administered in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, except that any reference in such provisions to the effect date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act, and any reference to the Secretary of Agriculture shall be deemed to be a reference to the Secretary who has administrative jurisdiction over the area.

By Mr. GRAVEL:

S. 1287. A bill to provide housing and community development assistance for Indians and Alaska Natives; to the Committee on Banking, Housing, and Urban Affairs.

INDIAN AND ALASKA NATIVE HOUSING AND COMMUNITY DEVELOPMENT ACT

Mr. GRAVEL. Mr. President, I am today submitting legislation that addresses the issue of substandard housing among Indians and Alaska Natives.

I am sure that my colleagues are aware that the nature, scope and magnitude of problems confronting Native Americans today are of grave proportions. A brief restatement of some appalling statistics should suffice here. By all known socioeconomic indicators, Native Americans are the most underprivileged group in the United States. Of approximately 1 million Native Americans in the country, an estimated 60 percent live in poverty, and in certain sections of the country the rate is much higher. The overall unemployment rate among Native Americans is 40 percent, which is four times the national average. On certain reservations, the rate of unemployment reaches up to 62 percent. The average income for Native Americans is \$4,230 or 44 percent of the U.S. average.

The health related problems among Native Americans are even more striking. For infants from 28 days to 11 months, the mortality rate is 18.9 as compared nationally to 4.3. The incidence of tuberculosis is 102.2 among Native Americans and 15.7 nationally. Because of these and related factors, the life expectancy of Native Americans is 65.1 years, compared to a national life expectancy of 70.9 years.

Conditions are equally depressing with respect to education, crime, alcoholism, recreation, housing and related socioeconomic indicators. In all instances, the relevant indices are from two to four times the national level. Collectively, these factors portend a crisis situation for Native Americans.

The most significant indication of the plight of Native Americans is the poor housing and environmental conditions under which they are forced to live. The correlation between poor housing environment and poor health, high crime and related socioeconomic ills has been clearly established. Accordingly, improvement in the housing environment is essential to the overall improvement in the quality of life among Native Americans.

The housing problems among Native Americans are clearly the worst in the acute among Indians living on reservations. Of the approximately 500,000 Indians living on reservations, 26,750 families live in overcrowded conditions or substandard housing; 28,000 families live in homes without running water and toilet faciliites. Sewer and drainage systems and roads are poor or nonexistent.

Despite the severity of the problems outlined above, the Federal Government has not been responsive to the needs of the Indian and Alaska Native people. The Department of Housing and Urban Development has been particularly ineffective in meeting the needs of Native Americans. Based on an inventory by the Bureau of Indian Affairs, BIA, the number of new housing units needed and HUD's response to those needs are shown for 1973–76:

Indian housing needs and HUD accomplishments, fiscal years 1973-76

Fiscal year		BIA inven- tory new units needed	HUD units com- pleted for occupancy	HUD commitment
1973		_ 47,071	3, 788	6, 000
1974		46, 556	3, 499	6,000
1975		_ 50, 065	3, 429	9,723
1976		_ 58, 288	2, 695	

As evidenced by the above data, HUD's commitment for each of the 4 years was less than 15 percent of the established need. Moreover, the number of HUD units completed for occupancy amounted to less than 8 percent of the established need per year. It is significant to note that as the need for new units increased, the actual number of HUD units completed for occupancy has steadily declined. The number of completed units declined from 3,788 in 1973 to 2,695 in 1976, for a total decline of 1,093. This decline, coupled with an increase in the number of new units needed from 47.071 in 1973 to 58,288-an increase of 11,217is strong evidence of the steady deterioration of the conditions under which Indians must live.

The reasons for HUD's ineffectiveness are varied and complex. Some of the more basic ones include: First, lack of appropriate organizational structure; second, lack of clear Indian policy; third, lack of sufficient resources; and fourth, lack of understanding of the basic problems confronting Native Americans. Most Government officials, including those in HUD, have little or no knowledge of the culture or traditions of Native Americans. Likewise, their knowledge of treaties and other special arrangements between Indian tribes and the U.S. Government is extremely limited. Because of these problems, Indian related programs are very low priority.

The existing HUD organizational structure does not lend itself to a coordinated and unified approach to the Native American housing problem. Each program area of HUD provides some form of services to Native Americans. More often than not, the services are fragmented and uncoordinated. The Office of Indian Policy and Programs has been severely hampered by a shortage of staff-only three persons-and a lack of involvement in decisions affecting Native Americans. The relationships between the field staff working in Indian programs are fragmented. Each region has its own method of dealing with the problems. As a result, there is no uniformity or national direction. Moreover, because of the varied structure, there is an overall lack of accountability for the success or failure of the program.

Mr. President, this is an issue that has been studied ad infinitum. A number of assessments have been made, including:

GAO report "Slow Progress in Eliminating Substandard Indian Housing," report to the Congress, Comptroller General of the United States, October 1971.

Regional Indian housing studies. Staff report on Indian housing efforts, 1975, Senate Subcommittee on Indian Affairs. National Indian Housing Conference, November 1974, Scottsdale, Ariz.

Secretarial Task Force on Indian Programs, HUD, November 1975.

The Indian Housing Effort in the United States, American Indian Policy Review Commission, August 1976.

In each report, problems are repeatedly described with more examples supporting the fact that the national needs increase and substandard housing also increases.

As a practical matter, HUD is unable to address this issue under its current administrative structure. At present, there is an Indian desk in the Office of Consumer Affairs and Regulatory Functions and an Indian team in two specific target areas with a large contingent of Indian housing authorities. These Indian desks serve advisory roles, with actual administrative authority scattered among several program assistant secretaries.

The legislation introduced today does not create any new programs or budget authority. It merely attempts to eliminate as many layers of bureaucracy as possible, while maintaining program efficiency

The Indian and Alaska Native Housing and Community Development Act does the following:

First, declares the congressional policy to provide decent, safe and sanitary housing for all Indians and Alaska Natives within the next 6 years.

Second, provides for the creation of an Office of Indian and Alaska Natives Housing in the office of the Secretary of HUD to be headed by an Assistant Secretary for Indian and Alaska Native Housing.

Third, provides that the Assistant Secretary shall administer all departmental programs that may affect Indians and Alaska Natives and assure the delivery of these programs in coordination with other Federal agencies.

Fourth, provides that the Assistant Secretary shall report back to Congress within 120 days describing actions to be taken to meet the goals of the act on an administrative level and recommendations for legislative action.

Fifth, provides for yearly and quarterly progress reports.

Sixth, provides that the Assistant Secretary shall plan and conduct a national conference on Indian and Alaska Native Housing to be held each year.

Mr. President, I feel that enactment of this legislation is the least that can be done to demonstrate the concern of the Federal Government about the issue of substandard housing among Native Americans. I fully expect the Assistant Secretary for Indian and Alaska Native Housing to report to Congress on the need to increase the financial commitment in this area. Upon receipt of that report, Congress should consider authorizing legislation to meet the 6-year goal. I believe this legislation will provide the impetus to address those issues at a later date.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1287

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Indian and Alaska Native Housing and Community Development Act."

FINDINGS AND PURPOSE

Sec. 2. (a) The Congress finds and declares that—

 there are substantial numbers of Indians and Alaska Natives living in inadequate and substandard housing;

(2) the concentration of substandard housing among Indians and Alaska Natives is higher than among any other people in the United States;

(3) the lack of adequate housing has contributed to poor health conditions among Indians and Alaska Natives and other social and economic problems;

(4) Federal efforts undertaken thus far have not achieved the goal of providing adequate housing and community development activities for Indians and Alaska Natives;

(5) existing Federal programs and available resources could be marshaled to meet the housing and community development needs of Indians and Alaska Natives within six years; and

(6) administrative problems are impeding efforts to implement these programs and to meet the housing and community development needs of Indians and Alaska Natives.

(b) It is the purpose of this Act to provide decent, safe, and sanitary housing for all Indians and Alaska Natives within the next six years.

OFFICE OF INDIAN AND ALASKA NATIVE AFFAIRS

Sec. 3. (a) The Department of Housing and Urban Development Act is amended by adding after section 4 the following new section:

"OFFICE OF INDIAN AND ALASKA NATIVE AFFAIRS

"SEC. 4A. (a) There shall be in the Department an Office of Indian and Alaska Native Affairs (hereafter referred to as the 'Office'), through which the Secretary shall carry out functions relating to Indian and Alaska Native housing and community development.

(b) The Office shall be headed by an Assistant Secretary for Indian and Alaska Native Affairs (hereafter referred to as the Assistant Secretary'), to whom the Secretary shall delegate within sixty days after enactment of this section all delegable duties relating to housing for Indians and Alaska Natives. The Office shall be organized as the Secretary determines to be appropriate in order to enable the Assistant Secretary to out the functions and responsibilities of the Office effectively, except that the functions of the Assistant Secretary shall not be delegated to any officer not directly responsible, both with respect to program operation and administration, to the Assistant Secretary.

"(c) The purpose of the Office shall be to consolidate responsibility for and to deliver Federal housing and community development programs affecting Indians and Alaska Natives. The Office shall—

"(1) administer, under the supervision and direction of the Secretary, all departmental programs that may affect Indians and Alaska Natives: and

"(2) assure the delivery of these programs in coordination with the Department of the Interior, Department of Health, Education, and Welfare, and other Federal agencies that may affect Indian and Alaska Native housing and community development programs.

"(d)(1) The Assistant Secretary shall within 120 days after enactment submit to Congress through the Secretary a report

which shall include-

"(A) a description of the actions the Assistant Secretary has taken since enactment and the actions which will be taken to meet the goal set forth in the Indian and Alaska Native Housing and Community Development Act, together with specific timetables for achieving the goal; and

'(B) recommendations for such legislative and administrative action as he deems appropriate if it appears that the law, regulations, or administrative actions interpose

obstacles to achieving the goals. "(2) The Assistant Secretary shall, not later than December 1 of each year, submit to Congress through the Secretary an annual

report which shall include-

- '(A) a description of the actions of the Office during the current year, a projection of its activities during the succeeding years, and the relationship of these activities to the goals set forth in the Indian and Alaska Native Housing and Community Development
- "(B) estimates of the cost of the projected activities for succeeding fiscal years;

'(C) a statistical report on the conditions of Indian housing: and

"(D) recommendations for such legislative, administrative actions and other actions, as he deems appropriate.

"(3) The Assistant Secretary shall on the first day of February, May, and August submit to Congress through the Secretary a report which describes the actions taken by the Assistant Secretary during the quarter to meet the goals set forth in the Indian and Alaska Native Housing and Community Development Act.

- "(e) The Assistant Secretary shall plan and conduct a national Conference on Indian and Alaska Native Housing to be held each year. The Conference shall bring together individuals with knowledge and expertise in the field of Indian and Alaska Native housing and community development, including representatives of Federal, State, and local gov-ernments and Indian and Alaskan Native groups, professional experts and members of the general public knowledgeable in these matters, to assess the housing and community development conditions of Indians and Alaska Natives and develop recommendations for meeting the goals of the Indian and Alaska Native Housing and Community Development Act. The Assistant Secretary shall transmit to Congress through the Secretary a copy of the proceedings of the conference and any recommendations it may deem appropriate and necessary for the improvement of Federal housing and community development programs that may affect Indians and Alaska Natives.
- "(f) In order to carry out the objectives of this section, the Assistant Secretary is authorized to make grants or contracts with public and private institutions, agencies, organizations and individuals.
- "(g) As used in this section, the term 'Indians and Alaska Natives' includes any Indian tribe, band, nation, or community, including any Alaska native group, for which the Federal Government provides special programs because of the tribe, band, nation, or community's identity as Indian or Alaska Native, or which is recognized as an Indian tribe, band, nation, or community, or Alaska Native group, by the Secretary of the In-terior or any tribe holding a treaty with the

Federal or State government, or any tribe which has been established by Executive

- "(h) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section."
- (b) Section 4(a) of such Act is amended by striking out "eight" and inserting in lieu thereof "nine".
- (c) Section 5315 (87) of title 5, United States Code, is amended by striking out "(8)" and inserting in lieu thereof "(9)".

ADDITIONAL COSPONSORS

S. 919

At the request of Mr. GRIFFIN, the Senator from Indiana (Mr. Lugar), the Senator from Texas (Mr. Tower), and the Senator from Tennessee (Mr. Sasser) were added as cosponsors of S. 919, the Mobile Source Emission Control Amendments of 1977.

AMENDMENTS SUBMITTED FOR PRINTING

TAX REDUCTION AND SIMPLIFICA-TION ACT OF 1977-H.R. 3477

AMENDMENT NO. 189

(Ordered to be printed and to lie on the table.)

Mr. GRIFFIN submited an amendment intended to be proposed by him to H.R. 3477, to provide for a refund of 1976 individual income taxes and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

NOTICE OF HEARINGS

SELECT COMMITTEE ON INTELLIGENCE

Mr. HATHAWAY. Mr. President, section 13 of Senate Resolution 400, the resolution which created the Select Committee on Intelligence, mandates the committee to "make a study with respect to * * * the authorization of funds for the intelligence activities of the Government and whether disclosure of any of the amount of such funds is in the public interest." On April 27 and 28, beginning at 10 a.m., the Select Committee on Intelligence will hold public hearings on this question of disclosure. Senator Inouye, the chairman of the committee, has asked me as chairman of the Budget Authorization Subcommittee to chair these hearings. Any party interested in appearing or filing a statement regarding this issue should advise the committee. The committee's office number is 224-1700.

PARKS AND RECREATION SUBCOMMITTEE

Mr. JACKSON. Mr. President, I wish to announce for the information of the Senate and the public, the scheduling of a public hearing before the Parks and Recreation Subcommittee on the Senate Energy and Natural Resources Committee

The hearing is scheduled for May 4. 1977, beginning at 10 a.m., in room 3110 of the Dirksen Senate Office Building. Testimony is invited on H.R. 5306, a bill to amend the Land and Water Conserva-

tion Fund Act of 1965 and for other purposes.

For further information regarding the hearings you may wish to contact Mr. Thomas Williams of the subcommittee staff on extension 47145. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Parks and Recreation Subcommittee, room 3106, Dirksen Senate Office Building, Washington, D.C. 20510.

NOTICE OF RESCHEDULED HEARINGS

Mr. RIEGLE. Mr. President, I wish to announce that the Consumer Affairs Subcommittee of the Senate Banking Committee has rescheduled its hearings on S. 656, S. 918, and S. 1130, bills to regulate debt collection practices. The hearings, originally set for April 25-27, have been rescheduled for May 11, 12, and 13 at 10 a.m., in room 5302, Dirksen Senate Office Building.

All persons wishing to testify at these hearings should contact Lewis M. Taffer, room 5300, Dirksen Senate Office Building; 224-0893.

ADDITIONAL STATEMENTS

PRESIDENT CARTER COMMENDED FOR LEADERSHIP IN ENERGY EFFORT

Mr. RANDOLPH. Mr. President, coal is the Nation's most plentiful domestic energy resource. We have about 434 billion tons of coal reserves. At currently recoverable methods, these resources could last from 300 to 400 years.

Yet today coal provides only about 17

percent of our total energy.

It is unrealistic to project our Nation's energy future with any degree of selfsufficiency and independence from foreign sources unless the greater utilization of coal forms the cornerstone of our energy strategy.

I commend President Carter for his recognition of this fact, and ask unanimous consent that a telegram to the President today be printed in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

The PRESIDENT, The White House. Washington, D.C.

DEAR MR. PRESIDENT: You have my official and personal commendation for urging Americans in your television message tonight to fully understand the severity of our energy crisis. Five consecutive national administrations have not met this responsibility. In 1959, I began a sustained congressional effort to set a fuels and energy policy for the United States. Our words of warning were: "Each year we delay, perhaps, brings us one year nearer to disaster." Hopefully, with your leadership, the distasteful but urgent job will be done.

With highest regard, I am

Truly,

Senator JENNINGS RANDOLPH.

ENERGY CONSERVATION

Mr. HUMPHREY. Mr. President, one of the great challenges that Americans face in the final quarter of this century is the conservation of our vital energy

An important article on this critical problem appeared in the April 10 issue of the Washington Post. The article, entitled "The Best Energy Policy: Waste Not, Want Not," was written by Lee Schipper, an energy specialist with the energy and resources group at the University of California, Berkeley. Mr. Schipper is currently participating in a study of energy policy directed by the National Academy of Sciences.

This article is a significant contribution to our thinking about energy conservation. It argues that conservation need not mean harsh sacrifice. Instead, it means, as Mr. Schipper states:

More effective use of energy and our other resources—in other words, doing better, not doing without.

Americans are used to living with abundant, inexpensive energy. As a consequence, energy has not been an important factor, economically speaking, in the manner in which we plan to live our lives. The result has been, as the article demonstrates, that we use far more energy than is required to live comfortably.

It is imperative that we should strive to assure that future generations have adequate resources with which to meet their basic needs. However, in the effort to arrive at a national energy policy, it is crucial, from a human point of view, that economically disadvantaged families and individuals not be priced out of the marketplace for the energy that is, essential for life. Mr. Schipper argues that any energy-related tax revenue be immediately returned to the economy and that the economically disadvantaged should have protection against sharp rises in the price of energy.

Mr. Schipper's article does not have a doomsday quality or tone. It is not only an excellent discussion of a very complex issue, but a notable demonstration of how clearheaded thinking can help solve the most difficult problems of mankind.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE BEST ENERGY POLICY: WASTE NOT, WANT NOT

HOW A NATIONAL CONSERVATION PROGRAM COULD CUT OUR NEEDS WITHOUT CREATING HARDSHIPS

(By Lee Schipper)

We are bombarded with ingenious new ideas to create energy. The cold fact is that, for the next quarter century, the best way to produce more energy is to conserve it.

If we in the United States fully utilize all

If we in the United States fully utilize all the known methods to use energy more efficiently, there is no doubt that energy needs will grow very slowly, rising by the year 2000 to only 50 percent greater than today. Compared to industry and governmenent forecasts of a few years back, this represents a saving of the energy equivalent of around 30 million barrels of oil per day.

The flawed Nixon-Ford reaction to the 1973 oil embargo and price increase, encouraged by energy producers, was virtually to ignore conservation and to concentrate on finding ways to increase energy production. Certainly, we must boost production of oil and gas and find new ways to dig and burn

coal without pollution. And we must proceed with research into nuclear energy, geothermal energy and synthetic fuels.

No matter what we do, however, energy production costs will rise steadily for the rest of the century. It becomes increasingly cheaper—and, generally, cleaner and less risky—to save rather than find new resources.

Unfortunately, we are often given a false view of energy conservation by energy companies and even by some politicians. We are told that conservation means sacrifice and curtailment of human activities. It does not. It means more effective use of energy and our other resources—in other words, doing better, not doing without.

The Swedish example is instructive. For every dollar of gross national product the Swedes use only two-thirds as much energy as we do. Various factors are involved in that dramatic contrast, but certainly energy efficiency is a major element.

Thus, autos in Sweden average 24 miles per gallon, as opposed to less than 14 gallons in the United States. In part at least, that is a result of tax policy—there is a 60 cent a gallon tax on gas and a weight-related tax on new cars.

In producing raw materials, Sweden generally uses less energy per ton than we do. This is not accidental but the result of installation of modern equipment and use of heat recovery techniques.

The interaction of high energy costs and informed policy in construction is striking. Space heating in Sweden is twice as efficient as in the United States. To put it another way, a home in Sweden requires only slightly more heat than a similarly-sized dwelling in San Francisco, despite the great differences in climate. Insulation, solid construction and other weatherization practices make the savings possible.

Again, this is not accidental. Sweden's mortgage law of 1957 gave homeowners and builders access to extra investment for energy saving features in homes; tough building codes assure that few sloppy buildings are built; inspections that include use of infrared leak-seeking cameras, as well as training programs for homeowners and apartment and building managers, assure that the system is efficiently run.

Nearly a billion dollars is available over several years in the form of government grants or loans towards energy conservation in public and private buildings and in industry. This amount is tens of times greater than the sums tappable for conservation here.

Most other industrialized nations have also begun major energy conservation programs, revising demand forecasts downward considerably. This despite the fact that even now they are generally more efficient users of energy than the United States, despite the fact that they have many unsatisfied demands for autos, appliances and homes.

OUR LEAKY HOMES

What about our own prospects?

Today 22 percent of our energy goes to homes. This winter's cold wave should have reminded us that many American homes are leaky. Most of the leaks, fortunately, can be plugged. Adding insulation, especially to the millions of bare attics, would save at least 30 per cent of the energy which goes to heat our homes. Thermostat setbacks to 65 degrees by day, 58 by night, would save another 20 per cent; weather-stripping and storm windows would further decrease the energy loss.

Our use of hot water within the home can also be rationalized. The methods are now available; insulation kits that fit over the jacket of water heaters, temperature setbacks to 120 degrees, installation of inexpensive flow restrictors on hot water faucets.

Obviously, the possibilities are even greater in new homes. Recent research, as well as the example of homes actually built, suggest that it would be easy in mild climates to cut heating needs by one-half and possible to reduce requirements by three-quarters. The sample homes are less drafty than conventional homes. They are better insulated at slightly higher cost, but that investment is offset by reduction in the size of heating-cooling units and lower fuel bills.

New appliances can also help. Microwave ovens use less energy than conventional electric cooking, and a new generation of kitchen gadgets—such as the hamburger cooker—save energy by heating only the food, not the oven or the entire kitchen.

A redesigned frost-free refrigerator, studies show, could use half the electricity required by comparable models today. True, the purchase price would be 10 to 15 percent higher, but the extra investment could be won back through savings in electricity bills in the space of a few years. Even now, efficient models can be bought at no more cost.

Suppose that consumers ignore the more efficient refrigerators. Nationwide, by 1990, the utility companies would have to build at least eight large power plants at greater expense and there would be inevitable further costs—construction of transmission lines, fuel use, maintenance costs, pollution.

There is some hope in the fact that government agencies, consumer organizations and even utilities are beginning to provide consumers with information on the "life cycle" cost of operating appliances and even homes. If consumers can be convinced to take these total costs into account, they and the nation will earn handsome dividends.

Solar heaters, too, can save money in an era of rising energy costs. Solar water heating is particularly attractive today, except where controlled fuel prices are low.

But some architects and engineers have pointed out that, if we would design our homes with care in the first place, we could use the sun to eliminate perhaps as much as 80 to 90 percent of the heating/cooling cost.

The trick is in "passive" solar conditioning. Large masses of insulation or concrete will absorb solar radiation through southfacing windows in the winter daylight hours and re-radiate this stored heat during the evening hours; shades and overhangs over the windows will prevent the sunlight from entering the building during the warmer months. Carefully planted deciduous trees would provide shade in summer; in winter, with the trees bare, the sun would filter into windows and walls.

The prospects for such "passive" solar homes are so bright that the addition of an active solar collector system—including pipes, water storage and pumps—may prove unnecessary or even uneconomic. Whatever remaining space heating and air conditioning would be needed could be supplied by relatively minute quantities of fuel or power.

In overall terms, if we tan both conventional and new creative resources, we should be able to reduce energy use in existing homes by 20 percent by 1985. And within a few years, most new homes should require 40 to 50 percent less energy than comparable homes of today.

COMMONSENSE

Even greater savings are possible in commercial buildings, for many of them were carelessly designed in a period of cheap energy. Experience demonstrates that it is possible to reduce energy costs in existing buildings by 25 percent with little additional equipment. New business structures, if properly designed, will require half or less the

energy previously thought necessary. The new California State Office Building in Sacramento, as architecture professor Edward Dean of the Berkeley faculty put it, "will substitute common sense, new technology and good design for 80 percent of the energy otherwise required."

Take the case of daylighting. At the Lawrence Berkeley Lab, Prof. A. Rosenfeld employs Mylar strips on the upper edges of venetian blinds. The Mylar reflects sunlight onto the ceilings of each perimeter room, replacing great quantities of lights, which in turn would have required air conditioning for heat removal.

Windows of existing and new buildings can be shaded so that little sunlight leaks in during the warm months (except for that permitted for daylighting), while maximum sunlighting and, therefore, heat capture are assured in the winter when the sun is low. It is such ideas, dormant for years when energy was unimportant, that make the conservation potential so attractive.

Innovations of this nature also lower construction costs because they eliminate the waste in climate control systems. Overall, by proper design, we should within a few years be able to reduce the energy costs in existing buildings by 25 to 33 percent. In new buildings, the savings could range anywhere from 33 to 30 percent.

INDUSTRIAL HOUSEKEEPING

Industry uses 42 percent of our energy today. Most of that energy provides heat, not power, and so possibilities for immediate savings are easy to spot—waste heat, steam leaks, missing furnace insulation, oven doors left carelessly open, badly tuned boilers. In the past the low cost of energy enabled most firms to forget good housekeeping. Higher fuel costs should assure that industry will reduce the energy requirements of existing equipment by 10 to 15 percent in the foreseeable future.

Potential improvements in effectiveness are much greater because of the simple fact that use of heat in most industries is so inefficient. Indeed, research by the Thermoelectron Co., of Waltham, Mass., indicates that in most cases industrial heat use is less than 20 percent efficient. The company's scientists believe great savings are possible, through the use of new design and technology, in the process industries which use the largest percentage of our industrial energy: papermaking, oil refining, steel and aluminum, chemicals, cement making. These conservation practices will lower costs. Indeed, in the past, industry continually lowered energy requirements while increasing productivity.

Thermodynamics, the science of energy use, is still insufficiently appreciated in industry. Charles Berg, former chief engineer with the Federal Power Commission, contends that many processes considered efficient are really wasteful. In many metal fabrication processes, for example, the material is constantly heated, cooled and reheated. Berg argues that there is an urgent need for increased research in basic industrial processes.

The very notion of waste heat is under attack. What happens to the hot gases that emerge from today's high temperature furnaces and ovens? Though it is true that more and more factories use the exhaust to heat incoming air or materials, most gases are vented to the atmosphere, wasted. And yet high temperature heat is a resource—it can make steam to run electrical generating equipment, it can be piped for low temperature heat use, it can even be sold to surrounding communities for use in home heating, a standard practice in Sweden.

The most important of these heat-using processes is called cogeneration, meaning the simultaneous creation of electricity and usable heat. Though largely neglected in the

United States, this combined cycle process, engineers believe, can generate electricity and heat with four-fifths to three-quarters as much fuel as when the heat and electricity are produced separately.

The Thermoelectron firm, which has installed cogeneration equipment in many countries, may be considered an interested party, but there is reason to respect its view that at least a quarter of the nation's electrical needs could be generated "by recovering waste heat and by using combined cycles (cogeneration)." A study directed by Dow Chemical points to another advantage, noting that use of cogeneration would save billions of dollars in capital outlays. But electric utilities have shown considerable resistance to this more efficient competition from industry.

Overall, there is no reason why American factories should not be able to institute energy savings of 10 to 20 per cent by 1985 to 50 percent by the year 2000. Smaller savings should be possible in construction, agriculture and energy extraction itself.

THE GAS-GUZZLERS

Transportation uses 25 per cent of our energy, and automobiles alone consume half of this.

The possibilities for conservation are obvious. Trucks can be redesigned to reduce wind resistance and rolling friction and to utilize more effective engines. By the 1980s, long-haul trucks should require 20 per cent less energy than today's models. Small trucks, while not as significant in the full picture as highway rigs, can make even greater proportionate savings; inefficient, high horsepower models should be replaced by lighter models with four-cylinder gas engines or diesel motors.

Moreover, changes in freight handling procedures should assure that trucks are more fully utilized. The simplest but perhaps most important change would be to permit interstate trucks to carry full loads in both directions rather than return home empty.

Strangely enough, today's commercial aircraft fleet suffers from similar problems—inefficient motors, designs which increase wind resistance and, worst of all, underutilization. An example of what can be done when necessity demands is the fact that, since the 1973 crisis, the percentage of occupied seats in commercial planes has risen to the point where we are saving at least 5 per cent of the energy required to move people.

New designs should reduce airline energy use even further. By the 1990s we should have airliners requiring 80 per cent as much fuel per passenger as today's models.

What of the automobile? We can double the mileage of our auto fleet with only a slight increase in the cost of new cars. In the longer run even greater increases are possible. Since most cars run with more empty than full seats, smaller cars seem acceptable in theory.

Incentive is important to improving the efficiency of autos, especially to meet the 27.5 MPG target mandated for Detroit by Congress. Whether consumers actually buy the right proportion of small cars that satisfy the standards depends on whether Congress will enact both a gasoline tax, affecting existing cars and driving in general, and a tax on the weight or horsepower of new cars.

The existing law tries to force Detroit to think small while consumers are tempted to buy large. Changing habits with taxes may be uncomfortable in the short run, and Detroit will resist, but the long run savings are too great to ignore.

Surprisingly, mass transit does not figure prominently in energy conservation scenarios in the near future. Only in the long run, when properly designed transit systems stimulate careful suburban growth mated to

revitalized central cities, will transit make an important dent on travel—and energy use.

To summarize, prospects for conservation in transport use of energy are great. Auto fuel use should soon begin to decline. It is realistic to believe that the projections—made before the 1973 crisis—of auto fuel use in the year 2000 can be reduced by at least 40 per cent and perhaps as much as 60 per cent. The very volume of travel will grow more slowly than in the past.

It is clear that the overall potential for reduction of energy needs to perform key tasks—production, space conditioning and transportation—can be enormous in the medium and long term. Modification of existing buildings and factories and smaller automobiles will have the first impact (during the next five years) while replacement of inefficient appliances, industrial plant and buildings goes on at a slower rate but begins to add up to larger savings in the 1980's. Many who have looked closely at the uses of energy see a reduction of nearly 40 per cent of the energy used per unit of activity compared with the projections offered by the Bureau of Mines a few years back. Since these results will not appear immediately, however, Congress, the President and the American people will have to be patient.

It is neither reasonable nor necessary to expect people to give up basic conveniences. But small adjustments in behavior patterns—turning thermostats down in winter, shutting curtains at night, generally exerting more care in energy use at home, at work, on the road—will result in considerable savings.

And gradual, evolutionary changes in American lifestyles can have an energy-saving impact. To give but one example, careful urban and land-use planning could have a tremendous effect by permitting us to live nearer to work and services and by providing the patterns of living and community necessary if mass transit is to increase its share of passenger traffic.

But issues of urban planning, mass transit, railroads versus trucks, urban sprawl vs. high density apartment living, while they affect energy needs enormously, must not be decided solely on the basis of their energy impacts. Thus, should we remove the tax deduction for mortgage interest payments solely because this subsidizes single family homes over apartments dwellings and encourages greater use of autos and heating?

Clearly, the Carter administration decisions on energy must take into account the broader questions of lifestyles and national goals.

At the same time, it is evident that, with education, government and business leadership, and a consensus on the reality of the energy problems, it is likely that Americans might reduce energy needs at least 10 per cent below the savings offered by technical means alone, over the next few decades. In the long run the changes could be even bigger.

THE OBSTACLES

Nature's laws, our technological capacity, our intellectual ingenuity, the adaptability of our people—none of these stands in the way of energy conservation. What, then, is delaying realistic conservation policy and action?

Perhaps the greatest obstacle is the myth of cheap energy. The cost of adding one barrel of oil or any other form of energy to our supply is considerably greater today than what we charge ourselves when we use that energy. This is what economists call the difference between the "marginal cost" (of new supply) and the "average cost" (of all existing supply). If we were to take the higher "marginal costs" into full account, the resulting rise in prices would be dramatic—and, doubtless, so would our conservation effort.

But price controls and most utility rate structures for electricity and gas do not yet allow us to practice "marginal cost" pricing. Therefore, it is crucial that political leaders and the public recognize that our energy prices are unrealistically low, that is a sense we live in a fool's paradise.

The picture is also distorted by our national refusal or inability to include the social and environmental costs of energy in pricing. Deep-mined coal may be cheap and it is often used inefficiently, but the tax-payer carries the burden of black-lung rehabilitation for the coal miners who dig that coal. Strip-mining, auto pollution, industrial emissions, nuclear risks also have their unpaid costs.

There are other pricing distortions. Utilities now are campaigning to increase the tax credit when they invest their income in new capacity. This would amount to a subsidy. The oil and gas depletion allowance is also a subsidy. But homeowners who take the trouble to insulate their dwellings do not receive similar tax credits. Thus, the government rewards production and inhibits

Another barrier to conservation is the stance of many important industries. Some oil companies and electricity producers persistently misrepresent energy needs and conservation prospects. The auto industry drags its heels and one of its top leaders recently blasted the idea of a tax on gas-guzzling cars.

Some in industry like to tell us that the "free market" will handle our problems. But the market is not and cannot be free—the federal government has subsidized energy in some areas, held the price down by controls in others, regulated the activities of energy producers to protect the environment and the public.

THE ACTIONS NEEDED

What can be done? It is clearly in the national interest for the government to step in with enlightened regulations, a flow of helpful information and direct aid. Some of the required steps are obvious:

Efficiency standards for cars, trucks, appliances and buildings are needed, because the producer pays little attention to operating costs and the buyer usually is concerned only with the purchase price. Intervention here will, it goes without saying, increase the overall efficiency of the economy.

Consumers and small businessmen often have difficulty raising capital at low rates for improvements. Banks and, indeed, utility companies should be encouraged to assist in the financing of energy efficiency, for measures such as insulation and double-glazing represent low risks with high payoffs.

Tax incentives would encourage businessmen and consumers to take conservation steps. Action here is urgently needed because as one insulation firm executive put it, "uncertainty is deadly. People are waiting for a firm policy before they decide what to do."

Standards for new factories are probably unnecessary since, in the nature of things, plant designers must take long-term energy costs into account—their products would be too costly if they did not. But it is clear that government must utilize progressive regulations to encourage auto producers, utilities and manufacturers to avoid waste in new products and in existing plants.

Rising costs will hit the poor hardest. The national government must provide a buffer for that section of the population in the form of direct cash aid and financial help and advice in conservation measures.

But we cannot delude ourselves by maintaining the fiction of low energy prices for all consumers. The public must be made aware of the rising real cost of energy by means of gradual and predictable increases

in energy prices. Knowing what to expect, businessmen and consumers could plan accordingly.

Such realistic price increases, however, should not result in undue windfalls for energy producers. The answer, a virtual necessity, is a tax on energy. The tax would have to be large, increasing over a period of years to as much as \$6 per barrel of oil. This would work out to about \$1 per thousand cubic feet of gas, \$25 per ton of coal, 1 cent per kilowatt hour of electricity. This would bring enormous sums of money

This would bring enormous sums of money into the government, sums that would have to be returned to the economy immediately. Refunds could take place by reducing other taxes, especially more regressive ones like sales taxes. Some of the funds could go directly to aid low-income consumers, or provide funds for energy conservation loans and extension services. Or all the money could simply be rebated directly to consumers. What is important is that we raise the cost

What is important is that we raise the cost of energy relative to other resources or goods and services without removing anything from the economy. The alternative is to allow the energy producers, or OPEC, to extract higher energy prices or run the risk of either sudden or gradual supply shortfalls. The faster the demand grows, the more the real cost of production rises. The imposition of a tax could slow this escalation. Ultimately, we own our own domestic resources: We may be selling them off too cheaply.

Is energy really scarce? Pronouncements from industry, consumerists and even environmentalists which quote only amounts of fuel in the ground are of little meaning. We need to take into account the cost of these supplies, extraction technology and the environmental risks as well. Moreover, the argument that some producers are "holding back" supplies is not important in the long run; the quantities involved are too small to make much of a difference. Given all the uncertainities in future supplies and costs, however, it is far better to hedge our bets with conservation today, especially against threats of embargos or cruel winters.

HELPING THE ECONOMY

There is no logical reason to fear that the slower growth of energy consumption will drag down the overall growth of the economy. An interim report of an ongoing National Academy of Sciences energy study had this to say: "There exists substantial technological leeway, over the long term, in the amount of energy required for a given rate of growth of GNP and employment."

Conservation will allow us to save tens of billions of dollars of energy-related investments and expenditures. These sums could be funneled into the rest of the economy, which produces considerably more employment per dollar invested or spent. For example, efforts to build better homes and save energy in factories inevitably will result in increased demand for construction labor. On the other hand, without the benefits of significant conservation, consumers and businessmen will have to sacrifice increasing shares of present and future income to pay for more expensive and underutilized energy. Thus, conservation is a boon to employment and the economy as a whole.

Is conservation sacrifice, as the administration is fond of murmering? Not if we acknowledge that energy is scarce and appreciate the economic benefits of more effective use. Not if we take into account reduced risks to national security and the environment. Not if we take into account the downward pressure on energy prices that conservation exerts. Not if we value reducing our imports of oil and gas.

Conservation is not always easy, but it demands less "sacrifice" than pushing for "too much energy supply, too soon," as Berkeley Prof. John Holdren warns.

At today's unrealistic prices, it is clear, we do indeed waste more energy than we import. If we utilize all the possibilities for improving energy use in the long run, much of our projected energy needs will become superfluous. But reducing waste entails a strong commitment to investment, adaptation and, most important, careful thought. As Kenneth Boulding, former president of the American Economic Association, put it: "Conservation is just thinking before using energy."

Lee Schipper:

"If the administration is to evolve a realistic energy conservation program, it must take these basic steps:

"Decide what energy is worth and begin to price it accordingly, protecting the minority who will be hurt most from higher prices in the short run.

"Design and implement strong conservation policies in concert with other national goals and with recognition of marketplace realities. Several billion in federal dollars could be productively spent in the next five years patching energy leaks.

"Decouple the conservation effort from the divisive bickering over political issues of supply. The best way to make energy available today is to conserve it.

"Realize that many of the benefits of a conservation effort will appear long after the present terms of today's elected leaders. Our political leaders, therefore, must be prepared to make unpopular decisions."

DUDLEY D. MILES

Mr. YOUNG. Mr. President, I join my colleagues in mourning the untimely passing of Dudley Miles and extend to his family our deepest condolences.

Dudley came to Washington 16 years ago to work on the staff of Senator Gale W. McGee, of Wyoming. Dudley has served as clerk on the Agriculture and Related Agencies Subcommittee of the Senate Appropriations Committee since 1971.

Mr. President, as ranking minority member of the Committee on Appropriations and as a member of the Agriculture Subcommittee, I had the opportunity to call on Dudley for assistance many times. He was always most helpful. Everyone that worked with Dudley was his friend and he became well known and highly respected by Senators and staff members. He will be greatly missed.

In addition to his responsibilities here in the Senate, Dudley was deeply devoted to his family. To his wife, and to their three children, I express my sadness and share, in some measure, their grief.

THE UNITED STATES AND WORLD DEVELOPMENT: THE OVERSEAS DEVELOPMENT COUNCIL'S AGENDA 1977

Mr. HUMPHREY. Mr. President, last month, the Overseas Development Council released its Agenda 1977. As many of my colleagues are well aware, the Agenda, which is an annual publication of the ODC, is a valuable tool for assessing the relationships between the United States and the developing countries.

As the summary of Agenda 1977 points

The leadership of the United States passes to President Carter at one of those moments in history when circumstances combine to make change possible on a scale that was previously unthinkable. Developed and developing countries alike are recognizing the need for fresh approaches to solve the global problems that face them all—from food scarcity and energy shortages to nuclear proliferation and the plight of the nearly one billion people in the world living in abject poverty. The United States, under a President who bears no burden of prior identification with past disputes, has a unique opportunity to stimulate cooperation on global problems that no one nation can resolve alone. The question is, will the opportunity be seized.

Yet, uncertainty still dominates our approaches to these problems. Some feel that even though it will be politically difficult, the moment is at hand to begin a broad reform of the international economic and political institutions created after World War II and at the same time substantially increase support for programs designed to enable the world's poorest billion people to meet at least their minimum basic human needs within the remainder of this century. Others feel that political realism will dictate that only marginal changes be made even though the consequences, in the long term, will be detrimental to developed and developing countries alike.

Agenda 1977 analyzes these broad policy choices and makes a series of specific policy recommendations on a range of issues including human rights, energy, trade, debt, arms transfers, and food. An important addition to this year's volume is a newly developed "Physical Quality of Life Index"—PGLI—designed to be used in conjunction with gross national product which measures the output of goods and services as an indicator of the progress of individual countries in terms of human well-being.

The Agenda concludes that it would be possible to eradicate the worst aspects of absolute poverty for the world's poorest billion by the end of this century if only we have the wisdom, understanding, and will to do so.

Agenda 1977 is an extremely valuable policy tool, one which I would urge my colleagues to give the closest scrutiny.

Mr. President, I ask unanimous consent that the Agenda 1977 summary be printed in the RECORD.

There being no objection, the agenda was ordered to be printed in the RECORD, as follows:

THE UNITED STATES AND WORLD DEVELOPMENT: AGENDA 1977

"The industrial democracies should resist the temptation to see the current North-South dialogue as a situation in which losses are inevitable and negotiations are primarily designed to gain time or preserve the status quo. Rather, they should treat it as an extraordinary opportunity for initiating, in the words of President Carter, "a common effort"—which, by the end of this century, could create a world that not only better serves the already advantaged, but also is free of the worst aspects of absolute poverty and repression."—Theodore M. Hesburgh and James P. Grant, Introduction, Agenda 1977.

AN OPEN MOMENT IN HISTORY

The leadership of the United States passes to President Carter at one of those moments

in history when circumstances combine to make change possible on a scale that was previously unthinkable. Developed and developing countries alike are recognizing the need for fresh approaches to solve the global problems that face them all—from food scarcity and energy shortages to nuclear proliferation and the plight of the nearly one billion people in the world living in abject poverty. The United States, under a President who bears no burden of prior identification with past disputes, has a unique opportunity to stimulate cooperation on global problems that no one nation can resolve alone. The question is, will the opportunity be selzed.

In an unprecedented Inauguration Day statement to the "citizens of the world," President Carter pledged his Administration to "be more responsive to human aspirations" and to take the lead in the effort to guarantee freedom not only from political repression but from poverty and hunger as well. He called on other nations to join with the U.S. in "a common effort" to pursue these goals. What can the U.S. do now to signal its willingness to respond constructively to global problems? What shape might this "common effort" take? Agenda 1977 analyzes and discusses these questions.

- A RAPIDLY CHANGING WORLD SETTING

The international order created after the Second World War has shown itself to be inadequate to changing patterns of economic growth and the increasing interdependence of nations. Both the developed countries of the North and th developing countries of the South agree on the need for a major overhaul of existing economic and political systems. This process of renegotiating the world order is already under way in a variety of forums, where a changing political climate is evidenced by the demands of the developing nations for a greater role in global decision-making. The U.S. has recognized that no one nation dominates the international scene and that it needs to treat its relations with the developing countries as a mainstream element of its foreign policy It is also clear that the importance of U.S. economic relations with the developing countries continues to grow. The U.S. sells more of its goods to the developing countries than to the European Communities, Eastern Europe, and the Soviet Union combined (see "U.S. Trading Partners" chart, page 3), while developing countries provide it with both critical raw materials and low-cost consumer

A NEW FOCUS ON BASIC NEEDS

The developing countries as a group were well on their way to exceeding the 6 percent annual growth target set for the 1970s when they were hit in 1974 with sudden and massive increases in the cost of essential imports such as oil, fertilizer, and food, and subsequently by a global economic slump. The stronger of these countries pulled through at the cost of reduced imports, diminished foreign exchange reserves, and a soaring national debt. The weaker required infusions of emergency aid and lost their chances for any significant development progress for the rest of the decade.

This dramatic change in development prospects hastened a rethinking of development strategies that was already under way. In the previous two decades, the developing countries experienced steady growth, some at rates unparalleled even in Western economic history. Despite this past record, the gap between rich and poor continues to widen today, both between countries and within them. If the per capita income of the world's forty poorest countries (population 1.2 billion people) were to grow at the rate of 3 per cent annually from now until the

end of the century—which is highly optimistic—it would only then begin to approximate that of Britain and the U.S. in 1776. The old development strategies raised the gross national product of these countries, yet left almost a billion people living in chronic poverty.

A growing number of experts are coming to the conclusion that only major policy changes can bring about a change in the fortunes of the poorest fourth of humanity. The new strategies being proposed emphasize equity and the need to meet the basic human needs of the poor. Unlike the strategies of the previous twenty-five years, they assume that economic growth and greater equity in the distribution of its benefits are complementary, not contradictory. It is now thought that the right combination of domestic policies and reforms of international economic systems could overcome the worst aspects of chronic poverty by the end of this century.

OPTIONS FOR PRESIDENT CARTER

It is essential that an overall policy for dealing with the developing world be established by the new Administration from the start. Already scheduled North-South negotiations must be prepared for almost immediately. In the first half of 1977, President Carter will make decisions on commodity agreements, trade negotiations, debt management, and arms sales to developing countries; he will have to coordinate strategy with the major Western trade partners of the U.S. in the OECD for important talks at the Paris-based Conference on International Economic Cooperation (CIEC) as well as at the U.N. If these problems are dealt with on an issue by issue basis, what seem like logical policy decisions now may prove in the long run to be mutually inconsistent and in some cases detrimental to U.S. relations with the developing world.

Several differing perspectives and options on North-South relations are examined in detail in Agenda 1977, illuminating the complexity of the development policy choices before the Carter Administration. In brief, the United States can attempt to defuse confrontations with the Third World by making only the minimum changes necessary—step by step. Or it can actively explore and adopt new policies to speed change in directions beneficial to developed as well as developing countries. Or, in varying combinations with the first two options, it can support a basic human needs strategy aimed at eliminating the worst aspects of absolute poverty worldwide by the year 2000.

If the Carter Administration selected the first option, it might adjust present policies slightly, implementing them more effectively than the U.S. has in the past. It could, for example, make available some increased support in areas such as development assistance and trade preferences, or act on recently proposed measures much as the "development security facility" to stabilize export earnings put forward by former Secretary Kissinger in 1975. The prime objective of this approach would be to reduce the potential for confrontation between North and South, although the U.S. would presumably continue to emphasize bilateral relations with some of the stronger developing nations, such as Brazil, Saudi Arabia, and Iran.

The second option would take President Carter beyond the marginal change of the first and into a commitment to a broader and more significant range of reforms. The proposals that make up the "New International Economic Order" called for by developing countries at the 1974 and 1975 special sessions of the U.N. General Assembly would be carefully examined, and those judged

beneficial to the international economy as a whole would form the nucleus of the U.S. negotiating position. But the U.S. would go beyond these, in some cases supporting proposals which would spur development in the South at some cost to the North—a cost which would be justified on grounds of prudent statesmanship or moral responsibility.

Option three would aim more directly at meeting the basic human needs of the world's poorest billion people. U.S. policy here would be to try to overcome the worst aspects of this poverty and to attain specified minimum standards of nutrition, health services, and basic education by the end of the century.

The three "options" clearly are not watertight alternatives; elements of the basic needs approach presented as option three could be incorporated into either of the first two options.

RECOMMENDATIONS FOR U.S. POLICY

Agenda 1977 suggests an approach that would lay the basis for action on options two and three—the accelerated reform and basic needs strategies—but would start with the swift implementation of option one "marginal" changes that are not inconsistent with the two more ambitious options. This alternative would call for early and simultaneous action to 1) begin some far-ranging reforms of existing international economic institutions and practices, and 2) substantially increase support for programs to provide adequate food, nutrition, health care, and education for the world's poorest people.

TRADE IN MANUFACTURES

After much preparatory work, developed and developing countries are this year beginning serious multilateral trade negotiations. For developing countries, which derive nearly 40 per cent of their non-oil export earnings from manufactured exports, the outcome is critical.

The developing countries' manufactured exports grew an average of 25 per cent annually from 1965–1973, boosted in the 1970s by tariff preferences which allowed certain of their exports duty-free entry into the markets of the developed countries. This has resulted in lower prices of these goods for the consumers in the developed countries but has also significantly hurt some workers and firms. Consequently, important segments of the developed countries' labor movement and industrial sector, particularly in the U.S., oppose trade liberalization.

The potential gains for both developed and developing countries from trade liberalization are great. If all barriers to importing their manufactured goods were eliminated, the developing countries could increase their earnings by as much as \$24 billion; and these increased earnings would largely be spent on goods from industrialized countries.

The U.S. should therefore: 1) press vigorously under existing legislation for the largest possible average tariff reductions; 2) continue to improve the U.S. Generalized System of Preferences (GSP); 3) refrain (with other industrial countries) from raising trade barriers, even as a corrective measure in balance-of-payments crises; 4) improve programs to assist domestic groups in adjusting to changes in international trade.

COMMODITY ISSUES

Developing countries' export earnings from raw materials other than oil still account for more than half of their non-oil export revenues. Commodity policies therefore are an important part of their strategy for a New International Economic Order. Intensive negotiations on commodity agreements will be taking place this year and next in the U.N. Conference on Trade and Development (UNCTAD). Though both developed and developing countries would benefit from commodity agreements that stabilize prices, the

two groups have differing concerns on this question. Developing countries prefer an "integrated approach" that would include a common fund to support buffer stock operations for a variety of commodities. The U.S. thus far has opposed the idea of a common fund, but has supported expanded efforts to compensate the developing countries for shortfalls in export earnings.

U.S. Trading partners 1975

(In percentage) U.S. U.S. Exports Imports (\$ billion) (\$96.9) (\$107.7)Canada 20 European communities_ 21 17 Japan 9 Other developed market economies 10 6 OPEC _ 10 18

27

3

23

1

The U.S. should: 1) make an unequivocal commitment to participate in negotiations on a common fund for buffer stocks and on individual commodity agreements, without committing itself to either until negotiations are completed; 2) continue support for existing compensatory financing plans; 3) assess and help develop the potential for increased processing of raw materials within developing countries.

Other developing mar-

Centrally planned econ-

ket economies_

omies

ENERGY

Until recently the U.S. has taken a narrow parochial approach to the energy problem, focusing its diplomatic efforts on lowering oil prices and on the chimera of energy "independence." But solutions to the world energy problem must take into account the energy needs of both the developed and the developing world if they are going to serve either.

A global approach to energy would involve helping energy-poor developing countries pay for their energy imports, assisting them in developing untapped energy resources, emphasizing a nuclear energy policy stressing safety, and leading a worldwide research and development effort on renewable energy sources

The long-run needs of the U.S., other industrialized countries, and the Third World probably will be better served by helping the developing countries to become less dependent on imported oil and developing more secure energy sources. With U.S. and other outside assistance, many Third World countries could avoid growing dependence on fossil fuels by moving now to concentrate on developing their ample renewable energy resources.

The U.S. should: 1) develop a coherent national energy policy that recognizes the energy crisis to be a global problem that needs a global approach; 2) support creation of a World Energy Council to collect global energy data and conduct global energy analyses; 3) drastically increase federal research and development expenditures on renewable sources of energy—including small-scale sources; 4) take the lead in convening a world conference on alternative energy sources.

ARMS TRANSFERS

Arms aid and sales have been a major component of U.S. economic transactions with the developing countries in the past twenty-five years. The United States provided 45 per cent of the military equipment delivered worldwide in 1974, far exceeding such transfers from the Soviet Union and other European countries. Moreover, Third World sales orders have risen eightfold since 1970, and are likely to remain high.

Congress has in recent years tried to rein in U.S. arms transfer policies, but the Executive Branch has resisted. Proponents claim that the sales contribute directly to American security by fostering regional stability and increasing U.S. influence, and aid the domestic economy. Opponents argue that arms transfers often produce regional instability, raise the risk of U.S. involvement in local conflicts, hinder Third World development, and help repressive regimes.

The new Administration has pledged to reduce arms transfers, but the U.S. needs a new, comprehensive policy in this area.

The U.S. should: 1) review U.S. arms transfer policy with the aim of reducing transfers substantially in the next five years; 2) take the lead in consulting with other major arms exporters on ways to reduce supplies, and with developing countries on ways to reduce demand.

DEBT

The growing debt of the developing countries is an issue that belongs high on any international economic agenda. Since 1972, the debt of the non-OPEC developing countries grew 80 per cent, reaching \$165 by the end of 1975. Private banks have become an important source of credit for some of these countries. However, the "world debt problem" is actually a series of problems faced by individual countries (both developed and developing). Debt per se is not dangerous. The danger comes when the debt burden grows so heavy that badly needed development efforts have to take a back seat to repayment. Moreover, the debt problems of the middle-income and low-income developing countries differ greatly. The former still have good long-range growth prospects; the outlook for the latter is bleak unless special measures are taken.

Debt relief efforts should aim to preserve the international credit system, strike a sensible compromise between the Third World's across-the-board debt relief demands and the reluctance of the creditor countries to agree to such solutions, establish international credit guidelines, and recognize that the ultimate solution to middle-income developing country debt lies in reforming world trade and commodity systems

The U.S. should: 1) urge immediate international review of the debt problems of all low-income countries with the primary aim of revitalizing their development and not merely of maintaining debt service; 2) express willingness to consider official debt relief for any middle-income countries whose debt problems hamper their development programs; 3) recognize that the long-term interest of all sides is served if private banks continue to lend to the developing countries.

OCEANS ISSUES

The law of the sea talks encompass many of the issues and proposals involved with restructuring the international economic system. Questions which arise at these negotiations are bound to come up at future talks dealing with the common use of international resources.

The stalemate reached at the latest session of the U.N. Law of the Sea Conference produced considerable pessimism among participants and observers concerning the chances for a comprehensive oceans treaty. But overlooked were the achievements which have been reached since 1974; these include agreements on 12-mile territorial seas, 200-mile economic zones and unimpeded passage through international straits, an interim agreement on the environment, and a consensus on internationally supervising the exploitation of the resources of the deep ocean.

The talks have split not only developed and developing nations, but also landlocked and coastal states. The landlocked worry about being denied their share of the oceans' wealth by the coastal states; the Third World fears that transnational corporations that are already able to mine the ocean floor will dominate deep-sea mining schemes.

Despite these differences, all nations stand to gain from a comprehensive oceans treaty. The U.S. should: 1) press for early agreement on a comprehensive law of the sea treaty; 2) search for a compromise on the international seabed authority that will guarantee some international control over mining while meeting the needs of private concerns already able to exploit ocean resources.

TECHNOLOGY TRANSFER

The economic successes of Japan, Taiwan, South Korea, and other nations demonstrate the importance of using technology to increase development progress. Other developing countries realize this but feel victimized by the monopoly they consider transnational corporations to hold on this knownow. In general developing countries want easier access to new technology on more favorable terms and increased capacity to adapt and create technologies to suit their own needs and development goals. This will require intensified efforts in this field both within and among developing countries themselves, but outside support—both multilateral and bilateral—can be much more effective than it has been.

The U.S. can help by: 1) implementing the commitments concerning technology already made; 2) supporting efforts to develop codes of conduct for technology transfer and to revise international patent laws; 3) giving a high priority to the U.N. Conference on Science and Technology scheduled for 1979.

FOOD SECURITY

Better weather substantially improved the 1976-77 crop outlook over the previous year, but medium- and long-term world food security is in fact as precarious as ever. The need for food has consistently outstripped food production during the 1970s. Given the rate of growth of the cereals deficit in the developing countries, bad weather in any major producing area could mean an even worse famine than the one experienced in 1972-73.

The World Food Conference of 1974 set three objectives for improving world food security: to establish a minimum level of food aid for the short term, to set up a grain reserve system for the medium term and, as the only long-term solution, to increase food production in the developing countries.

In 1977, Congress is due to reexamine most major U.S. food and agriculture legislation, from Food for Peace to food stamps. It is essential that a unified policy approach be taken to both the international and domestic aspects of the issue.

The U.S. should: 1) encourage increased food production and improved distribution in developing countries through an increased commitment to bilateral and multilateral development assistance programs; 2) resume negotiations aimed at establishing a world food reserve; 3) commit itself to guaranteeing an annual minimum of food aid on the basis of three-year advance commitments. In both food sales and grants, priority should be assigned to countries experiencing the greatest need.

BASIC HUMAN NEEDS

Of the nearly one billion people living in absolute poverty in the world, 750 million (nearly two-thirds) are in the low-income countries, 170 million in middle-income countries, and 20 million in the richer countries. Per capita income in the poorest countries averaged \$150 in 1973. These countries are pervasively poor in a way that was not true of today's rich countries in the early stages of their own development.

There is a growing consensus among specialists that economic growth and a more equitable distribution of its benefits are compatible goals—that with political will and an

emphasis on programs aimed directly at the poor, the minimum basic needs of the poorest billion could be met over the next twenty-five years. In its recent report to the Club of Rome, the "Tinbergen Group" called for the following global basic needs goals for the year 2000: life expectancy, 65 years or more (compared to the low-income countries' present average of 48); literacy rate at least 75 percent (compared to 33); and infant mortality, 50 or less per 1.000 births (compared to 125).

The goal of meeting the basic needs of this segment of the world's population could be met at an estimated cost of \$10-15 billion a year over present aid levels. The \$10 billion figure would be feasible a) if developed countries would reach or exceed an aid level of one-half of 1 percent of their gross national product; b) if some portion of aid now going to middle-income countries were redirected to low-income countries; and c) if the increases were earmarked for basic needs uses such as jobs, health, and nutrition.

The U.S. should: 1) significantly increase its financial support to basic needs programs in low-income countries; and 2) explore the extent and forms of cooperation among the industrial democracies and developing countries to attain basic needs goals in all developing countries over the next generation.

POPULATION

The world's population has grown rapidly in the past twenty-five years, mainly in the developing countries, because death rates have until recently declined faster than birth rates. Currently, overall population growth rates have begun to decline due to increases in economic and social well-being and greater availability of family planning services. To lower the birth rate as rapidly as possible toward a stable level, much more focus is needed on alleviating negative factors that motivate large family size—on improving health care, nutrition, employment, education, and the status of women.

The U.S. should: 1) assess the impact of basic needs programs on decisions concerning family size; 2) greatly increase research efforts to develop more effective and acceptable methods of fertility control; 3) significantly increase support for expanding acceptable family planning programs in the developing countries.

HUMAN RIGHTS

The human rights issue is becoming highly sensitive as developed and developing countries continue to disagree vigorously on defining that term. The industrallized world stresses the political and civil liberties in the first half of the U.N. Universal Declaration of Human Rights, but the developing countries point to the wide-ranging economic and social rights in the Declaration's second half. The situation is complicated by the fact that many Third World governments are, in varying degrees, authoritarian.

Human rights recently has become a subject of contention in the U.S. between the Executive and Legislative branches of government, as the Congress has had human political rights strings to foreign military and economic assistance legislation. But the legislators have also addressed themselves to economic and social rights, as when both houses passed "Rights to Food" resolutions. Cutting foreign aid to punish human po-

Cutting foreign aid to punish human political rights violators is a popular idea, but cutting development assistance in particular in usually a weak lever on repressive regimes. A more comprehensive and effective approach is needed. Moreover, U.S. aid efforts in recent years have concentrated on reaching the poorest people in recipient countries. Aid cuts are likely to punish them, not their rulers.

The U.S. should: 1) ensure that its development assistance funds go to projects which directly benefits the poor majority in Third World countries; 2) actively seek to estab-

lish international criteria for identifying "gross violations" of political human rights—preferably in cooperation with international organizations; 3) consider what range of policies will effectively promote both economic and political human rights.

DEVELOPMENT ASSISTANCE

Most of the poorest countries will need aid in one form or another for at least the balance of this century. The U.S. currently contributes less than 0.3 per cent of its gross national product to programs of "official development assistance"—bilateral grants and loans or contributions to multilateral institutions such as the World Bank or the U.N. Development Programme. Adjusted for infiation, the total amount of U.S. development assistance has declined by nearly 50 per cent since 1963. If this country is to support efforts to alleviate the worst effects of absolute poverty, these programs require special attention in 1977. The bilateral legislation that was rewritten in 1973 to direct aid to the poorest people within the poorest countries requires reauthorization, and the U.S. is in arrears in its contributions to the World Bank's International Development Association (IDA), the regional development banks, and some U.N. agencies. The next replenishment of IDA also must be authorized in 1977.

The U.S. should: 1) commit itself to increasing levels of official development assistance to a level of 0.5 per cent of GNP by fiscal year 1981, with at least 75 per cent of these funds going to countries with per capital incomes of under \$300; 2) urge an early decision on the fifth replenishment of IDA at a level of \$8.1 billion for the OECD countries; 3) support prompt Congressional action to increase the capital of the World Bank; 4) explore with both developed and developing countries ways to provide automatic sources of assistance for low-income countries; 5) complete a comprehensive review of U.S. development assistance by 1978.

ORGANIZING FOR INTERDEPENDENCE

The resumption of North-South negotiations in the immediate future will be complicated by the lack of effective institutions that encompass the broad range of discussions now going on between developed and developing countries.

Existing international structures are accused by some of being too unwieldly (the U.N. General Assembly) or too exclusive (the International Monetary Fund). Perhaps the best indication of the need for mechanisms more acceptable to all sides was the creation of the 27-nation CIEC in Paris, made up of a carefully balanced group of OECD, OPEC, and other developing countries; yet CIEC had only a one year life span and will not be renewed unless all participants want to see it continued. In deciding on new and reformed institutions, it will be important to ensure that the interests of all major groups of nations are represented.

To deal effectively with the global issues outlined in Agenda 1977, including the new approaches needed to development cooperation, the Carter Administration also should reorganize and improve coordination among various branches of the U.S. government.

A QUALITY OF LIFE INDEX: THE PQLI

The need for a quality of life index as a supplement to GNP figures has been recognized for some time—notably by the U.N. Secretary-General and by the recent "Tinbregen Group" report to the Club of Rome.

The Overseas Development Council has introduced a Physical Quality of Life Index (PQLI) that can be used in conjunction with the per capita GNP indicator to assess each country's progress in terms of human well-being. The PQLI index—which is a rough but useful composite measure of life expectancy, infant mortality, and literacy—is described and shown for all countries in the Statistical Annexes of Agenda 1977.

Development performance by two standards

Country groups and	Per	Capita	PQLI
sample countries:		GNP	Index*
Lower-Income Countries	(aver-		
age)		152	39
India			41
Kerala, India		. 110	69
Sri Lanka		. 130	83
Lower Middle-Income	Coun-	2	
tries (average)		. 338	59
Cuba			86
Malaysia		. 680	59
Korea, Rep. of		480	80
Upper Middle-Income	Coun-		
tries (average)		1,091	67
Gabon		1,960	21
Iran		1, 250	38
Algeria		710	42
Taiwan (ROC)		. 810	88
High-Income Countries	(aver-		
age)		4, 361	95
Kuwait		.11, 770	76
United States		6,670	
Netherlands		. 5, 250	99

*Composite of life expectancy, infant mortality and literacy figures, each rated on an index of 1 to 100.

PRESERVATION OF THE NATION'S PRIME AGRICULTURAL LANDS

Mr. METCALF. Mr. President, when Interior Secretary Cecil Andrus appeared before the Subcommittee on Minerals, and Fuels-now the Public Lands and Resources Subcommittee-on February 7. 1977, to testify regarding the Surface Mining Control and Reclamation Act of 1977 (S. 7), he urged early passage of the bill, stressing the importance of preserving the Nation's prime agricultural lands.

Secretary Andrus has now followed up those initial comments with a detailed series of recommendations for improving S. 7.

Among the Secretary's recommendations are the establishing of a 5-year moratorium on surface mining in prime farmlands, strong endorsement of the principle of return to the approximate original contour and elimination of all highwalls, addition of a "grandfather" exemption to the section relating to protection of alluvial valley floors, and the allowance of mountaintop removal mining without requiring a variance where all spoil is retained upon the mountaintop.

In view of the significance of Secretary Andrus' recommendations, I ask unanimous consent that his report to the Energy and Natural Resources Committee be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,

Washington, D.C., April 1, 1977.

Hon, HENRY M. JACKSON.

Chairman, Committee on Energy and Nat-ural Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter supplements the Administration's views set forth in our letter of February 4, 1977, on S. 7, the "Surface Mining Control and Reclamation Act of 1977

We strongly support your efforts to provide sound strip mine legislation. S. 7 provides a framework for administering a comprehensive, workable, surface mining and reclamation program. We would like to present our views and to offer some amendments in addition to those previously sent which we be-lieve will strengthen the bill.

TITLE II-OFFICE OF SURFACE MINING AND RECLAMATION

This Administration strongly supports the creation of an independent Office within the Department of the Interior In anticipation of passage of the strip mine bill, the Department has begun to work toward smooth implementation of the bill's provisions and to establish the new Office. To allow for the best overall management arrangements, however, we recommend that the statute not require the Office to report directly to the Secretary and that it be clearly authorized to use the personnel of other agencies to carry out the program.

TITLE III-ABANDONED MINE RECLAMATION

We suggest provisions to establish State managed abandoned land programs. We recommend that until a State's full regulatory program is approved, allocation of its 50% share of funds not be made and that there be no funding of any State abandoned land program. Until such approval is given, the Secretary should also have authority to withhold expenditures for the Federal abandoned land program for a State under section 305. This would encourage the States to obtain approval for a strong State regulatory program rather than allowing a Federal program to be established for that State. The Secretary should not be prevented, however, from expending unearmarked funds within a State where there was not an approved regulatory program; thus in cases where reclamation work would be urgently needed it could be accomplished.

In order to assure that reclamation is accomplished on abandoned lands as quickly as possible, section 305 should be changed to insure that the first two objectives of the fund specified in section 302, the protection of public health and safety and the prevention of continued environmental harm, be accomplished before money could be spent on public facilities, except for emergency situations.

The program under section 304, Reclamation of Rural Lands, should be preserved. This program will benefit many communities by assuring that the expertise of the Department of Agriculture in reclaiming disturbed lands is put to good use.

Allocating the reclamation fee money in slightly different proportions would provide increased money for areas where there are the most severely disturbed lands. We recommend providing financial assistance for obtaining hydrological data for permit applications of mines producing under 100,000 tons per year, but doing so on a cost-sharing basis with the operator providing 25 percent of the amount necessary for data and analysis. The reclamation fee money would provide the other 75 percent. Additionally we recommend adding a provision for cost recovery in cases where a permit application is not made after the hydrological data financed from the Fund have been collected and analyzed.

We also are of the view that the 50 percent share reserved for expenditure in the State or Indian lands where collected should be determined after 10 percent is allocated for hydrological studies and 20 percent for the Rural Lands Program. This would provide further funds for States having the largest amount of abandoned coal mined lands. Funds reserved to the State or Indian land where collected should be available also for non-coal mine reclamation.

TITLE IV-CONTROL OF THE ENVIRONMENTAL IMPACTS OF COAL SURFACE MINING

We support a timetable for implementing the performed standards which provides that Interior regulations are to be issued three months after enactment: new mines must comply six months after enactment and existing mines must comply nine months after enactment. The permanent regulatory program regulations must be promulgated within a year after enactment. This timetable is

contingent, however, upon express provision that no environmental impact statement be required for the Interim program regula-tions. For consistency, the Federal and Indian lands program should also be slated for implementation one year after enactment.

Although the Department does not foresee having to intervene in State regulatory programs often, the bill currently provides no method of intervention in cases where the State program may be faltering in only one or two areas short of State program revocation. In these instances the Department needs the authority to review selected permits. We recommend adding a provision which would permit limited intervention without withdrawing approval of a State regulatory pro-

Large mining operations often need several years to get mining equipment and other ancillary requirements in place. The regulatory authority needs to evaluate the proposed mining operation before site development begins, but at the same time must be in a position to give the mine operator a permit for a time period adequate for developing a site and obtaining financing. We recommend that the time of the first permit be not more than five years after the first removal of overburden and that removal of overburden must begin within six years issuance of the permit. If, however, overburden removal does not begin within three years after issuance, one year prior to scheduled overburden removal the regulatory authority should be required to obtain such information as is necessary to determine whether modifications of the permit pursuant to section 411(c) or otherwise are needed.

The Administration supports strong protection for surface owners; surface owner consent should be required for the entire area covered by a permit application. For Federal lands this consent should be written, given before leasing, and available only to the limited class of persons specified in H.R. 25 in the 94th Congress. We also recommend that with regard to the compensation for-mula provided therein, that fair market value be defined to exclude the value of the coal resource, as mentioned in our earlier report.

Alluvial valley floors will require strong protection if these important areas are to maintain their hydrological integrity and usefulness for farming and range use. view of this, we believe our proposed section 410(b)(5) should be revised so as not to exempt undeveloped range lands or small areas where mining would have a negligible impact on agricultural or livestock production. Because information about effects of mining in alluvial valley floors is relatively embryonic and the administrative deter-mination of where these exemptions would apply may be particularly difficult, it appears preferable to clearly exclude mining from the alluvial valley floor without land use exception. The Administration supports "grand-fathering" only those mines which are fathering" only those mines which are located in alluvial valley floors and in commercial production, as specified in our February 4, 1977, letter.

Section 422 relating to the designation of areas unsuitable for surface coal mining, contains a grandfather exemption to be granted for those operations which have "substantial legal and financial commit-ments." We believe the term should be further defined or eliminated from the statute. The grandfather clause as written could undermine the integrity of the designation process and be subject to abuse.

We continue to support the bill's designation of national forests as unsuitable for mining. We would also favor authorizing the Secretary to designate critical areas adjacent to the mandatory designation areas under section 422 in order to protect the in-tegrity of these areas. In the case of Federal lands in critical adjacent areas, designation as unsuitable would be mandatory. In the case of private or State lands in the critical areas, the Federal government would petition the State to designate these areas as unsuitable for strip mining, and further, there would be required consultation between the State and the Secretary for any permit within the critical adjacent area.

Prime agricultural lands have recently become the subject of considerable attention. The loss of such agricultural areas as a source of future food production is of as much concern as the possible loss of coal production resulting from prohibiting mining of these lands. We therefore favor an amendment to require restoration of soil productivity for prime agricultural lands. In addition, we recommend a five year moratorium on surface mining in prime farmlands in order to provide an opportunity to determine the ability to restore the productivity of these valuable lands. An appropriate grandfather exception would also be provided. An amendment for prime agricultural lands protection will be furnished shortly.

Several concerns for essential features of the performance standards set forth in section 415 of the bill deserve emphasis. We strongly support the principle of return to approximate original contour. We believe this concept as defined in section 501(23) properly embraces use of terracing as an appropriate reclamation technique, whether or not expressly referred to. Such terracing must, however, be for drainage purposes only and designed for the best overall environmental results. High walls cannot be permitted under any circumstances.

With respect to siltation structures, we are concerned that maintenance responsibility continue as long as such structures present the possibility of harm. We therefore support an amendment strengthening § 415(b) (10) (C).

We would oppose deleting safety protections provided by the bill. Blasting limitations are particularly important but further information is needed to ascertain whether additional measures beyond those provided in § 415(b) (15) are needed. We believe a study of blasting requirements should be undertaken.

S. 7 allows a variance from special performance standards for mountaintop mining where certain post-mining land uses will obtain. The most critical feature of mountaintop mining relates to spoil placement. Mountaintop mining which retains spoil on top of the mountain does not require special treatment. Serious problems are presented, however, by operations using head-of-the-hollow or valley fill. For such operations, it is uncertain whether spoil can be placed in an environmentally sound manner. Some evidence exists that technology in which spoil is placed in lifts to create a series of stair stepbenches and french rock drains are used may provide satisfactory protection. In any event, we believe that placement of spoils on the downslope should be limited to the minimum and that strong spoil placement standards are needed to insure that there will be no offsite damages.

We support provisions to strengthen the administrative, judicial, and enforcement provisions of the bill. Among these are provisions relating to citizen suits and we support elimination of the amount-in-controversy and diversity of citizenship requirements of these provisions. We also believe that attorney's fees should be awarded in the discretion of the court against any party. For administrative proceedings, discretionary award of attorney's fees is appropriate against a losing party (not the United States). In addition, for the permanent enforcement program, we favor a requirement of monthly partial inspections and full inspections once each quarter. We will further review the need for further improvement

and updating of the administrative, judicial and enforcement provisions.

Enactment of this legislation will correct a major deficiency in our overall policy of environmental protection. Benefits will directly follow its enactment for protection and enhancement of water quality, fish and wildlife values and for improved land use, among others.

We attach suggested amendments to deal with the problems outlined and certain other matters, including those contained in our February 4, 1977, letter to the Committee on S. 7.

Early passage of strong surface mining legislation remains among the highest priorities of this Administration. We will be prepared to work with the Committee to achieve this goal.

The Office of Management and Budget has advised that enactment of legislation conforming to the views set forth above would be in accord with the problem of the President and it has no objection to the presentation of this report.

Sincerely.

CECIL D. ANDRUS, Secretary.

A POISON SYMBOL THAT CHILDREN UNDERSTAND

Mr. HUMPHREY. Mr. President, 1977 has been declared "Minnesota Poison Prevention Year," under a proclamation signed by Gov. Wendell Anderson last year. On March 22, Edward P. Krenzlok, director of the Hennepin Poison Center, wrote to describe a poison control program undertaken by the center with support from Blue Cross-Blue Shield of Minnesota, the University of Minnesota College of Pharmacy, and the Minnesota Jaycees.

This public service campaign is built around a green, grimacing face that is an emphatic and unmistakable pictogram for distaste.

The symbol, "Mr. Yuk," was developed and copyrighted as a poison warning by the Pittsburgh Poison Center after research revealed that a skull and crossbones suggests excitement and adventure to today's children.

Minnesota is the 11th regional center of the National Poison Center Network to put Mr. Yuk to work to reduce the large number of accidental childhood poisonings. I ask unanimous consent that an article from a Minnesota hospital publication describing this worthwhile campaign be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Mr. YUK COMES TO MINNESOTA

Even though he sticks out his tongue at everyone he meets, Mr. Yuk is the kind of guy everyone likes to have around—and he is moving to Minnesota.

He is being brought here by the Hennepin Poison Center (HPC) of Hennepin County Medical Center to conduct a major poison control program aimed at preventing accidental poisonings of small children and at providing immediate treatment information for those who become victims of poisonings.

Mr. Yuk—a scowling, chartreuse face with tongue protruding—is the new poison warning symbol developed in 1971 by the Pittsburgh Poison Center, to replace the old skull and crossbones. That center's research revealed the old symbol has little negative meaning for today's children, who have

viewed it widely in movies and cartoons, on products and in amusement parks. To them it means happy, exciting things like pirates and adventure—not poison.

Mr. Yuk's expression is somewhat akin to that or a young child who has just endured a dose of caster oil. He was designed primarily for children five years old and younger who cannot read, but are curious explorers of their homes. He was selected in research studies by pre-school age children as the symbol that would most repulse them from getting into dangerous household products. He also was named by a child who declined to pick up a bottle marked with the symbol, saying, "He looks yukky."

The Pittsburgh Poison Center is now the headquarters for the National Poison Center Network (NPCN). Children's Hospital of Pittsburgh, of which the Pittsburgh Poison Center is a part, has copyrighted the Mr. Yuk symbol for use exclusively by (NPCN) regional and satellite centers throughout the country. HPC is the Minnesota center and the 11th regional center in the country to join the NPCN and adopt the Mr. Yuk program.

The HPC action is endorsed by the Hennepin County Board of Commissioners; Minnesota Gov. Wendell Anderson proclaimed 1977 as "Poison Prevention Year in Minnesota."

Simplicity characterizes the Mr. Yuk program and helps make it effective.

Mr. Yuk's ugly face is printed on stickers which adhere easily to paper, plastic, metal or wood. Each sticker carries HPC's emergency telephone number. The stickers are distributed by HPC upon request.

"No! No!" is an admonition even the youngest toddler understands. When parents receive the stickers, they show Mr. Yuk to their children, explaining that he means "no." In order to teach them which household products to avoid, children accompany their parents as they move throughout the house affixing the symbol to the dangerous products listed generically on the back of the sheet of stickers.

In addition to distributing the Mr. Yuk stickers, the HPC conducts on-going public education/information activities as part of the poison control program. Financial and logistical support for the introduction of Mr. Yuk in Minnesota is being provided as a public service to the HPC by Blue Cross and Blue Shield of Minnesota. Other organizations active in support of the Mr. Yuk's program include the Minneapolis Jaycees and the University of Minnesota College of Pharmacy. The Jaycees handle sticker distribution and provide speakers for interest groups.

Mr. Yuk stickers may be obtained by sending a self-addressed, stamped envelope to: Poison, Hennepin County Medical Center, 701 Park Avenue, Minneapolis, Minnesota 55415. Individuals or groups who wish to make donations to help support the Mr. Yuk program may do so by writing the same address.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Andrew J. Chishom, of South Carolina, to be U.S. marshal for the district of South Carolina for the term of 4 years vice James E. Williams, resigning.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Monday, April 25, 1977, any representations or objections they may

wish to present concerning the above nomination with a further statement whether it is their intention to appear at any hearing which may be scheduled.

(This concludes additional statements submitted today.)

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess awaiting the call of the Chair.

The motion was agreed to; and at 12:55 p.m. the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 1:02 p.m., when called to order by the Presiding Officer (Mr. ROBERT C. BYRD).

EXTENDING PERIOD FOR TRANS-ACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Without objection, the period for the transaction of routine morning business will be extended for not to exceed 30 minutes.

The Chair recognizes the Senator from Louisiana.

CONSIDERATION OF H.R. 3477

Mr. LONG. Mr. President, the Finance Committee is scheduled to meet at 10 o'clock tomorrow morning to discuss H.R. 3477, the Tax Reduction and Simplification Act of 1977. I will suggest to the committee that the title which provides the \$50 refund be deleted from the bill. I do not know precisely what parliamentary move will be made to do that. It could be done in any of several ways, for example, by a motion to recommit the bill and report it back forthwith, or simply by a committee amendment to strike title I.

I would assume that this deletion will be agreed to.

We will also hear the administration's position with regard to the remainder of the bill and the committee will have an opportunity to react to the administration position.

I do not think, Mr. President, it would serve any purpose to recommit the bill for consideration. To do so would involve various delays, both in the committee and when the bill is reported back on the calendar, under the so-called reforms which have been agreed to in this Congress. These delays would cost us a week or 10 days of valuable time in getting ahead to certain matters which the committee would like to consider.

It seems to me that, regardless of what we do about the \$50 refund suggested by the President, and it is fairly clear what we are going to do about it, we should pass the tax simplification provisions of the bill. The public expects and has a right to demand tax simplification. The tax laws are far too complicated.

After loyal citizens have worked so hard trying to comply with the provisions of existing law, including the Tax Reform Act of 1976, they have a right to hold us to our commitment to simplify it before 1978. I would assume we will recommend keeping the tax simplification

title and most of the provisions recommended by the committee prior to this time

The administration will probably recommend deleting some of the amendments providing tax relief and incentives for business in view of the fact that it is recommending elimination of the major part of the bill which would benefit low income and middle income individuals. We will have an opportunity to reconsider their recommendations for business tax relief in our executive session tomorrow. If the committee makes some changes, as I assume it will want to do, I would hope that it will simply decide to modify its committee amendments here on the floor and save the Senate perhaps 1 week of time.

The Budget Committee will undoubtedly want to look at the changed situation. They may want to modify the waiver provision. It may be that we will act on the waiver provision before we act on the Tax Reduction and Simplification Act of 1977. If that is the judgment of the leadership, and if the Budget Committee wishes to move with its waiver resolution first, I am sure that the Finance Committee would be happy to wait until the budget waiver provision has been disposed of

been disposed of. There is one other item in this bill which is very important, and which should become law at some time in the immediate future. This provision is an extension of the tax reductions which we voted last year. These tax cuts amount to more than \$14 billion and were among cuts first enacted on the recommendation of President Ford. They have since been continued. We anticipate that they will be continued again. Taxpayers like to know for certain where they stand, however, and it would be well to make the extensions of these tax cuts clear at the earliest opportunity. These extensions would be a part of this Tax Reduction and Simplification Act. This bill, H.R. 3477, is still a good bill even without the \$50 refund.

Mr. MUSKIE. Will the Senator yield? Mr. LONG. I yield to the Senator from Maine.

The PRESIDING OFFICER (Mr. SAR-BANES). The Senator from Maine is recognized.

Mr. MUSKIE. With respect to the administration's change in policy on the \$50 tax rebate, there is an impact on three responsibilities of the Budget Committee: The waiver resolution to which the Senator has referred, the third concurrent resolution for fiscal year 1977, and the first concurrent resolution for fiscal year 1978.

With respect to the latter two, it will be necessary for the Budget Committee to reevaluate its recommended policies and its recommended budgets in the light of the administration's change of position. I will not get into a discussion of those two items at this point.

With respect to the waiver resolution, I suspect that technically the Budget Committee having reported the waiver resolution to the floor, no further action would be required at this time. The Senate can modify any legislation covered by a waiver resolution and amend it. So,

technically, perhaps, no action by the Budget Committee is required.

Nevertheless, the waiver resolution was reported on the basis that the third concurrent resolution for 1977 had established the policy assumptions on which we were operating. With those assumptions so drastically changed I would feel better about it if the Budget Committee now were to take another look at the waiver resolution and report its conclusions to the Senate.

I think it ought to be possible to convene a meeting of the Budget Committee for that purpose tomorrow morning so that we could respond to the leadership's desire to move as rapidly as possible. I believe we can do that. There should be very little difficulty. I would like to go through that exercise, however, so that the Budget Committee would have the feeling that it had been consulted.

On the other two, the third concurrent resolution and the first concurrent resolution for 1978, there are more complications that I will not get into at this point.

Mr. LONG. Mr. President, the time that is wasted in the early part of a session is always something that the Senate winds up wanting to kick itself in the pants for at the end of the year when we find we are still in session in November and then in December, doing things that could have been done at a much earlier date. That is one reason I am going to urge to the Finance Committee that we not seek to recommit the bill, that we ought to simply seek to amend or modify the bill here on the floor as we have a right to do. I would urge that the Budget Committee consider doing likewise so that we can get on with our business.

I believe the decision of the Senate will not be changed in any event. I think I can anticipate that the provisions which have had overwhelming support from Senators and complete acceptance by the public and the media are not going to be the subject of much debate and contest here on the floor.

There will be some controversial votes, as there should be, on a major measure of this sort. But I see no point in dragging things out and delaying decisions that the Senate should make.

I am confident that we can make good progress by getting to this bill as soon as every Senator has a chance to consider the changed situation and the administration has a chance to make its position clear with regard to what remains in the bill. I look forward to working with the chairman of the Committee on the Budget and his committee and to clearing this bill and making it conform to the budget process, so that we can get on with the business.

I thank the Senator from Maine for his thoughtful consideration of this matter. I look forward to working with him on this matter.

Mr. MUSKIE. Will the Senator yield again?

Mr. LONG. Yes.

Mr. MUSKIE. I wish to make it clear, consistent with the Senator's observation, that I disagree and disagree vigorously with the administration's decision to step back on the \$50 tax rebate.

I ask unanimous consent, Mr. Presi-

dent, that there be included at this point in the Record a statement which I issued a day or two ago outlining my reasons for that disagreement.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR EDMUND S. MUSKIE ON THE WITHDRAWAL OF THE ADMINISTRATION'S TAX REBATE

The Administration's policy reversal on the tax rebate is disappointing. It is disappointing both because of its likely economic effects and the manner in which the decision was taken.

The economic effects of this decision are likely to be substantial. It raises the risk of repeating the pattern of 1976, when the economy was strong in the beginning of the year and slowed down sharply at the end. This action is likely to cost about 250,000 jobs by the end of this year, at the same time that the Administration is asking shoe workers, and those in other depressed industries, to bear the heavy cost of unemployment. The Administration's goal of reducing unemployment below 6 percent by the end of 1978 will now be much more difficult to achieve.

These costs might be necessary to bear if the economy was in danger of overheating and additional fiscal restraint was required. But this is not the case, as Chairman Schultze indicated yesterday. The unusual price increases in the last several months have been due to the effects of the winter on food and energy prices, and to inflationary momentum in the economy. They have not been caused by excess demand. There is no serious prospect that the rebate and business tax relief would give rise to such excess demand.

The fundamental economic reasons for the rebate remain valid. The Administration claims, on the basis of strong industrial production and retail sales figures for February and March, that the rebate is now "unnecessary." An accurate characterization of these data, however, would be that the first quarter may turn out to be less bad than we had feared. It now appears that real GNP growth is likely to be around 5 percent, rather than the 3-4 percent expected earlier because of the severe weather. Industrial production has rebounded strongly from its winter depression, to be sure, but is still only 2.4 percent above its 1974 peak and 5.5 percent above its level of a year ago. Capacity utilization in manufacturing, at about 81 percent, is still below its average postwar level. These are hardly the marks of an economy that is "overheating." Within 7 million Americans out of work, what can it mean to say that two-thirds of the fiscal year 1977 stimulus package is "unnecessary?"

The tax rebate was proposed because final sales in the economy had been growing at a relatively slow pace throughout two years of recovery. Two months of good retail sales do not provide a sound basis for an abrupt reversal of this policy. The gain in retail sales was in fact stronger in the fourth quarter of 1976 than in the most recent quarter. and some of the recent strength of consumer spending may be precisely because the rebate was expected. The protests against the rebate have not come from low and middle income families. Indeed, many consumers are counting on the rebate for relief from heavy fuel bills. How can we expect to maintain consumer confidence if we cannot maintain a steady fiscal policy?

The reversal of policy suggests a kind of "super fine tuning" of the economy which is beyond the capacity of economists. As I stated on the Senate floor last week, "Should we propose stimulus during the slowdown, oppose it when Christmas sales turn up,

propose it again when the severe winter descends and oppose it once again when spring raises the temperature and our spirits?"

Both the personal tax rebate and the business tax relief were proposed because investment demand has been unusually weak during the recovery. There still is no evidence that business capital spending will accelerate to boost the recovery. Is stronger investment demand now "unnecessary?"

Another factor in the disappointing recovery has been slow export growth due to the worldwide nature of the recession. The Administration stimulus package originally signalled a determination to provide U.S. economic leadership in world recovery. The stimulus package represented a commitment to vigorous expansion. We urged some reluctant and important trading partners to go and do likewise. What signals is the Administration sending them now? Will the Administration argue at the economic summit in London next month that a more vigorous expansion is suddenly "unnecessary?"

The Administration's action is disappoint-

ing, finally, because of the failure to coordinate fiscal policy decisions with the Congress. Reasonable men can certainly differ with respect to the composition of fiscal policy, and such differences were being resolved within the legislative process. But the Administration and Congress appeared to be in agreement on the required direction of The Administration had proposed additional stimulus, and the Congress had revised its fiscal year 1977 budget in a coordinated ac-tion. The Administration has now made an abrupt policy reversal without consideration of the Congressional budget process and without adequate consultation with the Congress. It has done so on the most meager and preliminary evidence. It may prove much more difficult to convince consumers or businesses in the future that the Government is committed to a carefully planned, deliberate and steady fiscal policy.

Mr. MUSKIE. Nevertheless, I think there has been sufficient discussion and sufficient committee consideration so that there is no reason to delay the Senate's taking up these issues and voting them up or down. I assure the Senator from Louisiana of my cooperation and I can see no problems at this point with respect to the waiver resolution. If there are any, I ought to be able to identify them some time today so that we can try to anticipate and resolve them, hopefully, tomorrow morning.

Mr. DANFORTH Mr President. will the Senator yield?

Mr. LONG In one moment

Mr. President, I think I should also say that we have in the Tax Reduction and Simplification Act of 1977 a section which would postpone for 1 year the effective date for the sick pay revisions enacted last year. We also have a provision extending forward the date with regard to section 911, involving U.S. citizens who have been working overseas. In another bill, the House did not accept the change in the effective date for section 911. This kept us from passing H.R. 1828, the sick pay bill, with the section 911(a) amendment. I am led to believe that there would be some problem in obtaining an immediate conference with the House on that bill. It appears that the House would like to talk to us, not only about our ideas on section 911, but also about their suggestions, which are part of this Tax Reduction and Simplification Act. with regard to the provisions which we did agree with, those which we modified, and

those which we struck from their handiwork. So a broader conference would be in order.

I really see no problem. I think it will just take a few days longer to do it that way than it would to take care of those two items in H.R. 1828 at a separate conference.

I yield to the Senator from Missouri. Mr. DANFORTH, Mr. President, I simply want to express a bit of concern about handling the tax bill in a very summary fashion. As the chairman of the Committee on Finance knows, I opposed the idea of the \$50 rebate quite vigorously, but I wonder if we should not, in either the Committee on Finance or the Committee on the Budget, hear the explanations from some of the administration's economists as to exactly what the status of so-called cyclical unemployment is today. It was my understanding, during the very lengthy testimony by administration spokesmen, that approximately half of the unemployment problem that we have now is structural and approximately half is cyclical. There were a couple of alternative ideas put forward on how to deal with the cyclical aspect of this problem.

One of those alternatives was the rebate. The other alternative was a permanent tax cut. Now I understand that the administration has abandoned the idea of a \$50 rebate—and I applaud it for that. However, I am a bit concerned that if all the Senate is doing is simply taking the shortest cut toward doing away with the rebate idea, we lose track of the fact that unemployment today is about 7.3 percent. Unemployment in January. when the rebate idea was unveiled, was about 7.3 percent. I would like some consideration, either in the Committee on Finance or perhaps the Budget Committee, or maybe both, as to what the status of the economy is today, what the status of unemployment is today, and what, if anything, we should be doing about it.

Mr. LONG. Mr. President, I shall cooperate in trying to obtain for the Senate all the information that the Senator from Missouri would like. It has been my experience, however, that when you are trying to get something done, you may just as well hold a hearing while you have a bill out here on the floor, even while we are debating it—we have done that on occasion—rather than make everything wait while you go through a great number of delays.

We have a rule in our committee that if someone wants to offer an amendment that brings up a new subject, he is to notify the committee 3 days in advance that this amendment is to be considered, so that he can obtain whatever information he wants on that subject and can seek the advice of others. Then, when we get through holding hearings and holding executive sessions, and reporting, by that time, someone might want some time to file minority views if he finds he is not on the prevailing side. So it is easier to take 10 days to 2 weeks as controversy develops on some of these subjects. Often it does not make any difference as far as the outcome is concerned.

I was willing to go along with the \$50 refund. I supported it and did what I could to urge others to support it. But

one thing I know is, no matter how many economists we bring in here to testify for a \$50 refund at this point, the Senate is not going to pass a \$50 refund. It was all we could do to get enough votes to bring it out here with a majority vote on the committee, even with the administration doing everything within its power to move that proposal. So the refund is no longer something that is going to happen.

Others can propose their suggestions, but even if they are proposed with some success or some lack of success in the committee, we still have the problem of making the same decision here on the

Now that we have had this recess, I believe it is in order to get on with the business. We do not have any other major items on the calendar to consider at this moment. We ought to be moving with this revenue bill. There are a lot of things in here that the Senate would like to do.

We might want to do more later on. If that is the case, we could always do that, but there are a lot of good things in this bill that ought to be enacted quite apart from the \$50 part.

Mr. MUSKIE. Will the Senator yield?

Mr. LONG. Yes.

Mr. MUSKIE. The Senator has expressed the concern that moved me to disagree with the President on abandoning the \$50 tax rebate. The third concurrent resolution stands as a reflection of the economic policy which the Budget Committee recommended to the Senate and which the Senate approved earlier this winter.

That will not be changed between now and tomorrow. As I indicated earlier, the Budget Committee undoubtedly will want to reexamine the third concurrent resolution in the light of the President's decision and in the light of the economic assumptions which have become an issue as a result of his decision.

We will do that, I assume, as extensively as the Budget Committee may wish to do so. We will not change the third concurrent resolution until we have undertaken that kind of an examination.

Now, whether or not this tax bill ought to be held up until that reexamination is undertaken is a legitimate question. It can be raised in the course of the debate on this tax bill. But the responsibility of the Budget Committee has to do with the third concurrent budget resolution rather than whether or not this tax bill should be the principal implement of whatever policy the Congress ultimately adopts with respect to the economy.

But I share the Senator's concern, even though we had different views about the tax policy that could best serve that concern. But I assure the Senator that so far as I am concerned the Budget Committee will look at the issues that have now been raised very carefully, not only with respect to the third budget resolution of 1977, but also the first budget resolution for 1978 which has been reported to the floor and which also assumed the enactment of the \$50 tax rebate, or some tax policy producing similar budgetary impacts in 1977.

So we have got a bit of work to do and

it will involve the kind of reassessment which the Senator has suggested.

Mr. DANFORTH. If I may inquire of the chairman of the Finance Committee. is it his intention to call as witnesses before the Finance Committee tomorrow administration spokesmen, such as Dr. Schultze, who will explain the state of the economy now as they see it and he efficacy or lack of efficacy of tax reduction matters to address any problem we might have with respect to cyclical unemployment?

Mr. LONG. I have called a meeting of the committee in executive session and, as the Senator well knows, we usually have a represenative of the Treasury Department present in executive session when we are acting on tax bills. I assume we would have Dr. Woodworth, or the Secretary of the Treasury, to explain the administration's position with regard to this bill.

I certainly would like to have Dr. Schultze present. I would be happy to ask him to be there. But that will be in executive session. As the Senator knows, we will have a record kept. But it is not called as a hearing, although the Senator can, of course, inquire as to what information the administration representatives have to provide on any subject. We will find ways to get the information the Senator wants.

I simply urge that the committee plan to go forward with the measures which the committee has agreed upon, and about which it does not want to change its mind.

I assume the committee would be willing to drop the \$50 refund because it was agreed to on a close vote, as several Senators explained, and this is well known to the Senator from Missouri. So I do not have any doubt that will be the majority decision of the committee tomor-

With regard to the other things in the bill, the administration might want to say something about that. If that is the case, they can make their position clear, and if they seek hearings or desire it, we can hold them afterwards.

I just do not want to put the bill back in the committee at this point, the reason being that I do not want to fool around with these 3-day delay matters in order to move it. We have had a 3-day delay in the committee, we have had a 3-day delay on the floor, and the bill. including the sick pay provision, has had as much delay as it should have, it seems

Mr. DANFORTH. There are several things I would not want to happen. I would not want undue delay. I would not want to look a gift horse in the mouth with respect to the President's decision now to change his mind on the \$50 rebate. And I would not want to see delay or change in the opposition of the Finance Committee with respect to those measures that we did agree on.

However, the whole point of this exercise, as I understand it, has been that it was the administration's position that we had a very slack period in the economy, but the recovery was not strong enough, and that the tax laws should be utilized in this case by the vehicle of the rebate in order to have a stronger recovery.

Is it my understanding that even without committing the entire bill back to the Senate when we consider the \$50 rebate and its status, we might consider the status of the economy and what additional or alternative measures to the rebate, if any, can be taken in order to have a more adequate growth in the economy?

Mr. LONG. I will do the best I can to help the Senator obtain all the information he wants consistent with my desire to move ahead with the Senate's work.

Now, there are other committees that can cooperate in this regard, and I hope they will. But I know on occasion when the Finance Committee is not burdened with trying to get on with the discharge of its obligations to the Senate, we have had too much cooperation, I feel, from other committees holding hearings and making recommendations in areas that are within the jurisdiction of the Finance Committee.

It is not often nowadays that we see a tax bill where the Joint Economic Committee has held hearings on the bill and made their recommendations on it, the Budget Committee has held hearings and considered the matter-and on both sides-and we usually feel we should wait until we see a bill from the Finance Committee.

But that is not by any means the end of the jurisdiction it shares with others. The Banking, Housing, and Urban Affairs Committee often holds hearings on the same subject, the general state of the economy, and what should be done about it.

So with all that cooperation, I do not know why we should have this problem about economic information.

I think our committee can help, but the others can be of assistance, also.

Mr. MUSKIE. Will the Senator yield? Mr. LONG. I yield to the Senator.

Mr. MUSKIE. I think it ought to be clear, the Senator from Missouri's inquiry is making it possible to make clear that, with the President's decision on the \$50 tax rebate, this tax bill moves along without that provision in it; that so far as the third concurrent resolution is concerned there will be a policy vacuum in the Congress economic program.

There will be several billions that will be uncommitted for any policy upon which Congress will have agreed, because Congress agreed to an economic policy in the third concurrent resolution which assumed the enactment of the \$50 tax rebate or something with a similar budget impact. With those billions of dollars untied from the tax rebate, we will see a vacuum, and it will operate like many other vacuums. It will be filled, or there will be a temptation to fill it. I suspect that there will be all kinds of ideas generated in Congress as to how best to fill it. That is one of the unfortunate consequences in my judgment, of the President's decision.

We have now unleashed those dollars which are within the total numbers of the third concurrent resolution, without having a policy to tie them down. Until we get that policy, which may take some backing and filling in the Senate and in the House, there are going to be all sorts of suggestions for how to use those

stimulus dollars that are hanging loose now, ready to be grabbed by somebodyfirst come, first served, or what have you.

That disturbs me mightily, because we have had in place for 2 years a way of avoiding that kind of disarray; and the President, with his action last week, has created that disarray. How it will come out in the end, I am not sure, and I would not try to assure my good friend from Missouri on that point. But it is an important point, and I do not think we will be able to settle it in connection with this tax bill to the satisfaction of everybody. I do not see any useful purpose to be served by delaying that tax bill unduly, because there are other important things in it; but I think that moving that tax bill does not deprive us of the means of filling that vacuum in an orderly, rational way, and I hope we do. We will try to do it in the Budget Committee.

Mr. DANFORTH. My interest is not in filling a vacuum or spending \$11 billion which now becomes available, when we rave a deficit many times over \$11 billion.

Mr. MUSKIE. I do not suggest that as a desirable goal. I am just saying that never in my life have I seen a vacuum that somebody did not try to fill. To ignore that possibility will be very unrealistic.

Mr. DANFORTH. My concern is that in January, when the rebate was proposed, we had unemployment at 7.3 percent. Today we have unemployment at 7.3 percent. I would like at least some analysis, whether it is in the Budget Committee or in the Finance Committee, as to how we can go about trying to get these people back to work.

The PRESIDING OFFICER (Mr. DECONCINI). The 30 minutes for morning

business have expired.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that morning business be extended for an additional 10 minutes.

The PRESIDING OFFICER. Without

objection, it is so ordered.

Mr. MUSKIE. I assure the Senator that we will inquire into that problem in the Budget Committee. It will not necessarily be done in connection with this tax bill, which is the responsibility of the Finance Committee. To the extent that some questions are now raised that we need to deal with in terms of the state of the economy and the unemployment rate, I think the Budget Committee will recognize its responsibility to do the best it can to provide some suggestions.

Mr. HARRY F. BYRD, JR. Mr. Presi-

dent, will the Senator yield?
Mr. MUSKIE. I yield, but the Senator from Louisiana has the floor.

Mr. LONG. Mr. President, I yield to

the Senator from Maine.

Mr. HARRY F. BYRD, JR. I think the Senator makes a very important point when he states that there is now several billion dollars unattached floating around. Actually, I believe it is \$11 billion plus.

Mr. MUSKIE. I do not think it will come out to that. I hope to have the details later this afternoon, I say to the Senator from Virginia. It is a lot of

money.

Mr. HARRY F. BYRD, JR. It is a vast sum of money, billions of dollars.

A vacuum has been created. What

will happen to that, in the fear of the Senator from Virginia, is that that amount will be additional spending, or at least a part of it will be additional spending. I think that will be going in the wrong direction.

The President-I think wisely-has scrapped a part of his economic stimulus program, the part dealing with reduction in taxes. Having done that, he should follow up and do away with the increased spending that he is recommending.

Mr. MUSKIE. I have learned enough about this budget process to know this: If you want to control any part of it, you have to find a way to control all of it. If you want to change policy in midstream and not create the potential for disarray which is now the subject of our colloquy, you have to do it consistent with that process. When you do not, you create the possibility of vacuums of this kind.

The Senator has been around as long as I have, and he knows that one of the strong forces for the creation of the budget process was the tendency of Congress to spend in any direction. If we are returning to that way by failing to follow the process, then we can anticipate some of the consequences which the Senator from Virginia deplores and which I deplore.

I assure the Senator that, so far as I am concerned, until Congress has acted in some way to set a policy that responds to the problem, I will resist, as best I can, any new spending proposals that exceed the assumptions of the third concurrent resolution, notwithstanding the fact that the billions that were assigned to the tax rebate are now unleashed.

I will not consciously acquiesce in any proposals to use that for other purposes until that budget policy has been laid down. I assure the Senator of that.

Nevertheless, I think we have to recognize that if we are under the targets of the third concurrent resolution by billions of dollars and somebody comes along with some big program, which we did not assume and Congress has not approved, and argues that there is money in the budget resolution to pay for it, I cannot use the discipline of a point of order to stop it, because the hole will have been created.

The Senator and I disagree about budget policy from time to time, and I honor him for holding up his end of the argument when that happens. But what I am arguing for here—and this is one of my biggest complaints about the way the President did this-what I am pointing out is that the result is that we are untied from the process which for at least 2 years has been in existence, by way of writing tax policy or budget policy, in accordance with the plan that has been adopted by Congress as a whole. I think the Senator and I are talking about the same thing.

Mr. HARRY F. BYRD, JR. I think the Senator and I are talking about the same thing.

I started my colloquy with the Senator by saying that I think the Senator from Maine raises a very important point, and it is a very important point for the consideration of the Senate.

The Senator from Virginia did not suggest that Congress or the Senate violate in any way the established procedures. There has been created, however, outside of Congress, a condition which Congress is now faced with, a step of which I happen to approve. Nevertheless, it is a condition with which Congress is now faced, and that does open the doors to the possibility at least of a substantial increase in spending, which the Senator from Maine opposes and which the Senator from Virginia op-

The only additional comment I should like to make is one that I made a moment ago-namely, that since the new process has been opened up and the whole area must be reexamined by the Budget Committee, I should like to see the entire Carter economic stimulus package reexamined.

The President, himself, has advocated the scrapping of the reduction in taxesnamely, the \$50 rebate.

I should like to see him advocate now, along with that, a scrapping of the increase in spending which he proposed and which the Budget Committee rec-ommended. This would be a step toward achieving a balanced budget.

Mr. MUSKIE. I suggest that the Senator address his recommendations to the President, and perhaps he will be more persuasive than I have been these past few days.

I thank my good friend from Virginia, and I thank the majority leader for his consideration.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from Maine (Mr. MUSKIE) and the distinguished Senator from Louisiana (Mr. Long). I appreciate the logic of their suggestions. It has been suggested that the respective committees be permitted to meet and give consideration to the various aspects of the recent events. In light of their suggestion, the leadership will be delighted to forgo further action today on the bill which was expected to be called up.

ORDER FOR A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS ON TOMOR-ROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow there be a period for the transaction of routine morning business of not to exceed 1 hour, with statements limited therein to 10 minutes each, following the recognition of Senator SCHMITT under the order previously entered.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TRANSFERRING S. 1269 TO THE UNANIMOUS-CONSENT CAL-ENDAR

Mr. ROBERT C. BYRD. Mr. President, there is one bill on the calendar which can be passed by unanimous consent. I ask that the clerk transfer it to the unanimous-consent calendar. That is Calendar Order No. 69, S. 1269.

The PRESIDING OFFICER. Without

objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask that morning business be

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

TAX REDUCTION AND SIMPLIFICA-TION ACT OF 1977

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 3477, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (H.R. 3477) to provide for a refund of 1976 individual income taxes, and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

The Senate proceeded to consider the bill which had been reported from the Committee on Finance

AUTHORIZATION FOR COMMITTEES TO FILE REPORTS UNTIL MID-NIGHT TONIGHT

Mr. ROBERT C. BYRD, Mr. President, I ask unanimous consent that committees may have until midnight tonight to file reports.

The PRESIDING OFFICER. Without

objection, it is so ordered. Mr. ROBERT C. BYRD. Mr. President.

I suggest the absence of a quorum. JOINT SESSION OF THE HOUSES ON WEDNESDAY, APRIL

20, 1977, TO RECEIVE A MESSAGE FROM THE PRESIDENT OF THE UNITED STATES Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message

from the House of Representatives.

The PRESIDING OFFICER. The res-

olution will be stated by title.

The assistant legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 196) providing for a joint session of the two Houses on Wednesday, April 20, 1977, to re-ceive a message from the President of the United States.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the immediate consideration of the concurrent resolution.

The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 196) was agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Wednesday, April 20, 1977, at 9 o'clock postmeridian, for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

RECESS UNTIL 12:15 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 12:15 p.m. tomorrow

The motion was agreed to: and, at 1:45 p.m., the Senate recessed until Tuesday, April 19, 1977, at 12:15 p.m.

NOMINATIONS

Executive nominations received by the Senate on April 8, 1977, under the authority of the order of April 6, 1977:

IN THE AIR FORCE

The following-named officers for promotion in the Regular Air Force, under the appropriate provisions of chapter 835, title United States Code, as amended. All officers are subject to physical examinations required by law:

LINE OF THE AIR FORCE

Lieutenant colonel to colonel

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Abell, John T., xxx-xx-xxxx
     Adams, James E., Jr.,
                                                                                                                 xxx-xx-xxxx
    Addison, James M.,
Ahmann, James H.,
                                                                                                              xxx-xx-xxxx
                                                                                                         xxx-xx-xxxx
    Allred, Elmer G., XXX-XX-XXXX
Andersen, Louis M., XXX-XX-XXXX
Anderson, James R., XXX-XX-XXXX
                                                                                                                  XXX-XX-XXXX
     Anderson, Kenneth A.,
Anderson, Kenneth D.,
                                                                                                                         XXX-XX-XXXX
                                                                                                                            XXX-XX-XXXX
     Anstine, Gale B., xxx-xx-xxxx
   Anstine, Gale B., XXXXXXXX Aufdemorte, Lewis G., Jr., XX Auld, Harry E., XXXXXXXX Bacon, Merle D., XXXXXXXX Baginski, James I., XXXXXXXX Baker, Elmo C., XXXXXXXX Baker, James E., XXXXXXX Baker, James E., XXXXXX Baker, James E., XXXXXXX Baker, James E., XXXXXX Baker, James E., XXXXXX Baker, James E., XXXXXX Baker, James E., XXXXX Baker, James E., XXXXX Baker, James E., XXXX Baker, James B., XXX Baker, B., XX Baker, B.,
                                                                                                                                                 xxx-xx-xxx
Baker, James E., XXX-XX-XXXX

Balderston, Robert E., XXX-XX-XXXX

Ballantyne, Wayne L., XXX-XX-XXXX

Banick, Theodore J., XXX-XX-XXXX

Barber, Paul A., XXX-XX-XXXX

Barfknecht, Harold A., XXX-XX-XXXX

Barnicoat, William J., Jr., XXX-XX-XXXX

Barrows, Ralph E., XXX-XX-XXXX

Bass, Donald C., XXX-XX-XXXX

Bass, Gerry W., XXX-XX-XXXX

Bassett, William W., XXX-XX-XXXX

Battaglia, Joseph H., XXX-XX-XXXX

Bauer, Eugene L., XXX-XX-XXXX

  Bauer, Eugene L., xxx-xx-xxxx
Beck, Stanley C., xxx-xx-xxxx
  Beckwith, Wayne K.,
Beene, Reagan H., Jr.,
    Bell, Edward J., III, xxx-xx-xxxx
  Bell, Kenneth H., xxx-xx-xxxx
Bennett, James B., xxx-xx-xxxx
  Bennington, James H., xx-xx
Benson, Charles P., Jr., xxx-xx
Bentz, Richard H., xx-xx-xxx
                                                                                                                       XXX-XX-XXXX
                                                                                                                          XXX-XX-XXXX
  Biggs, Richard J., xxx-xx-xxx
Binford, Donald D., xxx-xx-xxx
Blocker, Clarence B., xxx-xx-xxxx
   Bloodworth, James O., III,
  Blum, Fred M., xxx-xx-xxxx
   Blunck, Kurt G., xxx-xx-xxxx
  Boardman, Henry W., XXX-XXXXX
Bodenhausen, Max G., XXX-XX-XXXX
Boettcher, Gary G., XXX-XX-XXXX
  Bolls, Dillard D., XXX-XX-XXXX
Bones, James R., XXX-XX-XXXX
Bott, Donald H., XXX-XX-XXXX
  Boverie, Richard T., xxx-xx-xxxx
 Bowden, William P.,
Bowling, Melvin G.,
Boyette, Robert T.,
                                                                                                        YYY-YY-YYYY
                                                                                                      XXX-XX-XXXX
   Bradley, Charles W., xxx-xx-xxxx
   Brashear, John A., xxx-xx-xxxx
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IN THE AIR FORCE

The following officer for appointment in the Regular Air Force, in the grade indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duty indicated, and with date of rank to be determined by the Secretary of the Air Force:

BIOMEDICAL SCIENCES CORPS

To be captain

Sellers, Richard F., Jr., xxx-xx-xxxx

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Smith, Samuel C., XXX-XX-XXXX
Smith, Winfield H., XXX-XX-XXX
Snell, William L., XXX-XX-XXX
Snyder, Daniel T., XXX-XX-XXXX
Sorenson, Russell G., XXX-XX-XXXX
Sorrelle, Lane S.,
Soucy, Philip L.,
                                      XXX-XX-XXXX
                                       xxx-xx-xxxx
Stanberry, Garry W., xxx-xx-
Steele, Robert P., xxx-xx-xxxx
Steiner, James M., xxx-xx-xxx
                                          XXX-XX-XXXX
 Steinhagen, Robert J., II,
 Stephens, Gerald L., Jr.,
                                                      xxx-xx-xxxx
Stetson, Sherry A., xxx-xx-xxx
Stevener, David E., xxx-xx-xxx
 Stevens, James E.,
                                         xxx-xx-xxxx
 Stewart, Kenneth D.,
Sticklestad, Lenarad L.,
                                               xxx-xx-xxxx
 Stoer, Erik H., xxx-xx-xxxx
XXX-XX-XXXX
 Stroud, John E., xxx-xx-xxxx Stuart, Kermit M., xxx-xx-xxxx
 Stuckert, Robert I.,
Sublette, Kenneth L.,
Sullenger, George S.,
                                             xxx-xx-xxxx
                                                 xxx-xx-xxxx
Sullivan, Karl S., Jr.,
Sullivan, Ronnie D.,
                                               XXX-XX-XXXX
  Swartzbaugh, Dennis J.,
                                                     xxx-xx-xxxx
 Sweeney, Michael A., xxx-xx-xx
Sylvester, Roger A., xxx-xx-xxx
                                              XXX-XX-XXXX
Tatchio, Ted A., XXXXXXXXX
Tatchio, Ted A., XXXXXXXXXX
Taylor, Dwight R., XXXXXXXXXX
Taylor, James B., XXXXXXXXXX
Taylor, Terry D., XXXXXXXXXX
Taylor, William R., XXXXXXXXXX
Teague, Kenneth E., XXXXXXXXXXX
                                             XXX-XX-XXXX
Teague, Kenneth E., XXX-XX-XXX
Trayer, Patrick M., XXX-XX-XXX
Thill, James L., XXX-XX-XXX
Thode, Stephen F., XXX-XX-XXX
Thomas, William C., XXX-XX-XXX
Thomas, James P., XXX-XX-XXX
                                            xxx-xx-xxxx
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Thomas, Warren E., Thomits, James R., XXX-XX-XXXX Thompson, KC, xxx-xx-xxxx Thomson, Larry D., xxx-xx-xxx Thornberry, Jerry R., XXX-XX-XXXX Tiley, Calvin E., xxx-xx-xxxx Tillman, William A., Tisue, Wayne C., xxx-xx-xxxx

Toll, Philip A., Jr., xxx-xx-xxxx

Tomlinson, John R., III, xxx-xx-xxxx Tompros, John E., Totsch, James P., XXX-XX-XXXX XXX-XX-XXXX XXX-XX-XXXX XXX-XX-XXXX xxx-xx-xxxx xxx-xx-xxxx XXX-XX-XXXX Uebelacker, Sally D., Underwood, Robert W., XXX-XX-XXXX XXX-XX-XXX XXX-XX-XXXX XXX-XX-XXXX XXX-XX-XXXX Varady, Bertalan J., Vaughan, Ronald J., XXX-XX-XXXX Verano, Miguel, xxx-xx-xxxx Vikla, Marvin G., XXX-XX-XXXX
Vogler, Robert C., XXX-XX-XXXX
Voyles, Clyde P., XXX-XX-XXXX
Waeber, Gregory G., XXX-XX-XXX XXX-XX-XXXX Wagner, Ronald L., XXX-XX-XXXX
Walden, Donald H., XXX-XX-XXXX
Walker, Charles T., III, XXX-XX-XX Walker, William H., xxx-xx-xxx
Wallachy, Bruce E., xxx-xx-xxx
Walls, Sandra K., xxx-xx-xxx xxx-xx-xxxx xxx-xx-xxxx Waln, Christopher A., XXX-XX-XXXX Walsh, Richard J., xxx-xx-xxxx Walton, David L., xxx-xx-xxxx Warner, John D., Jr., xxx-xx-xxxx Washington, John L., Jr., XXX-XX-XXX XXX-XX-XXXX XXX-XX-XXX Wegner, Jon A., xxx-xx-xxxx
Werner, Patrick R., xxx-xx-xxxx West, Walter D., xxx-xx-xxxx Westbrook, Chris R., xxx-xx Wheatcraft, Louis S., xxx-xx XXX-XX-XXXX Wheeler, Neil J. M., xxx-xx-xxx Whitcomb, Bruce F., xxx-xx-xxx XXX-XX-XXX White, Gerald L., xxx-xx-xxxx White, Jack R., xxx-xx-xxxx White, John R., White, Stephen D., xxx-xx-xxxx xxx-xx-xxx Whitehead, Donald G., xxx-xx-xxx Whitney, Michael J., XXX-XX-XXXX Wiatrek, Kenneth J., XXX-XX-XXX Wiggins, Tony L., xxx-xx-xxxx Wilhelm, William A., Williams, Danny L., Williams, Eugene C., XXX-XX-XXXX XXX-XX-XXXX Williams, Howard, xxx-xx-xxxx Williams, Laforrest V., xxx-xx-xxxx Williams, Stephen L., XXX-XX-XXXX Williams, Wayne E., xxx-xx-xxxx Willis, James R., XXX-XXXXX
Willis, Ward T., XXX-XX-XXX
Willison, Daniel P., XXX-XX-XXX
Wilson, Frank E., XXX-XX-XXX
Wilson, James L., Jr., XXX-XX-XXXX Wilson, Michael P., xxx-xxxxx Wingertsahn, Lawrence R., xxx-xxxxx Wolfe, Donald P., Jr., XXX-XX-XXXX
Wolff, Douglas M., XXX-XX-XXXX
Woloszynek, Daniel R., XXX-XX-XXXX Woodard, Homer O., xxx-xx-xxxx Woodford, Paul Q. G., xxx-xx-xxx Woods, Thomas D.,

Woolman, Guy A., xxx-xx-xxxx Wozniak, Vincent E., xxx-xx-xxxx Wright, John J., xxx-xx-xxxx Wynn, Thomas F., Jr., xxx-xx-xxxx Yates, Larry L., xxx-xx-xxxx Yates, Larry I., XXXXXXXX Yates, Steven K., XXXXXXXX Young, Dale E., XXXXXXXX Young, Roger A., XXXXXXXX Young, Stuart A., XXXXXXXX Young, Teresa M., XXXXXXXXX Zaniewski, Gregory S., xxx-xx Zasada, David M., xxx-xx-xxx XXX-XX-XXXX Zauner, Paul F., xxx-xxxxx Zeller, Darrell J., xxx-xxxxx Zoerb, Daniel R., xxx-xxxxx

To be second lieutenant

Achramowicz, Stephen W., xxx-xx-xxxx Amend, Joseph H. III, xxx-xx-xxxx Aydelotte, Roy R. L., Jr., xxx-xx-xxxx Beckwith, Douglas C., xxx-xx-xxxx Furtado, Edward L., xxx-xx-xxxx Gaither, Stephen K., xxx-xx-xxxx Hodges, Mark W., xxx-xx-xxxx Humbach, Thomas S., xxxxxxxxx.

Hyzak, John B., xxxxxxxxx.

Jones, James B., xxxxxxxxx.

Lawler, Bryan T., xxxxxxxxx.

McDaniel, James M., xxxxxxxxx. Miller, Stephen A., xxx-xx-xxxx Nicholls, Joseph A., xxx-xx-xxxx Olsen, Steven H., xxx-xx-xxxx . Reider, Robert D., xxx-xx-xxxx . Robinson, Stanley R., xxx-xx-xxxx Scheurer, Dale Y., xxx-xx-xxxx.
Slipsky, Richard E., xxx-xx-xxxx.
Townsend, Richard L., xxx-xx-xxxx Waguespack, Leslie J., Jr., xxx-xx-xxxx Watkins, Ray M., xxx-xx-xxxx
Wegener, Steven M., xxx-xx-xxxx

IN THE MARINE CORPS

The following-named (Naval Reserve Officer Training Corps) graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by

Appel, Robert A. Bark, Kevin D. Bloodsaw, Quintin Brown, Terry L. Bryant, Martin E. Cushing, Daniel E. Fawcette, Howard E. Fisher, Daniel H. Gottlich, Robert P. Love. Patrick D. Mahany, Roy J.

McKnight, Terrence W. Meurer, Daniel J. Milton, Frederick R., Jr. Myers, Wynn C. Shafer, Ronald A Smith, James V., III Sublett, Stephen W. Walton, Warren H. Winandy, David B.

The following-named (Marine Corps Enlisted Commissioning Education program) graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Atwell, Michael L. Burgess, Ronald E. Corbett, Thomas M. Jackson, William A.

Kostelny, Brandon J. Lobb, Michael J. Shumway, Stanley G. Wilson, William R., III

The following-named (U.S. Air Force Academy) graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Davis, Thomas J. Gragan, David P.

The following-named warrant officer, U.S. Marine Corps Reserve for appointment to commissioned grade in the Marine Corps, subject to the qualifications therefor as provided by law:

Needels, Charles S.

Executive nominations received by the Senate on April 12, 1977, under the authority of the order of April 6, 1977:

DEPARTMENT OF JUSTICE

Michael D. Hawkins, of Arizona, to be U.S. attorney for the district of Arizona for the term of 4 years, vice William C. Smitherman. resigned.

OFFICE OF MANAGEMENT AND BUDGET

Lester A. Fettig, of Virginia, to be Administrator for Federal Procurement Policy, vice Hugh E. Witt, resigned.

IN THE NAVY

The following-named commanders of the Reserve of the U.S. Navy for temporary promotion to the grade of captain in the line and staff corps, as indicated, pursuant to title 10, United States Code, section 5910, subject to qualification therefor as provided by law:

LINE

Adema, Henry T. Anderson, Albert C. Jr. Anderson, Don R. Anderson, Samuel A. Auerbach, Richard C. Bader, William B. Bambo, Gregory B., Jr. Findlay, Charles N. Bareikis, Robert P. Barker, Lowell R. Bassett, James S. Beard, Joseph J. Bedenbaugh, William H.

Bell, Charles E., Jr. Bell, William F. Benson, William T. Betsworth, Brian C. Beytagh, Francis X.,

Bianchi, John R. Blake, Van H. Blakeman, Frederic B. Borgard, Glenn E. Borgardt, Elmer G. Bratcher, Cillen D. Brooks, Gerald R. Brown, Gordon G., Jr. Burks, John E., III Burnham, Paul Cagle, Eugene M. Cammett, Haven P. Castner, Willis H., II Cave, John R. Caves, Roy D. Chelf, Harris W. Chomeau, John B.

Christofferson, John

R. Cicero, Joseph S. Class, William H. Clyde, Payson J. Collins, Leroy, Jr. Comer, Morton B. Connell, Laurence M. Consiglio, Charles J. Cook, Charles W., Jr. Cook, William J. Cooper, Joseph H. Creech, Billy S. Curtis, Harold B. Cutter, Alan B. Daly, Theodore M., Jr. Damore, Patrick R. Davis, Bruel A. Davis, Donald L Dawson, Allan J. Debona, Donald J. Decordova, Donald W. Dellinger, David W. Dirks, Richard A. Domville,

Compton N., Jr. Douglas, Burnie W. Dow, Charles N. D. Downing, Roland G. Dudley, Malcolm H. Dufford, Donald E.

English, Glenn A. Epstein, Charles S. Etheridge, Tammy H. Fare, Claude L. Anderson, Samuel A. Farmer, Fred F. Angell, Abe L., Jr. Farris, Gary F. Armstrong, Richard E. Fenderson, George D. Ferraro, Carlo, Jr. Ferrell, Edward S. Flanagan, William J. Flanigan, Mark Fleming, John R., Jr. Fletcher, William L., Folger, David W Forehand, Ronald Francis, Jon K. Franz, Donald R. Freedson, Ralph Frey, Louis, Jr. Frohlich, Andrew S.

Fujimoto, Akira F. Furdak, Edward J. Ganey, John R. Gastley, Richard D. Gehrig, Neil Edward Gile, Robert H. Gill, Richard A. Gillen, Joseph F. Gillette, Nelson M. Giuffrida, Sebastian J.

Graham, James T. Griffin, Donald A. Haase, John A. Haefeli, Paul M., Jr. Hamel, Donald R. Harmon, Harold W. Harris, Donald E., Jr. Harrison.

Ralph H., Jr. Hartman, James L. Hein, Richard A. Hill, Richard T. Hills, John L. Hinsvark, Don G. Hocker, Walter B. Hodge, George L. Hoff, Jack A. Holden, William H., Jr.

Holton, William A., Jr. Hong, Leslie K. Y. Hood, Warren W. House, Karl T. Ingram, Frank L. Jackson, Earl L., Jr. Jacob, Charles James, George A., Jr. Jobson, George S. Johnston, James R. Jones, Charlie C. Jones, Samuel R. Jones, Wilbur D., Jr. Jones, William P. Jordan, Thomas M. Kaine, Leonard P. Karig, Richard D.

Kavanaugh, Michael W. Kelly, Theodore A. Kenkel, James E. Kern. Charles R. Kimbrough.

Warren O. Kintzinger, Paul R. Kiper, William D. Knier, Leonard F. Korn, Donald L. Krause, Richard J. Robertson, Stanle Kropf, Charlie W. Rogstad, Allen R. Lacey, Trammel C., Jr. Rouse, James W. Lagrone, Tonquin G. Lain, Horton W. Laing, Bruce C. Landon, John R. Lavin, Lawrence M. Lawrence, Frank E., Jr.

Laynor, William G., Jr. Lekovish, Robert E. Levandoski. Richard J. Lewis, Kenneth A. Lierman, Roy J.

Lindstrom, John D. Little, Jerry W., Jr. Livingstone, John A. Lockeman, George F., Jr.

Loucks, Daniel P. Lufkin, Fritz O., Jr. Lycan, Deane R. MacIntyre, Daniel G. Madison, William E. Manning, James H. Margolin, Robert S. Markel, Harry L., Jr. Marlar, Richard T. McDermitt, Carrol McDonough,

Thomas W. McGill, Julian E. McGirr, Francis W., Jr McNulty, James A. Meek, William J., Jr. Meister, Robert A. Metz, David J. Meyer, Carl S. Mickelberry, William C. Miles, William J.

Miller, Gordon J. Moorman, William L., Jr. Moss, Stanley D. Murphy, Warren T., Jr. Myers, Richard A.

Neaton, Ronald A. Newton, William P. Nixon, Edward C. Nolan, James C. Oefelein, John J. O'Neill, Samuel J., Jr. O'Rourke, John G. Pacalo, Nicholas Parker, Joseph W., Jr. Partnoy, Ronald A. Patterson, David C. Pausa, Glements E. Payne, James R. Peake, Douglas A. Pellettieri, James E., Jr.

Philipson, Willard D. Pickel, Theodore C., Jr. Pino, Joseph A.

Berry, Juanedd Birdwell, Thomas R. Bouterie, Ronald L. Cone, Theodore S.

Donohugh, Donald

Pitmon, Wayne M. Plante, Normand E. Popoff, Alexander, Jr. Prater, James Price, James O. Pryce, Edward A. Ratz, Kenneth, Jr. Ready, George E. Reichle, Neal W. Reilly, Michael J. Rice, David P. Robertson, Stanley M. Rogstad, Allen R. Satterfield, Grey

W., Jr. Sava, Samuel G. Sawicki, Michael J. Schick, Herbert A. Schmidt, Peter R. Schnurer, George T. Schoenberger,

Edward S. Schroeder, Kent L. Schweiger, Melvin B. Shaffer, Robert F. Sheehan, William H., Jr.

Simpson, Robert M., Jr. Smiley, Robert R., III Smith, James W. Smith, Phillip J. Smith, Ronald L. Smith, William O., Jr. Snelgrove, Edward R. Spotts, James L Stahlman, William K. Summitt, Paul C. Sullivan, Peter E. Swingle, Robert L. Takenaka, Harold H. Taschner, Bruce Taylor, Otis W., II Thompson, Donald H. Thorne, Douglass E. Tripp, Robert G. Turley, Gerald K. Turner, Benjamin B., Jr.

Turner, James R. Ulrich, Thomas R. Vance, Walter N., III Vowell, Joe L. Wachtler, William R. Wade, Warren L. Wall, Richard V. Wallenius, Kenneth T.

Weeks, Robert D., Jr. Weiner, Ronald A. Westendorff, Clarence G., Jr. Whalen, William F. Wheeler, Carson M.,

Jr. Whiddon, Elmer C., Jr. Whitcomb, Lee E. White, Donald D. Wiese, Richard A. Will, Robert L. Williams, Edward N. Wilson, John S.

Wilson, William R., Jr. Woodruff, David H. Zerwas, Richard L. Zurnieden, Ludwig

Wilson, Richard W.

A., Jr. MEDICAL CORPS

> Edmonds, Leland C., Kellett, Cyril F., Jr. Roy, Donald E. Usselman, James A. Wood, Joseph H., Jr.

Jr.

EXTENSIONS OF REMARKS

SUPPLY CORPS

Jr.

III

Hensley, Frank M.

Hock, Winfield F.,

Moore, Ned D., Jr.

Purcell, Alfred S.

Schneider, Andrew

G., Jr. Vanantwerp, Malin

Whitacre, Philip A.

Reeder, Paul A.

West, Jon W.

Koski, David R.

Muir, Roger W.

Stevens, Stiles F.

Westervelt, Sheldon

Walker, Jack W.

Shiver, Edwin C.

Wood, Hugh L.

Parr. Jack R.

Malone, Richard D.

Richardson, Frank A.

Smith, William M., Jr.

Hollberg, Charles F.,

Amos, Henry C., Jr. Bolliger, Ralph W. Carroll, Raymond L. Chancler, Robert T. Cole, Benjamin I.,

Davis, Gerald B. Donovan, James L. Fandey, Fayze Fiaush, Donald A. Fink, Donald A. Gill, Leo S. Heil, Louis L.

CHAPLAIN CORPS Cheatham, Jeff P.,

Moris, Walter J. Vonalmen, Adel-Conover, Eugene J. berta M. Hall, Marvin E.

CIVIL ENGINEER CORPS

Anibal, Fred R. Ashton, William D., III Cantey, John M. Copple, Fred Fair, Harlan W. Gravallese, Albert J. Jones, Jonah P., Jr. JUDGE ADVOCATE GENERAL'S CORPS

Bohannon, Marshall T., Jr.
Dunbar, William L.
Olson, Ronald W.

DENTAL CORPS Cornell, Thomas B. Mosier, Russell B., Jr. Hubbard, John R. Sullivan, Thomas M. MEDICAL SERVICE CORPS

Besch, Emerson L. Harvey, Tommy L.

NURSE CORPS

Casey, Donnabelle A. Steffens, Gloria M.

The following-named lieutenant commanders in the Reserve of the U.S. Navy for temporary promotion to the grade of commander in the various staff corps, as indicated, pursuant to title 10, United States Code, section 5910, subject to qualification therefor as provided by law:

MEDICAL CORPS

Ackley, Harry A. Moran, Thomas E Adams, Herbert D., Jr. Mulvey, Robert J. Bernstein, Sidney S. Burkle, Frederick M., Carmick, Edward S., Jr. Conte, Stephen J. Davis, Thomas S.

Dorman, John D. Fowler, James R. Haney, J. F. B. Marcoux, "J" Paul

Alwine, Paul R. Bachler, Michael R. Baker, Roland J. Barr, Charles V. Bentson, Gordon J.

Moran, Thomas E. Nobrega, Fred E. Pasker, Roy N. Perry, Herbert S. Proctor, Jack D. Schroder, Paul E. Stewart, James A. Tate. James E. Tyson, James W. Wallin, Gene A. Watterson, Samuel G. Zaroulis, Charles G.

SUPPLY CORPS

Bingham, Frederic J. Booth, Henry A., Jr. Bradley, Stephen P. Brill, Henry F. Brooks, James A.

Chapman, William D. Morse, Gary A. Connaughton, Kennet Mulhern, John J.

N. Desibour, Jay R. L. Ellermeier, Joel D. Elliott, Richard E. Floyd, Edward T. Gilman, Joseph Hansen, Oluf M., Jr., Hecker, Robert W. Hoover, Marcus G. Humphreys, Keith C. Keister, Richard D. Kilmurray, Robert B. Levinson, Henry G. Loreen, Jon M. Maslov, Victor M. McNaughton, John B., Webster, Guy N.

Jr. Mencarini, Richard Miller, George H. Mitchell Arthur J. Morgan, Ronald G.

Awes, Vernon E. Cox, Douglas W. Crist, Richard A. Cronin, Hugh J. Davis, William C.

Huls, Richard Richmond, Lyle L., Jr. Aaron, Lawrence E. Bader, Robert H. Bridges, Donald N.

Brown, Ronald L. Day, John G. Gottlieb, Paul A. M. Hanna, Bruce E. Hanson, Martin P. Hinkle, Daniel B. Kane, John V., III

JUDGE ADVOCATE GENERAL'S CORPS

Jr. Bales, John A. DeRose, James M. Eide, David B. Evans, John A. Feldman, Joel M. Flanagan, Hugh M. Galliani, William R. Gehrke, Harold D. Hamner, Elmer D., Jr. Hetherington, John

Jakaboski, Theodore P. Jones, Taylor W. Katz, Myron B. Koenig, Rodney C. Krieger, Walter W., Jr. Lanza, Carl F., Jr. Lenehan, George T. Markel, Sheldon M.

DENTAL CORPS

Barnes, Edward D. Bennett, Steven L. Bojar, James A. Boltz, Roger H. Brown, William D.

Burns, Max H. Campbell, Bowen, Jr. Cavanaugh, John W., п

Detrick, Mark

Piester, Fay M. Priest. William G., Jr. Richardson, Russell G. Riggs, Richard W. Riordan, John J. Sands, Arthur W., Jr. Schreiber, Richard E.,

Pfund, Gale A.

Soletti, Lawrence A. Sutton. James E., Jr. Titus, Robert G. VanNess, Robert L. Waite, Richard, IV Warrick, James C. Wells, Michael V. Wilde, Harold J. Wright William R. Zabrycki, Edward A.

CHAPLAIN CORPS

Kollar, Anton J. Lundeen, Lyman T. McHale, John J. McKinley, Phillip B. Smith, Paul H. Strickland, William J.

Zanic, George F.

CIVIL ENGINEER CORPS

McInnes, Robert C. Miller, Charles D. Mullarky, Jon I. Pickrell, John H. Reese, Joseph W. Russell, William H. Skarupa, Thomas Walter Richard J.

Zoller, John B., III

Baldwin, Robert F., McAuliffe, William C., Jr. Merino, Frank Q. Miller, Mallory L., Jr. Pfeiffer, Fred N. Power, Joseph E., Jr. Pritchard, Edward K., Jr. Rabideau, Clarence J. Roberts, Charles P.

Ross, James E. Schumacher, James J. Sheehy, John J. Siegel, Jay M. Simpson, Robert L. Smallmon, John W. Storm, Charles R. Tebbutt, Harry K. Tisch, Alfred C. Tourtelotte, James H. Vogel. Thomas W.

Ennis, Richard J. Eure, Darden J., Jr. Harnett, Jeffrey H. Josselyn, Horace W. King, Gordon W. Kumamoto, Steven Y. Ladd, Paul V. B. McCarthy, Terrence F. Murphy, Richard T.

Newman, Arthur L. Pollard, Donald K. Spencer, Duane E. Vaillant, Dennis P. Vick, John B. Walker, David F. Ward, George H. Widican, Raymond Williams, Alvin R.

MEDICAL SERVICE CORPS

Cothran, Walter W. Sagan, William Maddox, Michael L. Sager, Kenneth B. Pincus, Irwin D. Thorpe, Bert D.

NURSE CORPS

Dubiel, Marlene J. Piasta, Mary I. Ward, Judith A. Little, Sonya K. Moffett, Sulinda

Comdr. Dale V. Graves, U.S. Naval Reserve, for permanent promotion to the grade of captain, in the line, pursuant to title 10, United States Code, section 5911, subject to qualification therefor as provided by law.

Comdr. Joan R. Wheelwright, Medical Corps, U.S. Naval Reserve, for permanent promotion to the grade of captain in the Medical Corps, pursuant to title 10, United States Code, section 5911, subject to qualification therefor as provided by law.

Lt. Comdr. Gail E. Ford and Joan E. Mc-Cauley, U.S. Naval Reserve, for permanent promotion to the grade of commander, in the line, pursuant to title 10, United States Code, section 5911, subject to qualification therefor as provided by law.

Executive nominations received by the Senate on April 15, 1977, under the authority of the order of April 6, 1977:

DEPARTMENT OF STATE

Ronald I. Spiers, of Vermont, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Turkey.

DEPARTMENT OF COMMERCE

Fabian Chavez, Jr., of New Mexico, to be Assistant Secretary of Commerce for Tourism, vice Creighton Holden, resigned.

Manuel D. Plotkin, of Illinois, to be Director of the Census, vice Vincent P. Barabba, resigned.

FEDERAL MEDIATION AND CONCILIATION SERVICE

Wayne L. Horvitz, of the District of Columbia, to be Federal Mediation and Conciliation Director, vice James F. Scearce, resigned.

IN THE AIR FORCE

The following officer under the provisions of title 10. United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Abbott C. Greenleaf, xxx-xx-xxxx xxx...FR (major general, Regular Air Force), U.S. Air Force.

EXTENSIONS OF REMARKS

LIBERIA OWNS TWO SHIPS. REGISTERS 2,546

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Monday, April 18, 1977

Mr. ANDERSON of California. Mr. Speaker, President Carter's recent announcement of new tanker safety regu-

lations was a great step forward in this increasingly important field. However, one major obstacle in the search for safer international tanker safety remains—the use of foreign "flags of convenience" to evade stiffer U.S. shipping standards.

Liberia now claims the largest merchant fleet in the world, despite the fact that the nation actually owns only two ships. Last year, over half of the tankers lost—11 out of 19—were Liberian registered, despite the fact that the Liberian

flag accounts for 20 percent of the world's tanker fleet.

The following article which appeared in the Los Angeles Times of Wednesday, April 12, gives an excellent account of the controversy now surrounding the practice of registering merchant vessels under "flags of convenience."

LIBERIA OWNS 2 SHIPS, REGISTERS 2,546 (By David Lamb)

Monrovia, Liberia.-The Liberian merchant fleet, the largest in the world, is a ghost fleet to the Liberians—2,546 ships that ply the seas without ever coming home.

These are the ships that fly the Liberian flag of convenience. Their owners are elsewhere, but they are registered here.

Liberian registration offers a number of advantages. Most importantly, the owners of ships registered here can hire low-paid, non-union crews and they can forgo some of the strict safety regulations that are imposed by nations such as the United States and Great Britain.

For Liberia, an impoverished West African republic founded by emancipated American slaves, the enterprise is an important source of foreign exchange—more than \$16 million annually. For the owners, about one-third of whom are Americans, the savings runs into hundreds of millions of dollars.

The flag-of-convenience concept goes back to the days just after World War II. Large U.S. business interests, primarily oil companies, were looking for cheaper ways of transporting their products. With State Department concurrence, poor nations like Panama and Liberia were permitted to fly their flags over U.S.-owned ships.

Today Liberia has only two ships of its own, but more ships fly under the Liberian flag than that of any other nation: of the world's 23,000 merchant freighters, more than 10% fly the red, white and blue Liberian flag; of the 5,300 tankers, nearly 20% are under Liberia's colors.

Some maritime experts contend that flagof-convenience nations frequently permit dangerously decrepit and ill-manned vessels to remain in operation. They point out that of the record 19 tankers lost last year, 11 were registered in Liberia.

Liberian-fiag ships were also involved last year in a major oil spill in the Delaware River and a breakup off Hawaii. And it was a Liberian-flag ship, the Sansinena, that exploded in Los Angeles Harbor, killing eight people and a Liberian-flag ship that spilled 7.5 million gallons of oil off Nantucket Island last December.

Since 1971 Liberia has had its own marine inspection division, with control offices in New York, London, Rotterdam and the Far East. Government officials here say their ships are involved in more mishaps only because there are more of them, and that maritime studies have shown that Liberia's safety record is at least as good as the safety records of most small countries that are not part of the flag-of-convenience agreement.

At a Washington press briefing last month outlining new proposals to prevent oil spills from tankers using U.S. ports, White House Press Secretary Jody Powell said there is "no maritime nation, including our own, that does not share responsibility" for the spills.

Maritime unions, however, say that because of the wide use of convenience-flag ships, the shipping industry is no longer subject to adequate safety regulations.

EMPLOYEES UNDER FEDERAL CONTRACTS

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1977

Mr. DENT. Mr. Speaker, in 1974, when Congress was considering the Employee Retirement Income Security Act, concern was expressed for workers who never became vested in their pensions because their immediate employer, under contract to the Federal Government, would change as each short-term contract expired. Thus, despite lengthy service in

the same industry, pension credit with a single employer would never be sufficient to achieve a vested pension.

To better understand this problem, Congress mandated in section 3032 that the Secretary of Labor conduct a study of this problem, and report the results to the Congress. The Labor Department has informed me that this report will be available in the next few months, I am hopeful that this report will enable the Congress to act effectively with regard to pension portability and workers employed by Government contractors.

Concern over this issue was recently expressed by the Aerospace Conference of the United Auto Workers, many of whose members are employed by Government contractors. I would like to draw my colleagues' attention to the Aerospace Conference's resolution of February 11, 1977 on this matter. The resolution follows immediately:

PORTABILITY IN PENSIONS

Thousands of American workers have spent most or all of their working life in the aerospace industry.

Many of these workers lost their jobs when their employer's contract ran out, was cancelled or lost to another company.

Even though they gave their skills and knowledge to different companies they are producing essentially the same end-product indirectly working through their employer for the Department of Defense of the United States of America.

While commercial aircraft are not so directly related to government procurement, the structure of the market leads to a greater amount of job movement than applies to most other industries.

By working in the same industry but for different employers these workers could not achieve the tenure required under most Pension Plans to earn a pension for any or all of their employing companies even though their service had it been with one employer would have given them a substantial retirement benefit.

The delegates and officers of the 18th UAW Aerospace Conference held in New Orleans, Louisiana, February 10-12, 1977 propose to President Carter and the Congress of the United States of America that there be established a Presidential Commission to investigate the feasibility of providing an industrywide pension system for the aerospace workers regardless with how many com-panies these workers were employed and whether their employment was continuous or interrupted with one or more employers in the industry; and to take positive action to implement such industrywide pension program assuring all who are affected-professionals, scientists, machinists, office workers, production workers, engineers, welders, technicians, etc., a retirement benefit for the years of their labor.

BOB WILLIAMS, PROMINENT JOURNALIST

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1977

Mr. STOKES. Mr. Speaker, I stand before you on this occasion to pay tribute to a gentleman who has devoted his life and energies to the social, political, and moral aspects of journalism in the city of Cleveland. Bob Williams is a man with boundless energy and a genuine concern for the well-being of others. The recipient of numerous awards for his outstanding achievements in photography, feature stories, and news stories, Mr. Williams is considered one of the best by his colleagues in the National Newspaper Publishers Association.

Similar to many of the leaders in our community, Mr. Williams is very active in his church, Mount Zion Congregational, where he serves as president of the men's fellowship. He was active for 20 years at St. John's AME Church before joining Mount Zion. He also is a member of the journalism fraternity, Sigma Delta Chi, the Newspaper Guild, and the NAACP.

Born in Memphis, Mr. Williams attended public school in St. Louis. He later moved to Cleveland where he now lives with his daughter, Mrs. Carol Brown, her husband, Sam, and two grandchildren.

Bob Williams joined the Call & Post in 1942 as a volunteer. A year later he resigned from his position with the post office to become a full-time writer with the Call & Post.

Mr. Williams' time away from the Call & Post was devoted to his private public relations and photography firm. During that time, he served as managing editor of the former Cleveland Herald and publisher/editor of the Toast magazine. Nine years of his career as a reporter were spent with the Cleveland Press.

During his career as a journalist, Bob covered many of the cases I tried as a trial lawyer. His coverage was always fair and invariably covered the human interest side of the trial. His reporting of criminal cases made young lawyers more aware that on their abilities rested the future of many young blacks. In 1975, he worked as press aide for my Cleveland office. Bob brought to my office the same tenacity for equality and fairness that he brought to the field of journalism. He always did an excellent job on whatever he set out to do.

During his 36 years as a reporter, Bob Williams has gone beyond the call of duty, soliciting storeowners for donations of furniture and shoes for those in need. Bob spoke out against the social injustice of inequality. When he heard people were denied admittance into a public place because of their race, he went there and demanded that they be allowed to enter. As Mr. Williams once witnessed the tragedy of an execution at the State penitentiary, he commented, "No good was ever accomplished." His humane character is evident in his efforts to help many aspiring young journalists to get a foothold in the profession.

Williams says he will always have a special love for the Call & Post because of the deep personal friendships he acquired while there. "It was just like a family," he often comments.

On Friday, April 29, at 7:30 p.m. in Cleveland, the family, many friends and admirers of Bob Williams will honor his extraordinary contributions to the field of journalism and the community.

Mr. Speaker, Mr. Williams' presence in the annals of journalism has been a

significant asset to the communications media. For this reason, I ask you and all of my colleagues to join with me in recognition of his many years of invaluable service to the city of Cleveland.

AN OPEN LETTER TO AMERICA

· HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1977

Mr. WRIGHT. Mr. Speaker, the House of Representatives is being visited this week by five distinguished students from Oliver Wendell Holmes Middle School-Academy in Dallas, Tex. These students have prepared an open letter to America expressing appreciation to this great institution. I insert the text of the letter in the RECORD at this point:

AN OPEN LETTER TO AMERICA: IT IS TIME TO SAY THANK YOU, MR. SPEAKER

Mr. Speaker, Honorable members of Con-

gress, Ladies and Gentleman: Permit us young ladies to enter not only

the hallowed edifices and landmarks today but also the inner recesses of your whole-

some hearts and gifted minds.

In all candor, Mr. Speaker, may we say that we are fed up—we have had our fill of negation and adverse clamor about the wrongs in the government of the United States of America. For too long have the misguided and ill-mannered bellowed their resounding claims toward the foundational pillars, both persons and principles, of American Democracy!

As a group, Mr. Speaker, not as grass roots but as human roots, we stand before you with a revitalized philosophy and outlook.

As a result of our recent experiences, we believe firmly that the time has arrived when we. Americans all, should say, "Thank you, Mr. Speaker! Thank you, in deed, truth, and love!"

We have studied the books, periodicals, and journals; but now, without being naive or excessively idealistic, we speak from our beautiful experiences. We formerly dreamed; now we are realistic!

Some things most dear have been discovered. We have found that our beloved government is composed of human beings; they are kind, helpful, and loving.

Leaders have cared about us, intermediate officials have served us, and other personnel have advised and counseled us.

We have deposited in our hearts lovely memories associated with names and titles. What a pleasure now it is to speak and hear as, Representative, Congressman, Senator, Speaker, Majority Leader, President, Bentsen, Collins, Milford, Mattox, Burger, Carter, and many others. These words are living symbols of dynamics and dynamic human beings!

Therefore, Mr. Speaker, we love America, all of America, more than ever. We want an ever increasing faith and loyalty to the United States of America. And we desire others to taste what we feel-and we desire

all of this for them now!

We speak only for ourselves, but we crave the devotion to country of the myriads of other young and old citizens of these fifty

Maybe our School Premise can express what is really our motivation:

Love of God Love of Self Love of Country Love of Humanity, and Willingness to Serve.

Thus, we turn to you, symbolically, Mr. Speaker, to say thank you—thank you with all of our love, friendship, and concern, for all that you and others, in this magnificent chamber of legislation, and beyond, stand for and mean. You give us hope, confidence, and expectation!

May God bless all of you-and yours-who so diligently work and serve here that others may enjoy incomparable freedom, peace, and happiness in their lives.

Thank you, Mr. Speaker!
By: Angelia Haggerty, Tammy Prince,
Sylvia Lucio, Stephanie Jones, and Tammera White, Theodore Lee Social Dynamics Club, Oliver Wendell Holmes Middle School-Academy. Dallas, Texas.

VOICE OF DEMOCRACY WINNER

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES Monday, April 18, 1977

Mr. HARRIS. Mr. Speaker, each year the Veterans of Foreign Wars Voice of Democracy Scholarship program conducts a contest throughout the United States on the meaning of America. I am pleased to announce the Virginia winner as Desiree Ann Wolfe, daughter of Mr. and Mrs. John Wolfe, of Manassas.

Ms. Wolfe is a senior at Osbourn Park Senior High School, a National Honor Society member, chairman, Student Needs Committee, SCA Executive Board member, and delegate to the National Leadership Training Seminar. She is also the recipient of the Daughters of the American Revolution Citizenship Award. I take great pleasure inserting into the RECORD Desiree's well-written and thought-provoking essay:

1976-77 VFW VOICE OF DEMOCRACY SCHOLAR-SHIP PROGRAM, VIRGINIA WINNER, DESIREE ANN WOLFE

"We the people," These three small words, written over two hundred years ago, can best express what America means to me.

Since our country was first founded, people have been its lifeline. As we think back on our history, certain names like George Washington and Thomas Jefferson always stand out among the others. Yet these aren't the only people who really made America. It was the average farmer, blacksmith or merchant who fought for, and died for the rights that we Americans enjoy today. But little did they realize the impact they would have on future generations.

Imagine you are a revolutionary farmerbarely making enough money to support your family. Your day begins before sunrise and ends late at night. "Democracy?" you say. "Freedom?" you say. "I have no need for those: I'm much too busy working here on my farm to worry about other people's business. Fight a revolution? For what?

Because they cared. They cared about people, all people, and the rights they're entitled to. The God given, inalienable rights that every man, woman and child has today. Our forefathers gave us this, and we thank them. But the revolution didn't end there. No, the spirit that our ancestors had has been passed down through each generation. America proves that it still cares again and again with each new day. Whenever there is an earthquake or a flood, the American people are there. Whenever there is disease, starvation or poverty, America's people reach out and try to help their fellow man. Imagine you're a farmer today. You make

a comfortable middle class living and have a good life. "Why vote?" you say. "I'm only one person and nothing will ever change." But it can, and it will. If you remember the Americans of long ago and how much they cared. While we can't write a Constitution or fight a revolution for our country, we can show what this country means to us every day—by talking, helping and caring about people. When a friend needs you, be there. When a neighbor needs help, offer it.

People—everywhere you go in America you meet people, all with different back-grounds, interests and jobs. Some are young, some are old, many are good, and a few are bad. The young and the old; the good and the bad; put them all together and you have America!

All fifty states, millions of people, all races, all creeds, all colors—all with the basic goal—freedom. All America.

What does America mean to me? We the people are America.

WELCOME BACK, ESTHER

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Monday, April 18, 1977

Mr. OTTINGER. Mr. Speaker, I would like to take this opportunity to welcome Esther Peterson back into Government, in her new role as Special Assistant for Consumer Affairs to the President. When served in the House in the 1960's, Esther Peterson was one of the most helpful and thoughtful individuals in Government, and it is a delight to me to see her returning to the fold.

Last night's Washington Star carried a full-page advertisement by the employer Esther is now leaving, Giant Foods. While I am not one often to compliment private corporations, I must take this opportunity to commend Giant—first, for having had the good sense to hire Esther to begin with; second, for having the public spirit to let her come back to work for all Americans; and third, for the very nice send-off they provided in their advertisement. I would like to commend this ad to the attention of my colleagues.

THANK YOU ESTHER PETERSON FOR ALL You've Helped Us Accomplish

Esther, we congratulate you on your appointment as President Carter's Special Assistant for Consumer Affairs. We wish you every success.

We have learned much from you these past seven years. You have ingrained in us deeply our obligation to listen to the consumer. You have shown us how businesses and consumers can work together for a voluntary resolution of our common problems in a true spirit of cooperation. You pioneered many consumer programs—some have served as a model for both the industry and government

Bill of Rights Open Dating Nutrition Labeling Over-the-Counter Drug & Cosmetic Label-

Percentage of Ingredient Labeling Quality Assurance Laboratory Unit Pricing Generic Drug Program Consumer Advisory Committees Consumer Information **Product Safety** We pledge to you that the programs you worked so hard to develop will continue and grow. You leave a trained staff of consumer specialists to carry on.

Our consumer commitment is now firmly established. Your philosophy has spread throughout our company—from our offices to our warehouses to our stores. It has become our way of doing business.

Esther, we'll still be listening to what you are saying on behalf of consumers—just as closely as we did when you were here. President Carter is getting a great lady to do the job—the best. And why not the best!

GIANT,
The quality food people.

THE EFFECTIVE FEDERAL INCOME TAX RATE OF AMERICAN UTILI-TIES

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1977

Mr. VANIK. Mr. Speaker, on October 1, I inserted in the Congressional RECORD (35288-35292) the fifth of my annual corporate tax studies. This latest study, for tax year 1975, showed that 148 major U.S. companies paid an effective Federal income tax rate of 21.3 percent, even less than the previous year's comparable rate of 22.6 percent. Although the statutory corporate tax rate is set at 48 percent, companies are able to lower their tax rates through a menagerie of tax incentives and stimulants that the Congress has enacted over the years.

While these tax-reducing tax provisions are often well intentioned on their introduction, they too frequently outlive their purposes and end up as largely unproductive and extremely expensive drains on the Federal Treasury.

Tax figures for the utilities sector of the corporate tax study are particularly interesting because utility companies consistently have been able to reduce their Federal income taxes more than other economic sectors.

The 10 utilities in the study were able to reduce their effective Federal income tax rates to an average of less than 5 percent. As way of comparison, a family of four paying 5 percent in Federal income taxes in 1975 would have had an adjusted gross income of about \$8,450. The 10 utilities in my study, on the other hand, had a combined income before

Federal incomes taxes, of approximately \$7,395,738,000.

These extraordinarily low tax rates occurred at the same time that consumers' utility rates—both for energy and communications utilities, rose higher and higher. Electricity costs for the average family rose 7.4 percent in 1975 according to a survey by the Federal Power Commission last fall.

Although utilities complained mightily of a terrible capital shortage in 1974 and 1975, financial publications report that utilities are currently in good condition. A Forbes magazine annual economic report paints a good picture of utilities' finances: short term debt "is now negligible," return on equity is up, cash flows are up, and long unresolved rate increase requests are being settled.

Utilities apparently are able to reduce their taxes enormously through several basic provisions of the tax code. The investment tax credit—ITC—appears to be the most valuable of these provisions.

Because there was initial disagreement over whether utilities should get any investment credit at all as sanctioned monopolies, the Congress compromised the 7 percent ITC proposed for other industry and allowed utilities only 3 percent. The Tax Reduction Act of 1975, however, increased the ITC to 10 percent for all business sectors.

This 250 percent increase for utility investment tax credits allowed utilities. in effect, to have the Federal Treasury pay for a full 10 percent of property acquired after January 21, 1975. It allows companies who already have been able to reduce taxes to minuscule levels to reduce them further or to eliminate Federal income tax payments entirely in some cases. The American Electric Power Co., for instance, composed of several large electric utilities in the South and East, paid 1975 Federal income taxes of only approximately \$195 .-000 on an approximate adjusted income of \$254,546,000-an effective Federal income tax rate of less than 0.08 percent.

Because the ITC is a credit, and not simply a business deduction, it reduces directly the Federal income taxes a company must pay. Although some limitations exist for the ITC, utilities in particular—highly capital intensive business operations, have been able to use them to drastically reduce their Federal income taxes.

While credits reduce actual Federal

income taxes, utilities are able to use another tax provision to reduce their tax liabilities—the amount of their income that is subject to Federal income taxes. Accelerated depreciation allows companies to deduct the depreciated—and theoretically unusable—value of their property and machinery from their income, thus reducing their liability.

Because utilities have large amounts of money invested in plant and equipment. the accelerated depreciation provisions in the Tax Code are applicable and can help companies cut taxes. "Straight-line depreciation" allows a company to depreciate-and deduct from income-the full cost of a piece of equipment in equal increments over the life of the unit. Accelerated depreciation allows this same equipment value to be deducted but in less time, making early tax year deductions larger and thus more valuable to the company. While utilities argue that accelerated depreciation is simply that: an allowable faster depreciation for tax purposes; that the companies will in the end depreciate no more than regular straight-line depreciation, the fact is that when capital investment continues at an equal or higher rate, accelerated depreciation allows companies an indefinite tax deferral: an interest-free loan paid for by the public and its Federal Treasury.

In light of these facts; extraordinarily low Federal income taxes, increased prices to public consumers, and a generally favorable financial picture for utility companies, I think it is very clear that the Nation's utilities are not in need of any additional special tax favors. I hope that any sector-specific tax incentives contemplated by the administration will not serve to remove even more utility companies from the rolls of those who pay Federal income taxes. As it is now, some experts estimate that as many as one quarter of investor-owned utilities do not pay any Federal income taxes at all.

I have included the effective Federal income tax rate information of the 10 utilities from my fifth annual corporate tax study. These figures are not unusual—utilities have consistently been able to reduce their Federal income taxes to ridiculous levels. These effective rates show that the Congress must think twice before bestowing additional tax favors on utilities.

The statistics follow:

APPROXIMATE EFFECTIVE TAX RATES PAID BY SELECTED AMERICAN UTILITY COMPANIES

Corporations	Approximate adjusted net income before Federal and foreign income tax (thousands)	Approximate current Federal and foreign income tax (thousands)	Approximate effective worldwide tax rate (percent)	Approximate adjusted net income before Federal income tax (thousands)	Approximate current Federal income tax (thousands)	Approximate U.S. effective tax rate on worldwide income (percent)
El Paso Natural Gas Co Texas Eastern Transmission Penzoll Co American Telephone & Telegraph Co. Consolidated Edison Co. of New York, Inc. Pacific Gas & Efectric Co. Commonwealth Edison Co American Electric Power Co Southern California Edison Co Columbia Gas System, Inc	148, 751 187, 524 186, 293 5, 291, 529 308, 294 241, 777 338, 998 254, 546 231, 514 210, 265	45, 615 37, 781 35, 702 1129, 102 3, 050 7, 108 34, 386 195 38, 518 27, 159	30. 1 20. 1 19. 2 2. 4 1. 0 2. 9 10. 1 (2) 16. 6 12. 9	148, 751 183, 771 186, 293 5, 291, 520 308, 294 241, 777 338, 998 254, 546 231, 514 210, 265	45, 615 37, 775 35, 702 129, 102 3, 050 7, 108 34, 386 195 38, 518 27, 159	30. 1 20. 6 19. 2 2. 4 1. 0 2. 9 10. 1 (3) 16. 6
Total	7, 399, 491	258, 616	4, 84	7, 395, 738	358, 610	4. 84

Because the wholly owned subsidiary Western Electric Co., Inc., is accounted for under the equity method, the income and current Federal income tax for Western Electric Co., Inc., is not
 2 Less than 1 percent approximate effective tax rate.

SACCHARIN BAN

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1977

Mr. EVANS of Delaware. Mr. Speaker, as I have said before on this floor, no Government regulatory action in recent memory has been more nonsensical than the recently announced FDA ban on saccharin.

I strongly hope that the House Health Subcommittee will report legislation to the full House which will at least postpone the ban and hopefully will amend the Delaney Act which brought about this ridiculous action in the first place.

Recently the Delaware House of Representatives passed a resolution urging the Congress to postpone the proposed ban on the use of saccharin in sweeteners until such time as convincing tests over an adequate time period have been completed. I include the resolution which was sponsored by Representative Thomas A. Temple, Sr., in the Record at this point:

DELAWARE HOUSE RESOLUTION

Resolution requesting the Federal Food and Drug Administration to reconsider, until convincing tests are completed, its ban on the use of saccharin as a sweetener

Whereas, the Food and Drug Administration has proposed a ban on the use of saccharin as a sweetener; and

Whereas, scores of thousands of Delaware citizens use sweeteners which include saccharin to help in weight-control programs which have been medically approved; and

Whereas, the experiments from which the FDA drew the information leading to the proposed ban were performed in Canada on rats; and

Whereas, scientists have now told us that for a human being to suffer the reactions observed in the Canadian rats it would be necessary for the human being to drink 1,250 12-ounce diet beverages each day for an entire lifetime; and

Whereas, this extrapolation demonstrates the absurdity of the FDA's proposed ban; and

Whereas, the ban on the use of saccharin in sweeteners will force many persons, including the more than 65,000 citizens of Delaware who are over 65 years of age, to turn to other types of sweeteners which may tend to be fattening; and

Whereas, the citizens of Delaware have demonstrated by their reaction to the proposed ban that they believe it to be ridiculous.

Now therefore:

Be it resolved by the House of Representatives of the 129th General Assembly that the members of the Delaware Congressional Delegation are requested to intervene in behalf of the citizens of Delaware by asking the FDA to postpone the proposed ban on the use of saccharin in sweeteners until such time as convincing tests, made over an adequate period of time and using non-massive amounts of saccharin, have been completed and reported.

Be it further resolved that copies of this resolution be sent immediately upon passage to each member of the Delaware Congressional Delegation with the request that a reply be made as to the action followed by the member.

GIOVANNI DA VERRAZZANO

HON. PETER W. RODINO, JR. OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1977

Mr. RODINO. Mr. Speaker, each year millions of people cross the Verrazzano Narrows Bridge, the longest suspension bridge in the world which joins Staten Island with Brooklyn. Last year during the glorious parade of Tall Ships in honor of our Bicentennial celebration, this same span served as the focal point of that magnificent procession.

Yet, Mr. Speaker, it is questionable if many of that vast throng recognized the significance of the exploits of the courageous explorer for which this superb structure is justly named.

Giovanni da Verrazzano was born near Florence, Italy, in about 1485. A student of classical literature, he traveled widely throughout the Near East as a young man and developed considerable geographic and nautical skills.

The recent discovery by Christopher Columbus of a mysterious land to the Far West aroused his adventurous spirit and, on at least one occasion prior to his history-making expedition, he visited the New World.

In January of 1524 he set sail on a peaceful exploratory journey to North America in a sturdy three-masted ship—the Dauphine. Following a turbulent 50-day voyage, Verrazzano and his men first sighted land on March 7 near what today is Wilmington. Del.

Numerous discoveries were made by the crew as they proceeded northward along the coast, but none as important as their exploration of New York Bay. On April 17, 1524, the company sailed into the Lower Bay where they received a warm and hospitable welcome from the native Indian tribes.

After charting the bay for future navigational reference, Verrazzano explored further along the New England coast and then returned to Europe to announce his discoveries.

Unfortunately, the natives encountered on an expedition to South America in 1528 proved less peaceful than their North American counterparts and, reportedly, Verrazzano was murdered by flerce tribesmen.

Mr. Speaker, for many centuries the accomplishments of Giovanni da Verrazzano were obscured by missing documents which were not recovered until 1900. It is therefore particularly appropriate that today, the anniversary of his outstanding discovery, we accord him the honor and recognition he so richly deserves.

Mr. Speaker, I like to believe that the courageous spirit of Verrazzano accompanied the Tall Ships in their reenactment of his historic feat of over 400 years ago, as they sailed under the bridge that bears his name.

WARNKE TO DISBAND UNIT THAT VERIFIES ARMS PACT

HON, LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1977

Mr. McDONALD. Mr. Speaker, as if to confirm the worst fears of those of us who opposed the confirmation of Mr. Paul Warnke as SALT negotiator and Director of the Arms Control and Disarmament Agency, he has now shown his true colors by a recent action. The ACDA had developed, over the years a bureau called Verification and Analysis designed to check on Soviet compliance with SALT I. This bureau is being disbanded by Mr. Warnke. Thus, we appear to be so anxious to concede everything to the Soviet Union, that we are now saying we will sign a treaty and will not even check to see if you are complying with it. The story as it appeared in the Richmond Times-Dispatch of April 16, 1977 follows: WARNKE TO DISBAND UNIT THAT VERIFIES ARMS PACTS

Washington.—Disarmament negotiator Paul C. Warnke is disbanding the government unit that developed ways to check on the Russians to learn if they were violating arms limits, a spokesman confirmed Friday.

The Verification and Analysis Bureau, a part of the Arms Control and Disarmament Agency, is being abolished effective May 1 by Warnke, spokesman Pedro San Juan said.

The bureau had been strengthened under the Ford administration to check on Soviet compliance with the strategic arms limitation agreement known as SALT I.

But it gained a reputation of raising difficulties in the arms negotiation process which delayed the conclusion of a new, SALT 2 agreement by former Secretary of State Henry A. Kissinger in 1976.

The reorganization is likely to be criticized by conservatives in Congress. Two former agency officials said it was a mistake.

Warnke serves both as President Carter's top disarmament negotiator and as head of the arms control agency. Under the reorganization he has ordered, highly qualified experts in the verification unit will be dispersed.

Some will be reassigned to work with officials handling specific areas of arms control negotiations, such as troop reductions in Central Europe and a comprehensive ban on nuclear tests, a spokesman said.

The verification experts develop sophisticated technological means, such as new types of aerial surveillance, to make sure the Russians are complying with arms agreements. The actual monitoring is carried out by the military.

The spokesman said the organizational change should make the experts "more effective."

LESS EMPHASIS

But Amrom Katz, former head of the verification bureau, expressed concern that it could lead to less emphasis on verification in arms pacts.

"The guys trying to negotiate a treaty just don't want to hear the bad news from the guys who know what is possible in verifying or policing a treaty," he said in a telephone interview from his Los Angeles home.

Katz recalled how the British sought to have verification experts work closely with negotiators in concluding a naval armaments pact with Germany before World War II. When the Nazis began cheating, he said, there was a tendency for British officials to cover up the evidence to protect the integrity of the treaty.

"This is a totally wrong signal to send the Russians at this time," said former Deputy Director John Lehman, who works in Wash-

ington.

"It is disastrous to signal the Russians we are willing to downplay verification because it is embarrassing."

IN HONOR OF JESS NEVAREZ

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1977

Mr. CHARLES H. WILSON of California. Mr. Speaker, this year, April 23, is going to be a very special day in my 31st Congressional District. Gardena, Calif., has set this date aside to posthumously honor one of its finest citizens—Jess Nevarez.

The city has planned several activities including a memorial dance for Jess Nevarez Day to remember the man who contributed so much to his community.

For over 40 years, Jess Nevarez served the people of Gardena and was admired and respected by all who had the good fortune to know him.

He was not a wealthy man but he was willing to give whatever he had to those who were in greater need. People who were penniless and had no home or food could always turn to Jess and find a helping hand. He was a special and unique individual who asked for nothing in return for his help. People were important to him and he possessed a natural magnetism that drew him to the people who needed him most.

My only regret is that Jess could not have been with us today. I am sure that he would have been awed by all this attention but very grateful to those who have recognized the many unselfish deeds he accomplished in his life. His desire for personal credit or a pat on the back was almost nonexistent. I am proud the city of Gardena has chosen to honor this most deserving individual.

Among his remarkable accomplishments was providing funds to bring well water to an Indian reservation. As a member of the American Legion Post 187, he personally conducted a fundraising drive to get the money for the desperately needed well. He accomplished his goal and the reservation was able to meet their daily water needs.

One of his personal aims was to unite the Mexican-Americans in Gardena. Jess' efforts led to the establishment of a weekly Sunday Mexican Mass in the city which brought many of his fellow worshippers back to their church.

The Gardena sister city, Hustabampo, Mexico, was also one of his great interests. When disaster struck the sister city, Jess personally helped deliver supplies in spite of the fact that his health was failing and his business was left unattended. He sacrificed his own money to accomplish this mission, only to return home and find his business had been destroyed by fire. Regardless of these losses, and his declining health, he went on to press for relief of the families in Mexico. This enormous exertion may have cost him his life because shortly after, he suffered a heart attack and did not recover.

Jess was a great man. In the words of his fellow townspeople:

His devotion and love and concern for the well being of his fellow man, no matter where he lived, will never be forgotten.

It is altogether fitting that the business of our country pause to salute Jess Nevarez. It is because there are citizens like him in the United States that our country is so great. It is my humble honor to pay tribute to Jess Nevarez of Gardena.

TRIBUTE TO RAYMOND E. RIDDICK

HON. PAUL E. TSONGAS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1977

Mr. TSONGAS. Mr. Speaker, Raymond E. Riddick of Lowell, Mass., was honored last night. A dinner to benefit a scholarship fund in memory of the former Lowell High School football coach and all pro National Football League player, Ray Riddick, was held.

Ray Riddick was well known for his many accomplishments on the athletic field and well respected for his dedication to the young people of Lowell. I would like to tell you why.

Ray Riddick was born in October of 1917. Those who attended Lowell High School with Ray knew of his outstanding athletic ability. Before he graduated in 1935, he had played 4 years of varsity football, had been named captain of the team, all scholastic end, and also participated in the baseball and track programs. An outstanding offensive and defensive end at Fordham University, Ray was named to the All East team. He played in the 1940 college all star game in which his team defeated the NFL champion New York Giants at the Polo Grounds. In 1940, Ray was drafted by the Green Bay Packers. He started, as a rookie, at right end, opposite the great Don Hudson. He played both offense and defense and was named all pro.

In 1942, Ray Riddick entered the Navy, his football career was put aside as World War II broke out. After 3 years in the Navy, he became varsity end coach at Dartmouth College.

In 1947, Ray began his association with the Lowell High School football team as coach. It was an association which would last for some 29 years, until his death. In those 29 seasons he won 180 games including 91 shutouts. His team outscored opponents by two to one. He coached 10 undefeated teams and won 6 eastern Massachusetts State championships. Four of his teams went to bowl games. He also compiled an amazing 36-game unbeaten record.

Ray Riddick received the New Eng-land Football Officials Memorial Award in 1967, a symbol of their respect for a coach. He was inducted into the Massachusetts Coaches Hall of Fame this year. Yet perhaps the most important tribute was paid to Ray Riddick last night. A memorial scholarship fund was established. It is a fund which will carry on Ray Riddick's work with the young people of Lowell. It is a fund which reflects his dedication to the city of Lowell. It is a fund which exemplifies his character, sportsmanship, leadership, and accomplishments. I cannot think of a better tribute to Raymond E. Riddick than a memorial scholarship fund.

Ray Riddick and his family deserve the gratitude and admiration of the country at large. I ask the Members of the U.S. House of Representatives to join me in recognizing Raymond E. Riddick and his contribution to his community and fellow human beings.

U.S. TUNA INDUSTRY SHUT DOWN

HON. CLAIR W. BURGENER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1977

Mr. BURGENER. Mr. Speaker, most of us have just returned from what was supposed to be a refreshing week and a half with our constituents, and while much of my time spent in the district was just that, one aspect was anything but refreshing. Although we in San Diego enjoy the beauty of a gorgeous harbor and are rather used to the comings and goings of many boats, including much of the Pacific Fleet, San Diego Harbor was a bit crowded over the Easter district "work period," as there were approximately 130 100-foot-plus, multimillion dollar tuna boats lying at berth, out of commission, while their foreign coun-terparts were loading up with millions of pounds of tuna-in the prime of the fishing season.

Meanwhile, engaged in shuttle diplomacy between San Diego and Washington were representatives of the tuna industry, hopscotching the country in an attempt to persuade not the Congress, not officials of the executive branch, but self-anointed environmentalists to withdraw their Federal court suit which has kept the entire American tuna fleet at its moorings better than could have any hurricane.

It is indeed sad testimony, Mr. Speaker, that one more Federal regulation has succeeded in virtually shutting down an entire industry, and I do hope those whose noble aim is to "save" the Eastern spinner porpoise and other species will assist my colleagues in answering their constituent mail this summer when the price of tuna doubles without a porpoise having been saved.

WESTCHESTER GUIDANCE CENTER—35TH ANNIVERSARY

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1977

Mr. OTTINGER. Mr. Speaker, on Saturday, April 23, the Westchester Guidance Center will celebrate its 35th anniversary. I would like to share with my colleagues an article which recently appeared in the Westchester Rockland Newspapers describing its important work, which could well serve as a model for the Nation:

The Guidance Center is celebrating its 35th anniversary of providing mental health clinic service to the Westchester community with a dinner-dance on Saturday, April 23. The event which will honor all the past presidents of the Center wil be held at Brae Burn Country Club in Purchase.

Cocktails will be served at 7:30 p.m. with dinner at 8:30 p.m. There will be an orchestra for dancing to music of the 1940s

and 1950s.

The proceeds will benefit the Guidance Center, which is the largest non-profit psychiatric clinic in Westchester, serving New Rochelle, Larchmont, Mamaroneck, and Pelham, and offering a complete range of treatments to all segments of the community regardless of race creed or ability to pay.

The center operates a therapeutic preschool nursery program in both morning and afternoon sessions, aimed toward enabling the children to enter the public school system. Consultation with parents is provided for as well as careful follow-up of these children on completion of the nursery program.

A rehabilitation program of both group and individual therapy is run for chronically mentally ill adults who require long term care. There are men's and women's groups, couples groups, and specific problem-oriented groups. The center has also developed a full range of services especially directed toward adolescents and teen agers, providing therapy in individual, group and family settings. Consultation services are also provided to the school system.

The center's Day Hospital, unique in the area, is a new program offering an all day intensive therapeutic schedule Monday through Friday for patients with severe life-disruptive problems of a psychotic nature. It can serve as a means of preventing hospitalization and restoring severely disturbed individuals to a level of self-sufficiency and the ability to function adequately at work

and at home.

The average length of stay is three or four months, after which the patients enter the newest program called "The Living Room." Here they spend an additional few weeks learning social and vocational skills to help ease them back into community living. The Guidance Center also has the major Methadone Maintenance Treatment Program in Westchester.

The center's main clinic is at 70 Grand St. in New Rochelle. There are two field stations, one on Lincoln Avenue in New Rochelle, offering services on Saturday as well as evenings, and another in Mamaroneck.

Sheila Bloom is dinner-dance chairman, assisted by Morton J. Chalek, program; Grace Feinman and Claire Brown, reservations and seating; Muriel Samen, decorations; Jeanette Streger and David Streger, tickets; Ruth Singer, publicity; and Harold Rein, Bernard Livingston, Edward E. Lustbader, Harold Rubin, Allen Ross and Pauline Stillman, journal.

BOB BERGLAND

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1977

Mr. TEAGUE. Mr. Speaker, on Monday, April 4, 1977, the following article appeared in the Washington Star which outlines the changes our former colleague, Bob Bergland is bringing to the Department of Agriculture as the new Secretary of that agency.

It is my feeling Mr. Speaker, that Bob Bergland, a farmer himself, will not only do an excellent job as Secretary of Agriculture, but will succeed in bringing about a new look in agriculture which will not only benefit this country, but the individual farmer as well. I for one want to wish him the best of everything and will endeavor to support him in his efforts to once again recognize that facet of our economy which has sorely been overlooked in the past; the forgotten farmer:

HOW BOB BERGLAND IS CHANGING USDA

(By Goody L. Solomon)

When Earl Butz resided in Room 200A of the U.S. Department of Agriculture, some farmers' representatives, consumers and the press claimed they often found the secretary's door closed. Bob Bergland seems to have flung them open. He's met more than once with almost every special interest the department touches.

They usually come away feeling optimistic. Bergland charms them. He's also been open to their causes—too open perhaps in the eyes

of some observers.

Bergland is showing himself to be a compromiser. In presenting his recommendations on farm legislation to the Senate Agriculture Committee, he said, "This program represents a middle ground in the administration (and) I will fight for it . . . (although) I wouldn't recommend it as a private citizen (with a farm in Minnesota)."

In many ways—his personal style, his rhetoric, his sub-Cabinet selections and the programs slated to get attention by his administration—Bergland appears to have turned USDA in a new direction. To see the difference, look back at the Butz posture:

Butz dogmatically insisted that government keep hands off food supplies and prices. While he kept price supports "ridiculously low," to use the words of a farm organization representative, Butz also dismantled the county and district farmer committee through which price support funds were distributed, thus weakening the whole system.

Laissez-faire to Butz meant no formal reserve system and no regulation of exports. Nor would he undertake international co-

operation on grain reserves.

Richard L. Feltner, assistant secretary for marketing and consumer services under Butz, summed up the philosophy of that administration. "I firmly believe." he said, "that what's good for General Motors is good for the country."

What resulted from that approach was

Butz ended most crop quotas and acreage allotments, and agriculture moved to full-scale production, something the experts generally applaud. Meanwhile, though, he set loan rates so low on grains that many farmers didn't enter the program and are now left holding excess supplies. Not only does this add to farmers' rising operating costs but also

there is no mechanism for handling the sur-

For, if farmers take out commodity loans, they do so in order to withhold grain from the market in hopes that prices will rise. They get a government-fixed price per bushel, which is below the market price. The grain serves as collateral and the farmer obtains cash for current operating purposes. If market prices don't rise as anticipated, the farmer repays his loan with the stored grain, which the government can save for times of adverse weather and short supplies or can use for export through the Food for Peace program.

Inasmuch as farmers didn't enter the loan program while they had bumper crops in wheat and rice during 1975 and 1976, they are holding the largest surplus of wheat in 13 years and the biggest of rice in history.

Enter Bergland, who often talks in favor of free market competition but would interfere in order to balance inequities and prevent wide swings in farm and consumer prices. "To worship at the altar of the free marketplace," he has said, "is nonsense."

On March 23 Bergland gave the Senate Agriculture Committee his proposals for renewing the farm legislation which is expiring this fall. Although the secretary angered wheat farmers who had hoped for higher price supports than Bergland offered, his package did contain redeeming features for them and other agricultural interests.

As for Bergland's specifics:

Congress should increase target prices for basic commodities and establish a formula whereby traget prices increase as costs of production rise. The main purpose of target prices is to get a floor to farm income. If market prices fall below target prices, the government pays the difference to the farmer.

Congress should continue the secretary's discretionary power on loan rates but grant it for more than one year. Bergland would then up the loan rates on corn (now at \$1.50 per bushel) to \$2, while keeping wheat at \$2.25 per bushel, so that more surplus wheat might be used for animal feed.

Tie loan rates to target prices.

Set up a mechanism for handling grain reserves as follows: Instead of the current one-year authority for commodity loans, the secretary would have the power to extend loans for three years with extensions when necessary. As an incentive for farmers to keep wheat and rice off the market when prices were between 140 percent and 175 percent of the loan rate, Uncle Sam would foot the farmers' storage fees. With prices below 140 percent of the loan rate, a farmer could not sell his grain and repay the loan without penalty. When prices reached 175 percent of the loan level, the point at which the grains should be released for sale, all loans would be called.

Eliminate acreage allotments which no longer reflect existing production patterns. The effect, said Bergland, would be to give farmers flexibility in planting barley one year, wheat the next and so on.

Finally, Bergland thinks the U.S. cannot possibly feed the world's hungry people but does have a responsibility to help out. "We will continue in negotiations with other nations to establish some sort of an international food security system," he said. Meanwhile, he requested an extension of the Food for Peace Program, with some modifications that would increase the money and the quantity of food available for emergency aid to poor countries.

Other major points of difference between Butz and Bergland:

Bergland views agriculture policies as closely tied to those on energy, housing, transportation, labor as well as diplomacy, therefore has already attended several meetings of the Domestic Policy Council from which Butz often absented himself.

The current secretary has started revamping the advisory committees serving the department. Among other things, he has named two consumer representatives to the Expert Panel on Nitrites and Nitrosamines and has abolished 11 advisory committees not required by law.

"They amounted to representatives of agribusiness recommending policies that quite often were accepted by Butz and Hardin," said a staffer in Bergland's office. He also said "the committees were chosen for that purpose. . . . Continental Grain was represented on a lot of them . . . or a housewife on a committee would be the wife of a Republican leader." Instead of advisory committees, Bergland prefers public hearings on proposed regulations.

Cabinet officers traditionally and necessarily choose like-minded assistants and Bergland is no exception. But he's getting high marks from a wide range of observers for the caliber of his selections, including his choice of Carol Foreman, the former executive director of Consumer Federation of America who was sworn in March 25 as assistant secretary for food and nutrition.

Who are these people and what issues are absorbing their immediate attention?

John White, deputy secretary, was Texas commissioner of agriculture for 26 years. He's been called the "best of the state agriculture commissioners" and his administrative abilities are expected to compensate for Bergland's weakness there.

The economic brains at USDA belong to Howard Hjort. During the Johnson era, Hjort was first staff economist of USDA, then special assistant to the undersecretary and finally head of the department of planning analysis. In 1972 Hjort joined the consulting firm of the undersecretary for whom he had worked, John Schnittker.

Some credit Hjort with masterminding Bergland's recommendations on pending farm legislation set.

In characterizing the difference between himself and his predecessor Don Paarlberg, Hjort said, "Don is more oriented to a freemarket framework. I decided a long time ago that the preconditions for a free market don't exist anywhere in the world and that belief has been strengthened in time. We have to compete in a world market where countries have administered prices."

As director of agriculture economics, Hjort's top priority is to "make a careful assessment of what would happen both to the demand for and supply of commodities if the U.S. price were to be plus or minus 20 percent of what it actually is."

Dale Hathaway, slated to become assistant secretary for international affairs, will come to USDA directly from the International Food Policy Research Institute, of which he was director since its founding in 1975. That group looked into the wide ranging food problems of developing countries. At USDA, Hathaway will continue in that quest.

Alex Mercuri, as assistant secretary for rural development, will set his sights first on devising regulations that would permit the department to implement rural development legislation of 1972 that the Republicans neglected. USDA will be examining ways of putting local and community resources to better use and of bringing in commercial capital.

Mercuri's background suits his job. He was vice president for regional and community affairs at the University of New Mexico and before that was president of a technical and vocational school in the rural mountains of New Mexico.

Similarly, Rupert Cutler, assistant secretary for conservation research and education, has a solid background in natural resources management and environmental action, most recently as professor of resource development and extension specialist at Michigan State University. Before that he was assistant executive director of the Wilderness Society here and earlier had worked for the Virginia Wildlife Federation.

Carol Foreman has one of the pressure jobs in the department. She is in charge of the highly criticized food stamp and other feeding programs, which together absorb \$9 billion of the \$14 billion USDA budget.

Bergland's proposal for strengthening the food stamp program and cleaning up its abuse will be given to the House Tuesday and the Senate Thursday. While details have not yet been worked up, the most favored option reportedly includes these provisions:

Eliminate the purchase requirement. (A bill to that effect has been introduced by Sens. Robert Dole, R-Kan., and George Mc-Govern. D-S.D.)

Establish income eligibility by using a standard deduction covering family expenses instead of the current itemized deductions which require that applicants submit lengthy and complicated documentation. As a consequence, recipients at the highest income level would have been reduced and that in turn would help keep the total food stamp budget in tow.

A big question regarding Foreman's position is to what extent she could or should act as the consumer advocate in the department. Although she admits that her presence will help keep a focus on public needs, she doesn't think that consumer advocacy should be her job.

A proposal getting serious consideration at the department would create an office of citizen participation. Apparently Bergland is intrigued with the notion that individual farmers, who have a hard time getting their two cents into the department policies, would be helped as much as other citizens.

In any event, Robert Meyer, a California farmer who will be assistant secretary for marketing, plans to work directly with farmers. "Instead of mandating solutions from Washington," he said, "when something comes up that requires a solution from the department I will go first to the producers. The most common sense comes from farmers. . . Then everything is a compromise. After (a decision is made) I will explain it to the farmers."

PERSONAL ANNOUNCEMENT

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1977

Mr. LEHMAN. Mr. Speaker, on Wednesday, April 6. I was forced to leave the floor before the House had completed its business for the day. I had to catch a plane back to Miami in order to keep commitments to my constituents.

I missed the vote on the final passage of H.R. 5262, international lending institutions. Had I been able to remain for the vote, I would have voted for the bill.

MEDICARE REIMBURSEMENT FOR COMMUNITY MEDICAL CENTERS

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1977

Mr. CORMAN. Mr. Speaker, today I am introducing legislation to amend title XVIII of the Social Security Act so as to improve the opportunities for medicare to obtain ambulatory mental health care through community mental health centers.

The CMHC program has brought about dramatic improvements in the accessibility, quality, and cost of the Nation's mental health services. This program has been highly successful in documenting the value of providing mental health services in a community setting.

Unfortunately, all segments of the population have not been able to benefit from CMHC's. It is a harsh reality that the group least served by CMHC's has the most mental health problems—the elderly. This ironic situation has occurred, however, more because of gaps in medicare coverage than flaws in the CMHC program.

To date, participation by CMHC's in medicare is very limited. Only those CMHC's operated directly by a hospital are participating fully in the program, free standing CMHC's—85 percent of the total—cannot qualify as providers of care. Additionally, restrictions on mental health coverage under part B mean that reimbursements are not available for more than about 7 to 10 visits per year for each mentally ill medicare beneficiary.

Currently, utilization rates for elderly persons seeking mental health services are extremely low. In the CMHC's, 3.9 percent of patients in 1974 were 65 or over.

The bill I am introducing today i, designed to—

Make outpatient services of qualified community mental health centers more accessible to medicare beneficiaries by establishing CMHC's as providers of care.

Coordinate Federal policy under the CMHC Act and title XVIII so as to insure that these two programs work together for the benefit of the mentally

Provide reimbursement for 10 visits to a CMHC and for additional visits—up to a maximum of 60—following utilization review as to appropriateness and necessity of treatment so that the great majority of patients can receive all the care they need in any year.

The legislation does not, however, expand the types of services which reimbursement is to be made; it simply authorizes reimbursement for these services in a CMHC as well as through a hospital or a private practicing physician.

Under recently enacted CMHC legis-

lation, each center must now establish a specialized program to address the mental health needs of the elderly, and also to provide services to individuals released from an institution or who might otherwise be admitted to an institution. These requirements were written into the law specifically to improve both accessibility and comprehensiveness of CMHC services to the elderly. With this new mandate, CMHC's are expected to more aggressively seek those in need of care.

In many areas, CMHC's are the only accessible source of care and the only alternative for many persons to State mental institutions. The problems of making such services available in rural and other medically underserved areas are particularly acute and the Federal program is meeting this need—two-thirds of federally funded CMHC's provide services to medically underserved populations and 40 percent are in rural areas.

Mr. Speaker, this legislation addresses the dual needs of strengthening medicare coverage and increasing the financial independence of CMHC's as mandated in the Community Mental Health Centers Amendments of 1975.

CMHC's are now eligible for 8 years of declining operational support based upon the estimated deficit in their program. At the end of 8 years, CMHC's are expected to become self-sufficient. But, in fact, as these programs come to the end of their grants, alternative funding is not easy to find.

Medicare reimbursement would insure that the services of CMHC's would continue to be available to the over 65 and disabled population after Federal categorical funds terminate. Medicare could be an important payor itself, yet it also serves as a model for medicaid plans and influences reimbursements from insurance carriers and provider status. Medicare could thus have a major effect on the fiscal viability of the entire CMHC program.

For those CMHC's still on the Federal grant, categorical funds would be reduced dollar-for-dollar by the amount collected from medicare, as well as other third-party payments.

NATIONAL STUDENT GOVERNMENT DAY

HON. CARL D. PERKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1977

Mr. PERKINS. Mr. Speaker, I would like to take this opportunity to acknowledge my support of National Student Government Day, April 5, 1977. As chairman of the Education and Labor Committee in the House of Representatives, I am confronted daily with the complex problems of our Nation's schools. Some of these problems necessitate Federal

action; others are State and local matters. But, I am of the opinion that it takes more that just additional money and legislation to solve these problems and make our educational system one of the highest quality. I feel that it takes interest and action, concern and work, on the part of everyone involved in the education enterprise, including most particularly students.

This is why I would like to commend today our student leaders and all students who are involved in school affairs. Too many people of all ages feel that their efforts cannot change anything and therefore are willing to sit back and criticize the efforts of those who do get involved. I am proud of our young people who do not take this attitude, but who instead realize that active individuals are the basis of our Nation's strength, both in school and in later life.

Some of them may aspire to someday working in government at the local, State, or Federal level. Many of them may become future leaders in a variety of fields. All of them will have had a valuable experience in learning the meaning of citizen contribution.

Again, I would like to express my support for setting aside a day to pay tribute to these young people in student government. They are a true source of strength for our country.

THE SPIRIT OF HELSINKI

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1977

Mr. PEASE. Mr. Speaker, the New York Times yesterday reported that the State Department, after consulting with the AFL-CIO, has denied three Soviet trade unionists visas to attend a long-shoreman's convention in Seattle.

If the press accounts are accurate, then the State Department with this action has undermined the credibility of the American commitment to the Helsinki accords. More importantly, the refusal to grant the visas only serves to undercut the efficacy of our renewed commitment to human rights.

Many efforts have been made in recent weeks to prod the Soviet Union into greater compliance with the provisions of "basket three." Among the recent criticisms directed at the Soviet Government is its failure to allow more travel in and out of Eastern Europe and the Soviet Union. Now this criticism appears hollow as our own State Department, reportedly after consultation with officials of the AFL-CIO, has refused to allow three Soviet trade unionists to visit the west coast for a convention.

In his speech at the United Nations last month, President Carter announced that the administration would take steps to eliminate arbitrary restrictions upon travel to the United States. The action

taken by the State Department contradicts President Carter's pledge. It calls into question the seriousness and sincerity of our human rights pronouncements.

Currently, the administration is seeking to establish a systematic human rights policy that will be coherent and evenhanded. I urge the State Department to reconsider its action and I urge President Carter to follow through on his pledge to lift unnecessary restrictions on travel to the United States.

It is incumbent upon the United States as well as the Soviet Union to abide by the letter and the spirit of the Helsinki accords. Surely, we have enough confidence in ourselves as a people and in our democratic traditions as a nation not to fear the consequences of foreign visitors coming to the United States for a few days. To demonstrate the vitality of our democratic beliefs, we should not arbitrarily refuse entry to any foreigners seeking to visit the United States.

THE CANCER BATTLE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1977

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for April 13, 1977, into the Congressional Record:

THE CANCER BATTLE

Cancer is America's nightmare. Even though heart disease may kill more people, surveys show that 60% of the people fear cancer more than any other disease.

Each year the cancer death toll mounts. Statistics now show that one out of four Americans alive today will be stricken out cancer and that of those stricken, two out of three will die. Although most scientists feel that carcinogens—cancer causing substances—will eventually be controlled and eliminated, they predict that the worst may be yet to come since many, and perhaps most, cancers are a direct result of dangerous substances in the environment.

Six years and millions of dollars ago the nation declared war on cancer. Today the battle rages on, still costing a thousand Americans lives each day. And even though we are spending more and more money, the survival rate from many forms of cancer has improved only slightly over the past twenty years.

Some critics say the national cancer program is a multi-million dollar mess. The record shows few successes and many problems. The lack of coordinated leadership is evident. The regulatory apparatus of the program is reportedly bogged down in uninished business. The single most significant achievement of the cancer program may be the growing recognition that cancer is not essentially a medical problem, but an environmental problem, caused largely by substances in air, water, food and tobacco. Despite this understanding of the problem, cancer research is still aimed primarily at finding an elusive cure rather than identifying and preventing environmental causes.

have properly.

Why can't American know-how, which

created the atomic bomb and took us to the

moon, cure and prevent cancer? It probably

can reduce cancer deaths significantly, but it will take time. Unlike the Manhattan and

Apollo projects where the basic science was

understood and only the complex engineer-

ing had to be developed, in cancer research

the basic science is not understood com-

pletely. Before scientists can cure cancer,

they must learn to identify and better under-

stand cell reproduction. Cancer is the failure

of the cells' regulatory mechanism to be-

its rate of reproduction and divides wildly,

invading normal tissues. These cancerous

cells overproduce and begin to grow over nor-

mal cells which eventually suffocate and die.

To complicate the problem for the scientist, cancer is not one disease. It is more than one

hundred different illnesses that strike the

body in different areas and in different ways.

The cell loses control over

WELFARE REFORM AGAIN

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES Monday, April 18, 1977

Mr. FRASER. Mr. Speaker, planning for the reorganization of our welfare system could benefit from the perspectives of Richard A. Cloward and Frances Fox Pliven. Their analysis of the forces moving the Great Society programs in their book "Regulating the Poor: The Function of Public Welfare" has been widely read and held by many to be an accurate assessment of the social programs of the 1960's.

In the April 11, 1977, New York Times, Cloward and Pliven remind us that the lessons of the 1960's can guide in our current reform planning. Particularly they note that our welfare problems spring from unemployment, not from the welfare system itself. I submit the article for the benefit of my colleagues:

WELFARE REFORM AGAIN

(By Richard A. Cloward and Francis Fox Pliven)

The Aid for Dependent Children rolls have moved up to more than 3.5 million families. Swollen budgets at the state and local levels are thus provoking demands for welfare reform, and President Carter is convening task forces to put the matter before the Congress again. But this period of debate is just as likely as earlier ones to avoid the underlying problem: Persisting unemployment, the main cause of high welfare case loads.

More than likely, the pending debate will focus on alleged abuses of the welfare system, not on the obvious problems in the economic system, with the probable result that the relief system will be "reformed" to make benefits more difficult to obtain by the unemployed.

In the 20th century, the United States economy has falled to provide anything re-sembling enough jobs except during brief intervals of war. One does not have to be a historian to recite the main facts.

World War I generated a boom, but it was followed by severe unemployment throughout the 1920's that reached catastrophic proportions in the Great Depression. World War II restored employment, but a sharp peacetime recession followed in the late 1940's. The Korean War brought unemployment levels down, but the second half of the 1950's was a time of "rolling recessions," which persisted after John F. Kennedy gained office. Toward the end of the 1960's, the Vietnam War again brought unemployment levels down, but only temporarily. We have been in a post-Vietnam recession since 1970 and the prospects are that it will last throughout the decade. Minorities usually are especially

Unemployment benefits help, but not everyone is covered, and the benefits expire. Since welfare is the only longer-term recourse for long-term unemployment, the rolls continue to rise.

Employers benefit from unemployment. High unemployment rates make the entire working class frightened and docile, as evidenced by acquiescence in declining real wages. Economic reforms that would de-prive employers of this weapon in dealings with workers are therefore likely to be fiercely resisted.

If the United States will not provide

enough jobs, that fact ought to be acknowledged. Perhaps then we could face the questions that simple decency dictate. In the absence of work, how are the unemployed to be sustained? How many of the unemployed will be reached by one or another program? And at what levels will they be allowed to

But periods of welfare reform are not periods of simple decency. They are periods in which myths are manufactured to conceal great harshness.

The overriding myth is that welfare destroys the poor. For one thing, welfare is said to destroy the incentive to work. And if welfare grants are so liberal as to come close to the minimum wage, then the presence of a large welfare population is alleged to make the working poor also wonder whether they should work.

These corrosive effects on the work ethic are then invoked to explain why the welfare rolls continue to rise, and are sometimes even invoked to explain unemployment among the underclass.

Another recurrent myth is the view that welfare undermines the family. Men desert wives and children to make them eligible for welfare benefits. And the weakened families that result give rise to a host of "social pathologies" among the young—delinquency, school failure, addiction, civil disorder and a new generation of welfare dependents.

The welfare reformer's portrait of the American welfare underclass is a portrait of a whole sector of the population being led to abandon traditional American values by a too-lax charity.

Well, perhaps so. Who could reasonably argue that allowing able-bodied people to languish on welfare indefinitely is anything but demoralizing? But it is mythical to blame welfare for that demoralization.

Welfare reformers want it both ways. They want to avoid calling for drastic and unpopular changes in the economy that might produce enough jobs to go around, and at the same time they want to curb the ills that follow from prolonged dependency on the

Their method (it was invented centuries ago by the English poor-law commissioners) is to analyze welfare policies and practices to show that the welfare system itself is the cause of demoralization among the poor. Eligibility policies are too lax, grant levels too high, deserting fathers let go scot-free, fraud shrugged off, malingering tolerated.

To reach such a diagnosis is to know the remedy: tighten eligibility, lower grant levels, find the deserting fathers, curb fraud, reward work and punish worklessness. As these myths become full-blown and widely publicized, it may fairly be said that a new period of welfare reform is upon us.

WOLF-CARIBOU INTERACTION STUDY NEEDED IN ALASKA

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES Monday, April 18, 1977

WHITEHURST. Mr. Speaker, some time ago, I requested the Department of the Interior to prepare for me a report on what research might be valuable in Alaska before that State goes forward with its wolf-kill plans. The fol-

Most scientists now agree that many causes of cancer can be eliminated by removing certain substances in the environment. They think that as much as 90 percent of all cancer may be induced by substances in our air, food, water and places of work. Since we live in a chemical world, with approximately 200,000 man-made chemicals in existence and several thousand more being created each year in the form of new pesticides, food additives and industrial chemicals, many scientists believe our attack against cancer should be directed toward eliminating or curbing the use of these substances. Despite all of the problems there is hope.

Steps are being taken to clean up the environment and to eliminate cancer-causing substances from the environment. Last year the Congress approved the Toxic Substances Control Act. This new law requires chemical manufacturers and processors to conduct pre-market tests of substances that may present an unreasonable risk of injury to health or the environment.

Federal funding for cancer research is being rapidly increased. In 1971 federal funds for cancer research totaled \$190 million. Last year's budget was close to \$1 billion, which represented nearly a 500 percent funding increase in six years. Our research efforts are also being redirected. Congress is recommending that the National Cancer Institute spend more money studying nutrition and environmentally induced cancers.

Medical advances are also made. Doctors today have greater optimism for recovery for cancer patients than ever before. When the disease is located and treated early prospects for recovery are better. In addition to the more conventional forms of cancer treatment, such as surgery, radiation and chemotherapy, new technologies are being developed to improve both cancer detection and treatment. It is doubtful, however, that we will find a miracle drug to prevent and cure all cancers. Cancer is simply too complex and caused by too many stimuli to be totally eradicated.

Many things can be done to reduce the risks of cancer but the most important is to recognize that lowering the incidence of cancer will require changes in the American life style. Increased public awareness of proper diets and of the hazards of excessive exposure to sunlight and tobacco smoking. and vigorous action to remove as much as possible, carcinogens from the environment can make a significant dent in our cancer mortality rate. The evidence now is that the tide of battle will turn in the war against cancer when Americans recognize the risks of their life style, and accept the changes that must be made in it.

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lowing letter and proposal are the result of that request, and I believe that they are worth the attention of my colleagues, particularly since they point up the need for legislation such as H.R. 2884 and H.R. 3801.

Implicit in the Department's report, it seems to me, is the fact that studies done so far by the State of Alaska have not addressed themselves to a number of vital questions regarding the effect on the ecosystem of such a major reduction in the number of wolves.

The material follows:

PROPOSAL FOR A COMPREHENSIVE STUDY OF WOLF-CARIBOU RELATIONS IN NORTHWEST-

This proposal was prepared in response to a request from U.S. Congressman G. William Whitehurst for an estimate of time, manpower, and funding necessary to conduct a comprehensive study of the "Alaska wolf problem," defined in associated correspondence and attachments as a study of wolf-caribou relations in northwestern Alas-ka. This area covers 140,000 square miles about the size of Montana.

The Alaska Fish and Game Department (AFGD) has been conducting censuses of caribou and wolves in the region and according to their literature has accumulated sufficient information to institute a management program to restore the recently reduced herd. Therefore, this proposal assures that a much more refined investigation of wolf-caribou interactions is desired. Any thing else would duplicate present AFGD efforts or fall short of them. Such a refined study in an extensive, extremely remote and climatically harsh region will require vast sums of money and considerable manpower. It could be accomplished in three years of field work, with two additional years of data analysis and report preparation.

OBJECTIVES

Caribou

1. To accurately determine the number of caribou and alternate prey species (Dall sheep, moose) in the study area.

2. To determine gross movement patterns of caribou herds and subherds.

3. To determine the health and condition of significant numbers of caribou.

To determine age and sex ratios in the caribou herd.

5. To determine the trend in size of the caribou herd. 6. To determine caribou calf survival rates

and crises of calf mortality.

7. To determine annual productivity and mortality rates of the caribou herd and relative causes of mortality.

Wolves

1. To determine the number, distribution, and movements of wolves in the study area.

To determine the annual productivity

and mortality rates of the wolf population.

3. To determine the health and condition of significant numbers of wolves.

4. To determine the rate of kill of caribou and other prey by wolves.

5. To determine the age, sex, and condition of prey killed by wolves.

Vegetation

- 1. To determine the biomass of vegetation available to wolf prey in the study area.
- 2. To determine the annual increases of available vegetation.
- 3. To determine the nutritional quality of available vegetation.
- 4. To determine the annual consumption of vegetation by caribou and other prey.

Human beings

1. To determine the annual legal and illegal kill of wolf prey species by native and non-native Alaskans in the study area.

- 2. To determine the importance of wolf prey species to the economy and survival of native and non-native Alaskans.
- 3. To suggest alternative sources of income and food acceptable to Alaskans, which could substitute for wolf prey species.

METHODS

- 1. Four intensive study areas of 10,000 square miles each will be sampled for wolf population estimates.
- 2. Ten wolves each year will be captured by darting from helicopters, blood sampled, radio-tagged, and radio-tracked in each region, from as widely spaced areas as possible within each region.
- 3. In November and December, March and April aerial counts of radio-tagged packs will be made in each region each year.
- 4. Dens of each radioed pack will be surveyed for pup production and survival each year.
- 5. Selected packs will be radio-tracked daily from the air in each region for periods up to one week each in summer, fall and winter to determine prey kill rates.
- 6. Caribou will be counted and classified each year as to age and sex by aerial photograph over the entire study area.

7. Large numbers (50-100) caribou from each subherd will be darted from a helicopter each year and aged and blood sampled.

8. Selected numbers of each caribou subherd will be radio-tagged and radio-tracked periodically to monitor movements and distribution of herds.

9. Exclosures and enclosures will be used to assess consumption rates of vegetation by caribou.

10. Aerial and ground observation of radioed caribou herds will help determine wolf predation rates and causes of caribou mor-

11. Annual aerial censuses and sex and age classification of more of Dall sheep herds in the study area will be conducted and some measure of the importance of these prey species to wolves will be obtained.

12. Ground sampling of vegetation in randomly selected plots from throughout the study area will be conducted, and total caribou food biomass and annual increment estimates obtained.

13. Personal interviews, inspection of records, and other sociological methods will be used to determine the importance of caribou to native and non-native Alaskans.

PERSONNEL

Project leader-wildlife research biologist-GS-13-5 years equals 5 persons year. Two wildlife research biologists-GS-12-4

years equals 8 persons year.

Two plant ecologists—6 man/yr each—GS-12-3 years equals 3 persons year. Six biological technicians (6 man/yr) -GS-

-3 years equals 9 persons year. One sociologist-GS-12-1 year equals 1 person year.

One secretary-clerk-GS-7-5 years equals 5 persons year.

Total: 31 persons year.

Personnel	\$670,000
Flying time	1, 355, 000
Travel and per diem	387,000
Blood sampling	45,000
Radio equipment	30,000
Miscellaneous	940, 000

Grand total_____ _ 3, 427, 000

ANNUAL DISTRIBUTION

\$1.075,000/year for first 3 years.

\$101,000/year for last 2 years. Note.—Because of the large amount of money to be spent on fixed-wing aircraft and helicopter time, it probably would be more economical to buy the fixed-wing craft and lease the helicopter, and add 2 pilots to the study full-time for 3 years each.

ABBREVIATED STUDY

1 WRB×5 yr=5 p. year. WRB×3 yr=3 p. year.

 3×4 yr=6 p. year.

1 Pl. Eco. \times 3 yr=3 p. year.

1 Sec. ×5 yr=5 p. year. Total: 22 persons year.

Personnel	\$475,000
Flying time	700,000
Radio equipment	20,000
Blood sampling	25, 000
Travel and per diem	200,000
Miscellaneous	500,000

600,000/vr×3=1.800,000.

Grand total___ $60,000/\text{yr} \times 2 = 120,000.$

RESPECT FOR HUMAN RIGHTS

HON. LARRY WINN. JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES Monday, April 18, 1977

Mr. WINN. Mr. Speaker, in spite of the recent criticism of President Carter's statements on human rights, I would like to bring to the attention of my colleagues a short account of the violation of human liberties suffered by Jewish men and women in the Soviet Union.

Although I have reservations about the results of President Carter's actions due to the failure of the recent SALT negotiations and the few signs that dissidents have actually benefited. I cannot fault his intent. All of us who have a respect for democracy must be for human rights—that is the essence of democracy. My awareness of and personal acquaintances with many fine U.S. citizens of the Jewish faith enable me to understand the difficulty of remaining silent when such wrongs are committed.

The material follows:

JCRB

FOR YOUR INFORMATION

A new and ominous situation is developing in the Soviet Union. This article presents a short summary of the most recent events. For more detailed information, contact the Jewish Community Relations Bureau, 25 E. 12th Street, Kansas City, Mo. 64106 (816)-421-5808.

[From the Kansas City Times, Mar. 17, 1977] BLACKMAIL ALLEGED; ACTIVISTS CALL ON UNITED STATES

(By Thomas Kent)

Moscow.-The Soviet Union's leading dissidents yesterday accused the Kremlin of blackmailing the United States and appealed to President Jimmy Carter not to tone down his human rights campaign.

Andrei D. Sakharov and 20 other dissidents said the arrest Tuesday of a Jewish activist accused of being an American spy was a deliberate provocation by Moscow just two weeks before the visit of Secretary of State Cyrus Vance.

Anatoly Shcharansky, 29, was seized by police 11 days after the Soviet government newspaper Izvestia accused him of being in a spy ring managed by U.S. Embassy officials.

His friends said police told them Shcharansky is suspected of a crime against the state—a category of serious offenses that includes treason, espionage and anti-Soviet agitation.

In a related development, Israeli Foreign Minister Yigal Allon charged that the arrest

of Shcharansky and Soviet press attacks on other Jewish activists were "a new dimension in the persecution of the emigrant activist movement, in fact against all Jews—a grave and worrisome dimension such as we have not known for the last 25 years."

Sakharov and his colleagues made their accusations against the Kremlin at a hastily called meeting with Western reporters. They said that Moscow, while arresting and harassing dissenters, was using the threat of cancelling strategic arms limitation talks in an effort to keep the United States silent on human rights violations.

The Soviet Communist party newspaper Pravda said Sunday that U.S. involvement in Soviet internal affairs could create an atmosphere of mistrust between Moscow and Washington that could hurt arms talks.

"They are saying the United States will not get detente agreements," Sakharov said. "This is pure blackmail.

"The arrest of Shcharansky is an attempt to blackmail the new administration of the U.S.A. in advance of Vance's visit to force it to retreat from its principled position of defense of human rights in the whole world."

The dissidents said Vance should decide by himself if he wants to meet with them during his visit to Moscow. Sakharov said he was not asking for an appointment but believes in talking to everyone who wants to know his views.

The dissidents expressed satisfaction at the release from prison Monday of Mikhail Shtern, 58, a Jewish physician who had been jailed for more than 2½ years in the Ukraine. He was sentenced to jail for bribery, but

He was sentenced to jail for bribery, but dissidents claimed the real reason was to intimidate other Ukrainians who, like Shtern, had applied to emigrate to Israel.

A statement given to reporters by Vladimir Slepak; Alexander Lerner; Ida Nudel; Benjamin Levich; Sakharov's wife, Yelena Bonner, and other Jewish activists claimed recent Soviet actions against Jews "in their basic aspects repeat the scenario of the 'doctors-wreckers' plot in 1952-53".

wreckers' plot in 1952-53."

In that episode, reportedly carried out on Stalin's orders, nine doctors, including several Jews, were seized and accused of plotting against the lives of Soviet leaders. They were alleged to have links with British intelligence and Zionist groups overseas.

"We believe that people are not, in this era, going to permit the rebirth of Stalinist terror and a new tragedy for Jewish, and not only Jewish, people," the statement said.

SUPPORTING STATEMENTS ON MAN-DATORY SENTENCING LEGISLA-TION

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1977

Mr. ANDERSON of California. Mr. Speaker, with each passing day I become more convinced that the time for mandatory sentencing legislation is long overdue. Presently 107 Members of the House of the Congress have joined in cosponsorship of H.R. 1559.

I urge any Member who has not yet cosigned this bill to do so. Our professional law enforcement officials and private citizens write me each day, eager to hear of its passage.

I look to the leadership of our Committee on the Judiciary and hope that consideration of this legislation will be

forthcoming at the earliest possible opportunity.

I include the following:

Los Angeles, Calif., March 30, 1977.

Hon. GLENN M. Anderson, House of Representatives, Washington, D.C.

Dear Congressman Anderson: The serious threat represented by the use of a firearm in the commission of a federal crime merits the heavily penal response embodied by HR 1455: an automatic minimum sentence; a sentence which cannot be suspended, cannot be served concurrently with any term of imprisonment imposed for the commission of the federal crime in which the handgun was used and which cannot be transformed into a probationary sentence.

I am weary of the references to spiraling crime. Of course crime is spiraling. It will continue to spiral unless we become disdainful of half measures and initiate a sure and effective legal response to the illegal use of firearms.

It should be noted, too, that HR 1455 is directed not at those who simply use guns but, rather, at those who abuse them and who thereby jeopardize the rights and lives of innocent citizens.

By virtue, then, of its status as a piece of crime control rather than gun control legislation, HR 1455 does not become vulnerable to the many attacks, emotional or otherwise, levied on legislation falling into the former category.

I strongly urge the passage of HR 1455. Sincerely.

ROSE MATSUI OCHI, Executive Assistant to the Mayor, Director, Criminal Justice Planning.

A Not-for-Profit Corporation Brentwood, N.Y.,

March 21, 1977.

Hon. Glenn M. Anderson,
House of Representatives,
Washington, D.C.

DEAR SIR: Anticipating your forwarding of Support List for H.R. 1559, we have notified all our members to Promote support for this bill.

Again we ask your support as an American Citizen, to parallel our Petition for F.A.R. change, and to enter the Petition in your Extension of remarks.

Thank you for your anticipated coopera-

Sincerely for good government,
ALBERT LUPPO,
Director.

EUREKA, CALIF., March 28, 1977.

Re H.R. 1559. Hon. GLENN M. ANDERSON,

Congress of the United States, House of Renresentatives, Rayburn House Office Building, Walshington, D.C.

DEAR CONGRESSMAN ANDERSON: Please forgive my tardy response to your request for comments on your bill imposing a minimum five year term for illegal use of a firearm in the commission of a federal crime.

It is clear that easy access to firearms has caused grave bodily injury and death time and again in this country. It seems equally obvious that criminals who arm themselves before committing crimes should suffer more severe penalties than other offenders. If we cannot control the sale of firearms we must attempt to control their illegal use. One such method of control would be a severe penalty for use of a firearm in the commission of a crime.

I hope that these comments make it clear that I feel that the illegal use of firearms is a problem of alarming magnitude. Perhaps we have reached that point in our development, as a country, where we can admit that some criminals must be locked up to protect the public. I would say that those who arm themselves to commit crime should be locked up for as long as possible.

up for as long as possible.

Thank you for the opportunity to give you my opinions on this issue.

Wery truly yours,

JOHN E. BUFFINGTON, District Attorney.

Bakersfield, Calif., March 30, 1977.

GLENN M. ANDERSON, Rayburn House Office Building, Washington, D.C.

DEAR GLENN: I certainly concur with the idea that use of a firearm in the commission of a crime should earn a mandatory additional prison sentence, and I believe it would deter persons from using firearms. We have been very tough on armed robbers in our particular County and I believe that partly as a result of this armed robberies have dropped about twenty-five percent.

Very truly yours,

ALBERT M. LEDDY, District Attorney.

HANFORD, CALIF. March 29, 1977.

Re H.R. 1559. GLENN M. ANDERSON, House Office Building, Washington, D.C.

DEAR CONGRESSMAN ANDERSON: In response to your letter regarding H.R. 1559, I have to give you my wholehearted support on this particular bill. I feel that the use of a firearm by anyone committing a felony should receive excess time over other felons committing that crime. However, the courts in California have defined the use of the firearm to be the personal use of a firearm and therefore, I feel that possibly, to cover all bases, there should be an in-between term for those who benefit from the use of a firearm.

The argument I've heard against the additional time for people not actually using a firearm but being benefited by the firearm, is that if they are going to receive the same sentence, they would then be inclined to use a firearm. I feel that this is sort of a weak argument in that if a robbery is going down and one of the two or three persons there use a firearm, all participants in that robbery benefit from its use. If each would be subject to the additional penalty of five years as proposed in your bill, then perhaps none of them would in fact use that firearm. But if an individual could benefit from someone else using a firearm without himself being subject to a higher penalty, then it's worth a chance of having someone armed. The other two may in fact be armed but not have to use the weapon because one is sufficient.

Another problem is in identifying the person who, in fact, used the gun in the commission of a felony. If the People are unable to prove beyond a reasonable doubt as to which individual used the gun on the personal use situation, then no one gets the higher penalty which gives the advantage to the perpetrator of the crime rather than to the victim of society as a whole.

Therefore, I feel that all perpetrators of a crime, when use of a firearm is involved, should have the same type punishment of at least five additional years. However, if that is not possible, then the perpetrators of the crime who did not have the personal use should at least get two and a half years because of the fact that they did in fact benefit from someone else using the firearm. Another alternative would be to increase it to ten

for the personal user and five for the persons who benefit from the use of the firearm.

Thank you for allowing me to give you my comments.

Very truly yours,

JOHN G. O'ROURKE, District Attorney.

STOCKTON, CALIF., March 7, 1977.

Hon. GLENN M. ANDERSON, Member of Congress, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN ANDERSON: This is to acknowledge receipt of your letter to Sheriff Michael N. Canlis dated March 1, 1977 as it relates to his support of H.R. 1559 which provides for minimum mandatory prison sentences for those who commit federal crimes with the use of a firearm.

His support of this bill is one of many examples of his untiring efforts, right up to his untimely passing on February 14, 1977, towards making the communities of this country a safer place in which to live.

Sincerely,

FRANK W. HARTY,

A/Sheriff-Coroner, San Joaquin County.

Palos Verdes Estates, Calif., March 8, 1977.

Hon. GLENN M. ANDERSON, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN ANDERSON: Your statement to the Members of Congress quoted in the Congressional Record of January 19th, that H.R. 1559 is "not gun control but crime control" is most appropriate.

control" is most appropriate.

At a time when it has become necessary to make a fortress out of our homes by extra locks, bars on windows and alarm systems to protect our families and property, is an indication that strong constitutional laws are needed and enforced.

H.R. 1559 is in my opinion, a step in the right direction and I fully support it.

Sincerely,

JOHN E. DOLLARHIDE, Chief of Police.

WHY WE NEED WELFARE REFORM

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1977

Mr. FRASER. Mr. Speaker, the Department of Health, Education, and Welfare recently held a regional hearing in St. Paul on welfare reform. Jerri Sudderth, family advocacy director of the Family and Children's Service in my district of Minneapolis prepared the following statement describing the current system and why it needs reform. I submit her statement as compelling testimony to the havoc our present system causes the poor it intends to serve:

MARCH 24, 1977.

Mr. George Holland, Deputy Regional Director, Health, Education,

and Welfare, Chicago, Ill.

DEAR MR. HOLLAND: As a voluntary agency affiliated with Family Service Association of America, we at Family and Children's Service are constantly aware of the implications of the national welfare system and its impact on the families we assist. In response to the welfare system, as well as other social systems, we began 4 years ago a program of advocacy with and on Behalf of clients. Since

this program's inception the following general problem areas have emerged:

(1) There is a major need for structural reorganization of income maintenance programs so that responsibility for all programs are lodged within one agency. For example, currently AFDC and MA responsibility is separate from SSI and Food Stamps. Recognizing that Secretary Califano's proposed reorganization for income maintenance programs within the Social Security Administration is a positive step, we contend that this is not comprehensive enough.

First, from our experience in working with SSI recipients, we believe the bureaucratic structure of the Social Security Administration has shown itself more concerned about merit of claims rather than need. Its frame of reference is not human service-oriented. We question whether this is the appropriate agency for administering a series of programs aimed at alleviating financial need.

Moreover, a reorganization of HEW cannot affect the USDA Food Stamp or the supplemental WIC (Women, Infants and Children) Program, yet these programs are vital to income maintenance recipients if they are to provide themselves and their families nutritionally adequate diets on meager subsistence grants.

We see the need for a single intake procedure for all financially related services so that clients' are not shuffled about between agencies, filling out myraid forms only to learn that it is a different program in a separate agency for which they might be eligible. The CETA programs and the HUD rent subsidy programs also are outside the sphere of HEW, yet they are necessary for many of our low income clients.

In many instances, we are in the position of trying to aid clients who need help from numerous directions. Work with battered women, for example, may entail referrals to several different agencies: AFDC, Food Stamps, CETA, Child Care Agencies, the Housing Authority, as well as local resources such as the police and legal services. If those of us who supposedly understand the inter-relationships of these HEW, USDA, and HUD programs are frequently confused and frustrated by conflicting policies and the gaps between them, how then can we expect a client, particularly in times of great stress, to find her way through bureaucratic mazes in order to get desperately needed assistance?

2) We are concerned by the human toll that the current programs exact. Since income maintenance programs tend to be predicated on abject poverty as a requirement for service, families must suffer before gaining assistance. Three current examples come to mind:

a. A young couple with one small child is currently being seen by our agency staff. After intensive marital counselling, the couple has decided that separation and divorce is the healthiest solution for them. The husband has just found a job after extended unemployment. That job, however, does not provide enough compensation so that he can support 2 households and still maintain a lifestyle reasonably consistent with what he, his wife, and child need and desire. What was a rational, well-thought-out decision is becoming emotional turmoil for this family. He earns too much income for the wife and child to qualify for AFDC unless he refuses to support them. Yet he can't provide for them without help.

b. Last September, a 72-year old retired man was referred to us from a legal services agency. His 80-year old wife, confined to a nursing home by a chronic geriatric condition, had been told that the only way she would qualify for medical assistance were if if they divorced or if he continued to spend their joint savings until no more than \$1,000 remained. At the time she entered the nurs-

ing home, their savings amounted to approximately \$20,000. In six months, he paid over \$8,000 plus Medicare coverage for her care. Faced with the continuing medical needs of both of them, he began neglecting his own health. He could face neither the possibility of divorce from a woman to whom he had been married nearly 50 years nor the possibility of spending everything they had worked and saved for years so that only \$1,000 remained. From his perspective, they had played by the rules: worked hard and saved their money. Now they were told that the rules had changed. Spend it all, give up any feelings of independence, live on \$272 a month, and then, and only then, the state and county would pay for their medical care. Despite our continued efforts, the man's physical and emotional health continued to deteriorate. His leg had to be amputed and he was placed in the same nursing home as his wife. He delegated to his brother management of his financial affairs and gave up all desire to live. Two weeks later he died. Cause of death was listed officially as a coronary attack, though it was clear to all concerned that he died as a result of a system which said his values were less important than financial savings to the state.

c. A 28-year old quadriplegic, injured as a result of a diving accident 8 years ago, is working with agency advocacy staff. At the time of the accident he was married with an infant daughter. His young wife tried to maintain the family by working. However, she was unable to earn enough to provide for her husband's extensive medical and attendant care needs. Unfortunately, earned too much to allow the family to qualify for any kind of public assistance. The husband wanted to continue his education, but there was no way for him to do so unless his wife gave up her job to care for him. And her career was important to her. Their solution was the only available one: they divorced. He now lives in a nursing home and his wife and child live in a distant town. Their hope is that, when he has finished his college work, the two of them will earn enough that they can afford to be reunited as a family. Rather than assisting a family in need, our welfare policies caused the disintegration of a family unit, probably at a higher financial cost than would have been necessary to help the family.

3) Current conflicting eligibility requirements for various income maintenance programs mitigate against provision of adequate humane service for clients. Many of these requirements are lodged in state legislation, yet they must be considered in any attempt at welfare reform. Real and personal property limits vary between programs. Net income standards vary, as do the methods prescribed for figuring such income. Disregarded income, as incentive toward self-support, also varies between programs. In many instances it is too low to be useful, as is the case with the retarded who are working in sheltered workshops while being trained for independent living. How can they possibly learn to care for themselves when they only are allowed to retain \$50 per month of their earnings.

We also urge the elimination of the work requirements for AFDC-recipients. Instead, we suggest that emphasis be placed on quality service, training, and job placement for those who desire to work. (See attached article by Prof. Esther Wattenberg for a more complete explanation of our concerns).

4) With the social service component of HEW, we are most concerned about allocation of Title XX dollars. For the last 18 months, our agency, in coalition with many other social service agencies and consumer groups, has worked to inject real community input into the local planning area's Title XX process. The prevailing feeling in our county seems to be that the views of citizens and

providers would only muddy the county's internal allocation process. No one appears willing to look at existing services to ascertain if these are effective in meeting needs. Nor does anyone want to talk about new, innovative programs. Instead, Hennepin County seems to be locked into supporting existing services. The needs seen by providers and recipients of services have rarely, if ever, been considered. If we as an agency are frustrated, it is only because we naively believe in the objectives of the Title XX program. We believe that self-support and self-sufficiency are valid as goals for social services. However, the ceiling on the dollar amounts allocated to states for funding human service programs are inadequate. The state and county tend to use this ceiling as their excuse for not facilitating community input. That luck, happen-stance, and political lobbying play such major roles in the allocation process is unconscionable.

CONCLUSION

Summarizing these concerns tends to lead one to wish for scrapping all the programs and starting over! While this may not be a totally responsible approach, there may be some merit to such an approach.

Two possibilities emerge. The first is a comprehensive program guaranteeing an annual income to all families or individuals. Recognizing that some individuals would still need special help, additional supplemental programs would still need to be established to provide, for example, home care services or job training.

A second alternative, and probably a more viable one, would be a real consolidation of all programs impacting family income stability and security. Programs now the responsibility of the Department of Labor, HUD, Agriculture, and HEW, as well as other appropriate ones, could be lodged in one governmental department. Such a reorganization would enhance service provision to clients and reduce confusion and gaps in service. Service to clients, positive service toward self-sufficiency, must be upheld as the objective in all meaningful welfare reform efforts, efforts which must culminate in a consistent policy which helps individuals and families rather than creating more confusion, turmoil, and pain. Sincerely.

JERRI SUDDERTH, Family Advocacy Director.

U.S. BREEDER REACTOR POLICY

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1977

Mr. TEAGUE. Mr. Speaker, the liquid metal breeder reactor offers a long-term technology for expanding our uranium supplies almost without end. However, commercial use of the breeder has implications for nuclear weapons proliferation and worldwide terrorism. The following statement by the Atomic Industrial Forum on U.S. Breeder Reactor Policy outlines what a choice for developing the breeder will mean to the country:

U.S. BREEDER REACTOR POLICY INTRODUCTION

U.S. energy policy must deal with two distinct time frames for which solution to our problems are needed: (1) the near future, when our heavy reliance on oil and gas can be reduced by increasing the efficiency of our usage and substituting existing alternative sources of energy, and (2) the longer range

future in which we can utilize more energyefficient buildings and facilities, and bring
on line new energy sources to replace our
diminishing fossil fuels. The near term solutions for the few years remaining in this
century—conservation and increased use of
coal and light water reactors—will not be
sufficient for the 21st century.

Our immediate energy problems, as demonstrated by the economic effects of our most severe winter in recent years, are indeed serious and must be addressed at once. We urge that they not be allowed to obscure the equally pressing and even more serious energy problems, caused by a combination of disappearing oil and gas and undeveloped alternative sources, that threaten our national strength and economy.

al strength and economy.

U.S. production of oil has declined since 1970, and we are now importing over 40% of our oil. Natural gas is disappearing even more quickly and cannot be counted on as an assured fuel for industrial uses beyond the mid-1980's. Coal is abundant based on the present consumption level, but there are practical limitations on expanding its use.

Though there are several developing technologies that we hope will be able to carry some of the load—more efficient transportation systems, solar home heating, coal gasification—the United States in 1977 can look with confidence to only one unused fuel source that will be technologically available, economically sound and environmentally acceptable to provide further power for our economy beyond the 1990's. This fuel source is depleted uranium-238, already in stockpile, which can be transformed into a usable fuel, plutonium, by the breeder reactor. Accordingly, it is imperative that the breeder, as a vitally important energy technology, be developed by the United States and made available for large-scale use.

BACKGROUND

The breeder-a reactor which creates more fuel, by transforming uranium-238 into fissionable plutonium, than it uses—is not a new concept. The first electricity ever generated by a nuclear reactor occurred at an early government experimental breeder Idaho in 1951. Even earlier, when the chain reaction concept was first being demonstrated by Enrico Fermi's team of scientists in 1942, these pioneers recognized the concept of "breeding" for an essentially limitless supply of fuel. In addition to the Experimental Breeder Reactor I, the EBR-II been generating electric power for more than 10 years, and Fermi I, prior to its decommissioning in 1972, was the largest operating fast breeder reactor for many years, contributing significantly to breeder technology. The Fast Flux Test Facility, currently 75% complete, will further U.S. knowledge of breeder reactor operations and materials.

The fact that the breeder can extract about 60 times as much energy from uranium as the light water reactor is a compelling reason to push forward on a priority basis a breeder program. The present stockpile of U-238 (which cannot be utilized in light water reactors) would provide, according to ERDA, nearly as much energy as would be available from our recoverable coal reserves. This energy source could contribute significantly to stable and reasonable energy costs.

Other industrialized nations recognize the need for the breeder reactor. Great Britain, France and the Soviet Union now operate prototype breeders, and the technology is well developed in Germany and Japan. These nations realize the breeder is vital to overcoming the economic threat of diminishing oil and gas supplies. The technical advances overseas have value in terms of providing an additional industrial and technology base. Successful importation of foreign technology, though, still requires an industrial base in the United States, and would not eliminate the need for a strong domestic program.

There are developments and experiences in these countries that we can profit from, only if our programs are on a par with theirs. Nevertheless, prudent planners in our country should seriously consider any significant progress made abroad.

ENERGY, THE ECONOMY AND ELECTRIC POWER GROWTH

High unemployment and poverty-level living conditions of many Americans are national problems, the solutions to which are related to energy supply. Only through an adequate supply of energy can we achieve an expanding economy, which will provide the jobs and improved economic conditions of many groups in our society. If these truly are our national goals, assuring an adequate, economic energy supply must be as well.

There is a direct correlation between energy, electricity, and the economy. For example, over the past 20 years, the increase in electrical power demand has led by about 3% per year the increase in the gross national product. The availability of abundant energy has allowed the improvement in economic productivity per worker, which has contributed to economic strength.

There are many reasons for expecting an increase in the future demand for energy. Fifteen million new homes will be needed in the next 10 years to house people who are in school today. Even if the unemployment level is 5%, by 1985 we must create 16 million new jobs. Millions of additional jobs will be needed to reduce unemployment to a more acceptable level. Much of the additional energy in the future to support expanded industry will be distributed in the form of electricity.

Electric power demand, after a three-year slump because of the economic recession and conservation measures, increased in 1976 by 6.3%. Even with continuing significant conservation and energy efficiency programs, most experts believe that U.S. electric power demand will continue to increase some 5 6% a year for the foreseeable future. This increase will reflect both a shift from the direct utilization of oil and gas to electricity, and a steady growth in GNP. The shift to electricity in some parts of the country has been accelerated because of the limited availability and high cost of fossil fuels and heavy public pressure to eliminate pollutants at the point of end use. This growth rate, modest by recent historical experience, will necessitate an electric system in the U.S. by the year 2000 that has about three times the capacity of our system today.

Prudent projections of total energy needs indicate that the U.S. level of consumption in the year 2000 may reach some 150 Quads (1015 BTUs), slightly more than twice the current demand. Though electricity represents only 29% of our energy use today, it must increase to about 50% by the end of the century to compensate for declining oil and gas reserves. That increase in electrical demand in a relatively short period will be difficult to meet with the two existing fuels, coal and uranium. Light water reactors are limited ultimately by quantities of uranium-235. And coal, even doubling from about 650 million to 1.3 billion tons per year, would not provide more than one-third of our national electric generating capacity. The National Academy of Engineering points out that such a doubling would require 420 new two-million ton per year surface and under-ground mines; 125,000 additional coal miners; and 130 new rail-barge systems of up to 1200 miles in length.

Though coal and light water reactors will be crucial parts of our future energy supply, they cannot by themselves replace our diminishing world supply of oil and gas and, over the long run, allow for continued economic advancement. The only technology now ready for demonstration as a new, viable commercial energy source to supplement these two is the breeder reactor.

The U.S. government, together with the electric power industry, is well along with the design and licensing of the 380-megawatt Clinch River Breeder Reactor demonstration plan (CRBR), which will supply the TVA system in Tennessee. Its operation, currently scheduled for 1984, will demonstrate environmental acceptability, as well as operating characteristics of LMFBR power plants on a utility system. It will provide a basis for design and licensing of ture commercial breeders in the United States.

The LMFBR technology has been proven and is therefore the focus of our national program because of our greater knowledge and experience on this type of breeder. Other breeder concepts which may use abundant thorium as the breeding material, such as the thermal light water breeder reactor and molten salt breeder reactor, also have high potential as energy sources for the future and should be developed as appropriate. The gas cooled fast reactor approach (GCFR) with the potential to use either U-238 or thorium is already being enthusiastically supported by a significant number of utilities which have organized to coordinate and assist in GCFR design and development with the objective of building a demonstration plant. Nevertheless, it is emphasized that these other concepts do not alter the pressing need to pursue vigorously the present LMFBR program. Through this program the nation can be provided with a significant contribution to our energy supply from the

breeder reactor at the earliest possible time.
The Clinch River plant will demonstrate
the technology on a utility system. The
foundation for future industrial expansion will follow from the scaled-up Prototype Large Breeder Reactor (PLBR) and the re-quired supporting fuel cycle facilities. The overall objective of the national program should be to build a broad industry base to support wide scale application of breeder technology to meet the nation's energy needs.

The PLBR power plant is scheduled for service in the late 1980s. This schedule may be difficult to achieve unless it is given greater priority. This should be considered dur-ing the LMFBR program reappraisal called for by President Carter.

THE PLUTONIUM FUEL CYCLE

As part of our breeder program, all supporting fuel cycle technologies must be developed, including fuel fabrication, reprocessing and radioactive waste disposal. These technologies must be given more attention early in the development process if they are not to become the limiting factors in

the breeder development program.

The most critical area that must be resolved soon is the uncertainty about fuel reprocessing, which would allow the recycling of unused uranium and plutonium from "spent" fuel rods. Without reprocessing, the breeder program will be incomplete. The principal obstacle facing reprocessing today is the lack of a clear government policy on its acceptability. We urge that these uncertainties be resolved quickly so that an increased experience base in this technology can be achieved in parallel with the development of the breeder reactors.

SAFETY RELATED ISSUES

Much of the debate over the development of the breeder reactor has hinged on such issues as plant safety, waste management, the handling of plutonium and the possibility of weapons proliferation.

None of these represents a valid reason to slow our national breeder development program. Assuring safety of breeder reactors is straightforward engineering assignment and can be readily achieved. The handling of breeder wastes will be no different from the handling of wastes from military and commercial light water reactor programs and can be accomplished through ongoing ERDA waste programs. The handling of plutonium for the breeder technology is similar to that for reprocessed light water reactor fuel. In terms of toxicity or general health effects, plutonium is no more diffi-cult to handle than many chemicals, gases and other substances that government and industry now handle routinely. Moreover it has been successfully handled for over 30 vears.

The safeguarding of plutonium to prevent its diversion is a consideration in both the breeder fuel cycle and in the light-water fuel cycle. Experience with nuclear materials over the past 30 years has shown that they can be adequately protected. If additional costs are required for still more stringent protection procedures, they will be small compared with the massive benefits that the breeder would bring to our econ-

Concern has been expressed that a U.S. breeder program would encourage other countries to develop a "plutonium economy" and facilitate their production of nuclear weapons. We consider this a misreading of international economics. It is clear that most of the developed world also sees the necessity of shifting from oil and gas to electricity, fueled by coal and uranium. Recognizing the increasing cost and finite supplies of both, several other countries are well on their way to full scale development of the breeder, including England, France, the Soviet Union, Germany and Japan. Termination of the U.S. breeder reactor program would have little effect on the efforts of other nations to develop their own plutonium economy.

We probably shall force other countries to

develop the full range of indigenous nuclear fuel capabilities if the United States and other supplier countries outbid the rest of the world for the finite supply of oil and gas, and simultaneously stop providing nu-clear fuel cycle services. If, after consuming most of the world's fossil fuels, the industrialized countries do not develop another abundant energy source, like uranium-238, the split between "have" and "have-not" nations will be aggravated with all the economic ramifications and consequent instability that implies.

For the United States to maintain the maximum amount of influence within the inernational nuclear community, it must be a major supplier of reactors and associated fuel cycle services. Otherwise, we shall have little influence over the nuclear export policies of other supplier countries and no viable alternatives to offer user nations.

CONCLUSIONS AND RECOMMENDATIONS

We believe it is strongly in the national interest for the United States to press forward with the development of breeder reactors. It represents the only longer range energy technology that offers the potential to provide a significant share of the nation's future energy needs and we feel it will be needed by the end of the century. We note that the development cost of even a few billion dollars is about the same as our present monthly expenditure for imported oil.

The development and commercialization of fuel cycle supporting technology could become the controlling factor in breeder in-dustrialization because it lags behind reactor development. The nation must act quickly to resolve the roadblocks that inhibit the development of these technologies.

Therefore, we recommend:

Prompt completion and operation of the Clinch River Breeder Reactor (CRBR) to demonstrate the technology. Reappraisal of what is needed for the next

step after the CRBR and, in particular, the

government/industry relationships neces-

Special attention to the development of fuel cycle services for breeder reactors. This includes early positive government decisions on reprocessing and other technologies needed to support the national breeder program, including implementation of timely demonstration programs.

Top priority be given to the breeder reactor in our energy development program.

BREEDER POLICY COMMITTEE

Chairman: W. Kenneth Davis, Vice President—Thermal Power Bechtel Power Corp.
Secretary: Howard J. Larson, Vice Presi-

dent, Atomic Industrial Forum, Inc. Members:

John Adams, President, Byron Jackson Pump Division, Borg-Warner Corp.

Wallace B. Behnke, Jr., Executive Vice President, Commonwealth Edison Co. Perry G. Brittain, President, Texas Utilities

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Ralph M. Davis, Chairman of the Board, Puget Sound Power and Light Co.

Herman M. Dieckamp, President, General Public Utilities Corp., Inc.

Joseph R. Dietrich, Chief Scientist, Com-bustion Engineering, Inc. James L. Everett, III, President, Philadel-

phia Electric Co.

I. M. Favret, Vice President, Nuclear Divisions, Babcock & Wilcox Co.

William R. Gould, Executive Vice Presi-

dent, Southern California Edison Co. Kenneth W. Hamming, Senior Partner, Sargent & Lundy.

George W. Hardigg, General Manager, Ad-Reactors Division, Westinghouse Electric Corp.

The Honorable Chet Holifield Former Member, United States Congress.

Samuel F. Iacobellis, President, Atomics International Division, Rockwell International. William J. L. Kennedy, Vice President,

Stone & Webster Engineering Corp. Milton Levenson, Division Director, Nu-clear Power Division, Electric Power Research Institute.

Walter J. McCarthy, Executive Vice President, Operations, Detroit Edison Co.

Leonard F. C. Reichle, Senior Vice President, Ebasco Services Inc.

Dr. Robert B. Richards, General Manager, Fast Breeder Reactor Department, General Electric Co.

Dr. Corwin Rickard, Vice President, General Atomic Co.

Louis H. Roddis, Jr., Consulting Engineer. Harold E. Vann, Vice President, Power, United Engineers & Constructors, Inc. Godwin Williams, Manager of Power, Ten-

nessee Valley Authority.

HUMAN RIGHTS IN THE SOVIET UNION

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Monday, April 18, 1977

Mr. DERWINSKI. Mr. Speaker, the subject of human rights in the Soviet Union will remain a major international issue. I direct the attention of the Members to an article appearing in the March 29 Christian Science Monitor by Joseph C. Harsch, a distinguished international columnist. Mr. Harsch emphasizes the sensitivity of the Kremlin to the nationalistic aspirations of non-Russian peoples within the U.S.S.R. I heartily

commend the article to the Members:

MR. BREZHNEV IS SENSITIVE-WITH REASON (By Joseph C. Harsch)

President Carter's talk about "human rights" has obviously caused pain in Moscow. Leonid Brezhnev does not like it. He has talked back in sharp terms. He has more reason than most persons living west of the river Elbe perhaps realize.

The reason, to quote the London Economist, is that:

"Even now, the Russians are on the verge of becoming a minority in the Soviet Union: the other peoples, combined, will overtake

them any time now."

When Mr. Carter talks about "human rights" violations in the Soviet Union he and most of his Western listeners have in mind primarily some 2.5 million Jews in a total Soviet population which is estimated to be today about 275 million. But the Jews are the second smallest of the many non-Russian ethnic groups who inhabit the Soviet Union. The smallest group are the Tadzhiks at 2.1 million.

Mr. Brezhnev has to worry about a great deal of dissatisfaction among groups of people far more numerous than the Jews. If they were the only dissatisfied people in Mr. Brezhnev's empire he would have relatively little to worry about. The trouble is their complaints can tend to become contagious, and any concessions made to them can give ideas to a lot of other people.

Probably the amount of dissatisfaction inside the Soviet Union tends to be exaggerated outside. And even if the Russians by themselves become a minority of the total, there are two other Slavic groups, the Ukrainians at over 40 million and the Byel-orussians at about 10 million, who make up a substantial Slavic majority. Taken together the three Slavic groups come to something over 180 million out of the total of

probably 275 million.

So the time is certainly not in sight when the Slavs will be outnumbered in the Soviet Union. But there are something near a hundred million non-Slavs who cling to their own cultures and their own religions and who dominate the areas in which they live. Russians are a majority of the population only in Great Russia itself. Everywere else the dominant element is the Moldavian, the Lithuanian, the Uzbek-or whatever it may be. And in all of these other non-Russian areas most of the top jobs are still in the hands of members of the Russian minority.

There are grievances in Mr. Brezhnev's empire. The Jews are among the aggrieved, but are a small minority of those aggrieved. Lithuanians, Latvians, and Estonians together number perhaps about five million. Their religion is Christian. They have been subjected to a heavy and relentless Russification program ever since they were resubjugated by the Russians in 1945. They would like to get out from under Moscow's oppressive hand.

Much more numerous are the Muslim peoples of Central Asia numbering somewhere around 40 million.

These Muslims have the highest birth rate in the Soviet Union. They were subjected to Russian rule recently-much of it within a little over a hundred years. The big Russian push into the Muslim areas of Central Asia began in about 1840 and ended by about 1890. The peoples of these lands remember their own rich historic record. Their ancestors once ruled over huge empires of their own. They have grievances.

The melting pot has worked imperfectly in the United States, but Americans compared to Soviets are homogeneous. There is no single group of persons inside the United States who would leave it if they could, or set up a separatist state. True, the people of Nantucket, Martha's Vineyard, and the Elizabeth Islands are currently talking of seceding from the Commonwealth of Massachusetts. But this has more to do with next summer's tourist season than with serious politics. And even as a game the islanders are not talking about independence from the United States. There is no serious unsatisfied nationalism or urge to separatism inside the United States. Hence it is difficult for Americans to appreciate how different things are in the Soviet Union.

The Soviet Union is not monolithic. It is not homogeneous. It is an empire in which the members of the largest ethnic group, the Great Russians, dominate a number smaller ethnic groups. The best is for the Russians.

Is there potential disintegration in this

No one is sure of the answer. In Moscow they dismiss the idea as the wild dream of their enemies. But they also are quick to trample on the slightest sign of national-istic dissidence in any part of their empire. And they cannot regard as friendly any remark by a President of the United States which might have the effect of stirring up unrest among any of the various nationalities.

Mr. Carter insists that there is no linkage between his concern for human rights and his interest in doing business with the Soviets about such things as weapons and trade. But it is difficult for the men in Moscow to regard what has been said already as being anything less than an assault upon the integrity of the Soviet state. It seems highly doubtful that much progress will be made in Soviet-American relations so long as the men of Moscow feel that Mr. Carter whether intentionally or not is giving them serious trouble at home. They are vulnerable.

OPEC AND OUR PETROLEUM POLICY

HON. J. KENNETH ROBINSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1977

Mr. ROBINSON. Mr. Speaker, in undertaking to meet the challenge of developing a realistic national energy policy, it is esential that we recognize the complexity of the problem. Economics and foreign policy are intertwined, for example, in the petroleum aspect of policy development.

In this connection, I invite the attention of the House to an article by Prof. S. Fred Singer of the department of environmental sciences of the University of Virginia which appeared in the Wall Street Journal on February 18, 1977. Dr. Singer is a former Deputy Assistant Secretary of the Interior and also served as a Deputy Assistant Administrator of the Environmental Protection Agency.

The article follows:

[From the Wall Street Journal, Feb. 18, 1977]

THE MANY MYTHS ABOUT OPEC (By S. Fred Singer)

After ignoring the Organization of Petroleum Exporting Countries for more than a decade, the oil-consuming nations have be-come abruptly aware of OPEC's existence. Unfortunately, however, our thinking about it is based on some ridiculous misconceptions. I cite some of the most currently popular ones:

(1) OPEC will collapse immediately-or at least soon after the breakup of the major oil companies that are holding the cartel together. This mythical view is held by those who remember four years ago when the oil companies still owned concessions and decided how much to produce.

(2) OPEC can and will raise the price of oil with impunity, unless we make political concessions to the Arabs or to the Third World. This is the view held by a gaggle of oil company executives and by a pride of State Department Arabists. It is also the considered opinion of those who are seeking government subsidies for expensive new energy sources.

(3) The perennial optimists hold that the recent split between Saudi Arabia and the Emirates (who raised prices 5%) rest of OPEC (who raised them 10%) destroy the cartel's cohesion and lead to its

early demise.

(4) The pessimists believe that the Arab members of OPEC can successfully embargo oil shipments to the U.S.

Any attempt to behave according to these views will cost us dearly, financially or politically. Remember such grand misconceptions of 1974 as: (a) OPEC will drop the price of oil so as to discourage investments in alternate energy sources; or (b) OPEC will shift its bank deposits from country to country and cause a breakdown of the world financial system?

There is no danger of OPEC deliberately dropping its price. And if banks go broke, it will not be because of Arabs shifting deposits around, but because of the poor quality loans being made to Third World countries and

increasingly to the Eastern bloc.

(5) But the real whopper is this: We must sell goods and arms to OPEC, especially to the Arabs, who have the largest oil income, otherwise we will be piling up a huge trade deficit. This viewpoint is assiduously nurtured by those who have something to sell to the Arabs. There is nothing wrong with a trade deficit between OPEC and the oil-consuming countries.

RETHINK THE OPEC IMAGE

Part of the difficulty of thinking clearly about OPEC probably has to do with its popular image. We would be much better off if we could think of them as Texans disguised in white robes, who want air-conditioned Cadillacs at home and their children in expensive colleges. Once we understand that their main objective is money, and that each country wants to maximize its take, then the behavior of OPEC appears quite rational.

Let's examine these misconceptions:

When people say the OPEC cartel will collapse, they usually mean the price will go down to some competitive level. But where? Production costs range from as low as 10 cents a marginal barrel on the Arabian peninsula up to perhaps \$10 for some U.S. wells. Even if production costs were uniformly low. the price level would still reflect the prospective exhaustion of oil. The best guess is that it would be in the neighborhood of \$5 to \$7 a barrel, roughly half of what it is now.

But as things stand the world price will not collapse with or without the multinational oil companies in the middle. The key is the excess production capacity ("overhang")—the difference between production capacity and actual production (which of

course equals consumption).

For example, in June 1976, OPEC overhang was reasonably small, on the order of 21%. OPEC production was around 30 million barrels per day while capacity was about 38 mbd. Members of the cartel, especially the sparsely settled countries of the Arabian peninsula with large reserves and little financial need, were willing to cut back production in order to keep the cartel price at the desired level.

If the oil companies were removed from their traditional positions of access, noth-ing much would change after a certain adjustment period. If they were broken up into separate producing, refining and marketing companies, the consumer price might even go up. The cartel does not allocate to each member a certain production quota, and production quotas are not set or enforced by the major oil companies. The Arab production cutbacks of 1973, especially the Saudi production increase following the OPEC price split of December 1976, show that the producing countries are making the fundamental decisions.

OPEC cannot raise prices indefinitely without causing a great deal of damage, including to itself. If the price rises, world consumption will drop and supply will gradually increase. In order to match production and consumption-supply and mand—the Saudis would have to reduce production and be willing to drop to a very low level indeed, thus reducing their annual income. They may not be as willing to do this now as they were, say, two years ago. Their current budget requirements have risen, and they would lose income in the long run as the world develops alternatives to high-priced oil. A straw in the wind Saudi-Aramco agreement which the set a minimum level to Saudi production of 6 mbd-compared to a June 1976 production of 8.5 mbd and a production capacity of 11.5 mbd.

(We can figure that a 10% price rise would reduce world demand, currently 57 mbd, by about 2.5% and raise supply by about 2%. If Saudi Arabia absorbs all of the cutbacks, namely 4.5% of 57 mbd, or 2.5 mbd, then this would place it just at the minimum production level of 6 mbd.)

An alternative method of raising the price would be if each country were willing to share a production cutback. But that is an unstable situation, as Professor Adelman of MIT has pointed out time and again. There would be a strong temptation to cheat, again dropping the effective price to the point where Saudi Arabia and the rest of the cartel core absorb all the production cutback.

The split in the price increase caught many people by surprise, but it only emphasizes the fundamental difference about prices which has existed since 1973. The real surprise was that Kuwait and Libya did not join Saudi Arabia, probably for political reasons. Of course Saudi Arabia was denounced by Iran as a tool of imperialism, and of course it replied that it took the action in order to obtain political concessions from the U.S., including pressure on Israel.

But it is in Saudi Arabia's economic self-interest to keep the price from rising rapidly. As the king-pin of the cartel core and a prudent monopolist, it adjusts production in order to set the price to maximize long-term income. Its optimum price pattern has been calculated by the MIT World Oil Project and shows a price rise slightly less than the rate of inflation for the next 10 years, followed by a more rapid rise. This explanation corresponds to Saudi Arabia's general behavior pattern over the last several years.

NO CONFESSION LIKELY

Since it would not do for the Saudis to admit that they are pursuing economic self-interest, they attempt to appear altruistic and conciliatory. It is encouraging that President Carter hasn't gone overboard in praising them. After all they could, if they wished, reduce the price of world oil by simply increasing production.

The Arabs cannot successfully embargo the U.S. There can be short-term interruptions and dislocations, even terrorist sabotage. But these would be taken care of by the normal reserves maintained by oil companies and by the strategic stockpile being set up by Washington, which will allow time for the making the necessary adjustments.

On the other hand, if the Arabs cut pro-

duction generally, then the embargo becomes world-wide and the U.S. would less likely be hurt than Western Europe and Japan, and certainly less than the LDC's and East Europe. The point is that a selective embargo of the U.S. is not feasible, and a general world-wide embargo politically unpalatable.

Since 1973, Arab oil producers have collected some \$200 billion and have invested or committed this money in industrialized countries, much of it in the U.S. It would be painful to rupture relations and risk having their assets frozen. Meanwhile the Arabs by investing in the West displace our own capital that can be used for other investments, thus creating more jobs.

Having said all this, perhaps I should point out what we should not do to OPEC. We should not threaten—neither a counterembargo nor military intervention. Nor is moral outrage credible, in the absence of international antitrust law. We might as well acknowledge existence of the cartel, but we

should not act to keep it in power.

What we should do is work hard on increasing the production overhang. We should rapidly develop oil production throughout the world, but preferably in the U.S., and we should substitute other fuels for oil. Above all, we should practice energy conservation. But conservation is difficult to achieve, largely because the cost of energy to consumers is still subsidized by legislation. In this respect Congress has acted as OPEC's best friend.

CONGRESSMAN MO UDALL DE-PLORES THE DISAPPEARANCE OF INDEPENDENTLY OWNED NEWS-PAPERS

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1977

Mr. KASTENMEIER. Mr. Speaker, our distinguished colleague from Arizona, Mo UDALL, addressed the National Press Club on April 5.

In his speech, Mo Udall constantly referred to a single theme, competition, or the lack of it, in American economic life. He discussed the growing trend toward economic concentration and the absence of competition in our economy which is undercutting the very foundations of our free enterprise system. In particular, Congressman Udall spoke about the increased concentration of ownership of our daily newspapers.

Mr. Speaker, I commend Mo UDALL for raising the issue of the disappearance of the independent daily publisher and for his effort to increase the public awareness to the disturbing implications this development has for the local community and American society. I urge my colleagues to read Mo UDALL'S speech to the Press Club:

NO ENERGY IN THE EAST—NO WATER IN THE WEST. HOW DID IT HAPPEN?

(By Rep. Morris K. Udall)

INTRODUCTION

The Winter of 1977 is over for most Americans, and with Spring our thoughts turn to the future. But this Winter will remain in our memories a long time. A giant shift in the global storm track struck the East with the fiercest winter on record. The human suffering, the closed schools and factories, the

10-foot snowdrifts, the blizzards that closed down great cities—these are things we will not soon forget. And another thing we learned, and should not forget, is that our cleanest, best fuel, natural gas, is running out.

And out West, in nature's contrary way, that same great weather shift brought dry winds that biew dust over ruined wheatfields. Reservoirs were drawn down to record lows by a second year of severe drought. And in some of our western cities, people are getting a graphic lesson in the importance of water, as rationing forces changes in the way they live.

I want to talk about these things today. And I don't want to stretch my metaphors too far, but I'll also be talking about another kind of wind that blows no one no good—the gale of economic concentration that is blowing out independent business in this country. This winter it blew away the Tucson Daily Citizen, a newspaper that I often disagreed with but one that was a vital, locally-rooted part of my home city, and is now just one more "property" of a burgeoning national chain.

If there is one central theme—other than windiness—in what I have to say here today, it is competition: for water, for and in energy, for the channels of communication, for economic power.

WATER

First, let me talk about the great water resources war of 1977. Cynics—and I'm sure there aren't any in this room full of reporters—might call it the Battle of Pork Barrel Hill. The battle lines are drawn. As is the custom, the combatants describe the conflict in terms befitting a holy crusade:

On one side stand my environmentalist friends, sounding the charge against all those "wasteful, unneeded, unsafe dams which destroy basic environmental values

and rob the taxpayers."

Across no man's land we find the prodevelopment people, who say, "You are talking about sensible plans to develop water resources for clean, cheap hydroelectric power, and for flood control, and to grow food and fiber." They call us to arms against "a few misguided people who do not understand the past, who stand against all progress, who care more about an endangered snapdragon than they do about people."

Of course both of these are stereotypes. But I suggest that we need a little more balance and common sense in looking at these questions. There have been proposals for dams and ditches that were not justified. We ought to identify them and stop them. But dam is a three letter word. It's not a swear word, not always, and where a water project can be of benefit we ought to remember the good that dams and reclamation programs can do.

In my own State, you could look at the Theodore Roosevelt Dam on the Salt River. It was built at the turn of the century for \$13 million, and those days that was a lot of pork for such a remote and empty territory. That dam made possible the city of Phoenix—the 25th biggest in the country. The million plus people who live and work and produce there (and one or two may even have come from Georgia) pay back that \$13 million investment to the Federal treasury every week. I have yet to hear serious arguments that Roosevelt Dam and the three right below it on that same river were mistakes.

A couple of decades later we built the California Aqueduct—a twin to the Central Arizona project of which you may have heard a whisper or two. It helped put fresh food on our plates in the winter, and primed the economic growth of that State. And for all the problems they may have in California, I still haven't heard anyone say we should call out the buildozers and fill in that ditch.

There are six dams on the upper Missouri River. We are not sure what will happen there this spring and summer. For those who think that dam is a dirty word, let me give you a scenario for March to July that won't occur. First you have floods as the snow begins to melt. They would be hitting right about now, and they leave a path of destruction maybe all the way down to New Orleans. Farms, towns, bridges will wash away, dozens or hundreds of people are killed. Then come the dry months, and if it's the kind of year they are having in California there will be drought and lost crops and bankruptcy and maybe the beginnings of another Dust Bowl. That's not a fantasy. When some of us in this room were growing up that was an annual event. It takes careful environmental planning to prevent those disasters, but it also takes some sound ditch digging and dam building.

You could tell the same kind of story about the TVA, or the Columbia Basin, or the rivers in central California. Each of those projects had its bad points, its adverse impacts, and we've certainly learned from them and shouldn't repeat mistakes. But on balance, each came out far ahead on the benefit side.

Since coming to Congress, I've been for some dams and I've opposed some others. When the environmentalists convinced me that I was wrong, I admitted my mistake and turned against the notorious dams in

the Grand Canyon.

Too, I believe that most of the best dam sites have been taken, that a lot of the best irrigation projects have already been built. I suspect I have sponsored and supported more miles for inclusion in the Wild and Scenic River system than maybe any other Member of Congress. My point is that we ought to look at both sides. Letting formulas and slogans take the place of careful thinking and hard analysis doesn't help the cause of conservation or of growth.

In my State, like most of the West, settlement and growth was only possible by harnessing the great rivers and pumping from the ground. My grandparents settled the town I grew up in, St. Johns, because it was a site where they could build a dam to water their stock and irrigate their fields.

Now, the great western rivers are dammed, and the wells are running dry. And yet we have more people coming in every day, and new competition for the water that remains.

In 1857, an Army lieutenant exploring the Colorado River—I don't know if he was from the Corps of Engineers—said in his report: "It seems intended by nature that the Colorado River along the greater portion of its lone and majestic way shall be forever unvisited and unmolested."

At the time he made that observation, he was camping very near the site of Hoover Dam. Well, none of us has ever been 100 percent right about the Colorado—or the

Central Arizona project.

As you are well aware, we in the West are even now awaiting decisions of the President on 30 projects that mean many things to many people. Those decisions may well determine whether or not our States and communities can proceed with orderly growth or start anew.

The competition is bound to increase for whatever water is left in the wake of the "hit list" decisions.

In South Dakota, the Oahe Dam is built—but the distribution system may fall in the budget cut. What is to be done with that?

Perhaps the competition between agriculture and energy will come to a head there, for some feel that water behind the Oahe is just the right amount for massive coal operations including slurry and coal gasification.

This same conflict appears in the Upper Colorado Basin as well. Already the energy companies are buying up agricultural water rights and eyeing with interest some alternative uses for the water allocated to those five Colorado and one Wyoming projects on the hit list.

It takes a lot of water to tame the desert and it takes a lot of water to slurry coal, or turn shale into oil.

The competition for water has been fierce in the past, but may be even fiercer in the future.

Especially if the predictions of some scientists prove to be correct, that we are, in fact, at the end of a period of mild and stable

climatic patterns.

Some years back, an Egyptian engineer visited various American dam sites in preparation for construction of the Aswan Dam. At the site of the Grand Coulee Dam, the visitor asked an official of the Bureau of Reclamation how long a record of flow the Bureau had at the site when the dam was constructed. "We had a pretty good record on the Columbia River of 38 years," the Bureau man said proudly. "What about your records on the Nile at Aswan?" The Egyptian replied, "There have been gauges at the site for 600 years." The Bureau man responded, "Congress didn't want to wait that long."

It's true. Americans have never been a very patient people, and we have been in a hurry to develop our water resources. We've been more wasteful than we should have, and it looks like our supply is going to be tougher. In that sense, it is rather like our energy situation. And, as I shall be discussing with regard to energy, a proper long term solution will require both a changing of our bad, careless habits and practices, and development to make full use of our remaining supply.

One step the President could take now, regardless of the outcome of this face-off over the 30 projects. We have given him the authority to reorganize the government. He wants properly to centralize energy planning. I hope he will also give priority to combining the many different offices that now handle bits and pieces of water resource planning and put them under one roof, for stronger accountability and greater protection from the influence of special interests.

ENERGY

Three years ago the people of this nation were treated to a shocking experience. They found that with the Arab oil embargo came inconvenience, gas lines, and discomfort. This brought soul-searching and an awakening to some new realities about this finite planet.

People began to become acquainted with the troubling notion that our 40-year binge of fantastic growth was based on the convergence of a few special circumstances:

An oil supply that seemed cheap and inexhausible:

The expectation that if oil did run out, nuclear power would provide a cheap and inexhaustible substitute;

And a similar seeming abundance of water,

And a similar seeming abundance of water, minerals, timber, and other natural re-

During the time of the Arab embargo, the American people learned some basic lessons: that we are great wasters of energy; that the supplies are indeed finite, perhaps running out within a generation.

The attitudes of the people were receptive to change, to sacrifice. We had a spirit of unity. We began to pull together, as in wartime. Those attitudes were betrayed, however, when President Nixon declared the crisis over—and helped out the promise of "Project Independence" as the painless way out of the energy shortage.

The people relaxed, the sales of small cars dropped off, and the old wasteful habits returned.

We lost three precious years because of that failure of leadership. When our percentage of imported oil was 35, it hit 50 percent in this troubled winter. Most of us know now that it isn't just oil that is running out. We are six months from another winter, and the natural gas we thought was in such short supply this time around can be in even shorter supply in the future.

But we have a second chance. All eyes are on President Carter and the calendar. We have circled April 20 as a crucial date.

If there is one thing that can be agreed on in this city of widely divergent opinion, it is that we need a national energy policy.

On this matter, only the President can put a focus on the debate. Only then can we get off dead center.

On April 21, we'll not have a kilowattt more than the day before, but we'll be better off because the Congress and the country have been on "hold" for years.

I don't know what is really in the President's April 20 package. We've been given the bits and pieces by trial balloon. As a matter of fact, the Washington Post and the New York Times seem to have been engaging in a kind of balloon race—one floats, the other shoots, then the other floats and this one shoots—much to the amusement of the White House, I am sure.

I can tell you, though, I'll be listening on the 20th, and I'll be applying a kind of fivepart test of the program's key elements:

One, are there howls of protest, weeping and wailing? Unless the policy bites, and addresses the problem in terms of major change, it will not be what we need.

Two, does it avoid the Nixon/Ford mis-

Two, does it avoid the Nixon/Ford mistake of assuming that the problem is largely one of more supplies—like the Project Independence pipe dream—or does it contain though mandatory conservation measures running all through the economy, including electrical generation, home heating and air conditioning, and especially automobiles? Automobiles are a special key to conservation success. One-half of our energy comes from burning oil and half of that is consumed by autos. If we can reduce—and I mean substantially reduce—the oil going into our autos, we can improve the balance of payments and begin to get on top of the problem.

Three—Will the President's policy lead to a cut in oil imports by April 20, 1978? Can we turn around the disastrous import trend—and quickly?

Four—And perhaps most importantly, does the policy squarely face the issue of competition in the energy industries? America has grown and prospered on competition. It is central to our system. But we are losing it every day as oil companies swallow coal companies and move in on uranium and geothermal. We seem to permit this in part because Mobil and others of the Seven Sisters brainwash us with the ill-founded notion that they can't—or won't—produce the new supplies we need unless we give them a continuing monopoly.

We in America are accustomed to expecting the big problems to be solved by equally big solutions like we talked of nuclear fission—and now fusion. In this energy problem, however, I have a feeling that the eventual solutions will come not from one grand answer, but a dozen component parts.

I think we'll see solar take five percent of the slack now—and maybe 15 percent later. We'll see coal, conservation, wind, and even firewood all take up a piece of the burden. We'll see the inventiveness of Americans come to our aid, if we can convince agencies like ERDA not to ignore ideas because they come from a backyard or basement instead of a multimillion dollar research lab. None of these will come to pass, though, unless we restore true competition to the energy industry. But there is an even more compelling reason why competition must be restored: no program can succeed without sacrifice, and a real change in the way Americans live

and travel and work. The single most formidable barrier to those changed attitudes, and the key to the real willingness to sacrifice, is the deep seated and pervasive feeling that we can't believe the oil companies, that they are ripping us off, that they have hidden capped gas wells—in short, that this crisis is not real-that it is a creature of the oil companies.

The one way-the only way-to break through that very real barrier is for a little sacrifice in Houston and on Wall Street to help us restore competition through both vertical and horizontal divestiture.

The reality of the matter is that Shell is not about to let its coal subsidiary undercut its oil sales in 1978-nor will it in 1988. The Exxon refineries are not about to sharpen their marketing pencils when they own their own gas stations. Solar devices are not going to be sold when they are owned by ARCO.

As many of you know, I have made this argument before all over the country—even in this very room. It is not going to go away-it is of primary concern and importance. I hope the President will see this and will lead accordingly. For my part, I intend to push toward this goal in a new, and attainable way, in the field of federally-owned fuel resources.

The American people have one piece of extraordinary good luck in this contest with the giant energy conglomerates—the majority of the remaining U.S. energy reserves are the public domain, owned by the people. They own offshore oil, Alaskan oil and gas fields at Prudhoe and elsewhere, coal, oil shale, and gas and oil under Federal lands as well as much of the uranium and geothermal deposits.

I have introduced a bill by which the American people can say: "Maybe we can't break up the oil companies just yet this year, but we can decide who gets to develop our public energy reserves. And we will adopt a policy of competition which calls for leasing our reserves to independent oil and coal companies-to new companies who desire to enter the field and now will have that

opportunity."
For this bill provides that beginning in 1980, no Federal leases or sales will be made to companies which are integrated energy conglomerates, or which engage in joint ventures with such conglomerates. It wouldn't force anyone into the disruptions they fear so vocally. It would simply say, in the public domain you play by our rules.

Passage of this bill would be an important step towards the restoration of competition so necessary to shaping an energy economy for our nation.

I am a product of the Congress. I think I know its strengths and its weaknesses. Regarding the upcoming energy message-may I give my colleagues some advice.

First, we will have differing reactions to that April 20 speech. Let us express them. But we owe the country some answers-some of them this year, some in 1978. Let us get on with this job and decide one way or another the disputes on gas deregulation, plutonium recycling, Alaskan gas routes, taxes on gasoline and auto sizes, and all the rest.

In fairness to them, the industries need to know what the rules are going to be for this giant which is coming in our national life as we make the adaptation from energy abun-

dance and waste to shortage and thrift. Second, let us spend as little time as possible on personnel struggles and jurisdic-tional fights about committee turf. In the House, I hope we will get on with Speaker O'Neill's energy committee. I had, and have, reservations about this additional layer of procedure. But the Speaker is our leader, and he has shown that he can produce, and I'm going to give his plan all the support I can. There will be enough credit for all concerned if we produce results.

As Chairman of the House Interior Committee, I personally intend to push hard for action to speed up the decision-making process in the energy, water, and resource areas under my jurisdiction.

In the Congress there is no longer any excuse for inaction. We have a thirsty West and a cold and threatened East to guard. Our people are troubled and they deserve our

And the people are willing. The citizens of San Francisco and Northern California are changing their way of life with grace and a positive attitude that they are doing right. The people of Buffalo and the East survived unspeakable hardships with courage this past winter. All paid and are paying the price of nature-but they also know that something in this system can help them.

That is our job-and we must get on with

Now, if I may, a personal note.

Just a generation ago, nearly every American city had two or more daily newspapers. Almost every town and village had its weekly paper, home-owned and operated, each with its distinctive local flavor.

This was a healthy thing—a valuable source of news and opinion. The hometown editor was a key element in local politics, in planning, in a community's success.

After World War II a trend began-a trend towards single paper cities, and the acquisition of small town papers by regional chains, or corporations.

Today, of the 1,500 cities with daily papers—97.5% have no local daily newspaper competition. Another disturbing fact, 71 percent of all the daily newspaper circulation is controlled by multiple ownership publishers.

This trend signifies a very real loss to American society—the publisher with roots in the community.

That hometown publisher cared about the profit and loss statement, to be sure. But that publisher carried a passion for the good of the community absent in the corporate board rooms of the big chains.

In my hometown, the Tucson Daily Citizen, a good, solid, conservative daily owned for years by the Small family-a family of renowned civic-mindedness and accomplishments-was sold a few months ago to the Gannett chain.

I've nothing against Gannett. They are very successful, they own 73 newspapers, they are based in Rochester, New York, and I'm sure their executives love their wives and children and don't mistreat their pets-but still, I'm going to miss that local ownership at the Citizen. The old owners will remain in charge for a while, but when this generation passes even that vestige of independence will be gone.

Let me make something quite clear. I do not condemn Gannett for adding to their long list of acquisitions. It is entirely lawful and I suppose it is quite profitable for the buyer as well as the seller.

What does bother me is that there is an increasingly prevalent pattern here that has disturbing social implications.

I think everyone in this room is acquainted with my continuing interest in warning against the acceleration of bigness-of the stifling effect concentration has on innova-

tion and imagination in basic industry.

Concentration is 200 corporations controlling two-thirds of all the manufacturing assets in this country.

Concentration is three companies selling

82 percent of our cold breakfast cereal.

Concentration is four giant corporations selling 70 percent of our dairy products.

Concentration is one company selling 90 percent of our canned soup.

And, concentration is 25 newspaper chains controlling more than half of the daily newspaper circulation of the nation.

American society has succumbed to chain food stores without a whimper. We buy chain store drugs with perhaps just a fleeting memory of the corner drug store and the soda fountain. Our autos use chain store gas, the consumer programmed into the wisdom of pumping his own and leaving the oil unchecked. And now, the chain store news is

I dread the day all newspapers look and read alike, when there will be less difference in daily newspapers than between the Big Mac and the Whopper—and less flavor.

I seriously worry about the absence of local publishers and editors with real roots in the community. A leader whose concern goes beyond advertising lineage and newsprint

If the trend towards concentration goes on so, too, will the chance that we'll lose that independent spirit in the community who had the power and sometimes the disposition to blow the whistle on the politicians and the promoters—who was unafraid of the high and the mighty.

I recognize that talk of regulation of newspapers is an area of special caution because of the First Amendment and the incompatibility of government control and the free press. But the business of publishing is also the business of selling advertising, which no one has contended is exempt from antitrust laws. For it is true that one can drive out competition and do great damage to consumers with a newspaper cartel even as with an oil cartel.

I am not asking that newspaper chains be outlawed, or publishers prosecuted, or even that coercive federal legislation be enacted. My recommendations are more modestthey are two:

The time has come for editors and publishers to stop making excuses for the dangerous trend towards corporate news, or wringing their hands about its inevitability. Its dimensions should be faced and discussed. Does technology preclude competition? Is there a shortage of qualified employees that warrants concentration? Editors and journalists should be thinking and speaking out on this issue. We should be finding out what pressures and forces are killing the independent publishers as an institution-and what can be done about it.

. . Second, while I'm no enthusiast for study commissions, the whole area of economic concentration could use one. In the last Congress I sponsored a bill which provides for an industry-by-industry review of the critical, basic industries. When I introduced that bill I noted steel, autos, drugs, and the like as subjects for study.

I am going to reintroduce that bill todayand I am adding publishing and communications to the list.

The Commission would take three years looking over those industries to see how they are performing, considering such criteria as efficiency, innovation, social impact, price and profit. For those that are performing well, it may make little difference whether there are two competitors or 200, though in case of doubt we should favor the latter. For those not performing well, the Commission's analysis would show what particular factors contribute to the problem and would prescribe a set of remedies tailored to the specific conditions.

These remedies will probably include the tax code, with its unintentional bias toward centralization and conglomeration. Perhaps we will need tougher antitrust laws in some cases, legislated divestiture in others, while in others the conventional suit under present laws would be enough. Exemptions from antiturst law may also need reexamination, to see if they are meeting the intended purpose. In some manufacturing fields, we may need tax incentives or temporary direct subsidies to new entrants, while in others simple changes in federal procurement policies may help open up the market. We ought to consider every kind of action that might help.

My concern about today's trend toward concentration within the publishing and communications industry is not founded on a fear that the big publishers are like William Randolph Hearst, Sr., or Col. McCormick in seeking personal political power.

No, today's publishers, with a few notable exceptions like the man who owns the Manchester Union-Leader, are fair with their coverage and confine their personal political opinions and preferences to the editorial pages.

Today, what the titans of the chains want

is profits-not power-just money.

I fear that the quest for profits and higher dividends for their growing list of stockholders will transcend their responsibility to maintain an independent and dedicated influence in the community.

fluence in the community.

As the diversity of the American newspaper is lost—so is the diversity of America.

We can ill afford that loss.

LONG-TERM CARE: LONG-TERM PROBLEM

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1977

Mr. FRASER. Mr. Speaker, the costs and inadequacy of our present system of long-term care for the elderly compel us to examine options to institutionalization. Nursing home care is the form of long-term care endorsed at the Federal level with over roughly 96 percent of all Federal long-term care dollars spent on nursing home reimbursements.

The March 1977 Policy Edition of the Washington Report, published by the American Public Welfare Association includes an analysis of the problems involved in controlling costs while providing quality long-term care. I submit the analysis here as a conceptual framework useful to us as we develop programs to meet the long-term care needs of our Nation's elderly:

LONG-TERM CARE: LONG-TERM PROBLEM

One of the least understood and most portentous social welfare issues facing all levels of government today is "long-term care." The phrase itself is imprecise and generally ill-defined; no single accepted definition has developed. In recent years newspaper revelations and Congressional investigators have focused critical, often sensational, attention upon nursing homes for the aged, so that in the public's view these have come to epitomize the "problem" of long-term care. In fact, most health and welfare professionals see nursing homes as but one component in a constellation of facilities and services designed to sustain ill or disabled individuals, or fragile elderly persons, on a relatively permanent basis, over a long period of time.

Long-term care facilities may include hospitals, skilled-nursing and intermediate-care facilities, or boarding homes; long-term care can also be provided in an individual's own home. Services may range in content from health, to home-delivered meals, to transportation and socialization services. The

level of care may range from the most intensive professional service to a modicum of professional assistance. While the elderly have, in proportion to other age groups, a greater need for long-term care, individuals of any age who are seriously disabled, either mentally or phsyically, may require such assistance. In all events, long-term care implies the need for some amount of care and assistance (apart from cash) that the individual cannot provide for himself.

The issues include the disproportionate use of health (particularly institutional) services, the quality and costs of care, appropriate placement, fragmentation of services, and the development and coverage of necessary facilities and sevices. Many of the problems associated with long-term care arose because of the pervasive influence of public funding on the development and delivery of current services.

GROWTH AND RELIANCE ON HEALTH SERVICES

The growing need and demand for publicly funded long-term care services is a relatively recent phenomenon. In the early part of the 20th century, the number of vulnerable elderly persons was relatively small in terms of the total population, and the services required for these and other groups needing continuous care were often provided by the family, in the home. With the exception of large state institutions for the mentally ill or retarded, few public facilities existed to care for persons unable to function without some support and assistance.

The enactment of the Social Security Act. including the Old Age Assistance (OAA) program, in 1935, altered this situation dramatically. For the first time, aged individuals received unrestricted, federally assisted cash payments which could be used to finance care outside the home. Many selected private institutions, largely boarding and rest homes, as permanent residences. Thus public dollars began to flow to privately owned and operated facilities. With the proportionate number of aged persons growing, and with heightened public social consciousness and changing patterns for living arrangements, the demand for such services increased. In addition, with increasing life expectancy, individuals afflicted by chronic and disabling conditions required more sophisticated care. For a time hospitals filled this demand, but their resources were limited. Increasingly aged persons turned to private facilities that offered not only room and board, as before, but also a growing array of health services. These were the forerunners of the modern nursing home.

Two developments further enhanced the role and importance of public dollars in institutional care. Nursing homes were accepted as vendors of medical care for OAA recipients in 1950 and began receiving direct money payments from the Federal and State governments. In 1960, the Medical Assistance for the Aged (MAA) program, which greatly expanded these payments, was adopted. By 1965, fully 60 percent of all nursing home patients were supported under MAA and OAA (and beneficiaries residing in these homes accounted for some 37 percent of all OAA outlays). Gradually nursing homes became the most viable option for persons requiring long-term maintenance care, largely because of the continuously growing support

of public moneys.

In 1965, the Medicare and Medicaid programs were incorporated into the Social Security Act. Medicare replaced the MAA program and provided federally funded health services to virtually all Special Security recipients over 65 years of age; Medicaid provided similar funds for indigent persons, many of whom were elderly. Both programs accepted nursing homes as vendors of medical care. This policy had two effects; it greatly enlarged the amount of public dollars flowing into nursing homes, and it channeled

these funds through health financing programs. Thus long-term care became almost synonymous with institutionally based, health-oriented services. As a result, other support services and alternative forms of care received little attention and funding, unless they were distinctly related to health services. Current annual public and private expenditures for nursing homes are over \$8 billion, and one third of Medicaid expenditures go for nursing home care. Support for other long-term care services (through Title XX and the Older Americans Act) is meager in comparison.

COSTS AND QUALITY OF CARE

The growth in public expenditures for long-term care, especially institutional services, is a source of increasing concern. Expenditures for nursing home services are the fastest growing component of the Medicaid program. Another very troublesome aspect of nursing home costs is the appropriations of these expenditures. Studies have indicated that up to 50 percent of persons in nursing homes could be more effectively cared for at home or in a less specialized facility than a nursing home. Many persons believe that community-based services provided in the home would be less costly and of far greater assistance to individuals in need. In addition, funds released from unnecessary titutional care could be used to support these other, perhaps more appropriate, services.

Simultaneous with cost increases, serious questions concerning the quality of services being financed have been raised. Numerous investigations and reports have highlighted the inadequacies of nursing home care. The quality of life within such facilities, which are largely supported by public funds, is increasingly found to be substandard and

lacking in dignity.

No less problematic an issue is the relationship between costs and quality. The quality of any personal service has several dimensions, many of which are difficult to measure. Federal and state regulations have focused on those purely objective standards that are relatively easy to quantify (e.g., building and staffing requirements). Few efforts have been directed at evaluating the end product of long-term care—whether provided by insti-tutions or by community-based service organizations.3 In most cases it seems clear that efforts to enhance the quality of care, say by providing more counseling services, are likely to raise costs. Thus policymakers are placed in the position of pursuing two less-thancompatible objectives: containing costs and improving quality. This is a particularly painful dilemma when limited public funds are involved. The public desires programs of high quality that are accountable to government; the public also exhibits a growing resistance to increased government expenditures, which are at least partially necessary to sustain and improve quality.

FRAGMENTATION OF SERVICES

The reliance on institutional health services, in relative isolation from other support services, points out the fragmentation and lack of coordination among the publicly funded programs that do exist. At the local delivery level, individuals are frequently shunted from one agency to another, with no comprehensive and coordinated program of services provided. Effective coordination among providers—physicians, hospitals, social service agencies—for a continuum of care is almost nonexistent. In appropriate placement in a nursing home may often result from a simple lack of knowledge that other services are available.

Fragmentation also exists at the state level.

Fragmentation also exists at the state level. Agencies that administer funding and delivery at the local level—health, welfare, mental health, and social services agencies—do not coordinate their own activities. A state may receive financial support from several

Footnotes at end of article.

Federal programs, each administered independently. This uncoordinated system invites duplication, wasted funds, inefficient delivery, and huge gaps in service.

Fragmentation begins and flourishes in near perfect form at the Federal level of administration for long-term care programs. Requirements and definitions are inconsistent: eligibility and need criteria vary considerably; standards for providers differ; continuity, communication, and coordination among Federal programs is lacking. No one office, bureau, or division within HEW has authority over programs in long-term care, and there is no articulated, unified Federal policy in this area. Standards for nursing homes, for example, are promulgated in three different agencies. Means-tested programs utilize differing levels of income. It is no wonder, then, that state and local governments faced with implementing these requirements experience so much frustration and achieve such imperfect results.

Lack of intergovernmental policy planning for long-term care has created conflicts in program goals. For example, in recent years, states have undertaken major deinstitutionalization efforts. In particular, they have stressed placement of mentally ill and retarded residents in the community as a means of diminishing the use of large, often criticized, state facilities. Recently, however, institutions for the mentally retarded became eligible for Medicaid reimbursement, as long as they meet certain standards. Because many state institutions cannot satisfy these requirements, states have been faced with upgrading institutions to take advantage of new Medicaid dollars while, at time, deemphasizing the role of the same these institutions in the care of retarded per-sons. The flow of Federal dollars through unanticipated channels thus tends to distort the states' original program goals.4

DEVELOPMENT OF RESOURCES

The relatively continuous supply of public funds for institutional services has assured a growing supply of nursing home beds; the number doubled from 1965 to 1974. The availability of other long-term care services is much more limited. Home health services, for example, are in serious undersupply, and most advocates believe they are under-funded as well. This state of affairs is also largely attributed to the restrictions on coverage of these services under publicly funded programs, particularly Medicare and Medic-Both programs (although Medicaid less than Medicare) require prospective recipients of home health care to satisfy numerous conditions before services can be authorized 5

In addition, the home health agencies providing the services must satisfy restrictive requirements before they can serve Medicaid and Medicare beneficiaries. Few other funds are available at the present time to develop an adequate array of necessary services. Thus, the principal sources of public dollars (Medicare and Medicaid have seriously hampered the development of adequate home based services by skewing financial support to institutionally based care. Furthermore, variety of institutional services is affected by Medicaid and Medicare: only those institutions that satisfy complex requirements can receive Medicare and Medicaid reimbursement. Facilities that supply room, board, and only a modicum of health services (such as some rest homes and boarding houses are excluded from program participation, even though they may supply services perfectly adequate for some populations. Even the supply of institutional services is not sufficiently diverse to satisfy the range of needs for long-term care.

CONCLUSION

As indicated by this brief overview, the issues surrounding long-term care are complex. A variety of alternatives has been pro-

posed to deal with them. These will be explored in future editions of the W-R.

NOTES AND REFERENCES

¹ Institutional care over long periods of time for neglected, abandoned, or orphaned children, though an important aspect of the "substitute" care debate, will not be dealt with here. Foster care is distinct from longterm care in that it is intended to provide a temporary substitute for some other, more appropriate form of care and is therefore not included in this discussion.

² For example, home health services are also covered by Medicaid and Medicare, but only if the individual has been released from a hospital and requires some form of health service.

³ Expansion of home health services may create acute difficulties in quality assurance—largely because no standards exist and ongoing monitoring is nearly impossible to achieve

⁴An interesting twist to this problem is the occurrence of inappropriate deinstitutionalization. Some states have placed persons in the community who should have remained institutionalized. In some cases they have transferred persons to nursing homes to glean Medicaid payments when state institutions were not qualified to do so.

⁵ For example, they must provide skilled nursing services in addition to other acceptable therapy. Agencies that provide only one service are excluded.

⁶Recipients of SSI may reside in some of these facilities and still receive cash assistance. Therefore, some public funds are being channeled to these institutions. However, most experts agree that SSI payments are insufficient to cover the full cost of services and that supplemental payments should be made by Medicaid and Medicare for those who qualify.

COUNTERPRODUCTIVE NUCLEAR PROLIFERATION POLICIES

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1977

Mr. LUJAN. Mr. Speaker, the nuclear power policy decisions announced by the President on April 7 were, in my view, ill-advised and counterproductive to the attainment of our Nation's domestic and international goals in the nuclear energy field. These policy decisions, which restricted certain civilian power activities in the United States, with the intent of inducing other nations to impose the same restrictions on nuclear power development on themselves, have, contrary to their intended purpose, strengthened the resolve of other nations to proceed independently in all fields of nuclear power development. The intended purpose behind these policy decisions of the administration, which was to inhibit the proliferation of nuclear weapons, is sound but the route proposed does not lead in that direction. Instead of cooperating with nations which have agreed to forego the development of nuclear weapons to assist them in attaining the benefits of the peaceful uses of nuclear energy, as provided for in the Nonproliferation Treaty, we are, in effect, reneging on our promises. We are thereby foregoing the route which provides a meaningful opportunity to advance the

goals of limiting the proliferation of nuclear weapons.

Apparently it was thought that the United States had a monopoly position in certain areas of nuclear technology and this led to the belief that if we stopped some of our activities, these activities would be stopped by others. Of course, we do not have a monopoly, if we ever did, and the nuclear age is here. As one expert in the field of nuclear energy put it:

Having yielded what it was impossible to keep, the United States is now trying to keep what it does not have.

A factor that is specially disturbing is that the administration apparently ignored available advice from nations engaged in the development of the peaceful atom to the effect that our decision to limit such activities as the reprocessing and use of nuclear fuels would not be followed. In other words, it was known in advance that the objective could not be attained but we still took the step which both restricted our activities and was counterproductive to our efforts to limit the proliferation of nuclear weapons. Attitudes as expressed by the 41 nations which met in Iran last week to discuss the international development of nuclear energy, questioning our compliance with the Nonproliferation Treaty, certainly do not contribute to our credibility in the world community either. I might add that a statement issued by the conference group which met in Iran last week specifically cites International Atomic Energy Agency Director General Sigvard Eklund's statement that the policy decision announced by the President of the United States on April 7 is a unilateral violation of article IV of the Nonproliferation Treaty. Article IV concerns technological assistance to nonnuclear weapons nations in the field of peaceful uses of nuclear energy.

What must be done as soon as possible to limit the harm that has been done is to renounce the April 7 policy and get back on the track to carry out the purposes of the Nonproliferation Treaty.

One of the soundest overall policies which we should follow to advance both our domestic and foreign nuclear power objectives was contained in a recent letter my friend MEL PRICE wrote to the State Department. MEL PRICE has been intimately associated with nuclear energy longer than anyone else in the Congress and, therefore, can speak authoritatively on this matter. He made a copy of his letter available to the House Science and Technology Committee of which I am a member. I made it a part of the record of hearings we held on March 31. Since the record of those hearings will not be available for a few weeks and since Mel has valuable advice on a number of important current matters bearing on energy in the letter, I would like to include his letter at the conclusion of my remarks for the information of all of my colleagues:

COMMITTEE ON ARMED SERVICES, Washington, D.C., February 22, 1977.

Mr. Joseph S. Nye, Deputy to the Under Secretary of State for Security Assistance, Washington, D.C.

DEAR MR. NYE: This is in reply to your letter of February 7 asking for my suggestions

and ideas regarding the problem of proliferat-

ing nuclear weapon capability.

As part of my Congressional duties, I have been associated with this country's nuclear energy programs and activities for over 30 years. My experience embraces the entire historical span of the development, use and control of atomic energy for both military and civilian purposes, including the regulatory side inherited by the Nuclear Regulatory Commission under the Energy Reorganization Act of 1974.

I want to give you the gist of my thoughts in as few words as I can manage, so I will proceed directly with a brief candid account

of the high points of my views:

 The proliferation dilemma involves complex considerations. It must not be dealt

with as a one-dimensional problem. Among thinkers, only those who want to halt civilian nuclear power understandably argue that the proliferation situation can be easily solved. They describe the problem as as an immediate stark peril of catastrophic magnitude. The solution, they say, be an embargo on all exports related to nuclear power. Alternatively, they advocate the interposition of a Governmental regime of proliferating procedures and export approval hurdles calculated to discourage knowledgeable foreign customers at the very outset, and the less wary at one of the many despair points in the time-wasting system for securing final official sanction. That the cessation of U.S. exports would not alleviate the proliferation problem, and indeed would worsen it, is not a deterring factor because the underlying intention of our nuclear opponents is to utilize every problem in a way that best serves their primary aim of weakening our domestic nuclear power in-

dustry and capabilities.
(2) Proliferation is a chronic illness. The best and most extensively applied treatment that can be arranged will not effect a complete cure. It will only gain time and a large measure of relative protection and peace of

mind.

For two decades following the baptism of the peaceful atom, while the development and use of nuclear energy for medical, agricultural, industrial and other purposes flourished at home and abroad, nuclear weapon capability spread very slowly. During that period, two unique accomplishments attained: The International Atomic Energy Agency was established in 1957; the Treaty on the Non-Proliferation of Nuclear Weap-ons went into force in 1970. It is a great source of pride to me that U.S. initiative (including my hand and mind) played a large role in the creation of these major multinational structures for safeguarding the peaceful atom. The magnitude and value of these accomplishments are immense. In regard to the NPT, consider that to date 101 countries—98 of them nonweapon states have agreed to limit their sovereign prerogatives in the most sensitive of areas; additional nations have signed but not yet ratified this extraordinary treaty.

Worry about weapon proliferation sud-denly intensified in 1974 when India exploded a nuclear device labeled peaceful but indistinguishable from a non-peaceful detonation. Then West Germany agreed to supply Brazil with a complete fuel cycle capability, and South Korea, Pakistan and Iran tried to buy reprocessing technology. Proliferation concern was further stimulated by developments involving Egypt, Israel, Taiwan, Argentina and other countries. South Africa's nuclear potential is very much in the news these days. These international events within the past three years were preceded by a suddenly imposed awareness that the availability and price of oil were no longer dependable, and that alternative energy sources were imperative. The result is that today's greater potential for

weapon proliferation coincides with, and will be aggravated by, an enlarging worldwide market for nuclear power.

(3) The U.S. is still a leader among the have-and-can-sell countries, and, as an active international participant, can exert a fair degree of influence toward common agreement on a reasonable system of safeguard standards and requirements as a condition of the sale of nuclear power plants and fuels.

The U.S. is not in a position to dictate to other supplier countries that they require, as conditions of their sales, that buyers agree to the safeguard measures we would prescribe. Nor can we unliaterally alleviate the proliferation problem by attempting to impose our own set of safeguard conditions on prospective buyers without regard to the sorts of conditions employed by other supplier nations. Customers can choose suppliers.

This situation extends to enrichment technology, reprocessing, and the development and use of breeder reactors. The U.S. simply does not have monopolistic control. If we want to be in a strong position to influence and attain general acceptance of improved anti-proliferation safeguards we will have to remain a leader and an active international participant in all of these areas.

Historically, the U.S. never had a monopoly on nuclear technology. We were the first to develop nuclear weapons and for many years were the only supplier of enrichment services for civilian reactors. Though our enrichment technology has essentially remained classified, inevitably other countries have developed the means for commercial enrichment (the U.S.S.R., France, and as partners, the U.K., the Netherlands and West Germany); within the next several years at least five additional countries will be in the field.

The U.S. has not yet decided whether to permit commercial reprocessing, but France has an operating facility for such purpose. The U.K. has temporarily closed down a large commercial plant for upgrading. Eleven other countries have laboratory, pilot, or near commercial reprocessing facilities.

Five countries are now exporting light water reactors, and in several years they will probably be joined by suppliers in six more countries. Canada exports the heavy water reactor. France is presently the world leader in the development of the fast breeder.

There's no need to go on with the details. The general picture and outlook are clear.

The need for an improved international anti-proliferation program is real. But apparently events in the last three years which have highlighted this need are viewed with much greater unease by opinion makers in this country than in other nations. The U.S. hue and cry has not been strongly echoed abroad. Additionally, the hyperbole in some of the U.S. expressions of alarm, the contents of several of the legislative measures proposed in the Congress, and the delays and confusion in nuclear export licensing have undermined confidence in U.S. judgment and in its role as a reliable supplier; combined with our failure to assure enrichment capacity for foreign customers, the total adverse effect has been considerable. Consequently, the U.S. anti-proliferation position, to be persuasive to both suppliers and customers, must be completely sound and practical.

(5) In my judgment, a sound and practical anti-proliferation program should take advantage of and build upon the protective structures and measures already in place. They are familiar and have unquestioned

The IAEA, for example, should be strengthened, not interfered with. The spirit of the NPT should be vigorously promoted, and a renewed effort mounted to fulfill the com-

pensating pledges of the weapon states to the non-weapon parties.

The protective features of the Atomic Energy Act should be maintained and reexamined for possible strengthening. I refer to such features as the Restricted Data system and the Section 123 export bridge. The President's Constitutional prerogatives should not be encroached upon nor his role as Executive leader diminished.

The Nuclear Regulatory Commission's ambiguous position should be clarified; a careful review of the legislative history of the Energy Reorganization Act of 1974 will disclose that the NRC was not intended to have any greater licensing and related regulatory jurisdiction in relation to the export area than the AEC's regulatory side was responsible for when it was elevated to independent agency status. Before activities outside of the geographical bounds of the U.S. (as defined in the Atomic Energy Act) were with few exceptions, beyond the grasp of the regulatory regime; the developmental side of the AEC (now in ERDA), and, depending on the situation involved, the President, the State Department, and the DOD, controlled the decisionmaking process, subject in some instances to Congressional review. Regulation was applicable only to such aspects of exports as involved radiological health and safety, security, and environmental considerations affecting U.S. territory—but not proliferation and other problems abroad. In the confusion of rebirth during the period of raising U.S. concern over the proliferation problem, it became politically expedient for NRC to inject itself in this troublesome area and to attempt to acquire related knowledge and competence already possessed by other U.S. agencies.

(6) As important as the proliferation problem is, in any sensible ranking of priorities the formulation and execution of our domestic energy program must be placed well in advance of the proliferation con-cern, and treated as a discrete as well as first-rank objective. Separately, we should consider what impact on the proliferation problem related exports might have, but no judgments in this separate area should in-terfere with decisions and actions discretely addressed to our domestic needs. These propositions are too obvious to mention, but restate the basic law of self-preservation because I have detected a tendency in some quarters to assume that all domestic policy decisions that would support the development or use of nuclear power-related materials, facilities or processes, in light of this country's own energy situation, must be contemporaneously evaluated and adjusted in relation to the anti-proliferation objective. Too often, for example, I read statements these days by officials or "experts" to the effect that the U.S. cannot risk developthe breeder or licensing reprocessing because of the international proliferation problem. Such Alice-In-Wonderland thinking is dead wrong. Not only does it interfere with our own critical energy quest, but, as I have pointed out above, it so happens that our best hope of alleviating the proliferation problem may well rest with the magnitude of our international influence, which in turn depends on the extent of our technological capabilities as well as our willingness to participate in the have-and-can sell area.

It is possible that the means of carrying out a particular domestic energy decision may sometimes appropriately be selected in conjunction with anti-proliferation considerations. For example, it is possible that a domestically oriented decision to build a reprocessing facility may, for anti-proliferation policy reasons, be implemented in conjunction with a national decision that such a facility be built and utilized under a multi-national arrangement. But in such case—and this is the point I emphasize—

the principle of discrete consideration, ranking priority, and separate judgment in relation to our own energy needs must not be compromised not even in regard to the means to be employed; only where the means of gaining our domestic objectives happen to be consistent with a preferred method for dealing with the proliferation question should the marriage of convenience take place.

Finally, it is possible that for anti-proliferation reasons alone our national policy might support the development or use of certain facilities or services. In such case the principle of the predominating importance of our domestic energy program must be maintained.

(7) I must say a word about the desire for nuclear power throughout the world because if it could be extinguished the proliferation problem could stabilize. The key difficulty confronting nuclear power foes is the formidable task of trying to convince a majority of the people, or the totalitarian rulers, in the various countries that their reasonable hope for an assured supply of safe, reliable energy can be satisfied without nuclear power. Is it realistic to expect that this proposition can be sold? The world is in an energy crunch right now and people everywhere are very concerned about it. The high cost of oil is creating massive balance of payments problems and other serious discomfort for most nations. The developing countries have been very severely affected. Most foreign countries do not have extensive coal reserves like the United States or possess hydro or geothermal resources that can supply a portion of their energy require-ments. For many countries the choice must be imported oil at whatever price or lower-cost nuclear power. Can they be beguiled by nuclear opponents into waiting for promised breakthroughs in solar energy, fusion, and other new or advanced energy forms? I think not, though I hasten to add that when it comes to the search for new energy sources my long record fully testifies to my unflagging support of all promising R&D missions. But pending the great improvements that I hope and pray the future will bring, I, and I think most of the people in the world, know the difference between something in hand and promises, promises.

With nuclear power comes reprocessing. For most foreign countries the energy content of uranium and plutonium represents a significant addition to their domestic energy resources. They may well tend to view the value of this recoverable energy in terms of its credit benefit in the allocation of scarce foreign exchange for imports, rather than as a percent of the total cost of power. In any event the economic impact is important. In an energy starved world where conservation is imperative, we should not expect that source of fuel will be wasted.

(8) As apparent from the foregoing remarks, I recommend striving for an improved anti-proliferation program that includes the following elements:

cludes the following elements:

(a) Realistic acceptance of the worldwide

prospects for nuclear power growth.

(b) International participation by the U.S. in civilian nuclear power activities.

(c) Strengthening IAEA.

(d) Working out a safeguards system of standards and procedures commonly acceptable to supplier countries as a condition of sales, the agreement to address first the current situation, and within a few years the outlook at that time, with flexibility built in for periodic reappraisals and revisions.

(e) Inclusion in the cooperative understanding of practical restrictions on availability of enrichment capability and reprocessing facilities, on dissemination of information of a Restricted Data nature and on fabrication of fuel and shipment and storage of fuel and reactor-produced materials.

(f) Exploring the possibility of building and operating reprocessing and related facilities under multi-national auspices.

(g) In collaboration with other countries, conducting a continuing R. & D. program to seek improved chemical and other technological means of increasing the difficulty of diverting or stealing sensitive materials for weapon purposes.

(h) In collaboration with other countries, improving the means of storing and disposing of radioactive wastes, of protecting facilities against sabotage, and of minimizing

he MUF problem.

(i) Inclusion in the cooperative understanding of the continuing general observation of activities in kindred fields (research reactors, etc.) so as to exclude from closer control activities and facilities that have no practical impact on the proliferation watch, and to include those that do.

(j) Reforming and simplifying the U.S. ex-

port approval route, including:

(1) Assuring consistency with the safeguards system agreed to multi-nationally.

(2) Adherence to the Restricted Data system and Section 123 requirements in the Atomic Energy Act, as they may be modified to enlarge the President's role or Congressional oversight.

(3) Eliminating any NRC role in relation to circumstances, implications or consequences outside U.S. territory, except possibly to render advise to Executive agencies on comparable safeguards in the U.S.

We are dealing with an issue that will not necessarily be diminished by dint of U.S. sincerity, alacrity, or high motivation. Gulliver meant well when he decided to use the only gusher available to him to extinguish the conflagration in the palace of the Lilliputian empress; he was sincerely convinced that the thimbles of water with which the Lilliputians were fighting the blaze would be ineffectual. Instead of the commendation he expected for extinguishing the fire in three minutes, he earned the empress' enmity because her quarters were permanently polluted and unusable. I have often thought of the good lesson in that tale.

Sincerely,

MELVIN PRICE, Chairman.

MICHEL QUESTIONNAIRE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1977

Mr. MICHEL. Mr. Speaker, in mid-February of this year I sent out a questionnaire to 177,000 households in the 18th Congressional District of Illinois, a district it is my privilege to represent in Congress. I am pleased to tell you that over 20,000 constituents responded to the questionnaire-more than ever beforeand many of them included additional remarks concerning current issues. This survey is one of the major sources of public opinions available to us, and I want to share it with you in order to give you some idea of what the people of the 18th District are thinking about major problems.

First, however, I want to bring to your attention the fact that on one crucial—and current—issue constituent sentiment was almost evenly divided. I refer to the question of decontrol of natural gas. When asked "Should we permanently decontrol the price of natural gas to get a more abundant supply?" 51.5 percent

said "no" and 43.8 percent said "yes," 4.7 percent undecided. On every other issue, the decisions were much more clear cut. I believe the closeness of the result on the decontrol question reflects the feelings about the complex and difficult issues surrounding that question in the minds of constituents of the 18th District and, indeed, throughout the Nation.

At this time I would like to place in the Record a complete listing of the questionnaire results for the entire dis-

Did President Carter do the right thing in pardoning all draft evaders?

res -		18.9
No		78.9
No a	nswer	2.2

Do you favor President Carter's program to stimulate the economy?

Yes ______ 36.9

Yes		36.9
		56.6
No	answer	6.5

Do you favor increasing Federal expenditures for public service jobs from \$2.5 to \$5 billion?

Yes		18.5
No		78.3
No	answer	3.3

Would you spend any rebate on your 1976 taxes immediately?

Yes		57.4
No		40.1
No	answer	2.5
I	o you favor cutting defense spendir	ng by

Should members of the Armed Forces be permitted to organize a union?

Yes	4.6
No	93.6
No answer	1.8
Charles the Medical Community and	

	Yes		29.9
	No		68.0
	No	answer	2.2
×			

Should we permanently decontrol the price of natural gas to get a more abundant supply?

burning of coal to help conserve oil and gas?
Yes _______ 83. 6
No ______14. 2

No answer________2.2

Do you favor more Federal tax dollars being spent on education?

Should the Federal Government set goals and timetables for employers to hire minorities?

Should the Federal Government get back in the business of purchasing and storing grain to build up a reserve?

Yes	36.6
No	59.3
No answer	4.1

NATIONAL LABOR RELATIONS BOARD

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1977

Mr. THOMPSON. Mr. Speaker, there have been many articles in the media of late concerning the provisions of H.R. 77, a bill I have introduced that would strengthen the National Labor Relations Board. One of the more meaningful statements on this issue was that made by Msgr. George G. Higgins of the U.S. Catholic Conference in a recent commentary which appeared in some 35 Catholic weeklies in the United States and Canada. Monsignor Higgins brings to the subject a vast understanding in labor matters. I commend this statement to my colleagues:

JUSTICE DELAYED IS JUSTICE DENIED (By Msgr. George G. Higgins)

The fact that 30 million votes have been cast in union representation elections conducted by the National Labor Relations Board has been hailed by union leaders as a milestone in the history of labor-management relations.

But George Meany, president of the AFL-CIO, has warned that we should not be lulled into complacency by those statistics. In a hard-hitting speech at a dinner celebrating the 30 milion votes, Meany called for reform of the National Labor Relations Act (NLRA).

The aim of the NLRA, passed by Congress in 1935, was simple and clear, Meany recalled. The law said and still says: "It is . . . the policy of the United States . . . (to encourage) the practice and procedure of collective bargaining . . . by protecting the exercise of workers of full freedom of association, self-organization, and designation of representatives of their own choosing, for the purpose of negotiating the terms and conditions of their employment or other mutual aid or protection."

Four decades later, Meany pointed out, the public policy of the United States has not been realized. He charged that between the intention and the reality of the law there is a colossal gap of empty promises, delays, and frustrations. This gap, he added, has grown instead of shrinking.

The gist of Meany's complaint is that the

The gist of Meany's complaint is that the Taft-Hartley and Landrum-Griffin amendments tacked on to the original statute have weakened the law and strengthened the hand of anti-union employers who choose to interfere with and frustrate the right of workers to organize and bargain collectively. More specifically, he charged that anti-union employers (and their well-paid accomplices in the legal profession) are past masters at resorting to "procedural delays," thus avoiding enforcement of the law for years and nullifying its original purpose and objective. Some of labor's critics are inclined to dis-

Some of labor's critics are inclined to dismiss Meany's complaint as one-sided union propaganda. Surprisingly, however, the March 7 issue of Barron's—a business-oriented weekly which has been consistently anti-labor—says, in effect, that Meany's criticism of the Act is well founded. Barron's readily concedes that the delaying tactics Meany is complaining about are, in fact, being used by many anti-union employers, particularly in the South.

"Four out of five union representation elections," Barron's says, "are held without opposition from the employer, and take place within a month after the filing of an election petition. But where the employer chal-

lenges the election, it is generally postponed for an average of two-and-a-half months for hearings, and for an average of 10 months if the employer's case is heard by the board itself. And the longer the delay, the more organizing momentum is lost, and the weaker the union's showing invariably proves. Moreover, if a worker involved in the organizing drive or with union sympathies is fired and successfully challenges his dismissal as an unfair labor practice, it is likely to take about two years before the courts finally order his reinstatement with back pay, even if his complaint is upheld by the NLRB."

In other words—justice delayed is justice denied. That's precisely what Mr. Meany is complaining about and what the labor movement, under his leadership, is determined to correct through a series of amendments to the National Labor Relations Act.

Some of these amendments have been incorporated in a bill (H.R. 77) introduced in the House of Representatives on Jan. 4 by Congressman Frank Thompson of New Jersey, chairman of the House Labor Committee. The purpose of H.R. 77 is (1) to strengthen the processes and procedures of the NLRB to permit more expeditious enforcement of the provisions of the National Labor Relations Act; and (2) to expand and enlarge the administrative and judicial remedies provided in the Act in order to discourage intentional violation of the statute and to provide adequate remedies to injured parties.

Congressman Thompson's bill is right on target. Barron's predicts that the effort to enact it will "undoubtedly prove the union's bloodiest fight." So be it, I am looking forward to the battle, and I am confident that labor will prevail.

CONSERVATION OF WHALES

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1977

Mr. EMERY. Mr. Speaker, on April 6, 1977, I introduced a joint resolution which focuses attention on the plight of the great whales and which urges the Department of State to work within the Third United Nations Conference on the Law of the Sea to conserve and protect whales and other cetaceans on a global basis.

Efforts to save the whales are not new. The International Whaling Commission, a volunteer organization formed for the purpose of studying whale population data and imposing quotas on whale harvesting, has been in existence for over 25 years. Domestic organizations such as Connecticut Cetacean Society, Friends of the Earth, the Humane Society of the United States, the Committee for Humane Legislation, the Monitor Consortium, and others, have focused attention on the radically depleted whale population. Many of these efforts, however, have borne little fruit. The Soviet Union, Japan, Chile, and Peru continue to harvest whales and continue to ignore the concept of a moratorium which would allow the whale stocks to rebuild.

The Japanese claim they need to hunt whales as a source of protein. The actual percentage of protein supplied by whales in the Japanese diet, however, is only 2 percent of the total intake. Finfish and

shellfish supply over 50 percent, and meat represents approximately 23 percent.

What the Japanese really use whales for is as a source of ingredients in such products as fertilizer and cosmetics, even though in each case alternative synthetics are available. Another argument which weakens the Japanese justification for harvesting whales for meat is the fact that half the catch is composed of sperm whales, a species not eaten at all. What must be faced, then, is not dependence on a protein source, but dependence upon a traditional economic system whose existence is based more on job demand rather than economic expediency. Japanese whaling activities lose money yearly, but continue to operate because of union pressure to maintain traditional job opportunities.

The Soviet Union harvests sperm whales for their oil. The oil is used in transmission fluid of motor vehicles, but more importantly in high temperature ballistic missiles. The United States currently relies on a stockpile of sperm oil for its strategic weapons use, but when this stockpile runs out, we will employ oil from the seeds of an American desert shrub called jojoba. With experimental planting, the Soviet Union could, no doubt, do the same.

Since the Soviet Union and Japan account for between 80 to 85 percent of the total yearly whale take, efforts to halt whale slaughter must be aimed at these two countries. Each year about 38,000 are taken, thereby bringing them nearer and nearer to extinction.

My joint resolution calls upon our U.S. representatives at the Law of the Sea Conference to work within that international body for the conservation and protection of whales and other cetaceans. I feel that the current language dealing with marine mammals in articles 53 and 54 of the revised single negotiating text do not adequately address the problem. I feel that slightly stronger, more explicit, language is needed before any adequate protection will be realized. Consequently, by calling on our LOS representatives to work for greater conservation and protection of marine mammals through a joint sense of Congress resolution, the unfortunate fate of the great whales may be averted.

Mr. Speaker, the following is the language of my joint resolution:

H.J. RES. —

To encourage formation of an international organization for the conservation of whales

Whereas whales are a resource that is of greater ecologic, scientific, and esthetic benefit to mankind:

Whereas whales migrate globally within and beyond areas of national jurisdiction and are therefore a common interest of mankind;

Whereas the great whales have been overexploited for many years resulting in severe depletion and near extinction of many species;

Whereas the present charter of the International Whaling Commission is not completely effective because it provides no power to enforce quota recommendations and membership by whaling nations is not manda-

Whereas a number of whaling nations are not members of the International Whaling Commission and many other non-International Whaling Commission member nations may enter into whaling operations in the future without International Whaling Commission influence;

Whereas the opportunity exists through a series of bilateral and multilateral actions to remedy present inadequacies in whale protection:

Whereas a single mandatory organization for the conservation of whales on a global basis is the most effective whale conservation organization;

Whereas extensions of national jurisdictions over certain living resources to 200 miles could endanger the protection of whales in over one-third of the world's oceans unless the global organization for the conservation of whales has jurisdiction within and beyond the exclusive economic zones;

Whereas the present provision in the Revised Single Negotiating Text of the Law of the Sea Conference relating to marine mammals neither provides for adequate conservation standards for protection of whales nor provides for a single international organization to insure the protection of whales, within and beyond the economic zone: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the sense of the Congress that the United States should work within the 3rd United Nations Conference on the Law of the Sea toward establishment of a single international organization to advance understanding and insure effective conservation and protection of whales and other cetaceans on a global basis. There should be a clear obligation for all nations who have an interest in whales to cooperate to establish an organization with sufficient powers to insure effective conservation of whales and other cetaceans within and beyond the 200 mile economic zone. Such an organization should not preclude additional whale conservation activities by other interested groups or prohibitions by coastal nations on the taking of some or all marine mammals within their 200 mile zone. Be it

Resolved, That it is the sense of the Congress that in order to achieve whale conservation as soon as possible, a series of bilateral and multi-lateral initiatives with nations having an interest in whales should be undertaken immediately by representatives from the Department of State.

TUNA-PORPOISE CONTROVERSY CAUSING LOSS OF JOBS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1977

Mr. ANDERSON of California. Mr. Speaker, most of the U.S. tuna fleet is currently tied up in port due to the regulations on the taking of porpoise that became effective on March 1 of this year. The regulations, as set by the National Marine Fisheries Service, have forced the fleet to remain in port because the ships cannot fish on an economic basis. A total ban has been set on taking the eastern spinner porpoise, which is usually associated with other species when they are found swimming over schools of tuna.

Most of the fleet is located in California, in the harbors of San Pedro and San Diego. But the economic effects of this situation have been felt as far away as Cambridge, Md., where the only tuna canning plant on the east coast was re-

cently forced to shut down. A plant in San Diego has laid off 150 workers, and the industry expects to see unemployment forced higher as a result of the impasse.

The following four articles appeared in the San Pedro News Pilot on April 7, 1977. They give an excellent account of the effects the porpoise regulations have had to date, and of what might be expected in the future:

CRANSTON SAYS FISHING PROBLEM A FEDERAL ONE

(By G. M. Prather)

Washington.—Sen. Alan Cranston, D-Calif., says it appears a swift administrative resolution to the tuna industry's dilemma is impossible, adding "we seem to have reached a point where only Congress can resolve the matter."

Cranston and Gov. Edmund G. Brown had been trying to ease the strict 1977 fishing regulations through administrative channels so tuna fishermen would be able to resume fishing.

Cranston said that would have been the speediest route.

"If we have to resolve the problem through legislation, it may be September or October before a bill is passed," he said in an earlier interview.

Speaking to reporters following White House-congressional leadership breakfast, Cranston said the only hope remaining for a quick resolution is for tuna industry and environmental representatives to reach a compromise agreement among themselves.

Tuna fishermen have had their vessels in port in San Pedro and San Diego since the government announced it was sticking with its recommendations of last year to ban all taking of Eastern spinner porpoise during commercial petting of tuna.

commercial netting of tuna.

Fishermen say the spinners frequently swim with the other more common species of porpoise which are encircled in order to net the tuna which swim beneath them.

If a spinner is taken, fishermen are subject to fines of \$20,000 or more, a year in jail and forfeiture of the entire cargo of tuna.

and forfeiture of the entire cargo of tuna.

Fishermen say the risk is too great and have refused to fish while the prohibition is in effect.

Cranston and Brown had hoped the National Marine Fisheries Service would be able to amend its 1977 fishing regulations to allow some take of eastern spinners, thereby enabling the U.S. tuna fleet to resume fishing.

"That may be very, very difficult, however, because of the criminal and financial liabilities the fisherman are subject to," Cranston said.

The two groups have been meeting regularly over the past three weeks to try to find a compromise solution.

"The dialogue is still under way," Cranston said

"They had seemed to the point of breaking off, but the meetings have resumed. If there is agreement, we might be able to work the bill through with reasonable swiftness."

Cranston said he is encouraged that 19 to 20 boats have resumed fishing.

He said they are under aerial surveillance so the government can monitor fishing activities to determine whether the prohibited eastern spinner are being taken.

THREE HUNDRED SIXTY PUT OUT OF WORK AS MARYLAND CANNERY CLOSES DOWN

(By G. M. Prather)

Washington.—The closing of the East Coast's only tuna packing plant is viewed by some industry officials as further evidence of the unemployment crisis being caused in the tuna industry by excessive government reg-

Bumble Bee Seafoods closed its packing plant in Cambridge, Md., on March 31 forcing 360 persons out of work.

Company officials blame the closure on their inability to meet water quality standards imposed by the state of Maryland and the Environmental Protection Agency, saying Bumble Bee would have to spend \$2 million to install the necessary sewage treatment equipment.

Company spokesman Alice McClennan said the plant could not operate profitably if the expenditure were made.

Cambridge Mayor Albert Atkinson said the necessary modifications could have been made for \$400,000.

Several tuna industry officials claim Bumble Bee used the pollution problem as an excuse to move the packing operations to its newly purchased Puerto Rico plant.

They say the real problem in Cambridge was a diminishing supply of tuna.

"It is not just coincidence the Cambridge plant closed at the time of problems in the tuna industry," one industry official said.

The Cambridge plant closing came on the same day Sun Harbor Industries in San Diego laid off 150 workers, 17 per cent of the cannery's work force of 900.

Sun Harbor president J. B. Lindsey said

the layoffs are permanent.

He would not predict whether future layoffs would be necessary but said, "the longer the fleet is in, the more aggravated the problem becomes."

The U.S. tuna fleet is refusing to fish under government regulations which prohibit taking of eastern spinner porpoise in connection with the netting of tuna, and impose heavy criminal and financial penalties for violations

"Even if the fleet started fishing tomorrow, it would be 60 to 75 days before any vessels would return with a catch," Lindsey said.

The unemployment among cannery workers is seen as the third ripple caused by the strict fishing regulations.

American Tunaboat Association general

American Tunaboat Association general manager August Felando said in the first ripple at least 2,000 fishermen were put out of work when the government imposed the ban on taking eastern spinners, a ban which was reinforced by a Washington court decision March 8.

The next ripple of unemployment was among vessel suppliers, Felando said. "The people who repair the boats and provide fuel and other provisions were the next to feel the impact."

Felando said he could not estimate how many suppliers are actually out of work since the fleet has not been fishing. The third group to feel the impact are the canners. Distributors and brokers will be next, Felando said, followed by soybean farmers who provide the oil for packing tuna and then by the manufacturers of steel, labels and cartons for the canneries.

Lindsey said the consumer will be the ultimate loser in the crisis, faced with 20 to 50 per cent increases in the price of tuna between Easter and July 4.

"This is going to be felt across the board," Lindsey said. "Ninety per cent of all Americans use tuna as a staple in their diet. They will be faced with scarcity and higher prices simply because Washington has been unable to resolve the political differences of the industry and environmentalists."

An estimated 30,000 persons are employed in the tuna industry, Felando estimates. That is the population of the community on Maryland's eastern shore which is facing massive unemployment among the black, largely unskilled laborers who were put out of work by the closing of the Bumble Bee plant.

The employes were given only two weeks notice the plant was to be closed even though acting plant manager Russell Bugas said the company knew late last fall the water standards would be imposed at heavy cost to

Bumble Bee should have given us notice of their intention to close eight months ago so we could have worked on placing people in other jobs," said James Howard, business agent for 1 Workmen of North America that represented the Bumble Bee work force.

Bumble Bee personnel director McLennan said her company has tried to place as many workers as possible in other jobs but said she has no figures on how many have found work.

'I offer our offices to potential employers to interview our workers," she said, "but the

hiring is up to them, not us."

There are two other food processing operations 30 to 40 miles from Cambridge but Mc-Clennan said workers are unwilling to travel that far to work.

As a result, most of the workers, whose average salary was \$125 a week, have gone on unemployment but don't expect their checks to start arriving for several weeks.

When they do get here, the checks will be

about \$75 a week.

"I can't live on \$75 a week," a middle-aged women employee of the plant said. "That will hardly pay my family" food bill, let alone meet all the other payments I have to make.

What about the rent, the car payment, my insurance? How am I going to pay them?" she asked. "I don't know what I am going to do."

SAN DIEGO BUSINESSES SAID HURT BY TUNA SUSPENSION

SAN DIEGO.—As the U.S. tuna fleet sits idled at the dock, at least a dozen San Diego businessmen who support the fishing industry say they're sinking economically, too.

The blues are being sung along the waterfront by boat painters, repairmen and sup-

pliers of provisions to fishermen.

If the 1977 fishing stalemate continues, food supplier Sal Vasquez said that his firm will go out of business.

"We're losing our shirts," said Gil Rodri-

guez of Gil's Ship Supplies.

Robert Cleator, president and general manager of a marine hardware firm which sells nets and boat engines, said the crisis is "no joke."

The fishermen, said Cleator, "came in early with very little fish and there are damn few of them who even have enough money to pay their bills." Rodriquez said he is losing \$5,000 a month.

A majority of the 130 boats in the U.S. tuna fishing fleet is in port in a mass protest of government regulations which their owners

say have left fishing unprofitable. New regulations reduce the number of porpoises which may die accidentally in nets set over yellowfin tuna, which swim under por-

poises.

The kill quota was cut by almost 20,000 porpoises this year 59,050. In addition, no fishing is allowed in the vicinity of eastern spinner porpoises which like other species become entangled in nets and suffocate.

The National Marine Fisheries Service requires that it be notified 48 hours ahead of

every unloading.

Other tightened regulations also are criticized as unworkable by the American Tunaboat Association, a boat owners' group.

SALES OF FOREIGN-CAUGHT FISH TO U.S. CANNERS SOAR

(By Ken Hudson)

Foreign tuna fishermen have nearly doubled their sales to U.S. canners during the first three months of this year compared

to the same period a year ago.
Figures show that 20,913 tons of tuna were imported during the first three months of this year compared to 11,415 tons during the same period in 1976, according to Ed Silva, executive vice president of the American Tunaboat Association. (ATA)

Virtually all of that was delivered to the four largest California packing plants, Van Camp, Star-Kist, Pan Pacific and Sun Harbor. Silva said.

The total catch in the tuna-rich eastern tropical Pacific waters several thousand miles south of San Diego was 74,000 tons as March 21-41,000 tons less than 115,000 tons caught by the same date last year, Silva said.

While the foreign tuna fishermen have been setting their nets on fish associated porpoises, the U.S. fleet has been idle awaiting a permit from the National Marine Fisheries Service that will allow them to also fish for yellowfin tuna traveling with porpoises.

That permit is expected to be issued on Monday.

Present regulations of the NMFS allow the U.S. fishermen to set their nets on yellowfin unless eastern spinner porpoises are present.

HUMAN RIGHTS: A POLICY OF HONOR

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES Monday, April 18, 1977

Mr. FRASER. Mr. Speaker, Valery Chalidze is a physicist. His Soviet citizenship was revoked in 1972 and today he edits "A Chronicle of Human Rights in the U.S.S.R.," published in New York.

The Wall Street Journal, April 8, 1977, published Chalidze's "Human Rights: A Policy of Honor." This brief essay does an excellent job of placing Soviet dissent in perspective. Chalidze makes several points and those that I found especially trenchant are:

First, Soviet dissidents work to obtain observance of existing constitutional

guarantees and procedures;

Second, they turned to the international community only after Soviet leaders ignored or repressed the dissidents' petitions:

Third, their struggle is not revolutionary or political, but moral; and

Fourth, the appeal to the international community is further justified because the Soviets made international commitments to observe human rights.

Mr. Chalidze also makes some observations concerning what Western nations can do that will affect positively the situation in the Soviet Union. These are worth reading and I commend them to my colleagues. I also commend to them his wise observation that-

The Soviet Leaders are not strong enough not to fear being thought weak.

We must always keep this in mind as we pursue our very valid human rights objectives vis-a-vis the Soviet Union.

The article follows:

[From the Wall Street Journal, Apr. 8, 1977] HUMAN RIGHTS: A POLICY OF HONOR

(By Valery Chalidze)

I have found the abrupt shift of the American press on human rights issues quite startling. I recall when Messrs. Ford and Kissinger were criticized for their indifference to human rights in other countries. Now President Carter is being criticized for his attention to this problem.

The critics of the former administration were not entirely fair. Simas Kudirka and Silva Zalmonson were released after the American government interceded on their behalf. The Ford administration also helped to arrange the exchange between Russia and Chile and promoted the freedom of Soviet Jews to emigrate.

I disagreed with many principles of the former administration, but it is important to remember what it did accomplish. For the first time in its relations with the Soviet Union, the United States devoted real attention to human rights questions. American public opinion forced the administration take an interest in these problems, but even so, the administration's response deserves some credit since governments seldom become involved in humanitarian problems without pressure from the public.

President Carter's firm and open stand on human rights reflects an ideal which has long inspired the American people: respect for liberty of the individual. International law has recognized that the problem of human rights is everyone's concern so that American attention to safeguarding human rights in other countries cannot be deemed interference in their internal affairs.

I personally hope and believe that President Carter's stand is inspired by the same concern for moral principles that motivates the majority of Soviet dissenters. However, some persons fear—or hope—that the interest of the White House is temporray and that more pressing political problems will divert the U.S. government from international human rights issues. That would be regrettable, but I am convinced that public opinion

would oppose such a development.

Others view Mr. Carter's statements as a response to Soviet support for Communists Western countries. But there is no real symmetry involved since the usual aim of nongoverning Communist parties is destruction of the constitutional order in their countries, while the dissidents in the U.S.S.R. are working for the observance of constitutional guarantees and legal procedure.

THE MAIN PROBLEM IS MOSCOW

Concern for human rights in countries where America has direct political influence as well as in Communist countries is crucial. Soviet emigres arriving in the West often assert that the main problem in human rights is Moscow. They hold this view not just because they love their native country, but because they are ignorant of the gross violations of human rights occurring in some countries of Latin America, Asia and Africa, violations which frequently exceed Soviet violations in cruelty if not in scale.

But those who argue that special attention should be devoted to the Soviet Union are right in one respect. The Soviet Union does more than violate the rights of its own citizens. It preaches an ideology that justifies such violations, an ideology increasingly used by some developing countries in oppressing their own citizens. And this ideology may even distort the development of international law-for instance through the prejudice. quite widely shared by member-states of the United Nations, that civil rights should be subordinated to the achievement of social and economic rights.

Why should the U.S. take an active role in this problem? Why cannot Soviet citizens handle this matter themselves and convince their government to respect human rights?

We did try for a long time to engage the Soviet government in discussion. During the years when I was active in defense of human rights inside the U.S.S.R., I myself never signed a single letter to a foreign govern-ment. I always addressed the Soviet leaders, and my friends Andrei Sakharov, Andrei Tverdokhlebov, Sergei Kovalev and others acted in the same manner. The leaders' response was silence—and repression. The Soviet government does not want to discuss such subjects with its own citizens.

During the past few years, Soviet dissidents have almost given up appealing to their own government, preferring to world public opinion, international human rights organizations and other governments that have dealings with the Soviet government. We have no other recourse if Moscow is unwilling to listen to us. We are not revolutionaries inciting the people to an uprising; we are not a political party fighting for power. We are waging a moral struggle for the recognition of human dignity and hu-man rights, and in the course of this struggle it is natural to appeal to people who have waged or are waging a similar struggle in their own countries. This is why Western public opinion supports us.

It is also natural to appeal to the Soviet Union's partners in the UN and in the Hel-sinki accords, since the Soviet Union has made commitments to those countries to observe human rights. We naturally expect those states to take the initiative in seeking fulfillment of Soviet obligations.

Soviet dissidents have always been inspired by the conviction that in speaking out for human rights, in appealing to Western public opinion and to the U.S.S.R.'s partners in international agreements, we are acting to improve our country, not to harm it.

What initiatives can the U.S. and other Western countries take that might have some effect on the Soviet Union?

First of all, they can state publicly their disapproval of human rights violations, as President Carter is doing to the dismay of his critics. They fear that his remarks may harm Soviet dissenters, but the dissenters themselves have already answered that only a firm stand by the West can assist them in their struggle. President Carter's stand not only provides moral support for Soviet dissenters and a basis for further action; it also represents a policy of honor. And I hope other Americans share President Carter's respect

for the old-fashioned concept of honor.

Another method, "quiet diplomacy," was applied by Henry Kissinger with some success and can produce results in specific cases. The Soviet leaders are not strong enough not to fear being thought weak. They are afraid of making concessions. They are afraid that if they perform a good deed it will be interpreted as weakness. Personal contacts between Americans and Soviets can be put to use: Soviets want to appear civilized, at least on some occasions.

The most effective method is, of course, the use of procedures provided by international The Soviet Union has ratified many human rights conventions. Since 1969 when began my own public activity in this field, I have been puzzled why Western countries have been so passive in seeking Soviet observance of those conventions—even though Soviet discrimination in education and employment based on political and religious beliefs plus many similar violations, are common knowledge.

Not a single country has paid attention to these violations although it is known that dissenters have been fired from jobs and Baptists have had their children removed from their custody. No one recalls the Genocide Convention, although the Crimean Tatars

forcibly deported from their native lands in 1944 and are still not permitted to return. No one recalls the Universal Postal Convention, although everyone knows that Soviet postal censors often "lose" letters and sometimes fail to deliver packages sent by friends abroad to help jobless dissidents.

Every convention specifies procedures to review compliance. However ineffective these procedures may turn out to be, they should be tested and used. Why rely solely on political measures when an alternative exists: using the procedures provided by international to resolve disputes. Monitoring the humanitarian provisions of the Helsinki final act is equally important. In this case the U.S. is apparently prepared to be more vigorous in pressing for effective follow-up.

A COMPLICATED INSTRUMENT

Some people are hopeful that trade can be used to induce Soviet respect for human rights. But trade is a complicated instrument

to use for such purposes.

Restrictions on trade are not always acceptible. I agree with Andrei Sakharov's statement that restrictions on the sale of grain would be immoral, even to secure human rights. On the other hand, linking credits to human rights is justified, and demonstrates that America takes the issue seriously. The Jackson Amendment has played a major role in this respect. The United States has every right to choose its trading partners and to establish its condi-tions of trade, especially when credits very much resemble economic aid.

I am in agreement with the often repeated opinion that disarmament negotiations should not be made dependent on progress with human rights problems. But disarmament negotiations and the question of human rights are linked to the question of international security. A state does not initiate aggression with a declaration of war; it begins by persecuting its own citizens' honest and lawful behavior. After its critics are silenced, a government can prepare international aggression, whip up a war psychosis among its citizens and secretly increase military expenditures at the expense of social

Anyone who wishes the U.S. to take an active role in defending human rights in the U.S.S.R. must remember that the first responsibility of the U.S. government is to protect American security and American interests. But it will clearly serve America's long term interest if its strongest rival evolves into a more open, more liberal, more responsive society.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest-designated by the Rules Committee-of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare such information daily for printing in the Extensions of Remarks section of the Congressional RECORD.

Any changes in committee scheduling will be indicated by placement of an as-terisk to the left of the name of the unit conducting such meetings.

scheduled for Meetings Tuesday, April 19, 1977, may be found in the Daily Digest section of today's RECORD.

The schedule follows:

MEETINGS SCHEDULED APRIL 20

9:00 a.m.

Human Resources

Employment, Poverty, and Migratory Labor Subcommittee

To hold hearings on H.R. 2992, to amend and extend the Comprehensive Employment and Training Act, and S. 1242, to provide employment and training opportunities for youth.

357 Russell Building Until 1 p.m.

9:30 a.m.

Appropriations

Interior Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies, to hear public witnesses.

1114 Dirksen Building

Appropriations State, Justice, Commerce, Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for the Department of Commerce.

1224 Dirksen Building

Banking, Housing and Urban Affairs

To hold hearings on the nomination of John L. Moore, Jr., of Georgia, to be President of the Export-Import Bank. 5302 Dirksen Building

Environment and Public Works Water Resources Subcommittee

To continue hearings on the proposed replacement of Lock and Dam 26, Alton. Ill.

4200 Dirksen Building

10:00 a.m.

Armed Services

Tactical Air Power Subcommittee

To meet in closed session to begin markup of S. 1210, authorizing funds for fiscal year 1978 for military procurement.

212 Russell Building Banking, Housing, and Urban Affairs

To continue hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.

5302 Dirksen Building

Commerce, Science, and Transportation Consumer Subcommittee

To continue oversight hearings on ac-tivities of the Consumer Product Safety Commission.

235 Russell Building

Energy and Natural Resources To consider pending calendar business 3110 Dirksen Building

Foreign Relations

International Operations Subcommittee To hold hearings on proposed fiscal year 1978 authorizations for the Department of State.

4221 Dirksen Building

Governmental Affairs

To continue hearings on S. 1262, to establish an independent agency to protect the interests of consumers 3302 Dirksen Building

Government Affairs

Subcommittee on Government Efficiency

To receive testimony on a GAO study alleging inaccurate financial records of the Federal flood insurance program.

6226 Dirksen Building

Human Resources Labor Subcommittee

To consider S. 717, to promote safety and health in the mining industry. Until 1 p.m. 4232 Dirksen Building Joint Economic Committee

To hold hearings to receive testimony on issues the United States will present at the upcoming economic summit conference in London on May 7.

6202 Dirksen Building

To continue hearings on S. 825, to foster competition and consumer protection policies in the development of product standards.

2228 Dirksen Building

Select on Intelligence

Subcommittee on Collection, Production, and Quality

Closed business meeting.

S-407, Capitol

Select Small Business To hold hearings on S. 972, to authorize the Small Business Administration to make grants to support the development and operation of small business

development centers 424 Russell Building

1:00 p.m.

Appropriations

Interior Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear public witnesses.
1114 Dirksen Building

2:00 p.m.

Appropriations

State, Justice, Commerce, Judiciary Sub-

To continue oversight hearings on proposed budget estimates for fiscal year 1978 for the Department of Commerce. S-146, Capitol

Commerce, Science, and Transportation To hold hearings on the implementation of the Fishery Conservation and Management Act (200-mile fishery limit

5110 Dirksen Building

2:30 p.m.

Foreign Relations

Army Control, Oceans and International **Environment Subcommittee**

To hold hearings on S. 1190, the Foreign Relations Authorization Act, and S. 1042, to extend authorizations for the Arms Control and Disarmament Agency for fiscal year 1978, to hear Paul C. Warnke, Director, ACDA. 4221 Dirksen Building

Select Intelligence Subcommittee on Se-

crecy and Disclosure

Closed organizational meeting.
S-407, Capitol

4:00 p.m.

Foreign Relations

Foreign Economic Policy Subcommittee To meet in closed session to hear Sec-retary of the Treasury W. Michael Blumenthal on American foreign economic policy.

S-116, Capitol

APRIL 21

8:00 a.m.

Agriculture, Nutrition, and Forestry To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of

1973.

322 Russell Building

9:00 a.m.

Energy and Natural Resources Subcommittee on Parks and Recreation

To hold hearings on S. 658, to designate certain lands in Oregon for inclusion in the National Wilderness Preservation System.

Room to be announced

Foreign Relations International Operations Subcommittee To hold hearings on proposed fiscal year

1978 authorizations for the Department of State.

4221 Dirksen Building

9:30 a.m.

Appropriations

Interior Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies, to hear public witnesse

1114 Dirksen Building

Banking, Housing and Urban Affairs To hold hearings on the nominations of William F. McQuillen, of Virginia, and Harry R. VanCleve, of Virginia, to be members of the Renegotiation Board. 5302 Dirksen Building

Human Resources

To consider S. 725, authorizing funds through fiscal year 1982 for certain education programs for handicapped persons

Until 10:30 a.m. 4232 Dirksen Building

10:00 a.m.

Appropriations

Foreign Operations Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs. S-126, Capitol

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for the Arms Control and Disarmament Agency, Board for International Broadcasting, USIA, and the Commission on Civil Rights.

S-146, Capitol

Banking, Housing, and Urban Affairs

To continue hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15. 5302 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on the nominations of Langhorne McCook Bond, of Illinois, to be Administrator, and Quentin Saint Clair Taylor, of Maine, to be Deputy Administrator both of the Federal Aviation Administration. 235 Russell Building

Commerce, Science, and Transportation Consumer Subcommittee

To continue oversight hearings on activities of the Consumer Product Safety Commission. 5110 Dirksen Building

Energy and Natural Resources

To hold hearings to receive testimony on the President's Energy message. 3110 Dirksen Building

Environment and Public Works

Subcommittee on Resource Protection

To hold hearings on proposed legislation authorizing funds to the States to extend the Endangered Species Act through 1980. 4200 Dirksen Building

Governmental Affairs

Subcommittee on Governmental Efficiency To receive testimony on a GAO study al-leging inaccurate financial records of the Federal flood insurance program.
6226 Dirksen Building

Governmental Affairs

Subcommittee on Reports, Accounting, and Management

To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.

3302 Dirksen Building

Joint Economic Committee

To hold hearings to receive testimony on issues the United States will present at the upcoming economic summit conference in London on May 7. 6202 Dirksen Building

Select Intelligence

Closed business meeting.

S-407, Capitol

Small Business

To mark up bills concerning disaster relief for small business concerns (S. 832, 1206, and 1259).

424 Russell Building

10:30 a.m.

Human Resources

Employment, Poverty, and Migratory La-bor Subcommittee

To hold hearings on H.R. 2992, to amend and extend the Comprehensive Employment and Training Act, and S. 1242 to provide employment and training opportunities for youth.
ntil 2 p.m. 357 Russell Building

Until 2 p.m.

11:00 a.m.

Foreign Relations

Foreign Assistance Subcommittee

To hold hearings on proposed fiscal year 1978 authorizations for the Security Assistance Program.

4221 Dirksen Building

1:00 p.m.

Appropriations

Interior Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear public witnesses.

1114 Dirksen Building

2:00 p.m.

Appropriations

Legislative Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for the legislative branch, to hear J. Stanley Kimmitt, Secretary of the Senate, and F. Nordy Hoffman, Senate Sergeant at

S-128 Capitol

Appropriations

State Justice Commerce Judiciary Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the EEOC, FTC, and SBA.

Armed Services

General Legislation Subcommittee

To continue hearings on proposed authorizations for fiscal year 1978 for the Defense Civil Preparedness Agency. 224 Russell Building

Select Intelligence Closed business meeting.

S-407, Capitol

2:15 p.m.

Foreign Relations

To hold hearings on the nominations of Michael J. Mansfield, of Montana, to be Ambassador to Japan; W. Tapley Bennett, Jr., of Georgia, to be Per-manent Representative on the Coun-cil of NATO; Samuel W. Lewis, of Texas, to be Ambassador to Israel; George S. Vest, of Maryland, to be Ambassador to Pakistan; and Robert Goheen, of New Jersey, to Ambassador to India.

4221 Dirksen Building

APRIL 22

8:00 a.m.

Agriculture, Nutrition, and Forestry

To continue mark up of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.

322 Russell Building

EXTENSIONS OF REMARKS

9:00 a.m.

Appropriations

Interior Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear public witnesses.

1114 Dirksen Building

Commerce, Science, and Transportation To hold hearings on the nomination of Jordan J. Baruch, of New Hampshire, to be an Assistant Secretary of Commerce.

5110 Dirksen Building

Foreign Relations

International Operation Subcommittee

To hold hearings on proposed fiscal year 1978 authorizations for the USIA and Department of State Cultural Exchange Program. 4221 Dirksen Building

Human Resources

Employment, Poverty, and Migratory Labor Subcommittee To hold hearings on H.R. 2992, to amend

and extend the Comprehensive Employment and Training Act, and S. 1242, to provide employment and training opportunities for youth.

4232 Dirksen Building Until 1 p.m.

10:00 a.m.

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Maritime Commission, Foreign Claims Settlement Commission, International Trade Commission, and the Legal Services Corporation.

S-146, Capitol

Banking, Housing, and Urban Affairs

To continue hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15. 5302 Dirksen Building

Energy and Natural Resources

To continue hearings on proposed budget estimates for fiscal year 1978 for ERDA. 3110 Dirksen Building

Governmental Affairs

To mark up S. 826, to establish a Department of Energy in the Federal Government to direct a coordinated national energy policy.

3302 Dirksen Building

Governmental Affairs

Subcommittee on Governmental Efficiency To receive testimony on a GAO study alleging inaccurate financial records of the Federal flood insurance program. 6226 Dirksen Building

Joint Economic Committee

To hold hearings to receive testimony on issues which the U.S. will present at the upcoming economic summit conference in London on May 7.

1202 Dirksen Building

11:00 a.m.

Foreign Relations

Foreign Assistance Subcommittee

To continue hearings on proposed fiscal year 1978 authorizations for the Security Assistance Program.

4221 Dirksen Building

1:00 p.m.

Appropriations Interior Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior to hear public witnesses.

1114 Dirksen Building

2:00 p.m.

Appropriations State, Justice, Commerce, Judiciary Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Marine Mammal Commission Renegotiation Board, and the SEC.

S-146, Capitol

2:30 p.m.

Appropriations Labor-HEW Subcommittee

To hold hearings to receive testimony on fiscal 1978 budget estimates for the Railroad Retirement Board.

S-128. Capitol

APRIL 25

8:00 p.m. Agriculture, Nutrition, and Forestry To continue mark up of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.

322 Russell Building

9:00 a.m.

Human Resources

Employment, Poverty, and Migratory Labor Subcommittee

To hold hearings on proposed legislation authorizing funds for fiscal year 1978 for the Legal Services Corporation.

4232 Dirksen Building Until 1 p.m.

9:30 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Forest Service.

1114 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs Consumer Affairs Subcommittee To hold hearings on S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.

5302 Dirksen Building *Commerce, Science, and Transportation

Merchant Marine and Tourism Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for the Coast Guard.

235 Russell Building

Energy and Natural Resources

To resume hearings on S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.

3110 Dirksen Building

Environment and Public Works

Subcommittee on Water Resources

To hold hearings on proposed legislation to authorize funds for fiscal year 1978 for river basin projects. 4200 Dirksen Building

Judiciary

To resume hearings on S. 825, to foster competition and consumer protection policies in the development of product standards.

2228 Dirksen Building

APRIL 26

8:00 a.m. Agriculture, Nutrition, and Forestry

To continue mark up of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.

322 Russell Building

9:00 a.m.

*Human Resources

Employment, Poverty, and Migratory Labor Subcommittee.

To continue hearings on proposed legislation authorizing funds for fiscal year 1978 for the Legal Services Corporation.

Until 11:30 a.m. 424 Russell Building

9:30 a.m.

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for the Department of Justice.

1318 Dirksen Building

Human Resources

Subcommittee on Labor

To hold hearings on S. 995 to prohibit discrimination based on pregnancy or related medical conditions. 4232 Dirksen Building Until noon

Select Small Business

To hold hearings on problems of small business as they relate to product liability.

1202 Dirksen Building

10:00 a.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.

1224 Dirksen Building

Banking, Housing, and Urban Affairs Consumer Affairs Subcommittee

To continue hearings on S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.

5302 Dirksen Building

Comerce, Science, and Transportation Merchant Marine and Tourism Subcommittee

To hold hearings to receive testimony in connection with delays and conges-tion occurring at U.S. airports-of-

235 Russell Building Environment and Public Works Subcommittee on Water Resources

To hold hearings on projects which may be included in proposed Water Resources Development Act amendments.

*Select Small Business

To resume hearings on S. 972, to authorize the Small Business Administration to make grants to support the development and operation of small business development centers.

S-126, Capitol

4200 Dirksen Building

2:00 p.m.

Appropriations

Legislative Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Legislative Branch, to hear William A. Ridgely, Senate Financial Clerk. S-128, Capitol

Appropriations State, Justice, Commerce, Judiciary Sub-

committee To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of Justice.

S-146, Capitol

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.

1224 Dirksen Building

APRIL 27

8:00 a.m.

1973.

Agriculture, Nutrition, and Forestry To continue markup of S. 275, to amend and extend through 1982 the Agriculture and Consumer Protection Act of

322 Russell Building

Commerce, Science, and Transportation Science, Technology, and Space Subcommittee

To hold hearings on S. 1069, increasing authorizations for programs under the Toxic Substances Control Act for fiscal years 1978 and 1979; and S. 899, the Toxic Substances Injury Assistance

235 Russell Building

9:30 a.m.

*Commerce, Science, and Transportation

Consumer Subcommittee

To hold hearings on S. 403, the proposed National Product Liability Insurance

5110 Dirksen Building

Human Resources

Subcommittee on Labor

To continue hearings on S. 995, to prohibit discrimination based on pregnancy or related medical conditions 4232 Dirksen Building Until noon

Select Small Business

To hold hearings on proposed Sthorization requests for fiscal year 1978 for the Small Business Administration.

424 Russell Building

Veterans' Affairs

To hold hearings on S. 1189, H.R. 3695, H.R. 5027, and H.R. 5029, authorizing funds for grants to States for con-struction of veterans health care facilities

Until 12:30 p.m. 318 Russell Building

10:00 a.m.

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Judiciary.

S-146, Capitol

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.

1224 Dirksen Building

Banking, Housing, and Urban Affairs Consumer Affairs Subcommittee

To continue hearings on S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.

5302 Dirksen Building

Energy and Natural Resources

To consider pending calendar business 3110 Dirksen Building

Human Resources

Health and Scientific Research Subcommittee

To consider S. 705, to revise and strengthen standards for the regulation of clinical laboratories.

Until noon 1318 Dirksen Building

*Judiciary

Subcommittee on Juvenile Delinquency To hold hearings on S. 1201 and S. 1218, to amend and extend, through fiscal year 1980, programs under the Juvenile Justice and Delinquency Prevention Act.

2228 Dirksen Building

Rules and Administration

To mark up S. 703, to improve the ad-ministration and operation of the Overseas Citizens Voting Rights Act of 1976, and to consider proposed au-thorizations for activities of the Federal Election Commission for fiscal year 1978.

301 Russell Building

2:00 p.m.

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

o continue hearings on proposed budget estimates for fiscal year 1978 for the Japan-U.S. Friendship Com-CXXIII-699-Part 9

mission, and the Office of the Special Representative for Trade Negotiations. S-146, Capitol

APRIL 28

8:00 a.m. Agriculture, Nutrition, and Forestry

To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.

322 Russell Building

Commerce, Science, and Transportation Science, Technology, and Space Subcommittee

To continue hearings on S. 1069, increas-ing authorizations for programs under the Toxic Substances Control Act for fiscal years 1978 and 1979; and S. 899, the Toxic Substances Injury Assistance Act.

154 Russell Building

9:30 a.m.

*Commerce, Science, and Transportation

Consumer Subcommittee

To continue hearings on S. 403, the proposed National Product Liability Insurance Act.

5110 Dirksen Building

Human Resources

Child and Human Development Subcommittee

To consider S. 961, to implement a plan designed to overcome barriers in the interstate adoption of children, and proposed legislation to extend the Child Abuse Prevention and Treatment Act.

Until 10:30 a.m. 4232 Dirksen Building

10:00 a.m.

Appropriations

Transportation Subcommittee continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.

1224 Dirksen Building

Banking, Housing, and Urban Affairs Securities Subcommittee

To hold hearings on proposed fiscal year 1978 authorizations for the SEC.

5302 Dirksen Building

Energy and Natural Resources

Energy Research and Development Subcommittee

To resume hearings on S. 419, to test the commercial, environmental, and social viability of various oil-shale technologies.

3110 Dirksen Building

Environment and Public Works Nuclear Regulation Subcommittee

To resume hearings on proposed fiscal year 1978 authorizations for the Nuclear Regulatory Commission 4200 Dirksen Building

Human Resources Health and Scientific Research Subcommittee

To hold hearings on biomedical research programs.

Until 12:30 1202 Dirksen Building

10:30 a.m.

Human Resources

Employment, Poverty, and Migratory Labor Subcommittee

To hold hearings on H.R. 2992, to amend and extend the Comprehensive Employment and Training Act, and S. 1242, to provide employment and training opportunities for youth.

Until 2:00 p.m. 4232 Dirksen Building APRIL 29

8:00 a.m.

Agriculture, Nutrition, and Forestry

To continue markup of S. 275, to amend and extend through 1982, the Agri-

culture and Consumer Protection Act of 1973

322 Russell Building

9:00 a.m.

*Human Resources

Employment, Poverty, and Migratory Labor Subcommittee

To consider H.R. 2992, to amend and extend the Comprehensive Employment and Training Act, and S. 1242, to provide employment and training opportunities for youth.

Until 2 p.m. 1202 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation Consumer Subcommittee

To continue hearings on S. 403, the proposed National Product Liability Insurance Act.

5110 Dirksen Building

Commerce, Science, and Transportation Technology, and Space Subcom-Science.

To continue hearings on S. 1069, increasing authorizations for the Toxic Substances Control Act for fiscal years 1978 and 1979; and S. 899, to aid States which adopt assistance or indemnification programs to compensate citizens for injuries resulting from chemical contamination disaster.

6202 Dirksen Building

Human Resources

Labor Subcommittee

To continue hearings on S. 955, to prohibit discrimination based on pregnancy or related conditions. 4232 Dirksen Building Until noon

Appropriations State, Justice, Commerce, Judiciary Sub-

committee To hold hearings on proposed budget estimates for fiscal year 1978 for the Judiciary and F.C.C.

S-146, Capitol Banking, Housing, and Urban Affairs

Rural Housing Subcommittee To hold hearings on rural housing legislation with a view to reporting its final recommendation thereon to the Budget Committee by May 15. 5302 Dirksen Building

Energy and Natural Resources Subcommittee on Parks and Recreation

To hold hearings on S. 1125, authorizing the establishment of the Eleanor Roosevelt National Historic Site in Hyde Park, N.Y. 3110 Dirksen Building

MAY 2

8:00 a.m Agriculture, Nutrition, and Forestry

To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973

322 Russell Building

10:00 a.m.

Rules and Administration

To hold hearings to receive testimony in behalf of requested funds for activities of Senate committees and subcommittees.

301 Russell Building

MAY 3

8:00 a.m. Agriculture, Nutrition, and Forestry

To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.

322 Russell Building

10:00 a.m.

Banking, Housing, and Urban Affairs To hold oversight hearings on U.S. monetary policy.

5302 Dirksen Building

Commerce, Science, and Transportation Consumer Subcommittee

To hold hearings on proposed legisla-tion amending the Federal Trade Commission Act.

235 Russell Building

Energy and Natural Resources

Energy Conservation and Regulation Subcommittee

To hold hearings to receive testimony on Federal Energy Administration price policy recommendations for Alaska crude oil.

3110 Dirksen Building

Rules and Administration

To hold hearings to receive testimony in behalf of requested funds for activities of Senate committees and subcommittees.

301 Russell Building

Banking, Housing, and Urban Affairs

To mark up S. 208, proposed National Mass Transportation Assistance Act, and on proposed fiscal year 1978 authorizations for the SEC

5302 Dirksen Building

MAY 4

10:00 a.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Highway Administration.

1224 Dirksen Building

Banking, Housing, and Urban Affairs

To consider all proposed legislation under its jurisdiction with a view to re-porting its final recommendation thereon to the Budget Committee by May 15.

5302 Dirksen Building Commerce, Science, and Transportation Consumer Subcommittee

To continue hearings on proposed legis-lation amending the Federal Trade Commission Act.

235 Russell Building

Energy and Natural Resources Parks and Recreation Subcommittee

To hold hearings on H.R. 5306, Land and Water Conservation Fund Act amendments.

3110 Dirksen Building

Rules and Administration

To hold hearings on S. 1072, to estab-lish a universal voter registration pro-gram, S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages which amend the Federal Election Campaign Act: S. 15, 105, 962, and 966, President's message dated March 22, and recom-mendations from the FEC submitted March 31.

301 Russell Building

MAY 5

10:00 a.m.

Banking, Housing, and Urban Affairs

To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.

5302 Dirksen Building

Commerce, Science, and Transportation Consumer Subcommittee

To hold hearings on S. 957, designed to promote methods by which controversies involving consumers may be resolved.

5110 Dirksen Building Rules and Administration

To continue hearings on S. 1072, to establish a universal voter registration program, S. 926, to provide for the public financing of primary and general elections for the U.S. Senate, and the following bills and messages to amend the Federal Election Campaign Act: S. 15, 105, 962, and 966; President's message dated March 22, and recommendations from the FEC submitted March 31.

301 Russell Building

MAY 6

Banking, Housing, and Urban Affairs

To consider all proposed legislation un-der its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.

5302 Dirksen Building

9:30 a.m.

10:00 a.m.

Commerce, Science, and Transportation Communications Subcommittee

To hold oversight hearings on the broadcasting industry, including net-work licensing, advertising, violence on TV, etc.

235 Russell Building

MAY 10

9:30 a.m. Commerce, Science, and Transportation Communications Subcommittee

To continue oversight hearings on the broadcasting industry, including net-work licensing, advertising, violence on TV, etc.

235 Russell Building

10:00 a.m.

Appropriations Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration (Northeast Corridor)

1224 Dirksen Building Banking, Housing, and Urban Affairs.

To resume oversight hearings on U.S. monetary policy.

5302 Dirksen Building

Governmental Affairs Subcommittee on Reports, Accounting and Management

To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.

6202 Dirksen Building

MAY 11

9:30 a.m.

Commerce, Science, and Transportation Communications Subcommittee

To continue oversight hearings on the broadcasting industry, including net-work licensing, advertising, violence on TV, etc.

10:00 a.m.

Banking, Housing, and Urban Affairs Consumer Affairs Subcommittee

To resume hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt

5302 Dirksen Building

235 Russell Building

Rules and Administration

To markup S. 1072, to establish a universal voter registration program, S. 926, to provide for the public financing of primary and general elections for the U.S. Senate, and the following bills and messages to amend the Federal Election Campaign Act, S. 15, 105, 962 and 966, President's message dated March 22 and recommendations from the FEC submitted March 21.

301 Russell Building

MAY 12

10:00 a.m.

Banking, Housing, and Urban Affairs Consumer Affairs Subcommittee

To continue hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.

5302 Dirksen Building

Governmental Affairs

Subcommittee on Reports, Accounting and Management

To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government are established.

6202 Dirksen Building

MAY 13

10:00 a.m.

Banking, Housing, and Urban Affairs Consumer Affairs Subcommittee

To continue hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.

5302 Dirksen Building

MAY 18

10:00 a.m.

Appropriations
Transportation Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.

1224 Dirksen Building

Governmental Affairs

Subcommittee on Reports, Accounting and Management

To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.

6202 Dirksen Building

2:00 p.m.

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.

1224 Dirksen Building

MAY 19

10:00 a.m. Banking, Housing, and Urban Affairs

To hold hearings on S. 695, to impose on Federal procurement personnel an extended time period during which they may not work for defense contractors.

5302 Dirksen Building

MAY 20

10:00 a.m.

Banking, Housing, and Urban Affairs

To continue hearings on S. 695, to impose on Federal procurement personnel an extended time period during which they may not work for defense contractors.

5302 Dirksen Building

MAY 23

10:00 a.m.

Banking, Housing, and Urban Affairs

To continue hearings on S. 695, to impose on Federal procurement personan extended time period during which they may not work for defense contractors

5302 Dirksen Building

MAY 24

10:00 a.m.

Governmental Affairs

Subcommittee on Reports, Accounting and Management

To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.

6202 Dirksen Building

Gilman

MAY 26 10:00 a.m.

Governmental Affairs

Subcommittee on Reports, Accounting and Management

To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established. 6202 Dirksen Building

JUNE 13

9:30 a.m.

Commerce, Science, and Transportation Communications Subcommittee

To hold oversight hearings on the cable TV system.

235 Russell Building

JUNE 14

9:30 a.m.

Commerce, Science, and Transportation Communications Subcommittee

To continue oversight hearings on the cable TV system.

235 Russell Building

JUNE 15

9:30 a.m.

Commerce, Science, and Transportation Communications Subcommittee

Ottinger

Panetta

Pattison

Pressler Preyer Pritchard

Pursell

Quavle

Quillen

Railsback

Rahall

Rangel

Regula Reuss Rhodes

Rinaldo

Roberts

Rodino

Rooney

Robinson

Rogers Roncalio

Risenhoover

Pease Perkins

Pettis

Poage

To continue oversight hearings on the cable TV system.

235 Russell Building

Smith. Nebr.

St Germain

Staggers Stangeland Stanton

Stockman

Studds

Taylor

Thone

Tonry

Traxler

Treen Trible

Udall

Vento

Tsongas

Volkmer

Walgren Walker

Wampler

Watkins

Waxman

Weaver Weiss

Whalen

Whitten

Wirth

Wright

Wydler Wylie

Yatron

Young, Fia

Young, Mo. Young, Tex. Zablocki

Yates

White Whitehurst

Wiggins Wilson, Bob

Wilson, C. H. Wilson, Tex.

Walsh

Waggonner

Snyder

Solarz Spellman Spence

Steed

HOUSE OF REPRESENTATIVES—Tuesday, April 19, 1977

The House met at 12 o'clock noon.

The Reverend Harry Lee Hoffman, St. Peter's Episcopal Church, Purcellville, Va., offered the following prayer:

Almighty God, whose energy is boundless and whose covenant is to provide for the needs of those who trust You; we lift up to You the energy needs confronting our Nation and world today. Give us awareness of the extreme needs of the hungry and deprived in Your world, and grant us the will to sacrifice some of our own abundance on their behalf. Assist, O Lord, the Members of this House and all others in authority in their work together for a sound national energy program according to Your will. Heal the sick and comfort those who mourn, especially any of this House or of their staffs or families. Help us to praise Your holy name in all things, and please send rain to the farmlands, through Jesus Christ our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Is there objection to the approval of the Journal?

Mr. EDWARDS of Oklahoma. Mr.

Speaker, I object. The SPEAKER. Objection is heard. Mr. BRADEMAS, Mr. Speaker, I move

the approval of the Journal.

The SPEAKER. The question is on the motion offered by the gentleman from Indiana (Mr. BRADEMAS).

The question was taken; and the Speaker announced that the ayes ap-

peared to have it.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum

is not present. The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were-yeas 367, nays 4, not voting 62, as follows:

[Roll No. 136] YEAS-367

Abdnor Clawson, Del Addabbo Alexander Allen Ambro Ammerman Anderson.

Calif. Anderson, Ill. Andrews, N. Dak Annunzio Applegate Archer

Ashbrook Ashley Aspin AuCoin Badham Radillo Baldus Barnard Baucus Bauman Beard, R.I.

Bedell Benjamin Bevill Bingham Blanchard Blouin

Boggs Boland Bonior Bowen Brademas Breaux Breckinridge Brinkley Brodhead

Brooks Broomfield Brown, Calif. Brown, Mich. Brown, Ohio Broyhill Buchanan Burgener

Burke, Calif. Burke, Mass. Burleson, Tex. Burlison, Mo. Burton, John Burton, Phillip Butler Caputo

Carney Carter Cavanaugh Cederberg Chappell Clausen, Don H.

Clay Cleveland Cochran Cohen Coleman Collins, Tex. Conte Corcoran Corman Cornell Cotter Coughlin Crane D'Amours Daniel, Dan Daniel, R. W. Danielson Davis de la Garza Delaney Dent Derwinski Dickinson Dicks Dingell Dodd Dornan Downey Duncan, Oreg. Duncan, Tenn. Eckhardt Edwards, Ala. Ireland Edwards, Calif. Jeffords Edwards, Okla. Jenkins Eilberg Emery English Erlenborn Ertel Evans, Colo. Evans, Del.

Evans, Ga. Evans, Ind.

Fascell Fenwick

Findley

Fithian

Flippo

Flood

Flynt

Foley

Flowers

Ford, Mich.

Ford, Tenn.

Fountain

Fowler

Fraser

Frenzel

Frey Fuqua

Gaydos

Gammage

Gephardt Giaimo

Gibbons

Fisher

Ginn Gonzalez Goodling Gore Gradison Grassley Gudger Guver Hagedorn Hall Hamilton Hammer schmidt Hanley Hannaford Harkin Harrington Harris Harsha Hawkins Hefner Hillis Hollenbeck Horton Hubbard Huckaby Hughes Ichord Jenrette Johnson, Calif. Johnson, Colo. Jones, N.C. Jones, Okla. Jones, Tenn. Jordan Kasten Kastenmeier Kazen Kelly Ketchum Kildee Kindness Koch Kostmayer Krebs LaFalce

Lagomarsino

Latta

Leach

Lederer

Lehman

Levitas

Lott

Lloyd, Calif. Lloyd, Tenn. Long, Md.

Le Fante

McDonald McEwen McFall McHugh McKinney Madigan Maguire Mahon Mann Markey Marlenee Marriott Martin Mathis Mattox Mazzoli Meeds Metcalfe Mikulski Mikva Miller, Calif. Miller, Ohio Mineta Minish Mitchell, Md. Mitchell, N.Y. Moakley Moffett Mollohan Montgomery Moore Moorhead Moorhead, Pa. Moss Mottl Murphy, Pa. Murtha Myers, Gary Natcher Neal Nedzi Nichols Nix Nolan Oakar

Lundine McCloskey Glickman Jacobs

Rosenthal Rostenkowski Rousselot Roybal Rudd Runnels Ruppe Russo Santini Satterfield Sawver Scheuer Schroeder Schulze Sebelius Sharp Shuster Sikes Simon Sisk Skelton Slack Smith, Iowa

NAYS-4

Steiger

Akaka Andrews, N.C. Biaggi Bonker Burke, Fla.

Byron Carr Collins, Ill. Conable Conyers Cornwell Dellums Derrick Devine Diggs

Edgar Fary Florio Forsythe Goldwater Heckler Hightower Holtzman Hyde Kemp Long, La. Luken McClory McCormack

McKay

Milford Murphy, Ill Murphy, N.Y. Myers, Michael Myers, Ind. O'Brien Patten Pepper Pickle Pike Price Quie Roe Ryan

Mevner

Sarasin NOT VOTING-62 Seiberling Shipley Skubitz Stark Stratton Stump

Teague Thompson Thornton Tucker Ullman Van Deerlin Vander Jagt Winn Wolff Young, Alaska Zeferetti

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 196. Concurrent resolution providing for a joint session of the two Houses on Wednesday, April 20, 1977, to receive a message from the President of the

United States.

PRESIDENT CARTER'S ENERGY MESSAGE

(Mr. FORD of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FORD of Tennessee. Mr. Speaker, watched the President's message to the American people on energy last night with great interest. We all know that the time has come for an effective and meaningful energy policy. This policy will require great sacrifices for all Americans, and I hope that we will all be willing to make them for the good of our Nation.

A great deal of talk has focused on a gasoline tax. We all know that the demand for gasoline is inelastic-that is, a rise in price will not result in a decrease in consumption: It will only require Americans to allocate a larger portion of their family budgets toward gasoline. I want to take this opportunity to urge the administration, and the Members of Congress, to earmark 100 percent of any increase in gasoline taxes toward urban mass transit. It is obvious that any tax on gasoline, no matter how high, or any penalty on the purchase and use of larger cars, no matter how prohibitive, is at best only a stopgap measure.

We cannot continue to emphasize private transportation. The automobile wastes fuel and usually carries only one person. Urban mass transit is the only answer. We must make it a viable, feasible, and attractive means of getting Americans from one place to another.

CONGRESS SHOULD FOLLOW PRESI-DENT'S LEAD IN ENERGY POLICY

(Mr. BROWN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROWN of California. Speaker, last night President Carter addressed the Nation on energy. His speech was the best evidence that we now have in the White House a genuine leader, who is not only unafraid of facing tough problems, but also responsible enough to care about future events that will only occur after President Carter

has left the Presidency.

The Congress would honor itself and the oath of office we took, if we followed President Carter's lead in supporting an energy policy that guaranteed to the future what we strive to guarantee to ourselves today. It will take political courage to follow this course of action, and this has not often been found in the Congress. I hope that this time our response will be different.

DANVILLE, VA.-AN ALL-AMERICAN CITY

(Mr. DAN DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAN DANIEL. Mr. Speaker, I have

a confession to make.

In the 8 years I have served in Congress, I have endeavored to give this body my total and complete attention when it was in session, in the belief that the people who sent me here deserved and should expect no less.

Today this is not the case, for while I am here in the flesh, and while I will participate in our legislative business of the day, my heart and my thoughts

are somewhere else.

For on this day the citizens of Danville, Va., my hometown, are engaged in an act in which I most fervently wish I might have joined. They are raising, on the lawn of the municipal building, a flag denoting selection of Danville as an All-America City.

Now Danville is not the first town to be so recognized, and is not the only town to receive the award this year. There are nine others. But Danville is special to me, and I am full of a special kind of pride today. The National Municipal League, in designating Danville an All-America City, has recognized the outstanding community effort of the people of Danville. It is a recognition well deserved.

JOSEPH RAUH REPLIES TO CON-GRESSMAN GONZALEZ' ATTACKS ON RICHARD SPRAGUE

(Mr. BOLLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BOLLING. Mr. Speaker, the letter which I include herewith requires no explanation. I hope my colleagues will read it.

RAUH, SILARD & LICHTMAN, Washington, D.C., April 8, 1977. Hon. RICHARD BOLLING,

House of Representatives, Longworth House Office Building, Washington, D.C.

DEAR DICK: Henry Gonzalez' attacks on Dick Sprague need no rebuttal from me. Dick was the best man for the job and his departure is the country's loss.

I do think, however, that one example of Gonzalez' irresponsibility should be called to the attention of members of Congress.

Gonzalez quotes me out of Trevor Arm-

brister's "Act of Vengeance" as saying the following:

"Had it not been for Richard Sprague tying in his prosecution of Boyle with my pressing the multimillion dollar civil suit against the United Mine Workers simultaneously we could have never won that suit.

There is no such quotation in the book and there was no multimillion dollar civil suit against the United Mine Workers.

Mr. Gonzalez manufactured that quote and manufactured the multimillion dollar civil suit against the United Mine Workers. Having manufactured the facts, he then makes a charge of fee splitting between Sprague and me without any basis whatever. I can assure you there never was any fee splitting and that the biggest financial transaction between us has been the argument over who buys lunch.

Sincerely,

JOSEPH L. RAUH, Jr.

H.R. 5226, TO AMEND THE AGE DIS-CRIMINATION IN EMPLOYMENT ACT

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. WEISS, Mr. Speaker, Mr. Wax-MAN and I are extremely gratified by the response which we have received from our colleagues concerning H.R. 5226, a bill to amend the Age Discrimination in Employment Act. Our bill extends coverage under the act beyond the current limit of 65 years and renders unlawful seniority systems and employee benefit plans which require the retirement of individuals who are 40 years of age or older.

We will be reintroducing our bill this Thursday with cosponsors. Naturally we would be pleased to accept any additional cosponsors who would like to join us.

At this time, Mr. Speaker, we would like to thank the original cosponsors for their support for H.R. 5226. They include:

Hon. LES AUCOIN, Hon. HERMAN BA-DILLO, Hon. BOB CARR, Hon. CARDISS COL-LINS, Hon. BALTASAR CORRADA, Hon. ROB-ERT F. DRINAN, HON. WALTER E. FAUNTROY, HON. TOM HARKIN, HON. AUGUSTUS F. HAWKINS, Hon. JIM LLOYD, Hon. Nor-MAN F. LENT, Hon. THOMAS LUKEN, Hon. ANDREW MAGUIRE, Hon. DAWSON MATHIS, Hon. BARBARA A. MIKULSKI, Hon. JOE MOAKLEY, Hon. AUSTIN J. MURPHY, Hon. JAMES L. OBERSTAR, Hon. JERRY M. PAT-TERSON, HON. FREDERICK W. RICHMOND, Hon. Benjamin Rosenthal, Hon. Jim SANTINI, HON. JAMES SCHEUER, HON. STE-PHEN J. SOLARZ, HON. GLADYS NOON SPELL-MAN, and Hon. LEO C. ZEFERETTI.

FEDERAL PROPERTY LESSOR ASSISTANCE ACT

(Mr. NICHOLS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NICHOLS. Mr. Speaker, I am introducing legislation today which would authorize the Administrator of General Services to renegotiate the provisions of any contract for the benefit of the Government of the United States for the lease of real property which is under the authority of the Administrator or subject to his supervision in order to make adjustments for increased utility costs for the operation of such premises.

Many small towns throughout this

country as well as many individuals who have constructed buildings for use by the Federal Government and who have included in the provisions of the lease that the lessor would provide utilities have been, through no fault of their own, caught in a bind due to drastic increases in utility bills.

Many of these leases because of drastic increases in utility rates are now reflecting an out-of-pocket deficit to the owner each month and it seems to me that it would be in the interest of both the Government and the lessor that some measure of relief be granted.

Under my bill, the Federal Property Lessor Assistance Act, this can be done and I am hopeful that this matter may be considered during this session of Congress.

THE NEW-LOOK ARMY

(Mr. STEIGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEIGER. Mr. Speaker, I want to take a minute to alert my colleagues that tomorrow I will be presenting a paragraph-by-paragraph anaylsis of the article, "The New-Look Army," which appeared in the March 28 issue of Newsweek.

The Newsweek article was replete with errors and misleading statements. I attempted to alert editors of the magazine about my concern by phone and letter, but they have responded to neither of these efforts.

Because of the distorted view of today's military presented in the Newsweek article, I think it important to make a response so that all who read the Record will know what the facts are.

DISPENSING WITH CALL OF THE PRIVATE CALENDAR ON TODAY

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that the call of the Private Calendar be dispensed with on today.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make an announcement.

After consultation with the majority and minority leaders, and with their consent and approval, the Chair announces that on Wednesday, April 20, 1977, the date set for the joint session to hear an address by the President of the United States, only the doors immediately opposite the Speaker and those on his left and right will be open. No one will be allowed on the floor of the House who does not have the privileges of the floor of the House.

Due to the large attendance which is anticipated, the Chair feels that the rule regarding the privilege of the floor must be strictly adhered to.

Children of Members will not be per-

mitted on the floor and the cooperation of all the Members is requested.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make an announcement.

Pursuant to the provisions of clause 3(b) of rule 27, the Chair announces that he will postpone further proceedings to-day on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule 15.

After all motions to suspend the rules have been entertained and debated and after those motions, to be determined by nonrecord votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

COMMISSION ON NEW TECHNOLOG-ICAL USES OF COPYRIGHTED WORKS

Mr. KASTENMEIER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4836) to extend by 7 months the term of the National Commission on New Technological Uses of Copyrighted Works.

The Clerk read as follows:

H.R. 4836

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2006(b) of Public Law 93-573 is amended to read as follows:

"(b) On or before July 31, 1978 the Commission shall submit to the President and the Congress a final report on its study and investigation which shall include its recommendations and such proposals for legislation and administrative action as may be necessary to carry out its recommendations."

The SPEAKER. Is a second demanded?

Mr. RAILSBACK. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Wisconsin (Mr. Kastenmeier) will be recognized for 20 minutes, and the gentleman from Illinois (Mr. Railsback) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. KASTENMEIER).

Mr. KASTENMEIER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Commission on New Technological Uses of Copyrighted Works was created on December 31, 1974. The Commission was charged with submitting a final report within 3 years to the President and Congress which would recommend changes in the law necessary to deal with the copyright problems created by computer technology and photocopying machines. The 3-year period will expire on December 31 of this year.

Unfortunately, the President failed to appoint the members of the Commission until 3 months after it was created and its first meeting was not held until October 8, 1975. Because of this late start the Commission has requested that its life

be extended by an additional 7 months, until July 31, 1978.

The Commission consists of 13 members appointed by the President, 12 of whom are drawn in equal proportions from among three groups: authors and copyright owners, copyright users, and the general public.

The 13th member is the Librarian of

Congress.

Although the Budget Office estimates an additional cost of \$278,000 for the operations of the Commission during the additional 7 months of life provided in the legislation, the Commission, even with this extension, will be able to complete its task well within the original committee cost projection made in 1974.

The subcommittee has received letters in support of the bill from the fol-

lowing organizations:

Authors League of America; American Business Press; Association of Research Libraries; National Commission on Libraries and

Information Science; and Association of American Publishers.

I am not aware of any organizations or individuals opposing the legislation.

The bill was reported from the Judiciary Committee by unanimous voice vote on April 5.

Mr. Speaker, this is an uncontroversial bill which merely permits the Commission to complete its statutory task. It will not result in an additional burden to the taxpayers. I urge that the rules be suspended and the bill passed.

Mr. RAILSBACK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the bill H.R. 4836.

The National Commission on New Technological Uses of Copyrights Works was authorized by Public Law 93-573 and became effective December 31, 1974. The purpose of the Commission is to study and compile data on the use of copyrighted works in conjunction with automatic data processing systems and photocopying machines.

According to the Executive Director of the Commission, the extension will not require expenditure of funds beyond the original 3-year budget estimate of \$2,461,400, and will probably be closer to \$1,265,000. In 1976 the Commission received an appropriation of \$455,000 and turned back to the Treasury \$105,000. In 1977 it received \$559,500 and expects to turn back around \$105,000. For fiscal 1978 it has requested \$520,500 and expects to turn back some of that.

In addition the Commission argues that the fact that it spent considerable time last year assisting the subcommittee in developing guidelines in the new copyright law for library photocopying made it difficult to complete its task by the statutory deadline. The library photocopying guidelines developed by the Commission in 1976 were instrumental in bringing about the agreement between publishers and librarians which made possible final agreement on section 108 of S. 22, the copyright revision bill.

I am unaware of any organizations or individuals opposing this legislation.

Mr. KASTENMEIER, Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. Brown of California). The question is on the motion offered by the gentleman from Wisconsin (Mr. KASTENMEIER) that the House suspend the rules and pass the bill H.R. 4836.

The question was taken; and (twothirds having voted in favor thereof) the rules were suspended and the bill was

A motion to reconsider was laid on the table.

SUPPLEMENTAL MILITARY AID TO PORTTIGAL.

Mr. ZABLOCKI. Mr. Speaker, I move to suspend the rules and pass the resolution (H. Res. 491) to amend the Foreign Assistance Act of 1961.

The Clerk read the resolution, as fol-

H. RES. 491

Resolved, That upon the adoption of this resolution the bill (S. 489) to amend the Foreign Assitance Act of 1961, with the Senate amendment to the House amendments thereto, be, and the same is hereby, taken from the Speaker's table to the end that (1) the House agree, and it does hereby, to the Senate amendment, and (2) the House recedes from its amendment to the title of the

The SPEAKER pro tempore. Is a second demanded?

Mr. FINDLEY. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. Zablocki) and the gentleman from Illinois (Mr. FINDLEY) are recognized for 20 minutes

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the resoltuion. There are two changes in this resolution from H.R. 3976, which the House passed by voice vote on March 22, 1977, and which authorized an allocation of \$30 million in military assistance for Portugal. In this resolution we adopt the Senate amendment to the House amendment to the body of the bill: \$32,250 million is authorized, an increase of \$2.250 million. Second, we are receding from the House amendment to the Senate title, in part because of the \$2.250 million increase in the authorization.

Mr. Speaker, these funds will help equip an airborne brigade which Portugal will devote to NATO purposes.

The money appropriated by this authorization above what was contained in H.R. 3976 will be used to provide additional ground support equipment to the airborne brigade. Since the program to organize, equip, and modernize this brigade is a 3- to 4-year program, the increased support provided in this first of three or four likely installments will cause reductions in what is planned for the successive years.

Mr. Speaker, this bill supports important foreign policy interests of the United States. Portugal is a NATO ally. It has, after 50 years of authoritation rule, moved in an impressive and seemingly convincing way to develop crucial democratic institutions and an effective parliamentary system. This dramatic progress has occurred in the course of 2 turbulent years following the 1974 Portugal revolution. However, forces of the extreme left, including the Communist Party, and forces of the extreme right are not committed to democracy taking roots in Portugal. In addition, neighboring Spain is now going through some of the political upheavals Portugal has experienced. The political balance in the Iberian Peninsula is not yet stable.

The United States has an important stake in what develops in Portugal and in the Iberian Peninsula. We need to support Portugal and Portugal, at this time, needs economic, political, and military assistance from its NATO allies. Our participation in helping Portugal will serve as an encouragement to states like West Germany to continue giving aid

I urge adoption of this resolution.

Mr. FINDLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the resolution. On March 22, 1977, this body, under suspension of the rules, approved H.R. 3976 authorizing \$30 million in military grant assistance for fiscal year 1977 for Portugal. The Senate, however, authorized \$34 million in grant military aid for Portugal. What we are doing here today in authorizing \$32.25 million is agreeing to split the difference with the Senate, a compromise to which the other body has already acceded.

The \$30 million approved by the House would help equip a Portuguese army airborne brigade to be deployed with NATO's southern command. Authorized funds would go toward the purchase of one C-130 air transport aircraft, armored personnel carriers, and TOW missiles for the army brigade. In authorizing \$32.25 or \$2.25 million over the \$30 million the House approved a month ago, we are permitting the expedition of additional armored personnel carriers and TOW's to Portugal in fiscal year 1977 rather than awaiting fiscal year 1978

I urge my colleagues to support this fiscal year 1977 military grant aid authorization as a sign of a firm U.S. commitment to NATO and our desire to see NATO strengthened through a more meaningful Portuguese participation. This authorization also represents, at a crucial time, our support for Portugal's greater integration into the democratic Atlantic community of nations.

I have no requests for time.

Mr. ZABLOCKI. Mr. Speaker, I have no requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI) that the House suspend the rules and agree to the resolution, House Resolution 491.

The question was taken: and (twothirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

AMENDMENTS TO THE FEDERAL RULES OF CRIMINAL PROCEDURE

Mr. MANN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5864) to approve with modifications certain proposed amendments to the Federal Rules of Criminal Procedure, to disapprove other such proposed amendments, and for other related purposes.

The Clerk read as follows:

H.R. 5864

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the first section of the Act entitled "An Act to delay the effective date of certain proposed amendments to the Federal Rules of Criminal Procedure and certain other rules promulgated by the United States Supreme Court" (Public Law 94-349, approved July 8, 1976) the amendments rules 6(e), 23, 24, 40.1, and 41(c)(2) of the Rules of Criminal Procedure for the United States district courts which are embraced by the order entered by the United States Supreme Court on April 26, 1976, shall take

seffect only as provided in this Act.

Sec. 2. (a) The amendment proposed by
the Supreme Court to rule 6(e) of such Rules of Criminal Procedure is approved in a modified form as follows: Such rule 6(e) is amended by striking out "The court may direct that an indictment shall be kept secret" and all that follows through "the clerk shall seal" and inserting in lieu thereof the following: "The federal magistrate to whom an indictment is returned may direct that it shall be kept secret until the defendant is in custody or has been released pending trial. Thereupon the clerk shall seal".

(b) (1) The amendment proposed by the Supreme Court to rule 23(b) of such Rules of Criminal Procedure is approved.

(2) The amendment proposed by the Supreme Court to rule 23(c) of such Rules of Criminal Procedure is approved in a modified form as follows: Rule 23(c) of such Rules of Criminal Procedure is amended by striking out the first sentence and inserting thereof the following: "In a case in lieu tried without a jury the court shall make a general finding and in addition if the defendant is found guilty shall make a special finding as to the facts, unless such special finding is waived by the defendant. Such general findings and special findings may be made orally."

(c) The amendment proposed by the Supreme Court to rule 24 of such Rules of Criminal Procedure is disapproved and shall not take effect.

(d) The amendment proposed by the Supreme Court to such Rules of Criminal Procedure, adding a new rule designated as rule 40.1, is disapproved and shall not take effect.

(e) The amendment proposed by the Supreme Court to rule 41(c) of such Rules of Criminal Procedure is disapproved and shall not take effect.

SEC. 3. (a) The first section of this Act shall take effect on the date of the enactment of this Act.

(b) Section 2 of this Act shall take effect October 1, 1977.

The SPEAKER pro tempore. Is a second demanded?

Mr. WIGGINS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from South Carolina (Mr. MANN) will be recognized for 20 minutes, and the gentleman from California (Mr. Wiggins) will be recognized for 20 minutes.

The Chair recognizes the gentleman from South Carolina (Mr. Mann)

Mr. MANN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, on April 26, 1976, the Supreme Court, acting pursuant to statutes generally referred to as the "Rules Enabling Acts," promulgated amendments to rules 6(e), 23 (b) and (c), 24 (b) and 41(c) of the Federal Rules of Criminal Procedure, as well as a new Federal Rule of Criminal Procedure, rule 40.1. Pursuant to the provisions of the Enabling Acts, those amendments and the new rule were to have taken effect on August 1, 1976. However, Congress passed, and the President signed, legislation delaying their effective date for 1 year, to August 1, 1977 (Public Law 94-349).

Early this Congress, the Subcommittee on Criminal Justice of the Committee on the Judiciary began a review of the amendments and new rule proposed by the Supreme Court. H.R. 5864 is the

product of that review.

I would like briefly to describe the proposed amendments and new rule and indicate how the bill disposes of each of

First, one of the most controversial of the proposed amendments was that to rule 6, which deals with grand juries. The proposed amendment makes changes in rule 6(e), which presently provides that "disclosure of matters occurring before the grand jury other than its deliberations and the vote of any juror may be made to the attorneys for the government for use in the performance of their duties." Rule 54(c) of the Federal Rules of Criminal Procedure defines attorneys for the Government to include "the Attorney General, an authorized assistant of the Attorney General, a U.S. attorney, an authorized assistant of a U.S. attorney and when applicable to cases arising under the laws of Guam means the Attorney General of Guam * * *.'

The proposed amendment would add new language to rule 6(e) that would provide that "For purposes of this subdivision 'attorneys for the Government' includes those enumerated in rule 54(c); it also includes such other Government personnel as are necessary to assist the attorneys for the Government in the performance of their duties."

The reason for this change, we were told, was to enable prosecutors to get expert assistance in complex litigation. It was explained to us that the change restated the "trend" in the case law.

I can say without hesitation that the committee had considerable difficulty with this amendment. It raises questions concerning the extent to which grand jury proceedings should be kept secret, issues that touch upon the basic function and operation of the grand jury system.

We found unclarity in the practice and case law under present rule 6(e). A recent case, J. R. Simplot Co. v. U.S. District Court for the District of Idaho, Nos. 761893, 76-1995, slip opinion at 7-8 (9th Cir., filed November 12, 1976), indicates that the prosecutor may not have the unfettered discretion to call upon outside experts for help that the proposed amendment would provide.

Because the proposed substantive change raises basic questions about what the function and role of a grand jury should be, and because our efforts to modify the proposed language in the time available to us were frustrated by the overall unclarity surrounding current rule 6(e), we determined that the proposed substantive change should be disapproved. By doing so, however, we do not intend that the present lack of clarity in the rule continue indefinitely.

The Subcommittee on Immigration, Citizenship, and International Law of the House Committee on the Judiciary, under the chairmanship of the gentleman from Pennsylvania (Mr. EILBERG) has already begun work on legislation to reform Federal grand juries. The issues raised by the proposed substantive change to Rule 6(e) can most appropriately be considered by the Subcommittee as a part of its work on grand jury reform legislation.

There were other technical changes to rule 6(e) promulgated by the Supreme Court. H.R. 5864 approves these. Therefore, the bill reads that the amendment to rule 6(e) is approved with modifications, meaning that it disapproves the substantive change and approves the technical changes.

The Supreme Court also proposed amendments to rule 23, which deals with trial by jury and by the court. The proposed amendments make changes in subdivisions (b) and (c) of the rule.

Rule 23(b) presently provides that the parties, with the approval of the court, can stipulate in writing at any time before a verdict is returned that the jury shall consist of fewer than 12 persons. There has been some question whether a pretrial stipulation to this end is effective without being agreed to again by the defendant at the time a juror is excused. The proposed change resolves this ambiguity by not requiring a renewal of the agreement. We received no adverse comment about this change, and the bill approves it as promulgated.

Rule 23(c) deals with trials where the court acts as the finder of fact. The rule now provides that in such trials the court shall make a general finding-'guilty" or "not guilty"-and, upon request, shall find the facts specially. The proposed amendment would require that a request for a special finding of the facts be made before the court makes its general finding.

The committee believes that the defendant is put in an awkward position if he has to request a special finding of the facts prior to the general finding. When he does so, he indicates a lack of confidence in his case.

In civil actions, the court must make special findings in every instance. See rule 52(a), Federal Rules of Civil Procedure. The committee saw no reason why the rule in criminal cases should not be similar.

Requiring a special finding of the facts unless waived will put no undue burden upon the court. When it makes a general finding, the court knows the reasons for its action and can cite them at that time. The rule expressly allows the findings to be made orally.

For these reasons, H.R. 5864 modifies the proposed amendment and changes the rule to require a special finding of the facts whenever there is a guilty verdict unless the defendant waives the special finding.

Perhaps the most controversial amendment promulgated by the Su-

preme Court was the proposed amendment to rule 24. Rule 24 deals with the selection of trial jurors. The proposed amendment would change subdivision (b) which deals with peremptory chal-

lenges to jurors.

Rule 24(b) presently allots the following peremptory challenges: In capital cases each side gets 20; in felony cases, the prosecution gets 6 and the defense 10; and in misdemeanor cases, each side gets 3.

The proposed amendment would reduce the number of peremptory challenges overall and would equalize the number of such challenges in felony cases. The number in capital cases would be reduced to 12, a loss of 8 for each side. In misdemeanor cases, the number would be reduced to 2, a loss of 1 for each side. In felony cases, each side would get 5, a loss of 1 for the prosecution and 5 for the defense.

Our initial reaction was that the rule should not be changed merely for the sake of change or for some notion of symmetry or "parity" between the parties. Therefore, we carefully examined the reasons advanced for the change. We

found them unpersuasive.

The issue facing the parties-prosecution and defense-injury selection is whether a potential juror is biased. The present voir dire procedures in Federal court appear to hamper the parties in detecting bias. In most Federal courts the judge conducts voir dire; only rarely are counsel permitted to question prospective jurors. The Judicial Conference, in fact, encourages judges not to permit counsel to participate in the voir dire examination of jurors. See Washington Post, March 12, 1977, page A-6, column

Judge-conducted voir dire makes it difficult for counsel to identify biased jurors and develop grounds to challenge them for cause. As long as Federal courts rely upon judge-conducted voir dire, the committee believes it unwise to reduce the number of peremptory challenges.

H.R. 5864, therefore, disapproves the proposed amendment to rule 24(b). This will leave the present rule in effect.

Rule 41 of the Federal Rules of Criminal Procedure deals with search warrants. The Supreme Court proposed to amend subdivision (c), which sets forth requirements for getting a search warrant.

The proposed amendment would permit a Federal law enforcement officer to obtain a search warrant on the basis of testimony he conveys to a Federal magistrate over the telephone. Arizona and California presently have statutes establishing telephone search warrant procedures.

The committee agrees with the Judicial Conference that Federal law enforcement officers ought to be encouraged to seek warrants in situations where they might otherwise conduct warrantless searches. See *Trupiano* v. *United States*, 334 U.S. 699, 705 (1948); *Chimel v. California*, 395 U.S. 752, 758 (1969). There were objections to the proposed

There were objections to the proposed amendment on the ground that it would not have the intended result of discouraging warrantless searches. These objections concerned the committee—a telephone search warrant procedure ought to operate so as to discourage warrantless searches.

The Subcommittee on Criminal Justice, in the time available to it, was unable to obtain full information about the experience in Arizona and California with telephone warrant procedures—what technological problems have been encountered, whether and under what circumstances law enforcement officers have found the procedures to be of assistance, and whether there has been a decline in resort to warrantless searches.

The telephone search warrant proposal deserves, and requires, additional study. Thus, H.R. 5864 disapproves the proposed amendment to rule 41(c). This action, however, does not mean that there will be no further consideration of the telephone warrant proposal. At the request of the Criminal Justice Subcommittee, I introduced a bill (H.R. 5864) that embodies the substance of the proposed amendment to rule 41(c). This bill will be considered expeditiously by the subcommittee. Indeed, hearings on it will begin this Friday when we look into the experience in California with its telephone warrant procedure.

The final item covered in the bill is a proposed new rule—rule 40.1—to deal with removal of a criminal case from State to Federal court.

The procedures for removing a criminal case from State to Federal court are set forth in a statute enacted by Congress. The proposed rule is inconsistent with this statute in two important respects.

First, it is inconsistent with regard to when petitions may be filed. The statute permits filing at any time; the proposed rule permits filing only within 10 days after arraignment in the State court.

Second, it is inconsistent with regard to the effect of the filing of a petition. The statute says the filing stays all State court proceedings; the proposed rule says that it only stays the entry of a judgment of conviction.

In effect, then, a congressionally enacted policy would be changed by the Supreme Court by means of a new procedural rule. The committee believes that this does not show a proper sensitivity to the separation of powers doctrine—especially here, where the proposed rule raises other problems related to the variety of State criminal procedures. The proposed rule does not adequately accommodate itself to the differing procedures in criminal cases followed by the States

The committee is not necessarily unsympathetic with the goal of the Supreme Court. It believes that additional study of removal procedures is required to determine whether the present procedures present a problem to Federal courts. Additional work needs to be done so that the Federal procedural rule can accommodate itself to the various State practices.

At the request of the Subcommittee on Criminal Justice, I have introduced a bill upon which the subcommittee can work. This bill (H.R. 5866) will be given due consideration by the subcommittee.

Because of the foregoing, H.R. 5864 disapproves the proposed new rule.

Mr. Speaker, that is the sum total of the action of the Committee on the Judiciary and the effect of H.R. 5864. I urge my colleagues to support the bill.

Mr. WIGGINS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I also rise in support of H.R. 5864. This bill represents the careful consideration of the Committee on the Judiciary of amendments to the Federal Rules of Criminal Procedure promulgated by the Supreme Court in April of 1976. H.R. 5864 approves some of those proposed amendments and modifies or rejects others. It is a bipartisan bill, which after 3 days of hearings and several days of markups was introduced with cosponsorship of every member of the Subcommittee on Criminal Justice.

Although I noted in my additional views to the committee report that the bill misses an opportunity to clarify rule 6(e), nonetheless the substance of H.R. 5864 is superior to that proposed by the Supreme Court and, in my view, should be approved. Positive action by the House is made all the more urgent by the operation of 18 U.S.C. 3771 and 3772, which provide that Rules of Procedure promulgated by the Supreme Court become effective unless congressionally disapproved. In this case, the effective date of the Supreme Court's rules has been postponed until August 1, 1977.

Briefly, H.R. 5864 does the following: First. Disapproves the Supreme Court's proposed amendment to rule 6(e) regarding "other Government personnel" to whom disclosure of grand jury matters may be made.

A further word is necessary with respect to our action on rule 6(e). Although the House Committee on the Judiciary disapproved the recommended change in rule 6(e) sponsored by the Supreme Court, our disapproval of the amendment should in no way be interpreted as an endorsement of the existing language in rule 6(e)

Indeed, the members of the subcommittee and the full committee found the existing language of rule 6(e) to be inadequate. We were unsatisfied with the efforts of the Supreme Court to correct that inadequacy, but frankly, we were unable to agree on language which we thought would be more effective. Accordingly our disapproval simply reflects frustration rather than endorsement.

The legislative process is not at an end. The Senate will consider these rules, and it is possible that the Senate will be able to work out better language than the House subcommittee was able to accomplish. If so, I would hope that members of the subcommittee would participate in conference with the Senators to the end that satisfactory alternative language to rule 6(e) might be adopted.

In addition, H.R. 5864 approves the proposed amendment to rule 23(b), so as to permit trial parties to stipulate in advance to the validity of a verdict by a jury of less than 12 members should one or more jurors be excused for just cause during the trial.

Third, the bill approves, in modified form, a proposed amendment to rule 23 (c) so as to require judges to make special findings of fact in bench trials if the defendant is found guilty. Findings may be made orally. The amendment clarifies the timing of special findings.

Fourth, it disapproves a proposed amendment to rule 24 that would reduce and equalize the number of preemptory challenges available to each side in jury trials

Fifth, it disapproves a new rule, 40.1, which would regulate the removal from State to Federal courts of certain criminal cases. I fully endorse the remarks of our subcommittee chairman that our disapproval in this case is not to be interpreted as passing on the substance of this amended rule, but rather our conviction that it should be handled by special statute.

Finally, the bill disapproves a new rule 41, which would permit a search warrant to be issued "upon oral testimony"; generally speaking, a warrant issued after application over the telephone. That, too, is a matter which we believe requires further study, and accordingly we rejected the proposed rule change for that reason.

As I have stated, Mr. Speaker, the fact that the Supreme Court proposed amendments will go into effect on August 1, if the Congress does not act, makes it clear that this body must enact legislation expeditiously if it is to have an effective role in shaping the policy of the proposed amendments.

Mr. Speaker, I have no requests for time, and I urge the suspension of the rules and passage of this bill. I reserve the balance of my time

the balance of my time.

Mr. LUNDINE. Mr. Speaker. I would like to express my support for H.R. 5864, a bill to amend the rules of criminal procedure, being considered here today. I endorse the concepts embodied in these modifications of the rules. Specifically, the simplification of courtroom procedures so that verdicts will not have to be set aside on mere technicalities, and the elimination of unnecessary inconsistencies in the rules as applied to grand juries are necessary steps to improve out system of justice.

Ms. HOLTZMAN. Mr. Speaker, I rise in support of H.R. 5864 which disapproves certain proposed Rules of Criminal Procedure for the Federal courts. These rules would undermine grand jury secrecy, loosen procedures for obtaining search warrants, restrict a defendant's ability to disqualify biased jurors, and overrule a congressional statute on removal of civil rights cases to Federal

courts. Moreover, these rules were not supported by evidentiary material to demonstrate the need for such changes.

It is important these proposed rules be prevented from taking effect, and I commend the gentleman from South Carolina, chairman of the subcommittee, for his leadership in bringing this bill to the floor.

Let me describe the proposed rules in greater detail.

Proposed Rule 24 drastically reduces, in criminal cases, the number of peremptory challenges to jurors. In a noncapital felony case, the number of peremptories available to defense counsel would be reduced from 20 to 5. Peremptory challenges are an important tool in assuring a fair trial. Since many Federal courts do not allow defense attorneys to question prospective jurors about their potential bias, it is extremely difficult to elicit information that would warrant disqualifying a juror "for cause." Reducing the number of peremptory challenges would just make the present situation worse and could seriously jeopardize the guarantee of a fair trial by an unbiased jury. Indeed, instead of reducing the number of peremptory challenges, testimony before the subcommittee suggested that it might be necessary to strengthen defense counsel's ability to challenge jurors for cause by allowing expanded questioning of prospective jurors.

Furthermore, the proposal for this drastic reduction in the number of peremptory challenges was not based on a comprehensive review of present jury

selection procedures.

Proposed rule 40.1 would have the effect of overruling a statute now on the books which prescribes the procedure for removing certain civil rights criminal cases from State to Federal court. The present law imposes no time limit for the filling of a removal petition and automatically stays State court proceedings once the removal petition is filed.

The proposed rule overrules the statute by requiring the filing of a removal petition within 10 days of arraignment in State court—even though the meaning and timing of arraignment varies widely from State to State. It also overrules the statute by allowing the present State court proceeding to go forward while the Federal proceeding is pending. This provision could impose a serious hardship on the defendant: First, the defendant might have to proceed in two courts at once; second, a defendant could go through a whole trial in State court, have the Federal court grant the removal petition, and then have the same trial repeated at the Federal level.

Even if a substantial change is warranted in the removal procedure—and no such evidence was presented to the subcommittee—it is questionable whether such a change in the statute could constitutionally be made by a Supreme Court rule rather than congressional amendment of the removal statute. In any case, it is unseemly for the Court to attempt by "rule," and not through a decision in a case or controversy, to nullify a congressional statute.

Proposed rule 40.1 would allow Federal officials to obtain a search warrant with-

out appearing before a Federal judge or magistrate. The officials would simply have to make an application by telephone.

This rule was prompted by a justifiable concern that many searches are made at present without any warrant. The proponents of the rule change expected that a telephone warrant procedure would be a substitute for warrantless searches. While I agree with the need to eliminate warrantless searches, it is likely that the proposed rule would not achieve this objective; I believe its likely impact would be to substitute the telephone warrant for the application by Federal officials in person. Warrantless searches would thus continue and the present procedure would be seriously loosened.

Furthermore, the rule was carelessly drafted, and there was no careful scrutiny of the experience in California and Arizona with warrantless procedures to determine their desirability.

Since the right to be secure from improper governmental intrusion is constitutionally guaranteed, any effort to relax the requirements for obtaining a warrant ought to be subjected to the most

stringent scrutiny.

Proposed rule 6(e) seems to expand the number of persons to whom grand jury proceedings may be disclosed and thereby undermine the important policies of grand jury secrecy. Almost every witness who testified before the subcommittee opposed the proposed rule. In my judgment, grand jury proceedings ought not to be disclosed to other governmental

agencies without strict safeguards.

A majority of the subcommittee, myself included, had proposed a revision of the rule to safeguard grand jury secrecy. Our revision would have required: First. the U.S. attorney to obtain court approval before disclosing grand jury materials to Government personnel outside his office and, second, if disclosure were ordered, a specification of the procedures that would be used to assure continued secrecy. The subcommittee was persuaded, however, that there was sufficient opposition to passage of such a revision to endanger the entire bill; so instead it has disapproved the proposed rule entirely.

The subcommittee approved, with modification, a rule regarding findings of fact. The modified rule provides for oral findings of fact on a guilty verdict unless such findings are waived by the defendant.

It is unfortunate that the Congress must continually pass legislation to redraft and disapprove ill considered rules sent to the Congress by the Supreme Court. Justices of the Court have admitted that such rules are not really considered or reviewed by the Court. Instead the Court merely rubberstamps rules initially proposed by the Judicial Conference.

The Judicial Conference adopts such rules behind closed doors. It does not have published procedures. No public hearings were held on these rules, and the record of committee votes and dissenting views on particular rules were not made public.

The inferior quality of the proposed rules reflects the deficiencies in the current procedures.

I have introduced a bill, H.R. 3413. which would take the Supreme Court out of the rulemaking procedure altogether and place the power formally in the Judicial Conference, the body which currently drafts the rules. The bill would require, however, that the Judicial Conference publish proposed rules, circulate copies to introduced groups within the bar and the public, hold public hearings, and record votes and dissenting views to particular rules. Passage of this bill would mean that rules coming to the Congress would be much more carefully considered and would not require lengthy hearings and deliberation by the Congress. It would also eliminate the awkward possibility that the Court would have to pass upon the constitutionality of a rule which it has promulgated.

I hope that in the near future the Criminal Justice Subcommittee will be able to review the entire question of the Rules Enabling Act procedure and make some long needed reforms in that proc-

Mr. MANN. Mr. Speaker, I yield back the balance of my time.

GENERAL LEAVE

Mr. MANN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from South Carolina (Mr. Mann) that the House suspend the rules and pass the bill H.R. 5864.

The question was taken.

Mr. ROUSSELOT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 376, nays 3, not voting 54, as follows:

[Roll No. 137] YEAS-376

Abdnor Addabbo Alexander Allen Ambro Ammerman Anderson. Calif. Anderson, Ill. Andrews, N. Dak. Annunzio Applegate Archer Armstrong Ashbrook Ashley Aspin AuCoin Badham Badillo Bafalis Baldus Barnard Baucus Bauman Beard, R.I. Beard, Tenn. Bedell Benjamin Carr

Bennett Carter Cavanaugh Cederberg Bingham Blanchard Chappell Blouin Chisholm Boggs Boland Clausen, Don H. Bolling Clawson, Del Bonior Clay Cleveland Cochran Bowen Brademas Breckinridge Cohen Brinkley Coleman Brodhead Collins, Tex. Brooks Broomfield Conte Brown, Calif. Brown, Mich. Conyers Corcoran Corman Broyhill Buchanan Cornell Burgener Cornwell Burke, Calif. Burke, Mass. Burleson, Tex. Cotter Coughlin Crane Burlison, Mo. D'Amours Burton, John Burton, Phillip Butler Caputo Daniel, Dan Daniel, R. W. Danielson Davis de la Garza Carney

Delaney

Shipley

Skelton

Skubitz

Stark

Milford

Mitchell, Md.

Kasten Derwinski Dickinson Ketchum Dicks Keys Kildee Dingell Dodd Dornan Kindness Koch Downey Duncan, Oreg. Duncan, Tenn. Krueger LaFalce Early Eckhardt Latta Edwards, Ala. Edwards, Calif. Edwards, Okla. Le Fante Leach Lederer Eilberg Leggett Lehman Emery English Lent Levitas Erlenborn Ertel Evans, Colo. Evans, Del. Evans, Ga. Evans, Ind. Lott Lujan Luken Fenwick McDade McDonald Findley Fish McEwen McFall Fisher Fithian Flippo Flood McHugh McKay Madigan Florio Maguire Flowers Flynt Foley Ford, Mich. Ford, Tenn. Mahon Mann Markey Fountain Marlenee Marriott Martin Fraser Frenzel Mathis Frev Mattox Mazzoli Meeds Metcalfe Fuqua Gammage Gaydos Gephardt Michel Mikulski Gibbons Gilman Mikva Glickman Goodling Mineta Minish Gore Gradison Moakley Grassley Gudger Moffett Mollohan Guyer Hagedorn Hall Moore Hamilton Hammer schmidt Moss Mottl Hanley Hannaford Hansen Harkin Harrington Harris Natcher Neal Nedzi Harsha Hawkins Nichols Hefner Nix Nolan Heftel Hillis Nowak Holland Hollenbeck Oberstar Obey Holtzman Ottinger Panetta Horton Howard Hubbard Patterson Pattison Huckaby Pease Hughes Perkins Ichord Ireland Pettis Pike Jacobs Poage Jeffords Pressler Jenkins Prever Pursell Jenrette Johnson, Calif. Johnson, Colo. Jones, N.C. Jones, Okla. Jones, Tenn. Quavle Quillen Rahall Railsback Rangel Regula Jordan

Reuss Rhodes Kastenmeier Richmond Rinaldo Risenhoover Roberts Robinson Rodino Kostmayer Krebs Roe Roncalio Rooney Rose Rosenthal Rostenkowski Rousselot Roybal Rudd Runnels Ruppe Lloyd, Calif. Lloyd, Tenn. Long, Md. Santini Sarasin Satterfield Sawyer Scheuer McCloskey Schroeder Schulze Sebelius Seiberling Shuster Sikes Simon Sisk Slack Smith, Iowa Smith, Nebr. Snyder Solarz Spelman Spence St Germain Staggers Stangeland Stanton Steed Steiger Stockman Miller, Calif. Miller, Ohio Stokes Stratton Studds Mitchell, N.Y. Symms Taylor Thone Thornton Tonry Montgomery Traxler Moorhead, Treen Calif. Moorhead, Pa. Trible Udall Vanik Vento Murphy, Pa. Murtha Volkmer Waggonner Myers, Gary Walgren Walker Walsh Wampler Watkins Waxman Weaver Weiss Whalen White Whitehurst Whitley Whitten Wiggins Wilson, Bob Wilson, C. H. Wilson, Tex. Winn Wirth Wright Wydler Wylie Yates Yatron Young, Alaska Young, Fla. Young, Mo. Young, Tex. Zablocki

NAYS-3

Kelly Lagomarsino Gonzalez

NOT VOTING-

Akaka Breaux Collins, Ill. Brown, Ohio Andrews, N.C. Dellums Burke, Fla. Derrick Biaggi Byron

Murphy, Ill. Murphy, N.Y. Myers, Michael Myers, Ind. Goldwater Teague Thompson Hightower Tsongas Tucker O'Brien Hyde Kemp Patten Long, La. Lundine Pepper Pickle Ullman Van Deerlin McClory McCormack Price Vander Jagt Pritchard Zeferetti McKinney Quie The Clerk announced the following Mr. Zeferetti with Mr. Akaka. Mr. Breaux with Mr. Brown of Ohio.

pairs:

Mr. Fary with Mr. Derrick. Mr. Giaimo with Mr. Bonker.

Diggs Edgar

Fary Forsythe Giaimo

Mr. Wolff with Mrs. Collins of Illinois.

Mr. McCormack with Mr. Forsythe. Mr. Biaggi with Mr. Burke of Florida.

Mr. Mitchell of Maryland with Mr. Devine. Mr. Murphy of New York with Mr. Goldwater.

Mr. Teague with Mr. Vander Jagt. Mr. Thompson with Mr. Quie.

Mr. Van Deerlin with Mr. Pritchard. Mr. Shipley with Mr. Skubitz.

Mr. Price with Mr. Tucker. Mr. Dellums with Mr. Andrews of North Carolina.

Mr. Byron with Mr. John T. Myers.

Mr. Patten with Mr. McKinney.

Mr. Pepper with Mr. Kemp. Mrs. Meyner with Mr. McClory. Mr. Milford with Mr. Michael O. Myers.

Mr. Murphy of Illinois with Mr. Hyde.

Mr. Diggs with Mr. O'Brien.

Mr. Hightower with Mr. Edgar. Mr. Lundine with Mr. Ryan

Mr. Long of Louisiana with Mr. Ullman.

Mr. Pickle with Mr. Stark.

Mr. Tsongas with Mr. Skelton.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVID-ING FOR CONSIDERATION OF H.R. 5970. DEPARTMENT OF DEFENSE AUTHORIZATION, FISCAL YEAR 1978

Mr. MEEDS, from the Committee on Rules, submitted a privileged report (Rept. 95-212), on the resolution (H. Res. 492) providing for consideration of H.R. 5970, to authorize appropriations during the fiscal year 1978, for procure-ment of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense and to authorize the military training student loads, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVID-ING FOR CONSIDERATION OF H.P. 5840, AMENDMENTS TO EXPORT ADMINISTRATION ACT

Mr. MEEDS, from the Committee on Rules, submitted a privileged report (Rept. 95-213), on the resolution (H. Res. 493) providing for consideration of H.R. 5840, to amend the Export Administration Act of 1969 in order to extend the authorities of that act and improve the administration of export controls under the act, and to strengthen the antiboycott provisions of that act, which was referred to the House Calendar and ordered to be printed.

AUTHORIZING APPROPRIATIONS TO THE OFFICE OF RESEARCH AND DEVELOPMENT, ENVIRONMENTAL PROTECTION AGENCY

Mr. MEEDS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 481 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 481

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5101) to authorize appropriations for activities of the Environmental Protection Agency, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equaldivided and controlled by the chairman and ranking minority member of the Committee on Science and Technology, the bill shall be read for amendment under the fiveminute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Science and Technology now printed in the bill as an original bill for the purpose of amendment, and all points of order against said substitute for failure to comply with clause 7, Rule XVI, are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendment as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the Committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Washington (Mr. MEEDS) is recognized for 1 hour.

Mr. MEEDS. Mr. Speaker, I yield the usual 30 minutes to the minority, to the distinguished gentleman from California (Mr. Del Clawson) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 481 provides for 1 hour of debate with an open rule on H.R. 5101, the Environ-mental Protection Research and Development Authorization for fiscal year 1978. Under the terms of the rule the committee's substitute would be in order as an original bill for purposes of amendment. Since the committee substitute arguably contained additions that might not be germane to the original bill, the Rules Committee recommends a waiver of clause 7 of rule XVI of the Rules of the House of Representatives. This is the provision in the rules dealing with germaneness.

H.R. 5101 would authorize \$288 million for research, development, demonstration activities in the EPA. In addition to those authorizations the bill

also: Directs the EPA to include alternative budget projections in their 5-year research plan; establishes the existing EPA Science Advisory Board as a statuatory entity; provides that EPA coordinate its research activities with similar activities of other agencies; directs the EPA to respond to certain recommendations made by the Science and Technology Committee concerning the agency's Community Health and Environmental Surveillance System; and provides for the disclosure of financial interests of EPA employees who occupy policymaking positions.

Mr. Speaker, H.R. 5101 contains essential authorizations for the Environmental Protection Agency and I would urge the adoption of House Resolution 481 so that we may debate and vote on

the bill.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 481 provides an open rule with 1 hour of general debate for the consideration of H.R. 5101, authorizing appropriations to the Office of Research and Development of the Environmental Protection Agency. The rule makes the committee substitute in order as an original bill for the purpose of amendment, and provides for one motion to recommit with or without instructions. In addition the rule waives all points or order lying against the committee amendment for failure to comply with clause 7 of Rule XVI, which is the germaneness clause. This waiver was granted since the committee amendment in the nature of a substitute contains some additional language aimed at strengthening the conduct of research and development and might be subject to a point of order on its germaneness.

Mr. Speaker, the Environmental Protection Agency does not enjoy enthusiastic support on the part of some of us in this body, and the legislation does ex-

pand their R. & D. activities.

H.R. 5101 authorizes \$288,064,000 for research, development, and demonstration activities in the Environmental Protection Agency. The bill breaks down these funds into program categories and limits reprograming between categories. In addition, H.R. 5101 formalizes the nine-member Science Advisory Board, and provides that employees involved in the issuing of grants must file a disclosure statement of holdings with the administrator to avoid financial conflict.

Mr. Speaker, I am not aware of opposition to the rule and have no further requests for time in its consideration.

Mr. Speaker, I reserve the remainder

of my time.

Mr. MEEDS. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution. The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on H.R. 5101, on which a rule has just been granted.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FUQUA. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5101) to authorize appropriations for activities of the Environmental Protection Agency, and for other pur-

The SPEAKER pro tempore. The guestion is on the motion offered by the gentleman from Florida

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 5101, with Mr. SMITH of Iowa in the chair.

The Clerk read the title of the bill. By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Florida (Mr. Fuqua) will be recognized for 30 minutes, and the gentleman from New Mexico (Mr. Lu-JAN) will be recognized for 30 minutes.

The Chair recognizes the gentleman

from Florida (Mr. Fuqua).

Mr. FUQUA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Committee on Science and Technology has the legislative and general oversight responsibility pursuant to the terms of House Resolution 988 over all environmental research and development activities. The legislation before the House today, H.R. 5101, authorizes appropriations to the Office of Research and Development within the Environmental Protection Agency. A total of \$288,069,000 is provided in this bill to support research, development, and demonstration for the forthcoming fiscal

The U.S. Environmental Protection Agency was created by Presidential order in December of 1970. This order brought together 15 programs from several Federal Government agencies to mount a coordinated attack on environmental problems. These problems include air and water pollution, solid waste management. pesticides, water supply, radiation, noise,

and toxic substances.

The Office of Research and Development was created within EPA to support the Agency's mission by conducting a comprehensive and integrated research. development, and demonstration program to assure that an adequate scientific basis would be available for environmental decisionmaking and regulatory actions. However, despite its important function in our environmental regulatory scheme, the research activities of this Office have been curtailed substantially in recent years. The staff of the Office has been gradually reduced in research personnel from more than 2,000 in 1973 to less than 1,800 in 1978. Moreover, over the past 3 years, the research budget for EPA has gradually declined in absolute dollars. If one figures in the effects of inflation, the real decline in purchasing power of the budget is even greater.

Thus, the bill we are considering today especially timely, since we now have a new administration which has expressed strong commitment in the environmental area. H.R. 5101 authorizes a total budget for EPA's Office of Research and Development of \$288 million for fiscal year 1978. Although this amounts to a 10-percent increase over the administration's request, it also represents less than a 1-percent increase over the authorization levels for fiscal years 1975 and 1976. Our Subcommittee on the Environment and the Atmosphere, under the chairmanship of our distinguished colleague from California, George Brown, held extensive hearings on this bill, and we are convinced that the funding authorized by this measure is fully justified.

The bill was unanimously ordered reported—by a 34 to 0 rollcall vote—by our committee. There was unanimous support for the increases needed to give EPA more adequate research resources.

I would like to now call upon Mr. Brown, the subcommittee chairman, to discuss the details of this bill, and, for that purpose, I yield him such time as

he may consume.

Mr. BROWN of California. Mr. Chairman, I rise in support of H.R. 5101. As Chairman TEAGUE has already stated. this bill authorizes appropriations to support the Environmental Protection Agency's Office of Research and Development, in the amount of \$288 million for fiscal year 1978, as well as providing some related provisions concerning

the quality of research.

The amount requested by the administration for this purpose was approximately \$261 million, a virtually miniscule increase over the 1977 appropriation to EPA for the same purpose. Considering the impact of inflation, and the new responsibilities given to EPA pursuant to the Toxic Substances Control Act and the Resource Conservation and Recovery Act, the administration's request for fiscal year 1978 represents an effective reduction in the level of effort of this important work.

It should be noted that the research program originally proposed by EPA was reduced by the Office of Management and Budget by more than \$15 million. The committee voted to restore that \$15 million, in addition to adding another \$10 million to meet the needs of EPA's research in support of its regulatory program including increased responsibility under the two acts previously men-

Mr. Chairman, the research conducted by EPA's Office of Research and Development supports the Agency's mission by providing the critical scientific data and technical information which is essential to the enforcement of our environmental regulatory program administered by the Agency in performance of its missionthe protection of the public health and welfare against harm by environmental pollution.

The modest increases proposed by our committee in this bill are explained in detail in the committee report. However, let me point out that the bulk of these increases were made to support research activities in two areas. First, the health and ecological effects program was increased by \$13,900,000 over the President's request of \$67,052,000 in order to improve and expedite the interdisciplinary studies of impacts on our ecosystem and human health from pollutants and other harmful discharges. I would point out that these studies provide the critical baseline information for EPA's regulatory programs and their administrative decisionmaking.

For similar reasons, the committee increased the monitoring and technical support program by \$4.5 million over the President's request of approximately \$26 million which has been extremely underfunded and which has the responsibility for quality assurance of all research performed by EPA. The committee has been aware and concerned particularly about the quality of research, monitoring, and information dissemination. The funding level in this area provided by H.R. 5101 addresses these concerns. I should also add that the bill also provides for an increase of 45 positions in health and ecological effects research.

You will also note by the report that accompanies the bill that EPA's research program is carried out under the mandates of several Federal statutes; however, the committee felt that in order to better assess the progress of EPA's research efforts, that the authorization amounts should be specified in accordance with their research programs dealing with the several media of concern, such as air, water, radiation, et cetera.

The committee added several other important provisions to this bill. First, in section 4 of the bill, we have requested the Administrator, in his annual revisions to the 5-year plan, to include a budget projection for a no-growth budget, a moderate-growth budget, and a high-growth budget. In addition, we have requested that a detailed explanation of the relationship of each EPA budget projection to the existing law be supplied. The committee felt that this additional information would be helpful in assessing the relative progress and level of effort in the research activities.

Second, we have established in law the existing Science Advisory Board, which was established by the Administrator in January of 1974, to provide a direct link between EPA's Administrator and the scientific community. The Science Advisory Board renders independent advice to the Administrator on the Agency's major scientific programs and performs special tasks and program review assignments for the Agency in matters dealing with the scientific programs. The committee was persuaded by the recent National Academy of Sciences report which investigated the research and development activities of the Environmental Protection Agency and concluded that decisions made by the Administrator on significant precedents should have the benefit of independent scientific review and evaluation by the Science Advisory Board concerning the technical basis for such decisions. Accordingly, the Academy recommended that the responsibilities of the existing Science Advisory Board should be increased and that the SAB Chairman should serve on a fulltime basis and convey independent evaluations of scientific and technical data

and analysis directly to the Administrator. The committee amendment to H.R. 5101 would strengthen the position of the Science Advisory Board in order for it to carry out this important responsibility. Further, the committee felt that the Science Advisory Board should retain its non-Federal nature in order to gain the advice of our best scientific minds on the outside of the present Federal structure.

Finally, the committee finds that the problem of environmental research and development coordination within the Environmental Protection Agency has not disappeared, despite the directives of existing law and the rather substantial concern regarding this problem reflected in the committee discussions of the 1977 authorization bill for EPA. I might again cite the recent National Academy of Sciences report regarding EPA research and development, which emphasizes the continuing need for better coordination within the Agency. However, there remains another lingering problem with the coordination of environmental research and development Governmentwide. However, I want to emphasize to my colleagues today, that the bill before you does not attempt to solve this latter problem. Simply, the language in the bill regarding coordination requests the Administrator to work with other agencies in identifying research activities which may need to be more effectively coordinated in order to minimize unnecessary duplication and to determine steps which may be taken under existing law to accomplish or promote such coordination including legislative recommendations. This mandate is no different than what is required under existing law, but phrased in different terms to specifically implement this existing responsibility of the Agency. Moreover, we have directed the Council on Environmental Quality and the Office of Science and Technology Policy to undertake a joint study of all aspects of coordination of environmental research and development, and to prepare a report for the Congress not later than January 31, 1978.

It is not the intent of the committee in this provision to either explicitly or implicitly give EPA a lead in coordinating Government-wide research. I believe that the solution to this problem is more complex.

Mr. Chairman, the committee believes that H.R. 5101 represents a significant step in returning the EPA research program to a more adequate level of effort to provide the essential information to support EPA's other programs and decisionmaking. I would urge my colleagues to support this legislation.

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the distinguished gentleman from Florida.

Mr. FUQUA. Mr. Chairman, I want to thank the gentleman from California for yielding and reiterate again the fine job done under the able leadership of the gentleman from California and the gentleman's subcommittee.

Mr. Chairman, on page 14 of the committee report, found under "committee action" in the middle of the page under subtitle (b), it says:

environmentally sound methods to control water-weeds, \$1 million.

Mr. Chairman, I want to thank the gentleman. This is for hydrilla control that has been plaguing many of the lakes and streams throughout the southeastern part of the United States, and I guess the central part also. It is getting to be a very terrible menace.

I want to thank the committee for puting this in. I hope it will go a long way in sound methods of trying to control these weeds.

Mr. BROWN of California. Mr. Chairman, I thank the gentleman for those remarks. I want to assure the gentleman that we will continue to follow the progress of this particular type of research, which I might say is of importance to many parts of the country, including California, other than the Southeast. We do appreciate the fact that distinguished gentleman from Florida did call this matter to our attention and to all the members of the committee of the importance of focusing on some sort of program in that area.

Mr. FUQUA. Mr. Chairman, I thank the distinguished gentleman from California.

Mr. LUJAN. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. Don H. CLAUSEN).

Mr. DON H. CLAUSEN. Mr. Chairman, I rise in support of the provision in this measure which authorizes funding for research and development in new cost-effective treatment systems and the use of waste water on land to improve the quality of our waters.

As some of my colleagues may remember, earlier this month, during the debate on the Water Pollution Control Act amendments, I discussed the need for innovative technology in our municipal waste water treatment program and the necessity of providing incentives for these municipalities to utilize new innovative technology and land treatment.

Obviously, land treatment is not new and it is not necessarily innovative. But, it is not utilized at the level it should and could and we have taken away the incentives for our local municipalities to utilize new and special methods of waste water treatment. I will be introducing legislation to correct this situation but, in the meantime, I would like to urge that the research and development funds which the Environmental Protection Agency will be receiving under this legislation, be directed at developing this very technology which our localities could use.

Mr. LUJAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of

Mr. Chairman, I rise in support of H.R. 5101, the authorization bill for fiscal year 1978 for the research and development program of the Environmental Protection Agency.

H.R. 5101 authorizes \$288,064,000 for EPA's research and development—R. & D.—activities spanning a broad range of environmental topics. The diversity and scope of the EPA program matches the breadth of environmental concerns which must be addressed. We must achieve progress across a wide range of fronts; our programs must

be comprehensive, lest we risk a haphazard pattern of development.

EPA research on the health and ecological effects of air quality will provide the scientific baseline from which to review both primary and secondary ambient air quality standards. Part of this program will study the effect of air pollutants on the functions and structures of human, plant, and animal life. The EPA approach will utilize both laboratory and field studies in addition to mathematical simulations. For example, the EPA will pursue better measurements of the acute and chronic exposure effects on ecosystems; and develop dynamic models related to the dispersion of air pollutants among terrestrial plants and animals. The industrial portion of the air quality research will focus on assessing the nature and quantity of toxic and other hazardous pollutants emitted by industrial sources. In fiscal year 1978 this effort will assess advanced oil technologies such as petroleum desulfurization.

EPA's energy R. & D. effort is designed to examine the environmental aspects of our national energy program. Here the EPA is studying the extraction and processing technology related to emerging energy technologies. The major technologies here include coal-cleaning, fluidized bed combustion, and synthetic fuel processes. The EPA objectives are to assess any potential adverse environmental effects; to develop the methods and technology to prevent and control any adverse environmental effects; and to demonstrate the feasibility and cost effectiveness of environmental control options. Paying proper attention to environmental effects during the development of new energy technologies should result in better energy plants. In the past environmental effects were too often addressed only after the technology had otherwise been developed. This has resulted in awkward patchwork arrangements to retrofit existing energy facilities. The EPA's program will avoid such a fragmented approach for new energy technologies.

Mr. Chairman, the two EPA programs which I have highlighted demonstrate the breadth of its activity. Clean air in itself is of small consolation if it means crippling our energy output; and energy output should not proceed at the expense of clean air. The EPA's R. & D. programs seek to develop the knowledge for informed and rational decisionmaking on the environment. H.R. 5101 provides the funding levels necessary to carry out this

mission.

Mr. Chairman, I encourage my colleagues to join me in supporting H.R. 5101.

Mr. WIRTH. Mr. Chairman, today, the House of Representatives is considering a bill to authorize funding for the Environmental Protection Agency's research programs. As a member of the Science Subcommittee on Environment and Atmosphere, I was active in the preparation of this bill, and I commend it to my colleagues as an excellent piece of legislation.

During the floor consideration of the bill, my colleague from Colorado (Mr. Johnson) will offer an amendment to authorize an additional program of environmental research. Mr. Johnson's amendment will direct EPA to offer grants to public sector agencies for programs to demonstrate new methods of obtaining drinking water supplies. These grants will provide assistance to local governments who wish to pursue the promising possibility of recycling used water for consumption as drinking water.

The importance of this type of effort cannot be under-estimated. As my colleagues are well aware, the Western States are now experiencing a widespread drought that may be the worst in American history. Even before this drought, the West has long grappled with the problems of supporting growing populations in areas where water supplies are far below the levels common in the Eastern States. For instance, the high plains at the base of the Rocky Mountains-the region where most of my constituents live-receive an average of about 14 inches of precipitation a year. This is about one-tenth of the rainfall that normally falls in many eastern and northwestern areas of the country.

Given the lack of water, even in years of normal precipitation, the citizens of the West have long tried to get the most efficient use out of the water available to them. Perhaps the most promising method of efficient water use is recycling used water for consumption as drinking water. Should such methods be perfected and made available for widespread application, we will have gone far toward lessening one of the greatest problems that has historically plagued the West.

The board of water commissioners of the city and county of Denver has developed a project to begin recycling Denver's used water. This is the first project of its kind in the Nation, and holds great promise as a demonstration program leading to water recycling throughout the West. The Denver Water Board's project is expensive, however, and the board has so far been unsuccessful in finding Federal assistance, Mr. Johnson's amendment will not automatically provide this Federal assistance to the Denver recycling project, but it will create authority for Federal research and demonstration grants for this type of project. This is a laudable project, and one that I urge my colleagues to support.

Mr. WATKINS. Mr. Chairman, I rise to speak in favor of H.R. 5101, and specifically in support of two provisions which could provide major aid to the agriculture and cattle industry, through research carried out at the Robert S. Kerr Environmental Research Laboratory at Ada. Okla.

The Kerr research facility is involved primarily in water and other research as applied to agriculture. With the dire situation American farmers and cattlemen are facing today, the importance of such research is obvious.

Despite the pressing need to increase our Nation's food production, the Ada lab was in jeopardy of losing several important research personnel through staff retrenchment. This bill restores those staff positions and the necessary payroll funding.

This legislation also includes \$250,000 in funding for environmental research into the tanning of animal hides. Tanneries provide the raw material for production of shoes. But because the conventional tanning process requires large amounts of salt, many domestic tanning operations are closing each year because of their inability to meet effluent standards imposed by the Environmental Protection Agency.

As a result, about 21 million hides are exported annually from the United States to countries such as Germany, the Soviet Union, Mexico, Spain, Italy, Korea, and Japan. These exported hides are the feedstock for major shoe industries located in these countries. The finished shoes are then shipped back to the United States, which is the major market for such products.

I am sure you are all aware of the employment and balance-of-payments problems our country is facing because of this huge influx of foreign shoes. President Carter has decided against protective tariffs because of the subsequent im-

pact on foreign relations.

Obviously, the best way to handle this trade problem is to build a strong, viable shoe industry in the United States. By implementing an aggressive research program, the Environmental Protection Agency will hopefully develop an innovative process for taning hides that will solve the present environmental problems and lead to the development of a competitive domestic shoe industry. And that, of course, will mean more jobs and an improved balance-of-payments situation for our Nation.

The Robert S. Kerr research facility at Ada would be the obvious location for such research. It is centrally located in the tremendous cattle country of the great Southwest, and could easily draw upon the hides supplied by the many packing plants in this region. Also such research fits into the scope of the agricultural research presently being carried out at the Ada EPA laboratory.

I urge my distinguished colleagues to vote in favor of this essential legislation. Mr. FUQUA. Mr. Chairman, I have no

further requests for time.

Mr. LUJAN. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. WALKER).

Mr. WALKER. Mr. Chairman, I rise in support of H.R. 5101 which will authorize funds for the Environmental Protection Agency's research, development, and demonstration activities.

I would like to begin by praising my colleague from California, GEORGE Brown, for the excellent job he did in preparing this bill in our subcommittee. This annual authorization process affords us the opportunity to thoroughly review all areas of EPA's research and development activities. During the committee's deliberations on this legislation, two specific areas of environmental concern were brought to my attentionareas of concern in many parts of the country. These issues are water quality and solid waste landfill projects. I am pleased to tell you that the bill before you today addresses both of these topics.

In the area of water quality, \$1 million was added to the authorization request at the suggestion of the minority party. These extra funds will enable the Administrator of EPA to promote the use of existing sewage treatment technologies at the local leveltechnologies which are better and less expensive. These added funds will also help the EPA analyze the technologies and make the data available nationwide. Applicants under EPA's grant program should have the most effective and inexpensive options provided to them, and I believe that this addition in the bill will help serve that purpose.

My second specific area of concern was that of solid waste landfill projects. I have become increasingly aware that fertile, productive farmland is being used in solid waste disposal operations and other landfill projects. This is a disturbing trend and must be halted-not just for the benefit of those living in agricultural belts, but for the Nation as a whole which depends on the food supply from those areas. The report which accompanies H.R. 5101 directs the Administrator to conduct a study to survey available alternative methods for landfill operations which do not involve the usage of prime farmland. It is my hope, and belief, that this study, when completed, will be an aid to local governments across the Nation in the preservation of prime agricultural land.

Mr. Chairman, I am very pleased that this bill recognizes the need for further research and development activities on regional problems—those which are facing local governments on a critical level with more and more frequency. This is particularly true in the areas of solid waste and water quality. I am encouraged by the trend to recognize and address regional problems in research and development projects across the board.

I would like to point out that there is a discrepancy in the statement of my additional views in the report which refer to an increase of \$1 million in water supply activities. It should read "water quality activities in the public sector and this increase raises the funding level from \$11,-800,000 to \$12,800,000."

In my opinion this legislation is a comprehensive bill, addressing the importance of continued high quality environmental research, development, and demonstration to meet the demands of a high technology society. I urge my colleagues to join with me in support of H.R. 5101.

Mr. LUJAN. Mr. Chairman, I yield 7 minutes to the gentleman from Colorado (Mr. Johnson).

Mr. JOHNSON of Colorado. Mr. Chairman, and colleagues, the amendment I am offering to H.R. 5101, the EPA research and development authorization bill, seeks to provide for the mandatory implementation of a cost-sharing demonstration program which the EPA has had discretionary authority to implement for the past 3 years. However, EPA states that because of the mandatory provisions of the Safe Drinking Water Act of 1974, the lack of adequate funding and certain "technical uncer-tainties," EPA has failed to carry out a cost-sharing demonstration program re-

garding the recycling of municipal wastewater for use as drinking water.

The Safe Drinking Water Act provided the congressional authorization for such demonstration projects to investigate and demonstrate the technical and health aspects of reuse of municipal wastewater for drinking. In my view, the EPA, which is charged with the responsibility to carry out the provisions of Public Law 93-523, has failed to respond to the will of the Congress as specifically expressed in section 1444 of the act. In order to remedy this situation, I am offering this amendment to provide for the mandatory implementation of such a cost-sharing demonstration program. H.R. 5101 responds to previous criticism of the EPA research activities and provides for the annual authorization of EPA research, development and demonstration programs. The potable reuse demonstration program grants authorized previously under the Safe Drinking Water Act, are now more appropriately accommodated in the EPA research and development bill which the Committee of the Whole is considering

My amendment is a simple one. It provides that the discretionary language contained in the existing authorization, which expires at the end of this fiscal year, be changed to mandatory language to require the EPA Administrator to offer cost-sharing grants to public agencies for the purposes of demonstrating the technical, health, and conservation aspects of the potable reuse of municipal wastewater. By adopting this amendment to H.R. 5101, such a program would be given new life and would include such projects as direct potable reuse by means of additional and more sophisticated treatment technology, and/or indirect reuse by means of recharging underground water supplies, and perhaps other methods. The Safe Drinking Water Act of 1974 established the congressional authority for such demonstration projects and a total of \$25 million was authorized to carry out the provisions of the law. However, the EPA has never requested the appropriation of any of the authorized funds, nor have past or present administrations requested funding for the program throughout the 3 years the act has been in place.

Late last year I wrote to the EPA Administrator to express my concern for the apparent lack of EPA action regarding the requesting of funding for the potable reuse demonstration grant program. I would like to submit for the RECORD the reply I received from Mr. Victor J. Kimm, Deputy Assistant Administrator for Water Supply:

ENVIRONMENTAL PROTECTION AGENCY, Washington, D.C., February 2, 1977. Hon. James P. Johnson, House of Representatives, Washington, D.C.

DEAR MR. JOHNSON: This is in response to your letter of December 23, 1976, in which expressed your concern regarding the apparent lack on the part of the Environmental Protection Agency (EPA) to pursue the establishment of demonstration facilities to examine the reuse of municipal wastewaters for potable purposes. The demonstration of municipal wastewater reuse is au-

thorized by Congress under Section 1444 of the Safe Drinking Water Act.

The Agency did not request funds under Section 1444 of the Act between Fiscal Years 1976 and 1977. We concluded that the small increase in funding available for the water supply program was better devoted to insing grants to the States in order to facilitate the States' ability to assume pri-mary enforcement. In addition, there are many technical uncertainties concerning reuse that take us to the limits of current knowledge of the health significance of small quantities of a variety of contaminants which yould make assessing current demonstration projects very difficult.

Nonetheless, our Agency is still very much interested in potable reuse of municipal wastewater. However, within EPA's current budget constraints and the immediate mandatory goals directed by the Safe Drinking Water Act, our Agency is unable to support the demonstration of municipal wastewater reuse for potable purposes.

We thank you for your interest in municipal wastewater reuse and we hope that this information has added to your knowledge on this subject.

s subject.
Sincerely yours,
Victor J. Kimm, Deputy Assistant Administrator for Water Supply.

Mr. Chairman, in his reply, Mr. Kimm cited limited funds for the total water supply program and what he called 'many technical uncertainties" as the reasons why the EPA has not acted to seek funds for the potable reuse demonstration program. Mr. Chairman and colleagues, it is these very "technical uncertainties" which Mr. Kimm cites as the reason for inaction that should and must provide the foundation for positive action to develop a potable reuse demonstration program. However, Mr. Kimm states in his letter that because of the mandatory requirements of Public Law 93-523, the EPA is "* * unable to support the demonstration of municipal wastewater reuse for potable purposes."

I need not remind my colleagues from the Western States as well as from the Midwest and East of the serious drought conditions which exist today in many parts of the country, including my State of Colorado. The situation is already even more serious in other Western States where in some areas rationing of water is already a stark reality. I believe that we would all agree that it is essential that every reasonable effort must be made to make the best possible use of our valuable water supplies, espepecially in those areas of the country where safe and dependable supplies of water are being threatened and severely drained. According to the EPA there are water recycling projects 360 over throughout the country today designed to investigate and implement programs to recycle municipal wastewater for irrigation, industrial reuse, groundwater recharge, and recreation. I am hopeful that such programs can be expanded so that the technical, health, and water conservation information can be gathered to facilitate the most effective reuse of municipal wastewater. According to the EPA, the total wastewater reuse projects presently in place in the United States account for the recycling of 2 percent or less of the total amount of wastewater which is available for recycling for various purposes.

Unfortunately, one aspect of the municipal wastewater reuse potential which has not received adequate EPA support to date is the recycling of municipal wastewater for use as drinking water. Such a demonstration program is anticipated to consume up to 10 years to undertake and complete a thorough investigation of the necessary health implications of direct and indirect potable reuse of municipal wastewater, as well as the technical, conservation, social and economic requirements of such projects. Congress recognized the need for such a program when it approved the Safe Drinking Water Act in 1974. However, because of the lack of positive action by the EPA to get behind the congressional intent and seek funding for the authorized program, 3 years have been lost in getting the program underway.

It is not my intention to suggest that, potable reuse of municipal wastewater is any kind of panacea-it is not. However, such reuse will indeed contribute to the wise, effective and efficient use of our scarce water supplies. Officials at the Denver Water Board tell me that if their proposed 100-million-gallon-perday potable reuse facility were to be in place by 1990, the facility would contribute upward to 20 or possibly 25 percent of the total water supply demands of the Denver area. Direct potable reuse would be especially beneficial to those large cities and other areas which are restricted-such as Denver-because of geologic formations from undertaking groundwater recharge and because of economics from building dual distribution systems. For an area which relies mainly on surface water for its municipal water supply, direct potable reuse holds substantial potential.

As I mentioned, these conditions exist in the city of Denver, Colo. Denver receives some 60 percent of its municipal water supply via transmountain diversion of surface water from the western side of the Continental Divide, and the remainder from the waters of the South Platte River. In an effort to conserve its water supplies by making the maximum efficient and economic use of the city water supplies, the Denver Water Board has, since 1969, been involved in a pilot project designed to investigate the reuse of municipal wastewater for drinking water. The Denver Water Board has invested nearly \$1 million thus far on the pilot facility and preliminary work on a proposed 1-million-gallon-per-day demonstration size potable reuse plant. Only a minimum amount of Federal funds-\$28,000 according to the Water Board-has been used in the Denver project to date. The results of the pilot program have been most encouraging and the Denver Water Board is beginning serious planning for the 1-million-gallon-per-day demonstration facility to refine the technical, health, conservation, social, and economic data. As I said, the eventual goal is to construct a full size. 100-million-gallon-per-day potable reuse plant—using local funds—to be in place by 1990 to serve the growing water needs of the Denver metropolitan area.

Denver, as well as the entire Nation.

needs to determine the technical, health, conservation, social, and economic aspects of potable reuse by means of demonstration size projects. As Mr. John English of EPA's Municipal Environmental Research Lab in Cincinnati, Ohio, points out in a paper he authored regarding "Present and Future Directions for Muncipial Wastewater Reuse Research":

It is imperative that support of health research is continued and expanded since areas in our Nation such as Denver, Colorado: Long Island, New York; areas in southern California, and other localities where source substitution will not provide sufficient water resources to meet domestic water supply needs of a growing population, the feasibility of potable reuse must be determined.

English goes on to state that-

It is the highest priority research in the wastewater reuse program since it requires a long term program that must be implemented now if it is to have an impact on future national water needs.

Mr. Francis Middleton, Senior Science Adviser at the EPA's Municipal Environmental Research Lab in Cincinnati, also states in a paper he prepared regarding the future of wastewater reuse, that studies have concluded that:

Long term reliability testing of a full-scale facility designed specifically to produce potable quality water is needed.

In a resolution issued jointly by the Water Pollution Control Federation— WPCF and the American Water Works Association—AWWA, those organizations urged massive Federal Government efforts to develop needed potable reuse technology. They pointed out the lack of progress in this area thus far and also noted that "the essential fail-safe technology to permit such direct reuse has not yet been demonstrated." The 1976 report to Congress by the National Commission on Water Quality also cites the lack of progress and lack of adequate funding of programs designed to recycle municipal wastewater. The results of the operation of such a demonstration plant would be of national significance and would be available for all to build upon. I asked the EPA Regional Office in Denver for an analysis and evaluation of the Denver potable reuse demonstration project proposal. I would like to submit for the record the response I received from EPA Region VIII Administrator, John Green:

ENVIRONMENTAL PROTECTION AGENCY, Denver, Colo., Mar. 3, 1977. Hon. JAMES P. JOHNSON, House of Representatives,

Washington, D.C.

DEAR MR. JOHNSON: As requested in your letter of February 22, we have reviewed the Denver Water Board's water reuse proposal. Westerners have always recognized the need to make the best possible use of their limited water resources. Now, in the face of an imminent and perhaps extended drought, the wise use of water becomes even more critical. In addition, more and more communities throughout the U.S. are facing difficulties in obtaining new water sources. It is apparent that water reuse for potable purposes is a viable water resource alternative that has applicability beyond the arid West.

The Denver Water Board's water reuse proposal recognizes the importance of demonstrating this alternative on a large-scale production basis. In our opinion, such a project would go far toward filling an existing research void. To date, little research has been done to demonstrate that potable water reuse is an effective alternative that poses no risk to public health. Few, if any, demon-stration projects have integrated all the processes necessary for the continuous potable reuse of municipal wastewater. Most of the reuse research to date has concentrated on individual treatment processes or a series of processes, some on a very small or pilot scale. Although this research has provided important information, we still do not have the answers needed regarding large-scale production of safe drinking water from wastewater.

Denver's proposed treatment plant could provide these answers since it combines a variety of treatment techniques in a largescale plant. This would also give us badly needed information on the reliability and cost-effectiveness of various treatment schemes. Valuable spinoff information regarding removal of viruses and harmful organic compounds which would apply to any water treatment system would also be gained from the research associated with the proposal. To the best of our knowledge, this is the only project in the U.S. that incorporates all of these features. The Denver proposal is technically sound and justified. We agree that federal cooperation is essential to assure the credibility, continuity and the completion of the project.

We strongly feel that potable water reuse should be a top national research and demonstration priority. It is most critical in this Region, particularly along the front range because of the scarcity of water and the evergrowing population. Because of our strong belief as to the importance of research in this field, we will continue to support an expanded national research effort in the potable water reuse field. Quite candidly, our efforts to date have been disappointing. However, we are optimistic that we can develop more interest and support for this critical research effort.

Certainly Congress recognized the need by including the provision for demonstration grants related to the potable reuse of water in the Safe Drinking Water Act. Since the Act directs EPA to work toward safe and adequate quantities of drinking water for all Americans, we feel that the Denver Water Board's project directly relates to these national goals and responsibilities.

If we can be of further assistance, feel free to contact me or my staff. We are most appreciative of your interest in water reuse.

My Best Personal Regards. Sincerely yours,

JOHN A. GREEN, Regional Administrator.

Mr. Green points out that a project such as that proposed by the Denver Water Board would fill the existing void regarding potable reuse of municipal wastewater. He explains that the Denver proposal is the most advanced of its type in the Nation designed specifically for the direct potable reuse of municipal wastewater. Mr. Green states that a demonstration plant such as that proposed by the Denver Water Board would provide badly needed cost-effectiveness information as well as important technical data. Such a facility would also provide important answers to existing questions regarding the removal of viruses and harmful organic and chemical compounds. This information would apply not only to direct potable reuse, but to any water treatment system as well. The region VIII Administrator states that potable water reuse should be a top national research and demonstration priority and he lends his support for an expanded national effort in the potable reuse field. Mr. Green admits that efforts to date in this area have been disappointing, but he goes on to state that Congress has recognized the need for such efforts in the past and he encourages renewed congressional action to get the demonstration program going.

Mr. Chairman and colleagues, the amendment I am offering to provide for mandatory language regarding the offering of potable reuse demonstration costsharing grants seeks to reaffirm the intent of Congress established in previous law and to provide additional positive direction and a course of action. It is my belief that the potable reuse demonstration project proposed by the Denver Water Board would qualify for such a grant on a cost-sharing basis. The EPA has previously indicated so in an informal manner. The water board has clearly indicated to me that it will seek such a grant if the program is authorized, funded and implemented.

My amendment, of course, is not specifically directed toward the Denver Water Board proposal. Other cities may have related plans which would qualify under the broad language of the amendment. However, the EPA points out the Denver proposal is well advanced and in fact an appropriate site has been purchased and preliminary design work accomplished for the 1-million-gallon-per-

day demonstration facility.

The need for such a demonstration program is not confined to Denver, Colo. As we are witnessing right now, many other parts of the country are finding scarce water supplies, not only in the West but also in the Midwest and Eastern States. Recycling of municipal wastewater for drinking water is essential to a comprehensive water conservation program designed to make the best possible use of our water. I ask the support of my colleagues in reaffirming previous congressional intent by providing mandatory language to direct the EPA to offer and make potable reuse demonstration project cost-sharing grants, and by providing sufficient authorization of funding to support the potable reuse demonstration program. I also seek the active support of my colleagues and especially the members of the Appropriations Committee for subsequent funding of the actual funds to support this important program.

Mr. LUJAN. Mr. Chairman, will the

gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from New Mexico (Mr. LUJAN).

Mr. LUJAN. I thank the gentleman for vielding.

Mr. Chairman, I want to congratulate the gentleman on his amendment, and I fully support it. If there has been anything that I have wondered about during our hearings, it is where the research is directed. I think this takes us more into the demonstration activities which I would like to see the agency pursue. So I congratulate the gentleman for his amendment.

Mr. JOHNSON of Colorado. I thank the gentleman.

Mr. WINN. Mr. Chairman, I rise in support of H.R. 5101, the fiscal year 1978 authorization bill for the Environmental Protection Agency's research and devel-

opment program.

H.R. 5101 authorizes \$288.06 million for the programs in EPA's Office of Research and Development. This amount is \$26.6 million above the President's request and \$21.5 million above the fiscal year 1977 authorization bill which came to the House floor. The fiscal year 1978 recommended funding levels will offset inflation and allow for some modest real growth in several areas of special interest such as air and water quality.

EPA's research programs often are aimed at multiple objectives. One objective is to establish a credible baseline of technical data on the effects of pollutants which can serve as a guidepost to subsequent regulatory action. Incidental to its regulatory function is the need to maintain an ongoing monitoring ability to verify that applicable regulations are being met. The more positive objective of EPA's research is to advance our scientific knowledge so that it can contribute to the improvement of practices and processes in order to achieve a cleaner environment. I believe it is essential that EPA personnel actually roll up their sleeves and get their hands dirty with environmental technology before they seek to compel the private sector to implement technical systems of doubtful merit. To put it in the carteresque dialect, the EPA should not force others to do something which it cannot do itself.

I certainly endorse President Carter's statement that agency heads should personally read all regulations promulgated by their organizations. If that practice were followed it would be a major step forward in reducing the doubletalk in bureaucratic Washington. If only those regulations which agency heads actually understood could become effective, I expect that over 90 percent of all regula-

tions would terminate.

Looking at the particulars of EPA's R. & D. program I am satisfied that its activities are structured to achieve positive results. In the area of solid waste, for example, the EPA is supporting research to develop improved waste management techniques, disposal technology, and resource recovery technology. Success here will enable local communities to cope with their solid waste problem in a cost effective and environmentally safe manner. The coming year's activity will include the assessment of treatment techniques for influent and effluent streams; the development of alternatives to conventional landfill operations; and improved methods of sludge disposal. The double benefit in this activity is the potential of solving the serious local waste problem by converting it to a useful energy form.

Pesticide research will examine the health and ecological effects of pesticides. Health related studies will include the effects on metabolic activity and the central nervous system; gene mutation; and the effects on the respiratory system

and the skin. The ecological focus will be on the effects of pesticides on land and marine

organisms. The program will also work to develop better substitute chemicals to replace those with hazardous toxic and environmental features.

Mr. Chairman, I believe the EPA's R. & D. program will produce beneficial results for the country and its citizens. H.R. 5101 will allow the EPA to continue its research programs at a reasonable level and I endorse it.

The CHAIRMAN. Pursuant to the rule. the Clerk will now read the committee amendment in the nature of a substitute recommended by the Committee on Science and Technology now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Environmental Research, Development, and Demonstration Authorization Act of 1978".

SEC. 2. (a) There is authorized to be appropriated to the Environmental Protection Agency for environmental research, development, and demonstration activities for the fiscal year 1978 for the following activities:

Air quality activities in the Health and Ecological Effects program, \$30,848,000.

(2) Air quality activities in the Monitor-g and Technical support program, \$9,-756 000

(3) Air quality activities in the Industrial Processes program, \$6,350,000.

Water quality activities in the Health and Ecological Effects program, \$25,200,000.

(5) Water quality activities in the Indus-

trial Processes program, \$9,300,000.

(6) Water quality activities in the Monitoring and Technical Support program, \$6,-

(7) Water quality activities in the Public Sector Activities program, \$12,800,000. (8) Water supply activities in the Public

Sector Activities program, \$15,727,000 (9) Pesticides activities in the Health and

Ecological Effects program, \$10,756,000. Solid waste activities in the Public Sector Activities program, \$9,818,000.

(11) Toxic substances activities in the Health and Ecological Effects program, \$4,-088,000.

(12) Radiation activities in the Health and Ecological Effects program, \$830,000.

(13) Interdisciplinary activities in the Health and Ecological Effects program, \$9,-230,000

(14) Interdisciplinary activities in the Industrial Processes program, \$6,066,000.

(15) Interdisciplinary activities in the Public Sector Activities program, \$1,599,000. (16) Interdisciplinary activities in the monitoring and technical support program,

\$14,378,000. (17) Energy activities in the energy pro-

gram, \$96,427,000.

(b) There is authorized to be appropriated to the Environmental Protection Agency, Office of Research and Development, for program management and support for the fiscal year 1978, \$18,822,000.

(c) No funds may be transferred from any particular category listed in subsection (a) to any other category or categories listed in such subsection if the total of the funds so transferred from that particular category would exceed 10 per centum thereof, and no funds may be transferred to any particular category listed in subsection (a) other category or categories listed in such subsection if the total of the funds so transferred to that particular category would exceed 10 per centum thereof, unless

(1) a period of thirty legislative days has ssed after the Administrator of the Environmental Protection Agency or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate a written report containing a full and complete statement concerning the nature of the transfer and the reason therefor. or

(2) each committee of the House of Representatives and the Senate having jurisdiction over the subject matter involved. before the expiration of such period, has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

(d) The Administrator shall increase the number of personnel positions in the health and ecological effects program to 862 positions for fiscal year 1978.

SEC. 3. Appropriations made pursuant to the authority provided in section 2 of this Act shall remain available for obligation for expenditure, or for obligation and expenditure, for such period or periods as may be specified in the Acts making such appropriations.

SEC. 4. The Administrator of the Environmental Protection Agency, in each annual revision of the five-year plan transmitted to the Congress under section 5 of Public Law 94-475, shall include budget projections for a "no-growth" budget, for a "moderate-growth" budget, and for a "high-growth" budget. In addition, each such annual revision shall include a detailed explanation of the relationship of each budget projection to the existing laws which authorize the administration's environmental research, development, and demonstration programs.

SEC. 5. (a) The Administrator of the Environmental Protection Agency shall establish a Science Advisory Board which shall provide such scientific advice as the Administrator

requests

- (b) The Board shall consist of at least nine members, one of whom shall be designated Chairman, and shall meet at such times and places as may be designated by the Chairman of the Board in consultation with the Administrator.
- (c) In addition to providing scientific advice when requested by the Administrator under subsection (a), the Board shall review and comment on the Administration's fiveyear plan for environmental research, development, and demonstration provided for by section 5 of Public Law 94 475 and on each annual revision thereof. Such review and comment shall be transmitted to the Congress by the Administrator, together with his comments thereon, at the time of the transmission to the Congress of the annual revision involved
- (d) The Board shall conduct a review of and submit a report to the Administrator, the President, and the Congress, not later than October 1, 1978, concerning-

(1) the health effects research authorized

by this Act and other law;

- (2) the procedures generally used in the conduct of such research:
- (3) the internal and external reporting of the results of such research;
- (4) the review procedures for such research and results:
- (5) the procedures by which such results are used in the internal and external recommendations on policy, regulations, and legislation; and
- (6) the findings and recommendations of the report to the House Committee on Science and Technology entitled "The Environmental Protection Agency Program with primary emphasis on the Community Health and Environmental Surveillance System (CHESS): An Investigative Report".

The review shall focus special attention on the procedural safeguards required to preserve the scientific integrity of such research and to insure reporting and use of the results of such research in subsequent recommendations. The report shall include specific recommendations on the results of the review to insure that scientific integrity throughout the Agency's health effects research, review, reporting, and recommendations proces

SEC. 6. (a) The Administrator of the Environmental Protection Agency, in consultation and cooperation with the heads of other Federal agencies, shall take such actions on a continuing basis, as may be necessary or appropriate

to identify environmental research, development, and demonstration activities, within and outside the Federal Government which may need to be more effectively coordinated in order to minimize unnecessary duplication of programs, projects, and research facilities;

to determine the steps which might taken under existing law, by him and by the heads of such other agencies, to accomplish or promote such coordination, and to provide for or encourage the taking of such

steps: and

(3) to determine the additional legislative actions which would be needed to assure such coordination to the maximum extent

possible.

The Administrator shall include in each annual revision of the five-year plan provided for by section 5 of Public Law 94-475 a full and complete report on the actions taken and determinations made during the preceding year under this subsection, and may submit interim reports on such actions and determinations at such other times as he deems appropriate.

(b) The Administrator of the Environmental Protection Agency shall coordinate envi-ronmental research, development, and demonstration programs of the Agency with the heads of other Federal agencies in order to minimize unnecessary duplication of programs, projects, and research facilities

- (c) (1) In order to promote the coordination of environmental research and development activities, and to assure that the actions taken and methods used (under subsection (a) and otherwise) to bring about such coordination will be as effective as possible for that purpose, the Council on vironmental Quality and the Office of Science and Technology Policy shall promptly undertake and carry out a joint study of all aspects of the coordination of environmental research and development. The Chairman of the Council and the Director of the Office shall prepare a joint report on the results of such study, together with such recommendations (including legislative mendations) as they deem appropriate, and shall submit such report to the President and the Congress not later than January 31, 1978.
- (2) Not later than June 30, 1978, the President shall report to the Congress on steps he has taken to implement the recommendations included in the report under paragraph (1), including any recommendations he may have for legislation.

SEC. 7. The Administrator of the Environmental Protection Agency shall implement the recommendations of the report prepared for the House Committee on Science Technology entitled, "The Environmental Protection Agency Program with primary emphasis on the Community Health and Environmental Surveillance System (CHESS): An Investigative Report", unless for any specific recommendation he determines (1) that such recommendation has been imple mented, (2) that implementation of such recommendation will be inimical to the scientific integrity of the research, or (3) that implementation of such recommendation will require funding which is not available. Where such funding is not available, the Administrator shall request required authorization or appropriation for such implementation. The Administrator shall report the status of such implementation in each annual revision of the five-year plan transmitted to the Congress under section 5 of Public Law 94-475.

SEC. 8. (a) Each officer or employee of the Environmental Protection Agency who

(1) performs any function or duty under this Act: and

(2) has any known financial interest in any person who applies for or receives financial assistance under this Act;

shall, beginning on February 1, 1978, annually file with the Administrator a written statement concerning all such interests held by such officer or employee during the preceding calendar year. Such statement shall be available to the public.

(b) The Administrator shall-

(1) act within ninety days after the date of enactment of this Act-

(A) to define the term "known financial interest" for purposes of subsection (a) of this section; and

(B) to establish the methods by which the requirement to file written statements spec ified in subsection (a) of this section will be monitored and enforced, including appropriate provision for the filing by such officers and employees of such statements and the review by the Administrator of such statements; and

(2) report to the Congress on June 1 of each calendar year with respect to such dis-closures and the actions taken in regard thereto during the preceding calendar year.

- (c) In the rules prescribed under subsection (b) of this section, the Administrator may identify specific positions of a nonpolicymaking nature within the Administration and provide that officers or employees occupying such positions shall be exempt from the requirements of this section.
- (d) Any officer or employee who is subject to, and knowingly violates, this section, shall be fined not more than \$2,500 or imprisoned not more than one year, or both.

Mr. FUQUA (during the reading), Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read. printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Flor-

There was no objection.

AMENDMENTS OFFERED BY MR. BROWN OF CALIFORNIA

Mr. BROWN of California. Mr. Chairman, I offer two brief clarifying amendments.

The Clerk read as follows:

Amendments offered by Mr. Brown of California: Page 5, line 12, insert the following before the period: ": Provided, That no part of any amount appropriated pursuant to this paragraph may be obligated or expended except to the extent hereafter specifically authorized by law."

Page 9, following line 19, insert the fol-

lowing:

"(e) In carrying out the functions assigned by this section, the Board shall consult and coordinate its activities with the Scientific Advisory Panel established by the Administrator pursuant to section 25(d) of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended."

Mr. BROWN of California. Chairman, I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BROWN of California, Mr. Chairman, I will explain these amendments very briefly.

Both of these amendments relate to that section of the bill which deals with the research and development provisions of the Federal Insecticide, Funigicide, and Rodenticide Act which is within the jurisdiction of the Committee on Agriculture.

In previous years the chairman of that committee and myself have reached an agreement as to cooperation concerning those areas of that act which are of mutual interest, and these amendments are merely intended to reflect that agreement. In effect, the amendments say that we do not go ahead with research and development under this bill that we are considering until the Committee on Agriculture has acted on the basic enabling legislation and extended it. I am referring to the Federal Insecticide, Fungicide, and Rodenticide Act which I mentioned

The second part of these amendments has to do with the relationship between the Science Advisory Board established in the bill before us and the scientific advisory panel of the so-called FIFRA Act and insures that these two bodies consult and coordinate their activities.

Mr. Chairman, in my opinion these are merely technical amendments, and I

urge their adoption.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California (Mr. Brown).

The amendments were agreed to. AMENDMENT OFFERED BY MR. JOHNSON OF COLORADO

Mr. JOHNSON of Colorado. Mr. Chairman. I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Johnson of Colorado: Page 7, after line 8, insert the following new section (and renumber the succeeding sections accordingly):

SEC. 3. (a) The Administrator shall offer grants to public sector agencies for the pur-

poses of-

(1) assisting in the development and demonstration (including construction) of any project which will demonstrate a new or improved method, approach, or technology for providing a dependably safe supply of drink-

ing water to the public; and
(2) assisting in the development and demonstration (including construction) of any project which will investigate and demonstrate health and conservation implications involved in the reclamation, recycling, and reuse of waste waters for drinking and the processes and methods for the preparation of safe and acceptable drinking water.

(b) Grants made by the Administrator under this section shall be subject to the fol-

lowing limitations:

- (1) Grants under this section shall not exceed 66% per centum of the total cost of construction of any facility and 75 per centum of any other costs, as determined by the Administrator.
- (2) Grants under this section shall not be made for any project involving the construction or modification of any facilities for any public water system in a State unless such project has been approved by the State agency charged with the responsibility for safety of drinking water (or if there is no such agency in a State, by the State health
- (3) Grants under this section shall not be for any project unless the Administrator determines, after consultation, that such project will serve a useful purpose relating to the development and demonstration of new or improved techniques, methods, or

technologies for the provision of safe water to the public for drinking.

(c) For the purposes of making grants under this section there is authorized to be appropriated \$25,000,000 for the fiscal year ending September 30, 1978.

Page 7, line 10, strike out "section 2" and insert in lieu thereof "sections 2 and 3".

Mr. JOHNSON of Colorado (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. JOHNSON of Colorado. Mr. Chairman, I have just explained the thrust of this amendment.

I do not think there is any need to reiterate any of the details that I have just gone into. If there are any questions by any Members of the body, I would be glad to try to answer them.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to

the gentleman from California. Mr. BROWN of California. Mr. Chairman, I have mixed feelings about this amendment.

I agree with the sponsor completely that the program authorized by the amendment is extremely worthwhile and desirable.

The problem that bothers me has to do with what this will do in terms of the financial levels of the bill which we are currently bringing in at \$288 million for

research and development.

What the gentleman from Colorado (Mr. Johnson) is proposing-and, as I say, it is an extremely worthwhile program-is an additional \$25 million to be used by the Administrator of EPA as a demonstration program for new technologies that would demonstrate the practicability of reusing municipal waste water for drinking water.

Mr. Chairman, he is quite correct in that the Safe Drinking Water Act which we have on the books authorizes such a program, but no demonstration program has ever been funded under it; and he is now proposing to use the vehicle of this bill as a means of putting additional pressure on EPA to fund one or more of these demonstration programs.

I concur as to the desirability of having such a program, but I want to point out-and I think he will agree-that what he is doing represents an add-on demonstration program to this research, development, and demonstration bill. It is about a 10-percent add-on for a worthy cause: but because of that and because of the fiscal constraints which face this administration as they faced the last administration, there was no request for funds for this kind of demonstration.

Therefore, Mr. Chairman, I am reluctant to offer the enthusiastic support for the amendment which I feel that it

Mr. JOHNSON of Colorado. Chairman, I thank the gentleman for his comments.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from New York.

Mr. DOWNEY, Mr. Chairman, I just want to say that I strongly support the amendment of the gentleman from Colorado (Mr. Johnson).

I would like, if I could, to give the committee an opportunity to understand what profound implications it may have. We have spent literally billions of dollars in cleaning up our rivers and streams through the Pure Waters Act.

In my district we have some \$300 million coming to us for the purpose of providing lateral sewer lines, interceptors, and a treatment plant. However, because we are located close to the water, we are not going to have an opportunity to recharge that water, sending it back into the ground where it rightfully belongs. Consequently, we will be suffering some deprivation in terms of our ground water. It will be depleted. There will be saltwater incursion.

Mr. Chairman, it would be my hope that through demonstration projects of this sort the nitrogen can be reduced to such levels as to provide potable drinking water by means of a treatment plant.

Therefore, Mr. Chairman, I strongly support the gentleman's amendment.

Mr. JOHNSON of Colorado. Mr. Chairman, I thank the gentleman from New York (Mr. Downey) for his comments.

I think we should emphasize again the long leadtime required for this program. The estimate is 10 years before this can be proven safe and can be utilized.

Ms. SCHROEDER, Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentlewoman from Colorado.

Ms. SCHROEDER. Mr. Chairman, I thank the gentleman from Colorado (Mr. JOHNSON) for offering his amendment. I enthusiastically support it.

Mr. Chairman, this has been attempted on a very small scale, and I think that the benefits are such that we really should move on it in a much bigger way and on a major scale.

I think this really is something that is important to every part of our country. So I commend the gentleman from Colorado for presenting his amendment and hope that all of the Members will vote in support of it.

Mr. JOHNSON of Colorado. I thank the gentlewoman from Colorado for her remarks.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I would like to add my commendation to the gentleman from Colorado (Mr. Johnson) in offering his amendment.

I would like to say this particularly about this bill and about the amendment that those who fear that the EPA is too loaded in favor of environmentalism ought to understand that if the EPA is to do the kind of sophisticated studies that are necessary and needed in order not to have an overkill or have overregulation, then they must be adequately funded in order to be able to do the necessary research.

As an example, we have a situation in Ohio where industry has been screaming that the regulations from EPA's region No. 5 are too rigid, and that they are inaccurate and they are based on incomplete data. All of these criticisms have some merit. One of the reasons is because the EPA up until recently has not been adequately staffed in order to do the job correctly. So I am glad to see the recommendation made by the gentleman from Colorado.

Mr. EVANS of Colorado. Mr. Chair-

man, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from Colorado.

Mr. EVANS of Colorado. Mr. Chairman, I too want to join in congratulating my colleague the gentleman from Colorado (Mr. Johnson).

The gentleman mentioned something during the general debate which I think a lot of the people do not really appreciate unless they come from our neck of the woods, and that is that we have to increase our reuse of water, we have to use all of what little water we have, and

that we can lawfully use.

I think that the gentleman's amendment will bring attention to an area that has been overlooked for much too long, and that is the desirability and the pos sibility of greater efficient use for that water that we have, such as Denver is entitled to. If this process is successful, and is economical and wise, and I am sure that it can be so proven, and if the people are willing to accept it, and I think that they will do so, then I think that through this process we can take a great deal of the burden off the dissension between the East and the West, and the upper basin States and the lower basin States.

So again I commend my colleague, the gentleman from Colorado, and rise in support of his amendment.

Mr. JOHNSON of Colorado. I thank my colleague for his remarks.

The CHAIRMAN. The time of the

gentleman has expired.

(On request of Mr. Panetta, and by unanimous consent, Mr. Johnson of Colorado was allowed to proceed for 3 additional minutes.)

Mr. PANETTA. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from California.

Mr. PANETTA. Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from Colorado (Mr. Johnson).

This amendment, which would authorize \$25 million for demonstration projects in water reuse, represents the first step in rethinking our current water policies. Right now, the United States only reuses 2 percent of the total amount of wastewater which is capable of being reused. California, which has been perhaps forced by nature to pursue reuse more aggressively than other States, still only reuses 12 percent of its reclaimed water. There are treatment plants in my State which pour 100,000,000 gallons of treated water back into the ocean every day simply because there are no facilities for preparing that water for reuse.

There are now over 360 projects underway to perfect reuse of water for irrigation and industrial purposes. Certainly these projects are crucial to assuring America a stable, secure water supply.

But, of course, what is most important to our well-being is the knowledge that we will always be assured of a plentiful supply of drinking water. Research has been taken as far as it can—what we need now are the demonstration projects which will perfect the process in actual operation.

Mr. Chairman, in many ways our approach to managing our water resources resembles our handling of our precious energy supplies. For so many years, we have had boundless, cheap supplies of fossil fuels and of water. Suddenly, as a result of decades of free use of these resources without any thought to the future, we are faced with the spectre of extremely expensive fuel and scarce water. This possibility has caused a reconsideration of our energy policies, with more weight being given to alternative energy sources and conservation. It is my hope that the amendment we are proposing today represents a similar new approach to water-conservation combined with a crash program into reclamation, reuse, desalination, and other methods of better managing our scarce water supplies.

I urge my colleagues to support this

amendment.

Mr. LUJAN. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from New Mexico.

Mr. LUJAN. Mr. Chairman, I think we would be remiss on this side if we did not join my colleague, the gentleman from Colorado (Mr. Johnson) in the enthusiastic support that he is receiving from the other side of the aisle. I want to assure the gentleman that this side of the aisle certainly supports his amendment.

Mr. JOHNSON of Colorado, I thank the gentleman from New Mexico.

Mr. KREBS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from California.

Mr. KREBS. Mr. Chairman, I thank the gentleman for yielding to me and I rise in favor of the amendment he has offered. I think that the gentleman from Colorado has shown real leadership in offering this amendment.

Mr. Chairman, I would like to share a little experience I had about a month ago when I was invited to participate in the opening of a waste water treatment plant in my district. As part of the ceremonies the other elected officials and I were offered a glass of the material that supposedly had been purified. In front of television cameras we were offered this concoction and we drank it. Only to find out later on that the health department in my county was rather unhappy with this particular demonstration.

Mr. Chairman, it really seems incomprehensible in this day and age with all of the problems that we have waterwise that to this date we still have not been able to develop the kind of technology that would take care of this particular problem.

So I would hope that despite the reservations expressed by the chairman, the gentleman from California (Mr. Brown), as to the fiscal impact of this particular amendment, the Members will support it. I believe this amendment represents money well spent. I therefore

urge every member of this committee to support it.

Again I thank the gentleman for vielding.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado (Mr. Johnson).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. VOLKMER

Mr. VOLKMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Volkmer: Page 9, line 19, after line 19, add a new paragraph as follows:

"The provisions of Section 5 of this act shall expire on December 31, 1978."

Mr. BROWN of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, it is not my desire to oppose the amendment since I in principle agree with the desirability of reviewing the existence of bodies of this sort and, in fact, of all agencies of the Government at periodic intervals.

I point out to the Members that the purpose behind the annual authorization legislation which we have before us is to give the Members of the House the kind of control that is represented by this amendment. I feel a little chagrined that this Scientific Advisory Board, which has been in existence for a number of years and has functioned effectively, and we think should continue to function even more aggressively than it has in the past, should be exposed to the threat of termination because we try to strengthen it. But since we will be reviewing is activities each year, and since it is healthy and constructive that it should have to defend what it is doing and justify its existence, I think it would be appropriate for me to indicate my acceptance of the gentleman's amendment, which I very much agree with in principle. I hope that this particular Scientific Advisory Board, whose function is important and recommended by the National Academy of Science, will not be singled out for undue special attention as a result of the gentleman's amendment and that he will persist in focusing on other similar agencies to the extent that it may be necessary so to do.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Missouri.

Mr. VOLKMER. I thank the gentleman for yielding.

I would like to assure the gentleman that my staff tries to examine each piece of legislation, and if it is necessary that I be on this floor on each one of these as they come along, I plan to be here. It would not make any difference to me what piece of legislation, or what agencies or what boards are involved, I plan to be here.

Mr. BROWN of California. I commend the gentleman on his conscientiousness and I hope for his success.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. VOLKMER).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments? If not, the question is on the committee amendment in the nature of a substitute, as amended.

Marriott

Martin

Mattox

Meeds

Michel

Mikva

Mineta

Minish

Moakley

Mollohan

Montgomery

Moorhead,

Murphy, Ill.

Murphy, Pa. Murtha

Natcher

Nichols

Nowak

Oberstar

Obey Ottinger

Nedzi

Nix

Myers, Gary Myers, Michael

Calif.

Moss

Mottl

Moffett

Metcalfe

Mikulski

Miller, Calif. Miller, Ohio

Mitchell, Md. Mitchell, N.Y.

Santini

Sarasin

Sawyer

Scheuer

Schulze

Sebelius

Sharp Shuster

Sikes

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Simon

Skelton

Snyder

Solarz

Spence

Staggers

Stanton

Steed

Steers Steiger

Stockman

Stratton Studds

Taylor

Thone

Tonry

Traxler Treen

Trible

Udall

Tsongas

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Volkmer

Walgren

Wampler

Waxman

Weaver

Whalen

Whitley Whitten

Winn

Wright

Wydler Wylie Yates Yatron

White Whitehurst

Wiggins Wilson, Bob

Wilson, C. H.

Wilson, Tex.

Young, Alaska

Young, Fla.

Young, Mo. Young, Tex.

Zablocki

Weiss

Walker

Vanik

Vento

Thornton

Spellman

St Germain

Smith, Iowa Smith, Nebr.

Slack

Schroeder

Seiberling

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the

Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. WRIGHT) having assumed the chair, Mr. SMITH of Iowa, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. to authorize appropriations for activities of the Environmental Protection Agency, and for other purposes, pursuant to House Resolution 481, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to. The The SPEAKER pro tempore. question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. LUJAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were-yeas 358, nays 31, not voting 44, as follows:

[Roll No. 138]

YEAS-358

Abdnor Brown, Mich. Addabbo Broyhill. Alexander Allen Burgener Burke, Calif. Burke, Mass. Ambro Ammerman Burlison, Mo. Burton, John Burton, Phillip Anderson, Calif. Anderson, Ill. Andrews, N.C. Andrews, N. Dak Caputo Carr Carter Annunzio Applegate Cavanaugh Cederberg Archer Armstrong Ashlev Chisholm Aspin AuCoin Don H. Badillo Cochran Bafalis Baldus Cohen Coleman Barnard Baucus Beard, R.I. Conable Conte Beard, Tenn. Bedell Convers Beilenson Benjamin Corman Cornell Cornwell Cotter Bennett Bevill Bingham Coughlin D'Amours Blanchard Daniel, Dan Daniel, R. W. Blouin Boggs Boland Danielson Bonior de la Garza Bonker Bowen Brademas Delaney Dent Derwinski Dicks Breaux Brinkley Brodhead Diggs Brooks Dingell Broomfield Dodd Brown, Calif. Dornan

Eckhardt Edwards, Ala. Edwards, Calif. Eilberg Emery English Erlenborn Ertel Evans, Colo. Evans, Del. Evans, Ga. Fascell Fenwick Findley Fish Fithian Flippo Flood Florio Flowers Flynt Foley Ford, Mich. Ford, Tenn. Fountain Fowler Fraser Frenzel Frey Fuqua Gammage Gaydos Gephardt Giaimo Gibbons Gilman

Glickman

Gonzalez

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Gore

Downey

Duncan, Tenn.

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Early

Grassley Gudger Guyer Hagedorn Hamilton Hanley Hannaford Harkin Harrington Harris Harsha Hawkins Heckler Heftel Holland Hollenbeck Holt Holtzman Horton Hubbard Ireland Jacobs Jeffords Jenkins Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn. Jordan Kasten Kastenmeler Ketchum Keys Kildee Kostmayer Krebs Krueger LaFalce Lagomarsino Le Fante Leggett Lent Lloyd, Calif. Lloyd, Tenn. Long, Md. Lulan Lundine McCloskey McCormack McDade McEwen McFall McHugh McKay McKinney Madigan

Panetta Patterson Pattison Perkins Pettis Pike Poage Pressler Preyer Pritchard Pursell Quayle Quie Quillen Railsback Rangel Regula Richmond Roberts Rodino Rogers Roncalio Rooney Maguire Rosenthal Mahon Rostenkowski Roybal Mann Markey Marlenee Russo NAYS-Evans, Ind.

Ashbrook Goodling Badham Hall Bauman Burleson, Tex. schmidt Chappell Clawson, Del Hansen Cleveland Hughes Collins, Tex. Ichord Crane Dickinson Jenrette Kelly Edwards, Okla. Kindness

NOT VOTING-Goldwater

Hightower

Akaka Biaggi Bolling Breckinridge Brown, Ohio Burke, Fla. Byron Collins, Ill. Dellums Derrick Devine Duncan, Oreg. Edgar Fary Forsythe

Hyde Kemp Long, La. McClory McDonald Meyner Milford Moorhead, Pa. Murphy, N.Y. Myers, Ind. O'Brien Patten

Mathis Rahall Risenhoover Rousselot Rudd Runnels Satterfield Stump Symms Waggonner Pepper Pickle Price Ryan Shipley Skubitz Stangeland Stark

Teague

Tucker

Wolff

Van Deerlin Vander Jagt

The Clerk announced the following pairs:

On this vote:

Mr. Zeferetti for, with Mr. McDonald against.

Until further notice:

Mr. Wolff with Mr. Akaka. Mr. Biaggi with Mr. Brown of Ohio. Mr. Pepper with Mr. Derrick.

Mr. Murphy of New York with Mr. Edgar. Mr. Moorhead of Pennsylvania with Mr. Forsythe.

Mr. Milford with Mr. Burke of Florida. Mr. Breckinridge with Mr. Goldwater. Mrs. Collins of Illinois with Mr. Hyde.

Mr. Fary with Mr. Devine.

Mr. Long of Louisiana with Mr. Leach. Mr. Patten with Mr. Duncan of Oregon. Mr. Price with Mr. McClory. Mr. Shipley with Mr. John T. Myers.

Mr. Teague with Mr. O'Brien.

Mr. Van Deerlin with Mr. Vander Jagt.

Mr. Byron with Mr. Pickle. Mr. Dellums with Mr. Skubitz. Mrs. Meyner with Mr. Stangeland. Mr. Hightower with Mr. Stark. Mr. Ryan with Mr. Tucker.

Mr. SATTERFIELD and Mr. HAM-MERSCHMIDT changed their vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded

A motion to reconsider was laid on the

TO PROHIBIT DENIAL OR ABRIDG-MENT OF RIGHT OF FORMER CRIMINAL OFFENDERS TO VOTE IN ELECTIONS FOR FEDERAL OF-FICE

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that the Committee on House Administration be discharged from the further consideration of the bill H.R. 2438, to prohibit the denial or abridgment of the right of former criminal offenders to vote in elections for Federal office, and that the bill be rereferred to the Committee on the Judiciary.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

VACATING PROCEEDINGS OF THE HOUSE ON AMENDMENT TO TITLE OF S. 489

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to vacate the proceedings whereby the House receded from its amendment to the title of the Senate bill S. 489.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, could the gentleman explain the necessity for this request?
Mr. ZABLOCKI. Mr. Speaker, will the

gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, this is the resolution we had passed earlier in the day. It was the gentleman's understanding that the Senate did not accept the House title in its papers and that in our procedure we had substituted the Senate title.

I have been informed by the Chair that the Senate did agree to the House amendment to the title of the bill.

Therefore, Mr. Speaker, this request is necessary to clear the bill for enroll-

Mr. BAUMAN. Mr. Speaker, I thank the gentleman from Wisconsin (Mr. Zablocki) and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentle-man from Wisconsin?

There was no objection.

THE PRESERVATION OF NATURAL DIVERSITY

(Mr. SEBELIUS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SEBELIUS. Mr. Speaker, I am today, along with my good friend and colleague from California, Phillip Burton, introducing a bill, H.R. 6286 which is designed to further strengthen and preserve the natural diversity of our Nation.

Anyone who has ventured very far from home in this country, no matter where he or she may live, cannot help but see that America is on the move across the countryside. With the proliferation of man's technology and his application of it, and indeed with the very proliferation of man himself in his numbers, the natural scene across America is changing. And that change is progressing at an ever increasing rate, with an ever increasing impact upon the once-primeval landscape.

Hardly a town or community across the land today has escaped the debateusually prescribed in terms of local conditions and issues—as to whether the march of "progress" which has historically been viewed as a natural event of unquestionable and inestimable goodis really that good after all. What is to become of the pastoral countryside which many of us were so fortunate to have known as children? What is to happen to species of life which many of us may never be so fortunate to see or experience firsthand, but which gives us immeasurable satisfaction and pleasure in merely knowing of its existence? What is to happen to all of us, if in our haste to achieve that which is bigger and better of man's creation, we fail to recognize that that which nature has provided us of her creation, in once great abundance, is cast aside, overwhelmed, and obliterated?

Mr. Speaker, there is nothing I have just spoken which is really new to the ears of anyone who has been listening to the mood of America over the last decade. And yet, despite all of the perception and earnest labors of hundreds of thousands-if not millions-of concerned and dedicated people across the breadth of this land, the march of change is going onward. Some valuable and unique ecosystems and natural phenomena are going under-lost for all time, because we are not sufficiently aware of what we are losing and where it is located, in time for alternate choices to be considered.

Indeed, we have done a perhaps quite superlative job of identifying and protecting the most obvious jewels of our great natural heritage by the development of our national park system, complemented by our expanding system of wilderness, wild and scenic rivers, and forests and recreation areas. But there is another segment of this overall conservation ethic which is slipping from our grasp, without ample recognition of its slippage. These are the myriad resources and ecosystems which may not appear to be superlative and spectacular, but nevertheless constitute the fabric which provides the great breadth of natural diversity of primeval nature as it once existed from sea to sea.

Mr. Speaker, there are hundreds—perhaps thousands—of pieces of basically primeval landscape across the Nation, varying in size, which yet need to be protected as representative samples of the great diversity of natural conditions which once existed in great abundance. So strong has been man's pressing dominance that some ecosystems and species are gone for all time—irretrievably extinct. Others are nearing that ominous distinction. Yet we have the time and ability to act to prevent this continuing and irreversible loss of our diversity, and at not too great a cost or difficulty.

These remaining small fragments of what once were large, unbroken ecosystems, are worthy of retention for many reasons. They provide us with a sample of the natural conditions which once were so common. They provide a scientific laboratory from which baseline data, measurements, and studies can be drawn to gage the impact of man's activities elsewhere. They provide a place for the safekeeping and hopeful perpetuation of an unaltered gene pool, for whatever benefit that may later prove to be. They are often the last refuge of some of the best and the last of their type of species or ecosystems.

Most of these areas would tend to be smaller in size and cost than those areas which we traditionally think of as components of many of our national land conservation systems, but they are none-theless important. Many will be nationally significant. While direct public use and enjoyment of these areas could occur as long as such activities were compatible, the preservation of the ecosystems basically undisturbed for more purely scientific reasons is the primary reason for the need to identify and protect these areas.

The bill I am introducing today, referred to as the Natural Diversity Preservation Act, would serve as the overall umbrella of national policy and program to assure that all of our existing land and resource preservation efforts, combined with new ones to fill the gaps, will collectively assure the comprehensive preservation of the natural diversity of America.

This bill provides for a nationally coordinated inventory to be undertaken of the elements of natural diversity, and provides for a registry to be established which would identify those specific areas sufficiently significant to warrant some form of perpetual protection. This bill would coordinate and loosely coalesce the preservation efforts of Federal, State, local, and private entities. It would not set up any new land management agencies, but would provide preservation mechanisms beyond those which now exist, to further the preservation of elements of the Nation's natural diversity. Heavy reliance would be placed on State governments, assisted through a grants-in-aid program, to acquire and protect the many areas which would come to be identified through the inventory process.

Mr. Speaker, the ideas and concepts embraced in this bill have been drawn from many sources. Experience from workable and effective existing programs related to resource conservation has been incorporated with new thoughts and ideas from numerous persons and organizations. No one source has been more contributing, however, in both concept and pragmatics, than the published effort of the Nature Conservancy in its final report of 1975 under contract to the Department of the Interior entitled, "The Preservation of Natural Diversity: A Survey and Recommendations."

The opening pages of the Nature Conservancy's report cite a quotation attributed to Aldo Leopold:

The first prerequisite of intelligent tinkering is to save all the pieces.

If there is a single statement which captures all which is sought by the bill I introduce today, this embraces it about as well as any I have elsewhere heard or could myself come up with.

THE STATE OF THE ECONOMY

(Mr. LATTA asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. LATTA. Mr. Speaker, you will recall that it has only been a short while since we took the unprecedented step of approving a third concurrent resolution on the budget. At that time the minority Members of this Chamber, with some assistance from across the aisle, argued in vain that not only was the overall spending total dangerously and unnecessarily high, but that the new President's stimulus package was an inflationary dose of reckless and ill-conceived medicine for a patient well on the way to recovery.

I believe our case has been vindicated by President Carter's belated, but welcome admission that our economy was in a healthier state than he had previously portrayed. I congratulate him on having the courage to admit the economy did not need the added inflationary pressures an \$11.46 billion handout at \$50 per person would provide. Likewise, I am delighted that he faced up to what we were telling the majority in the House all along. Admit, we told them, the economic recovery is solid, and that things are looking better and better every day. We questioned the need for "more stimulus" at the time these proposals were unveiled. saying conditions then did not warrant such actions, and we say now-some 3 months later—that conditions warrant them even less.

While we welcome this unexpected support from the White House, I am saddened that the leadership had to come from that end of Pennsylvania Avenue, rather than from the House through its much heralded budget process. Mr. Carter has made a step in the direction of fiscal sanity, and now it is up to the Congress to take the additional steps necessary to bring Federal spending and revenue actions in line with the needs of the economy and the desires of the American taxpayers. In the House, we not only have this responsibility, but we are fortunate to have two opportunities on our doorstep to demonstrate our resolve and our seriousness with bringing runaway Federal expenditures under control. First, we can at the very least see that when we go to conference with the Senate on tax amendments, the nowdefunct tax rebate is not diverted into a plethora of shortsighted, temporary giveaways of some other type. Second, we can see to it during consideration of the first concurrent resolution on the 1978 budget that the needlessly excessive spending totals are shaved down so that the resulting deficit is consistent with our desire to achieve a balanced budget as soon as is prudently possible. Certainly the \$64.3 billion deficit called "appropriate" in the House Budget Committee's first resolution is appropriate only if one wishes accelerated inflation and sluggish capital investment in new job creation enterprises.

I wish to stress here the word "appropriate," for this is the guiding principle behind the minority's objections to recent "stimulus" packages, and the overall shape and size of the Federal budget. There are times, unhappily for all of us, when deficits and spending increases are unavoidable. But the time comes when conditions in the economy are such that it is necessary to curtail deficits and moderate spending programs so the private sector of our economy can expand to enhance the employment opportunities of our working men and women. We believe that time is now.

The information and logic that finally led the President to back off on part of his stimulus plan has been evident and available to at least some of us for quite some time. So as not to keep all this a secret shared only by the White House and the minority party, I would like to review, very briefly, the state of the economy as we, and now the President, see it. First the good news:

Consumer demand, as measured by the pace of retail sales of goods and services, has been strong for some time now, and increased at an annual rate of nearly 29 percent in March:

Consumer confidence in the future of the economy, as measured by their willingness to make immediate purchases by installment credit, grew by over \$2 billion in February, the second largest monthly increase ever;

Although unacceptably high inflation for the past 4 years caused many workers to lose their jobs, and forced many others into the job market to make ends meet, the economy was able to provide 2.6 million more people jobs during the past year, with over 500,000 of this jump coming in March alone. In short, the economy is biting into the inflation-enlarged labor surplus at a solid, sustainable rate; and

GNP for the first quarter is being revised upward to about 5-plus percent in real terms—a remarkable accomplishment for the economy in view of the severe winter weather—and industrial production rose during March at the fastest pace in 19 months.

Against all these favorable indicators, we must, however, take note of several threatening features on the economic horizon.

The Wholesale Price Index has now escalated to the double-digit growth rate and is being led by industrial commodities. This, in turn, if sustained, will have a serious impact on the prices of many consumer durables—items which are enormously important to the economy but which often represent very postponable purchases to consumers;

On Thursday we will learn the Consumer Price Index for March, and while it is too early for the WPI increases to be felt in this measure, indications are that the CPI will be moving upward at a disquieting rate; and

Capital investment is expected to grow at a moderate rate this year when compared to last year's very slow rate. However, the rate is still disappointingly weak considering this stage of the recovery, and after adjusting the rate to reflect inflation and the purchase of non-productive safety and pollution abatement equipment mandated by Federal

This last area is one of serious concern to all of us, since it is unusually sensitive to the rate of inflation, both actual and projected. Too often we forget that it is only through the growth in our real productive capacity that we can provide the goods and services demanded by a growing and more affluent population and, most importantly, create the well-paying, permanent jobs required by a growing labor force.

So where do we come out? On the one hand we can say with confidence that the economy has regained the momentum it may temporarily have lost during the last quarter of 1976, and is now progressing at a steady, sustainable rate given this stage in the recovery. But we must also acknowledge that the recovery is being held back presently, and will be restrained even more in the near future, by the fears of another round of intractable double-digit inflation. While we should all be cheered by the many pieces of good news, we must double our resolve in the coming weeks not to trade off long-term growth and price stability for short-term political gain.

ARGUING AGAINST A VERY HIGH GASOLINE TAX

(Mr. BURLISON of Missouri asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous

Mr. BURLISON of Missouri. Mr. Speaker, as the Nation and the Congress await the President's energy message, I believe my colleagues may want to avail themselves of the position of the able Congressman from the First District in Arkansas, the Honorable BILL ALEXANDER.

The Washington Star published an article in its March 27 issue by Bill Alexander which dramatized the basic issues involving the use of gasoline taxes to achieve conservation. I believe that the objections he has raised must be answered if there is to be a workable and successful national energy policy. The text of his article follows:

ARGUING AGAINST A VERY HIGH GASOLINE TAX

(By BILL ALEXANDER)1

The idea of raising federal gasoline taxes is again being heard and its proponents are urging that President Carter include this recommendation to Congress when he presents his proposals for a national energy policy on April 20. This is not a new idea in that Congress rejected similar proposals two years ago.

It is again being pushed as a means of energy conservation and as a method of reducing our dependency on the OPEC cartel. However, the same reasons Congress decided against such a proposal then exist today.

1. Such taxes would not succeed in conserving much fuel.

They would do serious damage to prospects for economic recovery, and

3. They would produce serious inequities and disproportionate burdens on the country.

try. Each of these shortcomings is sufficient reason to reject a federal gasoline tax. Together, I believe they constitute overwhelming reasons for the President and Congress to look for more workable solutions to the energy crisis.

Proponents of the gasoline tax are hard-

Proponents of the gasoline tax are hard-pressed to show that a tax will significantly achieve a reduction in demand and oil imports. Some argue that a large tax will be required to produce a "shock" effect on the American gasoline addict. They argue for a tax somewhere between 50 cents and \$1 per gallon. Others suggest more modest increases ranging around 5 cents per gallon to be increased at a regular interval toward the same eventual goal of much higher prices. Neither group of proponents is eager to examine the underlying assumption that higher prices produce lower demand because this is more fiction than fact.

There is no doubt that taxes and other actions to increase fuel prices could eventually reduce demand, if other values are sacrificed. However, the elasticity of demand for gasoline is low, approximately .28, according to Federal Highway Administration studies. In other words, a 100 per cent increase in prices would only be able to reduce usage about 28 per cent.

This is a terribly high price to pay and the effects on the country would be disastrous. Small increases would be painful to many Americans, but this would not achieve much energy conservation because so little discretion is available to most Americans in the use of their automobiles.

A related reason to reject the use of a large increase in gasoline taxes is that this would undercut the present economic stimulus program soon to be adopted and would retard the nation's efforts to recover from the inflation and recession which continue to plague prospects for sustained economic recovery.

No one can doubt that the cost increases brought on by such a tax would ripple through the economy. They would be passed along in higher transportation and consumer costs and would eventually fall on the shoulders of those who are unable to pass the costs on to others.

The effect would be to promote another

¹Representative BILL ALEXANDER, D-Ark., is a deputy majority whip in the House and a member of the Appropriations Committee.

round of inflationary spiral as wages and prices would be pushed upward. This would quite likely abort economic recovery and the stable economic growth we need to reduce unemployment and develop the alternative energy sources we so badly need.

A third reason to reject a federal gasoline tax hike is that such a proposal cannot be equitably applied. It will inevitably fall most heavily on those outside metropolitan areas who have no access to any other form of

transportation.

It will become, in effect, a jobs tax in that those who must drive an automobile to get to work will be forced to bear burdens not required of those fortunate enough to have access to public transportation. Since most cities under 100,000 population have little or no mass transportation and there is none available in rural areas, the burdens will fall on suburban and rural America.

Furthermore, the burdens will fall most heavily on working and lower income groups, in that energy costs require a larger percentage of their families' disposable income. The highest income groups with multiple automobile ownership consume far more gasoline proportionately but the burdens will fall on those who can least afford it.

The agricultural areas of America would be particularly hard hit by such a tax. Farms often lie miles from population centers and farmers cannot pass higher transportation costs on to consumers. For the energy problems of America to be solved, the tax burdens and other costs must be distributed to all the people on a basis of fairness.

I challenge those who want to see forward movement on the energy situation to work for programs and proposals that are workable and equitable. The gas tax idea as it has been described by its proponents is neither.

Despite problems with the use of a gas tax to promote conservation, there are things which the President can recommend and that I believe Congress and the public will support to achieve the goals of energy conservation and reduction of our dependence on oil imports.

We must begin by recognizing that we are in a transitional period in which oil imports allow us to buy time for the development of alternative energy sources. Some of the directions we must go are obvious.

We must adopt methods of coal liquefaction and coal gasification as substitutes for petroleum and natural gas. We must abandon the generation of electricity by fuel oil as well as natural gas and recognize that nuclear energy and cellulose waste must play a larger role in supplying electricity in the future.

We should seriously consider the widespread conversion of organic wastes into methane gas and we should produce engines for public use that would burn mixtures including alcohol. We have tremendous capacity for using grain alcohol and present excess commodities of grain could be used for this purpose.

For the long haul, we will be able to utilize solar energy, geothermal energy, the substitution of hydrogen-based fuels for gasoline and diesel, and other measures now in the research stage. In the interval, we can do more to innovative and increase energy supplies from domestic sources.

Throughout this painful period of transition, we must continue to recognize that basic principles such as equity in shouldering the burdens and in paying the costs must be

maintained.

NATIONAL PARK USING PART OF

(Mr. ANDERSON of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.) Mr. ANDERSON of California. Mr. Speaker, an AP story in today's Washington Post reported that the National Park Service expects some 280 million visits to the national park system this year—an increase from a 1975 total of 238.8 million visits.

In my home State of California, Yosemite National Park often resembles an "anthill" of people.

President Ford in his August 31, 1976, statement at Yellowstone National Park called for a rapid expansion of the national parks "to alleviate overcrowding problems"

Our bill (H.R. 734) directs the Department of the Interior to study the feasibility of converting part of the 125,000-acre Camp Pendleton Marine Corps Base into another national park for California—the first to serve all of southern California.

With our existing national parks already overburdened, the idea for a new national park should at least be studied.

FUTURE OF THE PANAMA CANAL ZONE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Goodling) is recognized for 15 minutes.

Mr. GOODLING. Mr. Speaker, I would like to take this opportunity to include in the Congressional Record some observations from my recent trip to the Panama Canal Zone. The trip was an educational experience for me, as my conclusions reflect. I hope all Members of this Chamber, who will be deciding the future direction of the Canal Zone, will take a few minutes to read my review of the current situation. It is a difficult question which will not go away by wishing it so or by claiming the right of eminent domain. I am sure all in this Chamber will agree that the future of the Canal Zone is something each of us must study in greater detail over the coming weeks. I hope the below observations help in furthering each Member's understanding of the current dilemma in this troubled area:

Washington.—Before my recent trip to Panama as a member of the International Relations Committee, I had little difficulty in responding to critics of the Canal Zone negotiations. To date, I have received 39 letters against any new treaty negotiations and one in favor of Panamanian control of the Canal. In response to these positions I state flatly that I would not support anything that would diminish our military preparedness or our economic interests. And in fact I had cosponsored House resolutions along these lines.

Nevertheless, since beginning my preparation for the Panama trip, I have discovered some interesting facts about Panama's past history and current conditions which have caused me to think about my past position. Panamanian businessmen and government officials as well as the American military and Canal Zone personnel confirmed what I had suspected from my preliminary study. My conclusion is that although our claim to the Canal Zone is perhaps legally valid, our rights to indefinite retention of the Zone are perhaps morally and ethically suspect.

Allow me to review with you our past role in the development and control of the Canal. Panama was part of Colombia, as were sev-

eral other South American countries, when we began negotiating for a Canal treaty at the turn of the century. Colombia rejected our treaty proposals, causing America to send a symbolic fleet of warships into Colombian waters off the Panamanian coast. Panama, with the reassurance of our warships, declared its independence from Colombia and offered to negotiate a Canal treaty on its own. Shortly thereafter, a representative from the bankrupt French company which originally attempted to construct the transoceanic canal, arrived in Washington for the treaty negotiations. This representative was successful in securing a treaty with the U.S. before the authorized Panamanian negotiators arrived here for the same purpose. As a result of the Frenchman's efforts, the U.S. paid the bankrupt French firm \$40 million for their railroad and other assets in the Canal region. Subsequently, we made an additional payment to the Panamanian government of \$10 million. This amount paid, not for purchase of the Canal but for the rights, power and authority to operate in the Canal Zone. Our payment this year to that government will be \$2.3 million.

The question now before us is how best to assure America's commercial and defense interests in this controversial region. It is my belief that the best way to maintain these assurances is to maintain a good relationship with Panama.

How do we do that?

Since the riots of 1964 the Panamanian and U.S. governments have been re-negotiating the treaty that was originally signed in 1903. The treaty was also re-negotiated in the 1930's and the 1950's. The current negotiations are different from the previous treaty changes, as the Panamanians are now insisting on a termination date for U.S. control.

I believe that Panama will accept nothing less. During my trip it was apparent that although Panamanians may differ with General Torrijos, the country's leader, on certain subjects, they are solidly behind him as he seeks a termination date. I am afraid both countries have climbed out on a limb in regard to current positions on the future of the Canal. The only solution is for a mutually beneficial treaty to be negotiated. Many Americans ask: "Why not refuse to negotiate and refuse to set a termination date? ing my trip, I asked Panamanians of all walks of life this same question. The response was the same everywhere. A refusal by the U.S. to negotiate in good faith could trigger a few hot-blooded nationalists into destroying the Canal's operation. Our military force in the Canal Zone told us that the region is indefensible from a terrorist's point of view. A couple of sticks of dynamite, or rocket attacks, could cause slides or destruction which would tie up the Canal's operation for at least two years.

The present negotiations, according to U.S. Ambassadors Bunker and Linowitz and verified by the Panamanian negotiators talked with during our trip, call for a gradual takeover of the civil operations of the Canal Zone area in three years. In others words the 10 mile-wide, 600 square mile, strip of land right in the middle of Panama would again revert back to the Panamanian control three years after the treaty is ratified. That would include police protection and fire protection. Those living in the Canal Zone would come under Panamanian laws. The termination date currently being discussed in the negotiations is the year 2000 giving the Panamanians 23 years to train and prepare for take over of the Canal's operation and protection.

Only time will tell whether this arrangement will be acceptable to the Senate who must ratify any such treaty, and to the House who must pass implementing legislation. The success of the negotiating process will also depend on how successful the President is in

selling this program to the American public, and to the Americans still stationed in the Canal Zone.

Remembering that the U.S. military does not consider control of the Canal essential to our National security . . remembering that our economy no longer depends on a smoothly operated Canal and remembering that a sea level canal would be far superior to the current antiquated lock system, we can be assured of safeguarding our interests only through a continued good relationship with the Panamanian government. The next two years will tell if we have succeeded in our efforts to maintain that working relationship with the Panamanians. In the interim, it is important for all Americans to look at this issue from all sides with our long-term interests in mind.

PRODUCT LIABILITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. Sarasin) is recognized for 30 minutes.

Mr. SARASIN. Mr. Speaker, a continuing basic responsibility for government in a free society is to oversee the relationship between competing or contending interests within the society and to insure that those relationships are equitable to both sides. This concept of equity, grounded in common law and based on simple fairness, is an essential ingredient in how we address the legal problem of product liability.

Unfortunately, the principle of equity has not been central to our handling of product liability through much of our history. Instead, there has been a kind of rudderless drift, from the callous caveat emptor of a century ago, to the arbitrary and inequitable principle of absolute liability to the exclusion of any defense.

Just as people are not perfect, neither are products: nor should we expect to be able to establish perfect equity in dealing with the problems arising from this lack of perfection. But there is a crying need for a more equitable system for dealing with the current crisis in product liability.

This crisis threatens both our traditional principles and our potential for growth. Thousands of jobs now hang in the balance, the American genius for industrial innovation is being severely hampered, and our quest for safer products and safer working conditions is not being enhanced.

The situation regarding product liability insurance is in some ways comparable to the better publicized medical malpractice insurance crisis, but the potential economic impact is far more pervasive. It conceivably could effect virtually every product and every industrial process—the entire basic economy.

In this situation, it is imperative that Congress act quickly to bring some order; and greater equity, into the system. For this reason, I am today introducing the National Product Liability Act of 1977, and I urge my colleagues to give speedy consideration to the need for action in this field.

Ideally, the States should act individually. Yet, what the Interagency Task Force on Product Liability reported as a rarity last year—the unavailability of insurance—now appears to be occurring with alarming frequency. While there is

a strong and justifiable reluctance to enter an area traditionally under the control of the States, it is highly improbable that all 50 of our States will act with the expediency necessary to prevent a calamitous situation, and it is impossible to expect that all 50 will enact compatible measures to provide the uniformity and reliability essential to an orderly system. There is now an urgent need for Government action, and this urgency necessitates Federal involvement. Increasingly, Government agencies, private associations, legal scholars, and jurists are calling for reform of our tort law system to regain the balance that has been lost as we have embraced strict liability, to the abandonment of all other legal and equitable remedies.

For that reason, with the help of knowledgeable and concerned individuals from both Government and the private sector, and drawing from the best of State laws, legislative proposals, and common law, I am offering this bill to my colleagues. It is admittedly a radical departure from past areas of legislative effort, yet it merely embodies within its provisions the principles that have served our Nation and her people so well and so fairly for decades.

As the following section-by-section analysis will indicate, my legislation is simple in its language, but far reaching in its scope. It is a vehicle for restoring balance to product liability, for modifying the trend whereby the manufacturer must bear complete responsibility for his own errors, for those of employers, and for those of users.

Certainly none of us wishes to return to the dictum of caveat emptor. In a technological society, the producer of a product must reasonably be expected to have a far more intimate knowledge of his product than anyone else. In the furtherance of safety and in the interest of public well-being he should reasonably be expected to produce the safest possible product. Where technology does not exist to provide nearly absolute protection, he equally has an obligation to warm and instruct against all reasonably foreseeable intended and unintended uses of his product.

However, safety, to be effective and in a constant state of improvement, must be a shared responsibility. The employer, to the greatest degree possible, should understand the products he uses and insure that they, as well as his entire workplace, are well-maintained, that his employees are properly cautioned and instructed and that they follow those instructions carefully.

The employee, too, shares a responsibility to insure his own well-being to the extent of his knowledge, training, and commonsense. He shares a responsibility to himself, to his family, and to his fellow workers to follow instructions, to heed warnings.

Consumers must take part in the process if we are to increase safety in the home and at play. The knowledge imparted by a producer, through warnings and instructions, to the extent of his ability to foresee possible uses or misuses of his product, must be implemented.

Of primary importance throughout

the development of the measure were the rights of the American public-the right to be properly instructed and warned: the right to have available the safest possible products, the right to be protected against willful and wanton disregard of public safety on the part of a producer; the right to be protected against latent defects-indeed, the bill was subjected to the most difficult test, toxic substances, to insure adequate protection to the consumer. Of less immediate, but comparably important concern. is the inflation that must be factored into product liability, the loss of choice in the marketplace, the failure of small businesses with attendant declines in competition and jobs, and increases in price, and finally the possibility that those who can will relocate abroad for import into this country.

We, as a nation, have become increasingly safety-conscious-on our highways, in our workplaces, in homes and out-of-doors. Consequently, we must ask ourselves one very probing question. Are we going to advance toward our goal of constantly improving safety and health if we hold on the same level those who continuously strive to make the safest product and those whose last concern is the well-being of the public? As we see capital for research and development being diverted from the mission of Improved safety to the purchase of insurance where available, to legal fees, and to awards for events over which producers have no, or only partial, control. the answer to our question is inevitable.

Given the complexity of this area of law and my desire to produce the best and fairest possible legislation, I will, during the next month, be requesting suggestions for improvement and/or modifications from throughout the legal system, from the private sector and from public interest groups. I urge that during this time my colleagues who share concern over growing developments in the field of product liability familiarize themselves with this legislation and actively participate in the furtherance of our goals—equity and improved safety and health for all Americans.

A section-by-section analysis follows: Section-by-Section Analysis—National Product Liability Act of 1977

SEC. 1. PURPOSE

To improve the safety of products manufactured and sold in interstate commerce, to reduce the number of deaths and injuries caused by such products, and for other purposes.

SEC. 2. FINDINGS AND DECLARATION OF PURPOSE AND SCOPE

Findings—that there is a diversity of laws in states affecting liability for products; that diversity has caused confusion and inequity, failed to adequately promote the safety of products and their use, adversely interfered with effective operation of interstate commerce; and without a uniform law, such conditions will continue.

The purpose of the Act, through the Congressional power to regulate commerce is, to establish substantive law of product liability; to establish certain procedural and evidentiary rules for such actions in state or federal courts; and to leave to the states those areas of law regarding product liability which are best determinable by local needs and considerations.

SEC. 3. PREEMPTION

Product liability action established under this Act preempts all existing causes and laws for the same purpose, regardless of the theory upon which they are based.

SEC. 4. DEFINITIONS

"Harm"—property damage, death, physical change or mental harm;

"Caused"—that which, unbroken by any efficient intervening action, produces harm and without which harm would not have occurred:

"Product"-machine, manufacture, composition of matter, or other tangible item or component or part thereto, including packaging;

"Leaves the control"—physically leaves the control of the original seller and/or manufacturer:

"Manufacturer"-one who fabricates, as-

sembles or produces;
"Seller"—includes wholesaler, distributor, leasor, or bailor—one who is regularly en-gaged in selling (or leasing) such product whether for resale by the purchaser or use or consumption by the purchaser.

SEC. 5. PRODUCT LIABILITY ACTION

Establishes the grounds for suit against a manufacturer for (1) selling a product in defective condition, or (2) failing to warn or protect against a dangerous or hazardous condition in the use or reasonably foreseeable mis- or unintended use. The right to sue is irrespective of the exercise of all possible care in the preparation/sale and irrespective of a contractual relationship between the manufacturer or seller and the user.

SEC. 6, PARTIES TO THE ACTION

A reasonably anticipated user or "innocent by-stander" who can prove that harm caused him was reasonably foreseeable from the condition or failure complained of. "Person" includes injured party, heirs, guardian, or employer or legal representative in subrogation action.

Allows party to a suit to indemnify on basis of misconduct; allows for comparative damages. Misconduct includes failure to comply with any safety standards which, if complied with, would have prevented the harm. Furthermore, retains the financial bar of workers' compensation for the employer.

SEC. 7. TIME FOR BRINGING SUIT

No later than 2 years from the time the harm is first sustained, discovered or in the exercise of reasonable care should have been discovered.

SEC. 8. LIMITATIONS, DEFENSES, AND DAMAGES

A product shall be deemed defective only if it is unreasonably dangerous for its intended use at the time it left the control of the party being sued. The test for defectiveness is whether it was "unreasonably dangerous" to an extent beyond that which would be contemplated by the ordinary and reasonable user. Here, a distinction is drawn between the level of knowledge expected of a consumer and of an employee. "Defective" consumer and of an employee. condition may occur in design, plan, method of manufacture, structure, composition, test-ing, packaging, labeling or advertising of the

A failure to warn or protect against a dangerous condition, under normal conditions and use (or anticipated misuse) shall not extend to:

Safeguards, precautions, and actions which person reasonably could and should take for himself or herself-considering activity, training, experience, education and special knowledge, or

To situations where such safeguards, etc., would or should have been taken by such person similarly situationed exercising reasonable care, caution and procedure, or

To situations where protection is not feasible, at which time the duty is only to warn. Compliance with federal or state safety

standards at the time of manufacture shall constitute a rebuttable presumption that the product design was not defective and that the defendant responsible for the design was not negligent with respect to such design. The presumption may be rebutted only by clear and convincing evidence that the manufacturer did not comply with such standard or regulation or that such standard of regula-tion did not address the risk complained of.

A party against whom such an action is being brought shall not be liable for damages occasioned by any harm which was not reasonably foreseeable at the time the prod-uct left the party's control.

Any party against whom the action is being brought shall be liable only for the amount of harm caused by the defective condition of his product at the time it left his control or his failure of duty in Section 5(2). In determining the amount, the following situations shall be taken into account:

Any alteration, modification or change of such product after leaving the manufacturer's control, unless with the specific consent and under instructions of the manufac-

The subsequent failure of any person who by law was duty bound to bring the product into conformance with health and safety standards;

The degree to which the misconduct of the harmed party contributed to his harm, including negligence, willful disregard of instructions, warnings or protections, or unforeseeable misuse of unintended use;

The degree of contribution of a subcom-

ponent of the final product;
Any other facts that would tend to show that the harm that did occur was greater than the harm that would have occurred if the product had been used in the same condi-

tion as when it left the control.

The product shall be presumed to be safe, and all warnings, protections and instructions adequate after ten years. Such presumption be rebuttable only by clear and convincing evidence that the product was defective and that adequate duties to warn were not given; and no other person had control of the product subsequent to the time it left the control who could have been reasonably expected to conform the product to any existing standards which if done would have prevented the harm.

Any non-reimbursable benefits to the victim or heirs ... shall be admitted into evidence during consideration of the amount of the award.

Evidence of any alteration, modification, improvement, repair or change in or discontinuation of a product can be introduced only by a party to show the condition of the product on the occasion of the harm.

Any advances in the state of the art or in standards and practices in the industry cannot be used as evidence to prove defective condition or failure to provide adequate warnings.

A Masters report can be required in any case at the federal level. The Master must have reasonable familiarity with the technology, background and operation of the indusin which the product resides.

In action brought under Section 5, no punitive or exemplary damages shall be awarded unless it is found that the sued party acted out of malice toward the harmed person or wilfully and wantonly disregarded public health and safety. This must be proved by clear and convincing evidence, and the trier shall separately state the amount of punitive or exemplary damages.

SEC. 9. JURISDICTION AND VENUE

The primary forum for trying such cases shall be the state courts, although federal action can be brought when the matter in controversy exceeds \$100,000.

SEC. 10. EFFECTIVE DATE

Provides that the provisions of this Act are not retroactive and shall control only those actions where the harm occurred on or after the date of enactment.

SEC. 11. SEPARABILITY

In any provision of this Act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

5970-DEPARTMENT OF DE-FENSE AUTHORIZATION FOR FIS-CAL YEAR 1978

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. VANDER JAGT) is recognized for 5 minutes.

Mr. VANDER JAGT. Mr. Speaker, I wish to take this opportunity to announce that it is now my intention to offer an amendment on Thursday when the House considers H.R. 5970, the Department of Defense Authorization for fiscal year 1978. My amendment to H.R. 5970 will read as follows:

On page 4, line 24, strike out "\$2,365,-32,000;" and insert in lieu thereof "\$2,375,-232,000; 232,000;".

This amendment increases the R.D.T. & E. funds authorized for the Army in title II of the bill by \$10 million. The purpose of the amendment is to provide \$10 million to continue the development of the diesel engine as a backup engine for the XM-1 tank.

On page 37 of its report the committee states its opinion that it would be "prudent" to continue development of the diesel engine as a backup for the XM-1 until the turbine engine has been fully certified. The amendment, therefore, is consistent with the position of the committee. It merely assures that there will be funds authorized to carry out the development the committee supports.

As the committee report shows, the Army has invested \$50 million in the development of the diesel engine over a 10year period. The Army is spending an additional \$30 million on the turbine engine, a new and as yet unproven system.

The amendment is not meant as a rejection of the turbine engine. It is merely to provide the diesel as insurance if the turbine fails to meet its expected performance goals.

The XM-1 tank is a \$5 billion program. It is needed by the Army now. Even if all target dates are met, on the most optimistic schedule, the tank will not start coming into the inventory until 1980. A major failure in engine development would delay the program another 18 months-or longer. A \$10 million insurance policy is a reasonable

safeguard for a \$5 billion program.

I have taken the liberty of informing each member of the House Committee on Armed Services of my planned amendment. The following letter to Chairman MEL PRICE is a sample of the special communications which were sent out yesterday to committee members:

APRIL 18, 1977.

Hon. MELVIN PRICE, Chairman, House Committee on Armed Services, Washington, D.C.

DEAR MR. CHAIRMAN: While it is my intention to speak with you personally, I did want you to know that I am planning to introduce

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an amendment to H.R. 5970, the Department of Defense Authorization for Fiscal Year 1978 which now is scheduled for Floor consideration, subject to a rule being granted this Thursday.

My amendment proposes a relatively small but extremely important sum of money—\$10 million—be spent by the Department of the Army to continue development of the advanced diesel engine. More importantly, it would provide the Army with an essential back-up engine for the XM-1 tank.

In all candor, I want you to know that I am taking this action which, if approved, would involve the largest industrial plant and employer in my Congressional District, Teledyne Continental Motors, a prime manufacturer over the years of diesel tank engines. I take this action, however, for national need and not for any approchal reasons.

and not for any parochial reasons.

Your Committee report on this legislation pointed out this situation quite well—"The Committee is concerned that the Army may be taking an unnecessary risk in the XM-1 program by terminating development of the diesel technology before the turbine engine has fully proven itself."

Further, as you know, if the turbine engine proves successful, then there are several other applications for this new diesel engine technology. My amendment will authorize the Army to continue with the development of the diesel engine during the Army's 2½ year Full Scale Engineering Development Program. I feel this small sum represents a modest insurance policy in protecting the Government's enormous investment in the XM-1 tank program currently estimated to cost \$4.9 billion.

Thank you for considering my request for your support of this critical amendment. With warmest personal regards.

Sincerely.

GUY VANDER JAGT, Member of Congress.

COLLEGE TUITION TAX RELIEF ACT OF 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Corcoran) is recognized for 1 minute.

Mr. CORCORAN of Illinois. Mr. Speaker, today I am reintroducing the College Tuition Tax Relief Act of 1977, with 23 cosponsors. During the recent district work period, I traveled throughout my congressional district to discuss the problems which were on the minds of my constituents. Several times during the week, the topic of assistance to middleincome taxpayers for college educational expenses was discussed. For instance, at Northern Illinois University, I discussed this legislation with several students and faculty members and learned from them that they were equally concerned about the increased costs of postsecondary education.

I have also recently learned that the House Budget Committee will soon be holding hearings on this bill. It is my belief that this is a step in the right direction for the House to take. Twice in previous years, the other body has adopted this legislation. Senator WILIAM ROTH of Delaware has reintroduced this legislation in that body again this year. The House of Representatives, though, has not considered this type of legislation, even at the committee level. That is why I am pleased that so many Members are concerned about this sub-

ject and have agreed to become cosponsors of this bill.

LEGISLATION TO IMPLEMENT THE HELSINKI AGREEMENT IN U.S. VISA POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. Drinan) is recognized for 30 minutes.

Mr. DRINAN. Mr. Speaker, I am introducing today legislation to remove from the Immigration and Nationality Act those sections which mandate the exclusion from the United States of all those who are members of the Communist Party. These arbitrary, unnecessary, and anachronistic provisions of our immigration law constitute violations of the freedom of travel, emigration, and exchange of ideas and principles embodied in the Helsinki Final Act. At a time when the United States is urging the Soviet Union and other nations to comply with precisely these features of the Helsinki agreement, it is essential that we remove from our own law the prohibition against entry into the United States of all those who hold certain political beliefs.

The legislation which I introduce today retains the Attorney General's discretion to exclude from the United States all those who might pose a legitimate threat to our Nation's security or who have demonstrated an inclination to violate our laws. Only the automatic exclusion of those who hold certain proscribed beliefs—"aliens who are members of or affiliated with the Communist Party" and "aliens who are anarchists"—would

be affected by this bill.

According to the terms of the Immigration and Nationality Act—also known as the McCarran-Walter Act—individuals who hold anarchist of Communist beliefs or who have in the past been associated with groups which hold such beliefs are automatically ineligible to receive tourist or immigrant visas to enter the United States and must be deported if found on American soil. The only recourse is a special appeal for exclusion from these provisions of the law via administrative relief. In the past, these exclusions have been granted in an unpredictable and capricious manner, and many distinguished scholars and political leaders have been denied entry into the United States for no discernible reason.

The only means by which the United States can comply with the principles embodied in the Helsinki agreement and in our own Constitution is through the outright removal of the offensive sections of the Immigration and Nationality Act. As long as these mandatory exclusions remain part of our law, we stand in violation of the very principles which we urge other nations to honor. These superfluous exclusions were enacted in 1952, at the height of McCarthyism and the red scare. They are repugnant to America's traditional commitment to the unfet-tered exchange of ideas and the right to travel and emigrate freely, without fear of discrimination based on past or present political beliefs or associations.

If the United States is to remain an

effective spokesman for the principle of "freer movement and contacts" among nations and individuals, we must demonstrate to the world our own commitment to these ideals. To the extent that our own laws violate the spirit of the Helsinki agreement and the basic principles which underly it, our moral authority is seriously compromised. President Carter addressed this issue in his discussion of human rights at his press conference on February 24. The President stated:

We are a signatory of the Helsinki agreement. We are ourselves culpable in some ways for . . . restricting unnecessarily, in my opinion, visitation to this country by those who disagree with us politically.

These provisions of the Immigration and Nationality Act have caused a large number of nonsensical and embarrassing exclusions of distinguished individuals from coming to the United States. Two years ago, Dr. Giorgio Napolitano, a professor of economics at one of Italy's most prestigious universities, was invited to speak at several American colleges. Dr. Napolitano was denied a tourist visa because he is an adviser to the Italian Communist Party on economic matters. Pablo Neruda, the noted Chilean poet, was also prevented from entering the United States. The master of a distinguished British college was prevented from traveling from Vancouver to Seattle to give a lecture due to his affiliation with certain leftwing groups. Can anyone believe that these individuals posed a threat to the United States? Can anyone fail to appreciate the disappointment and disillusionment which they experienced at being denied entry into the world's greatest democracy merely because of their political beliefs? "I want to go to your wonderful country," George Marchais, the leader of the French Communist Party said recently to an American journalist, "but they will not let me do it because I am a dirty Communist.

In recent days we have witnessed a graphic example of the pernicious effect of the exclusionary sections of the immigration law. Three Soviet trade union officials were invited to attend a longshoremen's union gathering in Seattle this week. Our law, of course, automatically prohibited them from entering the United States. Their application for a waiver of the law was denied by the State Department, and they have been denied permission to enter our country. It is impossible to justify this exclusion of an official of Moscow's central trade union committee, a Leningrad dockworker, and an interpreter. Moscow, of course, immediately accused the United States of violating the Helsinki agreement, a charge which will surely be repeated as long as this law remains in effect and inexcusable embarrassments such as the denial of tourist visas to the three-man Soviet trade delegation continue to occur.

The legislation which I introduce today to place the United States into compliance with the Helsinki agreement and our own traditional tolerance of divergent political views has been endorsed by the National Academy of Sciences and the Federation of American Scientists, two of the most prestigious organizations

of scholars in the United States. "The bill that you propose to introduce has our strongest approval and endorsement," wrote Philip Handler, president of the National Academy of Sciences. George W. Rathgens, president of the Federation of American Scientists, stated in a letter:

We write to support most warmly your proposal to amend the Immigration and Nationality Act so as to omit the anachronistic and pointless automatic requirement for a waiver before foreign communists may be granted a visa to this country. . . In F.A.S. experience, this provision has been especially unfortunate to American interests in discouraging notable scientists from visiting the United States

I insert below the letters of endorsement from the Federation of American Scientists and the National Academy of Sciences, including the latter's communication to President Carter and others urging the enactment of legislation to remove the mandatory exclusion of Communists from our immigration law. I also insert the text of the legislation which I am introducing today to accomplish this important objective:

FEDERATION OF AMERICAN SCIENTISTS, Washington, D.C., April 4, 1977. Congressman ROBERT F. DRINAN,

Rayburn House Office Building, House of Representatives, Washington, D.C. DEAR CONGRESSMAN DRINAN: We write to

support most warmly your proposal to amend the Immigration and Nationality Act so as to omit the anachronistic and pointless automatical requirement for a waiver before foreign communists may be granted a visa to this country.

Obviously your amendment preserves, as it should, the right of the Government to deny visas to any person-on the basis of full information on his or her political affiliations, past activities or whatever. But it removes, as it should, the time-consuming, and usually harassing, special automatic requirement for those of a different political view than our

In FAS experience, this provision has been especially unfortunate to American interests in discouraging notable scientists from visiting the United States. For example, we know of a woman scientist of such eminence that she had been knighted (i.e. she was a Dame) but whose two year enrollment in a leftwing group immediately after World War II was forcing her to spend months in trying to secure a visa. It was ironic that, in one such case, she was trying to comply with an invitation by our Atomic Energy Commission to lecture on radiation for the AEC's benefit!

We know also of the Master (i.e. President) of a most distinguished British college whose left-wing background had prevented him from traveling from Vancouver to Seattle for a weekend to give a lecture. In both cases, the views of these persons were considered quite unremarkable in British society. What can this process encourage except anti-American feelings?

U.S. visa requirements are much more stringent, compared to those of other countries, than most Americans realize. Americans travel without visas, for example, to Great Britain while its citizens, as in these cases, have difficulty traveling here. We certainly ought not build in automatic hazards which must then, in a flurry of bureaucratic make-work, be "waived." If we are going to let people travel to this country, let us do so in the most gracious fashion possible.

Sincerely,

GEORGE W. RATHJENS,

NATIONAL ACADEMY OF SCIENCES. March 31, 1977.

Hon. ROBERT F. DRINAN, House of Representatives, Washington, D.C.

DEAR MR. DRINAN: Your letter of 25 March to Mr. Murray Todd of our staff crossed in the mail, as it were, with our dispatch of the attached letter to Secretary Vance and Secretary Bell. As you will understand, the Bill that you propose to introduce has our strongest approval and endorsement.

Sincerely yours,

PHILIP HANDLER, President.

NATIONAL ACADEMY OF SCIENCES, March 30, 1977.

Hon. CYRUS VANCE,

Secretary of State, Department of State, Washington, D.C.

Hon. GRIFFIN B. BELL

Attorney General, Department of Justice,

Washington, D.C.

GENTLEMEN: On behalf of the Council and members of the National Academy of Sciences, I am pleased to transmit the attached letter from our Committee on Human Rights. Its message carries our full support and warm endorsement. We look forward to your early and positive action.

Sincerely yours,

PHILIP HANDLER, President.

NATIONAL ACADEMY OF SCIENCES, Washington, D.C., March 30, 1977.

Hon. CYRUS R. VANCE, of State, Department of State, Secretary

Washington, D.C.

Hon. GRIFFIN B. BELL Attorney General, Department of Justice,

Washington, D.C.

GENTLEMAN: Over the years, the attention of this Academy has frequently been drawn to the workings of law and regulation affecting entry of aliens into the United States as temporary visitors for participation in scientific meetings or scientific exchange programs.

On many occasions vast efforts have been required to overcome inadmissibility under Section 212(a) (28) of the Immigration and Nationality Act, regardless of the status of the individuals as bona fide scientific visitors whose purposes had been previously certified to be genuine. Even though a waiver was granted often the effect was alienation of our foreign scientific colleagues and the instilling of doubt in their minds as to the seriousness of U.S. commitment to the principle of free movement of people and ideas. In other cases inadmissible foreign scientists, although eligible for waivers, have refused to apply for a visa because they consider the waiver procedure demeaning and objectionable.

Attention in recent months to the Helsinki Accords and the truly encouraging position of the President with respect to Human Rights has, we note, stimulated both Congress and the Executive Branch to begin to review these laws and practices. It is our purpose in writing this letter to encourage such examination and to reiterate the often expressed and real need to facilitate international intellectual exchange by:

(1) Eliminating or modifying the inad-

missability provision of the law,
(2) Simplifying visa application and issuance procedures to facilitate travel of scholars to meetings and for exchange pur-

(3) Creating an atmosphere of free and open intellectual inquiry and acceptance.

We urge that you take steps that will once again put the United States in the forefront of nations that make free intellectual exchange and the movement of scholars an active part of cultural diplomacy.

Sincerely.

ROBERT W. KATES, Chairman.

Committee on Human Rights:

CHRISTIAN B. ANFINSEN. LIPMAN BERS. CLIFFORD GEERTZ FRANKLIN A. LONG. JOHN ROSS. BERTA V. SCHARRER. DANIEL C. DRUCKER. GEORGE S. HAMMOND.

H.R. 6308

A bill to carry out the principles of the Helsinki Final Act pertaining to freedom of travel and emigration, by providing that aliens who are associated with certain political organizations or who advocate certain political beliefs shall not be ineligible to receive visas and excluded from admission into the United States, or deported from the United States, because of such association or beliefs

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 212(a) (28) of the Immigration and Nationality Act (8 U.S.C. 1182(a) (28)) is amended-

by striking out subparagraphs (A) through (E);

(2) by redesignating subparagraph (F) as subparagraph (A);

(3) in subparagraph (G)

(A) by striking out "advocating or teaching opposition to all organized government, or"; and

(B) by striking out "or (v) the economic, international, and governmental doctrines of world communism or the establishment in the United States of a totalitarian dictator-

(4) by striking out "paragraph (G)" and inserting in lieu thereof "subparagraph (B)"

in subparagraph (H):

(5) by striking out "subparagraphs (B), (C), (D), (E), (F), (G), and (H)" and inserting in lieu thereof "subparagraphs (A), (B), and (C)" in subparagraph (I); and

(6) by redesignating subparagraphs (G), (H), and (I), as amended by the preceding provisions of this section, as subparagraphs

(B), (C), and (D), respectively. SEC. 2. Section 212(a) (29) of the Immigration and Nationality Act (8 U.S.C. 1182(a)

(29)) is amended-

(1) by inserting "or" after "security,"; and (2) by striking out, or (C) join, affiliate with, or participate in the activities of any organization which is registered or required to be registered under section 7 of the Subversive Activities Control Act of 1950".

SEC. 3. Section 241(a)(6) of the Immigration and Nationality Act (8 U.S.C. 1251(a)

(6)) is amended-

(1) by striking out subparagraphs (A) through (E);
(2) by redesignating subparagraph (F) as

subparagraph (A);

(3) in subparagraph (G)—
(A) by striking out "advocating or teaching opposition to all organized government, or"; and

(B) by striking out "or (v) the economic international, and governmental doctrines of world communism or the establishment in the United States of a totalitarian dictatorship;";

(4) by striking out "paragraph (G)" and inserting in lieu thereof "subparagraph (B)" in subparagraph (H); and

(5) by redesignating subparagraphs (G) and (H), as amended by the preceding provisions of this section, as subparagraphs (B) and (C), respectively.

SEC. 4. Section 241(a) (7) of the Immigra-

tion and Nationality Act (8 U.S.C. 1251(a) (7)) is amended to read as follows:

"(7) is engaged, or at any time after entry has engaged, or at any time after entry has had a purpose to engage, in any of the activities described in paragraph (27) or (29) of section 212(a);".

SEC. 5. The Subversive Activities Control Act of 1950 (50 U.S.C. 781 et seq.) is amended

by striking out section 6.

CLEAR AND PRESENT DANGER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. Gonzalez) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, a few days ago, the Chairman of the Federal Reserve Board delivered an extremely important warning: There is no time to waste in bringing about order in the world of international finance.

There are many who will disagree with Chairman Arthur Burns on many things, but no one will challenge his clarity of thought nor his honest conviction. What he is telling us is that the economy of the world in increasingly vulnerable, that there is a real danger, and that it must be addressed without delay. I do not agree with all his suggestions. I do not agree that he has given a warning that we would be wise to heed. Listed to this comment of Dr. Burns:

If OPEC surpluses on current account should continue on anything like the present scale, they would inevitably be matched by deficits of identical magnitude on the part of other nations. And if some countries outside OPEC should also have sizable and persistent deficits, as now seems to be the case, the aggregate deficits of the remaining countries will be still larger. Under such circumstances, many countries will be forced to borrow heavily, and lending institutions may well be tempted to extend credit more generously than is prudent. A major risk in all this is that it would render the international credit structure especially vulnerable in the event that the world economy were again to experience recession on the scale of the one from which we are now emerging.

It would be very hard to have a clearer warning than that. Our Government—and all governments—would be wise to heed it and act on it. I include in my remarks the complete text of Dr. Burns' address, which deserves the careful scrutiny of all thoughtful persons, and especially those entrusted with responsibility for economic policy:

THE NEED FOR ORDER IN INTERNATIONAL FINANCE

(Address by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, at the annual dinner of the Columbia University Graduate School of Business, New York, N.Y., April 12, 1977) I plan to comment tonight on the need for

order in international finance. My choice of topic does not require lengthy justification. For more than a decade now, we have been besteged by problem after problem in the working of international financial mechanisms. Strain and turbulence have, in fact, been so constant a feature of the international financial scene in recent years that I suspect they are coming to be widely regarded as the normal state of affairs.

I do not share any such mood of resignation. In the first place, governments around the world now have a better understanding of the troubles caused by inflation—both in their own economies and in international dealings—than they had only a few years ago. As a result, not a few countries have been adjusting their economic policies with a view to curbing inflation. In the second place, financial institutions—particularly commercial banks—are now giving closer attention to the volume and character of their foreign lending. And in the third place, the International Monetary Fund has been gaining in prestige and is already exercising a more constructive influence than seemed likely a year or two ago. These are promising trends, and if we build on them we can in time reattain the financial stability that is so vital to orderly expansion of the international economy.

Certainly, we all know of the great difficulties that plagued financial relationships among countries during the 1930's. Those difficulties generated pessimism about the capacity of nations ever again to achieve orderly arrangements for the conduct of international finances. And that pessimism was deepened by the frightful disruption of the world economy during the war. Yet, it was the genius of that age to devise the structure of Bretton Woods and to strengthen that extraordinary structure with our own Marshall Plan. Within a framework of established financial rules, a great liberalization of the world economy occurred and world trade and output flourished. Although we tend to forget it now, the postwar period was a time of impressive stability in world finance until the early sixties.

That experience should serve to remind us that difficulties do yield to determined effort. Our present problems in the sphere of international finance, while different from those of a generation ago, surely are no greater. They too can be dealt with effectively if once again we perceive the wisdom of some subordination of parochial interests and if nations marshal the will to live by new rules of responsible behavior.

Quite obviously, the overriding problem confronting us in world financial matters to-day is the massive and stubborn imbalance that prevails in payments relations among nations—a condition arising importantly, although by no means exclusively, from OPEC's action in raising the price of oil so abruptly and so steeply.

This year alone OPEC's revenues from international oil sales are likely to total something on the order of \$130 billion. What is most significant about that figure is that it represents an enormous explosion of revenues in such a short time. In 1972, before OPEC's aggressive pricing policy began, receipts of the OPEC group from international oil sales totaled less than \$14 billion, with most of the rise since then representing higher prices rather than enlarged volume. For the great majority of OPEC's customers-both affluent and needy alike-it has been the rapidity of the massive change that has been so troublesome. To be sure, OPEC members have dispensed some aid to less developed countries, but so far the grants have been very selective and quite small relative to the size of international problem that OPEC has created.

The imposition of the enormous tax that the OPEC group has in effect levied on the world economy has been met, as you know, partly by transferring goods and services to OPEC members and partly by deferring such transfers through borrowing arrangements. OPEC's absorption of goods and services for both consumption and development purposes has been expanding, with the consequence that OPEC's collective current-account surplus has shrunk considerably from its peak level of more than \$65 billion in 1974. Only five of the thirteen OPEC nations in fact are currently running sizable payments surpluses. Contrary, however, to earlier widespread hopes that the aggregate OPEC surplus would continue to decline—perhaps nearing elimination by the end of this dec-

ade—it seems at present to be eroding slowly, if at all. This year it could easily run above \$40 billion, marking the fourth consecutive year that OPEC's trading partners as a group will have to seek substantial loans or grants to help meet their oil bills.

Continuation of a surplus for the OPEC group at such a high level reflects several influences: first, the further increase that occurred this January in OPEC oil prices; second, growing demand for oil as recovery of the world economy has proceeded; third, insufficient energy conservation by many non-OPEC countries, including most notably the United States; and fourth, a slowing of import absorption by the OPEC group—in some instances because bottleneck problems of one kind or another are being encountered, in other instances because development plans have come to be viewed as excessively ambitious.

The apparent stickiness of the OPEC payments surplus at a high level, buttressed by what is now a significant stream of income from investments, implies large-scale financing requirements for OPEC customers for a considerable period ahead. The prospect of such persistent financing needs, year after year, is especially worrisome.

Great as must be our attention to these OPEC-related problems, we dare not lose sight of the fact that our international payments mechanism is now under stress for reasons that go beyond the extraordinarily high price of oil. The payments deficits of various nations, both industrial and less developed, can be traced to extensive socialwelfare and development programs undertaken in the early 1970's and financed by heavy governmental borrowing, often directly from central banks. Even when the internal stresses resulting from inflation were aggravated by the oil burden and by weaker exports, there was little or no adjustment of economic policies in numerous instances, thus causing external positions to deteriorate sharply. There were conspicuous exceptions, of course, particularly on the part of countries that historically have the greatest sensitivity either to inflation or payments imbalance, or both. A wide diversity of payments imbalances thus developed around the globe, accentuated for a time by differences in the severity with which re-cession affected national economies and, more recently, by differing inflation and recovery trends.

The current pattern of international payments imbalances, in short, is something far more complex than an OPEC phenomenon alone. Essentially, what prevails is a problem within a problem. The non-OPEC group of countries collectively not only has a massive structural deficit vis-a-vis OPEC. In addition, serious payments imbalances exist within the non-OPEC sector itself, with a few nations experiencing sizable surpluses on their current account while many others suffer deficits that reflect many factors besides the way in which the burden of costly oil imports happens to be distributed around the globe.

A great deal of effort has been devoted by scholars to the task of trying to estimate how long the present severe imbalance of international payments accounts could persist in the absence of deliberate new policy actions. The results of these exercises generally are not reassuring. They point to the distinct possibility that huge borrowing needs—that is, needs that are uncomfortably large in relation to the debt-servicing capabilities of many countries—could persist at least through the remainder of this decade.

The potential trouble in this set of circumstances should be obvious. If OPEC surpluses on current account should continue on anything like the present scale, they would inevitably be matched by deficits of identical magnitude on the part of other na-

tions. And if some countries outside OPEC should also have sizable and persistent surpluses, as now appears to be the case, the aggregate deficit of the remaining countries will be still larger. Under such circumstances, many countries will be forced to borrow heavily, and lending institutions may well be tempted to extend credit more generously than is prudent. A major risk in all this is that it would render the international credit structure especially vulnerable in the event that the world economy were again to experience recession on the scale of the one from which we are now emerging.

To minimize the risks that face us, there is a clear need for a strong effort involving all major parties at interest. In order to achieve relatively smooth expansion of the world economy, five conditions are essential: first, the 'aggregate of payments imbalances around the world needs to be reduced far more rapidly than currently observable trends imply; second, the divergences that now exist among countries with regard to their balance-of-payments status need to be narrowed; third, protectionism must be scrupulously avoided by governments; fourth, private financial institutions need to adhere to high standards of creditworthiness in providing whatever volume of international financing occurs during the next few years; and fifth, official credit facilities need to be significantly enlarged.

The realization of these conditions requires diligent pursuit of stabilization policles by countries that have been borrowing heavily in international markets. The obstacles to speedy adjustment on the part of these countries are well known. Resistance stems chiefly from the political difficulty of gaining broad acceptance of the painful things that must be done to restrain inflation and to achieve energy conservation. Countries thus find it more attractive to borrow than to adjust their monetary and fiscal policies; and if they can do this without having lenders write restrictive covenants into loan agreements, so much the better. That is why countries typically prefer to tap foreign credit markets to the maximum extent possible rather than borrow from the International Monetary Fund which, in aiding countries that experience significant payments disequilibrium, makes credit available only after the borrower has agreed to follow internal policies judged appropriate by the Fund. Commercial banks, as a practical matter, have neither the inclination nor the leverage to impose restrictive covenants on sovereign governments.

In these circumstances, admonition alone is likely to accomplish little in prodding countries with large payments deficits to take affirmative action. There are, however, limits dictated by financial prudence beyond which private lenders will be unwilling to go. More than one country has recently found that its ability to borrow in the private market has diminished. The fact is that commercial banks generally, and particularly those which have already made extensive loans abroad, are now evaluating country risks more closely and more methodically. Credit standards thus appear to be firming; and as information about borrowing countries improves, we can reasonably expect the market to perform its function of credit allocation more effectively.

As some of you may know, the Federal Reserve is currently engaged in a joint project with other central banks to obtain a much more complete size and maturity profile of bank credit extended to foreign borrowers, country by country. That information, which is being gathered under the auspices of the Bank for International Settlements, will be shared with private lenders, but even so it will fill only a fraction of the existing informational gap.

What we need is a more forthcoming attitude on the part of borrowing countries in regularly supplying information to lenders on the full range of economic and financial matters relevant to creditworthiness. I realize that much of the needed information is not even collected in some countries, but such a condition should not be tolerated indefinitely. Logically, the BIS-having links with the central banks of the principal lending countries-could take the lead in setting forth a list of informational items that all countries borrowing in the international market would be expected to make available to present or prospective lenders. Compliance could then become a significant factor in the ability of countries to secure private credit, particularly if—as I would judge essential—bank regulators in the various lending countries explicitly took account of compliance in their review of bank loan portfolios.

Imperfect or incomplete information, as I think we all recognize, makes for inefficient markets and heightens the risk of disruptive discontinuities if some previously unknown but pertinent fact suddenly comes to light. In the market for bank credit, a continuous flow of factual information will produce gradual as distinct from abrupt changes in assessments of creditworthiness.

This should induce earlier recourse to the IMF by countries experiencing payments difficulties than was usually the case in the past. Even now, as lenders are becoming better informed and somewhat more cautious in extending foreign credit, a tendency toward earlier recourse to the IMF appears to be emerging. It seems likely, therefore, that more countries that need to adjust their economic policies will henceforth do so sooner and probably also more effectively. By so doing, the unhappy alternative of resorting to protectionism will be more readily

avoided.

Private banks-both in this country and elsewhere—played a very substantial role in "recycling" petrodollars between the OPEC petrodollars between the OPEC group and other countries, especially those whose external payments position was weakened by the higher oil prices. Had the banks not done so, the recent recession would have been more severe than it was, since there was no official mechanism in place that could have coped with recycling of funds on the vast scale that became necessary in 1974. But with many countries now heavily burdened with debt, bankers generally recognize that prudence demands moderation on their part in providing additional financing for countries in deficit. For that reason, they understandably wish to see an increase in the relative volume of official financial support to countries that continue to have large borrowing needs.

Bankers are not alone in wanting to see countries in deficit pursue adjustment policies more diligently. This interest, in fact, is widely shared by economists and other thoughtful citizens who see an urgent need for healthier and more prosperous economic conditions around the world. The interests of the international economy and of private lenders thus converge and point to the need for a much more active role by the Fund.

The leverage of the Fund in speeding the process of adjustment would clearly be enhanced if its capacity to lend were greater than it is now. One reason why countries often are unwilling to submit to conditions imposed by the IMF is that the amount of credit available to them through the Fund's regular channels—as determined by established quotas—is in many instances small relative to their structural payments imbalance.

That will be so even after the scheduled increase in IMF quotas becomes effective. To remedy this deficiency, the Fund is currently seeking resources of appreciable

amount that could be superimposed on the framework of the quota system. Negotiations are in progress with several countries of the OPEC group as well as with the United States and other industrial nations whose payments position is comparatively strong. Such a supplementary Fund facility should induce more deficit countries to submit to Fund discipline. But in no case must it become a substitute for an adequate adjustment policy by borrowers or serve as a bailout for private banks. If negotiations for such a facility are completed soon, which appears possible, high priority should be given to prompt ratification by our Congress and the legislatures of other countries. The ability of the Fund to act forcefully

The ability of the Fund to act forcefully in speeding the adjustment process will be strengthened in still another way once the five-year effort of amending the IMF's Articles of Agreement is completed. At present the Fund normally immerses itself in urging appropriate policies on a country only when that country applies for financial assistance. Under the revised Articles, the Fund could take the initiative in determining whether individual countries are complying with formally prescribed obligations to foster orderly economic growth and price stability. This authority, once available, will enable the IMF to broaden progressively its oversight role even when a country is not an applicant for a loan.

As the number of countries brought within the reach of the Fund's influence increases—either because of the enticement of enlarged lending facilities or because an IMF "certificate of good standing" becomes essential to further borrowing from private lenders—the outlook for correction of balance-of-payments deficits would be considerably improved. But that outcome will also depend on full appreciation by private lenders of the need to avoid actions that tend to undercut Fund efforts.

This does not mean that Fund judgments are to replace those of private lenders in the determination of which countries should be accommodated with private credit. Nor do I even mean to suggest that the texts of the Fund's country evaluations are to be handed around in the private banking community. Were that to become a practice, I am sure the quality of such reports would suffer by becoming less explicit and less frank. But some sharing of Fund information—within the limits imposed by requirements of confidentiality—may still become feasible, the most logical conduits perhaps being the central banks of the countries in which the major private lending institutions are located.

Fund country reports are transmitted to central banks as a matter of routine, andas I previously indicated-new factual information about individual countries is now being developed, and more may well be developed later, by the BIS. Private lenders might want to discuss with the staffs of central banks the flow of such information, and this could be done-as would surely be the Federal Reserve's practice-without vising whether or on what scale a loan should be made to this or that country. Such a consultative process, especially if it also involved frequent interchange of information among the leading central banks, would go quite far in preventing any inadvertent circumvention by private banks of the efforts of the IMF to promote financial stability.

The suggestions I am exploring with you for improving the adjustment process obviously will not work unless broadly shared agreement develops that international financial affairs require a "rule of law" to guide us through the troubled circumstances that now exist. Such a rule cannot be codified in detail, but it is essential that there be broad agreement that parochial concerns

will be subordinated to the vital objective of working our way back to more stable conditions in international finance. And if the IMF is to play a leadership role in pursuing this objective, it is not only private parties that must avoid weakening the IMF's efforts. Governments also-indeed governments especially-must be prepared to forego their own quite frequent inclination to do things inconsistent with the effective pursuit of Fund objectives. There have been too many instances in which the government of a country negotiating a stabilization program with the Fund's officials has attempted to circumvent the Fund by seeking instead a loan from another government or by exerting outside political pressure on Fund officials in an effort to make loan conditions as lenient as possible. If the rule of law in international monetary affairs is ultimately to prevail, all countries-there can be no exceptions—must fully respect the IMF's integrity. Our first requisite, therefore, is for a new

sense of commitment by governments as well as private parties to a responsible code of behavior. I believe that understanding of this need has been growing-certainly within our own government. And, of course, the working of the marketplace—tending now to make credit less readily available to some foreign borrowers—is helping to foster a new

set of attitudes.

As I noted earlier, the payments difficulties of countries outside the OPEC group reflect many factors besides the way in which the burden of oil costs happens to have been distributed. It is important that adjustment proceed along several paths in this vast part of the world.

First, countries whose external position has been weakened by loose financial policies are going to have to practice some fiscal and monetary restraint, either of their own volition or because they find it obligatory to do so in order to maintain access to international credit facilities, including those of the IMF. In individual instances, the adjustment process in such countries may at times also entail allowing some depreciation of the foreign exchange value of their currencies.

Second, since the burden of adjustment cannot and should not rest with deficit countries alone, those non-OPEC countries that are experiencing significant and persistent current-account surpluses must understand that they too have adjustment obligations. In saying this, I do not mean to imply that we should urge such countries to pursue expansionist policies that could undo or jeopardize the hard-won progress that some of them have made in curbing inflation. That would be both wrong and un-wise. What I mean is simply that such countries should not actively resist tenden-cies toward appreciation in the value of their currencies in foreign-exchange markets. Such appreciation will aid other countries by facilitating access to the markets of the countries in surplus; and at the same time it will make imported goods and services available at a lower cost to the citizens of the surplus countries, thus reinforcing their constructive efforts to control inflation.

Third, practically all non-OPEC countries—the deficit and surplus countries alike—must treat energy conservation as a key element of their economic policy. This is something to which the United States in particular must give the closest attention. We are by far the largest single consumer of energy in the world, and we have so far been notably laggard in addressing the energy problem. This year imported oil will probably account for over 40% of domestic consumption of petroleum, up from 22% in 1970. Our passive approach to energy policy, besides endangering the Nation's future, has aggravated strains in the international financial system, because we are directly responsible for a large part of the OPEC surplus. And, of course, our huge appetite for

oil has added to the leverage of those OPEC members that have been most reckless in urging a still higher price of oil. The energy program being prepared by President Carter unquestionably will entail sacrifices by many of our citizens. It is essential, howthat we at long last recognize that a decisive conservation effort must be a major part of our Nation's economic policy.

If, in fact, we can build momentum into payments adjustment by the non-OPEC group of countries along these three paths that is, internal discipline by countries in deficit, non-resistance to exchange-rate appreciation by countries in surplus, and de-termined energy conservation by all—the favorable consequences will be enormous. To the extent that energy conservation is effective, the present serious imbalance of the non-OPEC group of nations vis-a-vis OPEC will be reduced. Beyond that, there will no longer be such extremely large differences in the balance-of-payments status of the non-OPEC nations. Consequently, the risk of disruption of the international financial sys tem would be greatly reduced, and we could have greater confidence that progress will be realized around the world in reducing unemployment and otherwise improving economic conditions.

There is a critical proviso, however, to this optimistic assessment-namely, that the OPEC group, seeing their surplus decline as a result of foreign conservation efforts or their own increasing imports, will not seek to compensate for the decline by a new round of oil-price increases. Obviously, if they were to do so-and if they would make the action stick-the whole exercise of trying to reduce the massive payments imbalance traceto the oil shock would be rendered futile.

Effective oil conservation and the development of other sources of energy would, of course, militate against such an outcome the extent that those efforts lessened OPEC's market leverage. That is important for the longer run, but particularly in the years immediately ahead it is vital that the members of OPEC recognize that their economic and political future cannot be divorced from that of the rest of the world. Besides practicing forbearance with regard to the price of oil, it would be very helpful if they made larger grants of assistance to the less developed countries and also expanded the volume of loans and investments made directly abroadthat the intermediation of American or European commercial banks may be substantially reduced. Fortunately, there are various signs that the more influential members of OPEC are becoming increasingly aware that their self-interest requires a ma jor contribution along these lines. The OPEC group has become a large factor in international finance, and there is some basis for confidence that they will play a constructive role in the reestablishment of order in the international financial structure.

In the course of my remarks tonight, I have touched on a number of actions that either need to be taken or avoided to achieve a new sense of order in international finance. Let me conclude by sketching or restating the responsibilities, as I see them, of the major participants in the international financial system:

First, in order to contribute to a more stable international system, the IMF must act with new assertiveness in monitoring the economic policies of its members. To give the Fund added leverage for such a role. its resources must be enlarged. But those resources must be used sparingly and dispensed only when applicant countries agree to pursue effective stabilization policies. In view of the clear need for better financial discipline around the world this would be a poor time for a new allocation of SDR'sor in plain language printing up new international money.

Second, national governments must en-

courage and support the IMF so that it can become an effective guardian of evolving law in the international monetary sphere. Governments need to resist the temptation to circumvent the Fund by seeking bilateral official loans or to embarrass the Fund by exerting political pressure on Fund officials. Commercial and investment bankers also need to recognize that their actions not undercut IMF efforts to speed adjustment. The IMF, in its turn, will have to equip itself to handle appropriately its new and larger responsibilities.

Third, a better framework of knowledge for evaluating the creditworthiness of individual countries is badly needed. Among other things, central banks could work together through the BIS and establish a common list of informational items that borrowing countries will be expected to sup-

Fourth, commercial and investment bankers need to monitor their foreign lending with great care, and bank examiners need to be alert to excessive concentration of loans in individual countries.

Fifth, protectionist policies need to be

shunned by all countries.

Sixth, countries with persistent payments deficits need to adopt effective domestic stabilization policies.

Seventh, non-OPEC countries experiencing large and persistent payments surpluses also need to adjust their economic policies and they can probably best do so by allowing some appreciation of their exchange rates.

Eighth, all countries, and especially the United States, need to adopt stringent oil conservation policies and, wherever possible, speed the development of new energy

Ninth, the members of OPEC must avoid a new round of oil-price increases. They also need to play an increasingly constructive role in assisting the less developed countries and in the evolution of the international financial system.

Observance of these do's and don'ts would go a significant distance, in my judgment, in meeting the formidable challenges that now confront us. But we shall undoubtedly need to be ready to improvise in the fluid and complex area of international finance. I have no illusions that the ideas that I have presented here tonight can serve as a rigid blueprint. I hope, however, that they will have some value in suggesting directions in which governments, private lenders, and official institutions need to move. By working together towards a rule of law in international finance, we shall be contributing to a stable prosperity both for our own citizens and those of our trading partners.

HAITIAN GOVERNMENT ASSUR-ANCES ON RETURNEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. Ropino) is recognized for 5 minutes.

Mr. RODINO. Mr. Speaker, for many years now I have followed closely the developments relating to those Haitians who have entered the United States and thereafter claimed asylum or relief from deportation based on fear of persecution in the event of their return to Haiti.

In addition, the Subcommittee on Immigration, Citizenship, and International Law of the Committee on the Judiciary has conducted a comprehensive review of this problem and issued a report entitled "Haitian Emigration" in July of last year. One of the recommendations contained in that report was that "the Department of State should seek formal assurances from the Government of

Haiti that returnees will not be subject to reprisals or recriminations." In this regard, I recently received a letter from the Department of State which indicated that the U.S. Embassy in Port-au-Prince received a formal communication from the Government of Haiti assuring the U.S. Government "that all Haitian nationals prepared to abide by Haitian law are welcome to return to their native country and will be afforded 'all contitutional guarantees'."

Because of the deep interest in this subject among my colleagues I would like to insert at this point in the RECORD a copy of a Department of State letter to me as well as the translated version of the communication from the Honorable Edner Brutus, Secretary of State, Government of Haiti, to the Honorable Hayward Isham, U.S. Ambassador to Haiti:

DEPARTMENT OF STATE, Washington, D.C., April 5, 1977.

Hon. PETER W. RODINO, Chairman, Committee on Judiciary, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I refer to your committee's interest in the matter of the Haitians claiming poiltical asylum in the States, and the question of whether they could be returned to Haiti without suffering reprisal.

I am pleased to inform you that our Embassy in Port-au-Prince has recently received a formal communication from the Government of Haiti assuring us that all Haitian nationals prepared to abide by Haitian law are welcome to return to their native country and will be afforded "all constitu-tional guarantees." The communication also states that "punitive measures of any sort against those unfortunates who left in search remunerative work have never been considered." A copy of this written assurance is enclosed, together with a State Department translation.

In addition, knowing of your interest in the general subject of human rights in Haiti, I should like to inform you that an additional amnesty of political prisoners took place in Haiti in mid-February. Twenty-one persons were released in this latest amnesty, including at least fourteen peasants arrested in 1969 following peasant disturbances near Port-au-Prince.

Sincerely.

DOUGLAS J. BENNET, Jr. Assistant Secretary for Congressional Relations.

DEPARTMENT OF STATE, DIVISION OF LANGUAGE SERVICES, (TRANSLATION)

DEPARTMENT OF FOREIGN AFFAIRS,

REPUBLIC OF HAITI, Port-au-Prince, February 15, 1977. His Excellency HEYWARD ISHAM, Ambassador Extraordinary and Plenipoten-tiary of the United States of America,

Port-au-Prince

Mr. Ambassador: In reply to your letter of January 11, 1977, I wish once more to assure you that the Government of the Republic has no objection to the return to this counof Haitians classified in the United States as economic refugees or illegal immigrants, and that punitive measures of any kind against those unfortunates who left in search of remunerative work have never been considered. Hundreds of our compatriots have returned and are living at home in peace. Many of them are assisted upon arrival by the Haitian Red Cross and, if their situation warrants it, given the necessary money to reach their place or origin.

We cannot be held responsible if there are Haitians in the United States who, to keep their jobs or remain there as illegal residents, claim that persecution awaits them in Haiti. That attitude is well-known to the American immigration service, and it would be regrettable to see honorable members of Congress become advocates of the individuals making those false allegations, which are and always have been unfounded in our political existence.

On more than one occasion His Excellency the President for Life of Haiti has invited all our citizens who wish to return to their homes and settle down to a law-abiding life to do so and contribute to our community all that they have learned of productive value during their stay abroad. You may be sure that the Government of the Republic will continue to offer them all constitutional guarantees and to welcome all Haitians who wish to return to their country and their family and carry on their activities in ac-cordance with our laws.

[Complimentary close]

[Signature.] EDNER BRUTUS, Secretary of State.

LEGISLATION AMENDING CONSTI-TUTION TO PROVIDE FOR REPRE-SENTATION OF DISTRICT OF CO-LUMBIA IN CONGRESS

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Indiana (Mr. Hamilton) is

recognized for 5 minutes.

HAMILTON. Mr. America's recent Bicentennial celebration provided all of us with an opportunity to reflect on the precepts of representative democracy which are so deeply rooted in our traditions. More than two centuries ago our forebears rose up against a colonial power and threw off a yoke of tyranny. They established for themselves and for their posterity a system of government based on the principle of the consent of the governed. They embodied the principle in Congress, a forum of elected representatives whose solemn duty it was to express the consent or dissent of the people by casting votes on legislation and thus making law. That the system of government has survived to the present day is ample proof of the strength of government by consent.

Those unfamiliar with our system of government are often surprised to learn that there are thousands of Americans who have the full obligations of citizenship without the full rights of representation assured by the Constitution. These unrepresented Americans are, of course, the residents of the District of Columbia. Historical accidents, real or imagined fears, and complex legal debates have produced a tangled political history for the District whose outcome is as baffling as it is unfair: The people of the District, denied voting representation in Congress, are, in effect, governed without their consent. And this at the heart of a mature, democratic nation whose founders rallied to the slogan: "No taxation without representation."

How did this odd state of affairs come about? It is revealing to look briefly at the turbulent days following the Revolutionary War. The new Continental Congress was convened at Independence Hall in Philadelphia, Pa., in June of 1783. The site was one of many for Congress since it as yet had no permanent home. The session proceeded smoothly until June 21, when, suddenly and without warning, mutinous Revolutionary Army troops marched on and surrounded the Hall. The soldiers had come to Philadelphia in defiance of their officers to petition Congress for backpay due them, but when their demands were not met they threatened the assembled Members of Congress, who barred the doors and windows of the legislative chamber in fear of their lives. Congress requested police protection from the Pennsylvania authorities, but such protection was not granted. Fortunately, the mutineers failed to carry out their threats and dispersed by nightfall. Congress immediately voted to reconvene in Princeton, N.J., where local authorities promised safety.

The memory of this harrowing event contributed more than anything else to the creation of a Federal district over which Congress itself was to have exclusive legislative powers. James Madison, a young legislator who witnessed the event, later referred to it during a 1787 debate to include in the Constitution an "exclusive powers" clause establishing such a district. His series of questions was to the point. He asked:

How could the general government be guarded from the undue influence of particular states, or from insults, without such exclusive power? If it were at the pleasure of a particular state to control the sessions and deliberations of Congress, would they be secure from the influence of such states? If this commonwealth depended for the freedom of deliberation on the laws of any state where it might be necessary to sit, would it not be liable to attacks of that nature (and with more indignity) which have already been offered to Congress?

The young Madison evidently voiced the concern of many of his colleagues. A clause, stating that Congress would have the power to "exercise exclusive legislation in all cases whatsoever, over such district * * * as may, by cession of particular States, and the acceptance of Congress, become the seat of the Government of the United States * * *" was accepted. In 1790 Congress took charge of a territory on the Potomac River ceded to it by the States of Maryland and Virginia. Thus the District of Columbia was born, primarily as a haven where Congress could carry on its business free from the interference of other governmental entities. In the District, Congress would rule.

No one can doubt, especially during the turbulent days following the Revolutionary War, the existence of a territory in which Congress might exercise exclusive legislative power has contributed to the stability of Government. However, an explanation or justification of the existence of the District is not an explanation or justification of the disenfranchisement of its residents. It requires an enormous dexterity of mind to depart from such a premise and arrive at the conclusion that residents of the presentday District should not have representation in Congress. What is the connection between these two distinct issues? That is, how does the reasonable requirement that there be a Federal enclave entail

that the inhabitants of the enclave be denied a fundamental political right? Surely no one will claim that representation in Congress menaces the stability of Government. It is the very thing which provides such stability.

No argument I have heard has been sufficient to convince me that American citizens should be disenfranchised without cause. Consequently, I am introducing today a joint resolution to amend the Constitution to provide for representation of the District of Columbia in the Congress. The text of the joint resolution follows:

H.J. RES. 392

Joint resolution to amend the Constitution to provide for representation of the District of Columbia in the Congress

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE -

"Section 1. The people of the District constituting the seat of government of the United States shall elect two Senators and the number of Representatives in Congress to which the District would be entitled if it were a State. Each Senator or Representative so elected shall be an inhabitant of the District and shall possess the same qualifications as to age and citizenship and have the same rights, privileges, and obligations as a Senator or Representative from a State.

"Sec. 2. When vacancies happen in the representation of the District in either the Senate or the House of Representatives, the people of the District shall fill such vacancies by election, except that if the Congress provides for a legislature for the District elected by the people and an executive for the District elected by the people, the legislature may empower the executive to make temporary appointments to fill vacancies in the representation of the District in the Senate until the people fill the vacancies by election as the legislature may direct.

"Sec. 3. This article shall have no effect on the provision made in the twenty-third article of amendment of the Constitution for determining the number of electors for President and Vice President to be appointed for the District. Each Representative or Senator from the District shall be entitled to participate in the choosing of the President or Vice President in the House of Representatives or Senate under the twelfth article of amendment as if the District were a State.

"Sec. 4. The Congress shall have power to enforce this article by appropriate legislation.".

Before I close I would like to make three points in defense of the joint resolution just described. First, no one can argue that the effect of the measure will be to make a State of the District of Columbia, thus undermining the intent of those like the young Madison who demanded that Congress hold sway here. This is clear from section 1, which states that the people of the District "shall elect two Senators and the number of Representatives in Congress to which the District would be entitled if it were a State." Such language, of course, im-

plies that the District is not a State in fact.

Second, the measure would not really establish a new precedent of representation for the District in Congress. It should be remembered that the residents of the District enjoyed the congressional representation of the delegations of Maryland and Virginia from 1789 to 1800. If the joint resolution were adopted the long-abridged rights of residents of the District would be guaranteed, albeit in a new way.

Third, the measure would bring a natural conclusion to a process of "democratization" which has already begun. The District now has "home rule," with a legislature and an executive not unlike those of the States. The District also helps elect the President and Vice President through its proportionate representation in the Electoral College. What is to be gained by avoiding the next step in a logical progression: Full representation in Congress?

Mr. Speaker, the time has come for us to correct an inequity which has been with us too long. There is simply no way to sidestep the basic issue. Can we adhere to the precepts of representative democracy if at the same time we deny the fundamental political right of congressional representation to nearly 800,000 American citizens? I hope my colleagues will see that we cannot.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. Le Fante) is recognized for 5 minutes.

Mr. Le FANTE. Mr. Speaker, a prior commitment in my district prevented me being on the floor of the House on Monday, April 18, 1977, when the vote was taken on H.R. 3340, business use of residences for day care service. Had I been present, I would have voted in favor of the bill.

CRIMINAL INDICTMENT OF FORMER FBI AGENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Weiss) is recognized for 5 minutes.

Mr. WEISS. Mr. Speaker, yesterday I informed the House of Representatives of a letter which I had sent to FBI Director Clarence Kelley expressing my distress at his statements concerning the criminal indictment of former Bureau Agent John Kearney for authorizing illegal break-ins and mail surveillance.

I submitted to the House at that time, the full text of the letter to Director Kelley in which I took him to task for his indifference toward the impartial application of the law and for forgetting so quickly the bitter lessons of Watergate.

Today, I want to advise my colleagues that I have requested Representative RICHARDSON PREYER, as chairman, to convene the Subcommittee on Government Information and Individual Rights so that Director Kelley can be questioned by members of the subcommittee as to the position he has taken.

It is my firm conviction that there is a clear need for congressional inquiry into these policies of the FBI and its Director.

The copy of my letter to Chairman Preyer follows. I hope that my colleagues will join with me in addressing this situation in a timely fashion.

The letter follows:

New York, N.Y., April 15, 1977. Hon. Richardson Preyer,

Washington, D.C.

DEAR MR. PREYER: I am deeply distressed by FBI Director Clarence Kelley's reaction to the criminal indictment of former bureau agent John Kearney.

Director Kelley's statement reflects an alarming indifference toward the impartial application of the law and toward each government agency's responsibility to respect and defend the constitutional rights and civil liberties of all Americans.

I am enclosing for your consideration the letter I have today addressed to Director Kelley which details my concern over his stated attitudes.

Since the director of the FBI has said that he explicitly intends to intervene in Mr. Kearney's case, I view this matter as of special and urgent concern to the Government Operations Committee and to its Subcommittee on Government Information and Individual Rights.

I therefore respectfully request that you take early action to convene the subcommittee for the purpose of hearing testimony from Director Kelley on his position in the particular case of Mr. Kearney and on the general investigation by the Justice Department of FBI actions during the period currently under review.

Thank you for your attention to this matter. I look forward to your early response to this request.

Sincerely.

TED WEISS, Member of Congress.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. Carr) is recognized for 5 minutes.

Mr. CARR. Mr. Speaker, I regret that I was absent earlier this afternoon during the rollcall vote on the approval of the Journal of yesterday's proceedings.

I was engaged in a panel discussion, along with my colleague, Sam Stratton, on the subject of "Congress and the Defense Establishment." This discussion, which was part of a 2-week seminar for USIA Foreign Service officers, was particularly timely and important due to the fact that the House will be considering the Department of Defense authorization later this week. Because this discussion was held at the USIA headquarters downtown, it was impossible for me to return in the 15 minutes allotted for the vote. Had I been present, I would have voted "yea."

THOSE WHO CAN'T HEAR MUST BE HEARD

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, most Americans use the telephone and do not fully appreciate this opportunity for instant

communication. Until recently, nearly 2 million deaf Americans were denied this experience. But with the invention of the TTY, and other telecommunication devices, these citizens have been able to communicate with friends, family, employers, and officials in a way that people without hearing impairments have taken for granted.

Today, Senator Robert Dole of Kansas and I are introducing legislation in the House and the Senate to provide for the installation of a telecommunication device in the Capitol for use by both the House and the Senate. We are proposing that a toll-free TTY be installed at a central location designated by the Speaker of the House and the President protempore of the Senate, so that our hearing impaired constituents could communicate with their Congressmen and Senators over telephone lines.

Messages received through this toll-free installation would be handled by a special operator who would transmit the communication to the appropriate congressional office for reply, which could subsequently be transmitted by personal staff members or Members of Congress via the TTY. The TTY communication would differ from regular mail or telegram contact as it would allow for an immediate ongoing teletype conversation between the constituent and the Member's office.

That this device would be used is evidenced by the estimated 10,000 TTY's currently in operation across the United States. These machines serve many individuals in their homes, but many more of them are located in central locations such as churches, schools for the deaf, municipal libraries, and banks, where deaf individuals are allowed to come in to use the equipment. Public services are made available for the deaf by the inclusion of these machines in police and fire departments, news and weather stations, vocational rehabilitation offices, and other emergency centers. There is even a special national TTY directory listing the installations and their num-

bers.

The TTY has been recognized as an essential item for the deaf by the Federal Government: Installation and maintenance costs of the machinery are tax deductible as medical expenses. In addition, certain Federal agencies have taken the initiative and installed TTY's-the Internal Revenue Service has a toll-free machine, and the Federal Communications Commission, the President's Commission for Employment of the Handicapped, the Office of Deafness and Communicative Disorders at HEW, and the National Visitor's Center all have TTY equipment to handle calls from hearing impaired citizens. The National Bureau of Standards and the General Accounting Office have installed TTY equipment for the use and benefit of their deaf employees-the equipment in the Capitol could similarly serve this function. The number of TTY installations, both public and private, is growing each year, and according to Dr. Jerome D. Schein of the Deafness Research and Training Center at New York University, each of these

installations is regularly serving at least three deaf individuals.

Mr. Speaker, Senator Dole and I believe that the use of TTY's by the Federal Government should be expanded to include the Congress. It should be unacceptable that the hearing impaired can contact their IRS official with a TTY, but are denied the opportunity to so communicate with their own Senators and Members of Congress. A TTY installation on Capitol Hill would benefit both the Congress and the handicapped by providing long-overdue access to this sector of our handicapped population.

I am appending a copy of a letter sent by Senator Dole and myself to the Members of the House and Senate leadership urging their support of this important legislation.

HOUSE OF REPRESENTATIVES, Washington, D.C., April 19, 1977. Hon. Thomas P. O'Nelll, Jr., Speaker of the House.

DEAR MR. SPEAKER: We write to enlist your support of legislation that would be of special and needed assistance to those of our citizens who were born deaf or lost their hearing as a result of illness or accident. There are now special telephone installations available that allow deaf individuals to send and receive communications over telephone lines. We believe that both the Senate and the House of Representatives should install one of these telecommunications devices, known as a TTY, and thereby allow our deaf constituents the opportunity for toll-free communication with members of Congress.

Communications received through this terminal could be handled by a special operator who would transmit the message to the appropriate Congressional office and arrange for reply, which could also be transmitted by personal staff members or Members of Congress via the TTY.

Several federal agencies, including the IRS and HEW have already installed this equipment. By establishing an 800-number TTY here on Capitol Hill, we would be able to have communication with over ten thousand similar machines across the country, many of which are located at central sites where the hearing impaired can use them. It is strange that although the deaf can now speak to IRS officials with the TTY, they are denied that same access to their Senators and Members of Congress.

Enclosed is a copy of our proposed legislation, which we hope might become a leadership bill. We would appreciate whatever help you can provide in pressing this legislation forward.

Sincerely,

EDWARD I. KOCH, Member of Congress. ROBERT DOLE, U.S. Senator.

Copies to:
The Honorable Jim Wright.
The Honorable John Brademas.
The Honorable John J. Rhodes.
The Honorable Robert H. Michel.
The Honorable Walter Mondale.
The Honorable James Eastland.
The Honorable Robert C. Byrd.
The Honorable Alan Cranston.
The Honorable Howard H. Baker, Jr.
The Honorable Theodore F. Stevens.

THE AGENDA OF THE NORTHEAST-MIDWEST COALITION

(Mr. KOCH asked and was given permission to extend his remarks at this

point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the Northeast-Midwest Economic Advancement Coalition has made significant progress since its formation in the closing months of the 94th Congress. The coalition was formed in September 1976 to reverse the trend of the economic erosion and deterioration of the industrial base of the Northeast and Midwest regions.

The purposes of the coalition are threefold: To educate the public, the Congress and the executive branch to the need for greater regional sensitivity in the formation and administration of Federal programs; to examine, review and publicize the regional impact of legislation as it proceeds through the Congress; and most importantly, to develop positive and aggressive legislative initiatives aimed at reviving the economies of the coalition States.

I have taken an active role in the coalition because I believe that these activities are not only important but critical. Those of us from the Northeast and Midwest have become more and more aware of the need to approach major economic issues from a regional perspective rather than from a narrow provincial perspective. I wanted to bring to the special attention of my colleagues a statement by John Moriarty, director of the coalition, that was delivered in New York City before the conference board at its conference on April 15. I believe Mr. Moriarty's presentation is an excellent description of the problems that have brought the coalition together, the ways in which the coalition has organized itself and the initial goals of the coalition. A copy of his prepared remarks follow:

REMARKS BY JOHN MORIARTY, DIRECTOR, NORTHEAST-MIDWEST ECONOMIC ADVANCE-MENT COALITION, U.S. HOUSE OF REPRESENT-ATIVES

In the recent past, the focus on economic problems has been centered on the plight of the inner city whose perseverance in the face of adversity approaches the heroic. The urban concerns of the 1960's, however, are now being shared by a wide regional population.

Recent data suggests that the region's deep-rooted economic problems no longer limit their particular afflictions to inner cities alone. Rural and suburban communities of the Northeast and Midwest which once benefitted from the outward migration of inner city jobs, today experience unemployment levels which rival Boston, Providence and New York City. Labor intensive industries are no longer just moving out to the suburbs. They are packing up and heading to the warmer and less harried climates of the South and Southwest, leaving in their wake, long unemployment lines and an evergrowing demand on welfare, unemployment compensation and food stamps.

The resulting shortfall in capital investment and the loss of the taxable income traditionally generated by these companies further compounds the problem. Due to the dramatic decline in tax revenue, state and local governments in the Northeast corridor have found it necessary to increase income taxes by an average of 50 percent since 1960. The region's limited access to revenue, however, represents only the tip of the iceberg.

Over the past 30 years, the industrial base of the region has eroded to the point where it now runs 50% behind the national average in labor force growth. In Massachusetts alone, the old mill-based industries such as textiles, leather and food-processing have lost more than 200,000 jobs since 1947. The formerly labor intensive manufacturing industrial base has been replaced by a mixed economy of which low-paying jobs are the characteristic feature.

This deterioration of the Northeast and Midwest economy arises from both internal and external forces. Climatic conditions, high energy, and transportation costs, a lack of indigenous raw material, political and economic decisions to move industries to other regions and the closing of military bases all conspire against the economy of the region. Ironically, the regions also suffer from the head start they have enjoyed in the area of industrial development. Since most of the region's infrastructure was developed long before that of the rest of the country, much of it is old and obsolete and cannot reach the level of efficiency found in other regions.

Recognizing these trends, members of Congress from the Northeast and Midwest came together almost a year ago to explore the similar problems their respective states face and to develop a coordinated strategy to address them. The 204 Member Northeast-Midwest Economic Advancement Coalition is chaired by Representative Michael J. Harrington of Massachusetts and guided by a 31 member steering committee elected by the delegations of each of the 16 states which make up the Coalition.

The work of the Coalition is augmented by the recently formed Northeast-Midwest Research Institute, a non-profit economic research organization which was created to analyze the common problems of the Northeast and Midwest and formulate policy options at the federal level. The Institute is headed by Thomas Cochran who until recently served as special assistant to Governor Brendan Byrne. Although the Coalition's 204 members are the chief clients of the Institute's work, it makes its research and findings available to all interested parties.

THE COALITION AGENDA

Based upon a series of regional hearings which took the Coalition to Boston, New York and Chicago last fall, the Coalition developed an agenda which places particular emphasis on federal funding formulas and tax policies.

Current activities include:

Welfare Reform: The formulation of a federal program which recognizes the limited taxing ability of local and state govern-

The Community Development Block Grant Program: The program will pump \$4 billion into our nation's cities over the next three years. The Coalition seeks to refine the "targeting" mechanism incorporated in the administration proposal.

Military Installations: An in-depth study of regional military base re-alignments.

Capital Markets: The Coalition is currently engaged in an effort to determine what tax policies or capital development mechanisms are needed (if any) to stem the out migration of jobs and capital from the North east and Midwest.

In addition to these efforts, the Coalition is expected to play a major role in the de-bate over the President's soon to be announced energy policy, and the Carter Food Stamp proposal.

WHAT THE CARTER ADMINISTRATION IS DOING

The Carter Administration seems to be serious about its commitment to "target" federal funds to areas of greatest need. Such an approach bodes well for the hard-pressed urban centers in the Northeast and Midwest.

Last month the President sent a memorandum to the Secretaries of HUD. HEW. Transportation, Commerce and Treasury instructing them to form a working group for urban and regional development. The group is charged with the responsibility of reviewing all federal programs which impact on urban areas and regions, and preparing administrative and legislative recommendations to maximize their intended programmatic effect. HUD Secretary Harris chairs the working group and we are of course very anxious to assist the effort in any way that we can.

The Administration is also involved in an effort to develop an urban reconstruction bank to make borrowing easier for financially hard-pressed cities. A special office at the

Treasury Department has been created to develop the "Urbank" proposal.

While the Administration's bank proposal as I understand it doesn't go as far as some Coalition members would like, it nevertheless represents a giant step forward. By demonstrating a serious interest in the overall development bank concept alone, the Administration has placed the issue squarely on the future agenda of the Congress and the nation. In fact, it is likely that the Congressional hearings will soon be held on the 25 or so development bank proposals that have surfaced to date.

There will of course be situations in which the Administration and the Coalition disagree. However, our dealings with White House and Administration officials to date suggest that we are all heading in the same general direction.

THE NEXT STEP

The members of the Coalition banded together to address economic problems which clearly prevade the Northeast and Midwest. The Coalition seeks to educate the Congress and the public to the need for a unified regional approach. It does not seek to promote or in any way contribute to a weakening of federal assistance to other regions of the country. We are not looking for equity, we are looking for programs and funds which address our pressing needs. We don't believe that all the solutions will be found in Washington, but we do believe that much more can and should be done through existing federal programs.

In an article recently published in Public Interest, Norton Long wrote that "a nation of sick cities is a sick nation". The quote echos statement made by President Franklin Roosevelt when he embarked on a number of regional economic programs which brought the South and Southwest into the economic mainstream of the nation. The economically healthy regions paid for that development and it was money well invested.

The federal government again need to invest its' vast resources in an economically troubled area-as does the private sector for equally self-serving reasons.

Organizations such as the Congressional Coalition, the Conference of Northeastern Governors, and the private sector oriented Council for Northeast Economic Action have begun the process of educating policy makers to the need for a re-evaluation of national priorities. That effort now must be expanded to the private sector as well.

This Conference today is an encouraging sign that the business sector shares the Coalition's deep concern over the state of our regional economies, and more specifically the future of our cities. I know I speak for the entire membership of the Coalition in stating that we look forward to working closely with the Conference Board and its' membership in developing innovative and responsible solutions to the many economic and social problems which plague our major cities, and industrial regions.

THE BATTLE FOR FEDERAL SPENDING

The state of the s	Spend- ing per person	Taxes per person	Spend- ing-taxes ratio	Dollar flow (in millions)
New England	1, 470	1, 533	0.96	-762
Maine	1, 206 1, 399 1, 360 1, 456 1, 342 1, 663	1, 075 1, 399 1, 167 1, 535 1, 457 1, 800	1. 12 1. 00 1. 17 . 95 . 92 . 92	139 1 91 -462 -107 -425
Mid-Atlantic	1, 325	1, 594	. 83	-10, 013
New York New Jersey Pennsylvania	1, 449 1, 154 1, 241	1, 636 1, 760 1, 426	. 89 . 66 . 87	-3, 392 -4, 436 -2, 185
Great Lakes	1, 065	1, 500	.71	-20,777
Ohio Indiana Illinois Michigan Wisconsin Minnesota Iowa	1, 010 1, 027 1, 230 996 966 1, 144 970	1, 441 1, 411 1, 704 1, 539 1, 331 1, 382 1, 405	.70 .73 .72 .65 .73 .83 .69	-4, 634 -2, 036 -5, 290 -4, 971 -1, 686 -934 -1, 249
U.S. total	1, 412	1, 412	1.00	0

Source: "National Journal," June 26, 1976.

PUBLIC WANTS PRIVACY SAFE-GUARDS TO BE APPLIED TO PRI-VATE SECTOR RECORDS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, a recent Harris poll reports that a 75- to 10-percent majority of Americans thinks it is important for the Government to enact legislation similar to the 1974 Privacy Act on Federal Government records, which would lay down rules for the way business and other private organizations should deal with information they have collected about their customers, employees, and other individuals.

Furthermore a 67- to 24-percent majority agrees that Americans begin surrendering their privacy the day they open their first charge account, take out a loan, buy something on an installment plan, or apply for a credit card.

Also a 60-percent majority thinks there should be no computer storage of a complete record of all the telephone calls made from a particular telephone num-

The public clearly wants privacy safe-guards, now applied to Federal Government records on individuals by the Privacy Act of 1974, to be extended to the private sector.

The application of such safeguards to the private sector, as well as State and local governments, is what the Privacy Protection Study Commission was set up to study by the Privacy Act of 1974. Representative Barry M. GOLDWATER, JR., and I were the prime cosponsors of the Privacy Act of 1974 and are proud to have been named as the congressional appointees to the Commission. After 2 years of extensive hearings and study the Commission will issue its final report on June 10, 1977.

At that time BARRY M. GOLDWATER, JR., and I intend to introduce legislation implementing recommendations of the

Commission. This legislation will provide proper privacy safeguards for records in such fields as consumer credit, banking, insurance, education, medicine, employment, and research and statistics.

The Harris survey asked a national cross section of 1,522 adults the following questions:

"Some people say that Americans begin surrendering their privacy the day they open their first charge account, take out a loan, buy something on the installment plan or apply for a credit card. All in all, do you tend to agree or disagree with this statement?"

Surrender of privacy in personal finances [In percent]

Total public:	1977	1976	1974
Agree	. 67	47	48
Disagree	24	47	43
Not sure	9 '	6	9

"Do you believe that personal information about yourself is being kept in some files somewhere for purposes not known to you, or don't you believe this is so?"

Information on file for purposes unknown [In percent]

Total public:	1977	1976	1974
Believe	. 54	48	44
Don't believe	. 32	43	44
Not sure	. 14	9	12

"Do you feel threatened in any way by having information about yourself in some files, or don't you feel threatened by that?"

Feel threatened by information on file [In percent]

1			
Total public:	1977	1976	1974
Feel threatened	. 32	27	23
Don't feel threatened	62	69	75
Not sure	. 6	4	2

"Now I'd like to ask you about some types of information that have been suggested for collection and storage in computers. For each, would you tell me how long that type of information should be kept in the computer before it is erased—one year, five years, 10 years, 25 years, or a person's whole life-time, or should it never be stored at all?"

Time period information on individuals should be stored in computer

Median time period (in years) Political affiliations and association of a person, never.

Complete record of all calls made from a

particular number, never.
Police records of any person arrested on suspicion of a crime, 1.

Results of psychological tests, 1.

Intelligence test scores, 3.

A complete history of a person's traffic violations 3.

Complete credit information about a person. 5.

Weapons owned by an individual, 5. Mental health record of an individual, 6. A student's academic record, 8.

A worker's employment record, 10.

Police records of any person arrested and then convicted of a crime, 25 or over.

An individual's medical record, lifetime.

DAR BIRTHDAY-72 YEARS

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, this month, the White Plains Chapter of the Daughters of the American Revolution celebrates its 72d birthday. The work that these women do to preserve and improve the environment is outstanding and they are indeed to be commended. In conjunction with the birthday celebration, Betty Lewendon of the Reporter Dispatch recently wrote an article which I would like to share with my colleagues:

WHITE PLAINS DAR MARKS 72D YEAR

(By Betty Lewendon)

A salute from the Daughters of the American Revolution's new state regent, Mrs. Robert H. Tapp of Bronxville, brought an added fillip to a festive occasion—the 72d birthday luncheon of the DAR's White Plains Chapter.

'On behalf of the New York State organization, I congratulate you on your outstanding achievements through the years, Mrs. Tapp told the women, gathered for the occasion at the Larchmont Shore Club. White Plains Chapter members have served both the state and national society with dedication and distinction . . ." Mrs. Tapp, who begins her post as state regent this month, was guest of honor at the fete, which drew a number of the organization's state

In addressing the group, Mrs. Tapp re-called the history of the DAR, touching on the work of its numerous committees. She noted particularly more than 10 million copies of the DAR manual for citizenship have been given free to prospective citizens.

"Causes which in the 1970s are considered the 'in' thing have had the concern and support of the DAR for many years," she said. "Conservation of natural resources, control of pollution of rivers and streams. beautification of our land, proper use of public lands, including national, state and local parks-for all of them DAR has had special programs . . ."

Mrs. Tapp said she was pleased at the

"great number of young people who are in-terested in DAR and who are applying for membership, indicating to me that we are in tune with our times. Our junior membership continues to grow with about onethird of those joining being under 35 years

Welcoming the women and introducing the special guests was Mrs. Denslow M. Dade, regent of the White Plains chapter. Guests included Mrs. William H. Sullivan Jr. of Scarsdale, honorary president general and honorary state regent; Mrs. Thurman C. Warren of Chappaqua, past vice president general and honorary New York State regent; and Mrs. Frank B. Cuff of White Plains, past corresponding secretary general and honorary state regent.

Also, Mrs. Eldon Wetmore of Tarrytown, director, District 9; Mrs. James B. Tobey of Peekskill, national vice chairman, DAR Good Citizens and regent of the Pierre Van Cortlandt chapter: Mrs. Randolph P. Leube Jr. of Hartsdale, New York State membership chairman; Mrs. Alfred Olsen of White Plains, state motion picture and television chairman: and Mrs. Carney Mimms of Bronxville, state chairman, girl homemakers,

Also, regents of other Westchester chapters, Mrs. Sal DeSimone of Tarrytown, director of the Westchester Regents Round Table; Mrs. Stanley R. Locke, Keskeskick Chap-Yonkers: Mrs. Charles E. Fruin, Anne Hutchinson chapter, Bronxville; Mrs. Louis Calderoni, Harvey Birch chapter, Scarsdale: and Mrs. Clarence W. Gursky, Gen. Jacob Odell chapter, Hastings-on-Hudson.

Recognized as former regents of the White Plains chapter, beginning with Mrs. Cuff who held office from 1946-48, were Mrs. Robert P. Smith, Mrs. Edwin A. Haverty, Mrs. Olsen, Mrs. Leube, Mrs. Philip W. Hustis and Mrs. Arthur L. Barton.

Among special guests were Mrs. James R. McKay, one of chapter's 50 year members and Mrs. Willard S. Mott, president of the Woman's Club of White Plains.

The program opened with a prayer by Mrs. David Hensle, chaplain of the regent, followed by the Pledge of Allegiance by Mrs. Arthur Warner, flag chairman. The president's message was read by Mrs. Leonard Wolfram and the national defense report was given by Mrs. Hustis.

Piano selections were played by Mrs. James Whitford of Staten Island, adviser to the DAR museum and state vice chairman of

THE KENNEDY ASSASSINATION: AND A CHILD SHALL LEAD THEM

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, sometimes our young people can see clearer, simpler, and more directly the answer to our problems than adults. This is the case with the remarkable insights of a paper done by 16-year-old Linda Widdows, of Yonkers, N.Y., on the Kennedy assassination. Her 11th grade paper entitled "What Really Happened on November 22, 1963?" places the doubts so many of us have about the accuracy and conclusiveness of the Warren report in beautiful perspective. Congressman BRUCE CAPUTO and I, who share representation of Yonkers, were so impressed with Linda's paper that we include it here for the benefit of our colleagues:

WHAT REALLY HAPPENED ON NOVEMBER 22, 1963?

(By Linda Widdows)

This paper is about the assassination of President John F. Kennedy and the controversy that still surrounds it.

On November 22, 1963 the President of the United States was assassinated. William Manchester, who wrote an extensive work

about that day said,
"Everything beyond the immediate scene looks as it did. Dallas, the country and the world has not had time to respond. But they are not the same, they can never be; the thirty-fifth President of the United States has been assassinated; John F. Kennedy is gone, and all he could do for his country is

Those few lines sum up the emotions of that day and many of the days that followed. People were stunned, the world came to a halt. It seemed such a senseless act, to kill such a great and important man. But it was done. And according to every history book, Lee Harvey Oswald had killed Kennedy. But is that really true?

The trip was a risk for Kennedy, especially Dallas. The big business men of Dallas did not like Kennedy. Assassination was on the minds of all of Kennedy's entourage, and Kennedy himself.2 But once they saw the cheering crowds, an assassination seemed less apt to happen.

At almost 12:30 P.M. (c.s.t.) the motorcade was coming to the end of its route. Just before the turn onto Houston, Mrs. Connally, who was in Kennedy's car, turned to Kennedy and said, "You sure can't say Dallas doesn't love you Mr. President." Kennedy replied, "No, you can't." After that brief conversation the President's car turned left onto Elm St., passing the Texas School Book Depository. About halfway down the street, and approximately five blocks from the end of the route, three shots rang out. The President and Governor John Connally were hit.

Footnote at end of article.

The President was killed.

There are many different versions of exactly what did happen. According to Jim Bishop, The Day Kennedy was Shot, shots were fired. The first bullet hit the street, and sprayed some spent shell grains and cement into spectator James Tague's face. The second shot hit Kennedy first. passed through his neck, and then traveled through Connally's back, chest, wrist and lodged in his left thigh. The third shot struck Kennedy, from behind, in the head and blew off part of his head taking some of his brain.5 Howard Brennan, who was watching from the corner of Elm and Houston, saw a man on the sixth floor of the TSBD with a rifle pointing in Kennedy's direction. He heard a rifle shot, saw the man re-aim and shoot again. He later identified the man as Lee Harvey Oswald.6

William Manchester, who wrote Death of a President, a book about Kennedy's assassination, wasn't even sure whether three bullets were fired. Three spent shells were found in the TSBD, but several witnesses very close to the scene, i.e., Mrs. Kennedy, Secret Service man Clint Hill and spectator Abe Zapruder, testified that they only heard two shots.7 Since only two bullets found their target, that seems logical. But how do we account for the shell grains and cement that hit

J. Tague?

Warren Commission, established by President Lyndon B. Johnson to investigate the assassination, does not state in their report which bullet actually hit Kennedy or Connally. Their conclusion is that most of the witnesses agreed that the third shot hit Kennedy in the head, although it is possible that the third shot missed, since at the time the car was quite a distance from the TSBD. The Warren Commission also states that the first shot could have missed because there was a tree obstructing the view of the assassin (provided the assassin was Oswald).8

One of the most controversial theories the Warren Comm. stood by is the theory that a single bullet injured Kennedy and Connally. With the particular gun Oswald was using, a bullet fired from it traveled at approximately 1,995 feet per second. They said, the bullet that first hit Kennedy in the neck exited at approximately 1,772-1,779 feet per second. Since it did not hit any bones or vital organs, it only slowed down 265 fps, and entered Connally's body at approximately 1,650 fps. The missile pierced his back, continued through his chest, went through his wrist and then lodged itself in Connally's left thigh.10

Many people have tried to disprove the single bullet theory, but to me that is not theory that should be tested. I believe the lone assassin theory is the questionable

theory

The lone assassin theory is also supported by the Warren Comm. They spent most of their time proving Oswald's mental instability as supporting evidence that he killed Kennedy. To me there is no doubt that Oswald was there, and probably fired shots but the facts show that it is almost impossible to have fired three shots in such a short

time, with such accuracy.

According to the Warren Comm. the estimated time between the first and last shot was 4.8 to 5.6 seconds. With the Mannlicher-Carcano C2766 rifle Oswald used, it takes approximately 2.3 seconds to operate the bolt and fire a shot. But when the Warren Comm. had three experts fire the rifle three times, two could only hit the target once and one hit it twice. This is a major fault in the Comm.'s report. The expert's shots were fired in the correct amount of time, equaling wald's, but they did not match the results of the assassin's bullets. The Comm. claimed that occurred because the marksmen were not familiar with the rifle. The Comm. stated that if the marksmen had practiced as Oswald had, then they would have been able to fire the shots and hit the target accurately."

Although that is conceivable, the fact that Oswald would have had to re-aim in that amount of time makes the conclusion doubtful. H. Brennan, chief witness for the War-Comm., stated he saw Oswald take deliberate aim after the first shot.12 This testimoney makes the Warren Comm.'s marksmen's tests, which depended on aiming only once, inconclusive.

All the arguments I have presented so far I feel are just simple questions that a defense attorney might have raised. But there are other questions that can be asked about the Warren Comm's conclusions.

The People's Almanac states that Oswald was in collusion with a CIA agent who was Working undercover on the second invasion of Cuba, which was against Kennedy's orders. He supposedly also knew an undercover FBI agent, and had his confidential telephone number. There was also another CIA agent in New Orleans who was running arms for the invasion of Cuba who Oswald allegedly knew.13 All of that seems unlikely and possibly irrelevant, but the Almanac also states that some people heard one shot come from in front of Kennedy. Two of the motorcade's motorcycle escorts drove up the "grassy knoll" and saw a policeman there. They thought the area was covered. "Pictures taken minutes later showed a man dressed as an officer leaving the grassy knoll area. His uniform was unlike those worn by the Dallas Police Force that day. His weaponry and other specifics also differed sharply from those of the officers in Dealey Plaza that day, indicating that this man was not an officer at all. This has yet to be fully investigated.14 Could that officer have been an accomplice of Oswald's? Why weren't the two officers called to testify before the Warren Comm.?

The Almanac also states that according to the Zapruder films of the assassination, Kennedy's head clearly moved backwards at the moment of impact. 15 This would support the conclusion that he was hit from in front, not from behind by a second party. We will probably never know. Strangely, within three years after the assassination, eighteen material witnesses died. "Six died by gunfire, three in motor accidents, two by suicide, one from a cut throat, one from a karate chop in the neck, three from heart attacks and two from natural causes. An actuary engaged by the London Sunday Times concluded that on November 22, 1963, the odds against every one of these witnesses' being dead by February, 1967 were one hundred thousand trillion to one." ¹⁶ Those deaths point to a conspiracy to cover up the truth. If this is true, we the people, of the U.S. and the world, deserve to know.

In every History book, written or revised fter 1964, it is stated that Lee Harvey Oswald killed Kennedy. Some of them don't even agree with the Warren Comm. on which bullet hit who. The book American Assassins claims that the first bullet pierced Kennedy's throat. The second hit Connally and the third hit Kennedy's head.17 What did she know that the Warren Comm. didn't know? Or is everything just speculation.

The Warren Comm's report was finished in ten months.18 They supported the lone assassin, single bullet theories. And after reading their report I find it is too pat, and too simple to believe. I believe Lee Harvey Oswald was there and may have even fired shots but I also believe he was not alone.

In this report I have shown you the evidence for and against the theory that Os-wald acted alone. I believe Oswald was part of a conspiracy. There seems to be enough doubt about the thoroughness of the Warren Comm's investigation to warrant a new probe by the House Assassination Commit-tee. If this investigation occurs we may finally put to rest the questions still unan-In conclusion I must say I believe swered. there was a seemingly incomplete investiga-

tion by the Warren Commission that made it look like a cover-up.

However, I think you can compare the incomplete work of the Warren Commission and former President Gerald Ford's pardon of Richard Nixon. Ford realized how damaging a full investigation of Nixon's actions would be to this country, and after all the Watergate talk he wanted to get the country going in a positive direction, not pondering old problems. I believe the same motives governed the investigation of Kennedy's assassination. The country was sad and shock and the implications of a conspiracy could have shaken the foundations of our government. So the Warren Commission wrapped up the investigation quickly and the blame on Oswald. It was easy for them, he was dead. No one could speak in his defense. They found a way to satisfy the curiosity of the American people without causing chaos as a thorough investigation might have. But this is 1977 and I feel we can take the truth and face it without major disorder. I feel we must know what really happened on November 22, 1963.

FOOTNOTES

1 William Manchester, The Death of a President, (New York: Harper and Rowe, 1967), p. 160

² Jim Bishop, The Day Kennedy was Shot, (New York: Funk and Wagnalls, 1968),

3 Manchester, The Death of a President,

World Book Encyclopedia, 1968 ed., s.v. "Kennedy, John Fitzgerald," by Eric Sevaried. 5 Bishop, The Day Kennedy was Shot, pp. 172-177

⁶ Ibid., p. 164.

- Manchester, The Death of a President, p. 155.
- 8 The Presidents Commission on the Assassination of President Kennedy, by Earl Warren, Chairman (Washington, D.C.: U.S. Government Printing Office, 1964), pp. 111-117.

Ibid., pp. 105-107.

¹⁰ Ibid., pp. 92–95. ¹¹ Ibid., pp. 193–195.

Bishop, The Day Kennedy was Shot, p.

18 Bill Carero and Rusty Rhodes, People's Almanac: Assassinations, (New York; Doubleday and Company, 1975), pp. 600-601.

14 Ibid., pp. 599-600. 15 Ibid., p. 599. 16 Ibid., p. 601.

17 Jo Anne Ray, American Assassins (Min-Lerner Publications Company, neapolis: 1974), p. 82.

18 The President's Commission on the As-

assination of President Kennedy, by Earl Warren, Chairman, Cover Page.

BIG PAYMENTS TO RICE GROWERS

(Mr. FINDLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FINDLEY. Mr. Speaker, if any among us think rice is a bargain they should take a closer look.

The current Federal rice program was modeled basically after the Agriculture and Consumer Protection Act of 1973instituting target prices, deficiency payments when the average market price during the first 5 months of the marketing year falls below the target price. Commodity Credit Corporation loans, and disaster payments.

Structurally, the current rice law is generally sound. But the mischief with rice-which has proven so costly to American taxpayers—is that the loan rate, the target price, and the limitation on deficiency payments to individual producers are set so high that they seriously interfere with the proper functioning of the marketplace.

It is a simple fact that the Federal Government has taken title to a glut of rice with a loan rate in the neighborhood of \$6 per hundredweight. For example, the domestic rice surplus grew from 7.1 million hundredweight in Augst 1975 to 36.9 million hundredweight in August 1976, and is expected to be around 45 million hundredweight by August 1977. Commodity Credit Corporation inventories now account for more than half of the total rice surplus.

The target price for rice is \$8.25 per hundredweight—\$1.70 more than the \$6.55 per hundredweight price for rice during the first 5 months of the marketing year. As a result, deficiency pay ments for the 1976 rice crop are expected to reach \$140 million.

The maximum deficiency payment an individual rice producer can get is a staggering \$55,000—nearly three times the \$20,000 aggregate payment limitation established by Congress in 1973 for wheat, feed grains, and cotton. It seems to me that an aggregate payment limitation of \$20,000 for all crops is ample. In fact, it strikes me as more than ample in light of what the average American family earns in a year's time-about \$14,000. Only about a fourth of all U.S. families have an annual income in excess of \$20,-000. A \$55,000 income exceeds the income of 99 percent of all families in the United States.

But a computer printout prepared by the Department of Agriculture lists nearly 1,000 rice producers, each of whom has received 1976 rice deficiency payments of \$20,000 or more. To date, 81 have received the maximum \$55,000 payment allowed under the law. And the list is far from complete since only about 60 percent of the total anticipated dollar amount of 1976 rice deficiency payments has been recorded.

It is worth noting, too, that the Department of Agriculture list reveals over a hundred instances of two or more individuals claiming rice payments in excess of \$20,000—each living in the same county, and each having the same last name. In one case there are six such individuals. And in a number of cases, to carry the seeming coincidence a step further, the dollar amount of the payments to such individuals is identical, or nearly identical.

The Carter administration wisely refers to deficiency payments as "income support." Deficiency payments are nothing other than farm family income support, authorized when economic forces cause the income of the farmer to go down below established Federal "target" levels. When the target price is too high, Government costs go up.

What all of this boils down to is that the days of huge farm payments for rice are not over. The pennies Americans may be saving as rice consumers are largely offset by the increased taxes they must pay to underwrite the Federal rice program.

One of my objectives is to bring rice program support levels and criteria into conformity with other Federal commodity programs. On April 6, 1977, I offered separate amendments in the Agriculture Oilseeds and Rice Subcommittee to achieve this objective by lowering the rice loan rate to \$5.19 per hundredweight, lowering the rice target price to \$7.40 per hundredweight, and lowering the rice deficiency payment limitation to \$20,000. All of these amendments were defeated. The subcommittee failed the test.

Sooner or later the test must come on the floor of the House. Success can come only with the support of my colleagues; and I believe the best way to generate this support is by getting the facts out in the open.

Taxpayers are entitled to know exactly who got payments in excess of \$20,000.

I have checked with the U.S. Government Printing Office, and have been informed that the Department of Agriculture's list of persons receiving rice deficiency payments in excess of \$20,000 will fill approximately 5½ pages in the Congressional Record at a cost of \$1,771. Notwithstanding the cost, I include the list to be printed in its entirety at this point in the Record:

1976 RICE PAYMENTS IN EXCESS OF \$20,000 The attached listing includes 1976 rice producers who received such payments. This listing is incomplete since only about 60% of the anticipated dollar amount of such payments have been recorded.

Payments to producers who received payments from more than one county have been consolidated and that producer is shown in the State/County which issued the largest

Producers reported as exempt are rice producers exempt from the \$55,000 payment limitation per Rice Production Act of 1975, Section 102, 13D.

RICE DEFICIENCY PAYMENT, 1976 ARKANSAS, ARK.

ALLANDAD, ALL.	
Producer name	Amount
Lloyd R. Baker	\$24, 237. 61
Clayton Baker	24, 237. 63
Charlie P. Chaney	22, 033. 07
Charles Currie	28, 535. 35
M. E. Black Dunklin	42, 651. 15
Dan Eldridge	20, 765. 53
Leon J. Garot	23, 642. 80
Tommy Hillman	30, 442. 48
James P. Knoll	21, 457. 05
David Knoll	25, 697. 27
R. B. Oliver	25, 005. 40
Adolph Renschler	34, 479. 69
Stella B. Smith	38, 420. 17
Floyd Turner	26, 203. 76
Julius Wegert	22, 647. 79
J. Lawrence Wilson	20, 558. 71
Farelly Lake Co	22, 492.00
Hornbeck Grain Farms, Inc	*31, 599, 41
Raymond Meins Farms, Inc	26, 244. 04
Sunset Farms, Inc	48, 452. 24
Rodgers Bros. Planting Co., Inc	21, 170, 09
S. E. J. Farming, Inc.	22, 420. 51
Lepine Farms, Inc	26, 916. 12
Lumsden Farms, Inc	36, 200. 14
Little Prairie Farms, Inc	23, 861. 49
Elmer Ferguson Farms, Inc	27, 360. 29
Hartz Seed Co	50, 857. 63
ASHLEY, ARK.	
Rodrick F. Atkins	26, 320. 85
R. D. Selby	25, 784, 41
Fischer Farms	28, 508. 36
CHICOT, ARK.	
Carol O. Powell	22, 290. 15
Clifton M. Powell	22, 290. 14

	11100
Yellow Bayou Pit, Inc	\$20, 467, 07
Baugh Farms, Inc	42, 894. 94
CLARK, ARK.	
Howard Cox	27, 556, 91
CLAY, ARK.	21,000.01
Harold Bauschlicher	00 100 00
Ethan Dodd	20, 182. 22 42, 276. 33
Sellmeyer Brothers	21, 517. 02
CRAIGHEAD, ARK.	21,011.02
Joe L. Burns	00 000 05
A. B. Clark, Sr	22, 038, 85 34, 454, 80
Artie L. Flannigan	23, 646, 93
Robert Johnson	43, 587, 01
Wilson and Sons	23, 354, 90
Agman Inc	27, 969. 92
Craighead Rice Mlg., Co	55, 000. 00
CRITTENDEN, ARK.	
Ray H. Pulliam	48, 589. 89
CROSS, ARK.	
Wayne Ball	25, 603. 24
Guy Beene	36, 149. 83
Kenneth Chapman	24, 913. 38
C. T. Gibbs	24, 213. 44
Albert HessFay Imboden	34, 172. 72
Deloss McKnight	30, 420. 06
Noel Morris	22, 184. 93 23, 547. 98
Robert H. Winters	24, 039, 12
Ralph Wood	23, 134. 94
Imboden Farms, Inc.	32, 961. 47
L. R. Wilson Farms, Inc	30, 240. 81
Vaught Farms, Inc.	26, 420. 74
Woodlawn Farm, Inc Loewer Oaks Farms, Inc	22, 499. 94
Hickory Ridge Rice Farms, Inc.	23, 032, 62 20, 465, 84
Taylor Seed Farms, Inc	34, 534. 16
DESHA, ARK.	01,001.10
Delta Land Corp	01 445 50
Baxter Land Co	21, 445. 52 36, 863. 72
DREW, ARK.	50, 600. 12
Holt Farms, Inc.	00 000 15
Reinhart Farms	22, 939, 15
	20, 170. 07
JACKSON, ARK.	
Morris L. Bowman	22, 136. 58
Franklin Keel	49, 052, 49 20, 614, 72
C. C. Lowery	24, 255. 21
Chas. J. Peacock	33, 483. 25
Jimmy Winemiller	27, 946. 69
Bullington Farms, Inc.	20, 367, 12
Village Creek Planting Co	26, 291. 83
Paul Bennett	31, 934. 01 30, 510. 99
W W Carlton and Sone	30, 776. 67
Madden and Sons	40, 358. 13
	37 189 50
R. D. Wilmans and Sons	55,000,00
Delphia Wilson Est	21, 365, 47
Hare Planting Co., Inc Nicholson Farms, Inc	21, 194, 45
Rutledge Farms, Inc	23, 944. 86
JEFFERSON, ARK.	-0,011.00
R. S. Barnett	95 011 70
James D. Ford	20, 392. 88
Clint Henderson	21, 813. 53
Cornerstone Farm and Gin Co	29, 151, 55
B. J. Altheimer Tstmtry. Trstee	21, 852. 24
B. J. Altheimer Foundation	21, 852. 24
Arkansas Dept. of Correction (exempt)	100 004 15
R. and D. Farms, Inc.	122, 304. 17 27, 276. 93
Wessels Bros., Inc	33, 469. 97
Wessels Bros., Inc	27, 747. 40
General American Enterprises	23, 022. 68
LAFAYETTE, ARK.	
Daugherty Farms, Inc	24, 156. 36
LAWRENCE, ARK.	- 3
	20, 992. 76
Carl E. Phillips	20, 425, 30
Minturn Farm, Inc	21, 905. 62
LEE ARK	
Raymond Ealey	33, 343. 14
John Frickers, Jr	38, 895. 60
John R. Ray Farms, Inc.	

LINCOLN, ARK.		WOODRUFF, ARK.		Alfred Goebel	\$23, 483, 19
Grassy Lake Farm, Inc	\$46, 098. 45	J. A. Wampler	823, 447, 30	Dunell Hurlburt	41, 295. 89
Henry E. Sparks		Charles Wampler	23, 447. 27	Harry T. Jones	43, 547. 69
Carnahan Trust		James and Sons Co		Robert D. Jones	43, 547. 69
Lynn Eagle and Son Farms, Inc.		Gum Ridge Corp Taggart and Taggart, Inc		George Lieberman	55, 000. 00 20, 690. 90
Dreher Farms, Inc			50, 528. 24	Leroy Maben	55, 000.00
	21, 505.01	BUTTE, CALIF.	00 101 07	Warren E. McCracken	22, 985. 73
LONOKE, ARK.	04 451 04	August Boeger, Jr		John McGinnis	21, 453. 85
William J. Fletcher, Jr	34, 451. 94 21, 694. 46	August G. Boeger, III		James A. McGinnis	21, 344. 15
Carl Garrich		Jack Bonslett		Clay McGowan	28, 226. 19
Shannon A. Hovis		Clinton W. Evans		Bob McGowan	55, 000. 00 55, 000. 00
Lavern Isbell		A. O. Fenn		Chas. H. Michael	50, 066, 65
Robert Murray		C. D. Gibson		Jean B. Miner	22, 745. 39
Bernie Parker		Sharon Gore		Peter R. Mirande	34, 358. 79
Earl E. Perkins		Sam Gridley, Jr		Douglas H. Montz	32, 563. 57
John E. Tull, Jr		Darrell W. Kister		Robert Montz	32, 563. 55
Luchen Walls		Arthur Lindberg, Sr		Florence S. Nelson	32, 144. 59
Thomas Ray Wilson		Arthur F. Lindberg, Jr.		Chas. E. Newton, Jr	50, 489. 37 38, 362. 18
K. Ron Ranch, Inc	20, 025. 03	James S. Sligar		Joe D. Perez	27, 435. 77
J. O. Bennett & Sons, Inc		Birdie C. Vanderford		E. J. Saal, Jr	31,072.18
George A. Smith Farms, Inc		Gardensherr, IncGraco Ag, Inc		Jerry Southam	49, 641. 80
Peterson Family Ent, Inc.		Walter L. King, Est		Leo A. Spooner	24, 842.39
Perry Smith & Son, Inc		Sohnrey Ranches, Inc.		Robert Thun	25, 446. 09
Geridge Farm, Inc.	24, 451. 46	Skinner Ranch, Inc	55, 000. 00	H. W. Thurman Dean Weems	41,052.79
Joe B. Goacher Farms, Inc		Fenn Land Co		Elwood Weller	30, 719. 85 48, 942, 83
Snider Farms, Inc	22, 136. 19	Rio Bonito Ranch, Inc.		James Withrow	32, 021. 25
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Lee Wilson and Co		M & T, Inc		Marin & Mason, Inc	50, 421. 22
MONROE, ARK.		COLUSA, CALIF.		Circle K Farms	55, 000. 00
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Raymond Carl Gilbrech		Elizabeth Armstrong		Bar Jay Dee, Inc.	27, 010, 16
Roland Nash		Arch CampbellEugene Corbin		Southam Farms, Inc	37, 519, 67
Ray Townsend Farm, Inc	23, 475. 86	A. F. Detlefsen		Gladney Co., Inc.	40, 113. 08
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F. H. Tolar and Son	20, 506. 88	Vernon Eriksen	34, 846. 99	B & J Farms, Inc.	55, 000. 00
Highland Lake Farm	22, 596. 30	Lucius F. Fitch		Simson Land & Livestock Co	27, 283. 16
Howe Lumber Co., Inc	55, 000. 00	A. E. Garr		Roy W. Otterson Ranch	55, 000. 00 55, 000. 00
POINSETT, ARK.		E. G. Gassaway			55, 000.00
William Block, Jr.		R. L. Johnson		KERN, CALIF.	FO 105 05
Robert Bornhoft		Louis Kaelin		Costerisan Farms	50, 135. 65
Harry Brown		David Kalfsbeek		MERCED, CALIF.	
Lloyd Ray Evans		Kenneth Keller	34,778.84	Joseph Hoffknecht	34, 504. 92
Ron Hogue		Roy E. Kitts	20,004.40	Earl W. Rieke Wilton C. Rieke	33, 705. 97 33, 705. 97
Dale Glen Houchin	27, 096. 89	Vic Lagrande		Lloyd Roduner	
Joe Scott		Ray Ottenwalter	27, 500. 00	Richard Roduner	22, 345. 63
Fowler Wolf		Dolores Ottenwalter	27, 500.00	Nordman & Sons	55, 000. 00
Herbert Ziegenhorn		Raymond A. Sharp	22, 036. 22	Otterson Ranch, Inc.	55, 000. 00
Maddox Inc		Louis Tauscher	28, 880. 59	Rieke Bros., Inc	22, 470. 63
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Willard Wilson FMS, Inc	45, 100. 35	Gunnersfield Ent	55, 000. 00	PLACER, CALIF.	The service
L. J. S. Farms, Inc.	55, 000. 00	Poundstone Trust		Morgan Chambers	55, 000.00
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PRAIRIE, ARK.	20,000,00	Andre & E. R. Leroy		Robert S. Green	27, 903. 55 36, 128. 86
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E. Eugene Milton		Des Jardins Bros	38, 485. 25	Fred A. Paulus	31, 620. 51
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A. B. Malkin, Jr		Leon H. Davis		J. W. Saunders & Sons, Inc	55, 000. 00
Wheatley Mill and Gin Co. Farm_		Robert Dillard		Wilson Lovvorn	42, 663. 54
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Conaway Farms, Inc		Klein Acres, Inc		Wally Welshans, Inc.	21, 419.98
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River Garden Farms	55, 000. 00	Joe Leonards	26, 772. 52	A. R. Mann. Jr.	21, 293, 16
J. V. Sills Est		Glenn Litteral	20, 740. 94	Delata & Pine Land Co	55, 000. 00
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		Phil McMillin	20, 783. 88	Adon Farm, Inc	24, 055. 36
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		Rodney Roche	23, 448. 42	COAHOMA, MISS.	
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John Ferguson		Outo Divanta	20, 111.00	A. and L. Farms, Inc	28, 119, 94
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Phillip Sonnier	21, 834, 30			Weston J. Abshire, Inc.	23, 766. 76
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Larry Allen Vail	23, 663. 70	Milbert St. Amant		Everett Anderson	55, 000. 00
Bob Wilson, Inc	34, 603. 96	Chester Sylvester	38, 497. 38	N. E. Beckendorff	22, 967, 97
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Cameron, La. Clifford Broussard	22, 690. 25 21, 904. 72 29, 272. 85 21, 250. 32	Loylis & Gary Duhon VERMILION, LA.	25, 076. 25	Thomas Taylor	45, 316, 56 29, 135, 55
CAMERON, LA. Clifford Broussard	22, 690. 25 21, 904. 72 29, 272. 85 21, 250. 32 21, 250. 32	Loylis & Gary Duhon VERMILION, LA. John B. Baker Elry Detraz	25, 076. 25 28, 650. 87	Thomas Taylor	45, 316, 56 29, 135, 55 32, 776, 05
Cameron, La. Clifford Broussard	22, 690. 25 21, 904. 72 29, 272. 85 21, 250. 32 21, 250. 32 21, 250. 52	Loylis & Gary Duhon VERMILION, LA. John B. Baker Elry Detraz E. A. Freeland	25, 076. 25 28, 650. 87 28, 112. 69	Thomas Taylor	45, 316, 56 29, 135, 55 32, 776, 05 20, 473, 61
CAMERON, LA. Clifford Broussard	22, 690. 25 21, 904. 72 29, 272. 85 21, 250. 32 21, 250. 32 21, 250. 52	Loylis & Gary Duhon VERMILION, LA. John B. Baker Elry Detraz E. A. Freeland Leo Guidry	25, 076. 25 28, 650. 87 28, 112. 69 23, 463. 44	Thomas Taylor	45, 316, 56 29, 135, 55 32, 776, 05 20, 473, 61
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CAMERON, LA. Clifford Broussard	22, 690. 25 21, 904. 72 29, 272. 85 21, 250. 32 21, 250. 32 21, 250. 52 29, 955. 58 27, 544. 13	Loylis & Gary Duhon VERMILION, LA. John B. Baker Elry Detraz E. A. Freeland Leo Guidry Carl Hoffpauir Eddie Lege Rixby Marceaux Leonard M. Mayard	25, 076. 25 28, 650. 87 28, 112. 69 23, 463. 44 22, 141. 78 20, 452. 71 36, 719. 44 21, 489. 41	Thomas Taylor W. A. Virnau & Sons Farms, Inc. BOWIE, TEX. Eddie Blackmon, Jr	45, 316, 56 29, 135, 55 32, 776, 05 20, 473, 61 27, 251, 71 28, 911, 12 31, 178, 49 34, 074, 72
CAMERON, LA. Clifford Broussard	22, 690. 25 21, 904. 72 29, 272. 85 21, 250. 32 21, 250. 32 21, 250. 52 29, 955. 58 27, 544. 13	Loylis & Gary Duhon VERMILION, LA. John B. Baker Elry Detraz E. A. Freeland Leo Guidry Carl Hoffpauir Eddie Lege Rixby Marceaux	25, 076. 25 28, 650. 87 28, 112. 69 23, 463. 44 22, 141. 78 20, 452. 71 36, 719. 44 21, 489. 41	Thomas Taylor W. A. Virnau & Sons Farms, Inc. BOWIE, TEX. Eddie Blackmon, Jr BRAZORIA, TEX. Adolph A. Alloy William D. Blackwell Ivy Boullion Donald Joe Bulanek Frank Cobb Coale D. C. Die, Jr	45, 316, 56 29, 135, 55 32, 776, 05 20, 473, 61 27, 251, 71 28, 911, 12 31, 178, 49 34, 074, 72 20, 143, 15
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CAMERON, LA. Clifford Broussard	22, 690. 25 21, 904. 72 29, 272. 85 21, 250. 32 21, 250. 52 29, 955. 58 27, 544. 13 20, 220. 49 29, 302. 24	Loylis & Gary Duhon VERMILION, LA. John B. Baker Elry Detraz E. A. Freeland Leo Guidry Carl Hoffpauir Eddie Lege Rixby Marceaux Leonard M. Mayard Leopold Noel Milton Reese	25, 076, 25 28, 650, 87 28, 112, 69 23, 463, 44 22, 141, 78 20, 452, 71 36, 719, 44 21, 489, 41 20, 336, 62 27, 821, 83	Thomas Taylor W. A. Virnau & Sons Farms, Inc BOWIE, TEX. Eddie Blackmon, Jr. BRAZORIA, TEX. Adolph A. Alloy William D. Blackwell Ivy Boullion Donald Joe Bulanek Frank Cobb Coale D. C. Die, Jr. Charles R. Fonville Jacko Garrett	45, 316, 56 29, 135, 55 32, 776, 05 20, 473, 61 27, 251, 71 28, 911, 12 31, 178, 49 34, 074, 72 20, 143, 15 26, 571, 80 28, 489, 61
CAMERON, LA. Clifford Broussard	22, 690. 25 21, 904. 72 29, 272. 85 21, 250. 32 21, 250. 52 29, 955. 58 27, 544. 13 20, 220. 49 29, 302. 24 23, 265. 99	Loylis & Gary Duhon VERMILION, LA. John B. Baker Elry Detraz E. A. Freeland Leo Guidry Carl Hoffpauir Eddie Lege Rixby Marceaux Leonard M. Mayard Leopold Noel Milton Reese Louis Trahan, Jr	25, 076. 25 28, 650. 87 28, 112. 69 23, 463. 44 22, 141. 78 20, 452. 71 36, 719. 44 21, 489. 41 20, 336. 62 27, 821. 83 20, 352. 76	Thomas Taylor W. A. Virnau & Sons Farms, Inc BOWIE, TEX. Eddie Blackmon, Jr BRAZORIA, TEX. Adolph A. Alloy William D. Blackwell Ivy Boullion Donald Joe Bulanek Frank Cobb Coale D. C. Die, Jr Charles R. Fonville Jacko Garrett James Gless	45, 316, 56 29, 135, 55 32, 776, 05 20, 473, 61 27, 251, 71 28, 911, 12 31, 178, 49 34, 074, 72 20, 143, 15 26, 571, 80 28, 489, 61 41, 056, 53
CAMERON, LA. Clifford Broussard C. H. Precht Daryll Todd Donald Todd Jared Todd. Klondike Rice Irrigation EAST CARROLL, LA. W. P. Tomlinson EVANGELINE, LA. Kern Ardoin Rheinhard Beiber James E. Brunet Elridge Christ	22, 690. 25 21, 904. 72 29, 272. 85 21, 250. 32 21, 250. 52 29, 955. 58 27, 544. 13 20, 220. 49 29, 302. 4 23, 265. 99 23, 695. 38	Loylis & Gary Duhon VERMILION, LA. John B. Baker Elry Detraz E. A. Freeland Leo Guidry Carl Hoffpauir Eddie Lege Rixby Marceaux Leonard M. Mayard Leopold Noel Milton Reese	25, 076. 25 28, 650. 87 28, 112. 69 23, 463. 44 22, 141. 78 20, 452. 71 36, 719. 44 21, 489. 41 20, 336. 62 27, 821. 83 20, 352. 76	Thomas Taylor W. A. Virnau & Sons Farms, Inc BOWIE, TEX. Eddie Blackmon, Jr. BRAZORIA, TEX. Adolph A. Alloy William D. Blackwell Ivy Boullion Donald Joe Bulanek Frank Cobb Coale D. C. Die, Jr. Charles R. Fonville Jacko Garrett	45, 316, 56 29, 135, 55 32, 776, 05 20, 473, 61 27, 251, 71 28, 911, 12 31, 178, 49 34, 074, 72 20, 143, 15 26, 571, 80 28, 489, 61 41, 056, 53
CAMERON, LA. Clifford Broussard	22, 690. 25 21, 904. 72 29, 272. 85 21, 250. 32 21, 250. 52 29, 955. 58 27, 544. 13 20, 220. 49 29, 302. 4 23, 265. 99 23, 695. 38	Loylis & Gary Duhon VERMILION, LA. John B. Baker Elry Detraz E. A. Freeland Leo Guidry Carl Hoffpauir Eddie Lege Rixby Marceaux Leonard M. Mayard Leopold Noel Milton Reese Louis Trahan, Jr Robert D. Trahan	25, 076. 25 28, 650. 87 28, 112. 69 23, 463. 44 22, 141. 78 20, 452. 71 36, 719. 44 21, 489. 41 20, 336. 62 27, 821. 83 20, 352. 76 22, 238. 23	Thomas Taylor W. A. Virnau & Sons Farms, Inc. BOWIE, TEX. Eddie Blackmon, Jr. BRAZORIA, TEX. Adolph A. Alloy. William D. Blackwell. Ivy Boullion. Donald Joe Bulanek. Frank Cobb Coale. D. C. Die, Jr. Charles R. Fonville. Jacko Garrett. James Gless. Bill Hammond.	45, 316, 56 29, 135, 55 32, 776, 05 20, 473, 61 27, 251, 71 28, 911, 12 31, 178, 49 34, 074, 72 20, 143, 15 26, 571, 80 28, 489, 61 41, 056, 53 26, 637, 93
CAMERON, LA. Clifford Broussard C. H. Precht Daryll Todd Donald Todd Jared Todd Klondike Rice Irrigation EAST CARROLL, LA. W. P. Tomlinson EVANGELINE, LA. Kern Ardoin Rheinhard Beiber James E. Brunet Eiridge Christ Herline Duplechain	22, 690. 25 21, 904. 72 29, 272. 85 21, 250. 32 21, 250. 52 29, 955. 58 27, 544. 13 20, 220. 49 29, 302. 24 23, 265. 98 23, 695. 38 24, 206. 10	Loylis & Gary Duhon VERMILION, LA. John B. Baker Elry Detraz E. A. Freeland Leo Guidry Carl Hoffpauir Eddie Lege Rixby Marceaux Leonard M. Mayard Leopold Noel Milton Reese Louis Trahan, Jr Robert D. Trahan. Godfrey Vincent	25, 076. 25 28, 650. 87 28, 112. 69 23, 463. 44 22, 141. 78 20, 452. 71 36, 719. 44 21, 489. 41 20, 336. 62 27, 821. 83 20, 352. 76 22, 238. 23 31, 567. 87	Thomas Taylor W. A. Virnau & Sons Farms, Inc BOWIE, TEX. Eddie Blackmon, Jr. BRAZORIA, TEX. Adolph A. Alloy William D. Blackwell Ivy Boullion Donald Joe Bulanek Frank Cobb Coale D. C. Die, Jr. Charles R. Fonville Jacko Garrett James Gless Bill Hammond Raymond Lecompte	45, 316, 56 29, 135, 55 32, 776, 05 20, 473, 61 27, 251, 71 28, 911, 12 31, 178, 49 34, 074, 72 20, 143, 15 26, 571, 80 28, 489, 61 41, 056, 53 26, 637, 93 21, 817, 94
CAMERON, LA. Clifford Broussard C. H. Precht Daryll Todd Donald Todd Jared Todd Klondike Rice Irrigation EAST CARROLL, LA. W. P. Tomlinson EVANGELINE, LA. Kern Ardoin Rheinhard Beiber James E. Brunet Elridge Christ Herline Duplechain T. H. Floyed	22, 690. 25 21, 904. 72 29, 272. 85 21, 250. 32 21, 250. 52 29, 955. 58 27, 544. 13 20, 220. 49 29, 302. 24 23, 265. 99 23, 695. 38 24, 206. 10 20, 530. 10	Loylis & Gary Duhon VERMILION, LA. John B. Baker Elry Detraz E. A. Freeland Leo Guidry Carl Hoffpauir Eddie Lege Rixby Marceaux Leonard M. Mayard Leopold Noel Milton Reese Louis Trahan, Jr Robert D. Trahan Godfrey Vincent Vincent & Welch	25, 076. 25 28, 650. 87 28, 112. 69 23, 463. 44 22, 141. 78 20, 452. 71 36, 719. 44 21, 489. 41 20, 336. 62 27, 821. 83 20, 352. 76 22, 238. 23 31, 567. 87 25, 200. 46	Thomas Taylor W. A. Virnau & Sons Farms, Inc BOWIE, TEX. Eddie Blackmon, Jr BRAZORIA, TEX. Adolph A. Alloy William D. Blackwell Ivy Boullion Donald Joe Bulanek Frank Cobb Coale D. C. Die, Jr Charles R. Fonville Jacko Garrett James Gless Bill Hammond Raymond Lecompte Gregory A. Moore	45, 316, 56 29, 135, 55 32, 776, 05 20, 473, 61 27, 251, 71 28, 911, 12 31, 178, 49 34, 074, 72 20, 143, 15 26, 571, 80 28, 489, 61 41, 056, 53 26, 637, 33 21, 817, 94 26, 495, 13
CAMERON, LA. Clifford Broussard C. H. Precht Daryll Todd Donald Todd Jared Todd Klondike Rice Irrigation EAST CARROLL, LA. W. P. Tomlinson EVANGELINE, LA. Kern Ardoin Rheinhard Beiber James E. Brunet Elridge Christ Herline Duplechain T. H. Floyed Bryan L. Fontenot	22, 690. 25 21, 904. 72 29, 272. 85 21, 250. 32 21, 250. 52 29, 955. 58 27, 544. 13 20, 220. 49 29, 302. 24 23, 265. 99 23, 695. 38 24, 206. 10 20, 530. 10 25, 763. 73	Loylis & Gary Duhon VERMILION, LA. John B. Baker Elry Detraz E. A. Freeland Leo Guidry Carl Hoffpauir Eddie Lege Rixby Marceaux Leonard M. Mayard Leopold Noel Milton Reese Louis Trahan, Jr Robert D. Trahan Godfrey Vincent Vincent & Welch	25, 076. 25 28, 650. 87 28, 112. 69 23, 463. 44 22, 141. 78 20, 452. 71 36, 719. 44 21, 489. 41 20, 336. 62 27, 821. 83 20, 352. 76 22, 238. 23 31, 567. 87 25, 200. 46	Thomas Taylor W. A. Virnau & Sons Farms, Inc BOWIE, TEX. Eddie Blackmon, Jr. BRAZORIA, TEX. Adolph A. Alloy William D. Blackwell Ivy Boullion Donald Joe Bulanek Frank Cobb Coale D. C. Die, Jr. Charles R. Fonville Jacko Garrett James Gless Bill Hammond Raymond Lecompte	45, 316, 56 29, 135, 55 32, 776, 05 20, 473, 61 27, 251, 71 28, 911, 12 31, 178, 49 34, 074, 72 20, 143, 15 26, 571, 80 28, 489, 61 41, 056, 53 26, 637, 93 21, 817, 94
CAMERON, LA. Clifford Broussard C. H. Precht Daryll Todd Donald Todd Jared Todd Klondike Rice Irrigation EAST CARROLL, LA. W. P. Tomlinson EVANGELINE, LA. Kern Ardoin Rheinhard Beiber James E. Brunet Elridge Christ Herline Duplechain T. H. Floyed	22, 690. 25 21, 904. 72 29, 272. 85 21, 250. 32 21, 250. 52 29, 955. 58 27, 544. 13 20, 220. 49 29, 302. 24 23, 265. 99 23, 695. 38 24, 206. 10 20, 530. 10 25, 763. 73	Loylis & Gary Duhon VERMILION, LA. John B. Baker Elry Detraz E. A. Freeland Leo Guidry Carl Hoffpauir Eddie Lege Rixby Marceaux Leonard M. Mayard Leopold Noel Milton Reese Louis Trahan, Jr Robert D. Trahan Godfrey Vincent Vincent & Welch Acadian Farms, Inc	25, 076. 25 28, 650. 87 28, 112. 69 23, 463. 44 22, 141. 78 20, 452. 71 36, 719. 44 21, 489. 41 20, 336. 62 27, 821. 83 20, 352. 76 22, 238. 23 31, 567. 87 25, 200. 46 24, 611. 27	Thomas Taylor W. A. Virnau & Sons Farms, Inc BOWIE, TEX. Eddie Blackmon, Jr BRAZORIA, TEX. Adolph A. Alloy William D. Blackwell Ivy Boullion Donald Joe Bulanek Frank Cobb Coale D. C. Die, Jr Charles R. Fonville Jacko Garrett James Gless Bill Hammond Raymond Lecompte Gregory A. Moore Henry Novak	45, 316, 56 29, 135, 55 32, 776, 05 20, 473, 61 27, 251, 71 28, 911, 12 31, 178, 49 34, 074, 72 20, 143, 15 26, 571, 80 28, 489, 61 41, 056, 53 26, 637, 93 21, 817, 94 26, 495, 13 30, 405, 40
CAMERON, LA. Clifford Broussard C. H. Precht Daryll Todd Donald Todd Jared Todd Klondike Rice Irrigation EAST CARROLL, LA. W. P. Tomlinson EVANGELINE, LA. Kern Ardoin Rheinhard Beiber James E. Brunet Elridge Christ Herline Duplechain T. H. Floyed Bryan L. Fontenot	22, 690. 25 21, 904. 72 29, 272. 85 21, 250. 32 21, 250. 52 29, 955. 58 27, 544. 13 20, 220. 49 29, 302. 24 23, 265. 99 23, 695. 38 24, 206. 10 20, 530. 10 25, 763. 73 31, 227. 51	Loylis & Gary Duhon VERMILION, LA. John B. Baker Elry Detraz E. A. Freeland Leo Guidry Carl Hoffpauir Eddie Lege Rixby Marceaux Leonard M. Mayard Leopold Noel Milton Reese Louis Trahan, Jr Robert D. Trahan Godfrey Vincent Vincent & Welch Acadian Farms, Inc Willie Duhon	25, 076. 25 28, 650. 87 28, 112. 69 23, 463. 44 22, 141. 78 20, 452. 71 36, 719. 44 21, 489. 41 20, 336. 62 27, 821. 83 20, 352. 76 22, 238. 23 31, 567. 87 25, 200. 46 24, 611. 27 23, 098. 36	Thomas Taylor W. A. Virnau & Sons Farms, Inc BOWIE, TEX. Eddie Blackmon, Jr BRAZORIA, TEX. Adolph A. Alloy William D. Blackwell Ivy Boullion Donald Joe Bulanek Frank Cobb Coale D. C. Die, Jr Charles R. Fonville Jacko Garrett James Gless Bill Hammond Raymond Lecompte Gregory A. Moore Henry Novak Richard Opperud	45, 316, 56 29, 135, 55 32, 776, 05 20, 473, 61 27, 251, 71 28, 911, 12 31, 178, 49 34, 074, 72 20, 143, 15 26, 571, 80 28, 489, 61 41, 056, 53 26, 637, 93 21, 817, 94 26, 495, 13 30, 405, 40 25, 491, 69
CAMERON, LA. Clifford Broussard C. H. Precht Daryll Todd Donald Todd Jared Todd Klondike Rice Irrigation EAST CARROLL, LA. W. P. Tomlinson EVANGELINE, LA. Kern Ardoin Rheinhard Beiber James E. Brunet Elridge Christ Herline Duplechain T. H. Floyed Bryan L. Fontenot Percy J. Fontenot Raymond Landreneau	22, 690. 25 21, 904. 72 29, 272. 85 21, 250. 32 21, 250. 52 29, 955. 58 27, 544. 13 20, 220. 49 29, 302. 24 23, 265. 98 24, 206. 10 20, 530. 10 25, 763. 73 31, 227. 51 21, 482. 74	Loylis & Gary Duhon VERMILION, LA. John B. Baker Elry Detraz E. A. Freeland Leo Guidry Carl Hoffpauir Eddie Lege Rixby Marceaux Leonard M. Mayard Leopold Noel Milton Reese Louis Trahan, Jr Robert D. Trahan Godfrey Vincent Vincent & Welch Acadian Farms, Inc	25, 076. 25 28, 650. 87 28, 112. 69 23, 463. 44 22, 141. 78 20, 452. 71 36, 719. 44 21, 489. 41 20, 336. 62 27, 821. 83 20, 352. 76 22, 238. 23 31, 567. 87 25, 200. 46 24, 611. 27 23, 098. 36	Thomas Taylor W. A. Virnau & Sons Farms, Inc BOWIE, TEX. Eddie Blackmon, Jr BRAZORIA, TEX. Adolph A. Alloy William D. Blackwell Ivy Boullion Donald Joe Bulanek Frank Cobb Coale D. C. Die, Jr Charles R. Fonville Jacko Garrett James Gless Bill Hammond Raymond Lecompte Gregory A. Moore Henry Novak Richard Opperud Walter Peitter, Jr	45, 316, 56 29, 135, 55 32, 776, 05 20, 473, 61 27, 251, 71 28, 911, 12 31, 178, 49 34, 074, 72 20, 143, 15 26, 571, 80 28, 489, 61 41, 056, 53 26, 637, 93 21, 817, 94 26, 495, 13 30, 405, 40 25, 491, 69 22, 895, 21
CAMERON, LA. Clifford Broussard C. H. Precht Daryll Todd Donald Todd Jared Todd Klondike Rice Irrigation EAST CARROLL, LA. W. P. Tomlinson EVANGELINE, LA. Kern Ardoin Rheinhard Beiber James E. Brunet Elridge Christ Herline Duplechain T. H. Floyed Bryan L. Fontenot Percy J. Fontenot Raymond Landreneau James Reed	22, 690. 25 21, 904. 72 29, 272. 85 21, 250. 32 21, 250. 52 29, 955. 58 27, 544. 13 20, 220. 49 29, 302. 24 23, 265. 99 23, 695. 38 24, 206. 10 20, 530. 10 25, 763. 73 31, 227. 51 21, 482. 74 23, 299. 35	Loylis & Gary Duhon VERMILION, LA. John B. Baker Elry Detraz E. A. Freeland Leo Guidry Carl Hoffpauir Eddie Lege Rixby Marceaux Leonard M. Mayard Leopold Noel Milton Reese Louis Trahan, Jr Robert D. Trahan Godfrey Vincent Vincent & Welch Acadian Farms, Inc Willie Duhon Vermilion Par. School Bd	25, 076. 25 28, 650. 87 28, 112. 69 23, 463. 44 22, 141. 78 20, 452. 71 36, 719. 44 21, 489. 41 20, 336. 62 27, 821. 83 20, 352. 76 22, 238. 23 31, 567. 87 25, 200. 46 24, 611. 27 23, 098. 36	Thomas Taylor W. A. Virnau & Sons Farms, Inc BOWIE, TEX. Eddie Blackmon, Jr BRAZORIA, TEX. Adolph A. Alloy William D. Blackwell Ivy Boullion Donald Joe Bulanek Frank Cobb Coale D. C. Die, Jr Charles R. Fonville Jacko Garrett James Gless Bill Hammond Raymond Lecompte Gregory A. Moore Henry Novak Richard Opperud Walter Peitler, Jr V. V. Peterson	45, 316, 56 29, 135, 55 32, 776, 05 20, 473, 61 27, 251, 71 28, 911, 12 31, 178, 49 34, 074, 72 20, 143, 15 26, 571, 80 28, 489, 61 41, 056, 53 26, 637, 93 21, 817, 94 26, 495, 13 30, 405, 40 25, 491, 69 22, 895, 21 31, 671, 10
CAMERON, LA. Clifford Broussard C. H. Precht Daryll Todd Donald Todd Jared Todd Klondike Rice Irrigation EAST CARROLL, LA. W. P. Tomlinson EVANGELINE, LA. Kern Ardoin Rheinhard Beiber James E. Brunet Elridge Christ Herline Duplechain T. H. Floyed Bryan L. Fontenot Percy J. Fontenot Raymond Landreneau James Reed Clyde Vanderhider	22, 690. 25 21, 904. 72 29, 272. 85 21, 250. 32 21, 250. 52 29, 955. 58 27, 544. 13 20, 220. 49 29, 302. 24 23, 265. 99 23, 695. 38 24, 206. 10 20, 530. 10 25, 763. 73 31, 227. 51 21, 482. 74 23, 299. 35 20, 380. 34	Loylis & Gary Duhon VERMILION, LA. John B. Baker Elry Detraz E. A. Freeland Leo Guidry Carl Hoffpauir Eddie Lege Rixby Marceaux Leonard M. Mayard Leopold Noel Milton Reese Louis Trahan, Jr Robert D. Trahan Godfrey Vincent Vincent & Welch Acadian Farms, Inc Willie Duhon	25, 076. 25 28, 650. 87 28, 112. 69 23, 463. 44 22, 141. 78 20, 452. 71 36, 719. 44 21, 489. 41 20, 336. 62 27, 821. 83 20, 352. 76 22, 238. 23 31, 567. 87 25, 200. 46 24, 611. 27 23, 098. 36	Thomas Taylor W. A. Virnau & Sons Farms, Inc BOWIE, TEX. Eddie Blackmon, Jr BRAZORIA, TEX. Adolph A. Alloy William D. Blackwell Ivy Boullion Donald Joe Bulanek Frank Cobb Coale D. C. Die, Jr Charles R. Fonville Jacko Garrett James Gless Bill Hammond Raymond Lecompte Gregory A. Moore Henry Novak Richard Opperud Walter Peltier, Jr V. V. Peterson Dan Scholvjsa	45, 316, 56 29, 135, 55 32, 776, 05 20, 473, 61 27, 251, 71 28, 911, 12 31, 178, 49 34, 074, 72 20, 143, 15 26, 571, 80 28, 489, 61 41, 056, 53 26, 637, 93 21, 817, 94 26, 495, 13 30, 405, 40 25, 491, 69 22, 895, 21
CAMERON, LA. Clifford Broussard C. H. Precht Daryll Todd Donald Todd Jared Todd Klondike Rice Irrigation EAST CARROLL, LA. W. P. Tomlinson EVANGELINE, LA. Kern Ardoin Rheinhard Beiber James E. Brunet Elridge Christ Herline Duplechain T. H. Floyed Bryan L. Fontenot Percy J. Fontenot Raymond Landreneau James Reed	22, 690. 25 21, 904. 72 29, 272. 85 21, 250. 32 21, 250. 52 29, 955. 58 27, 544. 13 20, 220. 49 29, 302. 24 23, 265. 99 23, 695. 38 24, 206. 10 20, 530. 10 25, 763. 73 31, 227. 51 21, 482. 74 23, 299. 35 20, 380. 34	Loylis & Gary Duhon VERMILION, LA. John B. Baker Elry Detraz E. A. Freeland Leo Guidry Carl Hoffpauir Eddie Lege Rixby Marceaux Leonard M. Mayard Leopold Noel Milton Reese Louis Trahan, Jr Robert D. Trahan Godfrey Vincent Vincent & Welch Acadian Farms, Inc Willie Duhon Vermilion Par. School Bd WEST CARROLL, LA.	25, 076. 25 28, 650. 87 28, 112. 69 23, 463. 44 22, 141. 78 20, 452. 71 36, 719. 44 21, 489. 41 20, 336. 62 27, 821. 83 20, 352. 76 22, 238. 23 31, 567. 87 25, 200. 46 24, 611. 27 23, 098. 36 29, 681. 11	Thomas Taylor W. A. Virnau & Sons Farms, Inc BOWIE, TEX. Eddie Blackmon, Jr BRAZORIA, TEX. Adolph A. Alloy William D. Blackwell Ivy Boullion Donald Joe Bulanek Frank Cobb Coale D. C. Die, Jr Charles R. Fonville Jacko Garrett James Gless Bill Hammond Raymond Lecompte Gregory A. Moore Henry Novak Richard Opperud Walter Peltier, Jr V. V. Peterson Dan Scholvjsa	45, 316, 56 29, 135, 55 32, 776, 05 20, 473, 61 27, 251, 71 28, 911, 12 31, 178, 49 34, 074, 72 20, 143, 15 26, 571, 80 28, 489, 61 41, 056, 53 26, 637, 93 21, 817, 94 26, 495, 13 30, 405, 40 25, 491, 69 22, 895, 21 31, 671, 10 48, 881, 97
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CAMERON, LA. Clifford Broussard C. H. Precht Daryll Todd Donald Todd Jared Todd Klondike Rice Irrigation EAST CARROLL, LA. W. P. Tomlinson EVANGELINE, LA. Kern Ardoin Rheinhard Beiber James E. Brunet Elridge Christ Herline Duplechain T. H. Floyed Bryan L. Fontenot Percy J. Fontenot Raymond Landreneau James Reed Clyde Vanderhider Herman J. Young Lahaye Bros., Inc	22, 690. 25 21, 904. 72 29, 272. 85 21, 250. 32 21, 250. 52 29, 955. 58 27, 544. 13 20, 220. 49 29, 302. 24 23, 265. 99 23, 695. 38 24, 206. 10 20, 530. 10 25, 763. 73 31, 227. 51 21, 482. 74 23, 299. 35 20, 380. 34 23, 353. 34 28, 059. 09	Loylis & Gary Duhon VERMILION, LA. John B. Baker Elry Detraz E. A. Freeland Leo Guidry Carl Hoffpauir Eddie Lege Rixby Marceaux Leonard M. Mayard Leopold Noel Milton Reese Louis Trahan, Jr Robert D. Trahan Godfrey Vincent Vincent & Welch Acadian Farms, Inc Willie Duhon Vermilion Par. School Bd WEST CARROLL, LA.	25, 076. 25 28, 650. 87 28, 112. 69 23, 463. 44 22, 141. 78 20, 452. 71 36, 719. 44 21, 489. 41 20, 336. 62 27, 821. 83 20, 352. 76 22, 238. 23 31, 567. 87 25, 200. 46 24, 611. 27 23, 098. 36 29, 681. 11	Thomas Taylor W. A. Virnau & Sons Farms, Inc BOWIE, TEX. Eddie Blackmon, Jr BRAZORIA, TEX. Adolph A. Alloy William D. Blackwell Ivy Boullion Donald Joe Bulanek Frank Cobb Coale D. C. Die, Jr Charles R. Fonville Jacko Garrett James Gless Bill Hammond Raymond Lecompte Gregory A. Moore Henry Novak Richard Opperud Walter Peitler, Jr V. V. Peterson Dan Scholvjsa Pruitt Scott Joe J. Sebesta	45, 316, 56 29, 135, 55 32, 776, 05 20, 473, 61 27, 251, 71 28, 911, 12 31, 178, 49 34, 074, 72 20, 143, 15 26, 571, 80 28, 489, 61 41, 056, 53 26, 637, 38 21, 817, 94 26, 495, 13 30, 405, 40 25, 491, 69 22, 895, 21 31, 671, 10 48, 881, 97 26, 495, 13
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CAMERON, LA. Clifford Broussard C. H. Precht Daryll Todd Donald Todd Jared Todd. Klondike Rice Irrigation EAST CARROLL, LA. W. P. Tomlinson EVANGELINE, LA. Kern Ardoin Rheinhard Beiber James E. Brunet Elridge Christ Herline Duplechain T. H. Floyed Bryan L. Fontenot Percy J. Fontenot Raymond Landreneau James Reed Clyde Vanderhider Herman J. Young Lahaye Bros., Inc Leslie Ardoin, Inc BERIA, LA. Murphy Oubre JEFFERSON DAVIS, LA. Harley Bruchhaus Walter Bruner Harry Clement Clyde Coble Earl Coble Earl Coble Hazel B. Daigle	22, 690. 25 21, 904. 72 29, 272. 85 21, 250. 32 21, 250. 32 21, 250. 52 29, 955. 58 27, 544. 13 20, 220. 49 29, 302. 24 23, 265. 99 23, 695. 38 24, 206. 10 20, 530. 10 25, 763. 73 31, 227. 51 21, 482. 74 23, 299. 35 20, 380. 34 28, 059. 09 40, 762. 62 47, 717. 78 20, 844. 49 39, 815. 43 22, 547. 47 21, 343. 03 24, 399. 24 29, 586. 92	Loylis & Gary Duhon VERMILION, LA. John B. Baker Elry Detraz E. A. Freeland Leo Guidry Carl Hoffpaulr Eddie Lege Rixby Marceaux Leonard M. Mayard Leopold Noel Milton Reese Louis Trahan, Jr Robert D. Trahan Godfrey Vincent Vincent & Welch Acadian Farms, Inc Willie Duhon Vermilion Par. School Bd WEST CARROLL, LA. James B. Lingo B. L. Rye BOLIVAR, MISS. Percy Baronet Lawrence Brown Brady Cole William M. Griffith Charles C. Heinsz J. A. Howarth, Jr Noel Morgan Rex Morgan	25, 076. 25 28, 650. 87 28, 112. 69 23, 463. 44 22, 141. 78 20, 452. 71 36, 719. 44 21, 489. 41 20, 336. 62 27, 821. 83 20, 352. 76 22, 238. 23 31, 567. 87 25, 200. 46 24, 611. 27 23, 098. 36 29, 681. 11 44, 258. 73 21, 006. 71 45, 740. 23 20, 277. 07 22, 780. 14 20, 400. 85 42, 478. 79 55, 000. 00 30, 294. 39 30, 285. 30	Thomas Taylor W. A. Virnau & Sons Farms, Inc BOWIE, TEX. Eddie Blackmon, Jr. BRAZORIA, TEX. Adolph A. Alloy. William D. Blackwell. Ivy Boullion. Donald Joe Bulanek. Frank Cobb Coale. D. C. Die, Jr. Charles R. Fonville. Jacko Garrett. James Gless. Bill Hammond. Raymond Lecompte. Gregory A. Moore. Henry Novak. Richard Opperud. Walter Peitler, Jr. V. V. Peterson. Dan Scholvjsa. Pruitt Scott. Joe J. Sebesta. Donald Spoor. Walter Todd. Jules G. Todd. John Felix Trousdale. Ben F. Weems. G. W. Williams. J. T. Williams & Sons. P. B. Wollam, Jr., FM & Ranch. Max Wollam E. L. Wollam Farm & Ranch. Don Zwahr.	45, 316, 56 29, 135, 55 32, 776, 05 20, 473, 61 27, 251, 71 28, 911, 12 31, 178, 49 34, 074, 72 20, 143, 15 26, 571, 80 28, 489, 61 41, 056, 53 26, 637, 93 21, 817, 94 26, 495, 13 30, 405, 40 25, 491, 69 22, 895, 21 31, 671, 10 48, 881, 97 26, 377, 86 26, 495, 13 33, 440, 41 38, 238, 37 39, 860, 27 20, 985, 79 21, 222, 66 20, 480, 12 50, 541, 56 25, 723, 50 24, 068, 92 21, 141, 97
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CAMERON, LA. Clifford Broussard C. H. Precht Daryll Todd Donald Todd Jared Todd Klondike Rice Irrigation EAST CARROLL, LA. W. P. Tomlinson EVANGELINE, LA. Kern Ardoin Rheinhard Beiber James E. Brunet Elridge Christ Herline Duplechain T. H. Floyed Bryan L. Fontenot Percy J. Fontenot Raymond Landreneau James Reed Clyde Vanderhider Herman J. Young Lahaye Bros., Inc Leslie Ardoin, Inc IBERIA, LA. Murphy Oubre JEFFERSON DAVIS, LA. Harley Bruchhaus Walter Bruner Harry Clement Clyde Coble Earl Coble Hazel B. Daigle Margie Nell Estes	22, 690. 25 21, 904. 72 29, 272. 85 21, 250. 32 21, 250. 32 21, 250. 52 29, 955. 58 27, 544. 13 20, 220. 49 29, 302. 24 23, 265. 99 23, 695. 38 24, 206. 10 20, 530. 10 25, 763. 73 31, 227. 51 21, 482. 74 23, 299. 35 20, 380. 34 28, 059. 09 40, 762. 62 47, 717. 78 20, 844. 49 39, 815. 43 22, 547. 47 21, 343. 03 24, 399. 24 29, 586. 92 22, 935. 62	Loylis & Gary Duhon VERMILION, LA. John B. Baker Elry Detraz E. A. Freeland Leo Guidry Carl Hoffpaulr Eddie Lege Rixby Marceaux Leonard M. Mayard Leopold Noel Milton Reese Louis Trahan, Jr Robert D. Trahan Godfrey Vincent Vincent & Welch Acadian Farms, Inc Willie Duhon Vermilion Par. School Bd WEST CARROLL, LA. James B. Lingo B. L. Rye BOLIVAR, MISS. Percy Baronet Lawrence Brown Brady Cole William M. Griffith Charles C. Heinsz J. A. Howarth, Jr Noel Morgan Rex Morgan	25, 076. 25 28, 650. 87 28, 112. 69 23, 463. 44 22, 141. 78 20, 452. 71 36, 719. 44 21, 489. 41 20, 336. 62 27, 821. 83 20, 352. 76 22, 238. 23 31, 567. 87 25, 200. 46 24, 611. 27 23, 098. 36 29, 681. 11 44, 258. 73 21, 006. 71 45, 740. 23 20, 277. 07 22, 780. 14 20, 400. 85 42, 478. 79 55, 000. 00 30, 294. 39 30, 285. 30 30, 285. 31	Thomas Taylor W. A. Virnau & Sons Farms, Inc BOWIE, TEX. Eddie Blackmon, Jr. BRAZORIA, TEX. Adolph A. Alloy William D. Blackwell Ivy Boullion Donald Joe Bulanek. Frank Cobb Coale D. C. Die, Jr. Charles R. Fonville Jacko Garrett James Gless Bill Hammond Raymond Lecompte Gregory A. Moore Henry Novak Richard Opperud Walter Peltier, Jr V. V. Peterson Dan Scholvjsa Pruitt Scott Joe J. Sebesta Donald Spoor Walter Todd Jules G. Todd John Felix Trousdale Ben F. Weems G. W. Williams J. T. Williams & Sons P. B. Wollam, Jr., FM & Ranch Max Wollam E. L. Wollam Farm & Ranch Don Zwahr C. E. Zwahr Melvin Zwahr	45, 316, 56 29, 135, 55 32, 776, 05 20, 473, 61 27, 251, 71 28, 911, 12 31, 178, 49 34, 074, 72 20, 143, 15 26, 571, 80 28, 489, 61 41, 056, 53 26, 637, 93 21, 817, 94 26, 495, 13 30, 405, 40 22, 895, 21 31, 671, 10 48, 881, 97 26, 377, 86 26, 495, 13 33, 440, 41 38, 238, 37 39, 860, 27 20, 985, 79 21, 222, 66 20, 480, 12 20,
CAMERON, LA. Clifford Broussard C. H. Precht Daryll Todd Donald Todd Jared Todd Klondike Rice Irrigation EAST CARROLL, LA. W. P. Tomlinson EVANGELINE, LA. Kern Ardoin Rheinhard Beiber James E. Brunet Elridge Christ Herline Duplechain T. H. Floyed Bryan L. Fontenot Percy J. Fontenot Raymond Landreneau James Reed Clyde Vanderhider Herman J. Young Lahaye Bros., Inc Leslie Ardoin, Inc IBERIA, LA. Murphy Oubre JEFFERSON DAVIS, LA. Harley Bruchhaus Walter Bruner Harry Clement Clyde Coble Earl Coble Hazel B. Daigle Margie Nell Estes Evergreen Acres, Inc	22, 690. 25 21, 904. 72 29, 272. 85 21, 250. 32 21, 250. 32 21, 250. 52 29, 955. 58 27, 544. 13 20, 220. 49 29, 302. 24 23, 265. 99 23, 695. 38 24, 206. 10 20, 530. 10 25, 763. 73 31, 227. 51 21, 482. 74 23, 299. 35 20, 380. 34 23, 353. 34 28, 059. 09 40, 762. 62 47, 717. 78 20, 844. 49 39, 815. 43 22, 547. 47 21, 343. 03 24, 399. 24 29, 586. 92 22, 935. 62 24, 458. 26	Loylis & Gary Duhon VERMILION, LA. John B. Baker Elry Detraz E. A. Freeland Leo Guidry Carl Hoffpauir Eddie Lege Rixby Marceaux Leonard M. Mayard Leopold Noel Milton Reese Louis Trahan, Jr Robert D. Trahan Godfrey Vincent Vincent & Welch Acadian Farms, Inc Willie Duhon Vermillion Par. School Bd WEST CARROLL, LA. James B. Lingo B. L. Rye BOLIVAR, MISS. Percy Baronet Lawrence Brown Brady Cole William M. Griffith Charles C. Heinsz J. A. Howarth, Jr Noel Morgan Rex Morgan Duke Morgan R. B. O'Neal	25, 076. 25 28, 650. 87 28, 112. 69 23, 463. 44 22, 141. 78 20, 452. 71 36, 719. 44 21, 489. 41 20, 336. 62 27, 821. 83 20, 352. 76 22, 238. 23 31, 567. 87 25, 200. 46 24, 611. 27 23, 098. 36 29, 681. 11 44, 258. 73 21, 006. 71 45, 740. 23 20, 277. 07 22, 780. 14 20, 400. 85 42, 478. 79 55, 000. 00 30, 294. 39 30, 285. 30 30, 285. 30 30, 285. 31 39, 517. 66	Thomas Taylor W. A. Virnau & Sons Farms, Inc BOWIE, TEX. Eddie Blackmon, Jr. BRAZORIA, TEX. Adolph A. Alloy William D. Blackwell Ivy Boullion Donald Joe Bulanek. Frank Cobb Coale D. C. Die, Jr. Charles R. Fonville Jacko Garrett James Gless Bill Hammond Raymond Lecompte Gregory A. Moore Henry Novak Richard Opperud Walter Peltier, Jr V. V. Peterson Dan Scholvjsa Pruitt Scott Joe J. Sebesta Donald Spoor Walter Todd Jules G. Todd John Felix Trousdale Ben F. Weems G. W. Williams J. T. Williams & Sons P. B. Wollam, Jr., FM & Ranch Max Wollam E. L. Wollam Farm & Ranch Don Zwahr C. E. Zwahr Melvin Zwahr	45, 316, 56 29, 135, 55 32, 776, 05 20, 473, 61 27, 251, 71 28, 911, 12 31, 178, 49 34, 074, 72 20, 143, 15 26, 571, 80 28, 489, 61 41, 056, 53 26, 637, 93 21, 817, 94 26, 495, 13 30, 405, 40 22, 895, 21 31, 671, 10 48, 881, 97 26, 377, 86 26, 495, 13 33, 440, 41 38, 238, 37 39, 860, 27 20, 985, 79 21, 222, 66 20, 480, 12 20, 480, 141, 97 29, 915, 55 27, 645, 42
CAMERON, LA. Clifford Broussard C. H. Precht Daryll Todd Donald Todd Jared Todd Klondike Rice Irrigation EAST CARROLL, LA. W. P. Tomlinson EVANGELINE, LA. Kern Ardoin Rheinhard Beiber James E. Brunet Elridge Christ Herline Duplechain T. H. Floyed Bryan L. Fontenot Percy J. Fontenot Raymond Landreneau James Reed Clyde Vanderhider Herman J. Young Lahaye Bros., Inc Leslie Ardoin, Inc IBERIA, LA. Murphy Oubre JEFFERSON DAVIS, LA. Harley Bruchhaus Walter Bruner Harry Clement Clyde Coble Earl Coble Hazel B. Daigle Margie Nell Estes	22, 690. 25 21, 904. 72 29, 272. 85 21, 250. 32 21, 250. 32 21, 250. 52 29, 955. 58 27, 544. 13 20, 220. 49 29, 302. 24 23, 265. 99 23, 695. 38 24, 206. 10 20, 530. 10 25, 763. 73 31, 227. 51 21, 482. 74 23, 299. 35 20, 380. 34 23, 353. 34 28, 059. 09 40, 762. 62 47, 717. 78 20, 844. 49 39, 815. 43 22, 547. 47 21, 343. 03 24, 399. 24 29, 586. 92 22, 935. 62 24, 458. 26	Loylis & Gary Duhon VERMILION, LA. John B. Baker Elry Detraz E. A. Freeland Leo Guidry Carl Hoffpauir Eddie Lege Rixby Marceaux Leonard M. Mayard Leopold Noel Milton Reese Louis Trahan, Jr Robert D. Trahan Godfrey Vincent Vincent & Welch Acadian Farms, Inc Willie Duhon Vermillion Par. School Bd WEST CARROLL, LA. James B. Lingo B. L. Rye BOLIVAR, MISS. Percy Baronet Lawrence Brown Brady Cole William M. Griffith Charles C. Heinsz J. A. Howarth, Jr Noel Morgan Rex Morgan Duke Morgan Duke Morgan	25, 076. 25 28, 650. 87 28, 112. 69 23, 463. 44 22, 141. 78 20, 452. 71 36, 719. 44 21, 489. 41 20, 336. 62 27, 821. 83 20, 352. 76 22, 238. 23 31, 567. 87 25, 200. 46 24, 611. 27 23, 098. 36 29, 681. 11 44, 258. 73 21, 006. 71 45, 740. 23 20, 277. 07 22, 780. 14 20, 400. 85 42, 478. 79 55, 000. 00 30, 294. 39 30, 285. 30 30, 285. 30 30, 285. 31 39, 517. 66	Thomas Taylor W. A. Virnau & Sons Farms, Inc BOWIE, TEX. Eddie Blackmon, Jr BRAZORIA, TEX. Adolph A. Alloy William D. Blackwell Ivy Boullion Donald Joe Bulanek Frank Cobb Coale D. C. Die, Jr Charles R. Fonville Jacko Garrett James Gless Bill Hammond Raymond Lecompte Gregory A. Moore Henry Novak Richard Opperud Walter Peltler, Jr V. V. Peterson Dan Scholvjsa Pruitt Scott Joe J. Sebesta Donald Spoor Walter Todd Jules G. Todd Jules G. Todd John Felix Trousdale Ben F. Weems G. W. Williams J. T. Williams & Sons P. B. Wollam, Jr., FM & Ranch Max Wollam E. L. Wollam Farm & Ranch Don Zwahr C. E. Zwahr	45, 316, 56 29, 135, 55 32, 776, 05 20, 473, 61 27, 251, 71 28, 911, 12 31, 178, 49 34, 074, 72 20, 143, 15 26, 571, 80 28, 489, 61 41, 056, 53 26, 637, 93 21, 817, 94 26, 495, 13 30, 405, 40 22, 895, 21 31, 671, 10 48, 881, 97 26, 377, 86 26, 495, 13 33, 440, 41 38, 238, 37 39, 860, 27 20, 985, 79 21, 222, 66 20, 480, 12 20,

CALHOUN, TEX.			\$36, 015. 99	T. Albert Peek	
W. V. Dowell		L. J. Schilling	23, 287. 33	R. D. Schmidt	
George Duncan, Sr		N. J. Schneider	36, 016. 01 22, 427. 51	J. C. Schneider David Southard	
T. T. Duncan, Jr.		W. W. Shuart	27, 500. 00	Glenn Thompson	
George Duncan, JrArtie E. Henke	22, 249. 18	Cecil Smith	39, 487. 13	Martrac Farms, Inc	
G. A. Jennings		Neal Stallman	37, 485. 75	A. W. Thompson Farm, Inc.	55, 000. 00
Adrian Kamm		Roy Stallman	21, 390. 56	JACKSON, TEX.	
E. S. Ramsey		E. H. Stienke Melvin Sunderman	29, 200. 46 20, 472. 07	Harold L. Adams	29, 223. 32
M. D. Shillings		Henry Sunderman	55, 000.00	C. E. Bergstrom	30, 409. 62
Melbourn Shillings		S. Symington	27, 500.00	Noel D. Clark	28, 448. 82
NI. WI. WHITEARCI	. 00, 101. 10	Mary V. Theuman	21, 021.67	C. Roy Davis	21, 097. 90
CHAMBERS, TEX.		Gayle Thomas	23, 247. 09	W. A. Davis	21, 097. 88
Bobby G. Allen	29, 862. 64	Harold Thomas	33, 965. 69	Albert Dutcher	26, 900. 21
Leroy Bauer		A. F. Wiese	42, 724. 32 21, 590. 01	C. D. Fenner	51, 139. 91 53, 254. 40
John P. Benes		Howard Wiese	26, 891, 24	Homer Glaze	29, 855. 83
Warren Clark		Clifford T. Wiese	31, 998. 82	Harry Hafernick	55, 000. 00
John O. Devillier		David R. Wintermann	27, 500.00	Donald Henderson	55, 000. 00
O. C. Devillier, Jr		Scott Witter	24, 333. 53	James Bruce Henderson	22, 664. 88
Ronald Lee Edmonds		Robert B. Hunt	22, 682. 06	Mark Paul Henderson	22, 664. 88
N. B. Fancher		E. L. Wied	23, 687. 48	Maurice Hicks	47, 399. 52
Daniel J. Hankamer		FORT BEND, TEX.		H. Koop, Jr	38, 179. 84 26, 227. 01
H. L. Haynes		M. H. Anderson	24, 385. 60	Harold Koop	55, 000. 00
Hubert Henry		Neil A. Banfield	43, 227. 33	W. P. McCormack	30, 349. 58
A. E. Huddleston		Bennie T. Bono	38, 619. 73	Dennis W. Morton	20, 096. 99
Jerry A. Jenkins		T. C. Dardiff	38, 448. 63	Pat E. Smidt	37, 330. 22
Charles T. Jones		John W. Cardiff	38, 448. 63	Charles L. Smith	
Aubrey G. Jones	52, 992, 22	C. I. Cardiff———————————————————————————————————	38, 448. 63 38, 448. 63	Ben H. Wheeler	51, 014. 26
Don W. Lagow	25, 081. 82	Walter P. Cook	24, 474, 63	James Zbitowsky Bauer Ranch	28, 005. 49 55, 000. 00
Wilfred Leblanc		George D. Fowler	23, 636, 48	Duncan & Sons, Inc	
James D. Matthews		Marvin Franz	51, 237. 92	A. D. Hunt & Son, Inc	41, 172. 74
James W. McBride		Gary Frederickson	37, 516. 87	Morton Farms, Inc	55, 000.00
Jack C. McBride		Louis Frederickson	53, 119, 75	Henderson Farms, Inc	
William C. McBride		Walter A. Gless, Jr.	33, 867. 01	Keith Cox Farms, Inc	48, 485. 89
Patrick W. McGown		T. S. Greenwald, Jr	55, 000. 00 55, 000. 00	JEFFERSON, TEX.	
Lamont Meaux		Wesley Johnson	22, 815. 53	George Conway Abney	20, 334. 67
Nelson Menard		Jimmie Johnson	34, 764. 11	R. C. Aldrich	43, 695. 20
Gene Nelson	25, 621. 55	Chester F. Jordan	34, 580. 02	Robert E. Bauer	26, 197. 69
Denver Edd Poland		Glenn Miles	33, 777. 37	Dick Bogan	27, 020.00
Isaac M. Prejean		Charles T. Miles	36, 401. 68	Bernie Brown	19, 762. 79
R. E. Schultz	. 29, 037. 67	W. E. Morgan	28, 836, 74 52, 059, 85	Jesse Wayne Brown	
E. A. Turner		Burb Jack Wendt	55, 000. 00	W. Eugene Burrell	23, 169. 44 23, 385. 93
George Way		Walter R. Werlla	25, 564, 37	Reagan Carter	30, 759. 24
Donald Wayne Wilcox		Charles J. Werlla, Jr	25, 564. 37	R. B. Christ, Jr	32, 040. 85
W. J. Winzer		J. Robinson Tr. No. 2	20, 242. 45	H. E. Dishman, Jr.	23, 318. 90
Arnold Wolf, Jr		G. Robinson Tr. No. 2	20, 242. 46	William Dishman	23, 318. 90
William W. York		Mamie E. George EST Stella Ranch	21, 995. 60	James Clyde Dishman, Jr	
J and P Farms, Inc		Cinco Devel. Corp.	46, 361. 61 40, 484. 87	Junius Edwards Gerald F. Emenhiser	22, 666. 25 28, 518. 18
White Farms		Richmond Rice Association	55, 000. 00	Fred H. Fear	
Donbill FarmsE. B. Kirkham		CAL VEGEON MEN		Charles Ferguson	
		GALVESTON, TEX.	Desil A 3	Joseph Roy Fontenot	
COLORADO, TEX.		Halls Bayou Ranch	33, 640. 00	Bertman Fontenot	
John W. Adkins	27, 500. 00	J. H. Blackwell, Jr	38, 024. 28	Bill Gaulding	30, 602. 62
James E. Adkins	43, 530. 93	HARDIN, TEX.		Tilford B. Grammier	
Mark Anderson		P. W. Douglas	20, 683.88	Norris HardyGolden Hardy, Jr	
Walter Braden, Jr.		Consideration of the contract		Frank Hawley	
M. T. Cheatam		HARRIS, TEX.	Value sale sin	W. A. Herbert, III	
James Clipson		Gene Andrew	27, 612. 90	Clyde D. Herbert	21, 628. 85
John Clipson	55, 000. 00	B. P. Bono	37, 296, 59 23, 483, 34	R. L. Heckaman	27, 047. 09
R. L. Cook, Jr	20, 142. 06	R. E. Borgstedt	26, 600. 89	Fred Dale Heiner	
James Cranek		R. D. Burnside	32, 979. 46	Adolph H. Heiner, Jr	41, 309. 20 29, 193. 34
Lester J. Cranek		Roland Busch	22, 740, 83	Robert C. Horn	55, 000. 00
James T. DanklefsHarry Engstrom		Aubrey Chudleigh	24, 183. 35	John H. Klein	
Herbert Engstrom		Bobby Dennison	22, 227. 48	David Korry	
R. E. Smith Estate		Andrus Fontenot	27, 331. 55	Leo Hart Kotz, Jr	25, 245. 03
William R. Frnka		Kenneth A. Franz	21, 108. 48 55, 000. 00	Weldon Leger	
Ralph Gertson		Ralph Franz, Jr	32, 895. 24	Leloise Lemke	21, 645 .35
Vernon Gertson		Harold Freeman	49, 843. 68	J. W. Lowrance	24, 821. 55
James Gertson		Douglas Freeman	38, 033. 05	Gilbert George Mauboules	
Dale Hunt		L. H. Hegar	26, 701. 53	E. W. McCown Willis F. McDermand	39, 677. 97 29, 613. 44
Anthony Kallina	55, 000.00	Calvin V. House	31, 671. 66	N. W. Mitchell	
Charles J. Kallina	55,000.00	Rogers S. Hoyt Melvin Jordan	53, 409. 56 36, 957. 95	Henry Mueller, Jr.	
Dorothy H. Kallina		C. M. Lindsey		Olen Murff	
Joseph Koronek		Alta G. Longenbaugh		Preston Neichoy	29, 778. 67
Eugene Koronek	22, 409. 55	O. D. Minze	53, 479. 83	W. A. Ortego	
Laddie L. Krenek		E. B. Monigold, Jr	38, 992, 53	Jerry W. Peveto	
Alvin L. Pavlicek	24, 910. 39	James Morton	24, 776. 31	Don R. Russell	
Bobby Raley	27, 243. 95	Monroe Morton	24, 776. 31	Floyd G. Smith	
James Schlurring	36, 016. 02	J. J. Oberpriller	23, 624. 99	ALUDRIC DINION.	21, 101.04

21p, 00 10, 10.	T. 1000		
J. H. Taylor	\$29, 396. 88	Steve Matthews	\$20,666.00
Robert T. White	23, 385, 95	Walter McKissick	25, 342. 85
Dorothy Wilber	26, 046. 11	Dean Merck, Sr.	22, 964. 40
J. S. Wilber		Thomas M. Ottis, Jr	21, 152. 37 36, 058. 02
Jimmie Rosser Wingate	22, 667. 75	Gary Rooth	21, 162. 69
LAVACA, TEX.		Oscar L. Rooth	21, 162. 69
Lester Bunge	28, 751. 66	W. F. Sansing, Jr	33, 643. 70
L. F. Dopslauf	36, 315. 84	Irving P. Savage	36, 381. 43
R. D. Hoyt	27, 616. 79	Francis Savage	33, 059. 07
Arlin Miller	29, 129. 74 29, 129. 28	Harley S. Savage	40, 058. 29 33, 059. 07
James E. Pilgreen	52, 842. 09	Harry S. Shannon	38, 932, 71
J. R. Reed, Jr	47, 459.00	Frank Sliva	39, 159. 72
Wm. Zboril	34, 607. 04	S. J. Sliva	26, 863. 69
Les Bunge Jr. Farms, Inc	37, 095. 04	Gilbert P. Sliva	30, 797. 71
LIBERTY, TEX.		Howard W. Stell Charles B. Ziegenhals	33, 793. 16 29, 100. 26
John Bollinger	45, 141, 84	Farmers Canal Company	25, 297. 61
Ralph Bollinger		A. P. Ranch	21, 447. 22
L. A. Bonner	21, 233. 68	Runnells Pierce Ranch	50, 816. 27
Patrick E. Boyt	55, 000. 00	Harrison Bros. Inc.	53, 665. 58
Roger C. Brown	42, 462, 21 25, 778, 05	Tres Palacios Water Co., Inc	32, 350. 37 38, 422. 26
Oliver Damek	27, 157, 64	H & H Farms, Inc Elmore H. McDonald Est	31, 231. 76
A. S. Dennison	28, 033, 17	Matagorda Land & Cattle Co	48, 570. 40
Gary F. Dennison	31, 303. 14	NEWTON, TEX.	
G. F. Dennison	31, 303. 12	Billy W. Daniels	27, 580. 79
M. C. Dubose	23, 484, 72	VICTORIA, TEX.	- Dollars Cont.
E. J. DugatEuel Dugat	26, 128. 05 26, 128. 05	Jarrell E. Brown	51, 435, 17
Frank R. Duke, Jr	25, 650. 79	A. E. Christensen	50, 698. 37
Frank R. Duke	21, 535. 46	George Craigen	20, 301. 45
J. M. Frost, III	27, 443. 03	Carlton Ray Dorsey	23, 266. 71
R. C. Gatlin	34, 527. 66 38, 100. 32	William R. Hensley	31, 398. 12 30, 327. 88
F. E. Guthrie Charles Haidusek, Jr	30, 025. 49	Donald Meek	37, 090. 87
Paul E. Haidusek	30, 025. 49	Donald Schoenfield	35, 932. 53
J. D. Humber	55, 000. 00	WALLER, TEX.	
Barry Jeffrey	29, 789. 75 29, 789. 76	L. S. Bacon	23, 289. 93
C. B. JeffreyArthur Maxwell	34, 584. 39	R. L. Beckendorff	36, 498. 63
Lloyd Maxwell	34, 584. 41	Earnest Bishop	23, 865. 21
Lamar Maxwell	34, 584. 43	James L. CardiffEtta Elaine Cardiff	20, 263. 24 20, 263. 25
Donald Maxwell	34, 584, 39 34, 584, 41	George H. Cardiff	20, 263. 25
David Maxwell	21, 716. 31	William P Cardiff, Sr	20, 263. 24
D. A. Reidland, Jr	38, 097. 48	J. V. Cardiff, Jr.	20, 263. 24
Floyd Reidland	38, 093. 21	Robert L. Cardiff J. Raymond Dollins III	20, 263. 24 34, 849. 68
Curtis Seaberg	45, 460. 37	B. F. Metzger	29, 433. 51
Roy A. Seaberg, Jr Ray J. Sellers	45, 460. 37 22, 030, 42	David Nelson	32, 061. 85
Jack Stoesser	42, 466. 29	George V. Nelson	44, 192. 94
Ray E. Stoesser	42, 460. 02	John Lester Nelson	44, 192. 94 32, 061. 85
Morgan Tippit	26, 612. 82	Herschel C. Poorman, Jr	44, 192. 94
G. E. Troxell	24, 648. 10 26, 922. 27	Kenneth P. Schulte	21, 252. 56
James B. Willis, Jr Lester R. Wisegerber	25, 537. 13	J. D. Woods, Jr	55, 000. 00
J. W. Trousdale Estate	29, 868. 51	J. D. Woods, Sr	55, 000. 00 27, 042. 56
Broussard Farm, Inc	55, 000. 00	Bollinger Farms, Inc.	55, 000, 00
Seaberg Farms, Inc	55, 000. 00 55, 000. 00	Pederson Farms, Inc.	
Stosser Farms, Inc	33, 000.00	Rocking W., Inc.	55, 000. 00
MATAGORDA, TEX.	William William	WHARTON, TEX.	
Sidney H. Armatta	37, 624. 16	James L. Adkins	27, 852. 12
Clyde Ashcraft	26, 062. 51 27, 655. 60	Grady Allen	23, 904. 16
James Thomas Boling	29, 159. 13	Arthur Anderson	55, 000. 00 50, 586. 98
Harold Bowers	24, 431. 65	Jay Anderson	55, 000. 00
Billy B. Brown	21, 503. 08	Dexter Anderson	55, 000. 00
Henry F. Bunk, Jr	22, 081. 57	Joe R. Anderson	55, 000. 00
Tommy Burnside	27, 318. 24 55, 000. 00	Laurance H. Armour, Jr	38, 159, 06
Edward Cook, Jr	22, 268. 61	D. W. Beck	54, 999. 99 27, 588. 96
Simon Cornelius	20, 228. 81	S. R. Bossley	32, 721. 70
John C. Dickerson, Jr	27, 214. 82	J. Bridges	22, 289. 11
Mignon Doman	21, 791. 96	Louis Carriere	20, 053. 54
Annie B. Cornelius Cobb, Est J. O. Frick	23, 089. 66 30, 057. 90	V. R. Corman	40, 440. 18 29, 147. 93
Margaret Lewis Furse	24, 483. 67	Leon H. Cranek	28, 043. 08
Stanley Genzer	21, 906. 47	Louis Cranek, Jr	28, 073. 98
F. Thomas Harrison	22, 756. 97	Danny Estes	22, 351. 28
George Hejtmanek		Charles Frederickson	26, 540. 73
Frank Hensley	39, 949, 30	Fred GarrettE. Wayne Goff	30, 898. 20 35, 715. 64
L. M. Landrum	41, 228. 28	Kenneth Goff	35, 715. 64
Julius Ledwig		E. G. Goff	23, 810. 42
J. C. LewisFrank Lewis	22, 729. 19 48, 751. 67	R. R. Halling	24, 916. 73
Rodney E. Matthews	25, 856. 27	John Hancock	31, 124. 72

* A TT	400 100 00
L. A. Hansen	\$20, 188. 20
G. H. Harfst, Jr	53, 601. 45
J. C. Henderson	35, 573. 20
Frank A. Higgins	29, 334. 57
J. J. Hill, Jr	35, 438. 29
Henry J. Hlavinka	36, 236. 18
James R. Hlavinka	36, 236, 20
J. I. Holt	25, 851, 72
J. F. Hough	20, 943, 24
Nelson Isenhower	31, 702. 88
Robert L. Johnson	25, 985, 18
Wm. S. Johnson	42, 312, 05
Philip Miller	29, 327. 85
John Edward Nordeen	20, 707. 02
Raymond R. Dordeen, Jr	20, 731. 21
Arthur A. Priesmeyer	28, 323, 12
Gary Radley	20, 852. 37
Patrick Rasmussen	
	31, 439. 80
Marvin Rau	40, 958. 73
Russell Raun	20, 742. 50
Dick Richter	31, 789. 95
Andrew G. Rod.	31, 628. 77
Johnnie Schmidt	22, 919. 03
Charles Shult	35, 185. 84
Erwin Skalicky	32, 180. 32
Edward D. Smith	21, 325. 17
D. A. Sommerlatte	33, 249. 35
Albert E. Thomas	27, 571. 82
Ralph Thomas	28, 504. 18
Gaynard Wigginton	46, 144. 36
Norman Wilson	22, 460, 74
Frank Zboril	53, 754. 03
Blue Creek Rice Farms	55, 000. 00
Sandy Farms, Inc	55, 000, 00
Raun Farm, Inc	33, 777. 78
Round Mott Farms	36, 130. 51
Estate of C. T. Blankenburg, Jr	28, 396, 15
Delbur Swanson Farms, Inc	20, 787. 48
K. L. Cox Farms, Inc.	36, 472. 97
Arroz, Inc.	41, 431. 91
H. Nelson Farms, Inc.	32, 337. 69
Radley Farms	40, 962, 52
J. A. Schmidt Farms, Inc.	
	35, 392. 67
2 G Farms Robert Meek Farms, Inc	34, 060. 11
Robert Meek Farms, Inc.	21, 688. 65
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SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Pursell) to revise and extend their remarks and include extraneous matter:)

Mr. Goodling, for 15 minutes, today. Mr. SARASIN, for 30 minutes, today. Mr. Rupp, for 35 minutes, today.

Mr. Vander Jagt, for 5 minutes, today. Mr. Corcoran of Illinois, for 1 minute. today.

(The following Members (at the request of Mr. Murphy of Pennsylvania) and to revise and extend their remarks

and include extraneous matter:) Mr. Drinan, for 30 minutes, today. Mr. AuCoin, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today. Mr. Annunzio, for 5 minutes, today. Mr. Rodino, for 5 minutes, today.

Mr. Hamilton, for 5 minutes, today.

Mr. Le Fante, for 5 minutes, today. Mr. Weiss, for 5 minutes, today.

Mr. CARR, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted

Mr. FINDLEY, and to include extrane-

ous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost \$1,771.

(The following Members (at the request of Mr. Pursell) and to include extraneous matter:)

Mrs. Pettis.

Mr. WHITEHURST.

Mr. STEIGER in two instances.

Mr. SCHULZE.

Mr. Symms.

Mr. Grassley in two instances.

Mr. STOCKMAN.

Mr. Lagomarsino.

Mr. TAYLOR.

Mr. RUDD. Mr. MICHEL

(The following Members (at the request of Mr. Murphy of Pennsylvania)

and to include extraneous material:)
Mr. MINETA.

Mr. KILDEE.

Mr. CARNEY in two instances.

Mr. Lehman in 10 instances.

Mr. Solarz.

Mr. McCormack.

Mr. JACOBS.

Mr. Young of Missouri.

Mr. Anderson of California in three instances.

Mr. GONZALEZ in three instances.

Mr. ROSENTHAL.

Mr. TEAGUE.

Mr. Drinan in two instances.

Mr. MURTHA.

Mr. BEARD of Rhode Island.

Mr. McDonald.

Mr. GEPHARDT.

Mr. MIKVA.

Mr. OBERSTAR.

Mr. Simon in three instances.

Mr. Moorhead of Pennsylvania.

Mr. RODINO.

Mr. Murphy of New York.

Mr. HARRIS.

Mr. BEDELL.

Mr. MILLER of California in three instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 36. An act to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes; to the Committee on Science and Technology.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on April 7, 1977, present to the President, for his approval, bills of the House of the following title:

H.R. 3365. An act to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institu-

tions; and

H.R. 5717. An act to provide for relief and rehabilitation assistance to the victims of the recent earthquakes in Romania.

ADJOURNMENT

Mr. MURPHY of Pennsylvania. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 30 minutes p.m.), the House adjourned until tomorrow, Wednesday, April 20, 1977, at 3 o'clock

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1286. A letter from the Deputy Comptroller General of the United States, transmitting his review of the deferrals of budget authority contained in the message from the President dated March 24, 1977 (H. Doc. No. 95-111), pursuant to section 1014(b) of Public Law 93-344 (H. Doc. No. 95-127); to the Committee on Appropriations and ordered to be printed.

1287. A letter from the Acting Secretary of Agriculture, transmitting a draft of proposed legislation to extend the authorizations for rural housing programs; to the Committee on Banking, Finance and Urban Affairs.

1288. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend the programs authorized by the Child Abuse Prevention and Treatment Act; to the Committee on Education and Labor.

Education and Labor.

1289. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations governing applications for grants for training personnel for the education of the handicapped, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

1290. A letter from the Inspector General, Department of Health, Education, and Welfare, transmitting the first annual report on the activities of his Office, covering the period of its establishment, pursuant to section 204 (a) of Public Law 94–505; to the Committee on Government Operations.

1291. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Air Force to offer to sell certain defense articles and services to Greece (Transmittal No. 77-21), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

1292. A letter from the Secretary of Health, Education, and Welfare, transmitting the first quarterly report on the administration of the swine flu immunization program, covering the period ended September 30, 1976, pursuant to section 317(j)(2) of the Public Health Service Act, as amended (90 Stat. 1114); to the Committee on Interstate and Foreign Commerce.

1293. A letter from the Administrator, Federal Energy Administration, transmitting the annual report on the State energy conservation program, pursuant to section 365(c) of the Energy Policy and Conservation Act; to the Committee on Interstate and Foreign

1294. A letter from the Administrator, Federal Energy Administration, transmitting the first annual report on electric utility rate design initiatives, pursuant to section 206 of the Energy Conservation and Production Act of 1976; to the Committee on Interstate and Foreign Commerce.

1295. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to amend the Bail Reform Act; to the Committee on the Judiciary.

1296. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to amend section 1963 of title 28, United States Code, to provide for the registration of criminal judgments of fine or penalty; to the Committee on the Judiciary.

1297. A letter from the Acting Chairman, U.S. Civil Service Commission, transmitting the Commission's determination that language contained in title II of the Legislative Branch Appropriation Act, 1977, has the effect of freezing the benefits as well as the pay of certain officials, together with a draft of proposed legislation to clarify the situation; to the Committee on Post Office and Civil Service.

1298. A letter from the Acting Administrator of General Services, transmitting the annual report on the status of public buildings projects authorized for construction, alteration and lease under the Public Buildings Act of 1959 as of December 31, 1976, pursuant to section 11(a) of the act; to the Committee on Public Works and Transportation.

1299. A letter from the Administrator of Veterans' Affairs, withdrawing the previously submitted draft of proposed legislation to restore the 8-year period within which veterans and dependents, pursuing programs of education under the GI bill and the Survivors' and Dependents' Educational Assistance Act, must initiate and complete their programs of education; to the Committee on Veterans' Affairs.

1300. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their surviving spouses and children; and for other purposes; to the Committee on Veterans' Affairs.

1301. A letter from the Secretary of Health, Education, and Welfare, transmitting a description of a project for demonstration and evaluation of a day hospital service in rehabilitation medicine approved under section 1120(a) of the Social Security Act, pursuant to section 1120(b) of the act; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUB-LIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. REUSS: Committee on Banking, Finance and Urban Affairs. Report on allocation of budget authority and outlays for fiscal year 1977 (Rept. No. 95-211). Referred to the Committee of the Whole House on the State of the Union.

Mr. PEPPER: Committee on Rules. House

Mr. PEPPER: Committee on Rules. House Resolution 492. Resolution providing for the consideration of H.R. 5970. A bill to authorize appropriations during the fiscal year 1978, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense and to authorize the military training student loads, and for other purposes. (Rept. No. 95–212). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House

Resolution 493. Resolution providing for the consideration of H.R. 5840. A bill to amend the Export Administration Act of 1969 in order to extend the authorities of that act and improve the administration of export controls under that act, and to strengthen the antiboycott provisions of that act. (Rept. No. 95-213). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

> By Mr. SEBELIUS (for himself and Mr. PHILLIP BURTON):

H.R. 6286. A bill to provide for the preservation of natural diversity, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ARCHER:

H.R. 6287. A bill to provide a tax credit for expenditures made in the exploration and development of new reserves of oil and gas in the United States; to the Committee on Ways and Means.

By Mr. BEARD of Rhode Island:

H.R. 6288. A bill to amend the U.S. Housing Act of 1937, and the National Housing Act, to provide that future social security benefit increases shall be disregarded in determining eligibility for admission to or occupancy of low-rent public housing or the rent which an individual or family must pay for such housing, and that such increases shall also be disregarded in determining rents in other federally assisted housing and eligibility for (and the amount of) other Federal housing subsidies; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BEDELL:

H.R. 6289. A bill to amend title 18, United States Code, to prohibit Members of the Congress from using official congressional stationery in mass mailings for any purpose other than official congressional business; to the Committee on the Judiciary.

By Mr. BOWEN:

H.R. 6290, A bill to amend the Federal Insecticide, Fungicide; and Rodenticide Act of 1972; to the Committee on Agriculture.

By Mr. BRODHEAD (for himself, Mr. BROYHILL, Mr. EDWARDS of Oklahoma, Mr. CARR, Mr. GEPHARDT, Mr. PRICE, Mr. Solarz, Mr. Steers, and Mr. PATTERSON of California:)

H.R. 6291. A bill to prohibit members of the House of Representatives from soliciting or accepting gifts of money for their personal use: to the Committee on Select Committee on Ethics.

By Mr. BROWN of California (for himself, Mr. McCormack, Mr. Teague, Mr. Rose, Mr. RINALDO, Mr. OBER-STAR, Mr. AUCOIN, and Mr. ASHLEY):

H.R. 6292. A bill to establish a 5-year research and development program leading to advanced automobile propulsion systems, and for other purposes; to the Committee on Science and Technology.

By Mr. BROWN of California (for himself, Mr. Badillo, Mr. Beilenson, Mr. Blanchard, Mr. Bowen, Mr. BRODHEAD, Ms. BURKE of California, Mr. CONYERS. Mr. DANIELSON, Mr. DAVIS, Mr. EDWARDS Of California, Mr. EMERY, Mr. FRASER, Mr. GIBBONS, Mr. GRASSLEY, Mr. HANNAFORD, Mr. LEHMAN, Mr. LOTT, Mr. MURPHY of Pennsylvania, Mr. OTTINGER, Mr. RANGEL, Mr. REGULA, Mr. ROSE, Mr. SMITH of Iowa, and Mr. WALKER): H.R. 6293. A bill to amend the Internal

Revenue Code of 1954 to provide that advertising of alcoholic beverages is deductible expense; to the Committee on Ways and Means.

By Mr. CLAY (for himself, Mr. Aspin, Mr. Beard of Rhode Island, and Mr. FLORIO):

H.R. 6294. A bill to restore to Federal civilian and Postal Service employees their rights to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitation, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. COHEN (for himself, Mr. Koch, Mr. CARNEY, Mrs. HOLTZMAN, and Mr. SARASIN)

H.R. 6295. A bill to provide that polling and registration places for elections for Federal office be accessible to physically handicapped and elderly individuals, and for other purposes; to the Committee on House Ad-

By Mr. COHEN (for himself and Mrs. HECKLER) :

H.R. 6296. A bill to enact the National School-Age Mother and Child Health Act of 1977; to the Committee on Interstate and Foreign Commerce.

By Mr. COHEN (for himself, Mr. RAILSBACK, Mr. BENJAMIN, Ms. HOLTZMAN, and Mr. MOAKLEY): H.R. 6297. A bill to amend title 38 of the

United States Code in order to provide that the fees payable to agents or attorneys who represent veterans in allowed claims under the veterans laws shall be paid by the Administrator rather than deducted from amounts awarded under the claims; to the Committee on Veterans' Affairs.
H.R. 6298, A bill to amend title II of the

Social Security Act to provide that attorney's fees allowed in administrative or judicial proceedings under that title (or under title XVIII or such act), in case where the claimants are successful, shall be paid by the Secretary of Health, Education, and Welfare rather than deducted from the amounts awarded claimants; to the Committee on Ways and Means.

> By Mr. COHEN (for himself and Mrs. HECKLER):

H.R. 6299. A bill to provide for quality assurance and utilization control in home health care under the medicare, medicaid, and social services programs in accordance with a plan to be developed by a commission specifically established for that purpose; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. SARASIN:

H.R. 6300. A bill to improve the safety of products manufactured and sold in interstate commerce, to reduce the number of deaths and injuries caused by such products, and for other purposes; to the Committee

on Interstate and Foreign Commerce.

By Mr. CORCORAN of Illinois (for himself, Mr. Nedzi, Mr. Bafalis, Mr. Murphy of Pennsylvania, Mr. Glick-MAN, Mr. MAZZOLI, Mr. MITCHELL Of New York, Mr. DERWINSKI, Mr. ABD-NOR, Mr. HARRINGTON, Mr. LAFALCE, Mr. PRITCHARD, Mr. BADILLO, Mr. Evans of Delaware, Mr. Corrada, Mr. AUCOIN, Mr. MOORHEAD Of Penn-sylvania, Mr. ARMSTRONG, Mr. Bur-GENER, Mr. COLLINS of Texas, Mr. EDWARDS of Oklahoma, Mr. Won PAT, Mr. CLAY, and Mr. STANGE-LAND)

H.R. 6301. A bill entitled "The College Tuition Tax Relief Act of 1977"; to the Committee on Ways and Means.

By Mr. COTTER:

H.R. 6302. A bill to amend the Gun Control Act of 1968 to provide for separate offense and consecutive sentencing in felonies involving the use of a firearm; to the Committee on the Judiciary.

H.R. 6303. A bill to require a speedy trial

for criminal defendants charged with use of a firearm in the commission of a Federal crime; to the Committee on the Judiciary.

H.R. 6304. A bill to provide a tax credit for home insulation costs; to the Committee on Ways and Means.

By Mr. DANIELSON:

H.R. 6305. A bill to direct the Attorney General to provide for the construction of a correctional center in Los Angeles County, California; to the Committee on Public Works and Transportation.

By Mr. DRINAN (for himself, Mr. FREN-ZEL, Mrs. KEYS, and Mr. OTTINGER):

H.R. 6306. A bill to amend the Federal Food, Drug, and Cosmetic Act to authorize the regulation of tobacco products under that act in the same manner as food is regulated under that act; to the Committee on Interstate and Foreign Commerce.

By Mr. DRINAN (for himself, Mr. FRENZEL, and Mrs. KEYS):

H.R. 6307. A bill to strengthen the warning label required on cigarette packages, extend such warning to cigarette advertisements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DRINAN (for himself, Mr. Bing-HAM, Mr. CONYERS, Mr. EDWARDS Of California, Ms. HOLTZMAN, Mr. MIKVA, Mr. SOLARZ, Mr. STARK, and Mr.

WEISS)

H.R. 6308. A bill to carry out the principles of the Helsinki Final Act pertaining to freedom of travel and emigration, by providing that aliens who are associated with certain political organizations or who advocate certain political beliefs shall not be ineligible to receive visas and excluded from admission into the United States, or deported from the United States, because of such association or beliefs; to the Committee on the Judiciary.

By Mr. DRINAN (for himself and Mrs.

KEYS)

H.R. 6309. A bill to establish a health protection tax on cigarettes, and for other purposes; to the Committee on Ways and Means.

By Mr. DRINAN (for himself, Mr. Au Coin, Mr. Beilenson, Mr. Frenzel, and Mrs. Keys):

H.R. 6310. A bill to regulate smoking in Federal facilities and in facilities serving interstate common carrier passengers, and for other purposes; jointly, to the Commit-

tees on Interstate and Foreign Commerce and

Public Works and Transportation.

By Mr. FORD of Tennessee (for himself, Mr. ALEXANDER, Mrs. COLLINS of Illinois, Mr. Duncan of Oregon, Mr. FISH, Mr. JONES OF Oklahoma, Mr. KINDNESS, Mr. McDONALD, Mr. Mc-KINNEY, Mr. MITCHELL OF Maryland, Mr. Montgomery, Mr. Nix, Mr. Pat-tison of New York, Mr. Rangel, Mr. SCHEUER, Mr. TREEN, and Mr. Haw-KINS):

H.R. 6311. A bill to amend the Federal Aviation Act of 1958, as amended, to broaden the power of the Civil Aeronautics Board to grant relief by exemption in certain cases, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. GEPHARDT: H.R. 6312. A bill to amend and extend the National School Lunch Act; to the Committee on Education and Labor.

By Mr. HAMMERSCHMIDT:

H.R. 6313. A bill to repeal the Occupational Safety and Health Act of 1970; to the Committee on Education and Labor.

H.R. 6314. A bill to amend the Occupational Safety and Health Act of 1970 to provide that such act shall not apply to employers, including farming operations, having 25 or fewer employees; to the Committee on Education and Labor.

H.R. 6315. A bill to permit the review of regulatory rules and regulations by the Congress; to the Committee on Government Operations.

H.R. 6316. A bill to authorize the marketing of saccharin under section 409 of the Federal Food, Drug, and Cosmetic Act; to the Committee on Interstate and Foreign Com-

H.R. 6317. A bill to amend the Communications Act of 1934 with respect to the re-newal of licenses for the operation of broadcasting stations; to the Committee on Interstate and Foreign Commerce.

H.R. 6318. A bill to amend the Federal Food, Drug, and Cosmetic Act to authorize an evaluation of the risks and benefits of certain food additives and to permit the marketing of saccharin until such an evaluation can be made of it; to the Committee on Interstate and Foreign Commerce.

H.R. 6319. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain relating existing provisions; to the Committee on the Judiciary.

H.R. 6320. A bill to amend the Internal Revenue Code of 1954 to allow an individual to exclude from gross income the gain from the sale or exchange of the individual's principal residence: to the Committee on Ways and Means.

H.R. 6321. A bill to amend title II of the Social Security Act to increase the increment in old-age benefits payable to individuals who delay their retirement beyond age 65; to the Committee on Ways and Means.

H.R. 6322. A bill to amend the Internal Revenue Code of 1954 to encourage higher education, and particularly the private funding thereof, by authorizing a deduction from gross income of reasonable amounts contributed to a qualified higher education fund established by the taxpayer for the purpose of funding the higher education of his dependents; to the Committee on Ways and Means

H.R. 6323. A bill to amend title XVIII of the Social Security Act to provide for coverage under part B of medicare for routine Papanicolaou tests for the diagnosis of uterine cancer; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce

H.R. 6324. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public participation in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary, and Rules.

By Mr. HAMMERSCHMIDT (for himself, Mr. GILMAN, Mr. McDonald, Mr. MURPHY of Pennsylvania, and Mr. WON PAT):

H.R. 6325. A bill to provide combat bonuses for honorable Vietnam service through tax credits; to the Committee on Ways and

By Mr. HARRIS (for himself, Mr. Udall, and Mrs. Schroeder);
H.R. 6326. A bill to clarify existing author-

ity for employment of personnel in the White House Office and the Executive Residence at the White House, to clarify existing authority for employment of personnel by the President to meet unanticipated personnel needs, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. KOCH:

H.R. 6327. A bill to provide for the use of telecommunication devices by the Senate and the House of Representatives to enable deaf persons and persons with speech impairments to engage in toll-free telephone communications with Members of the Congress; to the Committee on House Administration.

By Mr. LOTT (for himself, Mr. Michel,

and Mr. Hype): H.R. 6328. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. LOTT (for himself, Mr. CARTER, Mr. Murphy of New York, Mr. Pat-terson of California, Mr. Moorhead of California, Mrs. HECKLER, and Mr. EMERY):

H.R. 6329. A bill to amend title II of the Social Security Act to eliminate the 5-month waiting period for disability benefits, to liberalize the earnings test, to permit adopted children to qualify for benefits without regard of time of adoption, to eliminate the reconsideration stage in benefit determinations, to provide for the issuance of duplicate benefit checks where the initial checks are lost or delayed, and to provide for expedited benefit payments to disability beneficiaries; to the Committee on Ways and Means.

By Mr. McHUGH:

H.R. 6330. A bill to assist States in collecting sales and use taxes on cigarettes by controlling all types of illegal transportation of cigarettes; to the Committee on the Judiciary.

By Mr. McKINNEY (for himself, Mr. ALLEN, Mr. AUCOIN, Mr. BOWEN, Mr. CAPUTO, Mr. COLLINS of Texas, Mr. ERTEL, Mr. FREY, Mrs. FENWICK, Mr. GOODLING, Mr. HANNAFORD, Mr. Goodling, Mr. Hannaford, Mr. Kindness, Mr. Mitchell of Maryland, Mr. MURPHY of Pennsylvania, Mr. ROE, Mr. TREEN, Mr. WALSH, and Mr. WINN):

H.R. 6331. A bill to amend the Internal Revenue Code of 1954 to allow an individual to exclude from gross income the gain from the sale or exchange of the individual's principal residence; to the Committee on Ways and Means.

> By Mr. MICHEL (for himself, Mr. ARCHER, Mr. BAFALIS, Mr. BEARD Of Tennessee, Mr. BROYHILL, Mr. BUR-GENER, Mr. DEL CLAWSON, Mr. COCH-RAN Of Mississippi, Mr. COLLINS Of Texas, Mr. Corcoran of Illinois, Mr. ROBERT W. DANIEL, JR., Mr. DERWIN-SKI, Mr. DICKINSON, Mr. DORNAN, Mr. Duncan of Tennessee, Mr. Er-LENBORN, Mr. GOLDWATER, Mr. GRASS-LEY, Mr. HAGEDORN, Mrs. HOLT, Mr. KEMP, Mr. KINDNESS, Mr. MARRIOTT, Mr. MARTIN, and Mr. MYERS of Indiana)

H.R. 6332. A bill to reform the food stamp program by improving and strengthening various provisions relating to eligibility ben-efits and administration; improving the nutritional focus of the program; and redirecting benefits to those truly in need; to the Committee on Agriculture.

By Mr. MICHEL (for himself, Mrs. PETTIS, Mr. QUAYLE, Mr. ROBINSON, Mr. ROUSSELOT, Mr. RUDD, Mr. SCHULZE, and Mr. SYMMS):

H.R. 6333. A bill to reform the food stamp program by improving and strengthening various provisions relating to eligibility benefits and administration; improving the nutritional focus of the program and redirecting benefits to those truly in need; to the Committee on Agriculture.

By Mr. MILLER of California:

H.R. 6334. A bill to amend the National School Lunch Act and Child Nutrition Act of 1966 to revise and extend the summer food program, and to revise the school breakfast program; to the Committee on Education and

H.R. 6335. A bill to provide that no contracts may be entered into by the Bureau of Reclamation for water supply for purposes of irrigation without prior public notice and opportunity for hearing; to the Committee on Interior and Insular Affairs.

By Mr. MILLER of California (for himself, Mr. BALDUS, Mr. HEFTEL, Ms. HOLTZMAN, Mr. JEFFORDS, Mr. KILDEE, Mr. Leach, Mr. Luken, Mr. Markey, Mr. Mattox, Mr. McCloskey, Mr. Perkins, and Mr. Young of Florida):

A bill to amend the Older 6336. Americans Act of 1965 to provide a national meals-on-wheels program for the elderly, and for other purposes; to the Committee on Education and Labor.

By Mr. MILLER of California (for himself, Mr. Biaggi, Mr. Bonker, Ms. Holtzman, Mr. Leach, and Mr. Le FANTE):

H.R. 6337. A bill to provide a national home delivered meals program for the elderly; to the Committee on Education and La-

By Mr. MOORE:

H.R. 6338. A bill to amend the Communications Act of 1934 to provide that television broadcasting licenses may be issued and renewed for terms of 4 years and radio licenses for 5 years, to establish procedures for determining the needs of broadcasting audiences, to revise procedures relating to the review of license applications, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MOORHEAD of California:

H.R. 6339. A bill to reaffirm national policy with respect to the regulation of telecommunications services in interstate and foreign commerce; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. NICHOLS:

H.R. 6340. A bill to authorize the Administrator of General Services to renegotiate the provisions of any contract for the benefits of the Government of the United States for the lease of real property which is under the authority of the administrator or subject to his supervision in order to make adjustments for increased utility costs for the operation of such premises; to the Committee on Gov-

ernment Operations.

By Mr. NIX (by request):

H.R. 6341. A bill to further amend the
Foreign Service Act of 1946 to improve the foreign service personnel system, and for other purposes; jointly, to the Committees on International Relations, and Post Office and Civil Service.

By Mr. PERKINS (for himself, Mr. JEF-FORDS, Mr. AMMERMAN, Mr. BINGHAM, and Mr. CORNWELL):

H.R. 6342. A bill to amend the Headstart-Follow Through Act to extend the follow through program for 1 year; to the Committee on Education and Labor.

By Mr. QUILLEN: H.R. 6343. A bill to correct inequities in certain franchise practices, to provide franchisors and franchisees with evenhanded protection from unfair practices, to provide consumers with the benefits which accrue from a competitive and open market economy, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 6344. A bill to amend title XVIII of the Social Security Act to eliminate all the deductibles, coinsurance, and time limita-tions presently applicable to benefits thereunder; to eliminate medicare taxes as the method of financing hospital insurance benefits and premium payments as the method of financing supplementary medical insur-ance benefits (so that all benefits under such title will be financed from general revenues); to provide payment for eye care, dental care, hearing aids, prescription drugs, prosthetics, one physical checkup a year, pre-

ventive care, diagnosis of breast cancer, services of certain psychologists, services of registered nurses, and certain other items not now covered; and to provide for the administrative and judicial review of claims (in-volving the amount of benefits payable) which arises under the supplementary medical insurance program; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. RONCALIO:

H.R. 6345. A bill to amend the Railroad Retirement Act of 1974 to provide that any railroad employee may retire on full annuity at age 55 with 30 years' service, and to provide for payment of full spouse's annuities at age 55 (or reduced spouse's annuities at age 52); to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL:

H.R. 6346. A bill relating to collective bargaining representation of postal employees; to the Committee on Post Office and Civil Service

> By Mr. ST GERMAIN (for himself, Mr. BEARD of Rhode Island, Mr. Brown of California, Mrs. HECKLER, Mr. Mc-Dade, Mr. Neal, and Mr. WHITE-HURST):

H.R. 6347. A bill to provide for loans for the establishment and/or construction of municipal, low-cost, nonprofit clinics for the spaying and neutering of dogs and cats, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SANTINI:

H.R. 6348. A bill to convey to the Ely Indian Colony the beneficial interest in certain Federal land; to the Committee on Interior and Insular Affairs

> By Mr. SIMON (for himself and Ms. HOLTZMAN):

H.R. 6349. A bill to provide meaningful and productive work for the Nation's youths, and to provide comprehensive job counseling and placement services for youths, and for other purposes; to the Committee on Education and Labor.

Mr. SIMON (for himself, Mr. Bv O'BRIEN, Mr. Jones of North Carolina, Mr. Andrews of North Carolina, Mr. Ammerman, and Mr. Marriott):

H.R. 6350, A bill to amend title 39. United States Code, to provide that, with respect to the appointment of postmasters in small communities, the U.S. Postal Service shall give preference to applicants for such appointment who reside in such communities; to the Committee on Post Office and Civil Service

By Mr. SLACK:

H.R. 6351. A bill to amend title 18, United States Code, to prohibit the sexual exploitation of children and the transportation in interstate or foreign commerce of photographs

or films depicting such exploitation; to the Committee on the Judiciary.

By Mr. SNYDER (for himself, Mr. ANDERSON of California, Mr. ABDNOR, Mr. BREAUX, Mr. DON H. CLAUSEN. Mr. CLEVELAND, Mr. COCHRAN Of Miss., Mr. CORNWELL, Mr. Evans of Georgia, Mr. FARY, Mr. FLIPPO, Mr. GINN, Mr. GOLDWATER, Mr. HAGE-DORN, Mr. HAMMERSCHMIDT, Mr. LE-VITAS, Mr. MILFORD, Mr. MINETA, Mr. RISENHOOVER, Mr. ROBERTS, SHUSTER, Mr. STANGELAND, ROBERTS, Mr. STUMP, Mr. TAYLOR, and Mr. Young of Missouri):

H.R. 6352. A bill to require the Civil Aeronautics Board to rescind the authority of any air carrier to provide nonstop service be-tween any two points if such authority is not utilized within a certain period of time; to authorize the provision of new nonstop service by certificated air carriers between such points without hearings; and for other purposes; to the Committee on Public Works and Transportation.

By Mr. SNYDER (for himself, Mr. ANDERSON of California, Mr. ABDNOR, Mr. BREAUX, Mr. DON H. CLAUSEN, CLEVELAND, Mr. COCHRAN Of Mississippi, Mr. CORNWELL, EVANS OF GEORGIA, Mr. FARY, Mr. FLIPPO, Mr. GINN, Mr. GOLDWATER, Mr. HAGEDORN, Mr. HAMMERSCHMIDT, Mr. Levitas, Mr. Milford, Mr. Mineta, Mr. Risenhoover, Mr. Rob-ERTS, Mr. SHUSTER, Mr. STANGELAND, Mr. STUMP, Mr. TAYLOR, and Mr. Young of Missouri):

H.R. 6353. A bill to amend the Federal Aviation Act of 1958, to provide for expedited consideration by the Civil Aeronautics Board of applications for certificates of public convenience and necessity; to the Committee on Public Works and Transportation.

By Mr. STEIGER:

H.R. 6354. A bill to provide travel and transportation allowances and dislocation allowances for enlisted members of the armed services in lower grades; to the Committee on Armed Services.

By Mr. STEIGER (for himself and Mr. CONABLE)

H.R. 6355. A bill to amend the Trade Act of 1974 in order to authorize the President to designate any of certain countries as eligible for the tariff preferences extended to developing countries under title V of such act if the President determines that such designation is in the national economic interest; to the Committee on Ways and Means.

By Mr. SYMMS (for himself, Mr. Beard of Rhode Island, Mr. Bur-GENER, Mr. CORRADA, Mr. CRANE, Mr. DEVINE, Mr. EDWARDS of Oklahoma, Mr. Evans of Delaware, Mr. GILMAN, Mr. GLICKMAN, Mr. HAMMERSCHMIDT, Mr. Lederer, Mr. Mathis, Mr. Rose, Mr. Tonry, Mr. Whitehurst, Mr. Winn, and Mr. Young of Alaska): H.R. 6356. A bill to repeal the earnings

limitation of the Social Security Act; to the

Committee on Ways and Means.

By Mr. TEAGUE (for himself, Mr. FUQUA, Mr. FLOWERS, Mr. BROWN of California, Mr. THORNTON, Mr. NEAL, Mr. GOLDWATER, and Mr. GARY A. MYERS):

H.R. 6357. A bill to authorize appropriations to the Energy Research and Develop-ment Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the ederal Nonnuclear Energy Research and Development Act of 1974, and for other purposes: to the Committee on Science and Technology

By Mr. THONE:

H.R. 6358. A bill to designate the Meat Animal Research Center located near Clay Center, Nebr., as the Roman L. Hruska Meat Animal Research Center; to the Committee on Agriculture

H.R. 6359. A bill to amend the Uniform Time Act of 1966 to provide that daylight saving time shall begin on Memorial Day and end on Labor Day of each year; to the Committee on Interstate and Foreign Commerce.

H.R. 6360. A bill to amend section 2040 of the Internal Revenue Code of 1954 to provide that a spouse's services shall be taken into account in determining whether that spouse furnished adequate consideration for jointly held property for purposes of qualifying for an exclusion from the Federal estate tax; to the Committee on Ways and Means.

H.R. 6361. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means. By Mr. WEAVER:

H.R. 6362. A bill to establish an Advisory

Committee on Timber Sales Procedure appointed by the Secretary of Agriculture for the purposes of studying, and making recommendations with respect to, procedures by which timber is sold by the Forest Service, and to restore stability to the Forest Service timber sales program and provide an opportunity for congressional review; to the Committee on Agriculture.

By Mr. WHALEN (for himself, Mr. ED-WARDS of California, and Mr. LLOYD

of California):

H.R. 6363. A bill to provide that any increase in the rate of pay for Members of Con-gress proposed during any Congress shall not take effect earlier than the beginning of the next Congress; to the Committee on Post Office and Civil Service.

By Mr. WHALEN (for himself, Mr. BLOUIN, Mr. DAVIS, Mr. EDWARDS of California, Mr. Edwards of Oklahoma, Mr. Frenzel, Mr. Glickman, Mr. Hannaford, Mr. Jenrette, Mr. Moss, Mr. Ottinger, Mr. Panetta, PATTERSON of California, Mr. SIMON, Mrs. SPELLMAN, Mr. STOKES, Mr. VENTO, Mr. WAXMAN, Mr. WEISS,

and Mr. Zeferetti): H.R. 6364. A bill to protect citizens' privacy rights, establishing guidelines for access to third party records, regulating the use of mail covers, limiting telephone service monitoring, and protecting nonaural wire communications; jointly, to the Committees on Banking, Finance and Urban Affairs, and

the Judiciary

By Mr. WHITEHURST:

H.R. 6365. A bill to amend the National Housing Act to provide for the insurance of graduated payment mortgages, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 6366. A bill to amend title 28 of the United States Code to provide that the United States may be named as a party in certain court actions involving claims on which there are tax liens; to the Committee on the Judiciary.

By Mr. WIGGINS:

H.R. 6367. A bill for the relief of the Orange County Water District; to the Committee on the Judiciary.

By Mr. HAMILTON:

H.J. Res. 392. Joint resolution to amend the Constitution to provide for representation of the District of Columbia in the Congress; to the Committee on the Judiciary.

By Mr. HAMMERSCHMIDT: HJ. Res. 393. Joint resolution to designate the week commencing with the third Monday in February of each year as National Patriotism Week; to the Committee on Post Office and Civil Service.

By Mrs. PETTIS:

H.J. Res. 394. Joint resolution to authorize the Secretary of the Interior to continue to provide limited benefits from the Federal hydroelectric power program to residents of the city of Needles, Calif., and vicinity and the Fort Mojave Indian Tribe after expiration of contract No. 14-06-300-802 on December 31, 1977, and for other purposes; to the Committee on Interior and Insular Affairs

By Mr. THONE: H.J. Res. 395. Joint resolution proposing an amendment to the Constitution of United States authorizing the President to disapprove parts of appropriation bills; to the Committee on the Judiciary.

By Mr. ZABLOCKI:

H. Res. 491. Resolution providing for agreeing to the Senate amendment to the House amendments to the bill S. 489 and receding from the House amendment to the title; considered and agreed to.

By Mr. BOLAND: H. Res. 494. Resolution to insure that the quality and quantity of free broadcasting service not be impaired; to the Committee on Interstate and Foreign Commerce.

By Mr. CONTE (for himself, Mr. Bo-LAND, Mr. KOCH, Mr. GILMAN, Mr. RANGEL, Mrs. CHISHOLM, Mr. BEARD of Rhode Island, Mr. RICHMOND, Mr. Ambro, Mr. HARRINGTON, Mr. WEISS, Mr. FARY, Mr. MOAKLEY, Mr. DRINAN, and Mr. WALGREN) :

H. Res. 495. Resolution directing the Committee on International Relations to conduct hearings to determine the nature extent of any U.S. involvement in the hostilities in Northern Ireland: to the Committee on Rules

By Mr. HUGHES:

H. Res. 496. Resolution to declare a state of war against the dreaded disease, amyotrophic lateral sclerosis; to the Committee on Interstate and Foreign Commerce

By Mr. SOLARZ (for himself, Mr. ABDNOR, Mr. ASHBROOK, Mr. BADHAM, Mr. Burgener, Mr. Carter, Mr. Chap-PELL, Mr. DON H. CLAUSEN, Mr. DEL CLAWSON, Mr. COLLINS of Texas, Mr. CRANE, Mr. DAN DANIEL, Mr. ROBERT W. DANIEL, JR., Mr. DERWINSKI, Mr. DEVINE, Mr. DORNAN, Mr. EDWARDS Of Oklahoma, Mr. FLYNT, Mr. GILMAN, Mr. GRASSLEY, Mr. HAGEDORN, Mr. HANSEN, Mrs. HOLT, Mr. HUBBARD, and Mr. Hype) :

H. Res. 497. Resolution to amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

Mr. McDONALD (for himself, Mr. ADDABBO, Mr. AUCOIN, Mr. BADILLO, Mr. BALDUS, Mr. BEARD of Rhode Island, Mr. BEARD of Tennessee, Mr. BEILENSON, Mr. BOWEN, Mr. BROWN of Michigan, Mr. Brown of California, Mr. PHILLIP BURTON, Mr. CARNEY, Mr. CLAY, Mr. CONTE, Mr. CORMAN, Mr. ROBERT W. DANIEL, JR., Mr. DE LUGO, Mr. DORNAN, Mr. DOWNEY, Mr. EDGAR, Mr. EDWARDS Of Oklahoma, Mr. EILBERG, Mr. ERTEL, and Mr. FAUNTROY):

H. Res. 498. Resolution to declare a state of war against the dreaded disease, amyotrophic lateral sclerosis; to the Committee on Interstate and Foreign Commerce.

By Mr. SOLARZ (for himself, Mr. FISHER, Mr. GIBBONS, Mr. GILMAN, Mr. GLICKMAN, Mr. GUYER, Mr. HOL-LENBECK, Mr. HORTON, Mr. KEMP, Mr. KOSTMAYER, Mr. LEACH, Mr. LAGO-MARSINO, Mr. LLOYD of California, Mr. LUNDINE, Mr. MARTIN, Mr. MAR-RIOTT, Mr. MAZZOLI, Mr. McFall, Ms. MIKULSKI, Mr. MOORHEAD of California, Mr. MOAKLEY, Mr. MOFFETT, Mr. MURPHY of Pennsylvania, Mr. NEDZI, and Ms. Oakar):

H. Res. 499. Resolution to declare a state of war against the dreaded disease, amyotrophic lateral sclerosis: to the Committee on Interstate and Foreign Commerce.

Ву Mr. SOLARZ (for himself, Mr. O'BRIEN, Mr. OTTINGER, Mr. QUILLEN, Mr. Railsback, Mr. Richmond, Mr. Rodino, Mr. Roe, Mr. Roybal, Mr. Simon, Mr. Skelton, Mrs. Spellman, Mr. STARK, Mr. STEERS, Mr. TRIBLE,

Mr. VAN DEERLIN, Mr. VANDER JAGT, Mr. VENTO, Mr. WAXMAN, Mr. WEAVER, Mr. Weiss, Mr. Charles H. Wilson of California, Mr. Charles Wilson of Texas, Mr. Winn, and Mr. Won

H. Res. 500. Resolution to declare a state of war against the dreaded disease, amyotrophic lateral sclerosis; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

99. By the SPEAKER: Memorial of the Senate of the State of Hawaii, relative to protection of the domestic sugar industry: to the Committee on Agriculture.

100. Also, memorial of the Senate of the State of Hawaii, relative to implementation of the recommendations of the National Conference of State Legislatures relating to the AFDC quality control program; jointly, to the Committees on Ways and Means, Interstate and Foreign Commerce, and Agricul-

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CONTE:

H.R. 6368. A bill for the relief of Nicolae A. Popovici; to the Committee on the Judiciary.

By Mr. FISHER: H.R. 6369. A bill for the relief of Lloyd B. Gamble; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII.

87. The SPEAKER presented a petition of the Executive Committee of the Denver Democratic Central Committee, Denver, Colo., relative to the pay raise for Members of Congress; to the Committee on Post Office and Civil Service.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 5970

By Mr. COHEN:

Page 28, after line 2, insert the following new section:

SEC. 810. (a) Notwithstanding any other provision of law, and except as provided in subsection (c), no action may be taken to effect or implement-

(1) the closure of any military installa-

(2) a reduction in the authorized level of civilian personnel at any military installation by more than one thousand or 50 per centum, whichever is smaller in any twelvemonth period: or

(3) any construction, conversion, or re-

habilitation at any military facility other than a military installation referred to in paragraph (1) or (2) (regardless of whether such military facility is a military installation as defined in subsection (d)) which will or may be required as a result of any relocation of civilian personnel to such military facility by reason of any closure or reduction in force to which this section applies,

unless and until the provisions of subsection (b) are complied with.

(b) No action described in subsection (a) with respect to the closure of, or a reduction in force at, a military installation may be

(1) unless the Secretary of Defense or the Secretary of the military department concerned-

(A) notifies Congress in writing that such military installation is a candidate for such a closure or reduction in force;

(B) after complying with subparagraph (A), complies with all terms, conditions, and requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) with respect to the proposed closure or reduction in force; and

(C) after complying with subparagraph (B), notifies the Committees on Armed Services of the Senate and House of Representatives of the final decision to carry out the proposed closure or reduction in force and submits to such committees a detailed justification for such decision, including statements of the estimated fiscal, local economic, budgetary, environmental, strategic, and operational consequences of such closure or reduction in force; and

(2) until a period of sixty days has elapsed following the date on which the justification required by paragraph (1)(C) is received by such committees.

(c) This section shall not apply to the closure of a military installation or a reduction in force at a military installation if the President certifies to the Congress that such closure or reduction in force must be implemented for reasons of national security or a

military emergency.

(d) For purposes of this section:

(1) The term "military installation" means any camp, post, station, base, yard, or other facility under the authority of the Department of Defense

(A) which is located within any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, or Guam; and

(B) at which not less than five hundred civilian personnel are authorized to be employed.

(2) The term "civilian personnel" means direct-hire, permanent civilian employees of the Department of Defense.

(e) This section shall apply with respect the closure of any military installation and any reduction in force at any military installation which is first publicly an-nounced on or after January 1, 1976. Page 28, line 3, strike out "810" and insert

in lieu thereof "811".

By Mr. VANDER JAGT: On page 4, line 24 strike out "\$2,365,232,-000;" and insert in lieu thereof "\$2,375,232,-000".

SENATE—Tuesday, April 19, 1977

(Legislative day of Monday, February 21, 1977)

The Senate met at 12:15 p.m., on the expiration of the recess, and was called to order by Hon. FLOYD K. HASKELL, a Senator from the State of Colorado.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

God of our Fathers and our God, we thank Thee for this quiet moment when we turn from pressing duties to acknowledge that Thou art the Supreme Ruler of men and nations. Make us aware of Thy presence not only in this ceremony but in the changing scenes of the day's duties. Grant us grace to worship as we work and to present our work as an offering to Thee. In the crucial period before us give Thy servants in the Government clear heads, clean hands, and pure hearts. Grant to the President strength to lead, to the Congress wisdom to legislate, and to all the people a sense of civic responsibility. And to Thee shall be the praise and thanksgiving. Amen.

APPOINTMENT OF ACTING PRESI-DENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication, to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following

letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 19, 1977.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. FLOYD K. HASKELL, a Senator from the State of Colorado, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND, President pro tempore.

Mr. HASKELL thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Monday, April 18, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ENERGY

Mr. BAKER. Mr. President, I was glad to see that President Carter has noted the very grave energy situation faced by this country in his address to the country last night. He now becomes the third consecutive Chief Executive to note this problem, as both President Nixon and President Ford before him addressed the Nation on the seriousness of our energy problems. The imperative thing now is for Congress to act boldly and decisively in meeting America's energy needs. I only hope that neither Congress nor the President forget the American consumer as they address this problem. If an analysis of the cost of the President's energy proposal which appeared in the Wall Street. Journal is correct, the Nation would face an additional energy bill of \$200 billion over the next 8 years. This would mean an additional consumer burden of \$4 billion for constituents of mine in Tennessee, or about \$4,000 in extra energy costs for every family of four.

While I agree with the President that America must conserve and conserve energy wisely, I do not think the answer to our problem is excessive taxation and never-ending massive cost increases. Many of the President's stated concerns could be solved if the Federal Government would unshackle America's industrial technologies and develop more fully alternative energy forms such as nuclear power, including the breeder reactor; coal technologies, such as fluidized bed burning and magnetohydrodynamics.

and other exotic and developed energy sources. I also believe America's industries could and should begin development of a more advanced system for use in our mobile consumers such as the use of liquified hydrogen in automobiles and the development of electricity from photovoltaic solar cells.

Mr. President, this is a difficult time. The President has a difficult chore before him. He was correct in identifying the problem. He is correct in calling on the country and on Congress to support the sacrifices and efforts that must be undertaken.

But it should be understood as well, Mr. President, that the Congress of the United States is the only branch of the Government where controversy, conflict, discussion, and debate of the great issues are guaranteed constitutionally. Mr. President, there will be a debate on the President's energy proposals here. I pledge, as far as I can pledge, that we will agree with so much and such parts of the energy proposals of the President of the United States as we can. That is our opportunity; it is, indeed, our obligation.

But as the minority, as the other half of that guarantee of controversy and debate—the thorough ventilation of our ideas and points of view as we formulate a new energy policy for the United States—I also promise that on this side of the aisle we will suggest freely and fully such alternatives, such disagreements, and such additional proposals as may be necessary in the public interest.

I support the President in his identification of the problem, and I pledge to the Senate, my colleagues and the majority leader, that our discussion of this issue will be thorough, but it will be fair.

Mr. ROBERT C. BYRD. Mr. President, knowing the distinguished Republican leader as I know him, I realize that the discussion of this matter will be thorough and that it will be fair.

This country faces one of the most insidious and subtle crises that it has ever faced. It is going to require some difficult judgments on the part, not only of the President, not only of the majority in Congress, not only the minority in Congress, but also of the people of this country. Whether or not the United States is successful in properly envisioning the full scope and depth of the crisis that faces us, whether or not it is successful in its approaches to the problem, will depend a great deal upon the discussions that will be carried on here in this body and in the body across the Capitol. But in the final analysis, Mr. President, this problem as perhaps no other problem-other than leadership of the Nation in war-will require much decisive action and leadership; and under our Constitution, Congress with its 535 Members representing all crosscurrents of opinion and pressures, will not be able to provide the leadership that the country will require in the difficult days ahead. Only one man, under the Constitution, can provide that kind of leadership; and whether or not, again, the problem is properly dealt with and the solutions are forthcoming will basically depend upon how the people in Sophia, W. Va., Plains, Ga., and the thousands of other hamlets, villages,

communities, and cities all throughout this land recognize the scope and the depth and gravity of the problem; how they recognize the necessity for sacrifice on the part of all; and how they are able to recognize that, whatever sacrifices must be made, they will be evenhanded and equitable across the board.

That, in large measure, will continue to depend upon the President of the United States, as to how constant he is in his determination to bring to the people of this country the seriousness of this problem, and not only the seriousness of the problem to those of us who live and guide and lead today, but also to those of our children and grandchildren into whose hands the solution of this problem has not yet fallen.

It is our problem—those of us who carry the responsibility of leadership today-and I hope that we will, where we disagree with the President's approach, be able to provide alternatives. I hope we will all be fair-whether we are on the left or the right side of this aislein viewing the problem. I hope we will not set our feet in concrete in opposition to any facet of the President's program until we have had ample opportunity to study every aspect of the program; because once a Member sets his feet in concrete, then it is pretty difficult for him to extricate himself from that position, no matter how valid the facts otherwise that may be presented.

I am confident that in this matter, as in others, we will find the leadership on the other side of the aisle responding in a patriotic, fair, and reasonable manner. And may I say in closing, Mr. President, that this country deserves no less than the cooperation of both parties in the Congress working with the President, and vice versa—the cooperation of the President in working with the representatives of the people in the People's Branch, which is still the voice and the hope of the people.

Thaddeus Stevens, in 1867, as a Representative from Pennsylvania, said, 'Congress is the people." Mr. President, in this crisis-and it is not one that will be with us but a day-whether or not Congress can rise to the level of statesmanship that will be required of it will depend a great deal upon our ability to work together in meeting the problem; but even more basically, again, it will depend upon the ability of the people back home to recognize the problem and the sacrifices that will be incumbent upon them to meet that problem. Only then will Congress-a microcosm of the people—which displays every day the strengths and the frailties, the magnanimity and the meanness, the pettifoggery and the nobility, of all the peopleonly then will this Congress be able to properly respond to the challenge that confronts us.

Mr. BAKER. Mr. President, I yield any time I have remaining under the standing order to the distinguished junior Senator from New Mexico.

Mr. SCHMITT. And, Mr. President, I believe under a special order I have an additional 15 minutes in case I need it.

The ACTING PRESIDENT pro tem-

pore. The Senator is correct.
Mr. ROBERT C. BYRD. Mr. President,

do I have any time remaining under the standing order?

The ACTING PRESIDENT pro tempore. The Senator has used all his time.
Mr. ROBERT C. BYRD. I thank the Chair. I was going to yield the Senator from New Mexico whatever time re-

mained, if any,

REPORT ON NEW MEXICO

The ACTING PRESIDENT pro tempore. The Senator from New Mexico has 21 minutes, 15 of his own and 6 of the Senator from Tennessee.

Mr. SCHMITT. Mr. President, I appreciate the inclination of both the distinguished leaders to yield to me their

time.

Mr. President, today I wish to give the second in a series of reports on New Mexico as a consequence of the visit to that State by myself during the recent recess.

As I have indicated previously, I think it is very important that Senators and Representatives take cognizance of the information that they receive from their constituents during recess activities, which are primarily work weeks, and pass that information on to the rest of the Congress.

The most critical issue raised by my constituents in New Mexico this past recess, has to do with their view of the bureaucracy, the impersonal nature of that bureaucracy. That impersonal bureaucracy is the source, in their minds, of most of the problems they have with

the Federal Government.

It turns out that Members of the Congress have become a part of the bureaucracy, and a necessary part, in that we are the court of last resort. That is why we see our constituents very often as what we call case work or case studies, because they have run out of alternatives in dealing with the Federal Government, out of alternatives in dealing with people they do not feel directly represent them.

I believe in this area it is incumbent on the Congress to do everything we can to continue to move Government closer to the local and State governments which are directly accountable in every elec-

tion to the people they serve.

In the area of energy, there is great concern in New Mexico, as alsewhere in the West, in the United States, and, I believe, in the world. The main thing the people of New Mexico would like is the truth from their leaders. I commend the President for his statements of last night which emphasized the severity of the crisis. I hope all Members of the Congress will now start to do likewise and no longer look for scapegoats. The blame for the crisis clearly lies, over the last several decades, at the feet of the Congress. The people realize this. What they would like to see is the truth and a true policy for energy in this country in which there is a real increase in conservation, or, more appropriately, a decrease in waste, and a real increase in production. in the availability of energy which fuels our economy.

They do not seem to be particularly interested in cosmetic conservation, in threats and taxes which might impose such conservation.

They are willing to sacrifice if they can believe their leadership as to the extent of the crisis.

The goals and objectives such as I introduced in Senate Joint Resolution 45 seem to be quite popular with the people with whom I discussed those goals and objectives—and I commend the Senate's attention to them—as they reflect at least some of the objectives mentioned by the President in his speech last night. There are many more, of course, which are required in addition to the ones he mentioned, particularly some which apply directly to the western part of the United States.

One of the great uncertainties in New Mexico, being a State in which nuclear technology has developed and which is still a major part of our involvement in national activities, is the apparent decision to forgo the development of plutonium breeder systems. Most New Mexicans feel as I do, that we hope we do not have to develop an energy system which produces large amounts of plutonium and the difficulties which come with the existence of large amounts of plutonium in our society. However, most of those who are knowledgeable about nuclear technology, and that is a great number of New Mexicans, believe that the decision would be premature at this point, premature because of our lack of understanding of that technology and others which might substitute for it, and, most importantly, premature because of the lack of proved reserves of uranium, which is going to have to take its place over the next several decades.

New Mexicans are tremendously concerned about Federal land policy and particularly Federal land leasing. There seems to be an unwritten mortatorium on the leasing of Federal lands for a large number of purposes, particularly those related to energy production and mining. I commend to the Senate the responsibility to look into this Federal leasing policy and see just what is happening.

In the area of potash, which is important in the southern part of New Mexico, a primary national producer of that very important component of fertilizer, we have seen a long-standing absence of the letting of new leases so that low-grade ores which will not be reached any other way can be mined, using existing workings.

At the present time, Mr. President, there are low-grade potash ores that are being lost to this country because the leases have not been let on lands adjacent to existing properties.

In the long term, potash may actually become the Achilles' heel of this country if we are unable to provide for our own agricultural needs in the event of some major national crisis or embargo of that material.

In other areas of importance in Federal leasing, of course, oil and gas and coal being foremost, we see, again, an absence of leases being let at nearly the rate which is going to be required if we are going to implement anybody's national energy policy. Again, our national security and our long-term energy stability is directly related to the avail-

ability of these resources, many of which lie on or underneath Federal lands in the West.

Closely related to the problem of energy in the West and clearly understood by New Mexicans are the problems of water supply. Water in New Mexico, as well as many other Western States, is clearly a major limit to the economic growth of the State. This is fully realized by the people of New Mexico. In New Mexico our challenges are three-fold:

We must learn to use the fresh surface and ground water presently available and known with increased efficiency, particularly in agriculture, which is the primary user of fresh water in New Mexico. Ninety percent of our water is utilized by agriculture, so any increase in efficiency will be of great benefit to the rest of the State.

The next major plateau of water use that we can foresee is the use of saline waters. Saline waters are in closed geological basins in many parts of the State as well as many other parts of the West, and could be, through purification, available for many agricultural and industrial uses. It is going to take considerably more research than has presently been carried out to find economical and environmentally acceptable ways to purify this water and make it available for use. There is a close tie here with our gradual development of energy resources and energy techniques in the West in that we could potentially tie the production of electricity to the production of purified water by the utilization of waste heat. The main requirement here is the research and development reto quired make such processes economical.

The final plateau we can see somewhere in the future for new Mexico for water use is the use of imported water, water that is going unused elsewhere in the country imported into the southwestern United States so that it can be used to help feed the country primarily through the growth of crops in what we call the high plains of the Southwest. The Ilano Estacado is another term for that area. Regional cooperation between States, with the assistance of the Federal Government possibly as a catalytic agent, is going to be extremely necessary in the very near future in order to insure that this possibility of imported water is properly analyzed.

There will be increasing competition between agricultural and urban uses for water in New Mexico, in Arizona, and in many other States of the West, as people move into those areas for a variety of reasons. I think it is important to always realize that there is an inherent value in agriculture as well as other forms of small business to our society over and above what can be quantified in terms of pure, hard cost-benefit analysis.

It is the value of the foundation upon which our society has been based for 200 years.

I think we must move very carefully before we take any steps to make agriculture an extinct form of industry in our country. All of our people still must eat and we should never forget that.

A growing area of concern of New Mexicans and throughout the country, particularly in rural areas, is the Postal Service. There is a growing dissatisfaction and frustration with the service we seem to have. There seems to be in everybody's mind a decrease in service with an increase in cost. As New Mexicans view the problem, there seem to be two fundamental choices. One is that we go back to a purely Federal Postal Service such as we have had in the past, hopefully improved so these deficiencies do not recur, or we go forward to a regulated utility under the same general umbrella as we now find in the regulated phone industry.

There are many analogies between a postal service and a phone communication service. I think that, in our deliberations in this Congress, we must examine those similarities, particularly as we look to the future with the possibilities of electronic mail starting starting to take up some of the load and cost of our present Postal Service.

As usual, Mr. President, in New Mexico. education was a very important topic of discussion by my constituents. The greatest concern is still tht gross inefficiency in the educational system, particularly as it relates to preschool, elementary, and secondary schooling. Thert seems to be an increasing, rather than decreasing degree of bureaucratic delay, of changing rules, of reports required of teachers, of strings attached to the expenditure of Federal dollars, and, unfortunately, of reverse discrimination. I hope that this Congress and the next will realize that education is absolutely the most fundamental foundation upon which a free republic stands. We can in no way negate the quality of education in this country as we attempt to solve our other problems.

Maybe one of the most fundamental errors that we have made, at least in the opinion of many of my constituents, is that we have said that equality of education is the same as equality of education is the same as equality of dollars for education. I submit, as they have to me, that that, is almost certainly, not the case. In some areas, where, there are high crime rates, high degrees of vandalism, the numbers of dollars required to provide the same education may be very high, much higher than in some areas where somewhat better conditions for education exist.

Finally, Mr. President, the issue of inflation was uppermost in the minds of many of my constituents. At the time of the recess, there was still a feeling that Congress might potentially pass a \$50 rebate and there was general great concern about the effects of such an act. If given a choice between a rebate and less inflation, most of the constituents in New Mexico with whom I talked would have chosen less inflation. The general perception, which I think is an accurate perception, was that that kind of so-called economic stimulus would have greatly increased the inflationary rate a few months hence.

I think the people are beginning clearly to understand the effect of deficits on our rate of inflation. They are beginning to understand that a permanent tax cut, linked to a decrease in the deficit, is an answer to real economic growth. I think they are going to be very disappointed if, in the absence of any other activity in Congress, we also neglect a permanent tax cut and major efforts to decrease the total spending level of the Government so that the inflationary pressures from such a tax cut are mitigated.

I think the people of New Mexico, and hopefully, the rest of the country, are truly becoming literate in terms of economic policy for this country. The concern over inflation is a great pressure for people to start to understand how the policies adopted by the U.S. Congress affect their daily lives. There is no more insidious tax on the people of this country than inflation and it affects most those who can afford it least. I hope that Congress and the administration will make, along with energy and foreign policy and many other problems, the control of inflation its major and long-term goal.

Mr. President, as a final addition to this report from New Mexico, I ask unanimous consent that four memorials, passed by the New Mexico Legislature, be included in the Record at the end of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. SCHMITT. These memorials are: One requesting Congress and the President to take steps necessary to effect the deregulation of the oil and gas industry; another one requesting the United States to do nothing to compromise the freedom or security of the Republic of China; another requesting the Congress of the United States to undertake the study of the Treaty of Guadalupe Hidalgo; and finally a memorial relating to the Bureau of Land Management policies with respect to the implementation of the Federal Land Policy Management Act of 1976.

I might add, with respect to that last memorial, that land policy in the Western United States is an extremely serious issue and the Government has hardly given confidence to the people of those States that we know what we are doing.

I thank the Chair.

EXHIBIT 1

THE LEGISLATURE OF THE STATE OF NEW MEXICO SENATE JOINT MEMORIAL 3

A joint memorial requesting Congress and the President to take the steps necessary to effect the deregulation of the oil and gas industry

Whereas, the Federal Government has for years held tight control over the oil and gas industry; and

Whereas, the control exercised by the Federal Government has resulted in marked decreases in exploration for new sources of oil and gas; and

Whereas, the inability of the oil and gas industry to operate normally with the flow of supply and demand has contributed to a shrinking supply of these fuels on the open market: and

Whereas, the shortage of these fuels has reached crisis proportions in many parts of

the country; and
Whereas, hard experience has clearly demonstrated that the Government's continued

interference with the industry will not resolve this country's fuel shortage;

Now, therefore, be it resolved by the legislature of the State of New Mexico that the Congress of the United States is respectfully requested to enact Legislation to effect the immediate, complete and permanent deregulation of the oil and gas industry: and

lation of the oil and gas industry; and Be it further resolved that the President of the United States is respectfully requested to use all the authority at his command to remove Federal controls inhibiting the production and availability of oil and gas to American consumers; and

Be it further resolved that copies of this joint memorial be sent to each member of the New Mexico Congressional Delegation, to the Speaker of the United States House of Representatives, the President Pro Tempore of the United States Senate and to the President of the United States.

THE LEGISLATURE OF THE STATE OF NEW MEXICO

A joint memorial requesting the Congress of the United States to undertake a study of the Treaty of Guadalupe Hidalgo

Whereas, the United States entered into a treaty with the Republic of Mexico known as the Treaty of Guadalupe Hidalgo in which certain property and civil rights were secured to former Mexican citizens and their descendants: and

Whereas, the treaty was intended to protect those rights and because of certain recent developments in rural New Mexico it is necessary to determine if those rights have been properly insured and whether the denial of those rights, if any, has contributed to the present conditions of rural poverty in New Mexico: and

Whereas, insuring that the provisions of the treaty are given their full force and effect will help preserve the history, culture, lifestyles, and economic well-being of the Spanish-speaking population of New Mexico;

Now, therefore, be it resolved by the legislature of the State of New Mexico that the United States is asked to adopt the provisions of H.R. 5937 which is presently before the House of Representatives of the United States Congress to determine to what extent, if any, there has been a violation of the terms of the treaty and to determine the appropriate action to be taken; and

Be it further resolved that copies of this memorial be transmitted to the members of the New Mexico Delegation to the Congress of the United States.

SENATE MEMORIAL 5

A memorial requesting the United States to do nothing to compromise the freedom or security of the Republic of China

Whereas, the United Nations has expelled the representatives of the Republic of China from membership and seated in their place a delegation from the communist government which occupies the mainland of China, despite the fact that the Republic of China was a founding member of the United Nations and has always been a law-abiding member of the community of nations; and

Whereas, the people of the Republic of China have built a successful, prosperous, free economy out of the ashes of a half-century or revolution, invasion and civil war and now serve as a model to developing nations elsewhere as well as an important trading partner of the American people; and

Whereas, the Republic of China is of great strategic importance in the defense of east Asia and the Pacific, especially in view of recent foreign policy reverses suffered by the United States in that part of the world, and has always utilized its military power in the interests of the free world; and

Whereas, the people of the Republic of China have been among the most trusted friends and allies of the people of the United States since the founding of the Republic of China sixty-two years ago;

Now, therefore, be it resolved by the Senate of the States of New Mexico that the government of the United States is strongly urged to do nothing which would compromise the freedom or security of the Republic of China

or its people; and

Be it further resolved that copies of this memorial be transmitted to the president and secretary of state of the United States, to the speaker of the house of representatives and the president pro tempore of the senate of congress of the United States, to the members of New Mexico's delegation to the congress of the United States and to the ambassador of the Republic of China to the United States.

HOUSE JOINT MEMORIAL 13

A joint memorial relating to Bureau of Land Management policies with respect to the implementation of the Federal Land Policy and Management Act of 1976

Whereas, the Federal Land Policy and Management Act of 1976, otherwise known as the BLM "Organic Act", grants comprehensive land use management authority to the Secretary of Interior and provides withdrawal procedures of public lands from avail-

ability of minerals locations; and Whereas, the New Mexico offices of the United States Bureau of Land Management, in implementation of the provisions of that act and through departmental orders and regulations, are in the process of enforcing policies which may have a serious effect upon state agency policies, wildlife management, the oil and gas industry, the livestock industry, proven land and range management practices, recreation and the general economy and ecology of the state of New Mexico and the livelihood and individual welfare of the citizens of this state; and

Whereas, considerable controversy now exists within the state with regard to many proposed policy and management decisions by the Bureau of Land Management: to wit:

A. proposed adoption of mandatory rules and regulations without or prior to consultation or advice of local advisory committees in

the various grazing districts;

B. proposed implementation of a policy prohibiting private ownership of range improvements placed on federal lands at private expense such as pipelines, storage and water facilities, erosion control structures and

C. proposed limitation or exclusion of many range conservation practices and improvements constructed by grazing permit-tees on natural resources land even though such practices may be allowed under the negotiated settlement with the Natural Resources Defense Council;

D. institution of mandatory antelope fencing standards within the state and requiring fencing of a type which is substandard for livestock management and control and which offers no retardation qualities for coyote control, to the detriment of the livestock industry and predator control programs, and in addition the creating of a possible conflict of state laws pertaining to estrays and fences;

E. under the provisions of Section 302 of the Federal Land Policy and Management act of 1976, the Secretary of Interior was granted broad authority to designate areas of public land and lands in the national forest system where no hunting or fishing can be permitted for reasons of public safety, thereby creating an area of potential and future conflict with the New Mexico game and fish department's responsibility to protect wildlife in this state and to the detriment of hunting and fishing activities of New Mexico sportsmen; and

F. possible administrative withdrawal in New Mexico of resource exploration on lands at a time when the shortage of energy fuels is critical to the welfare of this state and the nation; and

Whereas, mandatory animal management plans promulgated by the BLM are an infringement of the responsibility of the commissioner of public lands to manage lands under his jurisdiction and such infringement is prohibited by the Enabling Act and would have a detrimental effect on the educational and institutional system by preventing maximum returns from such state lands set aside for such educational and institutional purposes: and

Whereas, the provisions of the Federal Land Policy and Management Act of 1976:

A. require the land use planning process of the BLM to be coordinated with other federal and state planning efforts;

B. except in the case of emergencies, require notification and approval by congress of any withdrawal aggregating five thousand or more acres, such notice to include, among other things, an inventory and evaluation of the current natural resource value and use of the site and the economic impact of the change in use on individuals, local communities and the nation:

C. require all conveyances of BLM land to be coordinated with state and local governments:

D. require the BLM to apprise state and local governments of land use plans, regulations, rules, decisions and orders and to allow an opportunity for public involvement to the extent that such regulations must establish procedures for such involvement and for public hearings, and where appropriate, to give such governments and public opportunity to appear and be heard;

E. require consultation with user representatives on various forms of range land betterment such as fence construction, weed control. etc.:

Now, therefore, be it resolved by the legislature of the State of New Mexico that:

the Bureau of Land Management offices in New Mexico be requested to design and institute procedures for a more active policy of cooperation between that agency and state and local governments and greater participation by the industrial and individual users of BLM lands;

B. Wherever possible and prior to their adoption, users of BLM lands be given ample individual notice of proposed regulations or actions which affect mineral production, range management practices and other land

C. the Bureau of Land Management offices fully comply with the provisions of the Federal Land Policy and Management Act of 1976 with respect to coordination, notification and opportunity for hearing and input of governmental entities and individual citizens;

D. the legislature supports the commissioner of public lands in his opposition to animal management plans that include state lands and which infringe upon his management responsibility;

E. the legislature affirms that private property rights must be protected by not allow ing coercion or intimidation to be used by involving fee lands in animal management plans; and

F. ten-year permits should be issued to all permittees in New Mexico on a custodial management basis which under provisions of the BLM Organic Act do not require animal management plans; and

Be it further resolved that a copy of this joint memorial be sent to the Secretary of Interior, the Secretary of Agriculture and to each member of the New Mexico Congressional Delegation.

Mr. SCHMITT. I yield back the remainder of my time.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD, Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 1 hour, with the statements limited therein to 10 minutes.

Mr. ROBERT C. BYRD. Mr. President, suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk

proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DE-CONCINI). Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

At 12:17 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its clerks, announced that the House has passed the bill (H.R. 3340) to amend the Internal Revenue Code of 1954 to allow a deduction for expenses allocable to the use of any portion of a dwelling unit in the trade or business of providing day care services whether or not such portion is exclusively used in such trade or business, in which it requests the concurrence of the Senate.

COMMUNICATIONS FROM EXECU-TIVE DEPARTMENTS, ETC.

The PRESIDING OFICER laid before the Senate the following communications which were referred as indicated:

EC-1150. A letter from the Deputy Comptroller General of the United States transmitting, pursuant to law, a report on two deferrals contained in the President's ninth special message for fiscal year 1977; jointly, pursuant to the order of January 30, 1975, to Committees on Appropriations; the Budget; Environment and Public Works; and Energy and Natural Resources, and ordered to be printed.

EC-1151. A letter from the Assistant Secretary for Congressional Relations of the Department of State transmitting, pursuant to aw, a report on Presidential De termination No. 77-13 permitting the sale to the Republic of Zaire of approximately \$15.3 million worth of agricultural commodities (with an accompanying report); to the Committee on Agriculture, Nutrition, and Forestry.

EC-1152. A letter from the Acting Chairman of the Civil Service Commission transmitting information concerning the administration of the Federal Employees Group Life Insurance Act and the Civil Service Retirement Act in light of the recent Federal pay increases: to the Committee on Appropriations.

EC-1153. A letter from the Secretary of Housing and Urban Development transmitting, pursuant to law, an interim progress report on the "Energy Conservation and Renewable-Resource Demonstration" (with an accompanying report); to the Committee on Banking, Housing, and Urban Affairs. EC-1154. A letter from the Administrator

of the Federal Energy Administration transmitting, pursuant to law, an annual report on the Industrial Energy Conservation Program (with an accompanying report); to the Committee on Energy and Natural Resources.

EC-1155. A letter from the Chairman of the Federal Power Commission transmitting, for the information of the Senate, the following reports (1) Statistics of Interstate Natural Gas Pipeline Companies, 1975; and (2) Hydroelectric Power Resources of the United States Developed and Undeveloped, 1976 (with accompanying reports); to the Committee on Energy and Natural Resources.

EC-1156. A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, a report on the Pricing of Alaska North Slope crude oil (with an accompanying report); to the Committee

on Energy and Natural Resources. EC-1157. A letter from the Secretary of Transportation transmitting, pursuant to law, a revised estimate of the cost of completing the National System of Interstate and Defense Highways prepared for the purpose of determining apportionment factors for Interstate System funds authorized for the fiscal years ending September 30, 1979, and September 30, 1980 (with an accompanying report); to the Committee on Environment and Public Works.

EC-1158. A letter from the Secretary of the Treasury transmitting, pursuant to law, the following reports (1) Foreign Credits by the United States Government; Status of Active Foreign Credits of the United States Government, December 31, 1975; and (2) Foreign Credits . . . June 30, 1976 (with accompanying reports); to the Committee on Foreign

Relations.

EC-1159. A letter from the Chairman of the Commission on Postal Service transmitting, pursuant to law, the report of the Commission on Postal Service, dated April, 1977 (with an accompanying report); to the Committee on Governmental Affairs.

EC-1160. A report of the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Examination of Financial Statements of the Export-Import Bank of the United States for the Fiscal Year ended June 30, 1976" (ID-77-23) (with an accompanying report); to the Committee on Governmental Affairs.

EC-1161. A letter from Deputy Assistant Secretary of Defense transmitting, pursuant to law, two copies of a Department of the Army proposal on a new system of records. in accordance with the Privacy Act (with an accompanying report); to the Committee on

Governmental Affairs. EC-1162. A letter from the Secretary of Health, Education, and Welfare transmitting a draft of proposed legislation to extend the programs authorized by the Child Abuse Prevention and Treatment Act (with accompanying papers); to the Committee on Human Resources.

EC-1163. A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, the annual report on activities conducted to implement the Runaway Youth Act for the year ending June 30, 1976 (with an accompanying report); to the Committee on the Judiciary

EC-1164. A letter from the Acting Assistant Secretary of Defense, Manpower and Reserve Affairs, transmitting, pursuant to law, a report on the adequacy of pays and allow-ances of the uniformed services; to the Committee on Armed Services.

EC-1165. A letter from the Acting Assistant Secretary of Defense, Manpower and Reserve Affairs, transmitting, pursuant to law, a report on special pay for duty subject to hostile fire during the period January 1 to December 31, 1976; to the Committee on Armed Services.

EC-1166. A letter from the Acting Secre tary of Agriculture transmitting a draft of proposed legislation to extend the authorizations for rural housing programs (with accompanying papers); to the Committee on Banking, Housing, and Urban Affairs. EC-1167. A letter from the Acting Assistant

Secretary of the Interior transmitting, pursuant to law, a copy of an application by the city of Fort Collins, Colorado, for a loan under the Small Reclamation Projects Act (with an accompanying report); to the Committee on Energy and Natural Resources.

EC-1168. A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, an annual report on activities conducted under Title II— Electric Utility Rate Design Initiatives of the Energy Conservation and Production Act of and an executive summary of the "Interim Report on Electric Utility Rate
Design Proposals" (with accompanying reports); to the Committee on Energy and Natural Resources.

EC-1169. A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, the annual report on the State Energy Conservation Program established by the Energy Policy and Conservation Act (with an accompanying report); to the Committee on Energy

Natural Resources.

EC-1170. A letter from the Acting Administrator of the General Services Administration transmitting, pursuant to law, the 1976 Status Report of the General Services Administration covering public buildings projects authorized for construction, alteration and lease in accordance with the Public Buildings Act of 1959 (with an accompanying report); to the Committee on Environment and Public Works.

EC-1171. A letter from the Acting Administrator of the General Services Administration transmitting, pursuant to law, a prospectus for alterations at the Washington, D.C., Agriculture South, in the amount of \$13,200,000 (with an accompanying report); to the Committee on Environment and Public

EC-1172. A letter from the Secret ry of the Treasury transmitting, pursuant to law, the 1975 annual report on the operation and effect of the Domestic International Sales Corporation Legislation (with an accompanyreport); to the Committee on Finance.

EC-1173. A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, a report on the administration of the National Swine Flu Immunization Program covering the period ending September 30, 1976 (with an accompanying report); to the Committee on Human Resources

EC-1174. A letter from the Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law, a copy of a document which has been transmitted to the Federal Register entitled "Final Regulations for Part 121f-Training Personnel for the Education of the Handicapped" (with an accompanying report); to Committee on Human Resource

EC-1175. A letter from the Administrator of the Veterans Administration transmitting a request for the withdrawal of the agency's proposed legislation to restore the 8-year period within which veterans and dependents, pursuing programs of education under the GI Bill and the Survivors' and Dependents' Educational Assistance Act, must initiate and complete their programs of educa-tion; to the Committee on Veterans Affairs.

EC-1176. A letter from the Administrator of the Veterans Administration transmitting a draft of proposed legislation to amend title 38. United States Code, to increase the rates of disability compensation for disabled vet-

erans; to increase the rates of dependency and indemnity compensation for their surviving spouses and children; and for other purposes (with accompanying papers); to the Committee on Veterans Affairs

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WILLIAMS, from the Committee on Human Resources:

S. Res. 139. An original resolution authorizing the Committee on Human Resources to inspect and receive tax returns, and tax-related matters, of the Central States Southeast and Southwest Areas Pension Fund under sections 6103 and 6104 of the Internal Revenue Code of 1954 (Rept. No. 95-94).

ORDER FOR STAR PRINT, COMMIT-TEE REPORT ON SENATE RES-OLUTION 5

Mr. ROBERT C. BYRD. Mr. President, there appears in the printed copy of the committee report (Rept. No. 95-91) on Senate Resolution 5, a resolution to amend the standing rules of the Senate, a number of clerical errors which were made at the Government Printing Office. I ask unanimous consent that there be a star print of the committee report making the corrections of the errors that were committed at the Government Printing Office.

The PRESIDING OFFICER. Without

objection, it is so ordered.

HOUSE BILL REFERRED

The bill (H.R. 3340) to amend the Internal Revenue Code of 1954 to allow a deduction for expenses allocable to the use of any portion of a dwelling unit in the trade or business of providing day care services whether or not such portion is exclusively used in such trade or business, was read twice by its title and referred to the Committee on Finance.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated.

By Mr. FORD:

S. 1288. A bill to authorize appropriations for the Federal Trade Commission, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. CRANSTON:

S. 1289. A bill for the relief of Doris Mauri Coonrad; to the Committee on the Judiciary.

By Mr. HELMS (for himself and Mr.

BELLMON): S. 1290. A bill to amend the peanut program for the 1978-1981 crops of peanuts; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BARTLETT:

S. 1291. A bill to declare that certain lands of the United States situated in the State of Oklahoma are held by the United States in trust for the Cheyenne-Arapaho Tribes of Oklahoma: to the Select Committee on Indian Affairs

By Mr. CURTIS: S. 1292. A bill for the relief of Doctor Francisco Dozon and his wife, Luzviminda Dozon; to the Committee on the Judiciary.

By Mr. DURKIN:

S. 1293. A bill to amend title 39 of the United States Code to allow an individual to send certain mail matter at no cost to Members of Congress and to the President; to the Committee on Governmental Affairs.

S. 1294. A bill to establish a National Domestic Oil and Gas Board, and for other purposes; to the Committee on Energy and Nat-

ural Resources

By Mr. TOWER (for himself, Mr. CUR-TIS, Mr. BARTLETT, Mr. SCHMITT, Mr. GOLDWATER, Mr. THURMOND, Mr. GARN, and Mr. McClure):
S. 1295. A bill to reform the food stamp THURMOND, Mr.

program by improving and strengthening various provisions relating to eligibility benefits and administration; improving the nutritional focus of the program; and redirecting benefits to those truly in need; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DURKIN:

S. 1296. A bill to require of Senators and Congressmen affirmative congressional action on all proposals to increase salaries under the Federal Salary Act of 1967 and of congressional comparability pay increases to provide that no member of either House or Senate shall receive any such salary increase during the current term of office; to the Committee on Governmental Affairs.

By Mr. MATSUNAGA (for himself and Mr. STONE):

S. 1297. A bill to insure that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. MATSUNAGA:

S. 1298. A bill for the relief of Antonio Doldolea; and

S. 1299. A bill for the relief of Angela Chen-Yuen Hsiung; to the Committee on the Judiciary.

By Mr. DURKIN:

S. 1300. A bill to reform electric utility rate regulation, to strengthen State electric utility regulatory agencies, and for other purto the Committee on Energy and Natural Resources

By Mr. HUDDLESTON:

S. 1301. A bill to reduce the number of copies of the daily edition of the Congressional Record furnished each Senator, and for other purposes; to the Committee on Rules and Administration.

S. 1302. A bill to amend the Tariff Schedules of the United States to provide a temporary suspension of the duty on chlorendic acid; to the Committee on Finance.

By Mr. NELSON (for himself,

KENNEDY, Mr. CRANSTON, Mr. WIL-LIAMS, Mr. JAVITS, Mr. RIEGLE, and Mr. STAFFORD):

S. 1303. A bill to amend the Legal Services Corporation Act to provide authorization of appropriations for additional fiscal years, and other purposes; to the Committee on Human Resources.

By Mr. BROOKE:

S. 1304. A bill to provide for low-interest loans of Federal funds for the insulation and retrofitting of residential and small commercial buildings; to the Committee on Banking, Housing, and Urban Affairs. By Mr. HASKELL (for himself, Mr.

HART, Mr. BROOKE, and Mr. CHURCH):

S. 1305. A bill to amend the Small Business Act to authorize the making of economic injury disaster loans in certain extraordinary circumstanecs without a disaster declaration and for other purposes; to the Select Committee on Small Business.

By Mr. HASKELL:

S. 1306. A bill to provide temporary authority to the Administrator of the Small Business Administration to facilitate water conservation practices and emergency actions to mitigate the impacts of the 1976-77 drought; to the Select Committee on Small

By Mr. THURMOND:

S. 1307. A bill to amend title 38 of the United States Code to deny veterans' benefits to certain individuals whose discharges from service during the Vietnam era under less than honorable conditions are administratively upgraded under temporarily revised standards to discharge under honorable conditions: to the Committee on Veterans' Affairs.

By Mr. DOLE:

S. 1308. A bill to authorize the Secretary of the Interior to construct, operate and maintain the Glen Elder unit of the Pick-Sloan Missouri Basin program, Kansas, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HASKELL: S. 1309. A bill to amend title 28, United States Code, to provide more effectively for bilingual proceedings in all district courts of the United States, and for other purposes;

to the Committee on the Judiciary.

By Mr. DOLE:

S. 1310. A bill to provide for the use of telecommunication devices by the Senate and the House of Representatives to enable deaf persons and persons with speech impairments to engage in toll-free telephone communications with Members of the Congress; to the Committee on Rules and Administration.

By Mr. WILLIAMS (for himself and Mr. Tower) (by request):

S. 1311. A bill to amend the Securities and Exchange Act of 1934 to authorize specified amounts to be appropriated for the Securities and Exchange Commission for fiscal years 1978-1980; to the Committee on Banking, Housing and Urban Affairs.

By Mr. MATSUNAGA (for himself and Mr. INOUYE):

S.J. Res. 47. A joint resolution relating to the publication of economic and social statistics for Americans of East Asian or Pacific Island origin or descent; to the Committee on Governmental Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. FORD:

S. 1288. A bill to authorize appropriations for the Federal Trade Commission, and for other purposes; to the Committee on Commerce, Science, and Transportation.

> THE FEDERAL TRADE COMMISSION IMPROVEMENTS ACT OF 1977

Mr. FORD. Mr. President, I introduce today the Federal Trade Commission Improvements Act of 1977. This legislation would authorize appropriations for implementation of the Federal Trade Commission Act and would make other amendments to that act, many of which the Senate approved last year in S. 642 and S. 2935.

Section 2 of this legislation would authorize to be appropriated to carry out the functions, powers, and duties of the Federal Trade Commission not to exceed \$62.5 million for fiscal year 1978, not to exceed \$68 million for fiscal year 1979, and not to exceed \$74 million for fiscal year 1980. This amendment is consistent with the sunset legislation now pending in the Senate in that it would require the Congress to reevaluate the Federal Trade Commission after 3 years and take affirmative action to renew its activities.

Section 3 of this bill relates to the simultaneous submission of budgetary and legislative information to Congress.

Under this amendment, whenever the Commission submits any budget estimate or request, or legislative comments or testimony to the President or to OMB, it shall concurrently transmit a copy of that information to the Congress. The amendment takes no power away from the President or OMB—it could continue to submit its own budget figures or comments on legislation or testimony for the FTC to the Congress. Rather, it merely would enable the Congress to know firsthand what the Commission itself considers to be its budgetary needs and allow us to make independent judgments in allocating Commission resources.

Similar provisions are contained in other statutes of other agencies such as the Consumer Product Safety Commission, National Railroad Passenger Corporation, Interstate Commerce Commission, Commodity Futures Trading Commission, and the National Trans-

portation Safety Board.

Section 4 of the bill would authorize the Commission to establish, assign duties, and fix compensation for not to exceed 25 attorneys, economists, special experts. and outside counsel positions. With respect to these positions, the Commission could appoint individuals without regard to provisions of title V, United States Code, governing appointments in the competitive service and to be salaried at the GS-16 to GS-18 level. In addition, this section would allow a Commission employee in the GS-16, GS-17, and GS-18 categories to be appointed or removed by the Commission without regard to any provision of title V, United States Code—other than section 3324 where applicable—and not subject to approval by the Executive Office of the President or OMB. These two provisions are designed to give the Commission more flexibility in hiring and firing its key policy personnel. Additionally, it is designed to insure that such individuals are appointed or removed without political interference from the Executive Office of the President or OMB. This is consistent with the notion that the Federal Trade Commission is an independent regulatory agency, separate and apart from the executive branch.

Section 5 of the bill would amend section 5(c) of the Federal Trade Commission Act with respect to permissible venue for appealing cease and desist orders. The act now provides an unusually broad choice of forum, permitting a petition for review to be filed in any cricuit where the method of competition or the act or practice was used or where the person, partnership, or corporation resides or carries on business. The amendment to this section would confine petitions for review and final Commission orders to the U.S. court of appeals in the circuit where the respondent resides or maintains its principal place of business. This amendment is designed to eliminate the temptation to forum shop by restraining respondents from choosing the Federal court in which they feel the law most favors them. This provision is similar to the venue provisions contained in most other Federal regulatory statutes. The bill would make a similar amendment to the Clayton Act.

Section 6 of the proposed legislation

relates to the effective date of cease and desist orders. Under existing law, cease and desist orders of the FTC become final within 60 days of their issuance but only if no petition for review has been filed. The mere filing of such a petition, however, stays the effective date of an order until the court's decision thereon. Thus, under present law, a respondent may continue to engage in conduct which the Commission has determined to be unlawful until the ultimate disposition of a petition for review.

The amendment would provide that a Commission cease and desist order is not stayed automatically on appeal, but that it can be stayed by applying to the Commission or the court before whom the appeal is lodged. The order would become affective 60 days after it is served unless stayed by the FTC or the appropriate court of appeals. The court could stay the effective date of the order if a petition for review of such order is pending and the application for a stay was submitted to the FTC which either denied the application or took no action within 30 days after the application was received by the Commission.

Thus, the amendment would reduce the incentive to file petitions for review simply for dilatory purposes. At the same time, it would offer sufficient protection for those parties with legitimate reasons for seeking review. This amendment would conform the procedures of the Federal Trade Commission to that contained in other agency statutes, including those of the Civil Aeronautics Board, the Environmental Protection Agency, the Federal Communications Commission. the Federal Energy Administration, the Federal Maritime Commission, the Federal Power Commission, the Interstate Commerce Commission, the Securities and Exchange Commission, and the National Labor Relations Board. The amendment would also make a similar change in the procedures of the Clayton

Section 7 of the proposed legislation contains an innovative procedure with respect to antitrust litigation. It is a new legislative concept, and I am anxious to receive views on its merits from the labor. business, and consumer communities. The amendment would allow the Commission, in its discretion, to commence a civil action in a district court to obtain a cease and desist order against any person, partnership, or corporation from engaging in an unfair method of competition or for violating section 2, 3, 7, or 8 of the Clayton Act. Under existing law, the Commission issues a complaint against persons, partnerships, or corporations from engaging in unfair methods of competition or for violating these provisions of the Clayton Act. The case is then adjudicated before the Agency. Once the adjudication is complete, the respondent may take an appeal to the U.S. Court of Appeals.

Under this amendment, in lieu of adjudicating the Commission's complaint in the Agency itself, the Commission could opt to file a complaint in the district court just as the Justice Department does in enforcing its antitrust authority. It is unlikely that the Commission would utilize this approach in cases

where novel theories of law are being pursued and Commission expertise is useful. However, in other actions in which traditional theories are being applied, it may be more efficient for both the Commission and the respondents to pursue the case directly in district court.

Section 8 of the bill is related to venue for proceedings to enforce compulsory process. Section 9 of the FTC act contains two provisions concerning enforcement of the Commission's compulsory process. With respect to subpenas, section 9 provides for court enforcement in any district in which the Commission's inquiry is being carried on. With respect to other processes, such as orders to file reports and access orders, enforcement is by "writs of mandamus" but no special venue provision is provided. Section 8 of the proposed legislation would provide that in the case of failure to comply with any provision of a subpena or access order issued under section 9 or an order issued under any other provision of the FTC act, the Commission may invoke the aid of a court of the United States requiring compliance with the subpena or order. Any of the district courts within the jurisdiction of which the inquiry of the Commission is being carried on would be authorized to issue an order requiring compliance with the subpena or order in the case of refusal to obey, and a violation thereof would be punishable by contempt of court.

Section 9 of the bill relates to penalties for noncompliance with compulsory process. Under present law, the FTC may issue a subpena to secure information in a law enforcement action or a compulsory process order to require companies to file annual or special business reports. Failure to comply enables the Commission to sue for enforcement of its order. In addition, the act provides civil penalties for the failure to comply with an FTC order to file an annual or special economic or business report. However, the law does not provide for civil penalties for failure to comply with a subpena issued in a law enforcement investigation. In such cases, the Commission may only seek criminal penalties and, because of the extreme nature of such penalty, this authority has never been used in the history of the agency.

This section of the bill would amend section 10 of the Federal Trade Commission Act in five ways:

First, the amendment would allow for the invocation of civil penalties if any person, partnership, or corporation fails to comply with any order issued by the Commission—other than a cease and desist order issued under section 5 of the act—or any subpena issued under the FTC act.

Second, the amendment would raise the amount of penalties for such failure to comply from \$100 per day which was provided for in the original 1914 act to a maximum of \$5,000 per day. This increase is to account for inflation and the amount of penalties would be in the discretion of the court. In a recent case in the U.S. District Court of the Southern District of New York, the court held that in determining the amount of penalties, the court "may consider, inter alia, the

ability of the violator to pay, the good or bad faith of the violator, the degree of due care exercised, the injury to the public, and the delay on the part of the Federal Trade Commission in initiating the enforcement suit." This provision differs from the Senate-passed version of the amendments last year, which contained a minimum as well as a maximum daily penalty.

Third, the amendment provides that no challenge to a Commission order can be sought until the FTC issues a notice of default signaling its intent to seek penalties. Penalties would not begin to accrue until 30 days after such notice is given. This provision, which seeks to avoid the multiplicity of suits which would occur if respondents were permitted to challenge FTC compulsory process before the Commission issues such a notice, is intended to put into law the practice followed by the courts from 1926 through 1975. In 1975, the U.S. Court of Appeals for the third circuit decided it was permissable for noncomplying respondents to challenge FTC orders before the issuance of a notice of default.

Fourth, the amendment provides that no court may stay the accumulation of civil penalties until the party seeking such relief has demonstrated: First, a substantial probability that a court will hold invalid or issue an order enjoining the Commission or the United States from enforcing an order for information or subpena; second, that such party will be irreparably injured unless the accumulation of such penalties is stayed; and third, that the equities clearly favor such stay.

Fifth, the amendment provides that no court shall hold invalid or issue an order enjoining the Commission or the United States from enforcing any order or subpena unless the party subject to such requirement demonstrates that: First, such requirement is, with respect to such party, unduly burdensome; or second, the information sought by such requirement is not reasonably relevant to an inquiry being conducted by the Commission.

Section 10 of the proposed legislation would authorize the Commission to seek equitable relief when the Commission has reason to believe: First, that any person, partnership, or corporation has violated, is violating, or is about to violate, any provision of law enforced by the Commission, and second, that the granting of equitable relief is necessary pending the issuance of a complaint by the Commission and until such complaint is dismissed by the Commission or set aside by the court on review or until the order of the Commission has become final. Such equitable relief, other than injunctive relief which is now specifically authorized in sections 13(a) and 13 (b) of the FTC act, may include the appointment of a trustee or receiver control the disposition of any money or property. The problem to which this amendment is addressed concerns the siphoning away of assets from an entity which may be or is the subject of a Commission complaint. The period of time during which the equitable relief may be in effect is limited in that if the complaint is not filed within the above stated period, not to exceed 20 days, the equitable relief shall cease to be in effect.

Section 11 of the bill is designed to insure that the Commission is responsive to citizen petitions for rulemaking. Under the provision, if the Commission receives a petition for the issuance, amendment, or repeal of a rule, it is required to act on the petition within 120 days after the date the petition is received by the Commission. If the Commission grants the petition, it shall commence a proceeding relating to the subject of the petition. If the Commission denies the petition, it shall state its reasons therefore in the Federal Register. If the Commission fails to respond to the petition within the 120day period or denies the petition, and if the petition complies with certain other requirements which are enumerated within the bill, then the petitioner may apply for an appropriate district court of the United States for an order directing the Commission to commence a proceeding relating to the subject of the petition.

If the petitioner demonstrates to the satisfaction of the court, by the preponderance of the evidence that: First, the actual practices to which the petition relates are unfair, deceptive acts or practices in or affecting commerce; second, such acts or practices have a substantial adverse effect on a significant number of persons; third, the Commission has taken no action or has not taken sufficient action to alleviate such adverse effects, and fourth, failure of the Commission to issue the rule or take sufficient action with respect to which the petition was filed will result in a continuation of such acts or practices and their adverse effects, the court may order the Commission to commence a proceeding relating to the subject of the petition. This provision is similar to one which is currently contained in the Consumer Product Safety Act and the Interstate Commerce Commission. In addition, the Interim Regulatory Reform Act (S. 263) which Senator Pearson and Chairman Magnuson have proposed would make similar procedures applicable to all independent regulatory agencies within the jurisdiction of the Committee on Commerce, Science, and Transportation.

Section 12 of the amendments provides for citizens' actions. It would allow such actions to be brought by an individual for himself, or on behalf of himself and all persons similarly situated where any person, partnership, or corporation: First, violates a trade regulation rule respecting an unfair or deceptive act or practice, or second, violates any final cease and desist order issued by the Commission which is applicable to such person, partnership, or corporation.

Thus, this provision would limit private causes of action to situations where either a trade regulation rule or a cease and desist order is violated. A recent case (Guernsey v. Rich Plan of the Midwest, 408 F. Supp. 582 (N.D. Ind. 1976)) authorized such private causes of action to enforce the section 5 standard prohibiting unfair or deceptive acts or practices. The provision would also specifically allow class suits to be brought in these limited circumstances.

Under this amendment, suits could be brought in the U.S. district court or in appropriate State courts. In order to bring a suit in the U.S. district courts, at least \$25,000 in damages must be in issue. The amendment contains specific provisions with respect to the type of relief which may be granted, the requirement for notice of suits involving a class of plaintiffs, the criteria to be considered in determining the method of notice, the nature of the proof of damages, and the provision for the award of attorneys' fees and costs of suits.

In addition, this amendment would empower any person, partnership, or corporation aggrieved by a violation of a trade regulation rule or a cease and desist order to commence an action for injunctive relief in the U.S. district court or in any court of competent jurisdiction of a State. Any person, partnership, or corporation commencing such an action shall first give the Federal Trade Commission 60-day notice of intention to file such an action in the U.S. district court and the amount in controversy must exceed the sum or value of \$25,000.

No action may be brought under these provisions more than 3 years after the occurence of a violation of the trade regulation rule or the cease and desist order to which the action relates. Additionally, the Federal Trade Commission would be authorized to intervene as a matter of right in all such actions. This latter provision is important in view of the fact that it is the Federal Trade Commission which, in the first instance, is responsible for enforcing the Federal Trade Commission Act.

Section 13 of the bill would amend sections 2 and 3 of the Clayton Act so as to expand the jurisdictional scope of that act from "in commerce" to "in or affecting commerce". This is in conformity with the action taken by the Congress in the Magnuson-Moss Act, amending the jurisdiction of the FTC in sections 5, 6, and 12 of the Federal Trade Commission Act to "in or affecting commerce."

Section 14 of the bill contains various miscellaneous and technical amendments. Those amendments are as follows:

Section 14(a) would amend the FTC act to give the Commission jurisdiction over nonprofit organizations. Such an amendment is reasonable since the Justice Department has no similar restriction on its jurisdiction and since false advertising, boycotts, and other illegal practices can be and are engaged in by nonprofit as well as profitmaking organizations.

Section 14(b) of the bill would authorize the U.S. district courts to grant equitable relief in actions for penalties for knowing violations of rules and cease and desist orders. Such authority now exists under section 5(1) which authorizes suits for civil penalties for violations of cease and desist orders.

Section 14(c) would permit the Commission to accept gifts and voluntary and uncompensated services, notwithstanding the prohibition contained 31 USC 665(b). This provision has prevented the Commission from accepting for example, voluntary research from students or other information from out-

side sources. A similar provision is contained in other regulatory statutes such as the Consumer Product Safety Act.

Section 14(d) (1) (i) would authorize the use of compulsory process under the Federal Trade Commission Act "or any other provision of law enforced by the Commission." This provision would amend section 9 of the FTC Act which now authorizes the Commission to use compulsory processes "for the purpose of a (Federal Trade Commission) Act." The impact of this provision is somewhat narrow since most laws enforced by the Commission are specifically enforced under the FTC Act. The only statutes which do not include such a provision are the Clayton Act—including the Robinson-Patman Act—and the Federal Cigarette Labeling and Advertising Act.

Sections 14(d) (1) (ii), 14(d) (2), 14(d) (3) and 14(d) (4) would amend section 9 of the act to clarify the Commission's authority to demand access to and to require the production of "physical" as well as "documentary" evidence relating to a Commission investigation or adjudicative proceeding.

Section 14(e) amends section 9(e) of the FTC Act to permit the Commission to record depositions electronically. Similarly, section 5(b) of the FTC Act and section 11(b) of the Clayton Act would be amended to allow testimony in its hearings to be recorded electronically.

Sections 14(f) and 14(g) correct typographical errors in the enrolling of the Wool Products Labeling Act of 1939 and the Fur Products Labeling Act, respectively.

Finally, section 14(g) would amend section 12(a) (2) of the Textile Fiber Products Identification Act. The amendment would continue to exempt from this act outer coverings of furniture, mattresses, and box springs but would permit the FTC to require care labeling with respect to outer coverings of furniture. The FTC currently has a program of care labeling which aids consumers in determining the appropriate method to refurbish various garments. While the Commission has required care labeling for garments, section 12(a)(2) of the Textile Fiber Products Identification Act precludes the Commission from requiring care labeling for outer coverings of furniture. This amendment would grant discretionary authority to the Commission to require care labeling for such upholstered products if the facts so warrant.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1288

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Trade Commission Improvements Act of 1977".

AUTHORIZATION OF APPROPRIATIONS

SEC. 2. The Federal Trade Commission Act is amended by (1) striking out section 21 (15 U.S.C. 58) thereof, and (2) redesignating section 20 (15 U.S.C. 57c) thereof as section 21 and amend it to read as follows:

"SEC. 21. There are authorized to be appropriated to carry out the functions, powers,

and duties of the Commission not to exceed \$62,500,000 for the fiscal year ending September 30, 1978; not to exceed \$68,000,000 for the fiscal year ending September 30, 1979; and not to exceed \$74,000,000 for the fiscal vear ending September 30, 1980.".

SUBMISSION OF BUDGETARY AND LEGISLATIVE INFORMATION TO CONGRESS

SEC. 3. (a) Section 1 of the Federal Trade Commission Act (15 U.S.C. 41) is amended by striking out "That a" in the first sentence thereof and inserting in lieu thereof, with appropriate paragraph indentation, the fol-

lowing:
"(a) This Act may be cited as the 'Federal

Trade Commission Act'.

"(b) A".
(b) Section 1 of such Act is further amended by adding at the end thereof the following two new subsections:

"(c) Whenever the Commission submits any budget estimate or request, to the President or to the Office of Management and Budget, it shall concurrently transmit a copy of such budget estimate or request, to the

"(d) Whenever the Commission submits any legislative recommendations, testimony or comments on legislation, or other testimony prepared to be delivered before a committee of Congress to the President or to the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress. No officer or agency of the United States shall have any authority to require the Commission to (1) submit such legislative recommendations, testimony or comments on legislation, or other testimony to any officer or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress, or (2) require the Commission to modify such legislative recommendations, testimony or comments on legislation, or other testimony. Nothing in this section shall prohibit such officer or agency from submitting comments on legislative recommendations, testimony or comments on legislation, or other testimony of the Commission to a committee of the Congress.".

PERSONNEL

SEC. 4. Section 2 of the Federal Trade Com-

mission Act (15 U.S.C. 42) is amended by—
(1) inserting "(a)", "(b)", "(e)", "(f)'
and "(g)" immediately before the first, sec "(f)", ond, third, fourth, and fifth paragraphs thereof, respectively, and

(2) inserting immediately after subsection (b) thereof, as so designated, the following

two new subsections:

"(c) In addition to the other authority conferred by this section, the Commission is authorized, in furtherance of its responsibilities to establish, assign the duties, and fix the compensation for not to exceed 25 attorney economist, special expert, and outside counsel positions. Individuals may be appointed to such positions by the Commission without regard to the provisions of title 5, United States Code, governing appoint-ments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates but at rates not in excess of the maximum rate for GS-18. but not less than the minimum rate for GS-16, of the General Schedule under section 5332 of such title.

"(d) Any appointment or removal of an employee of the Commission to a position in categories GS-16, GS-17, and GS-18 may be made by the Commission without regard to any provision of title 5, United States Code, other than section 3324 thereof where applicable, governing appointments to, and re-movals from, positions in the competitive service, and shall not be subject to approval by the Executive Office of the President or the Office of Management and Budget, or any

officer thereof, or by any officer or agency of the Federal Government other than the Commission.".

REVIEW OF CEASE AND DESIST ORDERS

SEC. 5. (a) Section 5(c) of the Federal Trade Commission Act (15 U.S.C. 45(c)) is amended by striking out the first sentence thereof and inserting in lieu thereof the following: "Any person, partnership, or corporation required by an order of the Commission to cease and desist from using any method of competition or any act or practice may obtain a review of such order in the court of appeals of the United States for the circuit within which such person, partnership or corporation resides or maintains its principal place of business or in the United States Court of Appeals for the District of Columbia by filing in the court within 60 days from the date of the service of such order, a written petition praying that the order of the Commission be set aside.".

(b) Section 11(c) of the Clayton Act (15

U.S.C. 21(c)) is amended by striking out the first sentence thereof and inserting in lieu thereof the following: "Any person required by such order of the Commission or Board to cease and desist from any such violation may obtain a review of such order in the court of appeals of the United States for the circuit within which such person resides or maintains his principal place of business or in the United States Court of Appeals for the District of Columbia, by filing in the court, within 60 days after the date of the service of such order, a written petition praying that the order of the Commission or Board be set aside.".

EFFECTIVE DATE OF CEASE AND DESIST ORDERS

SEC. 6. (a) Section 5(g) of the Federal Trade Commission Act (15 U.S.C. 45(g)) is amended (1) by striking out paragraphs (2), (3), and (4) thereof in their entirety, and (2) by inserting in lieu thereof the following new paragraph:

(2) Upon the 60th day after such order is served, if a petition for review has been duly filed, except that any such order may be stayed, in whole or in part, subject to such conditions as may be appropriate, by-

(A) the Commission;

"(B) an appropriate court of appeals of the United States, if a petition for review of such order is pending in such court and if an application for such a stay was previously submitted to the Commission and the Commission, within the 30-day period beginning on the date the application was received by the Commission, either denied the application or did not grant or deny the application; or

'(C) the Supreme Court, if an applicable

petition for certiorari is pending.

"(3) For the purpose of section 19(d), if a petition for review of the Commission order has been filed-

upon the expiration of the time allowed for filing a petition for certiorari, if the order of the Commission has been affirmed or the petition for review dismissed by the court of appeals and no petition for certiorari has been duly filed;

"(B) upon the denial of a petition of certiorari, if the order of the Commission has been affirmed or the petition for review dis-missed by the court of appeals; or

(C) upon the expiration of 30 days from the date of issuance of a mandate of the Supreme Court directing that the order of the Commission be affirmed or the petition for review dismissed.".

(b) The amendments made by subsection (a) shall apply only with respect to cease and desist orders of the Federal Trade Commission served under section 5 of the Federal Trade Commission Act after the date of

the enactment of this Act.

(c) Section 11(g) of the Clayton Act (15 U.S.C. 21 (g)) is amended (1) by striking out paragraphs (2), (3), and (4) thereof in their entirety, and (2) by inserting in lieu thereof the following new paragraph:

"(2) Upon the 60th day after such order is served, if a petition for review has been duly filed, except that any such order may be stayed, in whole or in part, subject to such conditions as may be appropriate, by—

"(A) the Commission or Board;

"(B) an appropriate court of appeals of the United States, if a petition for review of such order is pending in such court and if an application for such a stay was previously submitted to the Commission or Board, within the 30-day period beginning on the date the application was received by the Commission or Board, either denied the application or did not grant or deny the application; or

(C) the Supreme Court, if an applicable petition for certiorari is pending.

LITIGATION PROCEDURES

SEC. 7. (a) Section 5 of the Federal Trade Commission Act (15 U.S.C. 45) is further amended by adding at the end thereof the

following new subsection:

(n) Whenever the Commission has reason to believe that any person, partnership, or corporation has been or is using any unfair method of competition in or affecting commerce, or has or is violating sections 2, 3, 7, or 8 of the Clayton Act (15 U.S.C. 13, 14, 18, and 19, respectively), and if it appears to the Commission that a proceeding by it with re-spect thereof would be in the interest of the public, it may, in its discretion and in lieu of the procedures prescribed in subsection (b), commence a civil action in a district court of the United States to obtain an order requiring such person, partnership, or corporation to cease and desist from any such unfair method of competition from violating such sections of the Clayton Act."

(b) Clause (2) of section 13(b) of the Federal Trade Commission Act (15 U.S.C. 53(b)) is amended by adding after "dismissed by the Commission" the following: "or by the district court (in the case of an action brought pursuant to section 5(n)),".

PROCEEDING TO ENFORCE COMPULSORY PROCESS

SEC. 8. Section 9 of the Federal Trade Commission Act (15 U.S.C. 49) is amended

(1) inserting "(a)", "(b)", "(c)", "(d)", "(e)", and "(f)" immediately before the first, second, third, fourth, fifth, and sixth paragraphs, respectively, thereof,
(2) striking out the second sentence in

subsection (b) thereof, as so designated, and

(3) striking out subsection (d) thereof, as so designated, and inserting in lieu thereof

the following:

"(d) In case of failure to comply with any provision of a subpoena or access order issued pursuant to this section or of an order pursuant to any other provision of this Act (other than a cease and desist order under section 5 of this Act), the Commission may invoke the aid of a court of the United States in requiring compliance with such subpoena or order. Any of the district courts of the United States within the jurisdiction of which the inquiry of the Commission is being carried on may, in the case of such refusal to obey, issue an order requiring com-pliance with such subpoena or order, and any failure to obey such order of the court may be punished by such court as a contempt thereof.".

PENALTIES FOR NONCOMPLIANCE WITH COMPULSORY PROCESS

SEC. 9(a). Section 10 of the Federal Trade Commissions Act (15 U.S.C. 50) is amended

(1) striking out "Sec. 10 That any" and in-(2) inserting "(b)" "(c)", and "(f)" immediately before the second, third, and

fourth paragraphs, respectively, thereof,

(3) striking out the first sentence of sub-section (c) thereof, as so designated, and inserting in lieu thereof the following: "If any person, partnership, or corporation fails to comply with any order issued by the Com-mission (other than a cease and desist order

issued under section 5 of this Act) or any subpoena issued under this Act, and if such failure continues for 30 days after service on such person, partnership, or corporation of a notice of such default, such person, partnership, or corporation shall be liable to the United States for a civil penalty of not more than \$5,000 as the court may determine, for each day that such failure continues after such 30th day. The amount of such civil penalty shall be payable into the Treasury of the United States, and shall be recover able in a civil action by and in the name of the Commission, by any of its attorneys designated by it for such purposes, brought in a district court of the United States within which such person, partnership, or corpora-tion resides or does business or in which the inquiry of the Commission is being carried on.", and

inserting immediately after subsection (4) thereof, as so designated, the following (c)

two new subsections:

"(d) No court shall have jurisdiction over any action or claim seeking to stay the accumulation of any of the penalties provided by subsection (c) for failure to comply with any order or subpena referred to in such subsection, or to challenge the validity of, or to enjoin the enforcement, of any such order or subpena, unless the action is brought or the claim is made by a person, partnership, or corporation upon which a notice of default respecting such order or subpena has been served. No court shall issue any order staying the accumulation of such penalties unless the party seeking such relief shall have first demonstrated-

a substantial probability that a court will hold invalid, or issue an order en-joining the Commission or the United States from enforcing, any requirement pursuant to

subsection (e);

"(2) that such party will be irreparably injured unless the accumulation of such penalties is staved; and

'(3) that the equities clearly favor such

stav.

Such an order shall not affect the accumulation of penalties for failure to comply with any part of a requirement as to which the party did not make the demonstration

ferred to in subparagraphs (1), (2), and (3).

"(e) No court shall hold invalid or issue an order enjoining the Commission or the United States from enforcing any order or subpena referred to in subsection (c) less the party subject to such requirement first demonstrates that-

"(1) such requirement is, with respect to

such party, unduly burdensome; or

(2) the information sought by such requirement is not reasonably relevant to an inquiry being conducted by the Commission. The Commission shall have authority to conduct investigations and to adjudicate complaints consistent with the applicable provisions of this Act, unless such investigation adjudication is expressly prohibited by this Act.".

(b)(1) The amendment made by subsection (a) (3) shall apply only with respect to failures to comply with a requirement described in section 10(c) of the Federal Trade Commission Act insofar as they occur or continue after the date of the enactment of

this Act.

(2) The amendment made by subsection (a) (4) shall apply with respect to any action or claim pending on the date of the enactment of this Act, and any action brought or claim made after the date of the enactment of this Act, respecting a requirement described in section 10(c) of the Federal Trade Commission Act.

GRANTING OF EQUITABLE RELIEF

SEC. 10. (a) Section 13 of the Federal Trade Commission Act (15 U.S.C. 53) is amended by redsignating subsection (c) as subsection (d), and by inserting immediately after subsection (b) the following new subsection:

"(c) Whenever the Commission has reason to believe-

(1) that any person, partnership, or corporation has violated, is violating, or is about to violate, any provision of law enforced by

the Commission, and

"(2) that the granting of equitable relief (other than injunctive relief under subsection (a) or subsection (b)) is necessary pending the issuance of a complaint by the Commission and until such complaint is dismissed by the Commission or set aside the court on review, or until the order of the Commission made thereon has become final (for purposes of section 19(d)),

the Commission by any of its attorneys designated by it for such purposes may bring suit in a district court of the United States for the granting of such equitable relief (other than injunctive relief under subsection (a) or subsection (b)) as the court considers appropriate, including the appointment of a trustee or receiver to control the disposition by the person, partnership, or corporation involved of any money or property during the period referred to in paragraph (2). Upon a proper showing, and after notice to the defendant, the court may grant such equitable relief, except that if a complaint is not filed within such period (not exceeding 20 days) as may be specified by the court after such equitable relief is granted, the order granting such equitable relief shall cease to be in effect. Any such suit shall be brought in the district in which the person, partnership, or corporation involved resides or transacts business."

(b) Section 16(a)(2)(A) of the Federal Trade Commission Act (15 U.S.C. 56(a)(2) (A)) is amended by adding "or other equitable" after the word "injunctive".

(c) The last sentence of section 19(b) of the Federal Trade Commission Act (15 U.S.C. 57b(b)) is amended by inserting immediately after "the payment of damages," the fol-lowing: "the appointment of a trustee or receiver to administer any such refund, return, or payment, and to control the disposition of any money or property obtained by such person, partnership, or corporation pending disposition of such action,".

CITIZEN PETITIONS FOR RULEMAKING

SEC. 11. (a) Section 18(b) of the Federal Trade Commission Act (15 U.S.C. 57a(b)) is

(1) by inserting "(1)" immediately after "(b)";

(2) by redesignating clauses (1), (2), (3), and (4) as clauses (A), (B), (C), and (D), respectively; and

(3) by adding at the end thereof the fol-

lowing:

"(2) (A) If the Commission receives a petition for the issuance, amendment, or repeal of a rule described in subsection (a) (1) (B) of this section, the Commission shall either grant or deny the petition within 120 days after the date the petition is received by the Commission. If the Commission grants such a petition, it shall, as soon as is practicable after the date the petition is granted, commence a proceeding under this section relating to the subject of such petition. If the Commission denies such a petition, it shall notify the petitioner of such denial and the reasons therefor and shall publish such reasons in the Federal Register.

"(I) a petition is filed with the Commission under subparagraph (A) to define an act or practice as an unfair or deceptive act or

practice in or affecting commerce,
"(II) such petition alleges that such acts or practices have a substantial adverse effect on a significant number of persons, that the Commission has taken no action or has not taken sufficient action under this Act to alleviate such adverse effect with respect to such acts or practices, and that failure of the Commission to issue the rule or to take sufficient action with respect to which the peti-tion was filed will result in a continuation of such acts or practices and their adverse efects, and

"(III) the Commission denies such petition or fails to act thereon within the 120-day period described in subparagraph (A).

the petitioner may apply to an appropriate district court of the United States for an order directing the Commission to commence a proceeding relating to the subject of such petition. Any such application shall be filed within 60 days after the date the Commission denies such petition or, if the Commission did not act thereon within such 120-day period, within 60 days after the expiration of such period. The Commission shall answer the application within 60 days of the service on the Commission of the application or within such other period as the court may prescribe.

"(ii) In a proceeding for the issuance of an order under clause (i), the court shall provide for an expeditious determination of the matter presented by the application for the order. Such determination shall be based on a consideration by the court of the petition with respect to which such proceeding is brought, any submission filed with the Commission respecting such petition, responses of the Commission to such petition and to the application for such order, and such other evidence as the court may deem necessary to determine whether the petitioner has made the demonstration described in clause (iii).

(iii) In a proceeding commenced under clause (i) respecting a petition to initiate a proceeding for the issuance of a rule described in subsection (a) (1) (B), the court may order the Commission to commence a

proceeding relating thereto if-

(I) the petitioner demonstrates to the satisfaction of the court, by a preponderance of the evidence that the acts or practices are unfair or deceptive acts or practices within the meaning of section 5(a) (1), which have had or will have a substantial adverse effect on a significant number of persons, and the Commission has failed to act or to take sufficient action to alleviate such adverse effects; and

(II) the Commission fails to demonstrate the satisfaction of the Court that the public interest would be better served by expending the Commission's limited resources on other proceedings for which the adverse effect is more severe or which affects a greater number of persons than that which the subject of the petition. is

"(iv) The issuance of an order under clause (iii) or the denial of an application for such an order shall be given no effect

in any other action or proceeding.".

(b) Section 16(a)(2)(C) of the Federal Trade Commission Act (15 U.S.C. 56(a)(2) (C)) is amended by inserting immediately after "of this Act" the following: ", or of a petition requesting the Commission to take any action with respect to rulemaking under section 18(b) (2).".

CITIZEN ACTIONS

SEC. 12. (a) The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by inserting immediately after section 19 and before section 21 (as so designated by section 2 of this Act) the following new section: "Sec. 20. (a) (1) If any person, partner-

ship, or corporation-

(A) violates any rule under this Act respecting unfair or deceptive acts or practices (other than an interpretive rule, or a rule violation of which the Commission has provided is not an unfair or deceptive act or practice in violation of section 5(a)); or

"(B) violates any final cease and desist or-der issued by the Commission which is applicable to such person, partnership, or cor-

then any person, partnership, or corporation injured by any such rule violation, order violation, or cease and desist order violation

may commence a civil action for relief against such person, partnership, or corporation, on behalf of himself or on behalf of himself and all persons similary situated, in a United States district court or in any court of competent jurisdiction of a State.

"(2) The United States district courts shall have original jurisdiction with respect to any matter under this subsection if the amount in controversy exceeds the sum or value of \$25,000, in the aggregate, exclusive of interest and costs.

"(3) Any person, partnership, or corporation which commences an action under subsection (a) (1) shall notify the Commission of such action at the time such action is

commenced. "(b) The court in any action commenced under subsection (a) (1) shall have jurisdiction to grant such relief as the court finds appropriate to redress injury to the plaintiffs in such action. Such relief may include, but shall not be limited to, rescission or reformation of contracts the refund of money or the return of property, the payment of damages, and public notification respecting the rule violation or the unfair or deceptive act or practice, as the case may be.

"(c) (1) (A) The court involved shall cause notice of any action commenced under subsection (a) (1) to be given to the members of any class of plaintiffs involved in such action through one or more of the following

methods

"(i) publication by newspaper, radio, television, or any other medium, or by posting at any location which is likely to be frequented by members of such class; or

"(ii) individual notice to each member of such class who can be identified through rea-

sonable effort.

"(B) The court involved may provide, in addition to causing notice to be made through the use of one or more of the methods under subparagraph (A)(i), that individual notice shall be made to (i) a sample of the members of such class, if such members may be reasonably expected to represent any material conflict or divergence of views among members of the class, or (ii) any specific subclass of the class of plaintiffs involved. The specific characteristics or interests of such subclass shall be determined by such court.

"(2) The court involved, in determining the method of notice under paragraph (1),

shall take into account-

"(A) the interest of the members of the class of plaintiffs in being informed of the

pendency of the action;

"(B) whether it is reasonable to conclude that the members of such class would desire the action to go forward without the burdens and benefits associated with individual notice to the members of such class;

"(C) the costs which would accrue in connection with the use of each such method;
"(D) the financial and other resources of

the parties involved in such action;

"(E) the nature and importance of the interests of members of such class in such action: and

"(F) whether a significant percentage of the members of such class would be reasonably likely to desire to exclude themselves from such class or to participate in such action as separate parties.

The court may order that individual notice of such action be given to an appropriate sample of the members of such class in order to obtain information necessary to assist the court in making determinations under this

paragraph.

'(3) (A) The plaintiff in any action commenced under subsection (a)(1) shall bear any costs which accrue as a result of the use of any method of notice required by the court involved under paragraph (1), unless the court orders otherwise.

"(B) If the court determines, after a pre-

liminary hearing, that justice so requires. the court may

"(i) order the defendant in the action to bear any costs which accrue as a result of the use of any method of notice required by the court under paragraph (1); or

"(ii) order the plaintiff and the defendant to bear a portion of any such costs in proportion to the likelihood that each will pre-

vail on the merits in the action.

(C) In any case in which the court involved requires individual notice under paragraph (1)(A)(ii) or paragraph (1)(B), any costs which accrue in connection with identifying the members of the class or subclass plaintiffs shall be borne by the defendant in the action involved. The court may require such defendant to furnish to the court any information or materials in the possession, custody, or control of such defendant which may assist in identifying the members of such class or subclass.

"(d) (1) Proof of the aggregate amount of damages to be awarded to members of the class of plaintiffs in the event the plaintiffs prevail in any action commenced under subsection (a) (1) shall be permitted on the

"(A) any evaluation based upon statistical

or sampling methods;

"(B) any econometric evaluation of the probable extent to which the rule violation or the unfair or deceptive act or practice of the defendant affected the revenues and market performance of the defendant; and

"(C) any other information or materials derived from a reasonable method or system for determining the aggregate amount of

such damages.

"(2) (A) Any damages awarded in any action commenced under subsection (a) (1) shall be distributed in a manner determined by the court involved, except that such manner of distribution shall assure each member of the class of plaintiffs in such action a reasonable opportunity to receive an appropriate portion of the net damages in-

"(B) For purposes of this paragraph, the term 'net damages' means the aggregate amount of damages awarded in any action commenced under subsection (a)(1) reduced by the amount of any unrecovered costs of litigation or administration asso-

ciated with such action.

"(3) If the plaintiff prevails in any action commenced under this subsection, the plain-tiff shall be entitled to recover, in addition to any damages or such other relief as may be granted by the court involved, the costs of such action, including reasonable attorney and expert witness fees. A reasonable attorney's fee is a fee (1) which is based upon (A) the actual time expended by an attorney in providing advice and other legal services in connection with representing a person in an action brought under this subsection, and (B) such reasonable expenses as may be incurred by the attorney in the provision of such services, and (2) which is computed at the rate prevailing for the provision of similar services with respect to actions brought in the court which is awarding such fee.

(e) The provisions of Rule 23 of the Federal Rules of Civil Procedure shall apply to any class action commenced under subsection (a) (1), except where inconsistent with

the provisions of this section.

"(f)(1) Any person, partnership, or corporation aggrieved by any rule violation or order violation referred to in subsection (a) (1) or any deceptive act or practice referred to in subsection (a) (1) with respect to which the Commission has issued a final cease and desist order may commence an action for injunctive relief in a United States district court or in any court of competent jurisdiction of a State.

(2) Any person, partnership, or corporation commencing an action under paragraph

(1) shall give notice of such action to the Commission. No such action may be commenced before the close of the 60-day period immediately following the receipt of such notice by the Commission.

(3) No action may be commenced in a United States district court under paragraph (1) unless the amount in controversy exceeds the sum or value of \$25,000. The calculation of such amount shall be based upon an estimate of the nature of any class of persons. partnerships, or corporations affected by the rule violation or unfair or deceptive act or practice involved, and the nature and extent of the actual or potential injury to such class.

(g) (1) No action may be commenced under this section more than 3 years after the occurrence of the rule violation or cease and desist order violation to which such

action relates.

"(2) The running of the period of limitations established in paragraph (1) shall be suspended for the period beginning on the date an action is commenced in any district court of the United States under this section and ending 3 months after the date on which such action is dismissed without prejudice.

'(h) The provisions of section 19(c)(1) and section 19(e) shall apply to any action

commenced under this section.

"(i) In any action under this section, the Commission may intervene as a matter of right."

(b) Section 16(a) (2) of the Federal Trade Commission Act (15 U.S.C. 56(a)(2)) is amended-

(1) in subparagraph (C) thereof, by striking out "or" at the end thereof;

(2) in subparagraph (D) thereof, by inserting "or" immediately after the semicolon at the end thereof; and

(3) by inserting immediately after sub-paragraph (D) thereof the following new

subparagraph:

"(E) under section 20 (relating to con-imer actions) in which the Commission intervenes:".

SCOPE OF JURISDICTION UNDER OTHER ANTITRUST STATUTES

Sec. 13. Sections 2 and 3 of the Clayton Act (15 U.S.C. 13 and 14), and section 3 of the Robinson-Patman Act (15 U.S.C. 13a), are amended by striking out "in commerce" wherever the term appears and inserting in lieu thereof "in or affecting commerce".

TECHNICAL AND MISCELLANEOUS AMENDMENTS SEC. 14. (a) Section 4 of the Federal Trade Commission Act (15 U.S.C. 44) is amended

(1) inserting "(1)", "(3)", "(4)", and "(5)" before the words "'Commerce'", "'Documentary evidence'", "'Acts to regulate commerce'", and "'Antitrust Acts'", respectively, and

(2) striking the paragraph beginning with 'Corporation'" and inserting in lieu there-

of the following:

(2) 'Person, partnership, or corporation' shall be considered to include any individual, partnership, corporation, or other organization or legal entity."

(b) Sections 5(m) (1) (A) and 5(m) (1) (B) of the Federal Trade Commission Act (15 U.S.C. 45(m) (1) (A), 45(m) (1) (B)) each are amended by adding at the end thereof the following new sentence: "In such actions, the United States district courts are empowered to grant mandatory injunctions and such other and further equitable relief as they deem appropriate."

(c) Section 6 of the Federal Trade Commission Act (15 U.S.C. 46) is amended by adding at the end thereof the following new

paragraphs:

"(i) To accept gifts and voluntary and uncompensated services, notwithstanding the provisions of section 3679 of the Revised Statutes (31 U.S.C. 665(b))."

(d) (1) Subsection (a) of section 9 of the

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Federal Trade Commission Act (15 U.S.C. 49) as so designated by this Act, is amended-

(i) by inserting immediately after "for the purposes of this Act" the following: ", or any other provision of law enforced by the Com-

mission,"; and
(ii) by inserting "or physical" immediately after "documentary" each place it ap-

pears therein.

(2) Subsection (b) of each section, as so designated by this Act and as amended by section 8, is further amended by inserting "or physical" immediately after "documentary

(3) Subsection (c) of such section, as so designated by this Act, is amended by inserting "or physical" immediately after

"documentary"

(4) Subsection (c) of such section, as so designated by this Act, is amended by inserting "or physical" immediately after "documentary in the last sentence thereof.

(e) (1) The fourth sentence of section 5 (b) of the Federal Trade Commission Act (15 U.S.C. 45(b)) is amended by inserting immediately after "writing" the following: ", or shall be recorded through the use of electronic or mechanical recording device,"

(2) The third sentence of subsection (e) of section 9 of the Federal Trade Commission Act (15 U.S.C. 49), as so designated by this Act, is amended by inserting immediately after "writing" the following: ", or shall be after "writing" the following: recorded through the use of any electronic or mechanical recording device,"

(3) The fourth sentence of section 11(b) of the Clayton Act (15 U.S.C. 21(b)) is amended by inserting immediately after "writing" the following: ", or shall be re-corded through the use of any electronic or

mechanical recording device,"

(f) Section 5 of the Wool Products Labeling Act of 1939 (15 U.S.C. 68c) is amended by striking out the term "wood" in the second paragraph thereof and inserting in lieu thereof "wool".

(g) Section 9(b)(1) of the Fur Products Labeling Act (15 U.S.C. 69g(b)(1)) is amended by striking out the term "volatand inserting in lieu thereof "violat-

(h) Section 12(a)(2) of the Textile Fiber Products Identification Act (15 U.S.C. 70j (a) (2)) is amended to read as follows: "(2) outer coverings of furniture, mattresses, and box springs, except that the Commission may require care labeling with respect to outer coverings of furniture.".

> By Mr. HELMS (for himself and Mr. Bellmon):

S. 1290. A bill to amend the peanut program for the 1978-81 crops of peanuts: to the Committee on Agriculture, Nutrition, and Forestry.

Mr. HELMS. Mr. President, today I am joining my distinguished colleague, the gentleman from Oklahoma (Mr. Bell-MON) in introducing a bill to modify the existing peanut program. The purpose of this bill is to allow the Secretary of Agriculture to reduce peanut acreage to match supply with demand.

Our peanut program has provided consumers and farmers with stable, reasonable peanut prices. However, because peanut yields have increased faster than demand, peanuts have been in surplus. Due to the oversupply, the peanut program costs have been higher than we would like. Accordingly, the legislation we are introducing today would significantly reduce the cost of the peanut program.

I am convinced that an acreage reduction of 10 percent in 1978 and addi-

tional annual acreage reductions of not more than 5 percent, if necessary, will match peanut supply with demand.

Our solution to the problem is simply to reduce the peanut acreage to match supply with demand and maintain the price support for peanuts at 70 percent net of parity for the 1978 crop year and adjusted annually to reflect any changes in the index of prices paid by farmers for production items, interest, taxes, and wages for the next 3 crop years.

The administration has proposed a complicated two-price system to reduce the cost of the peanut program. This proposal is totally unacceptable to peanut growers in North Carolina. The North Carolina Peanut Growers Association unanimously support the bill that Senator Bellmon and I are introducing today. This bill will be offered as an amendment to the 1977 farm bill which is being marked up in the Senate Committee on Agriculture, Nutrition, and Forestry.

I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1290

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Peanut Act of 1978".

SEC. 2. Section 358(a) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following: "Notwithstanding any other provision of this Act, the national marketing quota for the 1978 crop of peanuts shall be a quantity of peanuts sufficient to provide a national acreage allotment equal to the national acreage allotment for the 1977 crop, reduced by not more than 10 per centum; and the national marketing quota for the 1979, 1980, and 1981 crops shall be a quantity of peanuts sufficient to provide a national acreage allotment equal to the preceding year, reduced in each such crop year by not more than 5 per centum of the national acreage allotment for the preceding crop year. In no event shall the marketing quota established for each of the crops, 1978 1981, be a quantity less than a quantity sufficient in the case of each such crop to meet the requirement for domestic edible and related uses of peanuts plus a carryover equal to 15 per centum of such quantity.".

SEC. 3. Effective for the 1978 and subsequent crops of peanuts, section 358a (a) of the Agricultural Adjustment Act of 1938, as amended, is amended by (1) striking out ", if he determines that it will not impair the effective operation of the peanut marketing quota or price-support program,"; and (2) striking out "may" in clauses (1) and (2) and inserting in lieu thereof "shall".

SEC. 4. Title I of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new section as follows:

'SEC. 108. Notwithstanding any other pro-

vision of law-

(a) The Secretary shall make price support available to producers through loans, purchases, or other operations on peanuts marketed within their farm marketing quota for the 1978 crop at a net level not less than 70 per centum of the parity price for peanuts as of April 1, 1978, and for the 1979, 1980, and 1981 crops at a net level of 70 per centum of the parity adjusted to reflect any changes in the index of prices paid by farmers for production items, interest, taxes, and wages from April 1, 1978, to April 1 of the calendar year in which the crop is

"(b) The Commodity Credit Corporation shall make warehouse storage loans available in each of the three producing areas (described in 7 CFR part 1446, section 1446.4 of the General Regulations Governing 1974 and Subsequent Crop Peanut Warehouse Storage Loans published by the Commodity Corporation) to a designated area marketing association of peanut producers which is selected and approved by the Secretary and which is operated primarily for the purpose of conducting such loan activities. Such associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this section and section 359 of the Agricultural Adjustment Act of 1938. Such loans shall include, in addition to the price support value of the peanuts, sums necessary to pay for the cost of inspecting, handling, and storing the peanuts and such other costs as such association may reasonably incur in carrying out such responsibilities in its operations and activities under this section 359 of the Agricultural Adjustment Act of 1938. The Secretary may discontinue use of any such association which fails or refuses to perform its functions in accordance with such terms and conditions the Secretary may prescribe.".

Mr. BELLMON. Mr. President, I today join the distinguished senior Senator from North Carolina to introduce a bill to improve the peanut program. This proposal is offered with the unanimous support of the National Peanut Growers Group. It represents a sensible, honest approach to solve the present problems being encountered in the administration of the peanut program. This bill will lessen the budgetary problems of this program and will not totally disrupt the productive capabilities of farmers.

Mr. President, this proposal acts to decrease the acres eligible for price support. However, it does not yield to a "kneejerk" reaction based on current conditions. The reduction in acreage is gradual and is keyed by demand. This presents the most optimum method of deleting the burdens of the peanut program without creating short supplies in the future by providing disincentives for growers. The 70-percent-of-parity concept is retained and will be adjusted based on the index

of prices paid by farmers. Mr. President, the peanut program is not a fat program. Peanuts are very difficult to grow and to store. We must have our supplies renewed each year as the peanut will not store effectively over 8 months. If we do not provide a program which encourages farmers to face this labor intensive production effort we will face shortages in later years. Administration of the current program has been its greatest adversary. Some people in Government have evidently felt that a program which adequately protects all producers is ineffective. This attitude, if continued into new proposals, will have a very detrimental effect on the peanut producers. Growing peanuts is such an arduous task that growers will not continue to grow peanuts at break-even or less prices as some proposals have suggested.

Therefore, Mr. President, I believe it will be in the best interest of consumers and producers to simply lessen the exposure to the Government due to the peanut program by a simple acreage reduction.

By Mr. BARTLETT:

S. 1291. A bill to declare that certain lands of the United States situated in the State of Oklahoma are held by the United States in trust for the Cheyenne-Arapaho Tribes of Oklahoma; to the Select Committee on Indian Affairs.

Mr. BARTLETT. Mr. President, today I have submitted to the Senate for consideration legislation to transfer approximately 107 acres of excess Government land located in Canadian and Custer Counties in Oklahoma to the Cheyenne and Arapaho Tribes in Oklahoma.

The 107-acre parcel under consideration is comprised of 90.63 acres situated at Concho, Okla., and 16.56 acres situated at the Indian Health Service Hos-

pital, Clinton, Okla.

The tribes, with the cooperation and assistance of Bureau of Indian Affairs and Indian Health Service officials initially sought administrative transfer of these lands to be held in trust for the tribes pursuant to procedures set forth in Public Law 93-599 (88 Stat. 1954), approved January 2, 1975. However, the tribes were subsequently advised by such officials that neither tract of land satisfies the literal criteria established by Public Law 599 with respect to transfers of real property within the State of Oklahoma.

Although both tracts are located within the boundaries of a former reservation in Oklahoma—Cheyenne-Arapaho Reservation-as the law requires, a determination was made that neither tract was held in trust by the United States for a federally recognized Indian tribe at the time of acquisition of the land, which is an additional criteria that must be met before such lands can be transferred within the State of Okla-

The lands also do not meet the other criteria for transfer which requires that it be contiguous to real property presently held in trust by the United States for an Oklahoma Indian tribe and was at any time held in trust by the United States for an Indian tribe.

Since the tribes have exhausted all avenues for administrative transfer of the land, legislation is their only recourse to have the lands transferred to them in trust status. It is the tribe's desire to acquire these lands for use by them in furthering the economic well-being of the tribes and their tribal members.

I ask unanimous consent that the bill

be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1291

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That right, title and interest of the United States in and to the following described lands, and improvements thereon, are hereby declared to be held by the United States in trust for the Cheyenne-Arapaho Tribes of Oklahoma:

A tract, piece, or parcel of land lying partly A tract, piece, or parcel of land lying partly in the NE ¼ Section 12, T13N, R8W, I.M., and partly in the NW ¼, Section 7, T13N, R7W, I.M., Canadian County, State of Oklahoma, more particularly described as follows: beginning at the NE corner of said Section 12, thence S 0°56′25″ E a distance of 2622.63 feet to the East ¼ corner of said Section 12; thence S 89°08'36" W a distance of 232.24

feet; thence S. 4°03'30" W a distance of 420.90 feet; thence S. 64°49'23" W a distance of 1193.98 feet; thence N 1°21'07" W a distance of 911.11 feet; thence N 89°08'36" distance of 417.28 feet to a point of intersection with the East Right-of-Way line of the Rock Island Railroad; thence N 11°47′ 24″ east along said Right-of-Way line a distance of 2294.83 feet; thence Northeasterly along a curve to the left with a radius of 2292.01 feet a distance of 387.19 feet to a point of intersection with the North line of said Section 12; thence N 89°07'19" E a distance of 400.56 feet to the point or place of beginning which coincides with and is identical to the NW corner of Section 7, T13N, R7W, I.M., from whence proceed N 89°20'20" E a distance of 1320.00 feet; thence S 1°32' 45" E a distance of 974.19 feet; thence S 45" E a distance of 974.19 feet; thence S 89°20'04"W a distance of 1330.29 feet; thence N 0°56'25" W a distance of 974.19 feet to the point or place of beginning, subject to the easements of record. Portion of tract in Section 12 (13N-8W) contains 61.00 acres, more or less. Portion of tract in Section 7 (13W-7W) contains 29.63 acres, more or less. Total area equals 90.63 acres, more or less.

A tract or parcel of land in the E ½ Northwest Quarter of Section 18, Township 12 North, Range 16 West of I.M., Custer County, State of Oklahoma, more particularly described as follows: beginning at point on the north line of said quarter section, 259 feet west of the northeast corner (4 corner); thence west along north boundary 426 feet; thence S 01°20' W 705 feet; thence East 640.43 feet parallel with north line; thence S 0°43' W 926.97 feet; thence S 87°11'40" W 227.5 feet; thence S 0°38' W 843.67 feet; thence S 25°10'20" east 169.5 feet to South boundary of said quarter section; thence East along South boundary 202.85 feet to Southeast corner 1 inch diameter iron pin; thence N $0^{\circ}43'$ East 2315 feet along east boundary; thence West parallel with north line 259 feet; thence N $0^{\circ}43'$ E 325 feet to point of beginning, containing 16.56 acres, more or less.

SEC. 2. This conveyance is subject to any existing easements, licenses, permits, or commitments heretofore granted or made for a specific period of time but no such easement. license, permit, or commitment shall be renewed or continued beyond its presently effective termination date without the express consent of the Cheyenne-Arapaho Tribes of Oklahoma. This conveyance is also subject to existing rights-of-way for waterlines, electric transmission lines, other utilities, roads and railroads.

By Mr. DURKIN:

S. 1293. A bill to amend title 39 of the United States Code to allow an individual to send certain mail matter at no cost to Members of Congress and to the President; to the Committee on Governmental Affairs.

Mr. DURKIN. Mr. President, at the foundation of our democratic process lies the representative system of government. The Constitution of the United States established a representative democracy so that the will of the people can best be served. As elected representatives we hold our positions so that the needs and desires of the American people may be fulfilled through the legislative process. As this remains the very foundation of our democratic form of government, the system requires open and constant communication between the people of this Nation and their elected officials. The bill I am introducing today will facilitate this necessary communication by allowing mail to be sent free of charge to Members of the Senate and the House of Representatives and to the President of the United States.

Recognition of the necessity for communication between the people and their elected officials caused us to adopt the franking system. The franking privilege allows communication to be mailed free of charge when sent by officials to their constituents. We have failed, however, to provide for such free communications when our constituents seek to inform us of their views and their needs. And in terms of the successful operation of the democratic system, it may be far more important for the people to have freer access to their elected representatives.

If the democratic political process is to function adequately, it is of the utmost importance that the people of this Nation can truly believe that their elected representatives are responsive to their needs and desires. Recent events in history have shaken the confidence of the American people in their institutions and their representatives. We must do everything possible to restore the faith of our people in the democratic process. As Justice Brandeis so eloquently expressed:

The path of safety lies in the opportunity to discuss freely supposed grievances and proposed remedies.

Mr. President, because the operation of our political system is dependent upon open and responsible communication, I urge serious consideration of this bill.

I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1293

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 32 of title 39, United States Code amended by adding at the end thereof the following new action:

"§ 3220. Mail matter sent to the President and Members of Congress

"(a) Any individual may send at no cost mail matter not exceeding four ounces in weight to-

"(1) any Member of the Senate representing the State in which the individual resides if the matter is mailed within that State,

"(2) any Member of the House of Representatives representing the congressional district in which the individual resides if the matter is mailed within the area constituting that congressional district,

"(3) any Delegate or Resident Commissioner to the House of Representatives if the individual resides in and the matter is mailed from the area from which the Delegate or Resident Commissioner is elected, and

(4) the President of the United States if mailed within any congressional district or any area from which a Delegate or Resident Commissioner is elected.

"(b) For purposes of this section, a congressional district includes, in the case of a Representative at Large, the State from which he was elected."

(b The table of contents for chapter 32 such title is amended by inserting at the end thereof the following new item:

"3220. Mail matter sent to the President and Members of Congress.".

(C) Section 2401 (c) of such title is amended by inserting "3220," after "3217.".

SEC. 2. The amendments made by this Act shall take effect on January 1, 1978.

By Mr. DURKIN:

S. 1294. A bill to establish a National Domestic Oil and Gas Board, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. DURKIN. Mr. President, March 9, 1977, I introduced the National Oil and Gas Import Board Act of 1977 which, if enacted, will cast exclusive authority in the Federal Government to import foreign oil and natural gas. The Import Board, however, addresses only one-half of the energy picture—the OPEC cartel. The other half is the domestic cartel that exists in the form of the stranglehold the giant oil and gas corporations have over the exploration and production of domestic oil and natural gas. I have introduced today a bill that addresses this second problem, the National Domestic Oil and Gas Board Act of 1977.

The purpose of a domestic board is to compete with the major oil companies and produce petroleum and natural gas at reasonable prices for consumers. The primary objectives of the board will be to, first, develop publicly owned oil and gas resources in order to satisfy national energy needs rather than to maximize profits; second, develop oil and gas rights to stimulate maximum economic competition in the various aspects of the petroleum business; third, provide the public and the Government with the knowledge of the actual cost of producing oil and natural gas so that appropriate public policy can be set to best manage the Nation's energy resources; and fourth, to provide the public and the Government with accurate indications of the extent of our energy reserves so that any future attempt to trigger public panic by underreporting available supplies could be met with reliable information.

Mr. President, there is no longer any doubt that the major natural gas producers that hold highly valuable natural gas leases in the Gulf of Mexico have abused these leases, have underreported the gas they have found, and have illegally diverted gas away from the interstate markets. These abuses with respect to natural gas, and in all likelihood similar abuses with respect to oil, have totally discredited the oil industry in this country, and its repeated claims to be aggressively searching for new supplies

of oil and natural gas.

The National Domestic Natural Oil and Gas Board would interject true competition into the oil industry. The board is not the first step to nationalizing the American petroleum industry. Rather, it is an attempt to head off nationalization, which is increasingly gaining favor with even some of the milder critics of the petroleum industry.

Under the terms of the proposed act, a five-member board will be established and authorized to explore for oil and natural gas on any Federal lands, and to develop, produce, refine, store, transport, and sell oil or natural gas alone or on a joint cooperative basis with any private or public entity. The board will also be authorized to engage in research and development for improved methods for the discovery, development, production, refining, storage, and transport of oil and natural gas.

Under the proposed legislation—when-

ever there is a sale or lease of Federal lands—the domestic board will be entitled to designate up to 20 percent of the land being offered for its own use. The designation by the board will be kept secret until after public bidding is completed. The land designated will then be transferred to the board, which may sell the land to the highest bidder at the original sale or keep the land for its own exploration at a book value equal to the highest bid at the public sale.

Mr. President, the National Domestic Oil and Gas Board is a variation on a theme proposed initially approximately 4 years ago in the form of a Federal Oil and Gas Corporation. At the time when the Federal Oil and Gas Corporation was first proposed, Mr. Kent Hughes, of the Economics Division of the Congressional Research Service, conducted a detailed study of the merits of a Federal Oil and Gas Corporation. The study is as relevant to the domestic board I propose today as it was then to the proposed Corporation. I ask unanimous consent that the study be reprinted in the RECORD at the conclusion of my remarks.

Mr. President, the oil and gas lobby has had its way too long. The time has come to deal effectively with the American oil industry. We have no choice. Energy policy has to be made by the Government, for the best interest of all American citizens. The day of energy policy by the energy companies for the profit of the energy companies has to end. The creation of the National Domestic Oil and Gas Board, along with the companion legislation introduced by me on March 9 to create the National Oil and Gas Import Board, will begin the important process of stabilizing world oil prices and introducing true competition to the domestic oil industry.

Mr. President, I ask unanimous consent that the text of the National Domestic Oil and Gas Board Act of 1977 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1294

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Domestic Oil and Gas Board Act".

SEC. 2. The Federal Power Act (16 U.S.C. 791 et seq.) is amended by adding at the end thereof the following new title:

"TITLE IV—NATIONAL DOMESTIC OIL AND GAS BOARD

"ESTABLISHMENT

"SEC. 401. (a) ESTABLISHMENT.—There shall be established, in accordance with this section as an independent establishment of the executive branch of the Government of the United States, the National Domestic Oil and Gas Board (hereinafter referred to as the 'Board').

'Board').

"(b) Board.—(1) The board shall consist of five qualified individuals who shall be appointed by the President, by and with the advice and consent of the Senate.

"(2) The President shall make nominations for the initial appointments of members of the Board not later than 60 days after the date of enactment of this title.

"(3) The President shall choose a chairman from the Board membership.

"(4) The term of office of members of the Board shall be five years, except that the terms of the members of the Board first taking office shall expire as designated by the President at the time of nomination—one at the end of the first year, one at the end of the second year, one at the end of the third year, one at the end of the fourth year, and one at the end of the fifth year. A member of the Board appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for a period not to exceed the remainder of such term. A member of the Board may continue to serve after the expiration of his term of office until his successor has taken office or until 180 days after the date of such expiration, whichever is earlier.

(5) Three members of the Board shall constitute a quorum for the purpose of conduct-

ing the business of the Board.

(6) The Chairman of the Board shall be compensated at the rate provided for level II of the Executive Schedule pay rates (5 U.S.C. 5313); the other members of the Board shall be compensated at the rate provided for level LV of the Executive Schedule pay rates (5 U.S.C. 5315).

(7) No member of the Board shall, during his term in office, be engaged in any other business, nor may he have any financial interest in any business entity which is engaged in the exploration, development, production, transportation, or sale of natural gas or oil.

(8) All contracts to which the Corporation is a party and which require the employment of laborers and mechanics with any person which may tend to create actual or apparent conflict of interest with the Board member's duties and responsibilities under this Act. Each Board member shall refrain from any action which may actually or apparently impugn his stated belief in the purposes of this Act. To further assure the independence of Board members, their compensation shall be continued for a period of one year at a level equal to three-quarters of their compensation at the end of their term.

"(9) Any member of the Board may be removed from office at any time by joint resolution of the Senate and the House of Rep-

resentatives.

"(c) SEAL.—The Board shall adopt and use an official seal which shall be filed by the Board in the Office of the Secretary of State, judicially noticed, affixed to all commissions of officers of the Board, and used to authenticate records of the Board.

"POWERS AND DUTIES OF THE BOARD

"SEC. 402. (a) General.—The Board is authorized to—

"(1) explore for oil and natural gas on any Federal lands and on any lands owned or controlled by any other Government entity and to inventory the oil or gas production capability of such lands, with the cooperation of and/or under contract with any Federal or State Government agency or agencies which have or share management, development, and conservation responsibility for such lands;

"(2) develop, produce, refine, store, transport, and sell (or otherwise transfer ownership at any point from production through refining) oil or natural gas alone or on a joint or cooperative basis with any private

or public entity or entities;

"(3) engage in research and development for improved methods for the discovery, development, production, refining, storage, and transport of oil or natural gas, including products refined therefrom, and to obtain and operate pilot plants, demonstration facilities, and experimental commercial-scale installations incident to such research and development, alone or on a joint or cooperative basis with any private or other public entity or entities, including the several States of the United States;

"(4) construct, purchase, lease or otherwise obtain and hold, and operate such equipment, facilities, and other personal and real property, tangible or intangible, as it deems necessary or appropriate to the con-

duct of any authorized activity, and sell, lease, or otherwise dispose of any such property held by it;

(5) sue and be sued in its official name,

using its own attorneys;

"(6) adopt, amend, and repeal such rules and regulations as are necessary or appropriate to carry out the authority granted under this title;

"(7) determine the qualifications, appoint, assign the duties, and fix the compensation of such officers, managers, attorneys, engineers, consultants, and their full- and parttime employees as it deems necessary or appropriate, and to establish and maintain a system of organization to fix responsibility

and promote efficiency;
"(8) enter into and perform such contracts, leases, cooperative agreements, or other transactions with any person or gov-ernmental entity as may be necessary or appropriate to the conduct of any authorized activity, without regard to section 3709 of

(9) determine and keep its own system of accounts and the forms and contents of its contracts and other business documents, except as otherwise provided in this title;

the revised statutes (41 U.S.C. 5);

(10) accept gifts or donations of sources or property, real or personal, as it deems necessary or convenient in the transaction of its businesses; and

"(11) have all of the powers incidental, necessary, or appropriate to the carrying out of its functions for the exercise of its specific

"(b) Duties.—In addition to its duties and responsibilities under other provisions of this title, the Board shall-

"(1) exercise its authority in such a manner as to alleviate actual or anticipated shortages of oil, natural gas, or products derived therefrom, to maximize competition in the petroleum industry, to reduce the price of oil and natural gas, and to provide in-creased supplies of oil, natural gas and other energy sources, at reasonable prices to the consumer:

"(2) give, at the discretion of the Board, supplier delivery preference for oil or natural gas, to States, political subdivisions of States, or transports, refiners, distributors, or retailers that are other than non-independent or natural gas producers or their affiliates;

(3) give preferential treatment to indeproducers without impairing its capability or efficiency, to the extent necessary to maintain or increase competition with respect to (A) establishing joint or cooperative activities for the exploration, development, production, refining, storage, transport, and sale or other transfer of oil or natural gas, and for research and development incident thereto; (B) access to the use of, and products produced by, facilities obtained and operated by it; and (C) such other matters as will, in the judgment of the Board, maintain or increase competition and provide increased supplies of oil, natural gas, or other energy sources at reasonable prices to the consumer:

"(4) consult with the Administrator of the Federal Energy Administration and with other appropriate Federal departments and agencies in carrying out all of its duties pursuant to this title;

"(5) consult with the Attorney General, the Federal Trade Commission and any other appropriate agency, public or private as to how its powers should be exercised to eliminate or alleviate anti-competitive or noncompetitive conditions in the energy industry, and all departments and agencies of the Federal Government shall cooperate the Board in carrying out its duties to eliminate or alleviate anti-competitive or noncompetitive conditions, but the Board shall not be bound by the outcome of any advice it receives; and

"(6) keep the President and Congress fully and currently informed of its activities.

"(c) TERMINATION AUTHORITY .- Any activity of the Board shall be terminated by order of the President in accordance with its terms, except that any such order may be cancelled by resolution of either House of Congress approved at any time within the initial 15 calendar days in which the Congress is in session following the date of such order.

"(d) STANDBY RESERVES .- Standby reserves shall, to the extent funds are available by appropriation or contract, be established by the Board, in accordance with this subsection, in order to provide the Nation with readily available sources of additional oil or natural gas production in times of actual or anticipated shortage. The Board shall maintain such reserves in a condition of readiness to produce oil or natural gas, or to deliver oil or gas from storage, within 90 days after the receipt by it of a directive to produce or deliver. The Board shall submit periodic reports to the President and to the Congress on its exploration and inventory activities. Upon the basis of such reports and other information, the President may designate any Federal lands which have not been offered for sale or lease for oil or natural gas development as a standby reserve. Upon the basis of such reports and other information and the availability of funds by appropriation or contract, the Board shall develop such standby reserves into a condition of readiness to produce or to function as storage facilities or in such manner as may be deemed necessary by the President, with the approval of the Congress. The President may with the approval of the Congress by concurrent resolution, or the Congress by concurrent resolution, may issue a directive to the Board to construct facilities and produce oil or natural gas from any or all such standby reserves, pursuant to designated terms and conditions, upon a finding that production from such reserves or storage in such facilities is necessary to alleviate shortages of such fuels in the Nation or any region thereof.

(e) Federal Lands .- (1) As soon as practicable after a public announcement is made of Federal lands proposed to be offered for sale or lease for oil or natural gas development, the Board is authorized to select and to give a notice of identification to the offering authority of any acreage which it wishes to develop of the total acreage proposed to be offered, except that the acreage identified by it shall not exceed 20 percent of the total acreage offered. Upon such identification, which shall be confidential until completion of the bidding process, the offering authority shall convey without consideration the off-ered interest in such acreage to the Board. Notwithstanding such conveyance, the lands so identified and conveyed shall continue to be included in the lands proposed to be offered for sale or lease for oil or natural gas development, in accordance with this sub-

section.

"(2) Upon the completion of the bidding procedures, the Board may transfer any offered interest conveyed to it pursuant to paragraph (1) of this subsection to the highest bidder for such interest in accordance with the terms of such bid: Provided, That the amount of the bid shall accrue to the Board. If the Board elects to retain and not to transfer any such interest, it shall reflect the amount of the highest such bid in its oil or natural gas prices. In the absence of any such bid of any such interest, the Board shall reflect in its oil or natural gas prices a royalty of 25 percent on the production from such interest.

"(3) With respect to any acreage of Federal lands offered for sale or lease for oil or natural gas development which is not in-

cluded in a notice of identification by the Board, the offering authority shall reject as unqualified any bid which proposes a price which is so low as not to constitute in the judgment of the offering authority, a fair price for an interest in the public domain. The Board may lease any such lands (Federal lands offered for sale or lease for oil or natural gas development with respect to which no qualified bid is received) without compensation, without regard to the limitation in the proviso of paragraph (2) of this subsection.

"(4) As used in this subsection and in this title, the term 'Federal lands' means any land or subsurface area within the United States which is owned or controlled by the Federal Government or with respect to which the Federal Government has authority, directly or indirectly, to explore for, develop, or produce oil or natural gas. The term includes the Outer Continental Shelf, as de-fined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)).

"(f) ENVIRONMENTAL PROTECTION .- (1) The Board shall notify the Administrator of the Environmental Protection Agency whenever it determines to construct any refinery, or to engage in any activity authorized by subsection (d) of this section. Such notification shall be in substantially the same form as is required pursuant to section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332). Upon receipt of such notification, the Administrator may conduct a hearing in accordance with section 553 of title 5, United States Code, to determine if the proposed activity would result in an unreasonable adverse environmental impact. If the Administrator makes a determination, in-cluding findings, and reasons therefor in writing, that the proposed activity would result in an unreasonable adverse environmental impact, he may disapprove, or approve subject to prescribed terms and conditions, the proposed activity. The Board may not proceed with any such proposed activity except as approved by the Administrator unless, upon judicial review in accordance with chapter 7 of title 5, United States Code, a court sets aside an adverse determination by the Administrator.

"(2) The Board shall utilize to the extent practicable the highest and best commercially available methods for the maintenance and protection of environmental quality. As used herein, 'environmental quality' means the aspects of life and those objects which are delineated in section 101 of the National Environmental Policy Act of 1969 (42 U.S.C. 4331(b)).

"(3) All facilities constructed or operated by the Board shall meet and comply with all requirements of any Federal statute relating to environmental quality, or any regulation issued under such statute.

"(g) INVESTMENT OF FUNDS.—Uncommitted funds of the Board shall be kept in cash on hand or on deposit, or invested in obligations of or guaranteed by the United States.

"(h) TAXATION.—The Board shall be ex-

empt from all taxation now or hereafter imposed by the Federal and State Governments. Notwithstanding such exemptions, Board shall file annual informational tax returns with the Federal and appropriate State Governments based on what its tax liability would have been but for this subsection.

"(i) FAIR COMPETITION.—The Board shall not sell its products at prices that are below its actual costs, with adjustments thereto to the extent necessary as a consequence of its special status.

"(j) Profits.-Whenever the annual revenues of the Board exceed the amounts neces-sary to satisfy its obligations and expenses and to maintain the financial reserves for capital and other requirements necessary or appropriate for the prudent exercise of its powers and duties, the Board shall pay all of such excess to the United States for deposit in the Treasury as 'miscellaneous receipts'. The determinations as to amounts necessary and financial reserves necessary or appropriate shall be made by the Board in accordance with customary business practice.

"(k) RELATIONSHIP WITH FEDERAL AGENCIES.—The Board is authorized to request any department, agency, or other instrumentality of the executive branch of the Federal Government, and any independent regulatory agency thereof, to provide any data or other information which it deems necessary to carry out its authorized activities or duties. Each such department, agency, instrumentality, and independent regulatory agency is authorized and directed to comply with any reasonable request within a reasonable time and subject to reasonable terms and conditions.

"(1) ANNUAL REPORT.—The Board shall transmit to the Congress and the President, not later than 90 days after the end of each of its fiscal years, a comprehensive and detailed report on all the activities of the Board during the preceding fiscal year. Such reports shall include, but need not be limited to—

"(1) a complete financial statement;
"(2) a statement of its objectives during
the preceding fiscal year and its projections,
plans and goal for the current and next fis-

cal year;

"(3) an evaluation and analysis of the effectiveness of the Board in increasing necessary supplies of oil, natural gas or other energy sources at reasonable prices to the consumer in establishing and maintaining stored reserves, in lowering the work price of oil, and in exercising its other powers and duties:

"(4) a detailed survey, including recommendations, with respect to domestic reliance on imported energy, and the impact of its activities upon competition in the energy industry.

"(5) recommendations with respect to any legislation or administrative action which

the Board deems advisable.

"(m) Budget and Accountability.—The receipts and disbursements of the Board in the discharge of authorized activities and duties shall not be included in the totals of the budget of the United States, and shall be exempt from any annual expenditure and net lending (budget outlays) limitations imposed on the budget of the United States Government.

"(n) Miscellaneous.—(1) Whenever the Board submits any budget estimate or request to the President or the Office of Management and Budget, it shall concurrently transmit a copy of that estimate or request

to the Congress.

"(2) Whenever the Board submits any report, legislative recommendation, proposed testimony, or comments on legislation to the President or the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress. No officer or agency of the United States shall have any authority to require the Board to submit its legislative recommendations, proposed testimony, or comments on legislation to any officer or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.

"(3) If the Board violates any provision of this title or fails to discharge any duties under this title, or if any other person obstructs or interferes with any authorized activity of the Board, the United States District Court for the District of Columbia, or the United States District Court located in the judicial district in which such activity occurred, shall have jurisdiction, upon the petition of the Attorney General or other

person, to grant such equitable relief as may be necessary or appropriate to prevent or terminate such conduct. Nothing in this paragraph shall be construed to restrict any right or remedy which a person may have under any other provision of law or at common law, to seek relief or redress. The court may assess against the defendant reasonable attorney fees and other litigation costs reasonably incurred in any case under this section in which the complainant has substantially prevailed. In exercising its discretion under the preceding sentence, the court shall consider the benefit to the public, if any, deriving from the case, the commercial benefit to the complainant, and whether the activity complained of had a reasonable basis in law.

"(4) All contracts to which the Board is party and which require the employment of laborers and mechanics in the construction, alteration, maintenance, or repair of facilities authorized under this title shall contain a provision that not less than the prevailing rate of wages for work of a similar nature in the vicinity shall be paid to such laborers or mechanics as determined by the Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C. 276a). In the determination of such prevailing rate or rates, due regard shall be given to those rates which have been secured through collective agreement by representatives of employers and employees. The Board shall not enter into any such contract without first obtaining assurance that required labor standards will be maintained on the construction work. Health and safety standards promulgated by the Secretary of Labor pursuant to section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 333) shall be applicable to all construction work performed under such contracts. In the event that such work is performed directly by the Board the prevailing rate or rates of wages shall be paid in the same manner as though such work had been let by contract.

"Sec. 404. (a) Debt Financing.—(1) The Board is empowered to incur debt for capital and operating purposes. Such debt may be incurred in the form of bonds, debentures, equipment trust certificates, conditional sale agreements, or any other form of securities, agreement, or obligations, herein-

after collectively referred to as 'obligations').

"(2) Payment of principal and interest on obligations issued by the Board under this subsection is guaranteed by the United States not to exceed \$1,000,000,000 outstanding at any point in time. Such guarantee shall be expressed on the face of the obligation. Proceeds realized by the Board from issuance of its obligations and the expenditure of such proceeds shall not be subject to apportionment under the provisions of section 3679 of the Revised Statutes (31 U.S.C. 865).

"(a) Obligations issued by the Board under this subsection may be redeemable at the option of the Board before maturity in such manner as may be stipulated thereon and shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as shall be determined by the Board.
"(b) Engine Depart Taxas green. At least

"(b) Public Debt Transaction.—At least 30 days before selling any issue of obligations other than obligations having a maturity of less than one year, the Board shall so advise the Secretary of the Treasury in the greatest possible detail, including the amount, proposed date of sale, maturities, terms and conditions of, and the expected rate of interest of such issue. If the Secretary of the Treasury so requests, representatives of the Board shall consult with him or his designee with respect to the proposed issue. If the Board determines that a proposed issue of obligations cannot be soid on reasonable terms, it may issue interim obligations to the Secretary of the Treasury,

which such Secretary is authorized to purchase. Such interim obligations of the Board issued to the Secretary of the Treasury shall mature on or before one year from the date of issuance, and shall bear interest at a rate or yield no less than the current average yield on outstanding marketable securities or obligations of the United States of comparable maturity, as determined by the Secretary of the Treasury. For the purpose of any purchase of obligations of the Board and to enable him to carry out the responsibility relating to guarantes of obligations made pursuant to this subsection, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued thereunder are extended to include any purchases of the obligations of the Board under this section. The Secretary of the Treasury may at any time sell, upon such terms and conditions and at such price or prices as he shall determine, any of the obligations of the Board acquired by him. All redemptions, purchases, and sales by the Secretary of the Treasury of the obligations of the Board shall be treated as public debt transactions of the United States.

"(c) GENERAL PROVISIONS .- (1) The Board may (A) sell its obligations by negotiation or on the basis of competitive bids, subject to right, if reserved, to reject all bids; (B) designate trustees, registrars, and paying agents in connection with obligations of the Board and the issuance thereof; (C) arrange for audits of its accounts and for reports concerning its financial condition and operations by certified public accounting firms; (D) invest, subject to any covenants contained in any obligation contract, the proceeds of any obligations and other funds under its control in any securities approved for investment of National bank funds and deposit said proceeds and other funds, subject to withdrawal by check or otherwise, in any Federal Reserve bank or bank having membership in the Federal Reserve System; and (E) perform such other acts not prohibited by law as it deems necessary or desirable to accomplish the purposes of this section.

"(2) Obligations of the Board issued under this section shall contain a recital to that effect which shall be conclusive evidence that the underlying obligation is in compliance with the provisions of this section and valid. Obligations of the Board issued under this section shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of any officer or agency of the United States and shall be exempt securities within the meaning of laws administered by the Securities and Exchange Commission. The limitations and restrictions as to a National or State bank dealing in, underwriting, or purchasing investment curities for its own account, as provided in section 5136 of the Revised Statutes (12 U.S.C. 24), and section 5(c) of the Act of June 16, 1933 (12 U.S.C. 335), shall not apply to obligations guaranteed under this sec-

"(3) There are authorized to be appropriated to the Secretary of the Treasury such sums as may be necessary to pay the principal and interest on notes or obligations issued by him as a consequence of any guarantee under this section.

"(d) AUTHORIZATION FOR APPROPRIATION.— There are authorized to be appropriated to the Board for the fiscal year ending September 30, 1978, and for each of the next 10 succeeding fiscal years, \$50,000,000 for administrative expenses in carrying out the provisions of this title. All funds appropriated pursuant to this subsection shall remain available until expended.".

> By Mr. TOWER (for himself, Mr. CURTIS, Mr. BARTLETT, Mr. SCHMITT, Mr. GOLDWATER, Mr. THURMOND, Mr. GARN, and Mr. McClure):

S. 1295. A bill to reform the food stamp program by improving and strengthening various provisions relating to eligibility benefits and administration; improving the nutritional focus of the program: and redirecting benefits to those truly in need; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. TOWER. Mr. President, 2 years ago I joined more than 100 Members of Congress in an effort to reform the food stamp program. We proposed comprehensive legislation that would have dramatically reduced food stamp fraud and abuse and would have concentrated the program's benefits upon the truly needy.

Now it is time to try again. The task will be no easier this time around. In fact, in light of the new political realities in official Washington, it is apt to be even more difficult. But every elected official-each Member of this Congresshas a solemn obligation to the taxpayers: To insure that their money-and we should remind ourselves every day that it is their money, not ours-is handled carefully. We have an obligation to the needy: To insure that the programs of public assistance created for them are not abused by the indolent and the greedy. And we have an obligation to ourselves: A debt of honor to demonstrate that, if the food stamp program does fall victim to ill-considered policy changes, we will at least have done our best to preserve its vital nutritional help for those who most need it.

Last year, the Congress did nothing about food stamp reform. This year, unless the people speak up, it will do even worse. The public should understand just what is happening in its national legislature. Plans are well underway to transform the food stamp program from a nutrition program into a gigantic cash giveaway, a free-for-all barbecue in which the hungry will be elbowed aside by the cunning and the powerful. That will be the result of eliminating the purchase price for the stamps, merely giving them away without requiring some financial participation on the part of a food stamp recipient. That is the first stepand a devious one-toward a guaranteed annual income. If that is, in fact, the direction in which the Congress wants to move, let us do so publicly and candidly. Let us not try to sneak in the back door.

Once we start giving away food stamps. there will be no reason why we should not just cash out the entire food stamp program, handing out Government checks instead of stamps. And when we start doing that, there will be no reason not to combine the food checks, AFDC checks, SSI checks, and every other kind of welfare into a gigantic Federal dole. Past examples of fraud will pale by comparison with the new potential for abuse.

The welfare lobby is in full array. One of its leaders, formerly the director of

an organization that has opposed meaningful food stamp reform while receiving considerable sums of Federal poverty money over the years, has recently been appointed Special Assistant to the Secretary of Agriculture, who oversees the food stamp program.

That is how the game is being played Washington; and every newsman, editor, and taxpayer throughout the country should be aware of it.

The interests of every taxpaver and needy food stamp family are in peril. It is in their interest to bar the door of the food stamp program against college students, strikers, the willfully unemployed, and those who prefer the pursuit of leisure to earning a living. It is in their interest to concentrate nutrition assistance on those who need it. Food stamps are like peanut butter-the more you spread it around, the thinner it gets. And if you keep on stretching it, you eventually tear apart the whole sand-

That could happen to the food stamp program. The Federal Government is operating within restricted resources. We are reaching the limits of how much we can tax and tax and tax the American worker. For the sake of the poor, we have to learn to concentrate upon them the resources set aside for their assistance. That is the only kind of welfare reform worthy of the name.

I absolutely reject the notion that there is a necessary conflict of interest between the taxpayers and the poor. If the American people have one overriding weakness, it is their generosity. Show them people in need, and they rush in to help. They will not tolerate the systematic plunder of the Public Treasury by special interest groups and by shiftless individuals. But show them a well-designed, efficient, honest system of welfare, and they will support it with their taxes and their votes.

That is the kind of legislation I am proposing today: Generous in its benefits to those who qualify for them, severe in its penalties toward those who abuse the program, thorough in its fraud-control measures, simple in its administration, and reasonable in its requirement that food stamp recipients do their part to help themselves.

Mr. President, I have prepared a few questions and answers concerning this legislation, and I ask unanimous consent that they be printed in the RECORD. along with the text of my bill.

There being no objection, the material was ordered to be printed in the RECORD. as follows:

S. 1295

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Food Stamp Reform Act of 1977".

DEFINITIONS

SEC. 2. Section 3 of the Food Stamp Act of 1964, as amended, is amended as follows: (1) Subsection (b) is amended to read as follows:

"(b) The term 'food' means any food or food product for home consumption except alcoholic beverages, tobacco, and any food, class of food, food product or condiment which the Secretary, after consultation not less often than once annually with the President of the National Academy of Sciences-National Research Council (Food and Nutrition Board), determines has such negligible or low nutritional value or insignificant enhancement of palatability as to be inappropriate for inclusion in a nutritionally adequate diet, including but not limited to ice cubes, artificial food colorings, powdered and liquid cocktail mixes, chewing gum, carbonated beverages, and cooking wines. Such term also means seeds and plants for use in gardens to produce food for the personal consumption of the eligible household.".

(2) Subsection (e) is amended to read as follows:

"(e)(1) The term 'household' means a group of individuals who are sharing common living quarters, are not residents of an institution or boardinghouse, have cooking facilities, and customarily purchase or prepare their food in common. Residents of federally subsidized housing for the elderly, built under either section 202 of the Hous ing Act of 1959 (12 U.S.C. 1701q) or section 236 of the National Housing Act (12 U.S.C. 1715 2-1), shall not be considered residents of an institution or boardinghouse.

(2) The term 'household' also means (A) single individual living alone who has cooking facilities and who purchases prepares food for home consumption; (B) an elderly person who meets the requirements of section 10(h) of this Act; or (C) any narcotics addict or alcoholic who lives under the supervision of a private nonprofit organization or institution for the purpose regular participation in a drug or alcoholic treatment and rehabilitation program. Notwithstanding any other provision of this subsection, heads of households who are authorized by section 10(h) of this Act to use coupons to purchase meals prepared by others shall not be required to have cooking

(3) Subsection (1) is amended to read as

"(1) The term 'elderly person' means a person sixty-five years of age or over who is not a resident of an institution or boardinghouse.".

(4) Such section is further amended by adding at the end thereof a new subsection

(p) as follows:

(p) The term 'nutritionally adequate diet' means a diet sufficient to feed a family of four persons, consisting of a man and a woman between twenty and fifty-four years of age, one child between nine and eleven years of age, and one child between six and eight years of age, and which-

"(1) is based on the thrifty food plan developed in 1975 by the Secretary, or "(2) is based on a selection of foods that meets the recommended dietary allowances, established by the National Research Council of the National Academy of Sciences, for all nutrients for which reliable food composition data are available.

whichever is less expensive. The cost of such diet shall be the basis for uniform coupon allotments for all households regardless of composition, except that the cost of such diet may be adjusted by the Secretary to reflect economies of scale, various household sizes, and the cost of food in Alaska, Guam, Hawaii, Puerto Rico, and the Virgin Islands."

ELIGIBLE HOUSEHOLDS

SEC. 3. Section 5 of the Food Stamp Act of 1964, as amended, is amended as follows:

(1) Subsections (b) and (c) are amended to read as follows:

"(b) (1) The Secretary shall establish uniform national standards of eligibility for participation by households in the food stamp program and no plan of operation submitted by a State agency shall proved unless the standards of eligibility meet those established by the Secretary.

"(2) The income standards of eligibility in every State shall be the nonfarm income poverty guidelines prescribed by the Office of Management and Budget adjusted annually pursuant to section 625 of the Economic Opportunity Act of 1964, as amended (47 U.S.C. 2971d) for the forty-eight States and the District of Columbia, Alaska, Hawaii, Puerto Rico, the Virgin Islands of the United States, and Guam respectively; but in no event shall the standards of eligibility for Puerto Rico, the Virgin Islands, and Guam exceed those in the fifty States.

"(3) The Secretary shall utilize the ninety-day period preceding the date of application or recertification in determining income for purposes of eligibility and benefit levels of households; but a longer period may be used, as determined by the Secretary, for households which regularly derive their annual income in a period of time substan-

tially shorter than one year.

"(4) The Secretary shall also prescribe the allowable amounts of financial resources (liquid and non-liquid assets) a household may possess and remain eligible for coupons under this Act. The maximum allowable resources, including both liquid and non-liquid assets, of all members of the household may not exceed \$1,500 for the household, except that, for households of two or more persons with one or more members 65 years of age or over, such resources may not exceed \$2,250. The value of resources shall be determined at fair market value, except that in determining the amount of such resources of any household the Secretary shall exclude—

"(A) the principal residence, and lot on which such residence is located, to the extent that their market value does not exceed \$25,000 in the case of any household consisting of three persons or less, or \$30,000 in the case of any household consisting of four persons or more. Such amount shall be increased by \$10,000 in any area, as defined by the Office of Management and Budget, where the median market value of real property used as a personal residence exceeds the median market value for such real property in the United States by 25 per centum or more, In the case of any household in which the head of the household is a person sixtyfive years of age or over, the market value of the principal residence, and the lot on which such residence is located; shall be totally excluded;

"(B) a motor vehicle, to the extent that its market value does not exceed \$1,500;

"(C) household goods and personal effects to the extent their total market value does not exceed \$1,500; and

"(D) property used in a trade or business essential to the self-support of a household to the extent that the equity value of such

property does not exceed \$15,000.

"(6) Household income for purposes of the food stamp program shall be the gross income of the household, as defined in paragraph (7) of this subsection, less (A) a deduction of \$25 a month for any household in which there is at least one elderly person; and (B) an additional deduction of an amount equal to 15 per centum of all earned income to compensate for taxes, mandatory deductions, and work expenses.

"(7) (A) Notwithstanding any other provision of law, gross income for purposes of the food stamp program shall include but not

be limited to-

"(1) all monetary payments (including payments made pursuant to the Domestic Volunteer Services Act of 1973) made (as a gift, compensation, or public or private assistance) to or on behalf of any member of the household except payments made for medical costs:

"(ii) Federal, State, and local income tax refunds, and Federal income tax credits;

"(iii) the value of all in-kind items received by any member of the household from an employer as a gift or compensation; and

"(iv) the value of all benefits, not included in clauses (i) and (ii) of this subparagraph, received by or made on behalf of any member of the household under any publicly or privately funded assistance program and the purpose of which is to assist the household in meeting its food or housing needs.

"(B) Gross income for the purposes of the food stamp program shall not include—

"(i) payments for medical costs made on

behalf of the household;

"(ii) income received as compensation for services performed as an employee or income from self-employment by a child residing with the household who is a student and who has not attained his eighteenth birthday:

day;
"(iii) payments received under title II of
the Uniform Relocation Assistance and Real
Property Acquisitions Policies Act of 1970;

"(iv) income of a household in a quarter which is received too infrequently or irregularly to be reasonably anticipated unless such infrequent or irregular income of all household members exceeds \$30 during any threemonth period;

"(v) all loans, except loans on which repayment is deferred until completion of the

recipient's education; and

"(vi) the cost of producing self-employed

income.

"(8) The Secretary may also establish temporary emergency standards of eligibility for the duration of an emergency, without regard to income and other financial resources, for households that are victims of a disaster which disrupts commercial channels of food distribution when he determines that (A) such households are in need of temporary food assistance, and (B) commercial channels of food distribution have again become available to meet the temporary food needs of such households.

"(c) (1) Notwithstanding any other provision of law, the Secretary shall include in the uniform national standards of eligibility to be prescribed under subsection (b) of this section a provision that each State agency shall provide that a household shall not be eligible for assistance under this Act if it includes an able-bodied adult person between eighteen and sixty-five years of age (except mothers or other members of the household who have the responsibility of care of dependent children under the age of six years or of an incapacitated member of the household; bona fide students in any primary or secondary school or equivalent training program; and persons employed and working at least thirty hours per week who—

"(A) incurs a reduction of income as a result of voluntarily reducing his or her number of hours of employment without a good cause pertaining to nonpayment of wages of to employment injurious to the health or safety of the person, unless the household of which such person is a member was eligible for benefits under this Act immediately prior to such reduction, except that in no case shall the benefits of such household under this Act be increased as a result of such person's so reducing such hours of employment;

"(B) fails to register for employment at a State or Federal employment office or, when impractical to register at such an office, fails to register at such other appropriate State or Federal office designated by the Secretary;

"(C) has refused to accept employment or public work which is not injurious to the health or safety of the person, which is located within thirty miles of the person's principal residence and private or public transportation is available to the person (such thirty miles shall be determined by the

shortest route used by public transportation if such transportation must be used by the person), and which compensates the person at not less than—

"(i) the applicable State or Federal minimum wage; or

"(ii) \$2 per hour if any wage described in such clause (i) does not apply;

except that no person who is employed shall be required to accept employment or public work, in lieu of his or her present employment, which compensates, taking into consideration the wage rate and number of hours worked, the person in a lesser amount than his or her present employment;

"(D) fails to inquire regularly about employment with prospective employers or otherwise fails to engage regularly in activities directly related to securing employment, as required by regulations issued by the Sec-

retary; or

"(E) is enrolled in an institution of postsecondary education and such enrollment is a substitute for full-time employment, as determined by the Secretary in accordance with regulations issued by him; however, no household shall be disqualified from participation in the food stamp program under this Act because an able-bodied member of such household, other than the head of such household or the spouse of the head of such household, is enrolled in an institution of post-secondary education and his or her enrollment is a substance for full-time employment (as determined by the Secretary) whether or not such member complies with the requirements of clauses (A) through (D) of this paragraph; but the benefits to which any such household is entitled under this Act shall be determined without regard to any such member or members of such house-

(2) For purposes of this subsection, a refusal to work at a plant or site because of a strike or any other labor dispute (other than a lockout), as defined in section 2(9) of the Labor Relations Act, shall be National deemed a refusal to accept employment; excent that a household shall not lose its eligibility for food stamps under this subsection as a result of one of its members refusing to work at such plant or site if the household was eligible for food stamps immediately prior to such refusal to work, but in no case shall the household receive increased benefits under this Act as a result of such refusal to work."

(2) Section 5 is further amended by adding at the end thereof the following new subsections:

"(e) No individual shall be eligible to participate in the food stamp program un-less he is a resident of the United States and is either (1) a citizen or (2) an alien lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law (including any alien who is lawfully present in the United States as a result of the application of the provisions of section 203(a) (7) or section 212(d) (5) of the Immigration and Nationality Act). If, in the application process it becomes known, or the State agency has reason to believe, that an alien has entered or remained in the United States illegally, the State agency shall submit to the Department of Justice information indicating that the applicant may be an illegal alien.

"(f) No household shall be eligible to participate in the food stamp program if any member thereof refuses to submit, at such times and in such manner as may be required by the Secretary, information which will permit a determination as to its eligibility or the amount of benefits to which it is entitled under the program. The State agency shall disqualify from participation in the program, for a period not to exceed one year, any household and any member

thereof found to have fraudulently obtained

"(g) No individual who is a minor in the where application is made shall be considered a household member for purposes of the food stamp program if such minor resides in a household in which no other member has a legal duty to support such minor,

"(1) the individual who had a duty to support such minor is financially unable to perform that duty; or

(2) no individual with such duty exists.

"(h) The Secretary shall require each household receiving benefits under this Act to report its income at least once each month and, at State option, a monthly reporting of other changes in the household's circumstances, including, but not limited to, household size and resources.

"(i) If any member of a household knowingly transfers liquid or nonliquid assets for the purpose of qualifying or attempting to qualify the household for benefits under the food stamp program, that household and all members thereof shall be ineligible to participate in the program for such period of time as may be determined in accordance with regulations issued pursuant to this Act, but in no event shall such period of time be less than ninety days from the date of discovery of the transfer.

No individual who receives supple mental security income benefits under title XVI of the Social Security Act, State supplementary payments described in section 1616 of such Act, or payments of the type referred to in section 212(a) of Public Law 93-66, as amended, shall be considered to be a member of a household or an elderly person for purposes of this Act for any month, if, for such month, such individual resides in a State which provides State supplementary payments (1) of the type described in section 1616(a) of the Social Security Act, and (2) the level of which has been found by the Secretary of Health, Education, and Welfare to have been specifically increased so as to include the bonus value of food stamps.".

ISSUANCE AND USE OF COUPONS

SEC. 4. (a) Section 6 (e) of the Food Stamp Act of 1964, as amended, is amended by striking out "and shall include only such words" and all that follows in the first sentence and inserting in lieu thereof a comma and the following: "shall include places for the recipient to sign when he or she receives and redeems the coupon, and shall include only such words as are necessary to explain the purpose and denomination of the coupons.".

(b) Section 6 of such Act is further amended by adding at the end thereof the

following new subsections:

"(f) Coupons issued to eligible households shall be negotiable at approved food stores only-

'(1) if the coupons have been signed by member of the household, or an authorized representative thereof, in the presence of the issuing agent and in the presence of an agent of such food store; and

"(2) if the same member or representa-tive has presented (along with any other information required by the Secretary) at each such signing a card containing the signature and photograph of the member or representative, as the case may be. Such card may be any card issued by the Federal, a State, or a local government. The Secretary shall provide that State or local agencies shall issue, without charge to the household, such a card to any household which can verify that no member or authorized representative of the household has such a card.

"(g) The Secretary shall, by regulation, provide means for enabling a household in which no member is physically or otherwise able to meet the conditions of subsection

(d) of this section to negotiate its coupons in a manner which will assure their use only by the intended beneficiary.".

VALUE OF THE COUPON ALLOTMENT AND CHARGES TO BE MADE

Sec. 5. Section 7 of the Food Stamp Act of 1964, as amended, is amended as follows:

(1) Subsection (a) is amended to read as

"(a) The face value of the coupon allotment which State agencies shall be authorized to issue to any households certified as eligible to participate in the food stamp program shall be in such amount as will provide such households a coupon allotment sufficient to allow them to purchase a nutritionally adequate diet as defined in section 3(p) of this Act. In no event shall the face value of the coupon allotments used in Puerto Rico, the Virgin Islands, and Guam exceed those in the fifty States. The face value of the coupon allotment shall be adjusted semiannually by the nearest dollar increment that is a multiple of two to reflect changes in the prices of food published by the Bureau of Labor Statistics in the Department of Labor. Such changes shall be made in January and July of each year based upon the cost of food in the preceding August and February, respectively. In no event shall such adjustments be made for households of a given size unless the increase in the face value of the coupon allotment for such households, as calculated in accordance with this subsection, is a minimum of \$2.

(2) Subsection (b) is amended by striking out the first sentence and inserting in lieu thereof the following: "Notwithstanding any other provision of law, a household shall be charged (beginning with allotments issued after the effective date of the National Food Stamp Reform Act of 1977) for its coupon allotment a per centum of its income which

"(1) the percentum of income expended for food by an average household of its size and income range in the region of the country where the household receiving benefits resides, as established by the most recent Consumer Expenditure Survey compiled by the Bureau of Labor Statistics in the Department of Labor; or

"(2) 30 per centum, whichever is less When the value of the coupon allotment is increased or decreased under subsection (a), the amount paid by a household shall be increased or decreased, respectively, by the same percentage as the increase or decrease in the value of its coupon allotment. The Secretary shall insure that each eligible household receives four authorizations to purchase cards in a timely manner at the outset of each month in which it is eligible so that it can continue to purchase food with the use of coupons without interruption. Each 'card shall represent one-fourth of that household's monthly coupon allotment.'

(3) Subsection (d) (5) (A) is amended by inserting ", which may include the State agency" immediately after the word "desig-

(4) Subsection (d)(6) is amended by striking out ", or his designee,".

ADMINISTRATION

SEC. 6. Section 10 of the Food Stamp Act of 1964, as amended, is amended as follows:

(1) Subsection (a) is amended by adding at the end thereof a new sentence as fol-To encourage the purchase of nutritious foods, the Extension Service of the Department of Agriculture, with the technical assistance of the Food and Nutrition Service, shall extend its food and nutrition education program to the greatest extent possible to reasonably reach food stamp program recipients. The program shall be fur-ther supplemented by the development of ther supplemented by the development of printed materials designed to teach lowincome persons how to buy and prepare more nutritious and economical meals. From the funds appropriated to carry out this Act, the Secretary is authorized to allocate to the Extension Service such sums as the Secretary determines necessary to implement the program of nutrition education.".

(2) Subsection (c) is amended by strik-ing out "sixty days from the date of such removal" and inserting in lieu thereof "thirty days from the date of such removal and reapplication and recertification shall be required as a condition for eligibility after such period".

(3) Clause (5) of subsection (e) is amended to read as follows: "(5) that the State agency shall undertake effective action, including the use of services provided by other federally funded agencies and organizations, to inform low-income households concerning the availability and benefits of the food stamp program;".

(4) Subsection (e) is further amended by deleting "and" preceding clause (8) and striking out the period at the end of the clause (8) and inserting in lieu thereof a semicolon and the following: "and (9) the establishment of an earnings clearance system (which system shall be consistent with the Privacy Act of 1974 (5 U.S.C. 552a), insofar as it provides for the use of information from non-Federal records) for the pur-pose of checking the actual income and assets of a household against those reported by such household, except that the Secretary may exempt any State from the requirement of this clause if the Secretary determines that it would be impracticable or impossible for such State to comply with it.".

(5) Subsection (f) is amended to read as

"(f) (1) If the Secretary determines that in the administration of the program there is a failure by a State agency to comply with the provisions of this Act, or with the regulations issued pursuant to this Act, or with the State plan of operation, he shall inform such State agency of such failure and allow the State agency a specified period of time for the correction of such failure. If the State agency does not correct such failure within the specified period of time, the Secretary may alternatively or concurrently (A) refer the matter to the Attorney General with a request that an injunction be sought to require compliance by the State agency and, at the suit of the Attorney General in an appropriate United States district court the State agency may be so enjoined, or (B) direct that there be no further issuance of coupons in the political subdivisions where such failure has occurred until such time as satisfactory corrective action has been taken.

"(2) If any State fails substantially to carry out the State plan of operation under subsection (e) of this section (including any quality control plan) approved by the retary for such State for such year, the Secretary shall withhold from the State an amount equal to 10 per centum of the funds which would otherwise be payable to such State under section 15(b) for such fiscal year for administrative expenses.".

(6) Subsection (g) is amended by striking out the word "gross" in the first sentence

(7) Section 10 if further amended by addat the end thereof the following new subsections:

"(j) The Secretary shall establish a system operated at the national level for the purpose of providing information to State agencies in order to assist such agencies in preventing households from receiving benethis Act in more than one State fits under or in more than one political subdivision within a State.

"(k) In order to assure that individuals living as one household do not qualify as two or more separate households for purposes of benefits under this Act, the Secretary shall prescribe precise criteria for determining and verifying the number of separate households sharing the same housing quarters and for detecting fraudulent practices which may be employed in attempting to qualify as separate households under this Act.".

VIOLATIONS AND ENFORCEMENT

SEC. 7. Section 14 of the Food Stamp Act of 1964, as amended, is amended by adding at the end thereof the following new subsection:

"(e)(1) Any person, including any State agency, other than a member of a household eligible to participate in the program or a retail food store authorized to accept or redeem food coupons for food or meals, who violates any provision of this Act or the regulations issued pursuant to this Act may be assessed a civil money penalty not in excess of \$10,000 for each violation.

"(2) Any civil penalty assessed under this subsection shall be assessed by the Secretary,

or his designee, by written notice.

"(3) In determining the amount of any penalty, the Secretary shall take into account the gravity of the violation, degree of culpability, any history of prior offenses, ability to pay, and such other matters as

justice may require.

"(4) The person assessed shall be afforded an opportunity for an agency hearing, upon request made within thirty days after issuance of the notice of assessment. In such hearing, all issues shall be determined upon the record pursuant to section 554 of title 5, United States Code. The agency determination shall be made by final order which may be reviewed only as provided in paragraph (5). If no hearing is requested as provided herein, the assessment shall constitute a

final unappealable order.

"(5) Any person against whom an order imposing a civil money penalty has been entered after agency hearing under this section may obtain review by the United States court of appeals for the circuit in which the person resides or does business by filing a written notice of appeal in such court within sixty days from the date of such order, and simultaneously sending a copy of such notice by registered or certified mail to the Secretary. The Secretary shall promptly certify and file in such court the record upon which the penalty was imposed, as provided in section 2112 of title 28, United States Code. The findings of the Secretary shall be set aside if found to be unsupported by substantial evidence as provided by section 706 (2) (e) of title 5, United States Code. Where the court upholds the Secretary's order, it shall enter judgment in favor of the United States in the amount of the penalty, which judgment may be registered in any United States district court in accordance with the provisions of section 1963 of title 28, United States Code.

"(6) If any person fails to pay a penalty assessed under this subsection after it has become a final and unappealable order, the Secretary shall refer the matter to the Attorney General, who shall recover the amount assessed by action in the appropriate United States district court. In such action the validity and appropriateness of the final order imposing the penalty shall

not be subject to review.

"(7) The Secretary may, in his discretion, compromise, modify, or remit any civil penalty which is subject to imposition or has been imposed under this section.

(8) The Secretary shall promulgate regulations establishing procedures necessary to implement this section.".

COOPERATION WITH STATE AGENCIES

SEC. 8. Section 15 of the Food Stamp Act of

1964, as amended, is amended as follows:
(1) Subsection (b) is amended—
(A) by striking out "The" and inserting in lieu thereof the following: "Except as provided in subsection (c) of this section, the ":

(B) by striking out in clause (4) "out-reach" and inserting in lieu thereof "information'

(2) Such section is further amended by adding at the end thereof the following new subsections:

'(c) Notwithstanding any other provision of this Act, the Secretary is authorized to pay to each State agency an amount equal to 75 per centum of all direct costs of State food stamp program investigations, prosecutions, and State activities related to recovering losses sustained in the food stamp program.

"(d) Notwithstanding any other provision of this Act, the administrative costs incurred by a State plan for aid and services to needy families with children, approved under part A of title IV of the Social Security Act, in conducting public assistance withholding procedures under section 10(e)(7) of this Act shall be paid from funds appropriated to carry out this Act.

APPROPRIATIONS

SEC. 9. Subsection (a) of section 16 of the Food Stamp Act of 1964, as amended is amended-

(1) by striking out "June 30, 1977," and inserting in lieu thereof "September 30,

1982"; and (2) by adding at the end thereof the fol-lowing: "As part of such report the Secre-tary shall include, but not be limited to, the lowing:

following additional information:

"(1) the status of the Secretary's efforts to obtain from other Federal departments and agencies, and from States and political subdivisions thereof, data which can be utilized to establish the size and composition of both the households participating in the food stamp program and the households which are not participating in but are eligible for such program;

"(2) the status of the Secretary's quality control program, including, but not limited

"(A) a description of efforts to incorporate techniques that have been effective in the several States for reducing the incidence of overpayments and of granting benefits to ineligible households;

"(B) a summary of steps taken to provide complete quality control coverage for all food stamp households through arrangements

for expanded State reviews;

"(C) an assessment of the extent to which better analysis and reporting of quality control review results by the States have been achieved, so that more meaningful information will be available on the significance and causes of program errors; and

"(D) a summary of the extent to which proposed corrective actions have been critically evaluated in relation to their expected impact on basic causes of food stamp program errors and the extent to which corrective actions have been systematically fol-lowed up to see to what extent such actions are decreasing errors and improving program integrity; and

"(3) recommendations which the Secretary believes will assure that public funds under the food stamp program will be directed in a cost/beneficial manner to households most

in need of such assistance.'

QUESTIONS AND ANSWERS

Q. Why is it necessary to keep the purchase requirement for food stamps?

A. The Purchase Requirement is the heart of the Food Stamp Program. It is what makes it a nutrition Program, rather than merely another income supplement. Because it requires a food stamp recipient to commit part of his funds toward the purchase of food, it makes sure that federal assistance adds to, rather than replaces, the amount of money which a poor person spends for food. This is

especially important when a food stamp recipient is responsible for children or the aged. When the Food Stamp Program was started, it was correctly perceived that just handing out stamps would be like merely handing out cash: there would be no guarantee that recipients would not then spend some other way—and perhaps some wasteful way—the money they had been budgeting for food.

Q. Doesn't the purchase price keep many poor persons from participating in the pro-

gram

A. That is not likely. For the poorest of the poor-who, we are told, cannot afford to ante up even a few dollars to buy their share of food stamps—the purchase price is zero. And for all food stamp recipients, there is something called V.P.R.: a Variable Purchase Requirement (V.P.R.). This means that they can choose to buy only a quarter or a half of their monthly allotment of stamps, putting up only a corresponding quarter or half of their purchase requirement.

Q. What would be the effects of eliminat-

ing the purchase requirement?

A. It would be fantastically expensive, and it would ultimately doom the Food Stamp Program. Last year, it was estimated that EPR would increase Program costs by \$2.1 billion. Now the Congressional Budget Office estimates a cost of only—it is so easy in the Congress to say "only"—\$500 million. Food Stamp Arithmetic strikes again! As our former colleague, Jim Buckley, used to point out with regard to the Food Stamp Program, the federal government is least to be believed when it speaks in statistics.

This much we do know: millions of marginal cases-persons who do not need food stamps badly enough to bother applying for them and persons who are not truly poor but are technically eligible for the Programwould suddenly be able to get stamps without the bother of committing any of their own resources for food. The participation rate would skyrocket, not because hungry people would be getting food stamps for the first time but because people who do not feel the need to use food stamps would find it hard to resist an outright gift of stamps, requiring no other effort on their part ex-

cept picking up the prize.

Q. Then why do we hear so much about the need to eliminate the purchase require-

ment?

A. This issue was best summed up by the Senator from South Dakota, Mr. McGovern, in hearings before the Senate Agriculture Committee on October 7, 1975, when he observed "that we are moving toward the concept of a single flat income maintenance guarantee. Now, very frankly, when you eliminate the purchase price, you are taking a step in that direction, and it is probably a that is more palatable to the Congress and the American people than talking about a guaranteed income. Nobody is more painfully aware of the hazards on that approach than I am."

Q. At what level should the purchase price be set?

A. Before specifying what the purchase price should be, we should first understand that it should apply to a recipient's gross income, not to his net income. It is doubletalk to say that a recipient should have to ante up 25 percent or 27 percent of his income for food stamps, when we really mean 25 percent of part of his income, after lavish deductions have camouflaged his real, total income.

As to the exact percentage of income a recipient should lay out in order to get his food stamp allotment, it seems reasonable that he should spend the same percentage of income now being spent by other families (food stamp users and non-users alike) of the same size at the same income level. If we set the purchase price for food stamps much

lower than that, we are, in effect, using federal money to displace the portion of private funds that a person should be spending for food. The purpose of food stamps is not to supplant what a recipient now spends for nutrition, but to add to it. When the purchase price is set below the percentage of his income he really spends for food, then food stamps are not just giving him more nutritional buying power; they are freeing up his food money to be used for other things.

That is why the Tower Food Stamp Bill sets the purchase requirement at the per-centage of gross income expended for food by an average household of the same size and income range, with regional variations, as established by the most recent Consumer Expenditure Survey of the Bureau of Labor Statistics, or 30 percent of income, whichever is less. It is not unreasonable to insist that the persons helped by the Food Stamp Program must continue to help themselves at the same level at which they are now already doing.

Q. Is there any way to make sure that food stamps are used for nutritional food, rather than items of little nutritional value?

A. As a first step, we can prohibit the use of food stamps to purchase commodities like ice cubes, food colorings, cocktail mixes, gum, carbonated drinks, and cooking wines. This legislation would do just that, and it would be easily enforceable. We might consider in the future limiting the use of food stamps to a list of highly nutritious basic commodities.

Q. Is fraud a serious problem in the food stamp program?

A. There is every indication that it is. year ago, the Food and Nutrition Service claimed that the fraud rate in the Program was only one-tenth of one percent. figure has since been used by the Food Stamp Lobby to justify the present opera-tion of the Program. There was only one problem: that figure was a hoax. It referred just to the cases of food stamp fraud which were discovered, prosecuted, and for which convictions were secured in court. That is a miniscule percentage of the real food stamp fraud.

Q. How do you propose to reduce food stamp fraud?

A. By a series of measures. Food stamps should be replaced by counter-signed food stamp coupons (signed once by the recipient when they are picked up at the issuing office and again when they are presented at the supermarket.) This would greatly reduce food stamp transfer and the bartering of food stamps.

Every food stamp recipient should be issued a photo-identification card. It is astounding that this has not yet been done. The Governor of one eastern state is reported to have remarked recently that, when his State began issuing photo-I.D.'s to welfare recipients, 11% of the case load did not show up to be photographed.

An earnings-clearance system, to crosscheck earned income against reported income would enable the government to crack down on non-needy persons who are exploiting the Food Stamp Program. We don't need a study of this system, as another piece of legislation proposes. We need the system itself, and in a hurry.

A computerized national application crosscheck could discover and prevent multiple application for food stamps. And we should require that a food stamp household reapply and go through recertification within 30 days after that household changes its place of residence, which is often the tip-off concerning a changed income-situation.

Finally, this bill proposes to increase the federal share in the costs of all food stamp investigations and prosecutions from its present 50 percent to 75 percent. This will be aged nor blind nor destitute, should not do a financial incentive to the States to do more to stop food stamp fraud than many of them have been willing to do with their own limited resources.

Q. Is there a need for a 90-day accounting period for certification of food stamp applicants? Does this mean a 90-day wait for food stamps?

A. There is a pressing need for it, but it does not mean a waiting period. Retrospective accounting means looking at an applicant's previous income, rather than merely his income on the day he applies for food stamps. When a highly paid individual becomes unemployed, his income drops from, say, \$25,000 to \$0. Or does it? At what point does that individual become "poor"? On the day he loses his job? (Remember, Unemployment Compensation is available to carry him through his joblessness.) A 90-day accounting period would take into account the applicant's earnings for the three previous months before he applies for food stamps. If his unemployment is of lengthy duration, he will eventually-perhaps in a few weeks, perhaps in a month or two-become eligible for food stamps. But it isn't fair to the truly poor to pretend that this individual, who temporarily may have little income—is "poor" in the same way a welfare family is poor. Moreover, many persons with seasonal incomes can now qualify for food stamps, even though their overall annual income would be too high to receive them. A professional athlete, who earns considerable income for part of the year, technically has no income in the offseason. But he is not "poor" in the way a destitute family is poor. We can preserve the Food Stamp Program for those who need it most by instituting a 90-day accounting period in determining who is, and who is not,

Q. Why does your bill disqualify persons from the program for 90 days if they transfer their assets to other persons in order to be-

come eligible for food stamps?

A. Because those persons are engaged in fraud. It is incredible that the Program now has no prohibition against this shifting of assets, including bank accounts. Anyone who would use this kind of deceit in order to profit from the money set aside for the poor deserves to be barred from the Program for at least a few months, during which time they may come to understand that picking the taxpayer's pocket is a serious offense.

Q. Why are asset limitations needed in the

program?

A. It is unfair, unjust, and inequitable to ask some taxpayers who do not own color TV's, luxury cars, expensive jewelry, a lavish wardrobe, and all the latest kitchen appliances to subsidize the grocery bills of other people who do own those things. It is intolerthat a frugal and sacrificing family should have to support the self-indulgence of the high-living folks down the block

Q. Can asset limitations really be enforced? A. They can and they have. The experience of successful state welfare administrators has demonstrated that. We are not proposing a detailed evaluation of every single item food stamp applicant owns. Standard, minimum values can be listed for certain major possessions, and the applicant need only check off which ones he owns. Random checks can minimize willful misstatements. Just the existence of this system of asset listing will dissuade many non-need persons from using food stamps.

Q. What are your proposed asset limita-

tions based upon?

A. They are the same Asset Limits now in effect in another federal assistance program, S.S.I. (Supplemental Security Income). All articipants in that Program—the and blind and poor—have to meet those Asset Limits; and there is no reason why food stamp recipients, most of whom are neither the same.

Q. Why do you include in-kind income in calculating an applicant's eligibility for food stamps?

A. Unless we include in-kind incomehousing benefits, the food assistance provided by other programs like school lunches and W.I.C.—we won't have an accurate assess ment of whether a person is truly poor and truly needy. One of the great scandals of present welfare programs is that they allow some recipients to have a higher standard of living than do taxpayers who work for a living and never go on the dole. One major reason for that intolerable exploitation of working Americans is that welfare "experts" refuse to look at all the material benefits provided to low-income persons. The Smith family may have a low income, but they therefore qualify for numerous federal and state programs of assistance. When you count all the income supplements they receive, in cash and in kind, they may have a higher total income than do their neighbors, whose taxes are supporting the Smiths. It just isn't fair; and that is why, whenever anyone talks about income cut-offs for food stamp eligibility, it is necessary to pin them down: do they mean true overall income, or just cash income. Moreover, do they mean gross cash income, or net cash income after a series of deductions. If we look closely, we may find that some people with "incomes" of \$6,000 or \$7,000 actually have an overall standard of living many thousands of dollars above that level.

Q. How can you make sure that food stamp recipients who can work, do work?

A. We can require a food stamp recipient to register for work when he picks up his stamps; to periodically present evidence of active job search (just as in the Unemployment Compensation System): to accept a job if available (rather than being able to refuse jobs not to his liking); and, finally, to participate in public work programs if such programs are locally available. Moreover, a stamp recipient would be disqualified if he voluntarily quit his job or reduced his hours in order to artifically lower his income. There would be no loophole, as there now is in the Unemployment Compensation System, that allows an applicant to turn down valid job offers for reasons other than health, safety, and distance

Q. Why shouldn't college students be eligi-

ble for food stamps?

A. Why should they? If a factory worker decides to take a year or two off from his job to study and read and ponder the great thoughts of mankind, he can't get welfare. If an office worker quits her job to paint and sculpt and write poetry, she can't get food stamps. Why, then, should a certain privileged class of predominantly young people subsidize their meals with the taxes paid by their eighteen and nineteen year old peers who labor in mines and on farms and in the Armed Forces? This country has never had an aristocracy with the right to tax others in order to live in leisure, at least not until college students became eligible for food

Q. Why does your bill disqualify strikers

from the food stamp program?

A. Anyone who willfully makes themselves unemployed should not be supported by the generosity of his neighbors. If a person who goes on strike had been eligible for food stamps before the strike, then he would remain eligible. But if he voluntarily terminates his income by suspending his employment in a strike, as he has every right to do, then he should be willing to accept the economic consequences of his free decision.

This issue is one of the most important questions in the entire Food Stamp con-troversy. It is important because it reveals who is really defending the interests of the

poor. It is in the interest of the poor to reserve welfare and other public assistance programs for them alone, not for the voluntarily unemployed. When strikers exploit the Food Stamp Program, they are using up financial resources that could otherwise benefit the needy. They aren't just taking advantage of the taxpayers. What is far worse, they are taking advantage of the poor.

Q. Why should a work registration requirement be imposed on parents of school-aged

children?

A. If those parents want to buy groceries with the tax money paid by other working parents, they should be willing to work too. This would not apply to the parents of preschoolers. But it makes no sense to exempt from work registration requirements mothers of children between the age of 6 and 12 as one piece of legislation proposes, or between the age of 6 and 18 as another bill proposes to do. That latter proposal will come as an outrageous affront to millions of working mothers who do not have the leisure of waiting around the house for their teenagers to drop in after school.

Q. For purposes of food stamp regulations applying to the elderly, some other bills define elderly as age 60 and over. Why does your

bill define it as age 65 and over?

A. We have learned from unhappy experience that seemingly small change in a federal benefit program can amount up to billions of additional dollars. When we consider the various eligibility provisions for the Food Stamp Program, we should ask our-selves how those provisions will interact with other federal benefit programs. These things are contagious. If "elderly" means 60 or over in the Food Stamp Program, will the same definition soon be adopted in the Supplemental Security Income Program? In the social services programs for the aged funded under Title XX of the Social Security Act? And someday, in Medicare? The financial implications of this casual change would be enormous. The Congress should consider what a tragic disservice it would be to older Americans to greatly increase the number of persons eligible for their special programs at a time when there aren't enough dollars to meet the needs of senior citizens.

Q. Other proposed food stamp legislation provides for a new assistant secretary of Agriculture to administer the food stamp program. Why doesn't your bill do the same?

A. That's not the way to cut down the federal bureaucracy. Our problem is not that we have too few administrators of welfare programs, but that we have too many of them. And too many of them make a career out of giving away other people's money.

By Mr. DURKIN:

S. 1296. A bill to require of Senators and Congressmen affirmative congressional action on all proposals to increase salaries under the Federal Salary Act of 1967 and of congressional comparability pay increases and to provide that no Member of either House or Senate shall receive any such salary increase during the current term of office; to the Committee on Governmental Affairs.

Mr. DURKIN. Mr. President, the real criticism of the well-intentioned mechanism which brought us the recent pay increase is not that it did not work but that it worked too well; it brought us a substantial pay raise without the neces-

sity of each House voting on it.

In an understandable and altogether proper effort to eliminate controversy and suspicion surrounding such salary increases, Congress established an objective commission to review the salaries of Members of Congress, Federal judges, and other high-level Federal officials and to assess the adequacy and appropriateness of pay levels. The Commission on Executive, Legislative, and Judicial Salaries makes recommendations to the President every 4 years on appropriate compensation, and the President may reject them in whole or in part.

The Commission, of course, would not benefit from any recommended increases. However, and this is crucial, the President's recommendations become effective 30 days following the transmittal of the budget, unless in the meantime other rates have been enacted by law or unless one House of Congress specifically disapproved all or part of the President's recommendations. The statutory framework allowing for the annual cost-ofliving increases operates in a similar manner-it goes into effect unless either House of Congress disapproves it. Inaction results in a pay increase.

These procedures may have been acceptable in another time, under different circumstances, but we are now at a period in our history where public skepticism has given way to public cynicism. All things are suspect, and not the least of which is the Congress. The result is that we must be particularly sensitive to

public perceptions.

As important as the substance of what we do is the manner in which we do it. We may believe we are being both honest and forthright, but if the public does not perceive us as being so, then we have failed.

I believe that we have failed with the procedure which was established to review and implement salary increases.

To meet this legitimate public concern. I am today offering legislation which would guarantee public accountability for any future pay raise proposal by taking a four-pronged approach to this problem

First, my legislation requires each House to take the affirmative action of voting separately, by resolution, on each of the President's pay raise recommendations for Senators and other high-level Federal officials, as suggested by the Quadrennial Commission. Any part of the recommendations submitted by the President may be disapproved, and disapproval of part does not mean disapproval of the whole. That means that we could disapprove an increase for Members of Congress while approving an increase for Federal judges.

Second, my bill provides that any pay raise voted or approved for Members of Congress cannot be received until the Member's term of office has expired and he has been returned within 2 years to the House or within 6 years to the Senate by the votes of his constituents, or until a successor has been either appointed or

Third, it requires each House to affirmatively vote on any recommended cost-of-living increases, preventing such increases from automatically becoming

Fourth, it would move the effective date for any cost-of-living increase from October 1 to February 1, and further require that any cost-of-living increase shall not be received by the Member until his term of office expires and he has been returned to Congress or a successor has been elected or appointed. It is particularly important to move the effective date of such increase from October to February in order to insure that there be adequate time for thorough consideration of this proposal. October is near the end of the legislative session, where there is the greatest volume of legislation to consider and thus, less time available for thorough review. By moving consideration to earlier in the session, we could guarantee less hurried review of the proposal before any vote.

Mr. President, I believe this legislation will serve both to meet the legitimate concerns of the public and to bring our intentions in line with our actions.

Mr. President. I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1296

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Federal Salary Act

SEC. 2. (a) Section 225(i) (1) of the Federal Salary Act of 1967 (2 U.S.C. 359(1)) is amended to read as follows:

"(1) Recommendations for rates of pay for offices and positions within the purview of subparagraph (A), (B), (C), (D), or (E) of subsection (f) of this section which are transmitted to the Congress under subsection (h) of this section shall not take effect unless such recommendations for the offices and positions within the purview of each such subparagraph are separately approved by the Congress under paragraph (2) of this subsection. Recommendations which are so approved shall take effect beginning with the first pay period beginning after the thirtieth day following the date on which both Houses of the Congress have passed a resolution described in paragraph (2)(C)(ii) of this subsection. The preceding sentence shall not apply to recommendations under subparagraph (A) of subsection (f) which are so approved (other than the office of Vice Presdent) as such recommendations shall take effect as provided under section 601(a)(3) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31).".

(b) Section 225(i)(2) of the Federal Salary Act of 1967 (2 U.S.C. 359) is amended to read as follows:

"(2)(A) Recommendations referred to in paragraph (1) of this subsection may be considered approved under this paragraph if between the date of the transmittal of such recommendations to the Congress under subsection (h) of this section and the end of the first period of one hundred and eighty calendar days of continuous session of Congress after such date, each House of the Congress passes a resolution described in subparagraph (C) (ii) of this paragraph with respect to such recommendation.

"(B) For the purpose of subparagraph (A)

of this paragraph-

"(i) continuity of session is broken only by an adjournment of Congress sine die; and (ii) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the one hundred and eighty calendar day period.

"(C) (i) This subparagraph is enacted by

(I) as an exercise of the rulemaking power

of the Senate and the House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described in clause (ii) of this subparagraph; and it supersedes other rules only to the extent that it is inconsistent therewith; and

"(II) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

"(ii) For purposes of this paragraph, the term 'resolution' means only a resolution of either House of Congress the matter after the resolving clauses of which is as follows: 'That the approves the recommendations respecting offices and positions within the purview of subparagraph section 225 (f) of the Federal Salary Act of 1967 (2 U.S.C. 31) transmitted to the Congress on , 19 .', the first blank space therein being filled with the name of the resolving House and the other blank spaces being appropriately filled.

"(iii) A resolution once introduced under this paragraph shall immediately be referred to a committee (and all resolutions with respect to the recommendations involved shall be referred to the same commitby the President of the Senate or the Speaker of the House of Representatives,

as the case may be.

"(iv) (I) If the committee to which any such resolution has been referred has not reported it at the end of thirty calendar days after its referral, it shall be in order to move either to discharge the committee from further consideration of such resolution or to discharge the committee from further consideration of any other resolution with respect to the recommendations involved which has been referred to the committee.

"(II) A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the recommendations involved), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

"(III) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution relating to the recommen-

dations involved.

"(v) (I) When the committee has reported, been discharged from further consideration of, a resolution, it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

"(II) Debate on the resolution referred to in subclause (I) of this clause shall be limited to not more than ten hours, which shall be divided equally between those favoring and those opposing such resolution. A motion further to limit debate shall not be debatable. An amendment to, or motion to recommit the resolution shall not be in order, and it shall not be in order to move to reconsider the vote by which such resolution was agreed to or disagreed to.
"(vi)(I) Motions to postpone, made with

respect to the discharge from committee or the consideration of a resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

Appeals from the decision of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedures relating to a resolution shall be decided without debate.

SEC. 3. Section 225(j) of the Federal Salary Act of 1967 (2 U.S.C. 360) is amended by inserting immediately after "subsection (b) (2) and (3) of this section shall" the language ", if approved by the Congress as provided in subsection (i)," and by amending subparagraph (A) to read as follows:

"(A) all provisions of law enacted prior

to the effective date of any such recom-

mendation, and".

Sec. 4. (a) Paragraph (2) of section 601 (a) of the Legislative Reorganization Act (2 U.S.C. 31), relating to comparability pay increases for Members of Congress, is amended

to read as follows:

(2) Each time an adjustment takes effect under section 5305 of title 5, United States Code, in the rates of pay under the General Schedule, each annual rate referred to in paragraph (1) shall be adjusted by an amount, rounded to the nearest multiple of \$100 (or if midway between multiples of \$100, to the next higher multiple of \$100). equal to the percentage of such annual rate which corresponds to the overall average percentage (as set forth in the report transmitted to the Congress under section 5305) of the adjustment in the rates of pay under the General Schedule if the adjustment to each annual rate referred to in such paragraph is approved as provided under paragraph (3) of this subsection."

(b) Section 601(a) of the Legislative Re-organization Act of 1941 (2 U.S.C. 31) is amended by adding at the end thereof the

following new paragraphs:

"(3)(A) The adjustment referred to in paragraph (2) of this subsection may be considered approved under this paragraph if between the first day of the month in which an adjustment takes effect under section 5305 of title 5, United States Code, in the rates of pay under the General Schedule and the end of the first period of sixty calendar days of continuous session of Congress after such date, each House of Congress passes the resolution described in subparagraph (C) (ii) of this paragraph.

For the purpose of subparagraph "(B)

of this paragraph-

(i) continuity of session is broken only by an adjournment of Congress sine die; and

"(ii) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the sixty calendar day period.

"(C)(i) This subparagraph is enacted by

(I) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described in clause (ii) of this subparagraph; and it supersedes other rules only to the extent that it is in-consistent therewith; and

(II) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case

of any other rule of that House.
"(ii) For purposes of this paragraph, the term 'resolution' means only a resolution of either House of Congress the matter after the resolving clause of which is as follows: "That the approves the adjustment respecting congressional pay which corresponds to the overall percentage of the adjustment in the rates of pay under the General Schedule under section 5305 of title 5, United States Code, which takes effect under such section for pay periods com-. 19 .". the first mencing on or after blank space therein being appropriately filled with the name of the resolving House and the other blank spaces being appropriately

"(iii) A resolution once introduced under this paragraph shall immediately be referred to a committee (and all resolutions with respect to the adjustment involved shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may

be.
"(iv) (I) the committee to which any such resolution has been referred has not reported it at the end of ten calendar days after its referral, it shall be in order to move either to discharge the committee from further consideration of such resolution or to discharge the committee from further consideration of any other resolution with respect to the adjustment involved which has been referred to the committee.

"(II) A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the adjustment involved), and debate thereon shall be limited to not more than one hour. to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

"(III) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to dis-charge the committee be made with respect to any other resolution relating to the ad-

justment involved.

"(v) (I) When the committee has reported, or has been discharged from further con-sideration of, a resolution, it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

"(II) Debate on the resolution referred to in subclause (I) of this clause shall be limited to not more than ten hours, which shall be divided equally between those favoring and those opposing such resolution. A motion further to limit debate shall not be debatable. An amendment to, or motion to recommit the resolution shall not be in order, and it shall not be in order to move to reconsider the vote by which such resolution was agreed to or disagreed to.

"(vi) (I) Motions to postpone, made with respect to the discharge from committee or the consideration of a resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

"(II) Appeals from the decision of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedures relating to a resolution shall be decided without debate.

"(4)(A) Notwithstanding any other provision of law, an individual referred to in paragraph (1) may not have his rate of pay

"(i) under paragraph (2) of this section; "(ii) under recommendations taking effect under section 225 of the Federal Salary Act of 1967; or

"(iii) by or under any other law enacted

after the date of the enactment of this paragraph:

until the first day of the first Congress following the expiration of the term of office of such individual during which the effective date of any such increase (determined without regard to this paragraph) occurs.

(B) For purposes of this paragraph, the effective date of any increase in a rate of pay referred to in subparagraph (A) which (as determined without regard to this paragraph) occurs during the period, during any even-numbered year of any Congress, which begins on the Tuesday following the first Monday of November of such year and ends on noon on the following January 3, shall be considered to occur during the first session of the following Congress if the date of the enactment of the law providing for such increase occurs during such period.

"(C) For purposes of this paragraph, any individual who is elected or appointed to serve the remainder of the term of office of any individual to whom this paragraph applies shall be treated as if such individual held such office from the first day of such

"(5) In the case of an individual or position referred to in paragraph (1), for pur-

poses of-

"(A) the computation of the amount of any deduction, contribution, deposit, or annuity under subchapter III of chapter 83 of title 5, United States Code (relating to civil

service retirement),
"(B) the computation of any amount of insurance under chapter 87 of title 5,

United States Code, or

"(C) the computation or determination of any other amount which is based on the annual rate of pay of such individual,

the annual rate of pay of such individual shall be considered to be the amount of compensation for such position such individual has actually received during the period for which the computation or determination is

Sec. 5. Notwithstanding any other provision of law, the annual rate of pay for any position or individual whose salary is paid from appropriations made in a Legislative Branch Appropriation Act shall not equal or exceed the annual rate of pay which is in effect for a Senator or a Member of the House of Representatives under section 601 (a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31).

SEC. 6. Section 5305 of title 5, United States

Code, is amended-

(1) by striking out "October 1 of the applicable year" in subsection (a) (2) and inserting in lieu thereof "February 1 of the first

year following the applicable year";
(2) by striking out "September 1 of that year" in subsection (c) (1) and inserting in lieu thereof "January 1 of the first year fol-

lowing that year":

(3) by striking out "October 1 of the applicable year" in subsection (c) (2) and inserting in lieu thereof "February 1 of the first

year following the applicable year"; and
(4) by striking out "October 1" in subsection (m) and inserting in lieu thereof
"February 1".

Sec. 7. The amendments made by sections

2, 3, and 5 of this Act shall apply with respect to any increase in the annual rate of compensation of any position or individual for any pay period after the date of the enactment of this Act, and the amendments made by section 4 shall apply with respect to any increase in the annual rate of compensation of any position or individual for any pay period after January 1, 1977.

> By Mr. MATSUNAGA (for himself and Mr. STONE):

S. 1297. A bill to insure that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits: to the Committee on Veterans' Affairs.

Mr. MATSUNAGA. Mr. President, am today introducing a measure that would guarantee that individuals who receive both social security and veterans' pensions or compensation will not suffer reduction of either benefit on account of cost-of-living increases in the other.

Congress, in establishing a compensation system for veterans, intended to reward those men who served in the military to protect and preserve the freedom that Americans have enjoyed for the past 200 years. In particular, the system was created to compensate individuals injured in battle, or the dependents of those killed in battle.

Similarly, veterans suffering from nonservice connected disabilities or dependents of veterans who die from nonservice connected disabilities receive pensions from the Veterans' Administration in recognition of their service

to the United States.

Pensions are also awarded in case of great need and eligible advanced age. The social security system was established by Congress to protect citizens and their families against economic hardship when the families' earnings are stopped or reduced because of the citizen's disability, death or retirement. Benefits are paid only to those who contribute a set minimum to the system during their working years or to their heneficiaries.

These two systems are the foundation of the Federal income insurance program in this country. Ideally, these systems, along with other social services programs such as medicare, medicaid. and veterans' medical services, should work in harmony to ensure that those Americans who need assistance can obtain it. However, that is not always the case today.

Today, much-needed cost of living increases in either veterans' compensation and pension benefits or in social security benefits can mean a comparable decrease in benefits. That is, an individual receiving both social security and veterans' benefits can actually experience a loss of income from one of these sources if the other system is appropriated a cost of living raise.

Clearly, the intent of Congress is subverted by this unfortunate situation.

To remedy the inequity, I am today introducing a measure that would "pass through" raises in veterans' or social security benefits. This is accomplished by exempting cost of living increases in computing annual income of those people who qualify for the benefits.

I urge the Senate to take early and favorable action on this bill, so that Congress will not continue to give with one hand and take away with the other in the case of veterans' and social security annuitants.

Mr. STONE. Mr. President, I am pleased to join with my distinguished colleague. Senator Matsunaga, in introducing legislation to correct a serious inequity in the veterans' pension program. Under the present system, veterans experience a reduction in their pension benefits whenever there is an increase in their monthly social security benefits.

Congress has tried repeatedly to increase veterans' pensions to compensate for declines caused by social security adjustments, but this "band-aid" approach has not worked. As thousands of letters to Senators each year reveal, many veterans' pensions recipient with incomes below the poverty level will become ineligible for veterans' pensions as a result of cost-of-living increases in social security benefits if the law is not changed. There is no logic in the Government giving benefits with one hand and taking them away with the other if the recipients are unable to maintain even a minimum standard of living.

In December 1975, the Senate passed legislation which would have allowed veterans and their widows to retain the full amount of their veterans' pensions when there was an increase in social security benefits. The House, however, would not adopt this legislation, and many more needy individuals have been penalized as a result of periodic social

security benefit increases.

The Senate Veterans' Affairs Committee, on which Senator Matsunaga and I serve, has established veterans' pension reform as a matter of high priority in this Congress. Clearly, the present system must be restructured to eliminate inconsistencies and inequities that deprive veterans of the pensions they have so honorably earned and so desperately need. I hope that we will move quickly to consider this long-overdue measure to relieve these worthy individuals from an unfortunate predicament.

By Mr. DURKIN:

S. 1300. A bill to reform electric utility rate regulation, to strengthen State electric utility regulatory agencies, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. DURKIN. Mr. President, the cold of this winter will be remembered for a long time in New Hampshire. For some it will be the beauty of a New Hampshire forest on a still night after a furious snowstorm. But for most it will be the biting chill and the threats of shortage which brought home the reality of our rapidly deteriorating energy situation.

Enormous electricity bills were one of a series of serious blows to New Hampshire and New England citizens during this bitter winter. Fuel costs were on the rise and demand was higher because of the cold. Many citizens found themselves increasingly burdened by the spiraling cost of electricity. They are demanding that their representatives take a close look at ratemaking practices and procedures.

That is why I am today introducing the Electric Utility Rate Reform Act of 1977. The purpose of this bill is to offer alternatives to the present ratesetting scheme so that a carefully limited Federal effort at improving this situation can go forward.

This bill has several objectives:

First. It sets minimum Federal standards for utility ratemaking which require electricity prices to reflect the costs of providing electric service to each class of customers to the greatest extent prac-

Second. It sets strict substantive and procedural standards to limit the use of fuel adjustment clauses to emergency situations and then only after public hearing and with full disclosure of underlying costs on a monthly basis:

Third. It prevents the inclusion in electric utility rate bases of construction work in progress except for pollution control equipment added to existing plants and for conversion to fuels which are more available domestically; and

Fourth. It requires study of a variety of load management techniques and implementation of those which are found

to be cost effective. At the same time, I have attempted to avoid the unnecessary Federal bu-- reautracy which too often accompanies needed reform. This bill does not apply to bulk power sales, but only to retail electric rates. It requires no new Federal office and involves no expenditures of Federal taxpayers' money. Furthermore, the sunset provision provides that it will expire five years after it is enacted unless Congress renews it.

The severity of last winter will not soon be forgotten. Averting disasters in future winters will not be easy. Improvements in our electricity ratemaking process are one way we can begin the process of necessary change.

I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1300

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Electric Utility Rate Reform Act"

TITLE I-GENERAL PROVISIONS

FINDINGS

SEC. 101. The Congress finds and declares that-

(1) the continued generation and transmission of an adequate supply of electrical energy at reasonable rates is critical to the Nation's defense, a sound and stable economy, and the general health and welfare of the people of the United States;

(2) rates for electric energy dramatically during each of the years 1971

through 1977;

(3) rate reform, particularly if accompanied by improved load management techniques, can result in substantial savings of scarce energy and capital resources;

(4) present electric utility pricing practices and regulatory ratemaking practices often result in an inequitable distribution of the costs of generating and transmitting electricity among different classes of con-

(5) the inequitable distribution of costs in electric rate schedules often results in some classes of consumers paying less than the full cost of the service they receive, including the cost of capacity needed to meet demand reliably during peakload periods, and thereby encourages wasteful use of electrical

energy;
(6) sales below cost of service encourage excessive consumption of electricity and unnecessary construction of electrical generating facilities at a time when the Nation gravely needs to conserve its energy resources:

(7) the construction of unnecessary generating capacity by the electric utility dustry would create burdens on electric consumers:

(8) shortages and unreliable supplies of electric energy would jeopardize the normal flow of interstate and foreign commerce by creating severe economic dislocation, including loss of jobs, closing of factories and businesses, and curtailments of vital public services:

(9) the structure of rates to electric consumers has significant effects on patterns of electrical consumption, overall levels of such consumption, competitive structure of industry, and individual incomes, and thereby significantly affects interstate commerce:

(10) increased competition among electric utilities for industrial sales can complement existing regulation in providing protection for consumers of electric energy.

PURPOSES

SEC. 102. The purposes of this Act are-(1) to make more equitable the structure of electric utility rate schedules in this Nawhile leaving unaffected the overall rate of return of such utilities;

(2) to promote more efficient use of scarce capital and energy resources by electric util-

to institute rate reform and greater (3) use of load management techniques, in order to prevent or minimize increases in rates of electric energy, and to assure that the actual costs of generating and transmitting electric energy are equitably distributed among all consumer classes;

(4) to establish national minimum standards for electric ratemaking in order to assure that States which implement rate reforms are not placed at a competitive economic disadvantage by reason of the failure of other States to implement such reforms;

(5) to encourage maximum effective use of

electric transmission facilities;

(6) to encourage the conservation of electric energy by all users;

(7) to avoid the construction of unnecessary electrical generating and transmission facilities;

(8) to strengthen State electric utility regulatory authorities, to increase their capability to carry out their regulatory responsibilities, and to utilize existing State regulatory structures to carry out the purposes of this Act; and

(9) to foster increased use of competition as a complement to existing regulation.

DEFINITIONS

SEC. 103. (a) As used in this Act:
(1) The term "Commission" means the

Federal Power Commission.

The term "electric consumer" means any person, State agency, or Federal agency, to which electric energy is sold other than

for purposes of resale.
(3) The term "electric utility" means any person, State agency, or Federal agency,

which sells electric energy.

(4) The term "Federal agency" means any agency or instrumentality of the United States, but does not include the District of Columbia.

(5) The term "rate" means any price, rate, charge, classification, or part thereof, made. demanded, observed, or received with respect to sale of electric energy, or with respect to the sale of any equipment and/or service incidental to the sale of electric energy, any rule, regulation, or practice respecting any such rate, charge, classification, or part thereof, and any contract pertaining to the sale of electric energy, or of any incl-dental equipment or service.

(6) The term "sale" includes an exchange of, or a charge for transmission of, electric .

energy or any transfer to an electric consumer of equipment or service incidental to the sale of electric energy.

(7) The term "State" means a State or the

District of Columbia.

(8) The term "State agency" means a State, political subdivision thereof, or any agency or instrumentality of either.

(9) The term "State regulatory authority" means any State agency which has ratemaking authority with respect to the sale of electric energy by any electric utility (other

than by such State agency).
SEC. 201. (a) (10) The term "automatic adjustment clause" means that part, if any, of a rate or rate schedule for the sale of electric energy which provides for automatic adjustment of a rate to reflect a change in whole or in part in any of the costs assoclated with or incurred in providing electric service.

SEC. 201. (a) (11). The term "emergency condition" means a period extending for more than six months in which the prices of goods and services necessary to providing lectric service to consumers fluctuate widely or experience rapid and substantial increases or decreases.

(b) For purposes of this Act and the Fed-

eral Power Act:

(1) The term "evidentiary hearing" means proceeding (A) which includes notice to. and an opportunity for, participants to present direct and rebuttal evidence and to cross-examine witnesses, and a written decision based upon evidence appearing in a written record of the proceeding, and (B) which is subject to judicial review.

TERMINATION

SEC. 104. The provisions of this Act shall be of no further force or effect five years after the date of enactment of this Act.

TITLE II-UTILITY RATE REFORM

DEFINITIONS

SEC. 201. As used in this title:

(1) The term "rate base" means the value established by a State regulatory authority upon which an electric utility subject to the ratemaking authority of such regulatory authority is provided the opportunity to earn a specified rate of return.

(2) The term "rate schedule" means the rates which an electric utility charges elec-

tric consumers.

- (3) The term "advertising" means the commercial use, by an electric utility, of any media, including newspaper, printed matter, radio, and television, in order to transmit a message to a substantial number of members of the public or to such utility's electric consumers.
- (4) The term "institutional advertising" means any advertising which is designed to create, enhance, or sustain an electric utility's public image or goodwill with the general public or such utility's electric consumers.
- (5) The term "political advertising" means any advertising for the purpose of influencing public opinion (A) with respect to any legislative, administrative, or electoral decision, or (B) with respect to any controversial issue of public importance.
- (6) The term "promotional advertising" means any advertising for the purpose of inducing the public (A) to select or use the service or additional service of an electric utility or (B) to select or install any appliance or equipment designed to use such utility's service.
- (7) The term "pollution control facility" means a facility which is used to abate or control water or atmospheric pollution or contamination by removing, altering, disposing, or storing of pollutants, contami-nants, wastes, or heat and which is reasonably necessary to carry out a program of a State or Federal agency for abatement or

control of water or atmospheric pollution or contamination.

COVERAGE

SEC. 202. This title applies only to sales of electric energy for purposes other than resale by an electric utility, and applies to such an electric utility in any calendar year only if sales of electric energy by such utility for purposes other than resale during the second preceding calendar year exceeded two hundred million kilowatt-hours.

NATIONAL MINIMUM STANDARDS FOR ELECTRIC UTILITY RATE REGULATION

SEC. 203. (a) Each State regulatory authority which has assumed enforcement responsibility (within the meaning of section 209(a)) shall (in order to carry out section 209(a)) require that each electric utility, with respect to which it has ratemaking authority, comply with the following minimum standards:

(1) Except as otherwise provided in paragraph (4), rates for providing electric service to each electric consumer (or class thereof) shall be designed, to the maximum extent practicable, to reflect accurately the costs of providing electric service to such (or class). Such costs shall be consumer determined by the State regulatory authority in accordance with section 205.

(2) Except as otherwise provided in paragraph (3), each class of service designated for providing electric service to electric consumers shall be designed, to the maximum extent practicable, to reflect the costs of providing electric service to each such consumer. Such costs shall be determined by the State regulatory authority in accordance

with section 205.

(3) Except as otherwise provided in paragraph (4), no rate for providing electric service may be made effective, which decreases as consumption or demand by an electric consumer increases, except to the extent the utility demonstrates to the regulatory authority in an evidentiary hearing that such decrease in rate reflects a decrease in the costs attributable to serving said

(4)(A) Except as otherwise provided in subparagraph (C) each electric utility may provide for a rate under which the charge per kilowatt-hour at any time of use (including any customer charges) to a residential electric consumer for a subsistence quantity of electric energy in any month (or other applicable billing period) for such consumer's principal place of residence does not exceed the lowest charge per kilowatthour at such time of use (excluding demand, capacity, and customer charges) any other electric consumer (within the jurisdiction of the State regulatory authority) to whom electric energy is sold by such utility.

(B) For purposes of this paragraph, the term "subsistence quantity" means a number of kilowatt-hours which the State regulatory authority determines is necessary to supply the minimum subsistence electric energy needs of residential electric consumers at their principal place of residence for heating, domestic lighting, and food refrig-

eration

(C) No provision of this title shall prevent an electric utility, a State regulatory authority, or other State agency from increasing the kilowatt-hours of the subsistence quantity described in subparagraph (B) above to include additional domestic end uses

(5) (A) Each electric utility shall transmit with a billing statement to each of its electric consumers

(i) prior to or upon the date of com-mencement of service, and

upon such utility's application for any change in a rate schedule applicable to such consumer.

a clear and simple statement of the existing and any proposed rate schedule applicable to such consumer.

(B) Each electric utility shall transmit to each of its electric consumers not less often than once each year a brief, clear, and simple summary of the existing rate schedules applicable to each of the major classes of its electric consumers, and identification of any classes whose rates are not summarized.

(C) Each electric utility shall transmit with each billing statement to each of its electric consumers a statement of the actual consumption (or degree-day adjusted consumption) of electric energy for the same billing period during the prior year, to the extent such consumption data is reasonably

ascertainable by the utility.

(6) The expenditure by any electric utility of funds for political, promotional, or in-stitutional advertising (except for (A) the means by which consumers can conserve energy or can reduce peak demand, (B) notices required by law or regulation, (C) public information regarding service interrup-tions, safety measures, or emergency condi-(D) employment opportunities, and (E) public distribution or explanation of existing or proposed rate schedules, or hearings may not be an operating expense thereon) of that utility for purposes of rate determination.

(b) (1) Effective two years after the date enactment of this Act, no State regulatory authority which has assumed enforcement responsibility may fix, approve, or allow to go into effect, any increase in any rate of any electric utility unless opportunity for consideration of such increase in an evidentiary hearing is afforded prior to the date such increase takes effect.

SEC. 203(b)(2):

No regulatory authority may allow or otherwise make lawful, as part of any rate or rate schedule, an automatic adjustment clause without:

(A) Requiring prior notice of the changed cost of fuel and the adjusted rate before any change can be implemented;

(B) An evidentiary hearing at which the State regulatory authority finds that:

(i) an emergency condition exists with respect to the electric utility or utilities for which a request to implement an automatic

adjustment clause is pending;
(ii) the electric utility or utility continually manages fuel purchases, uses and generating facilities prudently and efficiently; and

(iii) such rate adjustments distribute fuel and charges consistently with the standards established in this section.

(C) An evidentiary hearing prior to each readjustment of any rate pursuant to any automatic adjustment clause at which the State regulatory authority finds that the electric, utility or utilities for which a request to readjust such rate is pending are in compliance with the terms of subpara-graph (B) of this subsection;

(D) reserving the power to subsequently determine that the adjusted rates or parts thereof are unlawful and subject to full re-

fund with interest. SEC. 203(b)(3):

Upon expiration of the emergency condition pursuant to which an automatic adjustment clause has been authorized, the State regulatory authority shall order the electric utility or utilities to discontinue application of the clause. The State regulatory authority may permit reasonable adjustments which are necessary and appropriate as a result of discontinuation of an

automatic adjustment clause.

(4) Upon a showing by a utility that 9 months have elapsed since the filing of one or more rate increase requests with a regulatory authority without the regulatory or

approving or disapproving said application or applications and upon a further showing of severe economic hardship to the utility as a result of the regulatory authority's not having so acted on said application or applications, the regulatory authority, notwith-standing the provisions of this title, may approve said application or applications pending subsequent full evidentiary hearing. Rates approved in this manner shall be subject to refund with interest to electric consumers to the extent the regulatory authority determines that the utility fails to prove such rates are just and reasonable under applicable law.

(4) A regulatory authority may, on its own motion or on application of any person, prescribe a variance pursuant to which utility rate schedule, tariff, and parts thereof providing for the adjustment of retail rates to recover fuel costs will be fixed. approved, or allowed to go into effect with-out prior evidentiary hearing for a period of time in which the President of the United States has declared a state of national

emergency.

(c)(1) No regulatory authority may allow the inclusion in a utility's rate base of expenditures associated with construction work

in progress except;

(A) On pollution control facilities which are added to electrical generating facilities, where such facilities have been operating at substantially maximum capacity for a period exceeding one year, including identifiable structures or portions of structures which are designed to reduce the amount of pollution produced by the underlying power facility: Provided, That facilities which lessen pollution by substituting a different nonpolluting method of generation shall not be included within this definition: And provided further, That the definition herein prescribed shall not include facilities for generation of additional power necessitated by the operation of pollution control facilities.

(B) On fuel conversion facilities, being facilities which enable a plant which previously burned natural gas to convert to use of other fuels and facilities which enable oil-burning plants to convert to fuels other than natural gas, and such facilities include those which alter internal plan workings, such as oil or coal burners, soot blowers, bottom ash removal systems, and concomitant air pollution control facilities, as well as facilities needed for receiving and storing the alternative fuel, which would not be necessary if the plant continued to burn gas, or oil, as origi-

nally designed. (C) After (1) an electric utility has made application therefor and (2) the regulatory authority by final order has approved such application. In its application, the utility must show severe financial difficulty which cannot be otherwise alleviated without materially increasing the cost of electricity to

consumers.

(D) Nothing in this title shall be construed as authorizing or requiring the recovery by an electric utility of revenues, or of a rate of return, in excess of the amount of revenues or a rate of return in excess of that determined to be lawful under otherwise applicable State or Federal law.

LOAD MANAGEMENT TECHNIQUES

SEC. 204. (a) Each State regulatory authority which has assumed enforcement responsibility shall consider in an evidentiary hearing, initially within one year of the date of enactment of this Act and thereafter no less often than once during each subsequent twoyear period, alternative load management techniques and shall to the extent authorized by law require each electric utility with respect to which it has ratemaking authority to promptly implement each such technique which the State regulatory authority determines is cost-effective.

- (b) For purposes of this section:
- (1) The term "load management technique" means any technique to reduce maximum kilowatt demand on the electric utility. Such techniques may include (but are not limited to) time-of-use peak-load pric-ing structures based on marginal cost determinations, ripple or radio control mechanisms, energy storage devices, interrupted or interruptible electrical services, customerowned meters or load-limiting devices, elimination of master metering, means for utilizing waste heat through cogeneration of electricity, and techniques to minimize inefficient end uses of electric energy.

(2) A load management technique is costeffective if, in the judgment of the State regulatory authority considering such technique, (A) such technique is likely to reduce maximum kilowatt demand on the electric utility and (B) the long-run benefits of such reduction are likely to exceed the long-run costs associated with implementa-

tion of such technique.

(c) Each regulatory authority shall take such steps to require each electric utility within its jurisdiction to establish conditions of service which require that any onsite generating facility (including solar energy facilities, wind energy facilities, fuel cells, and total energy systems) shall be provided with backup generation service from such utility and shall have the right to sell surplus electric energy to such utility. For the purposes of this section, the term ' energy system" means a system of generating electricity, located at or near the site of consumption, and not selling electric energy to the general public, and which includes means for utilizing waste heat.

DETERMINATION OF COST OF SERVICE

SEC. 205. (a) Each State regulatory authority which has assumed enforcement responsibility shall prescribe methods for determining costs of service provided to electric consumers (and classes thereof) by each electric utility over which it has ratemaking authority. Such methods shall, to the maximum extent practicable and to the extent consistent with section 203, reflect differences in cost-incurrence attributable to daily and seasonal time of use of service.

- (b) Beginning two years after the date of enactment of this Act and except as may be permitted pursuant to section 203 no State regulatory authority which has assumed enforcement responsibility may allow any increase in any rate of an electric utility to go into effect-
- (1) except after an evidentiary, proceeding in which such authority, after consideration of data provided under subsection (c), makes findings of fact respecting-
- (A) the factors which cause changes in the daily and seasonal peakloads of such utility and of the electric consumer classes served by such utility;
- (B) the costs of serving each electric consumer class and of serving different consumption patterns within such class, based on voltage level and time of use; and
- (2) unless such authority bases the determination of the lawfulness of such rate on such findings and on the methods prescribed under subsection (a).
- (c) (1) Each electric utility shall gather information with respect to-
- (A) the matters described in subsection (b) (1) (A) and (B);
- (B) daily kilowatt demand load curves for all electric consumer classes combined, daily kilowatt demand load curves for each customer class for which there is a separate rate schedule, and daily kilowatt demand load curves by electric consumer class for each level of kilowatt-hour consumption for which there is a separate rate, and for any other levels of kilowatt-hour consumption deemed pertinent by the Commission;

(C) annual capital, operating, and maintenance costs for transmission, primary distribution, secondary distribution, and for each generating unit to meet kilowatt demand on such electric utility;

(D) for each generating unit, the times and dates of, number of times of, and fuel, operating, and maintenance costs incurred

in, the starting of such units;

(E) annual fuel, operating, and maintenance costs, incurred to meet electric utility kilowatt-hour consumption requirements, exclusive of such costs incurred in starting generating units;

- (F) for each generating unit, its annual and seasonal capacity ratings, annual hours of operation, scheduled outages for maintenance and repair, unscheduled outages, kilowatt-hours generated, amount and types of fuel consumed, and annual peak kilowatt demand upon said unit;
- (G) costs of fuel incurred to meet each level of kilowatt-hour consumption;
- (H) energy loss factors experienced by transmission, primary distribution, and secondary distribution systems; and
- (I) annual capital, operating, and mainte nance costs incurred for each electric consumer class having a separate rate schedule and an analysis of how such costs relate to the number and locations of electric consumers
- (J) planning for utility operations during the ensuing ten-year period, including-

(i) hourly forecasts of system loads and the data bases therefor, by customer class;

(ii) assumptions made and applied in such planning, including assumptions regarding the effects of changes in the rate structure on system loads, both total loads and during daily and seasonal peaks of use;

(iii) cost (in constant dollars) of new or

enlarged bulk power facilities;

- (iv) alternative means to meet short-term peaking requirements, including that means which requires the least capital investment;
- (v) computations determining the relative likelihood that system load will exceed system capacity for generation, transmission, and distribution, respectively, of electric energy.
- (2) The Commission, by rule, within one hundred and eighty days after the date of enactment of this Act, shall prescribe the methods, procedure, and format to be employed by each electric utility in gathering the information described in paragraph (1) of this subsection.
- (3) Each State regulatory authority which has assumed enforcement responsibility shall require each electric utility with respect to which such regulatory authority has rate-making authority to file with it annually the information gathered pursuant to this subsection, and to publish such information in such form as such regulatory authority shall prescribe.
- (4) Each electric utility shall file biannually with the Commission the information required to be gathered under this subsection, and shall make copies thereof available to any person at the cost of reproduction and shipment.

APPLICATION OF STANDARDS TO UTILITIES NOT SUBJECT TO STATE REGULATORY AUTHORITIES

SEC. 206. (a) The standards under paragraphs (1) through (6) of section 203(a) shall apply to each covered public system and each covered cooperative. Each covered public system and each covered cooperative shall consider alternative load management techniques (as defined in section 204(b)(1)) and shall promptly implement those which are cost effective (as defined in section 204 (b) (2)). Each such system and cooperative shall establish and utilize methods for deter-mining cost of service, and shall gather information, in accordance with section 205. Any reference to a State regulatory authority in section 203(a), 204, or 205 shall for purposes of this section be considered to be a reference to a covered public system or a covered cooperative, as the case may be.

(b) (1) For purposes of this section, an electric utility is a covered public system if such utility is a State agency or Federal agency (as defined in section 103) except to the extent that a State regulatory authority has the same ratemaking authority respecting the rates of such utility as such authority has with respect to other electric utilities subject to its jurisdiction.

(2) For purposes of this section, the term "covered cooperative" means a private cooperatively organized electric utility except to the extent that a State regulatory authority has the same ratemaking authority respecting the rates of such utility as such authority has with respect to other electric utilities subject to its jurisdiction.

PARTICIPATION IN REGULATORY PROCEEDINGS BY STATES AND BY ELECTRIC CONSUMERS

SEC. 207. (a) (1) Any electric consumer or State agency may intervene as of right as a party in any evidentiary hearing or other proceeding of a State regulatory authority or covered public system which affects such consumer's or State agency's interest, to the extent that such hearing or proceeding relates to the determination of compliance with the requirements of this title.

(2) An electric consumer or State agency may maintain an action for judicial review and may, as of right, intervene or otherwise participate as a party in judicial proceedings which involve the review or enforcement of any action of a State regulatory authority-

(A) in a proceeding to which such consumer or agency was a party (or which such consumer or agency was denied, in violation of paragraph (1), the right to intervene),

(B) which affects such consumer's or agencv's interest.

to the extent that such hearing or proceeding relates to the determination of compli-ance with the requirements of this title.

(b) (1) (A) Unless an alternative means for assuring electric consumer representation is adopted in accordance with paragraph (2), if an electric consumer of an electric utility prevails in a ratemaking proceeding before a State regulatory authority or State or Federal court in which such consumer has alleged that any rate proposed by an electric utility is not in compliance with the requirements of this title, such utility shall be liable to compensate such consumer for reasonable attorneys' fees, expert witness fees, and other costs of participation in such proceeding (including fees and costs in obtaining judicial review of such proceeding). Such con-sumer may collect such fees and costs from such utility in a civil action in any court of competent jurisdiction, unless such State regulatory authority has adopted a procedure pursuant to which such authority (i) determines the amount of such fees and costs and (ii) includes an award of such fees and costs in its order in the proceeding.

(B) For purposes of subparagraph (A), an electric consumer shall be deemed to have prevailed in a proceeding if the State regulatory authority or court disapproved or substantially modified a rate proposed by an electric utility on grounds first raised by the electric consumer who alleged that the rate did not comply with the one or more specific

requirements of this title.

(C) A State regulatory authority may prescribe reasonable requirements that persons with the same or similar interests have a common legal representative in the proceeding, as a condition of receiving fees and costs

under subparagraph (A).

(2) Paragraph (1) shall not apply to proceedings before a State regulatory authority if the State or such authority has provided an alternative means for providing adequate

compensation to persons (A) who have, or represent, an interest (i) which would not otherwise be adequately represented in ratemaking proceedings, and (ii) representation of which is necessary for a fair determination of the proceeding, and (B) who are unable effectively to participate in such proceeding because such persons cannot afford to pay fees and costs of preparing and making oral presentations, conducting cross-examination, and making rebuttal submissions in such proceeding.

(c) Each electric utility shall make available at cost of reproduction to parties in a proceeding before a State regulatory authority transcripts of such proceeding.

ENFORCEMENT

SEC. 209. (a) For purposes of this title:

(1) A State regulatory authority assumes enforcement responsibility with respect to an electric utility if such authority has ratemaking authority with respect to such utility and if such authority informs the Commission (at such time and in such manner as the Commission shall have such enforcement such authority will assume enforcement responsibility with respect to such utility. If the State regulatory authority which has ratemaking authority with respect to an electric utility does not assume enforcement responsibility with respect to such utility, the Commission hall have such enforcement responsibility with respect to such utility, and any reference to State regulatory authority in any provision of this title shall be deemed to be a reference to the Commission insofar as such provision applies to such electric utility.

(2) The term "enforcement responsibility" means the function of determining whether the rate schedules of an electric utility comply with the requirements of this title.

(b) Beginning six months after the date of enactment of this Act; (1) no electric utility may increase any rate, or part thereof, at which it sells electric energy and which is subject to the ratemaking authority of a State regulatory authority unless such increase is part of a rate schedule which such authority has determined meets the requirements of sections 203, 204, and 205; and

(2) No covered public system may increase any rate at which it sells electric energy unless such increased rate is a part of a rate schedule which such system has de-termined meets the requirements of section

(c) Any State or Federal agency entitled to obtain judicial review under section 208, may obtain judicial review of a State regulatory authority's or covered public system's

determination under this section-

(1) in any statutory review proceeding in the courts of the United States which otherwise applicable to such determination,

(2) if there is no such statutory review proceeding applicable to such determination, by commencing a civil action in the United States Court of Appeals for any circuit in which such authority or system is located, which court shall have jurisdiction to review such determination in accordance with chapter 7 of title 5, United States Code.

(d) An electric consumer entitled to ob-

tain judicial review under section 208 may obtain judicial review of a State regulatory authority's or covered public system's de termination under this section in the follow-

ing manner:

- (1) In the case of a covered public system which is a Federal agency (or of a State regulatory authority or covered public sys tem whose determination is not reviewable by a State court of competent jurisdiction), such consumer may obtain such review
- (A) in any Federal statutory review proceeding which is otherwise applicable to such determination, or
 - (B) if there is no such statutory review

proceeding applicable to such determination, by commencing a civil action in the United States Court of Appeals for any circuit in which such authority or system is located, which court shall have jurisdiction to review such determination in accordance with chapter 7 of title 5, United States Code; and

(2) In the case of a State regulatory authority or covered public system which is a

State agency

(A) such consumer may obtain review in any State court of competent jurisdiction, and

(B) if such determination is reviewable by such a State court, such consumer may not obtain review by any court of the United States, except by the United States Supreme Court on writ of certiorari in accordance with section 1257 of title 28, United States Code.

(e) Beginning two years after the date of enactment of this Act, any person who is a member of a covered cooperative may bring a civil action in any court of competent jurisdiction against such cooperative for purposes of obtaining enforcement of the requirements of section 206(a).

(f) The district courts of the United States shall have jurisdiction, on application of the Commission or of any electric consumer, to enjoin any electric utility from increasing any rate or grant or any other appropriate relief with respect to which a determination

required by this section has not been made.

By Mr. HUDDLESTON:

S. 1301. A bill to reduce the number of copies of the daily edition of the Congressional Record furnished each Senator, and for other purposes; to the Committee on Rules and Administra-

Mr. HUDDLESTON. Mr. President, today I am introducing a bill to reduce the number of copies of the daily edition of the Congressional Record furnished each Senator from 100 copies each to 50 copies each. In addition, the bill would provide that the 50 copies may be transferred only to public agencies and in-stitutions. The Government Printing Office estimates that enactment of this bill would save at least \$500,000 per year.

Mr. President, section 906 of title 44 of the United States Code currently provides that each Senator shall receive 100 free copies of the daily Congressional RECORD, or a total of 10,000 copies. Currently, only 7,924 copies are being distributed to Senators' designees. Limiting the number of authorized copies to 50 for each Senator's designees would eliminate 2,924 copies for an annual printing and binding savings of \$275,000. The distribution and handling costs applicable to these 2,924 copies would amount to about \$225,000 annually. This is a total savings of \$500,000 annually. Moreover, because of the limitation of designees to public agencies and institutions, the Government Printing Office estimates that not all Senators would use their full allotment of 50 copies. Consequently, the enactment of this bill should produce annual savings in excess of \$500,000.

> By Mr. NELSON (for himself, Mr. KENNEDY, Mr. CRANSTON, Mr. WILLIAMS, Mr. JAVITS, Mr. RIEGLE, and Mr. STAFFORD):

S. 1303. A bill to amend the Legal Services Corporation Act to provide authorization of appropriations for additional fiscal years, and other purposes; to the Committee on Human Resources. LEGAL SERVICES CORPORATION

Mr. NELSON. Mr. President, today I am introducing legislation with Senators KENNEDY, CRANSTON, WILLIAMS, JAVITS, RIEGLE, and STAFFORD to extend for 5 years the authorization of appropriations for the Legal Services Corporation and to modify certain other provisions of the Legal Services Corporation Act of 1974, Public Law 93-355.

Congressman ROBERT KASTENMEIER, chairman of the House Judiciary Subcommittee on Courts, Civil Liberties, and the Administration of Justice, introduced similar reauthorizing legislation-H.R. 3719—on February 21, 1977. Congressman Kastenmeier's subcommittee held 2 days of hearings on H.R. 3719 on February 22 and 23, and reported a reauthorization bill to the House Judiciary Committee on March 17, 1977. This bill, as marked up by the subcommittee, was subsequently reintroduced and cosponsored by all members of the subcommittee on March 23, 1977, as H.R. 5528.

BACKGROUND

The Legal Services Corporation Act of 1974 was signed into law on July 25, 1974. This act created the Legal Services Corporation as a private, nonprofit organization to assume responsibility for administering the legal services program. The purpose of the Legal Services Corporation is to furnish financial support for programs providing legal assistance in noncriminal proceedings or matters to persons otherwise unable to afford such legal assistance.

The corporation is not a department, agency, or instrumentality of the Federal Government, and its officers and employees are not officers or employees of the Federal Government. The corporation is governed by an 11-member board of directors appointed by the President with the advice and consent of the Senate. Corporation activities are directed by a president appointed by the board. Currently, the chairman of the board is Roger Cramton, dean of the Cornell Law School: the president of the corporation is Thomas Ehrlich, formerly the dean of the Stanford Law School.

In 1975 President Ford, with the advice and consent of the Senate, appointed the corporation's first board of directors. The board took office in July; federally funded legal aid was shifted from the Community Services Administration over a 90-day transition period, and by October 14, 1975, the corporation was op-

erating.

The corporation does not directly represent clients. Rather, it provides funds to approximately 300 legal services programs serving clients in nearly 700 offices in all of the 50 States and Puerto Rico, the Virgin Islands, and Micronesia. Some of these programs operate on a statewide basis. Others provide services through city, county, or multicounty programs. Eight of the programs provide services on Indian reservations. Ten provide services exclusively to migrant farmworkers. Thirteen of the programs are support centers that provide specialized assistance to other legal services programs in their representation of eligible

clients. Some of these support centers concentrate on areas of the law that particularly affect the poor, like welfare, health, and housing. Others specialize in law affecting certain groups of poor people—migrants, Indians, and the elderly.

The corporation administers the legal services program through its headquarters in Washington and nine regional offices. Total staff of the corporation, including its nine regional offices, is presently 141 persons. Only 2.9 percent of the total funds appropriated to the corporation are used for administration. More than 90 percent goes directly to field programs. The balance is for activities that support the field programs.

Local programs set their own eligibility standards within guidelines established by the corporation. Those guidelines set maximum eligibility at 125 percent of the poverty level established by the Office of Management and Budget. Eligibility is now set at a maximum of \$3,500 for an individual and \$6.874 for a family of four.

Programs provide legal representation and counseling in a large range of civil matters. They do not provide criminal representation. Most of the legal problems of eligible clients fall into four broad categories: family law; administrative benefits including medicaid, AFDC, and SSI; consumer law; and housing law. Because none of the programs has sufficient resources to meet all of the needs of eligible clients, the corporation requires that each program establish priorities in consultation with the client community.

The programs are staffed by approximately 3,000 full-time attorneys and 1,200 paralegal assistants. Of the nearly 1 million problems they handle each year, about 85 percent are resolved through negotiation, consultation, and other out-of-court mechanisms. About 15

percent are actually litigated.

When the corporation came into existence, less than 10 million of the 29 million poor people in this country had even minimum access to legal services. The rest lived in areas where there were no legal services programs at all, or where programs were so seriously underfunded that most poor people had no effective access to them. The capabilities of existing programs had actually declined over the previous 5 years during which budgets were virtually frozen while costs rose more than 30 percent as a result of inflation.

In fiscal year 1977, Congress appropriated \$125 million to the corporation, a significant increase in funds, that permitted for the first time in this decade expansion of services to provide minmum access to 3.8 million of these unserved persons. Even with this increase, however, there remain nearly 16 million poor people who have no access to legal assistance.

THE LEGAL SERVICES CORPORATION AMENDMENTS OF 1977

The legislation being introduced today will reauthorize, improve, and strengthen what has already proven to be a crucial component of this Nation's system of justice. Some of the amendments included in this bill were specifically requested by the Legal Services Corpora-

tion; others have been developed as a result of ambiguities in current law or to reform current provisions of the Legal Services Corporation Act.

Section 2(a) of the amendments provides a \$225 million authorization of appropriations for fiscal year 1978 and a "such sums as may be necessary" authorization of appropriations for each of the 4 succeeding fiscal years. In fiscal year 1977, the corporation received \$125 million in general revenues from the Federal Government. To expand its services to eligible clients presently unserved or underserved, the corporation has requested an appropriation of \$217.1 million for fiscal year 1978 and initial planning suggests an absolute minimum funding level of \$275 million for fiscal year 1979. The Human Resources Committee supported the corporation's request for fiscal year 1978 in its recommendation to the Senate Budget Committee.

The previous administration submitted a budget request of only \$90 million for fiscal year 1978. President Carter's revisions raised that figure to \$175 million, indicating his support for ex-

pansion of the program.

A \$225 million authorization of appropriations in fiscal year 1978 will permit the Legal Services Corporation to continue implementing its plan to provide all poor persons with bare-minimum access to legal services—the equivalent of two lawyers per 10,000 persons nationwide. This is a modest goal, especially considering the fact that there are 11.2 lawyers per 10,000 persons in the private sector.

By the establishment of a "such sums as may be necessary" authorization of appropriations for fiscal years 1979, 1980, 1981, and 1982, the precise level of funding for the legal services program will be subject to review each year by the Senate Human Resources Committee, the House Judiciary Committee, the Budget Committees, and the Committee on Appropriations. Such an authorization will permit the Congress to examine closely the amount of funds necessary to meet the needs of indigent clients, and it will also provide the flexibility to enable Congress to determine the funding level which the corporation can use effectively and efficiently without straining crucial financial resources.

TECHNICAL AMENDMENTS

On February 1, 1977, the Board of Directors of the Corporation asked Congress to enact five technical amendments to modify the Legal Services Corporation Act of 1974, Public Law 93–355. These five amendments are included in this legislation.

First. The Legal Services Corporation requested the inclusion of an amendment to insure that a court could not discriminate against legal services attorneys in the appointment of cases. At present, some courts which have authority to appoint private attorneys in certain civil matters—often with compensation—have attempted to skirt that responsibility through the disproportionate or exclusive use of legal services attorneys who do not receive such compensation.

This practice discriminates against legal services attorneys and diverts already overburdened staff from the regular program caseload. Moreover, the assignment of such cases is very disruptive to the planning process established by the local governing board. The Legal Services Corporation Act specifically contemplates that priorities for local programs be set by the governing bodies of those programs rather than by local judges.

Section 6(b) of the amendments will insure that a court cannot discriminate against legal services attorneys in the appointment of cases. This does not exempt legal services attorneys from the general requirements of taking some cases on a pro bono basis or otherwise as required by the local bar or court. This amendment will not, however, permit legal services attorneys to be treated differently than other attorneys practicing in the same area, and thus in a manner inconsistent with the act.

Second. Under current law, staff attorneys are restricted from participating in partisan or nonpartisan activities at any time. These particular restrictions on staff attorneys are more stringent than those placed on other corporation employees or other similarly situated State and local employees who are subject to the provisions of the Hatch Act. Section 7 of this legislation responds to the corporation's request to make staff attorneys subject to the same restrictions as State and local employees under the Hatch Act-5 U.S.C. 1501, 1502, and 1503-and to eliminate those restrictions on their off-duty activities that go beyond the Hatch Act limitations.

These changes in the current law will give staff attorneys the same rights and privileges as other lawyers employed by Federal, State, and local governments. While it is important to insure that corporation funds are not used to support any political activity, restrictions on the personal activities of staff attorneys going beyond the restrictions on Federal, State, and local employees appear to be unnecessary.

Third. The act now gives the corporation authority to insure the compliance of recipients and their employees with the provisions of the act and regulations issued pursuant to the act. The purpose of section 6(a) of the amendments is to prevent opposing parties from raising questions of whether clients are eligible for free legal services, or other challenges based on the act or corporation regulations, as a means of avoiding the substantive issues in a client's case.

All courts considering this issue have concluded that questions of compliance with the act are irrelevant to, and should not be considered in, a proceeding involving a client. Because repetitive litigation on this issue has been instituted, however, the corporation requested the inclusion of a provision making this explicit. Adoption of section 6(a) of this legislation would eliminate these irrelevant attacks

It should be pointed out that this provision is consistent with section 1007(a) (1) of the act, that requires the corporation to insure "the protection of the

adversary process from impairment in furnishing legal assistance to eligible clients," and with part 1618 of corporation regulations, which prescribes a uniform procedure of enforcement to insure consistent application of the act. Moreover, this provision does not prevent an aggrieved person or entity from obtaining judicial review of any provision of the act or regulations, or of a corporation ruling. It will simply prevent needless litigation of irrelevant issues that waste the time and money of legal services programs and the courts.

The fourth amendment requested by the corporation would amend section 1007(b) of the act to permit legal assistance to a defendant in a criminal proceeding when a person is "charged with an offense involving hunting, fishing, trapping, or gathering fruits of the land, when the principal defense asserted involves rights arising from a treaty with native Americans, or from a statute or executive order establishing such rights, or to a person charged with a misdemeanor-or its equivalent-or lesser offense, in an Indian tribal court." This amendment is incorporated in section 9(a) of this legislation; it will lend statutory weight to part 1613 of the corporation regulations which already permits representation of native Americans charged with misdemeanor offenses in tribal courts. The amendment will permit legal services programs with special expertise to represent native Americans in local and State courts in misdemeanors arising out of treaty rights, a statute, or Executive order.

This provision deals only with very narrow situations in which, for example, a native American is arrested for hunting or fishing out of season or without a license, and his claim is that a treaty has established his rights to hunt or fish. Legal services attorneys who have the special expertise should have the authority to provide such representation because the defense involves a working knowledge of complex treaty laws with which most private attorneys are unfamiliar.

Finally, the board of the corporation has requested an amendment to section 1009 of the Legal Services Corporation Act dealing with audit reports and financial books and records. At present the act does not state how long records and reports must be maintained by the corporation, but the General Accounting Office has informally advised the corporation that 3 years would be sufficient. Section 11 of this legislation therefore provides that the corporation shall maintain records and reports for 3 years, or longer if required by the General Accounting Office.

MODIFICATIONS OF CURRENT LAW

Several other provisions are included in the Legal Services Corporation Act Amendments of 1977. Under section 4 the corporation and each State advisory council will be subject to the requirements and provisions of the Sunshine Act. Under current law, all meetings are required to be open to the public unless two-thirds of those present vote to close the meeting on the basis of personal pri-

vacy or compelling corporation or public interests. At this time, there is not adequate justification for the board to operate under one set of "sunshine" rules and all other agencies receiving Federal funds to operate under another. Section 4 of this legislation would subject the Legal Services Corporation and all related advisory councils to the requirements and provisions of the Sunshine Act relating to open meetings.

Section 5 of this legislation repeals the so-called Green amendment so that the corporation may fund activities of research, training, and technical assistance, and clearinghouse functions by any of three methods: directly—in-house—

by grant, or by contract.

The House of Representatives enacted legislation last March to accomplish the objectives of this amendment, the corporation's board voted last January to support such an amendment, and a similar amendment has been included in the House subcommittee bill, H.R. 5528.

Section 8 of the amendments would make several changes in the current law regarding eligibility criteria. First, section 8(a) would eliminate the requirement "that evidence of a prior determination * * * that such individual's lack of income results from refusal or unwillingness, without good cause, to seek or accept an employment situation" automatically disqualifies an otherwise 'eligible client" from representation. However, this amendment would require that a prior determination that an individual's lack of income results from a refusal or unwillingness to seek or accept an appropriate employment situation be taken into account by the local program as a factor in deciding whether or not legal assistance will be rendered.

Second, section 8(b) of the amendments revises paragraph (2) (c) of section 1007(a) of the act to insure that recipients adopt procedures for determining and implementing priorities for the provision of legal assistance to eligible clients, taking into account the relative needs of eligible clients for such assistance. Because legal services programs have too few funds to help all of the poor, priorities must be set. This section would insure that recipients give special consideration when establishing their priorities to those sections of the population of eligible clients that have special difficulties of access to legal services or who have special legal problems. These population groups include older persons, handicapped individuals, veterans, native Americans, migrants, or seasonal farmworkers and persons with limited English-speaking abilities. To fully meet the objectives of this section, appropriate training and support services are to be provided by the recipients. Furthermore, the corporation's annual report is to include a description of services provided pursuant to the special consideration established by this amendment.

Current law provides that the corporation shall "establish priorities to insure that persons least able to afford legal assistance are given preference in the furnishing of such assistance." It has been suggested that this language could be interpreted to force a program to represent a person with an income of \$2,000 and a routine problem before it could take on the case of an individual with an income of \$3,000 and the threat of being evicted from their home.

The new language would make clear that recipients must establish priorities for the provision of legal assistance as is now stated in part 1620 of the corporation regulations. In so doing, however, recipients must take into consideration the relative needs of certain segments of our population that may have special difficulties of access to legal services. It is important to note, though, that this amendment specifically preserves the right of the corporation to establish national priorities for serving the underrepresented.

Section 8(c) of the amendments modifies current law regarding legislative and administrative advocacy. This provision clarifies current law as to what legislative and administrative advocacy can be carried on by employees of recipients in influencing rulemaking and legislation. The amendment would permit paralegals who are supervised by staff attorneys to represent eligible clients in appropriate situations.

Finally, section 8(d) of this legislation repeals the requirement in section 1007 (a)(8) that local legal services programs give preference to local residents in hiring staff attorneys. The repeal of this provision will permit local programs to hire competent attorneys from outside the local areas even though a local attorney may be equally well qualified. The reason and purpose for this change is to give local programs more flexibility in implementing affirmative action plans to hire women and minorities.

Section 9 of this legislation clarifies section 1007(b) of the act dealing with limitations and restrictions on the use of program funds. Under section 9(a), the corporation would explicitly be permitted to authorize representation in feegenerating cases in which private representation is unavailable. This particular provision is consistent with current corporation regulations and is intended to permit legal services attorneys to represent clients in social security and supplemental security income cases and such other cases as the corporation deems appropriate. Sections 9(b) and 9(d) eliminate limitations and restrictions on the use of funds in the present act concerning representation of juveniles in legal proceedings and the use of funds regarding cases that involve the Selective Service Act and desertion cases where counsel is not available from the Defense Department. These changes are supported by the Legal Services Corporation Board, the American Bar Association, the National Clients Council, the National Legal Aid and Defender Association, and the Project Advisory Group.

Section 9(c) clarifies the conditions under which corporation and recipient employees can participate in organizing activities. Many recipients have found the current provisions concerning organizing activities vague and too restrictive, and thus detrimental to the attorney-client relationship. Under this sec-

tion of the amendments, no funds could be used to initiate the formation of any association, federation, or similar entity. However, legal assistance would be available to eligible clients by request and under the constraints put on the staff of the local programs by their advisory boards.

All other restrictions and limitations on the use of Federal funds under the current law are preserved in this legislation, including restrictions on funds being used in cases involving school desegregation and abortion.

Section 2(b) of these amendments would change the current law by permitting non-Federal funds to be expended for any purpose so long as all such funds are accounted for and reported as receipts and disbursements separate and distinct from Federal funds. At present section 1010(c) of the act places prohibitions on the use of funds, whether Federal or non-Federal. While not allowing the commingling of funds from private and Federal sources, this amendment would allow private funds to be used by the corporation and by any recipient for purposes outside the scope of this act. This provision is supported by the American Bar Association, the National Clients Council, the National Legal Aid and Defender Association, and the Project Advisory Group.

Section 3(a) of this legislation would require client representation on the corporation's board of directors. Right now, section 1004(a) of the Legal Services Corporation Act requires only that a majority of the 11 corporation board members be attorneys. At present all 10 members of the board are attorneys—there is one vacancy. Under section 3(a), at least three of the vacancies occurring after January 1, 1977, and before July 30, 1978, would have to be filled by eligible clients, and at least one such person is to be appointed to fill a vacancy occurring prior to January 1, 1978.

Many private and public interest groups and other interested individuals have maintained that the present board's composition does not insure "client acdeliberations. countability" in its Whether or not, in fact, this is the case, the enactment of this amendment will insure such accountability in the future. This amendment should not be at all burdensome to implement. During the 19-month period from January 1, 1977, to July 30, 1978, three vacancies must be filled with eligible clients; all 11 of the board member slots are subject to appointment by the President during this period of time.

Section 3(b) of the amendments requires that at least one-third of those persons selected for the governing bodies of recipients, that is, the local legal services program boards, be eligible clients. This would bring local governing bodies under similar requirements as the corporation's board with respect to client representation. The governing bodies of recipients are presently required by section 1007 (c) of the Legal Services Corporation Act to have at least one eligible client on each local board, and corporation regulations 1607 require that at least

one-third of the local board members are to be either eligible clients, or representatives of association groups, or organizations of eligible clients. This provision will be effective 3 months after the first day of the first calendar month following the date of enactment of this legislation in order to afford local boards time, if needed, to comply with this provision.

Section 10 of this legislation establishes a new section concerning model projects. This section would give the corporation the authority to make grants or contracts for the purpose of paying all or part of the cost of developing national, statewide, regional, and local model projects to expand or improve the delivery of legal services to eligible clients with emphasis on groups having significant probems; these groups include older persons, handicapped individuals, veterans, native Americans, migrants or seasonal farmworkers, and persons with limited English-speaking abilities. The funding for these projects is to be limited by the express provision in section 10 that not more than 3 percent of the sums appropriated in any fiscal year are to be used for these model projects.

Section 12 amends section 1001 of the Legal Services Corporation Act by adding to the Statement of Findings and Declaration of Purpose, the statement that the provision of legal assistance to the poor will "assist in improving opportunities for low-income persons consistent with the purposes of this act." The inclusion of this amendment clarifies the congressional intent respecting the legal services program.

Finally, section 13 of the amendments modifies section 1011(2) of the Legal Services Corporation Act by requiring that an independent hearing examiner be appointed, pursuant to corporation regulations, if and when there is a proceeding relating to the denial of refunding. Under corporation regulations 1606, the corporation has indicated that it will use corporation employees as hearing officers during defunding procedures, but may use other, outside persons. In the five defunding procedures that have occurred thus far, corporation employees have been used as the presiding officers at the hearings. This amendment would give a recipient the right to request, at its discretion, an independent hearing examiner during a proceeding involving the denial of refunding.

Mr. President, these various amendments will improve the present program and insure the future integrity of this Nation's efforts to provide every American citizen with equal access to the system of justice and equal justice under law. These amendments are not cast in concrete, however, and I welcome the comments of my colleagues and other public and private interest groups.

On April 25 and 26, the Subcommittee on Employment, Poverty, and Migratory Labor will be considering this legislation, and will be preparing to mark up a reauthorization bill later this month or certainly, early next month. During the first 2 weeks of May, the full Human Resources Committee will mark up the resulting legislation so that a bill may be reported to the Senate floor by May 15, 1977

Mr. President, I ask unanimous consent that at this point in the Record the text of the Legal Services Corporation Act Amendments of 1977 be printed. I also ask that a factsheet with a section-by-section analysis of the bill be printed at this point in the Record.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1303

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Legal Services Corporation Act Amendments of 1977".

FINANCING .

SEC. 2. (a) Section 1010(a) of the Legal Services Corporation Act (42 U.S.C. 2996i(a)) is amended by striking out "and" in the first sentence thereof and inserting before the period at the end of such sentence a comma and "\$225,000,000 for fiscal year 1978, and such sums as may be necessary for each of the four succeeding years."

each of the four succeeding years."

(b) Section 1010(c) of the Legal Services Corporation Act (42 U.S.C. 2996i(c)) is amended by striking out the semicolon and all that follows and inserting in lieu thereof a period.

MEMBERSHIP OF GOVERNING BODIES

SEC. 3. (a) Section 1004(a) of the Legal Services Corporation Act (42 U.S.C. 2996c (a)) is amended by inserting at the end thereof the following new sentence: "At least three persons appointed to fill vacancies occurring after January 1, 1977, and before July 30, 1978, shall be, when selected for appointment, eligible clients who may be representatives of associations or organizations of eligible clients and at least one such person shall be appointed to fill a vacancy occurring prior to January 1, 1978. The membership of the Board shall be appointed so as to be generally representative of the organized bar, significant segments of the client community, attorneys providing legal assistance to eligible clients, and the general public."

(b) Section 1007(c) of the Legal Services Corporation Act (42 U.S.C. 2996f(c)) is amended by striking out "and which includes at least one individual eligible to receive legal assistance under this title." and inserting in lieu thereof "and at least one-third of which consists of persons who are, when selected, eligible clients who may be representatives of associations or organizations of eligible clients."

SUNSHINE PROVISION

SEC. 4. Section 1004(g) of the Legal Services Corporation (42 U.S.C. 2996c(g)) is amended by striking out all that follows "open" and inserting in lieu thereof "and shall be subject to the requirements and provisions of section 552B of title 5, United States Code (relating to open meetings).".

SUPPORT ASSISTANCE

SEC. 5. Paragraph (3) of section 1006(a) of the Legal Services Corporation Act (42 U.S.C. 2996e(a)(3)) is amended by striking out "and not" and inserting in lieu thereof a comma and "or".

POWERS, DUTIES, AND LIMITATIONS OF THE CORPORATION AND RECIPIENTS

SEC. 6. (a) Section 1066(b)(1) of the Legal Services Corporation Act (42 U.S.C. 2996e(b)(1)) is amended by inserting "(A)" after "SEC. 1006(b)(1)" and by adding at the end thereof the following new paragraph:

"(B) No question of whether representation is authorized under this title, or the rules, regulations, or guidelines promulgated pursuant to this title, shall be considered in any proceeding in which a person is represented by a recipient or an employee of a recipient. Such questions may be referred to the Corporation for such disposition as the Corporation deems necessary.

(b) Section 1006(d) of the Legal Services Corporation Act (42 U.S.C. 2996e(d)) is amended by adding at the end thereof the

following new paragraph:

(6) Attorneys employed by a recipient shall be appointed to provide legal assistance without reasonable compensation only when such appointment is made pursuant to a statute, rule, or practice applied generally to attorneys practicing in the court where the appointment is made.".

ACTIVITIES OF STAFF ATTORNEYS

SEC. 7. (a) Paragraph (2) of section 1006 (e) of the Legal Services Corporation Act (42 U.S.C. 2996e(e)(2)) is amended by in-"and staff attorneys" immediately after "Corporation".

(b) Section 1007(a)(6) of the Legal Services Corporation Act (42 U.S.C. 2996f(a) (6)) is amended by striking out the matter fol-

lowing clause (C).

ASSISTANCE CRITERIA

Sec. 8. (a) Paragraph (2) (B) (iv) of section 1007(a) of the Legal Services Corporation Act (42 U.S.C. 2996f(a) (B) (iv)) is

amended to read as follows:

"(iv) such other factors as relate to financial inability to afford legal assistance, which shall include evidence of a prior determination that such individual's lack of income results from refusal or unwilling-ness, without good cause, to seek or accept an appropriate employment situation; and"

(b) (1) Paragraph (2) (C) of section 1007 (a) of the Legal Services Corporation Act (42 U.S.C. 2996f(a)(2)(C)) is amended to

read as follows:

- "(C) insure that (i) recipients, consistent with goals established by the Corporation, procedures for determining and implementing priorities for the provision of such assistance, taking into account the relative needs of eligible clients for such assistance; (ii) recipients, in determining and implementing such priorities and in providing legal assistance (including such outreach, training, and support services as may be necessary) give special consideration to the needs for service on the part of significant segments of the population of eligible clients with spe-cial difficulties of access to legal services or special legal problems (including elderly persons, handicapped individuals, veterans, native Americans, migrants or seasonal farmworkers and persons with limited Englishspeaking abilities); and (iii) appropriate training and support services are provided in order to provide such assistance to such significant segments of the population of eligible clients.'
- (2) Section 1008(c) of the Legal Services Corporation Act (42 U.S.C. 2996g(c)) is amended by adding at the end thereof the following new sentence: "Such report shall include a description of services provided pursuant to the special consideration required in section 1007(a)(2)(C) (ii) and (iii)

(c) Paragraph (5) (A) of section 1007(a) of the Legal Services Corporation Act (42 U.S.C. 2996f(a)(5)(A)) is amended to read as follows:

"(A) representation by an attorney (or a recipient employee supervised by such an attorney) for any eligible client is necessary to the provision of legal advice and representation with respect to such client's legal rights and responsibilities (which shall not be construed to permit an attorney or a recipient employee to solicit a client, in viola-tion of professional responsibilities, for the purpose of making such representation possible): or".

(d) Paragraph (8) of section 1007(a) of the Legal Services Corporation Act (42 U.S.C. 2996f(a)(8)) is amended by striking out all after "title" and inserting in lieu thereof a semicolon.

LIMITATION ON USE OF FUNDS

Sec. 9. (a) Section 1007(b) (1) of the Legal Services Corporation Act (42 U.S.C. 2996f(b) (1)) is amended to read as follows:

(1) to provide (A) legal assistance (except in accordance with guidelines promulgated by the Corporation) with respect to any fee-generating case (which guidelines shall not preclude the provision of legal assistance in cases in which a client seeks only statutory benefits and appropriate private representation is not available) or in civil actions to persons who have been convicted of a criminal charge where the civil action arises out of alleged acts or failures to act and the action is brought against an officer of the court or against a law enforcement official for the purpose of challenging the validity of the criminal conviction, or (B) legal assistance in any criminal proceeding, except to provide assistance to a person charged with an offense involving hunting, fishing, trapping, or gathering fruits of the land, when the principal defense asserted involves rights arising from a treaty with native Americans, or from a statute or Executive order establishing such rights, or to a person charged with a misdemeanor (or its equivalent) or lesser offense in

an Indian tribal court.".

(b) Section 1007(b) of the Legal Services
Corporation Act (42 U.S.C. 2996f(b) (4)) is
amended by repealing paragraph (4).

(c) Section 1007(b)(6) of the Legal Services Corporation Act (42 U.S.C. 2996f(b)(6))

is amended to read as follows:

'(6) to initiate the formation of any association, federation, or similar entity, except that this provision shall not be construed to prohibit the provision of legal assistance to eligible clients;"

(d) Section 1007(b) (9) of the Legal Services Corporation Act (42 U.S.C. 2996f(b)(9)) is amended to read as follows:

"(9) to provide legal assistance with respect to any proceeding or litigation arising out of desertion from the Armed Forces of the United States where counsel is available from the Department of Defense."

(e) Section 1007(b) of the Legal Services Corporation Act (42 U.S.C. 2996f(b)) is amended by redesignating paragraph (5) as paragraph (4), paragraph (6) (as amended by subsection (c) of this section) as paragraph. graph (5), paragraph (7) as paragraph (6), paragraph (8) as paragraph (7), and paragraph (9) (as amended by subsection (d) of this section) as paragraph (8).

MODEL PROJECTS

SEC. 10. The Legal Services Corporation Act (42 U.S.C. 2996f(g) is amended by adding after section 1007(g) the following new subsection:

"(h) The Corporation may make grants or contracts for the purpose of paying all or part of the cost of developing or operating both) national, statewide, regional, county, city, or community model projects which will expand or improve the delivery of legal services to significant segments of the population of eligible clients with special difficulties of access to legal services or special legal problems, including elderly persons, handicapped individuals, veterans, native Americans, migrants or seasonal farmworkers, and persons with limited Englishspeaking abilities. Not more than 3 per centum of the sums appropriated under sec tion 1010(a) for any fiscal year shall be used for projects under this section.".

AUDITS AND RECORDKEEPING

SEC. 11. Paragraph (2) of section 1009(b) of the Legal Services Corporation Act (42 U.S.C. 2996h(b)(2)) is amended by striking

out the period at the end of the last sentence and inserting in lieu thereof "throughout the period beginning on the date such possession or custody commences and ending three years after such date, but the General Accounting Office may require the retention of such books, accounts, financial records, reports, files, papers, or property for a longer period under section 117(b) of the Accounting and Auditing Act of 1950 (31 U.S.C. 67(b)).".

DECLARATION OF PURPOSE

SEC. 12. Section 1001 of the Legal Services Corporation Act (42 U.S.C. 2996) is amended by inserting before the semicolon at the end of paragraph (3) "and assist in improving opportunities for low-income persons consistent with the purposes of this Act;".

HEARING EXAMINERS

SEC. 13. Section 1011(2) of the Legal Services Corporation Act (42 U.S.C. 2996j) is amended by inserting before the period at the end thereof a comma and the following: "and, when requested, such hearing shall be conducted by an independent hearing examiner. Such hearing shall be held prior to any final decision by the Corporation to terminate financial assistance or suspend or deny funding. Hearing examiners shall be appointed by the Corporation in accordance with procedures established in regulations promulgated by the Corporation;".

EFFECTIVE DATES

SEC. 14. (a) (1) The amendment made by section 2(a) of this Act shall be effective with respect to fiscal years beginning after September 30, 1977.

(2) The amendment made by section 3(b) of this Act shall be effective three months after the first day of the first calendar month following the date of enactment of this Act.

(b) The amendments made by provisions of this Act other than sections 2(a) and 3(b) shall be effective on the date of enactment of this Act.

FACT SHEET: LEGAL SERVICES CORPORATION ACT AMENDMENTS OF 1977

SEC. 1: Short title

Legal Services Corporation Act Amendments of 1977.

SEC. 2: Financing

SEC. 2(a): \$225 million is authorized to be appropriated for FY 1978. Such sums as may be necessary are authorized to be appropriated for each of the four succeeding fiscal years beginning in 1979.

SEC. 2(b): Non-Federal funds received by the Corporation or any program recipient are to be accounted for and reported as such.

SEC. 3: Membership of Governing Bodies SEC. 3(a): At least 3 persons appointed to

the Legal Services Corporation Board in the 19-month period from January 1, 1977 to July 30, 1978, are to be eligible clients. During this period of time all 11 positions on the Board are subject to appointment.

SEC. 3(b): At least one-third of local legal services program governing boards are to be eligible clients. This provision is made effective by Sec. 14(a) (2) three months after the first day of the first month following the date of enactment of this Act.

SEC. 4: Sunshine Provisions

The Corporation and each state advisory council are subjected to the requirements and provisions of the Sunshine Act (Section 552B of title 5, United States Code) relating to open meetings.

SEC. 5: Support Assistance

SEC. 5(a): Amends Section 1006(a)(3) so that the Corporation may fund activities of research, training, and technical assistance, and clearinghouse functions directly or by contract

SEC. 5(b): No more than 10 percent of the total appropriation given to the Corporation may be used for purposes of Sec. 5(a) grants

SEC. 6: Powers, Duties, and Limitations of the Corporation and Recipients:

SEC. 6(a): Exclusive jurisdiction as to whether a person is to be represented by a recipient or an employee of a recipient is explicitly granted to the Corporation.

SEC. 6(b): Attorneys employed by a recipient cannot be appointed by a court to

furnish legal assistance without reasonable compensation unless such appointment is generally applied to lawyers practicing in the court where the appointment is made.

SEC. 7: Activities of Staff Attorneys Sec. 7(a): Staff attorneys are brought under the provisions of the Hatch Act.

SEC. 7(b): Removes restrictions on staff attorneys during their off-duty hours with respect to partisan and non-partisan political activities that go beyond the provisions of the Hatch Act.

SEC. 8: Assistance Criteria

SEC. 8(a): This subsection removes the requirement that otherwise eligible clients cannot be served by recipients if at a prior point in time a determination has been made that the client refused to take a job. The amendment would require, however, that such refusal to take an appropriate employment situation shall be considered by the recipient.

SEC. 8(b): Revises 1007(a)(2)(c) of the Legal Services Corporation Act to ensure that recipients adopt procedures for determining and implementing priorities for the provision of legal assistance to eligible clients. Special consideration is to be given to certain population groups that have special difficulties of access to legal services or who have special legal problems. The Corporation's annual report is to include a description of services provided pursuant to this amendment.

Sec. 8(c): This provision would permit paralegals who are supervised by staff at-torneys to represent eligible clients in appropriate situations.

SEC. 8(d): Repeals the requirement that local legal services programs give preference to local residents in filling staff attorney positions

Sec. 9: Limitations on Use of Funds

Sec. 9(a): Clarifies the circumstances under which fee-generating cases and cases involving civil actions arising out of criminal convictions may be undertaken by legal services programs. This subsection also codifies existing Corporation regulations as to which criminal cases legal services attorneys can handle with respect to offenses involving native Americans.

SEC. 9(b): Repeals the prohibition on cases involving persons in need of supervision.

SEC. 9(c): Clarifies the prohibition limiting legal services attorneys from engaging in organizing activities.
SEC. 9(d): Legal services programs are pro-

hibited from taking on cases arising out of desertion from the Armed Forces where counsel is available from the Department of

SEC. 9(e): Technical amendment only reordering paragraph sequence in Section 1007 (b) of the Legal Services Corporation Act.

SEC. 10: Model Projects

This section establishes legislative authority for the Corporation to make grants or contracts to develop national, state, regional, or local model projects to segments of the population with special difficulties of access to legal services or special legal problems. No more than three percent of funds appropriated to the Legal Services Corporation may be used for this purpose.

SEC. 11: Audits and Recordkeeping

Establishes a three-year period during which the Corporation is to maintain records, reports, and other such material.

SEC. 12: Declaration of Purpose

This provision amends Section 1001 of the Legal Services Corporation Act by adding to the Statement of Findings and Declaration of Purpose the statement that the provision of legal assistance to the poor will assist in improving opportunities for low income

SEC. 13: Hearing Examiners

Requires that an independent hearing examiner be appointed pursuant to Corporation Regulations, if and when there hearing relating to the denial of refunding. SEC. 14: Effective Dates

Technical amendment with respect to the effective dates of Secs. 2(a) and 3(b), and all other provisions of the Act.

Mr. KENNEDY. Mr. President. I am joining with Senator GAYLORD NELSON, the distinguished chairman of the Senate Subcommittee on Employment, Poverty. and Migratory Labor; and with Senators CRANSTON, JAVITS, WILLIAMS, STAFFORD, and other colleagues in introducing legislation to extend the life of the Legal Services Corporation for an additional 5 years.

We created this independent corporation despite a hailstorm of opposition from the Nixon administration. The difference in view was relatively simple. The administration at that time sought a Legal Services Corporation that would not be heard from after its creation. It wanted no stories of legal services attorneys filing suits on behalf of their clients that affected any interests or issues of importance.

It did not want to hear that legal services attorneys might actually file suit to protect the rights of the poor against an illegal administrative agency action.

The history of that struggle really began more than 6 years ago. The legal services program across the country had demonstrated its incomparable value protecting farmworkers from unsafe working conditions and unclean living quarters. It had proved its worth in the inner cities of America, hewing out new rules of conduct in landlord-tenant cases, in urban renewal disputes, and in welfare law.

It took matters of violent, emotional conflict out of the streets and into the courtrooms. It gave the poor an avenue for the resolution of their grievances that had been denied them in the past-the

It was that record that prompted most observers, including the American Bar Association, to call for the creation of an independent Legal Services Corpora-

Legal services had been nurtured by the Office of Economic Opportunity. Now it deserved independence.

Unfortunately, the administration did not want it to have too much independence. The end result was a bill vetoed by then President Richard Nixon in 1971. A year later, a revised bill, which had been narrowed and honed in an effort to meet all legitimate objections from every quarter, died in conference under the threat of a second veto. At the last moment, the Nixon administration had decided once more that courtrooms and legal protections should not be fully available to the poor.

Ultimately, the question became whether undesirable restrictions were necessary in exchange for obtaining a corporation and beginning to expand the level of legal services available to the poor.

With the hope that at least the number of programs would be expanded in a major way, we passed a bill that was enacted which included a series of unpleasant restrictions on the permissible activities of individual legal services attornevs.

Fortunately, the commitment of the individual legal services attorneys, the able staff and president of the corporation, Thomas Ehrlich, and the board of directors itself, have carried the corporation to major achievements.

They have been serving some 1 million clients last year, in 245 projects. Some 2,300 attorneys, 1,000 paralegals, and 13 support centers comprised the Legal

Services Corporation effort.

Nevertheless, there is an estimate that some 6 million legal problems went unserved last year. We know, for example, that there are nearly 12 million poor people who live in areas where there are no legal services programs. Another 11 million poor are in areas with only what has been called, "token access" to legal services programs.

These are some of the reasons why we have moved to introduce this measure calling for several changes in the existing law.

First, the bill would extend the legal services program for 5 years and would raise the authorization level initially to \$225 million.

Second, the bill seeks to remove some of the more flagrant restrictions on the kinds of legal services that can be offered and the more obvious discriminatory provisions that seemed to lend secondclass statuts to legal services attorneys.

Third, the bill specifically attempts to provide for greater local accountability by providing for additional representation of clients on the local and national policy boards.

Finally, the bill recognizes that certain groups, such as the elderly, the handicapped, migrants, limited English-speaking, and Indians may have major difficulties in obtaining access to the limited number of legal services offices which now exist. Their problems as groups are different—the elderly perhaps made less mobile by illness or physical difficulty or fear or lack of transportation-the limited English speaking by an inability to communicate effectively in English. However, there can be little doubt that these groups are not being served in relation to their numbers in the poor population.

At the same time, these groups have special legal problems which may differ dramatically in the kind of training and resources that are available currently in local legal services offices.

At recent hearings of the Senate Aging Committee which I held in Boston and Washington, there seemed to be a consensus that much more could and should be done to meet the legal services needs of the elderly.

I am confident that this provision will emphasize our concern for special efforts at the national and local levels to insure that greater attention is given to the legal services needs of these groups.

Model projects also are encouraged to permit innovative delivery systems to be tested in improving legal services to these

These provisions would enhance the capacity of legal services attorneys and paralegals to protect the legal rights of the poor. That protection often means the removal of barriers to the improvement of their economic condition. And by protecting the legal rights of the weakest among us, it moves us closer to the national goal of equal justice.

I am hopeful that this measure will be acted upon favorably and quickly.

Mr. JAVITS. I am pleased today to join my colleagues, the Senator from Wisconsin (Mr. Nelson), who is distinguished chairman of the Employment and Poverty Subcommittee, the Senator from Vermont (Mr. Stafford), the Senator from Massachusetts (Mr. Kennedy), and the Senator from California (Senator Cranston), in introducing the Legal Services Corporation Act Amendments of 1977.

I believe the bill we introduce today will, if enacted, and I do hope we can consider it without delay, greatly enhance our ability to make legal services available to the poor of our country. As one of the "fathers" of the Legal Services Corporation concept and the act of 1974, Public Law 93–355, I am pleased that so much progress has been made in insuring that the poor have access to the best possible legal representation.

The Legal Services Corporation has made great strides since 1974 in supporting legal assistance to the poor. The basic mandate of the Corporation, to wit: To insure that all poor people have available to them the legal services they need has been followed admirably. I commend the president of the corporation, Thomas Ehrlich, the members of the board, and the legal services projects and staff throughout the United States for their vision and dedication.

In reporting the original Legal Services Corporation Act in 1973, the Employment Subcommittee emphasized that "recourse to an adversary system of law and justice for the resolution of public or private disputes should not be denied to individuals who cannot afford the legal counsel necessary to determine their rights and responsibilities under that system."

The best evidence of the progress of the corporation and its grantee projects in following this mandate is the fact that more than 1 million legal matters were handled by legal services offices over the past year.

But even this impressive figure represents only a part of the legal needs of the poor. Millions of poor persons, who have a right to food stamps or housing or medical care, do not have access to legal assistance. Recent studies estimate that for every person served by legal

services programs, there are six other poor persons who have legal problems and do not receive legal assistance.

Thus, although much has been accomplished, far more needs to be done. Greater strides can be made by increasing the annual appropriation levels for this program and by enacting amendments designed to facilitate representation of the poor.

In several important ways our bill contemplates insuring that improvements are made in the access of poor people to legal representation and in the quality of the representation itself.

First, our bill would specify that at least three persons appointed to the board of directors of the Legal Services Corporation be eligible clients. This should enhance the sensitivity of the corporation to the needs of the client community.

Second, the bill gives authority to the Legal Services Corporation to make grants and contracts, if it so wishes, to operate back-up centers to assist legal services projects.

This is an important provision because legal services projects and staff attorneys often require training and technical assistance in areas of the law, such as, for example, social security law or housing law, where much specialized expertise is necessary in order to represent the poor more capably.

Third, our bill authorizes the corporation to make grants or contracts for the purpose of developing model projects to expand or improve the delivery of legal services to those segments of the population with special difficulties of access to legal services or special legal problems, including the elderly, handicapped individuals, and others. This is a particularly important provision because it would enable the Legal Services Corporation to focus attention upon the unique legal problems of special segments of the population.

In these and other ways that have been described already by my colleagues and cosponsors, the Legal Services Corporation Amendments Act of 1977 will do much to support legal assistance to the poor in civil matters.

Unfortunately, in two important respects the amendments we introduce today do not go far enough in improving the access of the poor to legal services.

First, the bill continues the existing restriction which prevents legal services projects from providing legal assistance "with respect to any proceeding or litigation relating to the desegregation of any elementary or secondary school or school system." I do not believe the purposes or mission of the Legal Services Corporation, to wit: providing access to legal services for the poor, is well served by prohibiting representation in desegregation cases. I intend to move in committee an amendment to allow legal services projects to petition the corporation to permit representation of eligible clients in desegregation cases, where representation is not available from other sources.

Similarly, with respect to representa-

tion of clients who seek to obtain nontherapeutic abortions, I believe the legal services projects should be permitted to apply for permission to represent clients where no other legal representation is available. However, I do not believe representation should be provided to compel an individual or institution to perform an abortion when that is contrary to the religious beliefs or moral convictions of that individual or institution. Equal access under the law implies that no person who wants to have an abortion should be denied one solely because she is too poor to afford adequate legal advice and counsel. The Supreme Court has established law and conditions that States may not restrict the right of women to have abortions. I believe that poor persons who decide to seek abortions and are prevented from having them on legal grounds, should be able to obtain representation, if no other representation is available. I intend to offer in committee an amendment to secure this right for the poor.

In conclusion, Mr. President, I am pleased that this bill enjoys such bipartisan support. I understand hearings have been scheduled for next week and that our markup is shortly thereafter. I hope we will move swiftly on the bill and continue the progress that has already been made in providing the poor access to legal assistance.

By Mr. BROOKE:

S. 1304. A bill to provide for lowinterest loans of Federal funds for the insulation and retrofitting of residential and small commercial buildings; to the Committee on Banking, Housing and Urban Affairs.

ENERGY CONSERVATION INVESTMENT ACT
OF 1977

Mr. BROOKE. Mr. President, today, on the eve of the announcement of the energy conservation proposals of President Carter, I am introducing major energy conservation legislation. I have been carefully reading all of the published information about the contents of the proposed national energy conservation plan.

While nearly every piece of legislation that the President is reported to be considering is a measure which I myself have personally proposed in the last 3 years, there is one glaring exception. That exception is the administration's possible proposal that electric and gas utilities undertake to insulate the homes of their customers and charge the cost in the rate base.

Proposals of this nature have been circulated since the last days of the past administration and I have been raising serious questions about it with its various authors since that time. Mr. President, I ask unanimous consent that a letter from me to Mr. William Rosenberg at the FEA dated January 25 be inserted in the Record following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. BROOKE. Mr. President, this

letter summarizes a number of my reservations. My major objections to relying on utilities for either providing the insulation or providing the conservation financing are that the utilities, with their protected monopoly status, would be moving into new areas of enterprise. There is no proven value to the consumer in such an economic arrangement. Most home insulation is installed on a do-it-yourself basis, and of course the labor costs the homeowner nothing. If utilities must install installation to have it certified, clearly the cost of labor would be added.

In addition, the utilities have no particular incentive to keep costs down as they are regulated and can recover their

Also, the FTC and the Department of Justice have raised serious questions about the antitrust issues raised by such a program. Second, such a scheme requires individuals who have reinsulated their homes in the last 30 months without receiving any of the tax incentives or special loan programs with which we are now trying to equip those who would like to conserve energy in the future.

I fully recognize and endorse the need and the attempt to encourage as much home insulation and other energy conservation improvements in existing residential and commercial buildings as our market can possibly produce. For that very reason, 2 years ago I introduced the proposal that a tax credit be made available for homeowners who insulate. In this Congress I have reintroduced that measure (S. 97) and expanded it to include homeowners, small businesses, and those who install not only insulation and heating system improvements, but also solar and wind energy systems.

I believe, however, that while tax incentives can be most effective in helping "prime" the market, the problem of supplying the necessary capital for building owners to be able to take advantage of those tax incentives still is with us. For that reason I feel that, where low-cost loan money can be made available readily, the Government should undertake to do so. The Energy Conservation Investment Act of 1977, which I am introducing today, provides precisely such a source of capital. It does it, however, in a manner which encourages diversity in the marketplace and strengthens the efforts of States, local governments, and individual building owners. This measure would put into law principles I hold very dear; namely, that our energy systems be as diversified and decentralized as possible, that we not rely solely on centrally generated sources of energy, but rather that the energy sector include diverse suppliers of power and hardware, a variety of on-site energy sources as well as central generating systems, and a variety of energy conservation equipment and services.

My bill provides that the Treasury borrow money and establish a revolving fund administered by the Secretary of HUD. HUD will require that Governors present a plan for distributing and utilizing the low-cost moneys which will be made available from the fund. Upon

presentation of the State plan, HUD will make available loan moneys which will be repaid over a 25-year period the Government's cost of borrowing plus a nominal fee for the servicing required.

To implement the program of loans, the Governors may designate State agencies, local agencies, private lending institutions and/or public utilities to evaluate and distribute loan applications. Owners of residential and commercial buildings may take out such loans as are necessary to bring their buildings up to national energy performance standards.

The States will also provide a system of "energy audits" which are to resemble an expanded version of current State conservation programs.

However, States may train and designate other agencies, such as local governments, fuel-oil dealerships, utilities, and other technically qualified experts to perform energy audits on buildings. Such energy audits will not only inform the building owners as to whether or not certain energy conservation improvements are needed, but they will also become a basis for later evaluating whether or not building owners should pay penalties because of continued energy waste.

The last part of the bill mandates a study to be performed within 6 months after enactment by the Secretary of HUD. Alternative forms of penalties of noncompliance with building energy performance standards are to be explored. If our Nation is to be truly serious about energy conservation, the outcome of the tax credit programs and the low-cost loan programs which we are enacting must be that owners of buildings are eventually required to meet high standards of energy conservation.

My colleague in the House, Congressman HENRY REUSS, the chairman of the House Banking, Housing and Urban Affairs Committee, has proposed a bill that is somewhat similar to this. It too would use the Government's borrowing power to put substantial capital into the energy conservation market. When he introduced his bill. Chairman Reuss also discussed the need for penalties and suggested several innovative approaches which I believe should be pursued in the study which my legislation mandates. For example, he suggested and I endorse, the study of the concept of a possible dual pricing system by electric and gas utilities.

Heating customers whose buildings meet high energy performance standards would be charged the average cost of fuel while customers whose buildings do not meet such standards would, after a certain time, be charged the marginal cost of replacement fuel.

I feel, however, that a number of other potential penalty approaches should be studied, including the imposition of a general Federal BTU excise tax on heating fuels.

Furthermore, it is essental, before we begin a system of rewards and penalties which will require enforcement mechanisms to be put in place, that we find out exactly what the market for insulation and home heating system equipment will bear, how much labor there is to do the job, and how the energy auditing systems can best perform.

Although I anticipate that the "carrot" approach embodied in the legislation I am filing today will itself provide a substantial incentive to conserve the energy whose cost is rapidly escalating, I also believe that a large part of its significance lies in the fact that in the long run it will become mandatory for owners to meet such standards. Of course, it is important to build flexibility in such a program so that no unrealistic requirements are imposed and so that no person is forced to endure genuine economic hardship. But I believe that the reality of our energy crisis and the inevitability of personal sacrifice is at last being accepted by our people. Such measures as this proposal I make today can give us the tools to do the job of conserving our resources soon and effectively.

EXHIBIT 1

UNITED STATES SENATE,
WASHINGTON, D.C., January 25, 1977.
Mr. WILLIAM G. ROSENBERG, Assistant Administrator, Energy Resource Development,
Federal Energy Administration 12th and
Pennsylvania Avenues, N.W., Washing-

DEAR MR. ROSENBERG: The proposal advanced by you to achieve energy conservation in the homes of natural gas consumers appears, on its face, to offer a significant opportunity for energy savings. However, I believe that much more information is required before the federal government commits its support to the implementation of this scheme.

The gas savings estimated by you to be the equivalent of "130% of the gas deliveries estimated to come from the Alaskan North Slope" by the early 1980's certainly sound impressive. Nonetheless, I am troubled by the lack of supporting information available with regard to those estimates. The amount of gas that can be saved is directly related to the amount of insulation that needs to be installed is inversely or proportional to the amount of insulation that is currently in place. Unfortunately, in estimating the amount of insulation that is currently in place, the only information available in your supporting data is a reference to an Owens-Corning survey with no citation presented. As a member of the Senate Committee on Banking, Housing and Urban Affairs with involvement in the development of national housing programs since the beginning of my Senate career, I am interested in learning more about the basis of the Owens-Corning

I have long been concerned about the lack of information available on the national level about our existing housing inventory. Certainly we lack census data at the necessary level of detail. We do not even have useful measures of housing amenities and construction to determine whether or not buildings are substandard. This, in my judgment, still provides a less than satisfactory profile of our national housing inventory.

Since the information is critical as to how much "conversion gas" will be produced by implementation of your proposal and thus the per unit cost of "producing" the gas, I am interested in knowing why the FEA feels Owen-Corning's determination of the number of existing houses with accessible attics and the insulation levels in those houses is adequate.

On another point, I am also interested in having more information on the estimated 15% fuel savings that you have indicated would follow from the installation of two out of the three proposed retrofit modifications. In the development of my own legislative proposal providing tax credits for retrofitting existing oil and gas fired heating systems, my staff and I have had extensive discussions with officials of the American Gas Association. I have been under the impression that new gas furnaces are operating much more efficiently than older gas furnaces but that, unlike oil-fired systems, the opportunities for saving fuel by minor retrofit modifications are severely limited. When I requested suggested retrofit alterations for gas-fired furnaces from AGA, I was informed that of today's technologies, only the electronic ignitor and a few kinds of flue damper would provide any meaningful opportunity for fuel savings. Accordingly, we only included electronic ignitors for gas-fired systems in the list of retrofit alterations for which a tax credit would be made available. Your proposal offers two other retrofit modifications, namely, flue restrictors and orifice restricters. I would be interested in having more information on the savings opportunities presented by those modifications as well as more information on the specific safety problems that are associated with these modifications as was mentioned in the supporting analysis.

Questions were raised in the supporting legal analysis of the anti-trust implications of your proposals. In Cantor vs. Detroit Edi-U.S. son Company. ---9 Supreme Court 3110 (July 6, 1976), the Court made it clear that the utilities are not exempt from federal antitrust laws by virtue of state utility regulation. I am specifically interested in knowing how FEA intends to insure that the contractors who installed the insulation and retrofit items are truly independent and competitive so that consumers get the best service at the lowest cost. Without such absolute assurance, I would feel strongly that this plan cannot be implemented. And I would like to see full exposition of the effects on electric utilities in the future if this is adopted by gas utilities at present.

Most disturbing to me is the suggestion that the saved gas will permit the addition of six million new residential customers. It is inconceivable to me that any new hookups can take place with natural gas in such critically short supply unless and until the demands of all curtailed industrial customers have been fully met. It is little comfort to any family to have a warm home and no job. Nor does that kind of approach contribute to the improvement of our recovering economy.

And of overriding concern to me is what you will propose for the consumers of fuel oil or electric heat. An unfortunately recurring theme that has been associated with federal energy policy development in recent years is the lack of equitable treatment amongst the users of all scarce fuels. As a nation, I believe we must recognize that fuel oil, natural gas, and probably electricity will be used to heat our nation's homes for many years to come. Under the guise of conservation, one scarce fuel source should not be permitted to capitalize on incomplete or improperly emphasized federal policy. I am specifically interested in your comparable proposal for the consumers of heating oil. On this point, I must say that I oppose the implementation of your proposal, and will introduce legislation if necessary until I can be assured that the opportunities for assisting a similar energy savings for consumers

who cannot get gas heat are explored. I congratulate you for offering an innova-tive idea for discussion and look forward to receiving more information before taking a position on this proposal.

Sincerely,

EDWARD W. BROOKE.

Mr. BROOKE. Mr. President, I ask unanimous consent that the text and an analysis of my bill, the Energy Conservation Investment Act of 1977, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1304

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Energy Conservation Investment Act of

FINDINGS

SEC. 2. The Congress finds and declares that-

- (1) several million homes and small commercial buildings in the United States have inadequate insulation and inefficient heating systems;
- (2) inadequate home insulation and inefficient heating systems result in substantial and unnecessary waste of this Nation's energy resources;
- (3) approximately 75 percent of the insulation installed in existing residences is installed by the owners;
- (4) homeowners and the owners of small commercial buildings should be given incentives and assistance consistent with the present self-help trend, thereby reducing labor costs and utilizing the existing commercial distribution system for insulation;
- (5) in many instances, the capital is not available to homeowners and the owners of small commercial buildings for insulating and retrofitting even though payments can be made out of savings produced from the installation of insulation and improvements to existing heating systems; and
- (6) the elimination of energy resource waste deserves the attention and assistance of the Federal Government.

PURPOSES

SEC. 3. The purposes of this Act are-(1) to accelerate the installation of insulation and improved home heating system

equipment in residential and small commercial buildings:

(2) to provide the necessary front-end capital in the form of low-interest loans to encourage such investments; and

(3) to develop adequate information on which to base decisions about the adoption of penalty provisions for noncompliance with established building energy performance standards.

DEFINITIONS

Sec. 4. For the purposes of this Act—
(1) the term "authorized administrative authority" means the Governor of any State, or other official designated by the Governor, approved by the Secretary under Section 10 (b) or the Secretary;

(2) the term "energy auditor" means a person designated to carry out responsibilities under section 8;

(3) the term "building" means-

- (A) any townhouse or detached singlefamily residence.
- (B) any residential unit in any condo-minium or cooperative housing project,
- (C) any multi-family residential building; and
- (D) any small commercial building with less than 5,000 square feet, which is located within the United States and the construction of which was completed before the date of enactment of this Act;

(4) the term "insulation" means wall, ceiling, or floor insulation, storm (or therwindow or door, caulking, weather stripping, or other similar item (as determined by the Secretary in consultation with the Administrator of the Federal Energy Administration)-

(A) which is specifically and primarily designed to reduce, when installed in or on a building, the heat loss or gain from such building; and

(B) which meets such performance specifications as the Secretary may prescribe by

- (5) the term "heating system improvements" means any equipment, as determined by the Secretary, in consultation with the Administrator of the Federal Energy Administration-
- (A) which is specifically and primarily designed to reduce, when installed in or on a heating system, the fuel consumed by such system; and
- (B) which meets such performance specifications as the Secretary may prescribe by
- (6) the term "Secretary" means the Secretary of Housing and Urban Development;
- (7) the term "conservation gas" means natural gas conserved pursuant to the implementation of this Act, the amount of which is determined by a State commission and may be reviewed and revised by the Federal Power Commission.

LOAN AUTHORITY

- Sec. 5. (a) The Secretary of Treasury is authorized, on request of any authorized administrative authority, to make loans to such authority for the purpose of enabling it to carry out any energy conservation invest-ment program described in Section 7.
- (b) The maturity of such loan shall be not more than 25 years.
- (c) The rate of interest per annum on such loan shall be, at the election of the Secretary of Treasury, either-
- (1) a rate for each fiscal year (or any portion thereof) during which such loan is outstanding, equal to the average annual interest rate on all interest-bearing obligations of the United States forming a part of the public debt at the end of the most recent fiscal year preceding the year to which the rate applies; or
- (2) a rate for all fiscal years (or any portion of a fiscal year) during which such loan is outstanding equal to the average annual rate estimated by the Secretary of Treasury for all interest-bearing obligations of the United States which may form a part of the public debt during the term of such loan, adjusted to the nearest one-quarter of one percent, plus three-quarters of one percent for administrative expenses of and losses to the Secretary in carrying out this Act.

PLANS FOR ENERGY CONSERVATION INVESTMENT ASSISTANCE

SEC. 6. (a) To be eligible for a loan under Section 5, the Governor or other official shall submit a plan to the Secretary for implementing the policy of this Act. The plan shall (1) designate a proposed administrative authority to carry out lending and enforcement functions under this Act, (2) show how buildings covered by this Act in the State may be audited for energy performance, and designate as energy auditing agencies such State or local agencies or utilities (for the buildings to which they supply energy or heating) or distributors of heating oil, propane or other heating fuels (for the building to which they supply energy for heating) or building contractors who can effectively conduct energy audits of such buildings. Evidence of the establishment of performance criteria shall be included in the State's plan; (4) and proposed criteria, consistent with standards developed by the Secretary for certification undertaken by the

energy auditor under Sec. 9(c)1.
(b) The Governor may designate as loan

service administration agencies any public agency, or bank, or electric or gas retail distributor. By agreement with the Secretary of Housing and Urban Development, Area Offices of the Department of Housing and Urban Development may be included as loan service administration agencies.

ENERGY CONSERVATION INVESTMENT PROGRAM

SEC. 7. (a) Any authorized administrative authority which receives any loan under Section 5 shall carry out an Energy Conservation Investment Program which shall use the proceeds of such loan to provide loans upon application by the owners of buildings covered by this Act which do not comply with insulation standards or other heating system improvement standards apto such buildings under Section 8, to such owners for the purpose of retro-fitting such buildings in compliance with such standards.

(b) With respect to any loan made under subsection (a) by any authorized administrative authority to the owner of any build-

ing covered by this Act—
(1) the term of such loan shall be not

more than twenty years;

(2) the rate of interest per annum on such loan shall not exceed in any fiscal year the rate of interest applicable to such year on the funds received by such authority under Section 5 from which such loan is made, plus one-quarter of one percent for the administrative expenses of such authority:

(3) such loan shall be recorded with the

appropriate State or local agency;

(4) any payment under such loan shall be the obligation of any person who owns such dwelling on the date such payment is due; and

(5) such loans shall be subject to any other regulation prescribed by the Secretary as appropriate to carry out the intent

of this Act.

INSULATION AND HEATING SYSTEM IMPROVEMENT STANDARDS

SEC. 8. (a) The insulation standards which shall be applicable to any building for purposes of this Act shall be the in sulation standards applicable to such building under State and local law or the performance standards developed pursuant to Title III of the Energy Conservation and Production Act, P. L. 94-385 as adopted by the Secretary for application to existing buildings, whichever provide for the greater amount of energy savings.

(b) If the Secretary determines that any building under subsection (a) is inappropriate for a loan under this program because

such standard-

(A) is too low to provide a substantial reduction in the amount of energy wasted a result of inadequate insulation in

buildings, or

(B) is too high for the benefits of energy conservation to justify the costs of complying with such standard, the Secretary may, by appropriate regulations, provide that no loan may be made under this Act with respect to such building.

The Secretary is authorized to develop standards for heating system improvements which shall be applicable to any dwelling for

purposes of this Act.

(D) If the Secretary determines that any dwelling under subsection (c) is inappropriate for a loan under this program because the benefits of energy conservation are too small to justify the cost of complying with such standard, the Secretary may, by appropriate regulations, provide that no loan may be made under this Act with respect to such dwelling.

COMPLIANCE WITH INSULATION STANDARDS AND HEATING SYSTEM IMPROVEMENT STANDARDS

SEC. 9. (a) (1) The Secretary may designate, for purposes of this Act, any person to carry out energy auditing responsibilities if—

(A) such person, in an application submitted to the Secretary at such time and in such manner as may be prescribed by rule, agrees to comply with the requirements of this section: and

(B) the Secretary approves such applica-

(2) In considering application under paragraph (1), the Secretary shall give preference to such applicants as follows:

(A) Any State or local agency which the Governor of such State selects to assume enforcement responsibility for buildings cov-

ered by this Act; and

(B) Any State or local agency with authorto administer housing or similar codes for such buildings.

(b) Any person who assumes energy auditing responsibility for any building covered

by this Act-

(1) shall, at the request of the owner of such building, inspect such building to determine whether it is in compliance with the energy performance standards under section 8:

(c) Any person who assumes energy audit-

ing responsibility shall-

(1) (a) certify persons to install insulation and heating systems improvements, based on the reliability of such persons to accomplish such installations in accordance with such standards;

(B) randomly inspect buildings in which such installations are made to verify such

reliability; and
(2) in the case of any insulation which is not installed in any building covered by this Act by any person certified pursuant to paragraph (1), inspect such building at the

request of the owner.

(d) Notwithstanding the provisions of subsection (c), if the Secretary determines, in any one region or portion thereof, that a shortage of qualified energy auditors exists and such shortage is likely to impede the intent of this Act then the Secretary, by appropriate regulations, is authorized to pre-scribe alternative or supplemental self-certification programs; provided, however, that such regulations require statements of compliance under oath and under penalty of law from both the suppliers of the insulation materials and heating system equipment (as to the sale) and the homeowners or installation contractors (as to installation).

(e) If no agency is designated under subsection (a) to assume energy auditing responsibility for any building covered by this Act, the Secretary shall assume such responsibility for such building.

ADMINISTRATIVE AUTHORITY

SEC. 10. (a) The Secretary shall, after consultation with the Administrator of the Federal Energy Administration-

(1) prescribe such rules as the Secretary determines may be necessary to carry out

this Act:

(2) schedule, among regions of the United States, the implementation of this Act, taking into consideration with respect to such regions-

(A) the amount of energy savings which will result from the retrofitting of buildings; and

(B) the inflationary impact of such implementation.

(b) The Secretary shall, to the extent practicable, and in accordance with rules prescribed under subsection (a), designate the Governor of a State, or his designee, to be an authorized administrative authority as defined in Section 4: In any State or por-

tion thereof where the Governor or his designee are unable or unwilling to comply with the rules prescribed under subsection (a), the Secretary shall serve as the authorized administrative authority for such State or portion thereof.

REVOLVING FUND

SEC. 11. (a) (1) There is established in the Treasury an energy conservation investment program fund (hereinafter referred to the "fund") which shall be available to the Secretary of Treasury without fiscal year limitation, in such amounts as may be specified from time to time in appropriation Acts. The fund may be used for the payment of the expenses of the Secretary in carrying out the provisions of this Act.

(2) There shall be deposited in such fund amounts received as repayments of loans under this Act.

- (b) Money in the fund not needed for current operations may be invested in direct obligations of, or obligations which are fully guaranteed as to principal and interest by, the United States or any agency thereof.
- (c) There are authorized to be appropriated to the fund established by subsection (a) such sums as may be necessary to carry out this Act.

CONSERVATION GAS

SEC. 12. A certification from a State commission to the Federal Power Commission that the State commission has assumed and is exercising jurisdiction over the conservation gas resulting from the implementation of this Act shall constitute conclusive evidence of such regulatory power or jurisdiction. Upon receipt of certification, the Federal Power Commission shall be without authority under the Natural Gas Act, as amended, to take any action to affect, whether by grant, conditional grant, or denial of any application, by allocation or curtailment, by issuance or amendment of any opinion, order, rule, or policy statement, or by any other action, the natural gas supply. of any person subject to the Commission's jurisdiction if such action is based on or considers either

(1) the existence of conservation gas, or (2) the amount of conservation gas conserved as a result of the implementation of

this Act. or

(3) the implementation of this Act, including but not limited to the end use to which conservation gas is put; provided, however, that the conservation gas is applied first to existing residential customers, existing small commercial customers, and exist-ing industrial customers with non-substitutable natural gas requirements.

REPORT TO CONGRESS

Sec. 13. (a) Not later than six months from the date of enactment, the Secretary, after consultation with the Administration of FEA and the Secretary of Treasury, shall transmit to the Congress a report containing recom-mendations with respect to exacting penalties for noncompliance with the purposes of this Act.

Such recommendations shall include but not be limited to:

- (1) The nature of potential penalty provisions.
- (2) The date of their implementation.

(3) The effect of a Federal excise tax on the use of fossil fuels at the point of combustion when such fuels are consumed directly or indirectly for the heating of buildings covered by provisions of this Act.

(4) The effect of establishment by State public utility commissions of a two-tier price structure whereby owners of buildings not in compliance with the provisions of this Act pay the replacement cost of their heating energy source while owners of buildings in compliance with this Act pay the average cost of the energy supplied.

(5) The capability of State public utility commissions to administer penalties.

(6) The effectiveness of a general Federal excise tax.

(7) Structural differences in multifamily residential buildings which may require additional forms of assistance and/or penalties.

(8) Adequacy and qualifications of the labor force for conducting energy audits for the purpose of enforcing this Act.

(9) Impact of existing energy conservation policies on the supply of insulation materials and heating system equipment.

ENERGY CONSERVATION INVESTMENT ACT OF 1977, SECTION-BY-SECTION ANALYSIS

Section 1 contains the short title of the bill, the Energy Conservation and Investment Act of 1977.

Section 2 sets forth the congressional findwhich recognize the energy savings that can be achieved through the retrofitting of the existing residences and small commercial buildings. The findings also recognize that approximately 75% of the insulation installed in existing residences is done by homeowners through their own labor and that frequently, the front-end capital is not

available for such activity.

Section 3 of the bill sets out the purposes of the Act which are: to accelerate the installation of insulation and improved home heating equipment in residential and small commercial buildings; to provide the necessary front-end capital in the form of lowinterest loans to encourage such investments; and to develop adequate information preliminary to the adoption of penalty provisions for noncompliance with established insulation and heating system retrofit standards. In order to assure a greater degree of compliance by building owners with the insulation and equipment standards established pursuant to this Act, it may be necessary to adopt stringent penalties. The penal-ties could take different forms. Likewise, the imposition of penalties and the resulting increase in retrofit activity could create a demand for retrofit materials and energy audits in excess of what can be provided. The bill recognizes that penalties should not be imposed until adequate information is available and careful analysis has been completed as to when and how the penalties should be imposed, as well as their likely impact in the short-term.

Section 4 sets forth the definitions. The term "authorized administrative authority" would mean the Governor of any State, or other official designated by the Governor, approved by the Secretary of HUD, or the Secretary of HUD. The term "energy audiwould mean a person designated to carry out responsibilities under Section 8. The term "building" would mean any townhouse or detached single-family residence, any residential unit in any condominium or cooperative housing project, any multifamily residential building and any small commercial building with less than 5,000 square feet, which is located within the United States and the construction of which was completed before the date of enactment of this Act. The term "insulation" would mean wall, ceiling, or floor insulation, storm (or thermal) window or door, caulking, weather stripping, or other similar item as determined by the Secretary of HUD in consultation with the Administrator of the Fed-

eral Energy Administration.

The insulation would be required specifically to reduce, when installed in or on a building, the heat loss or gain from such and would be required to meet such performance specifications as the Secretary might prescribe by rule. The term "heating system improvements" would mean any equipment as determined by the Secretary of HUD in consultation with the Administrator of FEA which is specifically and primarily designed to reduce, when installed in or on a heating system, the fuel con-sumed by such system, and, which meets such performance specifications as the Secretary of HUD might prescribe. The term "Secretary" would mean the Secretary of Housing and Urban Development. The term "conservation gas" would mean natural gas conserved as a result of the implementation of the Act.

Section 5 would authorize the Secretary of Treasury to make loans to authorized administrative authorities for the purpose of enabling the authorities to reloan the money to building owners to carry out the specified energy conservation investments. The terms of the Treasury loans would not exceed twenty five years and would bear an interest rate determined by the Secretary of Treasury at either (A) a rate for each fiscal year (or portion thereof) during which such loan is outstanding, equal to the average annual interest rate on all interest-bearing obligations of the United States forming a part of the public debt at the end of the most recent fiscal year preceding the year to which the rate applies, or (B) a rate for all fiscal years (or any portion of a fiscal year) during which such loan is outstanding equal to the annual average rate estimated by the Secretary of Treasury for all interest-bearing obligations of the United States which may form a part of the public debt during the term of such loan, adjusted to the nearest one-quarter of one percent, plus threequarters of one percent for administrative expenses.

Section 6 would require the States to submit a plan for implementing the policy of this Act including the designation of energy auditors and authorized administrative authorities. There is evidence that an insufficient number of qualified State and local officials are now available to serve as energy auditors. The bill recognizes that several different agencies, energy suppliers and other private individuals are qualified to conduct energy audits and that the States are in the best position to make final judgments on matters. However, considerable controversy has developed over the role that utilities and other distributors of heating fuels should play in the implementation of this kind of energy conservation program. The bill insures that energy suppliers, to the extent they become involved in energy audits, with their own customers. For work only purposes of servicing the loans, the States could designate any public agencies, as well as banks and gas or electric utilities. The loan servicing function would be ministerial and not likely to confer a competitive advantage on one energy supplier over another.

would require the authorized administrative authorities receiving loans from Treasury to reloan the funds upon proper application to the owners of buildings covered by the Act. The purpose of the loans would be to enable the building owners to retrofit their buildings in compliance with the insulation and heating system improvement standards established by the bill. The terms of the loans to the building owners would be similar to the terms of the loans from Treasury to the authorized administrative authorities.

Section 8 of the bill sets forth the insulation and heating system improvement standards. The insulation standards applicable to a building for purposes of the Act would be the same insulation standards applicable to the same building under State or local law, or the performance standards developed pursuant to the Energy Conservation and Production Act (ECPA), as modified by HUD to apply to existing buildings, whichever provides for the greater amount of energy savings. The ECPA recognizes that enery savings can be achieved in several ways. Homeowners should be given a degree of flexibility in determining how best to achieve energy conservation. The Secretary also would be authorized to develop standards for heating system improvements for purposes of the Act in consultation with the Administrator of FEA. The bill recognizes that there are several technological improvements available for increasing the energy efficiency of heating systems, particularly in the case of oil heat systems Many are commercially available today and others are likely to become so during the life of the program. The bill also recognizes that, in some cases, older, less efficient furnaces should be replaced by highefficiency furnaces. However, the Secretary would be required to determine that the equipment changes will result in measureable energy savings before making funds available for financing equipment purchases.

Section 9 would provide authority to the Secretary to designate persons to carry out energy audits. The designated energy auditor would assist owners in determining how the building for which loan funds are to be made available may be made to meet energy per-

formance standards.

Section 10 would give authority to the Secretary to schedule the implementation of this Act among regions of the United States, taking into consideration the amount of energy savings which would result from the retrofitting of the buildings in the respective regions and the inflationary impact of such implementation. The Secretary would be authorized to designate the Governor of a State, or his designee to be an authorized administrative authority. In any State or portion thereof where the Governor or his designee was unable or unwilling to comply with the program guidelines, the Secretary of HUD would serve as the authorized administrative authority for such State or portion thereof.

Section 11 would establish in the Treasury an energy conservation investment program fund as a revolving fund. Money in the fund not needed for current operations could be invested in direct obligations of, or obligations which are fully guaranteed as to principal and interest by, the United States or any agency thereof. Section 11 also would authorize the appropriation of such sums as would be necessary to carry out the Act. Section 12 would provide a "finders-keep-

ers" rule for natural gas conserved, through the implementation of this energy conservation program. This section would enable State commissions to allocate the conserved gas to any end use provided that such gas is applied first to existing residential customers, existing small commercial customers, and existing industrial customers with non-

substitutable natural gas requirements.
Section 13 provides for a report to Congress not later than six months from the date

The Secretary, after consultation with the Administration of FEA and the Secretary of Treasury, shall transmit to the Congress recommendations with respect to exacting penalties for non-compliance with this act. Such recommendations shall include but not be limited to:

The nature and size of potential penalty provisions.
(2) The date of their implementation.

(2) The date of their implementation.
(3) The effect of a federal excise tax on the use of fossil fuels at the point of combustion when such fuels are consumed directly

or indirectly for the heating of buildings

covered by provisions of this Act.

(4) Establishment by state public utility commissions of a two tier price structure whereby owners of buildings not in compliance with the provisions of this Act pay the replacement cost of their heating energy source while owners of buildings in compliance with this Act pay the average cost of the energy supplied.

The capability of state public utility commissions to administer penalties.

(6) The comparative effectiveness of a

general federal excise tax.

(7) Structural differences in multi-family residential buildings which may require additional forms of assistance and/or penalties.

Adequacy and qualifications of the labor force for conducting energy audits for the purpose of enforcing this Act.

(9) Impact of existing energy conserva-tion policies on the supply of insulating materials and heating system equipment.

> By Mr. HASKELL (for himself, Mr. HART, Mr. BROOKE, and Mr. CHURCH) :

S. 1305. A bill to amend the Small Business Act to authorize the making of economic injury disaster loans in certain extraordinary circumstances without a disaster declaration and for other purposes; to the Select Committee on Small Business.

Mr. HASKELL, Mr. President, the bill which I am introducing today with my distinguished colleagues, Senator BROOKE of Massachusetts, Senator HART of Colorado, and Senator Church of Idaho will bring needed relief to areas suffering from disastrous conditions but which have not been declared disaster areas.

The Small Business Administration now has a long-term, low-interest loan program which is triggered when the President, the Secretary of Agriculture. or the Administrator of the SBA declares a disaster. Small firms which have lost business because of a declared disaster can apply to the SBA for loans to cover these losses at a rate of 6% percent for a term of up to 30 years.

However, the present program provides no relief to companies which suffer severe economic injury from calamitous circumstances which not followed by a disaster declaration.

The President, the Secretary of Agriculture, and the Administrator of the SBA generally exercise considerable restraint in making disaster declarations. And well they should. To do otherwise would dilute the impact of such declarations. Disaster declarations trigger a series of relief measures under the Disaster Relief Act of 1974. Since the act is tailored to large-scale disasters, the very magnitude of the relief efforts involved frequently discourages disaster declarations. As a result, small businesses which are in serious financial trouble frequently find no relief from the SBA.

We had just such a case in Colorado this winter. Since our snowfall was well below normal, large numbers of small business in some of the hard-hit ski areas suffered severe economic injury. But since no physical damage resulted from the snow drought no one would, or could, declare a disaster.

According to the Colorado ski association, Colorado Ski Country U.S.A., skier days will be off 35 percent this year.

During January, one of the peak months of the ski season and the only one for which we have hard statistics, the town of Aspen experienced a 33-percent decline in total revenues. Revenues in Crested Butte were off 30 percent and in Telluride, 50 percent.

The ski industry and most ski towns depend on about 4 months of revenue to carry them through the year. When these crucial months do not produce, businesses begin to experience severe cash flow problems. Banks start talking about foreclosures and the entire economy of a

region declines.

While this bill has the strong support of the ski area States it has no regional bias. States which have coastal resorts would also stand to benefit from this legislation. It would, for example, help in the case of an oil spill too small to trigger a disaster declaration but large enough to cause a significant drop in beachrelated business.

The SBA now has authority to make economic injury loans in a number of disastrous circumstances ranging from accidents involving toxic substances to base military closings and energy shortages. These are special statutory programs which do not require disaster declarations. Our bill allows the SBA Administrator, in consultation with the Governor of the affected State to channel money into a hard-hit industry or region without waiting for Congress to react with specialized legislation as it has so often in the past.

In summary, Mr. President, our bill would allow 30-year small business loans at an interest rate of 65% percent even where no disaster has been declared providing the SBA Administrator has determined that without such loans, a significant number of businesses would failfail outright or fail for years to return to their former level or operation.

We have set a limit of \$100,000 per firm for these loans and we require that the proceeds from the loans not be used to reduce the exposure of other lenders. This last provision is designed to prevent by statute a practice which the SBA now prevents by regulation. We certainly do not want public funds used to pay off banks and thus have the SBA assume a portfolio of bad loans. We do want to encourage banks which have lent up to a level which they consider prudent to share the risk of a difficult loan and thus help a small business through its difficult period.

Mr. BROOKE. Mr. President, I am proud to be the cosponsor of Senator HASKELL's bill which in essence opens disaster assistance for small businesses which have previously been denied assistance in spite of the fact that dreadful and surprising events, beyond their control has devastated their commerce. It has long been my belief that we have written all of our current disaster assistance legislation far too rigidly. Only certain kinds of natural disasters qualify individuals and businesses for the special and instantaneous assistance which is so often needed in an emergency situation. Many cataclysmic events such as, oil spill damage like that which threatened the shores of Massachusetts this winter and devastated parts of the Delaware River shores, extreme weather conditions, like the ice that locked New England fishermen into their harbors all winter, or the drought that affected winter resort business in the West and vast numbers of agricultural concerns, or finally, even social and political events like the Indian land claims suits in Mashpee, Mass., and elsewhere which effectively ended normal economic activity in the beleaguered town. All of these, in so far as their effects are evident, are disasters, yet no special help has been available to those afflicted.

I believe that, although the Government cannot foresee every circumstance, we must write our laws to be so flexible as to provide support to make families and businesses viable again when catastrophe of any kind strikes. In early March I recommended that the small business community move in this direction. Senator HASKELL has been very helpful to me and my staff in designing legislation to provide emergency small business assistance to the town of Mashpee as well as to other enterprises in communities suffering similar economic injuries. Today I am pleased to join him in the major redefinition he proposes of economic injury. I believe we can write this law to be sufficiently flexible to cover a variety of circumstances without imposing any undue cost on the American taxpayer. Indeed, economically injured persons assisted under this act are really being helped as a kind of investment in a continuing healthy economy. It is my hope that before any further catastrophe affects any town or area the Congress of the United States can enact this important change into law.

By Mr. HASKELL:

S. 1306. A bill to provide temporary authority to the Administrator of the Small Business Administration to facilitate water conservation practices and emergency actions to mitigate the impacts of the 1976-77 drought; to the Select Committee on Small Business.

Mr. HASKELL. Mr. President, it is with great pleasure that I introduce, at President Carter's request, the Small Business Emergency Drought Assistance

Loan Act of 1977.

As chairman of the Small Business Subcommittee on Financing, Investment, and Taxation, I have taken a keen interest in the various SBA disaster relief programs. I have introduced legislation (S. 832) to reduce interest rates on disaster loans.

Today I am introducing legislation authorizing the Small Business Administration to make economic injury loans without a formal disaster declaration. This will be important legislation for ski area and coastal States.

Mr. President, I commend President Carter for having the foresight to promote this vital legislation. I will do everything within my power to see that the legislation moves quickly through the Small Business Committee and I shall strongly support it on the Senate floor. Markup in the Small Business Committee on these various bills will begin at 10 a.m., Thursday, April 21, in room 424. I ask unanimous consent that the ex-

I ask unanimous consent that the explanation of the bill be printed in the

RECORD.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

STATEMENT OF NEED AND PURPOSE

The President's March 23 message to Congress outlined the severe effect of the prolonged drought which poses a serious threat to the livelihood of countless farmers, ranchers and businessmen. Certainly, SBA intends to do everything possible to assist small business concerns in drought disaster areas.

The Small Business Administration's Emergency Drought Disaster Loan Program is to be established as part of a coordinated, multi-agency Presidential initiative to facilitate water conservation practices and to provide immediate relief from the impact of the

1976-77 drought.

The program will provide emergency drought assistance loans at a 5 percent rate for a period of up to 30 years to assist small business concerns to overcome the impact of actual or prospective economic injury suffered as a result of drought. Eligibility requires an actual or expected decrease in business activity of at least 20 percent below normal levels.

Small business concerns currently-designated drought disaster areas covering some 26 states will become eligible for emergency drought assistance. In addition, any areas to be designated by the President, the Secretary of Agriculture or the Administrator of the Small Business Administration will also become eligible for emergency drought assist-

Emergency loan applications may not be accepted after September 30, 1977. Funds for drought disaster assistance under the Act must be committed before October 1, 1977. Project measures authorized under this bill must be completed by November 30, 1977, unless due to special circumstances the Administrator makes an exception.

An additional \$50 million appropriation is being requested to fund this new program.

By Mr. THURMOND:

S. 1307. A bill to amend title 38 of the United States Code to deny veterans' benefits to certain individuals whose discharges from service during the Vietnam era under less than honorable conditions are administratively upgraded under temporarily revised standards to discharge under honorable conditions; to the Committee on Veterans' Affairs.

Mr. THURMOND. Mr. President, on March 29, I presented to this body my views on President Carter's proposal to upgrade the less-than-honorable discharges of former service members of the Vietnam war era. I do not wish to restate my views on the President's program at this time. Suffice it to say that I strongly oppose the proposal because it denigrates the quality of the discharges of millions who served honorably in Vietnam and did what simple duty dictated.

One important aspect of the new discharge review program under the relaxed standards, however, needs to be addressed now and should be dealt with expeditiously by this body. The question presented is whether the upgrading of a former service member's discharge under the administration's relaxed standards should, ipso facto, qualify that individual for yeterans benefits under title 38.

Surely it cannot be the intention of the administration that compassion should be stretched to this extent. In my estimation, the conferral of veterans benefits upon individuals whose entitlement to them has been acquired under standards lower than that required of the remainder of our veterans population who served honorably is not compassion at all, but rather the reckless and uninhibited dishing out of benefits to those not entitled to them.

Another important factor in granting automatic veterans entitlements to this class of individuals is the cost involved. Under the revised review program, more than 435,000 former service members will be eligible to apply to the Review Board to upgrade an undesirable or general discharge. How many of these would ultimately qualify for veterans benefits is uncertain. The Veterans' Administration, however, has estimated the cost of readjustment, compensation, and pension benefits for each additional 100,000 veterans in fiscal year 1978 at \$112 million and medical care costs at \$21 million. The total cost estimate per additional 100,000 veterans for fiscal years 1979-82 would amount to \$418 million.

Mr. President, one seldom thinks of compassion as an emotion which can be reduced to quantifiable terms. Granting automatic entitlement to veterans benefits as a result of the upgraded discharges under the relaxed standards, however, would present two anomalies to this rule. Such a gesture of compassion would result in millions of the taxpayers' dollars being expended upon undeserving individuals. Another measurable aspect of such compassion would be seen in the numbers of those in the future who might fail to respond to the lawful directives of their military superiors during a time of war or national emergency upon the realistic expectation that they would receive compassionate consideration for their transgressions.

Mr. President, the bill which I now introduce does not deny veterans entitlements to anyone who could have qualified prior to the administration's introduction of the relaxed standards for upgrading discharges. It merely says that all veterans must meet the same standards. I think that this bill provides for the continuation of the observance of a standard that is eminently fair and hope that it will receive full support from my colleagues.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1307

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3103 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"(e) Any individual who was discharged from the military under less than honorable conditions, and who received an honorable or general discharge as the result of revised standards for review of discharges as implemented April 5, 1977, by the Department of Defense's special discharge review program, shall be precluded from benefits under laws administered by the Veterans' Administration solely by virtue of the discharge awarded under the revised standards of the special discharge review program. This subsection shall not preclude—

"(i) an individual from entitlements accorded that individual pursuant to the discharge held at the time of review under the Department of Defense's special discharge

review programs, nor

"(ii) an individual who would have been eligible, prior to the implementation of the Department of Defense's special discharge review program, from applying to the Administrator of Veterans' Affairs for a determination of the character of that individual's service for the purpose of determining entitlement to benefits under Veterans' Administration regulations in effect April 1, 1977."

By Mr. DOLE:

S. 1308. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Glen Elder unit of the Pick-Sloan Missouri Basin program, Kansas, and for other purposes; to the Committee on Energy and Natural Resources.

REAUTHORIZATION OF GLEN ELDER IRRIGATION UNIT

Mr. DOLE. Mr. President, I am introducing today a bill to reauthorize the Glen Elder irrigation unit in Kansas, as part of the Pick-Sloan Missouri Basin program. Under the provisions of Public Law 88–442, congressional reauthorization is required for all such projects initially authorized as integral parts of the Pick-Sloan program in 1944.

I believe the time has clearly arrived for us to get this important irrigation project underway. Feasibility studies began in 1968, and the Bureau of Reclamation is about to complete long-term water supply studies on the Solomon River basin. As one of my constituents has so aptly stated, the Glen Elder irrigation unit proposal "has been studied to death." The simple fact of the matter is that severe economic pressures in the surrounding agricultural area, due to increasing costs of production and low cash grain crop prices, necessitate a more efficient means of production at the earliest possible time. This improved irrigation plan should serve that need well.

A COMMENDABLE PLAN

The Bureau of Reclamation has drawn up a reasonable plan for the irrigation unit. The Bureau proposes to construct a canal with underground pipe laterals and sublaterals to convey water from the existing Glen Elder Reservoir to approximately 30,000 acres of irrigable land in the surrounding region. Situated on the Solomon River in north-central Kansas, the irrigation facility would benefit residents of Mitchell, Cloud, and Ottawa Counties. It is my understanding that support for the project is strong among

area residents. Over 65 percent of the qualified landowners representing 70 percent of the land area have indicated

support for the project.

The economic character of the proposal is favorable. According to the Kansas reclamation representative of the U.S. Bureau of Reclamation, the benefits generated by the Glen Elder unit have been calculated to exceed the costs by a ratio of 1.15 to 1. He has also established that any costs of irrigation development in excess of the irrigator's ability to repay would be repaid by revenues from the Pick-Sloan Missouri Basin program power revenues.

STATE AUTHORIZATION

Mr. President, in November of 1976, the chief engineer of the Kansas Division of Water Resources issued a permit authorizing the organization, incorporation, and establishment of the Glen Elder irrigation district. At the same time, he approved an application to proceed with construction of the project.

It appears that most of the preliminary groundwork has been laid, and it remains for both the house and Senate Committees on Natural Resources to review the proposal and recommend reauthorization of Federal participation in the plan. At that point, necessary construction appropriations can be requested.

I suggest that we proceed with all deliberate speed in moving through these stages so that the benefits of this irrigation unit can be realized at an early date. A companion bill, H.R. 1529, has been introduced in the House.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1308

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Glen Elder unit, heretofore authorized as an integral part of the Pick-Sloan Missouri Basin program by the Act of December 22, 1944 (58 Stat. 887, 891), is hereby reauthorized as part of that project. The construction, operation, and maintenance of the Glen Elder unit for the purposes of providing water supply, fish and wildlife conservation and development, public outdoor recreation and other purposes shall be prosecuted by the Secretary of the Interior in accordance with the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 388, and Acts amendatory thereof or supplementary thereto). The principal features of the Glen Elder unit, which will utilize water supplies of the existing Glen Elder Dam and Waconda Lake, shall include the Solomon Canal, laterals, drains, and necessary facilities to effect the aforesaid purposes of the unit.

SEC. 2. The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the Glen Elder unit shall be in accordance with the Federal Water Project Recreation Act (79 Stat. 213), as amended.

SEC. 3. The Glen Elder unit shall be integrated physically and financially with the other Federal works constructed under the comprehensive plan approved by section 9 of the Flood Control Act of December 22,

1944 (58 Stat. 887, 891), as amended and supplemented. Repayment contracts for the return of construction costs allocated to irrigation will be based on the irrigator's ability to repay as determined by the Secretary, and the terms of such contracts shall not exceed 50 years.

SEC. 4. For a period of ten years from the date of enactment of this Act, no water from the unit authorized by this Act shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938 (52 Stat. 31, 41), as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 5. The interest rate used for computing interest during construction and interest on the unpaid balance of the reimbursable cost of the Glen Elder unit shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction of the unit is commenced, on this basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for fifteen years from date of issue

callable for fifteen years from date of issue. SEC. 6. There is hereby authorized to be appropriated for construction of the Glen Elder unit the sum of \$55,000,000 (January 1975 price levels), plus or minus such amounts, if any, as may be justified by reason of changes in construction costs as indicated by engineering cost indexes applicable to the types of construction involved and, in addition thereto, such sums as may be required for operation and maintenance of the works of said area.

By Mr. HASKELL:

S. 1309. A bill to amend title 28, United States Code, to provide more effectively for bilingual proceedings in all district courts of the United States, and for other purposes; to the Committee on the Judiciary.

Mr. HASKELL. Mr. President, the fifth amendment to our Constitution provides that—

No person shall . . . be deprived of life, liberty, or property without due process of law.

Today I am introducing legislation that will move our judicial system closer to that well respected principle. My bill, the Bilingual Courts Act of 1977, is designed to insure simultaneous translation of all courtroom proceedings for non-English-speaking people in U.S. courts. It is similar to the bill passed by the Senate last year.

The bill will add a new section 1827 to title 28 of United States Code, specifying the method for certification of qualified interpreters and outline the requirements for availability of appropriate equipment and facilities. Upon the finding by a judge of either of two situations translation of all or part of a proceeding would be mandatory. First would occur when the judge determines that the plaintiff or defendant does not speak and understand the English language and

the second would occur if during the proceeding a non-English-speaking witness appeared.

There is no need to recount the advantages this country has had with the hard work, determination and intelligence of our citizens who were born in other countries. They came for the advantages provided by our form of government and for the freedoms under the Bill of Rights. We have an obligation to prevent even the hint of an infamous "Kafka like" situation in our courts. We have an obligation to guarantee in our courts the rights we insist upon in the human rights documents we sign with other countries.

Mr. President, I am hopeful that the Senate will see fit to again this year provide rapid approval of this bill and that the House of Representatives will send this bill on to the President for his approval.

By Mr. DOLE:

S. 1310. A bill to provide for the use of telecommunication devices by the Senate and the House of Representatives to enable deaf persons and persons with speech impairments to engage in toll-free telephone communications with Members of the Congress; to the Committee on Rules and Administration.

TELETYPEWRITERS FOR THE DEAF

Mr. DOLE. Mr. President, it has become a yearly tradition for me to recognize the date of April 14, which is the anniversary of the day during World War II when I joined the handicapped community. I take this opportunity each year to focus attention upon the needs and concerns of the handicapped community. Because the Senate was not in session this year on April 14, today I would like to focus on this topic, and to consider some of the needs of the deaf and hearing impaired.

TTY BILL

Today I am pleased to introduce a bill which would establish a toll-free teletypewriter device in the Capitol to enable deaf constituents to have telephone communications with their Senators and Congressmen. I understand that Congressman Koch is introducing a similar bill in the House today. Hearing persons may telephone their elected officials to talk about a problem or discuss certain legislation, but because the deaf cannot use the normal telephone service, they are not allowed this opportunity. However, with the development of the teletypewriter-or TTY as it is usually called—the deaf need not be denied this service any longer.

THE DEAF POPULATION

Through my work with the handicapped, I have gained a special appreciation for the unique problems encountered day in and day out by persons with some type of hearing impairment. In most instances, these persons are cut off from communicating with the world around them. Very rarely does a person with normal hearing take the trouble to understand what it is like to be deaf and

to be totally shut off from all forms of oral communication.

Few people have the interest to learn sign language, and many do not even have the patience to write the conversation out by hand if the deaf person is not skilled at lip reading.

It is estimated that 1.85 million Americans are deaf. An additional 4.8 million persons have a significant bilateral hearing impairment, making a total of 6.7 million Americans who find it impossible or extremely difficult to communicate by telephone. To compensate for this, the teletypewriter device has been developed for use in lieu of the standard telephone, thus allowing the hearing impaired to enjoy the benefits and pleasures of telephonic communication.

With a teletypewriter, the deaf person can "talk" with other deaf persons, or with the general public. When using a TTY, one party types the message, which is converted into impulses. At the receiving end, these impulses are converted into signals and transmitted onto a screen in written form.

COST AND NUMBERS OF TTY'S

There are approximately 10,000 TTY machines in use throughout the country. Some are individually owned. Others are owned and operated by schools, churches, hospitals, or public service organizations. Now, we propose to have one operated by the Congress, where messages would be received and relayed on to the proper office in much the same way as a telegram is delivered. However, the TTY is more satisfactory than a telegram for it permits immediate, continuing teletype communication.

The cash outlay for such a machine is not large. TTY's range in cost from \$50 for a rebuilt model to \$1,500 for a deluxe edition which will print out the message and which has a built-in re-

cording and answering service. TTY'S IN THE GOVERNMENT

Ours will not be the first TTY operated by the Government in Washington. The IRS, the FCC, the President's Committee on Employment of the Handicapped, the Office of Deafness and Communicative Disorders, HEW; and the National Visitors' Center have these machines. Moreover, the National Bureau of Standards and the General Accounting Office have installed TTY's for their deaf employees. I think it is inexcusable if Congress does not recognize the need for such a service and make possible this service for the hearing impaired. I see no excuse for perpetuating this oversight.

OPERATION IN THE CONGRESS

The TTY would be located in a place convenient to both the House and the Senate, as agreed to by the Speaker of the House and the President pro tempore of the Senate. I am hopeful that by providing this opportunity for the hearing impaired to share with us their needs and concerns, we as legislators will gain a better understanding of what it means to have a hearing impairment. Then, we can offer programs tailored to meet the needs of this element of our constituency.

IRONIC TWIST

Presently I have an intern in my office who happens to be deaf. He has proven himself to be a reliable, self-sufficient worker, and has made significant contributions during his time on my staff. The irony is that although he has demonstrated his ability within my office, he is unable to have even the most basic telephone communication with my office. I hope we will soon correct this situation so that Scott Haun and others with his disability will become able to telephone congressional offices.

BENEFITS TO OTHER HANDICAPPED GROUPS

Although the bill Congressman Koch and I are introducing today specifically benefits the hearing impaired, it should have positive effects for other disability groups as well. I believe the Congress and the public are becoming increasingly aware that in many instances, the biggest handicap one confronts is an attitudinal one. As more services such as the TTY become available to help persons with various impairments minimize the inconvenience of their disability, I am convinced that "mainstreaming" will occur, and that the handicapped will become contributing participants in our society.

By Mr. WILLIAMS (for himself and Mr. Tower) (by request): S. 1311. A bill to amend the Securities and Exchange Act of 1934 to authorize specified amounts to be appropriated for the Securities and Exchange Commission for fiscal years 1978-80; to the Committee on Banking, Housing and Urban Affairs.

Mr. WILLIAMS. Mr. President, at the request of the Securities and Exchange Commission, the distinguished Senator from Texas (Mr. Tower) and myself are introducing a bill authorizing appropriations to that agency for fiscal years 1978

through and including 1980.

The Subcommittee on Securities of the Senate Committee on Banking, Housing and Urban Affairs, which I chair, plans to hold hearings on April 28, 1977, to explore the detailed justifications for the requested funds. This bill will provide a logical starting point for our deliberations. With the understanding that we are in no way bound by the funding levels appearing in the bill, we are privileged to introduce it at this time.

Mr. President, I ask unanimous consent that the text of the bill and the Commission's letter of transmittal be

printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 1311

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 35 of the Securities Exchange Act of 1934 U.S.C. 78a et seq.) is amended by striking the words "and not to exceed \$56,500,000 for the fiscal year ending September 30, 1977. For fiscal years succeeding the 1977 fiscal

year, there may be appropriated such sums as the Congress may hereafter authorize by law." and inserting in their place the following: ", \$56,500,000 for the fiscal year ending September 30, 1977, \$64,000,000 for the fiscal year ending September 30, 1978, \$70,-000,000 for the fiscal year ending September 30, 1979 and \$75,000,000 for the fiscal year ending September 30, 1980. For fiscal years succeeding the 1980 fiscal year, there may be appropriated such sums as the Congress may hereafter authorize by law".

> WASHINGTON, D.C., February 2, 1977.

Hon. WALTER F. MONDALE, President of the Senate, U.S. Senate, Washington, D.C.

DEAR MR. PRESIDENT: On behalf of the Securities and Exchange Commission I herewith transmit to you the attached draft legislation, which the Commission suggests be enacted.

The legislation would provide for Commission budget authorizations to a maximum of \$64 million in fiscal 1978, \$70 million in fiscal 1979, and \$75 million in fiscal

The budget authorization provided the Commission for fiscal 1977 by the Securities Acts Amendments of 1975 is \$55 million, and the Commission has recently requested an increase in such authorization to \$58 million.

The increased authorizations requested for the next three fiscal years are not based upon any expansion of the Commission's personnel. In fact, they assume a slight decrease in personnel for fiscal 1978 and approximately level employment for the next two years. The increases are instead based on the expected impact of mandatory salary increases, other cost increases incurred as a result of inflation, and expenses to be incurred in completing the modernization of the Commission's information systems. It is the latter improvement, involving principally a switch to micrographic filing and better computer system, that permits us to assume that we will be able to maintain a fairly constant personnel ceiling in the face of increasing regulatory responsibilities.

A copy of the proposed legislation has been transmitted to the Office of Management and Budget for informational purposes.

Sincerely,

RODERICK M. HILLS, Chairman.

By Mr. MATSUNAGA (for himself and Mr. INOUYE):

S.J. Res. 47. A joint resolution relating to the publication of economic and social statistics for Americans of East Asian or Pacific Island origin or descent: to the Committee on Government Affairs.

INCLUSION OF CERTAIN ECONOMIC AND SOCIAL STATISTICS FOR ASIAN AND PACIFIC ISLAND

Mr. MATSUNAGA. Mr. President, I am introducing today legislation which will improve the enumeration and data collection procedures to be used in future census surveys with respect to Asian and Pacific Island Americans. It is similar in function and intent to House Joint Resolution 92, now Public Law 94-311, which provides for the publication of certain economic and social statistics for Spanish Americans.

My proposal would require the Departments of Agriculture, Commerce, Labor, and Health, Education, and Welfare to gather and publish regularly reliable social and economic statistics on Asian and Pacific Island American ethnic groups for those States with localities containing significant populations of such American ethnic groups. These States would include but would not be limited to Hawaii, Alaska, California, New York, Washington, and Illinois.

This legislation would also encourage the Bureau of the Census to establish a permanent formal advisory committee for Asian and Pacific Island Americans, which would be similar to the black and Spanish advisory committees already established in the Bureau of the Census. This Asian and Pacific Island American Advisory Committee would be representative of the ethnic, geographic, economic, and professional distribution of the Asian and Pacific Island American population. It would be authorized to make specific recommendations to the Bureau of the Census with regard to amending data collection and enumeration procedures effective at the earliest practical date.

Currently, a temporary Asian and Pacific Island American Advisory Committee has been established by the Bureau of the Census for the purposes of providing input on the design and implementation of the 1980 census. However, this temporary advisory committee was established only after considerable pressure was exerted on the Census Bureau by myself, my colleague Senator Inouye and former

Congresswoman Patsy Mink.

Mr. President, in Hawaii, Alaska, California. New York, Illinois, and a few other States, there is a real problem of identifying the population and detailed characteristics of the Asian and Pacific island American ethnic groups. In Hawaii, for example, census data are tabulated on the basis of "white," "black," "Spanish speaking," and "others." However, the tabulations have shown that in Hawaii, there are 39 percent white, less than 1 percent black, and the rest, over 60 percent, are "others, which makes the third category meaningless for all but the most general planning purposes in Hawaii. We find that we are at quite a disadvantage in trying to request and implement funding from various Federal programs due to the lack of detailed census data for Asian and Pacific island Americans in Hawaii. The problem for other States such as California, New York, Illinois, and Washington is not as definitive. However, the nonenumeration of data relating to Asian and Pacific island Americans in the other States remains a significant problem for these ethnic groups.

Currently, the U.S. Bureau of the Census does not publish a single volume of census data for general distribution which provides accurate, detailed characteristics on Asian and Pacific island Americans by local planning areas such as census tracts, places of 2,500 to 10,000 in population, or by counties for any State in the Union. However, it is my understanding that such detailed census data on at least the major Asian and Pacific island ethnic groups are collected by the Bureau of Census in its regular

decennial census. Such detailed characteristics are essential for the proper delineation of certain social, cultural, economic, health, and other problems, which in many instances are endemic to Asian and Pacific island ethnic groups. Furthermore, in view of the dramatically increased immigration to the United States from Asia in the last 20 years, particularly from Korea, the Philippines, South Vietnam, and Laos, and from American Samoa, such delineation is critical to the appropriate allocation of Federal. State, and local resources to meet this new and increasing demand for services. The 1970 census tabulations have indicated a general population of 2.25 million Asian and Pacific island Americans in the United States. However, reliable estimates project a doubling of that population by 1980 due to the heavy influx of Asian and Pacific island immigrants to the United States since 1970.

Available data for large cities, standard metropolitan statistical areas, and large geographical regions of the country have outlined in rough figures the needs of Asian and Pacific island American population in the United States with respect to their elderly, their occupational status and rates of unemployment, their health, welfare, housing, and educational status, and their need for bilingual community services. The needs for such services by Asian and Pacific island American communities are proportionally comparable to the needs of the black and Spanish communities in the United States. However, Asian and Pacific island American ethnic groups are unable to obtain adequate assistance from Federal, State, and local social service programs due to the absence or incompleteness of planning data on which they must base their request for such services.

In addition, it is my understanding that for a number of reasons, previous censuses did not adequately tally the total populations of the nonwhite ethnic groups in America, including the Asian and Pacific island American ethnic groups. This underenumeration must be corrected in the 1980 census in order to provide for a more equitable and appropriate distribution of Federal, State, and local resources, much of which is allocated on a population formula basis to segments of the American population known to be in great need of such services; namely, our ethnic minorities.

Mr. President, I understand that proposed revisions in the enumeration and data collection procedures used in the 1970 census are currently being tested by the Bureau of the Census for the purposes of the 1980 census. I understand further that revision of the Bureau's computer programing for data collection and enumeration on the 1980 census will be completed in the spring of 1977, at which time the programing will be "locked in" preventing any further revisions. The need for consideration and passage of this legislation in the 95th Congress is therefore critical to the Asian and Pacific island American community.

I strongly urge my colleagues to consider thoughtfully my proposal and work for its passage in the 95th Congress.

Mr. President, I ask unanimous consent that the text of my proposal be

printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 47

Whereas more than two and one-quarter million Americans identify themselves as being of East Asian or Pacific Island background and trace their origin or descent from the East Asian Continent or the Pacific Islands; and

Whereas these Americans of East Asian

Whereas these Americans of East Asian or Pacific Island origin or descent have made significant contributions to enrich American society and have served their Nation well in

time of war and peace; and

Whereas a large number of Americans of East Asian or Pacific Island origin or descent suffer from racial, social, economic, and political discrimination and are denied the basic opportunities they deserve as American citizens and which would enable them to begin to lift themselves out of the poverty many of them now endure; and

Whereas improved evaluation of the economic and social status of Americans of East Asian or Pacific Island origin or descent will assist localities, States, the Federal Government and private organizations in the accurate determination of the urgent and special needs of Americans of East Asian or Pacific

Island origin or descent; and

Whereas the provisions and commitment of local, State, Federal and private resources can only occur when there is an accurate and precise assessment of need: Now, therefore, be it.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Department of Labor, in cooperation with the Department of Commerce, shall develop methods for improving and expanding the collection, analysis, and publication of labor force characteristics relating to Americans of East Asian or Pacific Island origin or descent for those States with localities containing significant populations of East Asian or Pacific Island Americans.

SEC. 2. The Department of Commerce, the Department of Labor, the Department of Agriculture, and the Department of Health, Education, and Welfare shall each collect, and publish regularly, statistics which indicate the social, health, and economic condition of Americans of East Asian or Pacific Island origin or descent for those States with localities containing significant populations of East Asian or Pacific Island Americans.

SEC. 3. The Director of the Office of Man-

SEC. 3. The Director of the Office of Management and Budget, in cooperation with the Secretary of Commerce and with the heads of other data-gathering Federal agencies, shall develop a Government-wide program for the collection, analysis, and publication of data with respect to Americans of East Asian or Pacific Island origin or descent for those States with localities containing significant populations of East Asian or Pacific Island Americans.

SEC. 4. The Department of Commerce, in cooperation with appropriate Federal, State, and local agencies and various population study groups and experts, shall immediately undertake a study to determine what steps would be necessary for developing creditable estimates of undercounts of Americans of East Asian or Pacific Island origin or descent for States with localities containing significant populations of East Asian or Pacific Island Americans.

SEC. 5. The Secretary of Commerce shall in-

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sure that, in the Bureau of the Census datacollection activities, the needs and concerns of the East Asian or Pacific Island origin population are given full recognition through the use of East Asian or Pacific Island lan-guage questionnaires, bilingual enumerators, and other such methods as deemed appropriate by the Secretary for States with localities containing significant populations of East Asian or Pacific Island Americans.

SEC. 6. The Department of Commerce shall implement an affirmative action program within the Bureau of the Census for the employment of personnel of East Asian or Pacific Island origin or descent and shall submit a report to Congress within one year of the enactment of this Act on the progress of such program.

ADDITIONAL COSPONSORS

S. 247

At the request of Mr. GOLDWATER, the Senator from Montana (Mr. METCALF) was added as a cosponsor of S. 247, a bill to provide recognition to the Women's Air Forces Service Pilots for their service to their country during World War II by deeming such service to have been active duty in the Armed Forces of the United States for purposes of laws ad-ministered by the Veterans' Administra-

S. 297

At the request of Mr. Packwoon, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 297, a bill to require greater inspection of imported meat and dairy products and to require that they be labeled.

At the request of Mr. MATSUNAGA, the Senator from Maryland (Mr. SARBANES), the Senator from Montana (Mr. MEL-CHER), and the Senator from New Hampshire (Mr. McIntyre) were added as cosponsors of S. 310, a bill relating to the medicare and medicaid programs.

S. 394

At the request of Mr. CULVER, the Senator from Missouri (Mr. Eagleton), the Senator from Alaska (Mr. GRAVEL), the Senator from Rhode Island (Mr. PELL), the Senator from Texas (Mr. Tower), and the Senators from Kentucky (Mr. Huddleston and Mr. Ford) were added as cosponsors of S. 394, the Bridge Replacement and Rehabilitation Act of 1977.

S. 457

At the request of Mr. Durkin, the Senator from New Hampshire (Mr. McIn-TYRE) was added as a cosponsor of S. 457. a bill to extend the delimiting period for completion for certain veterans and under certain conditions.

S. 517

At the request of Mr. NELSON, the Senator from Wyoming (Mr. Hansen) was added as a cosponsor of S. 517, the Federal Employees Flexible and Compressed Work Schedules Act of 1977.

S. 666

At the request of Mr. Stevens, the Senator from Montana (Mr. Melcher) was added as a cosponsor of S. 666, a bill to allow Federal employment preference to

dian Affairs, and to certain employees of the Indian Health Service, who are not entitled to the benefits of, or who have been adversely affected by the application of, certain Federal laws allowing employment preference to Indians, and for other purposes.

8. 672

At the request of Mr. HUMPHREY, the Senator from Hawaii (Mr. Matsunaga) was added as a cosponsor of S. 672, a bill to provide for the procurement by the General Services Administration of existing solar energy devices for use in Government buildings.

S. 694

At the request of Mr. KENNEDY, the Senator from North Dakota (Mr. Bur-DICK) was added as a cosponsor of S. 694, a bill to adjust the status of Indochinese refugees to that of lawful permanent residents of the United States,

S. 726

At the request of Mr. WILLIAMS, the Senator from Minnesota (Mr. Hum-PHREY) was added as a cosponsor of S. 726, the Energy Crisis Relief Act.

S. 800

At the request of Mr. Hart, the Senator from Hawaii (Mr. Matsunaga) was added as a cosponsor of S. 800, a bill to promote use of energy conservation, solar energy, and total energy systems in Federal buildings.

S. 801

At the request of Mr. McIntyre, the Connecticut Senator from Weicker) was added as a cosponsor of S. 801, a bill to amend title I of the Housing and Community Development Act of 1974 for the purpose of providing that units of general local government which are not metropolitan cities or urban counties and which are receiving grants under the hold-harmless provisions of such title shall be entitled, after fiscal year 1977, to continue to receive at least the amount to which they are presently entitled under such provisions.

S. 821

At the request of Mr. HUMPHREY, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 821, a bill to authorize the inclusion of solar energy research, development, and demonstration programs in certain agricultural programs.

S. 921

At the request of Mr. HART, the Senator from Minnesota (Mr. Anderson) was added as a cosponsor of S. 921, a bill to provide a pilot program for review of certain existing tax expenditures, and to provide for systematic review of new tax expenditures and existing tax expenditures which are continued.

S. 972

At the request of Mr. Nelson, the Senator from Michigan (Mr. RIEGLE), the Senator from South Carolina (Mr. Hol-LINGS), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Hawaii (Mr. MATSUNAGA) were added as cosponsors of S. 972, a bill to authorize the

certain employees of the Bureau of In- Small Business Administration to make grants to support the development and operation of small business development centers in order to provide small business with management development, technical information, product planning and development, and domestic and international market development.

S. 1011

At the request of Mr. ROTH, the Senator from California (Mr. HAYAKAWA) and the Senator from Louisiana (Mr. JOHNSTON) were added as cosponsors of S. 1011, a bill to amend title 18. United States Code, to prohibit the sexual exploitation of children and the transportation in interstate or foreign commerce of photographs or films depicting such exploitation.

S. 1040

At the request of Mr. Roth, the Senator from California (Mr. HAYAKAWA) and the Senator from Louisiana (Mr. JOHNSTON) were added as cosponsors of S. 1040, a bill to amend the Child Abuse Prevention and Treatment Act to prohibit the sexual exploitation of children and the transportation and dissemination of photographs or films depicting such exploitation.

At the request of Mr. HART, the Senator from Tennessee (Mr. Sasser) and the Senator from Nevada (Mr. LAXALT) were added as cosponsors of S. 1140, the Federal Aid in Nongame Fish and Wildlife Conservation Act of 1977.

At the request of Mr. Roth, the Senator from Kansas (Mr. Dole) was added as a cosponsor of S. 1126, a bill to amend and strengthen the Equal Educational Opportunity Act of 1974.

S. 1195

At the request of Mr. Durkin, the Senator from South Dakota (Mr. ABOUREZK) was added as a cosponsor of S. 1195, a bill to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced, because of in-creases in monthly social security bene-

S.J. RES. 34

At the request of Mr. GOLDWATER, the Senator from New Hampshire (Mr. Dur-KIN) was added as a cosponsor of Senate Joint Resolution 34, a joint resolution to designate the week commencing with the third Monday in February of each year as "National Patriotism Week."

S. RES. 117

At the request of Mr. Nelson, the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. Anderson), the Senator from Missouri (Mr. DANFORTH), the Senator from Kentucky (Mr. FORD), the Senator from Utah (Mr. GARN), the Senator from Minnesota (Mr. HUMPHREY), the Senator from North Carolina (Mr. Morgan), the Senator from New York (Mr. MOYNIHAN), and the Senator from Vermont (Mr. STAFFORD) were added as cosponsors of Senate Resolution 117, requesting the President to designate the week of May 22 through 28, 1977, as National Small Business Week.

SENATE RESOLUTION 139-ORIGI-NAL RESOLUTION REPORTED RE-LATING TO THE TEAMSTERS' UNION CENTRAL STATES PENSION

(Placed on the calendar.)

Mr. WILLIAMS, from the Committee on Human Resources, reported the following resolution:

S. RES. 139

Whereas in order to conduct a study of and to discharge its oversight responsibility over the investigation of allegations relating to the Teamsters' Central States Southeast and Southwest Areas Pension Fund, it is necessary for the Committee on Human Resources of the Senate to inspect and receive tax returns, and tax related matters, held by the Secretary of the Treasury; Whereas information necessary for such

study and oversight cannot reasonably be obtained from any other source; and

Whereas, under sections 6103(f) and 6104 (a) (2) of the Internal Revenue Code of 1954, committee of the Senate has the right to inspect tax returns if such committee is specifically authorized to investigate tax returns by resolution of the Senate: Now, therefore, be it

Resolved, That the Committee on Human Resources of the Senate is specifically authorized, in conducting its study and in exercising its oversight jurisdiction over the investigation of the Teamsters' Central States Southeast and Southwest Areas Pension Fund, to inspect and receive any tax return, return information, or other tax related matter, held by the Secretary of the Treasury, with respect to the Teamsters' Central States Southeast and Southwest Area Pension Fund, and any other tax return, return information, or other tax related matter held by the Secretary of the Treasury which the committee demonstrates, to the satisfaction of the Secretary of the Treasury, contains or may contain information directly relating to its study and oversight proceedings.

AMENDMENTS SUBMITTED FOR PRINTING

TAX SIMPLIFICATION ACT OF 1977-H.R. 3477

AMENDMENT NO. 190

(Ordered to be printed and to lie on the table.)

Mr. CHURCH (for himself, Mr. Dom-ENICI, Mr. HUMPHREY, Mr. CLARK, Mr. STONE, Mr. WILLIAMS, Mr. ABOUREZK, Mr. Brooke, Mr. Pell, Mr. Eagleton, Mr. HUDDLESTON, Mr. LEAHY, Mr. MELCHER, Mr. HATFIELD, Mr. KENNEDY, Mr. McIn-TYRE, Mr. EASTLAND, Mr. MATSUNAGA, Mr. BAYH, Mr. SARBANES, Mr. CHILES, Mr. CHAFEE, Mr. MATHIAS, Mr. McGovern, Mr. DeConcini, Mr. Heinz, Mr. Inouye, Mr. Anderson, Mr. Percy, Mr. Culver, Mr. RANDOLPH, Mr. JAVITS, Mr. CANNON, Mr. Jackson, Mr. Ford, Mr. Riegle, Mr. GLENN, Mr. STAFFORD, Mr. BUMPERS, Mr. WEICKER, Mr. CASE, Mr. RIBICOFF, Mr. THURMOND, Mr. SASSER, Mr. MOYNIHAN, and Mr. BIDEN) submitted an amendment intended to be proposed by them

jointly to the bill (H.R. 3477) to provide for a refund of 1976 individual income taxes and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

AMENDMENT NO. 191

(Ordered to be printed and to lie on the table.)

Mr. MOYNIHAN. Mr. President, Senator Danforth, Senator Chaffe, Senator Griffin, and I plan to offer at the appropriate time an amendment to H.R. 3477 designed to encourage investment and the creation of jobs in areas of high unemployment. I ask unanimous consent that the amendment be ordered to be printed and lie on the table, and that the text of the amendment be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 191

On page 114, between lines 5 and 6 insert the following new section:

Sec. 303. ACCELERATED DEPRECIATION ALLOW-ANCES FOR INVESTMENTS IN HIGH UNEMPLOYMENT AREAS.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

"SEC. 192. ACCELERATED DEPRECIATION ALLOW-ANCE FOR INVESTMENTS IN HIGH UNEMPLOYMENT AREAS.

"(a) ALLOWANCE OF DEDUCTION.-Every per son, at his election, shall be entitled to a deduction for depreciation on the eligible basis of any qualifying equipment (as defined in subsection (d)(2)) or the eligible basis of any qualifying facility (as defined in sub-section (d)(1)) computed on the basis of a useful life which is equal to one-half of its useful life determined under section 167. Any method of computing depreciation which is permissible for the qualifying equipment or qualifying facility under section 167 may be used in computing the deduction allowed by this subsection. The deduction allowed by this subsection with respect to any month is in lieu of the depreciation deduction with respect to such equipment or facility for that

month allowed by section 167.

"(b) ELECTION OF ACCELERATED DEPRECIA-The election of the taxpayer to compute a depreciation deduction under subsection (a) shall be made by filing a statement with the return for the taxable year in which the qualifying equipment or qualifying facility was placed in service, in such manner and in such form as the Secretary may by

regulations prescribe.

(c) TERMINATION OF ACCELERATED DEPRE-

CIATION DEDUCTION .-

'(1) TAXPAYER'S ELECTION TO TERMINATE.-A taxpayer who has elected under subsection to compute an accelerated depreciation deduction under subsection (a) with respect to any qualifying equipment or qualifying facility may, at any time after making such election, discontinue the use of this method with respect to the remainder of the adjusted basis of such equipment or facility. The discontinuance shall begin on the first day of any month specified by the taxpayer on his return for the taxable year in which such month falls. The depreciation deduction al-lowed by section 167 shall then be allowed, beginning on that specified first day, and the taxpayer shall not be entitled to any further

deduction under this section with respect to such equipment or facility.

"(2) Constructive termination.—If at any time during the period during which an election under subsection (b) is in effect any qualifying equipment or qualifying facility ceases to meet the requirements of subsection (d) of this section, the taxpayer shall be deemed to have made an election under paragraph (1) to discontinue the use of the computation method provided by this section with respect to the facility or equipment for the month following the month in which such cessation occurs.

"(d) DEFINITIONS .- For purposes of this section-

"(1) QUALIFYING FACILITY.—The term 'qualifying facility' means a building and its structural components (other than an elevator or escalator) which is of a character subject to the allowance for depreciation provided under section 167, which is located in a high unemployment area, and which constitutes a new facility, or, in accordance with regulations prescribed by the Secretary,

"(A) a distinct addition to an existing fa-

cility, or

"(B) a substantial renovation of an exist-

ing facility. "(2) QUALIFYING EQUIPMENT.—The term 'qualifying equipment' means section 38 property as defined in section 48(a), other than a qualifying facility as defined in paragraph (1), which when placed in service is located and used exclusively in a high unemployment area and which constitutes new equipment.

(3) HIGH UNEMPLOYMENT AREA.-

"(A) IN GENERAL .- The term 'high unemployment area' means an area inside an eligible standard metropolitan statistical area (hereinafter referred to as an SMSA).

'(B) BALANCE OF STATE.—For purposes of this section, all areas inside the political boundaries of a State and not in an SMSA shall be treated as an SMSA.

"(4) ELIGIBLE SMSA .-

"(A) In GENERAL .- An eligible SMSA is an SMSA which, for the three calendar years immediately preceding the calendar year in which the equipment or facility is placed in service, has an average unemployment rate of 7 percent or more of the labor force as deter-mined by the Secretary of Labor on the basis of the most reliable unemployment date.

"(B) SPECIAL RULE FOR 1977 .- For calenyear 1977, the average unemployment rate under subparagraph (A) shall be determined solely on the basis of average unem-

ployment rates for 1976.

(C) SPECIAL RULE FOR 1978.-For calendar 1978, the average unemployment rate under subparagraph (A) shall be determined

"(i) multiplying the average unemploy-

ment rate for 1976 by two;

"(ii) adding the rate determined under clause (i) to the average unemployment rate for 1977; and

"(iii) dividing the sum determined under clause (ii) by three.

"(5) SUBSTANTIAL RENOVATION.—The term 'substantial renovation' of an existing facility includes only a renovation for which the expenditures result in an increase of at least 50 percent in the adjusted basis of the facility.

"(e) ELIGIBLE BASIS .-

"(1) GENERAL RULE.—For purposes of this section, the eligible basis for any qualifying equipment or qualifying basis for any quali-fying equipment or qualifying facility is the adjusted basis (for determining gain) of such equipment or facility (or addition thereto or renovation thereof).

"(2) SPECIAL RULES .-

"(A) LATE ADDITIONS OR IMPROVEMENT.— The eligible basis of any qualifying facility with respect to which an election has been made under subsection (b) shall not be increased, for purposes of this section, for amounts chargeable to capital account for additions or improvements made more than 2 years after the taxpayer has placed the qualifying facility in service.

"(B) Nonqualifying Basis.—The depreciation deduction provided by section 167 shall, notwithstanding subsection (a), be allowed with respect to the portion of the basis which is not taken into account in applying

this section.

"(f) Special Rules for Public Utility Property.—In the case of a taxpayer who makes an election pursuant to subsection (b) with respect to public utility property (as defined in section 167(1)(3)(A)), the allowance of deductions pursuant to this section shall be considered to be a method of depreciation described in section 167(1)(2)

"(g) LIFE TENANT AND REMAINDERMAN.—In the case of any qualifying equipment or qualifying facility held by one person for life with remainder to another person, the deduction under this section shall be computed as if the life tenant were the absolute owner of the facility and shall be allowable to the life tenant.

"(h) CROSS REFERENCE .-

For treatment of certain gain derived from the disposition of property the adjusted basis of which is determined with regard to this section, see sections 1245 and 1250.".

(b) CONFORMING AMENDMENTS .-

- (1) The last sentence of section 46 (c) (2) (relating to applicable percentage) is amended by striking out the period and adding at the end thereof a semicolon and the following: "however, in the case of property for which a taxpayer makes an election under section 192, the useful life of such property shall be determined without regard to section 192."
- (2) Subsection (a) of section 57 (relating to items of tax preference) is amended—

 (A) by inserting immediately after para

graph (11) the following new paragraph:
"(12) Accelerated depreciation of qualifying equipment and qualifying facilities.—
With respect to any qualifying facility.—

"(A) for which an election is in effect under section 192, and

"(B) with respect to which subparagraph (2) or (3) does not apply,

the amount by which the deduction allowable for the taxable year under such section exceeds the depreciation deduction which would otherwise be allowable under section 167"; and

(B) by striking out "section 167(k)" in paragraph (2) and inserting in lieu thereof the following: "section 167(k) or section 192)"

(3) Subsection (a) of section 1245 (relating to gain from dispositions of certain depreciable property) is amended—

(A) by inserting before the period at the end of the last sentence of paragraph (2) a comma and the following: "and any deduction allowed under section 192 with respect to section 1245 property shall be treated as a deduction allowable for depreciation"; and

(B) by adding at the end thereof the following new paragraph:

"(5) SPECIAL RULE FOR SECTION 192 PROP-ERTY.—If in the taxable year or a prior taxable year a taxpayer has claimed a deduction under section 192(a) with respect to section 1245 property and such property is transferred from a high unemployment area (as defined in section 192(d)(3)) to an area which (for the year in which such property is transferred) does not qualify as a high unemployment area, the transfer shall be treated as a disposition referred to in paragraph (1) (B) (ii).".

(4) Subsection (b) of section 1250 (re-

(4) Subsection (b) of section 1250 (relating to definition of additional depreciation) is amended by adding at the end thereof the following new paragraph:

- "(5) SPECIAL RULE FOR SECTION 192 DE-PRECIATION.—The term 'additional depreciation' includes, in the case of any property described in section 192(d) (1), the deduction allowed under section 192(a) with respect to such property. In the case of property held for more than 1 year, the term refers only to so much of the sum of such deductions as exceed the sum of the depreciation adjustments which would have been made if such property had been depreciated on a straight line basis over its useful life (determined without regard to section 192)."
- (c) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 is amended by adding at the end thereof the following:
- "Sec. 192. Accelerated depreciation allowance for investments in high unemployment areas."
- (d) Effective DATE.—The amendment made by this section shall apply to—
- (1) qualifying equipment (as defined in section 192(d)(2) of the Internal Revenue Code of 1954) acquired pursuant to a binding order placed after February 28, 1977, and before December 31, 1982, and placed in service not later than three years after such order is placed, and
- (2) a qualifying facility (as defined in section 192(d)(1) of such Code) the construction, reconstruction, or erection of which is commenced by the taxpayer after February 28, 1977, and before December 31, 1982, placed in service not later than three years after such commencement.

AMENDMENT NO. 193

(Ordered to be printed and to lie on the table.)

Mr. HASKELL. Mr. President, the thrust of the amendment which I am submitting with my distinguished colleagues Senators Matsunaga, Humphrey, and Laxalt is very simple. We are trying to make the jobs tax section of the business stimulus title of H.R. 3477 more effective. We are raising the credit to 33 percent from 25 percent which is in the Finance Committee version. We are increasing the credit for hiring new employees from \$1,050 in the committee bill to \$1,386. We raise the revenue for this increase by placing a cap of \$100,000 per company, per annum.

A cap of \$100,000 will allow a company to hire 72 new workers. Now Mr. President there are very few companies in this country who are capable of hiring more than 72 employees above last year's base. Most, which can, will be opting for the 2-percent investment tax credit which we leave intact with our amendment. Put another way, a company with 3,500 workers could expand its employment by 5 percent and still take full advantage of our increased credit.

We want to stimulate employment. We also want to stimulate the small and medium sized sector of the business community. We have the very strong support of the national and regional small

business organizations behind our amendment. I hope that our colleagues will realize that it is better to give this employment credit a real chance to work by putting some real incentive into it than to try to spread it too thinly as the Finance Committee version does.

AMENDMENT NO. 194

(Ordered to be printed and to lie on the table.)

Mr. MATSUNAGA (for himself and Mr. Packwood) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 3477), supra.

AMENDMENT NO. 195

(Ordered to be printed and to lie on the table.)

Mr. GOLDWATER (for himself, Mr. INOUYE, and Mr. DECONCINI) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 3477), supra.

DEFENSE PRODUCTION ACT AMEND-MENTS OF 1977—S. 695

AMENDMENT NO. 192

(Ordered to be printed and referred jointly to the Committee on Banking, Housing, and Urban Affairs, and the Committee on Governmental Affairs.)

Mr. ABOUREZK submitted an amendment intended to be proposed by him to the bill (S. 695) to amend the Defense Production Act of 1950, as amended.

NOTICES OF HEARINGS

SUBCOMMITTEE ON EMPLOYMENT, POVERTY AND MIGRATORY LABOR

Mr. NELSON, Mr. President, the Senate Subcommittee on Employment, Poverty and Migratory Labor will hold 2 days of legislative hearings on April 25 and 26 to consider reauthorizing legislation for the Legal Services Corporation.

These hearings will review the activities of the Corporation since its inception in 1974 and consider legislation renewing the authorization of appropriations for the Legal Services Corporation as well as several other amendments to the Legal Services Corporation Act.

On April 25 the subcommittee will hear testimony from the Legal Services Corporation and from the American Bar Association. On April 26 the subcommittee is scheduled to hear from the National Legal Aid and Defender Association, the Project Advisory Group, the National Clients Council, and the National Council of Senior Citizens.

The hearings will begin at 9 a.m. on both days. The hearings will be held on April 25 in room 4232, Dirksen Senate Office Building, and on April 26 in room 424, Russell Senate Office Building. For further information about the hearings, contact Scott Ginsburg of the subcommittee staff at 202 224–3968.

SELECT COMMITTEE ON SMALL BUSINESS

Mr. NELSON. Mr. President, I wish to announce that the Select Committee on Small Business will hold public hearings

on S. 972, a bill to authorize the Small Business Administration to make grants to support the development and operation of small business development centers in order to provide small business with management development, technical information, product planning and development, and domestic and international market development, and for other purposes. One of the hearings will be held on April 20, 1977, beginning at 10 a.m. in room 424 Russell Senate Office Building. Chairing the hearing will be the Senator from Maine (Mr. HATHAWAY). The second hearing will be held on April 26, 1977, beginning at 11 a.m. in room S. 126 of the Capitol. Chairing the hearing will be the Senator from Oregon (Mr. Packwood).

In addition, a hearing will be held on April 27, 1977, beginning at 9:30 a.m. in room 424 of the Russell Senate Office Building regarding the Small Business Administration fiscal year 1978 authorization.

Also, a markup on S. 832, S. 1259, S. 1206 and other economic injury and disaster bills will be held on April 21, 1977 beginning at 10 a.m. in room 424 of the Russell Senate Office Building.

Further information can be obtained from the committee office, telephone 224–5175.

PRODUCT LIABILITY PROBLEMS AFFECTING SMALL BUSINESS

Mr. NELSON. Mr. President, I wish to announce that the Select Committee on Small Business will hold a public hearing on product liability problems affecting small business on April 26, 1977, beginning at 9:30 a.m. in room 1202 of the Dirksen Senate Office Building. Chairing the hearing will be the Senator from Iowa (Mr. Culver).

Further information can be obtained from the offices of the committee, room 424, Russell Office Building, telephone 224-5175.

SUBCOMMITTEE ON LABOR

Mr. WILLIAMS. Mr. President, on behalf of the Subcommittee on Labor of the Committee on Human Resources, I wish to announce a third day of hearings on S. 995, a bill to amend title VII of the Civil Rights Act of 1964 to prohibit sex discrimination on the basis of pregnancy. The hearings will commence at 9:30 a.m. on Tuesday, April 26, 1977, Wednesday, April 27, 1977, and Friday, April 29, 1977, and will be held on all 3 days in room 4232, Dirksen Office Building.

COMMITTEE ON HUMAN RESOURCES

Mr. WILLIAMS. Mr. President, I wish to announce that the Committee on Human Resources has scheduled a hearing on Friday, April 22, 1977 at 9 a.m. in room 4232 Dirksen Senate Office Building, on the nominations of Graciela Olivarez of New Mexico to be Director of the Community Services Administration and Wayne L. Horvitz of the District of Columbia to be Director of the Federal Mediation and Conciliation Service.

Persons wishing to testify or submit statements, please contact: Lisa Walker of the committee staff, room 6302.

ADDITIONAL STATEMENTS

STANDARDS STILL NEEDED

Mr. GOLDWATER. Mr. President, while the honor system at West Point still stands, the subject of its retention is still under study. I am one of those who firmly believe that it is essential to retain this system in all its basic requirements for the good of West Point and of the U.S. Army. Some interesting points on the need to retain the old standards have been supplied by a constituent of mine who wrote a very interesting letter on the subject which appeared in the Tucson newspapers. I ask unanimous consent that the letter by John B. Chickering be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the Record, as follows:

STANDARDS STILL NEEDED

Editor the Star:

A prominent United States senator has recently advocated doing away with the West Point honor system as "these multiple violations show that the system hasn't worked." I suggest that doing away with the West Point honor system will throw the baby out with the bath water; will prevent the possibility of the system's continued working, as it has worked for nearly 200 years. When U.S. presidents violate the U.S. Constitution, should the Constitution be gotten rid of? When West Pointers violate the West Point honor code, should the code be gotten rid of?

Recently, too, the secretary of the Army has reportedly decreed that honor violators at the military academy should simply be, in effect, suspended for a year, a suspension which the superintendent of the military academy has reportedly and compliantly vouchsafed "won't count." Do two wrongs make a right? Do 200? Do we really do our youth and our nation a service by such politically-rooted rationalization, which holds that wrong is right if enough commit it? More preferable seems the Lincolnian parody: "Resolve to be an honest West Pointer; but if you can't be an honest West Pointer, then resolve to be honest without being a West Pointer."

Daily on the bench I am struck by the way in which "truth will out." All of us have seen such in the wake of the "Nixon years." This truism, and even elementary historical logic, both impel the conclusion that to continue to daily with Pompeian seeds of self-destruction sown in an era of extremist permissiveness—either spawned within, or brought on by some alien fifth column without—must lead inexorably to futility at best.

Sinners we all are, but may our institutions and ideals not be dragged down by and with our human frailty. Contrariwise, may our institutions and ideals, which have stood the test of time as characterological bulwarks, abide to inspire that very frailty to achievement and realization beyond the finite human dimension.

JOHN B. CHICKERING.

COMMISSION ON MINNESOTA'S FUTURE

Mr. ANDERSON. Mr. President, in 1973 the Minnesota Legislature established the Commission on Minnesota's Future. As Governor of Minnesota, I recommended that the legislature create this commission and have followed closely its work since that time.

The findings and recommendations included in its report represent more than 3 years of work and the thoughtful consideration of the 66 members of the Commission on Minnesota's Future. I ask unanimous consent that the names of those Minnesotans who contributed their time and efforts these past 4 years to analyze the future of the State of Minnesota be printed in the Record.

There being no objection, the list of names was ordered to be printed in the Record, as follows:

LIST OF NAMES

Bruce MacLaury, Edina, Frances Naftalin, Minneapolis.

MEMBERS

Eugenie Anderson, Red Wing, Nancy Anderson, Minneapolis, Harriet Ball, St. Cloud, A. T. Banen, International Falls, Jane Belau, Rochester, Ed Bieber, Redwood Falls, Michael Blecker, Collegeville, Alla Brascugli, International Falls, Marvin Campbell, Brainerd, Elizabeth Close, Minneapolis, Roland Comstock, Minneapolis, Charmagne Cox, Bemidji, Earl Craig, Minneapolis, Roland Dille, Moorhead, Barbara Donoho, Fergus Falls, Roger Erfourth, Pine City, Al France, Duluth, Geri Germann, Sandstone, Lawrence Gervais, Cottage Grove, Linda Graber, Minneapolis, John Haase, International Falls, David Haugo, Waubun, Florence Hedeen, Park Rapids, and Rita Hoffmann, Spicer.

Stanley Holmquist, Grove City, James Johnson, Minneapolis, Ray Lappegaard, St. Paul, Wally Lutz, Montevideo, Bruce Maus, Montevideo, Marie Meschke, Little Falls, John Milton, White Bear Lake, Phyllis Moen, Crookston, Carol Morphew, St. Paul, Jan Nelson, Redwood Falls, Norma Nelson, Randall, Walter Nelson, Willmar, Donald Ogaard, Ada, Dianne Olson, Granite Falls, Lawrence Perlman, Minneapolis, Wayne Popham, Minneapolis, Harvey Post, Minneapolis, F. A. Rodriguez, Elmore, Ulric Scott, Winona, Vladimir Shipka, Grand Rapids, John Sontorovich, International Falls, Joseph Summers, St. Paul, Grace Thompson, Browerville, Warren Thomsen, Austin, Phil Tideman, St. Cloud, Thomas Tipton, Minneapolis, Marcia Townley, Minneapolis, Peter Vanderpoet, St. Paul, Ben Walz, Sebeka, Jack Weyrens, Madison, and Carl Wyczawski, New Ulm.

Mr. ANDERSON. Mr. President, legislation establishing the Commission on Minnesota's Future specifies that a primary responsibility of the commission is to prepare a "State growth and development strategy" for consideration by the Governor and the legislature and to put recommendations and proposals as fully as possible "in the form of alternatives."

Although interest across the United States in growth and development is great, the concept of growth and development has not been adequately defined. From an individual perspective, growth and development suggest self-fulfillment through a diversity of experiences and opportunities. From a national perspective, growth and development suggests maximizing our economic production through, for example, increased employment, income, and productivity. From a global perspective, growth and development suggests managing the world's popment suggests managing the world's pop-

ulation and economic growth within resource and environmental limits.

From a State perspective, establishing a growth and development strategy suggests three possible approaches.

First. Resource management. This approach places great importance on creating effective public programs and policies, but it does not necessarily deal with their interrelationships or provide information to establish priorities among them. It holds that the density and distribution of population can and should be managed by the State. The resource managament approach depends on how accurately trends are predicted, but it does not take adequate account of, nor is it adaptable to, external factors such as adjustments in national policy, worldwide population trends, or climate changes

Second. Quality of life. This approach emphasizes living conditions and requires information to monitor those conditions. However, there is no generally accepted definition or perception of the quality of life, nor are there generally accepted indicators to measure it. Indicators that do exist are based on perceptions of past conditions; they might not be adaptable to changing conditions or useful in estimating future needs.

Third. Adaptation to change. Under this approach State government's role is to gather and provide objective information to public and private officials for open discussion and analysis of public and private policies. This approach, which could be combined with elements of the previous two approaches, stresses the ability of the institution to evaluate its own performance and adapt to changing conditions. Under this approach, government serves as a facilitator.

The commission selected 13 areas for study, from which to draw broad general conclusions about Minnesota's future. These subjects included settlement, population, economy, values, energy, transportation, land use, agriculture, housing, health, education, environment, and governance. From an analysis of this material, the commission drew 10 broad conclusions about the State's future.

The commission defined a growth and development strategy in a process sense, as opposed to a product, suggesting the means for dealing with ongoing change. This concept is reflected in the commission's suggestions for State goals and objectives, its call for the clarification of the role of government, and the major recommendations which include the establishment of a public policy institute.

Mr. President, the final report of the Commission on Minnesota's Future is an extensive and important document and has prompted considerable discussion in Minnesota. I ask unanimous consent that the section on conclusions be printed in the Record for the benefit of my colleagues.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONCLUSIONS

The foregoing sections of this report focus on current and prospective changes in Min-

nesota. In an effort to develop a holistic perspective, this section draws together the major interrelated issues from the preceding sections. This leads, in turn, to the subsequent section on Goals and Objectives for Minnesota.

FUTURE ISSUES

Interdependence

The interdependence of Minnesota's natural and man-made environments is becoming increasingly apparent. Awareness of interdependence increases with lifestyle complexities, technological development, and more rapid change. Job specialization has contributed to improved standards of living, but it also has reduced individual and family self-sufficiency. Increasingly, the actions of individuals, special interest groups, and corporations affect others.

A shift from self-sufficiency places greater responsibility for decisionmaking on the community. This is one reason for the increasing number of laws, regulations, and policies that have been enacted to protect the rights of individuals.

Public decisions have often been made from special interest perspectives, and they have not always reflected their interconnection with other decisions. Single decisions can have multiple, unforeseen effects that conflict with one another, or even be contrary to the intent of the decision. Since such potential side effects are difficult to anticipate, they are seldom taken into account in a systematic way before decisions are made. Better decision-making requires more comprehensive information that reflects the interrelationship of issues.

Depletion of vital resources

The economy and lifestyle of Minnesota have been fundamentally related to the availability and use of natural resources. In the future, the supply of certain critical resources might not satisfy the demand (especially if policies of foreign suppliers become more restrictive). The result is likely to be shortages and increasing costs of vital materials, which will be reflected in increasing costs of most consumer goods and services.

Diminishing supplies of petroleum and natural gas over the next generation will impose difficult adjustments. Petroleum and accounted for about threenatural gas fourths of Minnesota's total energy use in 1976. During the adjustment period alternate energy sources and long-range solutions will need to be developed. In the short term, coal offers the best prospect to meet an expanding need for electricity; coal could also be used to produce synthetic gas and liquid fuels. The long-term solution lies in the development of new energy sources. Technological development of alternatives and substitutes, however, cannot be counted on to satisfy energy needs over the next two Shortages can be expected and decades. should be planned for through conservation measures and allocation procedures

Beyond the short-term energy crisis lie the broader and more difficult questions of who is entitled to use the earth's scarce resources and for what purposes. It is not clear what those resource limitations are or what man's capacity is to extend those limitations through conservation and technological development. It is clear that: At present rates of growth the world's population will double in 35 to 40 years; consumption of nonrenewable resources is increasing; an energy-dependent lifestyle faces the exhaustion of known oil and gas reserves within a generation; and the gap in living standards behave and have-not nations is the widening. Minnesota will be directly affected by these worldwide conditions and resource shortages but will have little control over them. The state must prepare for these shortages by developing contingency plans,

including alternatives, substitutes, and priorities for use.

The need to accommodate resource demands will raise pressure for environmental and social compromises (such as in the case of power plants, transmission lines, coal trains, peat development, copper-nickel development, etc.). Short-term expedient decisions that have undesirable or costly long-term environmental and social effects are not acceptable. Adequate information is required in order to weigh potential costs and benefits.

Questions of resource allocation likely will focus on issues at hand, such as water rights during a drought or the best use of land in the long-range interests of Minnesota. These questions place the individual values of self-determination, land ownership, privacy, and "the work ethic" in conflict with social values such as equality of opportunity, equity in the distribution of physical and material resources, human resource development, and the environment. Resolution of resource allocation questions thus requires consideration of both personal and social values.

Rising costs of consumer goods and services

Fundamentally related to resource shortages and accessibility are the development of resource alternatives, substitutes, and replacements, which likely will be complicated and expensive. These additional costs will, in turn, be reflected in the general cost of living. The costs of health services, housing, home heating, transportation, and public services (taxes) already are increasing rapidly, affecting most seriously the fixed and lower-income groups.

Personal income in the years ahead is expected to increase in Minnesota at rates slightly greater than the national averages. However, the costs of many goods and services could increase even faster. If this occurs, individuals and families will be forced to make difficult choices about how to spend their personal incomes. Organizations, corporations, and government will face the same difficult questions. Dealing with these choices will require better information and the careful weighing of costs and benefits by all consumers.

Distribution of wealth

Federal and state efforts to reduce poverty have not been fully effective. Even without the pressure of escalating living costs, disparities between upper-income and lower-income groups have not changed significantly. Minnesota tax data for 1973 indicated that the lower two-fifths of the income scale received less than one-sixth of the income—and that proportion was about the same as ten years earlier.

In the past, poverty has been reduced primarily through economic expansion, without fundamental change in the distribution of incomes and property. In the future, as nonrenewable resources shrink and the use of renewable resources becomes more important, economic growth is likely to slow. Material standards of living are likely to rise less rapidly than in the past, with a consequently greater emphasis on the distribution of income. If the economic "pie" grows more slowly in the future than in the past, the question of how it should be divided will take on greater importance. A state that has depended on the development of its human resources can ill afford in the future an increasing disparity of opportunity among its people.

Modification of living standards

Rising human expectations can result in consumer demands that exceed the capacity of the system to satisfy them. In the case of health care, for example, rising costs are partly caused by consumer expectations that are not tied directly to price. Patients expect

and receive maximum treatment, which involves the use of expensive medical technology, both to protect the physician and to "cure" the patient. Treatment is available on a fixed-cost basis through health insurance.

Increasing costs of housing are also in part the result of rising consumer expectations. Many Minnesotans want a single-family home on a large lot with a garage, built-in appliances, carpeting, and many conveni-ences. These standards have been encouraged by government policy and private lending practices. Lesser standards are discouraged by local building codes, zoning ordinances, and restrictive covenants. Housing is no longer merely "shelter" but an important symbol of lifestyle and as such has nearly infinite quality and cost implications. Higher costs will force many Minnesotans to reduce their housing expectations and to accept smaller and/or older homes that are closer to work and have fewer luxuries.

The cost of many public services, particularly for education, have escalated rapidly, but without correspondingly higher costs. In areas of human service, whether public or private, citizens expect both more quality and more quantity, pecially when they do not directly bear the costs. With resource shortages and rising costs, Minnesotans might need to modify their life style expectations.

Human development

Even more than in the past, we ourselves, individually and collectively bear the ultimate responsibility for the quality of life in Minnesota. Minimum standards of living can be defined and realized; unrealistic expectations cannot. For example, good health and bad health are directly related to the one lives, including the role of nutrition, drugs, and exercise. These personal choices can be affected by individual responsibility, economic or social conditions, or a combination of these factors. Thus, public policy and individual motivation must interact in the provision of opportunities and acquisition of the fundamental skills, attitudes, and values required for a healthy and productive life.

In this sense, education throughout life assumes a critical importance in the continued development of human resources. Education does not end with formal schooling. The measurable minimum product of schooling should be the essential skills for "basic competencies." But these living, or skills are only a way to reach the more fundamental, life-long educational goals improving knowledge, establishing priorities, making judgments, and developing values.

Encouraging the development of human responsiveness to future opportunities should be consciously and deliberately pursued as a matter of state policy. Attention should be directed to expanding human capabilities by providing opportunities and stimulating the desire for continuous learning, encouraging individual experimentation and risk-taking, offering opportunities for personal responsibility and encouraging meaningful participation in public decisionmaking.

Value conflicts are likely to become more acute as more people seek access to diminishing resources. For example, the state might determine that it is in the interest of the state community to protect agricultural land from nonagricultural development. which would deny the "right" of the owner to gain a profit from selling his land for other uses. To avoid disruption when a crisis arises, decision making processes must take into account conflicts in underlying values. both personal and social, in settling public policy questions.

Technology based on nonrenewable resources has contributed significantly to increasing standards of living in the past. Resource consumption has continued on the assumption that technology could develop new or alternative resources to replace those being depleted. But there is no assurance that this is the case. Furthermore, this assumption brings with it some risk for the stability of the economic system and standard of living. Technology will be extremely important in influencing future lifestyles. But widespread concern exists that technological change may be out of control. There is a need to assess technological innovations in advance and to monitor their social, economic, and environmental impacts. The attention of technology should be redirected toward the development of renewable sources and a lifestyle that is more in harmony with the environment and less based upon the consumption of nonrenewable resources.

Population changes will influence the type of public services needed and the costs of providing them. As the present age structure matures, persons born during the peak birth years from the mid-fifties to mid-sixties will be seeking higher education, competing for jobs, and looking for housing. Likewise, the birth rates of the past decade will result in a relatively lower demand for housing and jobs by 1990. Shifts in the location of population will influence the costs of providing services to citizens of the state. If population dispersal patterns continue, they will add to the increasing costs of housing, transportation, land and public services.

External factors are those beyond the ability of the state of Minnesota to control. These include various national policies, such as those concerned with the allocation of petroleum and natural gas, as well as foreign trade policies that might restrict the export of vital materials. Weather, natural or manmade disasters, world population growth and food needs, and major national/international political/military/economic developments could also constitute significant external factors. The potential effects of these external factors need to be anticipated and contingency plans developed. Preparing for unknown possibilities calls for awareness and adaptability of individuals and organizations.

FUTURE TASKS

The changing conditions in Minnesota, indicate a need to:

Meet future state energy needs;

2. Coordinate the management of the state's land and water resources;

3. Conserve and determine priorities for

the use of nonrenewable resources; 4. Encourage the focus of technology on the development of renewable resources and

recycling of nonrenewable resources; 5. Encourage the development and marketing of more durable consumer products;

6. Develop public incentives that encourage individuals, special interest groups and corporations to make socially and environmentally beneficial decisions:

7. Encourage and facilitate increased individual responsibility for personal well-being;

8. Provide better mechanisms for resolving conflicts between personal freedom and social needs and environmental constraints;

9. Take into account in public involvement efforts factors and conditions that impose threats to traditional values;

10. Evaluate and make available for public discussion the trade-offs in policy proposals, such as between individual, social, economic, and environmental interests;

Consider public preferences, expecta-tions, and values in public policy develop-

12. Establish over-all state guidelines (goals and objectives) for the development of state policy

13. Organize, elvaluate, and make widely available comprehensive information;

14. Assess perceived public needs and set priorities for state involvement:

15. Measure present and potential costs and benefits of state policies;

Analyze state policies for both intended and unintended impacts;

17. Foresee and evaluate emerging state festies: 18. Develop a decision-making structure

that has the flexibility and capacity to deal promptly with emerging issues; 19. Improve the qualty, scope, and credibility of citizen participation in decision-

making: 20. Set realistic standards for government's responsibility for providing human services;

21. Develop creative public-private relationships in meeting public service needs; 22. Generate and plan for sufficient capi-

tal resources to invest in large scale publicprivate development: 23. Consider ways to shift from quantita-

tive, material measures of human progress to qualitative measures;

24. Establish contingency plans to deal with conditions that affect the state, but cannot be managed by the state; and

25. Find more effective ways of influencing

external policy development.

The primary responsibility for determining how these future needs should be met rests with the policy-making body of state government-the state legislature. The potential assignment of responsibilities among state agencies is not always clear, however, There appear to be no state agencies that have explicit responsibility for 10 of the 25 tasks identified, while at least two and up to fifteen agencies are responsible for each of ten other tasks. (See Appendix F.) While this is a very imprecise assessment, it does point out the fact that state government is not structured to address future needs. State government is now organized according to special and often competing interests, making it difficult for the state to deal with the increasing number of broad and interdependent issues and to assume an over-all perspective of state needs and priorities.

GROWTH AND DEVELOPMENT

A major charge to the Commission on Minnesota's Future is to consider alternative growth and development strategies for the state. At various times during the past two decades, there have been calls for "balanced" growth, rural renewal, or growth and development strategies, all fundamentally con-cerned about shifts in the location of population and employment in the state of Minnesota

Logical reasons exist for present patterns of urban and rural growth, which are described in this report's section on Settlement. An attempt to direct such growth and development by legislation without an understanding of these reasons might inhibit economic processes, add to public costs, and unnecessarily restrict personal choices.

The factors that influence settlement changes in Minnesota, including personal preferences, economic costs, environmental constraints, and public policy, are in constant flux. It is neither possible nor desirable to establish an "optimal" distribution of population and economic development for a system that is constantly changing-and that must continue to change. Growth and development is a process, and the responsibility for guiding that process falls on the people of Minnesota through their state government. Minnesota does have an unstated growth and development strategy, implicit in a wide range of public and private policies that are not always consistent with one another. The need is to develop an explicit growth and development strategy.

A growth and development strategy for

Minnesota requires that state government facilitate the process of orderly change through consistent public policies. This calls for the adoption of state goals and objectives by which all existing and prospective poli cles are evaluated. The state should facilireal lifestyle choices that are limited only by the public good and not determined by special interests. The range of lifestyles should offer urban/suburban/small town/ rural/farm options, without one subsidizing another (as at present), unless it can be justified in terms of statewide interest. Better information on the individual and social costs of alternative lifestyles should be available so that citizens and public bodies can make the best possible personal, social, and environmental decisions. The cost-benefit inconsistencies of existing policies should be eliminated. Better information is neeedd to determine who actually pays for and who actually benefits from state programs and whether or not those realities are in accord with state goals and objectives.

Given current trends, it is likely that increasing costs of government and inequities of opportunity will bring pressure for the removal of inconsistencies in public policy. Both increasing costs and policy adjustments will combine to modify personal choices (such as single-family homes on large rural tracts and two or more cars). The result is likely to be a more compact settlement system, with most growth occurring in or near existing cities and towns and with less conversion of agricultural land to urban uses. To the greatest possible extent, changes in settlement patterns should be the result of personal choices in response to energy costs, land costs, transportation costs, and the costs of public services. Where necessary, however, public policy should provide incentives or establish constraints to encourage decisions that are in the public interest.

A counteracting factor that might allow those who so desire to live in rural, scenic, or remote areas is the development of home communication systems. These may include videophones and computer terminals, linking persons in remote areas with most services at a reasonable cost. Encouraging the development of home communications systems as a replacement in part for personal transportation should be seriously considered by the state of Minnesota.

In the future, some areas of the state will increase in population while others decline. Variable growth is not only normal but desirable—in terms of economic efficiency, personal choice, and environmental limits. Variable growth should be understood, accepted, and supported by citizens. Not every small town, suburb, or core city neighborhood can increase in population. Treating the state as an interdependent community necessitates enhancing the strengths and correcting the weaknesses of its various parts. All areas of the state are not identical in their resources; they cannot be identical in their responsibilities and in their growth and development.

Minnesota's long-term growth and development strategy should aim to guide the ongoing processes of change. This suggests that government be an enabler of change, monitoring the state's condition and eliminating the obstacles that allow the natural creativity to flow from the state's most important resource—its people. A growth and development strategy should emphasize qualitative growth over quantitative growth, harmony with the natural environment rather than exploitation, equity and community rather than disparity and exclusion, and the responsibilities as well as the rights of individuals. A growth and development strategy for Minnesota should begin with these premises and include the following basic elements:

1. Clarification of the responsibilities of state and local government, vis-a-vis the private sector, in guiding change.

2. Establishment of the organization and resources needed by government to fulfill those responsibilities, including adequate information to monitor and understand the on-going processes of change.

Adoption of goals and measurable objectives for the state community—the guidelines for growth and development and the standards against which all public decisions should be weighed.

Evaluation of consistency in all public policy based upon the goals and objectives. Inconsistency in public policy impedes orderly change. Emphasis should be on removing cost-benefit inequities (See goal No. 2, p. 50) and encouraging personal choices that are environmentally and socially sound.

5. Development of improved procedures for the meaningful participation of citizens in public decisions that affect them. The realization of each of the above requires the broad understanding, support, and involve-ment of the citizens of the state.

THE GARRISON DIVERSION IRRI-GATION PROJECT

Mr. YOUNG. Mr. President, recently an outstanding broadcaster in our neighboring State of Minnesota in an editorial summarized in a very accurate and responsible fashion the great amount of publicity that is being accorded water use controversy

So many of these articles, even those carried by reputable magazines and other publications, are so grossly inaccurate that it is refreshing to read an editorial that bases its views on facts.

Glenn Flint, vice president and general manager of KCMT-TV in Alexandria, Minn., in a recent editorial brought out some important information concerning the Garrison diversion irrigation project, one for which President Carter proposes to change the whole criteria under which it was designed and authorized by Congress. These changes would make it an almost totally useless

If Congress permits President Carter to change these projects as he proposes, it will mean not only billions of dollars of wasted money, but he will have ruined many worthwhile projects that people living in the various areas affected have worked on for a quarter of a century or more.

Mr. President, I ask unanimous consent that the editorial of April 9, 1977 be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

COMMENTARY

(By Glenn Flint)

Nothing is more important to the agricultural and resort communities of the Upper Midwest than adequate water supplies.

Farmers in the Dakotas and Minnesota would generally agree that proper water at the right time is the single most important condition for a successful crop.

As a result of one of the worst droughts in U.S. history the past two years, governors of western and midwestern states meeting in Denver some weeks ago urged the establishment of a task force to speed up federal aid for dry areas.

That is why it is surprising to witness two developments this spring that could adversely affect water supplies and development for crop producing areas.

One is the arbitrary and unstudied move of the Carter administration to cut off funds that would affect eighteen dams and other water projects in fifteen states.

The other is the intervention by the Minnesota Pollution Control Agency in the Garrison Irrigation Project in central and eastern North Dakota.

The massive Garrison project started with the construction of Garrison Dam on the Missouri River north of Bismarck in the midforties. Since then it has been providing a share of hydro-electric power for the Dakotas and Minnesota.

The irrigation project proposes to use water dammed by the Garrison structure to irrigate two hundred and fifty thousand acres over the next fifteen or twenty years. Garrison Diversion has been a long time in planning. The concept dates from the devastating drought of the thirties. And North Dakota is a water-poor state compared to Minnesota.

The Pollution Agency is concerned about the effect of Garrison irrigation waters on the Red River-which of course is a border stream running north into Canada. Both Moorhead and East Grand Forks use some

Red River water for municipal purposes.
Right now, Minnesota benefits from Garrison generated electricity. North Dakota gave up four hundred thousand acres of river bottomland to create that project. Minnesota also is a heavy user of North Dakota coal by way of electrical generation in North Dakota plants which is wheeled to some areas of Minnesota

The National Audubon Society has filed a lawsuit to halt construction of the North Dakota irrigation project. Minnesota's Pollution Control Agency has joined in that

Former Governor Wendell Anderson did what he could to help promote the Garrison Diversion program.

And the project generally has had wide-

spread Congressional support.

That is why it is strange that Minnesota now seeks to intervene.

State Senator Douglas Sillers of Moorhead called the Pollution Agency's action "inexcusable."

Sillers told Governor Perpich that the action in his judgment placed a serious black mark against the Perpich administration.

If you think this isn't serious to North Dakota, bear two things in mind:

The North Dakota attorney general said Minnesota's participation in the lawsuit to block Garrison may result in cutbacks in North Dakota coal and electric power to Min-

And the North Dakota senate set aside a quarter million dollars to sue the federal government if it kills the Garrison irrigation project.

If the project fails for lack of federal funding, that is one thing. But it ought not to fail because of meddling by Minnesota agency bureaucrats.

MAN, MEDICINE, MORALITY, AND THE POWER OF RIGHTS: THE DILEMMA OF BIOETHICS

Mr. KENNEDY. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the April 3, 1977, edition of the Washington Post, entitled "Man, Medicine, Morality, and the Power of Rights: The Dilemma of Bioethics." Mr. President, it seems to me that this article, written by Michael Kerman, conveys in forceful fashion many of the ethical issues that this country faces in the health care area. We on the Subcommittee on Health and Scientific Research deal with these terrible dilemmas on a daily basis, and I find it encouraging to see these issues aired for the public in one of our Nation's major newspapers.

I would also like to echo Mr. Kernan's praise for the Hastings Institute, which does us all a very valuable service by committing itself to the study of medical ethics. As we grapple with difficult issues, such as the regulation of recombinant DNA research and the construction of a national health insurance program, it is comforting to know that we have institutions like the one described by Mr. Kernan to turn to with our ethical dilemmas.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MAN, MEDICINE, MORALITY AND THE POWER OF RIGHTS: THE DILEMMA OF BIOETHICS

(By Michael Kernan)

Are there ever scientific discoveries which should not be pursued?

When does a patient have the right to refuse life-extending treatment?

Is brain surgery for behavioral symptoms ever warranted?

Is the fetus human? Does it have rights?

—Hastings Institute report

Not only has the whole of our society become greater than the sum of its parts—it has declared war on them.

Ever since we discovered that we could incinerate ourselves, we have been finding new and more terrible powers. We can change behavior with electrodes in the brain; we can change personality with a lobotomy; we can tinker with genes to give a common bacteria the ability to produce cancer. There are the pills that control human emotion, the artificial organs that keep moribund people breathing, the transplants and fetus monitoring and other techniques that support the tyranny of the normal.

We are only beginning to realize what these things can do to our autonomy, to the family—which since our cave-dwelling days has been the molecule of society—and to the individual human person, that charming Byronic anachronism.

And it seems that the only way an individual can fight back is to enlist the prestige of another institution by proclaiming what he calls his rights.

Case 536: Can convicts consent to castration?

Two California men, aged 45, had been committed to a California mental hospital for sex offenses with minors. After two years they were declared still dangerous to society and returned to jail for sentencing.

Given the prospect of life in prison, the men signed requests for castration and waivers releasing their lawyers, the surgeon and the judge from liability.

Such "free will" operations, once common in California, lately have been opposed by the courts since an ACLU suit a few years ago.

Question: Would the surgeon be liable to a mayhem suit in spite of the waivers? Considering the men's range of choices, were they really capable of giving free and informed consent?

Some thinkers, like Jeremy Bentham, believe that "right is a child of law." Some hold that certain rights are God-given. The Oxford English Dictionary devotes 25 columns of small type to the word. In a recent article, philosophy professor Ruth Macklin cited court cases involving claims of: "the right to own a pet," "the right to clean air," the right to sunshine," Fiji Islanders' "right to a sex break" at lunch, Dr. Renee Richards and her "right to compete" in women's tennis tournaments.

For generations slaveholders believed they had rights over their legally owned slaves, a concept replaced, Macklin noted, by the idea that all persons have the right to be free.

"Some believe." she wrote. "that nonhu-

"Some believe," she wrote, "that nonhuman creatures, such as the animals we eat, and marginal persons, such as fetuses, possesses rights. Some proper to ascribe rights to nonexistent entities, like future generations..."

For Dr. Willard Gaylin, psychiatrist and president of the Institute of Society, Ethics and the Life Sciences at Hastings-on-Hudson, N.Y., the whole question comes down to this:

"The incursion into the powers of the family by the state, here as in other places, is often cast in the noble language of rights. What is really at issue in many arguments about 'fetal rights,' infant rights' and so on is in reality the relocation of delegated autonomy and power from one institute—the family—to another—the state."

Whose interests should be protected: the mother's, the fetus's, the physician's or the state's?

A new California law provides that the rights of a viable fetus, a child prematurely born alive in the course of an abortion, are the same as any infant's rights to medical attention.

In other words, if doctor and mother, both intent on aborting a fetus, somehow fail in the process, they must reverse their basic purpose and try to maintain the tiny life.

At what point does this reversal happen? The Institute, as the citizens of Hastings call it, was founded in 1969 by Daniel Callahan, former executive editor of The Commonweal and in 1976 one of Time magazine's 200 Faces for the Future. It was designed specifically to study the area known at bioethics, to ask unanswerable questions that need to be asked in a society that is obsessed with answers.

For openers, there is the ancient notion that death is the enemy of medicine. Now that we have the power to do something about it, doctors are beginning to re-examine this fundamental attitude. Death is a natural event, after all, like birth. Should we automatically consider it anathema?

Case 540: Do couples have the right to bear children at any cost?

A California woman, unable to have a baby for two years, took a fertility drug. She gave birth to sextuplets, all of whom died within eight days. The hospital bill came to more than \$50,000.

Her husband's group health insurance paid it all. But premiums for all members of that group will rise next year; the employer's share also will rise, and he will pass on this extra cost.

The wife says she will take the same drug again to try for another child.

Question: Does she have a moral obliga-

Question: Does she have a moral obligation to avoid taking this risk? Does the insurance firm have an obligation to pay for this voluntarily assumed risk?

"When we began," Callahan said, "a lot of these issues seemed like science fiction. Now they are very real. We don't want to rush to legislation. Some issues, like civil rights, have been hashed over for years and are ripe for legislation. But this stuff is really new, and it would be a horrible mistake to legislate."

The recent action by the Cambridge, Mass., City Council in severely curbing Harvard and MIT in their NDA (deoxyribonucleic acid) research might be a case in point. The state legislature of California also is debating a bill to control such scientific experiments. And now the government plans to build a center for genetic experiments at Ft. Detrick, Md

Recombinant DNA research involves transplanting genetic material from one organism to another. Since most of this work is done with E. coli bacteria—a common inhabitant of the human intenstine—the concern is that bacteria bearing, say a cancer-generating gene might get loose in the water system and thence into countless human bodies.

The problem is to effect controls without overdoing them. The California bill, for instance, would require laboratories to register all employees, report on all research and allow state inspections.

A difficult needle to thread: Under certain quickle abortion laws a high school girl can get an abortion without parental consent, yet she can't even be excused from class unless she has a note from home. And the mass genetic screening programs eagerly sought in the early '70s by blacks who wanted to detect sickle-cell anemia carriers now are being rethought.

"There's so much secrecy about inherited problems," says Dr. Robert C. Baumiller, a Jesuit who consults at Georgetown Hospital on ethical options related to genetics.

"Half the children born with defects should have been predicted before conception. But all too often, parents won't tell their children about some inherited strain."

Sometimes normal brothers and sisters of a defective child live in torment, fearing to marry or have children of their own—and all for nothing.

"If parents bring their children to me, I can explain the risks. And couples about to marry, worried about a retarded child or something. Thinks they can't ask one another."

"The Institute has no official point of view," Callahan said. "When we started there was a lot of publicity about heart transplants, definitions of death, electrodes in the brain and so on, and a lot of people were interested, but no one was working on them systematically. Our goal was first to get a better level of discussion: Nobody really knew enough to take a real stance on the issues."

Roughly half the Institute's work is to collate thinking on bloethical issues. The other half is educational. Operating in a sprawling house on the old Flo Ziegfeld-Billie Burke estate, the group has at the moment four postdoctoral fellows, 20 student interns spending one to three months on a tutorial basis and ranging from college undergraduates to medical and law students. There are workshops and symposia where top people in a given field are brought together and grilled, as Gaylin put it. There is also the monthly Hastings Center Report, bristling with new concerns, new issues.

"We're not like Nader, who tends to whip up a certain amount of hysteria, because we're nonadvocacy, we're eclectic. We get the leading spokesmen on issues and dramatize the questions so the public can understand. Unless the public is informed, small advocate groups can have incredible influence. Any small cockamamie group can terrify a legislature into action. We just try to bring out the underlying issues, to liberate the big questions from all the verbiage. Our strength is that we cut across many disciplines."

That particular day, 14 top experts in mental retardation had been brought together to talk about problems of the mildly retarded (IQ of 55 to 70) and their limits of competence. For instance, should the state be allowed to have them sterilized or given

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abortions without their consent, or even with their consent?

A mentally retarded girl in England reached puberty at age 10, and her mother feared she might be seduced and have an abnormal baby, for which the older woman would then have to care.

The pediatrician recommended sterilization. The mother consented and agreed to consult with the girl. But officials at the girl's special school opposed the plan as unwarranted and brought suit. The case was even debated in the House of Commons, and eventually the courts decided that non-permanent contraceptive techniques would be sufficient until the girl is old enough to decide her own future.

"What you come down to here," Gaylin said, "is whether we're talking about a medical problem or an educational problem: If mild retardation is seen as a form of illness, a doctor could take far more drastic action."

With a budget of \$1 million a year, the Institute counts on about \$300,000 from its membership program, workshops, royalties on the many books it generates, and reprints. The rest comes from federal and private grants. It isn't as easy as one might think, for many scientific organizations are wary of putting ethical issues on their agendas.

"Scientists are kind of ambivalent on the ethics issue," said director Callahan. "You're getting into the whole business of scientific freedom."

And here is a fundamental problem of the time. It is one thing for a mathematician to come up with a new theory of matter and devise a formula for it, as E-mc2. It is quite another thing when the theory turns into a bomb that can destroy the race.

"Before the war," he said, "science basically was a private matter. Since then, government money has been increasingly an element, and so the issue is increasingly what the public's say in research ought to be. Scientific research these days includes action. When scientists have to act and experiment on the world, you're talking about sometthing more than free speech."

One recent Institute conference dealt with the Nazi "medical" experiments in concentration camps and "the proper use of the Nazi analogy in ethical debate." Proponents of an unlimited right to scientific inquiry—regardless of result—were taken aback by what the Nazi doctors did, of course. But the debate has more immediate applications: Given the fierce competition for grants and the demand for palpable results by the people who fund them, scientists are under tremendous pressure to produce something more than theoretical proofs.

It is these palpable results, applied to the

public, that cause the uproar.

Perhaps the role that money plays in the scientists' dilemma has something to do with the reluctance of congressmen and other politicians to come to grips with the real questions about disease, Callahan indicated. It is hard to talk about cancer. It is painful to consider the ethics of supporting an industrial complex that promotes carcinogens.

"So politicians trivialize it by talking money. It's easier for 'em to talk about the cost of this and that, the cost of cancer, to retreat into figures and charts and abstractions. And this is the way things get through Congress: Here's a good investment; the profit to society things like that."

Congress: Here's a good investment; the profit to society; things like that."

The inability of many politicians (with some notable exceptions) to get into any debate on ethics appeals Gaylin. "Look. We're going to have some form of national health insurance one of these days. And it's going to have to have some limits, after all. Right? How are you ever going to get the govern-

ment to set limits? To make those decisions?"

Case 532: In a military conflict, does the doctor serve the soldier or the state?

An Air Force sergeant broke down after flying 100 missions during seven months' active duty in Vietnam. He developed a terror of flying, said he would give up flight pay, promotion, medals, anything to keep on the ground.

Psychiatrists gave him 36 days of therapy and tranquillizers, gave him the insights into his problem that enabled him to return to full flying duty in less than six weeks.

Question: Is this a misuse of medicine for political goals? Can "normal function" be defined as the ability to engage in combat?

Soon we will be marketing artificial hearts, he said, and they may cost about \$1,000 plus \$1,000 a year for monitoring. "There may be 500,000 people who will need these hearts. Who'll get them? Will an 85-year-old be able to get \$10,000 surgery with public money? How will Congress find a way to say No when it writes these bills? It's an unbelievably hot political issue. And you just won't see Congressmen talking about it."

The Karen Quinlan case, for example, is now supported by Medicaid. So far it has cost \$100,000. How would a national health systm

have handled that situation?

Gaylin singled out Sens. Kennedy and Javits and Rep. Paul Rogers (D-Fia.) as legislators who are working on the issue at a time when many lawmakers won't even discuss it publicly, especially with the elderly.

Some ways the Institute has had impact already:

A proposed model code on the definition of death has been adopted in eight states and is being considered by 10 others. The new California "death with dignity" bill was decisively influenced by the Institute.

At least six states are following the Institute's guidelines in mass genetic screening: that it be confidential, have backup services and counseling, and that it not be mandatory.

Guidelines on psychosurgery have brought changes in the procedures followed by several states, professional organizations and pris-

The Presidential Commission on Population Growth has been influenced in important ways, as have other national programs on the ethics of abortion and contraception. The Institute also has been active in workshops, consultation and testimony in court and before Congress on a number of bioethical issues.

These things are tossed off rather casually by the Institute people. They are not very interested in past accomplishments with the future looming as large (and as close) as it does. Though at the begining Callahan drew some criticism because of his Catholic background, his stands against priestly celibacy and divorce reform and abortion and his general reputation as an iconoclast have quieted suspicions.

The point is, no one at the Institute has time for such tedious notions. The place vibrates. People talk very fast. They eat lunch wherever they happen to be, balancing plates on knees. They move with quick energy. Protocol is a luxury. One catches their excitement, the feeling they communicate that time is sort and there are no second chances. One feels they are facing problems that most of us would otherwise leave to our grand-children, when it will be too late.

Cases quoted above are from the Hastings Center Report.

SAFETY OF LNG TANKERS

Mr. STEVENS. Mr. President, by May 1 the Federal Power Commission will recommend to the President one of the three proposals for transporting natural gas from Alaska's North Slope to the lower 48. The proposal that I and a good number of our colleagues support is the one which would pipe natural gas down the trans-Alaskan pipeline corridor from Prudhoe Bay to Cordova. The natural gas would be converted into a liquid state and shipped via LNG vessel to the west coast.

The proposal, offered by El Paso, Alaska, provides the most viable means of transporting a much needed resource from Alaska to the consumer in parts of the country now starved for natural gas supplies. The other two proposals would route the gas through pipelines to be constructed through thousands of miles of pristine Canadian wilderness, possibly risking inestimatable environmental damage before it eventually arrives in the United States.

One of the concerns sometimes expressed by opponents of the all-American trans-Alaskan route is the safety of transporting liquefied natural gas aboard ship. Mr. President, I wish to offer colleagues an editorial printed in the Fairbanks News Miner that discusses the safety factors of LNG. The editorial notes that according to an article in the prestigious Scientific American:

The risk to people living and working near an LNG tanker terminal is estimated to be about one fatality for every 10 million years.

I ask unanimous consent to have printed in the Record the editorial that so eloquently allays the fears of some about LNG safety.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SAFETY OF LNG TANKERS

The Federal Power Commission has closed its final Alaskan gas pipeline hearings and is weighing tons of evidence for its decision May 1, but someone should send them the April edition of "Scientific American" before the time is up.

fore the time is up.

The issue of the prestigious scientific journal now on newsstands leads off with a fascinating article on the safety of liquefied natural gas tankers proposed for the El Paso Gas Co. pipeline proposal.

The article is by Elisabeth Drake, manager of the Hazard Assessment and Control Unit at Arthur D. Little Inc., and Robert C. Reid, codirector of the Liquid Natural Gas Research Center at the Massachusetts Institute of Technology. It answers a great many questions that have been posed during the gas pipeline debate, and it answers them all in favor of the LNG tanker system.

LNG is natural gas that is cooled to a temperature of -259 degrees Fahrenheit, then shipped in insulated metal spheres built into a special new breed of ship. Japan imports about 80 per cent of its natural gas supplies in this form, from Alaska and Indonesia, and Middle Eastern gas which has been flared for many years is now being liquefied for shipping to Europe and the east coast of the United States.

El Paso's pipeline proposal calls for a pipeline to Cordova, and liquefaction of about 25 times the amount we're currently exporting from Cook Inlet.

Opponents of the all-Alaska pipeline system have occasionally called for studies of the dangers in shipping LNG, and have oc-

casionally advanced questions of what would happen if two of the tankers collided and released huge clouds of flammable natural gas up wind of a major city. The Scientific American article should go a long way to answering these questions.

The risk of people living and working near an LNG tanker terminal, according to the article, is estimated to be about one fatality for every 10 million years. The risk is 10 times less than the risk of dying in a fire at home and about the same as that of being struck by lightning.

The authors conclude the hazards of shipping LNG are about the same as for gasoline, propane and natural gas in its gaseous state. They say LNG appears to be a promising source of energy and can be expected to be even safer as experience and research pro-

Several of the points are:

LNG is less than half as dense as seawater, so LNG tankers ride much higher in the water and are much less subject to groundings

Before LNG is released in an accident, the hull of a ship would have to be broken , with such a force that the metal spheres carrying the cargo are also broken, would require much greater impact than if the ships were built like oil tankers.

Researchers have tried and failed to make clouds of natural gas vapor burn with explosive force in the open atmosphere

LNG spilled on water can explode in a phenomenon called "flameless vapor explosion", but the explosions can only take place when the LNG contains high quantities of ethane and propane and these liquids are stripped out of gas before being liquefied for shipping. Even with the flameless vapor ex-

plosions, damage is slight.

Excessive pressures in storage tanks can occur when LNG of differing temperatures is allowed to "stratify" in the tanks, but standard procedures prevent this from hap-

pening in modern facilities.

Effects of LNG spills from storage tanks can be held to the area of the tanks by dikes, in the same way oil spills are contained around terminal sites.

We noted several weeks ago that the recent worries about oil tanker accidents should focus attention on how LNG tankers are built and operated with much greater safety factors. The Scientific American article is a timely reminder of this, and should be studied by everyone interested in the gas pipeline route questions.

CREATING NATIONAL ENERGY POLICY

Mr. ANDERSON. Mr. President, the Upper Midwest Council, a Twin Citiesbased, nonpartisan, nonprofit corporation promoting better understanding of regional choices for the future of the upper Midwest, has analyzed energy issues intensely since 1973. The Upper Midwest Council was formed in 1959 by a group of concerned leaders throughout the Ninth Federal Reserve District in response to needs for more information on regional socioeconomic trends and options available to stimulate growth and improvement in the upper Midwest community.

Mr. President, last month a task force of the Upper Midwest Council issued a report entitled "Creating National Energy Policy," the seventh major analysis on energy prepared by the council. The Upper Midwest Council began its future choices; energy research and education program in 1973. Following two conferences and one study which defined many national and regional energy problems, council began studying specific policy options and problems. In mid-1974, a report entitled "Managing Our Energy Future" was issued. It described major energy questions facing the upper Midwest.

During 1975 and 1976, the council conducted detailed analyses of the development and use of northern Great Plains coal. Two reports were issued, idenitfying problems and issues and offering several recommended actions.

Since mid-1976, the council has continued to study a number of energy policy issues, including: oil imports, enduse efficiency, energy prices, energy use and economic growth, and the need for improved leadership. A paper entitled "America's Energy Future: Crises Are Just Around the Corner" was issued in October.

During this period, the council staff examined proposed alternatives for transporting Alaskan natural gas to the 48 States. It recommended, in August 1976, that the arctic gas proposal be

approved.

The recent report, "Creating National Energy Policy," is designed to input processes for development of national energy policy; it is not a statement of energy policy. It identifies needed national energy policy objectives and the critical areas of focus which are the basis for energy policy development. It also suggests several specific actions for consideration.

The strength of this energy studies program has been the council's ability to draw upon the expertise of a great many individuals and organizations well versed in energy matters and perceptive of the myriad of problems and interrelationships which make up energy policy.

The Upper Midwest Council is continuing its work in all of the above areas. Other information now being developed will consider specific roles and opportunities for States and regions to address energy problems and alternatives.

Mr. President, many distinguished Minnesotans and other residents of the area encompassed by the Ninth Federal Reserve District have contributed to the work of the council. I ask unanimous consent that the task force members that prepared "Creating National Energy Policy" be printed in the RECORD.

There being no objection, the membership list was ordered to be printed in the RECORD, as follows:

TASK FORCE MEMBERS

Robert Benson, Manager of Market Research, Minnesota Gas Company.

Lloyd Brandt, Vice President, Public Affairs, First Bank System.

Krzysztof, Burhardt, Senior Specialist, Engineering Systems and Technology, 3M Com-

James Carter, Director of Research, Minnesota Energy Agency.
David Dahl, Economist, Federal Reserve

Bank of Minneapolis.

Robert Darr, Manager, Corporate Plant Engineering Services, Control Data Corporation.

Gerald Everett, Executive Director, Northwest Petroleum Association.

Burton Genis, Assistant Manager, Minnesota Joint Board, Amalgamated Clothing Workers of America.

John Haaland, Vice President, Information, Management and Environmental Systems, The Pillsbury Company.

G. C. Hann, Vice President, Apache Corpo-

Richard Hargarten, Group Director for Physical Distribution, Toro Company. J. W. Haun, Vice President, Engineering Policy, General Mills, Inc.

James R. Heltzer, Government Affairs Co-ordinator, Dayton Hudson Corporation.

Ed Hogan, Program Director, Greater Minneapolis Chamber of Commerce.

John S. Hoyt, Jr., Professor and Program Director, Computer Information Systems, University of Minnesota.

Marion J. Kloster, Director of Corporate Engineering, The Peavey Company.

Richard Kolkmann, Manager, Energy Fore-casting, Northern State Power Company.

Wilbur R. Maki, Professor, Agricultural and Applied Economics, University of Minnesota. Norwood Nelson, Manager, Plant Engineering, Oran Corporation.

Robert F. Piculell, Manager of Transportation and Logistics, Northwestern Refining Company.

John Sampson, Northwest Bancorporation. D. L. Sheridan, Marketing, Northwestern

Bell Telephone Company.

Ernesto Venegas, Director of Forecasting and Impact Analyst, Minnesota Energy

Allan Wessel, Associate Department Manager, Mechanical Engineering, Ellerbe Architects.

Steven Woolley, Program Director, Urban/ Rural Division, Chamber of Commerce of the United States.

Mr. ANDERSON. Mr. President, we are all aware that President Carter this week will present his recommendations on national energy policy to the Congress and the American public. The Upper Midwest Council report is particularly germane to all Members as we consider the President's recommendations. I ask unarimous consent that the summary and action proposals sections of 'Creating National Energy Policy" be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

SUMMARY

The United States does not lack solutions to its energy problems; but so far it has been unable to make the difficult tradeoffs and required decisions which may be unpopular at present yet beneficial over time.

National energy policy should have three objectives:

1. An explicit and controllable oil imports program. 2. Reduced growth in energy demand and

use.

3. Increased production of domestic energy supplies.

Primary focus should be placed on implementing the following strategies which form the major building blocks for policy development. Energy policy must:

Increase public understanding and support. Policy objectives will not be reached without greater consensus and cooperation.

Recognize that government cannot solve all energy problems. It should stimulate responsible actions by citizens and businesses.

Improve public and private decision making. These processes must be efficient, orderly and timely to assure that agreed-upon programs can be implemented without delay.

Raise energy prices significantly. Demand must be reduced and supplies from traditional sources increased. Price increases must be sustained, not one-time, actions.

Stress use of the marketplace for energy supply and demand decisions. However, government intervention should and will occur at times.

Accelerate coal production and utilization. Greater coal use is critical to overall energy policy and, in particular, to management of oil import volumes.

Recognize that all energy problems and opportunities are interrelated. Actions to raise prices or to limit access to fuels must be matched with availability of economical and technically feasible alternatives.

Assess environmental protection programs and needs. They must be administered consistent with needs to develop our domestic energy resources, particularly coal.

Understand energy use and economic growth relationships. A national task force should study this fundamental question.

Study broad, long-term options. New tech-

Study broad, long-term options. New technologies, lifestyle changes and economic opportunities require long periods of analysis and development far in advance of actual

The nation needs national energy policy action quickly. There are other urgent problems—drought, unemployment, continued inflation, consumer difficulties, international issues—which can and will shift decision makers' attention. Energy programs should not be left unattended until yet another round of problems develop.

There are few if any easy solutions. Even strong and serious actions can only minimize energy problems during the next five to ten years.

Uncertainty is widespread. Producers, consumers, investors, business leaders and working people alike are in doubt regarding the future of national energy policy. It is important that policies proposed and actions taken are based upon clear, predescribed objectives.

The nation's fossil fuel resources are finite. While coal reserves can help meet American energy needs well into the next century, supplies of crude oil and natural gas will disappear much more quickly. Energy policy must include recognition of these facts. A realistic time-table for moving away from fossil fuels is imperative nationally in both the short and long term.

OIL IMPORTS POLICIES

An imports policy should be definitive, creating greater certainty for producers, processors and consumers. Today, there is an implied policy to use imports to fill any supply/demand gap not addressable with domestic energy resources. A decision should be made on a controllable program for managing imports and, over time, reducing dependence on imports. National security concerns, economic growth requirements and needed expansion of domestic oil production and processing are major reasons.

Given current time constraints for increas-

Given current time constraints for increasing domestic energy production and reducing demand, imports will have to increase during the next five to ten years. Greater reliance on imports will allow additional time to resolve domestic supply/demand problems and environmental concerns and, at the same time, help maintain economic improvement.

An express part of an oil imports policy should be a program, initiated within ten years, to begin reducing oil import volumes. During this five to ten year period, the mix of secure versus insecure imports sources should be balanced increasingly in favor of secure sources.

Even continued growth in imports will require rapid and large increases in coal utilization by utilities and by current large-volume, oil-using industries. Non-attainment standards of the Clean Air Act now obstruct this and must be dealt with. To implement shifts to coal, utility rate adjustments will be necessary, as will use of tax credits for industries.

Accelerated government-supported development of other coal conversion technologies—gasification and liquefaction—should occur. In addition, Alaskan oil must be made available to regions most in need, including the Midwest, an area already affected by declining Canadian oil exports. One or more pipelines are needed to move Alaskan oil from the West Coast to the Midwest.

Increased reliance on imported oil requires a clearly-defined position and contingency plans to insure national security. There must be strategies for dealing with possible sudden and substantial changes in import prices and consequent economic and trade balance impacts. Development of strategic oil reserves will be increasingly necessary (and costly) as imports increase.

costly) as imports increase.

Growth in import volumes could place the U.S. in more-direct and stronger competition with other nations which, today, already are greatly dependent on imports. Potential implications of increased demand pressure on foreign oil reserves and national policies of those nations must be understood.

DEMAND REDUCTION POLICIES

Improving energy-use efficiency is the nation's best immediate and long-term supply strategy; it is the cheapest source of energy. Improved end-use efficiency can provide the greatest amount of relief during the next five to ten years. To accomplish this, however, energy prices must be increased through de-regulation and, possibly, higher fuel taxes; and a balanced and consistent mix of tax incentives, subsidies, penalties and end-use restrictions must be developed. Impacts on fixed- and lower-income citizens must be minimized.

Government actions should serve to stimulate the marketplace when and where needed. They should not be employed or sustained where the marketplace can achieve comparable results. While quick de-control of oil and natural gas prices is an alternative way to reduce energy demands, potential political barriers to such abrupt action must be recognized.

Specific consideration should be given to the most practical and efficient methods for improving automobile efficiency and reducing miles driven. This may require a combination of programs, including vehicle license and other surcharges and, possibly, other incentive/penalty programs which would affect the purchase price of vehicles. Steps would have to be taken to insure alternative transportation modes are available to avoid a price squeeze for employment-related and other transportation needs.

Higher vehicle prices and continued crude oil de-regulation will help to reduce gasoline demand; but these methods alone may not be sufficient to achieve desired results in the immediate future. Attempts during the past three years to raise gasoline prices and to prescribe vehicle efficiency improvements have been less successful than desired.

Consideration should be given to substantially increasing gasoline taxes as a direct means of reducing demand and for providing manufacturers clear signals upon which to base future vehicle design and efficiency criteria. This kind of strong and obvious action may be necessary to focus public attention on the seriousness of the nation's energy problems.

Revenues from gasoline taxes should be used to support other energy-related pro-

grams. They should not be put in the general fund. Such taxes should not be used beyond the time needed to accomplish specific enduse efficiencies.

Revenues from gasoline taxes and license surcharges should be used to offset adverse economic impacts for particular users. They also should be used to expand public transportation service. Use of these funds could include increased research and development for mass transit and for other energy-efficiency programs.

Tax increases for other fuels (ie., natural gas and fuel oil) might be considered. Price de-regulation for these fuels will provide incentives for improved end-use efficiency, however. It would appear that residential and commercial heating demands are less discretionary than are gasoline demands; and conversion to other heating systems would be quite difficult.

Tax credits should be developed to help commercial and industrial energy users become more efficient consumers of natural gas and fuel oil. Direct subsidy programs would appear to be the most efficient method for stimulating improvements in residential efficiency.

A number of possible end-use regulations should be considered. These include imposition of uniform appliance and heating/cooling system standards and better materials and design codes for new and existing buildings. Also, end-use regulations may be necessary to eliminate, wherever possible, natural gas burned under large boilers, to save this gas for higher priority users.

All inefficient and one-essential energy usage visibly indicative of waste to the public (i.e., decorative, excessive advertising and other outdoor lighting) should be eliminated

DOMESTIC SUPPLY POLICIES

Few actions to increase energy supplies will have noticeable effects during the next three years due to long lead times. Nonetheless, specific steps must be take now to raise prices, to cause shifts to other fuels, and to accelerate new technological development.

The present program for phased de-control of domestic crude oil prices should be accelerated; and a commitment made to insure total de-control by 1980 as current law specifies. De-control will have to occur at a faster rate than at present to support management of imports.

The wellhead price of "new" natural gas should be de-regulated. One option would be to let the price rise at once to the equivalent-BTU price of #2 fuel oil (about \$3.00 per thousand cubic feet, based upon a current national-average #2 fuel oil price of 4ic per gallon). A second option would be a two-step process to raise prices by about 60 percent (to about \$2.30 per thousand cubic feet) in 1977, followed by total deregulation a year later. Natural gas supplies produced prior to January 1, 1975, should remain controlled in the same manner they are at present.

Natural gas volumes which might leave producing states as a result of higher interstate prices or state-ordered elimination of natural gas for firing utility or other boilers should be allowed to enter the interstate market at the prevailing deregulated "new" gas price.

The proposed Arctic Gas pipeline system should be chosen to move Alaskan natural gas supplies to the 48 states. It is the most economical, efficient and environmentally-sound proposal. It will deliver larger volumes of gas to greater numbers of consumers more quickly than will alternative proposals.

Coal production must be accelerated nationwide if utilities are to build more coalfired plants and shift existing oil and natural gas-fired plants to coal. Demand caused by conversion of large industrial fuel-oil and natural gas users to coal also will require

expanded coal production.

The nation needs a strip mining law acceptable to states in order to reduce producer uncertainties, and to make federal lands a greater source of coal production. Rights of individual states to regulate mining and reclamation on federal lands within their borders should be protected to the maximum extent practicable within mutually agreed-upon minimum federal standards. This could help to avoid unsound environmental and land-use impacts and, at the same time, not impede production.

Existing non-degradation and non-attainment provisions of the Clean Air Act limit industrial and electrical power industry shifts to coal in many regions. To achieve import management goals and to make more fuel oil and natural gas available to commercial and residential users, temporary, yet tightly-controlled, relaxation of air quality laws will be necessary on a tightly con-trolled and monitored basis. Regulatory changes should be combined with extensions of deadlines for meeting existing laws and with provisions for state-level flexibility

to address individual situations.

Relaxation of air quality standards will be particularly necessary in the eastern half of the nation where higher-sulphur coal will have to be used. No relaxation policy would likely be acceptable to the public without time constraints and provisions which would require careful review of impacts in order to insure that improved air quality control technologies are employed within a reasonable period of time after they become available.

Coincident with temporary relaxation of clean air regulations, greatly expanded efforts should be made to develop improved systems for reducing and eliminating air pollutant discharges from coal conversion facilities. In addition, greater emphasis should be placed on coal-cleaning systems and on other coal conversion technologies where federal financial support to accelerate commercialization may be necessary.

Capital costs for converting to coal are high for most all industrial operations. Consideration should be given to providing tax incentives to large fuel oil and natural gas users who may be forced to do so as an element of

national policy.

Electric power production expansion cannot solve our energy dilemmas during the next ten years. Lead times for siting, designing and constructing new facilities are such that decisions made in 1977 will provide new facilities in 1987 or later.

Expanded electric power generation will conflict with environmental and social values in many areas of the nation. In the West, water demands for electric power conflict with other uses and with social values. Degradation of present high-quality environments is opposed strongly. Cooperative state and federal leadership is needed to address these and other equally difficult questions.

Nuclear power should not be ruled out. It has made substantial contributions in several areas of the nation, particularly during the past few years. To make greater use of nuclear power, however, several problem areas need greater attention and resolution. They include: fuel reprocessing, waste storage, plutonium use and handling, and breeder reactor safety and cost-effectiveness.

Between now and 1985, nuclear power will not make increased contributions beyond those facilities now under construction. Beyond that time, nuclear power can con-tribute more, but only if reasoned cost-benefit analyses and political decisions are made

regarding major problem areas.

Most future or "exotic" energy source technologies will produce electric power which must be transmitted to consumers over high-

voltage transmission lines. Exceptions to this are solar systems and coal gasification and liquefaction systems which can be located near demand, or alternatively, coal or plant output can be moved by railroads or pipelines to demand centers.

While states should continue to improve processes for locating transmission lines, greater national emphasis should be placed on development of alternative and more acceptable land-use guidelines and transmission alternatives (i.e., underground, underwater, along freeways and through other existing corridors). Delays and higher costs resulting from continued disputes over transmission systems will impede energy policy implementation.

Greater research and development em-phasis should be placed on expanding use of now-wasted heat discharged from thermal electric generating plants. Development of "district heating" concepts to make use of either warm-water or steam discharges should increase, with demonstration facili-

ties created.

National leadership and greater uniformity in development of alternative electric and natural gas rate structures should be given high priority. Changes in existing rate structures should be made only to insure that consumers are paying the true costs of service and energy provided, and to develop new end-use patterns (i.e., time of day and seasonal use changes) compatible with policy objectives of overall energy system efficiency. Using rate structure changes (lifeline rates and low-income support) to solve social problems creates administration difficulties and equity questions for all rate payers.

Lead times now required for development of all energy supply systems have proven to be, in many instances, far too lengthy. While sufficient time must be provided to insure full study of environmental impacts and all costs and benefits, federal and state decisionmaking processes should be analyzed carefully to insure elimination of unnecessary time spent, Procedural legislation, similar to that passed to specify a timely decision on a natural gas pipeline route from Alaska, should be employed on all major undertak-

Selected residential and small commercial solar energy applications presently are feasible. These should be encouraged by tax incentive or subsidy programs. Longer run solar energy research and developemnt efshould receive increased

GOVERNMENT RE-ORGANIZATION AND ACTION

Improved operating efficiency, planning and decision making at the federal level can accomplished through re-organization of the many federal energy operations. Today, conflicting policies and programs exist, with the net result sometimes being inaction or extensive delay with attendant higher costs for citizens. The current administration for re-organization of energy sponsibilities and creation of a Cabinet-level post should be approved, except for Federal Power Commission and Nuclear Regulatory Commission responsibilities, which should be maintained separately as they relate to need certification and operating standards.

Greater emphasis should be placed on improving information, analysis and decision making systems at both federal and state levels. Legitimate delays and conflicts will occur, particularly when there are major ideological differences present with which Congress must deal. Administration programs should work to anticipate such dif-ferences and to reduce encumbrances of often well-intended yet conflicting or un-

productive regulations and processes.

The structure and function of federal energy activities must reflect the knowledge that all aspects of energy are interrelated. There must be close coordination among various offices and agencies at and between federal and state levels.

REGIONAL DIFFERENCES

Each geographic region of the nation relies upon a unique mix of energy supplies due to economic differences, proximity to resources and markets, and access to imported supplies and climatic conditions. Federal policy must take this uniqueness into con-

The Midwest needs Alaskan oil to replace dwindling Canadian exports. The West Coast also could make efficient use of Alaskan oil. The Northeast, heavily reliant on imported oil and distant from coal fields, may need special consideration to insure stability in the face of import uncertainties. Other regions historically dependent upon hydroelectric facilities for electric power must begin shifting more to coal.

Regional and state offices representing federal energy functions must be more supportive of differing conditions. They should work to stimulate local action in improving efficiency and in developing localized energy

resources and technology.

The wellhead price of Canadian natural gas for consumption in the U.S. has more than doubled during the past two years, This price change should be studied for insight into potential effects of de-regulating U.S. natural gas supplies.

ENERGY USE, ECONOMIC GROWTH, AND LIFESTYLES

National leadership is needed to help the public better understand the relationship between energy use and economic growth. Until recently, it has been assumed the two are tightly linked, requiring energy use growth to keep pace with Gross National Product growth. Studies conducted during the past few years, however, have begun to raise questions about this relationship, suggesting that economic growth can continue at desired levels without similar annual increases in energy demand. A national task force of leading energy and economic experts should be named by the President to address this fundamental question.

More convincing each day is the knowledge that historic energy-use growth rates cannot be sustained. It is obvious that lifestyles will change; and change often is perceived as negative, causing individuals to try to

preserve the status quo.

More efficient use of energy resources can provide new businesses and jobs and other economic and social opportunities. Lifestyle changes need not always be characterized as negative; change does not always involve "sacrifice."

A NATIONAL ENERGY FORUM

Recent public opinion polls show more Americans believe there is an energy crisis. (Harris Survey, January 28, 1977.) There is not similar evidence, however, that the public is willing to accept major energy decisions and change its energy-consumptive

In addition to being better-informed about energy supply and demand problems and alternatives, the public needs to better under stand economic implications of energy shortages, costly imports and continued inefficient consumption. Jobs, income and economic freedom and opportunity are fundamental concerns to which citizens can relate.

The President should consider creating a national energy forum utilizing the nation's electronic and print communications networks. This effort, a public education and discussion forum, should present a balanced and objective dialogue on the present situation and on alternatives in terms of costs. benefits, time constraints and realities, and the need for broader public consensus. The President should establish a broadly-representative group of people to create this

ACTION PROPOSALS FOR CONSIDERATION

The following proposals describe actions which should be considered in development and implementation of national energy policy. Many have been suggested by others; several are considered necessary; and others are offered for consideration. In several instances, federal decisions and action are required; other proposals would require strong federal leadership.

OIL IMPORTS ACTIONS

1. Develop a controllable program to import more crude oil and products during the next five to ten years, while domestic production increases with de-control.

2. Within five to ten years, begin reducing oil imports, particularly those from less-se-

cure sources, as rapidly as possible.

3. Continue expansion of strategic storage to allow for as much as 180 days of secure supplies.

4. Take several other necessary steps to

- support the above actions, including:

 a. Creation of contingency plans to protect against embargo actions and increased competition from other oil-importing na-
- b. Expand coal development nationwide and encourage or require utilities and larger industries to shift to coal.
- c. Accelerate commercialization of other coal conversion technologies (gasification and liquefaction); and increase crude oil production from oil shale.
- d. Re-open offshore areas for exploration. e. Seek greater stability in the Middle East. Positive results would tend to take pressure off expanded strategic storage and accelerated coal development.

DEMAND REDUCTION ACTIONS

- 1. Expand public information programs to clearly communicate energy problems, op-tions, tradeoffs and costs and benefits inherent in policy alternatives.
- 2. Increase R&D funding into a wider range of energy efficiency improvement programs.
- a. Better systems and standards for heating/cooling.
- b. Improved building materials and design criteria.
- c. Alternative transportation systems.
- d. Re-usability of materials now discarded as waste.
- 3. Encourage improved efficiency through price de-regulation.
- 4. Make tax credits available to businesses and industries to improve end-use efficiency.
- a. Consider a 15% tax credit, in addition to the existing 10% investment tax credit, with a first-year writeoff.
- b. Devise special programs to support smaller businesses and industries not now capable of analyzing, financing and implementing efficiency improvements.
- 5. Consider energy-use taxes during the next five years to sharply curb demand. Such taxes, applied heavily at first, should be sustained, not one time, programs. Possible actions could include:
- a. Consider a 20¢ per gallon gasoline tax increase each year for five years. Strong efforts should be undertaken to convince people to drive less whenever possible. (See table at end.)
- b. Consider higher taxes on other fuels; yet recognize that less discretionary use oc-curs in residential and commercial buildings. Therefore, feasibility of this action may be questionable.
- 6. Consider increasing new vehicle costs to influence consumer purchases of more efficient automobiles. Possible actions could include:
 - a. Raise new automobile prices substan-

tially (using license fees or surcharges) to reflect horsepower and vehicle weight com-parisons of all vehicles available during a model year. Consider ways to discourage second vehicles.

b. Create point-of-sale incentive/penalty programs nationwide for implementation by states. This type program could give rebates to purchasers of vehicles with mpg. ratings above average for all models in that model year; and would add to vehicle costs for all models with less-than-average mpg. ratings. A rebate/surcharge of \$100 per mpg. should be considered.

7. Consider subsidy programs as the most direct means to accomplish widespread energy efficiency improvements in residencies and in the public transportation sector. Use revenues collected from higher gasoline taxes to support subsidy programs, particularly transportation. Possible actions could include:

a. Encourage use of state-controlled taxexempt bonds (with federal financial sup-port, if needed) to finance improvements in existing housing stock, about 50% of which will be in use in the year 2000.

b. Expand public transit systems, particularly buses, to increase service to existing routes, along new routes and into new areas.

c. Help fund shared-ride (e.g. vans and car pools) programs to be operated by large groups of employers employers or where workers are concentrated.

8. Employ end-use regulations in situa-tions where quicker shifts in energy use are needed beyond those which market-place could cause. Possible actions conditions could include:

a. Mandatory efficiency standards for all major appliances and all heating/cooling systems. Such equipment should have specific standards for use in terms of building size, climatic conditions and periods of necessary

b. Nationwide labeling of appliance and

other energy-using equipment.
c. Enforceable standards for new and existing residntial and commercial structures within a program which could be implemented by states.

A national law requiring tenant-occupied buildings to conform to national and state guidelines for efficiency. Allow tenants to scrow rental fees if landlerds do not com-

ply within prescribed time periods.

A national law requiring existing residences to meet specific efficiency standards at point-of-sale.

- d. Non-essential energy consumption (i.e., decorative, lawn and advertising lighting, swimming pools, and throw-away goods containers) should be discouraged through higher fuel costs and materials regulations. should be eliminated Ultimately, they wherever possible.
- e. Shift large natural gas and fuel-oil users (possibly with financial assistance through tax incentives) to coal within five to ten years respectively wherever economic conditions and production processes allow.

Establish explicit time and design criteria for shifting large users to coal. These cri-teria could include penalties for failure to act within reasonable time periods. Use of best-available technology should be required for environmental controls.

SUPPLY INCREASE ACTIONS

- 1. Accelerate the current program for phased de-control of domestic crude oil prices. Make a commitment to allow total de-control by 1980 as prescribed by current
- 2. Make Alaskan oil supplies available to particular regions needing it most, the Midwest, for instance.
 - a. More than one oil pipeline from the

Pacific Coast should be built to move Alaskan oil.

b. If necessary, Alaskan oil could be sold to other nations but only within firm and equalized price and volume exchange agree-

3. De-control wellhead prices of "new" natural gas through either of two alternative programs. Under either alternative, wellhead prices for natural gas produced prior to January 1, 1975, should remain controlled as they are at present.

a. Allow, in 1977, wellhead prices of "new" gas to rise to the equivalent-BTU price of

#2 fuel oil.

b. Alternatively, allow "new" prices to rise by about 60% (from \$1.44 currently to \$2.30/mcf.) in 1977, with de-control to the equivalent-BTU price of #2 fuel oil one year later in 1978.

4. Designate the Arctic Gas pipeline to move Alaskan natural gas to the 48 states.

5. Address problems related to increased coal production and consider methods to effect increased coal usage.

a. Give industries tax credits to finance shifts from fuel oil and natural gas wherever possible. Utilities will need rate adjustments to manage similar shifts.

b. Create a strip mining law and accompanying regulations that are acceptable to

Combine the best elements of state programs, wherever possible, with minimum standards now prescribed by the Department of the Interior. Incorporate specific parts of proposed laws which give private surface owners rights of denial and states selective rights to prohibit mining on environmentally-sensitive (mountain tops and alluvial valleys, for example) federal tracts.

Base federal coal leasing and mining schedules on best-available information and technology indicating greatest potential for

successful reclamation.

c. Relax clean air regulations for a fixed period to allow greater industrial and utility coal use.

Restrict relaxation to a five-year period followed by review of environmental impact and potential for upgrading air quality control systems.

d. Increase federal R&D programs to develop coal gasification and liquefaction, including, if necessary, federal loan guarantees to speed commercialization.

Give consideration to tax credits to assist industries in conversion to low-BTU gasifica-

tion systems.

- Accelerate R&D for coal-cleaning systems. 6. Take federal action to insure that "wind-fall" or extraordinary profits from natural gas and crude oil de-regulation are re-invest-ed in increased exploration for new supplies and increased recovery of resources from existing fields.
- 7. Insure orderly electric power system expansion through timely resolution of several critical problems.

a. Provide increased federal technical and financial support to resolution of water ownership and use conflicts at state levels.

b. Increase federal R&D to develop systems to warm water and steam now discharged from thermal electric generating plants. Demonstration facilities should be investigated and selected.

c. Consider utility rate reform to establish rates which would reflect true costs of service and energy and create new end-use pat-

Consider time-of-day and seasonal rates. Consider marginal cost pricing mechanisms.

Analyze effects and appropriateness of declining block rate structures

8. Resolve nuclear power problems through

stronger analysis, better public dialogue and participation in decisions.

- a. Assess breeder reactor development in terms of potential success cost-effectiveness over time as compared with needs to allocate federal funds to other energy programs.
- b. Expand fusion power research as a long-term option.
- Increase efforts to develop alternative electric energy transmission systems
- a. Assess current federal laws prohibiting routing of transmission lines along freeway corridors and through other federally-controlled lands.
- b Increase research on alternative (underground, underwater) transmission systems.
- 10. Recognize growing public resistance to increased energy development and associated large facilities and energy transportation networks.
- a. Find new ways to involve citizens throughout decision making processes.
- b. Fully consider the existence of social limits—strong citizen resistance to environmental and social encroachments.
- 11. Provide financial incentives for residential and small commercial use of already-available and emerging solar energy systems. Increase long-term solar energy research.

GOVERNMENT RE-ORGANIZATION AND ACTION

- 1. Proposed re-organization of federal energy agencies and functions should be accomplished.
- a. All programs having to do with energy development, except explicit regulation (Federal Power Commission and Nuclear Regulatory Commission programs), should be included in a new department. Federal Power Commission and Nuclear Regulatory Commission operations should be closely involved, yet independent of other energy operations.
- b. The new energy department should employ programs similar to those of the Environmental Protection Agency (funding, implementation and overall supervision), particularly as they relate to working through state agencies for program development and monitoring.
- 2. Funds generated by fuel taxes and surcharge programs should flow through the general fund to low and fixed-income citizens most hurt by higher energy prices. These assistance efforts should be kept separate from existing welfare and social security programs.
- 3. Federal and state agencies should develop closer working relationships to effec-

tively implement national energy policy goals. Regional and state-level federal energy offices must be allowed flexibility to work with individual problems and opportunities that arise.

ENERGY USE, ECONOMIC GROWTH AND LIFESTYLE ACTIONS

- 1. A presidentially-appointed task force should undertake study of energy use/ economic growth relationships. This effort should be oriented toward providing input to energy policy decisions.
- 2. Citizens should be given credible eco-nomic and energy-related information and forecasts. Warnings of "sacrifice" or radically-different lifestyles" should be based upon sound information. National leaders should point out positive economic and social aspects of energy and economic changes which can occur through implementation of sound energy policy programs.

A NATIONAL FORUM

The President should develop a national energy forum utilizing the nation's electronic and print communications networks. This forum should be created by a presidentiallyappointed group of broadly-representative people.

20 CENTS PER YEAR GASOLINE TAX INCREASE

	Price -	Impacts of higher taxes on consumers driving new automobiles							Amount	Discont
	rising 5 cents per year (inflation)	Yearly tax increments	Yearly tax total	Per gallon total price	Average new auto (miles per gallon) 1	Average yearly miles driven ²	Average gallons consumed yearly	Yearly cost with tax	Amount increase over previous year	Percent increase over previous year
January 1977 January 1978 January 1979 January 1980 January 1981 January 1981	\$0.65 - .70 .75 .80 .85 .90	\$0.20 .20 .20 .20 .20 .20	\$0.20 .40 .60 .80 1.00	\$0.65 .90 1.15 1.40 1.65 1.90	18.6 20.0 21.5 23.0 25.0 28.0	12,000 11,700 11,400 11,100 10,800 10,500	645 585 530 483 432 375	\$ \$419. 35 526. 50 609. 77 675. 65 712. 80 712. 50	\$107.15 83.27 65.88 37.15	26 16 11 5

¹ There are possible, yet not confirmed, miles-per-gallon averages for new automobiles sold during coming model years, according to Department of Transportation and Energy Research and Development Administration studies.

2 A consideration has been made that it is possible for all drivers, on the average, to reduce, by 300 mi, the distances driven annually, each successive year, by reducing to-work trips and com-

bifling household and other trips. In the Twin Cities, to-work trips average about 5 mi. (Source: Metropolitan Counci). Thus, a worker could take buses or car pools only 2 to 3 days per month the 1st year and reduce miles driven by 25 mi per month.

³ Yearly cost at 1977 prices, miles per gallon and average miles driven.

Mr. PACKWOOD. Mr. President, a very important controversy is now centering around the question of whether the Federal Government should provide medicaid reimbursement for abortions obtained by women on welfare. Congress effort last year to restrict Federal funding for abortions was halted by a court injunction, on the grounds that such a restriction was discriminatory against the poor and thus unconstitutional. Though this case is now pending before the Supreme Court, only the jurisdictional question will be decided this term. In the meantime, as Congress considers appropriations for fiscal year 1978, the question remains whether we should try once again to restrict Federal funds for abortions. At recent hearings conducted by the Appropriations Subcommittee on Labor-HEW, the National Abortion Rights Action League delivered testimony which argued well for continued Federal funding of abortions for welfare women.

Mr. President, I ask unanimous consent that NARAL's testimony of April 4, 1977, be printed in the RECORD.

There being no objection, the testi-mony was ordered to be printed in the RECORD, as follows:

FEDERAL FUNDING OF ABORTIONS TESTIMONY BEFORE SENATE APPROPRIATIONS SUBCOMMITTEE ON LABOR-HEW

Mr. Chairman, I am Carol Werner, Legislative Director of the National Abortion Rights Action League (NARAL), a national membership organization dedicated to the preservation of all women's right to chose safe and legal abortion as an alternative to unwanted pregnancy. We welcome this opportunity to appear before the Senate Appropriations Subcommittee for the Departments of Labor and Health, Education and Welfare and to testify on behalf of the need for continued federal funding of abortions for poor women desiring to terminate unwanted pregnancies.

An underlying premise of the Department of HEW is to promote equalization of access of health services to all of America's people regardless of their economic station in life. Health care has long been recognized as a prerequisite for any lasting general improvement in the standard of living of our people. Title XIX of the Social Security Act, 42 U.S.C. Sec. 1396, recognizes this need in its authorization of funding for the provision of medical care to individuals and families "whose income and resources are insufficient to meet the cost of necessary medical services." With this long-standing commitment in mind, one is bound to ask upon what basis could funding for abortions be denied to individuals dependent solely upon publicly funded medical assistance and for whom abortion is indeed a necessary medical service?

Last year restrictive legislation was enacted into law which would prohibit the use of

any federal funds for abortions except when the life of the woman would be endangered if the fetus were carried to term. An injunction calling this ban unconstitutional and discriminatory prevented the implementa-tion of this prohibition (usually referred to the Hyde amendment). The Supreme Court has twice denied motions requesting a stay of the injunctive order. This matter is now before the Supreme Court but the Congress is faced once again with attemps to ban any federal funding of abortions in the Fiscal Year 1978 Labor-HEW appropriations bill and timewise must necessarily act before any definitive ruling will be forthcoming from the Supreme Court.

What has been abundantly clear, however, the manner in which similar actions by states to prohibit reimbursement for abortion services under Medicaid or similar government programs, have been perceived by lower Federal courts. The courts have consistently (in at last thirteen cases) held that when prenatal/delivery care is available under publicly financed medical programs, that denial of abortion services to the beneficiaries of such programs is in contravention to the equal protection clause of the Fourteenth Amendment to the U.S. Constitution.

Government refusal to fund abortions for those low-income women desiring them indicates that one course of action, i.e., continuation of pregnancy is morally preferable to the government over pregnancy termination. As long as the government is involved in funding for maternity care, it can remain neutral only if access to prenatal care and abortion services are both provided, as pregnancy is a condition requiring medical treatment regardless if the pregnancy is continued or terminated. According to the Supreme Court, it is not the government's business to either prohibit or encourage abortion but to essentially leave the right to limit childbearing where it should be, beyond the ambit of unnecessary governmental intervention. (See Roe v. Wade)

The picture becomes clearer if we ask what the effects are of denying abortion services to low-income women. As the report of the U.S. Commission on Civil Rights (April, 1975) indicates, denial of abortion rights is an abrogation of the civil rights of the poor, among whom racial and ethnic minority women are disproportionately represented. Such action is discriminatory in two fundamental ways: it denies the right of poor women to equal protection under the law if they are not allowed equal access to medical care should they decide to terminate a pregnancy rather than continue it, and (2) denial of funding for abortion services openly discriminates against the indigent in that it prohibits the exercise of their constitutionally guaranteed right to choose legal abortion, making it available only for those who can afford to pay. Such a prohibition against funding of abortion services blatantly discriminates against those who need medical care and protection of their civil rights the most-and who are the least able to fight back. We are then back to the situation where rights are for those who can afford them, if one is poor one's rights are foregone.

The rights of the poor cannot be overlooked in this most basic and private domain—the right to make a decision about one's own childbearing. This is an individual, personal decision about which no one has the knowledge, nor should even want the right, to make a decision for anyone else. Clearly, none of us would want anyone making the decision for us as to whether or when a child should be borne, how then can we make that decision for others when the only difference is that they are dependent upon federally-assisted programs for all their medical care?

The public health benefits of legalized abortion speak for themselves. The number of abortion-related deaths has dropped dramatically since the legalization of abortion in 1973, making abortion in the first trimester of pregnancy more than eight times safer than childbirth. Infant mortality rates have also decreased significantly. We also know that abortions will occur regardless of their legal status. Women faced with unwanted pregnancies have found means to terminate them throughout history (the first recorded abortion being in 2000 B.C.). Christopher Tietz of the Population Council has ascertained that 70 percent of all women having legal abortions would have had abortions even if it were an illegal procedure. Since approximately one-third of all women obtaining abortions (250,000-300,000) are recipients of Medicaid assistance, the ramifications of denying funding—essentially making abortion illegal for these women—are clear in terms of health risks to them. According to unpublished data from the Center for Disease Control, Atlanta, Georgia, statistical projections of what would happen to the 250,000 (approx.) women who would be denied Medicaid assistance for abortion under a "Hyde amendment" are as follows:

(1) If all had legal abortions there would be 8.6 deaths;

(2) If all had legal abortions but were forced into a two-week delay in an attempt to find funding, etc., there would be 13.6 deaths:

(3) If 70% had illegal abortions (as indicated by Tietze's data) and 30% continued their pregnancies, there would be 84 deaths;

(4) If all had illegal abortions, there would be 100 deaths;

(5) If all continued their pregnancies, there would be 44 deaths.

An impact statement issued in 1974 by Dr. Louis Hellman, formerly of DHEW, when a similar restriction was under consideration by the Congress, estimated there would be 125–250 deaths resulting from self-induced abortions if they could not be obtained legally. In addition, DHEW estimated that up to 25,000 cases involving serious medical complications from self-induced abortions would result. This represents a tremendous risk in terms of health costs to poor women. To knowingly set aside this risk by enacting a ban of any federally funded abortions is cruel and unthinkable.

In terms of fiscal arguments as well, it is obvious that expense to the taxpayer is much less if indigent women requesting abortions are allowed them as apposed to being forced to continue an unwanted pregnancy and bearing an unwanted child. Again, DHEW itself estimates the cost of federal funding of abortions at \$45–50 million annually, whereas the first-year cost after birth for medical care and public assistance would run between \$450–565 million. For each pregnancy among Medicaid-eligible women that is brought to term, DHEW estimates the first-year costs to be \$2200 for maternity and pediatric care and public assistance.

The 25,000 cases of medical complications (referred to on the previous page) resulting from illegal procedures were estimated by Dr. Hellman over two years ago to cost in the range from \$375 to \$2000 per patient. Medical costs have continued to climb in the last two years as we all are very much aware. These figures do not take into consideration any future cost relative to AFDC or other welfare payments or any societal burdens resulting from extra strain on public services or complications often linked with the unwanted child in dealing with society. We cannot believe that the majority of Americans would knowingly inflict this kind of cost upon either indigent women or upon themselves. There is no way in which a fiscal conservative could justify a ban of federal funding on the basis of cost to the taxpayer.

The whole question of federal funding for abortions has arisen because there are people who feel abortion is wrong—period. We now often hear about "alternatives to abortion" and reducing the need for abortion. We would posit that the best and certainly the most logical manner in which to reduce the need for abortions is to discover the cause of abortion need and then attempt to that cause. Certainly any historian can illustrate that to attempt treatment of a symptom rather than dealing with the root cause of the issue itself will only provoke greater societal unrest and friction and will not in any way alleviate the problem. The abortion issue is a case in point. Abortions occur because women are faced with unwanted pregnancies. They will not cease to occur through application of a band-aid treatment, i.e., attempting to prohibit women from obtaining them. The only way in which to lessen the need for abortion services is to find ways of preventing unwanted pregnancies. This can come only from increased and better sex education programs, much more contraceptive research, and provision of family planning services to all who want and need them. Needless to say, we have a long way to go in all of these areas.

NARAL commends the Carter administration and the past Congresses for their commitment and initiatives in these areas, but unfortunately the new budget requests will not go far in providing substantive gains in the areas listed above. It is particularly alarming to us that the Administration could so emphatically oppose abortion services for the indigent in view of the principles of basic human rights involved and in view of the great unmet needs this country faces in pregnancy prevention for the middle class and rich, but most importantly for the poor who historically have always suffered the most from being unable to control their fertility.

There is no foolproof and safe method of contraception presently available. Everyone is familiar with the studies showing serious health risks related to usage of the "pill" and intra-uterine devices. We need to encourage the development of contraception that is simple, effective (failsafe), and inexpensive. A table is attached for your information detailing how acute the unmet need for family planning services still remains in the states represented by the members of this Subcommittee. A great amount of effort is required simply to proliferate the available family planning information to those in need of it. Since teenagers account for approximately one-third of all abortions formed, it is imperative that sex education contraception be made increasingly available to them. Clearly, non-access has not worked, teenagers are instead becoming

sexually active at ever younger ages.

Even if the appropriations request were greatly increased to facilitate the meeting of all these needs, what about the people in the meantime? What about those women who simply do not have access to family planning services yet; what about the women who have contraceptive failure; what about those women who become pregnant simply because of lack of information; what about those women who cannot for health reasons use the most effective methods of birth control now available; what about victims of rape and incest; what about women who find they are carrying a genetically defective fetus; and what about those women who are suffering from serious diseases at the same time they are pregant? The need for abortion will probably never be totally eradicated-and certainly not within this year! That is why it is so disconcerting to hear Secretary Califano speak of the compassion the government must feel for the poor and his belief that DHEW is the "People's De-partment" but yet be so ready to cast away the rights and the needs of the poor in advocating denial of their access to abortion services. It is imperative that the human rights of the poor in this country be remembered as well as the human rights of those in other countries.

The final point to be made is that those individuals seeking to ban federal funding of abortions are doing so because of their own profound moral/religious convictions against abortion. They are not willing to tolerate the differing moral viewpoints of others in our society, let alone recognize the real-life situation with regard to abortion and unwanted pregnancies as outlined above. Indeed, it is ironic that the majority of those who are most anxious to prohibit abortion are strongly opposed to contraception and sex education and appear to dismiss quite lightly the constitutional rights of viduals to make their own decisions about childbearing. This is especially interesting since no one is being compelled to do anvthing against ones own will. This is a serious challenge to the First Amendment rights of all Americans which guarantees freedom of (as well as from) religion and which makes separation of church and state a fundamental tenet of our pluralistic, democratic society. In such a society it is expected that never will everyone agree: Moreover, no religious body has the right to impose its own conception of morality upon the society through secular law. For all those who are morally opposed to forcing people to bear unwanted children and having to pay the resultant financial and societal cost. Probably everyone resents some ways in which

the government has expended public funds. In such instances, decisions must be made upon the criteria of what is the fairest to those involved and the closest akin to the principles embodied in our Constitution. With regard to the question before us, the answer is clear—that federal funding of

abortion services for the indigent should continue.

NARAL strongly urges the Subcommittee to continue federal funding of abortions for low-income women and to reject any language seeking to prohibit or limit access of such services to the poor.

State of subcommittee member	Number of women in need (15 to 44); below 200 percent of poverty	Number of women in need (age: 15 to 19)	Number of low-income patients served in fiscal year 1974 (15 to 44)	Percent of patients served in fiscal year 1974 (age: 15 to 19)	Percent of those in need served in fiscal year 1974 (15 to 44)	State of subcommittee member	Number of women in need (15 to 44); below 200 percent of poverty	Number of women in need (age: 15 to 19)	Number of low-income patients served in fiscal year 1974 (15 to 44)	Percent of patients served in fiscal year 1974 (age: 15 to 19)	Percent of those in need served in fiscal year 1974 (15 to 44)
	A	В	C	D	E		A	В	C	D	E
Florida Indiana Maryland Massachusetts Missouri New Jersey	203, 913	129, 790 107, 974 79, 034 102, 136 93, 817 131, 028	112, 743 45, 643 81, 316 60, 298 81, 969 80, 834	34. 5 31. 1 32. 7 29. 2 32. 0 29. 9	31 20 51 29 35 35	North Dakota Pennsylvania South Carolina Washington West Virginia Wisconsin	38, 882 510, 010 188, 290 140, 274 118, 155 180, 071	13, 676 221, 143 59, 025 66, 233 35, 961 37, 690	6, 547 128, 081 61, 431 66, 384 21, 657 2, 324	17. 5 31. 7 31. 5 36. 7 23. 0 11. 7	16 25 32 47 18

Note: Data is from the Alan Guttmacher Institute, research and development division of the Planned Parenthood Federation.

SUMMARY OF BUDGET REQUEST

The National Abortion Rights Action League is testifying on behalf of continued federal funding of abortions for low-income women. We are requesting the Labor-HEW Appropriations Subcommittee to ensure continued funding through defeat of any language, including that of the Hyde Amendment to last year's Labor-HEW Appropriations bill for 1977, which would restrict the availability of legal abortion services to the indigent.

NARAL believes that poor women should have equal access to abortion services as do their wealthier counterparts in society and should be allowed to fully exercise their constitutionally guaranteed right to choose safe, legal abortion or to choose to continue their pregnancy. Under a Hyde Amendment, pregnant low-income women would be compelled to bear unwanted children or resort to selfinduced or illegal abortion procedures which are severely damaging in terms of risks to the woman's life and health. The public health benefits of legal abortion have been dramatic in terms of reduced death and medical complications statistics. Certainly the taxpayer cost is much less if poor women are allowed the right to terminate unwanted pregnan-

Lower federal courts have consistently found that denial by states of abortion services to the poor is in contravention to the equal protection clause of the Constitution when the state will fund only prenatal and delivery care. The government can remain neutral only by allowing poor women both options—to either continue or terminate a pregnancy. Such restrictions are also discriminatory in that the right to choose is allowed only to those who can afford it; the civil rights of the poor are ignored.

We urge the Congress to increase the funding levels for the proliferation of family planning services, contraceptive research, and sex education programs. This is the only means through which to help reduce the need for abortion. A Table has been appended to outline the unmet need for family planning services to low-income women in the states represented by the Members of this Subcommittee.

ENERGY

Mr. KENNEDY. Mr. President, I want to call the attention of my colleagues to a thoughtful and provocative speech on the Nation's energy problems by the distinguished Senator from Louisiana, Bennett Johnston.

Speaking to the 15th anniversary dinner of the New England Fuel Institute, which also was honoring its longtime executive vice president, Charlie Burkhardt, Senator Johnston offered a compelling call for unified national action in meeting our Nation's energy crisis.

The distinguished chairman of the Senate Energy Subcommittee will bear major responsibility for considering the President's new energy package. I believe that no better forum could be sought for helping to develop a plan that will be fair to all regions and to all citizens.

He has listened with fairness and objectivity already to two special issues that affected the northeast—the question of regional strategic reserves and the urgent midwinter need for entitlements—and he has acted out of his recognition of the facts in each case.

I may differ with him, and he with me, on specific policies. But I admire greatly his determination to pursue a national solution to the serious energy problems that we face in a way that is equitable to all.

I ask unanimous consent that his speech be printed in the Record.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SENATOR J. BENNETT JOHNSTON SPEECH TO THE NEW ENGLAND FUEL INSTITUTE

On January 31, 1977, at the height of our winter energy crisis, the Sixth Circuit Court of Appeals stopped the construction of a TVA dam designed to increase electricity production in order to protect a three-inch minnow known as the "snail darter". In case you have never heard of the "snail darter". it is a brownish little fish which lives in 16 miles of the Little Tennessee River, numbers at most 15,000, feeds on snails and has no known use-not even as fish bait. The snail darter was first discovered in 1973-almost six years after the Tellico Dam project was begun—and was not placed on the Endangered Species List of the Interior Department until 1975-almost ten years after Congress first appropriated money for the project. The \$116 million Tellico Dam project, on the other hand, would provide electricity for 20,000 homes and was 90% complete when the Court issued its injunction. By the way, the Court was not even sure that completion of the TVA project would harm the snail darter, stating rather that the project "may destroy or modify the critical habitat of the snail darter"

I don't mean to blame this lowly fish for all our energy problems, nor do I mean to demean or denigrate the environmental movement in this land which has done so much to prevent the degradation of our land and water. But this is a prime example of misplaced priorities, lack of direction and failure to respond intelligently to the energy problem as it has developed. The Arab Embargo in 1973 showed us that the United States had an energy supply problem and was far too dependent on foreign sources for our crude oil. The "winter crisis of 1977" reminded us that not only do we still have an energy supply problem, but also that our supply problem has a domestic aspect as well—insufficient domestic supplies of natural gas and inadequate domestic fuel oil refining and storing capacity.

Call it a crisis or a shortage or whatever you will, our energy problem is real, acute and the fact is that we are doing nothing to solve it. In place of constructive, affirmative action, we have substituted three different attitudes or states of mind which have prevented any real solution.

The first is regionalism. Each region has adopted a "seige mentality". Each concerns itself only with its own misplaced fears and incorrectly identified interests. The West Coast believes it has a glut of oil. It resists receiving Alaskan oil by tanker and opposes a pipeline across its state to deliver that oil to other regions of the country. The West is concerned with what it regards as the rape of its lands by strip mining or the loss of its water to coal slurry pipelines. My region believes it has done its share for energy production and talks of cutting back on production in order to retain oil and natural gas for our own use. There was even a timenow past-when my region opposed the construction of a refinery in New England in order to protect our own domestic production. I might add that your group took the initiative in fighting for that refinery long before others in New England saw the dangers of heavy reliance on foreign imports. But the East, while wringing its hands over the dangers of oil tanker spills-as well it should in light of the recent Argo Merchant disaster-opposes Outer Continental Shelf drilling, a superport or additional refinery siting. A recent Washington Post editorial identified the East Coast attitude as the "Atlantic state of mind". To quote the Post:

"It is an attitude that vehemently opposes offshore drilling, or the construction of new refineries, or the development of oil ports. But it is also an attitude that bitterly resents rising fuel costs and utility bills. This attitude concedes that the disruptive and sometimes dirty process of producing and refining oil is necessary, but wants it to take place somewhere else. At the same time, it does not see why the northeastern states should pay any more for their fuel than, say, the southwest."

The second attitude is the scapegoat syndrome. Indeed, recently 65% of those polled by Lou Harris for ABC News identified the behavior of big oil companies as "very much to blame" for our energy crisis. This attitude delights to phrases like "obscene profits" and 'conspiring with the Arab oil producing nations." I might add that you, the marketers of fuel oil, are often accused of being coconspirators with big oil when prices in-crease. The current manifestations of this attitude are the delusion that there is plenty of oil and gas squirreled away in our country-all we have to do is punish big oil severely for withholding these reserves. Somehow, the logic goes, if we just take away the rest of their price incentives, the rest of their depletion allowance and divest them vertically, horizontally, and if possible, diagonally, then all will be well and oil and gas will flow abundantly into the marketplace at a low price.

The third attitude is the "snall darter mentality"—an enshrining of environmental concerns above everything and a total failure to balance these legitimate concerns with the equally legitimate concerns of energy sufficiency, jobs and the economy. In short, the mentality is characterized by a failure to recognize that the quality of life consists of more than just endangered species and the pristine purity of our environment. This attitude manifests itself in hundreds of ways—but most obviously by your region's failure to build refineries, superports or allow drilling on your Atlantic OCS.

Well, what has been the result, of this triple threat of regionalism, scapegoatism and the snail darter mentality? We've gone from bad to worse energy-wise and we're getting there faster all the time.

At the time of the 1973 Arab Embargo, we imported about 37% of our crude oil—now we import about 50%. Prior to the Embargo the Arab OPEC nations accounted for 22% of our oil imports. Now, Arab OPEC nations account for 38% of our imports. In 1973, we produced about 9.2 million barrels per day of crude oil domestically—now we produce only a little more than 8 million barrels per day. In 1973, we produced 22.6 trillion cubic feet of natural gas—last year we produced less than 20 trillion cubic feet. During the first 8 months of 1976, the amount of natural gas dedicated to the interstate market declined by 5% from 1975.

We told ourselves that our 600 year supply of coal would be our salvation. But in the three and a half years since the embargo, we've increased our coal production by a total of only 12%—only 4% per year. But a recent FEA study states that the United States must almost double its coal production in the next eight years from the present 665 million tons per year to over 1 billion tons. The percentage of our electrical generating capacity provided by nuclear energy has increased only marginally since 1973—from about 4.5% to 9% in 1976.

On the demand side, the outlook is equally bleak. The Federal Energy Administration estimates that our energy needs will continue to increase each year until 1985 at an annual rate of 2.5% per year—down slightly from the 3.5% per year rate of growth we enjoyed prior to the 1973 embargo. At that rate, our energy consumption will be 25% greater in 1985 than it was last year. But, in light of our increase in consumption last year of over 3%, we may be consuming even more energy in 1985 than previously projected. We've made some headway in energy conservation. We have some great and important plans for energy conservation which will be studied by my Subcommittee on Energy Conservation and Regulation. But the fact is that conservation, at least as presently envisioned, can not be expected to reduce future demand, but only to decrease

the annual rate of increase in energy demand.

But stating the problem is easy I'm sure many of you feel, in fact, that the energy problem is not a particularly thorny problem for an oil producing state senator. But the energy problems which face us in Louisiana are the same problems which face you in New England-high prices and uncertainty of supply. So, I do not recommend that we turn a deaf ear to legitimate problems of each region; nor that we turn the nation over to Exxon; nor that we abandon our concern over the dangers of monopoly or price gouging; nor that we junk the environmental ethic which we have just recently acquired and which is so important to each of us But in the last decade, Congress has adopted a Clean Air Act, a Federal Water Pollution Control Act, a Coastal Zone Management Act, the National Environmental Policy Act, the Noise Pollution and Abatement Act of 1970, the Oil Pollution Act, the Marine Protection, Research and Sanctuaries Act of 1972, the Safe Drinking Water Act, and the Energy Supply and Environmental Coordination Act of 1974. Congress is now considering a strip mining bill, amendments to the Clean Air Act, and amendments to the Outer Continental Shelf Lands Act. Regardless of the merits of these bills, they have an impact on our ability to produce energy-and that impact is sometimes reflected in lower production, inordinate delays and increased costs to the consumer. So I propose that we begin today to take a hard look at our energy needs and our options for obtaining that energy; that we analyze each alternative energy source for its relevant capital and other economic costs, its environmental, national security and balance-of-trade implications as well as the other relative advantages and disadvantages. In sum we must put together a plan that will produce energy and facilitate its use.

I believe that when New England analyzes its energy needs and energy options—balancing the various trade-offs as I have discussed—then New England will be guided by enlightened regionalism—an attitude, I believe, which would encourage construction of superport drilling on the Atlantic OCS, and increased domestic refinery capacity.

The East Coast supply-price picture is even more dismal than that of the nation as a whole. Although 25% of our nation's population is located on the East Coast, East Coast refineries can provide only about one-third of your petroleum product requirements. Over ninety percent of the feedstock for those refineries is crude oil imported from foreign countries. For most of the remaining two-thirds of your petroleum product needs, you must rely on imports from foreign refiners who, in turn, must rely totally on for-eign oil producers for their feedstocks. I might add that recent FEA regulations have almost banned Gulf Coast refiners from your market. In short, your region is the most vulnerable to pricing by foreign nations and you should not be surprised that your fuel costs are among the highest in the nation.

A superport will help you reduce the cost of your imported crude oil supply and protect you from some of the environmental risks accompanying the hundreds of tankers which visit your shores each year. There can be little question that large, modern supertankers, off-loading their cargo into a pipeline many miles offshore pose less danger to your beaches than the Argo Merchant's of this world.

New refineries built in New England to produce mainly distillates and residual fuel oil will lessen your vulnerability to foreign price increases and product supply interruptions. They will be more help to you than regional strategic petroleum reserves, although you should know that Senator Ken-

nedy, Senator Durkin and I have been working to convince FEA to locate a regional heavy fuel oil storage supply in New England as part of the Strategic Petroleum Reserve program. Of course, you all know what happened this winter. Supplies of home heating fuel ran dangerously low in your region and the only recourse was to import expensive distillates from foreign refineries in unprecedented quantities-an average of 700,000 barrels per day in February. New England asked FEA for, and received, a special entitlement subsidy this winter to lessen the impact of the higher priced fuel oil imports on the New England consumer. Of course, the consumers in the rest of the nation paid for that subsidy by paying a little more for the fuel they purchased. You receive a subsidy on your residual fuel oil, again paid for consumers in the rest of the nation. While there may be some equity in this subsidy, the effect of the FEA product entitle-ment program on residual fuel has been to drive out of business the largest independent. grass-roots refinery to begin operation in the last decade.

Although a portion of these subsidies have flowed through to the consumer, many of the subsidy has been retained by foreign refiners who are beyond the reach of the FEA. To date, the nation has been willing to subsidize New England's fuel costs. You have been willing to accept that subsidy knowing, nonetheless, that each new subsidy program is a further disincentive to new domestic refining capacity—thus further cementing your reliance on foreign refiners. I believe your best, most enlightened interest lies in encouraging the establishment of new refining capacity in your region and weaning yourselves off of the Caribbean refiners.

But most importantly, you need to encourage an aggressive drilling program on the Atlantic Coast Outer Continental Shelf. A prime example of the "Snail darter mentality" which I have not previously mentioned concerns the frenetic enthusiasm with which some in your region greeted the court decision cancelling the recent Atlantic OCS lease sale. Approximately, that decision, like the snall darter decision, was rendered at the height of our recent winter energy crisis. According to the Geological Survey, there is thought to be about trillion cubic feet of undiscovered and recoverable natural gas on the Atlantic OCS and as much as 4 billion barrels of undiscovered but recoverable crude oil. Of course, these are only estimates. There may be considerably more. There may be considerably less. There may be none. Although no one will know for sure until there is a considerable amount of drilling, someone believes in the area—because the oil companies bid \$1.4 billion for the drilling rights. Whatever is there, it will some day be only a pipeline away, if your region will only encourage its development. Surely pipelines and OCS drilling are considerably safer environmentally than the transportation of oil to your shores tankers. A recent study by the Council on Environmental Quality reveals that five times as much oil has been spilled into our oceans from tankers than from OCS drilling; ten times as much from all ships as from OCS drilling; and six times as much oil has entered our oceans from the crankcases of automobiles as from OCS drilling. In fact, thirty percent of the oil in our oceans today has come from the crankcases of our automobiles. Forty years of drilling 21,000 wells on offshore Louisiana have taught us there is little danger of lasting adverse environmental impact from OCS drilling. Recently, the Environmental Protection Agency revealed that, although research is continuing, there is no evidence of lasting environmental harm from an cil spill. In fact, according to Britain's Plymouth Laboratory, the detergent used to clean

up after the Torrey Canyon disaster in 1967 caused more harm to the environment than did the oil. In short, I believe it is not only in your economic interest to encourage OCS drilling, but in your environmental interest as well.

You might also be interested to know that your state may now participate with the federal government in some of the revenues from the development of the OCS. Last year Congress created a Coastal Energy Impact assistance program with \$1.2 billion in loans and grants to assist coastal states mainly in developing the facilities and services to support the OCS development. I do not believe the grant portion of the program is either big enough or leaves enough discretion with the states. I will soon offer an amendment to remedy these deficiencies and I hope to have the support of your Senators and Congressmen.

In summary, we've all got to rid ourselves of "seige mentality" regionalism in favor of an enlightened regionalism which works to the national good. We all must—and I particularly include politicians in this—rid ourselves of scapegoatism which divides us and diverts us from the real energy issue. And as for the snail darter mentality, we can no longer afford the luxury of such a simplistic approach to difficult and delicate problems. We must resolve now, to make enlightened decisions which more accurately balance the interests of preserving our environment and providing energy for our people.

THE F-18

Mr. GOLDWATER. Mr. President, almost since the day the F-18 program was first announced, I have expressed my doubts that the program would ever get off the ground. Lately, there have been persistent reports indicating Navy is encountering severe funding problems for its ongoing aircraft procurement programs for the next 5 years. One of the possible solutions being reported is that the F-18 program would be canceled.

Mr. President, I hope the Department of Defense and the Navy will make an early decision on the F-18 program because currently pending before the Congress is a request of \$626.6 million for continued development of the F-18 and \$29.3 million for advanced procurement. Now if the decision is about to be made that the Navy is not going to proceed with this program, it would be very helpful for the Congress to know, since there are many other programs, some of which were cut by the incoming administration, that could use these funds.

Mr. President, I ask unanimous consent that two articles from Aviation Week and Space Technology, which address this issue in detail, be printed in the Record.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Aviation Week and Space Technology, Apr. 4, 1977]

NAVY WEIGHS F-18 PROGRAM DELAY

Washington.—Navy is considering plans to delay the McDonnell Douglas/Northrop F-18 air combat fighter program by at least a year beginning with the Fiscal 1979 budget submission and also wants to halt its procurement of the Lockheed P-3C antisubmarine warfare aircraft.

The plan is aimed at aiding the service in overcoming serious funding shortages that begin with the Fiscal 1979 request (AW&ST

Mar. 28, p. 14). The Navy had been committed to 24 squadrons of the P-3C at a procurement rate of 14 aircraft per year through the five-year defense plan.

The aircraft already has been to Australia with 10 Orions going to that nation, and 18 CP-140s, a variant of the P-3C, sold to Canada. These are government-to-government agreements, and the impact of the Navy's plan to stop procurement of the P-3C is being assessed.

The Navy already has requested long-lead funding in Fiscal 1978 and deliveries of the P-3C include 11 aircraft from Fiscal 1977 funding, and 12 scheduled for Fiscal 1978 funding. The production rate would go to 14 aircraft per year in Fiscal 1979 if the order is not canceled.

The first Australian aircraft will be delivered in December, 1977, with nine scheduled for delivery in Fiscal 1978. Canada will get its first aircraft in 1980.

Industry officials believe it will not save the service any money to cancel or delay the F-18 fighter program. Delaying the program by a year will only increase costs in the long run by adding to the unit cost. Industry officials believe it will cost the Navy about \$12.5 billion to procure additional F-14As and Vought A-7Es if the F-18 program is scrapped. That figure includes an estimate of \$3.3-3.7 billion to develop a new engine for the F-14B, and \$2.3 billion for F-14A modifications already planned, including engine improvements.

[From the Aviation Week & Space Technology, Mar. 28, 1977]

> HARD CHOICES CONFRONTING NAVY (By Clarence A. Robinson, Jr.)

Washington.—Navy is examining several drastic alternatives to lessen the impact of funding constraints on fleet modernization, readiness and aircraft procurement programs.

Among the alternatives are:

Cancellation of one of three major aircraft procurement programs: the Northrop/Mc-Donnell Douglas F-18 air combat fighter, the Grumman F-14A air-superiority fighter or the Lockheed P-3C anti-submarine warfare aircraft.

Reduction in form levels.

Stretchout in a number of procurement programs. This would ease the funding constraints on a near-term basis but cost the Navy more in procurement funds over the long run with resulting high unit costs for the weapons involved.

A number of senior Navy officials are convinced that reduction in force levels and stretching present procurement programs are ineffectual and piecemeal approaches to the problem the Navy faces of trying to support force levels adequately for 12 aircraft carriers through the five-year defense plan.

In providing funding for aviation needs, the Navy expects a shortage of approximately \$700 million in Fiscal 1979, more than \$800 million in Fiscal 1980 and about \$1 billion in Fiscal 1981.

There is just not enough money available during the five-year defense plan to continue all of the Navy's aircraft and missile procurement programs while providing adequate operating and maintenance funding and to continue necessary research and development work, according to Navy officials. The Navy expects to come up about \$5.7 billion short over the next five years.

The Navy is seeking \$3.7 billion in Fiscal 1978 for aircraft procurement. In the Fiscal 1979 authorization request, which was submitted with the Fiscal 1978 budget to Congress, the Navy asked for \$4.3 billion. This figure was submitted under the Ford Administration and has not yet been cut by the Defense Dept. under orders from the Carter Administration. Of that amount a total of

\$2.8 billion has been earmarked for aircraft procurement—\$654 million for Grumman A-6A/EA-6Bs/E-2Cs, \$948 million for F-18 procurement and development and \$1.2 billion for 60 F-14s.

Internally, the service has placed a "fence" around the funding available for aviation programs. The fiscal fence limits funding levels to budget constraints provided by the Administration.

Compounding the service's fiscal problems is congressional pressure for the Navy to fund competitive development of a new engine for the F-14B and to formulate a procurement plan for the engine. Navy officials believe that it will cost the service \$50-60 million in Fiscal 1979 for engine development alone.

The total cost for developing a new engine with three manufacturers competing is estimated at \$400-\$500 million. Another \$2.3 billion will be needed for engine procurement, which is based on beginning the F-14 re-engining effort in 1984.

At the same time, the Navy is forced to continue purchasing kits to improve the Pratt & Whitney TF30 engines in the F-14As in the fleet. Kits to improve the TF30 cost the service about \$800,000 each and include redesign of the first stage fan blade and increased thickness in containment cases around the front and rear stages.

Last year the Navy reprogrammed money to pay for the kits and is seeking to reprogram \$66.9 million from the canceled Condor missile program this year for that purpose.

Engine improvements begin on the production line with the 235th F-14, and the service will retrofit the earlier aircraft with the kits.

In Fiscal 1977, Congress gave the Navy \$15 million to initiate a competitive hardware demonstration of a new engine for the F-14 fighter and expected the service to include a funding request in Fiscal 1978 to continue the development. Because the money from Congress came after the formulation of the program objective memorandum by the Navy, a funding request could not be included in the Fiscal 1978 budget.

The Navy plans to ask the Congress to allow it to spread the \$15 million provided for development of a new F-14 engine over both Fiscal 1977 and Fiscal 1978 spending periods, and then the Navy would pick up the funding for the new engine with its request in Fiscal 1979.

The Navy plans to develop the new F-14B engine on a schedule that will bring it into the inventory in 1984, when the first F-14s are planned to undergo modernization as part of a service life extension program to add another 4,200 operating hours to the aircraft in the fleet. This equates to approximately another 12 years of service life.

The Navy needs the new engine for an in-

The Navy needs the new engine for an increase in power for the fighter. The F-14A initially was approved in Congress with the understanding that the fighter would be reengined to the F-14B starting with the 135th aircraft to come off the Grumman line.

Congress is pressing the Defense Dept. for the Navy plan to develop the new engine and Congress has asked whether or not it will be required to finance the program again in Fiscal 1978 if it chooses.

The competitive engine development program as now envisioned would include at least three manufacturers. They are Pratt & Whitney with the F401 variant, General Electric with its F101X and Allison with its 912-B32.

Navy officials are entering a reduced spending profile at a time when the service has too many procurement programs, and senior officials are eyeing the biggest production programs for an area of immediate cuts to ease the pressure of an over-extended position.

Aircraft procurement costs are continuing to climb, and this is not related only to inflation. The increased costs are in part caused by advances in technology. Lightweight composite materials is one area where costs are increasing. There is now an overall increase of 16-18% per year throughout industry in aircraft components. The increases in parts costs impact on fleet readiness through aircraft availability rates, an area where the Navy already has been under-

As costs increase, it means less fuel availability for flight hours and less maintenance man hours at a time when the Navy is making a concerted effort to raise its aircraft availability rate and improve fleet readiness across the board.

In Fiscal 1979, the Administration is tightening the Defense Dept. budget request, which will lower the Navy's ceiling. mandates a significant adjustment to the Navy funding request for aviation and means an adjustment to at least one or more of the production lines.

Reductions are extremely difficult for Navy aviation because of the way the service must organize for carrier operations. Fighters, attack, early warning aircraft and anti-sub-marine warfare aircraft must all operate from a single platform with resupply lines to the carrier. This dictates that the service procure small buys of aircraft each year at relatively high costs to make up composite wings for the carriers.

Naval aviation officials believe that the best approach to cutting costs is to simply eliminate one of its production programs for aircraft. But they are aware it is difficult to gain approval for that position within the Pentagon and the Congress.

By reducing the number of aircraft procurement programs by one, delaying fleet modernization and stressing a balance between research and development funding and operations and maintenance costs, Navy officials are convinced the service can greatly improve its combat effectiveness.

The low part of the high/low aircraft mixthe F-18 strike fighter-is being questioned as a program that the Navy may not be able to afford, particularly since the F-14A at the high end of the mix is demonstrating increased reliability in Block 90 aircraft

The F-14As taking part in the joint Navy USAF combat evaluation program at Nellis AFB, Nev., are all Block 90 aircraft, and they are achieving an overall 85% availability rate. Block 90 aircraft changes include installation of maneuvering flaps/slats, re-placement of the central air data computer and a new ultra-high-frequency radio.

The allowance list of parts for the F-14A has been updated for the program at Nellis where often four sorties a day are flown and 85% of the parts are stocked at the base. It is only rarely that a part is not in the bin when it is required. The Navy is applying the same maintenance and supply procedures for the F-14A incrementally to other squadrons in the fleet.

F-14A squadrons on the USS John F. Kennedy operating at sea in the Sixth Fleet are achieving a 62 percent aircraft availability rate, close to the 70 percent chief of naval operations standard for the service.

If the Navy decides to, and is able to convince the Pentagon and Congress that it would be best for the service to halt the F-18 fighter program, it would save about \$15 billion through Fiscal 1988. Current F-18 procurement plans through the five-year defense plan include:

Fiscal 1978-research and development

Fiscal 1979-nine aircraft at a cost of \$517 million.

Fiscal 1980-50 aircraft for \$875 million. Fiscal 1981—72 aircraft for \$1.3 billion. Fiscal 1982—120 aircraft at \$1.6 billion. Not only has the Navy convinced the Pen-

tagon that the F-14A procurement should be

expedited to reduce costs, it also has managed to persuade some senior Defense Dept. officials that the F-18 does not have a real capability for the fleet air defense mission. The fighter was not designed for this role, one that Navy officials consider critical to the fleet's survivability. On the other hand, they argue, the F-14A has proved to be one of the hottest fighters in the world in the aerial combat maneuvering tests now in progress at Nellis AFB.

To reduce the costs of the F-14 by expediting the production schedule, the Navy will get 521 of the fighters in lieu of a planned The production schedule now includes:

Thirty-six in Fiscal 1977 which will be delivered next year.

Forty-four in Fiscal 1978 at a cost of \$940.7 million.

Sixty in Fiscal 1979 for \$1.2 billion. Sixty in Fiscal 1980 for \$1.2 billion.

Forty-two in Fiscal 1981 for \$795.3 million. Navy officials estimate that by increasing the production rate of the F-14 from 13 per year to as high as 60 yer year to complete the purchase of pipeline, spares and attrition aircraft the service will save \$2 million per aircraft. The schedule for deliveries has been compressed from 1988 to final deliveries in 1981

Because of the performance at sea of the F-14As, the Navy is not anxious to halt the procurement of the fighter at 403 and not provide necessary spares aircraft. Neither is the Navy keen about halting the P-3C production line. The service is committed to achieving an all P-3C surveillance inventory.

The production rate of that aircraft is planned at 14 per year. This low quantity buy makes the aircraft costly, with procurement running through the five-year defense plan.

The Navy had planned to operate with 18 F-14A squadrons and to procure six F-18 squadrons and 24 squadrons of the A-18, the attack version of the air combat fighter. The Marine Corps plans to procure 12 F-18 squadrons and that is one of the major problems facing the Navy at the moment. If the Navy halts the F-18 program, the question

arises of providing a fighter for the Marines. The F-14 could be made available for the Marine Corps, but that service now favors the F-18 for case of maintenance and reliability designed into the aircraft. The Marines can continue to operate with the slatted Mc-Donnell Douglas F-4 fighter, or a supersonic version of the McDonnell Douglas AV-8B Harrier might become available as a fighter

Without the A-18, if the F-18 is not procured, the Navy would procure additional Vought A-7s and look at the possibility of re-engining the attack aircraft. It is possible that the Navy may decide to procure the AV-8B Harrier along with the Marines and thus achieve the benefits of commonality in the attack aircraft. The Navy also would have the advantage of operating with an interim vertical/short takeoff and landing aircraft at sea as it moves toward an all V/ STOL inventory in the late 1990s.

Naval Air Systems Command is now conducting a study on the feasibility of an Advanced Harrier procurement for the Navy attack mission. The study includes a comparison with the AV-8B and the A-18.

The A-7 line is facing shutdown, and the Navy is trying to keep that production capability open. The service has been hoping that the Pakistani request for 100 A-7s would keep the line open until a decision on the A-18 could be made, but that foreign procurement is now being held up in the State Dept.

Many Naval officials believe the accuracy of the A-7 weapons delivery system-about 6 mils-is about as good as can be achieved and the A-18 would only be able to duplicate that accuracy.

The big advantage in the A-18 over the A-7 would be aircraft survivability, maintain-ability and reliability. The survivability would be in the form of improved aerody-namic performance and an increase in power with the two General Electric F404 engines.

When all the evidence has been weighed Navy officials the course of action likely be to scrub the F-18 fighter/A-18 attack aircraft program "as the cleanest course of action." But the officials are keenly aware that they face an uphill fight in the Defense Dept. and in Congress. Because of this, the other two alternatives also are being closely

Nevertheless, the F-18 procurement is the only one of three aircraft procurement programs having any real financial impact on Navy spending that would make apparent sense for the service to cancel. The Navy thus finds itself in a bind.

Naval Air Systems Command also is studya letter from VX-5, the China Lake, Calif.-based test and evaluation squadron, which concludes that the A-18 will be less capable than the A-7E in most attack mission areas.

The total planned procurement of 800 F-18s includes a Navy buy of 310 attack versions, and the total program cost of \$12.8 billion includes inflation costs through 1987. That brings the unit program cost to \$15.8 million, close to the cost of the F-14A for an aircraft designed with less capability than the Grumman fighter.

The F-14A cost in constant 1969 dollars, when the program started, is \$9.7 million per unit. Adding escalation costs brings that figure to \$17.9 million per aircraft through 1981. Research and development recovery costs added to the \$17.9 million brings the cost to \$19.2 million based on the present production schedule, which includes the Iranian buy of the fighter.

Administration, Defense Dept. and congressional officials are quick to accept the increased costs for a production program such as the F-18, but slow to accept the levels of funding necessary to maintain and modernize aircraft already operational in the fleet, and yet that is where real combat effectiveness starts, Navy officials said.

NAVY TO PROPOSE NEW F-14 ENGINE

Navy reluctantly will submit a proposal to Congress in the near future for development of a new engine primarily for the Navy/Grumman F-14B fighter.

The commitment to submit a proposal was made at a session of the House Armed Services Committee last week by Vice Adm. F. C. Turner, deputy chief of naval operations, air warfare, following a barrage of congressional criticism of the Navy's failure to initiate the project with \$15 million appropriated for Fiscal 1977.

Principal reason for the Navy's inaction is the greater urgency accorded the extensive program to modify and retrofit the Whitney TF30 engines installed in Pratt & 234 F-14A aircraft to prevent engine-related accidents and improve the aircraft's reli-

ability (AW&ST Feb. 28, p. 26).

The Navy estimated the cost of the modification at \$1 million per aircraft. The program started last fall with \$24.5-million funding.

"The first priority is to fix the one [en-gine] we have," Adm. Turner said.

The committee ultimately approved an additional \$66.9 million for the modifications, making a total of \$91.4 million. The funding will be provided by reprograming Fiscal 1977 moneys budgeted for the Rockwell International Condor missile program, which has been terminated.

In addition to the House Armed Services Committee, the Senate Armed Services and the House and Senate Appropriations committees must approve the action.

Adm. Turner urged caution in proceeding with a new engine development program to assure that it is credible and logical. He assured the committee that "we would like to have the engine."

In their reports on the Fiscal 1977 appropriation, both House and Senate Appropriations committees directed a competitive hardware demonstration program.

ADDRESS BY JUDGE ROBERT A. AINSWORTH, JR.

Mr. EASTLAND. Mr. President, I ask unanimous consent that an address by Judge Robert A. Ainsworth, Jr., delivered at the law alumni banquet honoring the members of the Loyola Law Review be printed in the Record.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE PROPOSED SPLIT OF THE U.S. COURT OF APPEALS FOR THE FIFTH CIRCUIT

It has been suggested that a discussion of the proposed plan to split the United States Court of Appeals for the Fifth Circuit into two circuits might be of interest to you tonight.

This subject is of current interest and importance because it is now being considered by the Congress along with the omnibus federal judgeship bill to create a large number of additional judgeships in the nation.

According to studies which have been made by the Committee on Court Administration of the Judicial Conference of the United States and presented to the House and Senate Judiciary Committees, there is a pressing need for 107 additional federal district judges and 37 more appellate or circuit judges. At the present time there are only 399 authorized federal district judgeships and 97 federal appellate judgeships, a total of 496.

Congress has not created a new federal district judgeship since 1970, seven years ago; and no new federal appellate judgeships since

1968, nine years ago.

In the meanwhile, the caseload in the federal courts has increased tremendously. The recent Report of the Department of Justice Committee on Revision of the Federal Judicial System makes the following observation in this regard:

"Our federal courts have served us so well for so long that we have come to take their excellence for granted. We can no longer afford to do so. The federal court system and the administration of justice in this nation need our attention and our assistance. Law and respect for law are essential to a free and democratic society. Yet without a strong and independent federal judicial system we can maintain neither the rule of law nor

respect for it.

"The central functions of the federal courts established under Article III of the Constitution of the United States are to protect the invidual liberties and freedoms of every citizen of the nation, to give definitive interpretations to federal laws, and to ensure the continuing vitality of democratic processes of government. These are functions indispensable to the welfare of this nation and no institution of government other than the federal courts can perform them as well.

"The federal courts, however, now face a crisis of overload, a crisis so serious that it threatens the capacity of the federal system to function as it should. This is not a crisis for the courts alone. It is a crisis for litigants who seek justice, for claims of human rights, for the rule of law, and it is therefore a crisis for the nation.

"In this century, and more particularly in the last decade or two, the amount of litigation we have pressed upon our federal courts has skyrocketed. In the fifteen year period between 1960 and 1975 alone, the number of cases filed in the federal district courts has nearly doubled, the number taken to the federal courts of appeals has quadrupled, and the number filed in the Supreme Court has doubled. Much of this litigation is more complicated because of the rising complexity of federal regulation.

"Despite this rising overload, we are asking the judges of the federal courts to perform their dutles as effectively as their predecessors with essentially the same structure and essentially the same tools. They are performing wonders in coping with the rising torrent of litigation, but we cannot expect them to do so forever without assistance."

For the first time in more than eight years the political climate is right for Congress to create additional judgeships and to provide the judgepower which is so badly needed in the seriously overburdened federal judicial system. A new President has taken office and with the cooperation of the Congress we look forward confidently to obtaining the additional judges necessary to handle the rapidly increasing caseload in the federal courts of the nation. Thus the opportunity exists to help solve the crisis which affects the Fifth Circuit United States Court of Appeals—the nation's largest federal appellate court, the court with the largest caseload and the most judges—15 in number. The most significant thing to be done is to add judges but for two separate autonomous courts rather than one.

The present United States court of appeals system was established by Congress in 1891, 86 years ago, when the nation was divided geographically into ten circuit courts of appeals. Only one geographic change has been made in these courts and that occurred in 1922 when the Eight Circuit was split to create the new Tenth Circuit. The present boundaries are largely the result of historical accident and do not satisfy such criteria as the parity of caseload and geographical compactness.

The Fifth Circuit, the largest of the federal appellate circuits, extends from El Paso, Texas, to Miami, Florida, and comprises six states: Texas, Louisiana, Mississippi, bama, Georgia, Florida and the Canal Zone. The 1970 census showed that the total population of the states in the Fifth Circuit was 32 million people. The rapid and explosive growth of the Deep South, of the states of the Sun Belt, the new consciousness by the bar of the power of the judiciary, the strong American predilection to litigate differences in courts of law, the upsurge of suits by prisoners, and of civil rights actions are only a few of the factors that have so greatly contributed to the extremely large caseload of

In 1961 a total of 630 appeals were filed in the Fifth Circuit. In the last fiscal year, 1976, 3,629 appeals were filed in this court, a 476 per cent increase in 15 years. The judges of the Fifth Circuit sit in panels of three judges and oftentimes en banc with the entire court on a bench in the Courthouse on Camp Street here which is the largest in the United States—large enough to seat all 15 judges at one time

But there is no courtroom in the Camp Street Courthouse large enough to seat 27 judges, which is the number of judges necessary to cope with the present caseload. A court of 27 judges would be absolutely unmanageable. As the Senate Judiciary Committee said two years ago in its report on the bill pertaining to the reorganization of the Fifth Circuit:

"It is evident to the Committee that simply increasing the number of judges from 15 to 21 or to 25 is not a solution. While this would reduce the per judge average caseload, it probably would not materially reduce the

workload since the logistical and coordinating problems would also be increased. A single judge would have to review the productivity of 24 rather than only 14 colleagues. The number of intra-circuit conflicts would likely increase, resulting in the need to hold more en banc hearings. Testimony received indicates the problems attendant upon en banc hearings conducted by a court of 15. Seemingly, the problems would be magnified by a court of 25. There is further the fact that the element of collegiality is diminished as the size of the court increases.

"For these and other reasons, the Committee concurs in the conclusion reached by the Commission that an increase in the number of judges in the Fifth Circuit as presently constituted is not a solution to the problem. The solution recommended by the Commission is to split the Fifth Circuit so as to create two circuits in place of the one."

The Fifth Circuit has the largest number of case filings per judge of any federal appellate court in the nation. In fiscal year 1976 the filings in the Fifth Circuit were 242 per active judge compared with the national average (adjusted to omit the Fifth and Ninth Circuits) of 173 filings per judge. The rate of terminations of cases per judge is also the highest in the nation.

If you are concerned with our plight, save your feelings for the litigants; the disposition of whose cases is being delayed with a large backlog which continues to accumulate.

There simply is no adequate cure for the problem short of obtaining additional judge-power and splitting the circuit into two manageable circuits, the Fifth and a new circuit, perhaps the Eleventh.

The Congressional Commission on Revision of the Federal Court Appellate System in its recent report said in this regard:

'An increase in the volume of judicial business typically spawns new judgeships. The Fifth Circuit has grown to a court of active judges, each of whom shoulders a heavy workload despite the use of extraordinary measures to cope with the flood of Serious problems of administration and of internal operation inevitably result with so large a court, particularly when the judges are as widely dispersed geographically as they are in the Fifth Circuit. For example, it becomes more difficult to sit en banc despite the importance of maintaining the law of the circuit. Judges themselves have been among the first to recognize that there is a limit to the number of judgeships which a court can accommodate and still function effectively and efficiently. In 1971 the Judicial Conference of the United States endorsed the conclusion of its Committee on Court Administration that a court of more than 15 would be "unworkable". At the same time, the Conference took note of and quoted from a resolution of the judges of the Fifth Circuit that to increase the number of judges on that court "would diminish the quality of justice" and the effectiveness of the court as an institution."

The Congressional Commission has recommended that the Fifth Circuit be split in two, the Fifth Circuit to be composed of Florida, Georgia and Alabama, and the Eleventh Circuit of Texas, Louisiana, Mississippi and the Canal Zone. The caseload would be about evenly divided and if the split is made there would be two courts, one of 14 judges and one of 13 judges.

The Senate Judiciary Committee last year proposed that the circuit be split so that the Fifth Circuit would be composed of two completely autonomous divisions. The Fifth Circuit, Eastern Division, would be composed of Alabama, Florida, Georgia and Mississippi and the Canal Zone, and the Fifth Circuit, Western Division, would be composed of Louisiana and Texas. Under this plan the Eastern Division would have a

slightly larger caseload whereas if Mississippi were shifted to the Western Division the caseload would be evenly divided.

I dislike the thought of splitting the venerable and proud Fifth Circuit. Its geographical boundaries in the six states of the Deep South have existed for years. The court has gone through many severe crises. It has decided some of the most controversial cases in the history of the nation and its decisions have profoundly affected the lives of many of the millions of people who reside in it. It has been in the vanguard of protecting the rights of individuals and of stoutly maintaining the civil rights of all citizens. In many respects it is the court of last resort for the people of six states, for the Supreme Court rarely grants certiorari from its decisions and seldom reverses it.

But the time has come to move along. We must now defer to the litigants who bring their cases to us for decision. We cannot postpone consideration of these matters for the old cliche still applies that "Justice delayed is justice denied."

A practical solution is at hand. It is much desired by the large majority of the judges of the Fifth Circuit. Perhaps you will see in this year 1977 a big change in the composition of a mighty and powerful court. Things may not be the same. But they never are.

CONDITIONS IN HAITI DROUGHT

Mr. BROOKE. Mr. President, it is my unhappy purpose, today, to call to the attention of the Senate yet another condition of drought in Haiti. Many of my colleagues will remember the severe drought conditions that afflicted the Haitian people in 1975. While some respite from those conditions occurred in 1976, it now appears that improved conditions were just a brief respite from continued tragedy.

Insufficient rainfall during the latter part of 1976 has led to extensive crop failures in northwest Haiti and on the island of Gonave. Both these areas, as well as other parts of Haiti, provide a marginal standard of living for their inhabitants even in the best of times. Under drought conditions these people simply cannot survive without outside assistance

On March 21, 1977, the U.S. Ambassador to Haiti declared that a disaster existed and requested the use of disaster relief funds for the costs of air shipping and operating temporary power generating capacity for about 1 month. A subsequent request was forwarded to the Department of Defense by the Agency for International Development for the loan of four 750 KW generators to Haiti and their transportation to that country as soon as possible.

AID has also arranged with the Center for Disease Control in Atlanta for the dispatch of a CDC epidemiologist to Haiti to assess the dangers of disease under the drought conditions.

Credit should be given to the work of voluntary agencies who, with limited resources, are making a major contribution to the drought relief effort. AID summarizes several of these efforts in the following manner:

CARE, Inc., and Church World Services in February asked for supplemental Title II shipments totalling \$592,900 for use in food for work projects. This assistance has been approved for approximately 2.5 million man/ days of work from 19,000 workers who support about 66,000 dependents.

A cable received in AID/W April 4 indicated that Red Cross field representatives had reported a significant increase in mortality rate in Northwest Haiti and Gonave and requested 120 tons of dried milk as further Title II assistance. A telegram sent April 5 approved the request. This food is to be shipped to Haiti by CARE and distributed by the Red Cross to approximately 20,500 infants or pregnant/lactating women for three months.

It is also evident that Haiti will require additional foodstuffs to meet the emergency. On March 30 the Government of Haiti requested an additional 10,000 tons each of corn and rice to be sold under Public Law 480, title I provisions. Unless conditions improve in the near future, it appears reasonable to assume that further requests will be forthcoming.

As one who has a deep affinity with the Haitian people, their continued suffering is a heartrending spectacle. It is in the best humanitarian traditions of the American people that our country stands ready to provide the assistance the Haitians need to meet this latest disaster and improve their capacity to become more self-sustaining in the future.

HUMAN RIGHTS IN LATIN AMERICA

Mr. KENNEDY. Mr. President, I call the attention of my colleagues to a recent column by Jack Anderson and Les Whitten underlining the need for continued concern about human rights in Latin America.

Mr. Anderson has cited events in Argentina, Paraguay, and Uruguay, and he has summarized the tragic story of a well-known Uruguayan journalist, Enrique Rodriguez Larreta, who was kidnaped and tortured in Argentina, transported across the border to military personnel in Uruguay and tortured once more.

Let me simply note that Mr. Rodriguez Larreta is a journalist of note, a former member of the National Committee of the Partido Nacional, one of Uruguay's traditional political parties prior to the military coup, a former secretary to the President of the Municipal Council of Montevideo, a former department head in the administration of the General Accounting Office of Uruguay.

I have seen the full deposition of Mr. Rodriguez Larreta and I have transmitted that deposition to the Inter-American Commission on Human Rights.

I ask unanimous consent that the Anderson column be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

Some Latin Regimes Use Torture (By Jack Anderson and Les Whitten)

President Carter's aggressive defense of human rights has been rejected by a number of Latin American regimes that still rely on imprisonment, torture and murder to perpetuate themselves in power.

Five Latin American nations, outraged at the Carter administration's criticism of their repressive police states, have refused to accept further American military aid. But this face-saving attempt hasn't stifled the efforts of their people to achieve basic human freedoms.

We have heard the grim stories of many victims who have been brutally mistreated by these military governments. But rareiy have we heard a tale as detailed, credible and moving as that of Enrique Rodriguez Larreta.

He is a prominent journalist from one of Uruguay's oldest and most distinguished families. He flew to Buenos Aires last July to trace the disappearance of his 26-year-old son, also a journalist, who had emigrated to Argentina years ago. The anxious father spoke with several officials and wrote numerous letters.

On the night of July 13, a group of armed men dressed in plain clothes bashed in the door of his daughter-in-law, tied hoods over their heads and drove them in their night clothes to a room with about 30 other people.

Through his loosely woven hood, Larreta recognized his son and several other prominent people, including Margarita Michelini, the daughter of a Uruguayan senator who had been assassinated in Buenos Aires, and Leon Duarate, a Uruguayan labor organizer who had disappeared.

The guards began shoving prisoners upstairs for interrogation. "Because of the piercing screams that I could hear constantly," Larreta told our associate Joseph Spear, "I realized they were being brutally tortured."

The next evening, it was Larreta's turn. "They stripped me completely naked. Tying my hands behind my back, they suspended me by the wrists... They put a sort of loincloth on me, on which there were several exposed electrical wires. When that device is plugged in, the victim receives electric shocks at several points simultaneously. This 'machine,' as they call it, is plugged in amidst questions, threats, insults and blows to the most sensitive parts of the body."

Throughout the ordeal Larreta's tormentors asked him questions about the political activities of his son and himself. Larreta reported that his guards "seemed to belong to the Argentine Army," but Uruguayan Army officers also participated in the torture sessions, he said.

At one point, the guards suspended a water-filled tank from the ceiling, tied a prisoner named Carlos Santucho to a rope, and dangled him over the tank. He was "lowered repeatedly into the tank and pulled out again, amidst laughter and insults," Larreta recalls. "After awhile, they apparently noticed the Santucho's body showed no signs of life . . . and took him away."

On July 26, Larreta was tied up and thrown into a truck with some other prisoners. They were hauled to a military airport in Buenos Aires, flown to a base near Montevideo, and deposited in an Uruguayan house of torture.

Finally, in late August, the captors tried to convince their prisoners to take part in a phony guerrilla attack. Afterward, the prisoners would be represented by lawyers at a military trial and would later go to prison. But their lives would be spared.

Fourteen prisoners agreed to the deal; the phony raid was staged, and the captives were paraded before the press. The government officially announced that it had broken up a huge "subversive organization."

Because of Larreta's spotless record and moderate political credentials, the captors could not make a case against him. He was eventually released. His son remains in prison.

Meanwhile, fear is mounting in the armed camp called Argentina, where the military junta, under Gen. Jorge Rafael Videla, must use force to keep its shaky hold on the reins of power. Top Argentine officials, therefore, are unhappy about Carter's human rights offensive. Argentina is a "nation under siege," the generals claim. There's no room, they insist, for normal court procedures.

sist, for normal court procedures.

In Paraguay, hundreds of citizens have been imprisoned and cruelly tortured by po-

lice officials paranoid about any hint of opposition. But while the nation's 2.5 million people live in poverty, Gen. Alfredo Stroessner lives like a proverbial king. The greedy dictator has kept Paraguay under a virtual state of siege since 1954, except for the infrequent "elections" which he invariably wins.

Carter's stubborn support of human rights has yet to persuade the dictators of Latin America to ease their oppressive rule.

JIMMY CARTER'S HUMAN RIGHTS CAMPAIGN

GOLDWATER. Mr. President, Mr. during the recent recess for Easter it was my pleasure to have once again visited the Chinese on the island of Taiwan. I found here as I have found everywhere that I have been since President Carter's speech on human rights a general and enthusiastic acceptance of it. I did find at the same time, however, a question as to how he can speak so eloquently of human rights while at the same time seemingly give public acceptance to the idea that even though Red China is probably the world's worst abuser of human rights, it is all right for this country, the United States, to give recognition to her very existence.

I made several comments while on the island to the effect that I thought no Americans in high official positions, such as the Secretary of State, Members of Congress, et cetera, should visit Red China, but, if they felt they should do this, then common decency that they visit Taiwan at the same time. I have been assured on many occasions by former Secretary of State Kissinger that it was never intended during the Presidencies of Mr. Nixon or Mr. Ford, that diplomatic recognition would be extended to Red China.

I would hope that President Carter would continue to not recognize Red China, but continue to give the type of recognition which Taiwan and her people have so richly deserved as friends of the United States.

Let us quit using double standards in relations to human rights. Either they exist or they do not and they cannot exist in one country and not exist in another.

Red China is of no importance to the United States unless she becomes a free country and her only interest in obtaining our recognition is to her own advantage against the Soviets and to use it to stabilize her crumbling interior situation.

I ask unanimous consent that an editorial appearing in "Asian Outlook" in March of this year be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

JIMMY CARTER'S HUMAN RIGHTS CAMPAIGN

President Jimmy Carter's human rights campaign has caught the imagination of the people of the world and may become one of the keystones of major American policies in the third century of the United States. It can easily rally the free nations of the world to follow American leadership just as the late President Franklin D. Roosevelt rallied the free people together with his historic doctrine of Four Freedoms.

doctrine of Four Freedoms.

The 39th President of the United States considers human rights as one of the com-

mon dreams of the American people. In his book entitled "Why Not the Best", Carter stated, "We Americans are proud of such individuality and diversity. But we still share common dreams . . . They include the beliefs . . . that our country should among the community of nations, set an example of courage, compassion, honor and dedication to basic human rights and freedoms . . ".

His inaugural address stressed freedom and moral duties. He spoke of his "absolute commitment" to human rights and promised that under his administration U.S. foreign policy would be guided by a sense of moral values. He noted that "the passion of freedom is on the rise" and urged the American people to undertake "a new beginning to help shape a just and peaceful world that is truly humane". He then declared that because we are free we can never be indifferent to the fate of freedom elsewhere". He also said that "our moral sense dictates a clearcut preference for those societies which share with us an abiding respect for individual human rights". He issued a clear warning to those dictators and oppressors that "a world which others can dominate with impunity would be inhospitable to decency and a threat to the wellbeing of all people"

In making human rights the cardinal feature of his foreign policy program, Carter did a 180-degree turn away from former President Nixon's 1969 pledge to "accept governments as they are". It also provided a sharp contrast to a statement by former Secretary of State Henry Kissinger in 1973 that excessive attention to human rights would mean massive intervention in the internal affairs of foreign governments all over the world.

The U.S. State Department lost no time in following President Carter's initiative on human rights by publicly rapping Czechoslovakia for its failure to live up to the human rights provisions of the 1975 Helsinki agreement. It accused the Czech authorities for harassing many of some 300 Czech intellectuals who had signed Charter 77 petition demanding various domestic reforms.

The State Department also released a statement defending Soviet dissident Andrei Sakharov, nuclear physist and winner of the 1975 Nobel Peace Prize, as an "outspoken champion of human rights" and warned Moscow that any attempt to intimidate him "will conflict with accepted international standards of human rights."

The issue was brought to its dramatic turn when an exchange of letters between Sakharov and President Carter was made known. The former told the U.S. President that dissidents have "a hard, almost unbearable situation in the East bloc countries" and argued that "our and your duty is to fight for them." The American president sent a personal letter to Sakharov through diplomatic channels, described human rights as "a central concern of my administration" and that "you may rest assured that the American people and our government will continue our firm commitment to promote respect for human rights not only in our own country but also abroad." Sakharov responded to this unprecedented gesture of goodwill and support by President Carter by urging the U.S. President to help secure the release of political prisoners and particularly to intervene on behalf of three ailing dissidents including writer Alexander Ginzburg, Yuri Orlov, head of a dissident panel that monitors Soviet compliance with the Helsinki human rights agreement and Mykola Rudenko, leader of the Ukrainian branch of Amnesty International.

Soviet responses to these appeals consisted

of an attack by the Pravda article on February 12 attacking the United States for its support of the dissidents and reminding the Westerners to stay out of Soviet internal affairs; a second protest lodged by Soviet Ambassador Anatoly F. Dobynin on February 17 and the Kremlin expulsion of George Krimsky, a Russian-speaking reporter of the Associated Press who had been working too zealously at his assignments. The State Department retailated by deporting a Tass correspondent in Washington and the Russians protested loudly at the retailation.

While Soviet crackdown of dissidents has put U.S.-Soviet relations to a severe test, the crackdown was also echoed in other satellite nations. Similar arrests were reported in Czechoslovakia, East Germany, Poland and other Eastern European nations. The arrests were also interpreted as attempts to stop U.S. intervention on behalf of the dissidents and to show the Carter administration that it has no power over dissident affairs and that it must not interfere in Soviet internal affairs.

The crackdown did not trouble the American President much. At a Washington news conference on February 24, Carter said that he had no intention to single out the Soviet Union for violating human rights and will criticize violations wherever they occur including in the United States. "We have a responsibility and a legal right to express our disapproval of violations of human rights," Carter said, "so I think we all ought to take a position in our country and among our friends and allies, among our potential adversaries that human rights is something on which we should bear a major responsibility for leadership."

When he was asked about alleged human rights violations in Iran and the Philippines, he did not name them in his reply but cited Uganda where actions of Idi Amin have caused such a crisis attracting world-wide attention and, in Carter's words, "have disgusted the entire civilized world".

Several other countries were also cited by the United States as having violated human rights. U.S. Secretary Cyrus Vance was reported to have identified Argentina, Uruguay and Ethiopia as nations which will receive U.S. aid because of their violations of human rights. Carter also pointed his fingers at South Korea, Cuba and several South American countries as human rights vio-lators. The curtailing of U.S. aid to some nations which violated human rights was admitted officially by Deputy Secretary of State Warren Christopher before the Senate Subcommittee on Foreign Assistance on March 7. Christopher said that "In some instances of human rights violations, assistance programs may be curtailed, but we must also recognize that to be even-handed, we should not just penalize but also inspire, persuade and

Whether the Soviet heirarchy would take other concrete steps to voice its displeasure at the sudden human rights campaign waged by the U.S. president remains to be seen. But there are obvious worries by some western political observers that the Soviets might balk at the negotiating table. One said that mixing morals with politics was asking for trouble with the Russians.

But in other countries, adverse reactions have already set in. Brazil has already served notice that it has decided to cancel its mutual defense treaty with the United States and would reject any future military assistance conditioned on prior examination of the human rights situation in Brazil. Argentina, Uruguay, Guatemala and El Salvador also expressed their stand in this regard against any attempt by the United States to pass judgment on its human rights policies.

The U.S. President, however, remains un-

daunted and strengthened his efforts in this regard in a speech at the United Nations on March 17. Carter condemned in his speech any deprivation of freedom around the world. He declared that "The search for peace and justice means also respect for human dignity. All the signatories of the U.N. Charter have pledged themselves to observe and respect basic human rights. Thus, no member of the United Nations can claim that mistreatment of its citizens is solely its own business. Equally, no member can avoid its responsibilities to review and to speak when torture or unwarranted deprivation of freedom occurs in any part of the world"

President Carter also pointed out in his eloquent speech that "the basic thrust of human affairs points toward a more universal demand for fundamental human rights. The United States has historical birthright to be

associated with this process".

It is only fitting and proper that an American president should assert such a leadership in the first year of its third century. Free people everywhere should indeed support his clarion call for respecting fundamental human rights and raise their voice against any

torture and deprivation of freedom.

But his omission of the Chinese mainland situation is not only glaring but also most unfortunate as it might throw doubt to his motivations behind the omission and render his campaign incomplete. Certainly, he can-not possibly blame the Soviet Communists for their deprivation of freedom of Soviet citizens and leave the Chinese Communists unblamed and uncondemned for the same crime. As the Foreign Minister of the Republic of China has pointed out on March 19 that "Democratic nations, in their effort to maintain and protect human rights, must not ignore the fact that the Communist regime has massacred millions of innocent Chinese with the most cruel tyranny on the Chinese mainland and should thus give mainland Chinese active support to help them regain their freedom."

As a matter of public record in the Congress of the United States, Chinese Communist atrocities committed from the very beginning by the Maoists have been so inhuman and barbarically un-Chinese as to shock our conscience beyond imagination. Even today, after the death of arch criminal Mao and his cohorts, massacres are still going on and innocent people are being constantly secuted, sentenced without trial, imprisoned in slave labor camps and put to death.

The United States should insist for the United Nations Human Rights Commission not only to meet more often or to move the entire division to the New York headquarters, but also to launch an immediate investigation of the human rights violations on the Chinese mainland by the Chinese Communist regime. It should also demand an immediate stop of the wanton torture and killing of the innocent people on the Chinese mainland by the Chinese Communist cadres or military

All nations must be required to fulfill their obligations in accordance with the U.N.'s Universal Declaration of Human Rights and the Helsinki Accords. As the Communist nations are the worst offenders in this respect, due priorities should be given to the investigation of the conditions existing in those countries. Major violations should be dealt with first while minor violations dealt with at a later date.

In this respect, it is also important to distinguish between friend and foe and not to mistake foe as friend. For the Communists are past masters of turning their shortcomings into a favorable situation and causing confusions and division among the free nations. Undertaking and unity among the free nations are crucial and should not be lightly sacrificed. While supporting this campaign with all our strength, we must indeed watch out carefully for any Communist maneuvers

to utilize President Carter's human rights campaign to the advantage of the Communist cause of world revolution.

NUCLEAR ISOLATIONISM

Mr. CHURCH. Mr. President, I wish to call attention to a provocative statement on the problem of nuclear proliferation made recently by a distinguished former Member of Congress from Idaho, Mr. Orval Hansen. His statement, entitled "U.S. Leadership and International Control of the Atom." was presented at the Borah Symposium on the Causes of War and the Conditions of Peace, held at the University of Idaho on March 24, 1977.

Congressman Hansen argues that:

The United States is moving toward a nuclear isolationism which could endanger the security and the health and safety of the earth's inhabitants

He contends that trying to solve the crucial problem of nuclear proliferation by the example of national restraint will not work. He believes that other nations will reprocess spent reactor fuel because of their need for the additional energy. The best approach, he contends, is to work with other nations to achieve international control of reprocessing plants, under terms which will both provide reactor fuel for peaceful purposes and prevent its diversion into bomb

Orval Hansen's proposals deserve thoughtful examination. As he notes, the United States can ill afford a retreat from international leadership in meeting the challenge of taming the atom.

Mr. President, I ask unanimous consent that the statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

U.S. LEADERSHIP AND INTERNATIONAL CONTROL OF THE ATOM

(By Orval Hansen, attorney and former Member of Congress from the State of Idaho)

History has taught us that the denial of energy will drive nations to war. To eliminate "the causes of war" and to create "conditions of peace," therefore, all countries must be assured adequate energy supplies to meet their peaceful needs. If we fail to build a system of international cooperation that will respond to the world's need for energy, we will have sown the seeds of future

For nearly a quarter century the goal of U.S. nuclear policy has been to harness the power of the atom for peaceful purposes and to discourage its use in making weapons of war. The United States has been the world leader in the development of the peaceful atom. We appear to be on the verge of forfeiting that leadership role and the opporit brings to help build an international system that will assure peaceful applications of nuclear energy and reduce the risk of nuclear warfare. The United States is moving toward a nuclear isolationism which could endanger the security and the health and safety of the earth's inhabitants.

ATOMS FOR PEACE

During the years immediately following the end of World War II the United States clung to the idealistic but unrealistic notion that all nations should foreswear nuclear energy and submit to the authority of a

proposed new international organization that would exercise exclusive control over nuclear technology. This was the thrust of the so-called Baruch Plan.

In a reversal of policy, President Eisenhower outlined a new proposal in his Atomsfor-Peace address to the United Nations General Assembly on December 8, 1953. He proposed the creation of a new organization under the UN to assist countries in developing nuclear energy for peaceful purposes. Recipients of assistance must agree to submit to international inspection and to other measures to prevent diversion of materials for weapons purposes.

By this initiative the United States acknowledged that it was impossible to prevent other countries from acquiring and developing nuclear technology. As the world leader in nuclear energy, however, it could be influential in assuring peaceful development of the powerful new energy source and in discouraging its use to build weapons arse-

nals

The United States took the lead in the creation of the International Atomic Energy Agency (IAEA) under the UN. With strong U.S. support, the IAEA has furnished technical assistance and materials to participating countries and has developed and administered a system of safeguards. Under numerous bilateral and multilateral Agreements for Cooperation the United States has furnished assistance to other countries and international organizations subject to IAEA safeguards. In carrying out its commitments under the IAEA Statute and the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) the United States has assisted other countries in the development of research and power reactors. It has been the world's major supplier of nuclear materials, equipment, technology and training.

The Atoms-for-Peace program has been a remarkable success when measured in terms of the countries that have been helped to tap nuclear energy to produce electricity and for research. Such "success," however, has also increased the risks to mankind inherent in the spread of nuclear technology. When the IAEA Statute was ratified it was noted that the proficiency gained in pursuing peaceful applications of nuclear energy would also increase the capability to produce weapons. The accuracy of that observation was dramatically underscored on May 17, 1974 when India tested a nuclear explosive device made from materials produced by a research

The accelerating worldwide growth of nuclear power reactors and the spread of nuclear technology will increase two potential threats to the health and safety of the world community from (1) the proliferation of nuclear weapons and (2) the creation of radioactive waste.

To cope with these threats and to make certain that nuclear energy continues to be a safe and peaceful servant of man, the need is more urgent now than at any time in the past for bold and enlightened United States leadership in a cooperative international effort to bring potentially dangerous nuclear activities under an effective system of safeguards and controls. The dangers inherent in both weapons and waste are global and can be effectively dealt with only through international cooperation.

A RETREAT FROM LEADERSHIP

Regrettably, the United States appears to be backing away from the creative leadership it offered to an approving world in 1953. Many of the current U.S. attitudes reflect wishful thinking, irrational fears, lack of knowledge and understanding of the nuclear fuel cycle and an exaggerated view of the power of the United States to influence the actions of other countries. The grim irony is that measures and policies described as "antiproliferation" will almost certainly reduce U.S. influence and increase the potential danger from the spread of nuclear weapons.

If current trends continue the effect of measures now being advocated will be to 1) alienate traditional allies and trading partners by imposing new conditions that violate the spirit if not the letter of international agreements and treaties, 2) force other countries that have relied on U.S. commitments to go it alone or to turn to other suppliers, including the Soviet Union, for materials and assistance, and 3) undermine efforts to achieve agreement with other supplier nations on uniform conditions for nuclear export that will strengthen worldwide safeguards.

The result will be damage to U.S. credibility and to its political relationships beyond the nuclear area and sharply diminished influence in shaping worldwide nuclear policies. The growth of nuclear energy activities outside an effective safeguards system will increase the potential risk from weapons proliferation and from radioactive waste.

A principal focus of current U.S. policy is on the reprocessing of spent nuclear fuel discharged from a reactor. During the burning or fissioning of uranium fuel in a reactor, atoms of plutonium are created by the interaction of neutrons released in the fission process with the non-burnable isotope of uranium contained in the fuel. The spent fuel discharged from the reactor contains depleted uranium, plutonium and highly radioactive fission products that constitute waste. Reprocessing is the chemical separation of the uranium, plutonium and waste. Closing the nuclear fuel cycle involves the concentration, solidification, and permanent storage of the waste, the further enrichment of the depleted uranium for use in new reactor fuel and the use of the plutonium to make reactor fuel containing both uranium and plutonium. Plutonium may be used as fuel for a power reactor. One pound is equivalent to more than 5000 barrels of oil. Plutonium can also be used to make weapons.

There is a widely held misconception that reprocessing produces plutonium. In fact, plutonium is produced in the reactor by the fissioning of uranium. To stop reprocessing will not prevent the creation of plutonium.

Many current views on U.S. nuclear policy appear to reflect two basic assumptions: 1) reprocessing of spent fuel inevitably increases the danger of nuclear weapons proliferation, and 2) if the United States will set a "good example" by foregoing domestic reprocessing and use diplomatic, economic and other pressure it can persuade other countries to abandon any plans to reprocess spent fuel. Both assumptions are deeply flawed and bear further examination.

REDUCING THE PROLIFERATION RISK

In the absence of reprocessing the current worldwide inventory of about 4000 tons of spent fuel will increase about one hundredfold by the end of the century. The inventory of plutonium in that spent fuel will reach about five million kilograms and will grow rapidly thereafter. In the absence of a system of storage under international supervision and control the plutonium inventory will be scattered throughout the world in a variety of storage modes. It is estimated that as many as fifty countries will have nuclear power plants by the end of the century. The alternative of storage at central sites under international supervision, to which I will return, raises many new problems and unanswered questions.

At best, the global inventory of plutonium will be a potential danger for tens of thousands of years, a burdensome legacy laid on future generations by those who derived the benefits of the energy produced in its creation. At worst, the plutonium could be

separated by relatively inexpensive methods using well known technology, possibly clan-

destinely, and diverted to weapons use.

The alternative to letting large amounts of plutonium accumulate is to burn it as a reactor fuel. By reprocessing and recycling the worldwide inventory of plutonium from light water reactors can be limited to about 500,000 kilograms, roughly one-tenth of the level it would otherwise reach by the year 2000.

Obviously, reprocessing does not eliminate the risk of diversion of plutonium for weapons. That risk can be reduced, however, if reprocessing and related activities are carried on at carefully selected sites under international safeguards.

THE U.S. OUT OF STEP WITH THE WORLD

The U.S. proposed the Atoms-for-Peace initiative at a time when its dominance in nuclear technology was overwhelming. Even then, it was noted at the Senate hearings on the ratification of the IAEA Statute, the United States could not impose order on the world in the nuclear or any other area. That observation applies with much greater force today.

Nevertheless, many still cling to the view that the United States should attempt to stop reprocessing in other countries by barring it in this country, by unilaterally imposing new conditions on export sales and assistance under existing agreements and by the use of diplomatic and economic pressure and other arm-twisting tactics.

Such measures will not only fail, they will be counterproductive. At least fourteen countries currently possess reprocessing capability. France is now operating a small commercial plant and is planning new additions that will greatly expand its reprocessing capacity. Britain, Germany and Japan are moving forward with plans to build and operate reprocessing plants. Notwithstanding continuous criticism and pressure from the United States, Germany has reaffirmed its agreement to sell a reprocessing plant to Brazil and France has refused to cancel its sale of a plant to Pakistan.

These tactics are creating bitterness and bewilderment among countries with whom the U.S. has had long-standing and friendly relations. Some view U.S. moves as an attempt to gain a competitive advantage in the expanding world market for nuclear exports and services. Efforts to prevent reprocessing not only fail to recognize its potential advantages in controlling weapons proliferation and in waste management but also ignore the need to conserve energy resources and the unsolved problems inherent in the permanent or long term storage of spent fuel.

RECYCLING: AN ENERGY CONSERVATION IMPERATIVE

The most compelling argument for reprocessing and recycling of the separated uranium and plutonium is that no country, not even the United States, can afford to waste such an enormous and available source of energy. Reprocessing and recycling increase the energy yield from a given quantity of uranium by about fifty percent. Put another way, one-third less uranium is required to produce a given amount of energy.

The energy equivalent of the spent fuel discharged each year by a 1000 MWE reactor is about six million barrels of oil. The energy equivalent of all the spent fuel that will be discharged by the world's reactors by the year 2000 will be just under 100 billion barrels of oil. The energy contained in the spent fuel that will be discharged by U.S. reactors alone during that period is roughly equal to the nation's current proven oil reserves, including Aleska

SPENT FUEL STORAGE ALTERNATIVE

Long term or permanent storage of spent fuel at designated sites under international supervision has been urged by some in this country as an alternative to reprocessing. Its presumed advantage is that it removes spent fuel discharged by a reactor in one country to a site where it would be stored under international controls. Thus, the risk that the plutonium might be separated, overtly or clandestinely, and used for weapons purposes would be eliminated.

This alternative raises some serious unanswered questions, however. They include: What are the environmental effects of long term storage of fuel rods containing plutonium and highly radioactive fission products? Where will such storage sites be located? On whose soil? Who will exercise control? What safeguards will be applicable? Who will pay for the cost of developing storage sites and providing continuing supervision? How and by whom will countries be compensated for the energy value of the spent fuel they deliver for storage? What will be the political effect in the country where the storage site is located of becoming the "dumping ground" for the radioactive wastes contained in spent fuel from reactors in other countries?

It should be noted that there is apparently no interest in this alternative outside the United States and there are no facilities or plans for facilities anywhere in the world for the permanent storage of spent fuel. There is currently no licensed uncommitted temporary storage anyhere in the United States that could accommodate spent fuel discharges from other countries.

OTHER PATHS TO PROLIFERATION

Preoccupation with the real or imagined proliferation potential of reprocessing has caused other means to make nuclear weapons to be overlooked. Fissionable materials for weapons can be produced by several methods that are easier, cheaper and more difficult to detect than by reprocessing spent fuel from commercial reactors. These include centrifuge isotope separation, research reactors, mass spectograph isotope separation and graphite pile. Many countries have had the technical capability to produce weapons by one or more of these methods for several years. Many more countries will achieve that capability in the next few years.

For a country determined to make nuclear weapons the least attractive method is by reprocessing spent fuel from commercial reactors.

RADIOACTIVE WASTE: MORE DANGEROUS THAN BOMBS

High level radioactive waste contained in spent fuel can be safely handled and stored. If not properly managed, however, it can create a danger that is greater than that from nuclear weapons. Radioactive waste improperly handled in any one country can result in contamination of the global environment that could threaten the health and safety of people in other parts of the world for many centuries.

The inherent dangers in nuclear wastes, therefore, make an even more compelling argument than the threat of weapons proliferation for international cooperation in forging a system that will assure the availability to all of the best technology and the most efficient methods for handling and storing waste and that will bring all such activities under effective safeguards and controls.

A NEW ATOMS FOR PEACE INITIATIVE

The principle of the Eisenhower Atomsfor-Peace initiative is still sound. There has been no report of any unauthorized diversion of materials furnished to any country by IAEA. The evidence is overwhelming that countries we have assisted under bilateral agreements are interested in making kilowatts to meet urgent energy needs, not kilotons of explosives.

Nevertheless, the worldwide growth of nuclear energy in the past two or more decades and the projected future growth pose serious risks that were not fully gauged when the foundations of the Atoms-for-Peace program were laid. New initiatives are needed to encourage continued peaceful nuclear development and to protect the world from the dangers inherent in the spread of nuclear weapons and in the accumulation of radioactive waste

U.S. policy should recognize the reality of the continued growth in the number of reactors throughout the world and in the volume of discharged spent fuel. These are global problems and can only be dealt with effectively through cooperation with other countries. Time is rapidly running out on the opportunity for U.S. leadership.

A PROPOSED U.S. NUCLEAR POLICY

In meeting its responsibilities to help build an international safeguards system, the United States should pursue the following goals:

- 1) Strengthen and broaden the authority of the IAEA. The IAEA is the only instrument now available to act for the world community in supervising nuclear activities. It should be vested with the authority to approve sites for reprocessing facilities and to administer safe-guards and controls over all activities that involve a potential danger of weapons proliferation. To strengthen that authority will require commitments by the U.S. and other countries of technology, personnel, capital and other assistance that will enable the IAEA to offer all countries the incentives to submit to its authority.
- 2) Seek supplier nation agreements and cooperation. Initiative should be taken on the diplomatic front to achieve agreement among the countries exporting nuclear materials on a uniform set of terms that make all future sales conditional upon the agreement by the customer to submit to IAEA authority and to deliver all spent fuel to an IAEA approved and safeguarded facility.
- 3) Renegotiate Agreements for Cooperation. Modifications in existing agreements should be negotiated on a mutual basis to incorporate uniform terms agreed on by supplier nations and such additional provisions that are necessary to prevent diversion of nuclear materials for weapons purposes and to support IAEA authority.
- 4) Encourage development of regional reprocessing centers. To discourage the building of national reprocessing facilities outside an adequate system of international safeguards and controls, regional centers should be developed to assure all countries essential services to meet their needs for peaceful nuclear energy operations. The United States should commit its facilities and technology to support such an effort.
- 5) Accelerate cooperative research. Programs of research, development and demonstration in reprocessing, waste solidification and storage, transportation, mixed oxide fuel fabrication, safeguards and security systems should be accelerated. Other countries should be invited to participate in these programs. Results should be made available to the IAEA to strengthen its capability and authority to administer safeguards over activities that present a potential for weapons proliferation.

POLITICAL INSTITUTIONS TO MATCH SCIENTIFIC ADVANCES

Advances in science and technology have split the atom and given mankind a powerful energy source with enormous potential for good or for evil. The challenge is to foster international cooperation and to fashion political institutions that will make certain that the atom is the peaceful servant, not the destroyer, of man.

GENO BARONI

Mr. KENNEDY. Mr. President, I invite the attention of my colleagues to a recent profile in the Washington Post of Geno Baroni, whose nomination to be Assistant Secretary of the Department of Housing and Urban Affairs was confirmed recently.

I have known Geno Baroni for many years, and I have little doubt that he will be a source of innovation and concern in this administration's efforts to reverse the recent neglect of the problems of urban America.

He calls himself the representative of the neighborhoods, and that is where the beginning must be made in rebuilding the hearts of our cities. Federal policies must begin in the black neighborhood and the ethnic neighborhoods and the Puerto Rican and Chicano neighborhoods of our central cities. Too often in the past, those neighborhoods have been the victims of those policies.

I have little doubt that Geno will be working to change that record. And from his past successes, I have little doubt that he will leave his post with a record of achievement.

I ask unanimous consent that the article from the Washington Post of April 16, 1977, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GENO BARONI: WAR STORIES (By Eugene L. Meyer)

Before "Roots" became a best-seller, television series and national pastime, there was Geno Baroni.

Since the fabled melting pot boiled over in the racial and ethnic polarization of the 1960s, Geno Baroni has been talking about "who am I, the identity issue, the issue that won't go away, the issue of background."

For the 46-year old Catholic priest, roots means neighborhood. Both are in these days, suggesting that Geno Baroni may just be a man whose time has come. Social activist-cum gadfly to the liberal establishment. Baroni is moving into a new arena as assistant secretary of Housing and Urban Development for, according to his own job description, "neighborhoods, non-governmental organizations and consumer protection."

"I don't think a lot of people understand what I'm going to do or where I come from," Baroni said recently. Where he's coming from is easier to understand, however, than how that translates into policies and programs at HUD.

Like a veteran retelling war stories, Baroni reviewed his life and times over a hamburger at Trio's Restaurant, a neighborhood eatery around the corner from his National Center for Urban Ethnic Affairs at 1521 16th St. NW. Trio's is an informal place where his friend, the late Dr. George Wiley, launched the welfare rights movement of the 1960s. It was sort of a war room then, where social activists would meet to draw up strategies for change.

Like a battle tactician, Baroni drew circles and lines on any available scrap of paper to illustrate his points. It was like a nostalgia trip through a turbulent time that is only vesterday but seems light years away

trip through a turbulent time that yesterday but seems light years away.

He came from the coal mining region of Western Pennsylvania where his father, an Italian immigrant, worked for 47 years. "The

Episcopalians owned the coal mines, the Methodists and Lutherans were the bosses, and the Italians, Hungarians and Appalachians, we dug the coal," he said.

"We all went to the same company store

"We all went to the same company store and the same public school, and the bosses' daughters were our teachers in the grade school. They were great Americanizers, you know. Melting pot. 'These are the foreigners kids,' you know. I didn't speak English until I went to grade school."

He lived in the small mining town of Acosta, whose children "were looked down upon because we came out from the sticks on the school bus" to Somerset, the county seat, to become Americanized in "the Protestant school."

Baroni was ordained in 1956 from Mt. St. Mary's, a small Catholic college in Emmitsburg, Md., near the Pennsylvania border. He is now on the school's board of directors, along with Peter F. O'Malley, an Irish kid from Clinton, Mass., who is president of the Washington Capitals hockey team.

After a stint as a parish priest in working class neighborhoods of Altoona and Johnstown, Pa., Baroni came to Washington in 1960 to attend Catholic University, but there was a bureaucratic snafu and he wound up walking the streets of Shaw, in the inner city, and living at the St. Paul & Augustine Rectory at 1425 V St. NW.

Before the federal war on poverty, Baroni was becoming involved in neighborhood programs from the church as well as coordinating Catholic participation in the 1963 March on Washington for jobs and equality.

With the advent of the Great Society, he became part of a clerical mafia that dominated the District's politics of poverty. The also group included Walter E. Fauntroy, now D.C. Delegate to Congress, Channing E. Phillips and others. "We were like traveling in a little pack," Baroni recalled.

The ghetto priest was pushing social programs for poor blacks his own family in Pennsylvania could not comprehend. His truck-driving brother-in-law would say, "We're making it. Why can't they?"

"We'd get into an argument," said Baroni, "and my mother would say, 'Shut up and stop fighting. It's Thanksgiving.'". Baroni's youngest brother, meanwhile, had gone to Vietnam. "He didn't relate to Abbie Hoffman, Angela Davis, Dr. King. He went off to war because my old man said, 'We beat Hitler. You're supposed to fight for your country, America.' I say. 'This war is no good.' He says, 'You ain't the President.'".

By 1968, the brother-in-law had been laid off, the antiwar movement was in full swing, "and I was getting concerned about the alienation of Middle America—the alienation was economic, social, cultural, political—and wondered how was I ever going to get support for what I was concerned about, justice, poverty, the cities. . . .

"Here I come from the working class, and here I was in the ghetto," Baroni said. "At the same time in the 60s, there was kind of intellectual/minority thing going on. Some guy at Harvard gave a lecture. He said, 'Some of us up here are enlightened. Let's help the people at the bottom.' The people in between were the enemy."

The 1968 assassinations and civil disorders deeply affected Baroni's thinking "Here I was a white person in a black community. I became concerned about the relationship between white and black in the cities, about polarization between groups."

He began looking for the "bridge issues"

He began looking for the "bridge issues" that could unite ethnic whites and urban blacks and left 14th Street in 1969 in search of those issues in industrialized northern

"I was concerned about who was bearing the burden of social change, and who's going to shape and share the burden of social change," he said. "In the 60s, these (white ethnic) people were the enemy. The intellectual, far liberal left began to make fun of them...So in 1972, here's Massachusetts and D.C. voting for McGovern. We went from the Lyndon Johnson landslide to the Nixon landslide."

Baroni founded the National Center for Urban Ethnic Affairs and, armed with public and private grants, initiated neighborhood programs in 45 cities. "I began to realize people live in neighborhoods. People got identity from them," he said.

From his programs emerged new leaders, such as Rep. Barbara Mikulski (D-Md.) from Baltimore. The Neighborhoods United Project (NUP), a citizen lobby in close-in Prince Georges County, also sprung from his efforts.

In the five-towns area of Prince Georges next to the District line, he found, blacks and whites were able to unite around community issues of transportation and health. "We didn't try to deal with the black-white thing right away," Baroni recalled. "The issue was stop the freeway, a bridge issue."

Forsaking the melting pot for ethnic pride, saving the neighborhoods—how do ideas translate into HUD programs, under Baroni's, "consumer" mandate? Baroni

paused to think about it.

"I intend . . . I hope to be part of the policy team in terms that will relate to the revitalization of the city," he said slowly, measuring his words. "I'm going to try to develop some programs, some small programs, just like I did at the Center, involving third parties, non-governmental groups, neighborhood groups...

"See, neighborhoods have never been a part of urban policy. We ran freeways through them, right? We did urban renewal on them, right? We destroyed neighborhoods in order to save them. Remember? It sounds

like Vietnam."

PRESIDENT CARTER MEETS WITH SMALL BUSINESS REPRESENTA-

Mr. NELSON. Mr. President, as part of President Carter's continuing efforts to consult with Americans from all walks of life, he recently met with representatives of the Nation's small and independent businesses. Among those present were two leaders of the Independent Business Association of Wisconsin— IBAW—Mr. Dean Treptow and Mr. Edward Gaffney. These representatives discussed a number of concerns, particularly independent business' problems of capital formation, Government regulations, and paperwork requirements. The President promised these small business leaders monthly meetings with his domestic counsel so that the needed flow of communication can be maintained. Such meetings should be of decisive help in the effort to alert the country to the need for strengthening the small business sector of the economy.

An interesting account of the Presidential meeting has been provided by Mr. Ray Kenney, the distinguished business news editor of the Milwaukee Sentinel. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CAPITAL PITCH MADE BY SMALL BUSINESS (By Ray Kenney)

A week ago, Dean Treptow was sitting in Washington, D.C., wondering to himself: What the hell is the president of the Brown Deer (Wis.) Bank doing in the White House talking to the president of the United States?

"But I was," he said over a sandwich Monday, "and that sure as hell makes me feel better about the system."

Treptow and Edward Gaffney, president of Ortho-Kinetics, Inc., Waukesha, were on hand at the session in the White House cabinet room as representatives of the Independent Business Association of Wisconsin (IBAW), one of 11 organizations representing small business in a meeting with President Carter and his cabinet.

It was a fruitful session, the two Wiscon-

sinites agreed.

The groups had no particular ax to grind, they said. No preferential treatment was being sought, although the president was reminded that small business represents 43 percent of the gross national product (GNP) and 97.6 percent of the nation's business concerns. It also represents 55 percent of the private work force in the US and 48 percent of the gross national business product.

Carter, of course, is a former small business executive and presumably was aware of some of the figures, they acknowledged, but the statistics were reviewed to set the stage for a request that the administration keep open the lines of communication between big gov-

ernment and small business

We wanted to acquaint our policymakers without quantity to contribute to this nation's economic well-being and lead the policy formulation that will permit the survival of small business and increase its ability to create new jobs and new products, and sharpen true competition for the benefit of all," the men said in a brief, prepared state-

The 11 organizations had some suggestions about how that could be done, they said.

In the area of job creation alone, they told President Carter, small business represents an underutilized national resource. Figures suggest the small business employer is closer to his employe and more likely to retain his employe in times of economic down-

But increased capital retention during the early, formative and growth years of a corporation is essential, they suggested.

Capital during those years must come from internal cash flow and from borrowing. Of course, that is precisely the time when borrowing is most difficult, when the company is first establishing a track record. Congress first recognized the need 39 years ago when it exempted a company's first \$25,000 in earnings from the full 48 percent tax rate. Two years ago, on a temporary basis, this exemption was increased to \$50,000.

The groups—the Council of Smaller Enterprises, Cleveland; the National Association of Small Business Investment Companies; the National Business League; the National Federation of Independent Business; the Na-Small Business Association; Smaller Business Association of New England; the Smaller Manufacturers Council, Pittsburgh; the National Federation of Business and Professional Women's Clubs; the National Association of Women Business Owners, and the National Association of Black Manufacturers-suggested that the administration might want to support a graduation in the corporate income tax up to \$400,000 in income, where the tax rate would then become 48 percent.

On the subject of occupational safety and health (OSHA), the small business representatives won assurances that voluntary inspection is a possibility. At the present time, Treptow said, it is impossible for a small business executive to call an OSHA inspector and say, "I want to be sure that I am in compliance with the safety laws and to assure that my employes have a safe place to work. Will you come out and inspect my plant and help me identify the problem areas?"
Under the present law, the inspector would

be compelled to issue citations for noncom-

The session also explored the possibility of an overhaul in the Small Business Adminis-

tration loan guarantee programs.

Existing, well managed small business firms don't really need a financial subsidy from the government through 90 percent guaranteed loans, the groups pointed out. What they do need is access to the public debt markets.

Emphasis on the loan guarantee program should be shifted from loan availability to high credit risks to focus on the successful company that is not yet large enough to secure its own underwritings for equity or debt, they contended. The cost of such guarantees could be covered by an annual in-surance premium, not unlike the federal and private mortgage insurance programs.

Enhancement of a secondary market program through a certificate procedure would be important, the Wisconsinites told the ad-

ministration officials.

The president was sympathetic, they agreed. He assured the small business representatives that monthly meetings would be established with the White House domestic counsel-the original goal of the session.

HOTEL SOFITEL IN MINNESOTA

Mr. ANDERSON, Mr. President, one of the most exciting and unique hotel development projects in Minnesota recently is the Hotel Sofitel in Bloomington. The project is the product of years of effort and dedication by its developer, Morris Levy, Jr., whose family has been long associated with successful hotel management in the Twin Cities. Mr. President, I ask unanimous consent that an article about Mr. Levy and the Hotel Sofitel, that appeared in the New York Times on April 10, 1977, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A TOUCH OF PARIS IN THE LAND OF THE VIKINGS

(By Susan B. Tribich)

MINNEAPOLIS .- Here in the land of the Minnesota Vikings and other reminders of a Scandinavian heritage the aggressive Parisbased Sofitel-Jacques Borel hotel chain has successfully established its first American outpost.

Opened in 1975 about 20 miles southwest of Minneapolis in suburban Bloomington,

L'Hotel Sofitel has:

Ten chefs who were brought over from France

A wine cellar that stores 7,000 bottles at 55 degrees

A bakery that turns out crusty baguettes-French bread-croissants and other confec-

Bidets in one-third of the bathrooms

The 300-room, six-story hotel is a project of a franchisee, Morris Levy Jr., 53 years old, a meticulous and reserved Minnesotan who becomes animated when he discusses anything French. L'Hotel Sofitel began to turn a profit after 18 months of operation, he

said, although new hotels usually need three years to reach their break-even occupancy rates.

Mr. Levy came to the hotel business -in 1950 he and his two brothers took earlyover their parents' Hotel Dyckman in downtown Minneapolis. They sold it at the top of the market in 1963, when there was an influx of building in the area and Mr. Levy took off for a year in Paris with his wife, Dorothy, and their teen-aged sons, Robert and Michael.

He studied French at the Alliance Franand for two months awoke at 5:30 A.M. to run to baking school, where he mas-tered the baguette, brioche and croissant, while Mrs. Levy attended the Cordon Bleu.

In 1972, after several years in other investments, he and his brother Daniel, who changed his family name to Stevens, agreed to build a hotel. They favored a chain because, with an established image and means of generating business, it was easier to get financing, but Ramada Inn, Holiday Inn and Hilton already had hotels in the vicinity where they wanted to build, and Hyatt required a minimum of 900 rooms and an in-

vestment of \$40,000 per room.

In contrast, a Sofitel has a distinctive ambience and costs between \$30,000 and \$40,-000 per room to build-giving an indicated total cost of \$9 million to \$12 million, although he declines to say what it cost. Furthermore, Mr. Levy said, Sofitel-Jacques Borel "had a good chain identification; they were well operated and geared to businessmen." In trips to England, Switzerland and France, he added, "I looked at other chains, but they didn't match up."

Mr. Levy and his brother have controlling shares in Minneapolis's L'Hotel Sofitel, in which two local businessmen also invested. He paid the chain an unnamed flat price for use of the name and continues to pay royalties of 2 percent on gross sales of room, food

and beverage.

Seated in one of the hotel's two restaurants, Mr. Levy munched on pieces of golden crust from a basket of rolls, as his eyes darted around the room. Asked what he would do differently if he could start over, the answered briskly: "Nothing."

Annual sales for a Sofitel in the 300-room category should average \$6 million, or \$20,000 room including food, he said, and franchise could expect an income of roughly 25 percent of total sales before fixed charges

For his hotel, sales have jumped 30 percent every six months.

The hotel's restaurants-Le Cafe and Chez Colette-provide a large portion of the hotel's revenues, since they serve many who are not hotel guests. Most domestic hotels, derive half their income from food and beverages and half from rooms. But at Sofitel here restaurants this year will probably account for 60 percent of total income, and when the hotel first opened that figure was much higher.

Mr. Levy, who has the exclusive contract to represent Sofitel in seeking franchises in the United States, Canada and the Caribbean, is already laying expansion plans. He hopes to have 10 hotels of 200 to 600 rooms under construction or in operation in five

The first expansion he plans is for suburban Atlanta, and although the Atlanta area has been notably overbuilt in hotels, he said, "We have a strong developer and an excellent location in mind."

"Occupancy rates in Atlanta are heading back up," he added, and the site he is viewing is near a high-income suburb, rather than in overbuilt downtown. He expects to open the hotel there in less than three years.

He is also looking into sites in suburban New York and Los Angeles, Houston, the Chicago airport, Scottsdale and Phoenix, Ariz. and Kansas City. The hotels would most like-

ly be owned and managed by a franchisee or owned by outside investors and managed by the chain.

Mr. Levy feels that the tendency of American hotels to cut back on services and frills is being reversed, and Sofitel, with its bellmen and extensive room service, is in the vanguard.

"My ideas," he said, "was to take a French hotel-the type my wife and I enjoyed so much when we traveled-and adapt it to the American market and American tastes." Small touches include fancy imported soap, packets of bubble bath and outsized bath towels in the bathrooms, the turning down of beds at night and the availability of

hair dryers and steam irons.

a reservation and an operator Call for answers with a correctly singsong "Sofitel, bonjour." The restaurants deftly turn out a wide range of dishes from Brioche à la Moelle (brioche filled with marrow) to Perdrix au Petits Pois (partridge with garden peas) to Profiteroles au Chocolat (cream puffs, ice cream and chocolate sauce), and the bartenders probably serve more kirs than martinis. One of the chefs had worked in the Paris seafood restaurant Prunier and another in Maxim's.

Levy observed that "French doesn't have to mean haughty," And his own staff assumes an unaffected Midwestern congeniality. Furthermore, there are no dress codes in

the hotel's restaurants.

The boxy beige exterior of the hotel is in quiet good taste, while the interior is built around a large, airy atrium. Guest rooms on three sides look out on the lobby, which has a recessed level containing a swimming pool and patio. Giant Cissus antarctica plants hang from the rafters, and rays of sunlight slant through a glass wall and a clerestory.

Much of Sofitel's interior reflects Mr. Levy's personal tastes, and he tried to keep the guest rooms from looking institutional. There 18 different décors (the normal number is three, Mr. Levy says) ranging from coffeebean brown with black and chrome to kelly green with white. Chez Colette is designed as a fin-de-siècle brasserie with some authentic relics. Mr. Levy bought the marble café tables in a French junkyard and salvaged and shipped home some wooden Bentwood-style bar stools. The beveled glass partitions and brass hardware trim come from France, and three original letters handwritten by Colette share one wall in the restaurant with other memorabilia of the era.

President Gerald R. Ford stayed in L'Hotel Sofitel when he spoke to the American Legion in August 1975, and his party, including the press, occupied 200 rooms. Mary Hem-ingway and Julia Child are among other notables who have stayed in or dined in the hotel.

Moreover, many Midwesterners spend weekends in Minneapolis, a solvent livable city of 416,000 people, with a university, symphony orchestra, the new Walker Arts Center and Tyrone Guthrie repertory theater and numerous recreational lakes. At Sofitel they pay \$80 per couple for two nights including \$35 worth of food in the restaurants, and account for 10 percent of weekend guests.

Business travelers also frequent the Twin Cities—the headquarters of numerous corporations, including General Mills, Pillsbury, Honeywell, Minnesota Mining and Manufacturing, Cargill, Data 100 and Control Data. During the week 80 percent of the guests are on business, and rooms rent for \$29 to \$41 a person.

Mr. Levy had lived in the area for 30 years, and he said, "If you want to devote time to a hotel, you have to live nearby." Also, studies showed the suburban Bloomington site on Route 494 would get a higher occupancy rate

than an inner city site.
Within a stone's throw are a Holiday Inn. with rooms costing \$25 to \$30 a person; Ra-

mada Inn, \$26 to \$75; Howard Johnson Motor Lodge, \$19 to \$24, and the towering Radisson South Hotel, \$30 to \$35.

Mr. Levy feels that the concentration of hotels and motels in the area has a generative rather than diversionary effect on Sofitel, and he expresses confidence that his hotel will pull customers on the basis of person-

alized service and ambience.

Although he officially is not involved in the hotel's daily operations, but rather in marketing and promotions, Mr. Levy often makes the 20-minute drive to the hotel from his New England-style home on Lake Minnetonka seven days in a row. Giving visitors a tour of the guest rooms, he frequently stopped to call housekeeping to say that a pillow was missing or that a section of the hallway hadn't been properly vacuumed. After a particularly hectic day, which may include a dinner at Le Café, he sleeps over

in a vacant guest room.
"It's a fulltime job," he mused. "Personal service is involved, and that makes it difficult. And then you have to ride out the peaks and plateaus. You don't stay with hotels un-

less you like the business."

SPAIN

Mr. KENNEDY. Mr. President, the news from Spain announcing the date for parliamentary elections on June 15, the first such election in 41 years, deserves our attention, our appreciation and our applause.

The progress made by the current Spanish leadership in determinedly carrying that nation on a transition from authoritarian rule to democracy is

impressive.

At the same time, there has been clear support of the vast majority of the Spanish people for this return to a free political system under the rule of law. The referendum setting forth the return to democracy was approved by a near unanimous vote.

This example, along with that of Portugal, demonstrates persuasively that the force of arms may limit the public expression of a people's desire for liberty; but it never succeeds in eliminating the desire.

As the process continues of a return to democratic institutions and personal liberty. I hope that the administration and the Congress will join in offering greater assistance to a democratic Spain in meeting the economic difficulties that face that nation. In that effort, I would join with the Senator from Minnesota, Mr. Humphrey, who wisely has urged that we, together with the other nations of Western Europe, design together with Spain an integrated long-term economic development plan.

Mr. President, I ask unanimous consent to have printed in the RECORD an article on this subject from the Washington Post.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SPANISH ELECTION SET FOR JUNE 15; FIRST IN 41 YEARS

Madrid.—The government of Premier Adolfo Suarez announced yesterday that Span's first free elections in 41 years will be held June 15.

A new two-house Parliament, consisting 350 deputies and 207 senators, will be elected by all Spaniards over 21 years old and will replace the unicameral body set up in 1942 by the late dictator Francisco Franco.

The government's decision to hold free elections came amid political demonstrations and strikes protesting government economic policies, labor laws and the current 20 per cent rate of inflation.

The newly legalized Communist Party announced its list of candidates, including Dolores Ibarruri, 82, a Civil War heroine popularly known as "La Pasionaria." She has lived in exile in the Soviet Union since 1939.

In Paris, meanwhile, a lawyer for the estate of Spanish artist Pablo Picasso announced that his monumental painting "Guernica" cannot be returned to Spain "until after the full reestablishment of public liberties." It was loaned in 1939 to the Museum of Modern Art in New York City. Picasso always said that the painting depicting the effect of German bombs in the Civil War "belonged to the Spanish Republic."

The Spanish Communist Party yesterday decided to adopt the red and yellow flag of the Spanish monarchy in recognition of "the great advances...made toward the reestablishment of democratic liberties." The party was one of the mainstays of the republic.

INTERNATIONAL BROADCASTING SINCE HELSINKI: MORE IMPOR-TANT THAN EVER BEFORE

Mr. HUMPHREY. Mr. President, it has now been nearly 2 years since the United States joined with the Soviet Union and 33 other nations in signing the Helsinki Declaration.

Many in this country felt the United States and our Western European allies gained very little from the agreement. In fact, it has been argued that the Soviet Union was the major beneficiary of the declaration because it allegedly recognized Russian hegemony over Eastern Europe. Yet, it has been the human rights aspects of the basket 3 provisions of the declaration which have sparked a defensive posture on the part of the Warsaw Pact nations. President Carter, with strong support from the Congress. has pressed for compliance with the basket 3 provisions, creating serious problems for the Soviets on such issues as treatment of dissidents, reunification of families, and unrestricted emigration

It is in this light that the role of international broadcasting takes on added importance.

As was noted in an editorial appearing in the Los Angeles Times last winter:

Radio broadcasts are, as Lenin once put it, "like a newspaper without paper ... and without borders." Regimes fearful of dissenting voices and differing opinions cannot censor foreign broadcasts of news and commentary. Not even jamming, an expensive and technically difficult chore, can succeed in wholly silencing them.

That is why Radio Liberty and Radio Free Europe have been so effective in telling the peoples of the Soviet Union and its East European allies of events and viewpoint that their own governments suppress and dis-

As my colleagues will recall, both Radio Liberty and Radio Free Europe ran into serious difficulties with the Congress because they were supported almost entirely by the Central Intelligence Agency. This link was severed in 1971 and funding now comes from open congressional appropriations.

Under the extremely able leadership of Dr. David M. Abshire, who recently resigned as chairman of the board for international broadcasting, both radios have not only gained in stature significantly, but they have also gained in importance.

As the Economist of London noted last October:

Radio Liberty and Radio Free Europe are not relics of the cold war; they are more important than ever. Because they are seasoned watchers of east-west relations, their expertise is needed to beat off the present Soviet attempt to dodge the consequences of the declaration that 35 countries signed at Helsinki last year. The Russians want to avoid the opening up of contacts between eastern and western Europe promised by that document. A conference is due to be held in Belgrade next June to review what has happened-and not happened-since Helsinki. It is important that the record be known to the people of eastern Europe and Russia. One way of doing that is to ensure that Russia cannot exclude RFE and RL reporters from the proceedings in Belgrade as it excluded them, for example, from the winter Olympics in Salzburg last February. Another is then to make sure that the reports get heard in the communist countries

Recently, I had the opportunity to meet with Vladimir Bukovsky, the Soviet dissident who spent so many years in prison and who was only recently expelled from the Soviet Union. Mr. Bukovsky emphasized the important role played by both radios. As noted in a column written by C. L. Sulzberger in the March 5 New York Times, Bukovsky was quoted as saying:

in keeping the Warsaw Pact peoples informed about what is really happening. The cost of jamming intrusive broadcasts is immense. There are up to 3,000 jamming transmitters in the Soviet Union, which is said to spend more than six times as much on blocking foreign programs as on spreading its own radio propaganda.

In a review of Mr. Abshire's recent book, "International Broadcasting: A New Dimension of Western Diplomacy," New Europe, a European Movement quarterly published in London, noted in its first edition for 1977:

. . . as David Abshire—a former U.S. Assistant Secretary of State—points out, unlike all other media of communication, it (radio) cannot be stopped at frontiers. It comes into a listener's home always as an invited guest, admitted or rejected by the turn of a dial; and it cannot be selectively edited or censored by an individual.

In responding to the challenges of the Helsinki declaration, I believe it to be particularly important to consider seriously Dr. Abshire's recommendations for strengthening our international broadcasting efforts.

Again, quoting from New Europe:

The United States, in Abshire's view, needs to allocate much greater resources to international broadcasting. It must recognize that, as long as Soviet leaders insist that détente and coexistence mean intensifying the ideological struggle and tightening censorship, its broadcasts must openly and purposefully aim at bringing ideas and information to these closed societies.

Radio Liberty and Radio Free Europe should, he believes, continue to try and take the place of East European domestic radio

services. The Voice of America should have more independence, along the lines of the BBC. There should be more exchange of technical facilities between international broadcasters such as the VOA and BBC.

The President has taken the initiative in following up on Dr. Abshire's recommendations with the recent announcement that his administration would request additional funds to strengthen both radios' transmitter power.

Mr. President, I believe Dr. Abshire deserves our commendation and gratitude for the immensely valuable contributions he has made to preparing both Radio Free Europe and Radio Liberty for the challenges arising out of the Helsinki agreement.

Mr. President, I ask unanimous consent that the editorials and columns referred to in my remarks be printed in the RECORD.

There being no objection, the material was ordered to be printed in the Record, as follows:

HEARING THE VOICES OF DISSENT

Radio broadcasts are, as Lenin once put it, "like a newspaper without paper . . . and without borders." Regimes fearful of dissenting voices and differing opinions cannot censor foreign broadcasts of news and commentary. Not even jamming, an expensive and technically difficult chore, can succeed in wholly silencing them.

That is why Radio Liberty and Radio Free Europe have been so effective in telling the peoples of the Soviet Union and its East European allies of events and viewpoints that their own governments suppress or distort.

David M. Abshire, chairman of the Board for International Broadcasting, the public agency that oversees the operation of the two radio services, has come up with some recommendations for their improvement that merit consideration.

Abshire, a former assistant secretary of state, suggests in a recent study the extensive sharing of the services' resources with other international broadcasting agencies, such as the Voice of America, the British Broadcasting Corp.'s foreign service, West Germany's Deutsche Welle and Radio Canada International. While there is a small degree of cooperation among some of these agencies, Abshire argues that much more can be done in cooperative use of transmitters and other technical matters, and a greater sharing of research facilities.

Sharing on this level could well improve efficiency by minimizing duplication on administrative and technical levels, and thereby reducing operating costs.

Abshire rightly maintains that such cooperation should not extend to the broadcasts themselves, or lead to the creation of a sort of NATO of the airwaves.

Each service should remain free to exercise its own editorial judgment, rather than attempt to have four or five non-Communist nations speak to the Russians and their satellites with the same voice.

Such uniformity would destroy a major asset of the foreign broadcasts—the diversity that is lacking in Soviet and satellite broadcast services. Uniformity would undermine the credibility of the foreign broadcasts, and lend substance to Soviet and satellite allegations that they are merely propaganda ploys designed to subvert their institutions.

A pooling of resources on an international scale would be a logical extension of the 1973 reorganization of Radio Liberty and Radio Free Europe and the establishment of the Board for International Broadcasting as its overseer. Both radio services, however, maintain their separate broadcast functions of providing what is in effect an alternative home service to the Russians and their allies.

Radio Liberty beams its broadcasts to the Soviet Union; Radio Free Europe concentrates on Eastern Europe. The two services reach an estimated 70 million listeners each month.

The reorganization has done much to alleviate criticism that the two services are "relics of the cold war" that should be silenced. The criticism reached a peak in the 1960s with the disclosure that they were secretly funded almost entirely by the CIA. The CIA link was broken in 1971, and funding—\$53.4 million for the current fiscal year—now comes from open congressional appropriations.

It is true that both radio services were set up during the cold war to generate dissatisfaction and even insurrection among the "captive" peoples under Communist rule. But today, they are rightly prohibited from broadcasting inflammatory material. Touching on an issue that arose in the presidential campaign, the services, according to their new guidelines, must not "in any way lead East European people to believe that in the event of an uprising . . . the West would intervene militarily."

In view of their cold war connotations, the names of the radio services might be changed. One suggestion is to call the now-combined facilities Radio Human Rights.

The restrictions on their broadcasts have not diminished Soviet hostility. Despite provisions in the 1975 Helsinki agreement and international conventions supporting the free flow of information across frontiers, the Russians have continued jamming some foreign broadcasts. And they have not stopped their long and fruitless efforts to silence the two services.

During the expected visit of Soviet party leader Leonid Brezhnev to West Germany early next year, he is likely to urge the Germans to shut down the services' program headquarters in Munich.

The Germans are expected to reject the suggestion; we hope they do. The Soviet and East European people should continue to have the opportunity to listen to voices other than those of government spokesmen reading officially approved texts.

[From the Economist, Oct. 16, 1976] KEEP THEM BEAMING

Mr. Jimmy Carter, riding high on President Ford's bumbling about Soviet control of eastern Europe, told an audience of Polish-Americans in Chicago on Monday that if he becomes president he will insist on an end to Russian jamming of Radio Free Europe and Radio Liberty. Good: these two American-financed radio stations need friends in high places. A sizeable proportion of the large number of Russians who tune in to western broadcasts are Radio Liberty's listeners; Radio Free Europe is heard by millions throughout eastern Europe. But it is just the stations' skill in getting hold of the sort of news about events inside Russia and eastern Europe which the rulers of those countries would prefer to keep dark, and then winging that news back eastwards, which is about to provoke another communist attempt to suppress them.

It is a fair bet that when Mr. Brezhnev comes to Bonn later this autumn he will have another go at persuading Helmut Schmidt to expel these "relics of the cold war" from their Munich headquarters. There are reports that Mr. Schmidt is tempted to agree, maybe in the hope of buying off another Russian and East German squeeze on Berlin. The importance of Mr. Carter's statement is that it shows there will be no support in Washington for any such retreat by Mr. Schmidt. President Ford has said that he and Mr. Kissinger are supporters of

the Munich stations. Mr. Carter makes it unanimous.

Radio Liberty and Radio Free Europe are not relics of the cold war; they are more important than ever. Because they are seasoned watchers of east-west relations, their expertise is needed to beat off the present Soviet attempt to dodge the consequences of the declaration that 35 countries signed at Helsinki last year. The Russians want to avoid the opening up of contacts between eastern and western Europe promised by that document. A conference is due to be held in Belgrade next June to review what has happened-and not happened-since Helsinki. It is important that the record should be known to the people of eastern Europe and Russia. One way of doing that is to ensure that Russia cannot exclude RFE and RL reporters from the proceedings in Belgrade as it excluded them, for example, from the winter Olympics in Salzburg last February. Another is then to make sure that the reports get heard in the communist countries.

SEVERAL VOICES, ONE CHORUS

Keeping Radio Free Europe and Radio Liberty alive and vigorous is one part of what needs to be done. But the whole western broadcasting effort to the communist world—which also includes the BBC, the Voice of America, and Germany's own efficient operation—can be made more cost-effective.

This does not mean merging all these individual organisations into a sort of Nato of the air. But Mr. David Abshire, the chairman of the American board which oversees the work of RFE and RL, has just suggested a number of good ideas for better coordination. The various stations could make more joint use of transmission times and relay stations. They could pool their research and documentation systems. In 1979, when an international conference is due to allocate new short wave frequencies, they could join together to get a better deal for them all; the short waves are getting overcrowded, and western broadcasters are suffering. The war in the air is one east-west contest that need not be lost by the west.

[From the New York Times, Mar. 5, 1977] Who Calls The Kettle Black?

(By C. L. Sulzberger)

BRUSSELS.—It is fortunate that the Soviet Government is relatively accustomed to being called conscienceless and therefore has no evident feelings of embarrassment about its present position on the issues of detente. While arming to the teeth in a process that has accelerated rather than lessened since the so-called cold war ended, Moscow accuses the West of "feverish militarist preparations."

And while protesting whatever it conceives to be a violation of the 1975 Helsinki agreement on European security, it jams radio programs beamed from the West and seeks to stifle dissident voices whose freer speech was guaranteed at Helsinki—and also in the Soviet Union's own "Stalin Constitution."

It is true, indeed, that Aleksandr Solzhenitsyn was arrested and forcibly expelled from the U.S.S.R. before the 35-nation 1975 accord, but since then other writers like Andrei Amalrik and Vladimir Bukovsky have been encouraged to leave. Solzhenitsyn, it may be added, particularly offended the authorities by denouncing Stalin's "gulag" brutality which the present Politburo also criticizes.

One thing notable about the Helsinki declaration, endorsed by Leonid Brezhnev, was this pledge: "The participating states note the expansion in the dissemination of information broadcast by radio and express the hope for the continuation of this process."

Nevertheless, the United States Commis-

sion on Security and Cooperation in Europe reports the U.S.S.R. and its allies still jam foreign broadcasts such as those from American-sponsored Radio Liberty and Radio Free Europe and a "Warsaw Pact propaganda barrage against these radios has continued incessantly since the early part of 1976."

Radio Liberty and Radio Free Europe were once financed by the C.I.A. but this is no longer true. They are openly sponsored by a public group called the Board of International Broadcasting. David Abshire, chairman of this board, told the Senate Foreign Relations Committee last year: "Instead of ceasing jamming in the spirit of Helsinki, the Soviet authorities have launched a violent new propaganda campaign against these radios." There is also frequent jamming from Czechoslovakia, Bulgaria and Poland.

The Voice of America, which gives the official United States view, is not subjected to similar blockage. But Radio Liberty (in 19 languages spoken in the U.S.S.R.) and Radio Free Europe (in six languages) seek to serve as a substitute for a free press that is locally muffied. They enable political exiles to speak to their fellow-countrymen.

Mr. Bukovsky, one of many distinguished Soviet writers and artists who fied abroad, said in Paris recently that these stations play "an enormous role" in keeping the Warsaw Pact peoples informed about what is really happening. The cost of jamming intrusive broadcasts is immense. There are up to 3,000 jamming transmitters in the Soviet Union, which is said to spend more than six times as much on blocking foreign programs as on spreading its own radio propaganda.

Mr. Abshire's board has done what it can to keep up financial support for Liberty and Free Europe operations based in Munich. It just arranged a contract with Lisbon enabling broadcasts to continue from Portuguese facilities for fifteen years. A Presidential panel in Washington urges there should be an increase of such American broadcasts.

No authoritarian government is overjoyed when its exiles find means of expressing antipathetic opinions from abroad. But that is not to say they don't have a right to do this. Apart from its own Constitution and its acceptance of the Helsinki pledges, the Soviet Union is a signatory of the Montreaux International Telecommunications Convention and the Universal Declaration of Human Rights.

The former says: "All stations, whatever their purpose, must be established and operated in such a manner as not to cause harmful interference to radio services or communications of other members or associate members." The latter stipulates: "Everyone has the right of freedom of opinion and expression. This right includes freedom to . . . impart information and ideas through any media and without regard to frontiers."

Any American who wishes can listen to Moscow's dreary radio broadcasts in English (or any other language) although their ideological persuasiveness may be doubted. And, theoretically, if some famous American writer or painter or musician wanted to settle in the U.S.S.R. and make denunciatory speeches about us, he would have every right to do so.

But to protest the reverse—or, what is worse, to try to prevent it by jamming—not only controverts the Kremlin's pledged word but puts it in the silly position of the pot calling the kettle black.

[From New Europe, European Movement Quarterly, London, No. 1, 1977] INTERNATIONAL BROADCASTING: A NEW DIMENSION OF WESTERN DIPLOMACY

(By David M. Abshire)

'A newspaper without paper and without boundaries.' This is how Lenin described radio in 1922. And it is precisely these characteristics of international broadcasting that have so angered his successors and that have given it an importance for many millions in Eastern Europe that it is difficult if not impossible for us in Western Europe to understand. For, as David Abshire—a former US Assistant Secretary of State—points out, unlike all other media of communication, it cannot be stopped at frontiers. 'It comes into a listener's home always as an invited guest admitted or rejected by the turn of a dial; and it cannot be selectively edited or censored by an individual.'

Throughout the cold war era, these broadcasts had a major significance for audiences throughout Eastern Europe, especially when the domestic media interpreted events in ways that had little if no connection with the real world. So influential were they that for most of the post war period, the Soviet Union and its satellites tried to obliterate them with a massive and enormously expensive jamming system.

Even before Helsinki, the Warsaw Pact countries had ended the bulk of this jamming of the major 'official' stations—the Voice of America, Deutsche Welle, and of course, the BBC. And although the Helsin'i declaration did not specifically mention jamming, Abshire argues that, to the Western participants, the final act implies that all jamming of broadcasts should cease.

In spite of this, Abshire believes that international broadcasting continues in post-Helsinki Europe to have a crucial importance Partly this is because all jamming has not ceased. On Radio Liberty, the American station based in Munich and broadcasting to the Soviet Union, and on Radio Free Europe, its sister station broadcasting to most other East European countries, it continues unabated.

More widely, Abshire claims that, although power is concentrated in relatively few people in the Soviet Union, their views and attitudes cannot be totally isolated from the public state of mind. The significance of international broadcasting is, in his view, that undistorted information serves—at the very least—to nourish pragmatic doubts tending to curb dogmatic decisions.

But having defined what he sees as the great importance of international broadcasting, Abshire declares his astonishment that so little effort and so few resources are devoted to it. He contrasts the huge amounts of money spent on the military deterrent with the failure to make a comparable effort to create a body of informed public opinion in Eastern Europe, without which deterrence must depend solely on the unfettered decisions of a few leaders.

So what should be done? The United States, in Abshire's view, needs to allocate much greater resources to international broadcasting. It must recognize that, as long as Soviet leaders insist that detente and coexistence mean intensifying the ideological struggle and tightening censorship, its broadcasts must openly and purposefully aim at bringing ideas and information to these closed societies.

Radio Liberty and Radio Free Europe should, he believes, continue to try and take the place of East European domestic radio services. The Voice of America should have more independence, along the lines of the BBC. There should be more exchange of technical facilities between international broadcasters such as the VOA and the BBC.

An increase of funds for American radio stations would also, he believes, encourage the British Parliament to give stronger financial support to the BBC's External Services which have, he says in a considerable understatement suffered 'a slightly downwards budgetary trend' over recent years, but which, on his evidence, are widely relied on throughout the world, particularly in times of crisis, as a source of accurate and depend-

able news. As Alexander Solzhenitsyn said on a recent visit to the BBC's External Services: "The BBC retains in the broadcasting world a significance similar to that which the British Empire earlier held in the world of politics."—Peter Udell.

CARTER'S ECONOMIC STIMULUS HIT

Mr. SCHMITT. Mr. President, our colleague, the distinguished Senator from North Carolina, Mr. Helms, is recognized as one of the Senate's best spokesmen for the free market economy. He is quick to point out the often overlooked liabilities of Government intervention.

As the Senate moves toward consideration of tax cuts and higher spending to stimulate the economy, it is a good idea to take a step back and look at the costs and benefits for each program we initiate as well as review the programs now in existence.

In the March 14, 1977, edition of the Journal of Commerce, Senator Helms voices strong criticism of the concept of economic stimulus and concludes that more of the kind of Government intervention we have had in the past will lead to the "Britainization of America."

To counter this trend, Senator Helms has proposed the Job Opportunities and Economic Reform Act of 1977. He offers his proposal to help begin the debate which is overdue. He states:

After 30 years of Keynesian economics we must assess the results—the Keynesians must defend them.

I believe he is right in calling for this debate it is important that the Senate seriously discuss rational economic policy and the direction in which we seem to be heading.

Mr. President, I ask unanimous consent that Senator Helms' article in the Journal of Commerce be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Journal of Commerce, Mar. 14, 1977]

A SENATE VIEW: CARTER'S ECONOMIC STIMULUS HIT

(By Senator Jesse Helms)

Ideas that are past their time often develop a mythology that keeps them alive long after it is clear that they are no longer functioning. The notion that an "economic stimulus" really stimulates the economy in a productive way is one of these.

President Carter's stimulus package, intended to cure unemployment, reminds me of the touching faith that doctors once put in blood-letting. The patients sometimes got better, but not because of the cure. And sometimes the patients were so weakened by the cure that they never recovered.

Our Keynesian economists—and their politician apprentices—may believe that they have performed a useful function. It is time, after 30 years, to assess the results.

Unless the American people begin to demand meaningful reform, we will continue down the road to big government, centralized decision-making, economic intervention, and the Britainization of America.

LEGISLATIVE PROPOSAL

As progress towards that reform, I have prepared a comprehensive, non-Keynesian legislative proposal. I call it the Job Oppor-

tunities and Economic Reform Act of 1977. Its very premise is enough to make some of my political colleagues take pause: it would set a policy of getting politics out of the economy when more harm than good results from government intervention.

The bill starts with an amendment to the Employment Act of 1946. This is that part of our current law which says that government promote "maximum employment, production, and purchasing power." In the abstract, this is a fine goal, but one that carries great potential costs and risks.

After all, everyone wants high levels of employment—but do we want them through a free and open market, or do we want them through government spending, government controls and high inflation? Do we want government growth that stifles economic freedom and economic growth? Do we want controls that can threaten the roots of our free society? Such side effects are the costs of an over-inflated, artificially stimulated economy.

SEEN COUNTERPRODUCTIVE

The Job Opportunities and Economic Reform Act which I have proposed states as federal policy that government intervention tends to be counterproductive, and that government should "avoid and reduce, whenever possible intervention in the economy."

Many Washington politicos, raised on Keynes and the gospel of electoral support through government largesse, would choke while swallowing that medicine. It would mean that politicians would be giving up their claims to economic omnipotence that Keynesian theory has granted them, and the political benefits as well. Such is the romance with Keynes that the typical Washington response to the failure of this patent economic medicine is to order a double dose.

The second portion of the bill follows from the first, and is an equally important component in any genuine reform measure: getting government out of the economy means adopting a balanced budget. I propose amending the Budget Act of 1974 to provide for a phase-in of a balanced budget over a four-year period. This is to minimize disruptions caused by rapid withdrawal of federal largesse.

My third proposal would phase out the power of the Federal Government to manipulate the value of money for political purposes. The achievement of a balanced budget, under the second part of this proposal, at last would permit a stable dollar value. The bill would remove the process of stabilizing the dollar from the hands of those who think they have political and economic omniscence, and link it to a value-free indicator—in short, it would use the price mechanism to establish, by 1984, a firm price relationship between dollars and gold.

This proposal utilizes a new, sophisticated pricing mechanism unlike the unrealistic and arbitrary price set by the old "gold standard." The high visibility of the link to gold would be an added social discipline, which would increase confidence in the stability of the dollar, and, in addition, increase the political costs of using monetary policy to stimulate the economy artificially.

No system is foolproof, or unchangeable. However, if, after taking on this commitment, the Federal Reserve Board chose to inflate the dollar for whatever reason, citizens would have a greater awareness of the action, and would be free to turn their dollars into the Treasury for gold.

Such action would indicate in a forceful and immediate way that people were losing confidence, and were seeking refuge from inflation. Such action would automatically tend to reduce the supply of money, and would place pressure on our government to reverse its inflationary policies.

Real economic reform must, therefore, in-

clude a recognition of the fact that money cannot be used to cover up foolish fiscal policies. It cannot be used to accomplish unrealistic social goals.

Money is the means of economic activity; the politicization of money can only lead to the disruption of economic activity and the

loss of freedom.

Freedom must be restored to individuals, so that each may engage in economic activity without having to guess how the political manipulation of currency values will affect his or her economic position. In essence, the burden of compliance must be shifted from the individual to the government—by forcing government to conform with monetary constraints, thereby freeing individuals by ceasing capricious government tinkering.

Finally, the fourth section of the bill attacks the unemployment problem by facing up to the fact that government itself is one of the biggest causes of joblessness, Government regulations impose increased costs on job creation. Government programs set up barriers that keep available jobs and the unemployed apart.

Government income maintenance systems provide incentives to stay out of the job market. Government tax laws set up incentives for capital-intensive expansion, but not for labor-intensive expansion. Government wage laws prevent some workers from offering their services to those who would hire them at a mutually agreeable price.

Therefore, the bill proposes establishing a Commission on Barriers to Employment to diagnose the costs and the extent of these barriers, so that Congress will have to face up to the fact that government—not those usually charged, our businessmen or unions—is a major cause of unemployment.

I have submitted the Job Opportunities and Economic Reform Act of 1977 so that we can begin a serious debate on real economic reform. We have gone beyond the point where Congress and the executive branch can throw money at the nation's economic problems and expect more good results than bad. We are past the time when this country can afford something like the Humphrey-Hawkins guaranteed jobs bill, which attempts to treat symptoms and not causes.

In full recognition of the political tone of the day, I do not expect approval of this bill in the near future. The U.S. Congress is far more likely, unfortunately, to adopt legislation which provides for more of what we have had in the past.

After 30 years of Keynesian economics, we must assess the results—and the Keynesians must defend them. The Job Opportunities and Economic Reform Act of 1977 is a reply to the economic policies of the past. It is based upon the view that we cannot attack any single one of our economic difficulties separately. Money, unemployment, growth, and stability are integral and they must be looked at in the same context.

We find ourselves moving, willy nilly, into the post-Keynesian age, and we must answer the economic problems of today.

NATIONAL BROADCASTERS HALL OF FAME

Mr. WILLIAMS. Mr. President, on Sunday, April 24, the city of Freehold, N.J., will be the scene of a unique dedication ceremony, when the National Broadcasters Hall of Fame will induct 21 broadcasting celebrities of the past and of the present.

The Hall will be opened to the public on May 1, 1977, and I ask unanimous

consent that the official announcement of that opening be printed in the RECORD.

There being no objection, the announcement was ordered to be printed in the RECORD, as follows:

NATIONAL BROADCASTERS HALL OF FAME May will be Broadcasting Month.

It is both appropriate and significant that May 1 was selected as the opening date of The National Broadcasters Hall of Fame in Freehold. NJ.

The nation's newest Hall of Fame will pay tribute to the men and women who became

Celebrities through their voices.

This non-profit project is more than a museum of nostalgia. The Hall merges the broadcasting interests of entertainers, newscasters, inventors, investors, the executives, sponsors, hobbyists and listeners. More importantly The Hall of Fame will document the past and track today's achievements.

The National Broadcasters Hall of Fame was founded by Arthur S. Schreiber, a former New Jersey newspaper publisher. The project was in the planning stages for almost three years. It became a reality when a large bank, built before the turn of the century, became available. The Hall of Fame transformed the bank into a display hall, but preserved many of the beautiful architectural features of the building.

Pieces of broadcasting's past do exist. There are collections of equipment on display at many locations. Homes and laboratories of inventors are open to the public. Libraries are filled with books on broadcasting. Recording companies have compiled collections of early radio programs, and honors to those in the field today are distributed through a variety of professional organizations.

But nowhere had the past, the present and the future interest of the broadcasting industry been brought together in one location until The National Broadcasters Hall of Fame was established.

One of the purposes of The Hall is to preserve memorabilia. Another is to exhibit an extensive collection of equipment. A minitheatre offers visitors an original production recaping broadcasting's history. And a vast hall has been created with displays where visitors can see and hear broadcasting history. One section highlights the lives and contributions of personalities in the industry who have been inducted into The Hall of

The first induction ceremony will take place in Freehold on Sunday, April 24, with New Jersey Governor Brendan B. Byrne and Senator Harrison A. Williams, Jr., participating in the program.

The first inductees into The Hall of Fame are: Red Barber, Jack Benny, George Burns and Gracie Allen, Bing Crosby, Milton Cross, Arthur Godfrey, Bob Hope, Ted Husing, H. V. Kaltenborn, Kay Kyser, Guglielmo Marconi, Edward R. Murrow, William S. Paley, David Sarnoff, Kate Smith, Bill Stern, Lowell Thomas, Paul Whiteman, Walter Winchell, Harry Von Zell

They were chosen by ballots sent to every active broadcasting station in the United States.

APPOINTMENT OF CONFEREES TO H.R. 1828—EXCLUSION FOR SICK PAY

Mr. DOLE. Mr. President, earlier today the Senator from Louisiana requested a conference and appointed Senate conferees to work out minor differences between the House and Senate versions of H.R. 1828. I commend this action, as it paves the way for expeditious enactment of provisions eliminating the retroactive taxation of sick and disability pay. This is a step which I urged the Finance Committee to take in a letter sent yesterday to Senators Long and Curris.

I had hoped that this legislation would be enacted before the April 15 filing deadline and worked for such action since introducing S. 4 on the first day of the session. However, substantial relief can still be provided to over a million disabled retirees who will be able to file amended returns for 1976 taxes. The sentiment of House and Senate Members is clear on this issue, as evidenced by the unanimous votes in both bodies on the sick pay provision. As a conferee, I trust we will move quickly.

I ask unanimous consent that a statement placed in the April 18 issue of the Washington Post by the National Association of Retired Federal Employees be printed in the Record.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[An advertisement]

WHY TAKE IT OUT ON THE DISABLED?

AN APPEAL TO THE PRESIDENT AND MEMBERS OF
THE CONGRESS

This is not a matter of seeking special privilege. It's simply a matter of fair play. Last week thousands of sick and disabled Americans were forced to dig into their savings or go into debt to ante up additional 1976 Federal taxes to pay the price for what was, in effect, a game of political football. Here's how it happened.

Last October, 10 months into the 1976 tax year, you amended the tax code to drastically tighten the criteria for claiming disability income tax credit. Worst of all, you backdated this change to January 1, 1976. So what you did was to impose a retroactive tax liability amounting to hundreds, even thousands, of dollars on those taxpayers least able to absorb so sudden and crushing a financial blow.

Put yourself, if you can, in their position. You filed your estimated tax return for 1976 and were making your quarterly payments as the law requires. Then, two months before the tax year ends, you're stunned to learn that you're got to pay out an additional \$400, or \$900, or \$1,200 (plus a possible penalty) you hadn't planned on. Why? Because your government all of a sudden changed the rules on you, that's why. How would you react to such treatment?

Well, certain responsible members of the Congress were quick to recognize the obvious inequity in back-dating a tax bite of this magnitude on a group of handicapped citizens. Immediately after the 95th Congress convened, legislation was introduced—with numerous co-sponsors in the House and Senate—to make this tax change effective on January 1 of this year, 1977, rather than retroactive to the beginning of 1976. On April 4, a bill to do this passed the House by a vote of 404 to 0. Two days later, it passed the Senate by a vote of 80 to 0. There was no opposition at all to this simple measure to correct an obvious wrong.

So what's the problem? In the Senate, amendments having nothing to do with the basic issue were tacked onto the bill and it was sent back to the House where it was passed again, minus one of the Senate's

amendments. Back went the bill for final action by the Senate where in the floor debate, the Chairman of the Senate Finance Committee inferred that you, Mr. President, might veto the measure if it were passed in its amended form. Result? The bill was pigeonholed until after the Easter recess.

Somehow it seems our country's disabled rettrees were caught up in a game of political football, with back and forth maneuvers between the two houses of Congress involving issues which had nothing whatever to do with the plight-of the disabled rettrees, while you, Mr. President, neglected to take a firm stand on an issue of critical importance to

these people.

How do matters stand now? Well, April 15 was last Friday and there are a lot of individuals who are pretty unhappy with you, Mr. President, and you too, Mr. Congressman. Perhaps you've had some of their letters and phone calls. If you haven't, we've had lots of them so we can tell you what they're saying. They're pointing to the recent quantum jump in Congressional and executive level salaries and they're contrasting this with the government's tax treatment of the handicapped and the elderly. How the new tax bill messed up and diluted the provision for retirement income credit, for instance—and now this retroactive tax bite on the disabled retiree.

Our organization is the spokesman for the Federal Government's one million retired civil employees. About 280,000 of them are retired for disability reasons. Now that the Easter recess is over, how about correcting the injustice done to them and the more than 1 million other disability retirees throughout our country? You can do this by separating out this non-controversial matter of changing the effective date of the new disability income tax regulations from other controversial tax issues. You can enact and sign this provision into law, by itself, as it was originally introduced and passed by both the House and the Senate—without a single dissenting vote!

Again, this is not a matter of seeking special privilege. It's simply a matter of fair

The National Association of Retired Federal Employees, 1533 New Hampshire Avenue, N.W., Washington, D.C. 20036, 202—234–0832

CARTER TO URGE FINANCIAL, OTHER INCENTIVES FOR INDUS-TRIES TO PRODUCE OWN ELEC-TRICITY

Mr. HART. Mr. President, last night President Carter addressed the Nation regarding our very real crisis in energy supplies. I strongly agree with the President that the cornerstone of any comprehensive energy policy must be conservation. As the President mentioned, conservation is the quickest, cheapest, most practical source of energy. Effective conservation programs will insure both continued economic health and continued progress toward a pollution-free environment for our children.

A vital ingredient of any effective conservation policy must be the recovery and utilization of waste heat. And the greatest energy producing practice for recovering and using waste heat is a relatively simple process called cogeneration.

Cogeneration produces electricity from the steam heat which many industries require to produce their products, and it is widely used in several countries. Several studies have shown that 30 percent of the total electricity consumption in this Nation can be produced through cogeneration by the year 2000, at threefourths of the fuel cost of the most efficient utility.

The ramifications of cogeneration as an effective fuel conservation measure are both obvious and enormous. Industrial cogeneration of electricity and steam must be encouraged as rapidly and as vigorously as possible. But we must also insure that each decision to speed up cogeneration is taken with thought and attention to detail.

Mr. President, tomorrow I intend to introduce legislation addressing cogeneration and waste heat utilization in detail. It is my hope that we will move on this urgent measure as quickly, and deliber-

ately, as possible.

In the meantime, I would like to again direct the attention of my colleagues to an article on energy conservation by Dr. Lee Schipper which was printed in yesterday's Record on page 11055 at the request of Senator Humphrey. Dr. Schipper correctly points out that there is no longer any reason for the Nation to ignore the unlimited energy resources which at present simply float up smokestacks into the sky in the form of waste steam.

Our Nation's scientific and industrial committees point to cogeneration as one of the least painful and most effective energy conservation practices. The Carter administration is also developing proposals to rapidly implement cogeneration practices nationwide. An interesting article appeared in last Friday's Wall Street Journal by Mr. Les Gapay regarding the administration's thoughts on cogeneration. I understand that the proposals described by the article may not be in total accord with the more detailed administration cogeneration proposal on its way to the Congress, but the article is well worth reading.

Mr. President, I ask unanimous consent that the article entitled "Carter To Urge Financial, Other Incentives For Industries To Produce Own Electricity" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Wall Street Journal, Apr. 15, 1977]
CARTER TO URGE FINANCIAL, OTHER INCENTIVES FOR INDUSTRIES TO PRODUCE OWN
ELECTRICITY

(By Les Gapay)

Washington.—President Carter plans to propose financial and other incentives for large industries to generate their own electricity.

The proposal would be a boon to such major industries as chemicals and steel. The policy also would have important implications for the electric utilities, as it would result in a need for fewer central power plants in the future.

The incentives would go to large factories that have steam boilers, enabling them to add electrical-generation equipment, With this equipment, the steam could be used to turn a turbine that would produce electricity for the factories, which could then sell excess electricity to utilities.

Currently, many companies have equipment to produce steam for their own use, mainly in various industrial processes and in heating. Electrical-generating equipment could be added to these steam boilers at rellatively little extra cost, experts claim. The process is called cogeneration, as the same system would produce both steam and electricity.

Mr. Carter's expected proposals, according to administration sources, would call for legislation to give industries tax credits for the installation of cogeneration equipment and to require utilities to buy the surplus power.

Carter administration energy officials estimate that within 10 years industrial cogeneration could be saving the U.S. the equivalent of a half-million to a million barrels of oil per day. A study of Dow Chemical Co. estimates that the savings within a decade at 680,000 barrels a day, or about 10% of the nation's oil imports.

The Dow Chemical study, made for the National Science Foundation in conjunction with the Michigan Public Service Commission and the University of Michigan, also estimates that cogeneration would cut utility spending on power plants by between \$2 billion and \$5 billion a year.

A Federal Energy Administration study agrees that industrial cogeneration could affect significantly the electric utility industry. The FEA study says increases in the costs of electricity in recent years have "increased the benefits realizable from cogeneration." However, there are still some financial and regulatory barriers, and Mr. Carter's proposals would remove those.

According to a White House document on President Carter's comprehensive energy plan, to be released next week, the President will propose that a tax credit of 10% (in addition to the existing investment-tax credit of the same amount) to be allowed for industrial cogeneration equipment that meets specific efficiency requirements.

EXEMPTIONS ON OIL, GAS USE

In addition, Mr. Carter would propose that the government be authorized to exempt, on a case-by-case basis, industrial electric-steam cogenerating equipment from proposed bans on industrial use of oil and natural gas. Mr. Carter, as reported previously, will propose that the use of oil and gas by industrial boilers be phased out, the aim being to encourage use of coal.

The President's policy would require utilities to buy any surplus electricity made by industries. Normally, industries would propose to utilities that they construct and operate cogeneration facilities on mutually agreeable terms. However, if a utility weren't willing, and an industry built and operated its own cogeneration plant, it could sell any surplus power to utilities.

The power would be used in the utility's grid system and sold to other customers. Cogeneration facilities are more economical if they are large enough to make surplus power that could be sold.

Utilities especially would oppose being forced to buy such power. "That's what we're afraid of," says an official of the Edison Electric Institute, an industry trade group: "Their surplus power probably would be generally available when we have surpluses."

COULD BUY BACKUP POWER

Mr. Carter's proposal would allow industries to buy backup power supplies from utilities, if needed, at nondiscriminatory rates. In addition, the industrial facilities would be exempt from state and federal public utility regulation. Also, industries would be granted distribution privileges on utility-transmission networks to sell surplus power and to buy backup power.

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Industries that use a lot of steam would be likely to benefit from adding electric generation. Officials say likely beneficiaries are the chemical, steel, oil-refining and paper-

and-pulp industries.

Cogeneration of electricity and steam is widely used in Europe, especially in West Germany. At one time, most U.S. industrial plants generated their own electricity, but this began to decline steadily in the early part of this century when power was cheap. Now, says Gerald L. Decker, corporate energy manager for Dow Chemical, "with the inevitable higher fuel costs ahead and the restricted availability of capital for electric utilities, we may be approaching a period in which industrial management will look more favorably on cogeneration."

Consumer groups have long advocated such processes. "Residential electric rates would be less if cogeneration was widespread," says Garry DeLoss, energy specialist for Ralph Nader's Public Interest Research Group. He says that lower rates could result because industry capital costs would be less for cogeneration equipment than if utilities built more central plants, and because the cheaper surplus industrial electricity would

be sold to consumers.

As previously reported, the main thrust of the Carter energy package involves increasing the federal gasoline tax, imposing new taxes on domestically produced crude oil and on cars that use too much fuel, and raising the price of natural gas.

Yesterday, sources said the package also is

likely to include proposals to:

Double the size of the federal oil stockpile to one billion barrels by the end of 1983 from the 500 million barrels required by law. The oil reserve is intended to cushion against any future foreign oil embargoes.

Remove the existing 10% excise tax on new commercial intercity buses. The aim would be to encourage expansion of bus systems, because they are fuel-efficient carriers of passengers.

Boost the federal tax on fuel used in general aviation to 11 cents a gallon from the existing seven cents a gallon. The existing rebate of two cents a gallon to users of motorboat fuel would be eliminated, so they would have to pay the full four-cents-a-gallon tax.

THE SEMANTIC WAR IN THE MIDEAST

Mr. HEINZ. Mr. President, the Philadelphia Inquirer recently published an editorial containing some cogent comments about the diplomatic situation in the Middle East and the war of words we are currently witnessing. In the world of diplomacy things are not always what them seem, and we are all learning that, as in "Alice in Wonderland," words mean just what the person speaking them wants them to mean, no more, no less. "Secure borders," "defensible borders," "defense lines," and "permanent and recognized borders" all have different meanings depending on the context and the intent of the person using them.

Despite these verbal ambiguities, however, what should be clear, as the editorial points out, are our objectives, as articulated by President Carter: termination of belligerence toward Israel by her neighbors, a recognition of Israel's right to exist, the right to exist in peace, the opening up of borders with free trade, tourist travel, cultural exchange between Israel and her neighbors." The apparent unwillingness of the Arab nations to move in this direction may be masked by their words, but the basic issue is a simple one, and we must renew our determination to adhere to our own objectives. I ask unanimous consent that the editorial be printed in

There being no objection, the editorial was ordered to be printed in the RECORD. as follows:

(From the Philadelphia Inquirer, Mar. 15, 1977]

THE CRUX IN THE MIDEAST IS PEACE, NOT SEMANTICS

Everyone knows that if an ultimate peace settlement is to be achieved in the Mideast there will have to be some rectification of the pre-1967 borders between Israel and its Arab neighbors.

We say "rectification" because it is the most neutral word we can find for something which, after all, is not unheard of after wars. The Israelis prefer the term, "defensible borders," by which they mean they do not intend, insofar as is possible for such a small country as theirs, to leave themselves defenseless against another surprise attack like that launched on Yom Kippur, 1973, by Egypt and Syria.

The Arabs insist on saying "secure borders," by which they apparently mean insecure borders. When President Carter, after conferring in Washington with Israeli Prime Minister Yitzhak Rabin, himself used the word, "defensible," the Arabs took prompt

umbrage.

Obviously responding to Mr. Carter in a speech to the Palestine National Congress meeting in Cairo, Egyptian President Anwar el-Sadat even ruled out the word "secure" as "not permissible" to speak about:

"Allow me to repeat to you, and for all to hear, that we will not cede a single inch of Arab land and that our national territory is not open to bargaining; the Israelis must

withdraw from all occupied lands."

If Mr. Sadat means what he says, there is not much room for bargaining. Does he intend to go to Geneva demanding everything and conceding nothing, including the peace which he has repeatedly said must be left to future generations?

Meanwhile, at the Cairo meeting, the Palestine Liberation Organization refused to consider changing its charter, which in effect calls for the destruction of the Jewish state. In other words, the PLO demands that its rights to statehood be recognized while refusing to recognize Israel's right to exist."

In his news conference the other day, Mr. Carter said the difference between "defensible" and "secure" is "just semantics." He went on to say that stabilization of the situation would entail "substantial withdrawal" of Israel from territories occupied since 1967.

That, and his use of the phrase, "minor adjustments" of boundaries, did not enchant the Israelis, but they themselves have never taken the position that they must forever control every single inch of occupied land.

On the contrary, they are well aware that they must make substantial concessions, and Mr. Carter, in drawing a distinction between Israel "defense lines" and "permanent and recognized borders," has offered a novel approach by which each side can get substantially what it wants-for Israel, security; for the Arabs, most of the occupied land.

The crux of the problem, though, is as Mr. Carter stated it: "I think that what Israel would like to have—a termination of belligerence toward Israel by her neighbors, a rec ognition of Israel's right to exist, the right to exist in peace, the opening up of borders with free trade, tourist travel, cultural exchange between Israel and her neighbors."

The Arabs do not have to arrive there immediately, but if they are willing to move in that direction the matter of border rectification can be worked out. It is just that simple, or just that complicated.

ARTHUR BURNS PROPOSES NINE-POINT PROGRAM ON WORLD **ECONOMY**

Mr. HUMPHREY. Mr. President, I read with great interest the Associated Press report of a nine-point program outlined by Dr. Arthur F. Burns, Chairman of the Federal Reserve Board. This program was designed to cope with what Dr. Burns calls "the formidable chal-lenges that now confront us" in the world economy. His proposals make good sense and represent the basic outline of a responsible international economic policy. I ask unanimous consent that the Associated Press article of April 13, 1977, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD,

as follows:

BURNS URGES STRINGENT CONSERVATION

New York.-Arthur F. Burns, chairman of the Federal Reserve Board, proposed coping with "the formidable challenges that now confront us" in the world economy with a nine-point program that includes a strinconservation effort by oil importing

Burns also urged a greater reliance on lending through international organizations.

Underdeveloped countries have been borrowing heavily from commercial banks to pay their oil bills and other import costs, prompting officials such as Burns to question how long the situation can continue.

And Burns said he is becoming less confident of earlier assessments that the debts run up to pay for imported oil will be self-

correcting.
Here are Burns' nine points:

"All countries and especially the United States need to adopt stringent oil conserva tion policies and, wherever possible, speed the development of new energy sources." The members of OPEC must avoid new

price increases to make up for any reduced consumption. OPEC members also need to play a bigger role in helping underdeveloped

Nations running surpluses in international payments should let the values of their currencies rise, thus giving their deficit-account trading partners a competitive edge. He named no nations, but U.S. officials have usually targeted Japan and West Germany for such admonitions.

Resources of the IMF should be enlarged along the lines of a current proposal for a new \$15-billion lending facility, with "new assertiveness" by the IMF in getting additional fiscal and monetary restraint concessions from borrowers.

banks and Commercial governments should avoid undercutting the IMF's influence.

Lenders should improve their method for assessing nations' credit worthiness,

Commercial and investment bankers must keep a close watch on their international

"Protectionist policies need to be shunned by all countries."

Countries running an international payments deficit must adopt effective domestic stabilization policies.

INSTITUTE OF INTERNATIONAL ED-UCATION CELEBRATES 25TH YEAR OF SERVICE OF U.S. REGIONAL OFFICES

Mr. BENTSEN. Mr. President, the Institute of International Education, IIE, the largest and most active educational exchange agency in the United States, is celebrating the 25th anniversary of its U.S. regional offices. These offices serve all parts of the United States—counseling U.S. and foreign students, administering exchange programs, and serving local communities and educational institutions. IIE regional offices are located in Atlanta, Chicago, Denver, Houston, Los Angeles, San Francisco, and Washington, D.C. Their activities are coordinated by the Institute's national headquarters in New York City.

The coincidence of this anniversary with the annual meeting of the IIE Board of Trustees and National Council in Washington, D.C., offers me the opportunity to pay tribute to the notable work of this organization. IIE was founded in 1919 in the aftermath of World War I. Its assigned task was the promotion of international understandings through international educational exchange. Today IIE carries out this mission through the exchange of students and scholars, knowledge and skills between the United States and 126 countries.

IIE is perhaps best known for its role in the administration of the Department of State's mutual educational exchange-Fulbright-Hays—program of international fellowships for U.S. and foreign students at the predoctoral level. However, the Institute of International Education also conducts some 290 additional programs for other U.S. Government agencies, foreign governments, international organizations, foundations, corporations, and educational institutions. Altogether IIE assisted some 11,500 American and foreign students, distinguished international visitors, and research professionals on technical assistance projects overseas during the 1976 academic year-a notable record for a private nonprofit agency and a major contribution the development of international to understanding.

In addition to its role in the mutual educational exchange program of the Bureau of Educational and Cultural Affairs of the Department of State, IIE also administers a portion of the Bureau's international visitors program, which brings distinguished foreign visitors to the United States from over 100 nations each year. The intent of the program is to increase the knowledge of the United States of influential citizens of other lands. Alumni of the program currently occupy over 250 cabinet positions around the world.

IIE also assists the "Green Revolution" centers, the 10 international agricultural research centers around the world that have developed the miracle grains which hold the best hope of adequate food supplies for the less-developed nations. The Institute administers many professional development and technical cooperation programs for the Ford Foundation, and is active as well on behalf of the Agency

for International Development, the Rockefeller Foundation, and numerous other supporters of educational cooperation and of developmental assistance.

By administering programs for sponsors, HE is able to make a major impact on international relations through education and research.

IIE also serves the public and American higher education through its educational services. IIE educational services are public service activities supported through contributions. Through educational services, IIE brings information and counseling to some 200,000 American and foreign students each year and provides over 50,000 copies of its many publications to students, educational institutions, counseling centers, and libraries all over the world.

IIE's educational services include conference programs, scholarship programs, and many other activities that bring needed assistance to organizations and individuals concerned with international educational exchange. As the central clearinghouse for information about exchange in the United States, the Institute of International Education plays an important role in making productive educational relationships a reality.

IIE has a special relationship with American colleges and universities, some 500 of which are affiliated with the Institute as IIE Educational Associates. IIE assists American higher education in many ways.

The Institute's overseas offices in Latin America, Africa, and Asia provide onthe-scene assistance in interviewing and screening applicants overseas for American colleges and universities. Overseas offices provide information on U.S. higher education to tens of thousands of foreign students each year. They offer orientation programs, testing facilities, libraries, and catalog collections, and in general act as overseas ambassadors for American higher education.

IIE's regional offices in the United States play a similar ambassadorial role, linking local communities with the larger world through the medium of international exchange. They focus much of their effort on assisting American colleges and universities, and work closely with campus study abroad advisers, foreign student advisers, admissions officers, and with the individual student.

Colleges and universities call upon the IIE regional office in their area for advice and consultation about international education. The range of IIE publications and information services is made available to them, as are special student programs.

The IIE office in my own State of Texas exemplifies the public service role played by this organization throughout the United States.

Last year IIE/Houston supervised the academic programs of over 1,000 international students at colleges and universities in Texas and several Southern States. It organized special programs for students and for colleges and universities in the region, including a special learning mission for campus personnel to Latin America. It provided information

and counseling to 5,000 men and women considering international study.

The Institute's Houston office serves as secretariat for the Houston International Service Committee, and in this capacity acted as international host agency for the city in arranging programs for some 1,000 distinguished international visitors. The office also acts as protocol office for the city of Houston, and assisted with the visits of the King of Sweden and the Presidents of Egypt, France, and the Sudan during the Bicentennial Year. The Institute also served the community by sponsoring conferences on world trade, foreign policy and people-to-people relations.

The Institute's Houston office exemplifies the role played by the Institute of International Education across the United States. The offices in Atlanta, Chicago, Denver, Los Angeles, San Francisco, and Washington, D.C., and the national headquarters in New York City play similarly positive roles in serving the student, the educator and the community.

The Institute of International Education, its staff in 11 offices in the United States and around the world, and the thousands of volunteers who give of their time and energy on behalf of interna-

tional cooperation together form a significant national asset.

It gives me special pleasure to salute the Institute of International Education on the 25th anniversary of its national office network, and to express the hope that this fine organization will continue its tradition of effective service to the Nation and the world for many years to come.

HEARINGS ON PUBLIC LAW 480

Mr. HUMPHREY. Mr. President, I wish to share with the Senate some of the testimony presented by witnesses testifying on the Public Law 480 program on April 4, 1977, before the Senate Subcommittee on Foreign Agricultural Policy, on which I serve as chairman.

The two witnesses whose statements I would like to discuss were Herbert J. Waters and Robbin S. Johnson. Mr. Waters, president of TADCO Enterprises, Inc., is an individual with significant experience in both the public and private sectors. Mr. Johnson is an assistant vice president with Cargill, Inc., an international commodity processing and marketing company headquartered in Minnetonka, Minn.

The purpose of this hearing was to explore in greater detail the issues that the Committee on Agriculture, Nutrition, and Forestry face in continuing the Public Law 480 program. These two witnesses gave different yet complementary testimony. Their contribution was designed to maximize the potential of Public Law 480 as a program with maximum humanitarian and developmental impact on poor people in less developed countries.

Mr. Waters' comments emphasized the need to alter the Public Law 480 program in a number of respects. He would like to see part of the sales under this program reserved or set aside for producer-controlled cooperatives and other small exporters. He also would like to see countries which buy Public Law 480 commodities on long-term credit arrangements use the food to foster socially desirable purposes such as nutrition programs rather than just for commercial resale. Further, Mr. Waters urged that recipient countries use Public Law 480 commodities to establish and maintain reserves that will help protect them against factors such as adverse crop conditions.

Mr. Johnson outlined a food aid strategy, describing roles that Public Law 480 could play in such an approach. First, Public Law 480 commodities can cover chronic food deficits. Second, Public Law 480 food can be used to cover periodic fluctuations in food aid requirements. Also, Mr. Johnson pointed out that Public Law 480 food can be used to encourage economic development, reduce population growth, and increase employment. Mr. Johnson stressed that conflicts between commercial demands and food aid commitments can be avoided through improved commodity management and trade policies.

These two witnesses have made a strong contribution to the discussion of Public Law 480. Mr. President, I ask unanimous consent that the statements of Mr. Waters and Mr. Johnson be printed in the Record.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

TESTIMONY OF HERBERT J. WATERS

Mr. Chairman: I appreciate being invited to participate in these oversight hearings on the Food for Peace Program (PL-480). You are to be commended for calling them. In my opinion, such oversight hearings should be conducted every year, regardless of whether or not reauthorization of the Agricultural Trade Development and Assistant Act is required.

The legislation is broad in concept and designed to serve varying purposes, sometimes seemingly in conflict with each other. They need not be, with proper administration and guidance from Congress as to priority of objectives. Because of this, continuing oversight by the Congress is not only wise but necessary to avoid administrative distortions of Congressional intent, and continuity of understanding by the Congress of the changing nature of the world's agricultural situation which significantly influences and will continue to influence the Future of Food Aid, the theme of your hearings.

I speak as an individual, but an individual with considerable background experience in this program. I am also President of the American Freedom from Hunger Foundation which has a vital interest in this program, but I choose to appear as an individual today for maximum freedom of expression about the program. Perhaps for the record I should qualify myself as having considerable background knowledge and experience with the program, and personal dedication to it. One way or another. I have been involved with it since its inception.

It was my privilege to be associated with the Chairman of this Subcommittee (Senator Humphrey) at the time the original concept was developed, with strong bipartisan support. I was directly involved in its original passage, and earliest reviews and refinements. During the 1960s I accepted appointments in the Executive Branch under both Presidents Kennedy and Johnson that included,

among other functions, major administrative responsibilities for operation of the Food for Peace programs overseas. Since my retirement from Government in 1968, I have continued my very close interest, and direct involvement, in functioning of the program, both in a civic capacity as President of the American Freedom from Hunger Foundation, and during the World Food Conference of 1974, Chairman of the World Hunger Action Coalition composed of more than 75 non-profit public interest voluntary groups in the United States; and as a private businessman engaged in international food and agricultural trade and development.

As a result, I have the unique ability, perhaps, to look at the program with a very broad perspective, not only over the span of 25 years of its existance but more importantly from experience with it in both the legislative and executive branches of government, and in the voluntary agency and private enterprise areas of nongovernment.

With that background for the record, I would like to make some general observations then proceed to some specific ideas in the form of suggestions to consider.

PROGRAM BACKGROUND

Public Law 480, from its inception and through its multiple revisions and refinements, and despite all its critics, has been a tremendously significant legislative accomplishment that has had more than two decades of profound impact for the good on international economic development as well as on American agriculture itself, and I see no conflict between those two goals as I am convinced we cannot succeed in one without sharing equal concern for the other.

Perhaps I can explain by putting into better perspective the real original concept of this program. For too long it was interpreted, and sometimes today is still misinterpreted, as a "surplus disposal program." True, the only way we could get the support of Congress to enact the program originally was to play heavily upon the excessive accumulation of U.S. food production that had become price-depressing to American agriculture, burdensome to the taxpayer, and a whipping boy of the media. For years PL-480 was only referred to in the press as the "surplus disposal act"; yet I respectively refer all historians to the Act itself, wherein were set forth far more constructive purposes. It was to share our productive capacity; to share something we had plenty of, with those unable to otherwise buy it; it was to make use of our productive capacity for constructive purpose of helping others, rather than turning it off while others went hungry.

In the minds of many of its original sponsors—men in both political parties dedicated to American agriculture, and men from rural constituencies—yet men who were internationalist at heart, who saw the growing problems of the world around us—was concern for how America could shoulder its rightful responsibilities of building a better world elsewhere when we were confronted with serious economic problems at home, among our own farm people; a concern not far different from the situation that exists today with our own unemployment and low farm prices.

They knew that, in the long run, America's future lay not in turning inward, but in helping others to progress; they knew that we ourselves would never be a big enough market for all we could produce, either on our farms or in our factories, and that our future markets were linked to economic development of the then underdeveloped world.

They had the foresight to realize that our own political security rested not just on military might, but rather on the extension of the American heritage of freedom, compassion, and human justice. They recognized that a world of poor and the deprived would come to resent a country of wealth and abundance, unless we showed a willingness to share and help others help themselves. Yet they knew rural America would not support "foreign aid" per se if they thought of it just in terms of transferring dollars from our economy to others. They had the wisdom to see that farm people, basically humanitarian and religious people, would respond better to sharing their own productive capacity, and eventually with it sharing their own technology. It was a matter of using what America could provide best—food, and the ability to produce food.

As a result Public Law 480 has not only helped meet world food needs, it has helped stir international interest in America's rural areas, and is probably largely responsible for us being able to sustain and maintain our entire economic assistance program.

It hasn't been just "surplus disposal"; it has truly been a proper sharing of America's abundance, and its capacity to produce—and brought with it the support of the producers for foreign economic assistance.

From its inception many of those most dedicated to Public Law 480 have sought to get rid of the old "surplus disposal" image, and to strengthen its acceptance as an effective instrument for development, as well as for humanitarian assistance and nutritional help to enable countries to help themselves. We took specific legislative action to redirect the program in that direction during the mid 1960s and steady progress has been made ever since.

ADMINISTRATION

The Food for Peace program always has had, and probably should continue to have, multiple purposes. There is nothing wrong with that as long as some purposes are not distorted at the expense of others. The multiple purposes do lead to some misunderstandings, as the program often means different things to different groups of people. It sometimes leads to misinterpretations in the media. The multiple purposes have the advantage of maintaining a broad base of support from many different sources, often admittedly for different reasons, but all combining for the general good of total national objectives.

The disadvantage of its multiple purposes is the fragmented bases all involved in its administration: USDA from agriculture's standpoint; AID from the standpoint of development; State from the standpoint of foreign policy guidance; Treasury from the credit viewpoint as well as allocation of foreign currencies involved; Office of Management and Budget from the standpoint of over-all budget control; and even within these agencies there is often much further fragmentation of interest claims.

It should be little wonder, then, that the program frequently bogs down in administrative nitpicking and red tape. Each of the agencies involved has its own interests it seeks to further, legitimately, perhaps, but too frequently time consuming, confusing, and self-defeating.

What too often appears lacking is adequate over-all policy guidance, streamlined decision-making mechanisms, and a dedication to the noble concepts rather than pre-occupation with petty internal rivalries among bureaucrats.

In other words, many of the problems of Food for Peace are not legislative; they are administrative. Broad enough authority now exists within the Act to well serve each of its objectives, if there is Administrative dedication to achieving them.

Your oversight, therefore, should more often concentrate on Administration of the program rather than just reviewing proposed legislative changes.

SUGGESTIONS AND RECOMMENDATIONS

Title I, long-term concessional credit sales: 1. Country Selection Criteria: Because of past distortions of original intent of the program to over-use its resources for international political purposes, Congress mandated a fixed percentage of Title I for the "poorest of the poor" countries. The re-direction was needed at the time. However, if confidence can be restored in Administration of the program along lines Congress recommends a valid case can be made for administrative flexibility rather than a rigid formula that sometimes creates problems without always advancing the objective sought to the best interest of the program. Whatever criteria is established, however, some provision should be made for taking into account the constructive use to which the food assistance resources are put in the recipient country. For example, a country may qualify in the "poor" category, yet not devote its food assistance to the benefit of the "poorest of the poor" people within that country as does some other country which for one reason or another ranks just above the "poor" country cutoff point.

An example might be Jamaica, which has had a small Title I program from which it obtains only nutritionally-selected high protein products, and devotes them entirely to social programs for school feeding and maternal health care programs, rather than commercial resale. In effect, it has "graduated upward" from what would normally be a Title II program to the Title I purchases, but uses the resources entirely for the nutritional benefit of its children. It seems to me more examples of this could be encouraged under Title I. if such use bolstered a country's priority for food aid. As it stands now, we really have just two categories of Title I programs: for the "poorest" countries, and for political supporting assistance, both involving commercial resale of the product to those able to buy. Perhaps we need a third category, of Title I sales to countries actually using the products for such socially-desirable purposes where it is channeled most directly to those needing it the most, rather than just ordinary commercial markets.

2. Incentives to up-grade nutrition benefit: Contrary to the Jamaica example, most Title I sales are non-processed farm products like wheat, corn, and rice. As a result Title I food assistance lacks the nutritional emphasis of Title II food donations.

To further encourage the sales of blended or protein-fortified foods, two years ago this Committee included a new provision of section 103 of PL 480 that would authorize the President to waive that portion of total value of a loan made under the authority of Title I which represents the actual and direct cost of processing such commodities. The Committee declared its intention that such procedure be made available only for those processed commodities which are used under Title II programs and which by their special nature are designed to meet specific nutritional needs of the developing countries. The justification for such a procedure then given was to better achieve the objectives of the Act related to improving the nutritional status of the neediest individuals in the developing world.

Unfortunately, this provision was lost in conference. We believe it should be restored. It would encourage transition in some countries presently receiving such commodities under Title II donations to sales of those commodities under Title II, and eventually on a regular commercial basis. Regrettably, some producer groups have not appreciated that it is in their interest, as well as the processors, to stimulate export markets for these new low-cost high protein blended foods developed in this country as a result of this legislation. We believe such producers are wrong, and missing a chance for an added

export market beyond export of grain as

3. Expanding sales participation: One of the criticisms frequently heard about Title I sales is that for the most part they are handled by a relatively few major international grain traders dominating the grain business. The intent of Congress in establishing credit programs to expand exports is to benefit farmers, not just grain traders. Why shouldn't they be more specifically oriented to financing exports by Producer-controlled groups, so producers share more directly in the benefits of such exports? Our major grain cooperatives are showing a greater interest in exporting directly. So are many of our country elevator operators, banding together to explore forming export groups which, relatively, would fall into a small business category. In both instances the impact of export sales would relate more directly to producers. and likely bring some healthy competition for grain into the export buying market. I believe this trend can and should be encouraged by Public Law 480.

We enter into government-to-government agreements extending long-term credit, under certain specified conditions spelled out by Congress. The recipient government does its own buying, under regulations set forth by USDA. Why should other countries have to buy only through a few major multinational grain traders, now dominating this Public Law 480 business? Why can't at least a portion of this business be specifically set aside, by law or regulation, for either producer-controlled exporters or small-business exporters more directly related to rural producing

areas?

There is ample precedent for Congress to require that producers share more directly in a program intended to benefit them, not grain traders.

In other government procurement, provision is made for small business "set-asides" to keep a few major big companies from gobbling up all government-financed business. Why not in Public Law 480?

In Public Law 480 itself, the law now requires that 50 percent of the cargo purchases be moved on American flag shipping, even if it costs more than on foreign flag. It even provides for paying the difference in that shipping cost, to avoid penalizing the receiving country in carrying out a U.S. objective.

Wouldn't it make just as much sense to require that 50 percent of the grain exported be sold directly by producer-controlled export cooperatives, or at least provide for a small-business set-aside that would encourage new exporters to compete for this business? The more people seeking to buy grain, the better it is for farmers. In my opinion, any government-financed export programs should be examined with this end in view.

4. Building Developing Country Stabilization Reserves: Most Title I agreements are tailored against the commercial absorptive capacity of a recipient country, without in-terfering with its usual marketing purchases outside of concessional food aid, given crop year. Perhaps more thought should be given, in years when the U.S. has excess available amounts of one commodity or another, to assisting developing countries to build up their own stabilization reserves to against adverse crop conditions in their own countries, sudden drastic cutbacks in future food aid in any given year, or even sharp international price fluctuations. In other words, the real objective of any worldwide food reserve system is to protect countries who may need food the most and be least able to compete for it in the market place in years of scarce supply, so why not shift some of the reserve carrying function to the countries the reserve is intended to serve? Of course, this can't work in all countries until adequate storage facilities are provided, but building adequate grain storage

facilities for such purposes could well be regarded as a constructive use of Title I local currency payments or even for the forgiveness of payment authorization in the Act.

Title II, food donations

While smaller in size, the Title II food donation program embodies most of what the public conceives the Food for Peace program to be—providing humanitarian people to-people assistance, getting food directly into the hands of people needing it the most through U.S. voluntary agencies, disaster relief, or contributions to the World Food Program of the FAO and United Nations. It most directly provides the nutritional emphasis and input of the Food for Peace program. It most directly is visible evidence of U.S. compassion and sharing. It most directly gets to the poorest of the poor.

It would be a mistake, however, to think that Title II food programs do not make a significant contribution to development. The Food-for-Work projects, Maternal-Child-Health projects, and school feeding programs all have a significant development impact and possibly could have even more impact if the Agency for International Development programmed more of its technical assistance and financial economic assistance into projects of which the food assistance was a direct component. Too often they are looked upon as entirely separate programs rather than being integrated as closely as they should. AID has a direct appropriated fund budget for nutrition, yet very little if any of that money is programmed in connection with actual food input in Food for Peace programs. Supporting food distribution with educational training support in nutrition makes sense; providing small tools and equipment for food for work projects makes sense. You can't achieve everything with food alone. and a mix of food and financial support is often necessary to develop sound projects and programs.

Present legislation is probably adequate for the Title II programs, but they could be improved considerably by changing administrative attitudes toward these programs and their significance. They are not just "giveaways"; they are the heart of food assistance to people, and can be essential to sound development programs.

Your Committee took the lead two years ago in trying to establish more continuity to these programs, fixing a minimum quantity of commodities to be distributed annually. Unfortunately, this became administratively determined as meaning a minimum quantity to be "programmed" rather than actually shipped, and there is always considerable slippage between programming and shipping of commodities. Perhaps this intent needs to be made clear to the Executive Branch.

Improved administration

Earlier I indicated administrative attitudes, rather than legislative restrictions, frequently determined how well or how poorly the PL 480 program served all of its objectives. I will now try to be more specific.

The new Administration, in consultation with the Congress, should up-date the executive order under which the program responsibilities are now carried out by various agencies. The Food for Peace program is still being administered under an executive order issued by President Eisenhower, back in the 1950s. Yet the direction and purposes and emphasis in the program has been changed frequently since then by the Congress. We negotiated such a new Executive Order in the 1960s, but it was never signed.

The ad hoc way that has evolved to administer this program has worked, but it has its shortcomings; it leaves too many decisions at too low a level. Interagency staff mechanisms have evolved that work, but there is no real policy-level mechanism to

match it where an agency could carry an appeal from the staff level coordinating mechanisms.

The Agency for International Development has gradually awakened to the significance of this program to its over-all objectives, yet it has devoted and still devotes too little of its own resources in staff and monetary support to back up a program for which all commodity and shipping costs are paid by USDA.

In many countries the food assistance available as a resource is greater than the financial resources available as part of an over-all economic assistance package; yet the staff devoted to programing and administering the food assistance is miniscule as compared to administrative resources used for AID's programs under direct appropriations. Food is a valuable resource, and should be used as wisely as money to achieve the maximum benefits.

I suggest this Committee remind AID of the resources it is getting from USDA, and call upon it to provide more adequate staffing of Food for Peace officers in overseas AID Missions to support these programs. We now spend more manhours of administrative cost policing or investigating abuses of programs than we do in good management to prevent abuses or poor planning from occurring.

Finally, let me return to the concept for the entire program which I mentioned in my introductory remarks. We can't work out administrative details or assign responsibilities unless we really agree on what the program is intended to do. I have accepted as proper the Act having multiple purposes. But I have emphasized also that Congress and the Administration must choose some priorities among those purposes.

My concept is simple.

The first priority must be needs of people.

The second priority must be needs of

American agriculture.

The third priority is pragmatic accommodation to make both objectives match up, and thereby assure the continued support without which both higher priority objectives will suffer.

SUMMARY STATEMENT OF HERBERT J. WATERS

The Food for Peace legislation is deliberately broad in concept and designed to serve varying purposes, sometimes seemingly in conflict. They need not be, with proper administration and guidance from the Congress as to priority of objectives.

For more than two decades this program has had profound impact for the good on international economic development as well as on American agriculture itself.

From its inception sponsors of this legislation knew it must serve more than one purpose; simultaneously helping other countries otherwise unable to buy urgently needed food supplies, while also benefiting American agriculture otherwise deprived of a market in developing countries.

Perhaps one of the great by-products of P.L. 480 has been a greater understanding in rural America of the vital importance of economic assistance to developing countries. We probably never could have mobilized support for shouldering our rightful responsibilities toward building a better world elsewhere unless we involved our farm people directly in that effort—building better markets for them, while we were building a better life for other people.

Despite all the criticisms that evolve from time to time over administrative details, the overall success of the program will be recorded in history as an imaginative approach when new ideas were needed, and a tribute to the foresight of the legislators from rural America who developed it.

With that general comment, I would like to move on to more specific suggestions about several phases of the program that might be helpful. FOR TITLE I

In country selection criteria, some special consideration should be given to countries who buy food on long-term credit terms but use it entirely for socially-desirable purposes of distribution among its most needy people rather than just for commercial resale.

In encouraging better nutrition, some special incentive should be provided for credit purchases of high protein blended foods or other protein-fortified processed products, such as charging only for the grain equivalent and absorbing the processing cost.

In seeking to expand sales participating, consideration should be given to mandating a set-aside of some percentage for sales by producer-controlled export groups or smaller exporters so that a government-financed export program is not dominated by a handful of major multinational grain traders.

In years of higher than normal production in the U.S., more consideration should be given to helping build up developing country stabilization reserves to protect them against adverse crop conditions in their own country, sudden drastic cutbacks in future food aid in any given year, or even sharp international price fluctuations.

FOR TITLE II

Food donation programs embody most of what the public conceives the Food for Peace program to be—providing humanitarian people-to-people assistance directly to the people who need it the most, most directly providing nutritional emphasis, and providing the most visible evidence of U.S. compassion and sharing. Yet Food for Work project, Maternal-Child-Health programs, and school feeding programs all have a significant development impact—and possibly could have even more if AID programmed more of its technical assistance and economic assistance into projects of which the food assistance was a direct component.

IMPROVED ADMINISTRATION

It's time to re-examine and update the Administrative mechanisms for this program cutting across many departments of government. It is still operating under an executive order issued by President Eisenhower in the 1950s, even though its purposes and objectives have been shifted considerably by the Congress since then.

AID needs to devote more of its staff and financial resources to back up and make more effective a program for which all commodity and shipping costs are paid by USDA. We now spend more manhours of administrative cost policing or investigating abuses of programs than we do in good management to prevent abuses or poor planning from occurring. Food is a valuable resource, and should be used as wisely as money to achieve the maximum benefits.

GUIDING CONCEPT

We can't work out administrative details or assign responsibilities unless we really agree on what the program is intended to do. We accept as proper the Act having multiple purposes. But Congress and the Administration must choose some priorities among those purposes.

My concept is simple.

The first priority must be needs of people.

The second priority must be needs of American agriculture.

The third priority is pragmatic accommodation to make both objectives match up, and thereby assure the continued support without which both higher priority objectives will suffer.

TESTIMONY OF ROBBIN S. JOHNSON INTRODUCTION

My name is Robbin Johnson. I am an assistant vice president with Cargill, Incorporated, an international commodity processing and marketing company headquartered in Minnetonka, Minnesota.

The Subcommittee has asked me to discuss

the role of market development in Public Law 480. I would like to approach this subject by stressing how market development can p'ay a constructive role in advancing the goal of food security. This involves looking at three subjects: (1) the relationship between grain supplies and distribution of grain through aid and trade; (2) the needs which food aid must meet; and (3) the implication of such a food aid strategy for humanitarian and market development objectives.

SUPPLY AND DISTRIBUTION OF GRAIN

Public Law 480 was initially passed at a time when grain supplies in the U.S. and the world exceeded commercial demand. In fact, Commodity Credit Corporation wheat stocks in 1955 exceeded total domestic and export use that year. Food for Peace offered a means of reducing these burdensome surpluses, assisting allies in rebuilding their economies and providing food to countries that otherwise could not afford it.

Even after some early Public Law 480 recipients made the transition to commercial export customers, surpluses continued. The pressure of surplus stocks stimulated increased shipments to non-commercial customers and the development of programs to expand future commercial markets. Such shipments totaled more than one-fifth of all U.S. agricultural exports until the mid-1960's.

Circumstances had changed by the beginning of this decade, however, and by 1973 excess stocks had largely disappeared as commercial exports surged. For the first time, potential conflicts emerged between commercial and food aid flows.

Good harvests the past two years once again altered the stuation. U.S. and world wheat carryover stocks have been rebuilt. More importantly, the experiences of recent years have indicated that the conflicts between commercial demand and food aid requirements can be avoided. Central to this change has been growing support for a conscious U.S. grain reserve program.

Such a program avoids many of the costs of surpluses by limiting excessive accumulation of government-owned stocks. It avoids risks of premature release of stocks by separating acquisition and release of grain from such stocks by a wider price band. In other words, a conscious grain reserve introduces greater security and stability to U.S. stocks policy.

Strains on grain supplies also arose because of consumption policies in major importing countries. The U.S. substantially reduced its grain consumption in 1974 in response to scarcity, but many commercial customers maintained grain use at high level by insulating their internal prices from external events. As a result, market forces were not permitted to redistribute grain to areas of greatest need.

The GATT talks offer an opportunity to improve on this performance. U.S. interests in expanded access to markets can be blended with importers' desires for access to supplies in ways that can ease burdens of future adjustments to temporary disruptions.

In other words, harsh conflicts between commercial demands and food aid commitments can be avoided through improved stock management and trade policies. This should eliminate the tensions that triggered the requirement that 75 percent of PL 480 Title I shipments must go to countries with per capita incomes below \$300. Removing that requirement will improve the effectiveness of U.S. food aid. It will also support a more flexible food aid strategy that can serve both the immediate food needs and the longer-term development requirements of recipient countries.

A FOOD AID STRATEGY

In developing such a food aid strategy, it is important to distinguish the various roles PL 480 can play. First, it is a means of covering the chronic food deficits of some develop-

ing countries. Such countries currently lack the resources to produce sufficient food supplies internally or to purchase them commer-

cially from other countries.

Second, it is a means of covering periodic

fluctuations in food aid requirements. These temporary needs can arise from poor harvests, natural disasters, civil disturbances or sudden deterioration in a country's balance of payments. Unlike chronic food aid needs, these periodic requirements are difficult if not impossible to predict.

Ensuring sufficient commodity supplies to meet both kinds of immediate assistance represents what can broadly be described as the humanitarian objective of PL 480. A food aid strategy based on this goal alone, however, is incomplete and sometimes self defeating. For example, massive food aid shipments to cover current deficits can encourage "cheap food" policies in recipient countries which undermine prospects for expanded indigenous food production.

Alternatively, the opportunity to use food aid as a resource to develop other parts of the economy may be overlooked. While some countries have the capacity to pursue goals of food self-sufficiency, others cannot achieve self-sufficiency except at high cost to their development. For them, greater food security may involve generating the capacity to pay for needed imports with earnings from trade in other commodities.

In other words, providing food commodities is only part of a policy to increase food security. Problems of hunger are linked directly to poverty, underemployment and population growth. Solutions require progress on all fronts. PL 480 should be seen as a tool to transfer commodities to meet interim food needs while also generating resources to support a broader process of economic development.

IMPLICATIONS FOR MARKET DEVELOPMENT AND HUMANITARIAN OBJECTIVES

This means, first of all, that the strengths of PL 480 in meeting humanitarian needs continue to be relevant. It has proven to be an effective means of harnessing public financing and private marketing or charitable institutions to move and distribute food ald efficiently.

Second, PL 480's initial objective of surplus disposal has been supplemented increasingly by the goal of using food as a resource to spur rural development in recipient countries. PL 480 is now a means to encourage expansion of rural employment, economic development and purchasing power. More income in the hands of rural poor means larger markets for indigenous food production, but it also can mean growth in food imports.

The result is not a conflict between humanitarian and market development goals but a realization of both objectives. Food security is increased by providing people with more food while equipping them with the means to pay for even better diets.

Finally, continued emphasis on traditional market development efforts also can exert some important disciplines that contribute to greater food security. For example, a part of any market development strategy is providing grain supplies on a reliable, regular basis over a sufficient period of time to be incorporated into the development strategies of recipient countries. This can be achieved by ensuring that some of the PL 480 resources plowed back into recipient country development go to strengthen internal food distribution networks. In addition to storage facilities, this means investment in marketing, handling and transportation capabilities.

The result is not only an increased marketing capability but also improved food security. Greater efficiency in internal distribution networks helps ensure that availability of food to countries translates into availability of food to individual households.

CONCLUSION

In other words, market development can be pursued in ways that serve the humanitarian goal of greater food security as well. Providing food aid to those most in need will increase total food consumption. Using PL 480 as a transfer of resources to anchor development in rural areas, therefore, can generate both the demand and the ability to pay for additional food supplies from indigenous production and imports.

Similarly, use of PL 480 resources to build distribution networks improves the reliability of food supplies for individual consumers. The resulting improved food security can often mean larger markets for U.S. farmers as well as for indigenous production.

STATEMENT OF WESLEY J. BAHR.

Mr. WILLIAMS. Mr. President, it is a great pleasure for me to call to the attention of my colleagues a particularly perceptive article by Wesley J. Bahr, president of the First Federal Savings and Loan Association of New York.

Mr. Bahr has captured quite well my own sentiments concerning the need for well-trained and highly educated personnel in the financial community. As he states so eloquently:

The continued success of our industry (and any industry for that matter) lies with our current and future personnel, and our responsibilities require that we emphasize the need and importance of educational pursuits...

Mr. President, I ask unanimous consent to have printed in the Record a copy of Mr. Bahr's article "Education Is the Key to Success" and some information on his own impressive background.

There being no objection, the material was ordered to be printed in the Record, as follows:

WESLEY J. BAHR

Resides 67 Nejecho Drive, Bricktown, New Jersey.

Graduate of Princeton University—1938. President of First Federal Savings and Loan Association of New York—650 Million Dollar Association.

President of the Manhattan Kiwanis Foundation Inc.

Member of the Federal Savings and Loan Advisory Council. Director of Savings Association League of

New York State. Chairman of Thrift Associations Service

Corp.
Former Director of the Federal Home Loan
Bank of New York 1970-74.

Past National President of the Institute of Financial Education.

Education Is the Key to Success (By Wesley J. Bahr)

On the occasion of the 25th Anniversary of the Savings Association League of New York State, we are provided with an opportunity to look back over the strides taken by the League and the Industry during the past quarter century. It is a time to reflect on our past accomplishments, evaluate our current position as financial intermediates, and establish those goals and objectives which will enable us to meet the challenges of the future.

The traditional nature of the Industry has not changed markedly over these past 25 years, and our continued ability to protect the funds of our depositors as well as providing for housing needs is well-evidenced by our tremendous rate of growth. Chief among the Industry's successful efforts to improve its competitive stance in the marketplace has

been branch expansions, enabling larger portions of the population to utilize our many services, and legislative actions which have opened new avenues of lending authority, investment powers, and service concepts. It has been a period in which we have seen the advent of electronic banking, time accounts in certificate form, service corporations in diversified areas of endeavor, consumer lending programs such as home improvements and student loans, and new programs such as Keogh and IRA. It has been a time too, however, when the effects of economic conditions: rising interest rates, disintermediates, less housing starts than Congress had deemed necessary to provide "a decent home for every American", and rising costs of funds, to name a few, have periodically given us cause for concern.

While savings and loans have successfully weathered the storms of these monetary cycles, we continue to find ourselves in the weakest posture by sheer numbers and asset size, as compared to the enormity of our competition, whether it be commercial banks, savings banks, or life insurance companies. While future preparation and revitalization of the Industry's operating framework can be assisted by legislative initiative, such as evidenced by the Financial Institutions Act proposal, or amendments to the Home Owner's Loan Act, the key lies in the individual and collective efforts of savings and loan managements. To this end, the need for continued education and learning processes cannot be overemphasized.

The Institute of Financial Education has ably met this educational challenge and responsibilities attendant, by providing a full range of course studies, workshop clinics, and conference seminars, fully supplemented by a range of resident school curricula. As technologies of management and operation changed and demanded greater sophistica-tion, the Institute remained attuned to the needs and requirements of our business and upgraded and expanded course offerings accordingly. That the Institute has met Industry's demands for greater knowledge and refinement of operations is apparent by the sheer number of participants. The student body as of 1976 is in excess of 45.800. New York State has clearly shown its active support for the Institute with seven chapters currently serving the educational needs of the business with a student enrollment of 1,427. Additionally, over the years, New York State associations have provided leadership to the national organization, serving as national trustees or district representatives. The National Presidency of the Institute has been held by New York State leaders on six occasions: George Bliss in 1930, Joseph Holzka in 1938, Charles Plumb in 1943, Harry Minners in 1933, Charles Kenny in 1958, and my-

In this anniversary year for SALNY, we find ourselves at an important crossroads, as the Industry adopts an even more aggressive philosophy for competing in the market. Legislative authority enables us to tread on the once sacred ground of commercial banks, namely the checking account. It opens new vistas of lending practices, through the issuance of subordinated debentures and mortgage-backed bonds. When the moratorium is eventually lifted on stock conversions, managements will be faced with a significant decision. To successfully meet these new challenges, we must assess our internal strengths and expertise to execute the sophisticated responsibilities and take action now to insure a smooth transition into future opera-We must ask ourselves if we have the specialists to handle the increased technology that EFTS will continue to demand as it gains in importance and customer accept-ance. Do we have enough qualified personnel to handle the expanded service programs we are going to offer, such as checking accounts, life insurance, Trust, Investment or Man-

self in 1963.

agement departments? Will our abilities to offer subordinated debentures and mortgagebacked bonds be limited or delayed for lack of expert staff to manage the portfolios? We would all like to think that we can answer on a positive note to each question posed, but, in fact, are we able to?

We have all taken steps to resolve these considerations, through the development of in-house training, schools for tellers, mastering the newest computer terminal operations, rotational programs for management trainees to insure their exposure to the broad savings and loan framework, and advanced executive development programs for middlemanagement personnel. We have further evidenced our support by absorbing the costs for attendance at any of the Institute courses, and we continue to improve tuition refund plans for our college-oriented employees. Each of us has a number of potential leaders within our organizations, and it behooves us to capitalize on these assets by providing guidance and encouragement through internal and external education. providing

The continued success of our Industry lies with our current and future personnel, and our responsibilities require that we emphasize the need and importance of educational pursuits, adding to the rosters of both the Institute and local colleges. To insure a successful future, the effective utilization and continual refinement of our greatest asset . . . our people . . . is imperative.

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

Mr. HUMPHREY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of \$25 million or, in the case of major defense equipment as defined in the act, those in excess of \$7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Commit-

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that two such notifications were re-

ceived on April 15, 1977.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room S-116 in the Capitol.

TAXABLE BOND OPTION—VIEWS OF STATES AND CITIES

Mr. KENNEDY. Mr. President, earlier this year, together with the Senator from New Jersey (Mr. WILLIAMS), the Senator from Arizona (Mr. DECONCINI), and the Senator from New York (Mr. Javits), I introduced legislation in the Senate (S. 261) to create a "taxable bond option' for States and local governments under which jurisdictions could issue taxable bonds with a 40-percent Federal interest subsidy.

Shortly after the bill was introduced, I wrote to each of the State Governors and to approximately 700 mayors and local officials, requesting their comments on the legislation. In the intervening weeks, I have received 74 replies to my inquiry. These replies reflect the views of a wide variety of States and cities in the Nation, and are running 3-2 in favor of the TBO.

I believe these replies will be of interest to Members of Congress as we continue the consideration of the TBO proposal, and I ask unanimous consent that my letter and the replies I have received may be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD,

as follows:

U.S. SENATE Washington, D.C., January 24, 1977.

-: Last week, Senators Pete Wil-DEAR liams, Dennis DeConcini and I introduced legislation (S. 261) in the Senate proposing a 40% federal interest subsidy for State and local governments that elect to issue taxable bonds. The legislation—creating a so-called "taxable bond option" (TBO)—is similar to a measure which Congressman Henry Reuss of Wisconsin and I introduced last year and which was approved by the House Ways and Means Committee in April 1976.

The purpose of the taxable bond option is to provide an additional method of Federal financial assistance to help state and local governments deal with their increasing need for capital. By offering a substantial Federal interest subsidy for jurisdictions that elect to issue taxable bonds, Congress can provide an effective new means of financial assistance to States and cities. At the same time, the legislation would not in any way affect the ability of States and cities to issue tax exempt bonds if they wish to do so.

One of the most important aspects of the TBO is that it involves no Federal approval, oversight, or other intrusion into state and local affairs as a condition for receiving the Federal assistance. The interest subsidy is automatic-all jurisdictions that elect issue taxable bonds will qualify automatically for the 40% federal subsidy of the interest cost. For example, on a 9% taxable bond, a state would pay 5.4% and the Federal Government would pay the remaining 3.6% of the interest.

Enclosed is a reprint from the Congressional Record, providing additional details about the measure. As you will see, I believe that the TBO offers an effective, economic and "no strings" method of channeling needed Federal aid to the States.

I would be grateful for your comments and reaction to the proposal. My hope is that the new Congress will give it early consideration as part of the forthcoming economic recovery legislation.

With best regards, Sincerely,

EDWARD M. KENNEDY.

Note: The enclosure sent with the letter is not printed here in the RECORD, but appears at 1210 of the RECORD for January 14, 1977.

ALABAMA

CITY OF BIRMINGHAM, ALA. OFFICE OF THE MAYOR, March 2, 1977.

Sen. EDWARD M. KENNEDY Russell Senate Office Building, Washington, D.C.

DEAR SENATOR KENNEDY: Thank you for sending me a copy of Senate Bill 261 which would create a taxable bond option for local governments. I appreciate the fact that some cities, especially in the northeast, are faced with extremely difficult fiscal situations and I understand your desire to assist them through this legislation. Birmingham also faces fiscal restraints imposed by the flight of industry from the core city, the flight of middle and upper income families from our residential sections and the necessity of maintaining basic utilities in the downtown area which help to serve suburban communities even though those suburbs con-

tribute no taxes to the core city government.

The difference in Birmingham and some other cities is that over the past fourteen years this municipal government has faced up to its responsibilities and enacted neces sary taxes to continue to offer decent basic municipal services to our citizens. By doing so, successive administrations have avoided the trap of borrowing long term money for short term expenses and other irresponsible fiscal tactics which have caused havoc in some localities. In addition, these prior administrations have also provided for taxes to be paid into a debt service fund which now contains an ample surplus and income for Birmingham's debt issuance needs for the foreseeable future. I, and most of the people of this city, believe that fiscal responsibility is the answer to the problems of the cities, not tinkering with the municipal bond market.

The fact sheet accompanying your bill indicates that "only" about seventeen percent of the volume of municipal bonds would shift to the taxable bond option. The fact sheet also states "There is no significant possibility that this small amount of taxable bond financing would disrupt this mar-ket." I must disagree with this, and I believe that most financial analysts would agree that seventeen percent (17%) of any mar-ket is not a "small" portion of it. Finally, I believe that the existing system

is working and working well. I hope that it will be allowed to continue to do so.

Sincerely,

DAVID VANN, Mayor.

CITY OF MONTGOMERY, Montgomery, Ala., March 10, 1977.
Re Taxable bond option (proposed Federal legislation S. 261).

Hon. EDWARD M. KENNEDY, U.S. Senate,

Washington, D.C.

DEAR SENATOR KENNEDY: I have little doubt, from the Federal government viewpoint, that the taxable bond option will result in greater efficiency. At least the Federal government will enjoy some return whereas today the tax-exempt bond is tacitly underwritten by the exempt provisions it enjoys.

The proposed legislation may ease the fiscal crisis faced by some of our less financially prudent municipalities by broadening the existing bond market. It ought to provide easier access to the long-term market. This in turn will reduce the local governments dependence on volatile short-term financing.

I feel that while the proposed legislation may be extensively used by larger municipalities that we in the City of Montgomery will find little utility in the taxable bond option. It is my hope, notwithstanding the assurances that there is minimal risk to the tax-exempt market, that tax-free bond interest rates will not be driven up as a result of this legislation.

Sincerely.

EMORY M. FOLMAR, Acting Mayor.

ALASKA

STATE OF ALASKA. OFFICE OF THE GOVERNOR, Juneau, Alaska, March 9, 1977.

Hon. EDWARD M. KENNEDY.

U.S. Senate,

Washington, D.C.

DEAR SENATOR KENNEDY: Thank you for the opportunity to comment on S. 261, the Municipal Taxable Bond Alternative Act of 1977 which you forwarded to me with explanatory materials on January 18, 1977. This Bill is of particular interest to the State of Alaska because of the sizeable capital needs of Alaska's public sector and because of our relative remoteness from capital markets. Accordingly I have asked for a thorough review of the bill and the explanatory materials by my Department of Revenue. The comments below reflect a consensus arrived after this review and represents the position of the State administration.

Although we appreciate the purpose of the taxable bond option, provided for by S. 261 to help state and local governments deal with their increasing need for capital, question whether the taxable bond option will provide those jurisdictions which need the assistance most with any significant relief. The multiplicity of small issuers and lack of audited financial statements makes the determination of the relative financial merit of many issuers difficult for all but the largest investors to ascertain.

We are aware that Alaska state and local government securities have historically been sold at higher interest rates than those of no more credit worthy states and localities because of the distance of Alaska from capital markets and because many of our emerging municipalities are not well known to traditional municipal investors. To assist local governments, on my sponsorship, the Alaska Legislature enacted in 1975 the Alaska Municipal Bond Bank Authority Bill which is designed to provide a vehicle for marketing local government issues through the State Bond Bank Authority purchasing local government bonds. The Legislature established a \$3 million reserve fund in connection with this legislation to enhance the security of the Bond Bank Authority's bonds and to reduce the interest costs pay able in the financing. The enactment of this legislation and subsequent financings of the Authority have represented a significant step in achieving the goal of lower interest costs for many of our Alaska municipalities. This permits the financing of capital projects which may not have been available to Alaskan municipalities if they were to seek independent entry to the municipal bond

Much of the material dwells on the inefficiency of the so-called "subsidy" municipal governments by virtue of the fact that the bond interest is exempt from federal income taxes. We question the characterization as "subsidy" of what is in fact a constitutionally sanctioned and congressionally reinforced exclusion from federal income tax of the interest on state and local government securities. Further, we question the conclusion that excessive reliance by municipalities on short term borrowing has been due to unstable municipal interest rates and a demand by commercial banks for short term investments. We understand the New York City situation to have involved, in part at least, interim borrowing against non-existent tax sources. Since the situation in New York City and other large cities is attributable in large part to the economic deterioration of these municipal entities, we question whether the authority to penetrate the taxable bond market would provide a significant measure of relief in this kind of situation. If it should become apparent that the 40 percent federal interest subsidy provided by S. 261, in fact, did not provide significant relief to these large cities, we are concerned that the stage would be set for requests for federal guarantees and federal insurance.

In summary, then, let me state that Alaska does not support the taxable bond option contained in S. 261. Our position arises from our concern that the bill will not provide the relief claimed and will lead at a later time to federal intrusion into states and local affairs and to full panoply of federal controls which such intrusion implies.

Sincerely,

JAY S. HAMMOND, Governor.

ARTZONA

CITY OF FLAGSTAFF, Flagstaff, Ariz., February 24, 1977. Hon. EDWARD M. KENNEDY,

U.S. Senate,

Washington, D.C.

DEAR SENATOR KENNEDY: Thank you for the opportunity to comment on the proposed 'taxable bond option" (S. 261). We in Flagstaff have not experienced the severe problems besetting other larger areas particularly the eastern United States relating to our bond capabilities. We have been fortunate in that we have seen a continual improvement in Flagstaff's bond rating and subsequently have enjoyed increasingly favorable interest rates. The last bond sale which we completed in the amount of three million dollars for our water utilities achieved an interest rate of less than 5 percent. Our current financial structure is extremely sound.

We recognize the necessity of providing alternatives to those cities which, for whatever reason, have experienced increasing financial problems. Our primary concern is that those alternatives not jeopardize the extremely favorable situation which our local taxpayers currently enjoy as a result of hard work of this Council, former Councils and the administration. The only potential difficulty which might arise from S. 261 might be that bond buyers would be more anxious to go with the alternative funding than they would the traditional municipal bond route. If this were the case the number of buyers in the bond market might be reduced thus lessening the competition for our bonds. I can't forsee this becoming an immediate problem. The potential is there however and I personally would intend to monitor the bond market after passage of this legislation.

Although, as I have said, Flagstaff has not experienced problems of other areas, I would support your effort toward providing financing alternatives for other local jurisdictions as provided in S. 261. If you have further questions on this or other matters please feel free to contact me at your convenience.

Sincerely.

ROBERT L. MOODY, Mayor.

CITY OF GLENDALE, Glendale, Ariz., February 24, 1977. Senator EDWARD M. KENNEDY,

U.S. Senate,

Washington, D.C.

DEAR SENATOR KENNEDY: This letter is in response to your recent correspondence regarding your proposed legislation (S. 261-Taxable Bond Option).

I have discussed this idea with my financial staff and they feel the benefits, if any, do not warrant the passage of S. 261. The taxable bond option would lead to confusion as to what is, and what is not tax exempt. This legislation is the first step in making all municipal bonds taxable at a later date. There are many other methods of strengthening city-federal relationship besides the taxable bond option.

Thank you for the opportunity to respond to legislation that affects City Government. Sincerely,

J. STERLING RIDGE,

Mayor.

CALIFORNIA

STATE OF CALIFORNIA. DEPARTMENT OF FINANCE Sacramento, Calif., February 18, 1977. Hon. EDWARD M. KENNEDY,

Member of the U.S. Senate, Washington, D.C.

DEAR SENATOR KENNEDY: The Governor has

asked me to respond to your recent letter. We are familiar with the "taxable bond option" concept. Last year we reviewed a measure by Congressman Ullman, HR 12774, that had essentially the same provisions as your bill. Our greatest concern with taxable state and local obligations is that not all governmental units would be treated equally. percentage reimbursement provides the atest benefits to those units of government with the poorest credit rating. We would prefer a flat rate reimbursement policy so that governmental units with good credit ratings would receive benefits in direct relationship to their credit rating.

Legislation at the Federal level that would allow state and local governments to issue taxable bonds would have the following im-

ADVANTAGES

- 1. The subsidy program would tend to reduce the supply of tax-exempt bonds which in turn will depress interest rates on those remaining. Consequently, there would be a reduction in both governmental borrowing costs and the availability and attractiveness of exempt obligations to high bracket taxpayers.
- 2. Would broaden the financing options available to state and local government. It should be noted, however, that the State of California adequately satisfies its current needs with the tax-exempt bond market. In addition, it would expand the market for state and local bonds. Natural buyers of bonds, such as pension funds and educational and charitable foundations that are not attracted by the tax exemption since their income is already exempt, would now find state and local bonds more desirable.
- 3. Would increase the income base for tax purposes and result in increased state revenues
- 4. Would facilitate the determination of the real cost of a project.
- 5. Should somewhat improve the allocation of investment funds. The tax-exempt bond market misallocates capital since it creates a special incentive to invest into securities in which the risk of default is negligible.

DISADVANTAGES

- 1. Would not be equitable to all state and local governments because of differences in credit ratings.
- 2. Could be the first step in eliminating tax-exempt bonds and thus has the potential of impinging on our ability to raise capital. If the taxable bond option proves to be an effective instrument in financing state and local government expenditures, it is conceivable that there would be pressure to eliminate tax-exempt bonds because of their shortcomings.
- In conclusion, it seems that units of government with the poorest credit ratings will gain the most by this proposal. As such, the proposal would be of limited value to California, especially in view of the fact that our current capital needs are adequately satisfied through the tax-exempt market. We would not oppose a proposal that would allow us the option of issuing taxable bonds; however, we would find it easier to offer stronger support if the proposal would provide benefits to governmental units in direct relationship to their credit ratings.

Sincerely,

ROY M. BELL, Director of Finance.

CXXIII-707-Part 9

OFFICE OF THE GOVERNOR, Atlanta, Ga., March 4, 1977. Hon. EDWARD M. KENNEDY,

U.S. Senate. Washington, D.C.

DEAR SENATOR KENNEDY: Thank you for writing and asking for reaction to S. 261, the "Municipal Taxable Bond Alternative Act of 1977". I appreciate the opportunity to express our position on this matter.

At this time we do not support the proposal of a federal subsidy of taxable bonds. While the concept is a seemingly attractive one on the surface, problems may develop as we look down the road five, ten, or even twenty years from now. For instance, we calculate that in Georgia a 30% federal subsidy would be our break even point on taxable bonds. If a subsidy as high as 40% were enacted into law in theory allowing us a 10% savings on interest costs, the State and her local governments would be compelled to sell a taxable bond in lieu of tax bonds.

This would eventually have the effect of killing the tax free bond market and, also tie too closely the future bond prerogatives and opportunities of local and state governments to decisions of the federal government. For, as the federal government attempts to maintain this 40% liability through the years and as various localities add on to the program, the cost to the U.S. Treasury may come prohibitive. In future federal budgetary considerations it may become necessary to considerations it may become necessary to lower these costs by setting priorities and limits on bond sales commissioned by local governments. These conditions could, through an unfortunate turn of events, lock out of the taxable bond market various worthy city, county, and state bond projects.
In addition, this bill also has the unfor-

tunate effect of indirectly rewarding those governments with poor bond ratings, since the subsidy would be a percentage of the interest rate. Thus, these governments would be paid a higher amount than those governments with a good credit rating and a lower interest rate.

Again, thank you for this opportunity to react to your proposal. While I am aware of the positive intent in which this program was conceived. I believe there are several potential problems which outweigh the possible benefits.

If I can be of further assistance to you in any way, please let me know.

Sincerely,

GEORGE BUSBEE, Governor.

CITY OF PALM SPRINGS, CALIF., February 22, 1977.

Hon. EDWARD M. KENNEDY, U.S. Senate,

Washington, D.C.

DEAR SENATOR KENNEDY: Thank you for transmitting to me S. 261 for review. I have had a chance to do so and have also requested my staff and one member of the City Council, who is a certified public accountant, to review the proposal.

In essence, we think it is a good idea and would support such legislation. On the other hand, the member of the Council, who works in the financial world, is not convinced that prospective bond buyer would be interested in securing taxable 9% bonds as opposed to acquiring non-taxable 5 to 6% bonds. We would hope that during the process of your review and development of such legislation that you have carefully looked into this matter

We appreciate an opportunity to respond. Sincerely,

WILLIAM A. FOSTER, Mayor.

CITY OF FOUNTAIN VALLEY, Fountain Valley, Calif., March 3, 1977. Re S. 261.

Senator EDWARD M. KENNEDY.

U.S. Senate.

Washington, D.C.

DEAR SENATOR KENNEDY: The City of Fountain Valley is in favor of the passage of S. 261, which would allow municipalities the option of whether or not to issue taxable or tax-free bonds. It is our belief that this option will make available to municipalities an additional source of funds if the municipality so desires.

It is also our feeling that the Federal Subsidy should not be reduced below 40% if S. 261 is to remain a viable method of financing for municipalities.

Cordially,

ROGER R. STANTON, Mayor.

CITY OF OAKLAND, Oakland, Calif., March 7, 1977. Senator EDWARD M. KENNEDY.

U.S. Senate,

Washington, D.C.

DEAR SENATOR KENNEDY: There appears to be considerable confusion and uncertainty regarding your legislation (S. 261) creating a so-called "taxable bond option" (TBO).

Our local banking/investment community takes exception to the positions stated in the Congressional Record of January 14, 1977 on the TBO. It's very difficult to make a clear judgment on the legislation, considering that both viewpoints are plausible. I must admit that it seems quite speculative to gauge the total impact if this legislation were adopted.

As noted in the Congressional Record, the present municipal bond market has grown about threefold since 1964 in terms of municipal borrowing levels. At the same time, there has been a decrease in the number of bond buyers, forcing up borrowing costs for local and state governments. It's my concern that if the TBO legislation were approved, there would be a market shift adding municipal TBO's to the corporate market, thereby forcing up the costs on both govern-ment and corporate borrowers. This could fuel inflation, and be self-defeating in terms of economic stimulus efforts. It could also cause Federal tax revenues to decline as a result of greater corporate costs and the resulting lower net profits.

Another concern I have on this issue is that it could add another layer of government and may impinge, now or in the future, on local government sovereignty.

I believe there is merit in exploring the use of the TBO, but I would prefer to see it done on a pilot basis initially. I understand that the Housing Act of 1974 provided for the use of TBO's, although few if any have been issued. Since the use of the TBO could have dramatic yet uncertain impact on the bond market as well as tax revenues, it seems advisable to pursue it on a smallscale basis before launching a full-scale effort

I obviously share the uncertainty regarding this legislative matter, so am unable at this time to offer my unqualified support.

I appreciate the opportunity to provide input on the proposed legislation. Please let me know if I can be of further assistance. Sincerely,

JOHN H. READING. Mayor.

CITY OF PACIFICA,

Pacifica, Calif., March 8, 1977. Hon. EDWARD M. KENNEDY, U.S. Senate.

Washington, D.C.

DEAR SENATOR KENNEDY: Thank you for the opportunity to react to Senate legislation creating a taxable bond option for state and local governments. After a review by city staff, it is my opinion this legislation is not in the best interests of local government in general and Pacifica in particular. On the old Adam Smith theory that "bad money drives good money out of circulation," we would be opposed to such legislation as you propose.

I have enclosed a copy of our Director of Finance's conclusions concerning "taxable bond options" for your information. We are always interested in reviewing in advance legislation which has an impact on local government and appreciate the opportunity you have given us to offer our opinions.

Sincerely,

JANICE FULFORD, Mayor.

INTER-OFFICE MEMO, CITY COUNCIL, CITY OF Pacifica, Calif., March 1, 1977

To: Donald G. Weidner, City Manager. From: John R. Pratt, Director of Finance. Subject: Senator Kennedy's Letter to Mayor Fulford Dated January 21, 1977. Re Issuance of Taxable Bonds by State and Local Governments

I have not received any commentary from any of the organizations of which I am a member. This was discussed at a Municipal Finance Officers Directors' dinner I attended in Monterey in February. The reaction there was negative, and my reaction is the same as

It appears to me that even with the federal government giving a 40% federal subsidy of the interest cost of taxable bonds, the net interest rate which a municipality would have to pay would exceed the present interest rate payable on non-taxable bonds. This is because many of the people and institu-tions who are interested in buying non-taxable bonds are very likely not interested in buying taxable bonds at any interest rate. Thus, a very important source of funds is eliminated from the market, which will drive the interest rates up even higher.

Secondly, we have every evidence and right to be suspicious that Congress intends phase out tax exempt municipal bonds. It is my understanding that we can expect bills to be introduced that are much more severe than Senator Kennedy's.

> CITY OF BURBANK, CALIF., March 9, 1977.

Hon, EDWARD M. KENNEDY, U.S. Senate,

Washington, D.C. DEAR SENATOR KENNEDY: Thank you for your letter regarding your proposed bill for the 40% federal interest subsidy in state local governments that elect to issue taxable bonds. I appreciate your consideration in letting us know about your proposal. At this time, the City of Burbank takes a negative view of such a proposal because of some concerns which I would like to outline.

On the surface, the idea appears to be very sound, but we wonder if such legislation would make municipalities susceptible to the Security Exchange Commission regulation. We are also concerned that such legislation might be a "foot in the door" toward elimination of tax exempt bonds and possible further federal regulations over local concerns

We realize that the legislation would open up new investment markets, but we are conabout those investment markets which it might exclude. Will banks, trusts, insurance companies, etc., continue to invest in taxable bonds? The bill indicates that it would keep cost at a minimum. This assumes that bonds are purchased by taxable entities and not by tax exempt organizations. We feel the taxpayer would pick up the difference between the old cost of federal government not receiving monies from

taxable exempt bonds, to a new cost in which investors would demand a higher return. Why should a small community like Burbank have its taxpayers subsidize the interest cost of larger cities?

We have not noticed a lack of investment capital for "sound issues" on tax exempt bonds. We feel such legislation as you propose can only be effective if conflicts are resolved between the state legislation establishing maximum interest rates and the new interest rate demanded by investors. Limitation in California is now at 8% plus 5% discount.

Finally, we must wonder if such legislation would place municipal issues into a highly competitive market with the private sector, which is also seeking capital. Would this drive up private sector costs? If interest is a function of risk, what "rate" would Lockheed pay vs. Los Angeles Department of Water and Power, or General Motors vs. New York Port Authority?

Sincerely yours,

LELAND C. AYRES. Mayor.

CITY OF SAN DIEGO, CALIF., March 17, 1977.

Hon, EDWARD M. KENNEDY, U.S. Senate,

Washington, D.C.

DEAR SENATOR KENNEDY: Thank you for your letter regarding your legislation (S. 261) which would create a "taxable bond option" for municipalities such as the City of San Diego.

The city is always extremely interested in, and supportive of, any attempts by the Congress to funnel financial assistance to states and cities. Although we are unsure at this time how these bonds will be accepted by our financial community, we urge that the opportunity for their issuance be given the states and cities. Whether or not a particular investor would choose to purchase such bonds would depend on a number of variables such as the investor's tax bracket.

Regardless of the uncertainties, our city staff feels that T.B.O. is an appealing method of obtaining needed federal assistance with-out the customary "strings" attached.

I would be happy to provide whatever further assistance you may feel is necessary. Sincerely,

PETE WILSON, Mayor.

CITY OF HUNTINGTON BEACH, CALIF. March 22, 1977.

Congressman ROBERT BADHAM, Newport Beach, Calif.

DEAR CONGRESSMAN BADHAM: On behalf of the City of Huntington Beach, I would like to express our support for SB 261 which allows local government to "issue taxable obligations and receive a Federal subsidy of 40 percent of the interest yield on such obligations." Cities have resisted attempts to eliminate the tax exempt status of our bond issues because to do so would effect an immediate rise in cost. However, this bill

may create the vehicle to ultimately remove the tax exempt status of our bond issues be-cause to do so would effect an immediate rise in cost. However, this bill may create the vehicle to ultimately remove the tax exempt status of city bond issues without increas-

ing the cost to cities. Your support of SB 261 will be most ap-

preciated.

Sincerely, HARRIETT M. WIEDER, Mayor.

COLORADO CITY OF ARVADA, Arvada, Colo., February 28, 1977.

Hon. EDWARD M. KENNEDY, U.S. Senate,

Washington, D.C.

DEAR SENATOR KENNEDY: Thank you for your recent request for my comments concerning the "taxable bond option" (TBO) proposal. Long-range, capital improvements financing is of a great concern to all municipalities including the City of Arvada. Any effort that would improve our position to finance needed capital improvement projects would certainly be encouraged.

I do have two concerns that I would like to address. The first is that if the TBO is approved by Congress there should be safeguards against unnecessary government regulation. As regulations are developed, would certainly propose that local govern-ment be asked their advice on what these regulations should be. My second concern is, although I am representing a governmental agency as Mayor, I would hope that con-siderations be made so that the TBO would not compete for funding with the free enterprise system.

Thank you again for asking for my comments. If I can be of further assistance, please feel free to contact me.

Sincerely,

DONALD L. FELAND, Mayor, City of Arvada.

CITY AND COUNTY OF DENVER, Denver, Colo., March 2, 1977.

Hon. EDWARD M. KENNEDY, U.S. Senate,

Washington, D.C.

DEAR SENATOR KENNEDY: Thank you for your recent letter regarding S. 261 introduced by yourself and Senators Pete Williams and Dennis DeConcini regarding "taxable bond option" (TBO).

This has much merit in assisting those municipalities and states that have low bond ratings and have credit problems. Since your legislation leaves the option for cities to go either way, I have no objection to the same. I am sure that with Denver's AAA rating that we would not be interested in using this

method for capital financing.

I want to make it clear that the option has to remain for me to support the legislation. I also like the provision that there will be no federal involvement, approval or oversight into the issuing of taxable bond options. This is important because it leaves the decisionmaking up to the local authorities to choose the method they want and there would be an automatic support of the federal government to those cities wishing to take advantage of this legislation.

I would urgently request that any attempt to take away the option or to make municipal bonds taxable that you would exercise all of the resources available to you to oppose such

Again, thank you for your letter, and if I can be of further assistance, please let me hear from you.

Sincerely,

W. H. McNichols, Jr., Mayor.

CONNECTICUT

EXECUTIVE CHAMBERS, STATE OF CONNECTICUT, Hartford, Conn., March 17, 1977.

Hon. Edward M. Kennedy, U.S. Senator, U.S. Senate,

Washington, D.C.

DEAR TED: Thank you for your letter concerning your proposal to provide a 40 percent federal interest subsidy to state local governments which choose to issue taxable bonds.

I am pleased to note that your proposal contemplates no federal approval, oversight, or other involvement in state and local affairs as conditions for receiving the federal interest subsidy. As you know, past proposals did not contain any such prohibition of federal involvement in state and local affairs. With this area of concern resolved, the

State of Connecticut supports your proposal as a method to assist states and local governments in obtaining capital at a reasonable cost.

We do continue, however, to have one concern with this proposal. While the interest rate subsidy would be automatic for states and municipalities electing the taxable bond option, your proposal does not provide for a permanent federal appropriation or entitle-ment to fund the subsidy. We feel that such a feature would further enhance your proposal.

Thank you for the opportunity to comment on your proposal.

With best wishes. Cordially,

ELLA GRASSO, Governor.

OFFICE OF THE MAYOR, CITY OF NEW HAVEN. New Haven, Conn., February 25, 1977.

Re S. 261. Hon. EDWARD M. KENNEDY. Senator, U.S. Senate,

Washington, D.C. DEAR SENATOR KENNEDY: I strongly support S. 261 introduced by yourself and Sen-ators Williams and DeConcini providing cities with taxable bond options. Last year, just three weeks after being sworn in as Mayor of New Haven, I testified in favor of this legislation on behalf of the National League of Cities and the United States Conference of Mayors. I believe it is essential to cities that we have access to the vast investment sources which are unavailable to sellers of tax exempt bonds.

I am hoping to enlist the cooperation of various sources, possibly including Yale University, in purchasing bonds of the City of New Haven. Yale and other tax exempt institutions are not likely to invest in our municipal bonds until such time as they can get a rate that is competitive with that for corporate bonds. Your legislation would make this possible.

I therefore support your measure would be glad to express my support in public hearings or any other way you may deem appropriate.

Cordially,

FRANK LOGUE, Mayor.

CITY OF MILFORD, CONN., March 7, 1977.

Hon. EDWARD M. KENNEDY,

U.S. Senator, State of Massachusetts, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR KENNEDY: This letter is in response to your letter of January 21st which included a copy of a proposed Bill regarding Municipal Taxable Bond Alternatives.

I have consulted with the Director of Finance of my City and others and we have reached some common conclusions. We feel we can support the proposed Bill as long as certain assumptions can be made.

The first is that the Bill will not create precedent regarding the taxability of municipal bonds, or to put it more simply, the municipality must be able to reserve right of choice. The second comment deals with the interest subsidy. It is our feeling that the figure of 40 percent is the minimum which would be acceptable to meet the fiscal objectives of the communities while at the same time allowing for a broader market. Previous Bills of this nature were not supported because this figure was listed to be 30 percent. The next point deals with the mechanics of handling the Federal interest subsidy. I feel it is in the best interest of the Federal Government and the Investor to make sure that the Federal interest money is not subverted to other uses with the Bonds going into default. The Bill would call for appropriate criminal penalties for misuse of these funds.

In summary, I feel that this Bill, if en-acted, will most likely be of more assistance to the larger cities than the ones such as mine. I feel the intent to broaden the market is worthy of my support. As long as a municipality retains the option of issuing a non-taxable bond, or a taxable bond with Federal subsidy and as long as the traditional arguments of the non-taxability of municipal bonds remains valid, then this Bill should be passed to the benefit of many of our communities.

Again, I thank you for allowing me to respond. I send my best regards.

Sincerely,

JOEL R. BALDWIN, Mayor.

WEST HARTFORD TOWN COUNCIL, West Hartford, Conn., March 18, 1977. Senator Edward M. Kennedy, U.S. Senate, Washington, D.C.

DEAR SENATOR KENNEDY: I have received your letter asking for any comments from local officials about the taxable bond option legislation. In talking this over with our financial people we agree that the legislation is satisfactory as it is written. The question on our minds is the future once Congress is involved. This option does broaden the market for lower quality issues but if in the future Congress should increase the subsidy would this hurt the higher quality issues? I suppose this is a political judgment which will be difficult for either you or me to make.

I hope this legislation is successful in spurring some form of economic recovery which we need so badly.

Sincerely.

ANNE P. STREETER,

HAWAII

EXECUTIVE CHAMBERS Honolulu, February 2, 1977.

Hon. EDWARD M. KENNEDY. U.S. Senate, Washington, D.C.

DEAR SENATOR KENNEDY: Thank you for your letter of January 18, 1977, inviting our comments on the bill (S. 261) which you introduced in the Senate of the United States to give state and local governments the option of issuing taxable bonds with a 40 percent Federal interest subsidy.

In April 1976, the National Governors' Conference Task Force on state and local bonds, of which I was a member, recommended certain criteria for taxable bond option proposals. We believe your bill generally conforms to those standards and will provide state and local governments whose borrowing programs have been limited by the problems of New York City and for other reasons an alternative to the tax-exempt market.

We will be looking with interest on the progress of your proposal in the new Con-gress and hope that you will continue to keep us apprised of developments in this area. With warm personal regards, I remain,

Yours very truly, GEORGE R. ARIYOSHI, Governor.

COUNTY OF MAUL. Office of the Mayor, Wailuku, Maui, Hawaii, March 14, 1977. Re Taxable bond option. Hon. EDWARD M. KENNEDY, Senator, U.S. Senate, Washington, D.C.
DEAR SENATOR KENNEDY: Thank you very

much for your interest in our views and for the opportunity to comment on your Municipal Taxable Bond Alternative Act of 1977:

The bill to provide an election under which state and local governments may issue taxable obligations and receive a Federal subsidy of 40 percent of the interest yield on such obligations would provide County of Maul with another alternative in

dealing with our need for capital.

The important point to consider is that we can study the economic conditions during a specific period and determine which

option to take to enable the people we serve to come out with the best deal!

By way of this letter we shall request the support of your bill from our Hawaii Senators Daniel K. Inouye and Spark M. Matsunaga and Congressmen Daniel K. Akaka and Cec Heftel.

Mahalo and Aloha! Very truly yours,

ELMER F. CRAVALHO, Mayor, County of Maui.

CITY AND COUNTY OF HONOLULU, OFFICE OF THE MAYOR Honolulu, Hawaii, March 28, 1977.

Hon. EDWARD M. KENNEDY,

U.S. Senator, Washington, D.C.

Dear Senator Ted Kennedy: As I stated in my letter of February 12, 1976 to you regarding S. 2800 (1976), I am generally in favor of legislation which provides additional options to local governments in financing their capital needs.

I feel the same way about S. 261 (Municipal Taxable Bond Alternative Act of 1977) for as long as the issuance of taxable municipal bonds is voluntary, that the federal subsidy is automatic and unconditional and that the net cost of borrowing will be no higher than the issuance of tax-exempt municipals.

Thank you for this opportunity to comment on your proposal.

Warm personal regards.

Sincerely.

FRANK F. FASI, Mayor, City and County of Honolulu.

ILLINOIS

TOWN OF NORMAL, Normal, Ill., February 16, 1977.

Hon. EDWARD M. KENNEDY, U.S. Senate,

Washington, D.C.

DEAR SENATOR KENNEDY: Replying to your letter of January 21, I am favorably impressed with your proposal to have federally-subsidized interest rates for state and municipal bonds.

In Normal, we have had no difficulty in marketing our bonds, and recently we have issued a \$5.8 million advanced refunding issue and a \$2.5 million general obligation isbased on the advanced refunding. In each case, we have had a Double A or better rating.

The primary issue, as I see it, is one of pure economics for the taxpayer. As you have pointed out in your comments to the Senate, the tax-free bonds are purchased, in the main, by large corporations or wealthy individuals as a means to achieve income without paying taxes on it. Such income is, of course, at the expense of so many persons

who pay taxes on every cent they earn.

As a city, Normal and its 35,000 residents would not be adversely affected by your proposal, but the nation as a whole could stand to achieve considerable benefit. I applaud you for your insight into this matter.

However, a more grave issue faces many municipalities and that is simply keeping up with rising costs without having to go back to an already over-burden public for tax increases. The entire system of financing local governmental units needs a thorough review to achieve greater equity and flexi-bility. Your interest in the financial problems of cities is commendable.

Cordially,

RICHARD T. GODFREY, Mayor.

CITY OF CHICAGO, OFFICE OF THE MAYOR, April 1, 1977.

Hon. EDWARD M. KENNEDY, U.S. Senate,

Washington, D.C. DEAR SENATOR KENNEDY: I have read with great interest your recently introduced legislation (S. 261) which would provide a federal interest subsidy for state and local governments that elect to issue taxable bonds. Your proposed legislation appears to have considerable merit and might provide significant aid to many of the nation's cities. Unfortunately, however, there are certain disadvantages which would more than offset these merits.

Although the National League of Cities originally endorsed the concept of a taxable bond option program, a new vote was taken at a recent meeting in Denver and more than a majority of the voting league members were in favor of reversing the league's position. The National Association of State Auditors, Controllers, and Treasurers is opposed to the taxable bond option, and the Securities Industry Association has testified that it cannot endorse a taxable bond option at this time. I would hope that measures could be taken to relieve the doubts of these prestigious organizations.

I am grateful for the past assistance you have given Chicago and all of the nation's cities, and I am confident we can work together on this matter and other issues in the future.

Sincerely,

MICHAEL A. BILANDIC,

Mayor.

IOWA

CITY OF COUNCIL BLUFFS, IOWA, OFFICE OF MAYOR. March 3, 1977.

Hon. EDWARD M. KENNEDY, U.S. Senator, Washington, D.C.

DEAR SENATOR KENNEDY: I am in receipt of your correspondence dated January 21, 1977 regarding the Municipal Taxable Bond Alternative Act of 1977 (S. 261). As an attorney, tax accountant, and Mayor of the City of Council Bluffs, Iowa; I was most interested in reviewing the proposed legislation. The taxable bond option has been discussed and reviewed on several occasions at national conference meetings that I have attended or am aware of. In addition to conference discussion, the taxable bond option legislation of the 94th Congress was discussed and reviewed by our staff approximately five months ago. The impetus for that review was a need to study our local debt situation and report to the City Council various alternatives that would be of benefit to the citizens of Council Bluffs, Iowa.

Although the taxable bond option was not available to us some five months ago, staff recommended that "advance refunding" be studied as an alternate means of dealing with municipal debt for our city. The advance refunding concept was accepted by the City Council and affirmatively voted upon. In essence, it allowed the City to borrow that amount equal to its outstanding principal and invest up to fifteen percent of that amount at an unrestricted yield. At that point the Internal Revenue Service recognized this method of financing as acceptable and not contrary to the then current arbitrage regulations. After holding the public hearing and approving the advanced refunding concept, on October 29, 1976 the Internal Revenue Service proposed and published a revision of their regulations which effectively eliminated the City's ability to invest the fifteen percent, or as it is known, the minor portion of the advanced refunded bonds.

In summary, the Internal Revenue Service action "cost" the taxpayers of the City of Council Bluffs \$1,638,000 in lost savings over an approximate twenty year period. This action by IRS typifies the continuing trend of federal and state governments action which the various financing alternatives available to local units of government.

Due to the effective limitation of the advanced refunding alternative and the basic merits of the taxable bond option. I would strongly urge you to continue your support of the "Municipal Taxable Bond Alternative Act of 1977." I sincerely appreciate your solicitation of my opinion on this matter and would be most grateful if you were to keep me informed as to developments in this area.

Respectfully yours,
Hon. Daniel E. Lewis,
Mayor, City of Council Bluffs, Iowa.

KANSAS

STATE OF KANSAS, OFFICE OF THE GOVERNOR, Topeka, February 23, 1977

Hon. Edward M. Kennedy, U.S. Senate.

U.S. Senate, Washington, D.C.

Dear Senator Kennedy: On January 18, 1977 you wrote me in regard to S. 261, which you and other Senators have introduced to provide a 40% federal interest subsidy for state and local governments that elect to issue taxable bonds.

While I am in sympathy with those in favor of elimination of tax loopholes that mainly benefit the wealthy, as has traditionally been the case of the state and local tax-exempt bond market, I seriously question the propriety of S. 261 for several reasons:

First, in effect a direct federal expenditure for interest subsidization is given to those states and localities that are utilizing bonds for capital or other financing. This bill, without suitable controls on the scope and purpose of taxable bonds issued by states and localities, may encourage use of such bonds for possibly ill-advised or inappropriate purposes at less cost to the participating unit. The recent experience with New York City suggests that the use of bonds has, in the past, been a means to hide poor, misguided and inappropriate fiscal practices, such as use of bond proceeds to fund current expenditures. S. 261 provides no limits or guarantees against such state or local fiscal behavior, on grounds that these are state and local decisions not to be directed by the federal government. While I agree with this philosphy, in this instance a "hands off" federal role could be costly to the federal taxpayers, regardless of the city or state in which he resides. The federal government should not be in the business of encouraging and providing financial incentives for further public debt whether it is at the federal or state/local level.

Second, while I respect your good intentions in introducing this legislation, I assume other Governors would be fearful of the degree to which the federal commitment to providing the 40% differential would continue in the future. While a state or local government might initially issue a taxable security under this federal subsidy, the subsidies themselves would be subject to annual appropriations by the U.S. Congress, and no one can commit future Congresses to carrying out such an initial commitment. We have too often seen in the post grandiose federal promises and dismal commitment, resulting in increased fiscal burdens on states and localities.

Third, while the federal controls and strings are rather loose initially, as mentioned previously, those local and state governments using this subsidy program wisely might find themselves subject to additional federal controls, strings and additional red tape, as the misuse of the program by a few could conceivably result in uniform and punitive conditions and regulations for all participants in the future.

Fourth, the State of Kansas has been able to operate within the limits of fiscal responsibility to market bonds and provide for capital improvements of the state where necessary. The need for S. 261 would not now be necessary if other states and localities were not so quick to use the bonding approach to provide services today that are to be paid by our grandchildren tomorrow.

There would not be such an oversupply of municipal and state tax-exempt bonds. We should be encouraging and supporting the private market in its investment opportunities rather than developing new ways and approaches to draw investment funds away from the private sector into the public sector.

Fifth, most studies of the tax subsidy approach suggest that the amount the U.S. Treasury would have to pay out in subsidies would be greater than the amount of new taxes collected. This difference in costs would be shared by all federal taxpayers; in effect, having the federal taxpayers of Kansas provide part of the subsidy in interest costs of bonds for improvements of benefit to New York, Illinois or California residents.

In conclusion, I suggest you reconsider this legislation. On the surface it appears to be a relatively harmless financial bonanza to states and localities at little or no cost to the federal government. However, not only does it further promote a philosophy of public investment and spending, but it divorces the responsibility costs for raising revenue from the government level that spends the funds.

Very sincerely,

ROBERT F. BENNETT, Governor of Kansas.

CITY OF KANSAS CITY, KANS., March 21, 1977.

Hon. Edward M. Kennedy, U.S. Senate, Senate Office Building, Washington, D.C

DEAR SENATOR KENNEDY: Thank you for advising me of your proposed legislation (S. 261). This City supports such legislation which would authorize state and local governments to issue taxable bonds with a 40% federal interest subsidy.

This taxable bond option will provide local governments with an additional financial resource mechanism with which to meet pressing local needs with a minimum amount of federal "red tape", while at the same time it does not preclude the issue of tax exempt bonds if the local government should choose to do so.

Thank you again for apprising me of S. 261 and soliciting my comments. Best wishes for the success of this proposal and, particularly, for your continued personal and political success.

Sincerely,

John E. Reardon, Mayor.

KENTUCKY

Office of the Governor, Frankfort, Ky., March 8, 1977.

Hon. EDWARD M. KENNEDY, U.S. Senate Russell Senate Office Building,

Washington, D.C.

Dear Senator Kennedy: I would like to thank you for the opportunity to comment on your bill, the Municipal Taxable Bond Alternative Act of 1977. The taxable bond option proposed by your bill has significant implications for intergovernmental relations as well as debt management at the state and local level. As with similar legislation proposed previously, I have given your bill serious consideration, both on its merits and in terms of our experience here in Kentucky. However, as has been my position in the past, I cannot support the taxable bond option at this time.

Fortunately, we in Kentucky are enjoying good orderly growth, good bond ratings, and no difficulty in selling tax-free municipal bonds at interest rates comparable to, or even lower than, rates in the national market. Other than a few rural water districts, the Commonwealth and its instrumentalities have had an excellent debt service rec-

ord and are very well received in the national financial community. However, a large subsidy (40%), such as provided by this legislation, may encourage marginal local governments to issue bonds to finance capital projects, and any defaults in such issues induced by this subsidy could cause interestrates on more viable issues to be higher.

On a different level, this program could affect the ability of private corporations located in the Commonwealth to raise sufficient capital to finance their programs. Allowing state and local units throughout the United States to issue subsidized taxable bonds would increase the demand for funds in the taxable bond market, thus competing with such corporations in their attempts to

raise funds.

These and other criticisms of the legislation's components are not major, and I must admit that, taken as a whole, the bill is excellent, expanding the market for state and local securities with no federal regulation or interference. However, the very success of the taxable bond option holds the seed for possibly severe future problems.
As more state and local units successfully enter the taxable market and as the percentage of tax-exempt securities declines, there will be greater pressure to repeal the tax-exempt status of state and local securi-ties. Although other "tax expenditures" for such deductions or exemption as state/local taxes, mortgage interest, and capital gains have been more costly to the federal government, the tax-exempt status of state and local bonds may be more susceptible to re-peal since it primarily benefits the very wealthy while the others have much broader appeal. If this repeal is accomplished, there will be greater pressure to subject taxable, federally subsidized state and local securitles to increasing federal regulation and review, which at a minimum can only delay the issuance of such securities and the projects they are to finance. Such a scenario is not altogether improbable, as witnessed by the recent experience of general revenue sharing. What began as an effort in fiscal federalism, tying the revenue efficiency of the federal government to the expenditure decisions of state and local units, with little federal interference or restriction, has be-come a mechanism for increasing federal requirements for civil rights enforcement and citizen participation in budget making. Al-though both are commendable objectives, revenue sharing was not intended as the vehicle to serve either.

It should also be noted that during 1976 the tax-free municipal bond market absorbed a record amount of new issues (about \$34\$ billion), and interest rates declined. This has been, and continues to be, a very viable method for financing sound municipal capital programs. Our experience in Kentucky under the present system has been very satisfactory, and even if the taxable bond option would be an improvement, there is a serious question in my mind as to whether it may be worth the eventual cost.

Thank you again for inviting my opinions on such an important matter.

Sincerely,

JULIAN M. CARROLL.

MAINE

STATE OF MAINE,
OFFICE OF THE GOVERNOR,
Augusta, Maine, February 14, 1977.
Hon. Edward M. Kennedy,

U.S. Senator, Russell Office Building, Washington, D.C.

DEAR SENATOR KENNEDY: This is an additional response to your letter of January 18 and my first response of February 1 in regard to the letter concerning the so-called "taxable bond option".

I have discussed this matter with John P. O'Sullivan, Commissioner of the Department

of Finance and Administration; I find that he and the staff of his Department are sup-portive of this type of legislation since it would, at least theoretically, give a municipality flexibility in determining whether or not it wants to enter the market via taxable or non-taxable obligation. I understand from the other material that you enclose as well as other information that has been made available in this area that there would be possible tax benefits to the government if the communities elected to go the taxable route. For these reasons I take the position that I would support this type of measure although I would reserve judgment on the specific legislation until I had an opportunity to either read the bill or see the form of the bill after it was reported out of Committee. Sincerely,

JAMES B. LONGLEY. Governor.

STATE OF MAINE, OFFICE OF THE GOVERNOR Augusta, Maine, February 1, 1977. Hon. Edward M. Kennedy,

U.S. Senator, Senate Office Building,

Washington, D.C.

DEAR SENATOR KENNEDY: Thank you very much for your letter of January 18 spelling out some of the details on the legislation you have recently filed to create the so-called "taxable bond option."

have had considerable interest in the entire field of governmental financing and particularly the question of bonding and bond rating as it effects the state's finances. I have briefly reviewed the material you enclosed and I have sent copies to John O'Sullivan, Commissioner of the Department of Finance and Administration, so that he may review it with the State Tax Department and may also confer with the State Treasurer in order to advise me about their feelings about the proposal. As soon as I hear from them relative to their opinions I will be in touch with you about the proposal and may have some comments to make regarding it.

Sincerely, JAMES B. LONGLEY, Governor.

> MASSACHUSETTS CITY OF LYNN, MASS. OFFICE OF THE MAYOR, March 16, 1977.

Senator EDWARD M. KENNEDY,

U.S. Senate, Washington, D.C.

DEAR SENATOR KENNEDY: Your letter and enclosures regarding the legislation (S. 261) proposing a 40% federal interest subsidy for State and local governments that elect to issue taxable bonds, has been received with my sincere thanks and gratitude for your action in this regard.

It goes without saying that this type of legislation will be of great benefit to all branches of government, in order to relieve

our financial burdens.

As you know, all cities live on bonding throughout every budget year and action of this type, I feel, would greatly stimulate the activities and economic development of every community.

I, therefore, endorse this Bill enthusiasti-

cally and urge its passage.

Sincerely,

ANTONIO J. MARINO, Mayor.

CITY OF HAVERHILL. MASS. March 24, 1977.

Hon. Edward M. Kennedy, John F. Kennedy Federal Building, Government Center, Boston, Mass.

DEAR SENATOR KENNEDY: As you no doubt are aware, the City of Haverhill is facing a very serious financial and economic situa-

tion. With the recent cuts in State aid to the cities and towns of the Commonwealth, the overburdened taxpayer in Haverhill can expect a substantial increase in the city's tax rate. This, coupled with other federal and state mandates, has not helped to alleviate the economic crisis that is facing an old

industrial city.

The hard-pressed cities and towns of Massachusetts can surely use an effective means of acquiring financial assistance to help ease the serious problems of obtaining capital. Therefore, I heartily endorse the "taxable bond option" which you introduced in the Senate during the month of January. Such a proposal, by lowering the interest rates that are now being paid, will help to meet the financial needs of local governments. The fact that the subsidy, as proposed, will be auto-matic with no requirement of federal approval of the bond issue and no oversight of the use of the funds is a welcomed aspect of the program.

I share your hope that Congress will act expediently on this matter as part of the

economic recovery legislation.

Sincerely yours, LEWIS C. BURTON,

Mayor.

CITY OF SALEM, MASS., March 24, 1977.

Hon, EDWARD M. KENNEDY. U.S. Senator,

Washington, D.C.

DEAR SENATOR KENNEDY: In answer to your letter pertaining to legislation (S. 261) "taxable bond option" (TBO) with 40% federal interest subsidy.

I have given this matter due deliberation and offer the following conclusions.

(1) At this time, we do not contemplate funding major capital programs, thereby curtailing the need for expanding indebt-

(2) Our previous bonding efforts were rewarded with an interest rate of 5%.

(3) Federal and State funded programs are vehicle of improving and maintaining services now and in the foreseeable future.

At present, I see no advantage in this legislation that will benefit the City of Salem. However, future events could alter the course we are presently following and mandate an accommodating point of view. This, of course, would make this legislation beneficial to us.

Thank you for your kindness and concern and my best wishes for your continued success

Sincerely,

JEAN A. LEVESQUE,

Mayor.

MICHIGAN

STATE OF MICHIGAN. OFFICE OF THE GOVERNOR, Lansing, March 7, 1977.

Hon. EDWARD M. KENNEDY, U.S. Senate.

Washington, D.C.

DEAR SENATOR KENNEDY: Thank you for your letter of January 18, 1977. I am sorry I was not able to answer it sooner.

I welcome the initiative that you, Senator Pete Williams, and Senator Dennis DeConcini took with the introduction of S. 261 creating a "taxable bond option" for state and local governments. This is a much needed alternative to the current municipal

debt financing mechanism using tax-exempt bonds only.

In the near past the range of endeavors permitted to employ tax-exempt bonds has been vastly expanded; and in Michigan, mu-nicipalities now share the market with the which finances low income housing, job development, hospital construction and loans for higher education. The State has also begun to finance huge investments in pollution control equipment for private industry through tax exempt bonds. While the

supply of these bonds has then skyrocketed, the demand has lagged far behind. The taxable bond option would expand the demand for municipal debt and help to reduce interest costs, hopefully to their pre-inflation

My only concern is that the Federal Government might consider the TBO a precedent to ultimately deny federal tax exempt treatment to state and local debt instruments, use it to begin some sort of intervention in state and local debt management or fail to fully fund corresponding interest subsidies for the entire life of the bonds sold under this alternative.

S. 261, in its present form, contains assurances against this occurrence and, as such, has my full support.

With best regards.

Sincerely,

WILLIAM G. MILLIKEN, Governor.

CITY OF MUSKEGON, MICH., OFFICE OF THE MAYOR, March 4, 1977.

Re: S. 261. Hon. EDWARD M. KENNEDY. U.S. Senate Office Building, Washington, D.C.

DEAR SENATOR KENNEDY: In a letter dated January 21, 1977 you requested our review and comment on your proposal to provide state and local governments a taxable bond option (TBO)

I have caused such review by our Muskegon City Manager, City Auditor/Finance Director, and City Attorney, as well as my per-

sonal interest in the Bill.

There appears to be several sound reasons for the proposal to succeed legislatively, but I would suggest only that it certainly offers to us an opportunity to use either financing option presumably to our City's benefit.

I am concerned this could be a forerunner to the legislated elimination of municipal tax-free bonding. If such should in fact ap-pear as a future threat to existing law, I

should oppose the proposal most strenuously.

Thank you for the opportunity to com-

Very sincerely,

DONALD E. JOHNSON, Mayor, City of Muskegon.

MINNESOTA

CITY OF COON RAPIDS. March 10, 1977.

Senator EDWARD M. KENNEDY, U.S. Senate,

Washington, D.C.

DEAR SENATOR KENNEDY: Mayor George White has given me your letter of January 21 for a reply.

Although the Coon Rapids City Council has not discussed this specific piece of legislation (S. 261) that you described in your letter, at several times in the past our City Councils have discussed the philosophy of taxable bond options.

In general, we are opposed to any such legislation and believe that municipal bonds should retain their tax exempt status. In support of this position, we would plead the separation of powers between the Federal and State governments as provided in the U.S. Constitutions. I am sure that you have heard this argument many times previously.

When legislation has been suggested previously, it often did not provide for the option of either a taxable or non-taxable bond, and it was simply felt that a taxable bond would result in our City and other localities

paying a higher interest rate.

Again, with this particular legislation which you are now proposing, the 40% Federal subsidy might or might not result in a higher interest rate to our City. We believe that a taxable bond with a 40% Federal subsidy would prove to be attractive only to taxpayer in a relatively lower income tax bracket,

and not to those who are paying taxes at a 40% or higher rate.

We appreciate your bringing this legislation to our attention; however, you must realize that we cannot support it.

Very truly yours,

J. K. COTTINGHAM, City Manager.

MISSOURI

EXECUTIVE OFFICE, STATE OF MISSOURI, Jefferson City, March 9, 1977.

Hon. EDWARD M. KENNEDY, U.S. Senator, U.S. Senate,

Washington, D.C.

DEAR SENATOR KENNEDY: Thank you for your letter of January 18, 1977 informing me of the introduction of Senate Bill 261, "Municipal Taxable Bond Alternative Act of 1977" by you and Senators DeConcini and Williams. My staff has examined its effect on Missouri, and at this time I cannot endorse the bill wholeheartedly. S.B. 261 will, in all probability, result in federal tax dollars paid by Missouri citizens being used to subsidize those states which borrow heavily. Traditionally, Missouri governments have been fiscally conservative.

I welcome the opportunity to express my concerns on the effect in Missouri of proposed federal legislation and hope you and your colleagues will continue to invite response from state officials.

Sincerely,

JOSEPH P. TEASDALE,

Governor.

CITY OF INDEPENDENCE, MO. March 7, 1977.

The Hon. EDWARD M. KENNEDY, U.S. Senate.

Washington, D.C.

DEAR SENATOR KENNEDY: Thank you for bringing to my attention the taxable bond option legislation soon to be considered by Congress

The TBO would be of benefit in broadening the market for municipal bonds and relieving some of the pressure on the tax exempt sector. This should translate to lower overall borrowing costs through increased demand for municipal bonds.

As long as the conditions within the legislation remains strictly on "option" and does not require an extensive amount of red tape, I would favor it; and, this bill

seems to meet that criteria.

A potential problem exists in Sec. (b), "(4) Election" where the Treasury Secretary prescribes the time and manner for making the election to issue a taxable bond. These items should be clearly spelled out in the bill and not left to the Treasury's discretion and interpretation, which often is far apart from the original legislative intent, i.e., arbitrage regulations.

Ideally, I would like to see the election set after opening of bids, if bids could be sought on both a taxable and nontaxable basis. This would allow us to determine our lowest net cost and base our decision on that. If the TBO election must be made before bidding, then it would have to be based on past issues and statistics. This would make it difficult to prove savings through use of 3O. Yours very truly, RICHARD A. KING, MG the TBO.

Mayor.

OFFICE OF THE MAYOR, Kansas City, Mo., March 14, 1977. Hon. EDWARD M. KENNEDY, U.S. Senator, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR KENNEDY: Thank you for your letter of January 21, 1977, concerning

legislation you have introduced in the Senate proposing a 40% federal interest subsidy for state and local governments that elect to issue taxable bonds (S. 261). As Mayor of a large U.S. city, I appreciate the fact that you are concerned about financial help for our cities.

After reviewing the proposed legislation, my reaction is generally favorable. The socalled "taxable bond option" will be helpful to cities which are in some financial difficulty and do not have free access to the credit market. It will also be helpful to cities which have access to the money market, but which are paying excessive interest rates when they issue tax exempt securities. We appreciate this "no strings" method of chan-neling assistance to financially beleaguered

In this regard, we must be certain that the rules and regulations which are developed by the administration maintain a "hands off policy. The Treasury Department may tempted to exercise some federal supervision over the issuance of municipal bonds as it has in the past. Senator Harrison Williams of New Jersey, in a speech before the Dealer Bank Association in Scottdale, Arizona, on February 5, 1977, stated that he would introduce a bill similar to last year's S. 2969 which would make the issuers of municipal bonds subject to regulation by the Securities and Exchange Commission. We object to this unconstitutional invasion of the right of the state and local governments to finance their capital needs through the issuance of tax exempt securities.

The tax exempt bond market is a very healthy and viable market today for any city which has protected its credit rating over the years. I see some abuses, such as the authorization by many states for the issuance of pollution control bonds, and an excessive use of advance refunding of outstanding bond issues simply to take advantage of a small saving in interest cost due to a slight change in the market. While I do not encourage federal regulation of either pollution control or advance refunding bonds, I believe that the legislation enacted several years ago which encouraged these methods of financing should not have been passed.

It is a pleasure to have the opportunity to comment on the proposed legislation. Open channels of communication undoubtedly will result in better legislation.

Kindest regards.

Sincerely,

CHARLES B. WHEELER, M.D., J.D., Mayor of Kansas City, Mo.

MONTANA

STATE OF MONTANA, OFFICE OF THE GOVERNOR, Helena, February 14, 1977.

Hon. EDWARD M. KENNEDY, U.S. Senate,

Washington, D.C.

DEAR TED: Thank you for your letter of January 18, 1977, relative to your measure (S. 261) proposing a 40 per cent federal interest subsidy for state and local governments that elect to issue taxable bonds. Since receiving your letter, I've given the matter considerable study, and I am most pleased to

have the opportunity to comment on the standpoint of our state.

Montana is a capital deficient state and must, therefore, rely very heavily on "out-side" brokers and investors to market state and local bonds. Within Montana, it is primarily financial institutions that hold significant assets as state and local bonds. Such corporations are taxed at 50 per cent, so a 40 per cent subsidy would leave a 10 per cent deficiency.

Generally, I have felt that issuance of taxable bonds under any conditions enacted into law would be harmful to Montana and its political subdivisions. Many of our financial interests and several public agencies tend to share my views on the matter.

Once again, thank you for the opportunity to comment on the subject of state and local bonds tax status.

Best personal regards.

Sincerely,

THOMAS L. JUDGE,

NEBRASKA

CITY OF NORFOLK, JAMES R. MILLER, MAYOR, Norfolk, Nebr., March 7, 1977.

Hon. EDWARD M. KENNEDY, U.S. Senator,

Senate Office Building, Washington, D.C.

DEAR Mr. SENATOR: Thank you for advising my office of your introduction of current session.

I can only speak for my small city; but, as I do this, I find I have a negative reaction your proposed legislation to wit:

A. The need, here, does not exist B. As I see it, the tax-exempt security does not cause a drain on the Treasury, because it is admitted there is a 40% reduction in the cost of financing by Cities by those who purchase them, . . . and that they, therefore, pay a full 40% at least in taxes directly back to the Cities rather than the Federal government.

C. I fear, there will be strings attached. someday, when Uncle Sam becomes involved. D. There is no guarantee the 40% contribu-

tion would not be lessened.

E. It is my fervent hope that the Metropolitan Centers will exercise personal discipline in their fiscal operation. . . . I would implore the Senate and House not to saddle us with legislation for all Cities because of the less than prudent operation of the very large Cities.

Thanking you again for your concern and courtesy, I am,

Respectfully,

JAMES R. MILLER,

Mayor.

NEVADA

THE STATE OF NEVADA, EXECUTIVE CHAMBER. Carson City, Nev., February 15, 1977. Hon. EDWARD M. KENNEDY,

U.S. Senate, Russell Office Building, Washing, D.C.

DEAR SENATOR KENNEDY: Thank you for your letter and enclosure of January 18 regarding Senate Bill 261, which would provide interest subsidy for State and local Governments electing to issue taxable bonds. Responsive to the information you pro-

vided to me, I requested a report on the effect of the proposal on Nevada and subsequently made my views known to the Nevada Congressional Delegation. For your information, I have enclosed a copy of my letter to Senator Howard Cannon. Please be advised that I forwarded identical letters to Senator Paul Laxalt and Congressman James Santini.

Thank you again for bringing the proposed legislation to my attention.

Sincerely,

MIKE O'CALLAGHAN, Governor of Nevada.

Enclosure.

THE STATE OF NEVADA. EXECUTIVE CHAMBER, Carson City, Nev., February 15, 1977. Hon. Howard W. Cannon, U.S. Senate, Russell Office Building, Washington, D.C.

DEAR SENATOR CANNON: I am writing to inform you of the results of a report requested in regard to Senate Bill 261, which would provide interest subsidy for State and 11238

local Governments electing to issue taxable

Based on the information provided to me, it appears that governmental entities in Nevada stand to benefit from enactment of the proposal. For instance, the municipal bond market would be broadened in Nevada, and consequently these securities may pose attractive investments to such public funds as contained in the Public Employees Retirement System and the Nevada Industrial Commission. It is my understanding, how-ever, that there would be restrictions on the amount of related entities held by such agencies.

The 40 percent subsidy under the bill would also narrow the interest cost between lower and higher rated bonds. This would be of considerable advantage to Nevada because, although our bonds generally enjoy a good rating, the ratings are not of the highest degree.

In addition, indications are that passage of S. 261 would result in a much larger dollar benefit to local Governments at substantially less cost to the Federal Government than now possible. Equally important, the plan gives each entity the option of choosing to market either taxable or non-taxable bonds, depending on the entity's individual circumstances. This option represents a minimum of Federal control.

It is my belief, therefore, that S. 261 holds more benefits for Nevada than past similar bills addressing Federal interest subsidy for State and local Governments. Accordingly, I will very much appreciate your attention to this proposal and its potential effect on this State.

Sincerely,

MIKE O'CALLAGHAN, Governor of Nevada.

CITY OF LAS VEGAS, March 15, 1977.

Senator TED KENNEDY, U.S. Senate Building, Washington, D.C.

HONORABLE SIR: This letter is addressed in reference to Senate Bill #261, Municipal Tax Board Act. In the local governments, particularly in the new developing areas of the West, the need and necessity for revenues from outside sources which are purchased by bonds are the lifeblood of capital development.

We find ourselves in the State of Nevada constantly working at improving our services to our citizens. It is through capital development that we do this. Our State has a constitutional limit on the Ad Valorem (property tax) that may be collected. This happens to be \$5.00 per each \$100.00 in property value based on 35% of the market value of the property. It is within these limits that we maintain sufficient money to pay off our debt in bonds.

We pride ourselves on maintaining a very low debt per capita. We find that our bonds, particularly as they sit nontaxable, are an attractive item on the open market. We have never exceeded a 10% limitation based on the total value of our City for the amount of money we received through the sale of bonds.

We, of course, anticipate that the future development of our City, and our State, and our Country is through the bonding capacity of the various governments which maintain sound fiscal responsibility. We feel that we owe it to the citizens whom we serve to maintain the image through the sale of nontaxable Municipal Bonds. It is with a great deal of consideration that we request that you do not change the status of the Municipal Bonds with which we work.

Very truly yours,

WILLIAM E. ADAMS, P. E., City Manager.

NEW HAMPSHIRE OFFICE OF THE MAYOR,

DENNIS J. SULLIVAN, MAYOR Nashua, N.H., March 1, 1977.

Hon. EDWARD M. KENNEDY, U.S. Senator, Senate Office Building, Washington, D.C.

DEAR SENATOR KENNEDY: Senate Bill 261 raises many questions that deeply concern my understanding of what causes inflation.

Basically, competitive commercial rates very greatly, depending on their respective ratings. Utility companies such as Philadelphia Electric or Public Service of New Hampshire have issued 12%% bonds with BBB ratings, whereas others with AAA ratings average 8-9%. Would this not tend to push municipals even higher, especially the risky ones? Interest on a 123/4% bond issue for twenty years would equal approximately 133% of the principal. Can we afford this? I feel sure that those who prefer nontaxable issues will find their rates influenced strongly by the competing taxable issues, and local or state units of government are in the position to compete with the private sector.

Undoubtedly, deficit spending precipitated the dire financial condition of many of our major cities. Yet, I fail to see how a "no strings attached" approach is going to help them to mind the store any better in the future than in the past. If our larger cities are in serious financial condition, and I believe they are, then stringent federal rules should be set as guide lines.

Currently, across our land, many bank stocks are at rather depressed prices, some below their book value, due in part to municipal bond investments and mortgage portfolio losses.

Would not a continuance of this condition have an adverse effect on I.R.S. income? How would large non-profit trusts affect the taxable municipal market and the expected I.R.S. revenue?

I trust that the Senator will not construe this letter as purely negative on the questions raised and urge that additional consideration be given to controlled direct community block grants for our major cities in financial straits.

In view of President Carter's recommended cut-backs in "pork barrel" waterways and dam projects, would this not be a rather large source of funding for a more practical purpose?

Respectfully yours,

DENNIS J. SULLIVAN, Mayor.

NEW *MEXICO

STATE OF NEW MEXICO, OFFICE OF THE GOVERNOR. Santa Fe, N. Mex., March 15, 1977. Hon. EDWARD M. KENNEDY,

Senator, State of Massachusetts, U.S. Senate,

Washington, D.C.

DEAR TED: I appreciate your inquiry regarding the proposed legislation (S. 261) that would create a federal subsidy for taxable municipal bonds. We would find it very difficult to support this concept at the present time.

We believe that the benefits of this legislation described in your letter would not accrue to the residents of New Mexico. Our laws establishing conservative fiscal policies have served us very well. As a result, all of our state and local issuers have ready access to the tax exempt market at favorable rates. The subsidy proposed in S. 261 would be beneficial to those states and cities who have not kept their fiscal house in order, at the expense of those who have exercised fiscal restraint

There are other strong objections that could be made. Some are: possible alteration of current tax exempt status, decrease in the autonomy of local government and the encouragement of continued heavy deficit in other areas of the U.S.

I hope you will find these comments help-

Sincerely,

JERRY APODACA, Governor.

NEW YORK

STATE OF NEW YORK, EXECUTIVE CHAMBER, Albany, N.Y., February 10, 1977.

Hon. Edward M. Kennedy, U.S. Senator, Senate Office Building, Washington, D.C.

DEAR TED: Thank you for your letter of January 18 and your proposal for a taxable bond option. As you know, I supported this proposal last year and hope to see it enacted early in this session.

The proposal is especially important for New York State since it would help to break the logjam of the municipal bond market and permit a freer flow of needed funds to states and municipalities. An option of this kind with an adequate interest subsidy (35-40 percent) would diversify the market and spread demand by providing a wider choice the investor and borrower alike. It should also be, as you say, "one of the key aspects of a new program of expanded Federal aid to State and local governments in the years ahead."

Please accept my best wishes for the speedy adoption of S. 261.

Sincerely.

HUGH L. CAREY.

NEW JERSEY

STATE OF NEW JERSEY. OFFICE OF THE GOVERNOR, Trenton, March 11, 1977.

Hon. EDWARD M. KENNEDY, Senator, Russell Senate Office Building, Senator, Russell Se Washington, D.C.

DEAR TED: I have examined S. 261 which you have introduced with Senators Williams and DeConcini. It incorporates the essential and desirable elements of the taxable municipal bond option, and it has my strong sup-

I have supported this kind of program for several years. I would be happy to assist in efforts to enact S. 261. It will provide an effective new means to assist state and local government financing efforts without federal interference in policy determinations.

The New Jersey Washington Office has been directed to advise the State Delegation of my position.

Sincerely,

BRENDAN T. BYRNE, Governor.

OFFICE OF THE MAYOR, West Orange, N.J., February 17, 1977. Hon. Edward M. Kennedy, U.S. Senate.

Washington, D.C.

DEAR SENATOR KENNEDY: I agree with you and your colleagues that the "taxable bond issue" offers an effective, economic and "no strings" method of channeling needed Federal aid to the States.

You have my support. Very truly yours,

WILLIAM F. CUOZZI, Jr., Mayor.

CITY OF LINDEN, Union County, N.J., February 24, 1977. Hon. EDWARD M. KENNEDY, U.S. Senate.

Washington, D.C.

DEAR SENATOR KENNEDY: With reference to your recent letter regarding S. 261 creating a so-called "taxable bond option" (TBO), I for-

warded a copy of the proposed legislation to liams on once again introducing legislation our City Treasurer, and I am forwarding a copy of his comments to you.

If I can be of any further assistance, be

sure to contact me again.

Sincerely,

JOHN T. GREGORIO

Mayor.

CITY OF LINDEN. Union County, N.J., February 23, 1977.

Mayor John T. GREGORIO,

City Hall, Linden, N.J.

DEAR MAYOR: My comments on U.S. Senate bill 261 is one of mixed feelings. I feel that the accounting profession and various levels of government feel the same.

If my feelings leaned toward separate state and federal status I would oppose this bill. If my feelings were of a federal dominance over state affairs I would favor this bill. The idea of the federal government under-

writing 40% of the interest charged by State and Local Bonds appears to be an invasion of the separation of authority. The Federal Government would make these instruments of interest 100% taxable.

Weak local and state governments would welcome this bill. Possible uninterested investors in certain cases would feel more se-

cure in this type of situation.

The Federal government has been trying for some time to eliminate this tax free status of State and Local bonds. I would think this would be the first step in accomplishing their attempt to make all these bonds taxable.

As you can see I have mixed feelings on this type of bill, but many taxpayers of the United States would oppose this bill.

Very truly yours, CHARLES S. VALANO, Jr., City Treasurer.

THE CITY OF EAST ORANGE. OFFICE OF THE MAYOR. East Orange, N.J., March 1, 1977.

Senator EDWARD M. KENNEDY,

U.S. Senate.

Washington, D.C.

DEAR SENATOR KENNEDY: I wholeheartedly support the Taxable Bond Option legislation (S. 261) which you recently introduced in the Senate.

The proposed 40% federal interest subsidy will prove to be very helpful for our bond issue and will be beneficial towards alleviating the financial crisis confronting our Nation's cities.

We are hopeful that it will be favorably received by the new Congress in the Carter Administration.

Sincerely,

WILLIAM S. HART, Sr., Mayor.

TOWNSHIP OF PARSIPPANY-TROY HILLS, Parsippany, N.J., March 7, 1977.

Hon. EDWARD KENNEDY, Senate Office Building, Washington, D.C.

DEAR SENATOR KENNEDY: After reviewing Bill S. 216, I believe the legislation would be welcome on the local level government.

The concept of interest subsidies from the federal government would have a dramatic impact on local tax rates.

That portion of local taxes which is presently appropriated for interest payments on bonds would be available to expand existing programs or to provide tax relief, whichever would best serve a community.

The idea of federal interest subsidies is also an innovative way of returning federal tax dollars to the community.

I congratulate you and Senator Pete Wil-

designed to serve the citizenry of the country. Very truly yours,

JOHN T. FAHY. Mayor.

IRVINGTON, N.J., March 8, 1977.

Hon. EDWARD M. KENNEDY. U.S. Senate, Washington, D.C.

DEAR SENATOR KENNEDY: In reply to your letter seeking comments and reactions to your proposal of 40% federal interest subsidy for State and local governments that elect to issue taxable bonds, let me say that I am strongly opposed to any type of legislation that would subject Municipal Bonds to any type of taxation. The taxing of Municipal Bonds could seriously affect the Market Place for the selling of Municipal Bonds, even though, as you state, there is a Federal subsidy on the interest.

Those in government are very leary of becoming reliant on any type of State and Federal aid for fear it could be taken from us and we could be left holding the bag.

For some time now, there has been a great deal of discussion on taxing Municipal Bonds, and this legislation would appear to be the first step in taking away the exempt status of Municipal Bonds which would then eliminate the primary advantage of this type of bond.

Sincerely yours,
ROBERT H. MILLER, Mayor.

OHIO CITY OF PARMA, OHIO, February 18, 1977.

Hon. EDWARD M. KENNEDY. Senator from Massachusetts, Washington, D.C.

DEAR SIR: I have reviewed quite seriously your proposed legislation (S. 261) concerning federal subsidy for taxable bonds issued by local furisdictions.

First of all may I say that I appreciate your interest in our problems and believe me many smaller cities have the same problems as the large metropolitan areas. The City of Parma is the ninth largest in the State of Ohio and because of our boundaries with the City of Cleveland, we automatically inherit many of their problems. We currently are planning no large improvement pro-grams or, for that matter, any borrowing of any kind in an attempt to maintain our tax rate and help our residents in these trying times. However, should we have to borrow for government purposes it would be a tremendous help to have the alternative to either using tax exempted and/or taxable bonds with federal subsidies as a means of providing our operating necessities.

I would appreciate any further comments you might have about any more information as it develops on this subject.

My sincere best wishes. Very truly yours,

JOHN PETRUSKA, Mayor.

CITY OF BROOK PARK, Brook Park, Ohio, February 22, 1977. Hon. EDWARD M. KENNEDY, U.S. Senate,

Washington, D.C.

DEAR SENATOR KENNEDY: This letter is in response to your letter of January 21, 1977, received in my office on February 17, 1977, with reference to the TBO Option on interest

expense on the issuance of taxable bonds.

The City of Brook Park is very much interested in this type of option. I think it would encourage the communities to issue debentures if they knew that they were going to receive some form of interest reduction on bond payoffs. I do believe this is a step in the right direction, and I am interested in finding more out on this particular bill and knowing which direction the bill is going

Respectfully yours,

ANGELO WEDO, Mayor.

Office of the City Commission, Dayton, Ohio, March 14, 1977. Hon. EDWARD M. KENNEDY,

Senate Office Building, Washington, D.C.

DEAR SENATOR KENNEDY: Thank you for your letter requesting my comments on the taxable bond option (TBO) proposal recently introduced in the Senate.

Last year I personally endorsed the objectives of your Municipal Capital Market Improvement Act which also would have provided a 40% Federal interest subsidy for local government debt. The TBO would indeed broaden investor interest in such securities and act to stabilize the market in my opinion.

I strongly believe, however, any subsidy appropriation must be permanent. Annual appropriations would only increase the uncertainty for local government issuers and investors alike. And, quite frankly, because of the difficulty in obtaining permanent appropriations for General Revenue Sharing, I am not convinced that a subsidy appropriation spanning the average 20-year life of municipal bonds is at all likely.

I sincerely appreciate the opportunity to comment on the TBO. You and Senators Pete Williams and Dennis DeConcini are to be commended for advancing a practical ap-proach to solving some of the capital financing problems now facing municipalities.

Yours very truly,

JAMES H. MCGEE.

ELYRIA, OHIO, March 14, 1977.

Hon. EDWARD M. KENNEDY, U.S. Senator, Senate Office Building, Wash-ington, D.C.

DEAR SENATOR KENNEDY: If my interpretation of your proposal on taxable bonds is correct, I cannot favor such a move.

Opening the door to allow school, municipal, or other governmental bonds to become taxable removes one of the key aspects which makes them so desirable.

You state that this would be a taxable bond "option". My fear is once it becomes an option, then it will become standard. If this happens, governmental agencies will be forced to compete on the standard stock and bond market.

The fourth paragraph in your letter states, and I quote, "I believe that the TBO offers an effective economic and no strings method of channeling needed federal aid to the states". I have yet to see such legislation as "no strings" passed by the federal govern-ment. Other systems have been set up to channel money to state and local governments with this same approach. As time passes, we are so entwined in strings it is impossible to move.

Your intentions may be honorable but I have to say that I prefer you look to other areas rather than taxable bonds.

Sincerely

MARGUERITE E. BOWMAN, Mayor, City of Elyria.

PENNSYLVANIA

CITY OF ALLENTOWN, PA. March 2, 1977.

Hon. EDWARD M. KENNEDY, U.S. Senate, Washington, D.C.

DEAR SENATOR KENNEDY: After a careful review of your proposed legislation pertain-ing to the "taxable bond option" (TBO) and relevant background material associated with this approach, I firmly believe that it will provide benefits to municipal governments that must deal in the very fluid bond market to secure funding for their needed capital programs.

While the City of Allentown has been very fortunate in its funding efforts in the municipal bond market because of our excellent bond ratings, I recognize though that many cities throughout our country have had and will continue to have difficult times raising needed capital through the municipal bond market; hence, there is a need for this legislation.

This proposed legislation directly faces the concern expressed by many that the demand for bonds in the tax-exempt municipal bond market has been insufficient to absorb the supply without increases in interest. As interest costs increase for municipal governments, total debt service costs proliferate and the amount of capital project activities that can be assumed must be reduced. A good aspect of this legislation is that it should stabilize this supply-demand equation in the municipal bond market by appealing to investors heretofore not interested in tax-exempt bonds.

Another strong point is that any local government does not need federal approval when taxable bonds would be issued. The automatic payment of the federal interest subsidy provides what approaches the ideal situation where local governments do not incur additional time-consuming and often complicated requirements to comply with federal programs. This is a very commendable aspect of your proposed legislation.

In this rather unstable economic period, municipal governments have found it increasingly difficult to maintain basic service levels, let alone provide new services and programs. The tax base of many cities, especially those in the northeast, like Allentown, supported primarily by real estate lev-les, is not growing at a rate to keep up with the increasing cost of living. In the absence of some innovative legislation, the long-term outlook is not optimistic.

While it is not a panacea, I consider the taxable bond option as a very positive par-tial approach to meet the long-term and varied financial needs of municipal govern-

I support your taxable bond option legis lation, and sincerely hope that its passage will be the foundation for other innovative financial support for municipal governments. Sincerely, JOSEPH S. DADDONA, Mayor.

THE CITY OF YORK, PA., March 3, 1977.

Hon. EDWARD M. KENNEDY, U.S. Senate,

Washington, D.C. SENATOR KENNEDY: I wish to acknowledge receipt of your letter of January 21, 1977, wherein you express desire to re ceive commitments relative to Senate Bill 261, cited as the Municipal Taxable Bond Alternative Act of 1977.

I would like to make a couple of observations relative to this proposed legislation. First of all, the Taxable Bond Option would provide a "relief valve" for municipalities that do not enjoy a favorable credit rating, thus enabling them to market tax exempt bonds. They could, of course, with the passage of your proposed legislation, turn to taxable bonds and in all probability still enjoy a very favorable interest rate. If the Taxable Bond Option becomes law, it would possibly open the bond market to more investors. People who do not normally buy tax exempt bonds may consider buying taxable municipal bonds. In my opinion, the use of the Taxable Bond Option, if passed, would to a great degree depend upon market conditions at the time when a municipality wishes to bring an issue to market. These market conditions would pretty much indicate the option that would be chosen by the municipality; i.e., taxable vs. tax exempt.

A concern that I have, however, as a result of reading through the Congressional Record and the Bill, is one relative to Federal involvement. You speak to a minimum amount of Federal involvement, and as you have the legislation written it appears as though this would be the case. I cannot help but recall other Federal legislation involving local government that was written in a similar fashion, and the regulations prepared by various agencies implementing the legislation created a situation wherein the original intent of the law was weakened severely. I would hope that this would not be the case if Senate Bill 261 is, in fact, ultimately passed.

As an elected local government official and Mayor of a city, I am certain that you can realize that I would naturally have concern relative to further restrictions that would prove to be a burden on city government; therefore, I would ask, Mr. Senator, that you continue in your endeavors relative to this proposed legislation to keep the Federal restrictions to a minimum. If this cannot be done, I feel that the intent of the legislation will be defeated by regulations imposed.

I wish to thank you for giving me an opportunity to share my thoughts with you your Municipal Taxable Bond relative to Alternative Act of 1977.

Sincerely yours,

JOHN D. KROUT, Mayor.

CITY OF PHILADELPHIA, April 7, 1977.

Hon. EDWARD M. KENNEDY,

U.S. Senate, Washington, D.C.

DEAR SENATOR KENNEDY: We have considered S. 261 and are favorably disposed to it.

We believe that a Federal subsidy of 40% of the interest on taxable bond issues would make such issues attractive to a substantial number of both individual and institutional investors who for one reason or another are not now among those investing in the City's tax-free obligations.

As we interpret the Bill, it would require that all the bonds of a specific issue be made taxable should the City elect to issue taxable bonds.

On the other hand, it is our belief that the Bill would not preclude our offering simultaneously or in near proximity other bond issues in respect to which interest

would be tax free.

Because this legislation would act to expand the market for municipal bonds, it has our full support subject to the foregoing stated assumption.

Sincerely

FRANK L. RIZZO.

RHODE ISLAND

CITY HALL,

Newport, R.I., February 25, 1977.

Hon. Edward M. Kennedy, Senator from Massachusetts, Senate Office

Building, Washington, D.C.
DEAR SENATOR KENNEDY: I am writing in response to your letter of January 21, 1977, concerning legislation you have introduced for a taxable bond option for municipal bonds with a 40% federal subsidy of the interest costs.

The only questions which have been raised locally concerning this legislation are:

1. Will it be used at a later date to take away the tax exempt status of Municipal and State Bonds?

2. At some future date would the Federal Government refuse to appropriate the subsidy, leaving the municipal governments with a balance of high interest rates to cover?

Inasmuch as these are questions concerning the intent of, or faith in, the Federal Government, they are not of practical significance in opposing the legislation.

For your information, the City of Newport bond issues have been small enough to market within the State so that we have not been forced to go to the National market. However, I strongly support any legislation which is designed to give us that option and I appreciate your efforts in behalf of the hard-pressed municipalities.

Sincerely, HUMPHREY J. DONNELLY III, Mayor.

SOUTH DAKOTA

STATE OF SOUTH DAKOTA, Pierre, February 25, 1977.

Sen. EDWARD M. KENNEDY. U.S. Senate, Washington, D.C.

DEAR SENATOR KENNEDY: Thank you for your information letter on the Taxable Bonding Options legislation proposal (S. 261) that you have introduced to the United States Senate.

As states look into the future development of their resources, finance options are generally quite limited. This legislation would indeed provide states with a new option for financing capital improvements and economic development. It would give states access to a new portion of the investment market place. Indeed, I support such legislation.

The existing tax exempt bonding mechanism has served and continues to serve South Dakota's need quite well. It has consistently provided us with a good bond rating and the selling of our bonds in the market place has never been difficult. Yet, I recognize our obligations as public servants to correct those inefficiencies and to maximize the public's tax dollar. That is what is involved here-a chance to increase the amount of benefits to the states per federal dollar involved from sixty-seven cents to seven dollars.

If our eyes are to be to the future, we must move to expand the financial base upon which these entities rest. Competing in the taxable bond market place for investment dollars would be one means of doing this.

Again, I support your efforts to make this option available and wish you all of the best in your endeavor. With every best wish, I remain

Sincerely.

RICHARD F. KNEIP, Governor.

TENNESSEE

STATE OF TENNESSEE. EXECUTIVE CHAMBER Nashville, January 28, 1977.

Hon. Edward M. Kennedy, Senate Office Building, Washington, D.C.

DEAR SENATOR KENNEDY: Thank you for your letter of January 18, 1977, with enclosure requesting my views on S. 261.

I am familiar with the provisions of this proposed legislation and share your view that it offers an effective, practical, and economic method of providing Federal financial assistance to help state and local governments without intrusion into their affairs. I have communicated my interest to the Tennessee Congressional Delegation and have asked that they support the measure.

I believe enactment of this legislation will ultimately serve to reduce Federal costs and encourage private sector investment. I applaud your initiative and hope your efforts prove to be fruitful.

Sincerely.

RAY BLANTON, Governor. CITY OF KNOXVILLE, TENN., City Hall Park, April 5, 1977.

Hon. EDWARD M. KENNEDY,

U.S. Senator, Washington, D.C.

Re S. 261, 40 percent Federal Subsidy on Municipal Taxable Bonds.

DEAR SENATOR KENNEDY: I apologize for being so delinquent in responding to your letter of January 21, 1977, concerning the proposed legislation on the above-referenced subject.

I am aware that you have been instrumental in authorizing legislation to aid in the recovery of the general economy of the nation, and I want to take this opportunity to commend you on your efforts in this regard. I feel that the legislation regarding the Federal subsidy on municipal taxable bonds has considerable merit in that it does. indeed offer State and Local governments an alternative in the method of funding an ever increasing need for capital funds. This proposed additional method is particularly important in that it does not preclude nor interfere with the option to issue non-taxable indebtedness. This option would obviously permit more financial institutions to enter the market and compete for available dollars. However, I do not feel that the option of municipal taxable bonds is without limitations. The greatest potential problem, and perhaps a probability, is that taxable bonds would drive the interest rate high enough to defeat the purpose and intent of the 40 percent Federal subsidy. For example, it would take a taxable bond issue of 12 percent in order for the purchase to be profitable if the purchaser of the bonds was in a 50 percent bracket. Most banks and individuals who purchase non-taxable municipal bonds happen to be in the 50 percent bracket. If these bonds could sell at a rate as low as 10 percent in today's market, such institutions as savings and loan associations and savings banks and pension funds would be attracted, and most of these institutions are in a 30 percent tax bracket. A large portion of such bonds would, in all likelihood, be placed in retirement and pension funds. Thus, the taxpayer would ultimately subsidize the higher cost of money to the government since these funds pay no taxes. Additionally, the possibility that non-credit worthy institutions would be able to enter the market and compete for dollars must be guarded against.

In conclusion, I feel that the merits of this legislation far outweigh the demerits and that it offers a viable alternative to the funding of capital needs of State and Local governments. I wish you success in your efforts to get this legislation approved by the House Senate. If I could be of assistance in your endeavor, please do not hesitate to con-

Yours truly.

RANDY TYREE Mayor.

CITY OF AMARILLO, Amarillo, Tex., February 22, 1977.

Hon. EDWARD M. KENNEDY,

U.S. Senate,

tact me.

Washington, D.C.

DEAR SENATOR KENNEDY: Reference is made to your letter of January 21, 1977 enclosing a copy of Senate Bill 261 and requesting comments.

We in Amarillo, are opposed to taxable bond option legislation. We have not found any difficulty in marketing the City of Amarillo Bonds.

The contents of the Bill have been reviewed and we are not convinced that this proposed subsidy is the answer to the fiscal problems of many of our cities. Are you going to encourage fiscal irresponsibility with such a Federal subsidy? We hope not.

Again, as stated above, we are opposed to this taxable bond option legislation. Sincerely,

JOHN C DRUMMOND, Mayor.

CITY OF AUSTIN. OFFICE OF THE MAYOR, March 3, 1977.

Hon. EDWARD M. KENNEDY, U.S. Senate, Washington, D.C.

Re S-262: Municipal Taxable Bond Alternative Act of 1977.

DEAR SENATOR KENNEDY: Like the swallows to Capistrano, the senate bill proposing waiving of the tax exempt status by cities

has surfaced again in January.

The City of Austin does not endorse any alteration of the present exemption of local government bond interest. There has been no demonstration to us of the need to expand the municipal market, and the taxable bond proposal would not do this. Under the proposed attraction of reducing taxes for almost every citizen, the taxable bond proposal would in fact increase the taxes of almost every taxpayer in the nation. The taxable bond would allow the Federal government deeply into the business of financing schools, roads, mental institutions, and other public projects.

The proposed legislation, obviously in support of poorly managed and destitute cities primarily in the northeastern section of the United States, serves no useful purpose to provident municipal government. The obvious inconsistencies of the bill, on the one hand disclaiming any material deviation from the current practice yet in the same breath praising substantial differences in savings to the taxpayer, are direct opposites. As a provident city, we in Austin, Texas resent the wordbending of the phrase "Federal tax subsidy."

A taxable municipal bond would displace local government marketing channels that have served our City well. Most importantly, there is the increased inherent danger of federal control and the loss of basic determination and decision-making authority.

The City of Austin feels that the taxable

bond proposal merits further analysis and very careful deliberation. Now is not the time for its enaction since its practical justification has not been made to us.

Sincerely,

JEFFREY M. FRIEDMAN,

MO Mayor.

> CITY OF DALLAS, March 7, 1977.

Senator EDWARD KENNEDY, U.S. Senate, Washington, D.C.

DEAR SENATOR KENNEDY: In February 1976, members of the Dallas City Council reviewed a proposal known as "The Municipal Capital Market Improvement Act" (S. 2800). At that time, by resolution of the City Council, the Council requested the Texas Congressional delegation to oppose the adoption of this bill

Recently our comments and reaction were solicited on proposed legislation (S. 261) the "taxable bond option." This proposal would allow State and local governments the option to issue taxable obligations and receive a Federal subsidy of 40% of the interest yield of such securities.

In keeping with our earlier decision, the City of Dallas cannot support it because we believe it is fundamentally wrong. It infringes upon the basic rights and freedoms given to local and state governments in the Constitution and in Supreme Court case law thereof. One case in point is the Supreme

Court decision in Mercantile Bank v. City of New York, 7 Sup. Ct. 826, (1887) which said.

"Bonds issued by the State of New York or under its authority by its public body, are means for carrying on the work of government, and are not taxable even by the United States, and it is not a part of the policy of the government which issues them to subject them to taxation for its own purposes."

Also disconcerting, despite assurances to

the contrary, are:
The impact that the taxable bond option would have on municipalities that choose the Federal subsidy option. Will they be as attractive and competitive as other taxable issues? (i.e. large corporations or utility issues?) It's doubtful. And the impact could severely limit this market for municipalities.

The increased tax burden upon local taxpayers who must support another Federal subsidy program.

The provisions which were included to gather local and state government support could be altered or eliminated by later Congressional action.

A proposal which appears to support excessive debt and fiscal irresponsibility, and the cost for such a proposal will be by those whose fiscal house is in order.

For these reasons, the City of Dallas cannot support your proposal and will actively oppose it through the Texas Congressional delegation. I hope that these points will be considered in the deliberation of this bill.

On behalf of the members of the City Council, I want to extend my appreciation to you for the service you're performing for our country and the opportunity you've given the City of Dallas to participate in the legislative process.

Sincerely,

ROBERT S. FOLSOM, Mayor.

CITY OF WICHITA FALLS, OFFICE OF CITY MANAGER, Wichita Falls, Tex., March 30, 1977.

Hon. EDWARD M. KENNEDY, U.S. Senate, Senate Office Building, Washington, D.C.

DEAR SENATOR KENNEDY: I am in receipt of your letter dated January 21, 1977 to Mayor J. C. Boyd concerning the introduction of S. 261. This legislation would provide for a 40% federal interest subsidy for state and local governments electing to issue taxable bonds.

It is my firm belief that the present non-taxable status for municipal bonds with market conditions determining interest rates is the best situation for local and state governments. There is no way in my mind that a federal interest subsidy would be offered with no federal strings attached. Therefore, would oppose S. 261 as being unnecessary at this time and a possible infringement on states and local rights.

If you have any further questions on this regard, feel free to contact me. I appreciate the opportunity to comment upon this piece of legislation.

Very truly yours,

GERALD G. FOX, City Manager.

VIRGINIA

COMMONWEALTH OF VIRGINIA, OFFICE OF THE GOVERNOR, Richmond, Va., February 23, 1977.

Hon. EDWARD M. KENNEDY, U.S. Senate,

Washington, D.C.

DEAR SENATOR KENNEDY: Governor Godwin has requested that I respond to your letter of January 18 concerning legislation introduced by you and Senators Williams and DeConcini (S. 261) proposing a 40% federal interest subsidy for State and local governments that elect to issue taxable bonds.

The concept is an intriguing one and does have appeal for those States and localities that have credit problems. Fortunately, Virginia is not one of those, and we are of the opinion that the taxable bond option device is another inroad by the Federal government into affairs which have traditionally been the prerogative of State and local governments. Also, should the taxable bond option be enacted, the question of the permanence of the subsidy would be a matter of grave concern.

We appreciate your asking for our com-ments, but at this time we must register our opposition to the concept.

Sincerely,

MAURICE B. ROWE, Secretary of Administration and Finance.

SUFFOLK BICENTENNIAL CITY, OF-FICE OF THE MAYOR AND CITY COUNCIL.

Suffolk, Va., March 16, 1977.

Sen. EDWARD M. KENNEDY,

U.S. Senate, Washington, D.C.

DEAR SENATOR KENNEDY: This is in response to your letter of January 21, 1977 pertaining to the legislation which you are co-sponsoring to create a "taxable bond option"

I must say that my initial reaction to this legislation was negative for fear that local governments would loose the ability to issue tax exempt bonds. However, after extensive review of this legislation, I feel that its passage would be beneficial to local governments provided that there are sufficient mechanisms to guard tax exempt status for those municipalities desiring to pursue this

I thank you for giving me an opportunity to comment on this matter. Should you have further questions, please do not hesitate to call upon me.

Sincerely yours,

JAMES F. HOPE, Mayor.

WASHINGTON

STATE OF WASHINGTON, OFFICE OF THE GOVERNOR Olympia, March 23, 1977.

Hon. EDWARD M. KENNEDY,

U.S. Senate,

Washington, D.C.

DEAR SENATOR KENNEDY: Thank you for the information related to S. 261 proposing a 40 percent Federal interest subsidy for state and local governments that elect to issue taxable bonds.

This question has never been seriously addressed in Washington State to the best of my knowledge. We are not experiencing any difficulty in financing with tax exempt bonds

issued in the usual manner.

I must say, I have some reluctance to assist in programs dependent on Federal revenues when another acceptable alternative is available, and while it may be true that tax exemption now granted municipal and state securities represents an indirect subsidy, continuation of that procedure does not entail any positive action on the part of the Federal government over long periods of time such as fifty years.

Sincerely,

DIXY LEE RAY, Governor.

Office of the Mayor, Bellingham, Wash., February 25, 1977. Hon. Edward M. Kennedy, U.S. Senate, Old Senate Office Building, Washington, D.C.

DEAR SENATOR KENNEDY: Thank you for your letter of January 21st regarding the proposed 40-percent federal interest subsidy

for state and local governments that elect to issue taxable bonds.

In reviewing the proposed legislation, have come to the conclusion that it would be of doubtful benefit to the City of Bellingham.

In your letter you state that the proposal is to assist financially plagued cities who are having trouble raising capital on the open market. The City of Bellingham does not fall into this category.

We feel the overall effect of the program will probably be to drive all interest rates up because of the placing of governmental issues in competition with present corporate issues. The law of supply and demand of dollars bidding for more issues will drive the interest costs up.

One other factor that concerns us is the feeling that this would only be the first step in eliminating the tax exempt issues, which has been considered before. Secondly, we have the concern that the Federal Government might find the subsidy so high that the subsidy rate would be reduced and/or elimi-

I do appreciate your giving us the opportunity to express to you our ideas on your proposed legislation.

Sincerely,

KEN HERTZ, Mayor, City of Bellingham.

CITY OF SEATTLE, OFFICE OF THE MAYOR, March 10, 1977.

Hon, EDWARD M. KENNEDY. U.S. Senate.

Washington, D.C.

DEAR SENATOR KENNEDY: Thank you for soliciting my comments concerning S. 261 which you and Senators DeConcini and Williams introduced. This legislation would offer much greater flexibility to state and local government entities in the selling of bonds.

This legislation is particularly welcome because it allows a City issuing bonds to elect a subsidized taxable or a tax exempt option separately for each issue. This means we can take advantage of whichever option is most advantageous to us at a given point in time.

Since many corporate issues are presently yielding about 8.25 to 8.5 percent and since this City's AA bond rating should permit us to obtain a similar rate Seattle would almost certainly benefit from this legislation under present market conditions. We are presently considering an \$8.8 million general obligation issue. We had hoped for an interest rate of about 5.5 percent. This legislation could reduce what we would have to pay to perhaps 5.1 percent. This could save the City about \$25,000 per year for 20 years. One unknown factor is the willingness of

investors to forego the tax advantages offered under the present law. Seattle does not now have any difficulties in marketing its bonds in the tax exempt market. Whether we might be less successful in the taxable market is an open question.

However, I believe that the very tangible advantages which this legislation offers to state and local governments far outweigh any possible disadvantages in the bond mar-

Thank you again for asking me to com-ment about this excellent legislation. I wish you the best of luck in securing its passage and stand ready to assist you in your efforts to do so.

Sincerely.

WES UHLMAN, Mayor

FEBRUARY 16, 1977.

Hon. EDWARD M. KENNEDY, U.S. Senate,

Russell Senate Office Building

Washington, D.C.

DEAR SENATOR KENNEDY: It was with considerable interest that I noted the introduction of S. 261, the Municipal Taxable Bond Alternative Act of 1977, a bill to provide a 40% Federal interest subsidy for state and local governments that elect to issue taxable bonds

As I stated to you in my letter of January 23, 1976, in support of S. 2800, my position on this issue is consistent with that of the Municipal Finance Officers Association (MFOA), i.e., in opposition to anything that infringes on tax exemption and its free use for legitimate governmental purposes. The key features of this legislation as I see them are: completely free and irrevocable option by the issuer: preservation of the interest subsidy; absence of Federal involvement in state and local affairs; the permanent appropriation; and the automatic qualification fea-

Mr. Andre Blum, Director of Administration for the City of Madison, testified on June 7, 1976 before the Finance Committee of the United States Senate on S. 2800. He represented the Municipal Finance Officers Association, but was also expressing my sentiments. A copy of his testimony is attached, along with the most recent MFOA resolution relating to the taxable bond option.

As I stated in my earlier letter, there is another issue which should also be addressed during consideration of TBO legislation, i.e., the proliferation of tax exempt pollution control, industrial development and advance refunding bonds. If we are to address the problem of a saturated tax exempt bond market, it would seem reasonable that these non-public improvement related securities should be severely reduced or completely eliminated. Although there may be reasonable difference of opinion regarding the Fedintrusion into the municipal bond market, I believe all issuers are united in their support of a free and continuing market for tax exempt bonds. I hope you will be able to take some meaningful action to limit these non-essential tax exempt bonds.

Sincerely.

PAUL R. SOGLIN. Mayor.

MFOA ANNUAL CONFERENCE-MFOA RESOLUTIONS

MFOA members have adopted the following resolutions of prime importance to municipal finance officials. Should there be any questions or comments regarding these resolutions, please contact: MFOA, 1313 East 60th Street, Chicago, IL 60637. 312/947-2550. These resolutions were adopted Wednesday, May 5, 1976 at the MFOA Annual Conference in San Francisco, California.

TAXABLE BOND OPTION

Whereas, the Municipal Finance Officers Association both has defended and sought to strengthen the present system of tax-exemption of interest on municipal bonds, the attributes of which are contained in its pol-

icy of May 28, 1969 which required:
1. Conformity to the Constitution, preserving the Federal system by protecting state and local governments from Federal com-

2. Freedom from Federal controls of policy decisions which are properly the sole province of state and local governments.

3. A saving in the cost of borrowing—with-

which the present urban crisis would become more aggravated by requiring increased property, sales and other local taxes, and a reduction in essential services.

4. Freedom from the uncertainties of the

recurrent annual federal appropriation process to obtain state and municipal capital needs or any portion of their interest costs.

5. Protection of and freedom of access to viable capital markets of their own choice without reliance on a dominant Federal fi-

nancial institution.

6. Expedition in their borrowing, free of the delay of Federal clearances which can make them miss their optimum interest market timing and can force them into increased

capital costs as construction costs continue to rise: and.

Whereas, the Association has sought in ways that are consistent with the above policy to assist in the resolution of the fiscal dilemma of many governmental borrowers and to moderate the strains that occur from time to time in the market for their obligations.

Therefore, be it resolved, that the Municipal Finance Officers Association believes that the present proposed legislation to provide for a taxable bond option for state and local government issuers in its current form does not conform with the above stated long-standing policy and is not in the best instate and local governments until it is modified to ensure that the benefits to state and local government are compatible with those inherent in the tax-exemption of municipal bonds. In particular, any tax-able bond option legislation should contain the following features:

1. Ease of borrowing must be retained and there must be freedom from procedural un-

certainties and delay.

2. Any exercise of an option shall be as to an individual issue of bonds and not preclude future issuance on a tax-exempt basis.

3. The federal interest portion shall be fully guaranteed and beyond question as to the continuing fulfillment of the federal government's pledge.

4. Any such option should be restricted to governmentally-owned and operated facili-

ties and their activities.

The MFOA Executive Board, through its Governmental Debt Administration Committee, is authorized and directed to work with interested groups in. . . .

STATEMENT OF ANDRE BLUM

My name is Andre Blum, Director of Administration for the City of Madison, Wis-consin and a member of the Municipal Finance Officers Association Committee on Governmental Debt Administration. With me is Michael S. Zarin, Chief, Finance Division, Law Department of the Port Authority of York and New Jersey and also a member of the Committee on Governmental Debt Administration of the MFOA. The Municipal Finance Officers Association of the United States and Canada represents 5,500 members who are Federal, State and local government financial officials, appointive or elective, and public finance specialists.

I will direct my testimony to the three considerations before us today concerning proposals that would affect the present tax-exempt market for municipal securities. These issues are a taxable bond option, imposition of a minimum tax on the currently tax-exempt interest from municipal bonds, and the repeal of tax-exemption.

THE TAXABLE BOND OPTION

The MFOA does not support either of the current proposals on a taxable bond option— S. 3211, Senator Kennedy's bill, or H.R. 12774 the bill reported by the House Ways and Means Committee. However, at its Annual Conference in San Francisco May 2-6, the MFOA membership adopted a resolution, a copy which is attached as Appendix "A", which acepts the concept of a taxable bond option provided it meets the following cri-

It must retain the ease of borrowing and there must be freedom from procedural uncertainties and delay;

Any exercise of an option shall be as to an individual issue of bonds and shall not preclude future issuance on a tax-exempt

The federal interest portion shall be fully guaranteed and beyond question as to the continuing fulfillment of the federal govern-ment's pledge; and

Any such option should be restricted to

governmentally owned and operated facilities and their activities.

These four criteria, MFOA feels, would strengthen the present system of tax-exemption of interest on municipal bonds and maintain the attributes of the present market which are outlined in the Association's long-standing policy. Essentially, these attriunquestionable constitutionbutes are (1) ality, (2) freedom from federal controls, (3) saving in interest costs, (4) freedom from the uncertainties of recurrent annual federal appropriation processes, (5) retention of viacompetitive private marketing channels (6) expedition in borowing, free from the delay of federal clearance.

At this point, it is only fair to say that although the resolution was accepted by a majority of the MFOA membership, there remains a basic disagreement whether or not a taxable bond option could be consistent with the preservation of the tax-exempt market. That debate—and both sides are well-represented in our group-has both its economic and political dimensions.

Despite the difficulties in the application of our criteria, we do think they accurately reflect what should be targets (or constraints) for federal policy in the area. For unless an alternative such as the taxable bond option can be shown to be congenial with such criteria, then the path of policy is clearly one leading to operation.

With this perspective in mind, the MFOA is pledged to working with Congress as well other interested groups to perfect tax-

able bond option legislation.

In spite of our mixed emotions on the taxable bond option issue, the Association is sensitive to the need to broaden and make more efficient the market for the debt of all borrowers. To that effect, the MFOA membership also adopted a resolution (a copy of which is attached as Appendix "B") calling for Congress to amend the Internal Revenue code to permit the pass through of taxexempt interest income to the shareholders of regulated investment companies (mutual

PRESERVING THE TAX-EXEMPTION OF MUNICIPAL SECURITIES

Our position on the retention of taxexemption for traditional governmental purposes is unequivocal: We oppose any changes in the existing law that would deny its use or diminish its value for legitimate state and local governmental purposes. These changes would include a minimum tax on the interest of municipal securities and the repeal of tax-exemption in its entirety.

We have also been asked by the National League of Cities and the National Association of Counties to inform you that their policy positions are in concert with ours.

Therefore, I believe that the issues involved in a taxable bond option or other alternatives can be much more clearly drawn if such market-assisting proposals are not combined with measures to tax, directly or indirectly, the interest income on conventional municipal bonds. This combination occurred in the Tax Reform package the House passed in 1969; to proffer a trade of a taxable bond option for the taxation of the tax-exempt bond was hardly to offer an appealing alternative. I can assure the Committee that were such an "alternative" to be placed before issuers again the reaction would be instant and widespread. I strongly urge that the Committee keep the optional concept a meaningful one and not attach to it tax changes that either would erode its value or undermine the value of tax-exemption. Surely not a worse time could be found to propose to tax traditional tax-exempt securities and to add to the already heavy burdens and uncertainties of state and local finance.

This ends my testimony. We will be happy to answer any questions you have.

APPENDIX A

RESOLUTION ON TAXABLE BOND OPTION

Whereas the Municipal Finance Officers Association both has defended and sought to strengthen the present system of tax-exemption of interest on municipal bonds, the attributes of which are contained in its policy of May 28, 1969 which required:

- 1. Conformity to the Constitution, preserving the Federal system by protecting state and local governments from Federal compulsion.
- 2. Freedom from Federal controls of policy decisions which are properly the sole pro-vince of state and local governments.
- 3. A saving in the cost of borrowing—with-out which the present urban crisis would become more aggravated by requiring creased property, sales and other local taxes, and a reduction in essential services.
- 4. Freedom from the uncertainties of the recurrent annual Federal appropriation process to obtain state and municipal capital needs or any portion of their interest costs.

5. Protection of and freedom of access to viable capital markets of their own choice without reliance on a dominant Federal fi-

nancial institution.

6. Expedition in their borrowing, free of the delay of Federal clearances which can make them miss their optimum interest market them miss their optimize them into in-creased capital costs as construction costs continue to rise.

Whereas the Association has sought in ways that are consistent with the above policy to assist in the resolution of the fiscal dilemma of many governmental borrowers and to moderate the strains that occur from time to time in the market for their obligations.

Therefore be it resolved that the Municipal Finance Officers Association believes that the present proposed legislation to provide for taxable bond option for state and local government issuers in its current form does not conform with the above stated longstanding policy and is not in the best interests of state and local governments until it is modified to ensure that the benefits to state and local government are compatible with those inherent in the tax-exemption of municipal bonds. In particular, any taxable bond option legislation should contain the following features:

1. Ease of borrowing must be retained and there must be freedom from procedural un-

certainties and delay.

2. Any exercise of an option shall be as to an individual issue of bonds and not preclude future issuance on a tax-exempt basis.

3. The Federal interest portion shall be fully guaranteed and beyond question as to the continuing fulfillment of the Federal government's pledge.

4. Any such option should be restricted to governmentally owned and operated facil-

ities and their activities.

The MFOA Executive Board, through its Governmental Debt Administration Committee, is authorized and directed to work with interested groups in perfecting legislation and is to report back to the membership its progress in implementing this policy and to recommend further policy as may be appropriate.

Adopted May 5, 1976.

APPENDIX B

RESOLUTION ON PERMITTING MUTUAL FUND INVESTMENT IN MUNICIPAL SECURITIES

Whereas, the MFOA supports efforts to broaden the municipal bond market by promoting greater investment interest in and competition for municipal securities as a means to lowering borrowing costs and stabilizing the flow of credit to state and local borrowers, and

Whereas, mutual funds and other regulated investment companies under the Internal Revenue Code are not permitted to through tax-exempt interest income to their shareholders and this treatment is inconsistent with prevailing theory of mutual fund taxation which is to place such shareholders in the same position as if they owned the securities directly, and

Whereas, the present liability to pass through tax-exempt income unfairly denies investors that prefer to use this investment medium certain advantages of convenient investment techniques, diversification, and professional management when it comes to investment in tax-exempt securities, and

Whereas, the consequent inability of state and local governmental borrowers to enjoy the advantages of investment by mutual funds in tax-exempt securities unfairly and unnecessarily restricts the demand for such

Therefore, be it resolved that the MFOA supports such amendments to the Internal Revenue Code as may be required to permit the pass through of the municipal bond interest exemption to shareholders of regulated investment companies.

FEBRUARY 22, 1977.

Senator EDWARD M. KENNEDY.

U.S. Senate, Washington, D.C.

DEAR SENATOR KENNEDY: Mr. Fred H. Fuller, President of the Janesville City Council, has forwarded me your letter of 21 January, relative to Senate Bill 261 proposing a State and local "taxable bond option" with a Federal subsidy of the interest. In reviewing the information you sent to President Fuller, I can really see no benefit to local units of government, such as Janesville. Ours is a financially sound community. We were recently able to borrow money on short term promissory notes at 4% interest under the tax exempt interest law. It would appear that the Federal subsidy to the local and State units of govern-ment under the "taxable bond option" would only be enough to pay the difference in the debt service between a tax exempt bond and a taxable bond. Even though I cannot see any benefit to the City of Janesville from S. 261 I also do not see any detrimental effect. Sincerely yours,

PHILIP L. DEATON, City Manager.

COAL INDUSTRY FACES SEVERE PROBLEMS AS IT EXPANDS PRO-DUCTION TO SUPPLY ENERGY SOURCE FOR AMERICA

Mr. RANDOLPH. Mr. President, in his address to the Nation last night, President Carter sought to convince Americans that the energy crisis is real. I hope he is successful. He issued a warning of possible "national catastrophe" unless specific measures are taken for conservation of energy and firm policies adopted to create alternatives to the Nation's growing dependency on oil and natural gas. The President will further outline his energy proposals when he addresses the Congress Wednesday night.

One of the keystones of President Carter's seven goals toward a sound en-ergy program is to boost coal produc-

tion by two-thirds by 1985.

The President and his chief energy advisor, Dr. James Schlesinger, recognize that increasing the use of coal is a vital function of the Nation's attempt to attain greater self-sufficiency in energy matters in the years ahead.

They also know that any degree of energy self-sufficiency will require un-precedented growth of coal technology and coal production. The problem of increasing coal cutput reaches far beyond the problem of physical production; it encompasses environmental and social problems, shortages of trained technicians and manpower; lack of capital investment, construction materials, and machinery.

These attendant matters aside, the sheer challenge of utilizing in a safe and satisfactory manner our most abundant energy source to prevent a national catastrophe presents mind-boggling obstacles. Starting today, with full indus-try and governmental cooperation and support, it is doubtful that any significant growth of coal production can be achieved within Mr. Carter's 7-year time frame.

My claim rests on historic fact. An article appearing on April 11 in the Pittsburgh, Pa., Post-Gazette, by Business Editor Jack Markowitz, succinctly explains the tremendous problems which must be overcome. He used the annual report of Continental Oil Co., to symbolize for the entire coal industry a history of nongrowth.

Continental Oil, with its subsidiary Consolidation Coal Co., with substantial production in West Virginia, is one of the Nation's leading energy producers. The company is one of the most progressive and expansion-minded in the industry, but a number of adverse factors have served to actually decrease overall production from previous years. I ask unanimous consent that the article "Coal Profitable, Output Limps," be placed in the RECORD so that my colleagues and people generally may be aware that the goal of boosting coal production within the next several years may be one of the most challenging and difficult America has ever undertaken.

There being no objection, the article was ordered to be printed in the RECORD. as follows:

> COAL PROFITABLE, OUTPUT LIMPS (By Jack Markowitz)

The annual report of Continental Oil Co. discloses that the Pittsburgh-based subsidiary, Consolidation Coal Co., enjoyed by far its most profitable year in 1976, even though its 50 million tons of production came in under that of several years in the past decade.

Consol earned \$174.5 million, not quite per cent of Conoco's total profit of \$460 million. The coal unit improved on its 1975 net by more than 22 per cent and \$32 million, the fruit of higher prices, since production increased by less than 3 per cent.

Consol's profit of 1976 was 300 per cent ahead of '74's, however, and in 1973 the coal operation-considered the second largest in the U.S.-lost money. In the six years before that it never earned more than \$21 million or so. Continental Oil acquired Consol in

With President Carter's April 20 energy message to urge increased stress on coal, the impetus for additional growth at firms like Consol would appear self-evident.

Yet so far this year-badly bitten by winter, to be sure—the nation's coal output is down 12 million tons, or more than 7 per cent from a year ago. And there are informed skeptics who wonder just how profitable the

big push from the mines will be in the Age of Carter. Environmental and transportation bottlenecks-and a chaotic labor situationcould make it a struggle every inch of the way to put King Coal back on the energy throne.

The value that Continental Oil sees in Consol can be judged by two remarks in the oil company's report: 1) that 20 per cent of its \$1.1 billion capital spending program is ticketed for coal operations, some \$220 million; and 2) that it feels a "major concern" is the attitude expressed by some members of Congress that oil companies ought to "horizontally divest" coal properties. According to Conoco, such corporate surgery would only "seriously damage the nation's energy position . . . while falling to provide any beneficial results." This year's "principal uncertainty," though is a potential United Mine Workers' strike before its contract expires Dec. 6.

Consol estimates that it lost 3.2 million tons of unmined coal-6 per cent of its total 1976 production—to strikes and unauthorized work stoppages by UMW miners, and guessed the industrywide loss at 20 million

The firm claimed that even though its average mine-mouth price went up last year to \$20.64 a ton from \$20.09 in 1975, the average pre-tax profit margin on a ton of coal dropped 50 cents, from \$4.71 to \$4.21. Environmental programs cost it \$36 million, and reclamation costs of strip-mined land ranged from 40 cents to as high as \$6.25 ton of coal.

Consol expanded four mines last year, has six more in development at yearend to add nearly 5 million tons of capacity by early

But how quickly the industry has to march to an unprecedented tempo of expansion if it's to "bridge the energy gap" opened by declining oil and gas reserves was noted recently by economist Frank M. Sands of David L. Babson & Co. investment counsel. He said annual coal output rose just 22 per cent in the 1965-75 decade-but has to climb 86 per cent in '75-85 to reach a target 1.1 billion annual tons by mid next decade.

In seven of the past 25 years, says Sands, no net coal capacity was added at all; the average increase of the other 18 years was less than 8 million tons. Between now and 1985 the average yearly addition—to meet projections—has to be over 53 million tons.

Coal miner output has declined from 15 tons per day on average to 11 since the 1969 Mining Health and Safety Act was passed in 1969; wage costs per ton have more than doubled in the same period. Land reclaiming costs have soared—for one leading firm, according to Sands—from \$270 an acre in 1970 to over \$5,000 now; and President Carter is expected to pass a tougher strip mining law. Meanwhie, Sands says, half the coal feeding utility power plants does not comply with air pollution regulations-they're burning it under Environmental Protection Agency variances unlikely to be continued indefinitely.

Nor is the state of railroad track in the country now conducive to carrying the projected 300-million-ton increase in annual volume, says Sands. "It has been estimated that coal shipments from the west in 1985 would require a constant succession of milelong trains, one every 20 minutes, in both directions."

TAKING A HARD LOOK AT THE AD-MINISTRATION'S AUTO EMISSION PROPOSAL

Mr. RIEGLE. Mr. President, yesterday the administration presented its decision on auto emission control standards for model year 1978 and beyond. I am disturbed by the figures the administration is supporting, because I do not believe that they will provide what this country needs in terms of energy conservation savings, job protection, cost savings to the consumer, protecting the public health, and improving ambient air quality. Further, I am very concerned about the narrow range of advice solicited by the EPA to develop the standards proposed yesterday.

Last night President Carter stressed the urgent need that exists for the American people to unite behind a common effort to conserve energy. I took the President's message seriously and I am in full support of his national emphasis

on energy conservation.

But at the same time, I am puzzled at the administration's call for energy conservation on the one hand and its support of the auto emission schedule it proposed vesterday. If energy conservation is to be our goal—and I agree that it must be—then the administration's emission schedule is unduly stringent. It will cause the utilization of billions of gallons of additional gasoline and fuel more than the Riegle-Griffin/Dingell-Broyhill emission schedule and in the long term will not add significantly to the Nation's public health or ambient air quality goals. The potential losses it could create in fuel economy and employment in motor vehicle and related industries are great. In addition, Mr. President, missing from the administration proposal was adequate justification or sound evidence supporting its standards-certainly nothing equivalent to the interagency analysis produced last year by the Environmental Protection Agency, the Department of Transportation, and the Federal Energy Administration.

Along with Congressmen Dingell and BROYHILL and Senator GRIFFIN, I have asked for this information and have not received it. I do not know and am unable to determine the basis upon which the administration has made its emissions recommendations, but I am extremely concerned, because it has been done without the input of all of the interested parties-Government, industry, and private interest groups. The environmental interests have been well represented, and I do not oppose that. What I do object to is the administration's apparent lack of interest in the positions supported by those that will have to develop the technology to comply with these standards.

The emission standards proposed by the administration call for achieving a 0.41 gpm HC level by 1979, a 3.4 gpm CO level by 1981, and a 1.0 gpm NOx level by 1981, unless the EPA Administrator determines by 1980 that, based on health needs, a 0.4 gpm NOx level is necessary. The administration proposal also permits a waiver of the NOx level up to 1.5 gpm for diesels if they can meet the 1.0 gpm standard for 100,000 miles. In view of the considerable progress already made in improving the ambient air quality, and the technology available and cost involved in achieving these proposed standards, these reductions do not seem to represent reasonable and practical goals.

HYDROCARBONS-HO

I am seriously concerned about the 1979 0.4 gpm HC level recommended by the administration because of the fuel economy penalty it will create. Calculations using EPA methodology show that reaching the 0.41 gpm HC level by 1980, as proposed in S. 919 and H.R. 4444, will change the health impacts by less than 1 percent and will create a fuel economy penalty between 2 and 10 percent. With our national energy situation having reached crisis proportions this winter, I believe that this is a high price to pay for minimal gains in air quality. However, I am in support of achieving the 0.41 gpm HC level by 1980, because HC emissions are harmful and are one of the main components in smog formation. If any cleanup is to be accelerated, HC should be the priority.

CARBON MONOXIDE-CO

The 3.4 CO level the administration has proposed has been shown by the interagency task force on motor vehicle goals beyond 1980-the 300-day studyto be an unnecessarily stringent goal in terms of protecting the public health. This study also shows that every State in the country will meet air quality standards for CO by 1990 with the 9.0 gpm standard and, that by 1990, a 3.4-gpm standard will reduce CO contaminants by 83 percent while a 9.0-gpm standard will reduce those contaminants by 80 percent, a statistically negligible difference. In addition, the California Air Resources Board determined last year that a CO standard of 9.0 gpm was sufficient to protect the public health in the long

There are also very convincing technical arguments that support a longterm 9.0 gpm standard. Three-way catalyst cars have some difficulty meeting the 3.4 CO standard, especially when they have small engines-smaller engines produce higher levels of CO while the cars are accelerating. It is, however, the small engines that are being introduced in order to achieve better fuel economy. Accordingly any standard tighter than 9.0 gpm would have an impact on the ability of automobile manufacturers to meet the fuel economy standard that have been mandated by the Energy Policy and Conservation Act of 1975. And, from an air quality point of view, the Nation does not intend a tighter standard.

NITROUS OXIDES-NOX

The benefit of the 1.0 NOx level in the administration schedule must be weighed against technology availability and practicability, fuel consumption and cost of compliance. NOx presents a difficult problem, because its health consequences art not well known, yet it maintains the strongest correlation with mileage goals of all the auto pollutants. A flexible NOx level is critical at this point, because of the necessity to develop and implement alternative engine technologies, such as the diesel, the CVCC, the stratified charge, and the lean burn-all of which show great promise in achieving both improved air quality and fuel economy gains. The administration proposal provides a waiver for diesel engines only, and shows no indication of taking into consideration other alternative engine technologies.

Mr. President, it is critical that the auto emission question be evaluated in a broader context that includes energy, employment, health, and environmental concerns. It is important to the entire country—in particular to our ability to recover from the 1974–75 recession—and I urge Members to be aware of the impact the auto industry has on economic growth and vitality across the country.

Consider the following:

Nationwide, 14 million individuals—1 out of every 5—are employed in motor vehicle and related industries.

38 of the 50 states now share in the economic opportunities provided by the automobile industry.

More than 60% of the nation's motor vehicle and equipment industry employees derive their income outside Michigan.

Nearly 70% of all passenger cars, trucks and buses rolling off U.S. production lines are assembled outside Michigan.

The economy of every State in the country is to some degree affected by the auto industry. Further, the auto industry functions in an economic chain reaction. When the number of auto sales decreases, the impact is felt in related industries: Recent estimates indicate that a drop of \$1 billion in auto sales results in a loss of 57,000 jobs.

These are only some of the factors that need to be taken into consideration when evaluating the auto emission question. HC and CO have geen reduced 83 percent compared to the precontrolled cars of the late 1960's; NOx has been reduced 38 percent. Air quality has improved and will continue to improve as older, high polluting cars are replaced by newer automobiles.

We must, therefore, focus, on reaching the right tradeoff between further pollution controls and what they will cost the economy, the consumer, and our national energy supply. None of these economic considerations was addressed by the administration in proposing its emission standards. I believe that the administration's auto emission proposal will not achieve this critically needed tradeoff, and will instead cost the economy more in terms of energy and jobs than is necessary and than it can afford. The public health and the ambient air quality can be protected without the strict controls advocated by the administration, and the energy and economic savings will be significant.

I urge my colleagues to evaluate these arguments carefully as they reach a decision on the auto emission question.

(This concludes additional statements submitted today.)

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, is morning business closed?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

TAX REDUCTION AND SIMPLIFI-CATION ACT OF 1977

The PRESIDING OFFICER. Under the previous order, the Senate will now resume the consideration of the unfinished business, H.R. 3477, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (H.R. 3477) to provide for a refund of 1976 individual income taxes, and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

The Senate resumed the consideration of the bill which had been reported from the Committee on Finance, with amendments, as follows:

On page 2, following "Sec. 112. Special payment to recipients of aid to families with dependent children under approved State plans," insert "Sec. 113. Special Payment to recipients of certain veterans' benefits."; On page 2, Sec. 113., strike "113" and in-

sert "114":

On page 2, following "Sec. 114. Provisions applicable to special payments generally." insert "Sec. 115. Termination of 1975 special payments to certain individuals.";

On page 2, Sec. 302, strike "New jobs credit" and insert "Alternative economic stimulus credits";

On page 2, following sec. 302, insert the following:

TITLE IV-PROVISIONS RELATING EFFECTIVE DATES AND OTHER PRO-VISIONS OF THE TAX REFORM ACT OF 1976

Sec. 401. Effective date of changes in the exclusion for sick pay.

Sec. 402. Changes in treatment of income earned abroad by United States citizens living or residing abroad.

Sec. 403. Underpayments of estimated tax. Sec. 404. Underwithholding.

Sec. 405. Interest on underpayments of tax.

Sec. 406. Use of residence as day care facility.

Sec. 407. State legislators' travel expenses away from home.

TITLE V—ECONOMIC IMPACT STUDIES Sec. 501. Economic impact studies.

TITLE VI-MISCELLANEOUS PROVISIONS Sec. 601. Authorization of additional appro-

priations for the work incentive program.

Sec. 602. Rapid amortization of child care facilities. On page 9, line 22, strike "113" and insert

"114";

On page 10, line 4, strike "113" and insert "114":

On page 10, line 24, strike "and";

On page 10, line 24, following "(c)," insert "(d), and (e),";

On page 11, line 3, following "1977" insert "April 1977 in the case of a benefit described in paragraph (3)),";

On page 11, line 13, beginning with the comma, strike through and including line 18, ending with "State)":

On page 11, line 18, following the semicolon, insert "or";

On page 11, line 22, strike through and including line 24;

On page 12, line 11, following "annuity." insert "or":

On page 12, line 12, strike "or compensation":

On page 12, line 12, following "1977" insert "(April 1977 in the case of a benefit described in subsection (a)(3))":

On page 12, line 23, following "annuity," insert "or";

On page 12, line 23, strike "or compensation";

On page 12, line 24, following "1977" insert "(April 1977 in the case of a benefit described in subsection (a)(3))"

On page 13, line 15, following "(a)" insert (as adjusted under subsection (d))"

On page 13, beginning with line 21, insert:
(d) Phaseout for Certain Individuals WITH ADJUSTED GROSS INCOME BETWEEN \$25 .-000 AND \$30,000 .-

(1) IN GENERAL .--Notwithstanding other provision of this section, if the individual otherwise entitled to a payment under subsection (a) has adjusted gross income (as determined under section 62 of the Internal Revenue Code of 1954) for his first taxable year beginning in 1976 in excess of \$25,000, the amount of the payment under such subsection (determined without regard to this subsection and subsection (c)) shall be reduced (but not below zero) by an amount which bears the same ratio to the amount of such payment as the adjusted gross income of the individfor the taxable year in excess of \$25,-000 bears to \$5,000.

(2) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—In the case of a married individual filing a separate return of tax under the Internal Revenue Code of 1954, paragraph (1) shall be applied by substituting "\$12,for "\$25,000" and by substituting "\$2,-500" for "\$5,000".

(3) SPECIAL RULE FOR CERTAIN CHILDREN.-For purposes of this subsection, in the case of an individual entitled to a payment under subsection (a) who is a child (as defined in section 216(e) of the Social Security Act), who is unmarried, and who-

(A) has not attained the age of 18, or (B) is a full-time student and has not

attained the age of 22,

paragraph (1) shall be applied (i) by inserting "the parent or parents (if any) of" before "the individual" each place it appears in such paragraph, and (ii) by strik-ing out "his" and inserting in lieu thereof 'the parent's or parents' ".

(e) EXCLUSION OF CHILDREN RECEIVING SO-SECURITY BENEFITS.—Notwithstanding any other provision of this section, an individual otherwise entitled to a payment under paragraph (1) of subsection (a) shall not receive any payment under such paragraph if-

(1) such individual is receiving child's insurance benefits under section 202(d) of

the Social Security Act, and

(2) no benefits, other than child's insurance benefits, are being paid under title II of the Social Security Act on the basis of the wages and self-employment income of the individual whose wages and selfemployment income are the basis upon which such child's insurance benefits are paid.

The preceding sentence shall not apply to an individual described in section 202(d)(1)

(B) (ii) of the Social Security Act.
On page 16, line 13, strike "March" and insert "April";

On page 16, line 19, strike, "March" and insert "April";

On page 16, line 20, strike "December 31" and insert "April 30";

On page 16, line 24, strike "pension or compensation"

On page 16, line 24, strike "any of";

On page 16, line 24, strike "programs" and

On page 17, line 1, strike "paragraphs (1), (2), (3), (4), or (5)" and insert "paragraph (1)";

On page 17, line 19 strike "March" and insert "April";

On page 17, beginning with line 21, insert: SEC. 113. SPECIAL PAYMENT TO RECIPIENTS OF CERTAIN VETERANS BENEFITS

(a) PAYMENT.—Subject to subsections (b), (c), (d), (e), and (f), the Secretary of the Treasury shall at the earliest practicable date after the enactment of this Act, make a \$50 payment to each individual who, for the month of March 1977, was entitled to com-pensation, dependency and indemnity compensation, or a pension under laws administered by the Veterans Administration.

(b) INCREASED PAYMENT FOR CERTAIN SURviving Spouses.—In the case of an individual entitled to a payment under subsection (a) who is a surviving spouse (as defined in section 101(3) of title 38, United States Code) entitled, for the month of March 1977, to dependency and indemnity compensation or pension under laws administered by the Veterans Administration, the payment under subsection (a) to that individual shall be increased by an amount equal to-

(1) \$50 multiplied by

(2) each child for whom the amount of the dependency and indemnity compensa-tion or pension of the individual is increased under such laws.

(c) SPECIAL RULES .- In the application of subsection (a)

(1) payment under such subsection shall be made only to individuals who are paid the compensation, the dependency and indem-nity compensation, or the pension involved March 1977 in a check issued no later than April 30, 1977; and

no payment under such subsection shall be made to any individual who is not a resident of the United States (as defined in the last sentence of section 111(b) of this

(d) EXCLUSION OF INDIVIDUALS RECEIVING CERTAIN DISABILITY COMPENSATION.—Not-withstanding any other provision of this section, any individual otherwise entitled to a payment under subsection (a) shall not receive any payment under such subsection if such individual is receiving compensation from the Veterans Administration for one or more disabilities rated at a combined degree of 40 percent or less.

(c) Exclusion of Individuals Receiving Certain Income-Tested Benefits.—Notwithstanding any other provision of this section any individual otherwise entitled to a payment under subsection (a) shall not receive any payment under such subsection if such individual is receiving death compensation, dependency and indemnity compensation, or a pension from the Veterans Administration, the entitlement to or amount of which is based on the annual income of that individual, and-

(1) such annual income (as determined by the Veterans Administration in the administration of the program under which the individual is receiving such compensation or pension) is in excess of-

(A) \$1,200 in the case of an individual with no spouse and no child (as defined in section 101(4) of title 38, United States Code)

(B) \$1,800 in the case of an individual with a spouse or a child (as so defined); or

(2) such individual receives any payment under paragraph (1), (2), or (3) of section 111(a) of this Act.

For purposes of paragraph (1), an individual other than a parent of a veteran receiving dependency or indemnity compensation under section 415 of title 38, United States Code, shall be considered to have a spouse even if he and his spouse are not living together if the individual is reasonably con-tributing to the support of such spouse; and a parent of a veteran receiving dependency and indemnity compensation under such section shall be considered to have a spouse only if he and his spouse are living together.

(f) Exclusion of Certain Children Re-CEIVING VETERANS BENEFITS.—Notwithstanding any other provision of this section, an individual otherwise entitled to a payment under subsection (a) shall not receive any payment under such subsection if-

(1) such individual is a child (as defined in section 101(4) of title 38, United States Code) entitled to dependency or indemnity compensation or pension under laws administered by the Veterans Administration, and

(2) the parent (as defined in section 101 (5) of such title) of such child is a surviving spouse (as defined in section 101(3) of such title) who is deceased or is not entitled to dependency or indemnity compensation or pension under such laws.

On page 21, line 6, strike "113" and insert

On page 21, line 13, following the comma, insert "and";

On page 21, line 14, strike the comma and "and the appropriate State agencies administering programs in supplementation of benefits under title XVI of the Social Security Act (1)";

On page 21, line 22, following "11(a)" in-

sert "or 113(a)

On page 21, line 24, following "the" insert "applicable";

On page 21, line 24, following "in" insert "such";

On page 21, line 24, strike "111(c)"; On page 21, line 25, following "(ii)" insert

"the Secretary of Health, Education, and

On page 23, beginning with line 5, insert: "(3) RETURN INFORMATION.—Notwithstanding the provisions of section 6103 of the Internal Revenue Code of 1954, the Secretary of the Treasury may provide return information to the Secretary of Health, Education, Welfare but such return information shall be used only for purposes directly connected with carrying out the relevant provisions of this part; and the Secretary of the Treasury and the Secretary of Health, Education, and Welfare shall establish such safe-guards as may be necessary to restrict the use or disclosure of such return information to those purposes."

On page 23, line 22, strike "or (c)" and insert "(c), or (d)";

On page 23, line 23, strike "111 or" and insert "111,";

On page 24, line 1, following "112," insert "or of subsection (e) (2) of section 113 (but only as it relates to section 111(a)(3))

On page 24, line 15, strike "or (c)' insert "(c), or (d)";

On page 24, line 16, strike "or";

On page 24, line 16, following "112" insert a comma and "of subsection (e)(2) of section 113 (but only as it relates to section 111(a)(3))";

On page 25, line 3, following "111(a)" insert "or 113(a)";

On page 25, line 19, strike "and 112," and insert "112, and 113";

On page 25, line 22, strike "and 112(a)" and insert "or 113(a)";

On page 26, beginning with line 3, in-

SEC. 114. TERMINATION OF 1975 SPECIAL PAY-MENTS TO CERTAIN INDIVIDUALS

Notwithstanding the provisions of section 702(a) of the Tax Reduction Act of 1975, no payment shall, after the date of the enactment of this Act, be made under that section.

On page 26, beginning with line 16, strike through and including the table on the top of page 32, and insert in lieu thereof:

"SECTION 1. TAX IMPOSED.

"(a) MARRIED INDIVIDUALS FILING JOINT RE-TURNS AND SURVIVING SPOUSES .- There is hereby imposed on the taxable income of-

(1) every married individual (as defined in section 143) who makes a single return jointly with his spouse under section 6013,

"(2) every surviving spouse (as defined in section 2(a)),

a tax determined in accordance with the following table:

If the taxable income is:	The tax is:
Not over \$3,200	No tax.
Over \$3,200 but not over \$4,200	14% of the excess over \$3,200.
Over \$4,200 but not over \$5,200	\$140, plus 15% of excess over \$4,200.
Over \$5,200 but not over \$6,200	\$290, plus 16% of excess over \$5,200.
Over \$6,200 but not over \$7,200	
Over \$7,200 but not over \$11,200	
Over \$11,200 but not over \$15,200	\$1,380, plus 22% of excess over \$11,200.
Over \$15,200 but not over \$19,200	\$2,260, plus 25% of excess over \$15,200.
Over \$19,200 but not over \$23,200	
Over \$23,200 but not over \$27,200	\$4,380, plus 32% of excess over \$23,200.
Over \$27,200 but not over \$31,200	\$5,660, plus 36% of excess over \$27,200.
Over \$31,200 but not over \$35,200	
Over \$35,200 but not over \$39,200	\$8,660, plus 42% of excess over \$35,200.
Over \$39,200 but not over \$43,200	\$10,340, plus 45% of excess over \$39,200.
Over \$43,200 but not over \$47,200	\$12,140, plus 48% of excess over \$43,200.
Over \$47,200 but not over \$55,200	\$14,060, plus 50% of excess over \$47,200.
Over \$55,200 but not over \$67,200	
Over \$67,200 but not over \$79,200	\$24,420, plus 55% of excess over \$67,200.
Over \$79,200 but not over \$91,200	\$31,020, plus 58% of excess over \$79,200.
Over \$91,200 but not over \$103,200	
Over \$103,200 but not over \$123,200	\$45,180, plus 62% of excess over \$103,200.
Over \$123,200 but not over \$143,200	\$57,580, plus 64% of excess over \$123,200.
Over \$143,200 but not over \$163,200	
Over \$163,200 but not over \$183,200	
Over \$183,200 but not over \$203,200	
Over \$203,200	

(b) Heads of Households.—There is hereby imposed on the taxable income of every individual who is the head of a household (as defined in section 2(b)) a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over \$3,200	No tax.
Over \$3,200 but not over \$4,200	14% of the excess over \$3,200.
Over \$4,200 but not over \$5,200	\$140, plus 16% of excess over \$4,200.
Over \$5,200 but not over \$7,200	\$300, plus 18% of excess over \$5,200.
Over \$7,200 but not over \$9,200	\$660, plus 19% of excess over \$7,200.
Over \$9,200 but not over \$11,200	\$1,040, plus 22% of excess over \$9,200.
Over \$11,200 but not over \$13,200	\$1,480, plus 23 % of excess over \$11,200.
Over \$13,200 but not over \$15,200	\$1,940, plus 25% of excess over \$13,200.
Over \$15,200 but not over \$17,200	\$2,440, plus 27% of excess over \$15,200.
Over \$17,200 but not over \$19,200	\$2,980, plus 28% of excess over \$17,200.
Over \$19,200 but not over \$21,200	\$3,540, plus 31% of excess over \$19,200.
Over \$21,200 but not over \$23,200	\$4,160, plus 32% of excess over \$21,200.
Over \$23,200 but not over \$25,200	\$4,800, plus 35% of excess over \$23,200.
Over \$25,200 but not over \$27,200	\$5,500, plus 36% of excess over \$25,200.
Over \$27,200 but not over \$29,200	\$6,220, plus 38% of excess over \$27,200.
Over \$29,200 but not over \$31,200	\$6,980, plus 41% of excess over \$29,200.
Over \$31,200 but not over \$35,200	\$7,800, plus 42% of excess over \$31,200.
Over \$35,200 but not over \$39,200	\$9,480, plus 45% of excess over \$35,200.
Over \$39,200 but not over \$41,200	\$11,280, plus 48% of excess over \$39,200.
Over \$41,200 but not over \$43,200	
Over \$43,200 but not over \$47,200	
Over \$47,200 but not over \$53,200	\$15,340, plus 55% of excess over \$47,200.

"If the taxable income is:	The tax is:
Over \$53,200 but not over \$55,200	\$18,640, plus 56% of excess over \$53,200.
Over \$55,200 but not over \$67,200	\$19,760, plus 58% of excess over \$55,200.
Over \$67,200 but not over \$73,200	\$26,720, plus 59% of excess over \$67,200.
Over \$73,200 but not over \$79,200	\$30,260, plus 61% of excess over \$73,200.
Over \$79,200 but not over \$83,200	\$33,920, plus 62% of excess over \$79,200.
Over \$83,200 but not over \$91,200	\$36,400, plus 63% of excess over \$83,200.
Over \$91,200 but not over \$103,200	\$41,440, plus 64% of excess over \$91,200.
Over \$103,200 but not over \$123,200	\$49,120, plus 66% of excess over \$103,200.
Over \$123,200 but not over \$143,200	\$62,320, plus 67% of excess over \$123,200.
Over \$143,200 but not over \$163,200	\$75,720, plus 68% of excess over \$143,200.
Over \$163,200 but not over \$183,200	\$89,320, plus 69% of excess over \$163,200.
Over \$183,200	\$103,120, plus 70% of excess over \$183,200.

"(c) Unmarried Individuals (Other Than Surviving Spouses and Heads of Households.—There is hereby imposed on the taxable income of every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 143) a tax determined in accordance with the following table:

the taxable income is:	The tax is:
Not over \$2,200	No tax.
Over \$2,200 but not over \$2,700	14% of the excess over \$2,200.
Over \$2,700 but not over \$3,200	\$70, plus 15% of excess over \$2,700.
Over \$3,200 but not over \$3,700	\$145, plus 16% of excess over \$3,200.
Over \$3,700 but not over \$4,200	\$225, plus 17% of excess over \$3,700.
Over \$4,200 but not over \$6,200	\$310, plus 19% of excess over \$4,200.
Over \$6,200 but not over \$8,200	\$690, plus 21% of excess over \$6,200.
Over \$8,200 but not over \$10,200	\$1,110, plus 24% of excess over \$8,200.
Over \$10,200 but not over \$12,200	\$1,590, plus 25% of excess over \$10,200.
Over \$12,200 but not over \$14,200	\$2,090, plus 27% of excess over \$12,200.
Over \$14,200 but not over \$16,200	\$2,630, plus 29% of excess over \$14,200.
Over \$16,200 but not over \$18,200	\$3,210, plus 31 % of excess over \$16,200.
Over \$18,200-but not over \$20,200	\$3,830, plus 34% of excess over \$18,200.
Over \$20,200 but not over \$22,200	\$4,510, plus 36% of excess over \$20,200.
Over \$22,200 but not over \$24,200	\$5,230, plus 38% of excess over \$22,200.
Over \$24,200 but not over \$28,200	\$5,990, plus 40% of excess over \$24,200.
Over \$28,200 but not over \$34,200	\$7,590, plus 45% of excess over \$28,200.
Over \$34,200 but not over \$40,200	\$10,290, plus 50% of excess over \$34,200.
Over \$40,200 but not over \$46,200	\$13,290, plus 55% of excess over \$40,200.
Over \$46,200 but not over \$52,200	\$16,590, plus 60% of excess over \$46,200.
Over \$52,200 but not over \$62,200	\$20,190, plus 62% of excess over \$52,200.
Over \$62,200 but not over \$72,200	\$26,390, plus 64% of excess over \$62,200.
Over \$72,200 but not over \$82,200	\$32,790, plus 66% of excess over \$72,200.
Over \$82,200 but not over \$92,200	\$39,390, plus 68% of excess over \$82,200.
Over \$92,200 but not over \$102,200	\$46,190, plus 69% of excess over \$92,200.
Over \$102,200	\$53,090, plus 70% of excess over \$102,200.

"(d) Married Individuals Filing Separate Returns.—There is hereby imposed on the taxable income of every married individual (as defined in section 143) who does not make a single return jointly with his spouse under section 6013 a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over \$1,600	No tax.
Over \$1,600 but not over \$2,100	14% of the excess over \$1,600.
Over \$2,100 but not over \$2,600	\$70, plus 15% of excess over \$2,100.
Over \$2,600 but not over \$3,100	
Over \$3,100 but not over \$3,600	\$225, plus 17% of excess over \$3,100.
Over \$3,600 but not over \$5,600	\$310, plus 19% of excess over \$3,600.
Over \$5,600 but not over \$7,600	\$690, plus 22% of excess over \$5,600.
Over \$7,600 but not over \$9,600	\$1,130, plus 25% of excess over \$7,600.
Over \$9,600 but not over \$11,600	\$1,630, plus 28% of excess over \$9,600.
Over \$11,600 but not over \$13,600	\$2,190, plus 32% of excess over \$11,600.
Over \$13,600 but not over \$15,600	\$2,830, plus 36% of excess over \$13,600.
Over \$15,600 but not over \$17,600	\$3,550, plus 39% of excess over \$15,600.
Over \$17,600 but not over \$19,600	\$4,330, plus 42% of excess over \$17,600.
Over \$19,600 but not over \$21,600	\$5,170, plus 45% of excess over \$19,600.
Over \$21,600 but not over \$23,600	\$6,070, plus 48% of excess over \$21,600.
Over \$23,600 but not over \$27,600	\$7,030, plus 50% of excess over \$23,600.
Over \$27,600 but not over \$33,600	\$9,030, plus 53% of excess over \$27,600.
Over \$33,600 but not over \$39,600	\$12,210, plus 55% of excess over \$33,600.
Over \$39,600 but not over \$45,600	\$15,510, plus 58% of excess over \$39,600.
Over \$45,600 but not over \$51,600	\$18,990, plus 60% of excess over \$45,600.
Over \$51,600 but not over \$61,600	\$22,590, plus 62% of excess over \$51,600.
Over \$61,600 but not over \$71,600	\$28,790, plus 64% of excess over \$61,600.
Over \$71,600 but not over \$81,600	\$35,190, plus 66% of excess over \$71,600.
Over \$81,600 but not over \$91,600	\$41,790, plus 68% of excess over \$81,600.
Over \$91,600 but not over \$101,600	
Over \$101,600	\$55,490, plus 70% of excess over \$101,600.

On page 48, line 16, strike '\$3,000" and insert "\$3,200";

On page 48, line 22, strike "\$2,400" and insert "\$2,200";

On page 48, line 23, following "spouse' sert "nor the head of a household"; On page 49, line 1, strike "\$1,500" and in-

sert "\$1,600";

On page 50, line 16, strike "Unless" and insert "Except as provided in paragraph (3), unless";

On page 50, line 24, strike "(3)" and insert " (4)":

On page 51, beginning with line 7, insert: "(3) CERTAIN INDIVIDUALS TREATED AS ELECT-ING TO ITEMIZE.—An individual who has an unused zero bracket amount (as determined under subsection (e)(2)) shall be treated as having elected to claim itemized deductions under paragraph (1). In the case of an individual described in subsection (e)(1)(D), any amount by which the amount of his earned income for the taxable year exceeds the sum of his itemized deductions shall be treated as an itemized deduction.

On page 51, line 16, strike "(3)" and insert

"(4)"

On page 51, line 20, strike "(4)" and in-

sert "(5)";

On page 53, beginning with line 10, following the period, strike all through and including line 13, and insert in lieu thereof: For purposes of subsection (c)—

"(A) the deduction provided by the preceding sentence shall be in lieu of any itemized deductions of the taxpayer, and

"(B) the first sentence of this paragraph shall not apply to an individual who elects

to itemize deductions.

On page 54, line 3, strike "\$2,400" and in-

sert "\$2,200";

On page 57, beginning with line 9, insert: Clause (i) of section 1034(b) (2) (C) (13)(relating to limitations on sales price adjustment) is amended by striking out "section 63(a)" and inserting in lieu thereof 'section 63".

On page 58, line 13, strike "(13)" and in-

On page 57, line 19, strike "(14)" and in-

sert "(15)";

On page 58, beginning with line 3, insert: (16) Subparagraph (A) of section 6654(d) (2) (relating to annualized taxable income) is amended to read as follows:

"(A) The taxable income shall be placed annualized basis under regulations

prescribed by the Secretary.".
On page 58, line 20, following the period, strike all through and including line 25; On page 59, beginning with line 11, strike through and including line 23;

On page 60, line 11, strike "\$3,150" and

insert \$2,950"; On page 60, line 13, following "spouse" insert "or the head of a household"

On page 60, line 15, strike "\$3,750" and insert '\$3.950":

On page 60, line 19, strike \$4,500" and insert \$4,700";

On page 62, beginning with line 25, insert: by redesignating subparagraphs (F)

and (G) as (G) and (H), respectively,

(B) by inserting immediately after sub-paragraph (E) the following new subparagraph:

(F) in the case of an employee who is the head of a household (as defined in section 2(b)) and who elects the application of this subparagraph, a zero bracket allowance;'

On page 63, line 8, strike "(A)" and insert "(C)'

On page 63, line 9, strike "(G)" and insert "(H)"

On page 63, line 11, strike "(B)" and insert "(D)

On page 63, line 12, strike "(G)" and insert

"(H)" On page 63, line 17, strike "\$3,000" and insert "\$3,200"; On page 63, line 18, strike "\$2,400" and insert "\$2,200";

On page 63, line 21 following "2(a))" insert "nor the head of a household (as defined in section 2(b))";

On page 64, line 13, strike "203(d).":

On page 65, beginning with line 9, strike through and including line 25 on page 88, and insert in lieu thereof:

SEC. 302. ALTERNATIVE ECONOMIC STIMULUS CREDITS.

(a) NEW JOBS CREDIT .- Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting after section 44A the following new section: "SEC. 44B. CREDIT FOR EMPLOYMENT OF CER-TAIN NEW EMPLOYEES

"(a) GENERAL RULE.—At the election of the taxpayer, there shall be allowed as a credit against the tax imposed by this chapter the amount determined under subpart D of this

"(b) ELECTION.—The election referred to in subsection (a) shall be made by the employer (in the manner provided in regulations prescribed by the Secretary) on or before the due date (including any extensions of time) for filing its return of tax under this chapter for the last taxable year beginning during 1977. Once made, the election shall be effective for the year made and all sub-sequent taxable years beginning in 1977 or 1978. The Secretary shall prescribe regula-tions with respect to the continuation of the election in situations in which corporations and other persons are organized, reorganized, liquidated, or otherwise restructured. An election may not be made under this section by a corporation which is a member of a controlled group of corporations (within the meaning of section 52(a)) unless the election is made by all members of that controlled group. The election may not be made by a trade or business under common control (within the meaning of section 52(b)) unless all of the trades or businesses under common control have made the election.

"(c) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this sec-

tion and subpart D."

(b) Rules for Computing Credit.—Part IV of subchapter A of chapter 1 (relating to credits against tax) is amended by adding at the end thereof the following new subpart: "Subpart D-Rules for Computing Credit for Employment of Certain New

Employees

"Sec. 51. Amount of credit. "Sec. 52. Special rules.

"Sec. 53. Limitation based on amount of tax. "SEC. 51. AMOUNT OF CREDIT.

"(a) DETERMINATION OF AMOUNT.—The amount of the credit allowable by section 44B shall be-

"(1) for a taxable year beginning in 1977, an amount equal to 25 percent of the excess of the aggregate unemployment insurance wages paid during 1977 over 103 percent of the aggregate unemployment insurance wages paid during 1976, and

"(2) for a taxable year beginning in 1978, an amount equal to 25 percent of the excess of the aggregate unemployment insurance wages paid during 1978 over 103 percent of the aggregate unemployment insurance wages paid during 1977.

"(b) Total Wages Must Increase.-The amount of the credit allowable by section 44B for any taxable year shall not exceed the amount which would be determined for such year under subsection (a) if-

"(1) the aggregate amounts taken into account as unemployment insurance wages were determined without any dollar limitation, and

"(2) '105 percent' were substituted for '103

percent' in the appropriate paragraph of subsection (a).

"(c) MINIMUM PRECEDING YEAR WAGES .-For purposes of subsection (a), if 103 percent of the amount of the aggregate unemployment insurance wages paid during 1976 or

1977 is less than 50 percent of the amount of such wages paid during 1977 or 1978, respectively, 103 percent of the amount of such wages paid during the preceding year shall be increased to an amount equal to 50 percent of the amount of such wages paid during the year for which the determination is

"(d) UNEMPLOYMENT INSURANCE WAGES DE-FINED.-For purposes of this subpart-

"(1) FUTA WAGES .- Except as otherwise provided in this subpart, the term 'unem-ployment insurance wages' has the meaning given to the term 'wages' by section 3306(b), except that, in the case of amounts paid during 1978, '\$4,200' shall be substituted for \$6,000' each place it appears in section 3306

(b).

"(2) AGRICULTURAL LABOR.—If the services performed by any employee for an employer during more than one-half of any pay (within the meaning of section 3306(d)) taken into account with respect to any calendar year constitute agricultural labor within the meaning of section 3306(k)), the term 'unemployment insurance wages' means, with respect to the remuneration paid by the employer to such employee for such year, an amount equal to so much of such remunera-tion as constitutes 'wages' within the meaning of section 3121(a), except that the contribution and benefit base for each calendar year shall be deemed to be \$4,200.

"(3) RAILWAY LABOR.-If more than onehalf of the remuneration paid by an employer to an employee during the calendar year is remuneration for service described in section 3306(c)(9), the term 'unemployment insurance wages' means, with respect to such employee for such year, an amount equal to % of such much of the remuneration paid to such employee during such year as is subject to contributions under section 8(a) of the Railroad Unemployment Insurance Act

(45 U.S.C. 358(a)).

"(e) Rules for Application of Section.

For purposes of this subpart-

"(1) REMUNERATION MUST BE FOR TRADE OR BUSINESS EMPLOYMENT WITHIN STATES.—Remuneration paid by an employer to an employee during any calendar year shall be taken into account only if more than one-half of the remuneration so paid services performed in the United for States in a trade or business of the em-

"(2) SPECIAL RULE FOR CERTAIN DETERMINA-TIONS.-Any determination as to whether paragraph (1) of this subsection, or paragraph (2) or (3) of subsection (d), applies with respect to any employee for any endar year shall be made without regard to subsections (a) and (b) of section 52.

"SEC. 52. SPECIAL RULES.

"(a) CONTROLLED GROUP OF CORPORA-TIONS.—For purposes of this subpart, all employees of all corporations which are members of the same controlled group corporations shall be treated as employed by a single employer. In any such case, credit (if any) allowable by section 44B to each such member shall be its proportionate contribution to the increase in unemployment insurance wages giving rise to such credit. For purposes of this subsection, the term 'controlled group of corporations' has the meaning given to such term by section 1563(a), except that—
"(1) 'more than 50 percent' shall be sub-

stituted for 'at least 80 percent' each place

it appears in section 1563(a)(1), and "(2) the determination shall be made without regard to subsections (a) (4) and (e)(3)(C) of section 1563.

"(b) EMPLOYEES OF PARTNERSHIPS, PRO-PRIETORSHIPS, ETC., WHICH ARE UNDER COM-MON CONTROL.-For purposes of this subpart, under regulations prescribed by the Secre-

(1) all employees of trades or businesses (whether or not incorporated) which are under common control shall be treated as employed by a single employer, and

(2) the credit (if any) allowable by section 44B with respect to each trade or business shall be its proportionate contribution to the increase in unemployment insurance wages giving rise to such credit.

The regulations prescribed under this subsection shall based on principles similar to the principles whch apply in the case of subsection (a).

"(c) ADJUSTMENTS FOR CERTAIN ACQUISI-ETC.—Under regulations prescribed

by the Secretary-

(1) Acquisitions.—If, after December 31. 1975, an employer acquires the major portion of a trade or business of another person (hereinafter in this paragraph referred to as the 'predecessor') or the major portion of a separate unit of a trade or business of a predecessor, then, for purposes of applying this subpart for any calendar year ending after such acquisition, the amount of un-employment insurance wages deemed paid by the employer during periods before such acquisition shall be increased by so much of such wages paid by the predecessor with respect to the acquired trade or business as is attributable to the portion of such trade or business acquired by the employer. "(2) DISPOSITIONS.—If, after December 31,

1975-

"(A) an employer disposes of the major portion of any trade or business of the employer or the major portion of a separate unit of a trade or business of the employer in a transaction to which paragraph (1) applies, and

"(B) the employer furnishes the acquiring person such information as is necessary for the application of paragraph (1),

then, for purposes of applying this subpart for any calendar year ending after such dis-position, the amount of unemployment insurance wages deemed paid by the employer during periods before such disposition shall be decreased by so much of such wages as is attributable to such trade or business or separate unit.

TAX-EXEMPT (d) ORGANIZATIONS -NO credit shall be allowed under section 44B to any organization (other than a cooperative described in section 521) which is exempt from income tax under this chapter.

"(e) CHANGE IN STATUS FROM SELF-EM-

PLOYED TO EMPLOYEE.-If-

"(1) during 1976 or 1977 an individual has net earnings from self-employment (as defined in section 1402(a)) which are attributable to a trade or business, and

"(2) for any portion of the succeeding calendar year such individual is an employee of such trade or business,

then, for purposes of determining the credit allowable for a taxable year beginning in such succeeding calendar year, the employer's aggregate unemployment insurance

wages for 1976 or 1977, as the case may be, shall be increased by an amount equal to so much of the net earnings referred to in paragraph (1) as does not exceed \$4,200.

"(f) Subchapter S Corporations.—In the case of an electing small business corporation

(as defined in section 1371)

"(1) the amount of the credit determined under this subpart for any taxable year shall be apportioned pro rata among the persons who are shareholders of such corporation on the last day of such taxable year, and

"(2) any person to whom an amount is ap portioned under paragraph (1) shall be allowed, subject to section 53, a credit under

section 44B for such amount.

"(g) ESTATES AND TRUSTS .- In the case of an estate or trust-

(1) the amount of the credit determined under this subpart for any taxable year shall be apportioned between the estate or trust and the beneficiaries on the basis of the income of the estate or trust allocable to each,

'(2) any beneficiary to whom any amount has been apportioned under paragraph (1) shall be allowed, subject to section 53, a credit under section 44B for such amount.

"(h) LIMITATIONS WITH RESPECT TO CERTAIN Persons.—Under regulations prescribed by

the Secretary, in the case of-

(1) an organization to which section 593 (relating to reserves for losses on loans) ap-

"(2) a regulated investment company or a real estate investment trust subject to taxation under subchapter M (section 851 and following), and

"(3) a cooperative organization described

in section 1381(a),

rules similar to the rules provided in section 46(e) shall apply in determining the amount

of the credit under this subpart.

"(i) CERTAIN SORT TAXABLE YEARS.-If the employer has more than one taxable year beginning in 1977 or 1978, the credit under this subpart shall be determined for the employer's last taxable year beginning in 1977 or 1978, as the case may be.

'SEC. 53 LIMITATION BASED ON AMONT OF TAX.

"(a) GENERAL RULE.—Notwithstanding section 51, the amount of the credit allowed by section 44B for the taxable year shall not exceed the amount of the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowable under

section 33 (relating to foreign tax

credit),

"(2) section 37 (relating to credit for the elderly),

"(3) section 38 (relating to investment in certain depreciable property),

"(4) section 40 (relating to expenses of

work incentive programs), "(5) section 41 (relating to contribu-tions to cadidates for public office),

"(6) section 42 (relating to general tax

credit), and

'(7) section 44A (relating to expenses for household and dependent care services necessary for gainful employment).

For purposes of this subsection, any tax imposed for the taxable year by section 56 (relating to minimum tax for tax preferences), section 72(m)(5)(B) (relating to 10 percent tax on premature distributions to owner-employees), section 408(f) (relating to additional tax on income from certain retirement accounts), section 402(e) (relating to tax on lump-sum distributions), section 531 (relating to accumulated earnings tax), section 541 (relating to personal holding comtax), or section 1378 (relating to tax on certain capital gains of subchapter S corporations), and any additional tax imposed for the taxable year by section 1351(d)(1) (relating to recoveries of foreign expropriation losses), shall not be considered tax imposed by this chapter for such year.

'(b) SPECIAL RULE FOR PASS-THROUGH OF CREDIT.—In the case of a partner in a partnership, a beneficiary of an estate or trust, and a shareholder in a subchapter S Corporation, the limitation provided by subsection (a) for the taxable year shall not exceed a limitation separately computed with respect to such person's interest in such entity by taking an amount which bears the same relationship to such limitation as-

"(1) that portion of the person's taxable income which is allocable or apportionable to the person's interest in such entity, bears

"(2) the person's taxable income for such year year reduced by his zero bracket amount (determined under section 63(d)), if any.

"(c) CARRYOVER AND CARRYOVER OF UN-USED CREDIT.

"(1) ALLOWANCE OF CREDIT.-If amount of the credit determines undersection 51 for any taxable year exceeds the limitation provided by subsection (a) for such taxable year (hereinafter in this subsection referred to as the 'unused credit year'), such excess shall be-

"(A) a new employee credit carryback to each of the 3 taxable years preceding the un-

used credit year, and

"(B) a new employee credit carryover to each of the 7 taxable years following the unused credit year.

and shall be added to the amount allowable as a credit by section 44B for such years. If any portion of such excess is a carryback to a taxable year beginning before January 1, 1977, section 44B shall be deemed to have been in effect for such taxable year for purposes of allowing such carryback as a credit under such section. The entire amount of the unused credit for an unused credit year shall be carried to the earliest of the 10 taxable years to which (by reason of subparagraphs (A) and (B)) such credit may be carried, and then to each of the other 9 taxable years to the extent that, because of the limitation contained in paragraph (2). such unused credit may not be added for a prior taxable year to which such unused credit may be carried.

"(2) LIMITATION.—The amount of the unused credit which may be added under paragraph (1) for any preceding or succeeding taxable year shall not exceed the amount by which the limitation provided by subsection (a) for such taxable year exceeds the sum

"(A) the credit allowable under section

44B for such taxable year, and

"(B) the amounts which, by reason of this subsection, are added to the amount allowable for such taxable year and which are attributable to taxable years preceding the unused credit year."

(c) DEDUCTION FOR WAGES PAID REDUCED BY

AMOUNT OF CREDIT .-

(1) IN GENERAL.—Part IX of subchapter B of chapter 1 (relating to items not deductible) is amended by adding at the end thereof the following new section:

"Sec 280C. PORTION OF WAGES FOR WHICH CREDIT IS CLAIMED UNDER SEC-TION 44B.

"No deduction shall be allowed for that portion of the wages or salaries paid or incurred for the taxable year which is equal to the amount of the credit allowable for the taxable year under section 44B (relating to credit for employment of certain new employees) determined without regard to the provisions of section 53 (relating to limitation based on amount of tax). In the case of a corporation which is a member of a controlled group of corporations (within the meaning of section 52(a)) or a trade or business which is treated as being under common control with other trades or businesses (within the meaning of section 52 (b)), this section shall be applied under rules prescribed by the Secretary similar to the rules applicable under subsections (a) and (b) of section 52.".

(2) CLERICAL AMENDMENT.—The table of sections for such part is amended by adding at the end thereof the following new

"Sec. 280C. Portion of wages for which credit is claimed under section 44B.".

ALTERNATIVE INCREASE IN INVESTMENT CREDIT.—Paragraph (2) of section 46(a) (relating to amount of credit for current taxable year) is amended by adding at the end thereof the following new subpara-

(E) INCREASE IN PERCENTAGES FOR TAXPAY-ERS NOT CLAIMING SECTION 44B CREDIT .-

"(i) In the case of a taxpayer for whom an election to take the credit allowed by section 44B (relating to credit for employment of certain new employees) is not in effect, subparagraph (A) shall be applied by substituting '12 percent' for '10 percent', and clause (i) of subparagraph (B) shall be applied by substituting '13 percent' for '11 percent'.
"(ii) The provisions of clause (i) shall

apply only to-

(I) property to which subsection (d) does not apply, the construction, reconstruction, or erection of which is completed by the taxpayer after December 31, 1976, but to the extent of the basis thereof attributable to construction, reconstrucion, or erection after such date and before Janu-

ary 1, 1981,
"(II) property to which subsection (d) does not apply, acquired by the taxpayer after December 31, 1976, and before January 1, 1981, and place in service by the taxpayer before January 1, 1981, and

"(III) property to which subsection (d) applies, but only to the extent of the qualified investment (as, determined under subsections (c) and (d)) with respect to quali-fled progress expenditures made after December 31, 1976, and before January 1, 1981.

"(iii) In the case of a taxpayer with respect to whom an election under section 44B(b) is in effect for 1978, clause (ii) of this subparagraph shall be applied by substituting 'December 31, 1978,' for 'December 31, 1976,' each place it appears therein.".

TECHNICAL AND CONFORMING AMEND-

MENTS.

(1) CLERICAL AMENDMENTS .-

(A) The table of sections for subpart A of part IV of subchapter A of chapter 1 amended by inserting after the item relating to section 44A the following new item:

"Sec. 44B. Credit for employment of certain new employees.

(B) The table of subparts for part IV of subchapter A of chapter 1 is amended by adding at the end thereof the following new

"Subpart D. Rules for computing credit for employment of certain new employees."

(2) MINIMUM TAX.-

(A) Section 56(c) (defining regular tax deduction) is amended by striking out "and" at the end of paragraph (7), by striking out the period at the end of paragraph (8) and inserting in lieu thereof ", and", and by adding at the end thereof the following new paragraph:

"(9) section 44B (relating to credit for employment of certain new employees).

(B) Subparagraph (A) of section 56(e) (1) (relating to tax carryover for timber) amended-

(i) by striking out "and" at the end of clause (ii),
(ii) by striking out "exceed" at the end

of clause (iii) and inserting in lieu thereof "and", and

(iii) by inserting after clause (iii) the

following new clause:
"(iv) section 44B (relating to credit for employment of certain new employees) ex-

(3) CORPORATE REORGANIZATIONS.

(A) Subsection (c) of section 381 (relating to items of the distributor or transferor corporation) is amended by adding at the end thereof the following new paragraph:

"(26) CREDIT UNDER SECTION 44B FOR EM-PLOYMENT OF CERTAIN NEW EMPLOYEES .- The acquiring corporation shall take into account (to the extent proper to carry out the purposes of this section and section 44B, under such regulations as may be prescribed by the Secretary) the items required to be taken into account for purposes of section 44B in respect of the distributor or transferor corporation."

(B) Section 383 (relating to special limitations on unused investment credits, work incentive program credits, foreign taxes, and capital losses), as in effect for taxable years beginning after June 30, 1978, is amended—

(i) by inserting "to any unused new employee credit of the corporation under section 53(c)," after "section 50A(b),"; and

(ii) by striking out "WORK INCENTIVE PROGRAM CREDITS," in the section heading and inserting in lieu thereof "WORK INCENTIVE PROGRAM CREDITS, NEW EMPLOYEE CREDITS,"

(C) Section 383 (as in effect on the day before the date of the enactment of the Tax Reform Act of 1976) is amended-

(i) by inserting "to any unused new employee credit of the corporation which could otherwise be carried forward under section 53(c),

(c)," after "section 50A(b),"; and (ii) by striking out "WORK INCENTIVE PROGRAM CREDITS," in the section heading and inserting in lieu thereof "WORK PROGRAM CREDITS, NEW INCENTIVE EMPLOYEE CREDITS,".

(D) The table of sections for part V of subchapter C of chapter 1 is amended by striking out "work incentive program credits," in the item relating to section 383 and inserting in lieu thereof "work incentive program credits, new employee credits,".

(4) STATUTES OF LIMITATION AND INTEREST RELATING TO NEW EMPLOYEE CREDIT CARRY-

(A) ASSESSMENT AND COLLECTION. -Section 6501 (relating to limitations on assessment and collection) is amended by adding at the end thereof the following new subsection:

(D) NEW EMPLOYEE CREDIT CARRYBACKS .-In the case of a deficiency attributable to the application to the taxpayer of a new employee credit carryback (including defi-ciencies which may be assessed pursuant to the provisions of section 6213(b)(3)), such deficiency may be assessed at any time before the expiration of the period within which a deficiency for the taxable year of the unused new employee credit which results in such carryback may be assessed, or, with respect to any portion of a new employee credit carryback from a taxable year attributable to a net operating loss carryback, an investment credit carryback, a work incentive program credit carryback, or capital loss carryback from a subsequent taxable year, at any time before the expiration of the period within which a deficiency for such subsequent taxable year may be assessed."

CREDIT OR REFUND .- Section 6511(d) (relating to limitations on credit or refund is amended by adding at the end thereof the following new paragraph:

"(9) SPECIAL PERIOD OF LIMITATION WITH RESPECT TO NEW EMPLOYER CREDIT CARRY-BACKS .-

"(A) PERIOD OF LIMITATIONS.-If the claim for credit or refund relates to an overpayment attributable to a new employee credit carryback, in lieu of the 3-year period of prescribed in subsection (a), the period shall be that period which ends with the expiration of the 15th day of the 40th month (or 39th month, in the case of a corporation) following the end of the taxable year of the unused new employee credit which results in such carryback (or, with respect to any portion of a new employee credit carryback from a taxable year attributable to a new operating loss carryback, an investment credit carryback, a work incentive program credit carryback, or a capital loss carryback from a subsequent taxable year, the period shall be that period which ends with the expiration of the 15th day of the 40th month, or 39th month, in the case of a corporation, following the end of such taxable year) or the period prescribed in subsection (c) in respect of such taxable year, whichever expires later. In the case

of such a claim, the amount of the credit or refund may exceed the portion of the tax paid within the period provided in subsection (b)(2) or (c), whichever is applicable to the extent of the amount of the overpayment attributable to such carryback.

(B) APPLICABLE RULES.—If the allowance of a credit or refund of an overpayment of tax attributable to a new employee credit carryback is otherwise prevented by the operation of any law or rule of law other than section 7122, relating to compromises, such credit or refund may be allowed or made, if claim therefor is filed within the period provided in subparagrhp (A) of this paragraph. In the case of any such claim for credit or refund, the determination by any court, including the Tax Court, in any proceeding in which the decision of the court has become final shall not be conclusive with respect to the new employee credit, and the effect of such credit, to the extent that such credit is affected by a carryback which was not in issue in such proceeding."

(C) INTEREST OF UNDERPAYMENTS.—Section 6601(d) (relating to income tax reduced by carryback or adjustment for certain unused deductions) is amended by adding at the end thereof the following new paragraph:

"(5) NEW EMPLOYEE CREDIT CARRYBACK .- If the credit allowed by section 44B for any taxable year is increased by reason of a new employee credit carryback, such increase shall not affect the computation of interest under this section for the period ending with the last day of the taxable year in which the new employee credit carryback arises, or, with respect to any portion of a new employee credit carryback from a taxable year attributable to a new operating loss carryback, an investment credit carryback, a work incentive program credit carryback, or a capital loss carryback from a subsequent taxable year, such increase shall not affect the computation of interest under this section for the period ending with the last day of such subsequent taxable year."

(D) INTEREST ON OVERPAYMENTS.—Section 6611(f) (relating to refund of income tax caused by carryback or adjustment for certain unused deductions) is amended by adding at the end thereof the following new

paragraph:

"(5) NEW EMPLOYEE CREDIT CARRYBACK .-For purposes of subsection (a), if any overpayment of tax imposed by subtitle A results from a new employee credit carryback, such overpayment shall be deemed not to been made before the close of the taxable year in which such new employee credit carryback arises, or, with respect to any portion of a new employee credit carryback from a taxable year attributable to a net operating loss carryback, an investment credit carryback, a work incentive program credit carry back, or a capital loss carryback from a subsequent taxable year, such overpayment shall deemed not to have been made before the close of such subsequent taxable year.'

(5) TENTATIVE CARRYBACK ADJUSTMENTS .-(A) APPLICATION FOR ADJUSTMENT.—Section 6411 (relating to quick refunds in respect tentative carryback adjustments) amended-

(i) by striking out "or unused work in-centive program credit" each place it appears in such section and inserting in lieu thereof "unused work incentive program credit, or unused new employee credit"

(ii) by inserting after "section 50A(b)," in the first sentence of subsection (a) new employee credit carryback provided in section 53(c).".

(iii) by striking out "or a work incentive program carryback from" in the second sentence of subsection (a) and inserting in lieu thereof ', a work incentive program carryback, or a new employee credit carryback from", and

(iv) by striking out "investment credit carryback)" in the second sentence of sub-

section (a) and inserting in lieu thereof "investment credit carryback, or, in the case of a new employee credit carryback, to an investment credit carryback or a work incentive program carryback)".

(B) TENTATIVE CARRYBACK ADJUSTMENT AS-SESSMENT PERIOD .- Section 6501(m) (relating to tentative carryback adjustment as-

sessment period) is amended-

(i) by striking out "or a work incentive program carryback" and inserting in lieu thereof "a work incentive program carryback, or a new employee credit carryback",

(ii) by striking out "(j), or (o)" each place it appears and inserting in lieu thereof

(j), (o), or (p)"

(6) DESIGNATION OF INCOME TAX PAY-MENT.—Section 6096(b) (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44A" and inserting in lieu thereof "44A, and 44B".

Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1976, and to credit carrybacks from such years.

On page 114, beginning with line 6, insert the following new title:

TITLE IV-PROVISIONS RELATING TO EFFECTIVE DATES AND OTHER PRO-VISIONS OF THE TAX REFORM ACT

SEC. 401. EFFECTIVE DATE OF CHANGES IN THE EXCLUSION FOR SICK PAY

(a) IN GENERAL.—Section 505 of the Tax Reform Act of 1976 (relating to changes in exclusions for sick pay and certain military, etc., disability pensions; certain disability income) is amended by adding at the end thereof the following new subsection:

"(f) EFFECTIVE DATE FOR SUBSECTION (a) The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1976.".

(b) CONFORMING AMENDMENTS.

(1) Paragraph (1) of section 505(c) such Act is amended by striking out "1976" and inserting in lieu thereof "1977".

(2) Paragraph (3) of such section 505(c) is

amended by inserting "or January 1, 1977," after "January 1, 1976,".

(3) Paragraph (1) of section 505(d) of such Act is amenled by striking out "1976" and inserting in lieu thereof "1977".

(4) Paragraph (2) of such section 505(d) is amended by inserting "or December 31, 1976," after "December 31, 1975,".

(5) Subsection (d) of section 505 of such

Act is amended by striking out "this subsection" and inserting in lieu thereof "such section 105(d)".

(b) REVOCATION OF ELECTION.—Any election made under section 105(d) (7) of the Internal Revenue Code of 1954 or under section 505 (d) of the Tax Reform Act of 1976 for a taxable year beginning in 1976 may be revoked (in such manner as may be prescribed by regulations) at any time before the expiration of the period for assessing a deficiency with

respect to such taxable year.

(c) PERIOD FOR ASSESSING DEFICIENCY.—In the case of any revocation made under subsection (d), the period for assessing a defi-ciency with respect to any taxable year af-fected by the revocation shall not expire before the date which is 1 year after the date of the making of the revocation, and, notwithstanding any law or rule of law, such deficiency, to the extent attributable to such revocation, may be assessed at any time dur-

ing such 1-year period.

(d) Effective Date.—The amendments made by subsections (a), (b), and (c) shall take effect on October 4, 1976, but shall not

(1) with respect to any taxpayer who makes or has made an election under section 105(d) (7) of the Internal Revenue Code of 1954 or under section 505(d) of the Tax Reform Act of 1976 (as such sections were in effect before the enactment of this Act) for a taxable year beginning in 1976, if such election is not revoked under subsection (d) of this section, and

(2) with respect to any taxpayer (other than a taxpayer described in paragraph (1)) who has an annuity starting date at the be ginning of a taxable year beginning in 1976 by reason of the amendments made by section 505 of the Tax Reform Act of 1976 (as in effect before the enactment of this Act), unless such person elects (in such manner as the Secretary of the Treasury or his delegate may by regulations prescribe) to have such amendments apply.

SEC. 402. CHANGES IN TREATMENT OF INCOME EARNED ABROAD BY UNITED STATES CITIZENS LIVING OR RESIDING ABROAD.

Subsection (d) of section 1011 of the Tax Reform Act of 1976 is amended by striking out "December 31, 1975" and inserting in

lieu thereof "December 31, 1976". SEC. 403. UNDERPAYMENTS OF ESTIMATED TAX.

No addition to the tax shall be made under section 6654 or 6655 of the Internal Revenue Code of 1954 (relating to failure pay estimated income tax) for any period before April 16, 1977 (March 16, 1977, in the case of a taxpayer subject to section 6655), with respect to any underpayment, to the extent that such underpayment was created or increased by any provision of the Tax Reform Act of 1976.

SEC. 404. UNDERWITHHOLDING.

No person shall be liable in respect of any failure to deduct and withhold under section 3402 of the Internal Revenue Code of 1954 (relating to income tax collected at source) on remuneration paid before January 1, 1977, to the extent that the duty to deduct and withhold was created or increased by any provision of the Tax Reform Act of 1976.

SEC. 405. INTEREST ON UNDERPAYMENTS OF TAX.

No interest shall be payable for any period before April 16, 1977 (March 16, 1977, in the case of a corporation), on any underpayment of a tax imposed by the Internal Reve nue Code of 1954, to the extent that such underpayment was created or increased by any provision of the Tax Reform Act of 1976.

SEC. 406. USE OF RESIDENCE AS DAY CARE FACILITY.

(a) In GENERAL.—Subsection (c) of section 280A (relating to certain business use) is amended by adding at the end thereof the following new paragraph:

"(5) DAY CARE USE.—In the case of a taxpayer engaged in the trade or business of providing care for children, for individuals who have attained the age of 65 years, or for individuals who are physically or mentally incapable of caring for themselves within his residence, the first sentence of paragraph (1) shall be applied, with respect to such trade or business, by deleting the word 'excluively'. If a portion of the taxpayer's residence used for the purposes described in the preceding sentence is not used exclusively for those purposes, the amount of the deduction attributable to that portion shall not exceed an amount which bears the same ratio to the total amount of the items allocable to such portion as the numbers of hours the portion is used for such purposes bears to the number of hours the portion is available for use.".

(b) Effective Date.—The amendment made by subsection (a) apply with respect to taxable years beginning after December 31, 1975.

SEC. 407. STATE LEGISLATORS' TRAVEL EXPENSES AWAY FROM HOME.

Subsections (a) and (d) of section 604 of the Tax Reform Act of 1976 are each amended by striking out "January 1, 1976," and inserting in lieu thereof "January 1, 1977,". Subsection (c) of such section is amended by inserting "beginning before January 1, 1976," after "any taxable year".

On page 119, beginning with line 16, insert

the following new title:

TITLE V-ECONOMIC IMPACT STUDIES "SEC. 501. ECONOMIC IMPACT STUDIES.

(a) In GENERAL.—The Secretary of the Treasury, the Chairman of the Council of Advisers, the Chairman of the Board of Governors of the Federal Reserve System, and the Director of the Congressional Budget Office shall each-

(1) prepare a detailed forecast of the expected rates of real economic growth, unemployment, and inflation for each of the eight calendar quarters beginning after the date of enactment of this Act and of the expected effects of the credit for investment in certain depreciable property provided by section 38 of the Internal Revenue Code of 1954 (with special attention to the increase in the rate of such credit provided by this Act), the credit for employment of certain new employees provided by section 44B of such Code, the refund of 1976 individual income taxes provided by section 6428 of such Code and the payments provided for under part II of title I of this Act on the rates of real economic growth, unemployment, and inflation for each of those quarters, and

(2) prepare a full and complete study at the end of each such quarter analyzing such rates of real economic growth, unemploy-ment, and inflation for that quarter and the actual impact of such credits, refund, and

payments on them.

(b) REPORTS .- The Secretary, the Chairman of the Council of Economic Advisers, the Chairman of the Board of Governors, and the Director shall each submit to the Committee on Finance of the Senate and to the Committee on Ways and Means of the House of Representatives-

(1) a report describing the forecast and analysis required by paragraph (1) of sub-section (a) not later than May 15, 1977, and

(2) a series of quarterly reports on the studies of the actual impact of the refund and payments required under paragraph (2) of subsection (a) within 60 days after the end of each calendar quarter for which such studies are required.

On page 121, beginning with line 6, insert the following new title:

TITLE VI-MISCELLANEOUS PROVISIONS SEC. 601. AUTHORIZATION OF ADDITIONAL AP-PROPRIATIONS FOR THE WORK IN-CENTIVE PROGRAM.

- (a) MATCHING FUNDS DISREGARDED. -The Secretary of Health, Education, and Welfare and the Secretary of Labor are authorized to carry out the work incentive program under title IV of the Social Security Act from the sums appropriated pursuant to this Act without regard to the requirements for non-Federal matching funds contained in sections 402(a) (19) (C), 402(a) (19) (G), 403(a) (3) (A), 403(d), and 435 of the Social Security
- (b) Authorization.—There are authorized to be appropriated to carry out the work incentive program under title IV of the Social Security Act, as modified by this Act (in addition to any sums otherwise appropriated pursuant to title IV of such Act) \$435,000,-000 for fiscal year 1978 and \$435,000,000 for fiscal year 1979.
- SEC. 602. RAPID AMORTIZATION OF CHILD FA-CILITIES
- (a) RAPID AMORTIZATION OF CHILD CARE

(1) Subsection (c) of section 133 (relating to application of section 188) is amended by striking out "January 1, 1977" and inserting in lieu thereof January 1, 1982"

(2) Subsection (b) of section 188 (relating to definition of section 188 property) is amended by striking out "as a facility for on-the-job training of employees (or prospective employees) of the taxpayer, or

(3) The caption of section 188 is amended by striking out "ON-THE-JOB TRAINING

AND".

(4) The table of sections for part VI of subchapter B of chapter 1 is amended by striking out the item relating to section 183 and inserting in lieu thereof the following new item:

'Sec. 188. Amortization of certain expenditures for child care facilties.".

EFFECTIVE DATE.—The amendments made by subsection (a) apply with respect to expenditures made after December 31, 1976.

WAIVER OF THE CONGRESSIONAL BUDGET ACT WITH RESPECT TO CONSIDERATION OF H.R. 3477

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed at this time to the consideration of Calendar Order No. 70, Senate Resolution 126, the resolution waiving section 303(a) of the Congressional Budget Act with respect to H.R. 3477, with the understanding that upon the disposition of the waiver-which would naturally flow without the request-the Senate resume the consideration of H.R. 3477.

PRESIDING OFFICER. The The resolution will be stated.

The assistant legislative clerk read as follows:

Resolved, That (a) pursuant to section 303 (c) of the Congressional Budget Act of 1974, section 303(a) of such Act shall not apply with respect to the consideration in the Senate of the bill (H.R. 3477) to provide for a refund of 1976 individual income taxes and other payments, to reduce individual and business taxes, and to provide tax simplification and reform;

(b) That waiver of this section is necessary in order to enable the Senate promptly to consider legislation providing urgently needed economic stimulus measures; and

further

(c) That no point of order shall lie under section 401(b) of the Budget Act with respect to consideration of title I of such bill, the budgetary impact of which has already been considered by the Congress in its de-liberations on the third concurrent resolution on the budget for fiscal year 1977.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration. Under the law, there is a time limitation of 1 hour, to be equally divided. Who yields time?

Mr. MUSKIE. Mr. President, I yield myself such time as I may require.

Under section 303 of the Budget Act, whenever new revenue legislation is proposed to the Senate which becomes effective in a fiscal year for which no first budget resolution is in effect, it cannot be considered unless the Senate adopts a waiver of the requirement that such legislation be reported to the Senate after the May 15 in question.

In the case of the tax bill which is on the calendar and is pending, the waiver resolution was reported to the Senate by the Finance Committee at the same time that it reported the tax bill. As required by the Budget Act, the waiver resolution

was referred to the Senate Budget Committee, and the Budget Committee reported the resolution with approval prior to the recess.

The waiver was required, not with respect to all of the tax bill, but only with respect to those parts that dealt with extension of the temporary tax reductions and the \$50 rebate provision.

Since the latter has been withdrawn, the question of the applicability of the waiver requirements of the Budget Act is really moot with respect to these payments; at least I assume that the Finance Committee will withdraw the \$50 tax rebate provision as requested by the chairman of the Finance Committee yesterday.

Mr. HARRY F. BYRD, JR. Mr. President, if the Senator will yield at that point, the Finance Committee acted this

morning to do that.

Mr. MUSKIE. That being the case, then may I say to the Senator from Virginia, the requirement of the waiver resolution at this point is moot in terms of the Budget Act with respect to the rebate payments.

That does not mean, of course, that the merits of the tax bill in the final form that it will take when it comes before the Senate should not be debated.

I discussed the waiver resolution with the members of the committee by polling them individually. It was not possible to get a meeting of the Budget Committee this morning, because of a meeting on energy at the White House, but the members of the Budget Committee overwhelmingly approved this report to the Senate, that the waiver resolution is appropriate and the committee can see no objection to its consideration by the Senate at the present time. I really see no reason to take up the Senate's time any further with respect to the consideration of it.

I do have a statement, Mr. President, that I would like to put into the RECORD, that discusses some of the issues that have been raised by the President's withdrawal of his support for the tax rebate, the economic considerations that must now be weighed by the Budget Committee, by the Senate, and by Congress as a whole.

May I say to the Senate, Mr. President, that the Budget Committee will meet this week as a first step in reevaluating the economic policies that are reflected in the third concurrent budget resolution for 1977 and the first concurrent resolution for 1978. A change of the magnitude proposed by the President cannot be made without raising questions about the underlying economic policy that is involved. The committee will be meeting for that purpose, and conceivably could be recommending modifications of those two budget resolutions after it has given both of them the kind of consideration that this action by the President merits. The statement I am submitting for the RECORD covers some of those issues at greater length.

Mr. President, the issue before the Senate is the adoption of Senate Resolution 126, reported by the Committee on the Budget on April 6. Adoption of this resolution is necessary to clear the way for Senate consideration of H.R. 3477, the Tax Reduction and Simplification Act of 1977

Under the Budget Act, Senate consideration of any revenue or spending measure which first takes effect in a fiscal year for which no budget resolution has yet been adopted must be preceded by consideration and adoption of a resolution under the authority of section 303 of the Budget Act. The purpose of this Budget Act provision is to assure that revenue changes adopted in one fiscal year do not inadvertently or imprudently mortgage the revenue collections of the Government in a future fiscal year.

The tax bill to which the pending waiver resolution applies is an integral part of the congressional fiscal policy adopted in the third concurrent resolution on the budget just 2 months ago. Many of its features take effect immediately. The extension of the temporary personal and corporate tax reductions provided for by the bill take effect next January 1, a date which falls in the forthcoming fiscal year. These fiscal 1978 provisions are those to which the pending waiver resolution applies.

The Senate Budget Committee considered this waiver resolution in connection with its markup and report on the first budget resolution for fiscal year 1978. That budget resolution will be considered in the Senate soon after completion of the work on this tax bill. That budget resolution, the tax bill, and this waiver resolution are closely intertwined. I will have additional remarks to make about the principal individual features of the tax bill when it is the pending business of the Senate. But I want to call the Senate's attention now to the reality that the pending tax bill is separably woven into the fabric of the consistent economic policy Congress has adopted in the third budget resolution and will soon consider in the congressional budget for 1978.

Congress, in adopting the Budget Act. provided a mechanism for assuring a coherent and consistent fiscal policy for the Federal Government on a year-in, year-out basis. Congress did so by healing the century-old rift between spending and tax decisions in the Congress by its creation of the Budget Committees. Congress also provided that the budget process would be aided by professional economic and analytic staff, not only in the two Budget Committees, but in the Congressional Budget Office as well. The purpose of all these measures was to free the country from the rollercoaster of haphazard and inconsistent economic policy which had afflicted the Federal Government until that time. In furtherance of that purpose, the Budget Act sought to assure effective congressional control over the budgetary process in order to free the legislative branch from exclusive dependence for economic leadership and analysis upon the executive branch.

The budget process has been proven effective in its 2 years of operation. We tempered plans to spend and directed them toward job-creating purposes. We held down the recession-created deficit

and shaped a congressional fiscal policy to accelerate our national economic recovery. Just a few months ago, we believed it was operating at its best in cooperation with the President when we reported a third budget resolution to accommodate the program of job creation the President submitted on January 31. We now confront the reality that the President has changed his mind about a large portion of that program which affects this tax bill. He has withdrawn support for the \$50 payments which were a keystone of his economic program. I have made clear my view that the President's positions was a serious economic misjudgment.

I ask unanimous consent that my statement in favor of the \$50 payment, which I made in the Senate on April 7, and my reaction to the President's withdrawal of that proposal, be made a part of the Record at the conclusion of these

remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 1 and 2.)

Mr. MUSKIE. But the President's change of mind does not change the economy or the congressional budget policy set forth in the third concurrent resolution on the budget. Whether there are viable alternatives to the rebate proposal to fill the gap which the President's failure to support his own program has created remains to be seen. The Budget Committee will meet this Friday to consider that issue and whether additional amendments to the congressional budget are in order.

This change of circumstances, however, required me to consult the members of the Budget Committee as to whether the waiver resolution reported before the recess should be reconsidered. It is my conclusion, based on those consultations, that the committee believes that debate on this tax bill should proceed at the present time, and that the waiver resolution should be adopted. I concur in that

judgment.

The Budget Committee will meet soon to evaluate whether, in light of the President's withdrawal of support for his own program, the revenue floor stipulated in the third budget resolution should be revised. We have to assure that imprudent or inadvisable revenue amendments are not enacted during the balance of this fiscal year which use up any significant portion of the \$6.5 billion included in that budget resolution for those portions of the President's program support for which he was now withdrawn. It may be that the President's action came too late in the fiscal year to permit Congress to craft and substitute an equivalent stimulative and employment-related fiscal policy. If that is so, our only option may be to revise the revenue floor upward again to hold down the deficit and to preserve the remainder of the fiscal plan we adopted in the third resolution and the fiscal plan contemplated in the first resolution for next year. I have no doubt that such a change in the revenue floor can be accomplished prior to the return of a conference report on this tax bill, if that course must be followed to assure that improvident amendments to

this tax bill, even if they are in order under the present revenue floor of the third resolution, will be out of order in a conference report.

We should not add one nickel to the deficit to pay for tax programs which may be sound but which ought to be postponed until the budget is in balance. While Congress should spend what it must to return the country to full employment and a balanced budget at the earliest possible date, it should not go into the marketplace to borrow funds to pay for tax cuts which are nice to have but do not serve the goal of a balanced budget at the earliest possible date.

As usual, it is not pleasant to remind my colleagues, as I must as chairman of the Budget Committee, of the counterproductive, unpleasant, and unacceptable fiscal implications of tax bills which are attractive in their purpose but unacceptably add to the deficit we face. But that is my duty as chairman of your committee, and I will pursue it in connection with this tax bill with all the

vigor at my command.

Let me also take this opportunity, however, to commend the distinguished chairman of the Finance Committee, Senator Long, and that committee itself for the high degree of restraint and responsibility they have demonstrated in the formulation of the present tax bill. They have adhered to the budget process and supported it. The bill they reported advanced both the President's program and the budget process. Although I have some differences on individual features of the bill they have reported, I will stand with them now to defend the bill from imprudent additions which do not conform to the policy of the congressional budget.

EXHIBIT 1

A CRITICAL NEED FOR THE PERSONAL INCOME TAX REBATE

Mr. Muskie. Mr. President, I address my remarks this morning to the rebate on personal income taxes proposed by the President and provided for in the third concurrent resolution on the budget for fiscal year 1977.

We are in the midst of recovery from the worst economic recession since the 1930's. The recovery has been underway for 2 years, but has proceeded too slowly to cut deeply into unemployment or unused industrial capacity. Unemployment remains at unacceptable levels. Seven million persons, including 2½ million family heads, are still out of work.

In my home State of Maine, for example, unemployment remains above 10 percent, a figure essentially unchanged from a year ago, despite our hopes for a speedier recovery. And it is a measure of the seriousness of the recession that analysts concluded that 1976 was a relatively good year for Maine's economy, even though 1 worker in 10 did not have a job.

The pace of the recovery slowed down in mid 1976. The Budget Committee recognized this slackening when we proposed the fiscal policy embodied in the second concurrent resolution for 1977. We stated in our report to the Senate that we were prepared to consider a subsequent concurrent resolution early in 1977 if the economic data received by then did not indicate that the recovery was proceeding satisfactorily.

President Carter shared our sentiments. As a candidate for the Presidency, he promised to provide a fiscal policy that would stimulate the economy and reduce unemployment.

Soon after taking office, he sent his stimulus proposals to Congress. The Budget Com-

mittee also recognized the need for immediate additional stimulus early this year. In response to the President's proposals and our own recognition of the slowdown in the recovery, we reported the third concurrent resolution to the Senate. Congress reduced the revenue floor for fiscal year 1977 in order to provide additional economic stimulus as quickly as possible.

The need for the stimulus is still critical. The rebate we are now considering provides about 60 percent of the stimulus provided for in the third budget resolution for fiscal year 1977. We adopted the budget resolution with utmost speed in order to facilitate rapid enactment of the stimulus proposals. A month has now passed since the resolution was adopted; we have lost too much time already. If we fall to adopt the rebate we will fall even further behind in our schedule for economic recovery.

Mr. President, the worst possible mistake that could be made in fiscal policy would be to decide, at this late date, that the economy is in fine shape, that effective stimulus is no longer required in 1977, and that the rebate can be abandoned. Policymakers in this country and other have been justly criticized for a lack of steadiness in policy, for stop-go policies. To abandon this revenue reduction now, after it has been incorporated into the spending plans of millions of households and businesses, would be a flagrant example of go-stop policy.

We adopted the third budget resolution because we decided that additional stimulus was necessary as soon as possible. Let us stick to our plans. Let us not attempt to fine-tune the economy. We cannot allow our policies to be guided by every small movement of the economic statistics. Should we propose stimulus during the slowdown, oppose it when Christmas sales turn up, propose it again when the severe winter descends, and once again oppose it when spring raises the

temperature and our spirits?

Some say we do not need additional stimulus in 1977 because we can expect strong growth in the second and third quarters. The economy will make up for ground lost during the severe cold and gas shortages of the winter. But these catch-up effects do not add to total employment and output during 1977—they merely redistribute it. They provide no substitute for the steady fiscal policy contained in the 2-year stimulus package originally proposed by the administration and anticipated in the third budget resolution.

What will happen if we reject the stimulus provided by the rebate? The econometric models are virtually unanimous on the point-growth will be slower in the remainder of this year. The data resources model estimated that over one-half point of real growth—almost \$12 billion of output—will have been lost by the end of 1977. 250,000 fewer jobs will have been created, and un-employment will be higher. Is this the way to signal American business that the demand for their products will be strong in 1978, and that commitments to expand capacity will be rewarded with higher sales? The rebate was needed—and is needed—because the growth in final sales has been slow throughout the recovery, averaging only 4.3 percent. There is still no evidence that business investment will accelerate by itself. Investment waits for solid evidence of continued growth in sales. We need to support steady, solid growth at this point in the recovery, not to under-

Mr. President, some of those who have opposed the rebate have done so not because they believe that additional stimulus is unnecessary, but because they do not believe it will work. I would like to speak briefly to that question as well.

It has been argued that the rebate will not increase consumption expenditures because it will go into savings instead. In particular,

it is said that the rebates will simply be used to replenish savings which were used to pay fuel bills. But that is precisely the point. That is the strongest possible argument for the rebate.

How will families pay those fuel bills, and restore their savings, if the rebates are not provided? They will have to reduce other expenditures. Indeed, there is considerable danger of reduced household spending during the rest of the year for just this reason. Preliminary estimates suggest that the savings rate fell sharply in the first quarter, down nearly to 5 percent, as the fuel bills came in. Household savings were about \$17 billion lower than they would have been at

last year's savings rate.

The danger is that the savings rate will now move sharply upward, and the growth of spending will be slow. The rebate provides a quick and effective way to improve the financial position of low- and middle-income families and allow them to maintain their accustomed expenditure. The February survey of consumer attitudes done by Michigan's Survey Research Center found higher confidence among consumers who expected a tax reduction than among those who did not. I have no difficulty understanding this finding, although it seems that some of my colleagues do.

I have never been able to understand why American families would treat the tax rebate very differently from any other small change in their incomes. Economists are very good at telling us what we already know and one of the things they tell us is that people who receive very large windfalls do not spend it all very quickly. Now that is a very good theory for the winners of State lotteries and the heirs of large fortunes, but I do not see what it has to do with the average American family. For the median family the rebate would be only about 1½ percent of annual income.

For once the economists have something useful to tell us, for their studies indicate that small temporary changes in income, such as rebate, get treated much like any other income. They show that the rebate should have a substantial and pronounced effect on consumption expenditure for several quarters after it is paid, which is exactly what it was intended to do.

Dr. Thomas Juster, the director of the Institute for Social Research of the University of Michigan, has recently done a study of the effects of permanent and temporary tax changes on consumer spending and saving. He found no significant difference between permanent and temporary tax changes.

Prof. Saul Hymans at Michigan examined the effects of the 1975 tax rebate and tax cuts on consumer purchases. He found a huge increase in purchases of furniture and household equipment associated with the additional purchasing power arising from the tax reductions.

Arthur Okun of the Brookings Institution, in studying the 1968 tax surcharge, found that the experience confirmed "the general efficacy and continued desirability of flexible changes in personal income tax rates—upward or downward, permanent or temporary."

Still other studies have confirmed the difference in the effects on spending of large and small temporary income changes to

which I referred previously.

Mr. President, I do not believe we should withhold the economic stimulus this country needs because of a misapplication of economic theory, or a failure to recognize the abundant evidence which supports the use of the rebate.

I do not believe that future tax revenues should be mortgaged when the new administration is less than 3 months old, and still formulating its programs, if a clear alternative is readily available. I do not believe that we should go further in attempting to devise permanent tax reductions before we have

given the administration an opportunity to present its proposals for tax reform.

Mr. President, the way to get the economy moving again is not to put up a stop sign. When the Senate returns from recess on April 18 it will immediately consider the tax bill reported by the Finance Committee. I urge my colleagues to declare themselves in support of a steady fiscal policy and continued economic recovery by supporting the fiscal stimulus provisions, including the rebate, as recommended by the Finance Committee.

One closing point, Mr. President. On yesterday the Senate Budget Committee completed its consideration of the first concurrent budget resolution for fiscal year 1978. That resolution is not directly relevant to the \$50 tax rebate, except to this degree: that if it is not enacted, it will affect the revenues we can expect to flow from the Federal tax structure in 1978.

If the \$50 tax rebate is not approved, or if in lieu thereof Congress should enact into law the permanent tax reductions proposed by several Republican Senators—and it is their prerogative to do so—revenues that we can anticipate in 1978 will be lower than those provided for in the resolution adopted by the Budget Committee yesterday. The effect will be a larger deficit, lower revenues, lesser ability to deal with tax reform later this year, and the effects on the economy which I have taken the last few minutes to describe here for the benefit of the Senate.

So for all those reasons, Mr. President, it makes sense to enact into law this feature of the President's economic stimulus proposal.

(EVETTETT 9)

STATEMENT OF SENATOR EDMUND S. MUSKIE ON THE WITHDRAWAL OF THE AMINISTRA-TION'S TAX REBATE

Senator Edmund S. Muskie (D-Maine), Chairman of the Senate Budget Committee, issued the following statement concerning President Carter's withdrawal of support for the tax rebate and business tax proposals:

"The Administration's policy reversal on the tax rebate is disappointing. It is disappointing both because of its likely economic effects and the manner in which the decision was taken.

"The economic effects of this decision are likely to be substantial. It raises the risk of repeating the pattern of 1976, when the economy was strong in the beginning of the year and slowed down sharply at the end. This action is likely to cost about 250,000 jobs by the end of this year, at the same time that the Administration is asking shoe workers, and those in other depressed industries, to bear the heavy cost of unemployment. The Administration's goal of reducing unemployment below 6 percent by the end of 1978 will now be much more difficult to achieve.

"These costs might be necessary to bear if the economy was in danger of overheating and additional fiscal restraint was required. But this is not the case, as Chairman Schultze indicated yesterday. The unusual price increases in the last several months have been due to the effects of the winter on food and energy prices, and to inflationary momentum in the economy. They have not been caused by excess demand. There is no serious prospect that the rebat; and business tax relief would give rise to such excess demand.

"The fundamental economic reasons for the rebate remain valid. The Administration claims, on the basis of strong industrial production and retail sales figures for February and March, that the rebate is now 'unnecessary.' An accurate characterization of these data, however, would be that the first quarter may turn out to be less bad than we had feared. It now appears that real GNP growth is likely to be around 5 percent, rather than the 3-4 percent expected earlier because of the severe weather. Industrial production has rebounded strongly from its winter depression, to be sure, but is still only 2.4 percent above its 1974 peak and 5.5 percent above its level of a year ago. Capacity utilization in manufacturing, at about 81 percent, is still below its average postwar level. These are hardly the marks of an economy that is 'overheating.' With 7 million Americans out of work, what can it mean to say that two-third of the fiscal year 1977 stimulus package is 'unnecessary'?

"The tax rebate was proposed because final sales in the economy had been growing at a relatively slow pace throughout two years of recovery. Two months of good retail sales do not provide a sound basis for an abrunt reversal of this policy. The gain in retail sales was in fact stronger in the fourth quarter of 1976 than in the most recent quarter, and some of the recent strength of consumer spending may be precisely because the rebate was expected. The protests against the rebate have not come from low and middle income families. Indeed, many consumers are counting on the rebate for relief from heavy fuel bills. How can we expect to maintain consumer confidence if we cannot maintain a steady fiscal policy?

"The reversal of policy suggests a kind of 'super fine tuning' of the economy which is beyond the capacity of economists. As I stated on the Senate floor last week, 'Should we propose stimulus during the slowdown, oppose it when Christmas sales turn up, propose it again when the severe winter descends and oppose it once again when spring raises the temperature and our spirits?'

"Both the personal tax rebate and the business tax relief were proposed because investment demand has been unusually weak during the recovery. There still is no evidence that business capital spending will accelerate to boost the recovery. Is stronger investment demand now 'unnecessary'?

demand now unnecessary:

"Another factor in the disappointing recovery has been slow export growth due to the worldwide nature of the recession. The Administration stimulus package originally signalled a determination to provide U.S. economic leadership in world recovery. The stimulus package represented a commitment to vigorous expansion. We urged some reluctant and important trading partners to go and do likewise. What signals is the Administration sending them now? Will the Administration argue at the economist summit in London next month that a more vigorous expansion is suddenly 'unnecessary'?

"The Administration's action is disappointing, finally, because of the failure to coordinate fiscal policy decisions with the Congress. Reasonable men can certainly differ with respect to the composition of fiscal policy and such differences were being resolved within the legislative process. But the Administration and Congress appeared to be in agree-ment on the required direction of policy. The Administration had proposed additional stimulus, and the Congress had revised its fiscal year 1977 budget in a coordinated action. The Administration has now made an abrupt policy reversal without consideration the Congressional budget process and without adequate consultation with the Congress. It has done so on the most meagre and preliminary evidence. It may prove much more difficult to convince consumers or businesses in the future that the Government is committed to a carefully planned, deliberate and steady fiscal policy.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield.

Mr. HARRY F. BYRD, JR. As I understand it, the pending measure does not change any of the figures which were in the third concurrent resolution.

Mr. MUSKIE. No. The waiver resolution does not serve that function, may I say to the Senator, and does not affect those numbers at all. But the validity of those numbers is very much in the mind of the Senator from Maine, and we need to take a long and thoughtful look at those numbers in the light of these developments.

Mr. HARRY F. BYRD, JR. As I understand from the previous remarks of the Senator from Maine, any change in those numbers will be forthcoming later on in the week, perhaps, or next week?

Mr. MUSKIE. More likely next week. There is not that much pressure for change except with respect to the first concurrent resolution for the 1978 fiscal year. Since that is on the calendar, and the leadership is pushing for its consideration next week, we may have to move a little more rapidly than we might otherwise.

Mr. HARRY F. BYRD, JR. The Budget Committee would need to act if any numbers were to be changed prior to the consideration of the 1978 budget?

Mr. MUSKIE. I would think so, although I would say to the Senator our initial examination of the 1978 numbers does not suggest that the changes in the 1978 budget would be significantly large. The reason for that, of course, is that the tax rebate was a one-shot deal, with the total impact in fiscal year 1977. There is some impact on fiscal year 1978, and we do want to look at it, but it will be much smaller than the fiscal year 1977 impact. That is the big point, the fiscal 1977 impact.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. MUSKIE. I appreciate the presence of my good friend from Oklahoma, who is the ranking Republican member of the committee. This action meets with his approval, as I understand it, and I am happy to yield to him at this time.

Mr. BELLMON. Mr. President, I am in agreement with Chairman Muskie that the action he recommends is entirely in order. I would like to raise one point with the chairman of the Budget Committee, if I may get his attention, as to something we have discussed privately here on the Senate floor, that has to do with whether or not the action the Senate is about to take will preclude action on a permanent tax cut, if the Senate wishes to get into that.

As I understand, this action still leaves room for a permanent tax cut if we desire to get into that matter.

Mr. MUSKIE. The Senator is correct; there is still room in the Third Concurrent Resolution for tax reductions unless that resolution is changed, and this waiver resolution does not change it.

I would like to say one further thing to the Senator from Virginia with respect to this waiver resolution, a point that may have escaped my mind a few moments ago: the waiver resolution is also required, technically, to cover the extension of the 1975 tax cuts into the next fiscal year. As the Senator will recall, under an amendment offered by the Senator from Alabama (Mr. Allen) last year, we continued those tax cuts until the end of this calendar year.

The tax bill extends those tax cuts through calendar year 1978. Technically, because those cuts would not become effective until fiscal year 1978, a waiver is required for that purpose. So this waiver is very much needed technically for that purpose. I did not want to abuse the Senator's reliance on my information.

Mr. LONG. Will the Senator yield at that point?

Mr. MUSKIE. I yield to the distinguished chairman of the Finance Committee.

Mr. LONG. Let me congratulate the chairman for the fine presentation he has made.

Mr. President, I ask unanimous consent that the following staff members be granted the privilege of the floor during the consideration of H.R. 3477. We will have that revenue measure before us after we complete action on this resolution.

From the Finance Committee:

Michael Stern, Bob Willan, Bill Morris, Charles Bruce, Bill Galvin, Gordon Gilman, and Dave Swoap.

From the Joint Tax Committee:

Bobby Shapiro, Jim Wetzler, Bob Strauss, Mike Bird, Herb Chabot, Paul Oosterhuis, Bill Lieber, Dianne Bennett, Michelle Scott, Mark McConaghy, Don Ricketts, and Randy Weiss.

The PRESIDING OFFICER. Without

objection, it is so ordered.

Mr. MUSKIE. Mr. President, I see no reason for further discussion and I see no other Senators seeking recognition.

I suggest we act on the resolution. Mr. McCLURE. Mr. President, before doing that, will the Senator respond to a question?

Mr. MUSKIE. Of course.

Mr. McCLURE. As I understand, the necessity for the waiver comes about, because of the way the Budget Act is written and not because of the President's action in suggesting that the \$50 rebate is no longer necessary.

Mr. MUSKIE. That is correct. Of course, the waiver resolution has been pending on the Senate calendar for some weeks and predated the President's decision on the \$50 tax rebate. The only question before us today was whether or not we should reconsider the basis on which the waiver resolution was reported to the Senate before we take up the tax bill. It was my feeling that there was no need to reconsider it. It was required in the first instance for only two provisions of the tax bill. One was the \$50 tax rebate, which would appear to be moot now that it has been withdrawn or is proposed to be withdrawn from the bill; and, second, we needed the waiver resolution in order to continue the 1975 tax cuts through calendar year 1978. So our action in approving this waiver resolulution will not in any way be a reflection on the merits of the President's action.

Mr. McCLURE. I assume the waiver resolution as pending before us now does not prejudge that question and that the Congress could either agree with the President's suggestion, disagree with it, or adopt any other alternatives which are within the targets established by the third concurrent resolution.

Mr. MUSKIE. The Senator is correct.

May I make this point also: He knows, as a member of the Budget Committee, that waiver resolutions do not represent judgments on the substantive issue of a piece of legislation to which they apply by the Budget Committee. The only question that we consider, when we consider a waiver resolution, is whether there are adequate reasons why the legislation requiring the waiver failed to meet all the procedural requirements of the Budget Act.

When we are asked to consider a piece of legislation out of the ordinary budget process sequence, the Budget Committee has taken the position that it must have a very good reason for approving the consideration of the bill. When we give the green light we are not passing judgment on the merits. The Senator is abso-

lutely right.

Mr. McCLURE. The reason I took the time to ask the Senator this question, and I appreciate the response, is that some Members were suggesting that the waiver resolution was required by the action of the President or the recommendation of the President. I just wanted the record to be very clear that, as a matter of fact, the waiver resolution is totally unrelated to that decision by the President of the United States. The Congress and the Senate still have the same latitude to make decisions they did under the third concurrent resolution.

Mr. MUSKIE. The Senator is correct. I asked the committee to reconsider the waiver resolution only for the purpose of using this occasion to give the Budget Committee an opportunity to determine whether or not there was any policy option which it would like to pursue. The overwhelming response of the committee was that it did not, and so we come here simply supporting the waiver resolution for the reasons that we reported it in the first instance.

in the first instance.

Mr. McCLURE. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. MUSKIE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. LONG. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TAX REDUCTION AND SIMPLIFICATION ACT
OF 1977

The PRESIDING OFFICER. The clerk will state the pending business.

The assistant legislative clerk read as follows:

A bill (H.R. 3477), to provide a refund of 1976 individual income taxes, and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

UP AMENDMENT NO. 155

Mr. LONG. Mr. President, on behalf of the Committee on Finance, I wish to modify the committee amendments as follows, and I do so modify them:

On page 2, in the table of contents, strike out the matter relating to title I of the bill.

On page 3, beginning with line 7, strike out through line 7 on page 26.
On page 62, line 3, strike out "April 30,"

and insert in lieu thereof the following: "May 31,".

On page 64, line 16, strike out "April 30," and insert in lieu thereof "May 31,".

The PRESIDING OFFICER. The committee amendments are so modified.

Mr. LONG. Mr. President, in due course, after I have made my statement in chief, and perhaps after others have made their opening statements, I intend to ask unanimous consent to modify the bill to delete title I and also to delete the reference to title I in the table of contents. If that motion is objected to, then I will make a motion to recommit and report back forthwith without title I in the bill. Title I relates to the \$50 refund which the President recommended and then, after the passage of time, he felt it was no longer desirable to proceed with that recommendation. I believe it is generally agreed by all concerned that, in view of the change of attitude with regard to that major item, it should be eliminated from the bill. We will proceed to do that one way or the other, either by unanimous consent or by motion, later in the handling of this measure.

Mr. President, H.R. 3477, the Tax Reduction and Simplification Act of 1977, as amended by the Committee on Finance, is the first major tax legislation of the 95th Congress. First, it addresses the need for increased consumer spending and business investment to provide the additional economic stimulus necessary to increase the rate of economic growth in 1977 and 1978. With such additional growth, we will be able to reduce unemployment without reigniting inflation. Second, the bill addresses the need to simplify our tax system so that taxpayers can more easily and accurately fill out their tax returns.

Mr. President, there are some of us who still believe that there is need for economic stimulus, and there is a considerable amount of stimulation for the economy that remains in this bill.

In the 9 months ending in March 1976, the value of goods and services produced in the country, adjusted for inflation, grew at an annual rate of 8 percent. In the second quarter of 1976, however, the economy grew at an annual rate of 4.5 percent; in the third quarter this rate fell to 3.9 percent, and in the fourth quarter it fell to 2.6 percent. Even though there are indications that growth improved in the first quarter of this year, the economy is operating well below its potential.

Along with this sluggish economic growth, there has been persistently high unemployment, which is of great concern to the committee. The unemployment rate averaged above 7.5 percent in 1976. More than 7 million Americans are unable to find employment. The sluggish economy which has resulted in this high unemployment has particularly hurt the poor and disadvantaged.

The Finance Committee concluded that the tax stimulus should consist of a permanent tax cut to increase consumer spending, a jobs tax credit to create additional employment, and also an increased investment credit designed to stimulate investment. In line with President Carter's recommendations, the

committee has agreed to delete the tax rebate in the House bill.

The committee has added the increased investment credit to the House bill, because spending for new plant and equipment continues to be sluggish as well; and, if not reversed, the current shortfall in plant expansion will lead to production bottlenecks late in the recovery and a renewal of the inflationary pressures comparable to those that were experienced in 1973 and 1974. The weakness in new plant and equipment expenditures is highlighted by noting that at this point in previous recoveries, such investment averaged 5.3 percent above the previous peak. In this recovery, investment remains at 11.8 percent below the previous peak

On balance, the Finance Committee concluded that there was a need for an economic stimulus to insure that steady growth would proceed through 1977 and 1978 and reduce the unacceptably high levels of unemployment. An overall tax and spending package for fiscal year 1978 of \$18 billion, of which \$8 billion represents extension of existing tax cuts, seemed to balance the competing objectives of a reduced level of unemployment and a continued moderation in rates of inflation.

As the Senate and most of the Nation are aware, I publicly supported the rebate on national television a little over a week ago. The number of persons unemployed remains quite high, and I think there is a good case for providing a temporary stimulus to consumer spending in the middle of this year. Until recently, the administration shared this view and testified before the Finance Committee on the need for the rebate.

However, in recent weeks economic indicators suggest that the economy performed better than expected in February and March. President Carter has decided that the economy no longer needs the rebate, and he has urged us to delete it from the bill. In view of this request, the committee amendment deletes the rebate.

The committee also retains two important tax reductions for individuals. The increase in the standard deduction provides a tax cut at an annual rate of \$6 billion for 47 million taxpayers. Most of this tax reduction goes to people with low incomes.

Also, the committee bill retains the House extension through 1978 of the tax cuts enacted as economic stimulus measures in 1975. If these are allowed to expire at the end of 1977 as presently scheduled, the stimulus in this bill would be almost entirely offset.

The second problem this bill addresses is the burden on taxpayers in filling out their individual income tax returns. Each spring we hear that the tax forms have become longer and more complicated. Almost 50 percent of all taxpayers pay other people to get assistance in filling out their tax returns. In addition, the Internal Revenue Service has reported that significant numbers of tax returns filed early this year contained errors. The major sources of errors involved computing the standard deduction and computing the general tax credit.

I want to point out that we have been able to make a major effort toward simplification in this bill. This has been achieved by revising and raising the standard deduction, and building it, as well as the general tax credit and the personal exemptions, directly into tax tables. Thus, taxpayers will have to go through fewer steps to complete their tax returns. They will simply look up in the tax table the amount of tax due rather than perform many calculations. These tables will be used by 96 percent of all taxpayers.

Overall, the committee bill provides \$2 billion of tax cuts for individuals, and \$900 million for businesses in fiscal year 1977. For fiscal year 1978, the committee bill provides \$14.9 billion of tax cuts to individuals, and \$3.4 billion to businesses. Unlike the House bill, the tax cut for business is in the form of a stimulus for new investment as well as a stimulus for the hiring of new employees. The House bill only provided for a tax credit for new employees. The change in the effective date for certain retroactive provisions of the Tax Reform Act of 1976 will reduce revenues by \$400 million in fiscal year 1977, and the authorizations for the WIN program will increase outlays by \$400 million in fiscal years 1978 and 1979.

I shall now review the specific provisions of the committee bill.

The first part of the tax cut is an increase in the standard deduction, which also provides a major simplification, which I will discuss later. In reviewing the House bill, the committee was concerned that the House created a "marriage penalty" of \$1,800 for everyone. Under current law, this reduction in the standard deduction resulting from getting married ranged from \$1,300 to \$2,-000. By making it \$1,800 for everyone, the House bill worsened the situation for large numbers of persons. Accordingly the Finance Committee bill changed the standard deduction in the House bill to a flat \$2,200 for single persons and \$3,200 for heads of households and married couples filing jointly. Under present law the standard deduction ranges from \$1,-700 to \$2,400 for single persons and from \$2,100 to \$2,800 for joint returns. These changes are to be reflected in reduced withholding beginning on June 1 of this year. This higher standard deduction provides a \$1.5 billion tax cut in fiscal year 1977 and \$8.1 billion in 1978. The full year, permanent revenue loss is approximately \$6 billion.

The second part of the committee's bill tax cut is an elective program of an additional 2 percentage points in the investment tax credit or a new jobs tax credit. The first part of the tax cut package is designed to increase consumer spending and stimulate economic growth. The House bill provided for only a new jobs tax credit. The committee, however, was concerned that new investment has been at a low level, and concluded that an additional investment tax credit would significantly raise in-

The committee bill modifies the House new jobs tax credit in a number of ways which will enhance its effectiveness and limit possible abuses. The new jobs credit under the House bill was limited to \$40,000 per employer per year, for a credit equivalent to hiring 24 new employees. The committee bill eliminates this ceiling to make the credit available with respect to a larger portion of the work force. Under the House bill, the new jobs tax credit equaled 40 percent of the first \$4,200 of wages paid subject to the Federal Unemployment Tax Act—FUTA—in excess of 103 percent of such wages paid in the prior year. In order to keep the overall revenue impact of the credit within the total size of the package, the rate of credit was reduced to 25 percent.

The committee amendment also modifies the House jobs tax credit to limit possible abuses. First, the committee amendment requires that firms reduce their ordinary deduction for wages by the amount of the credit. This will prevent individuals in high brackets from receiving tax reductions under the new jobs credit that exceed 100 percent of the wages paid to new employees. Second, in order to prevent inordinately large tax reductions to new firms, the committee amendment limits the wages on which the credit is computed to no more than 50 percent of the base year FUTA wages.

The third part of the tax cut package is the extension of the 1977 tax cuts through 1978. This will also strengthen the economy. The extension of these cuts through 1978 is needed for our continued economic growth, and providing this extension early in the year is necessary to enable consumers and businesses to plan their affairs through 1978 with some certainty about tax policy.

These tax cuts include the general tax credit, the earned income credit, and corporate rate reductions for small businesses. The general tax credit equals the greater of \$35 per capita or 2 percent of the first \$9,000 of taxable income. Extension of the general tax credit will reduce revenues by \$6.8 billion in fiscal year 1978, and \$3.9 billion in fiscal year 1979.

The earned income credit equals 10 percent of the first \$4,000 of earned income, phased out as adjusted gross income rises from \$4,000 to \$8,000. It is limited to families with dependent children and may exceed tax liability. The extension of the provision will reduce revenues by \$1.3 billion in fiscal year 1979.

The corporate tax reduction has two parts: An increase in the surtax exemption from \$25,000 to \$50,000 and a reduction in the tax rate from 22 to 20 percent on the first \$25,000 of corporate taxable income. Extension of this provision reduces revenues by \$1 billion in fiscal year 1978 and \$1.3 billion in fiscal year 1979.

Overall, the 1-year extension of these individual and business taxes will reduce taxes by \$7.8 billion in fiscal year 1978.

The second major goal of the committee bill involves simplification of the filling out of the individual income tax return. This simplification is achieved by revising the standard deduction and the tax tables. Since the standard deduction is raised to a flat \$2,200 for single persons

and \$3,200 for married couples filing jointly and heads of households, the tax tables and rate schedules will have the standard deduction built into them. Thus, a typical taxpayer who does not itemize will simply find his tax in tables based on adjusted gross income and the number of his exemptions. Because the standard deduction is built into the tables, taxpayers who itemize their deductions will deduct only the amount of their deductions in excess of \$2,200 or \$3,200, depending on whether they are single or married. Thus, the standard deduction is changed into a floor under itemized deductions.

This simplification reduces the number of steps a taxpayer who does not itemize his deductions must make to compute his taxes from eight to two. For a taxpayer who itemizes his deductions, the simplification reduces the number of steps from eight to six.

The increase in what is now the standard deduction will mean that it will no longer be worthwhile for 7 million taxpayers to itemize deductions, reducing the number of taxpayers who itemize their deductions to 24 percent of the total. Also, 96 percent of all taxpayers will be able to find their taxes from the tax table without having to make separate calculations of their personal exemptions as general tax credit.

In addition to providing for economic stimulus and simplification, the Finance Committee bill added several provisions related to the retroactive exclusion of sick pay and income earned abroad as a result of the 1976 Tax Reform Act. These provisions will now take effect this calendar year, rather than in calendar 1976, and accordingly will alleviate what otherwise would be undue hardship.

The committee bill added three other tax provisions to the House bill, relating to business use of the home for day care, rapid amortization for child care facilities and travel expenses away from home for State legislators. Further, the committee added a provision to increase the authorizations for the WIN program by \$435 million for fiscal years 1978 and 1979

The committee also provided for a series of studies and reports to the Congress on the economic and employment impact of the principal temporary tax changes in the bill—the new jobs tax credit and the increased investment credit—by the Department of the Treasury, the Council of Economic Advisers, the Congressional Budget Office, and the Board of Governors of the Federal Reserve System.

This package of economic stimulus and simplification is the first step we are taking to regain our economic health and achieve a tax system that is easily complied with.

Mr. President, I urge the Senate to agree to the committee amendments to H.R. 3477.

Mr. President, I am not aware of any objections to modifying the bill as recommended by the committee this morning. When we discussed the rebate in the committee this morning, it was unanimously agreed that we should recommend that title I be stricken from the

bill. I have submitted a modification of the Committee amendment which is at the desk to strike title I, and I ask unanimous consent that title I be stricken along with the reference to title I in the table of contents.

Mr. CURTIS. Mr. President, reserving the right to object, and I shall not object, I would like to make certain for the record just what is involved here that will be stricken.

What would be stricken under the unanimous consent proposed?

Mr. LONG. The \$50 tax rebate which was passed by the House. The rebate is a part of the House language in the bill, and the committee agreed this morning to delete the rebate.

When we discussed the \$50 tax rebate in committee this morning, as the Senator knows, it was agreed that because of the improved economic conditions and also the President's concern about inflation and the passage of time, the rebate should be deleted from the bill

Mr. CURTIS. One more question. That means there would remain before the Senate as the pending business the House bill as reported out by the Finance Committee?

Mr. LONG. That is exactly correct.
Mr. CURTIS. And all rights to offer
amendments to the remaining parts of
the bill or add-ons will still be preserved?

Mr. LONG. The Senator is exactly correct.

Mr. CURTIS. No objection on my part.
Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object, and
I shall not object, what the Finance
Committee did today and what it recommends to the Senate is to follow President Carter's recommendation that the
\$50 tax rebate be eliminated from the
pending legislation.

President Carter last week stated that enactment of this \$50 rebate would be inflationary. The representative of the Treasury Department in testifying before the Finance Committee today reiterated that statement saying that the rebate would be inflationary.

The proposed \$50 rebate would reduce revenue by approximately \$10 billion. The rebate, however, is only one part of the President's total economic package. The other part provides for an increase in spending of from \$20 to \$22 billion. The rebate, therefore, is approximately one-third of the President's total economic program.

What the Senator from Virginia suggests is that, if the \$50 rebate is inflationary, as President Carter says it is and as the Treasury Department says it is, a proposition to which I agree, then most certainly an increase of \$20 to \$22 billion in spending is even more inflationary.

While I shall support the proposal of the able Senator from Louisiana, I should like to see the Carter Administration go further than it has gone and scrap its proposed increase in spending of \$20 to \$22 billion. Most certainly this spending will be highly inflationary. It certainly is bound to be highly inflationary as compared to the \$10 billion rebate which both the President and the Treas-

ury Department state would be inflationary.

I believe that what we should do with this entire package is to concur in the President's proposal to eliminate the rebate and then, having done that, eliminate the increase in spending which he proposes; because that, too, would be inflationary, just as the President says the rebate would be inflationary.

Mr. BENTSEN. Mr. President, will the

Senator from Louisiana yield?

Mr. LONG. Mr. President, may we have agreement on the unanimous-consent request?

The PRESIDING OFFICER. Is there objection to the request of the Senator

from Louisiana?

Mr. BUMPERS. Mr. President, reserving the right to object, I apologize. I was not on the floor when the request was made. Will the Senator restate it, please?

Mr. LONG. The request is to eliminate title I, which is the \$50 rebate, and reference to it in the table of contents. That, basically, is what the Senator's amendment would have done. Apparently the logic of the Senator's position got through to the President during the recess. The committee has considered the matter this morning, and the committee is recommending that the rebate be stricken from the bill.

Mr. BUMPERS. I understood that the distinguished Senator was going to move to recommit this bill, with instructions to delete title I. Is that not now the case?

Mr. LONG. If I am unable to obtain unanimous consent to strike the rebate, I will make the recommittal motion; but I hope we can do the same thing by unanimous consent. I do not think the Senator from Arkansas would object to that.

Mr. BUMPERS. I say to the Senator

that I certainly do not object.

I was very pleased to see that the President finally saw the wisdom of my views in striking the rebate. But he also said that he would like to see the increase of 2 percent in the investment tax credit deleted, and I am curious as to why the Senator is not also including that in his request.

Mr. LONG. The investment tax credit provision is something that the committee thought well of, and it is the view of the committee that that should be voted on by the Senate. Of course, if the Senator does not agree with it, he has every right to oppose it in any fashion he wishes. He either can object to it when it is voted on or he can move to strike it. He has his options with regard to that. There are some Senators who strongly favor the 2-percentage point increase in the investment tax credit, even though the President has changed his view with regard to that matter.

Mr. BUMPERS. There are a lot of Senators, of course, who favor the rebate.

I do not want to get into the merits of the argument at this point. If the President was correct, that the economic indicators are such that the rebate is no longer necessary—and I certainly agree with him, and I even agree with him on other grounds besides that one—if the economic indicators are such that he

felt comfortable in deleting that and in deleting the increase in the investment tax credit, I simply think we should honor both requests. I am prepared to go further and to take the jobs incentive provision out, too, which seems to me like an administrative nightmare, and leave the increase in personal reductions and personal income credits, the earned income credits, and let it go at that.

Mr. LONG. The Senate may want to do that. The Senator certainly does not restrict himself in any respect whatsoever by agreeing that we eliminate the \$50 refund. I suggest that the Senator go along with us on climinating the \$50 refund now; and if he wishes to oppose the investment tax credit or the job incentive credit, he can exercise his right to do so when we get to that matter. Those provisions are not in title I of the bill which I am asking consent to strike.

Mr. BENTSEN. If I may interrupt the Senator from Louisiana, I understand the point of view of the Senator from Arkansas. I do not agree with him. However, I believe that if the matter went back to the Committee on Finance there is no question as to how it would come back to the floor. It would come back in the same form. I think that is very much the consensus of the committee. So I believe it would be appropriate to let the manager of the bill handle it under the procedure he has outlined. That would get us a much quicker resolution of the issue the Senator is talking about, and the Senator will have ample opportunity to offer his amendment on the floor and debate it here. I think the result is going to be the same in the committee.

Mr. BUMPERS. I thank the Senator. I am disposed to honor that request, but I should like to make this point before

withdrawing my objection.

I was just listening to the Senator from Virginia talking about \$22 billion in expenditures, which he felt was unnecessary. The Treasury incurs a deficit in two ways: One is through outright expenditures of money we do not have; the other is through tax incentives by which the Treasury actually collects less in taxes. One builds a deficit just as fast as the other method. It is my understanding that the increase in the investment tax credit to 12 percent was going to cost the Treasury \$2 billion. I am not sure what the jobs incentive provision is going to cost the Treasury.

All I am saying is that I, as does the Senator from Virginia, feel that we have to get cracking on balancing the budget and helping the President keep his commitment for 1981. I am prepared to help him in both ways—cutting down on expenditures and cutting down on unnecessary tax incentives.

In any event, I appreciate the Senator's viewpoint, and I am going to accede to his request, with the understanding that I probably will offer amendments to strike both of those other parts of title II as soon thereafter as I can.

Mr. BENTSEN. Mr. President, H.R. 3477, the Tax Reduction and Simplification Act, will provide needed tax relief for individuals and at the same time simplify our tax system for the average

American. The increase in the standard deduction in this legislation would cut taxes for about two-thirds of all taxpayers by an average of over \$100. These tax reductions would provide a partial offset to inflation for the average American family.

The bill would also considerably simplify income tax returns and the tax computation for almost all individual taxpayers. At present, a family of four with a \$15,000 income which claims the standard deduction has to make six computations involving deductions, exemptions, and a tax credit. Using the simplified form proposed by this legislation, they would make no computations, rather they would simply look in the new tax tables to determine the amount of tax they owe.

H.R. 3477 extends the 1977 individual and corporate tax reductions through 1978, including the general tax credit, the earned income credit, and the corporate rate reductions. Failure to extend these provisions would result in a tax increase for tens of millions of Americans.

Mr. President, the tax simplification provisions of H.R. 3477 will help ease the burden on taxpayers in filling out their individual income tax returns. Complex Federal tax forms have caused millions of Americans to make errors when they filed their income tax returns this year. It is getting to the point that it takes a certified public accountant to fill out even the short version of the Federal income tax return. Back in 1954, all you had to be able to do was add and fill in about 30 blanks if you used the short form. But today, according to the General Accounting Office, you have to add, subtract, calculate percentages, multi-ply, and fill in 50 blanks. The Internal Revenue Service reports that in the early weeks of the current tax season about 11.5 percent of the tax returns using the short form contained errors. At this rate some 2.1 million of all the short forms filed will have errors. The major sources of error involved computing the standard deduction and computing the general tax credit. The taxes people pay are enough of a burden without forcing them to hire a lawyer or an accountant to learn how much they owe.

This bill makes a major effort toward simplification. This is achieved by revising and raising the standard deduction, and building it, as well as the general tax credit and the personal exemptions, directly into the tax tables. Thus, taxpayers will have fewer steps to go through to complete their tax returns. They will simply look up in the tax table the amount due rather than perform many calculations. This will be true for most taxpayers who itemize their deductions as well as almost all those who take the standard deduction.

The increase in what is now the standard deduction will mean that it will no longer be worth while for over 7 million taxpayers to itemize deductions, reducing the number of taxpayers who itemize their deductions to 25 percent. Also, about 95 percent of all taxpayers will be able to find their taxes from the tax table without having to make separate calculations.

The Senate Finance Committee bill changes the standard deduction to a flat \$2,200 for single persons and \$3,200 for married couples filing jointly and for heads of households. Under present law. the standard deduction ranges from \$1,-700 to \$2,400 for single persons and from \$2,100 to \$2,800 for joint returns. These changes are to be reflected in reduced withholding beginning May 1.

Inflation alone boosted income taxes by \$5 billion in 1976 as inflation pushed wage earners into higher tax brackets. The tax cut will help offset this infla-

tion-induced tax increase.

The Senate Finance Committee bill also extends the 1977 tax cuts through 1978. This will strengthen the economy because extension of these cuts through 1978 is needed for our continued economic growth and providing this extension early in the year is necessary to enable consumers and businesses to plan their affairs through 1978 with some certainty about tax policy.

These tax cuts include the general tax credit, the earned income credit, and corporate rate reductions for small businesses. The general tax credit equals the greater of \$35 per capita or 2 percent of the first \$9,000 of taxable income. The earned income credit equals 10 percent of the first \$4,000 of earned income, phased out as adjusted gross income raises from \$4,000 to \$8,000. It is limited to families with dependents and may exceed tax liability. The corporate tax reduction has two parts: an increase in the surtax exemption from \$25,000 to \$50,-000, and a reduction in the tax rate from 22 percent to 20 percent on the first \$25,-000 of corporate taxable income.

Mr. President, in addition, this bill includes an optional job creation tax credit for 1977 and 1978 to stimulate employment in the private sector, especially for smaller businesses which are labor-intensive. A jobs credit will help reduce both unemployment and inflation and put those employed on private payrolls.

This bill provides businesses with a temporary increase in the investment tax credit from 10 percent to 12 percent. This change will help create jobs in capital-intensive industries. Increased investment is essential to expand and modernize industrial capacity in order to prevent inflationary bottlenecks and shortages in the future. Greater investment is needed to maintain American competitiveness in the world markets.

This new jobs tax credit is designed to directly address the unemployment problem and provide an incentive, particularly, for small and medium-sized businesses, to hire new employees. Essentially, an employer will get a credit equal to 25 percent of the excess of the first \$4,200 of 1977 wages for each employee over 103 percent of the first \$4 .-200 of 1976 wages. The jobs credit is based on increases in wages over the base period, so that to benefit from the credit, employers will have to do more than simply maintain current employ-ment levels. The credit is a 2-year program for 1977 and 1978 so that, to benefit from it, employers must begin hiring shortly. The credit has several limitations designed to prevent abuses.

A jobs tax credit reduces both unemployed and inflation by lowering labor costs to business and puts those unemployed on private payrolls.

For the vast majority of businesses, this jobs credit will require no additional recordkeeping, tracing of employees, or extensive searching through old records; they will use records already maintained in order to file required Federal Unemployment Tax Act—FUTA—returns. Thus, employers can easily understand their status with respect to this credit. In the interests of simplicity, no records of employee hours, no distinctions between part-time and full-time employees and no tabulations of new employees are necessary.

The temporary increase in the investment tax credit in H.R. 3477 is essential to encourage greater investment for the expansion and modernization of plant and equipment. This is needed to prevent inflationary bottlenecks and to insure that we can remain competitive in the world market. We cannot have high employment and a balanced budget without high levels of business investment. The Nation needs increased investment to boost productivity and provide jobs.

The House version of the tax bill would provide no stimulus at all to capital investment. But this is precisely where the economy needs bolstering the most. Spending on new plant and equipment has lagged all through the recovery from the 1974 and 1975 recession. If it does not pick up distinctly within the next year, the upswing in business is likely to abort. And if it does not maintain a high level over the long run, the United States will be unable to provide jobs for its growing labor force.

In 1973, gross fixed investment-expenditures for new housing, plant and equipment, measured in 1972 dollars, was \$190.7 billion. In 1974, gross fixed investment fell to \$173.5 billion, a 9 percent decline, and in 1975 it fell to \$149.8 billion, a 21 percent decline from 1973 and a 14 percent decline from 1974. Fixed investment rose to \$162.8 billion in 1976, an 8.7 percent increase over 1975; however, to date it is still below the 1974 level. In the last quarter of 1976, investment in equipment actually declined.

The weakness in new plant and equipment expenditures is highlighted by noting that at this point in previous recoveries, such investment has averaged 5.3 percent above the previous peak. In this recovery, investment remains 11.8 percent below the previous peak.

Today businesses lack confidence to invest in expansion and modernization. Real after-tax return on investment, adjusted for inflation, fell from 9.9 percent in 1965 to 2.4 percent in 1975, and in 1976 it rose to about 3 percent.

Certainly this sort of return does not inspire management to take risks on new investment. The investment tax credit directly rewards investment, thus creating jobs to build the new plant and equipment, and at the same time, increasing industrial capacity which is a hedge against the inflationary pressure of shortages that are likely to appear in the future. Industrial capacity pressures may emerge in basic industries unless we promote new investment now.

Of the many factors that influence economic growth rates, none is more important than the level of capital investment. A strong rate of new capital investment is required to generate sustained economic growth. However, during the 1960's the United States had the worst record of capital investment among the major industrialized nations of the free world. A study prepared by the Department of the Treasury indicates that total U.S. fixed investment as a share of national output during the time period 1960 through 1973 was 17.5 percent. The U.S. figure ranks last among a group of 11 major industrial nations; our investment rate was 7.2 percentage points below the average commitment of the entire group.

Mr. President, at this point in the RECORD, I ask unanimous consent that a table be printed illustrating these statistics.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Investment as percent of real national output 1960-73

		Non-
		resi-
	Total	dential
	fixed 1	fixed
Japan	_ 35.0	29.0
West Germany		20.0
France	_ 24.5	18.2
Canada		17.4
Italy	_ 20.5	14.4
United Kingdom	_ 18.5	15.2
United States		13.6
11 OECD Countries		19.4

¹ Including residential.

Source: U.S. Department of the Treasury.

The PRESIDING OFFICER (Mr. DUR-KIN). Is there objection to the request of the Senator from Louisiana with respect to title I? The Chair hears none, and it is so ordered.

EXCLUSION FOR SICK PAY

Mr. LONG. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 1828.

The PRESIDING OFFICER (Mr. Dur-KIN) laid before the Senate a message from the House of Representatives announcing its action on amendments of the Senate to H.R. 1828, as follows:

Resolved, That the House agree to the amendments of the Senate numbered 2, 3, and 4 to the bill, (H.R. 1828) entitled "An Act relating to the effective date for the changes made by the Tax Reform Act of 1976 to the exclusion for sick pay."

Resolved, That the House disagree to the amendment of the Senate numbered 1 to the

aforesaid bill

Resolved, That the House agree to the amendment of the Senate to the title of the aforesaid bill.

Mr. LONG. Mr. President. I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. Long, Mr. Talmadge, Mr. Ribicoff, Mr. Harry F. BYRD, JR., Mr. HANSEN, and Mr. DOLE conferees on the part of the Senate.

TAX REDUCTION AND SIMPLIFICA-TION ACT OF 1977

The Senate continued with the consideration of the bill (H.R. 3477) to provide for a refund of 1976 individual income taxes, and other payments, to reduce individual and business income taxes, and to provide tax simplification

Mr. MATSUNAGA. Mr. President. I ask unanimous consent that Mr. Edward Eng, a member of my staff, may have the privilege of the floor during the debate on H.R. 3477.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. Mr. President, before we begin considering this tax bill, I wish to express my gratitude to the distinguished chairman of the Committee on Finance, Mr. Long.

There are many competing and conflicting forces at play when we undertake to write a tax bill. They are all worthy; they are all well intentioned; they have sound ideas. After all, many things can go into a particular bill. It is always a task to guide a bill through and do what should be done for our economy.

Some questions have come to my mind about this bill in the last few days. Prior to that time, our attention was focused upon the proposal for a rebate. Many people supported that idea. Some of us did not. Those of us who did not were thinking in terms of an alternative. Now the tax rebate is no longer before us.

The President of the United States has decided against the tax rebate, and it has now been stricken from the bill.

I think it points up that this bill should be thoroughly debated, debated at length, not for the purpose of a delay to defeat or a delay to demand a compromise, but a very thorough debate so that we might think about the economics involved, so that we might devote our attention to the economy of the United States, our budget, what the deficit means, and what these various tax proposals means as they affect the economic well-being of our people, of employment, and of a vibrant forward-moving econ-

For that reason I do not stand here with hard and fixed views as to what amendments, if any, should be offered. I do believe we ought to take time to thrash out here on the Senate floor the taxation principles that are involved.

Mr. President, this is a \$21.5 billion bill. This has an impact upon the American people of \$2.8 billion in fiscal year 1977 and \$18.7 billion in fiscal year 1978 and, therefore, I think we should weigh it well.

Those of us who are close to the scene sometimes forget what the effect of our words is. A few months ago the President of the United States was raising doubts in the minds of all Americans about our economy, about whether or not we were moving in the right direction. He changed his mind. He said the economy is getting better, the employment picture is better, the inflation situation is

By so stating, I think he made it better. I think he directed the minds, attention, and thoughts of millions of Americans along the line that this Governwas doing better than they thought.

Now, of course, it is natural that those things come into politics. The outs tells us that everything is wrong and the ins defend everything by saying everything is right.

But laying that aside, the fact remains that what we do and say here can result in more business, more jobs, the expansion of industry, new chances and opportunities. If we make unsound decisions, make decisions that adversely affect our system of private enterprise, we can discourage industry, we can cause plans for expansion and building of factories to be postponed or abandoned.

We can cause investors to say, "Yes, I think we ought to do this." Then they invest their money and an idea is developed, a factory is built, products are produced, somebody has to transport them, somebody has to finance them, somebody has to insure them and, thus, we have a vibrant private enterprise economy.

Mr. President, one of the things that disturbs me in what I hear about the President's energy bill is that it is not based upon production and more production. Oh, we can conserve, we can close every factory in the country, and it would conserve energy, but it would ruin our economy.

So our attention needs to be turned toward production, and this Congress should retreat from some of the punitive measures in the field of taxation and elsewhere against the producers of energy if we are to have a vibrant economy.

Mr. President, I have some remarks I wish to make in a few moments, remarks dealing with the specifics in the bill as it is now before us, the House bill as reported from the committee.

I must leave the floor for a few moments and, if there is no objection, I ask unanimous consent to yield to the distinguished Senator from Missouri (Mr. Danforth), with the understanding that I may again have the floor when he

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senator from Missouri.

Mr. DANFORTH. Mr. President, shortly after the administration made its proposals for the economy, a parade of witnesses appeared before various committees of Congress. In the Finance Committee we received testimony from a triumvirate which included Mr. Charles Schultze, the chairman of the Council of Economic Advisers; Mr. Michael Blumenthal, the Secretary of the Treasury; and Mr. Bert Lance, who is the Director of the Office of Management and Budget. They presented their arguments for the program they were presenting to Con-

Essentially their arguments these: That while the economy was facing the prospect of some upturn, the expansion in the economy was not high enough to really address in any serious way the unemployment problem we were then experiencing. Therefore, Congress should act in order to provide additional stimulus and increased expansion over and above the normal recovery of the econmoy.

Those proposals were made in January of this year, and the unemployment rate in January was 7.3 percent.

In March, the latest available figures we have, the unemployment rate again was 7.3 percent, and now the administration's latest position is that the recovery is strong enough that suddenly we do not need the kind of tax stimulus which was argued for just a couple of months ago.

The bill as it is now before us does not have the most controversial feature of the administration's former position in it. It does not have the rebate, but it still is a very substantial program we are asked to vote on.

In its present form it would call for revenue reductions of about \$8 billionmore than \$8 billion-in 1977, and more than \$18 billion in 1978. So we are not dealing with a trivial matter, although as a stimulus proposal it is certainly pale compared with the bill as it was originally introduced.

Now we are here to debate and to vote on a bill which would provide a tax stimulus for the economy. Something happened last week that caused the administration in a very short period of time to fundamentally change its position on the size and nature of the stimulus that was proposed.

In a period of literally 24 hours or 48 hours the administration made a complete about face. In a period of a week the President turned from being an advocate of the rebate as a necessary part of his entire stimulus program to an abandonment of the rebate. The Secretary of the Treasury in a period of a day or 2 days turned from being a public spokesman in favor of the rebate to being a person who, I understand, now takes the position that the rebate is no longer necessary.

I have never advocated the rebate. It did not appear to me to be a proposal that made very much sense for our economy. It did not appear to me to be sound to borrow from the Treasury, divide that borrowing of about roughly \$11 billion into \$50 segments and then distribute those \$50 checks throughout the country. And I think that some of the same questioning of the rebate proposal was engaged in by Senators on both sides of the aisle in the Senate and was engaged in by people in the administration itself.

And certainly economists, a number of them, questioned very seriously the efficacy of the rebate as a means of improving the employment situation. However, that was the proposal that was before Congress and, whether it was a good proposal or a bad proposal, in the Finance Committee we made a decision on it on the basis of evidence that was presented before us, projections on the future of the economy that were presented to us and testimony on the part of leading spokesmen from the administration.

I am not entirely certain as to what happened in the period of 24 hours or 48 hours last week to change the administration's position. We had very abbreviated testimony, not from the upper echelon administration officials but from others today in the Finance Committee, stating abbreviated, summary reasons why that rebate idea has now been scrapped. But those were very summary positions.

When asked about the administration's projections for such fundamental matters as gross national product, inflation, and unemployment, over the next year or the next 2 years, we were told that those figures are not available yet and, in fact, they will not be available until next week. So based on figures that are not in existence, on estimates as to which who knows what the grounds of those estimates are, based, it seems to me, on very little evidence and very little factual information, the administration has done a reversal on the rebate question.

I point out that in January, the month when the rebate was proposed to Congress and to the country, the unemployment rate was 7.3 percent. In March the unemployment rate again was 7.3 percent. It is apparent that the recovery that the economy is undergoing, while there is some recovery, remains inadequate, and the same factors of the basic economic situation, it seems to me, that caused the administration to propose its ideas in January, are still in existence.

The Senate is called upon now to act on a tax stimulus bill without the benefit of the kind of in-depth analysis and statistical data that was brought to us last January. We are expected, as a mat-ter of fact, simply to follow the administration's lead, and when it wants a rebate we give it a rebate and when it does not want a rebate we take the rebate away-no questions asked.

But it seems to me that if we are going to be participants in exercising our responsibility to try to formulate sound economic policy for this country we are going to have to be informed as to the state of the economy, as to projections for unemployment, inflation, and gross national product over the next 11/2 or 2 years. We are going to have to have an analysis by experts as to the degree to which the unemployment problem is cyclical, the degree to which the unemployment problem is structural, and what steps, if any, should be taken to remedy the situation.

When we have over 7 million Americans who want jobs who cannot find jobs, we have a serious problem on our hands. That problem has not, in fact, disappeared with the disappearance of the rebate. People are still out of work and many of them have been out of work for a half a year, a year, or more. And it seems to me that we cannot now say well, let us move on to the energy problem or let us move on to some other problem and forget about the unemployed in this country. We have to be responsive to their needs. We have to address ourselves not only to the economic tragedy but also to the human tragedy that is involved with high percentages and high numbers of unemploy-

There is, it would seem to me, absolutely no reason to rush this truncated tax stimulus package through the Senate at this time when we have not had the benefit of sound economic analysis. If we are going to develop an effective tax stimulus program-and it is my opinion that we should—it is my opinion that we should not do nothing, it is my opinion that we should not be saying to the poor. let them eat cake, but if we are going to have a tax stimulus program that works, that provides jobs for people who are now unemployed, that provides jobs which are lasting jobs and meaningful jobs for those who do not now have them, we have to put a little more thought into what we are doing than to simply listen to very shortened, abbreviated testimony on the part of second echelon administration officials before the Finance Committee today.

So I hope that we will address ourselves to the question at hand. I hope that the Senate will be preparing tax stimulus measures, if they are called for. not simply by writing out proposals on the back of an envelope and seeing what sounds reasonable today, but on the basis of the best available information and the best available professional judgment. I do not believe that we are doing that now, and I think we should begin doing that in the very near future.

What is the great rush about getting this bill enacted into law immediately? What is the great rush about getting it through the Senate right now? There is no rush. The President has already changed his mind once, which I guess is indicative of the fact that if you are careful about things and do not rush into them the whole picture might change—that is at least the administration's position-and what was called a good idea a week or two ago is not a good idea today for some reason.

Be that as it may, it seems to me that there is no basis now to rush hurriedly into a situation. It is pointed out, and it is quite true, that one of the benefits in this bill is that it alters and simplifies the standard deduction provisions in the

Those authorizations not only provide tax reform and tax simplification, but some degree of tax relief for low income taxpayers, who need it the most.

But there is no reason on earth why, a week after this year's tax returns were filed, we have to rush through a tax reform proposal in a week or so, without having the benefit of administration testimony and expert advice as to what a tax stimulus proposal should be and what it should do.

Let us have an effective program to get unemployed people back to work. Let us address ourselves to the real problems that exist. If it turns out that the real problem is structural unemployment, let us zero in on structural unemployment and solve that. If it turns out that the problem is cyclical unemployment, let us zero in on the problem of cyclical unemployment. If we can benefit the economy by increasing demand, by providing some form of tax relief to consumers, to the taxpayers, the ordinary taxpayers, let us do that. If accelerated depreciation is called for in order to induce business to locate plants and to acquire equipment in areas of high unemployment, let us do that, but let us have a sound approach. Let us have a reasoned approach, and let us not simply move down the field, following the administration's patterns in O. J. Simpson fashion, hoping that we can stay abreast of the latest change handed down from on high.

We are in the business, here, of exercising our own judgment. We are in the business of showing a degree of compassion for people who are now not at work, not employed, but who want to be. Let us go about the business of using our heads in solving this problem of unemployment or at least making the situation better, rather than going off halfcocked in an abbreviated, truncated, scotch tape operation as we have before us right now.

I yield the floor back to the Senator from Nebraska.

Mr. BENTSEN. Mr. President-The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Texas?

Mr. CURTIS. I yield to the Senator from Texas such time as he desires.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. BENTSEN. Mr. President, the question has been raised as to why we should rush the passage of this tax bill. Actually, I think that is not what we are doing. After all, we have been at this project now for some time.

But one of the reasons why we ought to enact the measure now is that we have changed the standard deduction, and the change in withholding would have to start on June 1 even if we pass it now. If we think there is some longterm stimulus needed, and some cut in income taxes that should be brought about, now is the time to do it. To pass this tax law with the increase in the standard deduction would mean that 75 percent of the people would be able to utilize it. Ninety-six percent of the people would be able to use the tax table to compute taxes. That is substantial tax reform and would be of substantial help to most taxpavers.

One of the other matters of concern to a great many of us is the problem of manufacturing capacity in this country. Compared to other industrialized nations today we are using a small amount of our gross national product for replacing and modernizing manufacturing equipment and increasing manufacturing capacity. The country that is next to us in this respect is England, and we know what kind of problems they are having in being competitive in world

There are some who say that because consumer spending is up, automatically investment will step up on the part of the business community. But the problem we run into there is that the return on investment capital on the part of

business today, as compared to what it was 10 years ago, is substantially less, and business has been discouraged from putting money back into modernization of its manufacturing capacity. The increase in the investment tax credit would help them to do that.

That would take care of the capital intensive companies. On the other side, we have an employment tax credit which would help the labor intensive companies and encourage the hiring of people. That, again, is a part of this tax package, and one that has been worked out, been debated before the House committee, and been debated before our own committee on the Senate side.

We have seen examples of Congress sitting on tax bills. We recall the situation when President Johnson sent a surtax bill to Congress, and Congress sat on it almost 2 years. During that time economic conditions changed, and then Congress finally enacted and passed the surtax at exactly the wrong time, and shortly thereafter had to repeal it.

In this situation today, we have seen a President who has had the courage to change his position when the indicators changed, when economic conditions changed. The easiest thing of all is to hold to a position once stated, never admitting that conditions have changed. But this President recognized those changes. This was not something that was done in 24 hours, in the twinkling of an eye. All of us have been hearing the reports coming out of the White House, the debates among the top advisers as to which way it should go, the fact that the indicators were changing, and whether they should change their position. Finally that decision was made, but only after persuasive arguments had been made and new information came in showing that consumer spending was substantially up.

It is interesting to me that one of the points that has not been made and should be made in this debate is the fact that when we were talking about a \$68 billion deficit in this fiscal year, there was a great deal of wringing of hands.

Now we are talking about cutting that deficit by \$10 billion, to something more akin to \$58 billion because the rebate is withdrawn. The testimony before the Finance Committee today by the Treasury Department indicates that we have reduced spending in the amount of \$7 billion, and increased revenues and taxes by about \$3 billion, for a total deficit reduction of \$20 billion. Now instead of talking about a \$68 billion deficit, we are talking about a \$48 billion deficit, if Congress just does not take it on itself to try to spend all of this \$10 billion to \$11 billion from the tax rebate.

But it is important that Congress be concerned about inflation and unemployment, face up to this issue, and act now; and that is what this package does.

What have most of the economists that have been testifying before us on the Joint Economic Committee been talking about? Most of them have been talking about increased consumer spending.

We can see what our results will be by fall as to any further implementation in the way of possible tax changes; but I certainly support the President on his changed position on the tax rebate. I do feel, though, that we are going to have to keep the investment tax credit and the employment tax credit as the Finance Committee has reported this morning.

Mr. DANFORTH, Mr. President, will the Senator from Texas yield for some

questions?

Mr. BENTSEN. I do not have the time. Mr. CURTIS. I yield to the Senator from Missouri for that purpose, briefly. Mr. BENTSEN, And I yield for that

purpose.

Mr. DANFORTH, I thank the Senators. I have several questions of the Senator from Texas.

First, he talked about the delay in effectuating the change in the standard deduction, and the fact that it would mean putting it off a month if we delayed for even a month in passing this bill.

Not only are we talking about months but I am talking about a year or so, to hear testimony from experts so we do not go off half-cocked. Even if the delay were a month, does the Senator know the cost to the taxpayers of putting off the standard deduction change for a month? I do.

Mr. BENTSEN. Approximately \$500 million

Mr. DANFORTH. Actually, about \$300 million, as a matter of fact.

Mr. BENTSEN. We can let our experts argue over that. The Senator got his estimate from his experts and I got mine

from my experts. Mr. DANFORTH. For a taxpayer with an adjusted gross income of \$12,500, the effect would be \$1.60. For a taxpayer with an adjusted gross income of \$8,000, it would be \$8. For a family of four with an adjusted gross income of \$17,500, which is just about the median, it would be \$4 a month. It seems to me that, yes, that is \$4 or \$1.50, or whatever it is, for these individuals, but it is more important that we are thinking about how to get 7 million people back to work and have a sound, sensible, well-thought-out program than to be so concerned about the \$4 or the \$1.50 that we have to rush through this proposal.

Mr. BENTSEN. The Senator seems to be concerned about \$4. The Senator knows that congressional action on this bill started in January when the House began action. We have listened to a great many witnesses which has been very important to us. I do not think by any stretch of the imagination this is something which has been hastily conceived, but one which has been given consideration, one which has been given

a great deal of study.

Mr. DANFORTH. The Senator will concede, will he not, that it is a whole new ball game from what it was a week ago today?

Mr. BENTSEN. No, I will not concede it is a whole nev ball game. The issue of the \$50 rebate was studied and debated substantially on both sides. I happen to be one who was opposed to that rebate. The arguments were well made as to whether we have the \$50 rebate or we do not have the \$50 rebate.

Mr. DANFORTH. In the Finance Com-

mittee, where I am honored to serve with the Senator from Texas, we were debating a total tax stimulus package of which the \$50 rebate was the centerpiece in the administration's proposal. We were debating that within the context of certain economic assumptions which the administration was making and was explaining to us. Now I understand those assumptions have changed, but I do not know what they are.

Mr. BENTSEN. The \$50 rebate was a one-shot proposal, just affecting 1977, as the distinguished Senator knows. The bill itself is a 2-year package with substantially more money involved. The question as to whether or not we would have the \$50 rebate was debated at length in our committee and debated on the House side. The Senator was in a substantial part of

that debate

Mr. DANFORTH. My understanding is that the argument which was presented by the administration in connection with the \$50 rebate is that certain economic assumptions were made, and that a total package had to be presented with the various parts of it integrated with each other. In fact, Charles Schultze testified before the Finance Committee that the rebate was the first segment of this total package, and when it was to phase out other things would phase in. Now, suddenly, we are told that we have a different economic situation and that the major part of the tax stimulus proposal is out the window. We have not debated the reasons for that. We have not heard witnesses for that. In fact, the witnesses we have heard were testifying maybe 2 months ago, arguing for the contrary of what the administration's position is

I am not saying this because I am anxious to attack the administration. I am not. But situations change. Times change. Circumstances change.

All I am saying is if the Senate is going to act, let us find out what the circumstances are now. What is the economic status of America? What are the most current projections for the next year and a half or 2 years? What is the debate going on in the administration and can we be a party to it? The Senator from Texas indicated in his comments that persuasive arguments were made for the change in the rebate idea. I would like to ask, what persuasive arguments were made, who made them, when, where, and to whom? I have not heard any, other than simply a statement that we were going to abandon the rebate.

I agree with the abandonment of the rebate, but if we are going to design a stimulus package, as we are now doing in the Senate, what is the basis for the new design; what are the conditions that we are trying to meet?

Mr. MATSUNAGA. Will the Senator from Texas yield?

Mr. BENTSEN. I yield.

Mr. MATSUNAGA. If the Senator from Missouri will recall, he expressed the view that 7-percent unemployment or anything in excess of 7 percent, as it is now, is excessive unemployment. The bill, as originally introduced and originally intended, was to reduce the unemployment rate; to increase employment. Regardless of the withdrawal of the \$50 rebate, we still have a bill which will provide incentives to big business and small business to hire the unemployed. The original purpose of the bill is still being served by the bill as it now stands.

As we clearly stated in committee, and the Senator, I am sure, will agree, there are too many today who have been unemployed for much too long. A single day earlier that they can be employed is what we shall seek. I believe this is sufficient reason for going ahead with this bill today.

Mr. BENTSEN. In answer to the Senator from Missouri, the \$50 rebate was really to encourage consumer spending. The rebate did not involve the issues of increasing the standard deduction and simplification of the tax forms, which are so terribly important to the American people. The fact that retail sales are up-and everyone who reads a newspaper or who reads any business journal should know that-makes it evident that there is a change in conditions. Consumer spending is up substantially. Those conditions speak for themselves. The numbers and facts speak for themselves. It is on those facts that the administration obviously changed its position.

I do not think there could be anyone any more eloquent who could add any more to the argument than the Senator from Missouri did as he spoke against the \$50 rebate. Now he is in a position of trying to find out how it is justified and trying to get someone else to tell him. I think the Senator from Missouri did an eloquent job in speaking against

the \$50 rebate.

Mr. DANFORTH. As a matter of fact, I did, as the Senator from Texas knows, oppose the \$50 rebate. But I opposed it because I was proposing an alternative which I felt, and which economists who we then had the benefit of consulting with felt, would put more people to work than the rebate would.

I certainly agree with the Senator from Hawaii, that 7-percent unemployment is way too high. The questions, it seems to me, which should be before us are: How do we get these people to work? How do we get the economy moving, and what is going to be the direction of the economy over the next year or the next years if we do nothing?

Now, this bill before us is not exactly doing nothing. It is spending some money and it deserves our serious consideration. But I am concerned that we are trying to put out a fire with a watergun, that we are not considering what the new statistics show and what the new

needs are.

My argument would be, if I were devising a stimulus package to put Americans to work, that what we have to do is address ourselves not only to the immediate upturn in the economy, but what things look like, say, in the year 1978 and what kind of tax proposals we are going to have to have now in order to meet that problem. The administration says that it is going to have tax reform measures before the Senate or before Congress sometime late this year. But, as I think everybody knows, it is going to be a long time before they are written into law. What kind of tax program are we going to have to start enacting now in order to solve the unemployment problem and the sluggishness of the economy as it is going to exist for the rest of 1977 and 1978?

I point out that Chase Econometrics projects that if there is no stimulus, the gross national product increases for the four quarters of 1978 will be 2.2 percent, 1.9 percent, 1.6 percent, and 1.1 percentan average increase of 1.7 percent. I think we are going to have serious problems and we are going to continue with the sluggishness of the economy unless we start addressing ourselves in a serious way to doing something about it.

What I am concerned about now is that we have sort of washed our hands of the unemployment problem so we can get on with the business of energy, which we all know is very important. But I think employment is important, also.

I ask Mr. CURTIS. Mr. President, unanimous consent that the following staff members may remain on the floor during the debate, voting, and consideration of the pending tax proposal:

Linda Goold, of Senator Hansen's

Claude Alexander, and Steve Kittrell, of Senator Dole's staff;

John Colvin, of Senator Packwoop's staff:

Bruce Thompson, of Senator Roth's

Al Drischler, of Senator Laxalt's staff; and

Allen Moore, of Senator Danforth's

The PRESIDING OFFICER (Mr. Sas-SER). Without objection, it is so ordered.

Mr. BENTSEN. Will the Senator yield for a similar unanimous consent request with regard to David Allen and Jack Albertine, that they may have the privilege of the floor during consideration of this

Mr. CURTIS. Yes, I yield. The PRESIDING OFFICER. Without

objection, it is so ordered.

Mr. CURTIS. Mr. President, I wish to comment about the various sections which we have included in the tax stimulus package presently before the Senate. The tax bill may be divided into several provisions which include the increase in the standard deduction, the increase in the investment tax credit, and a new jobs credit, and the extensions of 1977 individual and corporate tax reductions through 1978. This bill also provides for the postponement of certain provisions of the Tax Reform Act of 1976, which relate to sick pay, tax treatment of income earned abroad by U.S. citizens, and relief from interest and penalty attributable thereto. In addition, there are other provisions which relate to deductions for expenses attributable to use of residence for day care services, legislators travel expenses away from home, amortization of certain expenditures for child care facilities, and increased authorization for the work incentive program.

Under the present law, the standard deduction is 16 percent of adjusted gross income, but not less than \$1,700 for single persons and \$2,100 for joint returns nor more than a maximum \$2,400 for single persons or \$2,800 for joint returns. These levels were established in the Tax Reform Act of 1976.

The Finance Committee established a new flat standard deduction of \$2,200 for single persons and \$3,200 for married couples filing joint reutrns. The committee also provided that an individual entitled to file as a head of household would be allowed to claim the standard deduction of \$3,200, just as a married couple filing a joint return. The committee felt that the present law did not adequately recognize the economic status of heads of household who are generally low- or middle-income widows or divorced mothers with young children.

In providing for the increase in the standard deduction, the new levels of standard deduction will equal or exceed itemized deductions on approximately 7.3 million more returns so that it will no longer be worthwhile for taxpayers to itemize their deductions on those returns. As a result the percentage of taxpayers who itemize their deductions will decrease from 31 to 23 percent. By incorporating the flat standard deduction in a zero rate bracket in the tax tables and rate schedules, the bill eliminates the need for the separate concept of the standard deduction in the Internal Revenue Code and the subtraction of the standard deduction in computing tax liabilities. In this way the change facilitates additional simplifying modifications in the tax law and the tax forms.

It is noted that, although the increase in the standard deduction will reduce the percentage of taxpayers who itemize from 31 to 23 percent, 69 percent of taxpayers who file their returns will receive the benefits of this increase in the standard deduction-a windfall-even though they do not presently itemize the deductions at this higher level. The revenue loss from the increase in the standard deduction will be \$2 billion in fiscal year 1977 and \$7.6 billion in fiscal year 1978.

We also dealt with the increased investment tax credit and new jobs credit. With respect to the investment credit increase, taxpayers may make an election with respect to the new jobs tax credit or an additional 2 percentage points in the investment credit. Generally, the choice of the investment credit will increase it from 10 to 12 percentor from 11 or 111/2 percent to 13 or 131/2 percent, respectively, where the election for an ESOP also has been m..de. ESOP means the employees stock ownership plan, which is now the law as presented and which Congress enacted into law at the urging of the distinguished chairman of our committee (Mr. Long).

The 2 additional precentage points of the investment credit will be available for the portion of the basis of property completed by the taxpayer after December 31, 1976, that is attributable to construction, reconstruction or erection after December 31, 1976, and before January 1, 1979. Property that is acquired by the taxpayer after December 31, 1976, and is placed in service between that date and Januray 1, 1979, also is eligible for the two additional points. In addition, the election for the increase in the investment credit applies to qualified progress

expenditures made between December 31, 1976, and January 1, 1979, for property that is eligible for the investment credit. Regardless of whether they elect the new jobs credit for 1977 and 1978, all taxpayers will receive the additional investment credit for similar activities undertaken after December 31, 1978, and before January 1, 1981.

The committee intends that the additional investment credit be available to public utilities with respect to flow through of the investment credit under the elections made after enactment of the Tax Reduction Act of 1975. Under present law, the credit is not allowed to a public utility where it is required to flow through the credit immediately through a reduction in the cost of service or the rate base. The credit is allowed where the credit is flowed through ratably over the useful life of the asset, where the rate base reduction is restored over the useful life of the asset, or where the utility has elected (sec. 46(f)(3)) immediate flow through.

Corporations that are members of a controlled group of corporations, as well as other corporations, partnerships and individual taxpayers which are under common control and thus are treated as a single employer for purposes of the new jobs tax credit-see discussion below-will be treated as having claimed the investment credit unless all such taxpayers elect the new jobs tax credit. Thus the decision to take the investment credit by any one taxpayer treated as a single employer with other taxpayers determines the decision for the other taxpavers.

NEW JOBS TAX CREDIT

The committee amendment provides the same general rules for a new jobs tax credit as were in the House bill except that under the amendment the new jobs tax credit: First, equals 25 percent of unemployment insurance wage increases rather than 40 percent as under the House bill; second, no maximum total credit is provided—the House bill limited the credit to \$40,000 per employer or taxpayer; third, a credit is allowed for a year only if total wages for the year are more than 5 percent above total wages for the previous year-the House bill required a 3-percent increase in total wages; fourth, any deduction for wages and salaries is to be reduced by the amount of the credit; and fifth, a limitation is provided for new or rapidly expanding businesses.

The committee amendment provides employers with an income tax credit of 25 percent of additions to the first \$4,200 of wages paid to additional employees in 1977 and 1978. Generally, the maximum credit allowed for adding one new employee is \$1,050-25 percent of \$4,200. There is no maximum total credit for any

employer or taxpayer.

For 1977, the amendment provides that the credit is to be equal to 25 percent of the increase in the employer's 1977 unemployment insurance wages over 103 percent of 1976 unemployment insurance wages. For most employers, "unemployment insurance wages" for 1976 and 1977 are the wages reported by the employer for Federal employment insurance purposes. For 1978, the credit equals 25 percent of the increase in 1978 unemployment insurance wages—up to \$4,200 per employee-over 103 percent of 1977 unemployment insurance wages.

Most employers are covered by the Federal Unemployment Tax Act-FUTA-system, and therefore they will be able to claim the new jobs tax credit on the basis of existing records and without making complex computations. FUTA wages and total wages for 1976 already have been reported on FUTA forms so that, for most employers, the information needed for the 1977 credit can be taken directly from the 1976 and 1977 FUTA returns.

For 1978, most employers will use their 1977 and 1978 FUTA records as the basis for claiming the credit, but they are to use a \$4,200 wage limit for credit purposes instead of the \$6,000 wage limit for

1978 FUTA purposes.

Both the amendment and the House bill require a 3-percent increase over the prior year's unemployment insurance wages for an employer to obtain any credit. The 3-percent rule is designed to allow the credit only where an employer's employment growth exceeds normal increases in employment for the

economy as a whole.

To insure that the new jobs tax credit is based on actual increases in employment rather than artificial increases in unemployment insurance wages-for example, an employer could increase unemployment insurance wages by dividing full-time jobs into part-time or partyear jobs-the credit is not to exceed 25 percent of the increase in total wages unemployment insurance wages without any dollar limit-for the year over 105 percent of total wages for the preceding year. The committee provided the 5percent increment rather than 3 percent as provided in the House bill, because it believed this higher requirement would better insure against increases in total wages due to pay raises; the 5percent increment is closer to projected increases in total salaries and normal employment growth than was the 3percent amount.

The committee did not include in its amendment the provision of the House bill which denied twice the credit for the firing of an employee solely to earn a new jobs tax credit. The committee believes this provision would have been administratively difficult to enforce.

Mr. LONG. Will the Senator yield at

that point?

Mr. CURTIS. I am happy to yield to the Senator.

Mr. LONG. Mr. President, I was a little dismayed to see some press accounts, by writers who I believe are generally accurate, which indicate that when we took out the \$50 tax credit and left the remainder of the committee bill, that the bill might be weighted toward business.

I think it might be well to discuss that just briefly at this point to make a record in this regard.

This \$6 billion simplification that is this bill goes almost entirely to middle or lower taxpayers; is that not correct? Mr. CURTIS. That is correct.

As a matter of fact, it removes about

3.7 million low-income earners from the tax rolls because the inflation has put them up there where they do not belong.

Mr. LONG. In other words, even if we leave out the extension of the tax cuts for individuals and the \$35 tax credit that have been passed in the previous Congress and just look at the new things we are doing in this bill, about \$6 billion or three-quarters of the \$8.5 billion a year in benefits goes to people who use the short form or who use the standard deduction, and those people all have incomes of \$20,000 or less. There will be 3.7 million people who have their income tax reduced by 100 percent, because they are taken off the rolls completely.

Mr. CURTIS. That is correct.

Mr. LONG. If we look at how this bill's benefits break down between corporations and individuals, about 75 percent of the benefit of the bill goes to individuals—and not high bracket payers. They are either middle- or low-income taxpayers who get 75 percent of the new benefits in the bill.

Mr. CURTIS. My distinguished chairman is eminently correct, and it goes

much further than that.

Take the new jobs credit. Who gets the wages? If this tax change causes someone in the future to have a job who does not have a job now, this is a tax proposal for the benefit of those workers. If the investment tax credit causes some business to buy new equipment. they probably will end up having to borrow the money and pay for a long time, but the real benefit goes to the workers who produce the raw materials and manufacture that machine, transport the machine, advertise it, and sell

So it represents a lack of understanding of our economy when we become too rigid in saying that something only benefits this group or that group. We are all part of the economy. If a tax proposal enables people who are idle now to draw wages, it is a tax proposal for their benefit, and that certainly is true of the investment tax credit and the jobs credit.

Mr. LONG. Even in the case of the simplification provision, the big advantage goes to married couples, because it is felt by the Treasury as well as by the committee that they have been penalized too long by discriminating against people by virtue of their marriage.

So looking at the bill as it benefits individuals, the families and the families with children are those who get the best break out of the tax cut for the individuals. Is that not correct?

Mr. CURTIS. That is correct, as the

bill came out of the committee.

Mr. LONG. Furthermore, as to the part that is for labor-intensive employers, it costs about \$1.2 billion for the jobs credit, amounting to a little more than \$1,000 per job. That credit is not there for the benefit of the employer. It is there to help someone get a job who presently is out of work or is on the welfare rolls. Is that not correct?

Mr. CURTIS. That is correct.

The employer still takes his risk that his product may become obsolete, that his competitors may have a better product, that sales are less, and all of that. The only winner is the individual who gets a job, who did not have one before.

Mr. LONG. If this job credit works the way we hope it is going to work, a great deal of the cost of the credit should be offset by savings due to a reduction in the unemployment insurance rolls and by a reduction in the welfare rolls. This credit is something to benefit workers who are out of work and the families of those workers.

Mr. CURTIS. That is correct.

Mr. LONG. Furthermore, even with regard to the part which could be more nearly labeled something to help business, the investment tax credit, I recall that some years ago the Senator from Louisiana was seeking to repeal the investment tax credit, and I was amazed at the protests I received from the areas where I happen to live in the State of Louisiana. The building trades workers asked, what was the matter with RUSSELL Long? They said that this investment tax credit was playing a major roll in the building of new plants, largely petrochemical plants, but also various other expensive, modernistic plants for the future. It was the view of those labor leaders-and I think quite correctlythat this investment tax credit was playing the key role in persuading those companies to expand their plants and facilities, and the credit was putting more of those construction workers into good jobs.

Mr. CURTIS. That is correct.

It cannot be even confined to the benefits that the distinguished chairman has enumerated. For example, the Senator mentioned the reduction in unemployment compensation and in welfare. Not only is there that reduction, but also, if individuals go to work and earn good wages, they become taxpayers. Even if their wages are rather low, they are still taxpayers so far as the social security tax is concerned, which, in our unified budget, counts and helps to solve at least our immediate budgetary problems.

Also, if the investment tax credit is an inducement and a means by which American factories modernize their equipment and become more efficient, they become more competitive in the world market; and if they sell more, they are going to have to make more, so they have to employ more Americans.

Mr. BENTSEN. Mr. President, will the Senator yield?

Mr. CURTIS. I am happy to yield. Mr. LONG. I should like to complete

this point.

There was one item in the President's initial package which was a 4-percent credit against the social security tax. It was felt that this credit was something that would be an unconditional benefit to business, since it would have been a business tax cut that had no strings to it. To get the credit a plant would not have had to put more people to work. It was really suggested as a message to business that the Carter administration wanted to be friendly, favorable, and helpful to business insofar as it honestly and legitimately thought it could be. That proposal was something that might be said to be for business, not something for workers necessarily, but something for the business community.

However, I point out to the Senator that this credit is not in the bill. It was not put in by the House: it was not put in by the Senate Finance Committee. Everything that is in this bill that would help a business has a string to it. In other words, if they want to get the benefit of a job credit, they have to hire more workers. If they want to get the benefit of the investment tax, they have to spend eight times that much money in building new plants and equipment.

So there is no benefit in here to business in an unconditional sense. Anything business gets out of this has to be earned by doing something that would put more

people to work.

Mr. BENTSEN, Mr. President, will the Senator yield?

Mr. CURTIS. I am happy to yield to my distinguished friend from Texas.

Mr. BENTSEN. I say to the Senator from Nebraska that last week I was in Mexico City, at a meeting on trade problems with Mexico. I was told that the price of an LTD Ford was approximately \$15,000.

One of the ways Mexico has reacted to competition is by protection for their local manufacturers. We have some problems of our own with foreign competition, and there is a great temptation to raise trade barriers to that competition. But one of the ways we keep the discipline on business in this country, and one of the ways we keep prices low for the consumer, is by having that kind of competition-forcing modernization. That is what this investment tax credit helps do.

One of my concerns is inflation. I think it is as serious a problem today as unemployment. They are both extremely seri-

If your wife goes to the supermarket today and she sees someone walking down the aisle stamping on the tops of those cans, putting on prices, does she try to get in front of that person or does she try to get behind that person? She tries to get in front of that person, because she knows what is happening. The next price they put on is going to be higher than the last price.

So, with consumer spending up in this country, I think it is important to fight inflation and see that we have modernization of manufacturing capacity, so that we will be competitive, so that we keep prices low for the consumers, and that we take care of our balance of trade problem as was eloquently stated by the Senator from Nebraska.

Mr. CURTIS. I thank my distinguished colleagues for their very helpful contribution.

The committee amendment provides a limitation on the amount of the credit available to new and rapidly expanding businesses. The amendment limits the increase in unemployment insurance wages-taken into account under the credit-to 50 percent of the current year's unemployment insurance wages.

The committee amendment requires that a taxpayer's deduction for an employee's wages or salary be reduced by the dollar amount of the new jobs tax credit for wages and salaries paid in the taxable year. This reduction is applied without regard to the 100-percent-of-tax limitation

The reduction is allocated among members of a controlled group of corporations or entities under common control as is the credit.

In the case of entities, such as partnerships, which pass through the credit but do not pass through deductions as such, the dollar amount of the credit, computed by the partnership prior to any allocation, reduced the deduction for wages and salaries otherwise allowable to the partnership. In addition to partnerships, this rule is applied to subchapter S corporations and estates and trusts. as well as to certain regulated investment companies, real estate investment trusts, and cooperatives.

The committee believes the reduction of wage deductions is necessary to eliminate any situation where the credit would give an employer an incentive to

pay an employee not to work.

The same employees are excluded under the committee amendment as were excluded under the House bill. The amendment excludes employees who are not covered under the FUTA system and who are not farm or railroad employees. Accordingly, the credit is not provided for self-employed persons, for employees of employers who are excluded under the FUTA minimums, and for certain persons in the fishing industry.

The amendment also provides that employees of Governments and tax-exempt organizations do not qualify for the credit regardless of any other provision. In general, these organizations do not pay income tax, and because the credit is not refundable, they could not receive any benefits from it. Furthermore, the employees of many tax-exempt organizations are not now covered by the FUTA system, and they could not easily be brought into the system.

The estimated revenue loss from both tax credits is \$0.9 billion in fiscal year 1977, \$2.4 billion in 1978, and \$2.4 billion in 1979. The increase in the investment credit will reduce revenues by \$0.5 billion in fiscal year 1977, \$1.2 billion in 1978, \$1.6 billion in 1979, \$2.0 billion in 1980 and \$1.3 billion in 1981. The revenue loss from the new jobs tax credit is estimated at \$0.4 billion in fiscal year 1977, \$1.2 billion in 1978 and \$0.8 billion in 1979.

Mr. President, we also dealt with the individual and corporate tax reductions that are about to expire.

EXTENSION OF 1977 INDIVIDUAL AND CORPORATE TAX REDUCTIONS THROUGH 1978

Under present law two individual income tax reductions enacted in the Tax Reduction Act of 1975 and subsequently increased and extended in the Revenue Adjustment Act of 1975 and the Tax Reform Act of 1976 are scheduled to expire at the end of 1977. These two tax reductions are the general tax credit and the earned income credit.

The general nonrefundable tax credit equals the greater of: First, \$35 for each taxpayer, spouse or dependent; or second, 2 percent of the first \$9,000 of taxable in-

come. The earned income credit equals 10 percent of the first \$4,000 of earned income. The credit is reduced by 10 cents for each dollar of earned income or adjusted gross income above \$4,000 which generally will phase out the credit as income rises from \$4,000 to \$8,000. This credit is available only to persons who maintain a household, or a child who is under 19, is a student, or is a disabled adult dependent. This credit is a refundable credit so that it can exceed tax lia-

The committee in extending the general tax credit through 1978 felt that the general tax credit should be reflected in lower withheld taxes through 1978 in the same manner as it had been reflected in withholding rates in 1977. The committee further extended the earned income credit through 1978. To be eligible for the earned income credit a person must "maintain a household" or a child who is under 19, a student or a disabled adult dependent. Maintaining a household was defined to mean providing more than one-half the support for that household, and AFDC and other payments with respect to children are treated as support for those children not provided for by the parents. Although the House bill modified the earned income credit by providing that for purposes of the earned income credit, maintaining a household shall be defined by not taking into account any aid or assistance for any child under any Federal, State or local program, the committee deleted that provision because it provided special treatment to AFDC recipients unavailable to other persons.

The 1-year extension of the general tax credit will create a revenue loss of \$6.8 billion in fiscal year 1978 and \$3.9 billion in fiscal year 1979. The 1-year-extension of the earned income credit will create a revenue loss of \$1.3 billion in fis-

cal year 1979.

As you will recall, the temporary changes in the corporate surtax exemption provided by the 1975 Tax Reduction Act was adopted for two reasons: First, to grant tax relief for small businesses which were not likely to derive substantial benefits from the investment tax credit and second, to provide temporary tax relief to small businesses as part of a program designed to help stimulate the economy and promote economic

recovery.

The committee bill extends the reduction in the normal tax rates and the increase in the surtax exemption through December 31, 1978. Thus the corporate rate structure will continue to be 20 percent on the first \$25,000 of corporate taxable income, 22 percent on the next \$25,-000 and 48 percent on the taxable income above \$50,000. The revenue loss with respect to the corporate income tax reduction will be \$1.0 billion in fiscal year 1978 and \$1.3 billion in fiscal year 1979.

The committee also dealt with certain provisions of the Tax Reform Act of 1976 which call for postponement.

POSTPONEMENT OF CERTAIN PROVISIONS OF THE TAX REFORM ACT OF 1976

In the Tax Reform Act of 1976, the Congess revised the sick pay exclusion to apply only to taxpayers under age 65 who have retired on disability and are permanently and totally disabled. Then change was made applicable to taxable years after December 31, 1975. The committee amended that provision changing the effective date for the revision of the sick pay exclusion so that it will be applicable only to taxable years beginning after December 31, 1976. This amendment has a revenue loss of \$327 million in fiscal year 1977.

In the Tax Reform Act of 1976, the Congress reduced the exclusion for earned income of individuals living and working abroad to \$15,000. Congress provided for three modifications in the computation of the exclusion. First, the act provides that any individual entitled to the earned income exclusion is not to be allowed a foreign tax credit with respect to foreign taxes allocable to the amounts that are excluded from gross income under the earned income exclusion.

Second, the act provides that any additional income derived by individuals beyond the income eligible for the earned income exclusion is subject to U.S. tax at the higher rate brackets which would apply if the excluded earned income were

not so excluded.

Third, the act makes ineligible for the exclusion any income earned abroad which is received outside the country in which earned if one of the purposes of receiving such income outside the country is to avoid tax in that country. It also provided for a \$20,000 exclusion for employees of charitable organizations.

Those changes were made applicable to taxable years beginning after December 31, 1975. The committee amended that provision changing the effective date for the amendments with respect to the exclusion for income earned abroad, making them applicable only to taxable years beginning after December 31, 1976. This amendment will create a revenue loss of \$38 million in fiscal year 1977.

The committee also provided that no additions to tax, either in the form of interest or penalties, for any taxable periods before April 16, 1977-March 16, 1977 for corporations—shall be imposed on any underpayment of tax where the underpayment was created or increased by changes included in the Tax Reform Act of 1976. In addition, similar relief was provided in the case of taxpayers who have underwithheld taxes on remuneration paid before January 1, 1977. where the duty to deduct and withhold increased taxes was the result of the Tax Reform Act of 1976. It is estimated that this amendment will reduce revenues in fiscal year 1977 by \$15 million.

There are some other additional provisions which begin with deductions for expenses attributable to use of residence

to provide day care services.

The committee amendment would provide an exception from the general disallowance rule and the exclusive use test for expanses allocable to the use of any portion of a residence in the trade or business of providing day care services to children, handicapped individuals, and elderly persons. For this purpose, the term "handicapped individual" would mean an individual who is physically or mentally incapable of caring for himself. An "elderly person" would mean a person who had attained age 65.

The deductible business expenses would be limited to the amount by which the gross income from day care services exceeds the allocable portion of the property taxes, mortgage interest, and so forth, which are deductible in any

In addition, a special allocation rule based on time of use would be provided. As under present law, an allocation of expenses would first be made on the basis of the space in the residence used for furnishing the day care service, that is, the expenses attributable to the portion used for day care would be determined on the basis of the floor space for that portion compared to the floor space for the entire residence. Then, amount of expenses allocable to the space used for providing day care services would be allocated between business and personal use on the basis of the special allocation rule. The amount deductible-before application of the overall limitation based on gross incomewould be determined by multiplying the expenses allocable on the basis of space by a fraction, the numerator of which is the total hours of use for providing day care services and the demoninator of which is the total time available for all uses—168 hours for each week during the taxable year. This amendment would apply to taxable years beginning after December 31, 1975.

The revenue loss of this provision would be \$20 million in fiscal year 1977, \$17 million in fiscal year 1978, and \$17

million in fiscal year 1979.

Mr. President, we also dealt with a matter of very much interest on behalf of State legislators, which is legislators travel expenses away from home.

The Tax Reform Act of 1976, provided an election for the tax treatment of State legislators for taxable years beginning before January 1, 1976. Under this election, a State legislator may, for any such taxable year, treat his place of residence within his legislative district as his tax home for purposes of computing the deduction for living expenses. If this election is made, the legislator is treated as having expended for living expenses an amount equal to the sum of the daily amount of per diem generally allowed to employees of the U.S. Government for traveling away from home, multiplied by the number of days during that year that the State legislature was in session. including any day in which the legislature was in recess for a period of 4 or

less consecutive days.
In addition, if the State legislature was in recess for more than 4 consecutive days, a State legislator may count each day in which his physical presence was formally recorded at a meeting of a committee of the State legislature. For this purpose, the rate of per diem to be used is to be at the rate that was in effect during the period for which the

deduction was claimed.
In addition, the total amount of deductions allowable pursuant to this election is not to exceed the amount already claimed under a Federal income tax return filed by a State legislator befor May 21, 1976. For this purpose, amounts shall be considered claimed under a return even though the taxpayer treated his living expenses as an offset against any reimbursement of per diem he received from the State legislature and, therefore, did not actually set forth these expenses as a deduction on his income tax return.

The election is to be made at such time and in such manner as provided under

Treasury regulations.

These limitations apply only with respect to living expenses incurred in connection with the trade or business of being a legislator. The 1976 act did not impose a limitation on living expenses incurred by a legislator in connection with a trade or business other than that of being a legislator. As to other trade or businesses, the ordinary and necessary test of prior law will continue to apply.

The provisions which allow a State legislator to treat his place of residence within his legislative district as his home for purposes of computing the deduction for living expenses only to apply the taxable years beginning on or before December 31, 1975. The committee believes this provision should be extended for a 1-year period during which time the problem can be given further consideration and a permanent rule can be developed. This committee amendment extends the provision adopted by the Tax Reform Act of 1976 for 1 year, or to taxable years beginning before January 1, 1977.

This amendment will result in a revenue loss of \$3 million for fiscal year 1977.

We also dealt with the amortization of

certain expenditures for child care facilities.

The committee recognizes that expansion of the availability of child care is an essential element in broadening job opportunities for mothers. A credit against tax liability has been provided to meet the expenses of a taxpayer for child care. There also is need to make child care facilities available for working parents. Although public funds have been made available to increase the number of child care facilities, the committee believes that it is desirable to encourage private businesses to furnish child care facilities for their employees.

In the absence of this election to take 5-year amortization, an employer may use the provisions available in present law for depreciation of tangible property used in a trade or business. Tangible personal property, such as machinery or equipment, is eligible for accelerated rates of depreciation, such as, double declining balance and sum-of-the-year's digits, and also shortening of the guideline levels by as much as 20 percent under the asset depreciation range, some-

times referred to as ADR.

It is possible to use a combination of accelerated rates and ADR lives to speed up appreciably the recovery of an asset's cost. New buildings and structures—other than residential property—may be depreciated using the 150 percent declining balance method. In addition, the investment credit, which is 10 percent through 1980 and under this bill will be raised to 12 percent from 1977 through 1980, may be taken for machinery and

equipment, but it is not available on buildings and structures.

After reviewing the foregoing considerations, the current economic situation and prospects for the near future, and the extent of participation in the labor force by mothers—both parents and single parents—the committee concluded that it is desirable to continue the availability of this provision and to make available to the taxpayer the choice among several forms of tax incentives.

The committee bill reinstates as of January 1, 1977, the 5-year amortization for certain expenditures for child care facilities without any change from prior law. By making the provision effective from the start of this year, the committee eliminated any discontinuity between the termination of this amortization election on December 31, 1976, and its extension by action of the 95th Congress. As a result, a taxpayer who planned in 1976 to install equipment for a child care facility in 1977 may be able to carry out his plans without losing the opportunity to make the election for 5-year amortization. This provision applies to expenditures made after December 31, 1976, and before January 1, 1982.

It is estimated that the revenue loss of this amendment will be less than \$5 million in each fiscal year, 1977 through 1982.

INCREASED AUTHORIZATION FOR THE WORK INCENTIVE PROGRAM

The work incentive—WIN—program is designed to assist families on welfare become independent through training, placement, and other services. Federal funds pay 90 percent of the cost of the program. The administration has included \$365 million in the 1978 budget for the work incentive program. The committee's amendment to the bill would authorize an additional \$435 million in each of fiscal years 1978 and 1979 for employment and supportive services for welfare recipients, with no requirement for State matching funds.

The WIN program is directed at those who most need help in finding and holding a job—employable recipients of aid to families with dependent children—AFDC. Increasing the level of activity under the WIN program will result in promoting the employment of recipients, thereby increasing their income. It will also help to reduce the welfare caseload and reduce the unemployment rate. For these reasons, the committee believes that the amendment is an important element of the economic stimulus package.

Mr. President, the measure before the Senate deals with a number of very important factors in our economic life. Without the passage of this bill, there will be instances of undue hardship, but it is better described in another way. There will be opportunities to encourage activity in employment that will be missed if we do not pass this legislation. It still does not carry any new tax reductions for individuals.

We have a particular interest in bettering the lives of a particular group, the low and middle income. I think we should take into account the current inflation. Many people are handling more money, and that raises their taxes, but they

have no more real income. If an individual receives a promotion to a new job level and increases his income that way, he has had an increase, and it is understood that he will be taxed at a higher bracket. But if inflation forces people in all walks of life and at all economic levels up to a higher level, it does not indicate that their real income will increase, but they have had to pay more taxes because their cash flow has been greater, and it figures out that they owe more money.

It has been suggested by some that we pass a permanent index to meet this problem. The Senator now speaking is not sure about that. One problem is that we do not know just what the situation will be a few years from now. It could become counterproductive. Sometimes these automatic benefits are enacted, and then Congress is anxious to do something else, and they carry out an addition, and we face the same problem in reverse, by providing for automatic increases in retirement benefits. So I am not sure whether a permanent automatic indexing of our tax laws is the right thing to do or not. It might be.

I am also not in favor of a tax reduction, for increasing the income level through a tax reduction does not always accomplish the purpose. The history of this country has been that every time we grant more opportunities to private enterprise, private enterprise responds. Every time we do that which enables individuals to have more of their own earnings to use, they use it in various ways, more goods are produced, more savings are made available for credit, and in many ways the whole general economy is stimulated. I am convinced that within limits we can at times reduce taxes without increasing the deficit.

In connection with the deficit, it is my hope that the Committee on the Budget will undertake the job and the responsibility of coming in here with recommendations to materially cut expenditures. I am not critical of that committee or any of its members. They have a most difficult job. But somehow they have listened to too many political speeches over a period of years. We have heard these candidates for President go out and say that if we can just adjust the taxes a little bit, raise the taxes on some group, there will be plenty of money to lower everyone's taxes, wipe out the deficit, and pay off the national debt. Of course, that is not true. We have sometimes gone through those motions, and found that what we have done in the name of tax reform has not reformed taxes and it has retarded private enterprise, and we have come in here the next year and repealed what we had done.

But even assuming those efforts were sound and prudent, it would not affect the budget by any material amount. We have a deficit of \$50 billion or \$60 billion, maybe \$70 billion, and if we carried out all of this fine tuning of the tax system we might pick up \$2 billion. I think there is a chance we might do a lot of damage in doing it, but we would not touch the overall deficit problem.

We have a deficit because we have more government than we can pay for, more government than the American people will stand for, and there is no way that we can meet this budget problem by any method other than reducing expenditures. It will have to be done in a big way. If there is a failing business, they cannot save themselves from failure merely by using their pencils. It takes some decisive action.

We are paying out great sums of money that are unnecessary. We are supporting able-bodied people who should not be supported. We are paying the hospital and medical bills of everyone over 65, regardless of their wealth or their income from it. We are paying unemployment compensation regardless of need and entitlement. We have too heavy expenditures because we have too much welfare payment.

I am saying to the Budget Committee that they are putting the Senate through useless activities by thinking that all of this can come about by the fine tuners pushing some levers here and there. The only hope for a balanced budget and bringing expenditures under control is to look at the Government programs and make some decisions to eliminate something.

(Mr. ZORINSKY assumed the Chair

at this point.)

Mr. CURTIS. Many things are desirable but they are not necessary. Many ideas appeal to people and create a demand, but they are not absolutely essential.

Mr. President, I am pleased that about 23 or 24 Senators have joined to cosponsor a proposed constitutional amendment of mine which would compel the Federal Government to balance the budget each year.

Some people might become frightened and say, "If we have such a constitutional amendment how on earth can we jump from a \$50 billion deficit to a bal-

anced budget?"

Well, it would take a little while at best to get a two-thirds vote in both Houses of Congress. Any constitutional amendment has to go to the States and that does take time. But once that constitutional amendment is passed, the Members of Congress would have the necessary discipline placed in the system which would save our Republic.

Who wrote the provisions in our State constitutions against deficit spending? They were brought about through the sad experiencees of the States. Legislators were elected with no restraint on spending or debt. Many States were headed for disaster. Decades ago most of them wrote provisions into their laws against deficit spending. Many of them wrote provisions into their constitutions compelling a balanced budget.

What do we have? Solvent States. They maintain local governments and do the other things that need to be done.

Oh, writers of mystery and fiction have predicted that the American Republic would fall when the people found out they could elect a Congress to vote the people benefits.

Well, there might be some truth to that. It kind of frightens me. But the answer is a constitutional discipline that would require the budget to be balanced.

Mr. President, here is how this constitutional provision would work:

The Congress would be mandated to balance the budget every year. At the end of the fiscal year the President would be called upon to determine whether or not there was a deficit and, if so, how much. If there was a deficit, he would be required to calculate how much of a surtax, what added percentage of tax on corporate and individual income taxes, would be necessary to be imposed the next year to recoup the deficit. The President would not impose a tax. No additional power would be given to him. He would merely perform a ministerial duty of working the arithmetic. The tax would go in automatically under the terms of the Constitution.

The President would have to do all that within 20 days after the end of the

fiscal year.

When this proposal was first devised, the fiscal year ended on July 1. Now it has been changed to October 1. So, 20 days after the first of October the report cards would go out to America. They would say, "The budget has been balanced. The boys have done a good job." Or they would say, "The men in Congress spent too much money. Your taxes are raised by 3 percent," or 5 percent or 20 percent, whatever is necessary to balance the budget.

I believe if Congress is faced with the decision of collecting the taxes or reducing spending, they will reduce spending. Who wants a report to go out on the 20th of October to their State, or a House Member to his district, which says we have spent too much money, everybody will have an 11-percent increase in taxes, 3 percent, or whatever the case might be? It will put into our system the necessary discipline to save this country from economic disaster.

States have followed such a method

and we should do it now.

Now, Mr. President, somebody very properly raises a question, "What will we do if a great national disaster arises?"

This provision provides that on a three-fourths vote of both Houses of the Congress they could suspend the provisions for a year. If it continued, they could vote again the next year.

There are many disasters which affect parts of the Nation, but in a disaster which is affecting us nationwide, they could get the three-fourths vote.

Also, there would be a provision that we could not use our credit except to defend ourselves in time of war. The same requirement for waiving could be used then.

Mr. President, the answer to our deficits is not ridiculing the tax program. Of course, we should always look at the tax program to see where it needs to be improved. We should always carry on a program of tax reforms. Sometimes reform is in favor of the taxpayer and sometimes it is in favor of the Treasury. Its objective should be to do justice. But it is just foolish to talk that you could have such reforms to solve a deficit of \$50 billion or more.

Mr. President, an alarm was sounded over the country when we had a deficit of \$2 billion, \$3 billion, or \$4 billion. Now it is \$50 billion. We do not pay enough attention to what goes on here.

We passed a supplemental appropria-

tion bill which increased expenditures over what the committee recommended by over \$1 billion here in this Chamber.

Not long ago the Committee on Finance brought in a bill with reference to unemployment compensation. We shifted the burden from the unemployment compensation to the General Treasury which in the next 2 years will be another \$1 billion.

Mr. President, we cannot go on expanding and expanding the financial obligations of this country and be carried away by the siren songs that somebody is going to balance the budget in 1978. Unless there is a total turnaround, the deficit will be worse in 1978 or 1981, or whenever these good promises relate.

Mr. President, I have served on the Finance Committee where the obligation is to recommend taxes. It is not pleasant. Every tax bracket is overtaxed.

Talk to an individual of modest income and he says, "I think our group is taxed too much." He is right.

Talk to someone in the middle income brackets, who are leaders, who are doing things, who are providing homes, and they say, "We think our group is overtaxed." They are right. They are overtaxed."

Mr. President, they are overtaxed all the way. Perhaps the wealthy of the country do not need their wealth but we need it. We need to have them put it to work. We need in the wealthy a desire to use their money to create enterprise and provide jobs. So when we improve the tax program for people of all brackets, it is

being done for the public.

Mr. President, there are those who foolishly say that a balanced budget would bring a depression, that we have to spend all this money and have deficits in order to build full employment. I feel sorry for those people of little faith in private enterprise; who have little faith in the basic principle that bills ought to be paid. I just do not believe the universe is so constituted. I think if we embarked on a program of balanced budgets, not just once in a while, if we had a general program of balanced budgets and assured the value of our American dollar, there would be a wave of optimum, enthusiasm, and confidence which would sweep this country that we could not hold back. The activity, the worthwhile endeavor, and the great American dream would become a reality, not once in a while but all the time.

Mr. President, I believe that if the word went out to the world that Uncle Sam was paying his bills, that we were balancing the budget, that we are on a payas-you-go basis, and that the American dollar would remain stable, I believe every country of the world not only would support us financially and turn their business this way, but they would say,

There is a leader in the governments of the world that we can afford to aline ourselves within the ideological battles that take place in the world.

Mr. President, we can talk about this or that little amount of change in the unemployment rate. But as long as we go on increasing Government and failing to reduce the size of Government and go on with our deficits, we have insured our-

selves continued unemployment and depression. The present unemployment and the present depression rests upon the Government of the United States because they have so hampered this great, free-

enterprise system of ours.

Mr. President, oftentimes, instead of attacking the program of spending, we do foolish things in the field of taxation. We want individuals to invest their money so that factories can be built, buildings can be erected, machinery manufactured, and all that sort of thing, because it means jobs. Yet we have changed the tax law in two or three particulars that discourage

that from being done.

In the first place, if they borrow money for an investment, they cannot deduct all of the interest. I talked not long ago to a man who saw a business opportunity, and he said, "Here's a company that can grow, expand, and give people jobs.' He borrowed all the money he could raise, his insurance policy and everything else because he believed in it, and he made a go of it. It is employing thousands of people. He said, if that had happened under the current tax system, he could not have done it, because we would not have permitted him to charge off as a business expense the interest he paid out. That is one of those foolish alleged tax reform proposals that we grab instead of facing the issue of cutting down expenses.

I could go on and cite some other ex-

Mr. President, I hope that this bill can be disposed of before too many days. I have no desire to see it prolonged and delayed so that the time elapsed for it to become effective is damaging. But I want to say, here is a \$21.5 billion bill, and the Senators ought to be on the floor talking about it and thinking about it and asking questions. We should be facing the issue of these enormous Government expenditures and devoting our talents and attention to cutting out some Government programs rather than being off in corners where committees are hatching new programs.

Mr. HANSEN. Mr. President, will the Senator from Nebraska yield for a question or two? I would like to speak in my own right later, but I have some ques-

tions.

Mr. CURTIS. I am happy to yield. Mr. HANSEN. First of all, let me com-

pliment the distinguished senior Senator from Nebraska for the obvious thought that he has given to the remarks he has made. With regard to the economic stimulus, it was surprising to me that the administration, almost overnight, apparently, shifted gears on this issue. As nearly as I can learn, the announcement was made by the White House that certain economic indicators suggested that the economy is moving along rather well and that now, in the opinion of those persons visiting the President, at least, there is no need for further economic stimulus or the sort of stimulus that would have been provided by the tax rebate. Then the White House announced rather summarily that it was abandoning that particular part of the program. But earlier today, the Senator will recall, the senior Senator from North Dakota (Mr. Young) called attention to certain amounts contained in appropriation bills and he asked the question, are not these just as entitled to be regarded as economic stimuli as anything else? I ask my good friend from Nebraska if he recalls what Senator Young said and if he would care to comment on it?

Mr. CURTIS. Yes. I cannot pinpoint the exact programs he is referring to, but he was sounding an alarm that there are bills coming to this floor and pending on this floor that call for expenditures of billions of dollars of borrowed money that can only add to the inflation in the

Mr. President, we should keep in mind that inflation causes unemployment, You do not inflate the economy to give jobs. It works the other way. If inflation is rampant, it takes all the money a family can gather to get the bare necessities of life. It does not take very much of a work force to produce the necessities of life. But when there is no inflation, wage earners and others have something left after buying the necessities of life. They buy carpets and drugs and drapes and skis and bicycles and automobiles and boats and hundreds of other things, and somebody has to make them. We have full employment, and individuals can buy more than the necessities of life. When inflation is so rampant that the pay check goes for those bare necessities of life, there are a lot of people that go out of work.

Mr. HANSEN. I thank my good friend from Nebraska for his astute observations. I think the point needs to be kept in mind that, if we will be honest with ourselves and if we will examine in detail the various bills to which the Appropriations Committee is dedicating its time now, we shall find that those bills include important amounts of transfer payments that really are of very sizeable proportions and which have the same effect of putting into the pockets of people money that will be spent that ought not to escape our notice and attention

I am pleased to join with my good friend from Nebraska in sounding a clarion call that I hope will be heeded, that will be responded to by Senators, in looking at this whole tax proposal. The Senator from Nebraska has mentioned a number of things. There are many, many others that could be examined that need to be looked at before we enact any legislation.

Last year, I was a member of the conference committee between the Senate Committee on Finance and the House Committee on Ways and Means. I recall very vividly the enormity of the task that we faced. We were up against a time limitation, too, and in the closing hours-I do not recall if it was the closing day, but it very well may have been-we passed about 41/2 pages of effective dates that correlated with certain provisions of that tax reform and adjustment law. whatever we called it. Whatever we called it, it was a misnomer. We called it some things that did not appear in the RECORD, I might add, and I heard some of my constituents suggest other appropriate names.

But enough of that. Let me say that we passed 41/2 pages as I recall of effective dates. I dare say that most Senators

were like the Senator from Wyoming. I did not have the faintest idea, in reading those 41/2 pages of effective dates, what date applied to a specific provision in the bill. I have since found out, to my dismay, that we brought about serious problems for a number of people.

The question of sick pay is an example

of that sort of thing.

It was made retroactive to the beginning of last year. I have heard from a number of my constituents who tell about the extreme difficulty in trying to get along in assuming that the law under which they presumed they were operating would at least carry forward through that taxable year, only to find, as they now are, that we changed the rules of the game and that what they thought was the law, indeed, was changed and has been reversed back to January 1, 1976.

I know members of the Finance Committee have been concerned about this. The distinguished Senator from Kansas (Mr. Dole) has tried to get that changed, as have most of us, I think, on the

Finance Committee

But I mention that simply to point out what happens when we try to undertake too big a task too quickly without giving sufficient time to the subject to know what we are talking about or even what we are doing.

Mr. CURTIS. The Senator is correct, but it goes farther than that.

Until the Committee on Budget reattacks the program and starts eliminating programs, reducing programs and cutting down expenses, we are going to continue in that sort of trouble.

We have been dealing with just outside appearances, and I can tell the Senator what was back of all that change

By advancing the date where there is a provision in favor of the taxpayer and pushing back the date in favor of the Treasury, we had a paper day to show us more in compliance with the budget resolution.

Call it finagling, legerdemain, anything one wants to, but that was the origin of that amendment.

Now we have got to come in and undo most of it. Undo most of it, but it goes back to the fact that we seem to be carried away with the idea that some fine tuners, some fixers, can solve all of our budget problems.

Mr. President, I love all the economists. I have nothing evil to say about them. I do not think they are very good fine tuners. I do not think they understand the political system.

They will suggest a course of action and then say that if such and such a thing happens in the future, the course should be reversed, when anybody in the political world knows that will not figure.

So, God bless them, I love them. They are learned men. But I wish that a few of them woud find some jobs elsewhere. and we would bring into Washington on our staffs, on the staffs of the committees, and on the staffs downtown, some tough budget balancers and cost cutters that would face the real problem.

Mr. President, I yield the floor.

Mr. HANSEN. Mr. President, I have a background that may be different from

that of some Senators. The State of Wyoming for many years has had a provision in the law—which may be a constitutional provision—that we have to operate on a balanced budget.

I know that the distinguished Senator from Virginia has long been an advocate of that same policy, that same ethic, insofar as the Federal Government is con-

cerned.

I hope he will not be in a position, as I fear he could well be, when he or his children or his grandchildren look back upon this particular time in the history of this Republic and say that it is too bad that we did not then perceive in 1977 how very right HARRY BYRD was.

Oftentimes we grow too old too quickly and smart enough altogether not quickly

enough.

I say that because I am convinced that the sort of rule that has been advocated by the Senator from Virginia (Mr. Harry F. Byrd, Jr.) for the Republic makes

awfully good sense.

I refer again to the fact that the State of Wyoming, which I had the privilege of serving as Governor for 4 years, operates on a balanced budget. Some of our friends who are not oftentimes alluded to as conservatives in this Chamber on both sides of the aisle seem to be struck with horror, just shocked, that anyone should even talk about a balanced budget in these days.

Whether it is a Republican or a Democratic administration, most Presidents proclaim with great emotion, and some of the public rejoices, that the budget will be balanced. A few Presidents have been courageous enough or shortsighted enough to say that we are going to balance it by next year. It is usually a few years down the road when they really will get the budget balanced, and this is said by Republicans as well as Democrats.

We are always talking about what we are going to do and how we are going to change things around so that before too long we will have the budget balanced.

I happen to have gone into the office of the Governor of Wyoming knowing full well we had to have a balanced budget that year. Not 4 years later, not 2 years later, not 6 years later, but that year. We had to have the money on hand to pay the bills, to meet the appropriations that we expected to make, and when we got all through with the legislative session, the budget balanced.

Surprising though it may be to some of our friends, it has not been all that bad

living in Wyoming.

I note that in recent years, the last two or three, maybe longer than that, Wyoming has had, if not the lowest rate of unemployment among all of the States, at least one of the lowest.

I note that the influx of workers into Wyoming has been rather significant. As a matter of fact, if it were not for the fact that people are moving into Wyoming, there would not have been enough workers there to have filled all of the jobs that today exist in the Equality State. We speak of Wyoming as the Equality State because we were first of all

the States to grant to women the right of suffrage.

At that time, we had the first elected woman Governor in this country. We take pride in the fact that we are referred to as the Equality State. But I believe that that appellation could be cast in an even broader meaning. We have been fair to people. We have been fair to people because basically we have been honest with people.

I spoke about the number of jobs we have and the low rate of unemployment. It is also true that the increase in real earning power has been greater proportionately in Wyoming than in almost any

other State.

We are a right-to-work State. I do have a few friends in the labor movement despite the fact that I signed the right-to-work bill when I was Governor, and I received all sorts of anonymous letters, some signed, and I got all sorts of phone calls at the Governor's mansion saying that my days were numbered. I had heard that before, so I was not too alarmed about that. But all sorts of dire predictions were made about what was going to happen to Wyoming.

We were going to become the Appalachia of the West. People were going to leave. No one would want to work in that State because obviously we would not be paying very good wages. Well, the fact is that wages are very good in Wyoming. There are lots of jobs. The economy is good. Yet, we have to balance our budget.

I hope Congress could heed the admonitions of my good friend the senior Senator from Virginia and talk about some specifics this year, not in 1981 or in 1979 or in 1983, about how they are going to have the budget balanced, but move

toward balancing it now.

We have an opportunity to do that because, with the White House having determined—rather summarily, I would say—that they are not going to push further for this \$50 rebate, we do not have to spend all that money. We do not have to spend it all. We could just let some of the people—precisely, 217 million Americans—keep some of it and let them decide how they would like to spend part of the money they have earned.

We are told that the total tax take, including municipal taxes, county taxes, State taxes, and Federal taxes, now takes from the typical American approximately 40 percent of what he earns. Some economists have said that we are just about high enough. Others say we are too high already. But I find very few who say that we can take even more of the real earnings of the people away from them without seriously jeopardizing the economy and the jobs in this country.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. HANSEN. I am happy to yield.

Mr. GOLDWATER. Mr. President, I have been listening with great interest to the comments of the Senator from Wyoming, directed toward my old and good friend the Senator from Virginia. I just could not resist adding a little to the discussion they have been having by referring to my own State, Arizona, which I do quite often.

We are prevented by our Constitution from borrowing money. The State has never been in debt and never will be in debt so long as that constitutional provision prevails. Likewise, we are a right-to-work State—the second one in the United States. That is a bill on which I worked hard to get passed.

I recall that at the time of the passage of that bill, the labor leaders of Arizona said that we were going downhill, added to the fact that we were not allowed to go to the banks to borrow money or to

float bonds to borrow money.

I remind the Senator from Wyoming—and I do not do this in any way to detract from the greatness of Wyoming, which provides Arizona with quite a bit of water once in a while—

Mr. HANSEN. We are going to shut you

down a little this year, BARRY.

[Laughter.]

Mr. GOLDWATER. I think God did that! I do not think Jimmy Carter or Wyoming had much to do with it.

Arizona is now the fastest growing industrial State in the Nation. It is the second fastest growing State populationwise. It has an average per capita income above our national average. Our unemployment rate is below the national average.

So, instead of having chaos because a government could not borrow money, or having chaos because we have a right-to-work law, I think they are both very strong factors in the fact that people like to live in a State in which, although our taxes are not low, they pay their freight. They pay their own way, and we know what we are doing from day to day.

So I join the Senators on the other side and some on this side in saying that deficit spending in this country has to stop. It is that simple. I do not care what kind of formula the President talks about. I do not care what kind of formula some of our economists dream about. If this Government does not stop spending money it does not have, this country will be insolvent in a few years.

We now have double-digit inflation. The suggestions made by President Carter the other night are laughable on their face because they do not face up to the real problem that confronts us; namely, we are spending money we do not have. We have been doing this ever since 1934, when Lord Keynes convinced the Roosevelt administration that this was the panacea that would end all financial troubles.

We have not been bright enough to understand that the world depression in 1928, which took World War II to end, was started by the same kind of irresponsible spending in Austria, when the Austrian mark was a formidable piece of currency in the world and our dollar was not.

So I wanted not only to comment on the comparison between our two States and the comparison that could be drawn between these two States and the other States in the Nation, but also to thank the Senator from Wyoming for courageously standing up and calling to the attention of this body the foolishness that we are in. It is not funny foolishness; it is deadly.

Mr. HANSEN. Mr. President, I thank my distinguished friend, our esteemed colleague from Arizona, for his observations.

I was a Member of the Senate when BARRY GOLDWATER returned to the Senate. I recall some of the comments that were made by Members of this body and by members of the press. It was not at all uncommon to have people on both sides of the aisle say, "You know, if we had had the benefit of looking ahead a few years to see what took place in this country, what happened, how politicians delivered on promises they made, BARRY GOLDWATER very well might have been elected President-if we had the benefit of knowing what was going to happen."

I say that without any derogation at all of the late President Lyndon Johnson but, rather, because among the great characteristics of BARRY GOLDWATER are his honesty, his forthrightness, and his

candor.

I recall what was said in that campaign in 1964, and I recall some of the TV clips, about petals being picked off flowers, and what was going to happen if BARRY GOLDWATER should be elected President of the United States; and then I watched, first as Governor and later as a Member of this body, what took place.

All I can say is that BARRY GOLDWATER is quite a guy. He is quite a guy because he has called it like he saw it. He never once, so far as I know, deviated from the basic honesty that so characterizes and typifies him, to try to make a point or to try to encourage support from persons who may have supported him if he had not told it like it was. That is rather important. It is important today. It is very easy for us to do those things that we, as politicians, think will please our constituents.

I could cite a number of examples-I will cite one or two: We increased social security benefits. We have done that from time to time for a very good reason, and Senator CURTIS has called attention to it, Senator Harry F. Byrd, Jr., has called attention to it, Senator Gold-WATER has called attention to it, and many Members on both sides of the aisle have called attention to it, and we have done it for one reason basically, and that is we have not balanced the budget. We have not brought spending into balance with taxes and, as a consequence, people find that the benefits that these various programs are supposed to give to them are not as meaningful as they had been led earlier to believe they would be and, as a consequence, we have raised the benefits.

We have not actually taken money out of the till that they had paid in earlier when they were contributing to the social security trust fund. The social security program would not last very long if we were to have most or even a significant number of people in this country thrown out of work. It would not last very long because it is practically a hand-to-mouth operation right today.

If we were not taking money from the people who are working, the productive people of this country, the people with jobs, the people with families, the people who are finding it more difficult every

day to keep their own budgets balanced, if we were not taking money from them we would not have any money to pay the social security recipients except by exacerbating the very problem we seek to address by increasing payments. Everyone knows that. That is nothing new, that is nothing new at all.

The biggest burden we face in this country today is the burden of inflation.

You know, when I was criticizing and voting against, as I did, the pay raise when the junior Senator from Alabama proposed that we have an up-or-down vote on it, his proposal sounded very good to the senior Senator from Wyoming, and I asked him if I might not cosponsor it. I did it for a very good reason: I think the people of Wyoming expected us in Congress to have the courage and honesty to vote up or down on that issue, so I asked him if I could join with him.

Well we did not vote up or down on it. Yet when I talk to people in my State of Wyoming, I think the things that are uppermost in their minds are these: Inflation, the state of the economy, jobs, and national security. On our national security they are willing to make whatever kinds of contribution may be necessary in order to insure that we do not have to use the armaments we are talking about. They are not thinking about trying to cut back, as some people recommend would be wise national policy, thereby encouraging and tempting some country to challenge us militarily. We take the position that the best of all worlds is a world in which the United States of America will have a sufficiently powerful military machine so that we will never have to use it.

One time in Cheyenne, Wyo., at Warren Air Force Base, there were more missiles under the command of one man directly responsible to the President than any other place in the United States. Whether that is true now I do not know, but it was true at one time. It was true when I was Governor.

I do not think there is a single person to whom I have ever talked in Wyoming who wanted to have us use those missiles. I never talked to anybody who said,

Is it not a pity that we cannot use these missiles?

We were all happy and secure and satisfied that the deterrent power of their presence would insure a peaceful world.

I mention that as one of the concerns of Wyoming but also, and of more urgent present importance, is the state of the economy, trying to get a handle on inflation so that the money we have will buy what we might expect it to buy. It is not buying what we expected to be able to buy and, as wages are raised, trying to compensate for the erosive force of inflation, we never really quite keep even. We do not keep even because as wages are raised, as salaries are increased, an individual becomes the temporary custodian of more dollars, but inevitably he gets into a higher bracket and has to pay out more, so that in the long run he cannot really keep even. This is the concern of Wyoming people.

I happen to be one of nine, I think, who voted against the ethics bill and, I suppose. I will have to answer for that in Wyoming. Fortunately, my colleague from Wyoming, Senator Wallop, voted as I did, so I guess I can share the blame, if need be, with him, as to why we did not think the Senate should pass an ethics bill

I could go into all sorts of provisions that were disturbing to me about that bill, but there is no need for me to do that. There was not any great outcry in Wyoming to pass an ethics bill, but I can tell you there was a very well articulated outcry about doing something with respect to inflation, about seeing that we did not further erode the purchasing power of people, that we did not destroy the chance that their youngsters

might have to get a job.

They know in Wyoming, as they know in most parts of the country, that if you really want good job security you had better not plan on taking a temporary job with the Federal Government, believing that that will provide you with job security, because we learned a long, long time ago that that does not work very well. We have learned that there is one good way to have the assurance of a job and, indeed, to have a job and indeed to keep that job, and that is to stabilize this economy and stop inflation. to permit people, where they want to, to return from Government bureaucrats to the people the right to say where people want to spend their money, how they want to invest their money, and what they want to do with their money.

It just could be that there are still some old fogies around who might decide they would like to try to help their kids out a little bit. I know my distinguished colleague from Wyoming and I were concerned about what might happen if the Senate were to pass, as, indeed it did, an ethics bill with some provision in it that would discourage the probability of having people from all walks of life serving in the Congress of the United States. We were concerned with the rising incidence of crime and, specifically, of certain types of crime, which seemed to focus on individuals who, for one reason or another, others may believe have a little bit more than

average wealth.

Yet I happen to think that it is in the best interest, it is in the best tradition, of the United States that we see that people from the business community are represented here, that we have people ready, willing, and able to defend the system of private enterprise which has encouraged people to do whatever they wanted to do so long as it was legal, and to exercise for themselves the freedom that is guaranteed by our Constitution to decide what they are going to do with their lives. I think it is important that we have those kinds of people in the Congress of the United States.

Under the provisions of the ethics bill, we have said certain things cannot be done, that you cannot earn over \$8,625 if you are a Member of Congress; that if you happen to be in a Senate staff job, you may not pursue outside opportunities. My assistant here is a lawyer, but

on a weekend she cannot prepare a will for her sister or some member of the family because that would be unethical. I think that is a bunch of hogwash. I never heard of such a silly thing. That is one of the reasons I had for voting against that bill and, I suspect, my colleague from Wyoming may have shared as, indeed, I think he does, some of my feelings in that regard.

But if we proceed on this idea that we are going to insulate everybody in this Senate from real life, from life as it is, from the way things are in the outside world, and if we are going to become more and more "kept" citizens, if we are going to represent the States, then I think we can anticipate that further blocks, impediments, will be placed in our way to try to insulate us almost completely from the real world.

Then I suspect, if we want to try to look into the crystal ball to see what is ahead for us, it will not be too hard to do because there are other countries around the world that have gone down that same road, that have turned their backs upon the contribution that individual initiative may make, that have turned their backs upon the obvious facts that one of the mainsprings of human progress has been the incentive for people to try to do a little better and live a little better, and each of us to try to be his own man, to determine what we want to do based upon what interests us and to be constrained only by what is unlawful or illegal. Obvious, we are never going to have a perfect society, and I do not contend that this is one. I do not contend that there are not plenty of things wrong in the United States today. I do say this. Compared to any other system, I challenge anyone in any part of the world to show me a government that has done as well as has the Government of the United States,

I know a good friend of many of us, the former Governor of Massachusetts, the former Secretary of Transportation, the former Ambassador to Italy, the Honorable John Volpe who said his father was a bricklayer, an Italian immigrant, who worked mighty hard to raise a big family. When his son, John, later to become Governor, later to hold many important posts in this country, first started helping him, John was assigned the job of carrying some mud up onto the roof of a building in a hod, and he said he will never forget how his father grasped the legs of that ladder with both hands when his little John started up with the first load of mud on his shoulders. Then he said:

Father steadied that ladder so it would not move or wiggle or anything and he helped me get my foot on the first rung. From there

on I was on my own.

And he said he could not help recalling that dramatic moment in his life many times, later in thinking about his father. Having come to this country, he did not have anything and was not given anything; he was on his own. He was on his own, and his initiative, willingness, desire, and intense drive spurred him to do something and to make a better life for his family. As we all know, one of the members of that family became a very distinguished great American.

I think this kind of life is not dead, is not all over in the United States; I think it still has a place. I think that there are many people who want to come to the United States because, despite the things that are wrong with America, there is not any other country that starts to hold a candle to this country in offering opportunity to people who are willing to work. I want to see them have a chance to work. I want to see that we are honest with them. I want to see that we do our best not to take away from them that portion of what they earn that we have no right to take away from them through inflation. And that is why I think that it is important that we discuss this bill and know what we are doing before we do

You know, we can go on for a long time debating this bill, and I am certain that, if we were to read what is in it and what other people say about it, it would be very enlightening.

I happen to have before me, Mr. President, a part of the Washington Post datelined Sunday, January 23, 1977. The story that I have before me is headlined "Treasury Chief Favors Uniform Lower

Income Tax Rate."

And pictured on page A-3 of the Post is the Honorable W. Michael Blumenthal. Here is another person who was not born in America and who has distinguished himself and who now occupies a very important post in the present administration. And let us see what he was reported to have said back in the January 23 issue of the Washington Post.

The first statement reads:

Treasury Secretary W. Michael Blumenthal said he favors changing the tax system so that all income, including capital gains, would be taxed at a uniform lower rate. "At this point I am just philosophizing," he says, but we should allow individuals and businesses to keep more of what they make.'

Mr. President, I could not agree with him more. I agree with him because therein lies the key to jobs, job security, and a stable economy in the United States.

You know, when the late President John F. Kennedy proposed a permanent tax reduction there were all sorts of predictions made by Treasury, and others, that we would increase the national deficit. There were predictions that within a 6-year period of time we would have an \$89 billion greater outflow as a consequence of that tax reduction than there would be income in to replace it. What were the facts? The facts were that, instead of having an \$89 billion deficit, the end of that 6-year period of time, we actually finished the 6-year period with a \$54 billion surplus. How could that be? We lowered taxes. We lowered what the Government was going to take in and yet, instead of having less money, at the end of 6 years we had more money. How could it be explained? I am not sure that I know all the answers. I am not even sure I have heard all the questions. But I could say this: Apparently, we found that, when individuals had the decisionmaking ability to decide what they wanted to do with their money, they acted in typical American fashion and they put it to pretty good use. They made investments, expanded businesses, created new businesses, built homes, repaired their homes, improved their farms, bought new tractors, and they did all sorts of things. As a consequence of these individual decisions that all Americans were making at that time, more people were put to work, new jobs opened up, new opportunities to do something became available to more Americans, and instead of people being taxed consumers, instead of people being on welfare, instead of people eating the taxes that had been paid by others, so to speak, they became taxpayers, and we wound up that period of time, that 6-year period, not \$89 billion worse off than we otherwise would have been, but \$54 billion better off than we had been over what the predictions were had we done nothing in the way of change.

So I think this has to be considered. To me it is pretty compelling evidence that there is merit in reducing taxes, in moving to balanced budgets, in letting people make the kinds of decisions that they are perfectly competent to make.

One of the things, Mr. President, that disturbs me about all the Government planning that we hear of these days is that somehow we seem to presume that the greatest share of the intelligence in the United States is present here on the Potomac. Thank God that is not true. If the country as a whole did not have better sense than many of us around here have, the country would be in even worse shape, to my mind, than it is now. I do not refer specifically to a certain group of people. To the other Members of this body I certainly do not refer, nor to the many people who work very diligently and competently for the Federal Government. But the fact is-and this is the important distinction in my mind-that if Government has the full decisionmaking responsibility, and can make but one choice, and if it happens to be a bad call. a bad judgment, we are in deep trouble. But if we leave it up to all Americans to make the sort of individual choices which they are perfectly capable of making, there may be some who make worse mistakes than any of us would make, but there will be some who will make better calls than we would make, and as a consequence the Republic goes along and we do not have the Nation thrown into a situation where we have decided on a specific course of action that time proves not to have been a good one.

I think that Americans must have the opportunity to make these kinds of judgments. I think that if we are to assure young people a chance to have jobs, this is the way to give them that guarantee of

I think there could be some other changes made. I recall that when I was Governor of Wyoming, I recommended raising the minimum wage. It was 75 cents an hour, and I thought it should go to \$1, and I recommended that it be raised. And it was raised. I know that today the President of the United States has recommended a further increase in the minimum wage from \$2.30 an hour, where it presently is, to \$2.50 an hour, and I am also aware of the fact that a great number of members of labor organizations are greatly disturbed with President Carter, because they think he may have reneged on a campaign promise earlier made that he would recommend a far greater increase in the minimum wage: and second, that he was not reading the signs right when he thought that \$2.50 would be an adequate amount.

I do not know what we should do when we get to talking about minimum wages, but I do know one thing: many economists agree that if we look at structural unemployment in this country today, the young people between the ages of 16 and 24 constitute about one-fourth of the labor force, yet more than half of the people unemployed in the United States today are found in the same age group.

My point is that we need to look at this situation and ask ourselves, why is this true? These are normal young people, with more than the usual amount of vitality and strength we would expect in the labor force. Why is it that they find it tougher to find jobs than does the

average typical wage earner?

I think the answer is easily come by. They are having trouble because they have few merchantable skills. Many of them have not had jobs before. They do not know how to do very much. And whatever else we may think about the typical employer. I think this is generally true: He is not going to hire someone to put on his payroll if he is persuaded that that person cannot make some money for him. If it is going to cost more to hire this young person between the ages of 16 and 24 than that person will be able to produce for him, the chances are that the average employer is not going to have a job for that young man or young woman between the ages of 16 and 24.

I am concerned about young people finding jobs. I know our distinguished colleague the junior Senator from California has spoken about how boys become men. He is quite a student of human nature, and he has told me, as he has told many of us around here, that there are different ways that young men manifest their adulthood. One way, down through history, that has been typical of them is to fight, just like any other young male animal. Another way is to go to work, to become contributors. Historically on the farms of America, in the early days, it was a proud time for a young man, when he could take the lines of a team and hold it and guide it, and work all day with it. That was a moment when he was able first to demonstrate to many of his peers that he was a man.

Mr. ZORINSKY. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HANSEN. I yield.

Mr. ZORINSKY. Mr. President, I ask unanimous consent that Lou Ashley, a member of my staff, be accorded the privilege of the floor during the consideration of the tax which is before us.

RIEGLE). Without objection, it is so afternoon and was here when the unaniordered.

Mr. ZORINSKY. I thank the Senator. Mr. HANSEN. I am pleased to accommodate my colleague.

Let me say that with the raising of the minimum wage laws, and with the passage of other laws that at one time had real relevance to conditions and situations in this country, we have now made it doubly difficult for young people to find work. There are many types of employment that they could perform very well, that they are by law precluded from doing. My good friend and distinguished colleague from California, I know, has said that there was a time when entrepreneurs, capital and management, could exploit labor.

But I think, as he has pointed outand I do not try to quote him preciselythat those times are no longer with us, because with unemployment benefits, with welfare, and with all of the other programs we have, a person cannot be exploited because there is literally no way you can bring about conditions that will result in his being hungry or actually suffering deprivation of the necessities of life in sufficient degree to make him accept the kind of job that you

might offer him.

What I am trying to say, Mr. President, is that it seems too bad to me that we cannot take a second look at some of our laws, and recognize that there are lots of young people in America today who would like to do something, who would like to demonstrate their adulthood by taking a job, by contributing, first to their own upkeep and second, to their families, by working; but instead of giving them that opportunity, we almost inevitably, or all too often, force them to demonstrate their adulthood by seeing if they can drag race through the streets of lots of towns in America at 2 o'clock in the morning, getting drunk, using dope, and getting into all kinds of trouble. I do not know that we would do away with all of that if we were to change many of these laws, but I do say that the incentive, the desire, the drive to try to demonstrate their adulthood could be channeled in other more productive and rational ways. So I would hope we would look at that, too.

If we were to do that, Mr. President, it seems to me we would be giving young people a chance to take their role in society, to get jobs, to reduce the unemployment, to become taxpayers instead of tax consumers, and to expand the output of the factories and firms of America. all to the great benefit of this Nation.

Mr. President, I would hope that Senators will consider some of the points that have been mentioned here earlier this afternoon.

It seems to me that we need to know what we are talking about. There are many changes that ought to be considered, changes which ought to be examined. We should take time to know what we are doing before we try to do it.

I yield the floor.

Mr. KENNEDY. Mr. President, I was The PRESIDING OFFICER (Mr. in the Chamber during the course of the

mous-consent request was made with regard to striking certain provisions on the tax rebate in the bill which is before

I have also had the opportunity to review again in detail the statement of the President last week on April 14, when he made his comments on the general economic situation in the country.

I refer to the second paragraph in President Carter's remarks, where he

said:

The recent improvements in all the economic indicators, the recent reduction in unemployment, the recent decrease in the inflationary indicators, and the prospective impact of the new energy proposals, all have convinced me, the leaders of Congress, our economic advisers, that we do not need to proceed in the Congress with the \$50 tax rebate, nor with the optional business tax

Those were the President's words. He further indicated, later in his remarks,

The announcement that I have made this afternoon has been supported by the Democratic leadership in the Senate, and we have also got the same expressions of approval from the House.

Mr. BUMPERS. Will the Senator vield?

Mr. KENNEDY. I yield without losing my right to the floor.

MOTION TO RECOMMIT H.R. 3477

Mr. BUMPERS. Mr. President, I send to the desk a motion and ask for its immediate consideration.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield for that purpose?

Mr. KENNEDY, I yield.

The PRESIDING OFFICER. The clerk will state the motion.

The assistant legislative clerk read as follows:

The Senator from Arkansas (Mr. Bumpers) for himself and Mr. KENNEDY, moves that H.R. 3477 be recommitted to the Committee on Finance with instructions to report forthwith, with the House proposal for section 302 and the Senate committee substitute for section 302 stricken.

Mr. BUMPERS and Mr. HANSEN addressed the Chair.

Mr. BUMPERS. Mr. President, this is a motion to recommit this bill to the committee with instructions to delete that part of the bill which deals with the investment tax credit and the socalled new jobs tax credit.

The distinguished floor manager this afternoon asked unanimous consent on this floor that title I of the bill, the tax rebate provision, be deleted. I raised the question at that time with the floor manager as to why we were opting to grant the President's request to delete the \$50 rebate and not granting the balance of his request to save the Treasury an additional \$2.4 billion in the investment tax credit by deleting the investment tax credit and the new jobs tax credit from the bill.

I take it that there is just a simple feeling that the President was right on one part and wrong on the other.

Most people in this body know that I

opposed President Ford's tax rebate in 1975. I made certain statements that I believed it was not a viable, economic stimulus. Unfortunately, 52 people did not agree with me. Only 40 did. That tax rebate was enacted. If I may indulge myself in a self-serving statement, in my opinion the rebate did just about what I thought it would do; namely, nothing.

This time I decided, with considerable reservations, to oppose a President of my own party on the same principle, on the same argument, that if you want to provide a rebate to the people of this country who are disabled, people on social security, SSI payments, and so on, to assist them in paying utility bills that they incurred in this most recent harshest of all winters, I would go for it, and I would vote for it happily. But an \$11.4 billion or, under the Senate version, \$10.4 billion, rebate indiscriminately given to 200 million people with no real consideration as to who needed it and who did not I thought was misdirected.

I talked with the President and explained my position to him because I wanted him to know that I am anxious to support him in every way I can, and, certainly, in most areas will defer to his judgment and his efforts to get the economy moving.

In that conversation with the President I urged him to delay a final decision on the rebate until new indicators came out and that if on May 1, for example, he felt that the economy was still not moving strongly enough, then, of course, by all means, to stick with whatever he thought was best.

The President acted courageously, and I believe he was patently correct in his decision to delete the \$50 rebate. He did it because his economic advisors said the economy is indeed moving and this money is not now needed as it was back in December when the plan was formulated.

But the President did not stop with that. In his statement, he accorded equal treatment to both the rebate, the investment tax credit increase, and the new jobs credit, which originated in the House Ways and Means Committee.

My personal feeling about it is this: Not only did I oppose the rebate with considerable reservation, but if that had gone to an up or down vote in this body and this body had chosen to delete the rebate, which I believe it would have done, I would have followed that with an amendment precisely on all fours with the motion I am now offering.

I think it is a breach of faith with the American people to say to them in these very troublesome economic times, "We are not going to give you \$50, but we are going to give"—and I use the word advisedly—"big business another 2 percent increase in the investment tax credit or, alternatively, if they choose, this jobs incentive thing, which is based on some kind of an incrementalization formula that almost defies analysis."

Certainly, if our old friend Larry Woodworth, who is now in Treasury, is to be believed, he has told the Senate Finance Committee that he could not find any rational basis for believing that that so-called jobs incentive provision would in fact provide a single job.

I have an immense respect for him, and I know the distinguished floor manager has, too.

Right now, the best estimates are that plant capacity in this country is moving at about 83 percent. We all know that plants expand for one reason, and that is demand. It is only when demand exceeds production that industry expands.

If industry in this country is indeedoperating at only 80 to 83 percent of
capacity—and there are notable exceptions or isolated instances where some
particular industry is on fire and needs
to expand—there is no indication in the
economy that the business interests in
this country are about to expand at this
point.

Mr. LONG. Will the Senator yield at this point?

Mr. BUMPERS. I will yield only for a question.

Mr. LONG. The point I have in mind—and I would like to ask the Senator if he is aware of this—is that we had witnesses from the small business community who testified that they would employ more people in their businesses if Congress enacts the jobs credit.

I ask the Senator if he is aware of the fact that those people actually took a poll of their members. With regard to those businessmen they polled in Louisiana, people who are members of their Small Business Association, I received literally hundreds of postcards stating the number of people those small businesses would employ. They averaged about two for each of those small businesses.

I proceeded to have a member of my staff take a sample number of those cards and actually call them by long distance to discuss with the managers of those small businesses how firm their estimates were. It looks very much to us as though that estimate is correct, that they had every reason to think there will be a tremendous number of jobs provided if that tax credit—as proposed by the House, at least—to assist small businesses goes into effect.

Has the Senator made any effort to determine from small businesses the extent to which they might take advantage of that provision in his State?

Mr. BUMPERS. If the Senator will allow me, I shall come back to try to answer the question, not based on a sampling I have taken of small businesses in my State, but, for example, let us take the investment tax credit.

In 1975, 71 percent of America's smallest businesses got about 1.7 percent of their after-tax profits from the investment tax credit, while the top one-tenth of 1 percent of the businesses in this country-that is, those over \$250 million-got about 5 percent of their afterprofits from the investment tax credit. Simultaneously, on the actual amount in tax dollars saved in 1975 by business, the top one-tenth of 1 percent got 65 percent of all the tax dollars that inured to the benefit of business from this provision in this country, while that same small-business sector of 71 percent got 2.9 percent of those dollars.

Nobody in this body wants to take issue with any positions that small business people want to take. I am not one that is prone to do that. I got one of the awards as being 1 of the top 10 Senators in the U.S. Senate last year for voting the way the National Federation of Independent Businessmen wanted me to vote. I do not like those polls, except for some that I am high on when they give me an award, but I am saying nobody can be friendly to small business to a greater extent than I have been.

I do not want to take issue with small business people. I simply want to point out that not only do they not get very much of the investment tax credit—and I am for the investment tax credit and am not trying to make an argument against it—but I am saying that the way this jobs credit provision is written, a business, as I understand it—the distinguished floor manager may correct me on this—must exceed 105 percent of its historic employment base before it becomes eligible.

That means, for example, that if General Motors in, we shall say, May of this year, has a big upsurge in its sales and must employ a large number of people because May of last year happened to be a rather depressed month, General Motors is going to get a substantial credit under this. American Motors, which is sliding in the other direction and which could certainly use this kind of help, will never get any of it.

Mr. LONG. Is the Senator aware of the fact that the way the committee amendment is written, a company would make the decision whether it wants to claim the advantage of the 2-percent investment tax credit or whether it wants to claim the advantage of the jobs credit? I should think, and I believe he will find this to be the case, that both the corporations he mentioned would be claiming the investment tax credit. It is our impression that it is largely the small businesses who are interested in the jobs credit and that there is where almost all the benefit of that proposal would go.

Has the Senator any information to indicate that any major corporation is planning to use the jobs credit rather than the investment tax credit?

Mr. BUMPERS. I recognize that industry has an alternative. It can select the investment tax credit. For the purposes of this hypothetical argument, I think we ought to assume that they are not investing in a manner that they are going to take advantage of the increased investment tax credit, but they are looking seriously at the jobs credit. Obviously, they are not going to use this unless it exceeds the investment tax credit.

Am I correct in that?

Mr. LONG. My understanding is that most of the major businesses—and their positions. I think, were reflected pretty well by the Secretary of the Treasury—have no interest, really, in this jobs credit, because they are far more interested in the investment tax credit. If offered the option, almost all the major corporations are going to take the investment tax credit option. But the small businesses, which are not capital-inten-

sive, are very much interested in the jobs credit. It is my impression-and I have no reason to think any differently from the evidence that has been presented so far—that the jobs credit would be liked very much by the small business people. We have had tremendous indications of support from the small business community.

Mr. BUMPERS. If the Senator will permit me, I would like to read from a statement by the Honorable Lawrence Woodworth, Assistant Secretary of the Treasury for Tax Policy, which he made before the Senate Select Committee on Small Business, and I know the Senator shares my great respect for Mr. Woodworth. He said:

The employment credit proposed by the President has been criticized because it applies to the entire payroll of a business not just to the increase in either employment or payroll. The theoretical superiority of "incremental" over comprehensive employment subsidies is generally recognized by laymen

and economists.

Why, then, has the Administration not proposed an "incremental" employment subsidy in place of its comprehensive 4 percent of payroll tax credit? The answer is simple. We have been unable to devise an objective and readily administrable procedure for identi-fying employment decisions which would not have been made in the absence of the credit. Any feasible method for "incrementalizing" the employment subsidy must use a historic base, and this invariably excludes large and worthy segments of the labor market while at the same time conferring a substantial proportion of the subsidy on "increased" employment that would have taken place in any

That is a summation of my own personal idea. What we are doing is giving somebody a tax advantage for doing that which he was already about to do.

Mr. LONG. Yet every example that Mr. Woodworth or Mr. Blumenthal or anybody else could give to buttress that argument related to a company that would take the investment tax credit if offered the option. The jobs credit would be the option that would be taken by the small companies, many of them dealing just in services, which get little benefit from the investment tax credit. All those companies have a tremendous interest in employing more people.

I wish the Senator would undertake to take the same kind of poll in his State that was taken in mine and check them out. All our indications are that these people do fully expect to put more people

to work.

I honestly do not think that Mr. Woodworth, when he presented his statement, or Secretary Blumenthal, when he testified before our committee, had the benefit of the same information that I have. I have not the slightest doubt, from talking to small business people myself, that they were going to hire more people if this provision became law.

I really have a strong feeling that this provision is worth trying. I also believe that it will result in a lot of additional

employment in small business.

Mr. BUMPERS. I wish to yield to the Senator from Massachusetts for an observation on the colloquy which just took

Mr. KENNEDY. I thank the Senator. Mr. President, I welcome the opportunity to join the Senator from Arkansas in this proposal for recommitting the bill, with instructions to report it back without the business tax cuts.

I am always interested in listening to my good friend from Louisiana talk about these various provisions. Usually, when we begin talking about tax expenditures, we are always using the example of the small family farmer or the small business person who will get the benefits of the measure in question.

It is interesting, as was said so eloquently by the Senator from Arkansas, to see where the benefits of the investment credit go, which is not exactly to

the small taxpayer.

There is a legitimate question on the merits, if we decide an investment incentive is needed, as to how we should do it. I favored the refundable investment credit, to reach the new businesses, to help rapidly growing businesses, and to help businesses adversely affected by the recent recession in different parts of the country. I think the refundable credit is much fairer and more equitable. But we are not debating that issue at this time.

To make a brief comment on the question raised by the Senator from Louisiana, the interesting fact is that a formula is built into the jobs credit. To qualify. a firm must increase its hiring by 3 percent over the prior year, before it is eli-

gible for the jobs credit.

If we look at figures on average employment growth over the past decade and over the past year, we find that many parts of the Nation do not meet the 3percent cutoff. Our region of the country has experienced the most serious economic recession of any part of the country. In Massachusetts, annual employment growth averaged 1.2 percent over the period 1965 to 1976. There may be a few businesses in Massachusetts that would be able to take advantage of the jobs credit but they are probably very

As a matter of fact, if we talk about the number of States that are above the 3-percent cutoff over the past decade, it is just about half of them, 26 States. There is also the question of complexity. The jobs credit is an extremely complicated tax provision. If small businesses are going to employ more workers, they will probably have to start by hiring lawyers and accountants to try to figure out the complex formula for the credit.

Mr. President, I ask unanimous consent that a table showing average annual employment growth for 1965 to 1976 may be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

1965 TO 1976 AVERAGE ANNUAL EMPLOYMENT GROWTH, PERCENT

NEW ENGLAND

Connecticut	1.6
Maine	2.0
Massachusetts	1.2
New Hampshire	3. 2
Rhode Island	0.8
Vermont	2.7
Average	1 5

MIDDLE ATLANTIC	
New Jersey	1.5
New York	0.3
Pennsylvania	1.1
Average SOUTH ATLANTIC Delaware	0.8
SOUTH ATLANTIC	141050
Delaware	2.1
District of Columbia	-0.6
Florida	4.8
Georgia	
North Carolina	
South Carolina	3.8
Virginia	3.2
West Virginia	1.6
Average	3.2
EAST NORTH CENTRAL	
Illinois	
Indiana	1.9
Michigan	1.6
Ohio Wisconsin	
Wisconsin	2.2
Average	1.7
EAST SOUTH CENTRAL	
	2 6
Kentucky	3.1
Mississippi	3.2
Alabama Kentucky Mississippi Tennessee*	2.9
Average	2.9
WEST NORTH CENTRAL	
Iowa*	
Kansas	
Minnesota	3.1
'MissouriNebraska*	1.6
Nepraska*	2.8
North DakotaSouth Dakota	3.4
South Darota	3.0
Average	2.5
WEST SOUTH CENTRAL	
Arkansas	2 0
Louisiana	9.2
Oklahoma*	3.2
Texas	4.0
Average	3.7
MOUNTAIN	
Arizona	
Colorado	4.8
Idaho	4.3
Montana	
Nevada	5.3
New MexicoUtah	4.0
Wyoming	
	1.0
Average	4.6
PACIFIC	
Alaska	8.4
California	
Hawaii	4.1
Oregon	3.3
Washington	2.9
Average	0 -

*Based on preliminary 1976 data.

Prepared by the staff of the Senate Budget Committee, using the data of the U.S. I partment of Labor, Bureau of Labor Statistics

Employment figures are those for nonagricultural wage and salary workers.

Mr. KENNEDY. Mr. President, there are serious regional implications suggested by the 3-percent cutoff. areas which have had the greatest economic growth would receive the greatest tax advantage. And the areas facing the most serious unemployment problems would receive the least benefits.

Mr. President, in addition, I want to make a brief comment, as a cosponsor of this motion, on two basic and fundamental questions.

First of all, I would emphasis the economic issues which the Senator from Arkansas has cited. The President in his judgment has indicated that neither the rebate nor the business cuts are justified from an economic point of view.

I wonder how we as a body can say to millions of Americans that we took the \$50 rebate out of their pocket here on a Tuesday afternoon, or the \$250 or \$300 if they have a large family, but that we felt business deserves to keep its tax credit.

Our action so far is not right, from an equity point of view. It is not right from an economic point of view. As President Carter has made clear, the right step is to strike both of these proposals—the business cuts as well as the rebate. The business cuts also deserve to be postponed, since they should more properly be part of the President's tax reform message in September on the issue of taxation and new capital formation.

The President has indicated that capital formation is going to be an extremely important issue. It ought to be examined in great detail by the appropriate Senate committees, and we ought to have an opportunity to debate and discuss those particular questions.

A 1976 study by the Library of Congress, for example, has indicated that both the investment credit and accelerated depreciation are very inefficient tax incentives, generating only 35 or 40 cents of new investment for each dollar of revenue loss. I think we can do better than that.

But that is a complex issue. What we are talking about today are two basic questions, whether the continuation of the business tax cuts is justifiable from an economic point of view, and from an equity point of view. For the reasons outlined in the President's message, I do not believe that they are.

I do not see how we can in good conscience say to the 87 million American taxpayers, "Well, we have made a decision that there is no justification for the tax rebate from an economic point of view, so we are taking away your rebate. But we will continue the investment credit."

We have heard no real justification. We have a variety of other measures to stimulate the economy—the public works bill, the countercyclical spending proposal, the public service employment legislation, and other measures that are directed toward bringing unemployment down and increasing the opportunity for jobs.

But it does seem to me that the rebate and the business tax cuts are tied together. They were clearly linked by the President, and they ought to be linked by the Senate. And so I support the motion to send this bill to the committee and return it as prescribed, without the business tax cuts.

May I ask a question of the Senator from Arkansas, is the administration supporting this motion to recommit the bill?

Mr. BUMPERS. The administration

is indeed supporting this motion. I think that is a point that ought to be emphasized.

Mr. LONG. Will the Senator yield for a question?

Mr. KENNEDY. If I can hear the response.

Mr. BUMPERS. I appreciate the Senator's bringing that up because, as I say, they are not only supporting this, I think the President may want to get actively involved in it, as the Treasury Department is now.

But, second, I think this additional point needs to be made on that, and that is that this is not just a populist argument. We are talking economics here.

I would like to point out what the Chase Econometric Survey said. They said that any time the plant utilization in this country is running between 80 and 87 percent, and they estimate it is currently 83 percent, the investment tax credit is far inferior to every other sort of economic stimulus.

I am not here to argue the investment tax credit. I have always felt it is the best tax expenditure we could make as far as the economy is concerned.

But according to Michael Evans, the change in the credit will have absolutely no effect on growth and employment within the next 14 months and will produce but a \$1 billion increase in GNP and no additional employment after 26 months have elapsed.

Albert Ando of the University of Pennsylvania, responsible for much of the work done with the Federal Reserve Bank-University of Pennsylvania econometric model and who generally favors greater tax aid to business, says the Carter investment tax proposal is "insignificant."

I will yield for a question at this point to the distinguished Senator.

Mr. LONG. I ask the Senator, who in the administration has told him the administration is supporting his motion?

Mr. BUMPERS. The Secretary of the Treasury.

Mr. LONG. Mr. Blumenthal? Mr. BUMPERS. That is correct.

Mr. LONG. All right. With regard to the statement the Senator made, the testimony from which he was reading, I take it he is talking about something that was presented before some committee prior to the time the Finance Committee acted, is that correct?

Mr. BUMPERS. Is the Senator referring to Larry Woodworth's testimony?

Mr. LONG. Yes, sir. The statement the Senator was just reading. I take it that is a statement made by Mr. Woodworth before one of the committees.

Mr. BUMPERS. It was made before the Select Committee on Small Business on February 22.

Mr. LONG. Permit me to say this to the Senator: I do not care what the Chase computer said. You push something in here and something comes out down there in these machines, and half the time it is wrong.

So far as my State is concerned, I have the letters and cards from the people who say that they will put these people to work—one person, two people, three people. You can say that you have to hire at least 3 percent more than you did before, but this fellow in the filling station is going to hire two people, and that is a 100-percent increase in his payroll.

In my office, we have called these people. We have telephoned them long distance. I know some of them personally. They say they are going to hire the bodies. I will take that ahead of something that somebody pushes into this machine and, when he brings it out the other end, says it will have no effect.

I have had the opportunity to talk to the employers. Whose word is the Senator going to take?

These computers do not think, even though a lot of people have the misguided impression that they do. A computer simply takes the stuff you push in and cranks out something at the other end. If you push in an assumption that nobody is going to be hired, that is going to come out the other end.

I recall when a Secretary of Defense made the statement to me that, for example, if the Red Chinese came into the Vietnam war, we would need a certain number of people—say, roughly, 325,115 people—to meet the Chinese Army. The previous Secretary of Defense once discussed that with me, and he said that was a basic mistake in the thinking of his successor. He said that, in his judgment, people make a mistake to think that computers can think. All computers can do is to give you something that has been programed to give you.

I would take the word of hundreds of businessmen, who say that they will employ somebody if they get this tax credit, rather than some economic machine at Chase Manhattan Bank, any day in the week.

Mr. BUMPERS. Will the Senator tell me how the question was phrased that he sent to the employers in Louisiana?

Mr. LONG. I will be glad to get that information for the Senator, and I will be glad to bring in the cards and show them to the Senator.

Mr. BUMPERS. Sometimes people misunderstand the question. It is like the story about the preacher asking, "Everybody who wants to go to Heaven, stand up."

Everybody stood up except this little man in the front row.

The preacher said, "You, sir, are you telling us that you don't want to go to heaven when you die?"

"Oh," he said. "When I die, yes. I thought you were getting up a load for right now." [Laughter.]

The point is that he misunderstood. A lot of times when you phrase a question to people, if you ask them, "Would you take advantage of this if you hired more people?" the answer is, "Yes." But if you ask them, "Are you going to hire more people because we'll give you 25 percent of the excess salaries you pay for everybody you hire over 105 percent?" the answer is, "Yes." But it does not indicate that they are going to do anything.

A man is not going to make an economic decision based on that unless there are all kinds of other economic indicators for him to base it on. That is a personal opinion. That is obviously the opinion of the Secretary of the Treasury right now. It was the opinion of the President when he made his announcement the other day. Anything to the contrary, in my opinion, as the distinguished Senator from Massachusetts already said, is a breach of faith with the American people.

Mr. LONG. The Secretary of the Treasury is a good and sincere man—Mr. BUMPERS. We cannot put down everybody who disagrees with us.

Mr. LONG. I believe we have to look at someone's testimony measured against who the person is and what his background is. The former chairman of the board of the Bendix Corp. thinks as a person in that capacity would tend to think. He has been associated with major corporations for some time.

He looked at this tax credit proposal, where you have to hire a certain number of people, and he is not impressed by it. Furthermore, he is very poorly impressed by it because it was being offered as a substitute for his 2 percent investment tax credit, which he thought would put a lot of people to work. So he testified against it and proceeded to make the case as best he could that this would not get anybody any jobs. He is not testifying as the operator of a filling station, to whom this thing would have a great deal of appeal.

A small business organization mails out these cards that say, "How many people do you think you might employ, if any, if this thing became law?" The postcards came back, and I will bring them here tomorrow.

Realizing that that was somewhat indefinite—"How many people do you think you might employ?"—I asked one of my assistants to get on the telephone and start calling these people individually and find out how many people they would employ. I know some of these people by name. The answers that came back impressed me very much, and I will be glad to show them to the Senator tomorrow.

The count we received in my office, when we talked to the bodies individually, talked to these small businessmen, to see what they would say, is extremely encouraging.

The testimony before the Finance Committee—which I notice the Senator from Arkansas did not read from—by this small business organization that testified before us, predicted exactly that kind of response, and we got it from my State. I am impressed because I know the people.

Mr. BENTSEN. Mr. President, unless this is a private debate, may I make a comment?

Mr. BUMPERS. Mr. President, I have the floor. I yield to the Senator from Massachusetts for a comment, and then I will yield to the Senator from Texas for a question.

Mr. KENNEDY. Mr. President, I am interested in the steps taken by the Senator from Louisiana in contacting those small businessmen. Will the Senator inform me whether the survey was on the House bill or on the Bentsen amendment? Those are quite different matters,

as the Senator understands. There were much more favorable provisions for small business in the House bill than in the Senate version. I am interested in whether we are talking about apples or oranges on this.

When was the inquiry made of small businessmen? The House proposal, providing a 40-percent credit with a cap of \$40,000, gives a credit of \$1,680 on the first \$4,200 of wages. That is a good deal more favorable to the small businessperson than the proposal of the Finance Committee, which produces a much smaller credit of only about \$600 per employee. Can the Senator tell us which proposal was involved in his survey of small businesses?

Mr. LONG. I suggest that the Senator look at page 203 of the committee hearing, the greenbacked document, which I assume the Senator has. There is a statement by Milton D. Stewart, president of the National Small Business Association, accompanied by John Lewis, executive vice president and executive director of the Small Business Council.

These men discussed this matter, and they strongly supported the jobs for credit.

It is true that the House proposal would provide a larger advantage to small business in some respects, but the committee amendment which was sponsored by Mr. Bentsen is actually more attractive to business in some respects than is the House bill.

What the Senator wants to do is not to give small business any incentive to employ more workers. If the Senate should retain what has been acted on by the Finance Committee, then when the matter goes to conference, the decision would be between the Senate jobs credit and the House jobs credit. Of course, if the Senator is successful in what he would seek to do, it is entirely possible that the result might be no jobs credit whatever to encourage small business to put more people to work.

Mr. KENNEDY. The point I was raising was as to the inquiries that were made about the House proposal, which is much more targeted toward small business and is much more favorable to small business than the provision of the Senate bill. The House proposal had a cap on the credit of \$40,000, so that only small firms could have used. But that formula was changed in the Senate bill. The cap was removed, so that larger firms could qualify too. But to keep the revenue loss the same, the benefits were cut back substantially for small business.

I listened to the Senator from Louisiana talk about how small businesses are supporting this proposal, and I wonder what question was asked. Was it on the House proposal or on the Bentsen proposal?

Mr. BENTSEN. I would be pleased to answer that question.

Mr. KENNEDY. I thank the Senator. I want to get back to what I think is the most essential aspects of the issue on the motion to recommit—the equity aspect.

I feel that the equity issue is really the heart of this proposal. The arguments in the merits of the job credit and the investment credit are really smokescreens with regard to the central issue we are talking about—is it fair to take the rebate away from the consumer, but to leave the tax relief for business in-

Taking away the \$50 rebate from individuals, \$50 from the American taxpayer, seems to have been an easy step. It was accomplished easily and conveniently this afternoon by unanimous consent. Now we are debating the proposal that will benefit the business community by about \$2.4 billion a year I think is a question of equity, and I strongly support and look forward to further debate on this issue.

Mr. LONG. I will-

Mr. BUMPERS. The Senator from Texas has asked permission to respond to the question of the Senator from Massachusetts, and I yield only for that purpose.

Mr. BENTSEN. This is to respond only. The question was asked whether the National Federation of Independent Business had endorsed, and when they had endorsed this proposal. As late as this morning they called asking me to fight to keep my amendment in the bill, to keep the Bentsen amendment in for small business, and we have done that.

I know the point has been made that you need to hire more than 105 percent of the previous year's base. I think the Senator has misspoken on that or misunderstood. It is 103 percent, and 103 percent is arrived at by the fact that you have a normal increase in employment across the country of 3 percent a year, and that is how the figure was chosen.

In all candor I would like to have it less than that. I would like to have it 96 percent, which would be similar to the original legislation that I introduced, but the matter of revenue loss gets involved there, and we cannot do it.

If you get into New England or you get into Massachusetts, and you look at the service sector, you are seeing a growth in Massachusetts in the service sector in excess of 3 percent, and those are the people who are principally going to be hiring under the employment tax credit.

I notice that the Small Business Association of New England also supports the employment tax credit concept.

A comment was made about Larry Woodworth opposing this. He was talking at that time about the version that came out of the House. The Finance Committee has modified the House jobs credit in several ways to meet the objections of the Treasury Department.

The problem I am concerned with is not just unemployment, but also the problem of inflation.

I just came back from Mexico where we met on some trade problems with the President of Mexico and the Secretary of Commerce, and all, and they were telling me they had to pay \$15,000 for an LTD, for a Ford. One of the reasons is that they are not competitive in world markets. They have built up trade barriers to try to protect local manufacturers. We have the same temptations in this country to build up barriers to protect local manufacturers.

One of the problems you have in this

country is that we have been putting a very small percentage of money back into manufacturing capacity compared to other industrial nations in the world, and the country next to us is England, and you can see what kind of trouble they are in today.

Now, you talk about having 82 percent of our manufacturing capacity utilized today. That really does not give you a true representation because that other 18 percent is the least efficient, the most unproductive; that is the part they put aside first. Business has been dragging its feet on modernizing its manufacturing capacity in this country.

Back in 1973 and 1974 we noticed bottlenecks developing in our economy, in our manufacturing capacity, and there was an immediate increase in inflation.

That is my concern today. When we get above 82 percent capacity, unless we get manufacturers in this country to modernize and increase their manufacturing capacity we are going to see those bottlenecks develop again. Who is going to pay for it? The consumer is going to pay for it by increased inflation, and that is the sort of thing we ought to be fighting to prevent today, and why I strongly support what I think is a really balanced tax package.

This bill increases the standard deduction for a \$6 billion annual revenue loss and also provides about \$2.4 billion on the business side in fiscal 1978.

We talk about what we are going to do this fall about tax reform. These things are not set in concrete once we do them. We know when the Administration comes up with a tax reform bill, whatever it may be, that these things are subject to amendment or to change.

So we are going to be seeing that this fall. But in the meantime I want to see modernization of industry in this country and the hiring of people, particularly in the service sector.

Mr. BUMPERS. Mr. President, if the

Mr. BUMPERS. Mr. President, if the Senator will yield on some of the points he made there, I would like to make this observation on behalf of the President.

He is faced with a dilemma of trying to keep the economy moving as it has been moving in the past 60 days and, at the same time, present this country with an energy bill that will not exacerbate the double-digit inflation we have reached on an annual basis during the last 60 days and, at the same time, not provide under this bill an additional inflationary stimulus.

Now, this morning he obviously dropped the rebate, the investment tax credit, and the new jobs credit, he obviously dropped all of those because he thought the economy was moving rapidly enough. He did not do this just off the top of his head, because he was ideologically opposed to the rebate or any of those things; he did it because he thought the economy was going to move sufficiently without it.

Now he has economic advisers, and he has got a lot of the economic indicators he looked at, and I am sure one of these economic indicators that he saw, before I saw it in the paper this morning, was that housing starts in the month of March—when you consider condomin-

iums and apartments—were started at an annual rate of 2.1 million, the highest percentage increase since 1973, and for single-family dwellings of 1.5 million starts on an annual basis, the highest in the history of the country.

Now, it is notorious that there is not anything that stimulates this economy like the housing industry. I think it is one of the most significant economic signs I have seen, and that article indicated that the housing boom is going to continue.

There is not anything as cruel as inflation to people on fixed incomes, to people on social security and SSI, and other people of low and medium incomes; there is not anything that is as big a robber of their disposable income as is inflation.

So the President has this problem. It is a very serious economic problem for him, and I think we ought to give him a hand with it.

The second point I would like to make is the Senator alluded to the fact that business needs to know from one day to the next what is going to happen. I do not know of any complaint I hear more consistently and more persistently from business than that they never know from one year to the next what is going to happen to them, and it just torpedoes their planning process.

Here we are talking again about a proposal that has a 2-year lifetime. I voted for the 3-percent increase in the investment tax credit for two reasons: One, I think it is the best tax expenditure the Congress can vote to stimulate the economy. I always thought it was, and I still think it is.

I voted for it for the second reason because it had a degree of permanency, and this was what the business people in my State came to me saying, "For God's sake, if you are going to pass it, put it on a permanent basis so it will be something we can depend on."

So I voted for it, and I am glad I voted for it. But now here we are coming back and raising it to 12 percent, and I raise the same question about the investment tax credit that I often raise with the Pentagon, and that is, "How much is enough?"

So I think that the lack of permanency, the obvious inflationary impact it is going to have, plus the fact that I want to cooperate with the President, all of those things tell me that this is a very poor time to do this.

Mr. BENTSEN. Mr. President, will the Senator yield?

Mr. BUMPERS. I yield for a question. Mr. BENTSEN. The point about consumer demand rising in housing is absolutely right, excellent. Homebuilding has moved up, and it is encouraging to all of us, and I am as delighted as the Senator is. But that is not the real problem we are talking about. We are talking about those kinds of pressures leading to more inflation, which is the point I made earlier, that when you go to the supermarket and you see somebody going down one of those aisles and stamping prices on cans where do you, go? Do you get behind that person or get in front of that person? You get in front of him because you know the price he is putting on is going to be a higher price than they had on that can before. That is my concern.

But what you are seeing in an increase in the investment tax credit and adoption of an employment tax credit is not something that contributes to inflation. It is something to try to bring about more productivity; to try to bring about more efficiency; that is to try to make us more competitive in world trade: that is to try to make the dollar sounder. That is a better solution, really, than a public service job. I would rather see a fellow paid for working than for not working, but too often public service jobs are deadend jobs and not productive jobs. But these jobs that we get people into in the service industry are productive jobs and most of those will be by small business. And that is why small business has fought so hard for this concept.

Mr. BUMPERS. A lot of mail came into my office on the pay raise, and there was a substantial amount of it, as soon as the word got out that I was leading the opposition to the \$50 rebate. I received a lot of mail from people who were genuinely concerned because they expected the \$50 rebate. They had inordinate bills. They wanted the money very much because they needed it very badly. It was not an easy position for me to champion. But most of the mail that I received which was hostile about my position invariably said:

How can you people raise your own salaries \$12,000 or \$13,000 and then say to the American people, "We are not even going to give you a paltry \$50?"

It is not an easy question to answer, I might add.

But let me ask the Senator this: How would he answer the same kind of question from 87 million taxpayers and 200 million Americans who were going to get \$50 each when they write to him and say:

You were so happy to cut my rebate of \$50 and yet I see you are more than happy to give big business \$2.4 billion in the same breath even over the objection of the President?

Mr. BENTSEN. I would say to individual taxpayers that we raised the standard deduction for most single persons to a fixed \$2,200. I would say to the married couple that we raised their standard deduction to \$3,200. Those are things we have done. We also extended the \$35 general tax credit. And then talk about inflation. As the Senator so eloquently said, the cruelest tax of all is inflation. What we are trying to do is help small business, and we are trying to help make our manufacturing capacity more competitive in the world so that prices can be lower and we can hold down inflation. That is how I would answer that one.

Mr. BUMPERS. With all due respect to the Senator, to use the show biz term, "I don't believe that would play in Peoria." And I do not think the people to whom that is written would accept it very charitably.

Mr. BENTSEN. I would say, then, I just have to do what I thought was right on that.

Mr. BUMPERS. Let me follow that up,

if I may, and ask the Senator this question: What was the purpose of the increase in the standard deduction and the extension of the earned-income credit? What rationale did the Finance Committee use in providing for those tax cuts. which I support wholeheartedly, I might add?

Mr. BENTSEN. One of the things is it results in substantial simplification. It means that we have 47 million taxpayers who will get tax cuts, and I think it results in less than 2 million who actually have a tax increase. But it resulted in a substantial simplification and a tax cut for a vast majority of the people on a continuing basis.

Mr. BUMPERS. I submit that the primary reason the Finance Committee did that is the same reason I support it. That was it would give more disposable income to the taxpayers of this country.

Mr. BENTSEN. Over a continuous

period of time.

Mr. BUMPERS. Exactly, and create a greater demand which, in turn, would enable industry to reach closer to capac-

ity and hire more people.

Mr. BENTSEN. Over a continuous period of time, and I want to make that point very clear, because what we are seeing right now is we are seeing a great increase in consumer demand and the \$50 rebate would have been for a very short span of time, and that does not appear to be necessary now. I should not have to argue that one to the Senator because he had the same position.

Mr. KENNEDY. Mr. President, will the Senator yield for an observation?

Mr. BUMPERS. I yield to the Senator from Massachusetts.

Mr. KENNEDY. Although I understand the position of the Senator from Texas, I wonder why we always fight the battles of inflation on the backs of the consumer, on the backs of the 87 million taxpayers, and never in terms of the

business community?

Let me ask the Senator from Arkansas a question on the jobs credit. As I understand it, the average cost of a new employee is \$10,000. Under the House formula, a business would receive \$1,680. Under the Senate formula, it would receive only \$600. I can imagine that any business, if it is going to invest \$10,000 for a new worker, would rather have \$600 than nothing. I am wondering, as an experienced businessman himself, whether the Senator feels that the \$600 is really going to mean very much in a firm's decision to hire a new worker? They know that they will be spending \$10,000 a year for the worker. How significant is the fact that the worker comes \$600 cheaper. when they know the worker will still cost them \$9,400? Is not the jobs credit just a windfall for firms that would be hiring workers in any event? Would even the \$1,680 in the House bill make much difference?

Mr. BUMPERS. I fall back on the testimony which I quoted from Assistant Secretary Woodworth a moment ago and with which I agree 100 percent. First, there is absolutely no way to determine that an employee has been hired because of that credit, but in his opinion nobody-and I think he was very dramatic in that he said nobody-is going to hire anybody because of that jobs incentive. I agree with that.

As I pointed out to the Senator from Louisiana a moment ago, I think that these decisions are going to have to be made on the basis of substantially greater and more dramatic economic factors for business than that credit, and some people are going to benefit from it unnecessarily because, as I pointed out a moment ago, General Motors in any given month or 2 or 3 months of the year stands to reap a pretty good harvest if it hires people because of a surge in business that it was going to hire anyway without this credit. They simply take advantage of it. So, that is one of my points, but it is just one of many.

I think the Senator has correctly said that the real heart of this argument is

the equities of the thing.

Mr. BENTSEN. Mr. President, will the Senator yield for about 30 seconds?

Mr. BUMPERS. I yield. Mr. BENTSEN. The Senator keeps referring to 1 or 3 months when General Motors has a surge in employment. I am sure the Senator does not mean to misstate it, but it is a 12-month period of

Mr. BUMPERS. I understand that. But let us assume that General Motors, for example, produces 1 million additional automobiles. I am not sure what these figures are, but I think they are on their way to a banner year already. I might phrase this as a question to the Senator from Texas. Under this bill, if General Motors produces a million more automobiles this year than they did last year, assuming that they raise their employment proportionately and in accordance with their normal production, will they not get a credit under this provision?

Mr. BENTSEN. It is a substantial capital intensive corporation, and any estimates I have seen would lead one to believe that they would take advantage of the investment tax credit rather than the

employment tax credit.

Mr. BUMPERS. On that same point, the Senator from Louisiana alluded earlier to a filling station operator. If he is an independent operator, running a shop all by himself, and he hires one hand he has increased his employment by 100 percent and is entitled to this credit.

But, first, I doubt that any of the inquiries coming out of the Senator's office went to service station operators; and, second, I will be happy to stand in this Chamber next year and admit the error of my ways if he can produce me a service station operator who hired someone because he was going to get this little incentive under this bill.

There are two other points-

Mr. LONG. Mr. President, will the Senator yield at that point? I can produce him a service station operator who would hire two. One I am not sure: two I know

Mr. BUMPERS. As long as it is not a lawyer or an accountant, which all of us have to hire. But I would like to make two other observations here which I think are worthy of note.

There has been a lot of talk in this Chamber today about the importance of helping the President balance the budget. My credentials are in order on this point, because I have submitted a resolution, and I have several cosponsors, that would require the U.S. Government to live within its means except on a vote of both Houses declaring either war or an economic emergency.

We lived within our means when I was Governor of my State, and at times it was painful, but we had no choice, because the State constitution demanded it.

I believe strongly in that concept, and believe there is no concept that the President mentioned during his campaign, in his inaugural speech, or since that he is more dedicated to than balanc-

ing the budget in 1981.

There are two ways to balance the budget: by cutting down on spending and by cutting down on tax giveaways. Here we are, striking the rebate and saving the country either \$10.4 billion or \$11.4 billion, depending on whether you want to use the House or the Senate version. We are moving the President toward his goal by saving the country that amount of money. The reason we are doing that is because he himself has said it will not have the desired effect; it will not have the effect he originally thought it would

I am coming along here now and offering a motion to recommit this measure and save another \$2.4 billion for the same reason the President wanted to do it, first because it would not have any economic stimulating effect, and second because it would help along toward balanc-

ing the budget in 1981.

Finally, I would like to say that the President wants to present a comprehensive tax bill to this body in September. I do not believe we ought to usurp his rights. I know there are those on the other side of the aisle who originally-I do not know whether the plans are still the same-planned to offer a substitute to the tax rebate in the form of a permanent tax cut. I might, under normal circumstances, favor that proposal. I am not really familiar with it; I do not know what form it will take. But I am not going to favor it at this time, and I am not going to vote for it, and I do not think either the floor manager or our distinguished colleague from Texas will support that proposal if it is offered here.

One of the arguments that will be made on this floor in opposition to it, if it is submitted, is that the President ought to have as his prerogative coming up with what he promised the American people during the campaign he was going to come up with; namely, a comprehensive tax reform package. If we are willing to make that argument then, why are we not willing to make that argument now? Why say to the President now, "We are going to permit you to come along with a comprehensive tax package this fall as long as we get all the goodies we want on the front end, now

It does not make much sense.

We are going to have to face up to all the issues that exacerbate inflation. Most of the Members of this body applauded the Presidents' stand on the rebate. I certainly did. I admired his courage in taking it. Certainly he got plenty of hostile mail. But it is a curious thing how we support him when he is taking a benefit away from the bulk of the American people, some of whom really need it.

But, as the Senator from Massachusetts says, we hesitate to support him when he withdraws his request for a tax benefit for big business. These beneficiaries of the jobs credit will be the very same people who are the beneficiaries of the investment tax credit right

So, Mr. President, I hope my colleagues in this body will have an opportunity to study this motion to recommit, the debate that has been had this afternoon, and my reasons for offering it, and that we will be able to get to an up-or-down vote on it not too far in the future.

Mr. President, I suggest the absence of a quorum.

Mr. LONG. Mr. President, will the Senator withhold that? I would like to suggest a substitute for his motion, if I

Mr. BUMPERS. For what purpose is the floor manager asking me to withhold it?

Mr. LONG. I would like to speak to the Senator's motion, if I may, and he can suggest the absence of a quorum after I have made my statement.

The PRESIDING OFFICER (Mr METZENBAUM). The motion has already

Mr. LONG. If the Senator insists on getting a quorum in here, that may take some time. I would just like to make my speech. I am not particularly proud; if he suggests the absence of a quorum, he might get me a few more people to listen, but I am not all that optimistic.

The PRESIDING OFFICER. The motion has been made and is debatable.

Mr. BUMPERS. Mr. President, I have not yielded the floor. I would like, if I may, to engage in a short colloquy while I have the floor with the distinguished Senator from Louisiana. I am certainly not going to try to deprive the Senator of an opportunity to comment on my motion, but I do not want the Senator to move to table my motion.

Mr. LONG. I am not going to move to table the Senator's motion today; not at this time. I would just like to speak to it.

Mr. BUMPERS. In that event, Mr. President, I withdraw my suggestion of the absence of a quorum.

Mr. LONG. Mr. President, I listened with interest to the Senator's plea for party loyalty to the President. The way I construe the Senator's argument, he is a great advocate of party loyalty if the President is doing what the Senator from Arkansas thinks he ought to do. His advocacy and support of the President does not seem to move to the point of supporting the President when he might have some doubt as to what the President might want to do.

It was the Senator from Arkansas who was planning to make the motion to strike the \$50 tax refund when the President was placing his reputation on the line in an all-out effort to save that provision in the bill. I had entertained some doubts about the \$50 tax credit, but I made a statement on nationwide television that I was resolving my doubts in favor of supporting the President on that

Mr. President, the information that I have received from the White House and from the Treasury about this matter went somewhat along this line: First. the President has decided that he wants not to push for the \$50 tax credit, and we went along with the President on that. The President and his administration would also like to pass the simplification part of the bill and certain other provisions that are in this bill, including the extension of the temporary tax cuts that we voted last year.

Mr. President, if we pass those proposals, and I will certainly vote for them as a practical matter, what that means is that to a large extent the President will be privileged to veto almost any revenue bill that comes to his desk for the remainder of the year, with the possible exception of one to extend the debt limit. So if we pass the bill we have before us. we solve practically all the political prob-

lems of a fiscal nature the President would have for this entire fiscal year, if we pass the bill in a form that the President would feel he could sign it.

It would be all right with me to strike those two provisions out of the bill, if that is what the Senate wants to do. But I insist that the Senate has a right to legislate just as much as the House of Representatives has a right to legislate, and Senators have the potential of generating a good idea just as does the Secretary of the Treasury, the Under Secretary of the Treasury, the Assistant Secretary of the Treasury, or even the President of the United States himself.

Mr. President, the argument that was made on this floor by the Senator from Arkansas, quoting Mr. Larry Woodworth, who is a very fine man, whom I hold in the highest esteem, a man I recommended for the job he now holds-was made in the House of Representatives.

It was made not in those precise words, but the argument that the jobs credit, which was initiated by the chairman of the House Ways and Means Committee. and those who serve with him on that committee, would not be effective, that it would not create jobs, was made in the House of Representatives. It was made before the committee over there. It was made to the House Members at a time when you could expect as much party loyalty in the House as there has been at any time since Mr. Carter took office. That argument was made against the House committee amendment which provided this tax credit to help employ people.

The House committee amendment was offered to strike from the bill the 2-percent investment tax credit and the 4percent credit against the social security tax that was recommended by the administration.

How did the House vote when the Secretary of the Treasury got through using all the great power and influence of that magnificent and talented man, and everything else the Treasury could throw into the breach, plus everything else the administration had to work to sustain

its position on that item? Well, by the time they got through making all their arguments that this jobs credit would not create any jobs, they got beat by a vote of 341 to 74. That is a defeat by a 4 to 1 margin in the House of Representatives right at the beginning of the administration of a new President, with the administration doing everything it could to muster the votes. How many could it muster? Seventy-four.

I submit, Mr. President, that the able men in the other body simply did not buy the argument. They heard it. They heard it on the best of authority. They heard from Mr. Blumenthal himself that this jobs credit would not create jobs. They would not buy it. You could not sell it to one Member in five. Mr. Blumenthal had as much influence as you could expect him to ever have, and Mr. Larry Woodworth had as much influence, which is very considerable.

The House thinks this is an idea worth trying. The Senate committee thinks it

is an idea worth trying

It may be that we cught to include a jobs credit as strong as the House bill's credit, and we have that right if we want to. If the Senate wants to keep this Senate provision in the bill, it can amend it to make it a 40 percent credit for jobs, just like the House bill, or even a higher rate, if it is the judgment of the Senate that something along this line should be done. But it will not be the end of the jobs credit, whether the Senate agrees to the committee amendment or even the jobs credit, because the House has voted for it by a 4 to 1 margin. The House will probably insist on some part of this, either all or a substantial part, regardless of what the Senate might do about it.

As I say, Mr. President, I interrogated witnesses. Look at page 316 in the RECORD. Senators will find that chairman of the committee, the Senator from Louisiana, asked the witness for the National Federation of Independent Businesses, the largest small business organization in America, if he would undertake to find from his members in the States represented on the Finance Committee how many of those people thought they would put somebody else to work in

response to the jobs credit.

I ask unanimous consent that there be printed in the RECORD at this point excerpts from pages 316 and 317 discussing that provision with the representative of the National Federation of Independent Businesses.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

The CHAIRMAN. Let me ask you this. I think it would be most impressive to the members of this committee if your organization, or any organization that can communicate with their members and get representative cross section, could actually their opinions and provide us with the opinion of the average businessman as to how many more people they might hire. Let me say in my State, if you could get

those businessmen to sign a statement in good faith-it need not be notarizeding if this is done we will do this. Obviously, a man still has a right and say it looked like the thing to do at the time, but changed circumstances have made it look different. But it would be very helpful to me if you could just give me a cross section of your business people, for example, in the State of Louisiana where I could go talk to those people, some of whom I would undoubtedly know personally, and say for example, here is a person who has a cafeteria and the person had to discontinue the services of someone taking the trays and carrying food to the table for our customers. We had to switch to a procedure where you just ring a bell, only for those who are disabled, rather than providing the service to all customers.

If you gave us this advantage, we would restore that service and give better service to the public. We would expand our activity.

For example, in a grocery store you provide help to sack the groceries or to carry the groceries to the car for ladies, as was once the case. If one could say, yes, here is what we would do if we had this tax advantage.

If we could actually check that with you and you could give us more or less a convincing field study I know that the members on this committee would be far more impressed with this proposal.

Mr. Motley. Senator, I would like to say that we anticipated your request. A week and a half ago, we contacted our members on this and you should be receiving some mail from our members in the State of Louisiana. They will also be sending to us signed cards as to how many jobs they will provide over the next year if a jobs tax credit of this nature is passed.

We should have this information for each of the members of the Finance Committee within 1 or 2 weeks.

The CHARMAN. In other words, if you can show me that a cross section of your people would do what you indicated, and make a good faith commitment of "here is what we will do if you will give us this tax incentive to do it," and we could actually verify that.

Mr. Motley. We would be glad to provide you with the names and addresses of people who respond. We have asked them to write you as well as us: You should be receiving copies.

The CHAIRMAN. Somebody should be a clearinghouse for the information. I hope that your association could check.

How many members do you have in Louisiana, can you tell me that?

Mr. Motley. Right now it is roughly around 5,400 firms.

The CHARMAN. It would seem to me that you might be in a position to do a crosscheck of, say, 5 percent. If you checked with 350 firms, that is a more thorough sample than Gallup usually has when he makes his poll. From that cross section you coud find out by saying, "here is what we are talking about. If that is the case, do you think you would hire more people? If so, what do you think you would put them to work doing?"

Maybe you might want to have a smaller

sample of a hundred.

Mr. Motley. We have a much larger sample. We are using in the State probably

roughly half, 2,500 firms.

The CHAIRMAN. If you can bring us evidence as convincing as you stated here, with actual signed commitments from people that said yes, if you give us this tax credit to hire people here is what we will do, I think that you can be assured that we will go along with it. We are like everybody else; we like to be convinced.

Mr. MOTLEY, Certainly.

The CHAIRMAN. Thank you very much.

Mr. LONG. The Senator from Louisiana, the chairman of that committee, was so impressed by what these people said that this would mean jobs for people in these small businesses across the width and breadth of the land that one could read into the statement of the

chairman a commitment to support that concept if it proved out.

Those people proceeded to mail to their members a questionnaire and they enclosed a card for the convenience of the recipient which he could mail back to his Senator.

I will be glad to present in the Chamber tomorrow the cards I received. I proceeded to check those cards, a sample check, but enough to be meaningful to the Senator from Louisiana, to see if these people really thought they were going to hire individuals in their businesses or if they were just thinking they might, on a very tentative and not reliable basis.

Our sampling indicates that we could expect a lot of people to be hired. It looked as though, when you interrogated them in depth, each one of them seemed to have a firm intention of hiring more people in their businesses when they said so. Some said they would not hire any additional people, but the overwhelming majority of responses which came to my office indicated they would hire these people. Mr. President, we have before us provision that deserves to be tried.

We are going to be asked to reform the welfare system. One thing we will have suggested to us, I suspect, is some sort of a proposal along the line of the family assistance plan proposed by Mr. Nixon. It might not be, but there are a lot of people in the Department of Health, Education, and Welfare who support the guaranteed income. I would not be at all surprised to see that type of thing proposed again.

Some of us contend that rather than pay \$2,400 to a family to do absolutely nothing, it would be better to give somebody a tax advantage to hire that same person to go to work. For my part, I would rather pay somebody the \$2,400 to put somebody to work at \$5,000 than I would just to pay them the \$2,400 for not working, just pay them that money to encourage them not to go to work.

We will be wanting to find out, if we make it sufficiently attractive for these small businesses to employ people in marginal jobs, whether they would employ the people and whether the people can be persuaded to take the jobs. That is going to be a considerable problem that we would like to know something about.

It is not just a matter of providing a job, but the question is, can you get someone, who is making at least half as much on welfare or unemployment compensation as he would make by working, to take the job if the job is not a high-paying job but only a job paying \$4,000 a year? It would be well to know if it would work. What better time to find out than while we are trying to provide a tax reduction across the width and breadth of this land. It would only cost about \$1.2 billion to try the jobs credit in the Bentsen amendment in that regard. If you went all the way with the House proposal, that would cost about \$2.4 billion,

If we look at the cost of these proposals to try to encourage people to do things that we would like to bring about, and if we compare that to the cost of the major welfare proposal, the jobs credit involves a far lesser amount of money than it would cost to have a major overhaul of the welfare system.

I would submit, Mr. President, that the committee has discussed the matter. I would commend to everyone the testimony of the small business witnesses, as well as the testimony of those who speak for larger businesses, who were more concerned about the need for investment tax credit.

Let me say just a word about the investment tax credit. It is true that the number of employers who would place the emphasis on the investment tax credit is small in number, but those happen to be the large employers who employ thousands and hundreds of thousands of workers. So when we look at the work force and at the jobs which might be created, it can be argued that there is a potential to create more good jobs with the investment tax credit than would be created with the jobs credit.

It was the judgment of the Senate committee that we would do well to try both and see if they would work. The combination would be that we would have something that would provide incentive for the large companies which have large payrolls and hundreds of thousands of workers; we would have something that would encourage the small businesses that have small payrolls, but that represent millions of small companies and small employers; and we would have something that would provide tax relief for ordinary citizens, mostly middle- and low-income people, in the simplification and permanent reform section.

This, in my judgment, Mr. President, is a good bill. It deserves to be passed. I am sorry that the President does not support some of the same things he recommended previously. There is nothing new about that. Presidents have been known to change their minds. In my judgment, this is a well-balanced bill. even if we leave out the \$50 tax refund.

The bill includes a provision that costs \$6 billion, that provides tax relief for people who do not itemize their deductions. They are 75 percent of all the taxpayers. That provision accounts for 70 percent of the tax net. Then we have another provision that accounts for about 15 percent of it-the jobs credit. That part applies to the small businesses of this country, where we hope to put more people to work.

Then we have another provision which is related to the most effective economic stimulus that we have tried in trying to move the economy along, the investment tax credit. We make that temporarily a better deal for business than it has been in the past.

This latter item is something that the administration recommended. The President favored that. I submit that, if that is the only part that tends to favor the larger business concerns, it only amounts to about \$1 in seven of the tax reductions in this bill. In order to get the benefit of that, people have to spend eight times as much money in providing jobs and buying new equipment as they receive in a tax advantage. It is not something that they receive in an unconditional fashion,

as is the \$6 billion of tax cuts for individuals, which applies largely to people in low and middle tax brackets.

Anyone who has more than \$3,200 of deductions would find it to his advantage to itemize rather than use the standard deduction. So that 75 percent of taxpayers who are not those best fixed, those who are in the middle-income or lower-income brackets, would be the ones who are benefitted by 70 percent of the benefits in the bill.

This is not an unbalanced bill. It is not one that is calculated to be any bonanza to those who are well-to-do.

I hope, Mr. President, that the motion to recommit will not be agreed to.

UNANIMOUS-CONSENT REQUEST

Mr. BUMPERS. I wonder if at the conclusion of morning business, when we return to the motion to recommit, if we could agree to a 2-hour time limitation with 1 hour on each side to be handled by the distinguished floor manager and myself, at the conclusion of which we would have an up or down vote on the motion?

Mr. LONG. Mr. President, I am not interested in a limitation at this time. Later on, I might be seeking unanimousconsent agreement to vote. But at the moment, I think we should go over until tomorrow. Some Senators have speeches to make.

I do not know precisely when we will vote on the Senator's motion. But there are Senators who will want to talk about the bill and Senators who will want to talk about various suggestions that they are going to make.

At this particular time, I see no point in entering into a unanimous-consent

agreement.

Mr. CURTIS. Will the chairman yield?

Mr. LONG. Yes.

Mr. CURTIS. We have a number of requests to speak on this amendment. I would not want to enter into any agreement to limit the time and cut these gentlemen off.

Mr. LONG. I think, Mr. President, there is no point in entering an agreement now. I will be seeking unanimous-consent agreements to vote later on as the matter goes, but for the moment, I am not interested in a unanimous-consent agreement.

Mr. BUMPERS. Mr. President, I must say that there was not that same concern this morning when I was acceding to the Senator's request for a unanimous-consent request to strike the tax rebate.

Nevertheless, I ask unanimous consent that a letter which is on its way over from the Secretary of the Treasury be printed in the Record immediately following the argument if it comes after we recess today.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE TREASURY,
Washington, D.C., April 19, 1977.

Hon. Dale Bumpers, U.S. Senate.

Washington, D.C.

DEAR SENATOR BUMPERS: I have been informed that you have requested a letter indicating the position of the Administration on the business tax reductions in the tax stimulus bill now before the Senate.

As you know, the Administration concluded that the \$50 rebate and the business tax reductions should not be enacted in view of the improvement in the current economic situation. It is our view that since the Senate has deleted the rebate you should also delete the business tax reductions in this bill. Neither is now needed in view of the improvements in the economy. In addition, we believe it is important that the business tax relief be removed in order to make it possible to develop a better balanced tax program this fall.

Sincerely,

W. MICHAEL BLUMENTHAL.

Mr. LONG. Mr. President, if there are no other Senators desiring to make speeches at this time on the tax bill, I am prepared to yield the floor and the majority leader might have some routine motions he wishes to make. But I believe for the time being that everybody who wants to make a statement has made one.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from Louisiana (Mr. Long).

CAMILLA A. HESTER

Mr. ROBERT C. BYRD. Mr. President, on April 7, Mr. Allen introduced a bill, S. 1269, for the relief of Camilla A. Hester, and it was ordered placed on the calendar by unanimous consent. That bill has been cleared for unanimous-consent action.

Yesterday, I asked that the clerk place it on the Unanimous-Consent Calendar. At the request of Mr. Allen, I am now going to call it up if it is agreeable with the minority leader.

I ask unanimous consent that the Senate proceed to the consideration of S. 1269, which is on the Unanimous Consent Calendar.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1269) for the relief of Camilla Hester.

Mr. BAKER. Mr. President, the item is on the unanimous-consent calendar and there is no objection on this side to its consideration and passage.

The PRESIDING OFFICER. Without objection, the bill will be considered.

The bill was considered, ordered to be engrossed for a third reading, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of subchapter III of chapter 83 of title 5, United States Code (relating to civil service retirement), Camilla A. Hester, of Foley, Alabama, shall be deemed a widow within the meaning of subsection (a) (1) of section 8341 of such title, and if otherwise entitled to a survivor annuity under such section, shall be paid that annuity from September 28, 1972.

Sec. 2. Any amounts payable by reason of the first section of this Act with respect to any period prior to the date of the enactment of this Act shall be paid in a lump sum within sixty days after such date.

SEC. 3. No part of the amount authorized by this Act in excess of 15 per centum of the sums described in section 2 of this Act shall be paid or delivered to or received by an agent or attorney on account of services rendered in connection with this claim, and the

As you know, the Administration con-same is unlawful, any contract to the concluded that the \$50 rebate and the business trary notwithstanding. A violation of this tax reductions should not be enacted in view section is a misdemeanor punishable by a of the improvement in the current economic fine in an amount not to exceed \$1,000.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which that bill was passed.

Mr. ALLEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR RECESS UNTIL 12:30 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in recess until the hour of 12:30 p.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, after the two leaders or their deputies are recognized on tomorrow under the standing order, there be a period for the transaction of routine morning business of not to extend beyond the hour of 1 o'clock p.m., with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without

objection, it is so ordered.

ORDER FOR RECESS FROM TOMOR-ROW UNTIL 12:30 P.M. ON THURS-DAY, APRIL 21, 1977

Mr. ROBERT C. BYRD. Mr. President, I take it that, automatically upon the close of morning business, the Senate will resume consideration of the pending matter.

The PRESIDING OFFICER. The Sen-

ator is correct.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of the President's address to the joint session tomorrow evening, which will be in the Hall of the House of Representatives, the Senate stand in recess until the hour of 12:30 p.m. on Thursday.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, in order that all committees may be apprised ahead of time, that all committees may be authorized to meet during the session of the Senate tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, for the information of the Senate, the Senators will gather in the Chamber here at around 8:30 p.m. tomorrow night and, at the hour of 8:42 p.m., they

will assemble to proceed in a body to the Hall of the House of Representatives, where the President of the United States will address the joint session. As the order has already been entered, following that address, the Senate will automatically stand in recess until the hour of 12:30 p.m. on Thursday.

The Senate will convene at 12:30 p.m. tomorrow. After the two leaders or their designees have been recognized under the standing order, there will be a period for the transaction of routine morning business not to extend beyond the hour of 1 p.m., with statements therein limited to 5 minutes each. Upon the conclusion of routine morning business, the Senate will resume consideration of H.R. 3477, an act to provide for refund of 1976 individual income taxes and other payments, and so on. Rollcall votes may occur on amendments to the measure or on motions in relation thereto tomorrow.

It is conceivable that other things could be brought up that have been cleared for action. Conference reports are privileged matters which can be brought up and on which votes may occur.

I believe that is about as far as I can go in stating the program for tomorrow.

RECESS UNTIL 12:30 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 12:30 p.m. tomorrow.

The motion was agreed to; and at 6:44 p.m. the Senate recessed until tomorrow, Wednesday, April 20, 1977, at 12:30 p.m.

EXTENSIONS OF REMARKS

REGULATED MOTOR CARRIERS SUPPORT NATIONAL SPEED LIMIT OF 55 MILES PER HOUR

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES Tuesday, April 19, 1977

Mr. RANDOLPH. Mr. President, as a long-time advocate and as the Senate sponsor of the national 55 mile per hour speed limit of 1974, I would share with Senators several newspaper articles and editorials.

The American Trucking Associations, representing the regulated motor carrier industry, is commended for its endorsement of the 55 mile per hour limit and for urging other highway users to obey the law.

Among the steps taken by the industry is a letter to the chief editorial writer of every daily newspaper in the United States asking additional support of the 55 mile per hour limit. The American Trucking Associations is undertaking an educational campaign among drivers in regulated motor carriers on the merits of the 55 mile per hour limit and on the dangers of tailgating.

Mr. President, it is readily apparent that the reduction in highway speed has saved lives. Highway fatalities dropped from 55,639 in 1973 to 45,954 in 1975, even though the number of total vehicle miles rose from 1.308 billion to 1.315 hillion.

The editorial support received is gratifying. The news media serves the Nation well by promoting the cause of the 55 mile per hour speed limit.

Mr. President, I ask unanimous consent that a sample of the editorials be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RESPONSIBLE TRUCKERS

Several weeks ago, the Telegraph published an editorial highly critical of the attitude of a group of truckers. This group—the Independent Truckers Association (ITA)—had put out one of the most irresponsible press releases we've seen in a long, long time.

The ITA release called for the removal of

the 55 miles per hour speed limit currently in

force on our nation's highways. Pleading their case of being able to get from one place to another in the shortest possible time, the ITA said, "While no one likes highway deaths, the speed limit of 55 miles per hour costs far more in personal aggravation."

"If Gary Gilmore can be allowed to kill himself, or to be sentenced to death," said the ITA, "then the nation's speeding motorists should have the same right."

We were delighted to learn the other day, that the ITA does not speak for the trucking

industry as a whole.

A recent release by the American Trucking Associations (ATA) endorses the 55 miles per hour limit and points to federal statistics which prove incontrovertibly that the limit has shown a saving in lives. We were also pleased to note that the ATA—the organization which represents the regulated motor carriers-has instituted a program on the dangers of speeding and tailgating.

Our hat is off to the American Trucking Associations in its efforts to combat a totally irresponsible attitude on the part of a few independent truckers.

SPEED AND ENERGY

The Independent Truckers Association is engaged in traffic slowdowns and other tac-tics as a protest against the 55 mile-perhour speed limit. The truckers claim they're losing time, and as a result profits.

Supporting the speed limit is the American Trucking Associations, representing the regulated industry. Its chairman, Robert H. Shertz, said "it's clear that slower speeds

Figures published by the National Highway Traffic Safety Administration prove that the 55 mile-per-hour limit is not only a life saver but also an energy saver. The data collected in 1975 shows the average speed for vehicles was 55.8 mph. Passenger cars had an average of 56.2 mph, buses 55.4 mph and trucks 54.8 mph.

From 1973 to 1975 the number of highway fatalities dropped from 55,639 to 45,954 although total vehicle-miles operated in-creased from 1,308 billion to 1,315 billion. Fatality rates for accidents involving trucks were cut in half.

There is no logical reason why the authorities should consider any application for an increase to 60 mph or more. Right now the present speed limit is saving lives as well as precious energy.

In fact an alternative to President Carter's proposal for a 25-cent-a-gallon tax on gasoline could be a reduction of the speed limit to 50 or 45, coupled with stricter law enforcement.

A tax won't make a dent in energy use. Reduction of the speed limit will save millions of gallons of gasoline.

55 M.P.H.

One particularly surly radio announcement features a voice purported to be that of a highway patrolman who emphasizes "55 miles per hour—it's the law."

No matter how irritating the radio spot may be, it is hard to argue with the logic and the lifesaving reality of the message it imparts.

The 55 m.p.h. speed limit received an important-and somewhat unexpected, to some people—supporter last week. The American Trucking Association, regulator of non-independent truckers in the nation, said it supports the federally-imposed limit which was mandated at the height of the gasoline crisis.

In a release issued to newspapers throughout the nation, the ATA said it has been "reluctant to seek help for its support since it is difficult for most motorists to tell the difference between independent and company trucks on the highways. ATA feels the statistics favorable to the motor carriers industry gives the regulated motor carriers a peg for seeking support for the 55 m.p.h. limit."

The release goes on to cite statistics released by the National Highway Traffic Safety Administration showing that trucks actually have a record of traveling about one mile an hour slower on the highway than either private cars or passenger buses

It urges the trucking industry to do even better in setting a good example for all mo-

The ATA said it found the slower speeds not only save companies fuel, but cut accidents on the highways as well.

Colorado State Patrol Lt. William Wolfe pointed out recently that statistics nationwide show that slower speeds not only cut the number of accidents by giving drivers a split second more reaction time, but they also cut the severity of those accidents.

The bottom line reads fewer injuries and fewer deaths, and overall, a safer system of highways for motorists—and the families they love—to travel.

Over the past three years or so, motorists have become more and more accustomed to the 55 m.p.h. limit. Oh, for some, the lower limit has only meant they've cut their speed from 90 m.p.h. to 75 m.p.h. And others feel relatively safe traveling at 62 or so, feeling most law enforcement officials don't waste their time with a mere five or seven miles per hour over the limit (they often do).

But a majority of drivers have found they

actually like traveling a little bit slower, taking a bit of the edge off the tension of maintaining control over their car, and taking the time to enjoy just a bit more of the beautiful scenery around them.

Even on long trips, the lower limit makes sense. Though you may reach your destina-tion 20 minutes, 45 minutes, or even an hour or two later, when you get there, you'll find yourself just a little less high-strung and ready to take care of whatever business—or

enjoyment-you had planned.

Besides, you may not even be saving as much time as you may think. A trial run some years back between Grand Junction and Denver had one driver observe the 55 m.p.h. limit and a second, in a powerful sports car made the trip as fast as he could travel.

The difference? About 20 minutes or so for

the five-hour jaunt.

Increasingly, the 70- and 80-m.p.h. driver will meet up with impatience and downright irritation from drivers trying to conserve fuel and save lives by driving the legal limit. The life the highway speeder is endangering through his foolish—and "fuelish"—action is not only his own. He is endangering the lives of anyone who happens to cross his path.

That is enough, or at least it should be, to enrage even the most docile of safe drivers. Clean it up. The 55 m.p.h. limit, It makes

sense. And its the law.

KEEP THE DOUBLE NICKEL

The nationwide 55 mph speed limit is getting some strong support these days from an unlikely source—the regulated trucking industry.

But, you might ask, haven't truckers often complained about the so-called Double Nickel? Haven't they urged its repeal?

The answer is yes, many of them have contested the speed law and still do. But others are now supporting this fuel saving measure because experience has shown that it works. It is not only saving energy, but lives as well. And, believe it or not trucks are making a better record of complying with the law than automobiles.

Robert H. Shertz, chairman of the American Trucking Association, cites Government statistics in urging continued backing of the 55 mph limit. Some of the statistics

are surprising.

While it is true that many motorists seem to ignore the law, it has, on the average, slowed traffic to 55.8 mph on level, straight sections of main rural roads, including the interstate system. The figures come from "55 MPH Fact Book," published by the National Highway Traffic Safety Administration.

The agency's studies show that passenger cars have been averaging 56.2 mph, buses

55.4 mph and trucks 54.8 mph.

About 55 per cent of all vehicles observed in the NHTSA studies exceeded the 55 mph limit. For trucks the figure was 50 per cent; for passenger cars 58 per cent. Only 21 per cent of all vehicles exceeded 60 mph—23 per cent of passenger cars and 16 per cent of trucks. So it is clear that despite imperfect enforcement and frequent violation, the average motorist has slowed down considerably since the days of the 70 mph limit.

The NHTSA figures also show that between 1973 and 1975, highway deaths dropped from 55.639 to 45.954 although the total vehicle miles traveled increased during the same

period.

Many independent truckers are still opposed to the 55 mph limit, but at least part of the industry has seen more advantages in lower speed than disadvantages.

ARE WE "GOING BACK" TO 55 MPH?

The 55-mile per hour speed limit is law. Compliance with it, however, is another matter. Far too many motorists disregard it. Oftentimes an automobile driver will say, "Look at those truck drivers. They wheel past us and I know they're exceeding the speed limit." Association is easy to compromise, and the car driver exerts a bit more pressure

on the gas pedal and soon he's keeping pace with the trucker just ahead of him.

But the trucker might be the means to accomplish what the federal government wants: slower speed, less fuel consumption, safer driving.

The regulated motor carrier industry, through its organization—the American Trucking Assn.—has come out in support of the 55-mile per hour speed limit. It reported it is against traffic slowdowns and other tactics of the Independent Truckers Assn., which is protesting the national speed limit.

And the regulated motor carrier industry seeks an increase in efforts in behalf of the law. A report by the National Highway Traffic Safety Administration indicates that the 55 MPH limit is "a life saver and an energy saver." The data collected revealed that both passenger cars and buses travel faster than trucks. The emphasis will be that "slower speeds save lives."

The Wisconsin Truckers Safety Council went a step further. At a meeting this month, it adopted a resolution which "strongly encourages truck drivers to comply with the 55-mile per hour speed limit and set an example for all drivers."

Now if other truckers not affiliated with ATA will follow suit the hazards motorists complain about, such as trucks speeding and tailgating, should decline dramatically. Then if the heavy-foot bus and automobile pilots will ease up a bit, we can get back to the limit we should be observing. We'll save on gas, which is getting mighty expensive, and lives, too, probably our own.

TRUCKS CAN SLOW DOWN, Too

As a good many drivers have suspected, the trucking industry can manage the 55-MPH speed limit the rest of us are supposed to

observe-and still make a living.

Robert H. Shertz, chairman of the American Trucking Associations, recently praised his industry for having a better record on compliance with the national law than either automobiles or buses. His congratulations were based on statistics compiled by the National Highway Traffic Safety Administration which indicate that trucks average 54.8 miles an hour on the open road, believe it or not, while passenger cars average 56.2 and buses 55.4 MPH.

His organization, ATA, represents the "regulated" motor carriers—that is, company owned truck fleets, as distinguished from the independent truckers who may be the source of some of the dissatisfaction and uneasiness among other drivers and who apparently have been planning slowdowns and other demonstrations against the national speed limit.

Whatever the merits of those averagespeed statistics, it is a fact that highway fatalities dropped between 1973 and 1975 from more than 55,000 a year to somewhere around 45,000 and Shertz says data also indicated a decrease of 24 per cent in accidents in which trucks were involved and a 26 per cent decrease in fatalities and injuries in truck-involved accidents.

Clearly the savings in dollars as well as lives to the trucking firms must have been immense, providing an additional argument that "Stay Alive—Drive 55" should apply to everybody.

If there are still truck deadlines to be met which can only be maintained if the behemoths of the highway break the laws, then plain sense dictates rescheduling by the dis-

And if the law means what it says, it also means that enforcement officials up and down the line should make no exceptions for truckers

Further, in a day when it is at least hoped that people will turn to smaller, lighter, more

fuel-saving vehicles, the prospect of huge semi-trailers, some in caravan style, thundering past everything on the road becomes ever less permissible.

We are glad to note that a part of the trucking industry is very much aware of the safety as well as the energy-saving situation and is moving to make what is necessary even more acceptable.

There's a new day coming—if it isn't already here—and we ALL have to be part of it.

CLOSE TO LIMIT

It may come as a surprise to other drivers, but the American Trucking Associations of Washington, D.C., has just published federal data showing that trucks are doing better than cars or buses in complying with the 55 miles per hour speed limit.

'The truckers say the National Highway Traffic Safety Administration's new "55 MPH Fact Book" shows that during 1976, the average speed for all vehicles was 55.8 mph. Passenger cars showed an average of 56.2 mph, buses 55.4 mph, and trucks 54.8 mph on level, straight sections of main rural roads, including interstates.

Some 55 per cent of vehicles exceeded 55 mph limits: 58 per cent of passenger cars, 50 per cent of buses, and 49 per cent of trucks. Some 21 per cent exceeded 60 mph: 23 per cent of the passenger cars, 24 per cent of the buses, and 16 per cent of the trucks.

On interstates, the average speed was 57.6 mph: for cars the speed was 58 mph, for buses 57.4 mph, and trucks, 56.6 mph. Some 68 per cent exceeded the 55 mph limit, including 71 per cent of the passenger cars, 65 per cent of the buses, and 61 per cent of the trucks.

Annual fatalities dropped by 10,000 a year in 1975 and 1976 from 1973, and motor carrier accidents in 1975 and 1976 decreased 24 per cent from 1973.

Which brings the trucking groups around to an admission that they weren't willing to make when the 55 mph speed limit was imposed. They fought it hard, saying it would be ruinous to their schedules and fuel costs. Now they hall it as a life saver and an energy saver.

Now we motorists will have to come around to a new point of view soon, too, unless we can poke holes in those statistics. When a big semi swooshes past, hammer down, we'll have to admit that this is (however spectacular) an exception, since only a minority go so fast; that trucks are moving closer to legal limits than any other kind of vehicle. Maybe it's just because they're so BIG they seem like more.

Matter of fact, since truckers know more about Smokey and the road ahead, and have the figures with them, we'd better go them one better and try to stick on the 55 mark in our cars. If it's that much safer and more economical for them, think what it could do for us.

BRINGING ACCOUNTABILITY TO THE POST OFFICE

HON. DAVE STOCKMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1977

Mr. STOCKMAN. Mr. Speaker, the Postal Service was created to isolate the operations of the post office from political pressure. But it was also intended to be run in a more businesslike manner than its predecessor, perhaps even be self-sustaining. What we have in practice, however, is a curious hybrid.

The Post Office spends hundreds of millions of dollars of the taxpayers' money each year, yet its senior management is not appointed in the same way as that of other departments of Government.

I am introducing a bill today that would make the Office of Postmaster General a Cabinet-level post appointed by the President with the advice and consent of the Senate. At present, the Postmaster General is appointed by the Board of Governors of the Postal Service. While this board is itself composed of Presidential appointees, I believe that it would be more desirable to have the chief executive of the Postal Service appointed directly by the President.

The reason why we should return to a Cabinet-level Postmaster is straightforward. Despite the change in name, the Postal Service is still functionally an integral part of the public sector. We should not permit any part of the Federal Government to operate without sufficient mechanisms for review and accountability of its activities. If the Postmaster General is appointed by the President, and not by the Board of Governors, the President can be held responsible for failure to implement suitable policies at the Postal Service.

The present structure does not permit sufficient accountability of the decisionmaking leadership of the Postal Service. Because the members of the Board of Governors serve for 9 years, they are essentially beyond the control of the President. This leaves him with no avenue for directing the policies of the Postal Service, despite the hundreds of millions of dollars appropriated to subsidize its operations each year.

I believe that whatever the intended benefits of isolating the Postmaster General from the political appointment were, they are far outweighed by the present lack of accountability of the top management of the Postal Service. If the appointment was the subject of abuse in the past, the Congress need only exercise its authority under the advise-and-consent section of this bill to disapprove politically motivated appointments. Isolating the Postal Service from all Presidential and congressional pressure is an overreaction to the problem.

What we need, Mr. Speaker, is more accountability on the part of the senior management of the Post Service. What we also need, Mr. Speaker, to put it bluntly, is more leverage over the Postal Service. Having a Presidentially appointed Postmaster General would give us some of the leverage we need to insure that the holder of this key position performs in a manner most consistent with the public interest.

FARMING'S FUTURE

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1977

Mr. GRASSLEY. Mr. Speaker, a young man from my district, the Third District of Iowa, Keith Meitner, recently won the 1977 Iowa Farm Bureau essay contest. Keith, a 16-year-old high school junior from Osage, articulated well the problems today's farmer, and the farmer of the future face. As a farmer myself, I am pleased to see young men such as Keith still interested in entering this important occupation. Unfortunately, all too often the farmer is blamed for everything that is wrong with the food industry without receiving the credit he deserves. We need young people such as Keith, who are practical and yet idealistic, to continue the fine tradition of Iowa agriculturalists. I would like to share his prize-winning essay with my colleagues.

FARMING FUTURE IS NOW (By Keith Meitner)

To prove that the Iowa farmer is productive and professional, you must first understand what this means. To be a productive farmer means that you must produce to the best of your ability, and to be professional means that you are engaged in your own specific occupation. The general public does not realize how productive or how profes-

sional the average Iowa farmer is.

A recent survey indicates that the average Iowa farmer produces enough food to feed 55 people. The survey also shows that Iowa is number one in the United States for corn production and hog production. Iowa also has 25 percent of the Grade A land in the nation. In 1973, Iowa farmers produced \$4.6-billion worth of grain products, which makes Iowa the number one state for total farm production value. An Iowa farmer produces enough beef for 295 U.S. consumers, enough pork for 524 consumers, enough dairy products for 90 consumers, enough lamb for 11 consumers, enough turkey for 113, and enough eggs for 65 consumers.

enough eggs for 65 consumers.
Facts make everything sound so easy, but

how easy is it for the farmer?

The first part of becoming a productive farmer is to become professional. You must decide what you are going to specialize in and how big of a producer you are going to be. Then comes the time for training to learn your trade in the best possible way. By training, I mean such thing as being able to handle dangerous chemicals and understand the labels on the containers. Training also helps you in that you can mix feed rations properly and also be able to manage money wisely.

There are many possible ways of learning

There are many possible ways of learning your trade, and the best way is learning by doing. You can go to school and attend classes, but you must get involved early. Once you've become a productive farmer you can join a group like the Farm Bureau or attend night school to keep up to date on the progress of the marketing world.

Now that you have your schooling, you can start producing. When you come to Iowa to farm there is a good chance that you will farm choice land. There is also a chance that you will be a primary producer

of corn and pork

Farming is not always profitable, but living in Iowa makes your chances of showing a profit all the better. Statistics show the Iowa farmers realized average net income for 1973 was \$9,193. This includes the small farmers as well as the large corporations. This does take into account, however, that Iowa's farm population is number one in the nation with 544,000 residents in 1970. The best way to be a profitable farmer is to learn your profession and learn it well.

I think that my being a member of the Future Farmers of America is one way in which I can become a productive and professional farmer. Like the first line of our creed (the FFA creed) says, "I believe in the future of farming." I believe the best way to see the future is to use the present wisely.

EARTH WEEK AND ENVIRONMEN-TAL EDUCATION

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1977

Mr. BRADEMAS. Mr. Speaker, the President has by proclamation designated the week of April 17-23 as Earth Week. This provides us the opportunity to reflect on the need to preserve and enhance the fragile environment which nurtures and sustains us. It is particularly appropriate that we remain sensitive to environmental concerns during a week dominated by discussions of the energy crisis and the appropriate responses of public policy to it. Clearly to achieve a good life for all of our citizens we must both effectively conserve and develop our energy resources and safeguard the ecological balance in which we live.

The Environmental Education Act has proved to be one of the most useful programs for creating an informed awareness of environmental issues and a capacity to deal with them. An article in the New York Times on March 27, 1977, describes the growth of environmental education and the important impetus that the Environmental Education Act has given to it. The text of this article and the President's proclamation follow: [From the New York Times, Mar. 27, 1977]

ENVIRONMENTAL STUDY IS GROWING UP

(By Gordon F. Sander)

Johnny Appleseed would have been pleased: Environmental education is on the boom. Across the United States, in thousands of projects and courses that feature everything from hayrides and songfests to emotional discussions of air pollution and oil spills, American schoolchildren and their teachers are being educated in the eternal verities of nature, as well as the equally eternal profligacy of man.

The growth of environmental education (also called "ecology," "conservation," and "outdoors" education) is an offshoot of the ecology movement of the last decade, inaugurated during the nationwide "Earth Week"

of May, 1970.

Since then, the movement for better environmental education has received additional impetus from such natural or manmade catastrophes as the recent Argo Merchant oil spill and the drought that is currently parching the Western states.

"Crises tend to educate people," said Rudolf Shaefer, environmental education counselor in California's Department of Education. "Nevertheless," he said, "you can't get a sustained commitment based on scares. Just look at what happened during the energy crisis. A few years ago you couldn't give away a Cadillac. Now they're chic again. Tell me: what have people learned?"

To build a sustained and knowledgeable commitment to the environment, educators in localities large and small are now striving to involve their students in an active and constructive relationship with the outdoors. The most popular approach is to have students learn by doing. For example:

In Santa-Clara, Calif., high school students have created a community recycling plant, and are now earning credit for supervising it. One graduate of the project was considered expert enough to deliver a paper on ways to ensure global environmental quality to a recent United Nations Environmental Studies Conference in Stockholm.

In Catoctin Mountain Park, near Camp

David, Md., sixth graders from the public schools in Washington, D.C. are being exposed to such subjects as stream and woodland ecology in the "Round Meadow Environmental Laboratory."

On the Hudson River, aboard the sailboat Clearwater, crews of secondary students from nearby Hudson Valley communities are learning not only how to sail and use wood stoves but how to operate sophisticated antipollution equipment and sewage disposal units as well.

In an outdoor Eco-Center in Thomson, Ill., students participate in an intensive "canoe-camping-study" course which requires them to prepare their own "environmental impact statements."

In Elgin, Ontario, students from 15 high schools in a course called "Our Sun: Our Provider" spend 10 weeks each summer setting up demonstrations showing how to save energy in the home. Recent student inventions include a wind-powered pumping system and a sun-powered oven.

Many of these projects are partially funded by the Department of Health, Education and Welfare's Office of Environmental Education, created by Congress in 1970 to help raise the nation's "environmental literacy." Operating on a budget that has varied between \$1.5 and \$3.5 million a year, the environmental education office annually receives at least a thousand grant requests from environmental educators across the United States. Of these, between 5 and 10 percent receive necessarily modest grants ranging from \$10,000 to \$50,000.

Walter Bogan, director of the Office of Environmental Education since 1972, thinks that the boom in environmental education is finally beginning to tail off. "The number of requests we receive has been declining recently," he said. "Nevertheless, their quality—by which I mean their creativity and thoughtfulness—has definitely improved."

Now that environmental education is past its faddish phase, Mr. Bogan believes that such education is rapidly becoming more sophisticated. He points out that as a result of the effort of a number of communities, more and more secondary school students are becoming competent in environmental issues. He also says that cooperation between secondary and higher education environmental authorities has increased, with the result that the materials used in the secondary classroom show "much more expertise." The Office of Environmental Education itself recently gave money to the National Science Foundation to develop a package of energy-related teaching materials that Mr. Bogan hopes will soon be used nationwide.

Mr. Bogan says that more and more school systems are using a "multidisciplinary" approach to environmental education. "Environmental education seems to have finally passed the show-and-tell approach," he says. "More teachers are exposing their students to the cultural, economic, and legal aspects of environmental problems and issues."

Michelle Perreault, chairman of the Sierra Club's environmental education committee, agrees. "Environmental education used to be something that was isolated inside a school's science department. More and more educators are beginning to see that it isn't simply a subject you can pigeonhole."

An example of the multidisciplinary approach to environmental education is the "Energy and Us" course taught at Kelly Walsh High School in Casper, Wyo. The course grew out of a temperature inversion that occurred in 1972, intensifying the smog emitted by a local power plant.

As a result of questions students raised about the incident, the school developed a course about energy and energy-related

problems taught by members of the school's biology, chemistry, physics, and sociology departments. Students, who help plan the content of the course, now regularly visit the offending power plant and other local industrial sites and report their findings to community groups.

Usually the spark that translates environmental awareness into environmental action is provided by the teacher himself. One such teacher is Arthur Cooley, a biology teacher at Bellport High School in Brookhaven, L.I. In 1969, Cooley's students began a group study of the Carmans River, which runs through the school district. As industrial development in the county grew, Cooley and his students saw the river becoming increasingly polluted.

With Mr. Cooley's sponsorship, 25 students banded together into an environmental action group, "Students for Environmental Quality," and began a campaign to save the Carmans.

Partly as a result of intensive student lobbying, the New York State Legislature decided to place the river under the protection of New York's Wild, Scenic and Recreational Rivers Act. The student group is still active, and is now working to pass legislation against throwaway bottles.

EARTH WEEK, 1977: A PROCLAMATION BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

Since the beginning of this decade, we have begun to recognize that our planet's capacity for satisfying the needs of mankind has limits. We have begun to see that we are its stewards, not its masters. Human activities, even well-intentioned ones, can indict deep and lasting damage to the earth, the air, and the living plants and animals on which we depend. Protection of the environment is a debt we owe to curselves and to those who will follow us.

During this same decade we have seen the effects of our activities grow increasingly severe. In the poorer nations, population growth on limited land has placed pressure on the environment. In the industrialized world, patterns of production and consumption have increased pollution, begun to deplete resources, and generated hazardous substances which the earth does not naturally assimilate.

Some have questioned whether we can afford to pay the costs of reducing pollution, protecting our health, and preserving our national heritage. The truth is that environmental controls are consistent with a sound economy, and if we ignore the care of our environment our economy will eventually suffer.

It is appropriate, as spring brings warmth and the flowering of life, that we celebrate Earth Week. The concerns which it symbolizes must become a part of our private and public philosophies.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby designate and proclaim the week beginning April 17, as Earth Week, 1977. I call upon officials and employees of all levels of government, business leaders, the communications media, and all Americans to join me in making environmental protection a fundamental concern that underscores all our actions.

In particular, I ask all educators to consider introducing an ecological perspective into every scholastic or academic discipline to encourage future application by graduates to protect the health of our planet.

In witness whereof, I have hereunto set my hand this twelfth day of April, in the year of our Lord nineteen hundred seventyseven, and of the Independence of the United States of America and two hundred and first. CHINA AND POWER POLITICS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1977

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following column by my constituent, Gen. Henry Huglin. General Huglin is a retired Air Force brigadier general and syndicated columnist. He comments on the considerations the United States must keep in mind as our relations with the Peoples Republic of China are reappraised.

CHINA AND POWER POLITICS (By Henry Huglin)

Five years ago our government established official contact with Communist China. This superb act of power politics has had many good ramifications for us.

Our relationship with China is highly important to our other relationships, particularly with Soviet Russia, but also with Japan, Korea, and other nations.

But our China tie has to be viewed realistically and dealt with skillfully. The Carter Administration has apparently yet to take any action regarding it—other than a meeting President Carter had with Peking's top liaison official in Washington. Likely, the Administration is waiting for its relations with the Soviets to jell, as well as the new regime in China to settle down.

However, we can expect that steps must soon be taken to develop this relationship further. A major factor in how it will evolve will be the success or failure of the Carter Administration in dealing with the Soviets on arms control and further efforts at detents.

In any event, our "Chinese Connection" is a major card we have potentially to play in our vital game of power politics with Soviet Russia.

The principal interest of the Chinese in our country is in our strength and readiness to counter the Soviets' ideological and geopolitical expansionism, backed by their massive and growing military strength

sive and growing military strength.

A major concern of the Chinese has been about our will and staying power to fulfill the responsibilities that fate and the strengths of our nation have given us as a superpower at this time in history—when the only other superpower is Soviet Russia with her persistent expansionist objectives.

The Chinese have a bitter feud going with the Soviets. It is based on deep mistrust, mutual fear, conflicting geopolitical claims, and ideological competition for world communist leadership.

The Soviets, because of their overwhelming military strength, have no need to make deals with us to help them in their feud with the Chinese.

But the Chinese have a great need for us as a counterweight to the Soviets. And they have urged that we keep our forces in Korea our bases in the Philippines, and a strong presence in the Pacific—to counter the Soviets in this area of most concern to them. They have even urged strengthening of NATO, with the obvious hope that, thereby, more of Russia's military forces will be deployed in eastern Europe.

The Chinese communists are evidently shrewd calculators of power. Their policies and actions in the international arena—as those of the Soviets—are likely going to continue to be based on realistic power politics. Differences with us on ideology or on human rights will be entirely secondary to

what they consider as a grave Soviet threat to them and their interests in the world.

The Carter Administration will, of necessity, face up to the grim power politics game are involved in with the Soviets—with survival of our way of life, not just human rights, at stake. Hopefully, President Carter will play all our cards well, with a recognition that China potentially could be an ace in the hole for us.

If the arms control negotiations with the Soviets bog down—as they may well over human rights, or other factors—a quasialliance and military and technological aid to China could be parts of a major ploy our government could play

government could play.

And, in this crucial game, stark realism is sometimes needed instead of, or at least in addition to, lofty moralizing and do-good sloganeering.

Further, how well we deal with China now may also have major influence on how she evolves as she becomes stronger, with industrialization and more skilled employment of a population that may exceed one billion by the year 2000.

Establishing full diplomatic ties with Peking—which would entail our denouncing our security treaty with the government on Taiwan, causing many undesirable ramifications—will likely not really be important to further development of our relationship. Our mutual interests are the motivating factors, and the absence of formal recognition or other diplomatic protocols should not be a significant handicap to our realistically evolving ties.

But as we improve these ties, we should have no illusions over our differences. The Maoist Chinese are our adversaries in many aspects of international affairs. Their main reason in dealing with us will remain their fear of the Soviets.

Further, our relations with the Chinese, no matter how good, will not likely curb their occasional rhetoric against us, which they use mainly in pursuit of leadership of the "third world;" although annoying, this is not a crucial matter.

is not a crucial matter.

So, let us not view the Chinese through any rose-tinted glasses, but still recognize that our continued and improved relations with them are, potentially, a vital piece in our grim game of global power politics.

MICHEL-TOWER FOOD STAMP RE-FORM

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1977

Mr. MICHEL. Mr. Speaker, today, I am joining Senator Tower in introducing legislation to reform the food stamp program. It is our intention to shape the food stamp system in a way that will provide needy Americans with a nutritional diet, without the billion-dollar waste and fraud the existing program has generated.

We are proposing limits on the gross income of a family seeking to qualify for stamps. We are proposing a purchase requirement that is fair and equitable. We are proposing restrictions on the purchase of junk foods. We are proposing work requirements and the machinery to eliminate fraud and other abuses.

We are also providing additional ben-

efits aimed at the elderly and a framework in which those who truly need help in improving their diet can get it.

We are not proposing a welfare program which supplements family income. What we are attempting to do is feed hungry Americans better and more economically. That was the intention of the food stamp program when first conceived more than a decade ago and I believe that should be the intent today.

During the last session of Congress, we had more than 100 cosponsors behind our food stamp reform efforts. In this session, I am confident we will have more. I am also hopeful that we will be able to work with the administration in drawing out the best of the major reforms we have proposed.

However, I don't want to see the food stamp program become a victim of political opportunism. We have to face the reality that the food stamp program is costing the American taxpayers \$6 billion a year and could cost \$2 billion more if we don't do what we have to do. No matter how good our intentions, we cannot tolerate millions of dollars in waste, ineffective administration, and a gross abuse of eligibility requirements for the sake of a food stamp program that only works on paper. The American people expect us to meet their basic human needs, but they also expect us to do it efficiently and honestly.

MANDATORY RETIREMENT

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 19, 1977

Mr. GRASSLEY. Mr. Speaker, last month, hearings were held before the Select Committee on Aging regarding the issue of mandatory retirement. In those hearings, I charged that mandatory retirement policies are among the cruelest forms of discrimination in this society. Though several witnesses claimed that today's pension plans make retirement less of a personal trauma than might otherwise be the case, I just received a letter which demonstrates that forced retirement is still a major shock to many. For those of my colleagues who view forced retirement as a means of achieving certain social objectives deemed more important than the emotional well-being of millions of older Americans, I invite you to read the following:

LETTER

DEAR SIR: I am interested in the hearings on mandatory retirement policies. I have a classical example of how unjust and cruel a forced retirement can destroy a person.

My husband was an employee for 23 years. He was supervisor of office services and absolutely loved his job. The employees who were in his department were horrified and cried, when they learned my husband was forced to retire. Many, many people from all departments came to my husband's office when they learned of the cruel treatment.

A young man who had just been brought into the Evansville division from the home office, was put in charge over my husband's department. He made a remark when he arrived at the plant and looked over things. He said, "All I see is old people! I want some new blood in here."

Shortly after his arrival he called my husband to his office. My husband was 58 at the time and had planned on working the next 2 years to get his affairs in order before retiring. The young man told my husband to sit down and handed him a folder and said, "You can take your choice as to how you want your pension to operate." My husband was practically in a state of shock and told him he wasn't thinking of retiring until 2 years. This man told my husband he had no choice as—"You are too old and your retirement starts in 2 weeks."

When my husband got home that day he was terribly pale, shaking and deeply depressed. I was alarmed at his state but, it was nothing to what it was a month later! He could not sleep, he had no appetite and he lost 30 pounds in a month.

The inhuman way in which he was treated and the statement "you are too old" destroyed any feeling of worth and a sense of

dignity.

To make matters worse, the first week he no longer had his job, the company called him at home and asked him to come in to teach someone the work of his department. He was asked for 3 straight following weeks "to help out." Much against my judgment, he did so. He told me that he wanted to do that as he "remembered all the good years" he had worked for the company.

I made an appointment for him with our family doctor as his mental and physical condition continued to deteriorate. I told our doctor about his treatment and then the request for his help at work. Our doctor was quite angry and he told me, "I would have told them to go to hell!" That isn't what I wanted to tell them but I'm certain the feeling was the same.

It is a heartbreak to sit and live beside someone you love and every day see them die little by little. If there would be anything or way I could prevent this happening to anyone else, I would do anything to accomplish that end.

I sincerely hope that you will give this matter your deepest attention. I feel people should be treated with kindness and compassion. Surely 23 years of commitment and loyality with a zest to do a good job for a salary should deserve better than a forced retirement.

Sincerely,

Name omitted by request.

RENTAL SECURITY BILL

HON. EDWARD P. BEARD

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1977

Mr. BEARD of Rhode Island. Mr. Speaker, I am introducing a bill today that I believe provides an absolutely necessary protection for our elderly citizens and retirees. First of all, it eliminates the social security benefit requirement for the rental or occupancy of low-rent public housing or other housing which is supported by Federal subsidy.

supported by Federal subsidy.

Every time a recipient gets an increase in social security benefits, rental charges

usually go up. Most of these housing units are rented with no lease and the renter has no protection whatever from arbitrary increases based solely on the small increase that may have been voted by Congress.

This bill also calls for elimination of the social security increases as a basis for eligibility in the rental of federally subsidized housing.

ALCOHOL ADVERTISING AND THE T.AW

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 19, 1977

Mr. BROWN of California. Mr Speaker, today 24 of my colleagues and I have introduced legislation that would disallow alcoholic beverage advertising as a business tax deduction. The reason for this bill is a very logical one: The Federal Government should not be providing an incentive through the tax structure for advertising a product that is responsible for a cost to society of between \$15 and \$25 billion annually. The taxpayer pays twice for alcohol abuse, once directly in treatment and prevention programs that totaled \$313 million in 1976, and again in the form of tax deductions for alcoholic beverage advertising expenses that totaled \$310 million.

The purpose of this advertising is to increase the consumption of alcoholic beverages and whether the alcohol is "reasonably" consumed or abused is no responsibility of the manufacturer, according to the liquor industry. But is this veiw consistant with current law in the area of advertising, food and drugs, and

product liability?

Alcoholic beverages are defined as food products even though alcohol for internal consumption can be defined as a drug under the Food, Drug, and Cosmetic Act of 1938. It is only the years of common use of alcohol that has caused this arbitrary classification since alcohol is pharmacologically defined as a psychoactive drug, an open-chain narcotic. Yet even as a food product, alcoholic beverages should clearly detail their contents and possible side effects as the 1938 law and subsequent amendments intended. I know what is in the junk food being marketed, but I have no idea what has been put into beer, wine, and liquor intended for my consumption. This seems odd since alcoholic beverages are not simply the benign, empty carbohydrate convenience foods but constitute an active threat to health and a potential for addiction that can destroy entire fam-

In the advertising of such a product there should be some mention made of possible deleterious effects that can result from the product's use. Indeed such provisions are mandated by sections 54 and 55 of title 15 of the United States Code. These sections prescribe penalties for advertising a product that may be injurious to health when used under conditions that are customary or usual and for advertising that fails to reveal the consequences that may result from the use of the product. If adverse reactions to alcohol were isolated incidents, a reluctance to enforce these provisions for alcoholic beverages would be understandable. But with a present addict population of 9 million people, this country is being very lax in dealing with one of its most serious health problems. We react swiftly whenever the possibility of cancer is mentioned in connection with the consumption of a food item. And yet with this chronic problem that does not have the necessary scare appeal, we do little.

The marketing of a product such as alcohol without adequate warnings is a practice that seems foolhardy in the light of present interpretations of product liability law. Lawsuits against manufacturers result from damages much less serious than a product induced loss of job or accident, situations that frequently result from alcohol abuse. Reaction to alcohol consumption is an individual response and is unpredictable beforehand. Thus, a person purchases and consumes alcohol assuming that there will be no serious consequences and may find out too late that he or she is in some way unable to control the rate of consumption of alcoholic beverages. Alcohol advertising presents the "pleasant" uses of alcohol and gives no inkling of the possible tragic consequences that await some people who through some still unknown combination of circumstances have a predisposition toward alcohol abuse. Without a disclaimer or warning, alcoholic beverage manufacturers are leaving themselves open to 9 million lawsuits that have some chance of success in this day of increased recognition of product liability.

The Federal Government is allowing, even providing an incentive for, advertising that is in direct conflict with the law that governs food products and advertising. And since the alcoholic beverage industry seems unwilling to accept their social and legal responsibility in this area, there are now 49 of us who feel that the Federal Government should no longer encourage advertising of a product that increases the social and financial burden on our society. And there will be more when this legislation is intro-

duced again in the near future.

CHILD PORNOGRAPHY

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 19, 1977

Mr. MURTHA. Mr. Speaker, several Members have been working on proposals to end the use of children in pornographic films and movies.

I would like to share with the Members one step I have taken in this direction by inserting in the RECORD a letter I have written to the National Association of Attorneys General:

MARCH 29, 1977.

THE NATIONAL ASSOCIATION OF ATTORNEYS GENERAL.

Washington, D.C.

DEAR GENTLEMEN: Recently the issue of the use of children under sixteen years of age in pornography has been raised in Congress. I have introduced legislation prohibiting the use of children in such materials in the U.S. House of Representatives. Along with other members in Congress, I support legislation to provide penalties for the interstate sale of materials using children in such a manner, and penalties for child abuse laws in production

Articles dealing with this matter have been published in magazines across the nation. Newsweek carried such a story recently. The indications I have received from reading these articles is that some of the problems could be eliminated by enforcement of state laws involving statutory rape, incest, and child abuse. Certainly, if this is the case, I would urge rigorous prosecution of these violations to help end this form of child

I recognize the fact that there are difficulties in enforcing these laws. In order for me to better understand this problem so that I may help solve it through further legislation, I would appreciate information on:

(1) whether these laws can help combat

the problem;

(2) the record of state laws dealing with the problem;

(3) manpower availability for enforcing such laws.

Your cooperation in this matter is greatly appreciated.

With every good wish, I am Sincerely,

JOHN P. MURTHA, Member of Congress.

SMUT IN ITS PLACE

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 19, 1977

Mr. KILDEE. Mr. Speaker, in his column which appeared in the Washington Post on Friday, April 15, the distinguished columnist William Raspberry, has succinctly stated the case for the enactment of legislation to protect children from use in pornography. For those Members of the House who may have missed Mr. Raspberry's article, I include it at this point in the RECORD:

[From the Washington Post, Apr. 15, 1977]

SMUT IN ITS PLACE

(By William Raspberry)

Is there a chance that, after years of playing around with definitions, socially redeeming values and jailings, we can finally bring ourselves to do something sensible about pornography.

If I am mildly optimistic this week that we can, it is because of two eminently sen-

sible efforts.

One is a bill introduced by Rep. Dale E. Kildee (D-Mich.) to prohibit the sexual exploitation of children. The other was the anti-smut rally (April 11-13) in New York

What the two efforts have in common is that they, at long last, shelve (to the extent possible) the nonproductive question

of what pornography is and move to the more relevant one of the specific harm it inflicts.

Kildee's Child Abuse Prevention Act would make it unlawful to photograph or film a child under age 16 in any of a list of prohibited sexual acts or their simulation if there is reason to believe the pictures may be moved in interstate or foreign commerce. Punishment could range up to \$50,000 or 20 years in prison.

The target of the proposal is that most deplorable variety of pornography: "kidporn"—the sexual exploitation of children Questions of taste, First Amendment protections, the rights of consenting adults and aesthetic subjectivism don't enter into it. Child abuse, unlike the distasteful things consenting adults sometimes do to each other, warrants no social protection of any

The link with foreign or interstate commerce, of course, is simply for the purpose of bringing what would be a state matter into

the federal jurisdiction.

"We have chosen to concentrate on the sexual abuse of children rather than trying to define obscenity, because the issue is really an issue of the protection of children," Kildee said in resubmitting his bill late last month. "The courts have had a particularly difficult time arriving at a definition of obscenity. I do not think, however, that any sane person could contend that the Constitution protects an individual who abuses a child."

In addition to punishing those who photograph children, or permit them to be photographed, for sexual exploitation, the bill's sanctions would apply to those who ship through the mails, or across state lines, the prohibited materials and also to those who sell them.

That, too, seems reasonable, since the whole process from procurement to final sale can be construed as links in a single

The New York rally, involving the casts of some 25 Broadway shows, businessmen, trade unionists, neighborhood residents and clergy, moves similarly to the heart of things.

Again the questions of what consenting adults choose to do among themselves was not at issue. Indeed, the cast of "Oh! Calcutta"—considered by many to be obscene—was among the scheduled participants. Their concern is not definitions of pornography or even the banning of obscene materials. It is the harm that pornography is doing to the neighborhood.

"Censorship is not the issue here," Gerald Schoenfeld, chairman of the organizing committee told The New York Times. "The issue is the effects that these establishments (smut dealers) have on an urban center, and on residential neighborhoods in this city."

In addition to focusing on real issues, the New York rally also focused on a muchneglected aspect of the fight against obscenity: citizen outrage.

Much of the difficulty confronting the lawenforcement establishment, including the
Supreme Court, has revolved around definitions and constitutional privilege. The sponsors of the rally recognize, to their credit,
that even constitutionally protected materials can be offensive, and that those offended
by it have a right to make that offense
known.

Civil libertarians who would object to efforts to censor the reading habits of adults might find themselves supporting the objectives of SOS (for Stamp out Smut) just as they might support neighborhood efforts to get rid of garish, offensive, but constitutionally permissible, advertisements.

The Kildee legislation (which already has more than 100 co-sponsors) does not question the right of grownups to see or read what pleases them, but is based on the protection of children from exploitation.

The Times Square protesters would not question my right to produce, or your right to read, any material no matter how gross. But they insist on the right of others not to have their neighborhoods degraded by it. I find both approaches refreshingly sensible.

PROSECUTION

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1977

Mr. RUDD. Mr. Speaker, the indictment of former FBI Special Agent John J. Kearney has created an extremely disturbing dilemma.

The indictment alleges that while Kearney was serving as supervisor of a special task force to combat terrorist activities he and his agents broke the law.

Specifically, they intercepted and opened mail correspondence between private citizens. It is also charged that they tapped telephone wires and monitored conversations.

Special Agent Kearney was acting on orders from his superiors. We can believe the Department of Justice and the Attorney General of the United States.

The Weather Underground terrorist group was known to be responsible for the destruction by bombing of a house in Greenwich Village. These terrorists were not ordinary criminals. They were intelligent, well educated, well connected, and had access to sponsors who would provide them with financial support and conspire to keep their whereabouts a secret.

Terrorist activities, which began about 1965, reached an alltime high in 1970. Law-abiding citizens were horrified. The national convention of a great political party was demoralized. The shadow of the terror spread across the land.

Special Agent Kearney and his squad were ordered to locate and apprehend the leaders of a terrorist movement, including Bernadine Dohrn, believed to be responsible for the Greenwich Village bombing and under indictment for serious crimes.

Mr. Speaker, an editorial in the Arizona Republic, published on Saturday, April 16, adequately reviews the facts. I would like to include the editorial at this point in the RECORD:

[From the Arizona Republic] SELECTIVE JUSTICE

Bernardine Dohrn was a leader of the Weather Underground, a terrorist group which believed that by acts of violence such as planting bombs in the State Department and the U.S. Capitol, it could ignite a revolution

John J. Kearney was the supervisor of the FBI's squad 47, a special New York intelligence unit with orders to find her.

Miss Dohrn, is still at large, Kearney, now retired, is under indictment on five counts involving mail thefts and wiretapping. The Justice Department charges that he

The Justice Department charges that he committed these illegal acts in his pursuit of Miss Dohrn.

The indictment has thoroughly demoralized the special agents of the FBI, and understandably so. For this is a case of selective justice if ever there was one.

First of all, to get at Kearney the department granted immunity to all the agents under him who actually stole the mail and opened it and did the wiretapping.

Secondly, Kearney is not the department's real target. The department hopes to use him to get at higher-ups who, it believes, ordered the illegal acts, among them W. Mark Felt, once the bureau's No. 2 man, and Edward S. Miller, former head of the intelligence division.

To the Justice Department, Kearney is merely a pawn.

To the men in the bureau, his indictment raises the question: Are they or are they not supposed to obey the orders they receive from superiors?

It may be argued that violations of the law by law enforcement officers cannot be condoned. The fact is, the Justice Department has condoned violations of the law by all the agents to whom it granted immunity.

And it has condoned violations of the law by the CIA. It recently announced that it would take no action against CIA personnel for alleged illegal mall openings.

The Justice Department moreover is overlooking the political atmosphere in which Kearney and Squad 47 committed the alleged crimes for which Kearney is being prosecuted.

It was a time of terror, when Miss Dohrn and her associates were exploding bombs all over the country. One of them, which exploded by accident, leveled a home in Greenwich Village, leaving not a brick standing and killing three persons.

Weatherpeople, as they called themselves, were staging riots on university campuses and rampaging through Chicago, smashing shop windows.

The FBI had the duty to bring the culprits

Certainly this should be considered a mitigating factor in whatever crimes Kearney may have committed.

In pardoning the Vietnam War draftdodgers, President Carter took into consideration the political atmosphere in which they had violated the law.

The same should be done in the case of John J. Kearney.

Mr. Speaker, I am not condoning the breaking of the law. I am pleading that this entire case be considered in its true and proper context.

No innocent citizen was injured or embarrassed by the activities of Special Agent Kearney and his squad.

Had these terrorists been ordinary street criminals, the FBI could have turned to their always accessible informers. But the Weather Underground represented a new breed of criminal—people who used terrorism for a political purpose.

It should be noted that former Attorney General Edward H. Levi decided in January not to prosecute CIA officials for opening citizens' mail from Communist countries.

I do not underrate the Communist threat, but if in this case the CIA was justified in operating a mail interception cover, what torturous logic can support the conclusion that Special Agent Kearney must be prosecuted for carrying out the orders of his superiors in pursuit of a group of fanatics who had demonstrated their willingness to commit murder and other violent crimes in pursuit of their efforts to demoralize and disrupt the civil peace of the people of the United States?

Every policeman, every deputy sheriff, every agent of the FBI, risks death on a

daily basis to protect the peace of the

Actions such as this present indictment will destroy the citizens' only weapon against crime—the ingenuity and the dedication and the courage of our law enforcement agents.

To my mind, the double standard displayed in this instance suggests a schizoid mentality. Make no mistake about this-when we the people, when we the citizens, refuse to employ the same degree of force against those criminal elements out to destroy us, which they are prepared to use against us, we will have lost the war to keep the peace and anarchy will prevail.

Mr. Speaker, I have today asked the Attorney General of the United States to personally review this indictment of Special Agent Kearney, and to stop arbitrary judicial action that threatens to demoralize and undermine our entire law enforcement effort.

I include my letter to the Attorney General at this point in the RECORD:

HOUSE OF REPRESENTATIVES Washington, D.C., April 19, 1977.

Hon, GRIFFIN B. BELL. Attorney General of the United States, U.S. Department of Justice,

Washington, D.C.

DEAR MR. BELL: I am most disturbed and concerned by the Justice Department's indictment of John J. Kearney, a former special agent for the Federal Bureau of Investigation. I must ask that you seriously review this action in light of the injustice through the application of a double standard in this

Special Agent Kearney was acting under the specific orders and directions of his superiors to locate and apprehend dangerous terrorists of the Weather Underground, who were responsible for a series of bombings and other violence during the late 1960s and early 1970s.

I ask you personally review this matter. I am sure that your examination of internal memoranda and documents in this case will show that the mail cover operation and wiretaps operated by Special Agent Kearney had the personal approval of several direct superiors, perhaps including the U.S. At-torney himself whose office has now sought the indictment against Kearney.

Under these circumstances, a loyal and dedicated FBI investigator acting under direct orders should not now be prosecuted, especially in light of recent Justice Department policy in connection with other intelligence-gathering activities.

As you know, Attorney General Edward Levi decided in January not to prosecute Central Intelligence Agency officials who had opened citizens' mail from Communist countries to gather needed intelligence information

This policy decision should certainly be of equal applicability in the case of Special Agent Kearney, whose orders were to conduct specific investigative actions to locate and apprehend fanatical terrorists, who had demonstrated their willingness to commit murder and other violent crimes.

I certainly do not condone the breaking of any laws by government officials. However, if new standards now apply and policies have been changed under the new administration with respect to law enforcement, such standards and policies should not be made retro-active to prosecute dedicated law officers whose actions several years ago were con-sidered legitimate and necessary for the circumstances that threatened innocent citizens throughout our population.

I urge you to take whatever administrative action is necessary to implement new policies under the law. But I strongly urge you not to allow continuation of arbitrary judicial action against former dedicated federal investigators, which runs the risk of demoralizing and weakening our entire law enforcement effort.

Most sincerely.

ELDON RUDD, Member of Congress.

A STRONG VOICE FOR CHILDREN

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 19, 1977

Mr. BRADEMAS. Mr. Speaker, the well-being of America's children concerns us all. Indeed, I believe there is wide agreement on the critical importance to later development of the early years of human life. Because we care about children, we cannot ignore the maltreatment and neglect of children caused by abusive adults. Nor can we turn our backs on the hundreds of thousands of foster care children who are locked away into situations meant to be temporary rather than permanent. America's children and their families deserve the opportunities for the kind of cognitive, psychological, nutritional, and emotional growth that we know to be essential to the lives of children.

Dr. Edward Zigler, the speaker, professor of psychology at Yale University, is one who has worked long to make possible for American children a better chance

in their early years.

He speaks with authority and compassion on behalf of children and families in this country. As the first director of the Office of Child Development in the Department of Health, Education, and Welfare, Dr. Zigler is keenly aware of the importance of a vigorous voice for children in the Federal Government.

Last month, Dr. Zigler spoke in New Orleans to the Society for Research in Child Development on the need to strengthen the Office of Child Development as the advocate for children throughout the Nation.

Mr. Speaker, I insert in the RECORD a text of Dr. Zigler's remarks on that occasion:

WHO WILL SPEAK FOR CHILDREN AND FAM-ILIES? A CASE FOR STRENGTHENING OCD*

(By Edward Zigler)

How are children and families faring in America? The list of social indicators adds up to a national outrage. Does it really make any sense that the richest nation on the face of this earth should rank 13th among industrialized countries in its infant mortality rate? What about the rapidly rising incidence of teenage pregnancies, a situation that bodes ill for both parents and children? As for the incidence of child abuse, our best estimate is one million cases of child abuse annually. One million cases. Then, as we wonder and bemoan the rising juvenile de-linquency rate, we leave one million eight hundred thousand latch-key childrendren eight, nine, ten years old-alone during the day. If we do not care enough for our children to provide them with even minimal adult care, then we deserve exactly what we are getting.

What can we do to reverse this depressing spiral? There are two conditions that must be met if we are to improve the lot of children and families in America. First, we must develop a strong and vocal lobby in behalf of children and their families. This we do not have, and the myth that we are a child-oriented society has actually stood in the way of establishing such a lobby.

Second, we need a strong and effective federal agency that can be the focal point for developing and implementing social policy for America's children and their families. As the first director of the Office of Child Development, I can say that, in my estimation, OCD is not working, and it is not effective. But that does not mean we should abandon OCD in favor of a Cabinet-level department of children. A new agency would fragment programs still further, and the problems of coordinating with other departments would continue. We have OCD; we should build on it, instead of chasing after cabinet rainbows.

MAKING OCD EFFECTIVE

What must we do to make OCD into an effective agency for families and children? We should start by legislating OCD making it permanent. OCD was established by an executive order almost a decade ago, and to this day it has not been legitimized by an act of Congress. As a result, OCD could go out of existence tomorrow, if the powers that be so chose. They could send Head Start in one direction, put the Children's Bureau back in the basement, and hope that nobody would be watching, which usually turns out to be the case.

In addition to legislating OCD, Congress should broaden the agency's focus beyond the preschool childhood years. OCD was established in part because President Nixon once made a speech that we must be concerned about the first five years of life. When he was later asked, "Hey, what happened to the first five years of life?" he answered, "We established the Office of Child Development." That focus is far too narrow. This agency should be the focal point not only for preschool children but for all this nation's children up to the age of eighteen who together constitute over one-third of the U.S. popula-

Furthermore, OCD should have an ever, broader charge. To make sound policies for children, we must make sound social policies for families. The Congress should therefore rename this agency the Office for Child and Family Development. The director should be appointed by the President and confirmed by the U.S. Senate. This would at least correct the current paradoxical situation whereby the Chief of the Children's Bureau, a presidential appointee, works for the director of OCD, who is not a presidential appointee. Although this situation is currently handled by having the OCD director also serve as the Chief of the Children's Bureau, the jobs are too big for one person to wear both hats.

A STRONG DIRECTOR FOR OCD

The proposed Office of Child and Family Development can be no stronger than the person who is recruited to head it. It is no secret that a new OCD director is presently being recruited, and I am not impressed with the recruiting that is going on. Two things have rendered this recruiting job unnecessarily difficult. First, the director of OCD answers to an Assistant-Secretary, rather than to the Secretary of HEW. From personal experience, I feel that the few small victories I won during my stay in Washington were in large part due to the fact that I dealt directly with the Secretary of HEW. It's not

^{*} This is a condensation of a speech delivered to the Society for Research in Child Development, New Orleans, March 16, 1977.

just a matter of whom you have coffee with; it's a signal to everybody else of the im-

portance of what you're doing.

Now, the minute they moved OCD down one step they made that office less attractive to leading figures who might be interested in the job today. That's exactly what happened to the Children's Bureau. They moved it back a step at a time until you couldn't even find it any more, and two more steps down I don't think you're going to find the Office of Child Development anymore either.

The second thing which has rendered the recruiting process more difficult is the politicizing of the Office of Child Development. The cavalier, "Be-out-by-noon" dismissal of the second director, John Meier, was shoddy to say the least. The director of the Office of Child Development is a spokesman and advocate, a knowledgeable person who should not be treated like a political hack. Rubbing further salt in OCD's wounds, the administration, while treating the OCD director in this way, was taking bows for not firing the director of the National Institutes of Health, saying, "See, we've taken health out of politics." And I say to the present admiinstration, 'Great, now do it for children, too."

Furthermore, I think in its efforts to re-cruit a new OCD director, HEW is paying too much attention to window-dressing and too little to substantive qualities, such as finding a person who has considerable knowledge of child development as well as administrative skills and the temperament to be effective in

Washington.

Now, it may be too late to have the OCD director formally answer to the Secretary of HEW as opposed to the Assistant Secretary for Human Development, as is currently the case. But an informal mechanism could be set up whereby the OCD director, or the Chief of the Children's Bureau, could also serve as the special consultant to the Secretary of in regard to all of the Department's work in child and family life. There's a precedent. Dr. Bertram Brown of the National Institute for Mental Health served as a special consultant to the Secretary on all matters related to drug abuse. In any case, we need to find some mechanisms whereby the advocacy needs of America's children gain the ear of the Secretary of HEW.

THE JURISDICTION OF OCD

Now I would like to give you my own vision of an Office of Child and Family Development. It would have three types of activity. First, it would have a critical mass of programs. I am familiar with Gilbert Steiner's criticism that OCD is an agency without a program. Although I think his criticism is misdirected, I do agree that no agency survives very long unless it has enough programs and supporting funds to affect significant numbers of people. We must have more programs in OCD. The agency should be charged with coordinating all child and family matters, including the over 200 children's programs now divided across dozens of agencies. Second, OCD should serve as the nation's advocate for children and families

In regard to administering programs, OCD should be responsible for at least three large programs—Head Start, Title XX day care and the Maternal and Child Health programs. Head Start continues to be a vulnerable program. As I travel about the country I find Head Start people turning their energies away from children to speculate, "Gee, I wonder what the application forms from the Office of Management are going to look like, when they move it over there?" I would like to see the Secretary of HEW put an end to such speculation immediately. That is, he should announce clearly and forcefully that Head Start will remain in the Office of Child Development. Head Start has fared well in OCD, well enough to serve as a national laboratory for many child care programs. The Office of Education has no comparable ex-

perience in early childhood programs to suggest its merits for administering Head Start. HEAD START

Now, I want to say a few more words about Head Start, because I am afraid the program

terribly misunderstood. In fact, misunderstood that both the Associated Press and the New York Times have announced in print that the Head Start program is dead.

Now, since I did not wish that to become a self-fulfilling prophecy, I decided to write the following letter to the New York Times:

"The New York Times erred in its assertion that Head Start is dead. (Editorial, December 27, 1976). Head Start, the most innovative program ever mounted in behalf of America's children, is alive and well. Your mistaken assertion is illustrative of the misunderstandings, controversy and confusion that have surrounded the Head Start program since its inception over a decade ago. At a cost of over 400 million dollars per year the Head Start effort continues to provide a preschool educational program, enriched by a broad spectrum of social services, to over 200,000 of America's economically disadvantaged children. Furthermore, over the years the Head Start program has proven to be a valuable national laboratory for the development and assessment of a whole array of intervention efforts, such as the Home Start program, efforts relevant to the optimal development of all of our nation's children.

"Your editorial was correct in indicating that Head Start is a vulnerable program that has suffered many trials and tribulations. The history of this program has been one of moving from crisis to crisis with Head Start peoat the local level never feeling very confident that they would receive the following year's funding. Particularly detrimental to the Head Start program has been that coterie of psychologists, early childhood educators and social policy analysts who have regularly, albeit erroneously, proclaimed the failure of the Head Start program. However, those Americans closest to and therefore most knowledgeable about Head Start namely those American families whose children utilize it, have never wavered in their praise and support of the program. Head Start has continued to be funded because a bipartisan group in Congress has refused to turn a deaf ear to that relatively powerless segment of society that has always been Head Start's most fervent champion.

What of Head Start's future? It remains problematic. For this reason the Head Start program needs the active support of all those who feel that no national effort should take priority over the healthy development of our

nation's children."

The conventional wisdom about Head Start is currently that there are some early gains that vanish. It is my considered opinion that that point of view will ultimately be proven more conventional than wise. If Head Start is appraised in terms of its success in universally raising the IQ's of poor children, the program may appear an abject failure. On the other hand if one assesses Head Start in terms of the improved health of tens of thousands of poor children, Head Start is clearly a resounding success. Whatever yardstick we are going to use to measure Head Start, there should be a moratorium on assertions concerning either the success or failure of Head Start until the new data presently being analyzed are in.

TITLE XX DAYCARE

In addition to Head Start, OCD should administer Title XX day care, the largest federally funded day care program. In a typical example of bureaucratic nonsense, while OCD is theoretically charged with guaranteeing the quality of Title XX day care, fiscal control is vested in the Community Services Administration of HEW. A territorial struggle for control of Title XX is likely, and I think OCD is the only agency in Washington whose

primary concern is that day care benefit children, rather than that it reduce welfare rolls or serve as a public employment program.

CHILD HEALTH CARE

The third major program that OCD should administer is the Maternal and Child Health program, which was moved to the Health Services Administration at the time of OCD's formation. The Maternal and Child Health program, if it were moved back to OCD, could relate health services to Head Start, day care, and a variety of children's programs. However, because the Maternal and Child Health program is such a large and important effort it should constitute a separate bureau within OCD rather than be placed back in the Children's Bureau.

IMPROVING THE CHILDREN'S BUREAU

Finally, within OCD I would like to see the Children's Bureau revitalized, and I think it can be, with the plan I have laid out. The Children's Bureau has served as our nation's conscience in regard to children and families for over 60 years. Critics of the Children's Bureau are correct that the agency has not been as militant and as effective in its advocacy as many of us would like. However, that must be remembered is that the Children's Bureau became what decision makers made it. As children and families dropped in the priority lists of our nation's decision makers, so the impact of the Children's Bureau dropped with it.

What must be emphasized is that the Children's Bureau remains the best repository of knowledge about children and families we have. Instead of criticizing the Children's Bureau for what it has not done, it is only fair to look at what it has done. The Children's Bureau continues to work diligently to develop social policies toward keeping families intact and guaranteeing the right of every child to a permanent home. The Bu-reau is doing good work to promote adoption of children who would otherwise remain adrift in foster care. It is also promoting the expansion of 24-hour comprehensive emergency services to families in crisis, the kind of local community service that could prevent many children from being removed from their families in the first place

To broaden the impact of the Children's Bureau, the bureau should be given new and important tasks. First, the Children's Bureau should be given the power of the purse strings necessary to enforce the charge already given to it, namely to guarantee the quality of day care subsidized with federal funds. Second, the bureau's efforts in the child abuse area remain minimal and must be enhanced. The Children's Bureau would also be a good place to establish a muchneeded center to study the effects of children and families. Finally, the Children's Bureau is the appropriate setting in which to conduct family impact analysis of other na-tional policies. Both President Carter and Vice President Mondale favor such a procedure in which every federal directive in policy would be analyzed for its impact on family life. The Children's Bureau is the logical agency to do this.

A STRONG CONSTITUENCY FOR CHILDREN

To summarize then, I am calling for a legislated Office of Child and Family Development that would have three major operating programs and a Children's Bureau, with an outstanding leader responsible for coordination and advocacy on behalf of families. Why should we strengthen OCD rather than make a Cabinet-level department for children? Because, it is unwise to give up something we have, that we could build upon, for something that we might like to have. The idea that a super agency could solve all our problems has been around for a long time, and has often served as a substitute for genuine commitment and action on behalf of children and families. Just after I became director of OCD, I went to the White House Conference on Children. I was running around saying, "Hey, would you like to help me establish the Office of Child Development? It's just getting going, I could sure use your help." They were saying, "We want a Cabinet-level agency." And I was saying, "Well, that would be great, but why don't you help me with what we have right now?" And that's where I think we should put our energies today.

Now, in conclusion, I want to say that child advocates must not be lulled into a false sense of security by the nomination of Vice President Mondale and by the election of Carter and Mondale. We said, "Well, if Carter and Mondale are in power, all will be right with America's children and families." Do not mishear me. I do believe these leaders have a positive orientation towards the problems of family life in America. However, the new administration obviously has many con-cerns and priorities. Thus, it is important that we do all we can to build an independent power base in the Congress around such leaders as John Brademas and others. should continue to speak out on those issues that concern us and do everything we can to improve the lot of America's children and families.

THE NATIONAL TAXPAYERS UNION REJECTS H.R. 10, HATCH ACT REFORM

HON. GENE TAYLOR

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1977

Mr. TAYLOR. Mr. Speaker, according to a newsstory appearing in the Federal Times, April 18, the National Taxpayers Union has sent letters to Representative William Clay, chairman of the Subcommittee on Civil Service, and Senator Abraham Ribicoff, chairman of the Senate Governmental Operations Committee, warning that H.R. 10, and a similar bill in the Senate, S. 80, offer no solution and could prove "an administrative or political disaster."

The story reports that the National Taxpayers Union research director, Sid Taylor, said that "opening the floodgates for political activity within the Federal Establishment is clearly not in the interests of the American taxpayer, good government, or career-integrity for Federal employees."

The arguments advanced by the National Taxpayers Union against enactment of the so-called Hatch Act Reform proposals are convincing and valid, they deserve the careful attention of my colleagues.

The article follows:

NTU HITS HATCH ACT REFORM

The National Taxpayers Union objects to amendments or repeal on the Hatch Act, which prohibits participation by federal employees in partisan political activities.

The organization is particularly critical of a proposed bill—HR 10, The Federal Employees' Political Activities Act of 1977—as well as similar Senate legislation, S 80.

well as similar Senate legislation, S 80.

According to NTU, the proposals carried in these bills offer no solution and could prove "an administrative or political disaster."

NTC's position on this matter was spelled out in letters to Rep. William L. Clay, D-Mo., chairman of the House subcommittee on civil service, Sen. Abraham Ribicoff, D-Conn., chairman of the Senate Governmental Affairs Committee.

NTU research director Sid Taylor said that "opening the floodgates for political activity within the federal establishment is clearly not in the interests of the American taxpayer, good government or career-integrity for federal employees."

"Removing Hatch Act limitations on the political activities of career federal officials, executives, managers, supervisors and employees will create entirely new levels of administrative confusion, conflict of interest and corruption," Taylor said.

He added that the removal of such limitations would increase employee-management litigation and employee grievance case workloads throughout government—and would result in lowered employee morale, increased paperwork, diverted manhours and reduced work productivity.

Taylor contended too that the proposals would create "an entirely new federal bureaucracy in the form of a requirement for administrative law judges—possibly 50 or more judges at \$30,000 a year and up—merely to adjudicate alleged violations of the law."

The NTU also charged that there already exists "considerable political influence" within the federal government and accused the Civil Service Commission of not yet having established control over abuses in federal hiring, merit selection, recruitment practices, grade inflation or "buddy system promotion malpractices."

"These are all done at taxpayers' expense," he said. "Apparently, the Department of Health, Education and Welfare, for example, is about to be converted into an Old Soldiers Home for double dippers."

"These kinds of violations, abuses or malpractices would be tripled when political activities are added to the federally so-called merit, competitive selection, equal employment opportunity, process," Taylor said.

A CONDITION THAT NEEDS CORRECTING

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1977

Mr. JACOBS. Mr. Speaker, this story by Wendell Rawls, Jr. in the New York Times illustrates eloquently a condition that needs correcting by the Congress: 150,000 Get U.S. Salary as Well as Military

PENSION
(By Wendell Rawls, Jr.)

Washington, April 4.—About 150,000 re-

tired military personnel are working for the Federal Government, receiving both salaries and pensions in a practice that has come to be known as "double-dipping."

That figure represents an increase of 83 percent in the last three years, and it means that one of every seven retired military people now holds a Federal civilian job.

At a town hall meeting in Clinton, Mass., two weeks ago, President Carter joined the growing opposition to the practice by saying that he thought it was unfair to the taxpayers "to have someone go into the Army or Navy at the age of 21 and serve 20 years and retire at the age of 41, draw a substantial retirement benefit and then get a full-time lob working for the Federal Government."

job working for the Federal Government."
"It is called 'double-dipping' and I think it ought to be eliminated," he added.

The sharp increase in the number of "double dippers" in recent years appears to result from a combination of factors: Removal of restrictions on drawing dual compensation

from the Government, a growing number of retirees, difficulties of the retirees in finding jobs in the civilian economy, and a littlenoticed "buddy system" under which military officers and enlisted men find jobs for their colleagues as they retire.

The House Post Office and Civil Service Committee is investigating the practice and plans to hold hearings in about a month. Its investigators have discovered that the number of double-dippers is greater than the 141,817 reported in a recent study by the United States Civil Service Commission.

That study was based on 1975 statistics that did not include military retirees who are Congressmen, or those employed on White House and Congressional staffs, in the Central Intelligence Agency, the National Security Agency, the Tennessee Valley Authority, the Federal courts or the Board of Governors of the Federal Reserve.

According to the study, almost 80,000 retired military people have civilian jobs in the Defense Department and 35,000 others work in the United States Postal Service. The Veterans Administration employs 7,288 retirees, the Department of Transportation 3,585, the Treasury Department, 2,939, the General Services Administration 2,280 and the Department of Health, Education and Welfare 2,078

According to a House committee source, the average income of the retirees, combining salary and pension, exceeds \$20,000 a year. But for a group of 5,000 former regular officers, the average in 1975 was \$34.372.

Almost 1,600 military personnel "retired" to Federal jobs with salaries of more than \$30,000, and 800 of them have Federal jobs paying more than \$36,000 a year. For about 20 generals and admirals, the combined salary and pension in 1975 was more than \$65,000 a year. By comparison, the annual salary of the Vice President in 1975 was

From 1894 to 1964, there were limitations on how much military retirees could earn in combined salary and pension when they took civilian jobs in the Government. Over that period, the ceiling rose from \$2,500 a year to \$10,000. The military retirement plan provided that the pension benefits accrued at the rate of 2.5 percent of base pay for each year of service, and that a person could retire after 20 years with a pension equal to 50 percent of his highest base pay, or after 30 years with 75 percent of base pay.

Military personnel unlike participants in almost all other pension systems, public or private, do not contribute to their retirement fund. And a person who leaves the military with less than 20 years' service and enters the Federal Government in a civilian job for at least five years can add his military and civilian service time and retire with a pension computed on the total years of Government employment.

By contrast, Federal civil servants cannot retire with full pension until they reach 62 years of age or complete 30 years of service. They contribute 7 percent of their salaries to a pension fund. If they retire, then return to Government service, they forfeit their pensions.

The military's arrangement comes out of the Dual Compensation Act of 1964, which repealed the \$10,000 limit on combined pay and pension for military retirees who took civilian jobs in the Government. The reason given lifting the ceiling was that pay scales and pension benefits had climbed to such a point that many military retirees were losing some of their pension benefits. A \$50,000 ceiling was proposed, but it was rejected in favor of no limit at all.

EXCEPTION FOR OFFICERS

The lone exception was for retired "regular officers" who entered Federal service. They were restricted to receiving a set portion of their pension, now \$4,045.16, plus half of the balance. For example, Herbert Hetu, a 47-year-old retired captain, was a regular officer in the Navy whose pension is computed on 27 years of military service. He was recently named Assistant Director of Central Intelligence for public affairs, overseeing a staff of eight people, at a salary of \$47,500 a year. His gross pension is \$23,463.96 a year. But while he is working for the C.I.A., he may retain only \$13,754.52 of his pension, which, added to his salary, gives him an income of more than \$61,000 a year.

About 5,000 of the 150,000 military retirees in Federal civilian jobs were regular officers and warrant officers. The rest were reserve officers, reserve warrant officers or enlisted

As of June 1975, about 8,000 military retirees in civil service were younger than 40. About 65,000 were between 40 and 50 years old, and 58,673 were 51 to 60 years old.

Almost 80,000 of the retirees returned to civilian jobs in the Defense Department, doing work similar to what they had done in uniform. Generally, the retiree was aided in getting his civilian job by friends and higherups in the military. This is a process that has become known as the "revolving door," using a loophole in the Civil Service regulations called the "unassembled exam."

Here is how the loophole can be exploited:
A person facing military retirement decides in what Civil Service category he wants to be qualified. He prepares a statement of his qualification, sends it to the Civil Service Commission and is placed on the Civil Service register. His friend or superior officer prepares a "job sheet," which is a statement of the duties and requirements of a civilian job, tailoring it to the qualifications of the retiree.

A Civil Service personnel officer submits to the hiring officer a list of the top five candidates who meet the job specifications. The hiring officer can choose among the five, and he often chooses his friend.

Theoretically, the military retiree must wait 180 days before entering a civilian job in the Defense Department. However, the hiring officer can persuade the Civil Service Commission that his needs are urgent or that he needs an expert, specialist or consultant immediately. In fact, it is possible for a man to retire on Friday and return to his job on Monday as a civilian.

"The name of the game is to match up your qualifications with the job requirements," said one retiree in the Defense Department. "Sometimes it is handled so adroitly that a job opening is announced and the job is already filled."

This scenario applies only to civilian jobs from G.S. (Government Service) Level 7 to G.S. 18, the highest Civil Service level. Below G.S. 7, jobs are filled on the basis of examinations. And even there military veterans get grade-point bonuses that give them an

The military retiree has other advantages over other retirees, too.

Every year, he receives two pay raises, one through the built-in cost-of-living increases in his pension and the other through Civil Service salary increases. He also maintains his commissary and Post Exchange (P.X.) privileges, which enable him to buy food and other goods at a discount, and he gets free medical and dental care. When he retires from his civilian job, he can collect a Civil Service pension as well as his military pension, and after age 65 he gets Social Security—a triple dip.

curity—a triple dip.

Meanwhile, the military pension fund has a projected deficit of about \$200 billion, and the 55 other Federal Government pension funds have projected deficits that total \$350 billion. The Social Security fund has a deficit of more than \$4 trillion.

Sidney Taylor, a civilian retiree who has waged what amounts to a one-man war on double-dipping as researcher for the National Taxpayers Union, a small citizen lob-

by, says that he is not opposed to the hiring of retired military personnel by the Federal Government. He is, though, opposed to paying them both a salary and a pension while they are working. He has succeeded in getting some double-dipping Congressmenfor instance, Representative John J. Rhodes, Republican of Arizona—to return their pensions to the Federal treasury, and others—among them Senator Barry Goldwater, Republican of Arizona—to give their pensions to charity.

But there were 38 double-dippers in the last Congress, so military retirees have a strong lobby, and they are on record as opposing any change in what they regard as the Government's contractural obligation to them.

Traditionally the generous pension plan for the military offset the low salaries and was a strong incentive to keep people in military service. Today, the pay scales for the most part compare favorably to those in the civilian sector, the pension is virtually incomparable. Double-dipping after retirement from the military, the study by the Civil Service Commission makes clear, has become a lucrative way of life that attracts thousands of retired military personnel each year.

MANDATORY SENTENCING—CRIME CONTROL, NOT GUN CONTROL

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1977

Mr. ANDERSON of California. Mr. Speaker, my constituents are writing me each day apprising me of the increasing levels of crime in our cities and neighborhoods. They ask me: "What are you doing about this, Congressman?"

I write back and tell them about H.R. 1559, a bill to provide a minimum mandatory prison sentence of 5 years for anyone convicted of committing a Federal crime with the use of a firearm. The scenario then goes like this:

A. The constituent writes back supporting the bill and hopeful for its prompt passage.

B. Weeks pass and turn into months.
C. The constituent writes again, asking to be brought up to date on the progress of the legislation.

Then, Mr. Speaker, I am forced to reply that the committee with jurisdiction in the matter has not yet made any commitments regarding the measure and that I will keep them advised of its progress.

How long can I continue to tell my constituents this same thing, over and over and over. The time is long overdue to report this simply worded, yet decisively effective measure. It is time to create an atmosphere in which a criminal will clearly know that if he commits a crime with the use of a firearm and is convicted, then he is going to jail for 5 years. The judge would have no other option than to send him to jail. H.R. 1559 would be the law.

Mr. Speaker, I urge those Members of this House of Congress who have not as yet cosigned this bill to do so. Our constituents speak daily in support of this legislation. It deserves a serious consideration.

I include the following:

THE DISTRICT ATTORNEY,
County of Fresno, March 10, 1977.
Hon. Glenn M. Anderson,
U.S. Congress,
Washington, D.C.

DEAR CONGRESSMAN ANDERSON: I received your recent letter regarding HR 1559. In the last couple of years there seems to

In the last couple of years there seems to have been some activity in the field of criminal law that I would like to see take on the form of a ground swell. This activity is activity directed toward the strengthening of the criminal laws and the imposition of harsher sentences where certain types of crimes are involved. It is encouraging to see people such as yourself introducing legislation which will accomplish these ends.

It seems clear to me that the weight of public opinion in California as well as elsewhere around the country is heavily in favor of laws which will enable the justice system and penal systems to detain certain types of criminals in custody for a longer period of time thereby protecting society which has been consistently victimized by these criminals. When we talk in terms of the criminal using a firearm for the purpose of committing a crime we are talking about a violent crime being committed by a person who is violent or who certainly has all of the potential for violence.

I have personally read thousands of cases coming down from the appellate courts involving appeals by defendants convicted of crimes. In virtually every one of these cases constitutional rights are discussed. In none of these cases have I ever heard any appellate court justice or supreme court justice speak in terms of the constitutional rights of the victims of the criminals. It is my contention that every citizen in this country has an inalienable right to personal security. This is a right that those of us in government have all too often ignored. Along with that right of personal security is the right to demand that the government and its agencies protect that right as jealously as it protects the rights of the criminals who violate these rights.

I feel that your proposed legislation is needed and thank you for your efforts.

Very truly yours,

WILLIAM A. SMITH, District Attorney.

CITY OF COVINA, Covina, Calif., March 10, 1977.

Hon. Glenn M. Anderson, House of Representatives, Washington, D.C.

Six: Persons who fulfill personal greed or desires by jeopardizing the lives and health of other people belong in prison.

Citizens in many parts of this country are imprisoned in their own homes, imprisoned by fear of the violence on the streets outside.

I am very pleased with the intent of your proposed legislation to provide stiff mandatory sentences on those who use firearms in the commission of federal crimes. I believe it is the proper role of the federal government to provide the example to the rest of the nation that we will not tolerate this horrendous trend any longer.

I thank you for your efforts and pledge my full support on this legislation.

Sincerely,

MICHAEL J. O'DAY, Police Chief.

CITY OF PASADENA, Pasadena, Calif., March 11, 1977.

Re H.R. 1559. Hon. Glenn M. Anderson, House of Representatives, Washington, D.C.

It is encouraging to see your bill making progress in the House of Representatives.

For too long, the pleas of law enforcement have gone unheeded while deadly criminals stalk freely and plunder. The endless argument over gun control legislation has accomplished little but to muddy the waters of the real issue-that being whether or not a criminal should face mandatory punishment for using a gun during the commission of a crime.

Your bill would go a long way towards eliminating great disparities that exist in each state in regard to sentencing convicted felons. It seems that each area of the country treats the armed felon differently, often encouraging the criminal to use a weapon because he is confident that little will come of this deadly force.

H.R. 1559 faces a serious question with an

equally serious answer, removing all doubt and possibility that extenuating circumstances somehow will allow a criminal to walk free after committing a crime with a

The citizens demand such action, having suffered in recent years from a multitude of lenient sentencing practices that seem to ignore victims in favor of the rights of the convicted criminal.

Your bill places the burden of responsibility squarely where it belongs: on the shoulders of the criminal who has the option to use or not use a gun during the commission of a crime.

While many sentencing practices have been tried and proven not too successful in deterring crime, the one thread of hope for law enforcement and the public has been the certainty of punishment.

Length of a sentence, while it may hold some fear for a potential criminal, has been so castrated by the criminal justice system that the only remaining hope for us all is to insure that a convicted criminal will at least be forced to spend some time away from the society he plunders, giving some respite from vicious behavior.

It is time that crime victims' rights are upheld and those of the criminals modified back to reality.

Your bill deserves the fullest support of all law enforcement, and I personally pledge to assist your efforts in any way possible.

Hopefully, your colleagues in the House of Representatives and Senate share your concern for the human rights of our citizens and will take this opportunity to demonstrate their beliefs by joining with you in the passage of this fine legislation.

ROBERT H. McGOWAN, Police Chief.

CITY OF EL SEGUNDO, El Segundo, Calif., March 16, 1977. Hon. GLENN M. ANDERSON,

Long Beach, Calif. DEAR CONGRESSMAN ANDERSON: This department is in receipt of your letter dated February 28, 1977 and it has been reviewed

by my staff and I.

As a concerned law enforcement administrator, I whole heartedly support your bill anticipating that it will serve in the best interest of justice and provide a specific measure to address the issue of violent crimes committed with the aid of firearms. It is through the concerted efforts of legislators such as yourself that we can someday refocus our attention to the victims of these serious crimes and that the perpetrators will receive

swift and just penalties for their actions. Please be assured of my personal support in any future matters in this regard. Sincerely,

J. H. JOHNSON, Chief of Police.

COUNTY OF SAN BERNARDINO, San Bernardino, Calif., March 16, 1977. Re H.R. 2004 Hon. GLENN M. ANDERSON, House of Representatives,

Washington, D.C.

Dear Sir.: Thank you for allowing me to comment on your proposed legislation to take a hard line on people who commit fed-

eral crimes with a firearm. Although my office cannot prosecute federal crimes, we have some information which may be helpful.

In the abstract, most people will agree with the concept of law requiring prison for people who commit felonies with firearms. However, on a case-by-case basis, many situations arise where judges will simply not do it. There are a great many nonviolent federal felonies, i.e., theft of mails, counterfeiting, Dyer Act violations, smuggling of aliens, where a person may be carrying a firearm. Where the offender is relatively young, or quite old, or has an infirmity looked upon with great sympathy, a judge can use other methods to get around the mandatory prison requirement

However, in the long run your Bill will assist federal agents in placing dangerous persons in custody rather than back on society on a probationary status. If the Bill were confined to use of a firearm, omitting carrying a firearm, the Bill would receive better judicial support, thus eliminating some of the ways of "getting around" mandatory sentence legislation.

Sincerely.

JAMES M. CRAMER, District Attorney.

CITY OF GLENDORA, Glendora, Calif., March 17, 1977. Hon. GLENN M. ANDERSON, House of Representatives,

Washington, D.C.

DEAR SIR: I am writing to express my complete support for H.R. 1559 involving the minimum mandatory prison sentence for anyone convicted of committing a federal crime with the use of a firearm.

As you are aware, the crime rate in the United States has climbed continuously over the past 20 years and the incidence of violent crimes involving weapons has increased at a higher rate than crime in general. We have been involved in social experimentation during the last 20 years which has proved to be a failure and which has allowed criminals "be rehabilitated within their own neighborhoods.'

It is time that the criminal justice system put a stop to the use of firearms in the commission of crime by saying to the potential criminal we will not tolerate this. It is my opinion that we can only accomplish this by unequivocable stern action for those who commit crimes. Therefore, please be assured of my complete support for this bill which you have introduced.

Sincerely,

OLIVER B. POSEY, Chief of Police.

COUNTY OF MONO, Bridgeport, Calif., March 18, 1977. Hon. GLENN M. ANDERSON, Rayburn House Office Building, Washington, D.C.

DEAR SIR: In response to your letter of February 18, 1977, this is to inform you that we concur with the articulate statements of Ferris Lucas.

Sincerely,

N. EDWARD DENTON, District Attorney.

CITY OF MANHATTAN BEACH, Manhattan Beach, Calif., March 21, 1977. Hon. Glenn M. Anderson, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN ANDERSON: In my twenty-five years in law enforcement, it has been a source of amazement that crimes involving the use of firearms have burgeoned. It is my personal opinion the reason for this is that either the laws concerning such use, or the courts' application of such laws, are not strict enough to have a significant deterrent effect.

While it is true that in many areas of criminal activity, laws in general may not have a deterrent effect due to the nature of the acts; the laws involving use of firearms in crimes, however, most definitely would have a deterrent effect. I say this because with the exception of crimes of passion there is obviously a period of deliberation involved when a person arms himself and sets out to commit a crime.

At the risk of oversimplification, it would seem obvious that a strict law which the courts would be obligated to adhere in sentencing would most certainly have an impact on the problem of felonious crimes being committed by persons armed with firearms.

I most heartily endorse H.R. 1559 and commend you for your efforts in regard to this legislation.

Sincerely.

HUGH A. O'BRIEN, Chief of Police.

SAN FRANCISCO. March 21, 1977.

Hon. GLENN M. ANDERSON, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN ANDERSON: I am gen-erally in support of the concept of mandatory imprisonment for persons convicted of crimes committed with firearms. It is with some reluctance that I extend my support to such a concept because it is my firm belief that measures which altogether proscribe the exercise of judicial discretion are generally antithetical to the best interests of a fair judicial system. One need not con-template for too long to envision situations in which the imposition of a mandatory imprisonment sentence would do a manifest injustice both to a specific defendant and to

the larger society as well.

Nevertheless, the failure of the criminal justice system generally (and the judiciary specifically) to curb the extensive misuse of firearms compels strong, forceful action. Over 100,000 Americans were assaulted with firearms last year. That such a phenomena exists is unconscionable in a society which purports to be peaceful.

The experience with mandatory sentencing laws for crimes committed with firearms in both Florida and Massachusetts appears to have produced some success in reducing robberies committed with guns. Inasmuch as the last decade has shown that such successes in reducing high fear crimes are exceedingly rare, the legislation which you have introduced (H.R. 1559) may serve as an important symbolic step toward a strong societal condemnation of the intolerable level of firearm-related violence which permeates our society. Such a measure will go a long way toward increasing individual accountability for crimes committed with guns.

I would be happy to testify in behalf of this measure if my testimony will be of assistance.

Sincerely.

JOSEPH FREITAS, Jr.

CITY OF WHITTIER, CALIF., March 11, 1977.

Hon. GLENN M. ANDERSON,

Long Beach, Calif.

DEAR MR. ANDERSON: I have reviewed H.R. 1559 which you introduced with a number of co-sponsors. I feel this is an excellent bill and long overdue.

I feel one of the strong points of your bill is the fact that the sentence cannot be suspended and cannot be served concurrently with another sentence involving a federal crime.

Law enforcement is deeply grateful for your efforts in this matter, and I am certain that passage of bills such as this would af-ford a much higher degree of safety to our communities.

CXXIII-711-Part 9

Please contact me if I can be of further assistance to you.

Sincerely.

JAMES F. BALE, Police Chief.

MEDICAL FREEDOM OF CHOICE

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1977

Mr. SYMMS. Mr. Speaker, for over a year I have been promoting the idea that the Food and Drug Administration has seriously curtailed drug research, development and innovation and that the FDA's overregulation of drugs has denied the American consumer many new, life-saving drugs.

I have introduced the medical freedom-of-choice bill in this Congress in an attempt to relieve these problems. The medical freedom-of-choice bill repeals the "effectiveness" provisions from the 1962 amendments to the Food, Drug, and Cosmetic Act. The bill has already gained 87 cosponsors covering the entire political spectrum and has received tremendous outside support.

The following article from the April 13, 1977, issue of Medical Tribune and Medical News is simply another example of the urgent need to pass this legislation. Two of the most prominent physicians in America, Drs. Michael E. DeBakey and Raymond P. Ahlquist, describe the problems the FDA has created in the beta blocker drugs.

I urge my colleagues to read the following article and ask themselves why the United States has chosen to follow the disastrous path of regulatory overkill.

The article follows:

DRS. AHLQUIST, DEBAKEY ON BETA BLOCKER HOLDUP: "REWRITE FDA LAWS, CLEAR DRUGS"..."YOU CAN'T LEGISLATE SCIENCE" Dr. Michael E. DeBakey and Dr. Raymond P. Ahlquist, two of the world's leading medical scientists, have charged that newly-developed, lifesaving beta blockers and other new agents are being withheld from Ameri-

can physicians by FDA footdragging.

"Tested beta blockers, available in Europe, are still not available to the American medical profession," declared Dr. Ahlquist, whose fundamental work on beta blockade recently won him the Lasker award (MT, Dec. Nov. 3, 1976). "It's time to rewrite the laws," said the pioneer investigator. "We're getting more and more regulation from people who are totally unqualified to make regulations."

Broadening the issue, Dr. DeBakey, the world-famous cardiovascular surgeon, told Medical Tribune: "The patient in the United States is the only American without a constituency. The patient's ability to influence events affecting his health is probably less than that of any other American."

The blasts came in the wake of studies abroad finding that a new cardio-selective beta blocker, metoprolol, may be able to reduce by 50% the deaths from infarctions and ischemic heart disease suffered by hypertensives, offering the potential salvage of 100,000 lives a year in the U.S. (MT, March 23, April 6). Though metoprolol has been safely and effectively used by nearly a million patients overseas, the FDA is withholding approval. The seemingly irrelevant grounds are that "a" beta blocker is on the market—pro-

pranolol—a non-selective blocker; a question of tumorigenicity in "one or two" of the other known 20 beta blockers (but not metoprolol); and that metoprolol can be obtained on an emergency basis—for example, for patients who suffer respiratory effects and other intolerable side effects from propranolol.

CONGRESSIONAL REVIEW?

Drs. DeBakey and Ahlquist clearly view the metoprolol issue as only the latest example of FDA muddling amid this country's lag behind Europe in producing effective new

"It's time to place the spotlight of public scrutiny on the way FDA regulations virtually rewrite the law," is the way Dr. De-Bakey put it. "We're constantly told that the regulations are simply a means of implementing measures passed by Congress," he added. "But the fact is that the regulations are becoming increasingly more stringent and limiting than the law. I believe that Congress should review the way in which its laws are being translated into regulations." "There is no question," he added, "that a

"There is no question," he added, "that a lag is taking place in the availability of new drugs in the United States, compared to Europe. Propranolol itself was a case in point."

The pioneer cardiovascular surgeon stressed that he had no direct knowledge of metoprolol, but has been informed by cardiologists that it was a useful agent. The delay in approval of such drugs, he emphasized, illustrated the problems growing out of the constantly expanding, obstructive maze of regulations that serve to block, rather than expedite, the passage of useful new modalities from the research laboratory to the practicing clinician.

Turning to his own specialty, Dr. DeBakey observed that "the prosthetic artery, aneurysmal patches and other vascular prostheses would not be here today if we'd had to comply 25 years ago with current FDA regulations."

From Dr. Ahlquist's standpoint, a major cause of FDA delays in releasing new drugs is the agency's refusal "to accept the results of European experience."

"Propranolol had been used in England for the treatment of hypertension since 1965, but it was only in 1976 that the FDA authorized it for high blood pressure in the United States. There is nothing in the law, I believe, that says this is the only procedure that can be followed," the scientist declared.

"The issue at present does not simply center on metoprolol. The Swedes, for example, have been using 1-prepalol for 15 years, but it's still barred in this country."

Dr. Ahlquist, who is Professor and Chairman of Pharmacology, Medical College of Georgia, added: "The trouble is that you can't legislate medical science. The laws should be rewritten so that scientists, not bureaucrats. make the decisions."

REGULATIONS: AN OBSTACLE

Support for the views of Drs. DeBakey and Ahlquist came from other investigators with whom Medical Tribune talked. There was very nearly a consensus that FDA regulators are a major obstacle to release of safe and effective new compounds.

"One of the results of the FDA regulations is that costs of new drugs are skyrocketing, compared to prices elsewhere," said Dr. Eliot Corday, Clinical Professor of Medicine, University of California, Los Angeles. "I was involved in investigation of a new anticholesterol agent. It would have cost only a few pennies initially. By the time all of the FDA requirements had been met, the drug was costing the patient 80 cents a day. The effects of the regulations are felt, across the board, raising the costs of medical care in every area."

"The delays are extraordinary," declared Dr. A. N. Brest, Professor of Medicine, Jefferson Medical School, Philadelphia. "Propranolol was one case in point. Another was clonidine—I was one of the first investigators on clonidine. Do you know how far that goes back? Ten years!"

RESULTS OF THE QUESTIONNAIRE SURVEY OF THE 19TH OHIO CON-GRESSIONAL DISTRICT

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1977

Mr. CARNEY. Mr. Speaker, on February 15, 1977, I sent out approximately 155,000 questionnaires to the residents of my congressional district, which is the 19th Ohio District. In that questionnaire, I asked my constituents their opinions on some of the major issues facing our country, including the economy, the natural gas emergency, the environment, law enforcement, health, abortion, Government reorganization, foreign affairs, presidential actions, and others.

Approximately 19,200 questionnaires were completed and returned to me, many of them answered by both husband and wife. Mr. Speaker, the results of my questionnaire survey have now been compiled, and they are both interesting and significant. I am inserting those results in the Record at this time for the information and consideration of my colleagues in the U.S. Congress, as well as the President of the United States. The results of the questionnaire follow:

QUESTIONNAIRE RESULTS
[Answers in percent]
SECTION I—THE ECONOMY

 Which of the following policies do you favor to stimulate the economy? (check only one)

48

26

26

53

24

(a) tax cuts for individuals and businesses combined with a public service jobs program_____

(b) tax cuts for individuals and businesses with no public service jobs program

(c) an expanded public service and public works jobs program with no tax cuts.

2. Do you favor the passage of legislation guaranteeing jobs, either in the private sector or the public sector, for all adult Americans who are willing and able to work?

Yes ______ 65 No _____ 35

3. Do you favor a reduction in the overall level of Federal spending even if it means an increase in unemployment?

Yes ______ 50
No _____ 4'
SECTION II—THE NATURAL GAS EMERGENCY

4. Which of the following actions do you favor to assure an adequate supply of natural gas? (check only one)

(a) retain the present price controls on natural gas at the wellhead and have Federal regulatory agencies strictly control the natural gas companies

(b) deregulate natural gas prices and permit prices to be determined by supply and demand.

over the natural gas industry 23
5. Do you favor the creation of a utility stamp program, similar to the food stamp

program, to assist elderly and poor people	e in
meeting the high cost of utilities?	61
Yes	39
SECTION III—THE ENVIRONMENT	
Do you favor: 6. the use of Federal funds for resea	reh
and development of new automobile engithat would be energy-efficient, economi meet environmental standards, and red our dependence on imported oil?	nes cal,
Yes	50
No	50
 an increase in Federal spending for search and development of new ene sources such as solar, wind and geothern 	rgy
Yes	76
No 8. an income tax credit for the cost of	24 in-
sulating a family's principal residence?	67
Yes	33
9. low-interest, long-term loans to hor	me-
owners and builders for the purchase solar or wind energy equipment?	of
Yes	69 31
SECTION IV—LAW ENFORCEMENT	01
Do you favor:	
10. Legislation giving courts the power deny bail to persons charged with the co	to m-
mission of certain crimes of violence?	1182
Yes	86
11. Legislation to make the U.S. integence agencies (F.B.I., C.I.A., etc.) more	elli-
countable to the Congress without endanging their legitimate information-gather operations?	ger-
Yes	
No	. 22
SECTION V—HEALTH 12. Which statement comes closest to y	OHE
views about health insurance?	
(a) Congress should enact legislation es- tablishing a national health insurance	
program for every American covering	
nearly all health care services	
health insurance program that would cover only catastrophic illnesses term	1
hospitalization	31
hospitalization(c) Congress should leave the current health care system alone and rely on	
health care system alone and rely on private insurance companies to pro- tect the public against the rising costs	
of medical and hospital caresection iv—abortion	28
13. Which of these statements best scribes your views on abortion? (check cone)	
(a) amend the Constitution to pro-	10
hibit all abortions(b) permit abortions only when the	10
mother's life is in danger (c) permit abortion on demand	43 47
SECTION VII—GOVERNMENT REORGANIZATIO	N
Do you favor: 15. legislation to abolish the Electoral (Col-
lege and to provide for the election of President and Vice President by direct p	the
ular vote?	
Yes	91

16. legislation to require full public dis-

closure of all income, expenditures and activities of lobbylsts?

EXTENSIONS OF REMARKS
Yes 95 No 5
17. Congress granting broad powers to the President to reorganize the executive branch of the Federal Government?
Yes
Do you favor: 18. restricting U.S. military and economic aid to countries which violate basic human rights?
Yes 91 No 9
19. stricter safety standards for domestic and foreign oil tankers which transport oil to American ports in order to prevent pollution caused by oil spills?
Yes
20. giving up some of our sovereignty over the Panama Canal in order to insure friend- ly relations between the United States and Panama?
Yes
21. the U.S. Government speaking out against the repression of political dissidents in the Soviet Union, even if it might mean straining relations between the United States and the Soviet Union?
Yes
SECTION IX-PRESIDENTIAL ACTIONS
Do you favor the following Presidential actions?
22. President Ford's pardon of former President Nixon for any and all offenses Mr. Nixon may have committed against the United States during his years as President?
Yes
23. President Carter's pardon of the Vietnam era draft evaders who were not involved in a violent act?
Yes43 No57
SECTION X-GENERAL
24. Congressman Carney has introduced a bill to abolish the U.S. Postal Service as a private corporation, and restore the former U.S. Post Office as a department of the Federal Government. Are you in favor of such a bill? 77% yes, 23% no. 25. Are you in favor of legislation to allow parents an income tax credit for the pay-
ment of their children's college or vocational education beyond the high school level? 73%

26. In your opinion, what are the three most important national issues facing the U.S. Congress. List in the order of priority.

Percent 1. Energy research, development and conservation . 2. The economy and inflation_____ ment spending______National security_____ 6. Health care and health insurance_ 7. Crime Tax reform ... 8. Pollution and the environment___ 10. Trust and integrity in govern-Aid for the elderly_____ ------12. The congressional pay raise_____ 13. Welfare reform_____ 14. Other

ALL IS NOT LOST

HON. SHIRLEY N. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1977

Mrs. PETTIS. Mr. Speaker, while working in my congressional district during the recent Easter work period, I had the pleasure of attending the first annual Good Friday businessmen's breakfast in Palm Springs. This breakfast was sponsored by the Family YMCA of the Desert and the Palm Desert Chamber of Commerce on behalf of the Family "Y."

During this breakfast I had an opportunity to hear a most inspiring speech given by Mr. E. H. Clark, Jr., president and chief executive officer of Baker In-

ternational Corp., Los Angeles.

Mr. Clark is well-known across the country as a speaker, Christian businessman, and an active participant in the YMCA. I believe, Mr. Speaker, that my colleagues will find the following speech, entitled "All Is Not Lost," to be one of the most encouraging statements made on the importance of the family, and will join me in praising Mr. Clark for his efforts to bring this sorely needed message to the attention of the American people:

ALL IS NOT LOST (By E. H. Clark, Jr.)

Some two hundred years ago as this Nation saw its first dawn, the foundation of its strength was The Family. Families separated by miles or even hundreds of miles from the nearest neighbors, found that the need to feed, clothe and house that family bound all members together in a common need for each other. Father and son, mother and daughter, found common objectives tilling the fields, canning fruits and vegetables, building smoke houses, making clothes, making candles, and even making their own soap from lard and ashes. For generation after generation these same objectives continued to bind families together. No one really even contemplated the question of—"what will happen when we can clothe everyone, feed everyone, and have a roof over everyone's

By the early Sixties we had truly reached that point in the United States. We were now driving the second or the third car; unworn suits, dresses, and shoes hung in the closets; there was a main home, the mountain cabin, the beach hideaway: the liquor cabinet was full enough to destroy our liver; and even though we were becoming over-weight, the garbage disposal was probably the best fed thing in the house. With all these things, the common goal that had bound the family unit together had disappeared and for most, there was nothing to take its place. So, what were we to do with ourselves? For the adults the answer was easy—enjoy the fruits of what this Nation had labored for, for over 175 years. The good life became the order of the 60's for many who previously had known only depression, war rationing and post war semi-rationing as the United States rebuilt Europe. Japan and Russia.

But for the young people of the post war baby crop, this loss of family objective was devastating. They didn't need to work before or after school, they had all the clothes they needed, plenty to eat and somehow or other it never seemed to occur to many parents that what their families needed was guid-

ance as to what to do with themselves and what their goals in life were going to be. Too often when the kids came home from school, they found a note propped up by the phone with a \$50 bill enclosed saying, "We are going to a party and will probably be home late—here are the keys to the second car—enjoy yourself"—but doing what!! For 10 straight generations the basic human needs of food, clothing, and shelter had set life goals for father and son, mother and daughter, without anyone having to think about it, but for this, the 11th generation, the productivity of their collective fore-fathers had removed this "automatic" set-ting of family objectives. They were to become the first generation in the history of the world who could choose their own goalsand no one had taught them how. And-in most cases—their parents were not even aware that this was happening or certainly that it was a problem. Reactions within that 11th generation varied, but all were dramatic, and all caught the Nation and my generation totally by surprise. What happened divided the basic fabric of our society and of the family.

For some, the question of "but what shall we do?" was answered by hot cars, shoplifting for kicks, sex, alcohol and drugs and eventually hallucinations, fantasy, oblivion, coma and death. For some, the answer was destroy the system that put us in the posture of not having any goals in life, not feeling any identity nor any purpose. For some, the solu-tion was the return to simplified living via communes, to recreate the needs to till the soil with their own hands for food, to make their own clothes and to build their own houses. By such choice they retreated to a situation where their goals were set for them by the same survival needs from which the ten previous generations of Americans had taken their goals. For a few, all too few, came the revelation that adequate food, adequate clothing, adequate housing was the foundation from which the human spirit could rise to a new level of value-that of learning how to relate to your neighbor; of being able to really begin cleaning up the ecology of our world; of creating music, poetry and artistic beauties for which we had no time for before; and, yes, time to study and worship the God in whom we placed our trust. As my own family lived through these partly tragic, partly beautiful, but certainly historic times, the YMCA played a major role in helping us maintain our unity and love for each other through that period.

The YMCA really did not enter our family scene until after my release from active duty in the Korean War when we moved to Downey. Steve, our oldest son, then just under six years old, was sitting in the backyard looking through the sliding glass doors of one of our neighbors' houses. He was watching a bunch of grown men dressed in ridiculous headdresses and feathers generally sitting on the floor with a bunch of similarly dressed kids but occasionally getting up and whooping around the room like idiots. I asked Steve what in the world was happening. He said he did not know, but all of his play-mates belonged and loved it and before I knew it, I was hooked on Indian Guidesand, am I glad!

Because of the fact that my sons could not belong unless I did, I made room in my business schedule by juggling trlps and meetings as required to make each Tribe meeting. As a result of the program's format of scout reports, games, and handicrafts, my two oldest boys Steve and Ken emerged for the first time to me as personalities with very unique characteristics as opposed to just kids to be thrown up in the air and given tricycles and full stockings at Christmastime. The differences that I began to notice in these two boys, in their needs and

wants, and in their relationship with each other, changed my whole thought patterns and, in some ways, the patterns of the way that we allowed our different family activities to occur. As an example, being only 14 months apart, these two boys always wanted the same toys, the same food, the same friends, and battled continuously and competitively over almost everything. As you might guess, with 14 months making a difference of almost 25% in their age at the six-year old level, the younger had a difficult time in winning his share of the battles and very shortly it became evident to me that we had to force them to mix in different circles of friends to avoid this competitiveness; which we did with a very positive effect on their relationships.

This same opportunity to see each of our five sons as unique individuals was a continuing value from our Y Clubs. In Gray-Y, I saw the beginnings of leadership as each of the boys took their turn at leading the Gray-Y Club. They had to go through the agonies of trying to get 15 boys of varying backgrounds and opinions to decide what they were going to do and how they were going to do it. I can vividly remember that the goal of one of the clubs (in which Dan, No. 4 son was involved) was to try to brighten at least one day in each month for the hopelessly crippled children at Rancho Los Amigos in Downey. We used to hold our meetings with them and we used to play Bingo, an always popular game, using candy or small donations from the club treasury a Bingo prizes. One in our group would call out the numbers and others would place the markers on the cards for those kids who were paralyzed or in iron lungs. On one of our visits, we were in a ward where a young black girl, about 13 years old, had a tragic case of spastic palsy and could neither control her hands nor her saliva functions. None of the kids could quite brave the danger of being drolled on to put the beans on her bingo card. Without prompting, Dan sat down beside her and, with a Kleenex to clean his hands and her chin, they played bingo together for a full hour. As I saw that particular son last year-then a junior in college-with a beard, bushy sideburns. flappy jeans with ripped seams, (for which I have no great love), I saw past those outward signs that irritated me to see the same boy who sat down in Christian love with that little girl when no one else would. Neither disheveled clothes nor beard will dim that vision.

But, of all the experiences-at least for the young men of our family, camp counselling at YMCA camp has left its imprint of values on their personalities as has no other single event. For the first time, they were now really accountable for eight other human beings-for their safety, their cleanlifor answering the questions of what shall they do—and, all of a sudden, they found themselves saying, "Now, wash your teeth before you go to bed—clean up your bunk—change your underwear—say your prayers"—rather than hearing those same things. And, life took on an entirely different perspective and something happened from within to their attitude and their outlook toward me, toward their mother, and par-ticularly toward their younger brothers and sister that I had been unable to achieve from the outside with all of my persuasion.

But, I do not want to leave the impression that the values I have found in the Y have inured only to our kids. Many were very personal for me in my own business growth. As I began to work on YMCA boards and committees and got into a campaign to build a new YMCA in Downey, I found a whole new learning experience in leadership as quite different from by business experience where job security, promotion, bonuses, stock options, and pay increases, were normal motiva-

tional tools. I found that these motivations were not available in YMCA work. You could not wave a bonus or a promotion in front of people as an incentive. You had to work to-ward a common belief among people that what you were about to do was the right thing to do. You had to build together, a vision in people's minds that the effort was worth the time and sacrifice and that the values given to the family or the community truly made it a worthwhile goal. Thus, the whole concept of goal-setting and participation in the choices of setting goals for a higher level of achievement came into a new focus for me. I saw the way in which a common belief and a common purpose in groups of people could cause them to work together and share the joys of achievement together and began to try to use this knowledge in business endeavors to de-emphasize the paycheck and emphasize the values of what you are doing.

I also found that working with YMCA boys and girls was a particularly rewarding experience to me not only in learning how to break down the communication barrier between generations, but in learning to understand the value system of the contemporaries of my own children. As you might guess, I found this much easier to do with groups outside my family than with my own children. Frankly, I felt that such discussions with my own children might be perceived as probing, interrogating, or questioning, rather than exchanging ideas; but, principally, I was afraid that I might not do it properly and, in my ineptness, damage the relationship within our family circle. I sought out the opportunity to exchange ideas with both college students and high school students. I can remember one conference particularly, "Project Sunrise," put on by the Pacific Region of the YMCA for young men and young women at the college level. This was in the midst of the Vietnam War and shortly after the burning and bombing of the branches of the Bank of America. I was asked to participate on the subject of "How to effect change in our society and do so within the system." As I tried to enter the subject, it became obvious that I was going to get nowhere until this group of roughly 50 young men and women knew who I was, what my values really were, and had made a collective judgment as to whether I should be listened to or not. I had the unique experience of being asked how much money I made, how much I was worth, what was doing with my money, how did I feel about having money when people in some parts of the world were starving to death. In really dealing with some of my personal values in this sort of spotlight, I found that most of them remained reasonable and viable, even when twisted and turned and looked at from all angles. On the other hand, some of the benchmarks to which I had applied blind faith and assumed to be true turned out to be hollow shells when I tried to explain them, and I frankly went through a very shaking experience of discarding some of the things that for over 40 years I had held to be self-evident truths. Since that time I have worked at creating a recurring opportunity of testing my values with young minds, un-fettered by beliefs and prejudices of the

Within the last couple of years, I have finally "pluckered" up the courage to try within my own family circle some of the things that I have found to be extremely valuable in YMCA groups and in the business environment in which we try to work at Baker. Two years ago, we got our entire family together including all daughters-inlaw and grandmothers, to try something, the intent of which was to strengthen our family circle. Unfortunately, the death of a close friend of my mother's prevented her from

being there, but other than that, all of the living first-blood relatives of my wife and I were gathered for this particular occasion. With a list of some 60 human needs available as a thought provoker, each member of our family was asked to select from that list the five human needs most important to each at that particular moment in time. I might add that just the process of doing this, even if it is never shared, can be very valuable in sorting out what is important to you and what is not important to you and clarifying your current most important goals in life.

The objective of sharing this output with each other was very simple. In relating with each other, we could go out of our way to lend a helping hand on something that was important to each other if we only knew what it was that was really important to the other person. There are 11 of us involved in this exercise and the sheer openness with which the subjects were dealt had a dramatically strengthening effect on our family circle. I also found my blood virtually turning to ice water when I saw how many of the needs and most important wants of my family members could be tied back to the way things had happened within the family throughout the prior years and the impacts that we had had on each other throughout the prior years, and I could not help but think if I had only had the courage to try this earlier we could have been offering each other more of a helping hand over the years than had actually occurred.

I can tell you that this exercise caused a real change in my views and in my interacting with others. For example, one of my sons has gone into teaching and coaching within the Catholic school system where his financial opportunities are clearly limited. It was very important to him that the rest of the family members would not think less of him because he was turning his back on the financial side of life in favor of a teaching and coaching role which were very dear and important to him. I have subsequently tried to show my own support of the importance this role by conducting management training seminars for the administrators of our local Catholic high school and by teaching classes for that particular son as an outside resource person.

For another son, who is a political science major in college and very interested in our political system, I have involved him in the preparation of legislative testimony which I have given to Congress and even written his ideas (which improved the testimony) into the record. He accompanied me to the proceedings and ran the projector for the presentation.

For Grandma, where financial security is a key need, a lifetime trust endowment to supplement Social Security and income from personal assets was an easy and then obvious way to help her meet that need.

Frankly, what I am trying to say, is that during this trying period, my wife and our six children found the strength to climb over the hurdles of the protests, the generation gap, the hair gap, our oldest son going to Vietnam as a foot soldier, Watergate, and bribes in the same way that our founding fathers found their strength-from within the family circle. Only when we can do this within our families can we do it within our society, recognizing not only our own needs and wants but the needs and wants of our neighbors. We must harness the productive capability of this Nation to serve our needs and wants, not reject it as an uncontrollable evil. We need national leaders who have the vision to cause us to raise our sights from self-pity and condemnation of our society and cause us to begin to look at how we can help each other build a new layer of good upon the foundation that 200 years of effort by our forefathers has given us. We need cooperation particularly from the television media. They, too, have a social responsibility which rises above the Nielson ratings achievable by focusing on the tragedy of those who had in fact succumbed to the temptation of the times. When only this is shown over and over again, we come to wonder if the whole world doesn't stink! The T.V. camera seems to have been attracted to show in unrealistic magnified perspective, the spot on the rug rather than the beauty of the room. Jesus said, "Let he who hath no sin cast the first stone." We need to also look up to the glory of the heavens as well as our opportunities of this world and set new purposes and goals in life in a balanced perspective.

Easter is a time of reassessment, a time of renewal, a time for new vows. Let's vow to return to the strength that founded this Nation—the Family Circle—and rebuild that strength. From that strength and using the same skills, let's then reach out a helping hand instead of a mailed fist to our neighbors and rebuild the faith in each other that once welded this Nation together. Let us elect leaders who can give us a vision and National goals that will lead to fulfillment rather than frustration. Let us pass on a heritage to our grandchildren as good as the one we received from our grandfathers.

In order to do this, I feel we should consider adding something to a slogan which has been in existence for 200 years and is still printed on the coins we carry in our pocket today. That slogan now says IN GOD WE TRUST, and I think we should add to that another phrase which says AND NOW DEAR GOD, HELP US TO LEARN TO TRUST EACH OTHER

GENO BARONI'S WAR ON POVERTY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 19, 1977

Mr. RODINO. Mr. Speaker, I want to extend my personal congratulations to my dear friend, Monsignor Geno Baroni, upon his appointment as Assistant Secretary of Housing and Urban Development for Consumer Affairs and Regulatory Functions.

As a priest, director of the National Center for Urban Ethnic Affairs, and dedicated American, Geno Baroni has championed the cause of urban America; from the central cities to the neighborhoods; from so-called urban blight to the joy of experiencing the Nation's countless ethnic festivals. Geno's innovations and activities deserve our praise, admiration, and appreciation for an outstanding record in social and cultural achievements.

I would like to call the attention of my colleagues to an article in the Washington Post of April 16 which recognizes Geno's many accomplishments and his innovative approach to problem solving.

GENO BARONI'S WAR ON POVERTY

(By Eugene L. Meyer)

Before "Roots" became a best-seller, television series and national pastime, there was Geno Baroni.

Since the fabled melting pot boiled over in the racial and ethnic polarization of the 1960s, Geno Baroni has been talking about "who am I, the identity issue, the issue that won't go away, the issue of background."

won't go away, the issue of background."

For the 46-year old Catholic priest, roots
means neighborhood. Both are in these days,

suggesting that Geno Baroni may just be a man whose time has come Social activistcum gadfly to the liberal establishment, Baroni is moving into a new arena as assistant secretary of Housing and Urban Development for, according to his own job desription, "neighborhoods, non-governmental organizations and consumer protection."

"I don't think a lot of people understand what I'm going to do or where I come from," Baroni said recently. Where he's coming from is easier to understand, however, than how that translates into policies and programs at

HUD.

Like a veteran retelling war stories, Baroni reviewed his life and times over a hamburger at Trio's Restaurant, a neighborhood eatery around the corner from his National Center for Urban Ethnic Affairs at 1521 16th St. NW. Trio's is an informal place where his friend, the late Dr. George Wiley, launched the welfare rights movement of the 1960s. It was sort of a war room then, where social activists would meet to draw up strategies for change.

Like a battle tactician, Baroni drew circles and lines on any available scrap of paper to illustrate his points. It was like a nostalgia trip through a turbulent time that is only vesterday but seems light years away

yesterday but seems light years away.

He came from the coal mining region of Western Pennsylvania where his father, an Italian immigrant, worked for 47 years. "The Episcopalians owned the coal mines, the Methodists and Lutherans were the bosses, and the Italians, Hungarians and Appalachians, we dug the coal." he said.

"We all went to the same company store and the same public school, and the bosses' daughters were our teachers in the grade school. They were great Americanizers, you know. Melting pot. These are the foreigners kids,' you know. I didn't speak English until

I went to grade school."

He lived in the small mining town of Acosta, whose children "were looked down upon because we came out from the sticks on the school bus" to Somerset, the county seat, to become Americanized in "the Protestant school."

Baroni was ordained in 1956 from Mt. St. Mary's, a small Catholic college in Emmitsburg, Md., near the Pennsylvania border. He is now on the school's board of directors, along with Peter F. O'Malley, an Irish kid from Clinton, Mass., who is president of the Washington Capitols hockey team.

After a stint as a parish priest in working class neighborhoods of Altoona and Johnstown, Pa., Baroni came to Washington in 1960 to attend Catholic University, but there was a bureaucratic snafu and he wound up walking the streets of Shaw, in the inner city, and living at the St. Paul and Augustine Rectory at 1425 V St. NW.

Before the federal war on poverty, Baroni was becoming involved in neighborhood programs from the church as well as coordinating Catholic participation in the 1963 March on Washington for jobs and equality.

With the advent of the Great Society, he became part of a clerical mafia that dominated the District's politics of poverty. The group also included Walter E. Fauntroy, now D.C. Delegate to Congress, Channing E. Philips and others. "We were like traveling in a little pack," Baroni recalled.

The ghetto priest was pushing social programs for poor blacks his own family in Pennsylvania could not comprehend. His truck-driving brother-in-law would say, "We're making it. Why can't they?"

"We'd get into an argument," said Baroni, "and my mother would say, 'Shut up and stop fighting. It's Thanksgiving.' "Baroni's youngest brother, meanwhile, had gone to Vietnam. "He didn't relate to Abbie Hoffman, Angela Davis, Dr. King. He went off to war because my old man said, 'We beat Hitler. You're supposed to fight for your country,

America.' I say, 'This war is no good.' He says 'You ain't the President.'"

By 1968, the brother-in-law had been laid off, the antiwar movement was in full swing, 'and I was getting concerned about the alienation of Middle America—the alienation was economic, social, cultural, political—and wondered how was I ever going to get support for what I was concerned about, justice, poverty, the cities

"Here I come from the working class, and here I was in the gnetto," Baroni said. "At the same time in the 60's, there was kind of intellectual/minority thing going on. Some guy at Harvard gave a lecture. He said, 'Some of us up here are enlightened. Let's help the people at the bottom.' The people in between

were the enemy."

The 1968 assassinations and civil disorders deeply affected Baroni's thinking. "Here I was a white person in a black community. I became concerned about the relationship between white and black in the cities, about polarization between groups."

He began looking for the "bridge issues" that could unite ethnic whites and urban blacks and left 14th Street in 1969 in search of those issues in industrialized northern

cities.

"I was concerned about who was bearing the burden of social change, and who's going to shape and share the burden of social he said. In the 60s, these (white ethnic) people were the enemy. The intellectual, far liberal left began to make fun of them . . . So in 1972, here's Massachusetts and D.C. voting for McGovern. We went from the Lyndon Johnson landslide to the Nixon landslide."

Baroni founded the National Center for Urban Ethnic Affairs and, armed with public and private grants, initiated neighborhood programs in 45 cities. "I began to realize peo-ple live in neighborhoods. People got identity

from them," he said.

From his programs emerged new leaders, such as Rep. Barbara Mikulski (D-Md.) from Baltimore. The Neighborhoods United Project (NUP), a citizen lobby in close-in Prince George's County, also sprung from his efforts. In the five-towns area of Prince George's

next to the District line, he found, blacks and white were able to unite around community issues of transportation and health. didn't try to deal with the black-white thing right away," Baroni recalled. "The issue was stop the freeway, a bridge issue."

Forsaking the melting pot for ethnic pride, saving the neighborhoods-how do these ideas translate into HUD programs, under Baroni's "consumer" mandate? Baroni paused

to think about it.

"I intend . . . I hope to be part of the policy team in terms that will relate to the revitalization of the city," he said slowly, measuring his words. "I'm going to try to develop some programs, some small programs, just like I did at the Center, involving third parties, non-governmental groups, neighborhood groups

"See, neighborhoods have never been a part of urban policy. We ran freeways through them, right? We did urban renewal on them, right? We destroyed neighborhoods in order save them. Remember? It sounds like

Mr. Speaker, I am certain that my colleagues will join me in extending heartfelt congratulations to this man who has touched the lives of all Americans, and in wishing him continued luck and success in his new job. It is the good fortune of the Department of Housing and Urban Development and all citizens that Geno Baroni is on our team.

WHAT IS A SOLDIER?

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 19, 1977

Mr. MURPHY of New York. Mr. Speaker, I would like to place into the Extensions of Remarks an article from the March 14, 1977, Army Times. This is an article that I believe all should read.

WHAT IS A SOLDIER?

(By Col. Mike Malone)

CARLISLE BARRACKS, Pa.—The other day, I was giving a talk to basic and advanced course officers at Fort Harrison, Ind. I'd finished condemning the pernicious nature of the "civilian equivalency" theme, and about the uniqueness of the soldier. The question period began. A lieutenant asked: "Sir, would you please give us your definition of a soldier?"

I tried to wing it and define "soldier." I

didn't do worth a damn.

Many people have tried to define "soldier." Gen. C. T. Lanham did a real job with a beau-tiful poem, "Soldier," in Infantry Journal, in 1936. Some people define a soldier as a "summer chimney." Lately, congressmen have defined a soldier as a "civilian equiva-

Only a fool would try to actually write a definition of "soldier." But I'm going to take

a crack at it.

A soldier is . . . a boy, now a man, telling his ma, his father, and his brothers and sisters, and his girl that he's "going in" . . of silent young men sitting on benches in the recruiting station . . . promises of a boundless future, of stripes and bars, education, retirement, medical care, PXs and commissaries . . . many forms, signed with little comprehension and a world of faith the long ride on the Greyhound, and the loud, boastful, hollow, pitiful tales of touchdowns scored, and money made, and women conquered . . . a long and sleepless night in a strange hotel, with six men to a room, and government-paid breakfast, and more Greyhound

. . . The initial silence and uneasy jokes when the MP waves the bus through the gate of the first post, loud sergeants with clip-boards and lists of names ("You people git over there!") . . . the first, shattering look in the mirror after the barber, smirking, have done their deed . . . uniforms that will "shrink," or "you'll grow into" . . . the first, clumsy attempts to spit-shine a boot . the impossibility of carrying a duffle bag with the shoulder strap . . . the end of new, des-

perately needed friendships .

. . . The first ragged formation, the countless and incomprehensibe rules, the fear and insignificance . . . long rooms with posts down the center, and lined-up rows of lockers, and lined-up double-decked steel bunks with bare webs of wire springs, and lined-up, side-by-side commodes . . . schemes, arguments, threats and bargains about the relative merits of upper and lower bunks . the haughtiness of cooks behind serving tables in the mess hall . . . sad, lonely, aching, hot and wet-eyed homesickness, and the probing flashlight of the CQ, searching for the white towels on the bed foots of the KP detail . . . the quick flicker of time between lights out and reveille .

Heels and tendons aching from new boots, shoulders black and blue from the range . . . kickin' and stickin' and Maggie's Drawers, and constant threats, and break-time pushups, and the strange, new sound-snap!-of

rifle rounds passing close by overhead . . . exploring the first intriguing mysteries of C-rations . . . lips burnt on a hot canteen cup, the search for brass in the grass, and the droning voice in the tower, and the sergeants' chiny boots, . . . and raking sand, and painting rocks, and signs: "Fighting First," "Second to None," "Dirty Third," "Fearless Fourth"

The wonder, magic, and confusion of Army weapons and equipment ("Good morning, men. Good morning, Sergeant! Today we will cover the nomenclature and functioning of the M-IA1.") . . . huge mock-ups, charts, and scratchy movies of frostbite horrors and things venereal . . . the downright haunting beauty of Jody, sung by unseen troopers moving somewhere out in the dawn ("Jody's got your gal and gone"). . . sleeping on the springs with the mattress rolled, late on a Friday night . . . stencilled names put on clothing, backward, with too much ink . . . crying and crawling under barbed wire and bullets . . . the clenched fist and gritted teeth and animal urge to smash a fist into the face of authority .

Thin stationery with black and gold Army eagles, and air mail envelopes . . . long lines of young troopers by pay phones . . . proficiency tests and parades, and the stillness and impotence of pistol belts and 45's hung under fat officer bellies . . . pictures for the family with uniform, and American flag, and

a too-big hat . . .

The strength of a mother's hug . . . the wide-eyed admiration of little brothers and sisters . . . the dog, excited, wetting the rug . . . Dad, a fellow man . . . home-cooking . . . a contrived meaning for "S.O.S." . . . outrageous lies, war stories of mean sergeants, physical agony and special buddies . . . the strange feeling of driving a car again . . . excitement at a sweetheart's front door, the warmth, of the first kiss . . . pride in the uniform, and visits to the recruiter, favorite teachers, coaches, buddies and old hangouts . . . the inexorable, too-fast passing of squares on the kitchen calen-dar . . . the last supper, the manila envelope with records, and orders, and goddam unmanageable, awkward, sonofabitchin' duffle-. . last possible Greyhound . . darkness . .

Sergeants with clipboards . . . a payday night on the Neon Strip, country music and tough women with hard eyes, sateen skirts, and tiny, tatooed butterflies . . . a fight with civilians in a parking lot ("Man, I ran away from home when I found out my mother was a civilian!") . . . a little diploma, an MOS, another stripe, more orders, and the unfathomable, omnipotent mysteries of EDCSA, and TDN, and WPOA and RPTNLTNET . . . and again, the damnable dufflebag . . . home and sweetheart, and time passing, and goodbyes and a new post . . . the loss of identity, significance and personal worth at the replacement depot . . . the telephone bargaining for "good deals" by NCOs and officers . . . the new unit, the company sign with a smaller sign beneath ("NO AWOLS in 43 DAYS") . . . and outside the orderly room, the full-length mirror with a sign on the glass ("Soldier, Check Yourself") which gives the soldier personal significance and a gift of trust and confidence . . . and inside the orderly room, another sign which takes it all away ("A Unit Does Well Only Those Things the Boss Checks!")

Reveilles, and classes, and details, guard mounts, and guard posts . . . bitch sessions with the CO, who calls them something else . IG inspections, and pre-IGs, and pre-pre-Gs, officers and NCOs with endless checklists...paint, paint, paint...long weary hours of cleaning and shining, and extra equipment hidden in ventilator shafts...the disappointing, anti-climatic, one simpleassed question ("Where you from, son?") of the inspector . . . the tiny paper balls of field-stripped cigarettes . . . the smell of the inside a tent on a hot afternoon . . .

Man-holes in the ground ("... two by two by you") ... and grenade sumps, the strange, secret smell of deep earth and little, wiggly, inch-long things with a thousand legs and pinchers . . . the difference between a strad-dle trench and a slit trench . . . long night marches, red flashlights, the bite of shoulder straps, and feet up on packs at breaks . . .

Promotions . . . and the sweetheart now a wife, kids, a puppy, furniture from "Sears and Rawbutt," on time . . . more orders, long moves across the land in middle-aged, Fords and Chevys with loaded roof racks, wrapped in torn plastic, whipped by the wind . . . economy motels, hamburgers, sticky, grape-red jelly bread, and wet, smelly diapers, awful fusses, smacked kids, and threats of divorce neither meant nor believed . . . rents too high, quarters too small, sofa legs broken, treasures lost and movers anxious to leave "Just

sign right here") . .

Orders to a combat zone, a move to "home," and a leave filled with sadness, seriousness and love . . . goodbyes at the airport, wife trying to smile and dad, now gray, with eyes cast down, and breaking voice, and a little tremble in his chin . . . the sadness, the loneliness, thoughts of little children and a certain thing they once said, and a certain way they once looked . . . final processing at the POE, and shot records, dog tags, the awful agony of the last Stateside call, collect . . . the mighty Starlifter . . . a fa-miliar face in a nearby seat, and "where in the hell did we serve together?" and "did you ever know 'ole whasisname?" . . . box lunches with boiled eggs and apples and Milky Ways . . . the gift shop, snack bar and men's room at Midway . . .

A bright green land with great V-shaped

fish nets in the river-mouths, the curving contours of tiny rice paddies stepping down the sides of hills . . . shell and bomb craters, tracked vehicles, grasshuts, an airfield. and the skronk of wheels down at Pleiku . . the dazzle and the newness of an alien land, the long line of home-bound troops waiting to fill the still-whining Starlifter . . . another replacement center, and more of those phone calls ("... but General So-and-so told me I would be assigned to ..."), impersonal briefings, insignificance and long letter home . . . a morning formation, a list of names, a check on a roster, and a dusty bus down a dusty road to a base camp . .

Choppers with no doors and no seats, door gunners and black machineguns . . . fright-ening speed across the roof of the jungle canthe whop! whop! of rotor blades . . . troops on the ground, looking up, serious, busy, with longer hair and beard stubble, and fatigue trousers split open at the rear, and no drawers . . . a company commander with old-man eyes, maturity, authority and strength . . . Claymore mines, machetes chopping brush, troopers digging . . C-ration beans, cheese and "Loosiana" hot sauce . . nighttime animal sounds, whispers, distant artillery, the cold of the Central Highlands . . . fitful sleep, a column of dirty men moving out along a mountain ridge, bent under heavy rucksacks, eyes peering forward under the rim of helmets, green towel around the neck to wipe the sweat and ease the bite of shoulder straps... fingernails black and split, sleeves rolled up. dog tags and rosaries, crosses and bandoliers . . . the steel pot and on its camouflage cover the names and words of wisdom and fear, hope and love . . . Jesus . Janet . . . Mom and Pop . . . FTA . . . Ho Chi Minh is a rotten bastard . . . Shorttimer . . . Color me gone . . . God must love enlisted men cause he made so many of 'em . . . The column moving forward . . . near the

rear, a shorttimer, afraid to be up where contacts are made . . . up front alone, the pointman, moving down the ridge with the knowledge that some pointman would soon be in the sights of an NVA weapon . . . the young, lanky, flat-nosed, white-eyed black whose skill and courage as point was legendary ("Man, 'dey calls 'dat cat

The moving column and up front, the sounds of contact . . . at first, tentative, like firecrackers on the 4th . . . and then the staccato bursts, the thumps of grenades, and the building crescendo . . . excited voices on the radio ("John, get the hell up here!"), men dropping to their knees, rolling out of rucksacks, and moving forward behind NCOs . . . the gradual fade of the fire to the front, troops squatting, looking around, alert and afraid and big-eyed . . . the CO on the radio ("Ranger, this is 826 . . 3 NVA in a bunker . . . killed 2 . . . we got one KIA . . . request Dust-off to take him out") . . . dead little men in khaki clothes, and entrenching tools with whittled handles, and short black hair, and too-big helmets and too-long belts-troopers searching for pistols, and papers, and insignia, and souve-

A huge, jolting explosion close by, the firecracker sounds, and flashes everywhere in the predawn dark . . . the snapsnapsnap and the whir and whack of frag . . . men running, yelling and some groaning, flares popping above . . . the blue fireballs of NVA tracers, moving slowly at first, then zipping by . . . small dark figures coming forward, in ones and twos, up the hill, outside the wire . . . into the wire, through the wire, and into the bunkers . . and fire, explosions and the trembling earth and dust and great geysers of dirt, and boards, and boxes. and bodies, flying through the air . .

("Ranger! Ranger! My eyes . . I'm hit . . I can't see! . . please . . somebody help . . I can't see!) . . . ("This is 6.. the sonofabitches are up on the artillery bunkers... beehive the bastards!") . . . ("Grenadier, we got an awful fight going . . . I need all available air strikes . . . right now . . . get me nape and CBU") . . . ("816, get that damn company moving and get up here . . we got 'em in our bunkers!") . . . ("Jesus Christ! They're coming up behind us! . . they're goin' to cut us off!) . . . ("John, the CO's hit bad . . . send a medic and ammo . . . over by my bunker") . . . ("Where in the hell is that rocket fire coming from?") . . . ("Ranger . . . we got to pall back from our bunkers . . . I've still got some wounded there, but the little bastards are all over bastards are all over me . . I can't hold on here") . . . ("816, goddammit, where are you?" . .) . . . ("Ranger . . . this is Big Daddy . . . what is your present situation?") . . . ("3, I know we've got wounded in there now put the goddam Redleg right on the goddam bunkerline! VT... Now, goddammit!")...
("This is Tonto... I can't see your firebase...it's all fire and smoke and
dust...")... ("826! 826!")... ("Hummingbird, can you run that air right across the end of the gun-target line? . . . that's where the little bastards are") . . .

("This is Grenadier . . . we've got two

companies airborne and proceeding to your location . . . where can we put them in?" ("26 Alpha, we got to have ammo! ASAP!") . ("Pete, see if you can move those wounded up behind the CP") ... ("They got a flame thrower!") ... ("816, I moved the Redleg ... now work your way down the bunker line . . lot of 'em in there . . . be careful!")
. . . ("6! 6! They're right in the next bunker!
. . They killed Jackson!") . . . ("3 Alpha's hit in the belly, but he's still sitting there running air strikes . . .") . . . ("Ghostrider, you got guts . . if you can't see the pad,

can you see our flag? . . . Drop the ammo right on it! . . .") . . . ("Well, kill the little bastard if he's in there!") . . . ("Ranger, they're pullin' back!") .

Dawn at last, exhaustion, and "victory . the grotesque, everywhere clusters of ragged dead enemy outside and inside the wire . . . and big Tiny crushed under fallen, timbers in a bunker . . . and 'ole Smitty, who enlisted to fight a second time for his country, lying there trembling, with one eye gone and his hand reaching out . . . and the hand-some recon platoon leader, "Steve the Stud," blown to hell by a rocket . . . him and his Doc, too, when the final reserve of medics and radio operators and headquarters guys had gone, without question, to help Com-D . . . the strange smell of belly wounds, all the bloody bandages . . . the dead troopers silent and still under ponchos . .

Shot-up companies dragging their weary, worn-out asses aboard the birds . . . the rear areas, rest and refit . . . jungle and rain, mines, ambushed convoys, the red dust and tall bamboo of Pleiku, and Dak Pek, and Dak To . . . and still more, day after day with time growing short, odds running out, dies dead or medevacked . . . the always-dreaded shout ("Incoming!") captured NVA with Time magazine articles . . . and "the Day," suddenly here, the quick goodbyes, shucked equipment, the relief, the hot

shower with gallons of water.

A dusty, mildewed, khaki uniform, unworn for a year, still starched, a handful of PX treasures, a black-faced Seiko, a footlocker, that damned dufflebag, orders . . . Nha Trang, and the Starlifter . . . Kansas City, and St. Louis, and Atlanta ("Man, if you die and go to hell, you gotta change in Atlanta!") . . . the shronk, the bags, cab, the street, and

the house . . . Shrieking, flying, socks-down children, screen doors banging, and somehow, four little, precious people held tight, fiercely and long . . . and a tired head, with a little gray pressed into soft tummies, and filled with nothing but boundless joy . . . and big brown eyes, with tears . . . and once again, as years ago, the warmth, wonder, the softness, fragrance, dizzy feeling of the first kiss unintelligible, excited, simultaneously-jab-bered stories of school, scouts, drum majorettes, the neighbor's dog . . . and more talk, bedtime, kids asleep, an endless night of soft talk, moonlight, touches, sweet tears of thankfulness, and the pent-up love of a thousand thoughts and dreams . . .

A clear blue morning, a yellow school bus, and an apple green housecoat, hot black coffee . . . elbows up on the kitchen table. and the first, tentative plans for the next move . . . and . . . and if all these wondrous things, which thousands of us share in whole or part, can-by some mindless "logic" of a soulless computer programmed by a witless pissant ignorant of effect—be called "just

another job,' then I'm a sorry.

That's the best I can do to define a soldier.

FINANCIAL STATEMENT

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 19, 1977

Mr. SIMON. Mr. Speaker, each year I disclose my income, assets, and liabilities in detail and for the year 1976 I have made public these figures once again I am attaching for insertion in the RECORD the press release as well as the details of my personal financial status.

EXTENSIONS OF REMARKS

SIMON ISSUES 22ND ANNUAL COMPLETE PERSONAL FINANCIAL STATEMENT

WASHINGTON, D.C .- For the 22nd consecutive year, Rep. Paul Simon, D-Ill., issued a complete personal financial statement Thursday (4-7-77), along with financial statements for the six members of his staff who earned more than \$15,000 in 1976.

Simon's 22-year practice of disclosing the income, assets and liabilities of his family spans the entire length of his service in the Illinois House and Senate, as Lt. Governor of Illinois and as Congressman from the 24th District. It is believed to be the longest period of disclosure for any public official now serving in the United States.

The financial statement shows that Simon and his wife Jeanne had gross earnings of \$64,581.47 in 1976. In addition to salary, the figure includes interest and stock dividends; honoria for speeches; reimbursement for travel, food and lodging expenses; book royalties; payments for magazine articles; rental income; and miscellaneous items.

The statement also shows assets of \$236,-917.53 and liabilities of \$125,581.75, for a net worth of \$111,335.78.

"I've been making these statements for over two decades," Simon said, "because I think it's the best way for the public to decide for itself whether a politician has any conflicts of interest.

"The recent ethics legislation adopted by the House requires more complete financial disclosures, but still not as much detail as I include in my statements. I hope that eventually we will require disclosure statements that include a member's family, so that the people who have put us in positions of public trust know all the facts about our state-ments and income."

The staff disclosures issued with Simon's statement continue a practice he began as Lt. Governor in 1969, when he became the first state official in the nation to require such disclosures of his staff.

THE 22D ANNUAL FINANCIAL STATEMENT OF CONGRESSMAN PAUL SIMON, 24TH DISTRICT, ILLINOIS

1976 INCOME: CONGRESSMAN PAUL SIMON AND FAMILY

Income of Paul and Jeanne Simon: Salary, U.S. House of Representatives, \$44,600

U.S. Treasury, official travel, \$6,826.33.

Rent, Carbondale home, \$2,275.
Paul Simon for Congress Committee, campaign expenses reimbursement, \$1,853.58.

Lutheran Council in U.S.A., travel reimbursement, \$86.48.

CROP, travel reimbursement, \$85.

Assn. of Lutheran Secondary Schools, honorarium,* \$200.

IMPACT (volunteer religious groups), honorarium, \$100.

Refund from insurance, Ozburn Agency, \$126.

Mid-America Press Institute, travel reimbursement, \$150.

Illinois Times, magazine article, \$15. New Republic, magazine article, \$75. Refund from Clark Oil, \$17.42.

Eureka College, honorarium,* \$376. University of Rhode Island, honorarium,

\$200. Illinois Education Assn., honorarium,*

Harvard Institute of Politics, travel reimbursement, \$153.15.

Sangamon State University, honorarium,*

Barat College (Jeanne), honorarium,*

Hartigan for Lt. Governor (Jeanne), reimbursement for campaigning expenses,

*These honoraria include reimbursement for travel.

Interest on certificate of deposit, Bank of Maryland, \$19.17.

Alabama Democratic Conference, honorarium,* \$250.

Missourians for Litton, travel reimbursement, \$207.

Concordia Publishing House, article, \$50. Concordia Lutheran School, honorarium,*

Atlantic District Lutheran Church, honorarium,* \$250.

National School Boards Assn., honorarium.* \$500.

Iowa District Lutheran Church, honorarium, * \$318.35.

Columbia Journalism Review, for completing survey form, \$1. Lincoln Memorial University, travel reim-

bursement, \$497.48.

St. John's Church, Forest Park, Illinois, honorarium, * \$100.

Sign, magazine book review, \$100. Union United Methodist Church, Belleville, honorarium, \$100.

Illinois Lutheran Women (Jeanne), hon-orarium,* \$173.

Southern Illinois District Lutheran Church, honorarium, \$75.

Lutheran Church of the Cross, Rockville, Md., honorarium, \$30.

Howard University, expenses reimbursement, \$120.10.

CONFEDEX, Conference of Educational Executives, honorarium, \$100.

Book royalties, \$2,878.16. Carbondale National Bank, interest, \$25.94. General American Life, interest, \$39.14 Citizens Savings & Loan, Silver Spring,

Md., interest, \$13.21. University Bank, Carbondale, interest, \$3.14.

Polish National Alliance, interest, \$2. Mobil Corporation, interest, \$3.87.

(The following entries are all for dividends on stock holdings:)

Book of the Month, \$85. Adams Express, \$120.12. AT&T, \$8.

Bethlehem Steel, \$10. Brunswick, 50c.

Chrysler, 60c. Crown Zellerbach, \$10.80. Fruehauf, \$7.20.

Lear Siegler, \$4. Maremont, \$11.67.

Mass Inv. Growth, \$54.39. National Aviation, \$90.09.

National Fund, Wts., \$.90. National Stl. Corp., \$5. Norton Simon, \$5.80.

Pepsico, \$4. Ralston Purina, \$4.80.

Scott Paper, \$2.88 .

Texaco, \$28. United Merch & Mfg., \$6.40. Warner Lambert, \$4.

Westinghouse, \$3.88. Gulf & Western, \$.60.

Harper & Row, \$5.20. Borg Warner, \$28.25.

Ludlow, \$20. Fairchild, \$2.40. Marcor, \$3.

Total 1976 income, Paul and Jeanne Simon: \$64,581.47.

NOTES

(1) Gifts with a value of more than \$25. Last year I publicly stated that I would list all gifts with a value of more than \$25 as part of my yearly financial statement. The gifts I received in 1976 valued at more than \$25 were:

(a) A book from the Government of Can-ada, given to all members of Congress, com-memorating the friendship of Canada and the U.S. on our Bicentennial, value not known

(b) A framed replica of the Emancipation Proclamation, presented to me by the members of my campaign committee, value not known

(c) A print of a Crab Orchard scene, presented by the artist, Herb Fink, value not known

(d) Martin Oil Co. sign to my son Martin, value not known Other gifts (except from family members) with a value of more than \$25 were returned

(2) Stationery allowance. Through 1976, members of Congress received \$6,500 per year for stationery and office supplies, an amount the law permitted them to keep as personal income if expenses amounted to less than that. I used none of that amount as personal income. In fact, in my case, our office expenses exceeded my allotment by \$1,763.81.

(3) Refund balances. During 1976 I also cashed in refund balances in the following amounts:

(a) General American Life, \$840.57 (b) Illinois Teachers Retirement, \$2,562.88 Income of children, Sheila and Martin

Sheila: Total of \$135.04, including interest from Citizens Savings & Loan of Potomac, Md., \$8.79; interest from United Savings & Loan of Troy, Ill., \$23.33; interest from Carbondale Savings & Loan, \$12.72; dividends from Ford Motor Co., \$2.80, and AT&T, \$7.40; and babysitting income (est.), \$80. Martin: Total of \$97.07, including interest

from Citizens Savings & Loan, \$3.68; interest from United Savings & Loan, \$23.19; dividends from Ford Motor Co., \$2.80, and AT&T, \$7.40; and lawn-mowing income (est.), \$60.

STATEMENT OF THE ASSETS, LIABILITIES, AND THE NET WORTH OF PAUL AND JEANNE SIMON

(As of Jan. 1, 1977)

Assets

Bank of Maryland checking account balance, \$31.

House of Representatives checking account balance, \$287.85.

University Bank of Carbondale savings account balance, \$64.39.

Citizens Savings & Loan of Potomac, Md.,

savings acct. bal. \$110.24. Carbondale National Bank savings account balance, \$538.16.

U.S. Savings Bonds, \$318.75.

General American Life Insurance, cash value, \$2,393.07.

Polish National Alliance insurance, cash value, \$768.20. Congressional Retirement System, cash

value, \$6,693.77. Ill. Gen. Assembly Retirement System, cash

value, \$16,233.10.

Residence, 511 W. Main, Carbondale, \$40,000.

Residence, 11421 Falls Road, Potomac, Md., \$126,000.

1976 improvements to Potomac home, \$15,828.

Furniture and Presidential autograph collection, \$15,000.

1965 Ford Mustang, \$150.

1974 Chevrolet, \$2,000. (Following are stock holdings, with number of shares after name of company:)

Book of the Month, 75, \$1,481.

Hardees, 40, \$375. Ludlow, 50, \$388. Borg-Warner, 20, \$605.

Harper & Row, 10, \$95. Massachusetts Investors Growth, 49, \$692. Mutual Real Estate, 25 (approx. value)

Gulf & Western, 1, \$18. Norton Simon, 7, \$150.

Norton Simon, preferred, 1, \$43. Adams Express, 132, \$1,664. Nátional Aviation, 117, \$1,872. American Telephone & Telegraph, Pre-

ferred, 2, \$132.

Bethlehem Steel, 5, \$203.

Borman's, 8, \$25. Brunswick, 1, \$15. Chock Full of Nuts, 10, \$31.

Chrysler, 2, \$41. Crown Zellerbach, 6, \$270. Curtis Publishing, 2 (approx. value) \$2. Fairchild Industries, 8, \$78. Fruehauf, 4, \$110. Lear Siegler, Preferred, 8, \$114. Maremont, 13, \$229. National Inds., 3 warrants, \$21. National Inds., Preferred, 1, \$11. National Steel, 2, \$89. Pepsi Cola, 4, \$313. Ralston Purina, 4, \$212. Rohr Industries, 3, \$18. Scott Paper, 4, \$82. Texaco, 14, \$385. United M&M, 8, \$90. Warner Lambert, 4, \$124. H. R. Weissberg, 5 (approx. value) \$5. Westinghouse, 4, \$68. Jet-Lite, 120 (approx. value) \$300. Mobil debenture bond, 81/2 percent, \$100. Total assets: \$236,917.53.

Liabilities

University Bank of Carbondale, Carbondale house loan, \$15,908.21.

University Bank, personal note, \$8,667.50. National Bank of Washington, note, \$5,000. First National Bank of Collinsville, personal note, \$6,500.

F. Hurley, personal note, \$3,550. National Savings & Trust, personal note, \$23,000

Notes on Potomac house:

Mr. & Mrs. Thomas Fischer III, Pennsylvania, \$50,601.96.

Weaver Bros. Mortgage Brokers, \$12,354.08. Total liabilities: \$125,581.74.

Net worth

Assets: \$236,917.53. Liabilities: \$125,581.75. Net worth: \$111,335.78.

Assets of children, Sheila and Martin Simon

Sheila:

AT&T, 2 shares, \$126. Ford Motor Co., 1 share, \$60. Carbondale Savings & Loan, \$250.35. United Savings & Loan, Troy, \$472.66. Citizens Savings & Loan, Potomac, \$222.23. Israel Bond, \$100.

Total: \$1,231.24. Martin:

AT&T, 2 shares, \$126.

Ford Motor Co., 1 share, \$60. United Savings & Loan, Troy, \$469.62. Citizens Savings & Loan, Potomac, \$27.40.

Israel Bond, \$100. Total: \$783.02.

FINANCIAL STATEMENTS, STAFF OF CONGRESSMAN PAUL SIMON

(Submitted to Congressman Simon in April 1977)

Margaret Bergin, Administrative Assistant

1976 income other than government: dividends from Baxter Laboratories, AT&T, Reliance Electric Co., Mead, General Public Utilities, El Paso Natural Gas, Virginia Electric Power, totaling approx. \$450; interest from Farm & Home Savings and the Congressional Employees Federal Credit Union, totaling about \$210.

Sources and amounts of indebtedness over \$500: Community Bank of West Frankfort, 84.000: Congressional Employees Federal Credit Union, \$1,800.

Stocks and bonds owned: AT&T, Mead, Baxter Laboratories, El Paso Natural Gas, Virginia Electric Power Co., American Motor Inns, General Public Utilities, Reliance Electric Co., totaling approx. \$20,000; shares in Congressional Employees Federal Credit Union, \$6,890.

Property owned: one-third interest in a 133-acre farm in Midland, Va., with farm house and barn, purchased in 1972 and valued at approx. \$77,000 total value. Ray Johnsen, Office Manager-

1976 income other than government: Troy

Publishing Co. stock sale, \$3,000 (80.74% capital gains, \$2,422.20); rental income from home and apartment, Troy, Ill., \$2,922.84; General Motors, Inc., dividends, \$59.69; General American Life Ins. interest, \$102; Metropolitan Life Ins. interest, \$16; Troy Tribune interest, \$300; Congressional Employees Federal Credit Union interest, \$16; and Roodhouse Record, Inc., dividends, \$180.00 (all totaling \$6,589.53.)

Sources and amounts of indebtedness over \$500: Washington & Lee Savings & Loan, Congressional Employees Federal \$52,300;

Credit Union, \$1,400.
Stocks and bonds owned: Congressional
Employees Federal Credit Union shares,
\$147.74; 100 shares of Cottonwood Junction, \$10,000; 17 shares of General Motors, \$1,045; 15 shares of Roodhouse Record, Inc., \$1,500; and Series E Bonds, \$318.75 totaling \$12,692.75).

Property owned: State of Illinois Employees Retirement System, \$1,772.01; real estate, Arlington, Va., \$95,000; real estate, Troy, , \$30,000; household furnishings, \$15,000; 1974 Chevrolet, \$2,500; 1975 Volkswagen, \$2,500 (totaling \$147,090.76).

Terry Michael, Press Secretary— 1976 income other than government: None. Sources and amounts of indebtedness over \$500: None.

Stocks and bonds owned: Congressional Employees Federal Credit Union shares, \$450.
Property owned: "73 Oldsmobile, \$1,800; household goods, \$1,200.

Paul Gayer, District Assistant-

1976 income other than government: Bank of Ziegler interest, \$14.28; Metropolitan Life Ins. Interest, \$14.28; First Community Bank of West Frankfort interest, \$834.54; Civil Service annuity payments, \$1,338.00; Ben-ton Community Bank Interest, \$165; and National Investors dividends, \$142.

Sources and amounts of indebtedness over \$500: auto loan, Bank of Ziegler, \$3,227.66. Stocks and bonds owned: Series E Bonds, 140 shares of Gayer Investment \$3 181 63:

Corp., \$7,100.

Property owned: house and lot, 201 Station SL., Ziegler, \$10,000; two-thirds interest in 6-acre lot, Grant & Maryland Streets, Ziegler, \$4,000; vacant lot, 215 Church St., Ziegler, \$300; two-thirds interest, vacant lot, 217 Church St., Ziegler, \$300; two-thirds interest, vacant lot, 201 Church St., Ziegler, \$690; two-thirds interest, 5-acre lot, Penn St., Ziegler, \$4,000; second mortgage on lot and home in Herrin, \$2,500; first mortgage on 5 acres and house east of West Frankfort, \$12,000; household goods, \$4,000; 1976 Lincoln, \$8,000; 1974 Chevrolet truck, \$2,500.

Allen Cissell, Legislative Assistant—
1976 income other than government: in-

terest on savings deposits, \$500; income from sale of property, \$2,892.21.
Sources and amounts of indebtedness over

\$500: City National Bank of Murphysboro, \$943.76.

Stocks and bonds owned: Congressional Employees Federal Credit Union, \$9,530.40; Southern Illinois University Credit Union, \$1,085.74; stocks, Zurn, Humana, Marriott, Vindale, Kemper Municipal Bond Fund totaling \$1,899.22.

Property owned: 1974 Pinto station wagon, \$2,800; furniture and household goods, \$7.000.

Ray Buss, District Assistant-

1976 income other than government: rental income, \$10,200; salary from Mike Howlett for Governor Committee while on leave of absence from Cong. Simon for six months, \$15,000.

Sources and amounts of indebtedness over \$500: mortgage, Carbondale Savings & Loan, \$57,750; mortgage, Mary Licos, \$10,500; personal loan, Salem National Bank, \$8,000; University Bank of Carbondale, \$3,700.

Stocks and bonds owned: None. Property owned: apartment house, \$100,-000; 1975 Dodge, \$3,500; household furnishings, \$5,000; sheepdog, \$100. THE MILLION DOLLAR DOCTOR

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 19, 1977

Mr. DRINAN. Mr. Speaker, in Febthe administration announced that it wanted the costly and controversial Uniformed Services University of the Health Sciences abolished Termination of this project this year will result in a savings of \$118 million over the next 5 years with further savings each year the university is inactive.

In the supplemental appropriations for fiscal year 1977, H.R. 4877, the Senate has included \$12,465,000 for military and civilian personnel costs at the university. In each of four amendments which are reported back to the House in technical disagreement, the Senate has made funds available through fiscal year 1978 "to eliminate uncertainty over the future of the medical university."

Under the House rules language in a supplemental appropriations bill providing funds to be available until the end of the next fiscal year is conceded to be legislation in an appropriations bill and out of order. The House managers for H.R. 4877 will offer a motion to recede and concur on these amendments. I urge my colleagues to vote "no" on those motions both because this advance funding violates House rules and because of strong arguments against this continued expenditure.

BACKGROUND In 1971, the then chairman of the House Armed Services Committee, Hon. Edward Hébert, reported H.R. 2, the Uniformed Services Health Professions Revitalization Act, to the House floor. Although there was some objection raised at that time based on the cost of maintaining the university, the measure passed and provided for a military medical school as well as the Armed Forces health professions scholarship program. It was intended that the university when operating at full level would produce 175 graduates yearly and the scholarship program authorized 5,000 scholarships at any one time for training in accredited institutions leading to degrees in medicine, dentistry, and other health professions. The university admitted its first class of 32 students last fall and has accepted another 68 students this year. It is not expected that it will be operating at a full level until 1984.

The report filed with H.R. 2 in 1971 made note of the problem in retaining physicians in the armed services in the context of what was then seen as a critical shortage of physicians nationally and a growing concern about reliance on foreign-trained doctors. The intent of the 1971 act was to overcome physician shortages in the Armed Forces which resulted from the end of the doctor draft.

Some of those fears have been assuaged fact. The Journal of the American Medical Association in December of 1976 reported statistical data showing that during the academic years 1957-58 to 1975-76 the number of M.D. graduates of U.S. schools accelerated from 6,861 to 13,961. This continued growth is projected to 1980-81 when 15,512 are expected to graduate—an increase of 11 percent in just 4 years.

In the Findings and Declaration of Policy stated in Public Law 94-484, the Health Professions Educational Assistance Act of 1976 it is noted that:

The Congress further finds and declares that there is no longer an insufficient number of physicians and surgeons in the United States such that there is no further need for affording preference to alien physicians and surgeons in admission to the United States under the Immigration and Nationality Act.

Through enactment of Public Law 94-484, the Congress stated its recognition of the problem of physician distribution as opposed to supply. I do not intend to imply that this act addressed directly the matter of military physicians but only to point out that we no longer envision a critical shortage of physicians in the future.

The legislative history of the authorization and funding acts for the University is marked by continued debate centering around whether this undertaking is the most cost-effective method of procuring military physicians. The Defense Manpower Commission, the General Accounting Office, and the House Appropriations Committee surveys and investigations staff have all concluded that the University is an unjustifiably costly method of meeting current and future procurement goals for military medical personnel and each recommended that the project be terminated.

THE DEFENSE MANPOWER COMMISSION

In May of 1975 the prestigious Defense Manpower Commission which was appointed by the Congress to "conduct a comprehensive study and investigation of the overall manpower requirements of the Department of Defense on both a short-term and long-term basis" stated:

Notwithstanding the minimal start-up expenditures that have already been made, the Commission recommends that (1) the Uniformed Services University of the Health Sciences approach be terminated; and (2) utilization be made of existing scholarships, subsidies and bonus programs as a more cost-effective way to meet current and future procurement and retention goals for military medical personnel of high quality.

The Commission reached its conclusion on estimates that a university graduate would cost between \$150,000 and \$200,000 to train whereas a scholarship program graduate would cost about \$34,000.

THE GAO REPORT

In May of 1976 the General Accounting Office submitted a comprehensive cost-effectiveness study of the university and scholarship program to the Congress. The GAO analysis showed that in 1984, the first full year of simultaneous operation of both programs:

First. The estimated educational cost will be \$36,784 for each of the 988 graduates of the scholarship program and \$189,980 for each of the university graduates.

Second. The estimated educational costs per staff-year of expected service

will be \$4,362 for the scholarship program graduates and \$10,232 for university graduates.

Third. The total cost per staff-year of expected service including anticipated pay and retirement costs will be \$21,444 for the scholarship program graduates and \$26,236 for university graduates.

The GAO also recommended three alternatives which would provide for retention needs and which would not be as costly as the university. These included extending the scholarship program, full sponsorship of any scholarship recipient taking civilian residency training and increased initial active duty obligation for scholarship participants.

THE HOUSE S. & I. STUDY

In a recently completed report to the House Appropriations Committee, the surveys and investigations staff stood by their 1975 report which concluded that the university would be a much more costly method of procuring physicians for the military than the scholarship program.

Most strikingly the report showed that under the present arrangement of providing physicians through the scholarship program and the university, over a 30-year period 12,327 military staff years would be provided at a cost of \$293 million. Under an alternative program in which the university is terminated but authorized intern and resident spaces are increased and the number of scholarship graduates are increased, 12,325 military staff years can be produced at a cost of \$250 million. Thus, for just about the same number of staff years we can save \$43 million through elimination of the university.

In its conclusion the staff report states: It is the opinion of the Investigative staff that the cost to DOD of educating a USUHS student continues to exceed the cost of student education under the Armed Forces Health Professions Scholarship Program. USUHS graduates are estimated to comprise only 9 percent of the future military requirement as compared to 49 percent from the scholarship program and 42 percent from volunteers. The 9 percent shortfall that could occur by UHSUHS termination could be overcome by expansion of the scholarship program and/or by reactivating senior student programs which formerly provided medical education to qualified military personnel. It would appear that the senior student program would be equally or more effective for the retention of military physicians as pre-sumed by advocates of the USUHS program.

FACT AND FICTION

Myth No. 1.—The University is a less expensive means of procuring physicians for the armed services than the scholar-ship program.

All of the cost studies completed by the GAO, Defense Manpower Commission and House Appropriations Committee surveys and investigations staff. which I have noted earlier, support the conclusion that cost per expected staff year of service is less for graduates of the scholarship program than it is for graduates of the University.

of the University.

Proponents of the University attempt to refute these comprehensive studies through a five-page letter report which was provided at the request of the House Armed Services Committee on June 15.

1976. The committee specifically requested that GAO, over the agency's vocal objections, include in a comparison of the University and scholarship programs cost the fixed expenditure of HEW to private medical education.

The Comptroller General provided the computation as the committee requested and again pointed out that inclusion of these costs was not a mathematically valid comparison. HEW support to civilian medical education exists totally independent of the scholarship program or the University. GAO did not include these expenditures in its May 1976 study because in its words this Federal assistance:

Was provided before and has been provided since the establishment of the Scholarship Program.

 Would continue regardless of whether the Scholarship Program continues or is completely abandoned.

The GAO study also pointed out that a cost-effectiveness analysis deals only with those potential costs directly attributable to the implementation of a program.

In testimony before the Senate Appropriations Committee on March 21, 1977, Mr. John Dexter, Deputy Director for Cost and Budget Analysis, Office of the Assistant Secretary of Defense, stated DOD's position:

Federal subsidies are made available to civilian medical schools for reasons totally unrelated to the Scholarship Program and are likely to continue regardless of whether or not the DOD medical school continues. The Department is in full agreement with the GAO position.

Myth No. 2.—The rising cost of private medical education will increase costs incurred through the scholarship program.

The cost of private medical education is rising. However the curernt distribution of DOD scholarship students indicates that private tuition increases will not impact significantly on DOD. This is the conclusion of the DOD in testimony before the Senate Appropriations Committee.

Thirty-eight percent of the scholarship participants are in medical schools where the tuition is \$2,000 or under, 32 percent are in schools where the tuition is between \$2,000 and \$4,000, 22 percent are attending schools where tuition costs are between \$4,000 and \$6,000, 8 percent are at schools where the tuition is between \$6,000 and \$8,000 and no scholarship students are in medical schools where the tuition exceeds \$8,000.

Myth No. 3.—There is a physician shortage which will impact severely on DOD.

As I pointed out earlier the problem is not one of supply but of distribution. HEW projects the national supply of physicians to increase from 375,000 in 1975 to 517,200 in 1985, an increase of about 38 percent. By the time the first full class of 175 students graduate it will be 1984. What has in the past been envisioned as a physician shortage may be changing to a physician surplus with the result that more physicians will be interested in positions with the armed services.

There is a physician shortage in the Armed Forces which, as has been shown, can be met through alternatives less costly than the university. Moreover, the small number of graduates will not make a substantial difference even if the worst happens and the Armed Forces physician shortage persists.

Myth No. 4.—Without the University the Department of Defense will be unable to meet its physician retention needs.

This is challenged by the surveys and investigations staff report which was noted earlier. Moreover, DOD has stated its view that retention rates for physicians are rising. According to information raised during the Senate debate on this matter, as of December 31, 1976, DOD had filled 11,080 of the 11,648 authorized physician slots for fiscal year 1977.

The scholarship program graduate who enters the progrm in his or her first year of medical school will be obligated to serve a minimum of 5 years and up to $10\frac{1}{2}$ years—1 year internship, 4 years residency, and $5\frac{1}{2}$ years payback. The University graduate incurs a 3-year

greater obligation.

According to DOD when you include the important element of variable incentive pay the result is "a very convincing argument that physician retention rates will increase significantly over the next several years." Although there is limited experience with variable incentive pay, current statistics show that three out of four unencumbered physicians agree to continue on active duty. DOD has stated its position as follows:

In summary DOD is convinced that physician requirements can be met in the 1980's more economically through a combination of the scholarship program and direct recruiting.

Myth No. 5.—We already have the building so why not continue with this project.

The primary building at the Bethesda campus is only 17 percent completed. The surveys and investigation staff noted that completing the current construction as a shell would save termination costs to the contractor and provide that the building would be adaptable for other purposes.

It is likely that the National Institutes of Health or the Bethesda Naval Hospital

could use this facility.

Myth No. 6.—We need specially trained physicians for specific military needs.

A perusal of the catalog of the Uni-

A perusal of the catalog of the Uniformed Services University of the Health Sciences shows that the curriculum does not differ from the curriculum of private medical colleges. Under the educational objectives and curriculum, the catalog states:

It has been deemed appropriate to offer a rather uniform curriculum . . There is a core of instruction in human biology with initial emphasis on the traditional basic sciences.

Since military medicine is primarily family medicine I doubt that university graduates will be any better equipped to serve the Armed Forces than their colleagues from private medical colleges.

A look at the statistics for the military health services system shows that in 1975 the practice of medicine by Armed Forces physicians was broken down by service to the following groups: 3.9 percent survivors, 25.8 percent dependents of retired personnel, 12.3 percent retired personnel, 34.1 percent dependents of active duty personnel, and 23.9 percent active duty personnel. In 1980 it is expected military physicians will be treating more retired personnel and their dependents and less active duty personnel and dependents.

Myth No. 7.—The termination of the university will prevent the present 32 students from completing their educations.

In the event of termination the tuition costs of the present 32 students at private medical colleges could be borne by the university through fiscal year 1977 appropriations. Thereafter the respective military services could assume full responsibility through other programs such as the Armed Forces scholarship program.

In conclusion we must again consider if it wise for the Federal Government to be involved in the business of running a university be it for medicine or any other purpose. The long tradition of academic autonomy in American higher education suggests otherwise.

The National Academy of Sciences opposed this project in 1972 and stated:

Little would seem to be gained from such a step that would compare with the sizable contributions that could accrue both to the nation at large as well as to military needs by continuing the expansion of our existing system of state and privately supported medical institutions for the health professions. It is this series of institutions with their deep community roots and involvement that can provide the soundest base for the development of the highly qualified professionals needed to cope with the full range of health and medical problems.

SUMMER FOOD PROGRAM AMEND-MENTS OF 1977

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1977

Mr. MILLER of California. Mr. Speaker, I am introducing today a measure which I believe represents a major step forward in the effort to control and administer the summer food program, an important child nutrition program which provides meals to needy low-income children during the summer months.

We have all heard stories of the problems arising in the administration of the program last year-stories of maladministration, of fraud, and of abuse, I was, during debates on Public Law 94-105, and still am a strong supporter of this essential child nutrition program. Unfortunately, the legislation we enacted in 1975 did not clearly delineate responsibilities, and did not provide for sufficient accountability to insure an effective and efficient program. The bill I am introducing today is directed toward insuring that every agency that participates in the program is aware of their responsibilities, and will provide the Secretary of Agriculture with clear authority to administer the program in a manner which

will reduce the potential for fraud and abuse.

Only those sponsors who provide a year-round community service, and who demonstrate fiscal and administrative capability, will be entitled to participate in the program. This provision will help to limit the fly-by-night groups which appear to have sprung up and which have been responsible for many of the problems. An emphasis will be placed upon past performance, thus placing a premium on experienced sponsors who have conducted sound programs in the past. State agencies will be given authority to impose site size limitations on sponsors, to insure that the programs are conducted in an administratively responsible manner

My bill will also impose stronger controls on vendors. Currently a sponsor which contracts with a food service management company for food service has no means to investigate the vendor's performance or capability. All vendors would be required to register with the state agency, disclosing their corporate status, their meal production capability. and their past relationship with the program. This information would also be transmitted to USDA, so that a State agency could contact a central registry to obtain information about a vendor which may have been registered in another State and was now expanding its operations.

The Secretary would be required to conduct a study to determine appropriate rates of administrative reimbursement. Currently, such reimbursement is directly related to the number of meals served by a sponsor, thus encouraging inflation of numbers of meals served. A study, taking into account type of meal service, site-related costs, and numbers of children served, will provide the information for a formula which will establish reimbursement levels on a more

fiscally responsible basis.

To assist USDA in their important job of monitoring the operation of the program, and ensuring that the States are taking appropriate steps to control the program, so that needy children are fed quality meals, this bill will tighten up the requirements for the State plans of summer food program operations. In this way, The Secretary will be fully informed of the steps each State is taking to evaluate need, to register vendors, to disallow sponsors and vendors who are out of compliance with the law and the regulations, and to encourage utilization of on-site preparation and development of quality food programs.

Each of the provisions in this bill will assist sponsors, vendors, State agencys and USDA in developing strong, effective summer food programs. Each group will be fully apprised of their responsibilities. The State agencies will have the necessary legislative support to crack down on vendors and sponsors who do not comply with these requirements.

Too many comments have been heard about the inability of USDA and the State agencies to take these necessary crack-down measures. This bill will make it clear that the Secretary and the States have the authority, and must

take specific steps to ensure that the abuses of last year do not re-occur.

THE EFFECTS OF AIR POLLUTION ON CHILDREN

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1977

Mr. MILLER of California. Mr. Speaker, I would like to direct attention to a recent task force report prepared by the National Heart and Lung Institute which outlines an alarming discovery. According to this report, the severity of the consequences to children reared in "bad air" may only be known in later life. I think this is a particularly frightening prospect for those who are presently rearing their families in neighborhoods subject to air pollution.

BAD AIR FOR CHILDREN

(By Dorothy Noyes Kane)

Children are especially sensitive to air pollution, and the consequences to them may be of longer duration than to adults. In a recent task force report, the National Heart

and Lung Institute observed.

"These are scattered data which suggest that the initiation of environmental lung disease as a result of air pollution in childhood may be the starting point for continuation and progression of such disease in later life...Should such a relationship be established between exposure to polluted air in childhood and subsequent increased risk of chronic lung disease, it will have identified an important point for the application of preventive measures."

Of course, it is not only children's lungs that may be adversely affected by air pollutants. A number of other organs may also bear the brunt of toxic agents, as we shall see. Ill effects from these agents may not become manifest for years or decades. The effects of low-level pollution-not the acute morbidity and mortality arising from the more dramatic and severe air pollution episodes-are the concern of this article.

Certain distinctions which set the young apart from adults play a role in air pollution difficulties experienced by many children. These distinctions include physical, behavioral, disease, and developmental factors to

be detailed in what follows.

Higher Breathing Rate. Children have a higher resting metobolic rate, a higher rate of air exchange between lungs and atmosphere, and relatively greater volume of air exchanged than do adults. Thus, per unit of body weight, the young breathe in more air (and thus more air pollutants) than do older persons. Indeed, under comparable exposure, children apparently inhale two to three times as much of a pollutant per unit of body weight as do adults. This is significant, since the efficiency of removal of pollutants depends to some extent on the rate of flow into and out of the lungs.

Greater Activity. Added to the metabolic difference between infant or child and adult is the more intense physical activity of the young. As the level of activity rises, so does the rate of air exchange in the lungsin a roughly exponential manner. In fact, during exercise, pulmonary ventilation can increase by a factor of about ten. Thus, children face heightened susceptibility to pollutants in the upper airways as well as in

the lungs. Size. Being shorter than adults, children are more susceptible to heavier air pollutants

which have settled on or near ground level. Some of these pollutants, such as heavy metals, may possess particularly damaging properties for developing children. Dust loaded with toxic particles can add substantially to the child's total exposure to air pol-

In the case of lead, the concentration in air varies inversely with altitude, and devices used in measuring air-lead concentration are rarely, if ever, placed at the height at which young children breathe. Lead concentration t a height of 1.5 meters in one study was double that at a height of 20 meters. Similarly, the concentration of ozone is greater at a lower level. In fact, one study showed the concentration of ozone to be four times greater at 1 meter than at 2 meters.

Play Activity. Vigorous play in house, yard, or schoolroom stirs up dust and settled pollutants which then are more likely to enter the child's respiratory tract. Dust and dirt on hands also contribute to a small child's total intake of airborne particles, particularly if if the child has an addictive habit of trying to eat nonfood items (called pica). This makes for a potentially dangerous situation with respect to lead (and possibly other metals as well), since there is apparently greater absorption of lead through the gastrollar treatment and the state of the st trointestinal tract in children than in

Mouth Breathing. More exercise combined with blockage of the nasal passageways can lead to increased mouth breathing, which in turn leads to less effective natural filtering of inhaled air pollutants. Since children are more physically active, and since their respiratory defense mechanism is more often impaired by conditions such as nasal or bronchial infections, they frequently are less able to adjust to inhaled toxic pollutants.

More Frequent Respiratory Tract Infections. A major contributor to blockage of the tions. A major contributor to blockage of the nasal passageways—and thus to impairment of the normal filtering process—is upper respiratory infection, which accounts for a large proportion of the acute pediatric illnesses. With the lung sensitized by viral infection, air pollutants—because of their suppressive effect on phagoratesis (the reserve pressive effect on phagocytosis (the process of ingestion and usually of isolation or de-struction of particulate matter by certain blood cells) and on the formation of antibodies-may prove a dual threat, compounding the risk of secondary bacterial infection in the lung and impairing the development of effective immunity to viral infection as

Development Factors. Growing children face special risks from certain chemicals at various times and in various ways, depending both upon the nature and extent of the exposure and the child's age and nutritional health. For example, inadequacies of certain minerals, vitamins, and proteins may augment the toxic effects of lead. Furthermore, the predilection for lead to concentrate in tissue, as contrasted with dense bone tissue, in children may be another factor which makes children more vulnerable to long-term effects of this pollutant. (See Scientist and Citizen, April 1968.)

Many chemicals pass the placental barrier, thus imposing mutagenic, teratogenic, carcinogenic, and other threats to the fetus. Maternal exposure, therefore, may increase the risk to the infant, first, by modifying the functions of specific organs and systems in the infant and, second, by decreasing the ability of the infant to cope with any toxic agents in the tissues at birth or later.

Thus, for the reasons outlined above, chil-

dren should no longer be considered merely convenient epidemiologic subjects. As distinctly unique living beings, they deserve special consideration because of their vulnerability to air pollutants during long exposure. At their play—which is the equivalent of their work—they, too, risk occupational hazards both indoors and out.

A TREATY WE MAY BE VIOLATING

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1977

Mr. SIMON. Mr. Speaker, I write a weekly column for the newspapers and radio stations of my district. One weekly column I wrote recently on the importance of foreign languages has been reprinted in a few newspapers, and I thought its message important enough to pass on to my colleagues who may be interested in this area.

A TREATY WE MAY BE VIOLATING

A little-noted provision in the document which the United States and 34 other nations signed almost two years ago at Helsinki commits the United States to encouraging the studies of foreign languages and cultures.

But compared to five years ago, ten years ago, or twenty years ago, fewer—not more-Americans are studying foreign languages.

We properly point out when the Soviets or others violate human rights provisions of the Helsinki agreement, but we also have an obligation to live up to provisions of that agreement.

One statistic intrigues me, one which does not make sense for us as a nation economially, culturally, or militarily: There are more teachers of English in the Soviet Union than there are students of Russian in the United States.

There are other interesting straws in the wind, which show that we are not paying attention to other nations and cultures as

we should:

For almost two years I taught at Sangamon State University at Springfield, Illinois, in many ways an excellent university. But that university does not teach one single foreign language course. I don't believe that ten years ago or fifty years ago there would have existed an institution of higher learning in the nation which did not teach foreign lan-

Fewer and fewer colleges and universities demand a foreign language as an entrance requirement. Only about 10 percent of the schools now require it.

The Foreign Service of the United States no longer requires any foreign language background before you can enter. When you talk to State Department officials, they say they would like to get people with language skills, but because so few Americans have studied foreign languages they were forced to drop this requirement.

Fewer and fewer American students spend any of their college years abroad, about half

as many today as in 1973.

Up-to-date statistics are hard to get, but the figures for the percentage of high school students studying foreign languages for a few years tells a story: 1965, 31 per cent; 1968, 30 per cent; 1970, 28 per cent; and 1974, 24 per cent.

What difference does all of this make? My concern is not the few sentences in the Helsinki document, sentences which no one is likely to pay much attention to, but that this may show a lack of concern, a turning inward by our citizens, that cannot be good.

If, prior to the tragedy of Vietnam, we had

few hundred more Americans who spoke Vietnamese and were in contact with the people there, it's possible we could have avoided the devastation of that war. Why do our friends from Germany and

Japan and Sweden sometimes sell more products in other nations than we do? Sometimes the answer is fairly simple: they speak the language of the buying country and we do We are living in a world that grows smaller and smaller. We in Southern Iilinois or Wash-ington, D.C. are closer today to any point on the globe than our northern colonies were to our southern colonies when our nation was

If we are to build a world of peace and stability, people will have to talk to one an-

That means that some of those beyond our borders will have to learn English, and some of us will have to learn their languages

We will be enriched-both culturally and economically-if we do.

RETURNING GOVERNMENT TO THE CABINET AND TO THE PEOPLE

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 19, 1977

Mr. HARRIS. Mr. Speaker, I am introducing legislation today that addresses a major reorganization and policy issue the new administration must face-the organization of the White House staff. This legislation would reduce the number of White House personnel and would ground firmly in law the President's and Vice President's staff.

LAW FOR WHITE HOUSE STAFFING INADEQUATE

Existing law authorizes for the President six administrative assistants and eight other secretaries or assistants in the White House office-14 people. I do not think many would quarrel with the notion that the figure of 14 employees in the White House is a little out of date. The situation then is that there is no legislative authority for most of the White House staff and for some of the administrative expenses of the President. PUBLIC FUNDS SHOULD BE APPROPRIATED FOR

CLEAR PURPOSES

Because of the absence of adequate legislative authority, the annual appropriations for the White House have in recent years become subject to a point of order in the House of Representatives. because clause 2 of House rule XXI provides that no appropriations for any expenditures not authorized by law shall be in order. And the chairman has sustained these points of order, thus eliminating White House funds from the annual Treasury, Postal Service, and general Government appropriations bill in the House. On June 14, 1976 I raised a successful point of order against the 1977 White House appropriations; the funds were knocked out by the House, but restored by the Senate.

I will continue to question the wisdom of appropriating public funds that have not been authorized, because I believe that Congress is acting irresponsibly if it approves funds for purposes not clearly authorized in law. In other words, I believe that this Congress would be ducking its responsibility by spending the people's money without first determining for what purposes these funds could be spent. I am not pointing a finger at any particular individuals-we are all responsible for this situation. What I am saying is that this Congress must serve the public's interest. We cannot write "blank checks" with taxpayers' money.

question for the Congress is one of legislative integrity.

CABINET GOVERNMENT; NOT WHITE HOUSE STAFF

The other major concern this legislation addresses is "Who runs the Government?" In the last two decades, the White House staff has essentially grown unchecked to somewhere between 500 to 600 people; no one really knows the precise figure. Some growth of course is justified, because the times become more and more complex and the decisions the President must make require expert staff assistance. I am not sure anyone has an ideal number that we could pull out of a hat and say, "This is how many people ought to work at the White House." 'I do not pretend that the number in this -401—is in any way a magic number.

My concern is with the concentration of power in the White House. Watergate taught us too painfully about how power and the inherent dangers of an unelected "palace guard." We must not let Watergate quietly fade from our memories and be party to conditions that might give rise to "another Watergate." We must make sure that never again will we let Government slip away from the people and become concentrated in the hands of a faceless few behind the White House walls.

It is time to return our Government to our President and his Cabinet officials, where decisionmaking belongs. These officials serve at the pleasure of our elected President and are subject to confirmation by the Senate, elected officials. These are the people who are held accountable and who should be running the executive branch-not a few unelected, inaccessible advisers and executive assistants surrounding the Chief Executive.

Thus, the bill addresses what I think is a fundamental Government reform question; it goes to the very basic framework of our Government. It places firmly in law some parameters on the number and level of the White House staff. And it reinvigorates our Cabinet, democratic form of government.

WHAT THE WHITE HOUSE STAFFING BILL DOES

This bill authorizes 401 positions at the White House, which is approximately a 30-percent cut from the 1977 level. The 30-percent reduction implements the President's pledge to reduce the White House staff by this percentage.

An important feature of the bill is that it would not allow the White House staff to become top-heavy with high-paid policy people. In other words, currently, the President and Vice President can hire as many individuals, at any pay and/or grade level, as funds will allow. This bill tries to bring some order to the grade and salary level of White House personnel. For the President, it allows 44 Executivelevel staffers, 21 supergrades-GS-16 to 18, and 336 people below GS-16. For the Vice President, the bill authorizes five executive-level individuals, five supergrades, and 12 at GS-15 and below. I believe that these three groupings place some reasonable limits on the number and nature of White House personnel and at the same time give the President and Vice President the flexibility they need.

The bill sets a dollar limit and a 3-year authorization for consultants, for the

purchase of goods and services for the Executive residence, for the "unanticipated needs" fund, for the President's travel, and for entertainment expenses. Expenditures for these purposes are not now authorized or the authority is out of date. The bill includes strong accounting and reporting provisions to the Congress as well as authority for auditing by the General Accounting Office.

Another important feature of the bill is provision dealing with individuals detailed to the White House from Federal agencies. Under existing law, Federal employees can be detailed to the White House. I believe that this is necessary. because often career civil service employees have expertise needed by the President. There is, however, a loophole in the law now so that while the employee is working on detail at the White House, the agency still pays that employee's salary. I think this is wrong and have included in my bill a provision that requires the White House to reimburse agencies for the pay of detailed employees.

> ATTEMPTS IN THE 93D AND 94TH CONGRESSES

In both the 93d and 94th Congresses, White House staffing legislation was considered. In the 94th Congress, H.R. 6706 was reported by the Post Office and Civil Service Committee and passed by the House. That legislation died in the Senate. The House Post Office and Civil Service Committee, on which I serve, is very familiar with White House staffing legislation and keenly aware of the need for a strong law. Hearings are scheduled on this bill, next week on April 26. I feel confident that the committee will act quickly to report out a bill to the full House. In fact, because of the May 15 budget deadline for reporting all authorizing legislation, we must act quickly.

The President has frequently in his public statements shown his sensitivity to the problems created by centralizing power in the hands of a few anonymous individuals. He has a deep respect for our Cabinet form of government. I am sure he is well aware of the need for this legislation.

I believe that this presents an important challenge for the 95th Congress and the new administration. It is the vehicle for the Congress to fulfill its responsibilities by delineating in law specifically how public funds will be spent. It will stop this practice of doling out \$16 million for purposes unknown and unwritten. It will bring some order to White House staffing and provide an added safeguard for our system of government, a notion with which I am sure our new President agrees. With this bill, we can help get both the Congress and the White House back on the right track.

TRUTH IN CONTRIBUTIONS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 19, 1977

Mr. LEHMAN. Mr. Speaker, on January 4, I introduced H.R. 478, the Truth in Contributions Act. This legislation, with one minor difference, was also proposed in the 94th Congress at a time when public attention was focused on the unethical practices of some charitable institutions. Although much of the publicity has diminished, the need to correct abuses remains.

Americans are a generous people, and this generosity is reflected in the official encouragement which is provided by the Federal Government in the form of our tax policy. Charitable institutions can qualify for tax-exempt status and contributors are allowed to deduct their gifts from their incomes for tax purposes.

Presently, charitable organizations are allowed to keep their tax-exempt status as long as their primary activity is to carry out the purpose for which they they were granted the status. This requirement is entirely too vague to be effective. The IRS does not have adequate guidelines for determining whether or not the organization is in fact primarily engaged in its tax-exempt purpose. My bill would strengthen this requirement by providing that such organizations must distribute at least 50 percent of their gross revenues for charitable activities.

In the past, we have seen cases where fundraisers have absorbed 90 percent of the funds raised for charity. Only 10 cents of every dollar contributed actually went to help the sick or needy. If potential contributors were aware of such ratios, it is likely that the money would go elsewhere. It is only natural that contributors would prefer to see more of their money helping people instead of paying administrative costs.

In the even that an organization covered under this act does not distribute 50 percent of gross revenues for charitable purposes within the taxable year. tax sanctions are to be imposed. An initial tax of 15 percent of the amount of expenditures for charitable purposes which would be required to bring the organization's charitable expenditures to the 50-percent level would be the first type of sanction. If the charity does not then comply within a correction period of 90 days, an additional tax is imposed amounting to 100 percent of undistributed revenue.

The types of public charities which would be affected by this legislation include those for which contributions are deductible for donors up to a limit of 50 percent of their adjusted gross incomes and which organizations normally receive a substantial part of their support from Government units or from contributions from the general public. Excluded from this legislation are churches, educational institutions, hospitals, medical research organizations, and certain governmental units and private foundations and organizations whose purpose is to "receive, hold, invest and administer property and to make expenditures to and for the benefit of a college or university." In addition, this act would only cover charities which have more than \$25,000 gross revenue.

Other provisions of the Truth in Contributions Act include disclosure requirements, rules for civil action and criminal penalties. One change which was made in the legislation as originally introduced by former Congressman Karth and Vice President Mondale in the 94th Congress involves accounting procedures to be used in compiling the charities' annual reports. Rather than using standards prescribed by IRS, certified public accountants may utilize generally accepted accounting principles or standards.

Mr. Speaker, it is not my intention to discourage charitable contributions. Most charitable agencies are legitimate, ethical, and beneficial. They deserve the continued help and support of our present tax laws. Some organizations, however, abuse these privileges by failing to spend a major portion of the receipts on their prime purpose; namely, helping those in need. By spending an excess amount of money on fundraising, administrative costs or individual salaries, they hurt the cause of charities which do not engage in these practices. Through this legislation, we can renew the confidence of the American people in charitable organizations and continue to encourage their tradition of generosity.

GROWING ABUSE OF CONGRES-SIONAL STATIONERY

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 19, 1977

Mr. BEDELL. Mr. Speaker, with the adoption of the Obey reforms and other achievements such as requiring recorded votes on future pay raises, the 95th Congress has taken the first steps toward earning renewed respect by the public. However, this process of building faith is never ended, and we must constantly look for ways to conduct the business of Congress in a more forthright fashion.

In that spirit, I am today introducing legislation to outlaw what I consider to be a growing ethical problem—the misuse and abuse of congressional stationery by private interest groups with the obvious intent of misleading the public. My bill would outlaw all private uses of congressional stationery, or any stationery indicating that an individual is a member of Congress, the assignment of such a member to a congressional committee, or the official office address where a member conducts any congressional business.

The time has come to limit the use of congressional stationery to purely official business. For too long, individual members have allowed pressure groups they agree with to make use of their official letterhead in direct mail solicitations for funds and political support. Clearly the intent of such letterhead is to convey the impression to the public that the mailing is sanctioned by Congress or is in line with a member's official duties. Often the recipient of these mailings is left confused, or with a lowered opinion of Congress as a whole.

This problem came to my attention by just such people in my district, who were concerned enough to contact me about a mass mailing sent out by the National Right to Work Committee, headquartered in Fairfax, Va. The mailing, which solicited funds for the group, was printed on the letterhead and bearing the signature of a member of the 94th, not 95th Congress, even though it was dated "January, 1977".

I single out the National Right to Work Committee since this group has made frequent use of congressional letterhead to add legitimacy to its mailings, though I am sure others have from time to time done likewise. I support the right to work principle, but I certainly do not support efforts which could be deceptive to the American people.

The recently passed reforms make this piece of legislation a logical next step. We have banned private office accounts and the use of private funds in the carrying out of any official business. Thus only appropriated funds should be used to print up or purchase such stationery, and any use of private funds would be a clear violation, under this bill.

Let us proceed to make it clear to every citizen that when he receives a piece of mail bearing the words "Congress of the United States", with the characteristic listing of a member's name and district, that he is receiving a letter from the office of his congressman, and not some pressure group out to raise funds. By enacting this bill, we can take another step in clarifying the image of Congress in the public's eyes, and in separating the political activities of an individual from the official business of an elected official.

Following is the text of this legislation: H.R. 6289

A bill to amend title 18, United States Code, to prohibit Members of the Congress from using official congressional stationery in mass mailings for any purpose other than official congressional business

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 93 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 1924. Unofficial mailing of mass mailings containing official congressional stationery.

"(a) Any Member of the Congress who mails or authorizes any person to mail any mass mailing containing any official congressional stationery for any purpose other than official congressional business shall be fined not more than \$5,000.

(b) For purposes of this section-

"(1) the term 'mass mailing' means the mailing of newsletters, and similar mailings including more than 500 pieces of mail in which the content of the matter mailed is substantially identical, but such term shall not include any mailings-

"(A) in direct response to inquiries or requests from the persons to whom the mat-

"(B) to one or more Members of the Congress or to one or more Federal, State, or local government officials; or

"(C) of news releases to any communica-

tions media;

"(2) the terms 'Member of the Congress' and 'Member' means any Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United

"(3) the term 'official congressional business' means the conduct of official business activities, and duties of the Congress regarding all matters which directly or indirectly pertain to

"(A) the legislative process;

"(B) any congressional representative function:

"(C) the functioning, working, or operating of the Congress; or

(D) the performance of official duties in connection with any matter referred to in subparagraph (A) through subparagraph (C); and

"(4) the term 'official congressional stationery' means any stationery, whether or not such stationery is prepared with Federal funds, with a letterhead or similar printed device which contains the name of a Member of the Congress and information indicating

"(A) that such Member is a Member of the

Congress;

"(B) the assignment of such Member to committee of the Congress; or

"(C) the address of any office at which such Member conducts any official congressional business."

(b) The table of sections for chapter 93 of title 18. United States Code, is amended by adding at the end thereof the following new

"1924. Unofficial mailing of mass mailings containing official congressional stationery.

SEC. 2. The amendments made by the first section of this Act shall apply with respect to mass mailings mailed on or after the date of the enactment of this Act.

A FAIR LOTTERY CANNOT CHANGE AN UNFAIR DRAFT

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 19, 1977

Mr. STEIGER. Mr. Speaker, Peter Ognibene had an excellent article in the April 12, Washington Post, outlining the unfairness of the draft. The article, "A Fair Lottery Cannot Change an Unfair Draft," points out just how inequitable conscription is.

Ognibene, a contributing editor to the New Republic, properly refers to the draft as "a tax." As he says:

That is the central reality of conscription. It takes the labor of 19-year-olds at less than competitive wages to relieve the rest of us of a few dollars' tax burden.

He notes that the fading memory of conscription has caused many to forget just how unfair the draft was. Also forgotten by many is the national turmoil it created.

One other point often overlooked is that the military is getting sufficient numbers of volunteers for active duty, and the quality of recruits is improving. Ognibene points out that the male high school graduate volunteers rose from 67 percent of accessions in 1975 to 70 percent in 1976.

His article is a very good one. It merits the thoughtful consideration of all who read the RECORD. The article follows:

A FAIR LOTTERY CANNOT CHANGE AN UNFAIR DRAFT

(By Peter J. Ognibene)

The draft was supposedly laid to rest four years ago, but the corpse keeps twitching. In his first visit to Capitol Hill after he was sworn in as Secretary of Defense, Harold Brown told the Senate Armed Services Committee that he favors a Pentagon proposal 'to have a standby draft capability

The chairman of that committee, John Stennis (D-Miss.), responded with an even stronger pitch for conscription. "Like it or not," he said, "we're going to have to go back to the Selective Service System for obtaining some of our men. The quicker we realize that and get it to the people so they know it, the better."

More recently, Sen. Sam Nunn, the Georgia Democrat who chairs that committee's panel on manpower, argued in these pages "the All-Volunteer Force (AVF) may be a luxury that the United States can no longer afford." He contends that "the AVF has lived up to few of the expectations of its early proponents" and suggests "the government should begin now to explore possible alternatives to the AVF, such as a national service program for all our nation's young people.'

Although the volunteer army does not work perfectly—what in government does?—the military has been getting sufficient numbers of volunteers for active duty. Moreover, the quality of those recruits has been steadily rising. In 1975, for example, 67 per cent of the male volunteers were high school grad-

uates. Last year the percentage was 70.

The present "success" of the volunteer army is linked, no doubt, with the "failure" of the economy to provide civilian jobs for young people. High unemployment rates and recent military pay raises have made marching for Uncle Sam a relatively attractive proposition.

Equally important, but too often ignored by draft advocates, the armed services provide a route of upward mobility for some of society's least advantaged individuals. The military affords them an opportunity to learn skills with which they can earn a livelihood in or out of service.

But because financial incentives have helped make the volunteer army successful, some critics regard these recruits as "mercenaries." What they fail to realize is that conscription itself is an economic institution.

The draft is a tax. Indeed, that is the central reality of conscription. It takes the labor of 19-year-olds at less than competitive wages to relieve the rest of us of a few dollars' tax burden. The government does not give businessmen patriotic appeals; it pays them the going rate for everything from fighter planes to floor wax. Should it do less for servicemen?

Because conscription is now a fading memory, it is easy to forget just how unfair the draft was. Millions managed to escape military service by getting deferments for college, critical occupations or parenthood. Although the draft lottery closed most of these escape routes, it could not eliminate the fundamental inequity; selectivity.

Any selection process that inducts some young men into the military but requires nothing of others is by its very nature unfair. Eliminating deferments and establishing a lottery did not do away with selectivity. It merely changed the way in which the few were chosen from the many.

Moreover, selectivity does not end with induction. It continues within the armed forces. While the college student may not able to escape service when selection is by lot, he stands a relatively good chance of avoiding hazardous duty in time of war. Because he will probably score well on Army classification tests, he is more likely to wind up behind the lines as a clerk or technician. The less educated become foot soldiers

In other words, a fair lottery cannot change an unfair draft.

Universal service is not the answer. For one thing, there is the problem of numbers. Some four million Americans turn 18 every

year. The active and reserve forces can use, perhaps, 700,000 of them. What would the rest do?

Put them to work on public projects and you take jobs away from individuals with families to support. The cost, which would run into tens of billions of dollars, would swell an already large budget deficit and produce a small economic return. An underpopulated and embattled country such as Israel may need universal service to survive: the United States, fortunately, does not.

But above all, the draft violates the principle on which this nation was foundedthe preservation of individual rights and liberties. Thus, conscription should be used only as a last resort. Short of an all-out war requiring huge armies in the field-an unlikely prospect when one nuclear weapon can wipe out several massed divisions can be no compelling case for the draft.

CATHY RUSH, OUTSTANDING COACH

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 19, 1977

Mr. SCHULZE. Mr. Speaker, I am proud to share with my colleagues the accomplishments of Cathy Rush, a young woman from my congressional district who has announced her resignation after 7 years as head coach for woman's basketball at Immaculata College. This brings to an end an era marked by three national championships, two secondplace trophies, and in 1977, fourth among American women's colleges. Her overall record was 149-15.

Although she built the women's basketball program at the Chester County school into a national powerhouse and brought extraordinary fame to Immaculata College, Cathy's greater contribution was her influence on the people she worked with and the fact that she excelled in her area of expertise. Her personal success became the success of Immaculata, Chester County, the basketball team, the Commonwealth of Pennsylvania, and women's basketball.

She herself sums it up best:

We pioneered basketball together and climbed to the top. What Immaculata has done for women's basketball—indeed for women's athletics in general-can never be duplicated or diminished.

The list of accomplishments that Immaculata College's basketball team obtained under Cathy Rush's guidance are endless; the Suburban & Wayne Times highlighted them in a recent article:

During her seven years as coach, she compiled a record of 149-15, with a winning percentage of over 90 per cent.

Won three national titles (1972, 73, 74) and

finished second two years (1975, 76).

Coached three All-Americans, Theresa Shank Grentz, Marianne Crawford Stanley, and Mary Scharff.

Saw the Macs compete in six straight national tournaments.

Won five consecutive regional titles, finish-

ing second the first year.
Continued to have an influx of fine ballplayers despite the fact Immaculata offered no scholarships such as the larger schools. Most of the players coming to Immaculata were forced to work two jobs or even more in the summer to counteract expenses for tuition at the school.

Saw the Macs compete in the first nationally televised women's game against Maryland in 1975 at the Capitol Center in Landover, Maryland.

Coached the first women's team to play in Madison Square Garden and this season the first to compete in an all-women's doubleheader at the Garden.

Coached the first women's team to ever play at the Spectrum in Philadelphia.

Has served on the United States Olympic Women's Basketball Committee.

Coached the USA Pan-Am Team to a gold medal in the 1975 games at Mexico City.

Named "coach of the year" by Womensport magazine in 1975. Twice named (1973-74) to the same honor by AMF Corporation.

Has seen former players turn to coaching upon graduation, including Rene Muth Portland (St. Joe's), Theresa Shank Grentz (Rutgers), and Marianne Crawford Stanley (Immaculata assistant).

maculata assistant).

Has had three assistant coaches take head coaching jobs: Pat Walsh at Princeton, Dottle McCrea at Stanford, and Mary DiStanislau at Northwestern.

One of the top speakers for Eastman Kodak company, which sponsored coaching clinics throughout the United States.

Established a women's basketball camp in the Poconos, one of the top camps in the country which draws over 200 youngsters weekly during the summer.

Recently completed the first women's basketball instructional book for high school players and is currently working on a coaching publication with former assistant coach Mary Ann Eganotovich.

Cathy will be missed; no one can fill the void left by her resignation for her influence extended beyond the basketball court. Immaculata College President Sister Antoine explains—

Cathy had an extraordinary impact on the people at Immaculata. What better role model for young women than a talented, intelligent, accomplished leader who also possessed the finest human qualities of compassion, concern and understanding.

She is an image for all young women today.

BUSINESS USE OF RESIDENCES FOR DAY CARE SERVICES, H.R. 3340— PERSONAL EXPLANATION

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1977

Mr. OBERSTAR. Mr. Speaker, on Monday, April 18, due to inclement weather my flight from Duluth, Minn., to Washington, D.C., was fogged in and consequently I was unable to vote on H.R. 3340, Business Use of Residences for

Day Care Services. However, had I been present I would have voted "aye."

The exclusive use provision in the 1976 Tax Reform Act would have dealt a severe blow to hundreds of day care providers in my district, and to thousands of other providers across the Nation. To meet the exclusive use test, family day care providers would have had to isolate that portion of their home used for day care and keep their own family out of that portion of the home during nonbusiness hours. This would have

proven unworkable at best and would have distorted the concept of family day care service, and imposed an unreasonable burden of paperwork and redtape, which Congress never intended.

The bill as passed allows family day care providers to continue to deduct expenses allocable to the business use of the residence without undermining the intent of the business deduction reforms of the 1976 Tax Reform Act.

DR. RICHARD WAINERDI OF TEXAS A. & M. UNIVERSITY RECYCLES NAZI SECRETS ON ENERGY

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1977

Mr. TEAGUE. Mr. Speaker, Time magazine for April 18, 1977, contained an interesting article on technology concerning the process of making oil from coal. Apparently the Nazis during World War II perfected this process, but because of the cost abandoned it.

Now, some 30 years later, a professor at Texas A. & M. University by the name of Dr. Richard Wainerdi together with a historian by the name of Arnold Krammer have located about 300,000 documents relating to the process. The article follows:

RECYCLING NAZI SECRETS

If the U.S. is in an energy bind, consider the one that Nazi Germany faced in the 1930s: it prepared to fight a world war with no secure reserves of oil at all. The Germans' solution was to make oil from coal, and they did that so successfully that after 1944 (when oil supplies from Nazi-aligned Rumania were bombed out) the Luftwaffe planes flew, and the Reich tanks rolled, almost exclusively on coal-derived gasoline. Could the Nazi know-how help the U.S. three decades later?

The question occurred to Professor Richard Wainerdi, a chemical engineer at Texas A.&M. He and a colleague, Historian Arnold Krammer, set out 18 months ago to look up what was known about the German synthetic-oil program. It proved an unexpectedly arduous task

Not for lack of documents. Because the Germans were compulsive record keepers, the entire history of the program—plant diagrams, patent descriptions, detailed reports on which catalysts and additives work best, even the monthly reports of Hitler's 25 oil-from-coal plants—fell into American hands at the end of the war. But crude oil was available then in ample supply at \$2 per bbl., and the man-made oil cost up to five times as much. So the German documents were filed and forgotten. Wainerdi and Krammer found some of the papers in the National Archives in Washington and others stuffed into crates in Government buildings around the country. Until the two men came along, the documents had lain unterested for 20 years.

touched for 30 years.

The Texas A. & M. specialists have located about 300,000 documents, only 15% of which had been catalogued after the war. Dow Chemical, Union Carbide and Diamond Shamrock will help underwrite the massive job of collating all the information and feeding it into a computer at the federally run Oak Ridge Energy Center, where it will be available to anyone who wants it. Already some interesting findings have turned up.

For example, German scientists discovered a method of capturing the sulfuric acid released by coal when it is turned into oil; that could point to an important pollution-control technique.

The basic technology for turning coal into oil or gas is known to just about every chemistry graduate student. But until now, it has been considered uneconomic—though a plant built in South Africa with the help of German scientists has been turning out gas from coal for more than 20 years, and some American companies are planning their own installations. Wainerdi and Krammer hope that the Nazi documents will show the way for other firms to avoid whatever mistakes the Germans made and design plants more efficiently. Says Krammer: "Why reinvent the wheel?"

WATER CONTRACTS SUBJECT TO PUBLIC REVIEW

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1977

Mr. MILLER of California. Mr. Speaker, I am introducing today legislation which would provide for public notice and public hearings prior to the approval of water service contracts by the Secretary of the Interior or his representative.

The necessity for this reform legislation has been illustrated in the operation of certain projects in my home State, California, and these cases point to the need for overall correction. Currently, representatives of the Department of the Interior can, and have in recent years. circumvented both congressional and public review of contracts which substantially increase water commitments. In one particular case, a district in-creased its water supply from 1.15 million acre feet to 1.3 million acre feet with no official public notice, disclosure or review. And, unbelievably, this increase occurred during congressional oversight hearings on a long-term amendatory contract which had drawn immense opposition precisely because it contained increases in water service commitments.

This legislation does not force the intrusion of third parties into contract negotiations. It would afford other parties with whom the Bureau of Reclamation signs water service contracts, and other interested parties, an opportunity to know of and comment upon such amendatory or interim contracts before they are "faits accomplis." Recalling the 200,000 acre feet interim commitment made secretly last year, we ought to remember that just 30,000 acre feet retained in a reservoir last year during the drought in 1976, could have replenished reservoirs and eliminated the need for rationing in the worst-hit area of the State, the Marin Municipal Water District this year, according to a recent editorial in the S.F. Examiner April 17,

This bill represents good public policy and is in the spirit of the sunshine legislation which has such widespread support across the Nation. It is founded on the principle that public resources ought not be committed for private pur-

poses without potentially affected individuals having the opportunity to be notified and comment upon such decisions. This legislation should receive swift attention and passage.

BROTHERHOOD

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 19, 1977

Mr. SOLARZ. Mr. Speaker, brotherhood is a word we often hear. It represents a mindful awareness of the notions of kindness, consideration, fellowship, fraternity, and understanding. All too often in today's world the fulfillment and realization of brotherhood is a forgotten theme, put aside by the sometimes harsh realities of everyday life.

It is my pleasure to submit for the RECORD, samples of the unmolested idealism of our Nation's youth regarding the concept of brotherhood. Hopefully, the vibrant, loving thoughts of these children from the Kensington School, located in my district in Brooklyn, N.Y., will serve as an inspiration and a reminder to all of us of what brotherhood really means:

WHAT BROTHERHOOD MEANS TO MY HERO AND ME

Brotherhood means doing things in a nice way. If you want a friend you must be a friend. Brotherhood is loving someone a great deal. Brotherhood is caring for someone too. Brotherhood is being thoughtful and being peaceful. It means joining together with different races.

My heroes are my parents. They are my heroes because they saved my life many times. They use their brains instead of using violence. My mother tries to talk things over with me. My parents take good care of me. They expect me to always think of brother-

When I grow up, I am going to be a doctor. I am going to be a good one. When someone comes in my office all beaten up, I will say "next time think of brotherhood."

TRACEY SPENCER, Class 6-511.

What Brotherhood means to me is respect for those of a different color or nationality. Just because they are different from you does not mean that you should treat them any differently than you would want to be treated yourself.

Brotherhood means to me men and women joining together as one group. If they don't the world won't be peaceful. That is what Brotherhood means to me.

My Hero is Wonder Woman because she always teaches justice. Most times she saves the world. She is beautiful.

Luis Boneta, Class 5-407.

To me brotherhood means a person helping another person. It's a person sharing something. It's a rich person going to all those countries and getting those poor kids who eat mush. It's not a white person calling a black person nigger. Or just the opposite. (And I just happen to be black.)

I'm not sure what brotherhood means to my hero, but I think it's different. I don't mean she would call a white person whitey, or want to be called nigger. I mean to me everyone thinks brotherhood means different things. My hero is my oldest cousin Corigan. She is kind and helpful. She is nice to everyone.

COURTENY MOORE, Class 4-409.

My hero is my father because he does all kinds of things for me. My father taught me to like people because of how they treat others. He taught me that it does not matter what they look like or what their name is. Everybody should be friends and there are hardly any excuses for not being friends with each other. That's what brotherhood means to both my father and me.

MICHELE DONNELLAN, Class 2-306.

Brotherhood is caring and loving and sharing and helping people. Brotherhood is being nice to old people and Brotherhood is being nice to your family and being nice to your friends. Also lending your toys to your friends and respecting your elders and being nice to people you don't know. My hero is the six million dollar man and he thinks that Brotherhood is kindness and happiness and sharing and caring.

LESLIE FELICIANO, Class 4-411.

My hero is Captain Kirk of the U.S.S. Enterprise. He might not be a real person, but he would make a good one. When he spots an enemy, he avoids killing unless absolutely necessary. He makes friends with people of other worlds. He is deeply concerned with the welfare of his crew. He would risk his life for another person. He is an outstanding officer in war and peace.

Brotherhood is concern for other people. This would help people do things together which would mean world wide peace.

GREGORY HOFFMAN, Class 6-512.

My hero is my sister (Glenda). If you ever met her you'll know why I picked her. Now down to business: to me and Glenda brotherhood means being generous, caring for people, peace, and love. Brotherhood is when you can walk up to a stranger and shake hands, and the stranger can do the same. Brotherhood is when you can get a job not because of your race but because of your talent! That's what Brotherhood means to me and my hero. "And crown thy good with brotherhood from sea to shining sea."

ANGEL SCOTT, Class 5-401.

IMPROVEMENTS NEEDED IN FOOD DISTRIBUTION FOR SCHOOL LUNCHES

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1977

Mr. GEPHARDT. Mr. Speaker, today I am introducing legislation designed to correct problems in commodity distribution under the national school lunch program.

The school lunch program has been extremely effective in assuring the children of this country get at least one square meal a day at a reasonable cost, or no cost if they come from families that are especially needy. The nutrition provided is important for protecting their health as well as improving their ability to learn

Unfortunately, however, growing evidence shows that distribution of commodities for school lunches has been poorly administered. Discussions with school officials in my district in the St. Louis area and a General Accounting Office report issued in January included many accounts of school district receiving deliveries that are unappealing, badly timed and inappropriate for their needs and facilities. If this situation is allowed to continue, it could cripple a program

which has been so beneficial for the health and well-being of the Nation's children and has helped assure adequate incomes for farmers throughout the country.

In my own district, the most serious problem has been the development of massive inventories of some products which will never be exhausted without waste or spoilage. One school district, for example, has on hand a 2½-year supply of peanut butter and a 2-year supply of orange juice. Many districts in the St. Louis area have massive quantities of ground beef, forcing them to serve it three, four and even five times a week.

Other school officials have reported to me that commodities are often unsuitable, a condition the GAO found to exist in other areas of the country. The result is either refusal of the food, resulting in reduced Federal assistance, or increased processing costs. For example, GAO found the Cleveland school district refused over 15,000 pounds of beef patties because the district does not have personnel or equipment for cooking them. Beef patties also deny districts flexibility for varied use of ground beef.

Inconvenient container size also results in increased costs, if not waste and spoilage. For example, the GAO found small containers of orange juice created additional processing costs in both the Cleveland and Philadelphia school systems. Once Cleveland was able to get the product in larger containers, GAO found its processing costs dropped about \$20,000. On the other hand, officials in one of the school systems in my Congressional district complained that butter comes in such large blocks, a portion of it spoils before the whole block can be softened enough to be usable.

Another major problem reported by GAO and confirmed by school officials in my district is the poor timing of commodity deliveries. Some come so late in the school year that the large quantities of food have to be stored over the summer or repetitive servings are required to reduce inventories before the school year ends. Sometimes the deliveries are just ill-timed and are consistently without adequate notice. One Pennsylvania district reported that as soon as the district purchased a 3-month supply of food locally, a Federal allocation of the same items would be received.

In contrast to the operation of the school lunch program in my home State of Missouri and elsewhere, is the experience in Kansas, where cash in lieu of commodity assistance for school lunches has seemed to be advantageous. In that State, GAO found most school officials reported they could buy more food with cash than they received under the commodity program. They have been able to serve a wider variety of food, making the menus more desirable and cutting down on plate waste. Furthermore, their purchases have been better suited to their needs and facilities, thereby lowering storage and processing costs.

Officials of the Kansas City, Kan., school district reported a total annual savings of over \$26,000 since cash assistance replaced community donations for school lunches. A suburban district, Shawnee Mission, has saved \$42,000 per

year in freight, storage and delivery costs since the cash program was implemented.

Preliminary findings of a study underway at Kansas State University comparing the cash system in Kansas with the commodity system in Oklahoma, show administrative costs for the Kansas school lunch program are one-quarter those for Oklahoma.

On the other hand, some reports claim the quality of food used in Kansas lunches is inferior to that provided by the Federal Government, which evidence shows to be extremely high.

In my view, the findings of the Kansas State and the GAO studies, as well as the many problems which have come to light about commodity assistance, warrant careful and constructive action. Cash in lieu of commodity assistance deserves more complete analysis to determine whether it would damage our agricultural programs which are designed to assure just and adequate incomes for farmers through price supports and surplus removal.

The bill I am introducing today, therefore, gives the Secretary of Agriculture authority to undertake pilot projects to seek more efficient methods of operating the school lunch program. In particular, one such project would test the feasibility of giving school districts within specified States the option of all cash assistance in lieu of commodities. The Secretary would be required to report to the Congress on his findings from the pilots as to their impact on nutrition provided, administration of the program, savings derived at the Federal, State, and local levels, quality of food served, ability of the Government to assure adequate incomes for farmers, and reduction of plate waste

For a constructive analysis of the benefits and disadvantages of the statewide cash option, I will be asking the Comptroller General to undertake a comprehensive comparative study of the operation of the school lunch program in Kansas and a sister State. The GAO examination will, hopefully, include not only cost comparisons but also quality comparisons.

In the meantime, many administrative improvements should be made in the school lunch program as presently authorized. My bill, therefore, directs the Secretary to establish procedures designed to assure distribution of commodities is responsive to the needs and preferences of participating school districts and is carried out in a timely manner with adequate notice. The Secretary would also be required to provide for systematic review of the costs and benefits of providing commodities and to make available technical assistance on the use of commodities.

The national school lunch program has made an outstanding contribution in promoting adequate nutrition for the children of this country. To continue the benefits of the program, it is important that we in the Congress make sure it is operated in a manner that will maximize those benefits while minimizing the costs. The evidence shows that the present administration of commodity assistance for

school lunches, in many respects, incurs unnecessary costs for both the Government and school districts while lowering nutritional benefits by fostering plate waste. Enactment of the improvements and the pilot authority included in my bill can help us find the changes most appropriate for realizing the full potential of the school lunch program.

FOOD DAY

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1977

Mr. ROSENTHAL. Mr. Speaker, this Thursday, April 21, is the third national Food Day. The purpose of Food Day is to discover how the food we eat affects our health, to discuss the American diet, and to teach Americans more about good eating habits.

The theme of Food Day this year is nutrition. Hunger and malnutrition, government programs, the role of agribusiness in food prices, and the scarcity and distribution problems will be the focus of many events around the Nation.

One goal of Food Day is to educate Americans about the variety of problems connected with our food supply: High prices, chemical additives, world hunger, and the corporate role. Community groups throughout the country are in the process of organizing campaigns to bring action on food issues. These include special classes, teach-ins, debates, TV and radio shows, fasts, and cooking demonstrations. Many citizens will be organizing antihunger groups; lobbying for people-oriented food programs; opening community canneries, farmers' markets, urban gardens and co-ops, and supporting family farmers by protecting their farmland from development.

In a country like ours where good foods are abundant, far too many persons suffer from diet-related diseases. Many Americans are being ripped off economically and nutritionally by unwholesome junk foods in vending machines. We are eating too much sugar, fat, refined flour, and overprocessed, engineered foods. More nutritious products, including whole grains, nuts, fruits, vegetables and grass-fed meat, should be introduced into the American diet. Most are adaptable to vending machines. A healthy diet is one key to a longer and happier life.

There are ten basic Federal food programs, yet they reach only a small percentage of the eligible persons. These programs, which include food stamps, meals for the elderly, school lunch and breakfast programs, and nutrition education in clinics and schools, must be brought into more communities and made available to all eligible citizens.

One of the national Food Day events, the Conference on World Hunger and U.S. policies sponsored by Senator Mark Hatfield and the Center for Science in the Public Interest, will be taking place right here in the Congress. Panelists will discuss such topics as the effect of U.S.

policy on malnutrition, the impact of multinational corporations' agricultural investments on a country's nutritional situation, and the causes and relation of hunger in the United States and in the Third World.

This is the third national Food Day, and it promises to be as interesting and successful as the previous ones. Thousands of individuals and organizations across the nation are participating in special Food Day programs. Hopefully, the concerns of all these people will have an effect on all levels of government, and more responsive and responsible food policies will be the result.

SAVINGS AND LOAN LEAGUE AT WORK IN PITTSBURGH ON ENERGY CONSERVATION

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1977

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, with good cause, many institutions in our society are now examining their activities with an eye toward energy conservation.

One of the most significant inquiries is being conducted by officials of the National Savings and Loan League.

League officials have recently been at work in Pittsburgh on preliminary plans for a pilot energy conservation project. They expect to cooperate with Pittsburgh business, labor and government officials in fashioning a plan to aid current homeowners and new buyers to guarantee that their houses are energy efficient.

Success in Pittsburgh will allow NSLL officials to design similar plans, honed to local conditions and local resources, in other parts of the Nation.

I am enclosing in the Record at this time an article from the league's publication, the Journal, on NSLL's energy conservation efforts.

THE IMPACT OF THE ENERGY CRISIS ON THE S. & L. INDUSTRY

(By Thomas G. Bolle, Senior Project Analyst, NSLL Office of Government Liaison, and Richard C. Knight, Vice President, Government Liaison)

Increasing concerns about energy conservation have recently been catapulted into the status of an emergency, with drought in the West, crippling cold in the South accompanied by snow, frigid conditions in the eastern half of the country including twelve feet of accumulated snow in upstate New York.

The severe weather conditions have placed a great pressure on energy supplies, particularly natural gas. Some industrial and commercial facilities have had to shut down, resulting in temporary unemployment. Schools have been closed for varying periods of time and homeowners are urged by President Carter to turn their thermostats down in order to conserve.

CRISIS HAS FOCUSED ATTENTION

The magnitude of the weather crisis has focused attention on large issues, such as the overall impact on the economy and the problems of energy supply and distribution. However, concerns of the individual homeowner and the effect that rising utility rates

have on the financial security of homes and homeowners are just as important.

This is of great importance to the savings and loan industry, the holder of approximately 60 per cent of the mortgages in this country. The recent weather conditions have only added to the problem of soaring energy prices. Over the past ten years utility bills have increased faster than any other costs directly affecting homes-in some cases as much as 150 per cent.

Mortgage lenders are already aware of the impact that rising utility rates have on the security of their investment. The increase in utility rates calls into question the traditional methods of credit evaluation for prospective mortgagors. The impact of energy costs on the ability of homeowners to meet mortgage payments is already showing up in sudden increases in bad collection figures for some industry members. These figures are not based on the recent bad weather conditions of January but on the comparatively milder months of November and December. While bad collection figures are not synonymous to total defaults, they do dramatically symbolize the problem of energy costs for the mortgage holder.

ANSWERS BEING SOUGHT

What is the answer, or is there an answer? Short of emergency action by the federal government the lender must look to local conditions and to the regulations under which he operates. There is great variety in state legislation and regulation that governs state chartered savings and loans. Similarly, the regulation of the utilities varies from state to state. In addition, the inclination of the utilities to participate in energy conservation programs also varies. For instance, in the state of Washington, the utilities are barred by regulation from financing energy conservation retrofits in single family residences. In Minnesota, one major utility is financing home owners who wish to purchase insulation. In Pennsylvania, the utilities are not now participating in any such program but some of the savings and loan associations are readily making home improvement loans down to amounts in the mid-hundreds.

LOCAL CONDITIONS DICTATE TERMS

In short, the lender must consider and operate in terms of the opportunities and constraints which face him in his industry and in light of the local conditions that exist. If any national energy conservation programs are to be forthcoming, they must recognize the differences that exist around the nation with respect to all of the factors that must be considered for an effective program. These include: climate; financing islation, regulation, and practice, utility regulation and practice; and the interrelationship of all of the various elements.

The weather that the nation has experienced may be unusual but the fact of rising utility rates is quite real and the effect of those rising rates will not pass with the spring thaw. The rise in utility rates is a reflection of existing and projected cost of continuing to supply energy for the nation. Taking into account new sources such as the North Sea and areas off the shore of the U.S. mainland, the cost in the 1980's for new facilities to produce gas and oil will range between \$10,000 and \$50,000 for an extra barrel equivalent per day. For electricity, which does not burn fuel directly, the cost of a total system, including installation as well as generation could range from \$150,000 to \$300,000 per equivalent of one barrel of oil per day.

COST WILL CONTINUE TO RISE

Such figures are hard to relate to the individual homeowners but the trend is clear. Energy in the foreseeable future is going to be expensive and the cost will continue

Both of the common alternatives for meeting our future energy needs, either by continuing to expand our capacities for power generation or by conserving energy, involve capital-intensive technology, whether it is a nuclear power plant or solar heating system. However, low level technologies are available that can be applied to existing housing in order to make homes more energy efficient. Insulation, storm windows, storm doors, heat pumps, etc., will not stop rising energy rates but they will slow the increases that the homeowner pays per month, by maximizing energy efficiency within the home. For the lender, such technical fixes do not take away the uncertainty of the effect of rising energy costs, but they can mitigate the effect and make the mortgage investment sound

IMPACT SHOULD BE CONSIDERED

Associations should consider the potential impact of rising energy costs and take a hard look at policies regarding home im-provement loans and other financing vehicles. Insulation and storm windows may not cost enough to make a loan profitable but the cost of dealing with the effects of rising energy rates may put such considerations into a new perspective. Other financing instruments should be examined as well, to see if in a given situation a particular instrument can be used that helps the homeowner meet his monthly obligations and helps the mortgage holder to insure his investment.

Part of our research has included an initial feasibility pilot study to determine if an energy conservation program for singlefamily residences is of interest on a metropolitan-wide basis. Pittsburgh was selected as the initial pilot site and meetings have been held with the various segments of the city's leadership in the hope that Pittsburgh would follow through with an energy conservation program, with the National Savings and Loan League and ERDA assisting as best fits the needs of the city and the resources of the two organizations.

In support of energy conservation measures, the National League has entered into a research contract with the U.S. Energy Research and Development Administration to identify the various financial techniques that homeowners may use to carry out energy retrofits. The League has also formed an energy committee to oversee the staff research and to participate in the final report to ERDA. Considering the fact that industry economists are projecting a \$4 billion draw down in accumulated savings due to in-creased utility costs in the current year, it behooves the industry to be alert to how our businesses are affected by the energy crisis.

CONGRESSIONAL RURAL CAUCUS ANTI-INFLATION JOB CREATION PROPOSAL

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 19, 1977

Mr. SIMON. Mr. Speaker, a few days ago, some of my fellow members of the Congressional Rural Caucus, headed by our esteemed colleague, John B. Breck-INRIDGE of Kentucky, spoke about their anti-inflation job creation proposal, and I wish to join in commending that proposal.

I ask all of you to consider the merits of the \$16.4 billion Congressional Rural Caucus plan to combat inflation and help produce more jobs.

Our proposal includes a little over onehalf billion dollars in grant appropria-

tions covering such areas as rural housing, community facilities, water and waste disposal programs as well as programs for rural business and industry.

We also are proposing \$15.9 billion in loan authorization levels in the same areas. Since these are loan authorizations, they require no budget outlays unless there are losses.

This proposal would use existing, proven loan and grant programs to the fullest for farm and nonfarm lending under the Farmers Home and Small Business Administrations.

Some 2 million private sector jobs could result from this initiative, which is 95 percent funded by private, nontax dollars.

It could provide a vital contribution to our economy while helping boost our rural areas.

I urge all of you to support this ruralbased plan which could have a significant impact on the entire Nation.

HELP FOR FAMILIES IN OWNING THEIR FIRST HOME

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1977

Mr. WHITEHURST. Mr. Speaker, the following two articles outline the problems which young families are facing in their efforts to own their own homes, and they also discuss the potential solution.

The first article is from the April 1977 Better Homes and Gardens, and was written by Margaret Daly. The second, by Richard Cobb, the real estate editor, appeared in the Norfolk Virginian-Pilot on Sunday, April 10.

I am delighted to be introducing this legislation today, and I would urge all of my colleagues to give it their consideration. Owning one's home has always been the American dream, and we now have at hand the legislative means to help make that dream a reality for many more people, even in the face of constantly rising prices these days:

HOPE AT LAST FOR FAMILIES WHO WANT THEIR OWN FIRST HOME

(By Margaret Daly)

(For far too long, the headlines have her-alded what seems like the death of a basic American dream for many young families: a home of their own. Ever-rising prices and tough financing demands have simply shut off hope for thousands of people who've been trying to take their first step into home ownership.

(Now, Senator Edward Brooke (R. Mass.) has come forth with an important bill-the Young Families Housing Act (S. 664) —which offers several creative solutions.

(This bill could bring many people into the housing market, with a result that would benefit not only those families but all of us who want to see home ownership continue as a vital part of American life.

(We support Senator Brooke's bill and hope

that you will, too.
(You can show your support by mailing the messages below to Senator Brooke and to your own senators. The debate is going on this minute, so do it now.)

There is no question that a house is still the best investment-psychological as well as financial—most families can make. (See "Is owning a home still a sound investment?" in last month's issue.) Unfortunately, first-time home seekers suffer in the very market that benefits present homeowners. Prices for new and older homes continue shooting upward, keeping a first home maddeningly out of reach for many people who want to buy. Steep interest rates add to the problem, and it doesn't look as though they'll drop—certainly not enough to compensate for rising building

Since these costs aren't likely to turn around dramatically in the near future, it's probably wise to get in on the market soon.

The problem is, many people simply do not qualify financially. For some, the impediment may be the down payment required. For others, present income isn't high enough to meet the lender's standards. Many young people face both problems. Yet the longer they wait to buy, the higher the price and probable monthly costs.

Senator Brooke's Young Families Housing Act tackles these problems in two ways that would help more young people buy their first

home sooner:

TAX-DEDUCTIBLE DOWN PAYMENT SAVINGS ACCOUNT

The Brooke bill would allow special, taxsheltered savings accounts which could be used only for building up funds toward a downpayment on a first home. Deposits in these "individual housing accounts" (IHAs) would be tax-deductible up to \$2,500 a year, with a lifetime ceiling of \$10,000. There would be penalties when funds were withdrawn for any purpose other than a down payment on a first home.

The IHA concept has several virtues. It provides a solid incentive for people to save toward a down payment on a house. It speeds up the savings process. And IHA accounts would increase funds available to the housing industry, which in turn could help lower mortgage rates overall.

MORE REALISTIC MONTHLY MORTGAGE PAYMENTS

The Brooke bill also proposes a form of graduated payment mortgage which would allow young families to make smaller monthly payments when they first take out the loan and larger payments later on.

The reasoning is that a family's income is likely to be less during the early homebuying years. If mortgage payments can be held down then, more families would qualify for financing and thus get their first home sooner. Later, when incomes are likely to be greater, the higher payments would be easier to handle.

HOW YOU CAN SUPPORT THE YOUNG FAMILIES HOUSING ACT

If you agree with us in approving the basic ideas in Senator Brooke's bill, join us in letting him know. Contact your own senators, too. Sign the letters below and send them off. Your support can really count.

Senator EDWARD BROOKE,

U.S. Senate, Washington, D.C.

DEAR SENATOR BROOKE: Too many young people who want to buy their own home are being kept from their dream by high prices and financing problems. I support your Young Families Housing Act (S. 664) and urge its passage.

(Signed) (Address)

Senator . U.S. Senate, Washington, D.C.

DEAR SENATOR—: I support the Young Families Housing Act (S. 664) introduced by Sen. Brooke to help young people buy their first home. I urge your support for the bill. (Signed) (Address)

U.S. Senate, Washington, D.C.

DEAR SENATOR ————: I support the Young Families Housing Act (S. 664) introduced by Sen. Brooke to help young people buy their first home. I urge your support for the bill. (Signed) (Address)

TAX SHELTER COULD BE CONVERTED INTO HOME

(By Richard Cobb)

A proposal to create a tax shelter for young people who save for a home of their own is being urged on the Congress.

This, and other measures to help put young families in homes, has the general backing of the home-building and savingsand-loan industries.

The tax-shelter plan is a part of the Young Families Housing Act sponsored by Sen. Edward Brooke, R-Mass.

Here's how it would work:

A person could go to a savings institution open an Individual Housing Account (IHA) which must be segregated from any other account he may have. Stipulations would be that the money could be used only for down payment on a home, and that it must be the saver's first home.

Interest accumulated on the account would be tax-exempt until the house he will buy is sold. The seller would be limited to \$2,500 per year with a lifetime ceiling of

\$10,000.

Frank N. Wood, president of Chesapeake Savings & Loan; Robert Wentz, president of the Virginia Savings & Loan, and William L. Owens, president of Virginia Beach Federal Savings & Loan, all termed the proposal a sound idea for helping the young couples who may have been priced out of the housing market by inflation.

Robert Arquilla of Chicago, president of the National Association of Home Builders, told a Senate subcommittee considering the Young Families Act that the median price of a new home has risen from \$23,400 in 1970 to \$44,400 in 1976.

A restructuring of the mortgage instrument is the basis of many measures in-tended to make housing available for the less affluent.

Generally, mortgages are granted for many years and the interest rate is fixed at the outset. Repayment is made in even, monthly installments. A provision of the Young Families Act would allow for graduated mortgage payments. The payments would be smaller at the start, then increase as the breadwinner's earning ability increased.

This is the principle of the Proxmire (Sen. William D. Proxmire, D-Wis.) bill that launched an experimental plan by the Department of Housing and Urban Development. The plan has been used widely in California but isn't legal in Virginia.

A more liberal version of the young-families plan is under study by the United States League of Savings Associations. It is considering advocating an interest-only payment plan for the first 5 years of a home

The association has a study file on another California experimental plan whereby the interest rates are adjusted periodically to reflect current prices. Since home mortgages are usually long-term arrangements, there would likely be many changes during its life.

These proposals brought mixed reactions

from area mortgage lenders.

Wentz said that any legislative acts affecting mortgages are apt to come in the form of permissive measures rather than requirements. That means that they will be slow coming to Virginia.

California is the area where pioneering

is done, he said, and Virginia's management tends to be extremely conservative. Changes are adopted only after they are successful elsewhere.

The tax exemption on IHA accounts could be a great help to the first-home seekers. Wentz said, but he added that he expects even greater relief soon. This would be a no-down-payment provision for FHA-insured mortgages, as is the case with VA-insured mortgages.

FHA now requires 3 per cent of the first \$25,000 of the purchase price down, 10 per cent of the next \$10,000 and 20 per cent of

the appraisal.

He said the average down payment is now \$13,000 and the average payoff on mortgages is 12 years.

Inflation in the housing market is the pivot on which financing turns. Wentz sees continuing appreciation of real estate as almost a certainty. Therefore, a graduated scale of mortgage payments could only help the buyer.

The increase in the value of the house between the time the buyer takes the mortgaged deed and the time he sells it will represent a large equity, even though the buyer has paid very little toward the principal, Wentz said.

The lender is protected against loss by early payoffs of the mortgage by a penalty clause. The uncertain factor for the lender is the probability of depreciation of the property because of use.

Owens said the graduated mortgage-payment plan "hasn't met with a great deal of popularity in our industry." The objection is that it assumes that inflation will continue—and that is an assumption savings and loans prefer not to lean on, he said.

Wood also was skeptical about the mort-

gage-repayment plan that would allow low payments for the first 10 years. Many young people don't keep a home that long.

A lot of people would take advantage of it (the low pay start) and would be paying interest only, and that isn't the principle of mortgage lending, he said.

Also, the assumption that a young couple will better be able to meet mortgage commitments after the first 10 years may be a false one, Wood said.

There is the likelihood that both partners

in the marriage will be producing incomes at the start, but before the 10th year the wife will have traded her role as a secondary income producer to that of a full-time mother and housewife.

The California experiment with mortgage interests that rise and fall with the going market price interested area lenders.

Owens said he has just returned from a California seminar at which he found that the lending institutions there are offering variable-interest mortgages at a quarter per cent lower than the conventional fixed-rate packages. The duration of the plans was

Elderly people who live on fixed incomes are also provided for under the bill advocated by the savings and loan association. The provision is called the "reverse morttechnique.

Area lenders say that the plan sounds basically good, but that the arithmetic would have to be worked out.

Retired couples whose mortgages are paid up could use their real estate to set up an annuity with a savings and loan association.

Instead of making payments on their home, they would receive them.

The couple and the lending institution

would make a contract whereby the couple would receive monthly checks for a stipulated amount, and, in turn, they would sign a deed on their home to the lender.

Upon the death of the couple (or in rare

cases when the reverse mortgage is amortised), the home is sold. The lender recovers his investment plus interest, and the estate gets the remainder of the money.

"We would need a little study on that. It is a little foreign to what we have been ac-

customed to doing." Wood said.

ARGENTINA'S MILITARY JUNTA ARRESTS LEADING INDEPENDENT JOURNALIST

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1977

Mr. DRINAN. Mr. Speaker, in recent days Argentina's military government has undertaken an unprecedented campaign against the few remaining independent elements of the Argentine press. Last Friday, April 15, armed men dressed in civilian clothes seized Mr. Jacobo Timerman, the distinguished editor of La Opinion, Buenos Aires' most progressive independent daily newspaper. The intruders, who entered Mr. Timerman's home in the middle of the night, claimed that they were army officers.

For more than 24 hours, authorities of the Argentine Government remained silent as to Mr. Timerman's fate, keeping his family in the dark as to his whereabouts and well-being. Finally, the military junta confirmed that the individuals who abducted Mr. Timerman were indeed army officers and that the journalist was being held in official custody

on unspecified charges.

The behavior of the Argentine authorities in this matter confirms that the armed men who have been responsible for the wave of right-wing terror, including abductions and assassinations, are in reality agents of the government. The failure to charge Mr. Timerman with any specific offense is also typical. The government's action was unusual only in that the fact of Mr. Timerman's arrest was announced; the authorities generally do not confirm political arrests, adding to the anguish of the families of those arrested.

Mr. Timerman's prominence probably accounts for the confirmation of his detention. The military government has also confirmed the arrest of Enrique Jara, the general manager of La Opinion.

Other journalists have simply disappeared in the past several weeks. Edgardo Sajon, a member of La Opinion's board of directors, has been missing for 2 weeks. Another prominent journalist, a priest who worked for a Buenos Aires news agency, was found last week by the side of the road, his body riddled with bullets.

It is evident that the Argentine Government is cracking down viciously on the few remaining independent journalists. All those who respect the freedom of the press and the fundamental human rights of the individual must protest the arrest of Mr. Timerman and the other journalists. By their recent actions, Argentina's military leaders have demonstrated once again that they merit

condemnation by all civilized men and nations.

Some recent reports have suggested that Argentina's government is reducing its human rights violations. Events indicate, however, that the recently released Amnesty International report was correct in its conclusion that in many respects the situation is deteriorating. The Argentine courts remain firmly under the control of the military and refuse to honor habeas corpus petitions; the authorities continue to refuse to reveal the names of those who have been arrested for political reasons; Argentine citizens are becoming more critical of the junta; and the press has been attacked with unprecedented vigor.

I commend to the attention of my colleagues three recent accounts of events in Argentina: a description in the New York Times of April 15 of the arrest of Jacobo Timerman; an article in the April 14 edition of the Washington Post describing the inability of Argentines to ascertain the whereabouts of relatives who have been abducted by armed groups apparently acting under government authority; and an account of growing public dissatisfaction with the military regime from the April 15 edition of the Washington Post.

The articles follow:

[From the New York Times, Apr. 15, 1977]
ARGENTINE JOURNALISTS REPORTED UNDER
ARREST

BUENOS AIRES, April 15.—The editor and assistant editor of the liberal daily newspaper La Opinion were dragged from their homes by armed men early today and were later reported under arrest. Informed sources said that they may have been taken into custody in connection with a financial scandal.

The editor, Jacobo Timerman, and his assistant, Enrique Jara, were seized before dawn by men in civilian clothes who said they were army officers, Mr. Timerman's son Hector said. Authorities officially declined comment and there was no public announcement of the arrest.

The men were believed to have been picked up in connection with a Government investigation into the financial affairs of the Argentine banker David Graiver, who was reported killed last Aug. 7 in a plane crash near Acapulco, Mexico.

[From the Washington Post, Apr. 14, 1977]
COURT ASKED TO LOCATE 425 MISSING
ARGENTINES

(By Karen DeYoung)

Buenos Aires, April 13.—A group of eight local attorneys has petitioned Argentina's supreme court for information relating to the disappearance of 425 persons who they allege were forcibly abducted by "armed groups apparently acting under some official authority." None of the 425 has appeared on government lists of officially detained persons.

While Argentina's ruling military junta has consistently denied abducting and holding political prisoners without charge, Amnesty International put the number held at between 5,000 and 6,000 in a report following an investigatory mission that the organization made here last fall.

The petition is the second that has been made to the supreme court. A similar request, filed several weeks ago by the father of a man who disappeared last October, was rejected April 6, when the court stated it had no jurisdiction.

The lawyers ask for court orders requiring the ministries of Justice and Interior, as well as the federal police, to turn over all information in the files concerning the 425 persons. Habeas corpus petitions previously filed on their behalf have already been returned by those bodies stating that they were not, and had never been in custody.

It is likely that the Supreme Court will also reject this latest petition. Argentine courts, in the same manner as Argentine citizens, have been frustrated by government refusal to provide such information on the basis that it has taken no prisoners.

In private conversations, however, Government officials freely admit the holding of uncharged prisoners, some of whom, they say, may be only peripherally involved with subversive activities of leftist terrorists, if at all.

These prisoners are taken, a junta source said, because their names have in some way been associated with known guerrillas and they are wanted for questioning. While the government knows that cases against them would not stand up in court, either because there is no direct evidence or because judges fear reprisals from the terrorists, it is believed that their imprisonment is justified by what are interpreted to be conditions of war.

The junta system, which amounts to a "Catch-22" situation for the families of those abducted, was at least partially broken last week by former President Alejandro Lanusse. He made a personal appeal to Argentina's current president, Gen. Jorge Rafael Videla, a member of the three-man junta, to determine the whereabouts of Gen. Lanusse's former press secretary, Edgardo Sajon.

Sajon, who is a member of the board of directors of La Opinion, a leading Buenos Aires daily newspaper, disappeared two weeks ago.

Videla subsequently replied that the government had no information on Sajon's whereabouts. Since his disappearance, however, virtually every newspaper in the capital has speculated that the apparent abduction had something to do with the case of Argentine financier David Graiver, who is believed to have been killed in an airplane crash in Mexico last summer.

Among several other disappearances associated with the case is that of Gustavo Caraballo, attorney for Jose Gelbard, who served as economy minister in the previous government of Juan and Isabel Peron. The Argentine government has requested the extradition of Gelbard, who now lives in Washington, ostensibly to face charges of misuse of public funds. Earlier it lifted his citizenship.

The Graiver case is a maze of complications involving Argentine politicians, unions and, according to some sources, the Montonero guerrillas who are the main target of the government's anti-subversion campaign.

[From the Washington Post, Apr. 15, 1977]
FEWER ARGENTINES SHOW ENTHUSIASM FOR
MILITARY RULE

(By Karen De Young)

BUENOS AIRES,—When the weather is particularly nice in Buenos Aires, they say it is "Peronist weather." Whenever the late president would appear in public, the legend goes, storm clouds would magically vanish in a blaze of sunshine.

Even those who are convinced that Juan Domingo Peron came close to ruining Argentina—and they are many—say it is true. Call it charisma, machismo or simple demagoguery, for nearly 20 years, both in office and in exile, Peron had the power to move the people.

It is precisely this power that Argentina's current government—a military junta composed of the heads of the army, navy and air

force, with army commander Gen. Jorge Rafael Videla as president—does not have. One of the most serious domestic problems now facing the junta is the fact that most Argentines find it, to say the least, un-

inspiring.

"The biggest problem this government has," said one official within the now emasculated labor movement that once formed the Peronist backbone, "is that there is no enthusiasm for it." Out of fear, "nobody is going to criticize it too strongly. But nobody is going to say anything good about it, either."

It is perhaps axiomatic that military governments are not loved. This particular junta, however, which a year ago ousted Peron's widow, Isabel, at a time when most Argentines agreed that the country was on the road to ruin, started out with a fair amount of good will.

That support has now faded into a sort of dull acceptance of the government's strongarm power to impose its wishes, and an overriding feeling among labor, academicians and politicians that the country has no real direction. "It's true," one high navy official shrugged, "we have no plan, no big program."

What makes Argentina's military government different from that in Chile and other countries where military rule is more obviously institutionalized, is its refusal to be branded as other than a "transition" government. It is determined to maintain a facade of freedom inside a system of both subtle and blatant repression.

It is conventional wisdom here, however, that the government is divided, not only within the junta itself, but into a maze of subgroups that formulate and carry out their own orders. These groups are vaguely labelled "hard-liners," "moderates," a category into which Videla is usually placed, and the "soft-liners."

The only thing that has united them recently, and even managed to unite a good portion of the populace, was anger at President Carter's cutoff of military credits because of alleged human-rights violations.

The benefits of having many factions are that unpopular actions can be passed off as the work of extremists

The Montoneros and the People's Revolutionary Army, or other groups of leftist guerrillas who are generally credited with acts of terrorism, have by nearly all reckonings been completely annihilated. The nightly, seemingly random, bombing attacks in Buenos Aires in recent weeks are considered the crazed actions of cornered desperados.

But the retaliatory paramilitary kidnapings, secret detentions, tortures and deaths that have become a personal terror and an international humiliation to many Argentines continue unabated. Amnesty International says there are at least 5,000 uncharged political prisoners here. Others put the figure as high as 20,000.

Gen. Albano Harguindeguy, the interior minister, who is considered a "hard-liner," has said at various times that there are no more prisoners than half the number of fingers on one hand, that there have never been any prisoners, and that there may have been some but are no more now. Videla says there are no political prisoners, only detained "subversive delinquents."

During recent weeks, a number of prominent civilians have disappeared—kidnapings that, since Videla says his people have no knowledge of them, are believed to be the work of "hard-liners" displeased with "mod-

erate" concessions.

Earlier this month Edgardo Sajon, a director of La Opinion, a leading Buenos Aires daily and press secretary under former President Alejandro Lanusse, disappeared on his way to work. After a personal appeal to Vi-

dela, Lanusse said the president assured him that neither federal nor provincial police had any clue to Sajon's whereabouts.

A few days later the bullet-ridden body of Hector Ferreiros, a prominent local journalist who had been abducted from his home by uniformed men, was found by the side of a suburban road.

"You can't call it anarchy," said one socialist politician. "It's not even a dictatorship. It's more like a bunch of little dictatorships."

In mid-March, according to diplomatic sources, a group of American travel agents on a government-sponsored tour were stopped by soldiers as their bus left Buenos Aires' international airport. Made to stand spread-eagled against the bus, they were frisked, their luggage was inspected and they were forced to stand on the side of the road while an officer gave them a 30-minute lecture on the fallacy of President Carter's human rights policy.

Junta spokesmen acknowledged that incidents may have occurred, but said they had no knowledge of them.

"This is how they convince the world that Argentina is a safe place where human rights are respected," said one Western diplomat grimly. "Not only does the left hand not know what the right is doing, the left forefinger usually hasn't a clue what the left thumb has in mind."

One thing all factions initially agreed upon was giving a year-long free hand to Economy Minister Jose Alfredo Martinez de Hoz. The results of his free-market policies have been, in many respects, impressive. The only civilian member of the Cabinet, he managed to borrow \$1.2 billion, and to pay off \$800 million in debts. He also bolstered the national treasury, estimated by one junta spokesman to have reached a rockbottom \$10 million at the time of the coup.

For the man on the street, however, the policy has not been so successful. Wage increases averaging around 20 per cent were not nearly enough to offset inflation that, while greatly decreased from nearly 800 per cent in 1975, is still at the triple-digit level.

As one local news magazine headlined last week: "Who's responsible for inflation now?"

At times, it seems the economy minister himself does not know. Last month, he announced a 120-day freeze on prices including gasoline. A week later, gasoline prices doubled and a week after that, taxi fares doubled.

Part of the problem, as nearly everyone freely admits, regardless of political persuasion, is that Argentines are selfish people.

"Things are not the same here as in places like Peru or Bolivia," said a leader of the Radical Party that, in freer political times, was the loyal opposition. In largely middle-class Argentina, he said, "the problem is not getting enough to eat, it is getting a new car next year," an infinitely more volatile issue.

The political parties and the labor unions, meanwhile, seek an opening for political dialogue with the junta. At present, parties are officially "suspended" and unions, permitted only on a local level, are run by the military.

It had been widely hoped that Videla's March 31 speech, on the anniversary of the coup would describe such an opening. "Everybody," the Radical leader said, "is waiting to see what happens."

What happened was a call for "national unity" that left the political future, in the words of the political commentator "as muddy as ever."

While calling the junta "the best government available" to Argentina under current circumstances a columnist for the English-language Buenos Aires Herald noted dryly that the situation was, all in all, "distressing."

It is likely to get worse before the sun comes out.

CONGRESSMAN GEORGE BROWN OF CALIFORNIA SPEAKS ON AUTO-MOTIVE PROPULSION RESEARCH

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1977

Mr. McCORMACK. Mr. Speaker, this morning the Fourth International Symposium on Automotive Propulsion Systems, which is sponsored by the Energy Research and Development Administration under the auspices of the NATO Committee on the Challenges to Modern Society, began 4 days of meetings. The keynote speaker at this meeting was our colleague, George Brown, who has taken an extremely active interest in the future of the automobile. As you know, Mr. Brown of California is also the lead author of the Automotive Transport Research and Development Act of which I am pleased to be the lead coauthor. This bill, H.R. 784, is one of the key energy conservation bills of the last Congress that remains unenacted. This situation should be corrected in the near future.

Due to the importance of the automobile in any energy program, the symposium now being held is especially timely and relevant to President Carter's energy message. The same can be said for the keynote address given by Mr. Brown of California. For this reason, I insert it in the Record at this time.

The address follows:

KEYNOTE ADDRESS—FOURTH INTERNATIONAL SYMPOSIUM ON AUTOMOTIVE PROPULSION SYSTEMS

Mr. Chairman, distinguished delegates and observers of this symposium, it is indeed an honor for me to address you. My own credentials are fairly humble, but there are few issues facing modern industrialized society that I have a greater interest in than the future of the automobile. And there are few issues facing modern industrialized societies that are as difficult to understand as the issue of how we can maintain high production levels of automobiles, with adequate fuel supply for those automobiles, while, at the same time protecting the economy of those societies or nations. It is not at all certain that the United States, Europe and Japan can continue producing automobiles at the rate they have in the past, nor is it certain where the fuel will come from. It is certain that the automobiles of the future will be different from those of the recent past, and will need to be not only more efficient, but will also need to use a nonpetroleum based fuel.

Many technological solutions to these problems have been suggested. I have no doubt that our highly competent scientists and engineers will be able to achieve the goals of fuel economy and an adequate supply of alternative fuels, as we have technologically solved the problem of reducing automobile exhaust emissions. The tougher problems are not technological, but are institutional, environmental, social, economic and legal. This symposium is focused on the technological issues, but the participants are all quite aware of these other forces which shape the technologies which must be de-veloped. It is my hope, in these brief remarks, to encourage you in your efforts to develop technological solutions, and share with you my thoughts about the future of the automobile, and the propulsion system it uses.

I am sure the majority of the participants here know that the three earlier International Symposiums on Automotive Propulsion Systems were actually focused on con-trolling the emissions of harmful automobile pollutants. Those meetings were organized in response to a United States law, the Clean Air Act Amendments of 1970, which called for very severe reductions in the automobile emissions for hydrocarbons, carbon monoxide and nitrogen oxides.

As I am sure will be documented during this symposium, the technology to meet those standards is now available, and will probably be installed on autos sold in the U.S. in the next few model years, depending on how lenient the U.S. Congress is with revising the existing standards. What may not be as well known is that when the U.S. Congress passed the Clean Air Act Amendments in 1970, it expected to see new automotive propulsion systems developed, rather than just see improvements and add-ons to the Otto cycle internal combustion engine. The current emphasis upon fuel economy provides us with another opportunity to develop alternatives to the ICE and its dependence on oil-based fuels.

The fact that most of the world's automobiles are dependent upon oil, and use the Otto cycle ICE, may be one of the more interesting subjects to consider. Why is this propulsion system so dominant in the world

A primary reason has been the availability of relatively cheap gasoline. Another very large reason is the enormous inertia which exists in capital intensive industries, such as the automobile industry, which is comfortable sticking with a proven, profitable product. While this generalization is especially true for the U.S., it appears to be true for Europe and Japan as well. What has changed is the increasing demands of society upon industry to produce products that are more socially acceptable.

Thus, we have safety requirements and environmental controls. Where the cost of fuel is high, as it is in Europe and Japan, a further requirement for fuel economy is de-manded. The United States has only recently recognized this fact, and this week President Carter is expected to make some recommendations which are, by American standards, draconian in nature to encourage the conservation of petroleum used in motor ve-

These recommendations are expected to include proposals for a phased-in gasoline tax increase ranging from 5 cents to 50 cents per gallon, plus tax increases on less efficient automobiles. These, or similar proposals, will undoubtedly be coupled with proposals for other types of energy consumption taxes, to-gether with steps leading to further de-regulation of energy prices, long maintained at sub-market levels. All of these proposals can only be considered as a modest beginning toward energy conservation, at least by non-U.S. standards, yet it will cause shock waves in U.S. society. It is to be hoped that politi-cal leaders of both parties in the Congress join in emphasizing to the American public the necessity of such steps.

With the imposition of the type of measures President Carter is recommending, U.S. and non-U.S. auto manufacturers will be facing similar constraints. The potential savings from developing a better automotive propulsion system in the U.S. alone is simply tremendous, since we now use more than nine million barrels of oil a day for transportation. Advanced automotive propulsion systems currently being developed could save more than half of this. Far more savings could occur if a conscious attempt were made to shift away from petroleum based fuels and

adopt other energy conservation measures.

The economic, environmental and energy constraints facing auto manufacturers need

not mean disaster. There is no reason why the future of the automobile in society should be in doubt. It is far more likely that the automobile will adapt to future condi-tions, provided it continues to benefit society as a whole. But other technologies have gone the way of the dinosaur, and the privately owned automobile could follow in its tracks

The flexibility and ingenuity of Japanese and European auto manufacturers in meeting the auto emission controls of the United tes have long been a source of admiration in this country. While these manufacturers were advancing the technology, the U.S. companies were concentrating on changing the law to avoid the standards. This same type of delaying action is likely to occur on fuel economy standards and attempts to encourage alternative fuels and electric vehicles, but any such delay would only be transitory and have little long-term effect, because there are very few choices left to modern societies. In the case of automobiles, this symposium covers the main technological options left to automobile manufacturers

Specifically, future automobiles will need to be much more fuel efficient than they are today. By the end of the century, they will also need to find a substitute for oil as the fuel base. The alternatives are fairly limited. Smaller vehicles with improved internal combustion engines can be developed to the technological limit. External combustion en-gines, with a higher theoretical efficiency can be developed, with a special emphasis upon alternative fuels. Finally, electric and hybrid vehicles can be developed, which would eliminate the need for liquid fuels for automobiles. Whether these alternatives can be developed in time to meet all the needs of society, without disrupting society, the economy, the environment, and energy policies, is a question this symposium may wish to adss. Finally, what role industry will play and what role government will play is a question industry and government must resolve themselves.

Each nation has a different relationship with the industries within its borders. In the United States, that relationship has been changing, as have the policies of the U.S. toward energy, imports, human rights and the like. The consequences of oil imports and auto sales are too vital to a nation's economy to allow its automobile industry to fail simply because it failed to adjust to the demands of the future. Governments must guarantee the security of their own economy by guaranteeing that future personal mobility, employment, and energy will all be available. This is not the role of the automobile industry, even though it is its concern, which means that decisions about future automotive propulsion systems must be joint industry-government decisions. This realization has been a long time in coming in the United States, but all the evidence shows that this fact is finally accepted by both the Congress and the Administration, if not yet accepted by industry. With the election of President Carter, the Congress and the President will hopefully be speaking with the same voice on issues relating to the government's role in complex technological, social, environmental and economic issues such as the future of the automobile.

Even though this cooperative arrangement is new, there are already new programs that the U.S. will be undertaking, all of which I am sure will be covered over the next several days. Late last year the Congress passed, over the former President's veto, the Electric Vehicle Research, Development and Demonstration Act of 1976, which established a 6year, \$160 million program in the Energy Research and Development Administration to demonstrate the commercial feasibility of advanced electric and hybrid vehicles-

Another new program, which was almost passed over the President's veto, and will pass the Congress this year, is the Automotive Transport Research and Development Act. This Act, which is essentially a companion program to the electric vehicles program, will establish a five year program to develop advanced automotive propulsion systems that are non-polluting, fuel efficient and could use alternative fuels. I should add that even without this new program enacted into law, the Energy Research and Development Administration has begun a very good program to accomplish just these goals, as well as develop alternative fuels such as methanol, ethanol, synthetic oil from coal, and hydrogen fuels. These programs are, by their very description, long-range and will have little impact upon the next few years of automobile production. What we, in the United States, do over the next five years is largely a political and an economic question. During this time, we can probably learn much more from Japan and Europe than they can learn from us. After this time, I very much hope that the U.S. will be able to help the auto manufacturers of the world meet our common constraints by demonstrating new, extremely energy-efficient, low polluting automotive propulsion systems.

Needless to say, major changes in automotive technology will, by themselves and as a part of broader programs of energy conservation, have major impacts on other aspects of industrial societies. New energy industries will develop as petroleum refining declines in importance. New patterns of materials processing and fabrication will develop. Urban settlements will undergo major changes, with particular eraphasis on better integration of various human activities, including transportation modes and networks, to reduce energy demand. While the responsibility for these and other changes will not rest, solely on those concerned with automotive technology, a prudent attention to the comprehensive sessment of the impact of major new technologies, and some attention to major social policy issues, will help us all to move through this period of drastic change with minimum

damage to our societies. It has been a pleasure being able to keynote this symposium. You are truly dealing with one of the Challenges of Modern Society, and one of the more complex issues facing society. It remains to be seen if the institutional, social, economic and legal constraints will accommodate radical technological solutions. We can only hope that with the availability of a substitute technology, the inertia against using it can be overcome. In the meantime, we must work for the incremental changes which we know we can achieve.

EDUCATION. WORK, AND RETIRE-MENT CONFERENCE TO BE HELD

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 19, 1977

Mr. MIKVA. Mr. Speaker, I would like to call to the attention of my colleagues a conference on education, work and retirement that promises to be exceptionally provocative and enlightening. The conference, which begins at the Hyatt Regency Hotel in Washington, D.C., on the night of April 20, is being presented by Holt, Rinehart and Winston/CBS, Inc., and the Center for Policy Process, in cooperation with the National Center for Productivity and the Quality of

Working Life, the United Auto Workers, National Manpower Institute, American Association of Retired Persons, National Institute of Education, American Management Associations, and the National Commission on Resources for Youth.

A prime purpose of the conference, as set forth by conference planners, is "to examine and challenge some basic assumptions about the way American society organizes education, work and retirement as sequential, isolated retirement isolated activities."

Conference panelists include a wide range of people-scholars, journalists, social activists and public officials. On Thursday, April 21, the second day of the conference, our distinguished colleague, Congressman John Brademas, will participate, as will the distinguished Senator from California, ALAN CRANSTON.

Mr. Speaker, at this time I would like to take a moment to identify the other conference participants. Beginning at 8 p.m. on April 20, there will be a prepared presentation by author Ivan Illich who will then spend most of the evening answering questions from conference participants. On Thursday, April 21, there will be a keynote address at 9 a.m. by Juanita Kreps, U.S. Secretary of Commerce. That will be followed by a plenary panel, Breaking Out of the Three Boxes of Life: Barriers to the development of new strategies for education work and retirement. Panelists include:

Alex Haley, author of "Roots."

Robert C. Holland, president, Committee

for Economic Development.

Senator Alan Cranston (D. Calif.)

Orville G. Brim, Jr., president, Foundation

for Child Development. Nancy Tapper, president, Peralta Com-

munity College for Non-Traditional Studies,

Alex Comfort, editor, "Experimental Ger-ontology"; professor, University of California Medical School, Irvine; editor, "The Joy of Sex."

The remainder of Thursday's program will include a luncheon speech by F. Ray Marshall, U.S. Secretary of Labor, followed by concurrent sessions on alternative strategies with these participants:

New Economic Strategies, Gar Alperovitz, co-director, Exploratory Project for Economic Alternatives

The Workplace as the Center for Economic Development and Cultural Integration; Michael Maccoby, author of "The Gamesman."

Broadening the Worker's Stake in the System; Louis O. Kelso, originator of the techniques behind all the Employee Stock Ownership Plans.
A Workers'

Strategy; Harley Shaiken, machinist; Pete Camarata, dockman; Alfred Ferdnance, car-hauler.

The Three Boxes of Life and How to Get Out of Them; Richard N. Bolles, director of the National Career Development Project; Author of "What Color is your Parachute?

Thursday evening, there will be concurrent panels on setting priorities. Panel A will include:

Studs Terkel, author of "Working"

Ernest G. Green, Assistant U.S. Secretary of Labor for Employment and Training.

Maggie Kuhn, National Convenor, Gray Panthers.

Carl H. Madden, professor, American University; former chief economist, U.S. Chamber of Commerce.

Nicholas von Hoffman, syndicated col-

James P. Gibbons, president, International Group Plans Inc.

Willard Wirtz, chairman, National Manpower institute; former U.S. Secretary of

Panel B will consist of the following:

Congressman John Brademas (D. Ind.), Chairman, House Select Subcommittee on Education, and House Majority Whip. Allen Ginsberg, poet.

John L. McKnight, professor of Urban ffairs, Northwestern University.

Caroline Bird, author of "Born Female," "The Case Against College," and "Everything a Woman Needs to Know to Get Paid What She's Worth."

T. George Harris, dropout; First Editor-in-Chief of "Psychology Today."

Harriet Miller, executive director, American Association of Retired Persons.

George J. W. Goodman ("Adam Smith"), editorial board, New York Times; author of "The Money Game," and "Powers of the Mind."

The conference will conclude on Friday with a plenary session at 9 a.m., featuring John H. Filer, chairman of Aetna Life & Casualty, followed by a plenary panel on policy options with these participants:

Robert M. Ball, author, "Social Security Today and Tomorrow," former Commissioner. Social Security Administration.

James L. Hayes, president, American Management Associations.

Elsa A. Porter, Assistant U.S. Secretary of Commerce.

Sam Brown, Director of ACTION, the fed-

sam Brown, Director of ACTION, the federal agency for volunteer services.

Stewart Brand, editor, "CoEvolution Quarterly"; creator of "The Whole Earth Catalogue."

William W. Winpisinger, president-Elect, International Association of Machinists and

Aerospace Workers.

Ernest L. Boyer.

A luncheon on Friday will wind up what promises to be a most enlightening conference on critical issues facing our country.

LEADERS COULD AID RECRUITING EFFORT

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES Tuesday, April 19, 1977

Mr. STEIGER. Mr. Speaker, a lot of criticism has been heard recently about the all volunteer military. Much of the criticism has come from political leaders.

Constructive suggestions can help the services improve their management capabilities. However, too little attention has been given to the positive facts about today's military. The positives far outweigh the negatives, but it is unfortuately the latter which get attention.

Andy Plattner, congressional correspondent for the Army Times, has given political leaders food for thought in his well-stated April 18 article, "Leaders Could Aid Recruiting Effort." As he notes, "The services belong to the Nation. They're not an illegitimate child to bring out of the closet only in periods of dire need."

Plattner points out that the country's lawmakers are seldom heard encouraging young people to join the military. He suggests that it's time Members of Congress and the President take a more active interest in military people.

"So, before the President and Congress consider going back to the draft, maybe they might try going to a few military bases and seeing what today's military is all about," Plattner advises. "At least they then could present a realistic picture to the young people in their communities. Let national leaders serve as recruiters for a while."

I hope we will all heed his words and do our part to encourage service on behalf of the Nation. His article follows:

LEADERS COULD AID RECRUITING EFFORT

(By Andy Plattner)

More people in Congress and the governtalking-some seriouslybringing back the draft.

The reason, they say, is that the all-volunteer force concept has falled or is falling. Reserve Component manpower levels are said to be dangerously low without much hope of getting better soon. Recent recruiting statistics are worrisome and there will be fewer eligible males to recruit in the future. The civilian job market is expected to get better, thus lowering the attractiveness of the milmilitary.

Other people are uneasy because they say the military has too high a proportion of blacks and not enough people from wealthy families. Some critics say the AVF is the cause for military manpower costs being so large a portion of the defense budget.

Wait a minute. That the AVF has succeeded to the extent it has is the result of the military effort. The services had to recruit people at a time when the bad taste of the Vietnam War was in everybody's mouth. They didn't have a lot of help. It's time the services received that help.

If the President and the 535 members of Congress are seriously worried about military manpower shortages, they could try some-thing that wouldn't cost a cent and could be as valuable as millions of dollars spent on recruiting.

With few exceptions, notably on the Armed Services Committees, the only time elected officials have any praise for the miltary is when the military does something for them in their districts. An expanded military base or Corps of Engineers project in their district nets lavish praise for the Pentagon. Close a base or cancel a project and the wrath of God is unleashed.

What is seldom heard from the country's lawmakers is encouragement for young people to join the military. Whatever happened to the idea that there is a patriotic duty to serve one's country?

Congressmen seem, for the most part, to be of the opinion that that's not a popular idea now with the voters. Consequently, they don't say much about it. But lawmakers can promote the military if they want to.

There is considerably more impact if President Carter says that young people should join the military than a Madison Avenue commercial selling all the great jobs in the military.

The services belong to the nation. They're not an illegitimate child to bring out of the closet only in periods of dire need. It wasn't the military that was responsible for the agony of Vietnam but rather the elected leaders. It wasn't the major or sergeant who said let's go 12,000 miles to help South Viet-

I spent several days at sea aboard the USS Forestal last summer shortly after that aircraft carrier served as President Ford's reviewing stand for the Bicentennial parade of tall ships in New York Harbor, It seemed as though every member of the crew, and especially the single members, couldn't say enough about how well they were treated in New York while in uniform for the celebration.

"People bought us dinners, drinks and even offered us a place to stay in their homes," a sailor said. "They were glad we were there."

I remember my father wearing his Air Force uniform to testify for one of his men at a civilian trial. He explained that he was wearing it because the uniform had a certain amount of respect in the community.

Well, maybe it's time that we brought that idea back. I'm not suggesting that military people wear only their uniforms when they go off base. But it might be nice if the civilian community discarded the idea that military people have some disease.

One way for this to happen is for the country's leaders to set an example. It's time members of Congress and the President took a more active interest in military peoplenot just planes or bases or aircraft carriers.

Although there are many good things in military life, it is not an easy life for many. The hours are sometimes long, the freedom of choice is limited and the potential risk for some is high. Without financial support from the country, it's that much harder.

So, before the President and Congress consider going back to the draft, maybe they might try going to a few military bases and seeing what today's military is all about. At least they then could present a realistic picture to the young people in their communities

Let national leaders serve as recruiters for awhile.

ANTINUCLEAR POWER DEMON-STRATORS PLAN LAW VIOLATIONS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1977

Mr. McDONALD. Mr. Speaker, on April 30, 1977, radical demonstrators opposed to the use of nuclear energy to generate electricity intend to occupy the construction site of a nuclear powerplant in Seabrook, N.H. The organizers of the demonstration hope that 5,000 persons will participate in a preliminary rally and that about 1,800 of them will participate in the takeover of the plantsite.

The Seabrook demonstration is being organized by the Clamshell Alliance, 62 Congress Street, Portsmouth, N.H. 03801 (603–436–5414) and P.O. Box 162, Seabrook, N.H. (603–964–6514).

The Clamshell Alliance was formed in July 1976, and is a coalition of some 15 antinuclear power and ecology groups such as Concerned Citizens of Seabrook, the Alternative Energy Coalition of the North Shore, the Seacoast Anti-Pollution League, Brattleboro Political Action, the Granite State Alliance, the Portsmouth People's Energy Commission, and Nuclear Objectors for a Pure Environment—NOPE—of Montague, Mass.

Leadership roles in the Clamshell Alliance have been taken by Guy Chichester, formerly an organizer with the Seacoast Anti-Pollution League; the Alternative Energy Coalition—AEC—of 31 Federal Street, Greenfield, N.H. (603–777–5580); and by Samuel Holden Lovejoy of NOPE.

Since 1974, Sam Lovejoy has been the

foremost advocate of sabotage to prevent construction or operation of nuclear fueled electrical powerplants.

On February 22, 1974, Sam Lovejoy put his principals of support for sabotage into practice when he caused the collapse of a \$50,000 preliminary weather monitoring tower at the Montague nuclear powersite. Lovejoy then surrendered himself to police and in a prepared statement to the press admitted "full responsibility for sabotaging that outrageous symbol of a future nuclear powerplant."

After a week-long trial in which Lovejoy defended himself as having acted "in the public interest," and in which he was supported by a number of anti-Vietnam activists serving as character witnesses, the judge directed acquittal on grounds of a faulty indictment which charged Lovejoy with destruction of personal, rather than real, property. Lovejoy then triumphantly told the press, "The publicity * * * was a great victory, and we've entered the issue of civil disobedience into the environmental movement."

Last summer the Clamshell Alliance organized a series of rallies and demonstrations which culminated in an August 22, 1976, demonstration in which over 1,000 people participated. From this rally, 180 demonstrators invaded the Seabrook plantsite and staged a sit-in. The "civil disobedience" cadre were arrested on trespass charges and were subsequently convicted in district court. Most of them have appealed to the New Hampshire Superior Court. Five who did not appeal were sentenced to 40 days' hard labor for their trespass.

Since 1974, Sam Lovejoy has worked to popularize the concept of destruction of utility company private property as "nonviolent direct action." Lovejoy worked to forge alliances with activist groups such as the War Resisters League--WRL; Women Strike Peace-WSP, a group thoroughly penetrated by the Communist Party, U.S.A., and which is seeking to combine its campaign for U.S. disarmament with opposition to the use of nuclear technology for peaceful purposes; and Ralph Nader's Critical Mass organization. Lovejoy had attended Nader's Critical Mass conference and expounded the need for sabotage to the cheers of the assembled activists. And in an article published in mid-1976 in Grass Roots, the newspaper of the People's Party, a socialist group headed by Dr. Benjamin Spock, Lovejoy described how he suggested sabotaging the electrical transmission lines of a nuclear powerplant to the Project Survival group in San Luis Obispo, Calif.

Now Ralph Nader has become involved in supporting the concept of destruction of property as "civil disobedience." The Village Voice of April 4, 1977, published an interview with "public citizen" Nader in which he was quoted as follows:

"What activists are trying to do is make new law based on the settled Anglo Saxon tradition of self-defense that stretches back through Blackburn's commentaries," Nader replied. "That is, if someone tries to break into your house you can retaliate lawfully. In the case of a nuclear reactor, the self-defense is projective. But what are you going to do, wait until radioactivity is all over the place? Shouldn't you destroy property before it destroys you? Here you are violating

a minor law to get judgment on a more important one, the way they did in the civil-rights movement when they sat at those lunch counters."

"You know," he said, gesturing sharply out the window of his office, "if it hadn't been for those demonstrators, the war would still be going on. The government was afraid of civil war. I'll make a prediction: If they don't close these reactors down, we'll have civil war within five years * * *."

What Nader is doing is perverting our legal traditions which say that force may be used in self-defense against an immediate threat to your life. Our tradition does not say you can go out and kill your neighbor on the grounds that there is a statistical one-in-a-million chance that someday he might go crazy and kill you. The probability that all the multiple safeguards built into nuclear reactors would all fail and that significant amounts of radioactivity would be released is infinitesimally small. Yet on that miniscule probability, the antinuclear technology activists are trying to justify sabotage and mayhem.

The Clamshell Alliance organizers are attempting to develop the core around which to build the sort of mass demonstrations and continuous occupations of nuclear powerplant sites that have occurred in West Germany and Italy. The Clamshell Alliance, through its supporters in the War Resisters League and the American Friends Service Committee, has reportedly established so-called fraternal relations with the West German leaders of the Wyhl demonstrations.

Although the Clamshell Alliance is in touch with legally-oriented antinuclear power groups such as the New England Coalition on Nuclear Pollution—NECNP—and would accept some sorts of aid from them, the Clamshell Alliance is fully committed to achieving its goals through direct action in violation of the law rather than through court battles which the NECNP fought for 7 years.

The extreme anticapitalist, antitechnology perspective of the Clamshell Alliance and its bizarre distorted arguments are clearly set out in its "Declaration of Nuclear Resistance" which follows in full:

DECLARATION OF NUCLEAR RESISTANCE

We the people demand an immediate and permanent halt to the construction and export of nuclear power plants.

Nuclear power is dangerous to all living creatures and their natural environment. It is designed to concentrate energy, resources and profits in the hands of a powerful few. It threatens to undermine the principles of human liberation on which this nation was founded.

A nuclear power plant at Seabrook, New Hampshire—or elsewhere in New England—would lock our region on this suicidal path. As an affiliation of a wide range of groups and individuals, the Clamshell Alliance is unalterably opposed to the construction of this and all other nuclear plants. We recognize that:

1. The present direction in energy research and development is based on corporate efforts to recoup past investments, rather than on meeting the real energy needs of the people of America.

2. There is a malignant relationship between nuclear power plants and nuclear weapons. The arms industry has used the power plants as a shield to legitimize their technology, and the reactor industry has

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spawned nuclear bombs to nations all over the world, as well as, potentially, to terrorist groups and even organized crime.

3. Nuclear plants have proven to be an economic catastrophe. They are wasteful and unreliable, and by their centralized nature tend to take control of power away from local communities

4. The much-advertised "need" for nuclear energy is based on faulty and inflated projec tions of consumption derived from a profit system that is hostile to conservation. The United States is 6 percent of the world's population consuming 30 percent of its energy resources. With minimal advances in conservation, architecture and recycling procedures, the alleged "need" for nuclear energy disappears.

5. The material and potential destructiveness of nuclear power plants is utterly horrifying. It ranges from cancer-causing lowlevel radiation to the possibility of major meltdown catastrophes to the creation of deadly plutonium which must be stored for 250,000 years, to destruction of our lakes, streams and oceans with hot water. murderous contingencies have already filled many volumes, and they cannot be countenanced by a sane society. No material gain—real or imagined—is worth the assault on life itself that atomic energy represents.

We therefore demand:

1. That not one more cent be spent on nuclear power reactors except to dispose of those wastes already created and to decommission those plants now operating.

2. That American energy resources be focused entirely on developing solar, wind, tidal, geothermal, wood and other forms of clean energy in concert with the perfection of an efficient system of recycling and conservation.

3. That any jobs lost through cancellation of nuclear construction be immediately compensated for in the natural energy field. Natural energy technology is labor-intensive (as opposed to nuclear, which is capital-intensive) and will create more jobs-permanent and safe-than the atomic industry could ever promise. Any dislocation caused by the shift from nuclear to natural energy must be absorbed by capital, not labor.

4. That a supply of energy is a natural right and should in all cases be controlled by the people. Private monopoly must give

way to public control.

That in concert with public ownership, power supply should be decentralized, so that environmental damage is further minimized, and so that control can revert to the local community and the individual.

We have full confidence that when the true dangers and expense of nuclear power are made known to the American people, this nation will reject out of hand this tragic experiment in nuclear suicide, which has already cost us so much in health, environment quality, and material resource

The Clamshell Alliance will continue in its uncompromising opposition to any and all nuclear construction in New England.

Our stand is in defense of the health, safety and general well-being of ourselves and of future generations of all living things on

We therefore announce that should nuclear construction still be in progress at Seabrook, New Hampshire on May Day Weekend, 1977. we will mobilize the citizenry and march onto that site and occupy it until construc-tion has ceased and the project is totally and

irrevocably cancelled.

The Clamshell Alliance activists are serious about developing a cadre to resist removal from any sitin or occupation of the Seabrook powerplant site. As it did for last August's demonstration, the American Friends Service Committee is

providing training in "nonviolent civil disobedience" lawbreaking tactics. The training tactics for the April 30 demonstration parallel those for last year of which one participant reported:

Every participant in the occupation had to identify her/himself before hand, undergo a training session in nonviolence and join an affinity group [based on one's place of residence], that would stay together during the entire demonstration * * *. The affinity groups created a mechanism for democratic decision making during the action. Thus, each affinity group had its own designated spokesperson (or "spoke") as the connecting links of a wheel. The spoke would represent her/his affinity group in a centralized deci-sion making body. S/he would also carry information back and forth between the affinity group and the coordinating body, so that the decisions of the latter would be based on the input of the collective affinity groups.

The advantages of this type of organization at a demonstration were outlined in the following terms:

* * * A large number was not the Clamshell's first priority. Instead of a mass demonstration distinguishable only by its size, they wanted a tightly knit group that would they wanted a tightly knit group that would gain the experience of collective action, maintain a nonviolent discipline, guard against police agents, and then remain to-gether as an organizing group * * * [for] gether as an organizing group * * * [for] when the hard work of building support for the next occupation would begin.

However, the Alliance organizers are making allowance for the usual demonstration chaos by permitting last minute affinity group formation and tactical training on the morning of the demonstration. They hope to be able to overwhelm the ability of local law enforcement officers to cope with large numbers of disciplined demonstrators. And there have been indications that some antinuclear power activists may engage in violent "support potentially work" against the power company in preceding

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee-of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare such information daily for printing in the Extensions of Remarks section of the Congressional

Any changes in committee scheduling will be indicated by placement of an as-terisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Wednesday, April 20, 1977, may be found in the Daily Digest section of today's RECORD.

The schedule follows:

MEETING SCHEDULED APRIL 21

8.00 a.m.

Agriculture, Nutrition, and Forestry
To continue markup of E. 275 to amend

and extend through 1982, the Agriculture and Consumer Protection Act of 1973.

322 Russell Building

9:00 a.m.

Energy and Natural Resources

Subcommittee on Park sand Recreation To hold hearings on S. 658, to designate certain lands in Oregon for inclusion in the National Wilderness Preservation System.

3110 Dirksen Building

Foreign Relations

International Operations Subcommittee

To hold hearings on proposed fiscal year 1978 authorizations for the Department of State.

4221 Dirksen Building

Governmental Affairs

To hold hearings on the nomination of Jay Solomon, of Tennessee, to be Administrator of General Services

3302 Dirksen Building

9:30 a.m.

Appropriations

Interior Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies, to hear public witness

1114 Dirksen Building

Banking, Housing, and Urban Affairs

To hold hearings on the nominations of William F. McQuillen, of Virginia, and Harry R. VanCleve, of Virginia, to be members of the Renegotiation Board. 5302 Dirksen Building

Human Resources

To consider S. 725, authorizing funds through fiscal year 1982 for certain education programs for handicapped

Until 10:30 a.m. 4232 Dirksen Building

10:00 a.m.

Appropriations

Foreign Operations Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs.

S-126, Capitol

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for the Arms Control and Disarmament Agency, Board for International Broadcasting, USIA, and the Commission on Civil Rights.

S-146, Capitol

Banking, Housing, and Urban Affairs

'To continue hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15. 5302 Dirksen Building

Commerce, Science, and Transportation To hold hearings on the nominations of Langhorne McCook Bond, of Illinois, to be Administrator, and Quentin Saint Clair Taylor, of Maine, to be Deputy Administrator, both of the Federal Aviation Administration. 235 Russell Building

Commerce, Science, and Transportation

Consumer Subcommittee

To continue oversight hearings on activities of the Consumer Product Safety Commission.

5110 Dirksen Building

Environment and Public Works

Subcommittee on Resource Protection To hold hearings on proposed legislation authorizing funds to the States to extend the Endangered Species Act through 1980.

4200 Dirksen Building

Governmental Affairs

Subcommittee on Government Efficiency To receive testimony on a GAO study alleging inaccurate financial records of the Federal flood insurance program. 6226 Dirksen Building

Governmental Affairs Subcommittee on Reports, Accounting,

and Management To continue hearings to review the procsses by which accounting and auditing practices and procedures, promulgated or approved by the Federal Gov-ernment, are established.

3302 Dirksen Building

Joint Economic Committee

To hold hearings to receive testimony on issues the United States will present at the forthcoming economic summit conference in London on May 7.

6202 Dirksen Building Select Intelligence

Closed business meeting.

S-407, Capitol

Small Business

To mark up bills concerning disaster relief for small business concerns (S. 832, 1206, and 1259).

424 Russell Building

10:30 a.m.

Human Resources Employment, Poverty, and Migratory Labor Subcommittee

To hold hearings on H.R. 2992, to amend and extend the Comprehensive Employment and Training Act, and S. 1242 to provide employment and training opportunities for youth.

ntil 2 p.m. 357 Russell Building

Until 2 p.m.

Judiciary

Business meeting, to consider subcom-mittee budgets, pending nominations, and S. 11, to provide for the appointment of additional District court judges.

2300 Dirksen Building

11:00 a.m.

Foreign Relations

Foreign Assistance Subcommittee

To hold hearings on proposed fiscal year 1978 authorizations for the Security Assistance Program.

4221 Dirksen Building

1:00 p.m.

Appropriations

Interior Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear public witnesses.

1114 Dirksen Building

2:00 p.m.

Appropriations

Legislative Subcommittee

To hold hearings on proposed budget estimate for fiscal year 1978 for the legislative branch, to hear J. Stanley Kimmitt, Secretary of the Senate, and F. Nordy Hoffman, Senate Sergeant at Arms.

S-128 Capitol

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the EEOC, FTC, and SBA.

Armed Services

General Legislation Subcommittee

To continue hearings on proposed authorizations for fiscal year 1978 for the Defense Civil Preparedness Agency. 224 Russell Building 2:15 p.m.

Foreign Relations

To hold hearings on the nominations of Michael J. Mansfield, of Montana, to be Ambassador to Japan; W. Tapley Bennett, Jr., of Georgia, to be Permanent Representative on the Council of NATO; Samuel W. Lewis, of Texas, to be Ambassador to Israel; George S. Vest, of Maryland, to be Ambassador to Pakistan; and Robert F. Goheen, of New Jersey, to be Ambassador to India.

4221 Dirksen Building

APRIL 22

8:00 a.m.

00 a.m. Agriculture, Nutrition, and Forestry markup of S. 275, To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973. 322 Russell Building

9:00 a.m.

Appropriations

Interior Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear public witnesses.

1114 Dirksen Building

Commerce, Science, and Transportation To hold hearings on the nomination of Jordan J. Baruch, of New Hampshire, to be an Assistant Secretary of Com-

5110 Dirksen Building

Foreign Relations International Operation Subcommittee

To hold hearings on proposed fiscal year 1978 authorizations for the USIA and Department of State Cultural Exchange Program. 4221 Dirksen Building

Human Resources

Employment, Poverty, and Migratory Labor Subcommittee

To hold hearings on H.R. 2992, to amend and extend the Comprehensive Employment and Training Act, and S. 1242, to provide employment and training opportunities for youth.

4232 Dirksen Building Until 1 p.m.

10:00 a.m.

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Maritime Commission, Foreign Claims Settlement Commission, International Trade Commission, and the Legal Services Corporation. S-146, Capitol

Banking, Housing, and Urban Affairs

To continue hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15. 5302 Dirksen Building

Governmental Affairs

To markup S. 826, to establish a Department of Energy in the Federal Government to direct a coordinated national energy policy. 3302 Dirksen Building

Governmental Affairs

Subcommittee on Governmental Efficiency To receive testimony on a GAO study alleging inaccurate financial records of the Federal flood insurance program. 6226 Dirksen Building

Joint Economic Committee

To hold hearings to receive testimony on issues which the United States will present at the forthcoming economic summit conference in London on

1202 Dirksen Building

11:00 a.m.

Foreign Relations

Foreign Assistance Subcommittee To continue hearings on proposed fiscal year 1978 authorizations for the Security Assistance Program.

4221 Dirksen Building

1:00 p.m.

Appropriations Interior Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear public witnesses.

1114 Dirksen Building

2:00 p.m.

Appropriations State, Justice, Commerce, Judiciary Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Marine Mammal Commission, Renegotiation Board, and the SEC.

S-146, Capitol

Select Intelligence

Closed business meeting.

S-407, Capitol

2:30 p.m.

Appropriations Labor-HEW Subcommittee

To hold hearings to receive testimony on fiscal year 1978 budget estimates for the Railroad Retirement Board.

S-128, Capitol

APRIL 25

8:00 a.m. Agriculture, Nutrition, and Forestry

To continue mark up of S. 275, to amend and extend through 1982, the Agricul-ture and Consumer Protection Act of

322 Russell Building

9:00 a.m.

Human Resources

Employment, Poverty, and Migratory Labor

Subcommittee

To hold hearings on proposed legislation authorizing funds for fiscal year 1978 for the Legal Services Corporation. Until 1 p.m. 4232 Dirksen Building

9:30 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1976 for the Forest Service.

1114 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation Merchant Marine and Tourism Subcom-

mittee

To hold hearings on S. 1250, proposed fiscal year 1978 authorizations for the Coast Guard.

5110 Dirksen Building

Energy and Natural Resources

To resume hearings on S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.

3110 Dirksen Building

Environment and Public Works

Subcommittee on Water Resources

To hold hearings on proposed fiscal year 1978 authorizations for river basin projects.

4200 Dirksen Building

To resume hearings on S. 825, to foster competition and consumer protection policies in the development of product standards.

2228 Dirksen Building

APRIL 26

8:00 a.m.

1973.

Agriculture, Nutrition, and Forestry To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of

322 Russell Building

9:00 a.m.

Human Resources

Employment, Poverty, and Migratory Labor Subcommittee

To continue hearings on proposed fiscal year 1978 authorizations for the Legal Services Corporation.

Until 11:30 a.m. 424 Russell Building 9:30 a.m.

*Appropriations

State, Justice, Commerce, Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for the Department of Justice.

S-146, Capitol

Human Resources

Subcommittee on Labor

To hold hearings on S. 995 to prohibit discrimination based on pregnancy or related medical conditions. ntil noon 4232 Dirksen Building

Until noon

Select Small Business

To hold hearings on problems of small business as they relate to product liability insurance.

1202 Dirksen Building

10:00 a.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.

1224 Dirksen Building

Commerce, Science, and Transportation Merchant Marine and Tourism Subcommittee

To hold hearings to receive testimony in connection with delays and conges-tion occurring at U.S. airports-ofentry.

235 Russell Building

Environment and Public Works Subcommittee on Water Resources

To hold hearings on projects which may be included in proposed Water Resources Development Act amendments. 4200 Dirksen Building

Select Small Business

To resume hearings on S. 972, to authorize the Small Business Administration to make grants to support the devel-opment and operation of small business development centers.

S-126, Capitol

2:00 p.m.

Appropriations

Legislative Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Legislative Branch on funds for the Senate Financial Office.

S-128, Capitol

Appropriations State, Justice, Commerce, Judiciary Subcommittee

o continue hearings on proposed budget estimates for fiscal year 1978 for the Department of Justice.

S-146, Capitol

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.

1224 Dirksen Building

APRIL 27

8:00 a.m.

Agriculture, Nutrition, and Forestry

To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.

322 Russell Building

9:00 a.m.

Commerce, Science, and Transportation Science, Technology, and Space Subcommittee

To hold hearings on S. 1069, increasing authorizations for programs under the Toxic Substances Control Act for fiscal years 1978 and 1979; and S. 899, the Toxic Substances Injury Assistance

235 Russell Building

9:30 a.m.

Commerce, Science, and Transportation Consumer Subcommittee

To hold hearings on S. 403, the proposed National Product Liability Insurance Act.

5110 Dirksen Building

Human Resources

Subcommittee on Labor

To continue hearings on S. 995, to prohibit discrimination based on preg-nancy or related medical conditions. Until noon 4232 Dirksen Building Select Small Business

To hold hearings on proposed fiscal year 1978 authorizations for the Small Business Administration.

424 Russell Building

Veterans' Affairs To hold hearings on S. 1189, H.R. 3695, H.R. 5027, and H.R. 5029, authorizing funds for grants to States for construction of veterans health care facilities

Until 12:30 p.m. 318 Russell Building 10:00 a.m.

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Judiciary.

S-146, Capitol

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.

1224 Dirksen Building Energy and Natural Resources

To consider pending calendar business. 3110 Dirksen Building

Human Resources

Health and Scientific Research Subcommittee

To consider S. 705, to revise and strengthen standards for the regulation of clinical laboratories.

Until noon 1318 Dirksen Building

Subcommittee on Juvenile Delinquency To hold hearings on S. 1201 and S. 1218, to amend and extend, through fiscal year 1980, programs under the Juvenile Justice and Delinquency Pre-

2228 Dirksen Building

Rules and Administration

vention Act.

To mark up S. 703, to improve the administration and operation of the Overseas Citizens Voting Rights Act of 1976, and to consider proposed authorizations for activities of the Federal Election Commission for fiscal year 1978.

301 Russell Building

Select Intelligence

To hold hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.

S-407, Capitol

2:00 p.m.

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

o continue hearings on proposed budget estimates for fiscal year 1978 for the Japan-United States Friend-To ship Commission, and the Office of the Special Representative for Trade Negotiations.

S-146. Capitol

Select Intelligence

To continue hearings on proposed fiscal year 1978 authorizations for Government intelligence activities. S-407, Capitol

APRIL 28

8:00 a.m.

Agriculture, Nutrition, and Forestry

To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.

322 Russell Building

9:30 a.m.

Commerce, Science, and Transportation Science, Technology, and Space Subcom-mittee

To continue hearings on S. 1069, increasing authorizations for programs under the Toxic Substances Control Act for fiscal years 1978 and 1979; and S. 899, the Toxic Substances Injury Assistance Act.

154 Russell Building Commerce, Science, and Transportation Consumer Subcommittee

To continue hearings on S. 403, the proposed National Product Liability Insurance Act.

5110 Dirksen Building Human Resources

Child and Human Development Subcommittee

To consider S. 961, to implement a plan designed to overcome barriers in the interstate adoption of children, and proposed legislation to extend the Child Abuse Prevention and Treatment Act.

Until 10:30 a.m. 4232 Dirksen Building 10:00 a.m.

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Maritime Commission, Renegotiation Board, and SBA.

S-146, Capitol

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.

1224 Dirksen Building Banking, Housing, and Urban Affairs

Securities Subcommittee

To hold hearings on proposed fiscal year 1978 authorizations for the SEC. 5302 Dirksen Building

Energy and Natural Resources Energy Research and Development Sub-

committee

To resume hearings on S. 419, to test the commercial, environmental, and social viability of various oil-shale technol-

3110 Dirksen Building Environmental and Public Works

Nuclear Regulation Subcommittee To resume hearings on proposed fiscal year 1978 authorizations for the Nuclear Regulatory Commission. 4200 Dirksen Building

Human Resources

Health and Scientific Research Subcommittee

To hold hearings on biomedical research programs.

Until 12:30 1202 Dirksen Building Select Intelligence

To continue hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.

S-407, Capitol

10:30 a.m.

Human Resources

Employment, Poverty, and Migratory Labor Subcommittee

To hold hearings on H.R. 2992, to amend and extend the Comprehensive Em-ployment and Training Act, and S. 1242, to provide employment and training opportunities for youth.
Until 2:00 p.m. 4232 Dirksen Building

APRIL 29

8:00 a.m.

Agriculture, Nutrition, and Forestry To continue markup of S. 275, to amend and extend through 1982, the Agri-culture and Consumer Protection Act of 1973.

322 Russell Building

9:00 a.m.

Human Resources

Employment, Poverty, and Migratory Labor Subcommittee

To consider H.R. 2992, to amend and extend the Comprehensive Employment and Training Act, and S. 1242, to provide employment and training opportunities for youth. 1202 Dirksen Building

Until 2 p.m.

9:30 a.m Commerce, Science, and Transportation Consumer Subcommittee

To continue hearings on S. 403, the proposed National Product Liability Insurance Act.

5110 Dirksen Building

Commerce, Science, and Transportation Science, Technology, and Space Subcommittee

To continue hearings on S. 1069, increasing authorizations for programs under the Toxic Substances Control Act for fiscal years 1978 and 1979; and S. 899, the Toxic Substances Injury Assistance Act.

6202 Dirksen Building

Human Resources Labor Subcommittee

To continue hearings on S. 995, to prohibit discrimination based on pregnancy or related conditions.

Until noon 4232 Dirksen Building

10:00 a.m.

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for the Judiciary and F.C.C.

S-146, Capitol

Banking, Housing, and Urban Affairs Rural Housing Subcommittee

To hold hearings on rural housing legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.

5302 Dirksen Building

Energy and Natural Resources

Subcommittee on Parks and Recreation To hold hearings on S. 1125, authorizing

the establishment of the Eleanor Roosevelt National Historic Site in Hyde Park, N.Y.

3110 Dirksen Building

MAY 2

8:00 a.m.

Agriculture, Nutrition, and Forestry

To continue markup on S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.

322 Russell Building

10:00 a.m.

8:00 a.m.

Rules and Administration

To hold hearings to receive testimony in behalf of requested funds for activities of Senate committees and subcommittees.

301 Russell Building

MAY 3

Agriculture, Nutrition, and Forestry

To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.

322 Russell Building

10:00 a.m. Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. mone-

tary policy.

5302 Dirksen Building Commerce, Science, and Transportation Consumer Subcommittee

To hold hearings on proposed legisla-tion amending the Federal Trade Commission Act.

235 Russell Building

Energy and Natural Resources

Energy Conservation and Regulation Subcommittee

To hold hearings to receive testimony on Federal Energy Administration price policy recommendations for Alaska crude oil.

3110 Dirksen Building

Rules and Administration

To hold hearings to receive testimony in behalf of requested funds for activities of Senate committees and subcommit-

301 Russell Building

2:30 p.m.

Banking, Housing, and Urban Affairs
To mark up *S. 208, proposed National Mass Transportation Assistance Act, and on proposed fiscal year 1978 authorizations for the SEC.

5302 Dirksen Building

MAY 4

10:00 a.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimate for fiscal year 1978 for the Federal Highway Administration.

1224 Dirksen Building

Banking, Housing, and Urban Affairs
To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.

5302 Dirksen Building

Commerce, Science, and Transportation Consumer Subcommittee

To continue hearings on proposed legislation to amend the Federal Trade Commission Act.

235 Russell Building

Energy and Natural Resources Parks and Recreation Subcommittee

To hold hearings on H.R. 5306, Land and Water Conservation Fund Act amendments.

3110 Dirksen Building

Rules and Administration

To hold hearings on S. 1072, to estab-lish a universal voter registration program, S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages amend the Federal Election Campaign Act: S. 15, 105, 962, and 966; President's message dated March 22, and recommendations from the FEC submitted March 31.

301 Russell Building

MAY 5

10:00 a.m.

Banking, Housing, and Urban Affairs To consider all proposed legislation un-der its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.

5302 Dirksen Building *Commerce, Science, and Transportation Consumer Subcommittee

To hold hearings on S. 957, to promote methods by which controversies involving consumers may be resolved. 235 Russell Building

Rules and Administration

To continue hearings on S. 1072, to establish a universal voter registration program, S. 926, to provide for the public financing of primary and general elections for the U.S. Senate, and the following bills and messages to amend the Federal Election Campaign Act: S. 15, 105, 962, and 966; President's message dated March 22, and recommendations from the FEC submitted March 31.

301 Russell Building

MAY 6

10:00 a.m.

Banking, Housing, and Urban Affairs

To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.

5302 Dirksen Building

Select Small Business

To hold hearings to investigate problems in development of timber setasides.

424 Russell Building

MAY 9

Commerce, Science, and Transportation Communications Subcommittee

To hold oversight hearings on the broad-casting industry, including network licensing, advertising, violence on TV, etc.

235 Russell Building

MAY 10

9:30 a.m.

Commerce, Science, and Transportation Communications Subcommittee

To continue oversight hearings on the broadcasting industry, including net-work licensing, advertising, violence on TV, etc.

235 Russell Building

10:00 a.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration (Northeast Corridor)

1224 Dirksen Building Banking, Housing, and Urban Affairs.

To resume oversight hearings on U.S. monetary policy.

5302 Dirksen Building Governmental Affairs

Subcommittee on Reports, Accounting and Management

To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Gov-ernment, are established.

6202 Dirksen Building

MAY 11

9:30 a.m.

Commerce, Science, and Transportation Communications Subcommittee

To continue oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.

235 Russell Building

10:00 a.m.

Banking, Housing, and Urban Affairs Consumer Affairs Subcommittee

To resume hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.

5302 Dirksen Building

Rules and Administration

To mark up S. 1072, to establish a universal voter registration program, S. 926, to provide for the public financing of primary and general elections for the U.S. Senate, and the following bills and messages to amend the Federal Election Campaign Act, S. 15, 105, 962 and 966. President's message dated March 22, and recommendations from the FEC submitted March 21.

301 Russell Building

MAY 12

10:00 a.m.

Banking, Housing, and Urban Affairs Consumer Affairs Subcommittee

To continue hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.

5302 Dirksen Building

Governmental Affairs

Subcommittee on Reports, Accounting and Management

To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.

6202 Dirksen Building

MAY 13

10:00 a.m.

Banking, Housing, and Urban Affairs Consumer Affairs Subcommittee

To continue hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.

5302 Dirksen Building

MAY 16

10:00 a.m.

Banking, Housing, and Urban Affairs To hold oversight hearings on Federally Guaranteed Loans to New York City.

5302 Dirksen Building

MAY 17

10:00 a.m.

Banking, Housing, and Urban Affairs To continue oversight hearings on Federally Guaranteed Loans to New York City.

5302 Dirksen Building

MAY 18

10:00 a.m. Appropriations

Transportation Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams

1224 Dirksen Building Banking, Housing, and Urban Affairs

To continue oversight hearings on Federally Guaranteed Loans to New York City.

5302 Dirksen Building

Governmental Affairs Subcommittee on Reports, Accounting and

Management

To resume hearings to review the proc-esses by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.

6202 Dirksen Building

2:00 p.m.

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.

1224 Dirksen Building

MAY 19

10:00 a.m.

Banking, Housing, and Urban Affairs
To hold hearings on S. 695, to impose on Federal procurement personnel an extended time period during which they may not work for defense contractors.

5302 Dirksen Building

MAY 20

10:00 a.m. Banking, Housing, and Urban Affairs

To continue hearings on S. 695, to impose on Federal procurement personnel an extended time period during which they may not work for defense contractors.

5302 Dirksen Building

MAY 23

10:00 a.m.

Banking, Housing, and Urban Affairs To continue hearings on S. 695, to impose on Federal procurement per-sonnel an extended time period during which they may not work for defense contractors.

5302 Dirksen Building

MAY 24

9:30 a.m.

Select Small Business

To resume hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.
424 Russell Building

10:00 a.m.

Governmental Affairs

Subcommittee on Reports, Accounting and Management

To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.

6202 Dirksen Building

MAY 25

9:30 a.m.

Select Small Business

To continue hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.

424 Russell Building

MAY 26

9:30 a.m.

Select Small Business

To continue hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.

424 Russell Building

10:00 a.m.

Governmental Affairs

Subcommittee on Reports, Accounting and Management

To continue hearings to review the procsses by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.

6202 Dirksen Building

JUNE 13

9:30 a.m.

Commerce, Science, and Transportation Communications Subcommittee

To hold oversight hearings on the cable TV system.

235 Russell Building

JUNE 14

9:30 a.m.

Commerce, Science, and Transportation Communications Subcommittee

To continue oversight hearings on the cable TV system.

235 Russell Building

JUNE 15

9:30 a.m.

Commerce, Science, and Transportation Communications Subcommittee

To continue oversight hearings on the cable TV system.

235 Russell Building

CANCELLATIONS

APRIL 21

10:00 a.m.

Energy and Natural Resources
To hold hearings to receive testimony on the President's Energy message

3110 Dirksen Building (To be rescheduled at a later undetermined date)

APRIL 22

10:00 a.m.

Energy and Natural Resources

To continue hearings on proposed budget estimates for fiscal year 1978 for

3110 Dirksen Building